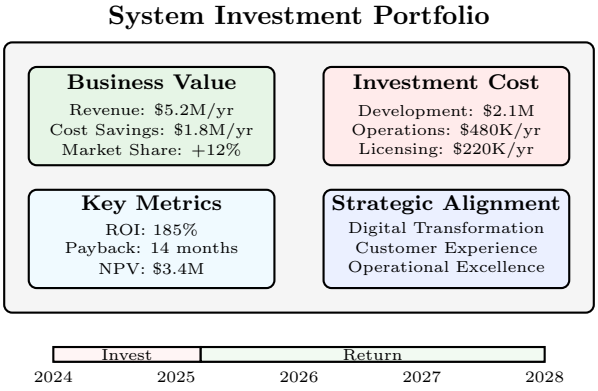
Owner's View

Architecture Viewpoint Specification

Business Value, Investment, Strategy & Governance



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Based on the Views and Beyond approach to software architecture documentation

Contents

1 Viewpoint Name

Viewpoint Identification

Name:	Owner's View
Synonyms:	Business View, Executive View, Investment View, Sponsor's View, Economic View, Value View, Portfolio View
Identifier:	VP-OWN-001
Version:	2.0

1.1 Viewpoint Classification

The Owner's View addresses the concerns of system owners, sponsors, and business executives. While not a traditional technical viewpoint in the Views and Beyond approach, it provides essential business context that guides architectural decisions. This viewpoint bridges business strategy and technical architecture, ensuring systems deliver value aligned with organizational goals.

Table 1: Viewpoint Classification Taxonomy

Attribute	Value
Style Family	Business/Economic (Cross-cutting)
Primary Focus	Business Value, Cost, Strategy, Governance
Abstraction Level	Executive / Strategic
Temporal Perspective	Investment Lifecycle
Related Concepts	Business Case, ROI Analysis, Portfolio Management
IEEE 42010 Category	Stakeholder Concern Documentation
TOGAF Alignment	Business Architecture, Architecture Governance

1.2 Viewpoint Scope

The Owner's View encompasses the following aspects:

- **Business Value:** Quantified benefits the system delivers to the organization.
- **Investment and Cost:** Total cost of ownership including development and operations.
- **Strategic Alignment:** How the system supports business strategy and goals.
- **Risk Exposure:** Business and technical risks with financial implications.
- **Governance:** Decision rights, policies, and compliance requirements.
- **Lifecycle Economics:** Financial projections over the system's lifespan.

- **Portfolio Context:** Relationship to other systems and investments.
- **Success Metrics:** Key performance indicators measuring business outcomes.

2 Overview

The Owner's View provides business executives and sponsors with the information needed to make investment decisions, govern system development, and measure success. It translates technical architecture into business terms that stakeholders can evaluate against organizational priorities.

2.1 Purpose and Scope

The primary purpose of this viewpoint is to articulate the business justification for the system, track value delivery, and ensure alignment with strategic objectives. It enables informed decision-making about system investments, priorities, and trade-offs.

Viewpoint Definition

The Owner's View documents the business context, value proposition, investment requirements, strategic alignment, governance structure, and success metrics for a system. It provides executives and sponsors with the information needed to authorize, fund, govern, and evaluate system investments from a business perspective, ensuring technology decisions support organizational goals.

2.2 Key Characteristics

The Owner's View exhibits several distinctive characteristics:

Business Language: Uses business terminology rather than technical jargon, accessible to non-technical stakeholders.

Quantified Value: Expresses benefits and costs in financial and measurable terms.

Strategic Focus: Connects system capabilities to business strategy and competitive positioning.

Decision Support: Provides information for investment decisions, trade-offs, and prioritization.

Accountability: Establishes clear ownership, governance, and success criteria.

2.3 Relationship to Other Viewpoints

The Owner's View connects to other architectural viewpoints:

Table 2: Relationships to Other Viewpoints

Viewpoint	Relationship
Logical/Functional	Business capabilities map to functional architecture. Value streams align with services.
Context	External integrations have business relationships. Ecosystem partners provide/consume value.
Deployment	Infrastructure costs contribute to TCO. Cloud vs on-premise affects financial model.
Operational	Operations costs are part of TCO. SLAs tie to business commitments.
Planner's	Development costs and timeline affect business case. Resource investment tracked.
Security	Compliance requirements have cost/risk implications. Security incidents have business impact.

2.4 Business Architecture Overview

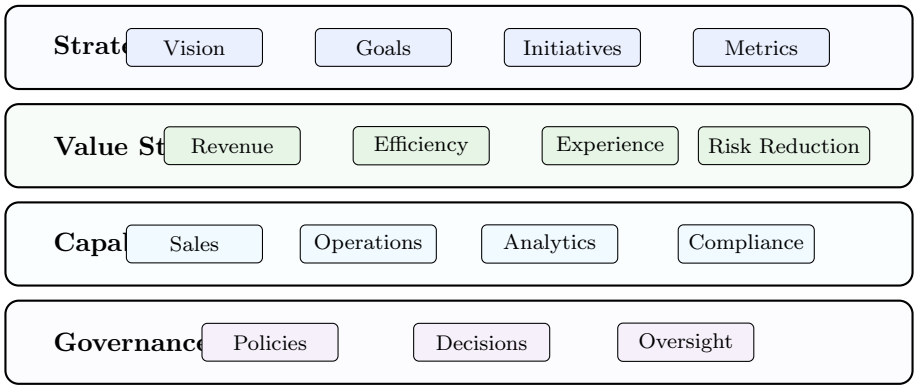

Figure 1: Business Architecture Layers

3 Concerns

This section enumerates the business concerns that the Owner's View is designed to address.

