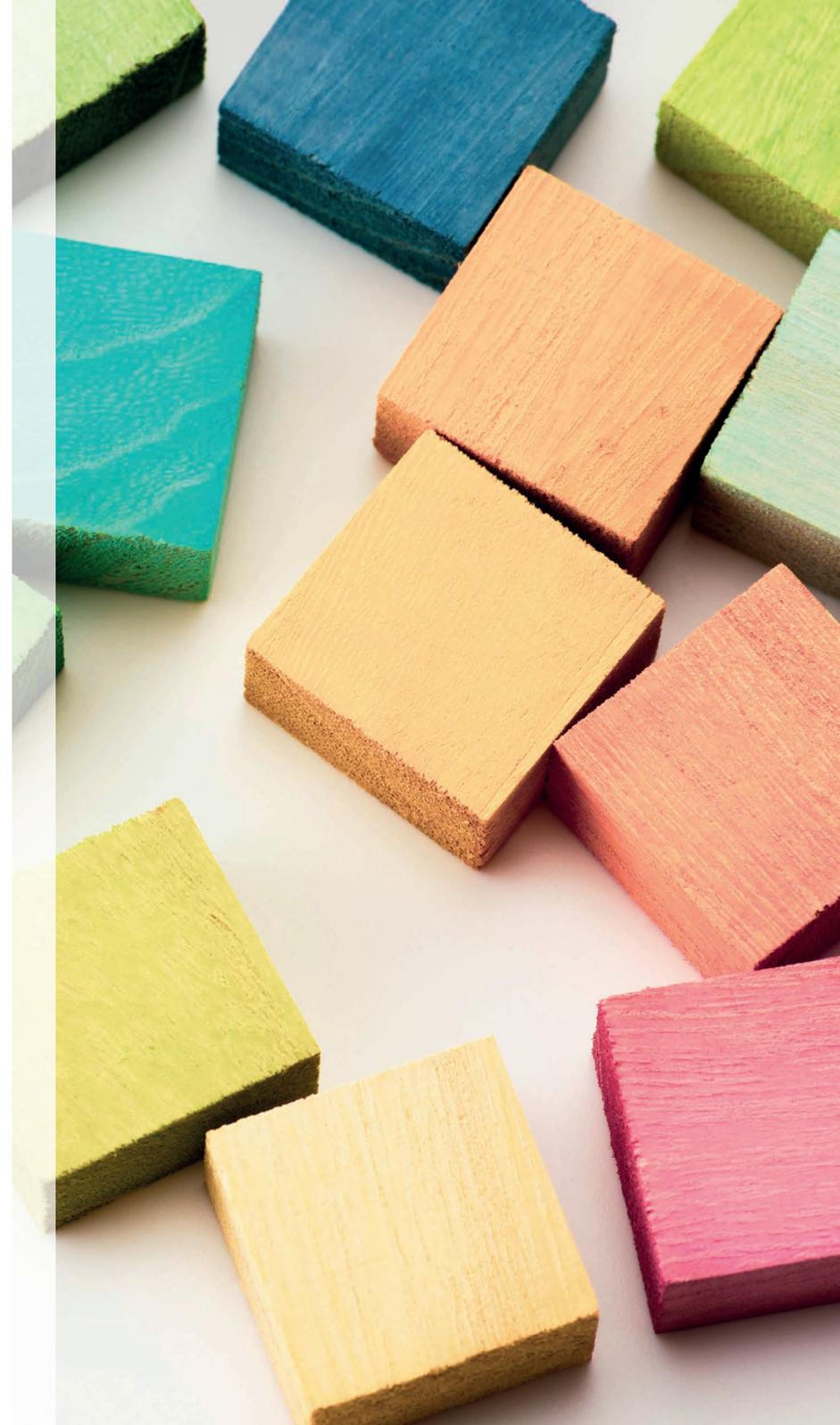




Take These **3** Actions  
To Avoid Business Capability Gaps

Why do transformation initiatives fail? That's not a question you can really answer in a single eBook, such are the range of possible answers. However, we can at least address one of the more common issues that plagues business change – gaps in a firm's business capabilities. Research by Gartner found that it was the most common problem that business leadership faced when attempting to execute business transformation. Enterprise Architecture (EA) is perhaps best summarized as a tool to help achieve digital transformation, so for architects helping to prevent capability gaps can be a very important task.

What do we mean by a business capability gap? To start from the beginning, a business capability breaks down what a business does: a business capability can range from the entire HR function to the life insurance offering for a bank, for example. To understand business capabilities, enterprise architects create business capability models, which are visualizations of every business capability, as well as their maturity levels. Thus, a business capability gap is either a missing or weak capability that is needed to support a business transformation. If we stick with a bank example, they might wish to move into the cryptocurrency market, which would require several business capabilities. The bank would need a middle office risk management team capable of handling the volatile crypto dealings. In the front office, they would need a marketing team capable of understanding and communicating concepts such as the blockchain, or perhaps an online system capable of running a coin exchange.





