

Business architecture

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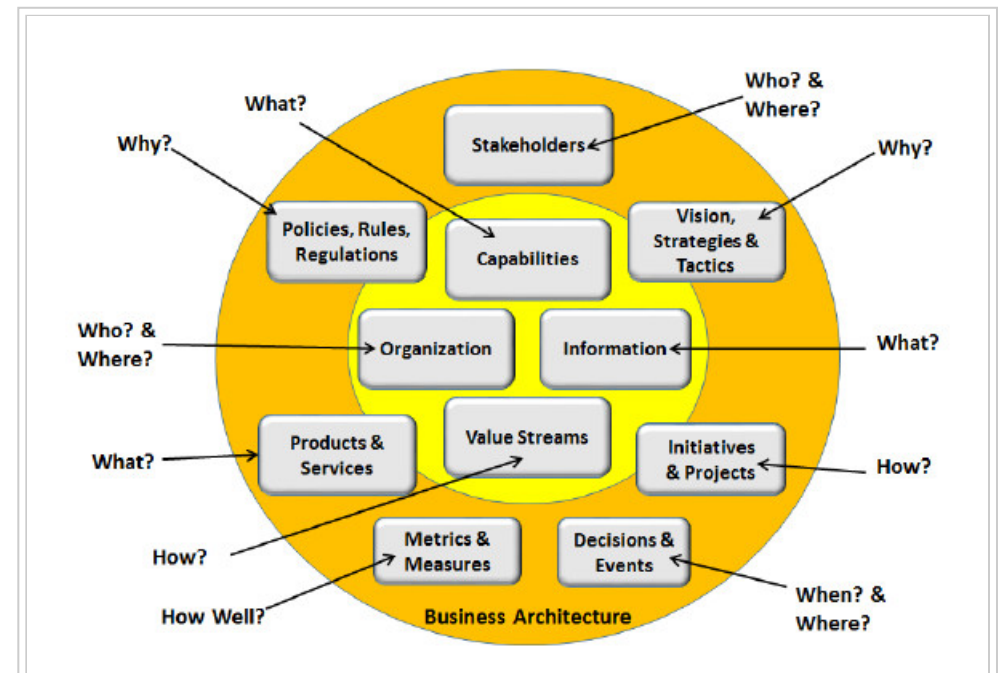
Business architecture is defined as "a blueprint of the enterprise that provides a common understanding of the organization and is used to align strategic objectives and tactical demands."^[2] People who develop and maintain business architecture are known as business architects.

Business architecture is the bridge between the enterprise business model and enterprise strategy on one side, and the business functionality of the enterprise on the other side.

Contents

- 1 Overview
- 2 History of business architecture
- 3 Business architecture topics
 - 3.1 Different views of an organization
 - 3.2 Business strategy
- 4 Approaches and frameworks for business architecture
 - 4.1 Zachman Framework
 - 4.2 The Object Management Group
 - 4.3 The Business Architecture Guild
 - 4.4 The Open Group
 - 4.5 Industry reference models
- 5 See also
- 6 References
- 7 Further reading
- 8 External links

Overview



Aspects of the Business Represented by Business Architecture^[1]

The term "business architecture" is often used to mean an architectural description of an enterprise or a business unit, an architectural model, or the profession itself. The Business Architecture Working Group of the Object Management Group (OMG) (2010) describes it as "a blueprint of the enterprise that provides a common understanding of the organization and is used to align strategic objectives and tactical demands."^[2] According to the OMG, a blueprint of this type describes "the structure of the enterprise in terms of its governance structure, business processes, and business information."^[3] As such, the profession of business architecture primarily focuses on the motivational, operational, and analysis frameworks that link these aspects of the enterprise together.^[2]

The key characteristic of the business architecture is that it represents real world aspects of a business, along with how they interact. It is developed by an interdisciplinary practice area focused on defining and analyzing concerns of what business does, how it does it, how it is organized, and how it realizes value.^[4] It is used to design competitive structures and processes, leverage existing strengths, and identify potential investment opportunities that advance the business's objectives and drive innovation.^[5] Products of this business architecture efforts are used to develop plans, make business decisions and guide their implementations.^[4]

In practice, business architecture effort is conducted on its own or as part of an enterprise architecture.^[4] While an enterprise architecture practice in the past had focused primarily on the technological aspects of change, the practice is quickly evolving to use a rigorous business architecture approach to address the organizational and motivational aspects of change as well.^[5] The alignment between business architecture and enterprise architecture is a natural architectural alignment of two related disciplines. Business architecture represents a business in the absence of any IT architecture while enterprise architecture provides an overarching framework for business and IT architecture.^[6]

History of business architecture

The history of business architecture has its origins in the 1980s. In the next decades business architecture has developed into a discipline of "cross-organizational design of the business as a whole"^[7] close related to enterprise architecture. The concept of business architecture has been proposed as a blueprint of the enterprise,^{[8][9]} as business strategy,^[10] and also as the representation of business design.^[11]

The concept of business architecture has evolved over the years. It was introduced in the 1980s as architectural domains and as activity of business design. In the 2000s the study and concept development of business architecture accelerated. By the end of the 2000s the first handbooks on business architecture were published, separate frameworks for business architecture were being developed, separate views and models for business architecture were further under construction, the business architect as a profession evolved, and an increasing number of business added business architecture to their agenda.

By 2015 business architecture has evolved into a common practice. The business architecture body of knowledge has been developed and is updated multiple times each year, and the interest from the academic world and from top management is growing.