3.1 Primary Concerns

C1: Business Value Delivery

- What business value does the system deliver?
- How is value quantified and measured?

- What revenue/savings does it generate?
- What competitive advantage does it provide?
- How does value accrue over time?

C2: Total Cost of Ownership

- What is the total investment required?
- What are development costs?
- What are ongoing operational costs?
- What are licensing and infrastructure costs?
- How do costs change over time?

C3: Return on Investment

- What is the expected ROI?
- What is the payback period?
- What is the net present value (NPV)?
- How does this compare to alternatives?
- What assumptions underlie projections?

C4: Strategic Alignment

- How does the system support business strategy?
- Which strategic initiatives does it enable?
- How does it affect competitive positioning?
- What business capabilities does it provide?
- How does it align with digital transformation?

C5: Risk Exposure

- What business risks does the system create/mitigate?
- What is the financial exposure from risks?
- What compliance/regulatory risks exist?
- What are the risks of not investing?
- How are risks monitored and managed?

C6: Governance and Control

- Who owns and sponsors the system?
- What decision rights exist?
- What policies govern the system?
- How is compliance ensured?
- What oversight mechanisms exist?

C7: Portfolio Context

- How does this system fit in the portfolio?
- What dependencies exist on other systems?

- What synergies or conflicts exist?
- How does it affect technical debt?
- What consolidation opportunities exist?

C8: Lifecycle Management

- What is the expected system lifespan?
- When will major upgrades be needed?
- What is the evolution roadmap?
- When should the system be retired?
- How is end-of-life managed?

C9: Success Metrics

- How is success defined?
- What KPIs track business outcomes?
- How are metrics collected and reported?
- What targets are set?
- How are deviations addressed?

C10: Stakeholder Impact

- Who are the business stakeholders?
- How does the system affect customers?
- What is the employee impact?
- How are partners affected?
- What change management is needed?

3.2 Concern-Business Outcome Mapping

Table 3: Concern to Business Outcome Mapping

Concern	Revenue	Cost Red.	Efficiency	Cust. Exp.	Compliance	Agility	Risk Red.	Innovation
Value Delivery	●	●	●	●	○	○	○	○
Total Cost	○	●	●	–	–	○	○	–
ROI	●	●	○	○	–	–	–	–
Strategy	●	○	○	●	○	●	○	●
Risk Exposure	○	○	–	○	●	–	●	–
Governance	–	○	○	–	●	○	●	–
Portfolio	○	●	●	○	○	●	○	○
Lifecycle	○	●	○	–	○	●	○	●
Success Metrics	●	●	●	●	●	○	○	○
Stakeholder	●	○	○	●	○	○	○	○

● = Primary impact, ○ = Secondary impact, – = Minimal impact

4 Anti-Concerns

Understanding what the Owner's View is *not* appropriate for helps stakeholders avoid misapplying this viewpoint.

4.1 Out of Scope Topics

AC1: Technical Implementation Details

- Programming languages and frameworks
- Database design and schemas
- API specifications
- Algorithm implementations
- Code structure and patterns

AC2: Detailed System Design

- Component interactions
- Data flow details
- Interface specifications
- Concurrency design
- Error handling approaches

AC3: Operational Procedures

- Deployment scripts

- Monitoring configuration
- Incident runbooks
- Backup procedures
- Performance tuning

AC4: Development Process Details

- Sprint planning
- Code review processes
- Testing strategies
- CI/CD pipeline details
- Developer workflows

AC5: Detailed Project Management

- Task-level scheduling
- Resource allocation details
- Individual assignments
- Daily status tracking
- Bug tracking

Common Misapplications

Avoid using the Owner's View for:

- Making technical design decisions (use technical viewpoints)
- Detailed project planning (use Planner's View)
- Operational procedures (use Operational Viewpoint)
- Development guidance (use Development Viewpoint)
- Detailed requirements (use Requirements documents)

5 Typical Stakeholders

The Owner's View serves stakeholders involved in business decisions and governance.

5.1 Primary Stakeholders

Table 4: Primary Stakeholder Analysis

Stakeholder	Role Description	Primary Interests
Executive Sponsor	Authorizes and funds system	ROI, strategic alignment, risk, business outcomes
Business Owner	Accountable for value delivery	Value realization, KPIs, capability delivery
CFO/Finance	Controls investment budget	TCO, ROI, cash flow, financial projections
CIO/CTO	Technology strategy leader	Portfolio fit, technical debt, strategic alignment
Product Owner	Defines business requirements	Feature value, customer impact, prioritization
Board/Investors	Governance and oversight	Strategic value, risk exposure, compliance

