## **PART 1: INTRODUCTION**

## Purpose of the BIZBOK® Guide

A Guide to the Business Architecture Body of Knowledge® (BIZBOK® Guide) provides an industry standard framework 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. Practitioners of business architecture understand the importance of having a comprehensive yet user-friendly handbook for the growing number of organizations embracing this important discipline.

The BIZBOK® Guide benefits organizations at every stage of the business architecture practice. The focus on practitioners is geared at advancing organizations that have already committed at least some resources toward business architecture. Organizations just getting started can use it as a means to establish a foundation for a solid business architecture practice. For those organizations with an established business architecture practice, it enables deployment teams to solidify best practices while incorporating aspects of business architecture that may have been underemphasized in the past.

The *BIZBOK® Guide* also provides a complete picture of business architecture, tying together various concepts, disciplines, principles, and best practices into an overall framework. In addition, it has the capacity to incorporate and leverage a wide range of business practices and emerging disciplines. As a result, it establishes the standard for building, deploying, and leveraging business architecture within an organization. The *BIZBOK® Guide* is practitioner-driven, representing a collective and growing body of contributions from business architecture practitioners across a variety of industries worldwide.

### What is Business Architecture?

Dating back to 2008 through 2016, business architecture was 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". This definition was vetted repeatedly by multiple standards committees and practitioners and stood the test of time, incorporating several important elements that established both the foundation and the justification for business architecture and related best practices.

As the discipline of business architecture matured, its role expanded across business and related architecture domains. This increased visibility led to a cross-disciplinary desire for a common,

revised definition that more accurately reflects the essence of business architecture and its applicability to a business. In January 2017, the Business Architecture Guild® and a number of related professional associations and industry standards organizations ratified new definitions for business and related architecture disciplines. As a result of this holistic industry collaboration, a new business architecture definition emerged as follows.

"Business architecture represents holistic, multidimensional business views of: capabilities, endto-end value delivery, information, and organizational structure; and the relationships among these business views and strategies, products, policies, initiatives, and stakeholders".<sup>2</sup>

This definition provides a more succinct articulation of foundational business architecture as well as its ability to align and synchronize aspects of the business that range from strategic planning through initiative deployment. While the definition has been updated to more accurately reflect the practice, the value proposition remains consistent. The business architecture value proposition is summarized as:

The value of business architecture is to provide an abstract representation of an enterprise and the business ecosystem in which it operates. By doing so, business architecture delivers value as an effective communication and analytical framework for translating strategy into actionable initiatives. The framework also enhances the enterprise's capacity to enact transformational change, navigate complexity, reduce risk, make more informed decisions, align diverse stakeholders to a shared vision of the future, and leverage technology more effectively.

A fundamental aspect of business architecture is that it represents a business ecosystem, signifying that a business does not begin or end at the boundaries of the enterprise. A business ecosystem is defined as "one or more legal entities, in whole or in part, that exist as an integrated community of individuals and assets, or aggregations thereof, interacting as a cohesive whole toward a common mission or purpose."

The holistic, ecosystem focus ensures that business architecture can and should represent customer, partner, and related external stakeholders; value stream perspectives that, in some cases, exist in part outside of internal stakeholder's line of sight; outsourced capabilities; and value delivery from a multidimensional viewpoint. In effect, business architecture reflects multidimensional aspects of a real-world business in an abstract format. Figure 1.1 depicts these "abstractions" as high-level business domains within the business architecture.

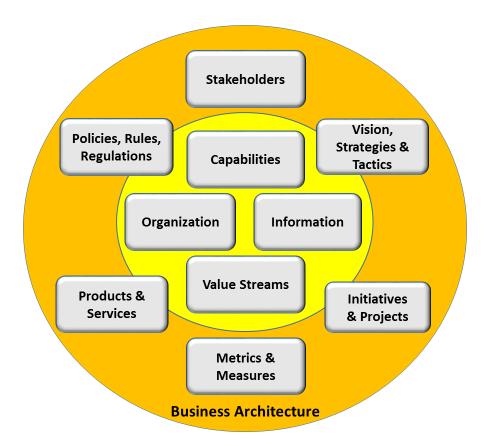


Figure 1.1: Aspects of the Business Represented by Business Architecture

Business architecture domains are business focal points used to establish formal abstractions needed to represent a business. Business architecture domains form the basic building blocks of business architecture and provide the basis for establishing a wide variety of business abstractions, enabling business transparency.