Of course, it's hardly news that a firm needs to be able to actually do the things it sets out to. What makes capability gaps troublesome is often they can go unforeseen, particularly when change is forced upon the enterprise. How many hospitality firms could possibly have known that the ability to offer takeaway food and drink would be vital for dealing with the coronavirus pandemic? Nonetheless, there are steps that enterprise architects can take to help manage business capabilities and avoid transformation problems.

-  **Modeling as an ongoing exercise**
-  **Application Support for capabilities**
-  **Align Modeling with strategy**



## Modeling as an ongoing exercise.



For too many organizations, a business capability model is seen as a stakeholder friendly, one off initiative. Capability Models looks nice and can easily communicate architectural benefits, but once they're complete architects might feel they can leave the models behind and move on to other tasks. This can be a big contributor to capability gaps as the state of a business's capabilities is subject to plenty of change. Creating a one-off business capability model has its benefits, but is unlikely to produce any further value as it will swiftly become outdated.

Organizations need to view business capability modeling as an ongoing operation, one that is vital to the firms' success. Maintaining a business capability model as a "living document" can serve to immediately highlight where capabilities are lacking, capabilities that have failed to mature, or those that don't meet strategic requirements. Though this may put a strain on the resources of an enterprise architecture team, with the right planning and processes it can be made much less of a burden. Most importantly, stakeholders need to buy in to the relevance of business capability modeling for strategic transformation.

Once an architecture team has established the need for regular capability modeling, the process becomes quite simple, particularly with EA tools such as iServer which can reflect any enterprise change across the entire repository, saving hours of tedious legwork.

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## Application support for capabilities.



Application Portfolio Management is one of the major use cases for enterprise architecture, and offers strong synergy with business capability management. This is where an EA tool such as iServer can really shine and help turn business capability modeling into a clear value generating project. By now, the vast majority of business capabilities will rely in part or in full on applications, which has large implications for maintaining the application portfolio.

Identifying where capabilities are lacking in application support, rely on legacy apps, or are at require additional support can play a major role in avoiding capability gaps. With iServer this is a trivial task, since the central repository can be used to link every capability back to applications (and technologies) that support them. By identifying application issues early, capability gaps need never arrive.

Managing an application portfolio is a job in and of itself, but part of the aim of portfolio management is to ensure the smooth running of an organization, and as such ensuring business capabilities are well supported is likely to result in cost savings in the long run.

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### 3

## Align Modeling with Strategy.

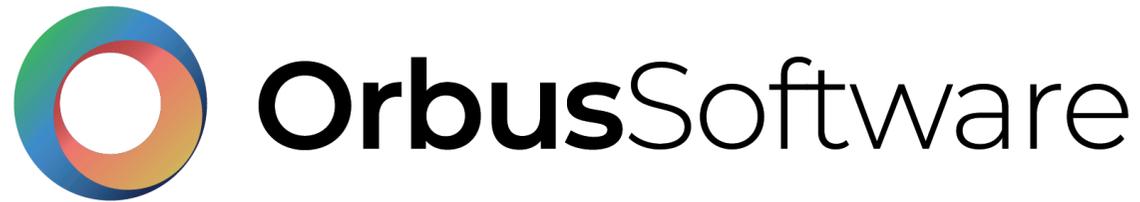


Unsurprisingly, if strategic initiatives fail due to capability gaps, it may be that business capability modeling was not sufficiently aligned with business strategy. This is another area where an enterprise architecture tool such as iServer is vital, since the central repository model makes it easy to link individual model elements to strategic goals. When modelers understand the strategic direction of a firm, they can be proactive in identifying where gaps could arise for the business. Naturally, even the best architects cannot see every outcome, but it's a big step towards avoiding pitfalls in transformation initiatives. Furthermore, synergies can arise if enterprise architects are able to combine with business strategy modeling efforts, another overlooked area of EA.

All of this may be somewhat pointless if there is no stakeholder engagement, of course. Presentation might well be the fourth, hidden action needed to avoid capability gaps, as convincing the C-suite and other stakeholders goes a huge way to getting things done in an enterprise. Fortunately, the kind of business capability model that is actively updated, demonstrates the technology and application support for every capability, and can link different capabilities back to business strategy, is surely the model to catch stakeholder interest. These are not necessarily easy to accomplish tasks, though through a powerful EA tool such as iServer, it can be much less work than you think.

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