5.2 Secondary Stakeholders

Table 5: Secondary Stakeholder Analysis

Stakeholder	Role Description	Primary Interests
Enterprise Architect	Manages architecture portfolio	Strategic alignment, standards, integration
Program Manager	Coordinates delivery programs	Timeline, dependencies, resource needs
Compliance Officer	Ensures regulatory compliance	Regulatory requirements, audit, risk
Legal Counsel	Manages legal obligations	Contracts, liability, IP, privacy
Business Analysts	Define business requirements	Business processes, requirements traceability
Change Manager	Manages organizational change	Stakeholder impact, adoption, training

5.3 Stakeholder Concern Matrix

Table 6: Stakeholder-Concern Responsibility Matrix

	Value	Cost	ROI	Strategy	Risk	Govern.	Portfolio	Lifecycle	Metrics	Stakehld
Sponsor	A	A	A	R	A	R	C	C	A	R
Bus. Owner	R	C	C	C	R	C	I	R	R	R
CFO	C	R	R	C	R	C	R	C	C	I
CIO/CTO	C	C	C	R	R	R	R	R	C	C
Prod. Owner	R	I	I	C	C	I	I	C	R	R
Board	I	I	A	A	A	A	I	I	I	I

R = Responsible, A = Accountable, C = Consulted, I = Informed

6 Model Types

The Owner's View employs several complementary model types to capture different aspects of business context and value.

6.1 Model Type Catalog

MT1: Business Case Summary

- *Purpose:* Document investment justification
- *Primary Elements:* Value proposition, costs, benefits, ROI
- *Key Relationships:* Investment yields returns
- *Typical Notation:* Executive summary, financial tables

MT2: Value Stream Map

- *Purpose:* Show how value flows to customers
- *Primary Elements:* Value activities, handoffs, metrics
- *Key Relationships:* Enables, flows-to
- *Typical Notation:* Value stream diagrams

MT3: Strategic Alignment Matrix

- *Purpose:* Map system to strategic objectives
- *Primary Elements:* Goals, initiatives, capabilities
- *Key Relationships:* Supports, enables, contributes-to
- *Typical Notation:* Alignment matrices, strategy maps

MT4: Total Cost of Ownership Model

- *Purpose:* Detail all costs over system lifecycle
- *Primary Elements:* Cost categories, time periods

- *Key Relationships:* Comprises, varies-with
- *Typical Notation:* Cost breakdown tables, projections

MT5: Financial Projection Model

- *Purpose:* Project financial outcomes
- *Primary Elements:* Cash flows, ROI, NPV, IRR
- *Key Relationships:* Generates, requires
- *Typical Notation:* Financial statements, charts

MT6: Risk Register (Business)

- *Purpose:* Document business risks and impacts
- *Primary Elements:* Risks, impacts, mitigations
- *Key Relationships:* Affects, mitigates
- *Typical Notation:* Risk tables, heat maps

MT7: Governance Framework

- *Purpose:* Define decision rights and oversight
- *Primary Elements:* Roles, decisions, processes
- *Key Relationships:* Authorizes, oversees, approves
- *Typical Notation:* RACI matrices, governance charts

MT8: KPI Dashboard

- *Purpose:* Track business success metrics
- *Primary Elements:* Metrics, targets, actuals
- *Key Relationships:* Measures, indicates
- *Typical Notation:* Dashboards, scorecards

MT9: Portfolio View

- *Purpose:* Show system in portfolio context
- *Primary Elements:* Systems, relationships, investments
- *Key Relationships:* Integrates-with, replaces, depends-on
- *Typical Notation:* Portfolio maps, bubble charts

6.2 Model Type Relationships

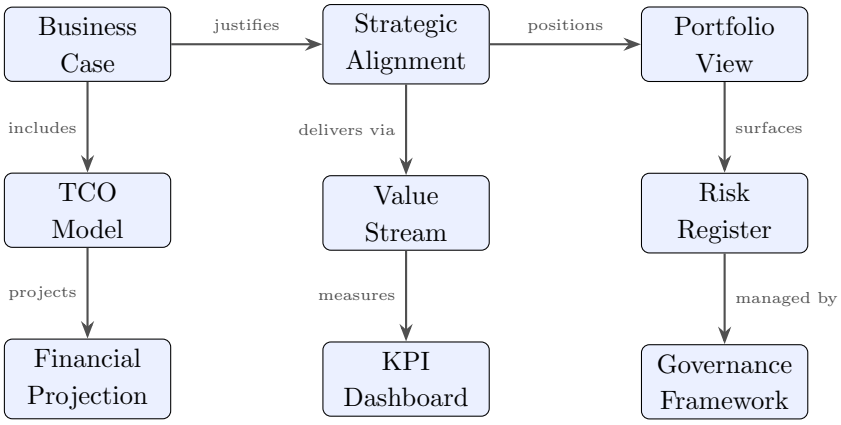

Figure 2: Model Type Dependency Relationships

7 Model Languages

For each model type, specific languages, notations, and techniques are prescribed.