Domains represented in figure 1.1 are related to each other in various ways. For example, a business is broken down into business units, each of which has certain capabilities. Capabilities enable stages within various value streams and require certain information. Organization, capability, value streams, and information comprise the foundation of the business architecture. These four "core" domains, represented by the inner circle in figure 1.1, are considered foundational because they are relatively stable compared to other aspects of the business.

For example, a 100-year-old insurance company would have had similar capabilities as it does today: Customer Management, Insurance Policy Management, and Claims Management. While these capabilities would not have had automation 100 years ago, they still existed, along with certain business units and value streams such as Settle Claim. The company would have also used similar information such as Customer, Insurance Policy, or Claim, and the instances of these domain categories tend to be relatively static.

The extended set of business architecture domains, shown in the outer rim of the circle in figure 1.1, depicts aspects of the business that, in some cases, change more frequently than core domain perspectives. These outer rim domain categories extend the business architecture in a variety of ways. For example, stakeholders (such as customers, business partners, and various internal stakeholders) are used to communicate who receives business value and participates in the delivery of that value. These stakeholder categories may have existed long ago, but it is likely that the specific stakeholders in each category have evolved. Similarly, the instances of products being delivered may change frequently along with other domains such as strategy and policy. As a result, updates to the instances of these business architecture domains would be more dynamic than updates to instances of capabilities, information, or value streams.

In all cases, however, business architecture domain categories, once established for a given business, have the capacity to absorb and represent a wide variety of business perspectives. *BIZBOK® Guide* sections 2.2 through 2.5 outline how to build out business architecture core domains while the remaining sections in part 2 discuss building out the extended domain categories. Relationships among business architecture domains, represented through various blueprints, provide the foundation for a robust, highly flexible business architecture that delivers business transparency to address a wide variety of business needs.

Business architecture represents real-world aspects of a business, along with how they interact, to help executives and other stakeholders answer commonly asked questions: who, what, where, when, why, and how. Answers to these questions, derived from the business architecture, are used to develop plans and make and implement business decisions. This understanding is the essence of business architecture and a foundation for the material presented within the *BIZBOK® Guide*. Of course, representing this information is one facet; making it useful to individuals who need only a portion of this information at a given time and have little time or patience to sort through the details introduces another aspect of business architecture: blueprints.

Blueprints are abstract representations of reality that represent a wide variety of viewpoints. There are building blueprints, ship blueprints, and, within this discussion, business blueprints. A given blueprint represents one view of the business. There are many types of business blueprints, as shown in the examples in figure 1.2. These blueprints, along with numerous others, enable organizations to visualize their business from a variety of perspectives, providing management with information about a given aspect of the business within a specific context. For example, the Balanced Scorecard, shown in figure 1.2, provides management with measures against certain business goals and objectives.

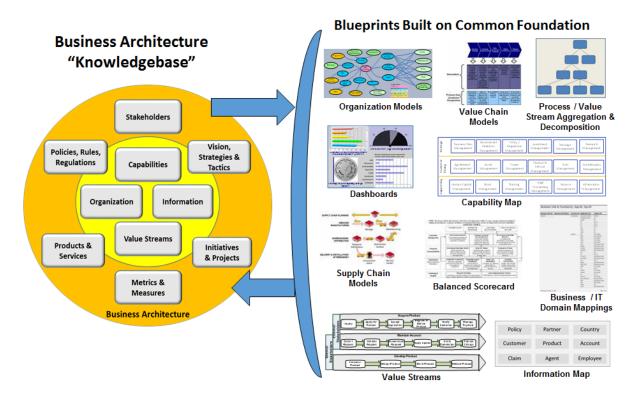


Figure 1.2: Business Architecture Represented Through Business Blueprints

One important difference between business architecture derived balanced scorecards, dashboards, and related blueprints and traditional financial reporting is that business architecture focuses on the essence, structure, and overall transparency of the business, not on financial performance. Just as a blueprint of a ship would not provide statistics on top speed attained on an Atlantic Ocean crossing or average speed per crossing, business architecture does not provide financial analytics. Financial reporting systems will continue to produce financial performance results for business teams. Business architecture, however, identifies how effective the organization is in building financial analytics and where the organization can improve this capability from a holistic perspective.

