**Merging Companies with Enterprise Architecture**

**Main Prerequisites:** An interest in enterprise architecture and succeeding at mergers.

**Key Skills learned:** How an enterprise architecture framework can help you answer the right questions,

Using the BOST framework, Creating capability maps, process, system, and technology diagrams

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# **1. Tell us about yourself**

I have extensive experience in enterprise architecture and applying it to mergers.

* I’ve spent the last 25+ years doing enterprise architecture
* I’ve done this for both Fortune 500 and mid-sized companies
* I’ve also managed both application development and data services at several companies
* I’ve done the work proposed for the liveProject. I worked for a company that grew through acquisition and was itself acquired

# **2. Give a brief description of the project**

Many mergers and acquisitions are not successful. They fail for a variety of reasons. This liveProject will focus on using Enterprise Architecture (EA) to successfully plan a company merger. The learner will gain EA skills by applying different techniques to the process of planning a merger. Skills include learning to use the simple BOST framework to break the problem down into separate, but connected layers. Each layer is designed to answer a business question that will help make the merger successful. The learner will complete text templates and diagrams for each step. The results of completing the project will be a complete set of enterprise architecture documents that contribute to a successful merger.

**The basic scenario:**

You work for an insurance carrier selling bowling alley insurance. You need to expand your market to improve your profitability. Your company decides to accomplish this by purchasing a complementary insurance carrier. After a long search, your firm finds a carrier that specializes in private aircraft insurance. After a time of negotiation, the two companies reach agreement on a deal. Your task is to plan the IT part of the merger.

# **3. Who the project is for and what they will learn?**

Prerequisites:

* An interest in enterprise architecture.
* A desire to succeed at the IT side of mergers and acquisitions.

Skills/Technology Learned:

* How an enterprise architecture framework can help you answer business questions
* Using the BOST framework
* Creating capability maps, process, system, and technology diagrams

# **4. Project Outline**

# Milestone 1: The BOST Framework.

Definition: The BOST Framework provides the superstructure for enterprise models, their elements, and relationships. BOST is an acronym representing four views; Business, Operations, Systems and Technology. Enterprise requirements flow downward through the four framework views, starting with the market opportunities and stakeholder interests. The capabilities flow upward in response to these requirements. A key determinant of business success is how well an enterprise can align their capabilities with the constantly changing requirements in all four views.

## Steps:

1. Read about the BOST Framework
2. Read about Mapping TOGAF to BOST
3. Understand the approach to the liveProject
   1. Define the business problem
   2. Understand the BOST Framework
   3. Explain the different layers
   4. Explain how the layers are connected together
4. Answer questions

## Deliverable: List of questions to be answered

1. What are the layers of the BOST framework?
2. How do these layers tie together?
3. How do these layers relate to the TOGAF Framework?
4. How does each layer interact with parts of the company’s business ecosystem?

## Tools Used :

1. PDFs
2. Text Template

# Milestone 2: Business Architecture

Definition: Business Architecture is developed based on department goals and overall business objectives. Business architecture and strategic planning is important in planning, coordinating and implementing an organization’s business objectives. It helps in the smooth functioning of different units in an organization, both inside and outside the enterprise.

Business capability mapping depicts whata business does to reach its strategic objectives (its capabilities), rather than how it does it (its business processes). Business capabilities are the connection between the business strategy and business execution.

## Steps:

1. Create a current capability map
2. Create a future state capability map
3. Define the gaps and overlaps

## Deliverable:

1. Capability diagrams
2. List of questions to be answered:
3. What are you trying to accomplish?
   1. As a business?
   2. As IT
4. What does the company currently do?
5. With whom should the company do it?
6. What could the companydo?

## Tools Used:

1. Capability diagram template
2. PDFs
3. Text Template

# Milestone 3: Operations Architecture

Definition: The IT operations of an enterprise will typically comprise many different systems and platforms, often in different geographic locations. Operations architecture ensures that these systems perform as expected by defining operational procedures and automating the execution of operational tasks. The implementation of an operations architecture consists of a dedicated set of processes designed to provide a consistent and predictable workflow.