7.1 Business Value Notation

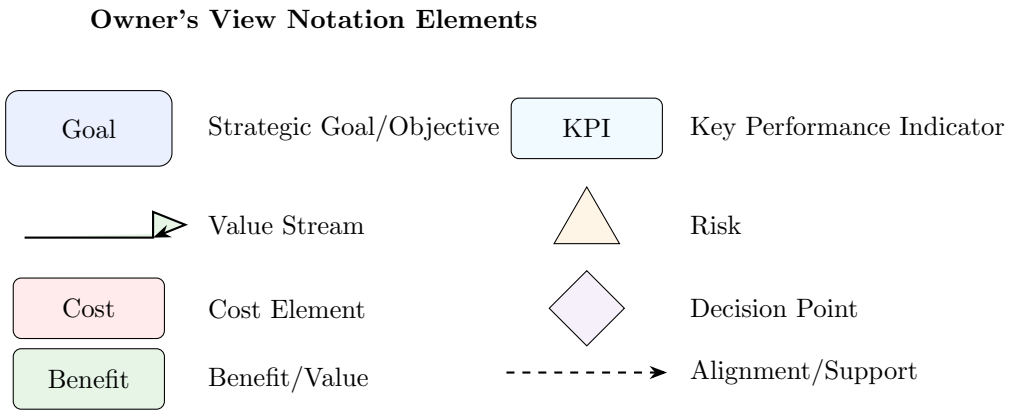

Figure 3: Owner's View Notation Legend

7.2 Value Type Classifications

Table 7: Business Value Type Classification

Value Type	Description	Examples
Revenue Generation	Direct contribution to income	New sales channels, upsell, market expansion
Cost Reduction	Decrease in operating expenses	Automation, efficiency, consolidation
Cost Avoidance	Prevention of future costs	Risk mitigation, compliance, prevention
Productivity	Improved output per resource	Process automation, better tools
Customer Value	Improved customer outcomes	Experience, satisfaction, retention
Strategic Value	Competitive or market positioning	Market share, brand, differentiation
Risk Reduction	Decreased risk exposure	Security, compliance, resilience
Enablement	Foundation for future value	Platform, capabilities, data

7.3 Cost Type Classifications

Table 8: Cost Type Classification

Cost Type	Description	Components
Development	Building the system	Labor, contractors, tools, training
Infrastructure	Hosting and compute	Cloud services, hardware, network, storage
Licensing	Software licenses	Commercial software, SaaS subscriptions
Operations	Running the system	Support staff, monitoring, maintenance
Integration	Connecting systems	APIs, middleware, data migration
Change Management	Organizational change	Training, communications, adoption
Compliance	Meeting regulations	Audits, certifications, controls
Opportunity	Alternative use of funds	Foregone investments, delayed projects

7.4 Financial Metrics

Table 9: Key Financial Metrics

Metric	Definition	Formula/Calculation
ROI	Return on Investment	$(Benefits - Costs)/Costs \times 100\%$
NPV	Net Present Value	$\sum_{t=0}^{n} \frac{CF_t}{(1+r)^t}$
IRR	Internal Rate of Return	Rate where $NPV = 0$
Payback Period	Time to recover investment	Time when cumulative CF > 0
TCO	Total Cost of Ownership	All costs over system lifetime
EVA	Economic Value Added	$NOPAT - (Capital \times WACC)$

7.5 Tabular Specifications

7.5.1 Business Case Summary Table

Table 10: Example Business Case Summary

Item	Value	Notes
Investment Required		
Development Cost	$2,100,000	18-month development
Infrastructure Setup	$180,000	Cloud infrastructure
Change Management	$120,000	Training, adoption
Total Investment	**$2,400,000**	
Annual Benefits (Year 2+)		
Revenue Increase	$3,200,000	New channel, upsell
Cost Savings	$1,800,000	Automation, efficiency
Total Annual Benefit	**$5,000,000**	
Annual Costs (Year 2+)		
Operations	$480,000	Team, support
Infrastructure	$320,000	Cloud costs
Licensing	$200,000	Software licenses
Total Annual Cost	**$1,000,000**	
Financial Metrics (5-year)		
Net Annual Benefit	$4,000,000	Benefits - Costs
ROI	185%	
Payback Period	14 months	
NPV (10% discount)	$8,400,000	

7.5.2 Strategic Alignment Table

Table 11: Example Strategic Alignment Matrix

Strategic Goal	System Capability	Impact	Contribution
Digital Transformation	Customer Portal	High	Self-service, 24/7 access
Customer Experience	Personalization	High	Tailored recommendations
Operational Excellence	Process Automation	High	60% manual reduction
Market Expansion	Multi-region Support	Medium	Global deployment ready
Data-Driven Decisions	Analytics Platform	Medium	Real-time dashboards

7.5.3 KPI Definition Table

Table 12: Example KPI Definitions

KPI	Definition	Target	Current	Data Source
Conversion Rate	Orders / Visitors	4.5%	3.2%	Analytics platform
Avg Order Value	Revenue / Orders	$125	$98	Order system
Customer Sat.	NPS Score	50	42	Survey system
Processing Time	Order to ship (hrs)	4	8	Operations system
System Uptime	Available time %	99.9%	99.5%	Monitoring

8 Viewpoint Metamodels

This section defines the conceptual metamodel underlying the Owner's View.