Business architecture opens up an entirely new level of business transparency that allows management teams to streamline planning, evaluate the value of funded initiatives against strategies, and craft more effective transformation roadmaps. This transparency is possible because business architecture blueprints stem from a common vocabulary, standardized framework, and shared knowledgebase. As such, dashboard results align in practice with value streams, capabilities, information views, business objectives, key performance indicators, initiatives, and related business viewpoints. As a result, executives, managers, planning teams, analysts, and other stakeholders can view the business through a common lens — eliminating much of the confusion found across business units, strategy sessions, and initiatives.

Business architecture is typically used alongside other business and operating models to enable businesses to drive investments based on a shared view of the business. Too often, organizations establish priorities and investments on a fragmented business perspective based on the needs of individual business unit siloes. As shown in figure 1.3, the well-defined, ecosystem-wide perspective provided by business architecture allows an organization to continually align its operating model to a holistic business strategy, which, in turn, provides an organization holistic views of operations, marketplace, and business activities that are often incomplete without business architecture.

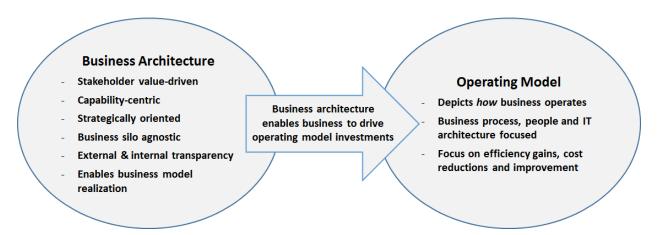


Figure 1.3: Business Architecture's Alignment with the Operating Model

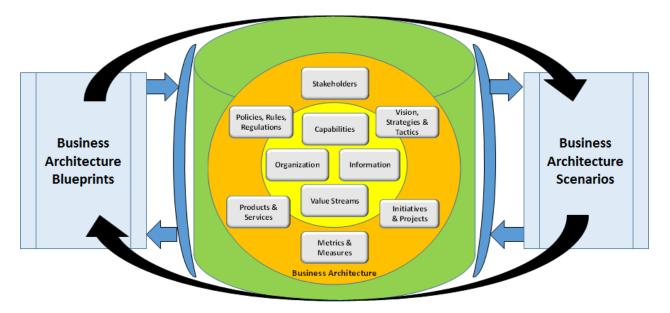
One misunderstanding that individuals new to business architecture often experience involves confusion between business architecture and the operating model. As shown in figure 1.3, the operating model is process, people, and technology focused. While useful for improving efficiencies and costs as well as implementing detailed changes to the business and IT environments, the operating model lacks the value-driven, capability-based, ecosystem-wide perspective needed to deploy actionable strategies, ensure consistent policy compliance, and optimize initiative investments.

The *BIZBOK® Guide* walks practitioners through the creation and application of business architecture across various scenarios as well as the deployment and governance of the practices. It also provides insights into how to use business architecture to achieve business goals through an overall framework that integrates with business process, case management, business analysis, and information technology disciplines.

### **Business Architecture Framework**

Basic business architecture concepts and the ability to visualize this information in a variety of ways is only part of the business architecture story. Organizing this information in useful ways and being able to relate and combine these concepts require a foundational framework, shown

in figure 1.3. The framework concept does not impose prescriptive or restrictive concepts into the practice of business architecture. Rather, the framework provides a foundation that organizations can build upon and customize based on unique business architecture requirements, driven by real-world challenges.



**Figure 1.4: The Business Architecture Framework** 

There are three important components within the business architecture framework: business blueprints, business architecture scenarios, and the business architecture knowledgebase.

As previously noted, business blueprints deliver business transparency that enables and streamlines business transformation across business units, capabilities, and stakeholders. The degree of transparency delivered by these blueprints rarely exists in many organizations. As a result, the participants in strategy planning sessions often miss the essential understanding of how to maximize solution-related investments while ensuring that one business unit's success does not create problems for the enterprise as a whole.