## Steps:

1. Create a current process diagram for a key process
2. Create a future state process diagram for the same key process
3. Define the gaps and overlaps

## Deliverable:

1. BPMN Process diagrams
2. List of questions to be answered:
3. How does the company perform its current work?
4. How could the company do it?
5. What else could the business do?
6. How will you accomplish this?

## Tools Used:

1. BPMN Process diagram template
2. PDFs
3. Text Template

# Milestone 4: Systems Architecture

Definition: A system architecture is the conceptual model that defines the structure and behavior of a system. An architecture description is a formal description and representation of a system, organized in a way that supports reasoning about the system’s structures and behaviors.

## Steps:

1. Create an ‘as-is’ system diagram for consolidated systems for both companies
2. Create a ‘to-be’ system diagram for the future state
3. Define the gaps and overlaps

## Deliverables:

1. System diagrams
2. List of questions to be answered:
3. What systems do the companies have in common?
4. What systems should you consolidate/eliminate?
5. How would you do this?
6. What are your priorities in accomplishing this?

## Tools Used:

1. System Diagram Template
2. PDFs
3. Text Template

# Milestone 5: Technology Architecture

Definition: The Technology Architecturecontains two Reference Models. The Technology Services Reference Model is used to identify and classify the complete set of technology capabilities within the IT infrastructure, represented as services. The Technology Devices Reference Model is used to define the various types of physical and logical platforms that house these Technology Services.

## Steps:

1. Create an ‘as-is’ technology devices diagram for consolidated systems for both companies
2. Create a ‘to-be’ technology devices diagram for the future state
3. Define the gaps and overlaps

### Deliverables:

1. Technology Device Diagrams
2. List of questions to be answered:
3. What are the technology barriers you need to overcome?
4. What are the core underlying servers needed to support the selected systems?
   1. Are they virtual or physical?
5. What are the core network devices the process needs to pass through?

## Tools Used:

1. Technology Device Diagram template
2. PDFs
3. Text Template

# **5. Recommended Reading**

There are multiple documents the learner will be asked to read. Most of these are white paper pdf files. There are some additional URLs the learner will need to access. The recommended reading includes:

* Introduction to BOST Framework Models
* TOGAF with BOST slides
* TOGAF Business Models
* TOGAF Business Scenarios
* TOGAF Business Capabilities
* TOGAF Business Capability Based Planning
* TOGAF Organization Mapping
* Modeling the Insurance Enterprise
* <https://www.omg.org/bpmn/>
* <https://www.omg.org/cgi-bin/doc?dtc/10-06-02.pdf>
* <https://www.process.st/bpmn-tutorial/>
* <https://www.lucidchart.com/pages/network-diagram>
* <https://sparxsystems.com/enterprise_architect_user_guide/14.0/model_domains/deploymentdiagram.html>

**6. Competition**

Most of the current information using enterprise architecture in mergers and acquisitions is found in online articles. Several are listed below. There is one book from 2014 that incorporates enterprise architecture in a merger and acquisition. There is also a course that includes enterprise architecture in the merger and acquisition process. These are listed below.

The unique focus of this liveProject is providing the learner with practical experience in applying select enterprise architecture skills to a real business problem and producing usable results.

**Articles**

* <https://erwin.com/blog/why-enterprise-architecture-is-essential-in-facilitating-mergers/#:~:text=EA%20helps%20a%20business'%20alignment,improving%20interdepartmental%20cohesion%20and%20communication>.
* <https://erwin.com/blog/enterprise-architecture-mergers-and-acquisitions/>
* <https://www.oracle.com/technical-resources/articles/enterprise-architecture/oeea-mergers.html>
* <https://www.leanix.net/en/blog/enterprise-architecture-case-study-merger-acquisitions-with-haworth>
* <https://biz-architect.com/business-architecture-in-a-merger-acquisition-context/>

**Book**

* Mergers and Acquisitions - Strategic Enterprise Services: M&A - Business and Application Architecture aligned with Strategy & EA 1st Edition by Haloedscape Haves

**Course**

* <https://execed.economist.com/isr-institute-software-research/enterprise-architecture-mergers-and-acquisitions-2018-06-01>