8.1 Core Metamodel

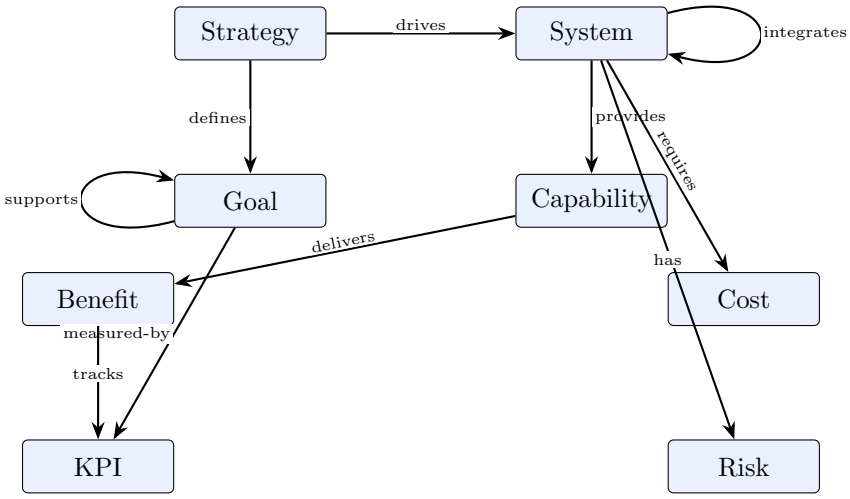

Figure 4: Owner's View Core Metamodel

8.2 Entity Definitions

Entity: Strategy

Definition: The overarching business direction and priorities that guide system investments and decisions.

Attributes:

- `strategyId`: Unique identifier
- `name`: Strategy name
- `vision`: Long-term vision statement
- `mission`: Organization mission
- `timeHorizon`: Strategic planning period
- `themes`: Key strategic themes
- `priorities`: Ranked priorities
- `constraints`: Strategic constraints
- `owner`: Strategy owner (executive)

Constraints:

- Strategy should be documented and communicated
- Priorities should be ranked and clear
- Time horizon should be defined

Entity: Goal

Definition: A specific, measurable business objective that the system should help achieve.

Attributes:

- `goalId`: Unique identifier
- `name`: Goal name
- `description`: Goal description
- `type`: Goal type (financial, customer, operational, growth)
- `target`: Quantified target
- `timeframe`: Achievement timeframe
- `baseline`: Current state/baseline
- `owner`: Goal owner
- `parentGoal`: Parent goal if hierarchical
- `kpis`: Associated KPIs

Constraints:

- Goals should be SMART (Specific, Measurable, Achievable, Relevant, Time-bound)
- Goals should have clear ownership
- Progress should be measurable

Entity: System

Definition: The software system being evaluated from a business perspective, representing the investment.

Attributes:

- `systemId`: Unique identifier
- `name`: System name
- `description`: System purpose
- `sponsor`: Executive sponsor
- `owner`: Business owner
- `status`: Current status (planning, development, production, sunset)
- `lifecycleStage`: Stage in investment lifecycle
- `capabilities`: Provided business capabilities
- `portfolio`: Portfolio classification
- `criticality`: Business criticality rating

Constraints:

- System should have clear sponsorship and ownership
- Criticality should be assessed
- Portfolio position should be defined

Entity: Capability

Definition: A business ability that the system provides, contributing to business value.

Attributes:

- `capabilityId`: Unique identifier
- `name`: Capability name
- `description`: Capability description
- `type`: Capability type (core, supporting, enabling)
- `maturity`: Current maturity level
- `targetMaturity`: Target maturity
- `benefits`: Associated benefits
- `dependencies`: Dependent capabilities
- `owner`: Business owner

Constraints:

- Capabilities should map to business outcomes
- Maturity should be assessed
- Dependencies should be identified

Entity: Benefit

Definition: A positive business outcome or value delivered by the system.

Attributes:

- `benefitId`: Unique identifier
- `name`: Benefit name
- `description`: Benefit description
- `type`: Benefit type (revenue, cost reduction, productivity, etc.)
- `value`: Quantified value (monetary)
- `confidence`: Confidence level in estimate
- `timing`: When benefit is realized
- `recurringPeriod`: If recurring, the period
- `assumptions`: Key assumptions
- `owner`: Benefit owner
- `realization`: Realized vs projected

Constraints:

- Benefits should be quantified where possible
- Assumptions should be documented
- Realization should be tracked

Entity: Cost

Definition: An expenditure required to develop, operate, or maintain the system.

Attributes:

- `costId`: Unique identifier
- `name`: Cost name
- `description`: Cost description
- `type`: Cost type (development, operations, licensing, etc.)
- `category`: Capital vs operational
- `amount`: Cost amount
- `frequency`: One-time vs recurring
- `timing`: When cost is incurred
- `variability`: Fixed vs variable
- `confidence`: Confidence in estimate
- `actual`: Actual vs estimated

Constraints:

- Costs should be categorized appropriately
- Timing should be specified
- Actuals should be tracked against estimates

Entity: KPI

Definition: A Key Performance Indicator measuring business outcomes or system success.

Attributes:

- `kpiId`: Unique identifier
- `name`: KPI name
- `description`: KPI definition
- `formula`: Calculation method
- `target`: Target value
- `threshold`: Warning thresholds
- `frequency`: Measurement frequency
- `dataSource`: Source of data
- `owner`: KPI owner
- `current`: Current value
- `trend`: Trend direction

Constraints:

- KPIs should be measurable and actionable
- Targets should be realistic and time-bound
- Data sources should be reliable

Entity: Risk (Business)

Definition: A potential event or condition that could negatively impact business outcomes or investment returns.

