



Leveraging the Enterprise Architecture Lens in the Quest for Business Agility

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Today's organizations need a strong vision and a long-term strategy to transform their business operations, ensuring they remain competitive and sustain high performance. In the fast-paced, digitally connected world, it is crucial for organizations to adapt continuously. This quest for adaptability is central to the concept of business agility, which is the ability of a company to effectively sense and respond to fast changing requirements. Achieving this requires a transformation across organizational structure, processes, products and services, and IT systems. Taking the Enterprise Architecture lens for a more holistic approach in your transformation could foster more aligned changes and decisions in the organizational, product/service and Data and IT layer.

Many organizations face obstacles due to isolated or partial transformations and therefore, misaligned strategies. Within this article we will examine and describe these challenges and offer an important perspective to address them effectively.

THE MISSTEPS OF PARTIAL AGILE TRANSFORMATIONS

Many organizations begin agile transformations with the best intentions, focusing primarily on adopting Agile frameworks and methods such as Scrum or Kanban in small environments, or SAFe and Less in large scale organizations, to enhance flexibility and speed up delivery. Despite these efforts, true agility often remains difficult to achieve and/or product life cycles remain too slow and unnecessary interdependencies between teams remain an impediment to respond swiftly. This may also holdback the ability to execute strategy effectively. This is also reported as one of the major challenges in the state of agile report 2023 and BCG Agile transformation insights 2023.

This is often due to many aspects of the organization that either remain in their 'old' state or are transformed through independent initiatives. As a result, the transformation becomes fragmented, preventing the organization from fully realizing the desired potential outcome. We see within agile transformations that the focus tends to be on processes and tools, leading to the creation of teams and 'teams of teams' that are not aligned with the overarching product/service and IT architecture.

To address these misalignments and derive real benefits from transformations, organizations must adopt a holistic approach in their quest of business agility, considering multiple perspectives.

THE NEED FOR A HOLISTIC APPROACH

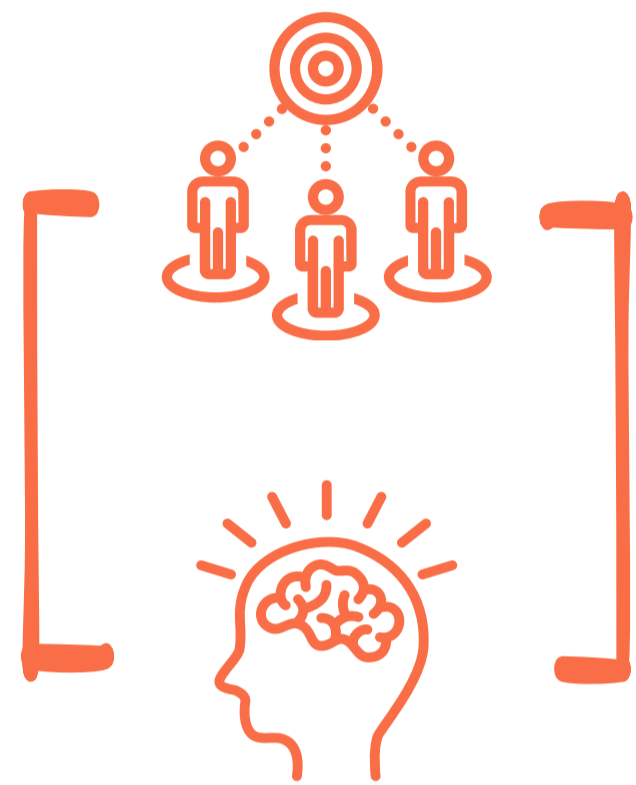
To achieve true agility, organizations must go beyond merely adopting new methodologies; a holistic transformation that impacts every aspect of the organization is required. This transformation should encompass:

Leadership, Culture, Structure and Technology

Without this comprehensive approach, organizations risk remaining in a pseudo-agile state, where their potential for responsiveness and innovation is significantly limited. We have observed organizations initiating agile teams centered on products without considering the modularization and standardization of components, which leads to duplicated efforts and increased complexity within product development. Moreover, we've seen organizations rely on legacy IT systems so tightly integrated that they become inflexible. There are also instances where teams are not aligned with the strategic goals of the organization, hindering strategic execution. These practices prevent organizations from reaping the full benefits of agile transformation as well as technology's potential.

