THE NEW RULES OF EA

New EA is calling for a revolution. Discover its powerful new rules.
BUSINESSES HAVE NEVER HAD A GREATER NEED FOR ENTERPRISE ARCHITECTURE (EA).

Digital technologies are evolving rapidly, introducing waves of innovation that are constantly roiling the business environment and the competitive landscape. Digital transformation no longer only involves leveraging the Nexus of Forces (social media, mobile, cloud, and information). Businesses must also consider the possibilities created by the Internet of Things (IoT) connecting up the real world in real time, while at the same time scanning the horizon for the threats and opportunities presented by emerging technologies, such as smart machines and Artificial Intelligence (AI).

To succeed in this digital environment, businesses must tackle a number of difficult challenges encompassing growing organizational complexity, accelerating change, and intensifying cyber threats - all of which are leading to unpredictability and a worrying loss of control for business leaders.

In response, businesses are seeking a platform that will allow them to manage complexity, adapt to change, and implement more efficient processes - which is exactly what EA has been striving to deliver since its inception three decades ago.

However, traditional EA is widely seen as having failed - but at the same time both practitioners and business leaders say that there is more need for EA now than there has ever been in the past 30 years.

That’s why 72% of organizations are either starting, restarting or renewing their EA efforts.
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WHY IS TRADITIONAL EA MISSING THE MARK?

In the pre-digital era, companies sought to align business and IT, predicated on a ‘business-led, IT enabled’ approach. The traditional EA practices such as models, principles, roadmaps, standards, and architecture reviews evolved to support this aim. EA sought to order the whole organization, with an emphasis on the technological underpinnings.

Now digital has fundamentally altered the business-IT relationship, calling for a ‘business- and IT-led, technology-enabled’ approach. Business and IT are integrated into a digital business strategy that aims to create sustainable business models, effectively implement new technologies, and meet strategic objectives in the face of extreme competition.

In the digital environment, when it comes to managing, navigating, and informing decision-making, EA’s historically linear solutions are no longer up to the task. Rigid frameworks, ‘command and control’ governance and an exclusive focus on architecture cannot keep pace with the demand for continuous innovation and accelerated speed to value and time to market.

Digital businesses must be agile, iterative, experimental, lean, and constantly learning and adapting. EA must evolve to support this, moving away from seeking perfection, towards delivering continuous improvements at speed with a lightweight, pragmatic architecture that enables the business to make smart decisions.

This new EA will enhance its traditional practices through a new set of rules, ensuring that it can truly support value creation in digital businesses.

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EA’S HISTORICALLY LINEAR SOLUTIONS ARE NO LONGER UP TO THE TASK
THE SEVEN NEW RULES OF EA
Traditional EA focuses on architecture, where a model is created, populated, and then used to generate scenarios. It’s not possible to make sense of the outcome without understanding the model. However, business leaders aren’t interested in understanding architecture. They need EA to help them make better decisions faster, with insight and intelligence about their operations.

To steer the business, senior decision-makers need to interrogate the constantly evolving digital business ecosystem. The questions that arise are very complex. For example, the C-suite could ask: which business forces and which of our current applications mitigate against end-customer value; and of these, which introduce high business and security risks?

New EA recognizes that what is required here is contextually relevant and bespoke decision-making input. Understanding which algorithm to use or what model to apply will not lead to a better business decision from the C-suite – but real-time contextual intelligence backed by accurate data will.

The value of new EA is in the power of its analytics - its ability to analyze complex structured data so that business leaders can draw on those insights to have meaningful conversations that lead to competitive business outcomes.
As the researchers at Gartner have observed, in the digital era business is about technology as much as technology is about business. Yet the ‘tech for tech’s sake’ approach of traditional EA tends to leave business problems out of the equation. Out of touch with what the business really needs, traditional EA has earned a reputation as a bottleneck for achieving business results – too slow, too bureaucratic, too technical.

In contrast, new EA is business-driven. Its starting point is a problem, or problems the business needs to solve. Its goal is not to create a universal solution but to use data to help the business take smart strategic decisions.

New EA practitioners will develop a good understanding of the business so that they can help senior decision-makers prioritize a small set of their most critical business concerns – whether that involves operational, risk or compliance questions. Taking an agile, lean and flexible approach, they then design targeted solutions. This is an iterative process that can then be expanded to address other business problems as they come to the fore.

Leaving rigid architecture frameworks behind, new EA focuses on delivering business value and increased business and IT agility so that the enterprise can leverage disruptive forces to its advantage.
Traditional EA projects often fail ‘at the edges’ – while their algorithms are sound, their inputs and outputs are inadequate. The old adage of ‘rubbish in, rubbish out’ is never truer than here.

New EA ensures that it uses the right data, in the right format, at the right time. As it starts with a business question, it can better identify which data it needs to provide a meaningful answer.

For example, a business may need to solve the problem of predicting social demographics on its anonymous audiences. Only certain types of data will carry the right signals. New EA will architect the data structures, the data flows and algorithms, then collect the data, process it, and produce an output that answers that question. Critically, it makes it easy to harvest that data through collaborative tools like surveys and integrations that allow a wider set of stakeholders to contribute.

