Business Capability Maps



Business capability modeling is a technique for

the representation of an organization's business anchor model, independent of the organization's

Good capabilities do not overlap; they are

mutually exclusive. A good test is to check

Business capabilities encapsulate what

a business is doing right now and what it

must be doing to meet current and future

Properly defined business capabilities are

any organizational changes. Only major

fairly stable over time, persisting throughout

business model updates should affect them.

whether you can assign Level 2 capabilities

structure, processes, people, or domains.

BEST PRACTICES

Don't overlap

without ambiguity.

Define "What"; not "How"

challenges.

Long-term stability

STRATEGIC MANAGEMENT

Strategy Development Develop Vision/Mission

Define Strategy

Track Strategy Adapt Strategy

Manage Strategy

Organization Development

Coordinate Process Strategy Plan Long Term **Develop Organization Goals** Strategize Business Unit

Mergers & Acquisitions

Manage M&A Strategy Manage M&A Track Acquisitions Manage M&A Integration

Manage Core Business

Evaluate Existing Products Manage Bus. Performance & Ops Coordinate Projects Manage Projects

Innovation & Technology Management

Scout Trends Manage External Innovation Manage Internal Innovation Manage Innovation Process Track Innovation

Externals Management Evaluate & Select

Maintain Contracts Monitor Performance Manage Payments Terminate Contracts

Strategic Business Initiatives

Develop Strategic Initiatives **Evaluate Strategic Initiatives** Select Strategy

Establish High-Level Measures

Business Concept

External Assessment Market Surveys Internal Analysis Concept Establishment Restructure Organization

CUSTOMER RELATIONSHIPS

Customer Management

Identify Customer Manage Customer Manage Customer Hierarchy Manage Community Manage Org. Context

Contact Management

Outbound Contact Inbound Contact Classify Demand **Route Contact Contact Interaction**

Manage Interaction

Define Customer Risks Manage Customer Risks **Check Credit-Worthiness**

Customer Scoring

Order Management

Track Order **Bundle Order** Steer Order

Validate Order

Cancel Order

Contract Management Manage Contract **Negotiate Contract** Manage Frame-Contract Manage Product Usage

SLA Management

Track & Report SLA Breaches Manage SLA Violations

PRODUCT & SERVICE DEVELOPMENT

Manage Requirements Design Products Conceptualization Construction

Engineering

Quality Management

Test Initial Quality Track Quality Manage Debugging Manage Product Document

R&D

Manage Product Portfolio Manage Innovation Manage Patent Manage R&D Process

Requirements Definition

Evaluate Existing Products Review Demand Manage Materials

Method Development

Require Distribution

Define Method Validate Method Refine Method **Execute Method**

Product & Service Delivery Schedule Production Manage Production Test Quality Performance

Production Preparation

Manage Product Traceability

Align Resources Procure Materials & Services Select Suppliers & Developers Master Production Schedule

Market Testing

Market Survey **Analyze Customer Intelligence Evaluate Market Opportunities** Establish Measures

PRODUCTION

Production Design

Manage Production Requirements **Define Production Process Define Production Site** Plan Material Requirements

Manage Waste Disposal

Production Steering Retrieve Product Information **Monitor Production Process** Localize Product

Bill of Material Management **Deliver Product Production Order**

Plan Supply Quantity Plan Production Orders Manage Order Validiy Plan Production Program Pre-production Planning

Machine Management

Build Machine Operate Machine Calibrate Machine Manage Machine Information Optimize Machine

Materials Management

Manage Containers Handle Dangerous Goods Fetch Material Manage Material Requirements Manage Incoming Materials

Maintenance

Manage Maintenance Plan Handle Spare Parts Recognize & Recover Failure

Change Management

Manage Deviation Allowance **Analyze Deviations Access Deviations** Plan & Execute Deviations **Trace Deviations**

Infrastructure Management

Plan & Control Construction Operate Site Infrastructure Build Site Infrastructure Manage Location Restrictions

