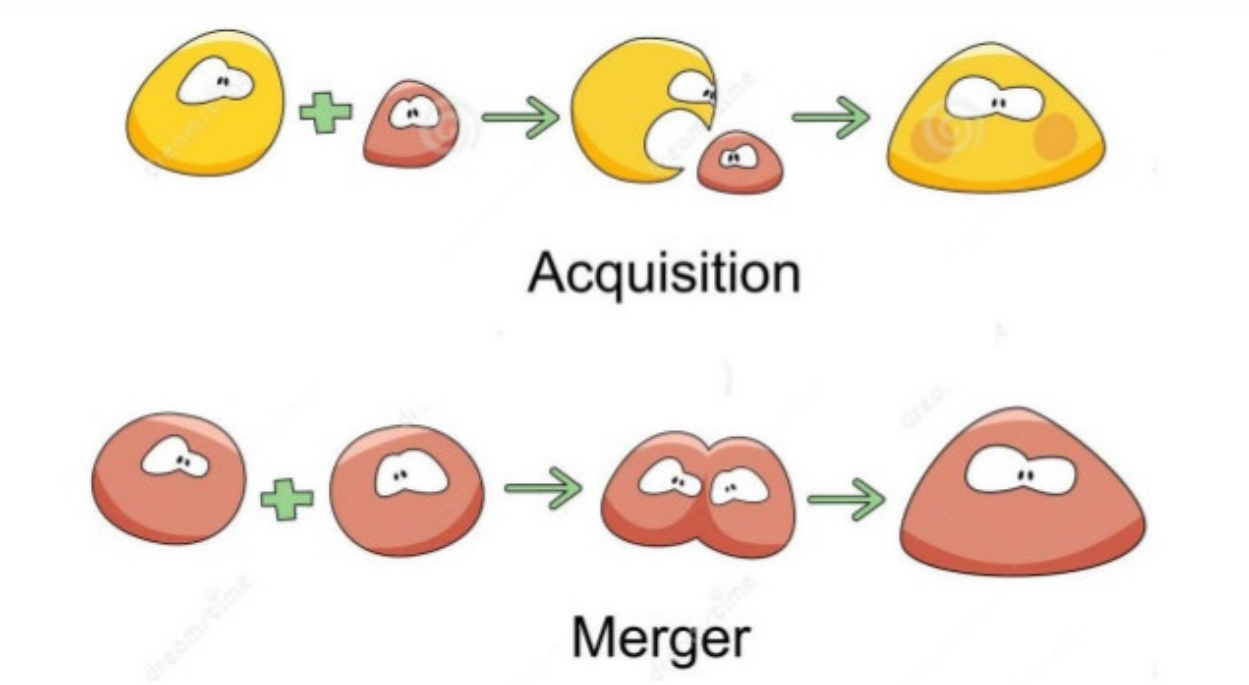
Why do we need enterprise architecture

Date: 2016-06-05 10:20:00

Enterprise architecture is about simplifying the way that an organisation operates.

As organisations develop, they become increasingly complex for a number of reasons, examples are:-

- Merger & acquisition - a small company may well start off with single systems for each functional role and fixed business processes, but as soon as they merge or acquire another company this comes with it's own way of doing things.