Attributes:

- `riskId`: Unique identifier
- `name`: Risk name
- `description`: Risk description
- `category`: Risk category (market, operational, technical, regulatory)
- `probability`: Likelihood of occurrence
- `impact`: Financial/business impact
- `exposure`: Risk exposure (probability × impact)
- `mitigation`: Mitigation strategy
- `owner`: Risk owner
- `status`: Current status
- `trigger`: Early warning indicators

Constraints:

- High-exposure risks must have mitigation plans
- Business impact should be quantified
- Ownership should be assigned

8.3 Relationship Definitions

Table 13: Metamodel Relationship Definitions

Relationship	Source	Target	Description
drives	Strategy	System	Strategy directs system investment
defines	Strategy	Goal	Strategy establishes goals
provides	System	Capability	System delivers capability
delivers	Capability	Benefit	Capability produces benefit
requires	System	Cost	System incurs cost
measured-by	Goal	KPI	Goal is tracked by KPI
has	System	Risk	System carries risk
tracks	Benefit	KPI	Benefit is measured by KPI
supports	Goal	Goal	Goal contributes to parent goal
integrates	System	System	Systems interact in portfolio

9 Conforming Notations

Several existing notations and frameworks support Owner's View modeling.

9.1 Balanced Scorecard

The Balanced Scorecard provides a strategic management framework.

Perspectives: Financial, Customer, Internal Process, Learning & Growth.

Elements: Objectives, measures, targets, initiatives.

Conformance Level: High for strategic alignment and KPIs.

9.2 Business Model Canvas

Business Model Canvas captures key business model components.

Elements: Value proposition, customer segments, channels, revenue streams, costs.

Conformance Level: High for value proposition and business context.

9.3 Strategy Maps

Strategy maps visualize cause-and-effect relationships between objectives.

Elements: Strategic objectives, linkages, perspectives.

Conformance Level: High for strategic alignment visualization.

9.4 TOGAF Business Architecture

TOGAF provides enterprise architecture framework including business views.

Elements: Business capabilities, value streams, organization.

Conformance Level: High for capability mapping and portfolio context.

9.5 Notation Comparison

Table 14: Business Notation Comparison

Feature	BSC	Canvas	Strat Map	TOGAF	VAL IT	Custom
Strategic align.	●	○	●	●	○	●
Financial metrics	○	○	○	○	●	●
Value proposition	○	●	○	○	●	●
Capability map	○	–	–	●	○	●
KPIs	●	–	○	○	○	●
Risk	–	–	–	○	●	●
Governance	–	–	–	●	●	●

● = Strong support, ○ = Limited support, – = Not applicable

10 Model Correspondence Rules

Model correspondence rules define how elements in business models relate to elements in technical architecture views.

10.1 Logical/Functional View Correspondence

Correspondence Rule CR-01: Capability to Service Mapping

Rule: Business capabilities should be enabled by logical services or functional elements.
Formal Expression:

$$\forall c \in Capabilities : \exists S \subseteq Services : enables(S, c)$$

Rationale: Ensures architecture delivers required business capabilities.
Verification: Capability-to-service traceability matrix.

10.2 Deployment View Correspondence

Correspondence Rule CR-02: Infrastructure to Cost Mapping

Rule: Deployment infrastructure should be accounted for in TCO.
Formal Expression:

$$\forall i \in Infrastructure : \exists c \in Costs : accounts(c, i)$$

Rationale: Ensures complete cost accounting.
Verification: Infrastructure cost reconciliation.

10.3 Operational View Correspondence

Correspondence Rule CR-03: SLA to KPI Mapping

Rule: Operational SLAs should support business KPIs.

Formal Expression:

$$\forall k \in BusinessKPIs : \exists s \in SLAs : supports(s, k)$$

Rationale: Ensures operational commitments align with business needs.

Verification: SLA-to-KPI alignment review.

11 Operations on Views

This section defines methods for creating, interpreting, analyzing, and maintaining business views.

11.1 Creation Methods

11.1.1 View Development Process

Step 1: Establish Strategic Context

1. Review organizational strategy
2. Identify relevant strategic goals
3. Understand competitive landscape
4. Define strategic drivers for investment
5. Document strategic assumptions

Step 2: Define Value Proposition

1. Identify target stakeholders
2. Articulate value to each stakeholder group
3. Quantify benefits where possible
4. Define value realization timeline
5. Document assumptions and dependencies

Step 3: Develop Business Case

1. Enumerate all benefits with values
2. Identify and estimate all costs
3. Create financial projections
4. Calculate ROI, NPV, payback
5. Perform sensitivity analysis

Step 4: Map Strategic Alignment

1. Connect system capabilities to strategic goals
2. Rate impact and contribution
3. Identify gaps in strategic coverage
4. Document alignment rationale
5. Validate with business stakeholders

Step 5: Assess Business Risks

1. Identify business and market risks
2. Assess probability and impact
3. Quantify financial exposure
4. Develop mitigation strategies
5. Assign risk owners

Step 6: Define Governance

1. Establish ownership structure
2. Define decision rights
3. Create governance processes
4. Set compliance requirements
5. Document escalation paths

Step 7: Establish Success Metrics

1. Define KPIs for each goal
2. Set targets and thresholds
3. Identify data sources
4. Create reporting mechanisms
5. Plan for metric review and refinement

11.1.2 Business Case Patterns

Pattern: Revenue Generation Case

Context: System primarily drives new revenue.