PROCUREMENT & LOGISTICS

Purchasing

Manage Purchase Order Manage Purchase Catalogue Manage Purchase Requisition

Approve & Transmit Order

Sourcing

Manage Returns Manage Logistic Order Manage Transportation Manage Demand Forecast

Management

Manage Supplier Registration Classify Supplier Offer Manage Supplier Contact Routing

Supplier Contract

Negotiate Supplier Contract **Enact Supplier Contract** Manage Supplier Contract Manage Supplier Frame Contract

Warehouse Management

Restocking Packaging Manage Claims Shipping Manage Inventory

Commissioning

Goods Receipt & Service Entry

Manage Purchase Requirements

Manage Purchase Procedure Manage Category

Define Sourcing Strategy Define Sourcing Requirements Manage Sourcing Tender Process

Logistics Management

Decide On Sourcing

Supplier Contact

Manage Supplier Collaboration

Management

Material Disposition

ENTERPRISE SUPPORT

IT Management **IT Strategy Management EA Management** IT Service Management Application Management Technology Management IT Project Management

Workforce Management

Deploy Workforce **Workforce Planning** Manage Work Order

Information Management

Govern Data

Knowledge & Research

Manage Knowledge

Manage Research

Manage Tech Scanning

Enterprise Risk

Management

Manage Compliance

Manage Fraud

Manage Insurance

Manage Security

Business Continuity

Enterprise Effectiveness &

Project Management

Manage Portfolio

Manage Programs

Develop Projects

Human Resources

Management

Manage Employee

Manage Payroll

HR Policies & Processes

Recruiting

Manage Talents

Legal

Corporate Governance Policies

Preventive Law Program Dev.

Ensure Compliance

Manage Community Define Reports and KPIs Manage Customer Gather Data Manage Org. Context Process Data **Identify New Channels** Illustrate Data

Customer Success

MARKETING

& SALES

Qualify Opportunity

Manage Client

Advise Client

Create Specific Offer

Negotiate Offer

Create ERP

Manage Trials

Demand & Offer

Management

Identity Customer

Manage Customer Profile

Manage Customer Hierarchy

Manage Customer Onboarding Increase Customer Lifetime Value Avoid Customer Churn Define Plans for Customer Upsell Manage Upsells

Marketing & Sales

Terminate Contracts

Development Define M & S Requirements **Monitor Channels** Develop M&S Channels **Develop M&S Messages** Define Customer Value

Proposition

Define Marketing Budget

FINANCE

Financial Planning & Analysis

Business Planning Cost Accounting Forecasting

Payroll

Time Stamp Report Manage Payment **Process Taxes**

Treasury

Foreign Exchange Management Financial Risk Management Cash Management

Settlements & Payments Account Payables

Travel & Expense Management Revenue Cycle Management

Tax Settlements

Tax Returns Mamt.

Tax Planning Strategies

Tax Determination

Manage Tax Questionnaire

Asset Management

Investment Planning

Decommissioning

Asset Performance Mgmt

Manage Asset Lifecycle

Accounting

Manage General Ledger

Enterprise Consolidation

Cost Accounting

External Reporting

Performance Reporting

Inventory Valuation

Investor Relations

Tax Management Handle Trading

Cross-organizational Don't focus too much on business units. Capabilities should remain the same and be independent of the current structure of the organization.

 $\downarrow \equiv$ 7 to 10 capabilities at the top level The highest level capabilities should be a complete description of your business. Aim to make your categories reflect key aspects of what the business actually does.

$|\leftrightarrow|$ Breadth rather than depth

Don't go too deep. Illustrate the breadth of your organization's business capabilities by going no more than three levels down. This will be enough to represent the IT landscape of your enterprise.

Accepted by all stakeholders

The goal of business capabilities is that they become a common basis for discussion and planning. Take every opportunity to anchor your organization's processes to the model

Linking strategy and execution

Involve those who define the strategies when creating your map. Consider strategy as one input when defining your business capabilities on the highest level.