Data output is as important as data input. Traditional EA uses tools where only a couple of people in the organization have the expertise to understand and action the system, and interpret the outputs of its analytics platform. As a result, it has little material impact. Any tool is only as good as the information or guidance it provides.

In contrast, by starting with the right data, new EA presents business and IT leaders with signature-ready recommendations for guiding policies and projects to achieve targeted business outcomes.
New EA is customer-driven – flexibility, accessibility, and clear communication feature among its main principles. Putting the user first, it recognizes that different department heads and business leaders need information in different formats for different purposes. For that information to be useful, it needs to speak their language, be presented from their point of view, and customizable to their particular questions.

The pre-set dashboards favored by traditional EA cannot deliver the flexibility necessary for providing the bespoke answers sought by the business's various decision-makers. So new EA has replaced them with customizable user interfaces and visualizations. Not only do the users of the tool benefit, but also the business leaders who consume the information created by the tool can easily access the data that's important to them.

Another critical benefit of customizable UX is that it can keep pace with the constantly changing demands of the digital business ecosystem. Nobody knows what they will need in six months' time. Different people will want different answers from EA and will take a different approach. A set of pre-built dashboards cannot provide this flexibility, hampering the business's ability to pivot with the market.
A major characteristic of the digital era is the democratization of technology. Think back to around ten years ago, when to build a website you needed considerable programming skill. Today, if you can use PowerPoint, you can construct a decent website. Other complex realms that have also been the preserve of experts - such as analytics - are heading in the same direction. EA should be no different.

The power of new EA is that it promotes continuing democratization by allowing business leaders, who are not EA experts, to extract the information they need when they need it. They do not need to be an IT expert nor rely on consultants to get answers. This facility is enabled by the use of a digital twin of an organization (DTO).

"A DTO is a dynamic software model of any organization that relies on operational and/or other data to understand how an organization operationalizes its business model, connects with its current state, responds to changes, deploys resources and delivers expected customer value. It holds disruptive potential to create visibility, to deliver situational awareness and to support improved enterprise decisions."

- Gartner, 2018

Managing the complexity of the digital business ecosystem is difficult and risky. The DTO helps decision-makers collaborate to explore options and reduce the risks of paths they choose. Anyone can ask a question and receive an answer. New EA empowers responsibility and ownership.
Digital creates value by connecting people, businesses, and things to each other in new ways. Yet with greater complexity and growing numbers of participants in the ecosystem, this comes at the cost of significant operational risk in terms of security, integration, compliance, and reputation.

At the same time, cyber criminals are becoming increasingly sophisticated and determined, while regulatory requirements have become more exacting – such as GDPR. Organizations cannot afford any gaps in their digital defences or their compliance regimes. In fact, according to Gartner, for 42% of businesses, their main purpose in using an EA tool is to improve compliance and risk management.

These challenges cannot be effectively addressed by manual solutions – via Excel, for example – or with unsuitable tools. So new EA offers as standard security and compliance management that is fully integrated into the business. It provides powerful AI features such as graph technologies, data augmentation, automated gap analytics, and automated data duplication detection to ensure that the business can operate in the digital business ecosystem in a secure, reliable, and compliant manner at all times.

Importantly, new EA security and compliance reports can be understood by non-tech stakeholders such as business risk managers and data protection officers, ensuring that security and compliance can be addressed as company-wide responsibilities.

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No industry will be able to escape the impact of digital transformation. Businesses that don’t prepare for change will be quickly outdone by their digital-savvy competitors. To survive, businesses need to be able to transform rapidly, analyze in real-time, innovate constantly, and improve continuously.

Business leaders want systems that can effortlessly manage complexity and crunch big data in real-time. They can’t afford to wait weeks, or make today’s decisions on last month’s data. On-demand is the default setting. Full speed ahead is the only speed.

New EA follows an agile methodology that enables decision-making based on speed, not perfection. It recognizes that businesses need to accept a level of uncertainty and imperfection, but will want to compensate for it by ‘failing fast’ and making amendments on the fly. Data-driven new EA, powered by analytics instead of rigid architecture, enables these capabilities by answering business questions with real data, at the speed of digital.

As a result, it creates easy-to-understand, useful deliverables that are focused on responding to changing business models and disruptive trends across digital business ecosystem.

SPEED AND EFFICIENCY ARE THE NEW NORM
HOW WILL NEW EA EVOLVE?

Just as industries and technologies evolve, so will new EA. Analytics will be the key driver, shifting EA’s proposition further away from rigid enterprise architecture towards dynamic enterprise intelligence.

The digital business ecosystem will only grow in complexity, making it impossible for an individual to understand and react to in real time. Businesses will be increasingly looking to EA to provide augmented intelligence around the enterprise and the ecosystems in which it operates. Over time, EA will become an analytic decision support system, enabling business leaders to answer complex question based on real-time, contextually enriched, machine-to-machine and crowdsourced data.
See how companies are already benefiting from the new rules of EA. Take a look at our case studies to learn more.

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