



Enterprise Architecture used to highlight fundamental flaws in \$100million outsourcing programme

World Class Architecture

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Common understanding is critical to making intelligent decisions.

Enterprise Architecture is a key enabler in making **informed decisions**. For one financial services organisation, the **business model was changing** as one of the core business processes was being outsourced. The business was aiming for growth, which necessitated a move into new products. IT was constraining the business as the new products required IT capabilities which their IT didn't appear to have currently. The options were to use the outsourcer to deliver the capability - which would constrain the business for a few more years, or develop the capability themselves at great expense. The view was that the former would be the best option. Three separate reviews had already been performed by IT, which suggested that major investment in the existing systems was required. However, a quick **mapping of capabilities** to the applications suggested that this view was wrong.

challenge

- To review the business product strategy against the existing and proposed business models
- To understand how the product strategy would be supported by the business processes and IT
- To clarify how the existing IT capability supported the business product strategy
- Identify deficiencies in the planned model
- Suggest how the product strategy could be delivered.

solution

- The product strategy requirements were understood
- Key stakeholders in IT were interviewed
- EAS created an end-to-end view of the current and proposed business process
- The applications and data lifecycles were mapped to the process
- Common terminology was identified and used to clarify the problem.

result

- **Problems identified.** The problem was identified as being one of terminology - IT and the business had been talking at cross purposes.
- **Cost avoidance.** The current model already supported the majority of the product strategy. A proposed multi-million dollar investment in new systems could be minimised.
- **Cost reduction.** It was discovered that the proposed outsource model was not supporting the new business model. The proposed outsourcing programme—which had already cost \$100million—was cancelled.

The architectural approach to the problem highlighted the fact that people were making business-critical decisions based on a misunderstanding of the IT capabilities. This misunderstanding held the business back for over a year, during which time several reports had been written which exacerbated the misunderstanding. Enterprise Architecture clarified the problem and saved millions of dollars.