Business architecture topics

Different views of an organization

In order to develop an integrated view of an enterprise, many different views of an organization are typically developed. Each "view" is typically a diagram that illustrates a way of understanding the enterprise by highlighting specific information about it. The key views of the enterprise that may be provided by business architecture address several aspects of the enterprise; they are summarized by the Object Management Group (2012)^[3] as follows:

- The Business Strategy view captures the tactical and strategic goals that drive an organization forward...
- The Business Capabilities view describes the primary business functions of an enterprise and the pieces of the organization that perform those functions...
- The Value stream view defines the end-to-end set of activities that deliver value to external and internal stakeholders...
- The Business Knowledge view establishes the shared semantics (e.g., customer, order, and supplier) within an organization and relationships between those semantics (e.g., customer name, order date, supplier name)...
- The Organizational view captures the relationships among roles, capabilities and business units, the decomposition of those business units into subunits, and the internal or external management of those units.^[3]

In addition to the above views of the enterprise, the relationships connect the aforementioned views form the foundation of the business architecture implementation. This foundation provides the framework that supports the achievement of key goals; planning and execution of various business scenarios; and delivery of bottom line business value.^[3]

Business strategy

In the 2006 article "Business Architecture: A new paradigm to relate business strategy to ICT," Versteeg & Bouwman explained the relation between business strategy and business architecture. They wrote:

Business Architecture is directly based on business strategy. It is the foundation for subsequent architectures (strategy embedding), where it is detailed into various aspects and disciplines. The business strategy can consist of elements like strategy statements, organizational goals and objectives, generic and/or applied business models, etc. The strategic statements are analyzed and arranged hierarchically, through techniques like qualitative hierarchical cluster analysis. Based on this hierarchy the initial business architecture is further developed, using general organizational structuring methods and business administration theory, like theories on assets and resources and theories on structuring economic activity.^[12]

Versteeg & Bouwman further stipulated, that "the perspectives for subsequent design next to organization are more common: information architecture, technical architecture, process architecture. The various parts (functions, concepts and processes) of the business architecture act as a compulsory starting point for the different subsequent architectures. It pre-structures other architectures. Business architecture models shed light on the scanty

elaborated relationships between business strategy and business design."^[12]

Approaches and frameworks for business architecture

Zachman Framework

The Zachman Framework is a popular enterprise architecture framework used by business architects. The framework provides ontology of fundamental enterprise concepts that are defined from the intersection of six interrogative categories: What, How, Where, Who, When, Why, and six perspectives: Executive, Business Management, Architect, Engineer, Technician, and Enterprise. Typically, business architects are interested in the concepts associated with the top two perspectives: Executive and Business Management. The Executive perspective is concerned with the scope and context of the business. The Business Management perspective is concerned with business definition models.^[13]

The Object Management Group

Modeling standards of the Object Management Group (OMG), including the Unified Modeling Language (UML), Model Driven Architecture (MDA), Business Motivation Model (BMM), Semantics of Business Vocabulary and Rules (SBVR) and the Business Process Modeling Notation (BPMN), enable powerful visual design, execution and maintenance of software and other processes, including IT Systems Modeling and Business Process Management. Currently, OMG works on the Value Delivery Modeling Language (VDML), a standard modeling language for analysis and design of the operation of an enterprise with particular focus on the creation and exchange of value ^[14]

The Business Architecture Guild

The primary purpose of the Business Architecture Guild^[15] is "to promote best practices and expand the knowledge-base of the business architecture discipline." The Guild is a not for profit, international membership organization for practitioners and others interested in the developing the field of business architecture. With members on six continents, a strong Advisory Board and a growing number of business partners, the Guild positions itself as a focal point for the evolving practices and disciplines of business architecture.

Founded in late 2010, the Guild opened up membership in the fall of 2011 based on the initial release of A Guide to the Business Architecture Body of Knowledge(R) (BIZBOK(R) Guide). BIZBOK(R), currently at version 5.0, is a "practical guide for business architecture practitioners and individuals who wish to use business architecture to address business challenges. This practical guide comes in the form of best practices, gleaned from numerous companies and business architecture leaders."^[16]

The Open Group

The Open Group Architecture Framework (TOGAF) of The Open Group is a community-based standards effort for describing methods and tools used by architecture. It is being developed and continuously improved by the Open Group, a consortium of interested individuals and companies involved in information technology.

According to TOGAF, Business Architecture "defines the business strategy, governance, organization, and key business processes".^[17] TOGAF refers to Business Architecture as one of the four architecture domains, which represent the subsets of the overall enterprise architecture with the other three architecture domains being Application Architecture, Data Architecture, and Technology Architecture. The key element of TOGAF, Architecture Development Method, identifies development of Business Architecture as necessary prerequisite for developing other architecture domains and provides guidance in regard to development steps and common artifacts.^[17]

Industry reference models

Industry reference models are frameworks or models that provide a best practice off-the-shelf set of structures, processes, activities, knowledge and skills.

- The Business Process Framework (eTOM), published by the TM Forum, describes the full scope of business processes required by a service provider in the telecommunications industry, and defines key elements and how they interact.
- Process Classification Framework (PCF), published by APQC, creates a common language for organizations to communicate and define work processes comprehensively and without redundancies. Organizations are using it to support benchmarking, manage content, and perform other important performance management activities.
- The Supply-Chain Operations Reference (SCOR) is a process reference model, endorsed by the Supply-Chain Council as the cross-industry de facto standard diagnostic tool for supply chain management.

See also

- Capability management in business

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