Value Focus:

- New customer acquisition
- Increased average transaction value
- New market entry
- Upsell/cross-sell opportunities

Key Metrics: Revenue growth, customer acquisition cost, lifetime value.

Pattern: Cost Reduction Case

Context: System primarily reduces operational costs.

Value Focus:

- Process automation
- Efficiency improvements
- Resource optimization
- System consolidation

Key Metrics: Cost per transaction, labor savings, resource utilization.

Pattern: Risk Mitigation Case

Context: System primarily reduces business risk.

Value Focus:

- Compliance assurance
- Security improvement
- Business continuity
- Quality improvement

Key Metrics: Risk exposure reduction, compliance score, incident rate.

11.2 Analysis Methods

11.2.1 Investment Analysis

Net Present Value Analysis

Purpose: Evaluate investment considering time value of money.

Formula:

$$NPV = \sum_{t=0}^{n} \frac{CF_t}{(1+r)^t}$$

Where CF_t = cash flow at time t, r = discount rate, n = number of periods.

Interpretation: Positive NPV indicates value creation.

Application: Compare alternative investments, justify funding.

Sensitivity Analysis

Purpose: Understand how changes in assumptions affect outcomes.

Process:

1. Identify key assumptions
2. Vary each assumption (e.g., ±20%)
3. Calculate impact on NPV/ROI
4. Identify most sensitive factors
5. Focus risk management on sensitive areas

Output: Sensitivity tables, tornado diagrams.

12 Examples

12.1 Example 1: Business Case Visualization

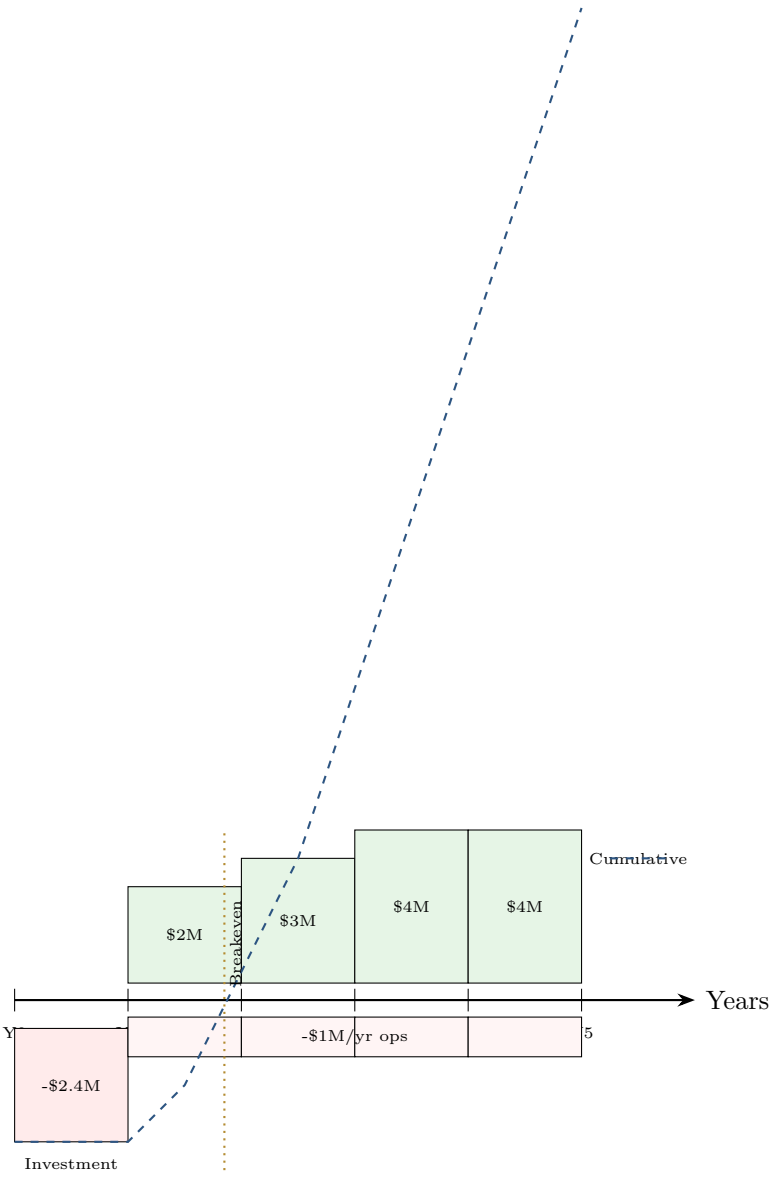

Figure 5: Investment Cash Flow Projection

Description: This chart shows the investment timeline with initial development cost of $2.4M in Year 0, followed by annual net benefits (revenue minus operating costs) growing from $2M to $4M. The breakeven point occurs approximately 14 months after go-live. The dashed line shows cumulative value reaching $17.5M over 5 years.