For example, consider the company that was creating multiple, competing enrollment solutions for the same customer base across multiple product lines. The projects could have succeeded in principle, yet they created more complexity and dissatisfaction across the customer base. Business architecture provides the transparency necessary to discover these issues in advance — before money and goods are squandered. Essential business architecture blueprint building and usage are outlined in detail in part 2 of the BIZBOK® Guide.

The framework also incorporates the concept of business architecture scenarios, which provide business transparency on specific business initiatives. Business architecture is applied differently

based on the type of scenario at hand. For example, a business team involved in a merger and acquisition would require different information than another team considering how to stem customer attrition. Applying business architecture through various business scenarios, thereby leveraging blueprint views derived from the business architecture knowledgebase, enables business teams to create and deploy a wide variety of transformation roadmaps. Because this approach is based on a common view of the business across business units, it enables improved executive sponsorship and more sustainable funding structures.

Sample scenario topics covered in the BIZBOK® Guide include:

- Investment Analysis
- Shift to Customer Centric Business Model
- Digital Transformation
- Merger and Acquisition Analysis
- New Product / Service Rollout
- Globalization
- Business Capability Outsourcing
- Supply Chain Streamlining
- Divestiture
- Regulatory Compliance
- Change Management
- Operational Cost Reduction
- Joint Venture Deployment

These business architecture scenarios define the collective set of initiatives, programs, and projects that leverage business architecture. Of particular importance for each scenario is the creation of a roadmap necessary to advance that particular scenario. Business architecture scenario approaches are discussed in detail in part 4 of the *BIZBOK® Guide* and further augmented by business architecture case studies in part 7.

The business architecture knowledgebase is used to store the information about the business and is organized in concise ways that are customized to a given organization's environment. For example, corporations have divisions and departments while governments may use different terminology. There are generic approaches to knowledgebase structure as well as organization-specific approaches. For example, a government agency would have unique organizational structures in comparison to a hospital or shipping company. Knowledgebase management is discussed in part 5 of the *BIZBOK® Guide* and is also incorporated into various blueprint discussions.

# **Business Architecture Principles**

Business architecture is principle driven. A principle is an agreed upon truth that can guide one's reasoning. This approach offers practitioners a wide degree of latitude in the practice of establishing and leveraging business architecture. Each major section has a set of principles that guide actions associated with individual blueprints and related practice areas.

Core principles that apply to business architecture as a whole are listed below:

- 1. Business architecture is about the business.
- 2. Business architecture's scope is the scope of the business.
- 3. Business architecture is not prescriptive.
- 4. Business architecture is iterative.
- 5. Business architecture is reusable.
- 6. Business architecture is not about the deliverables.

These statements emphasize a principle-based approach to business architecture that provides practitioners the option to employ a variety of methods, visualization techniques, tools, and governance concepts. The common thread is that each approach adheres to a foundational set of principles that aligns the practice of business architecture without dictating how the work is done or restricting the creativity of the practitioner. While using various portions of the *BIZBOK® Guide*, particularly parts 2 and 3, look for the principles section that serves as a foundation for best practices in that particular topic area.

#### **Business Architecture Value Stream**

A common business architecture blueprint — the value stream — defines the major stages involved in delivering value to the collective set of business stakeholders benefitting from business architecture. Additional business capabilities enable each stage of the value stream. While capabilities define *what* a business does, the value stream is an end-to-end collection of activities that deliver value to internal and external stakeholders.

Figure 1.5 outlines five stages of the business architecture value stream. It is important to note that value stream is initiated every time a stakeholder triggers the need for a business architecture-assisted solution. A series of capabilities provides additional insights into to each value stream stage that identify what may be done at each stage to achieve stakeholder value. Value stream stages and capabilities are defined in appendix B.1.

The first stage of the value stream in figure 1.5 stresses the importance of establishing business motivations for the use of business architecture. The second stage performs a needs analysis and determines the role business architecture will play going forward, including scenario focus. Using

business architecture, the third stage establishes a clear view of the enterprise as it relates to the current and target states of the business from viewpoints relevant to the scenario at hand. This stage additionally covers how related business disciplines help frame business solutions based on business priorities and related aspects of the business architecture. The fourth stage defines initiatives required to achieve the goals set in stage one and implement the solutions crafted in stage three. The last stage delivers the ultimate degree of stakeholder value — a deployed solution and confirmation of success.