The previously mentioned holistic approach must integrate all facets of the business. This includes aligning organizational structure and processes, products, services, and underlying data and IT systems and infrastructure towards agility. It requires restructuring teams around targeted product or service architectures and re-engineering IT systems to promote decoupling and enhance team autonomy. Furthermore, fostering a culture of continuous learning and adaptability is essential, as is redesigning organizational structures to support rapid decision-making. Leveraging new technologies and strategically managing current and legacy systems are also crucial to enhance flexibility and support an agile way of working.

Addressing the interconnections between these layers is vital, underscoring the importance of adopting an enterprise architecture perspective in agile transformations.



THE ENTERPRISE ARCHITECTURE LENS

The often overlooked, but ever so important lens of Enterprise Architecture (EA) can be a very effective approach in taking the holistic view in your transformation. EA provides a strategic framework that aligns the organization's structure and operations with its business goals, integrating IT infrastructure, processes, and systems. Before discussing the interdependencies, let's define the three critical layers and their roles in fostering business agility:

1

Organizational

This layer involves the structure and design of the organization, including its processes, culture, and values. It defines roles, responsibilities, and reporting relationships to facilitate effective decision-making and communication. Key aspects to consider here include structural flexibility, team composition, integration of value streams, continuous ownership, adaptive leadership, and fostering an innovative culture.



2

Product / Service

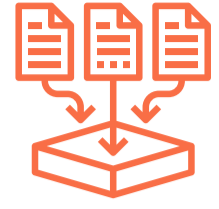
This domain focuses on the design, production, and delivery of products and services, extending also to supporting business capabilities like sales, marketing, logistics, and finance. It ensures offerings can quickly adapt to changing customer needs and market dynamics. Areas of focus might include customer-centricity, modular designs, scalability, and ecosystem integration.



3

Data and IT

This layer encompasses the IT systems' structure, including application architecture, infrastructure, and data management. Important aspects include IT system flexibility, decoupling, robust API governance, effective data integration, and implementing new technologies like cloud and edge computing. The goal is to develop IT systems that can swiftly adapt to business changes while enhancing operational efficiency and decision-making capabilities.

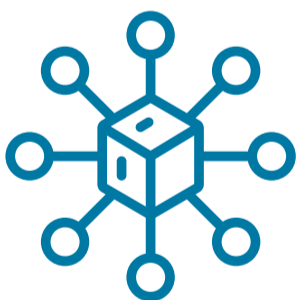


All three architectural layers - Organizational, Product/Service, and Data and IT - are intricately interconnected, vital for achieving true business agility. Organizations often focus on one or two layers in isolated initiatives, however a unified and integrated transformation across these layers is essential. Changes in one layer significantly impact the others, highlighting the need for coherent decision-making. By architecting for business agility, organizations can create consistent guidelines that support the development of organizational capabilities. This integrated approach ensures that no critical element is overlooked, thereby maximizing the effectiveness of transformation efforts and ensuring comprehensive business agility.

A CLOUD TRANSFORMATION: AN ILLUSTRATING OF THE EA LENS

A common topic in our clients' transformations are cloud initiatives. What happens often is that organizations focus on their technical dimensions, yet these initiatives also present significant opportunities for enhancing products and services, and thus urge the need for changes in the products and services layer, and the organizational layer.

A cloud transformation is often looked at from the technical perspective. As our clients implement cloud technologies, the changes to their IT infrastructure are substantial and undergoes profound changes. However, these transformations extend well beyond technical dimension, serving as catalysts for fundamental shifts in business models and digital offerings.



For instance, cloud transformations have profound implications for the Products and Service layer by enabling new business models and digital offerings that better meet changing market demands and customer needs. And so, the changes regarding the products and services and de redefinition of product and services need to be part of the overarching architecture. This has an effect on the organizational as well as Data and IT layers as it impacts the different expertise you put together as well as how to design and build your data and IT capabilities.

Moreover, the shift toward cloud solutions often necessitates direct changes within the Organizational layer itself, independent of product strategies. For example, the adoption of cloud technologies often requires new target operating models (typically the acronym translates as TOM), redesigned governance roles, and an evolution in skill sets to manage the complexities of cloud-based systems. This demonstrates a direct connection between the Data/IT infrastructure and the Organizational layer, where technical changes drive the need for organizational adaptations to effectively support and sustain the new technology landscape. But performing the cloud transformation, and the changes it brings to the products and services layer, also necessitate corresponding changes in the Organizational layer. For instance, to fully leverage the enhanced scalability and improved ROI from cloud technologies, organizations must reconfigure their organizational design. This includes deploying agile teams dedicated and tailored to the defined products needs to be defined and created to reduce cycle times and accelerate market entry.

