White Paper

Three Examples of How EA Improves Flexibility

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Peter Harrad is the regional manager for North America, based in Orbus' Washington DC office. He has worked with modeling standards and techniques throughout his 20 years in IT, in a career that has covered software development, solutions architecture and international consulting.

Peter's particular areas of interest are opportunities arising from interdisciplinary touchpoints, how to balance practicality and rigor when modeling, and the importance of viewpoints in addressing different stakeholder perspectives.

A number of claims have been made regarding the benefits that an organization can realize by adopting the discipline of Enterprise Architecture; streamlining IT systems, reducing fault fixing, reducing IT maintenance costs, improving operational agility…the list goes on. There is even the recent initiative of the Enterprise Architecture Benefits Framework, from the University of the Netherlands, which tries to streamline the literature on the subject into a formal framework.

But this is often not enough.

When trying to evangelize the benefits of Enterprise Architecture, arguing that "we could accomplish this", or "we could achieve that", while accurate, will often fall on deaf ears. Senior managers hear many promises, and can often be sceptical. Enterprise architecture modeling sometimes has the reputation of being a theoretical exercise that delivers little in return for the resources it consumes.

An alternative approach, which the consultancy team at Orbus has found to be very effective in presenting the benefits of any solution, is one of anecdotes. "We have a customer who uses this module in this way", or "There's a customer who uses this feature and gets this payoff". In this paper we present three real-life anecdotes that can be used to show how companies that are not given the necessary support to develop and maintain a model of their Enterprise Architecture find it difficult to adapt.

Catching up to the CEO

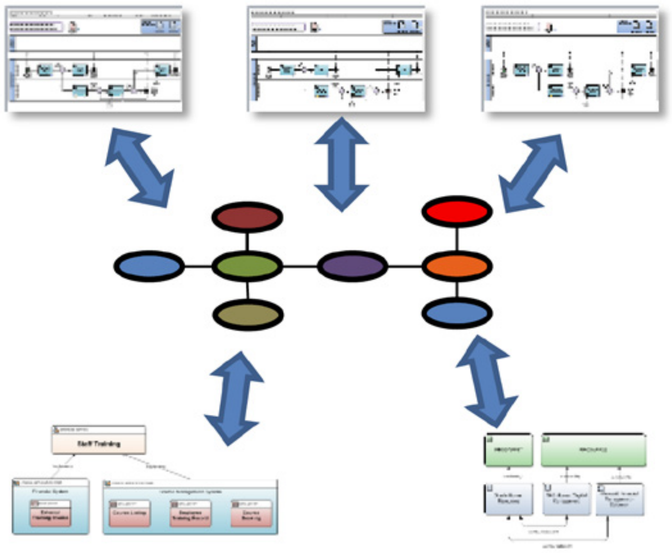

Figure 1: An unclear picture of which systems affect which data

Hurricane Katrina began as a tropical depression in the Bahamas on August 23rd, 2005, but it was a category five hurricane that hit the Louisiana coast six days later, bringing a surge in water levels that was recorded as 14 feet in one location. 80% of the city of New Orleans was flooded; almost 2,000 causalities have been blamed on the hurricane; and it is estimated that it caused $108 billion in damages – roughly the annual GDP of Vietnam.

Many people became homeless. Pictures of families camping in sports stadiums rapidly became the iconic image of the costliest natural disaster in the history of the United States. Amidst the devastation, the CEO of one major insurer recognized a PR opportunity, proudly announcing a payments holiday for all of their customers who had been affected. As with many large organizations, the insurer's IT department had no clear picture of which systems affected which data, and in particular, what changes would need to be made to effect the delivery of a payment holiday to their customers. All development was halted as a rapid impact analysis plan to implement selective payments holidays was put into effect, with the IT department working colossal overtime to save the company the embarrassment of failing to deliver.

Two years later, when a formal architecture practice was being set up, all the chief architect had to do in order to sell the benefits of EA was to say "Remember the fun we had with Katrina? This will help us avoid all that". And it suddenly became an easy sell.

An Unfortunate Access to Product Lines

Many companies face significant regulatory restrictions on what they are allowed to do. One such organization is an American distributor of laboratory equipment that turns over $3 billion a year, supplying over a million different products to their customers.

Such a large-scale enterprise necessarily has complex product lines. The various SKUs, or "stockkeeping units" , which are the products that the company provides to their customers, are managed in multiple systems, accessed by different divisions and different groups.