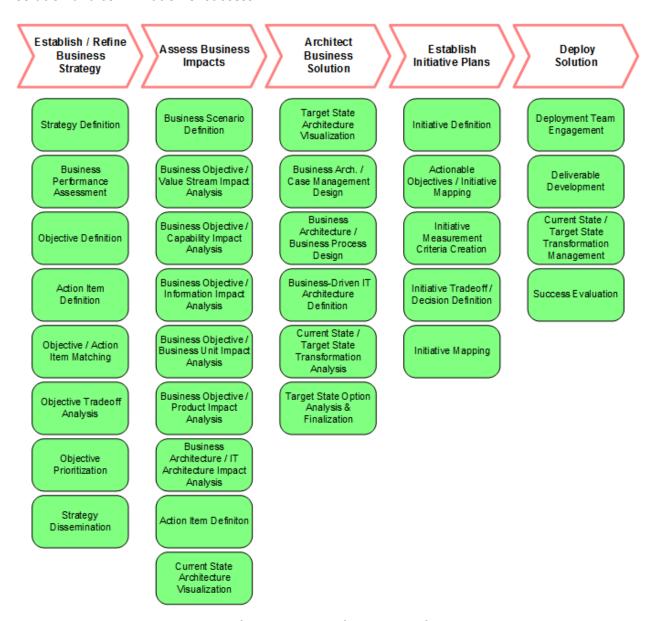


Figure 1.5: The Business Architecture Value Stream

Note that while there is a capability for addressing business-driven IT architecture definition under stage three, this value stream is not meant to encompass all aspects of a software

development solution. Inclusion of this capability is merely meant to demonstrate that business solutions requiring IT architecture planning and definition would do so within this stage. Business/IT alignment concepts are incorporated within part 6 of the BIZBOK® Guide.

The value stream in figure 1.5 is not a one-time event but one that will happen many times over based on business issues that arise. In other words, this is a recurring value stream that organizations will be able to apply for years into the future as new and unique challenges arise. The value stream leverages the three key aspects of the business architecture framework: blueprints, scenarios, and the knowledgebase. Businesses typically employ customized versions of this value stream, framing their ability to move from a strategic plan through solution deployment.

# The BIZBOK® Guide Content Summary

The *BIZBOK® Guide* is organized into eight major parts and a series of supporting appendices. A part may be divided into several sections. An overview of the *BIZBOK® Guide* is shown below.

- **Part 1: Introduction** Provides an overview of the *BIZBOK® Guide* as incorporated herein.
- Part 2: Business Architecture Blueprints Includes detailed mapping discussion of common business blueprints along with guidelines for how to use these blueprints in practice.
  - Section 2.1: Business Strategy Mapping Discusses how business strategy and objectives play a role within business architecture.
  - Section 2.2: Capability Mapping Details the definition, benefits, development, and use of business capabilities in planning and other business areas. The section also includes information about building the capability map and mapping capabilities to other aspects of the business.
  - Section 2.3: Organization Mapping Discusses mapping organizational structures into the business architecture and covers business unit mapping and inclusion of various stakeholders into the business architecture.
  - Section 2.4: Value Mapping Outlines the definition, benefits, development, and detailed value stream mapping approaches and their use in context of business planning, transformation, and related initiatives.
  - Section 2.5: Information Mapping Provides a business perspective of information and its role in business architecture and delivering business value.