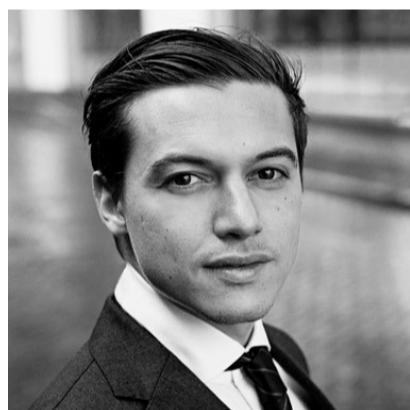


By examining this cloud example, it becomes clear that changes in the Data/IT infrastructure directly influence the Product/Service offerings, which in turn necessitate strategic adjustments in the Organizational structure. Additionally, there is a direct interplay between the Data/IT layer and the Organizational layer, where technical advancements alone can trigger the need for new organizational capabilities. This exemplifies the critical interconnections among the three layers: Data/IT, Product/Service, and Organizational. Understanding and addressing these interdependencies is crucial for achieving true business agility, as it ensures that transformations in technology are complemented by adaptive business strategies and organizational capabilities.

CONCLUSION

Achieving a successful agile transformation that enhances the ability to sense and respond across all layers of the organization remains a challenge. However, we know that leveraging the EA lens as a strategic tool for a more holistic view can increase your chances of success. When used effectively, this strategic tool can provide crucial insights and foster coherence, enabling informed decisions about the transformation approach. By concentrating on the key aspects across the organizational, product/service, and IT layers—particularly their interconnections—organizations can build a robust foundation for true business agility. This approach empowers them to swiftly respond to market changes, capitalize on new opportunities, and maintain resilience in the face of disruptions. In this digital age, Enterprise Architecture is essential, offering the strategic alignment, holistic perspective, and emphasis on flexibility and standardization necessary to achieve true business agility.

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APPENDIX

Architect for Business Agility

Looking at the three layers of architecture - we can identify several key aspects that influence business agility and therefore need to be approached in a consistent and holistic way within a transformation effort.

Organizational Architecture

Structural Flexibility

The ability to create coalitions or change structure as needed to embrace new opportunities quickly and without disruption.

Team Composition

Small, cross-functional teams formed around business outcomes rather than traditional functions, possessing the "four A's": Alignment, Autonomy, Authority, and Accountability.

Value Stream Integration

Bringing the entire value stream into a single organizational unit to eliminate handoffs and delays from ideation to delivery.

Continuous Ownership

Maintaining continuity of ownership for products, with the same team responsible for production, support, and maintenance.

Adaptive Leadership

Leadership at different organizational levels that evolves according to the dynamic market conditions and organizational needs, fostering a culture of agility and responsiveness.

Innovative culture

Encouraging a culture that supports innovation and creativity at all levels of the organization. This involves fostering an environment where new ideas are welcomed, experimentation is encouraged, and learning from failure is seen as a path to success.

Product/Service Architecture

Customer-Centricity

Designing products and services that can quickly adapt to changing customer needs and behaviors.

Modularity

Creating modular designs that allow for rapid reconfiguration in response to market changes or disruptions.

Continuous Improvement:

Implementing mechanisms for regularly updating and refining offerings based on market feedback and performance metrics.

Scalability

Designing products and services with scalability in mind, enabling expansion to accommodate growth without compromising performance.

Ecosystem integration

Developing products and services that can integrate smoothly into broader business ecosystems, facilitating synergies with other products and services.

Interoperability

Ensuring products and services can easily connect and exchange data with other products, systems, and services, enhancing functionality and user experience across diverse platforms and environments.

Data and IT Architecture

IT System Flexibility

Designing IT systems that can easily adapt to changing business needs, supporting rapid development and deployment.

Decoupling

Separating application architecture from physical architecture to allow for full deployment flexibility in hybrid IT landscapes.

API Governance

Implementing robust API governance to manage risks associated with aligning IT with the rapid pace of business evolution.

Data Integration:

Focusing on both transactional and data integration, adapting to evolving data landscapes to support decision-making.

Cloud and DevOps

Leveraging cloud and DevOps practices to enable rapid deployment and scaling of services.

Data-Centric Computing

Structuring IT systems and architecture around data, prioritizing data management and accessibility to drive efficiency, scalability, and informed decision-making across the organization.