Replicating price lists is a necessary technique to manage all this complexity. Product lists and SKUs are fed from system to system, so

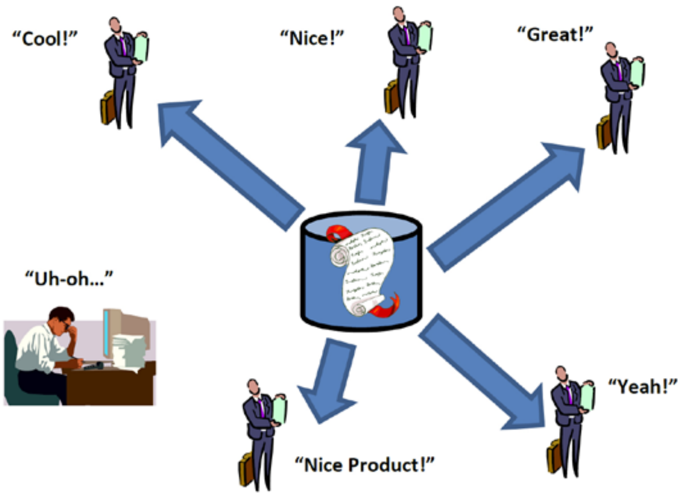

Figure 2: New product information reaching the wrong sales teams

that an entry made in one place can cascade to all systems that manage products.

Unfortunately, regulatory restrictions meant that a new product line could only be sold in certain markets – supply was limited to an approved list of customers. This information needed to be restricted so that sales representatives from other markets could not access the new product line.

So, a lucrative new product line was developed, was duly entered into the system and restrictions were put in place. However, management was aghast to find the product line was being sold in unapproved markets. How could this have happened? Over time, the number of different data feeds and product replications had grown to the point where no-one could know about everything that existed and as a result access to the restricted product was enabled for all sales representatives, even those not allowed to sell the products.

As in our previous example, all work on other items had to stop while the distributor scrambled. Documenting a model of their architecture suddenly gained an importance in the eyes of management.

Putting Oneself on Sale

It is in the nature of corporations to buy and sell other corporations, or be bought and sold. Sometimes an acquired company is assimilated into the purchaser. In other cases, particularly when the purchased company has a strong brand, it is kept as a distinct subsidiary. In these cases, the subsidiary may be separate entity, but the two businesses will inevitably intertwine, particularly in the IT domain.

Systems from the parent are inherited by the child and vice versa. Data flows are set up. Trust domains are established. What were once two completely separate IT estates start to overlap, and some or many of the systems become integrated and consolidated, which is not a problem…. until the two companies decide to part ways.

This was the case when a large global car manufacturer decided to sell the famous luxury car brand that it had owned for many years. While rumours circulated in the British press, and various potential buyers were discreetly visiting the British company's offices and workshops, the IT department at the company had other things on their mind.

Specifically, they were trying to work out which of their capabilities were supported by the parent's systems, which were supported in-house…

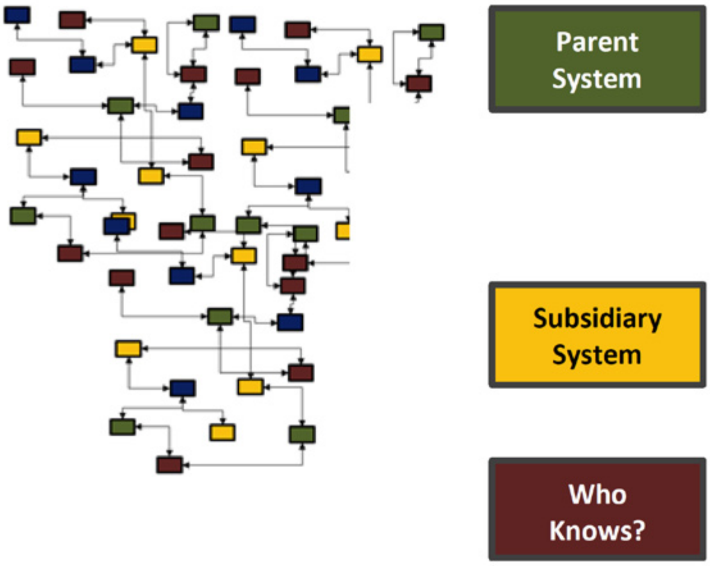

Figure 3: Without EA, you are dealing with a fine mess!

and which capabilities no-one had any idea about. A large-scale effort to analyze and document the IT systems took place and the handover was put on hold in order to wait for the results of the exercise.

Once again, a defined enterprise architecture would have answered many of their questions immediately, no doubt saving the blushes of the Board and a fair amount of legal fees as well.

Conclusion

Often, a well-placed anecdote is more valuable than a carefully constructed argument as a way to convince people. In particular, cautionary tales of problems faced as a result of failing to act can be a valuable catalyst for action.

In this paper we've given three real life examples of how the absence of an enterprise architecture model became an obstacle to business flexibility and motivated the organization to start modeling its enterprise architecture. Each anecdote reveals the drawbacks of being unable to understand your IT systems and see how they map to each other and to the business.

We hope that one or all of them may help you avoid becoming another anecdote.

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