- Section 2.6: Initiative Mapping Discusses approaches for visualizing business initiatives within the context of business architecture, including viewing initiatives in light of the impact on capabilities, value streams, and delivering business objectives.
- Section 2.7: Product Mapping Maps a business' products and cross-maps them to other aspects of business architecture, including the capabilities they enable or deliver.
- Section 2.8: Stakeholder Mapping Identifies stakeholder definition, business criticality, role in business planning and value determination, and formal mapping to value streams.
- Section 2.9: Policy Mapping Outlines approaches to organizing and aligning business policies, a critical business perspective in heavily regulated corporate sectors and government agencies.
- Part 3: Business Architecture Practice Guide Provides perspectives on a wide variety
  of business architecture practices, like getting started, governance, business model
  mapping, mapping to related business disciplines, and tooling options.
  - Section 3.1: Common Approaches for Getting Started Discusses how to get started with business architecture and outlines a typical timeline from business planning through deployment.
  - Section 3.2: Business Architecture Governance Incorporates best practices for governing business architecture within an enterprise. Topics include team alignment, role definition, and collaborative governance across a business.
  - Section 3.3: Business Architecture and Business Models Discusses how to use business architecture to interpret business models to achieve actionable results, where a business model describes the rationale of how an organization creates, delivers, and captures value.
  - Section 3.4: Business Architecture and Business Process Modeling and Management – Discusses the relationship between business architecture and business process management.
  - Section 3.5: Business Architecture and Case Management Outlines the important business design concept and how business architecture provides a framework for delivering case management solutions in practice.

- Section 3.6: Business Architecture and Lean Six Sigma Provides guidelines for aligning Lean Six Sigma, a widely used discipline for improving business performance, to business architecture.
- Section 3.7: Business Architecture and Business Performance Management
   Introduces the role of business architecture in measuring and improving business performance.
- Section 3.8: Business Architecture and Requirements Alignment Discusses how business architecture is used to inform, frame, and improve business requirements analysis.
- Section 3.9: Business Architecture Maturity Model™ Provides an overview of a framework for evaluating the overall maturity of a business architecture practice and deployment. It also provides a summary perspective of business architecture maturity and introduces appendix B.3, which contains the complete Business Architecture Maturity Model™ (BAMM™).
- Section 3.10: The Role of the Business Architect Outlines what business architecture means for the individuals who practice the discipline.
- Part 4: Business Architecture Scenarios Focuses on best practices for addressing common business scenarios, including the list identified in this section and additional scenarios to be added over time.
- Part 5: Business Architecture Infrastructure Management Discusses the foundational infrastructure for organizing business architecture artifacts.
  - Section 5.1: The Business Architecture Knowledgebase Overviews how to organize and manage business architecture concepts and artifacts using a formal mapping approach.
  - Section 5.2: Business Architecture Tooling Options Outlines business architecture tool categories that can be leveraged to enable and improve business architecture blueprint creation and related practices.
- Part 6: Business Architecture and IT Architecture Alignment Discusses various
  approaches for aligning business architecture and IT architecture in order to deliver IT
  solutions that more effectively meet the needs of the business.
  - Section 6.1: Business Architecture and IT Architecture Alignment Overview –
     Introduces the overall approach and context for business architecture / IT architecture alignment, including a summary of mapping approaches.

- Section 6.2: Business Architecture and Enterprise Architecture Framework
   Alignment Provides guidelines for using business architecture within the
   context of enterprise architecture, with a specific focus on enterprise
   architecture frameworks that include Open Group's TOGAF™.
- Section 6.3: Business Architecture and SDLC Describes a basis for articulating how business architecture provides input to the System Development Lifecycle.
- Section 6.4: Capability and Application Portfolio Management Provides a business-value-oriented approach to application portfolio management.
- Section 6.5: Business Architecture and SOA Alignment Discusses the use of business capabilities in informing and articulating service-oriented architecture from a business perspective.
- Section 6.6: Business Information and IT Architecture Alignment Outlines how business information, as defined in section 2.5, impacts the evolution of IT data and application architectures.
- Section 6.7: Business Architecture and Solution Architecture Outlines the
  use of business architecture as a means of informing and influencing solution
  architecture.
- Section 6.8: Business Architecture and IT Architecture Transformation –
   Outlines how businesses can achieve business-driven, business/IT architecture transformation.
- Part 7: Business Architecture Case Studies Showcases real-world examples and lessons learned from using business architecture to solve business issues. Case studies will be added to part 7 on an ongoing basis.
  - Section 7.1: Business Architecture Guild® Case Study Reflects ongoing efforts of the Business Architecture Guild® to establish and leverage business architecture to manage its own business.
  - Section 7.2: Manufacturing Company Case Study Looks at how business architecture has been applied at a worldwide manufacturing company.
  - Section 7.3: Government Agency Case Study Reveals how business architecture was applied at a provincial government agency.
  - Section 7.4: Financial Services Case Study Reveals how business architecture

was applied at a financial services organization to help define importance and scope of solution design.