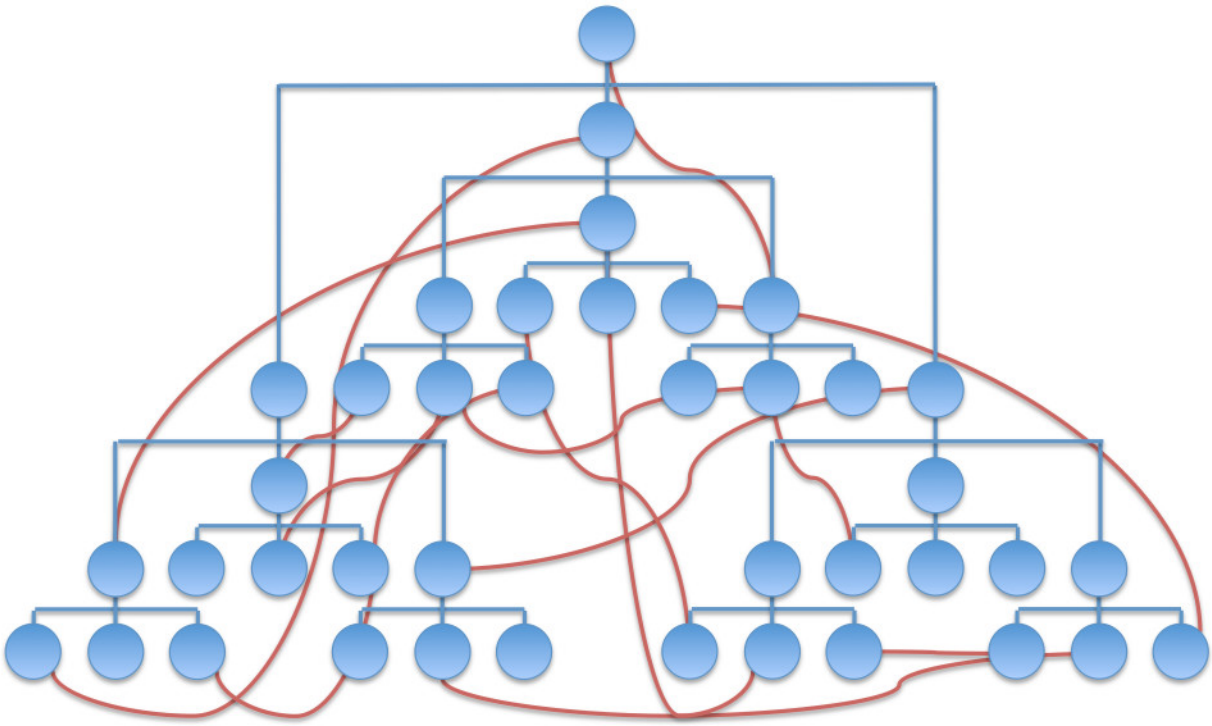


- Outsourcing - Very few companies carry out all of the business capabilities required to run a company in-house, favouring outsourcing of non-core capabilities to other companies who have more expertise or can do it cheaper. This presents challenges in being able to share data and integrate the outsourcing partner in to the host company's business processes.

- New products & services - As a company grows, new products & services are trialed and as speed to market is a key driving force, they will introduce new technologies and methods of working which are often kept separate from those in the main company, in order to remain agile.

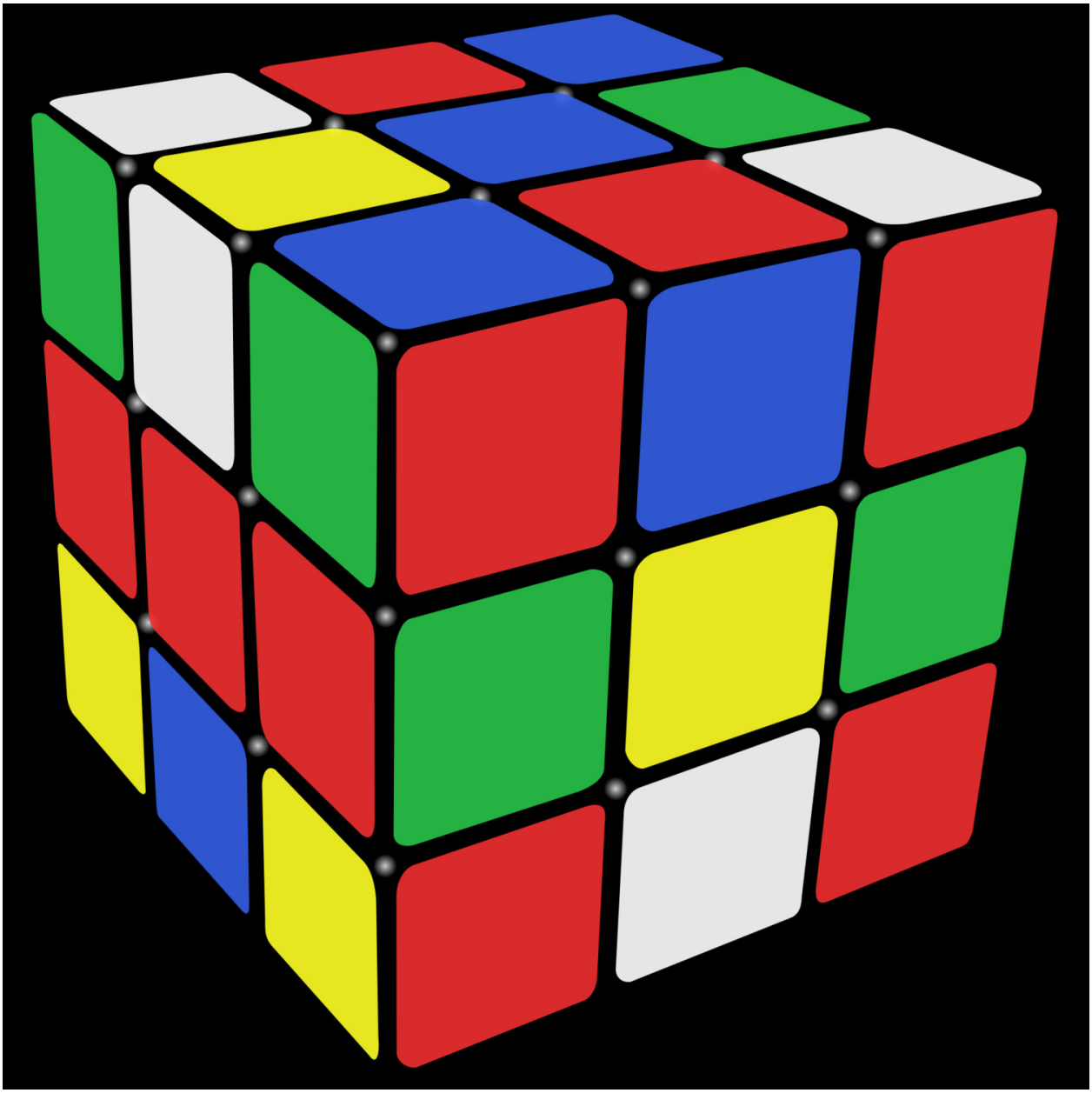
Regulatory & Cultural impacts - Different countries have different laws/regulations on the way a company should operate e.g. tax, data security, HR. Similarly cultural conventions can dictate aspects such as the way that you market a product e.g. Google is ubiquitous in the west, but not in china or the payment methods that you offer. Due to the complexity of the rules or cultural conventions, typically a country will create different business processes, use different systems and/or differentiate the product mix in order to meet the needs of a particular country. Other reasons for cultural differences having an impact on a business include the audience that you are targetting e.g. offering a product to a consumer is different in nature to that of a commercial organisation and different again when dealing with governments or institutions.