12.2 Example 2: Strategic Alignment Map

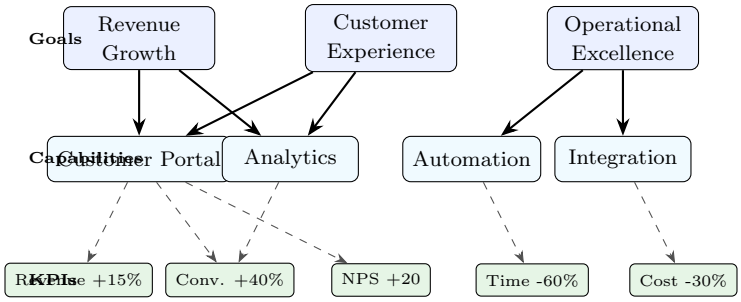

Figure 6: Strategic Alignment Map

Description: This strategy map shows how system capabilities align with strategic goals and drive measurable KPIs. The Customer Portal supports both Revenue Growth and Customer Experience goals. Analytics enables data-driven improvements. Automation and Integration drive Operational Excellence. Each capability contributes to specific, measurable outcomes.

12.3 Example 3: Portfolio Position

Table 15: System Portfolio Assessment

System	Business Value	Technical Health	Strategy	Action
New Platform	High	High	Invest	Continue development
Legacy CRM	High	Low	Migrate	Replace over 2 years
Analytics Tool	Medium	High	Maintain	Optimize usage
Old Reporting	Low	Low	Retire	Sunset in 6 months
Mobile App	High	Medium	Evolve	Modernize UI

13 Notes

13.1 Value Realization Management

Value Realization Best Practices

- **Define Clearly:** Specific, measurable benefit definitions
- **Assign Ownership:** Business owners accountable for realization
- **Track Continuously:** Regular measurement and reporting
- **Adjust Proactively:** Course-correct when off track
- **Learn Iteratively:** Refine estimates based on actuals
- **Communicate Results:** Share outcomes with stakeholders
- **Celebrate Success:** Recognize value delivery achievements

13.2 Governance Principles

Effective IT Governance

- **Clear Ownership:** Every system has a business owner
- **Defined Decision Rights:** Who decides what is explicit
- **Appropriate Oversight:** Reviews proportional to risk
- **Transparency:** Open reporting on progress and issues
- **Accountability:** Consequences for commitments
- **Alignment:** Decisions support strategic objectives
- **Efficiency:** Governance enables rather than blocks

13.3 Common Pitfalls

Common Mistakes to Avoid

1. **Unquantified Benefits:** Vague value without numbers
2. **Hidden Costs:** Missing operational or integration costs
3. **Optimistic Projections:** Unrealistic timelines or values
4. **Missing Assumptions:** Undocumented dependencies
5. **No Tracking:** Benefits claimed but never measured
6. **Weak Governance:** Unclear ownership and decisions
7. **Strategic Disconnect:** Investment without clear alignment
8. **Ignoring TCO:** Focus on development, ignore operations

14 Sources

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3. Ward, J., & Daniel, E. (2012). *Benefits Management: How to Increase the Business Value of Your IT Projects* (2nd ed.). Wiley.

4. ISACA. (2012). *COBIT 5: A Business Framework for the Governance and Management of Enterprise IT*.

5. The Open Group. (2018). *TOGAF Standard, Version 9.2*.

14.2 Supplementary References

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7. Ross, J., Weill, P., & Robertson, D. (2006). *Enterprise Architecture as Strategy*. Harvard Business School Press.

8. Brealey, R., Myers, S., & Allen, F. (2020). *Principles of Corporate Finance* (13th ed.). McGraw-Hill.

9. PMI. (2017). *The Standard for Portfolio Management* (4th ed.).

10. ISACA. (2008). *Val IT Framework 2.0*.

14.3 Online Resources

- Balanced Scorecard Institute: `https://balancedscorecard.org/`
- TOGAF: `https://www.opengroup.org/togaf`
- COBIT: `https://www.isaca.org/resources/cobit`
- Business Model Canvas: `https://www.strategyzer.com/`

A Owner's View Checklist

Item	Complete?
Business Case	
Benefits identified and quantified	☐
Costs estimated (development and operations)	☐
ROI/NPV/payback calculated	☐
Assumptions documented	☐
Sensitivity analysis performed	☐
Strategic Alignment	
Strategic goals identified	☐
Capability mapping completed	☐
Alignment validated with stakeholders	☐
Portfolio context documented	☐
Governance	
Sponsorship established	☐
Business owner assigned	☐
Decision rights defined	☐
Oversight mechanisms in place	☐
Metrics and Tracking	
KPIs defined with targets	☐
Data sources identified	☐
Reporting mechanism established	☐
Benefit tracking planned	☐
Risk Management	
Business risks identified	☐
Impact quantified	☐
Mitigations defined	☐
Risk owners assigned	☐

B Glossary

Benefit A positive business outcome delivered by the system.

Business Case Justification for investment based on costs and benefits.

Capability A business ability enabled by the system.

Cost of Ownership Total lifecycle cost including development and operations.

Governance Framework of decision rights and accountability.

IRR Internal Rate of Return; discount rate where NPV equals zero.

KPI Key Performance Indicator measuring business outcomes.

NPV Net Present Value; sum of discounted future cash flows.

Payback Period
Time required to recover initial investment.

Portfolio Collection of systems managed as a group.

ROI Return on Investment; ratio of net benefit to cost.

Sponsor Executive who authorizes and funds the system.

Strategic Alignment
Connection between system and business strategy.

TCO Total Cost of Ownership over system lifecycle.

Value Stream Sequence of activities delivering value to customers.