- Part 8: Industry Reference Models Presents industry reference models that serve
  as a baseline for building a business architecture. It categorizes reference models by
  vertical industry and includes a variety of business architecture blueprint categories.
  Reference models are built and published incrementally, representing progress across
  vertical industries. The number and type of vertical industries defined in this section
  will grow, along with the breadth and depth of reference models.
  - Section 8.1: Financial Services Industry Reference Model Represents a cross-section of financial industry subsets.
  - Section 8.2: Manufacturing Industry Reference Model Provides a baseline for manufacturing companies focused on producing and moving products.
  - Section 8.3: Healthcare Industry Reference Model Focuses on the healthcare provider and related business architecture perspectives that would be useful to that industry.
  - Section 8.4: Member-Based Association Reference Model Provides a member-based association reference model, which is based on the business architecture established for the Business Architecture Guild®.
  - Section 8.5: Insurance Reference Model Provides a baseline for insurance companies, across different sub-verticals, focused on mitigating risk and providing coverage and payment products.
  - Section 8.6: Common Reference Model Provisions vertical industry sector independent views of common value streams, strategic and supporting capabilities, and related business abstractions.

#### Appendices

- Appendix A: Glossary Summarizes terms and definitions used throughout the BIZBOK® Guide.
- Appendix B.1: Business Architecture Value Stream and Capability Definitions
   Defines the value stream, value stream stages, and capabilities found in the example in figure 1.4.
- o Appendix B.2: Business Architecture Roles and Competencies Provides a list

- of business architecture roles and competencies typically found in a mature practice.
- Appendix B.3: Business Architecture Maturity Model™ Contains the complete Business Architecture Maturity Model™ (BAMM™) with detailed categories and subcategories as well as related metrics.
- Appendix B.4: Business Architecture Metamodel Contains an expanded view of the work-in-progress, business architecture metamodel, along with a summary of selected relationships.
- Appendix B.5. Dynamic Rules-Based Routing Map Examples Provides an expanded example of a routing map and routing map worksheet used to define events and actions associated with case management.
- Appendix B.6. Alternative Value Mapping Approaches Outlines alternative value mapping approaches, including the Porter value chain, value network, and lean value stream.
- Appendix B.7. Business Architecture Tool Evaluator™ Provides an overview
  of the tool evaluator worksheet, which enables businesses to assess one or
  more business architecture tools to determine suitability to their practice.
- Appendix C: Study Questions Provides study questions, which have been added incrementally for certain sections.
- Appendix D: Version History Tracks changes to the BIZBOK® Guide, including updates added to the latest release and prior releases.
- Appendix E: Editorial Board and Contributors Provides a list of BIZBOK®
   Guide contributors.

## The Business Architecture Guild®

A Guide to the Business Architecture Body of Knowledge® (BIZBOK® Guide) will continue to expand and incorporate an evolving set of best practices emerging in the field. This effort will be accomplished through membership participation in the Business Architecture Guild®, a not-for-profit organization of business architecture practitioners. The Guild is dedicated to advancing the profession of business architecture. The BIZBOK® Guide represents the consensus, formalization, and documentation of best practices and knowledge from active members of the Guild.

As this document continues to evolve, comments, corrections, and new contributions from Guild members are appreciated. If you are interested in contributing content, including BIZBOK® Guide

updates, go to the Guild's website and consider joining or helping start a collaborative member team.

For more information, go to www.businessarchitectureguild.org.

<sup>&</sup>lt;sup>1</sup> OMG Business Architecture Special Interest Group, http://bawg.omg.org.

<sup>&</sup>lt;sup>2</sup> "Recommendation of FEAPO Taxonomy Working Group for adoption of definitions." Federation of Enterprise Architecture Professional Organizations (FEAPO) Plenary Meeting and subsequent vote. January 14, 2017. <a href="http://c.ymcdn.com/sites/www.businessarchitectureguild.org/resource/resmgr/FEAPO">http://c.ymcdn.com/sites/www.businessarchitectureguild.org/resource/resmgr/FEAPO</a> Adopted Architecture D. pdf. www.feapo.org.