New ideas - Within any reasonably sized organisation, there is a constant battle of ideas between managers to push the company in a particular direction. Different initiatives are funded to drive these goals, many of which will ultimately prove unsuccessful, but will leave behind organisational debt in terms of more complex organisational structures, new systems, business processes and data integration challenges

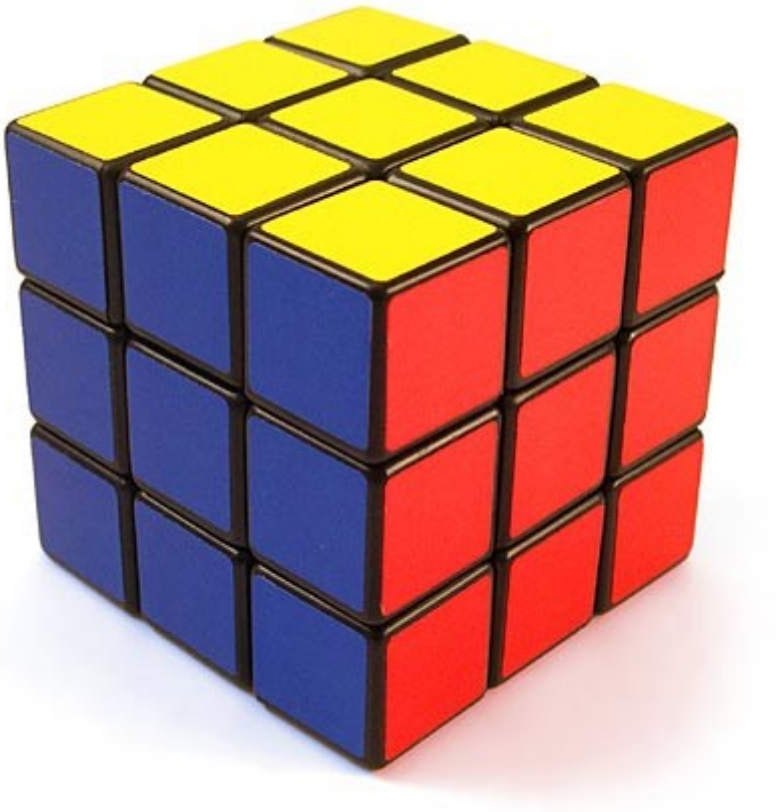
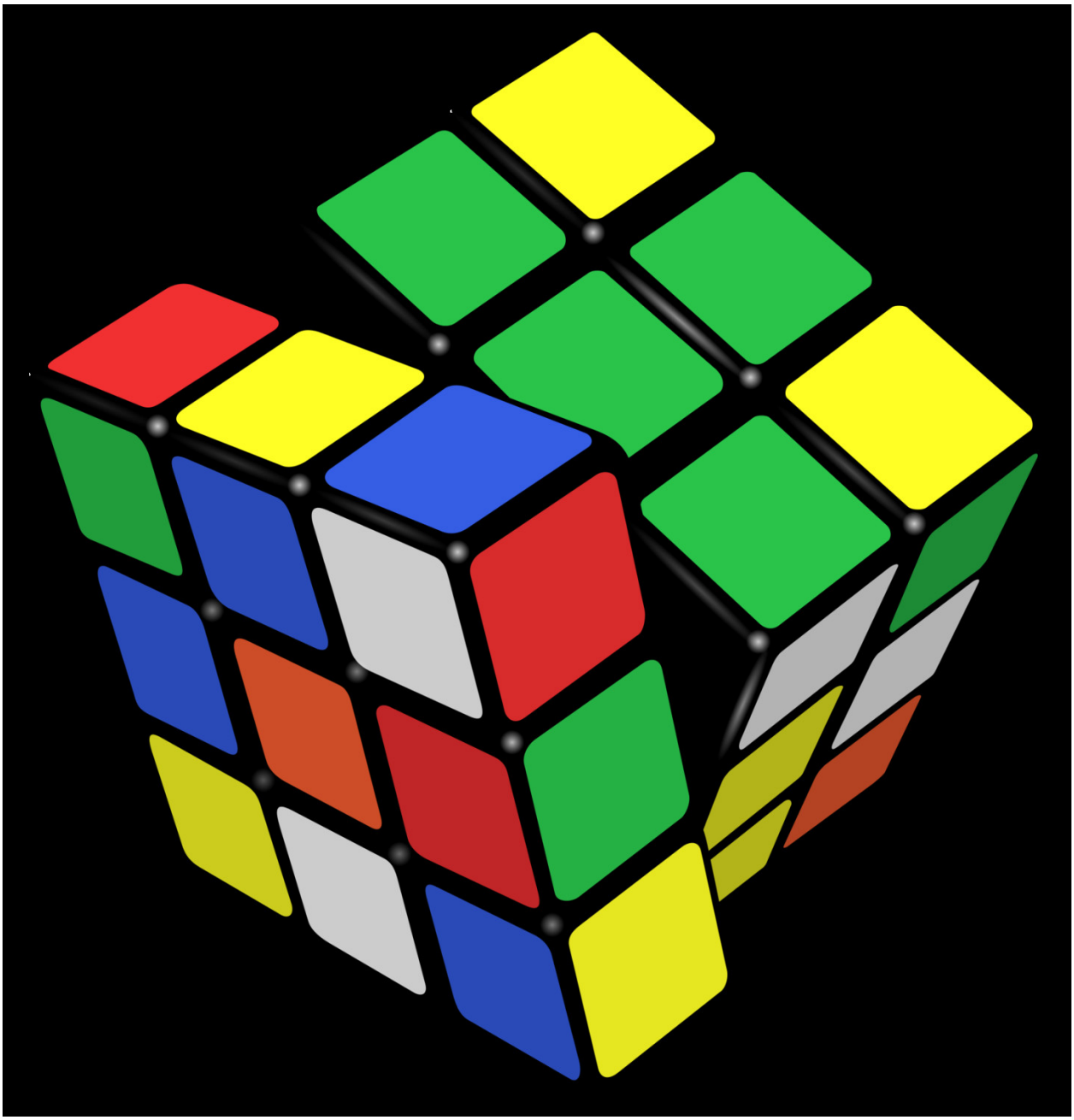


The aim of enterprise architecture is to:-

- Examine the complex landscape that a company initially presents



- Distill out a simplified view as to the way that the organisation should operate by looking at what it's fundamentally needs to do to deliver products and services to it's customers.



- Present a feasible and cost effective means of getting from step 1 to step 2, typically involving a number of delivery projects which gradually improve the situation, focusing on the most 'bang for the buck' in order to maximise returns for the company's shareholders.