

Organizational and Management Issues Vital to SOA and BPM Success

Paul C. Brown

Principal Software Architect

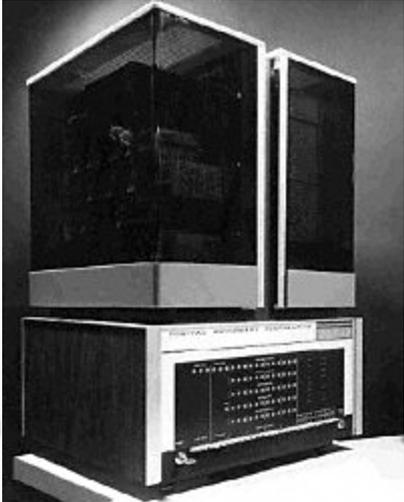


The Power of Now®

In the Beginning, Architecture was Simple...



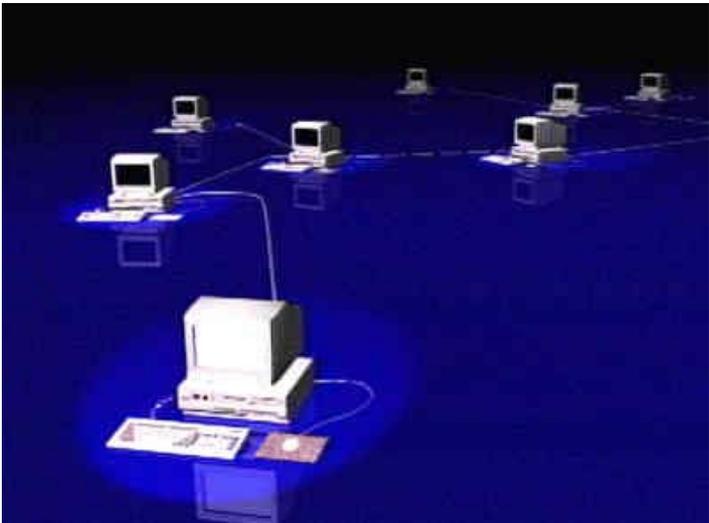
... and evolved slowly



Communications Helped Communities to Emerge...



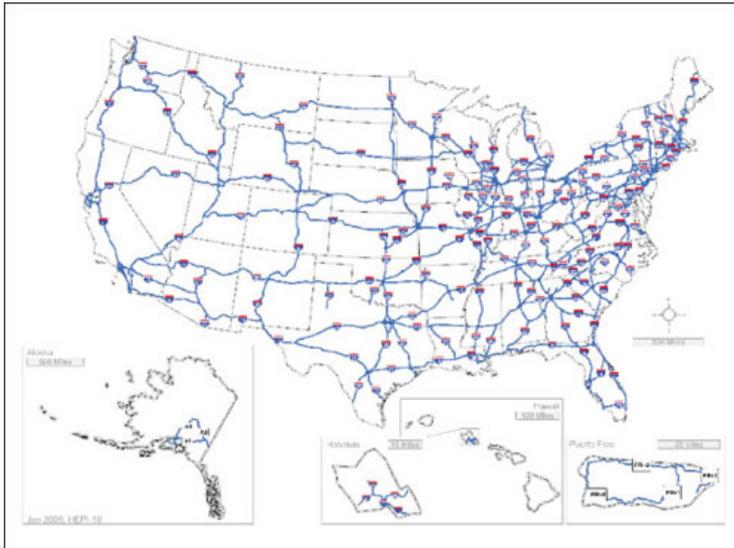
... and grow



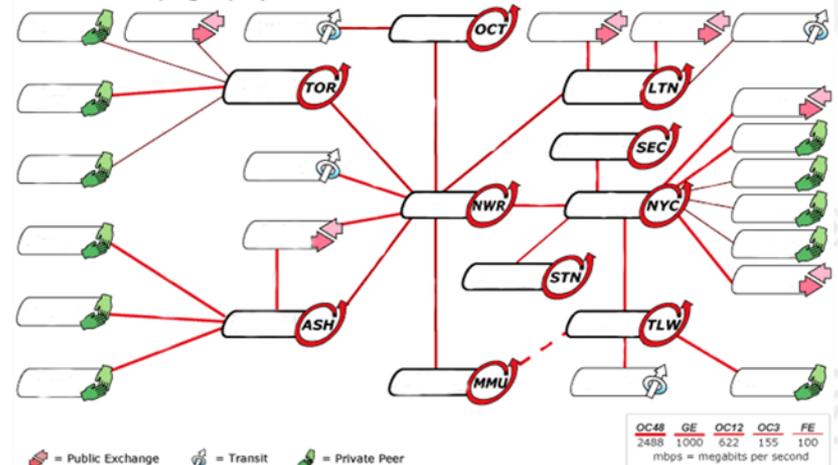
Better Infrastructure Fostered Denser Communities...



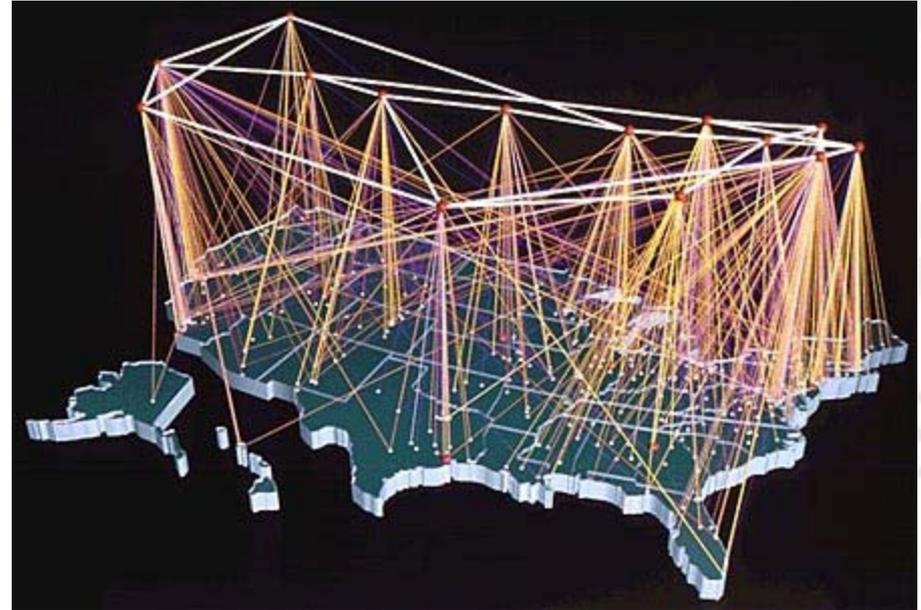
... and more of them



Network Topography



So How Do You Organize and Manage All This?



□ How do you ensure you get the business results you want?

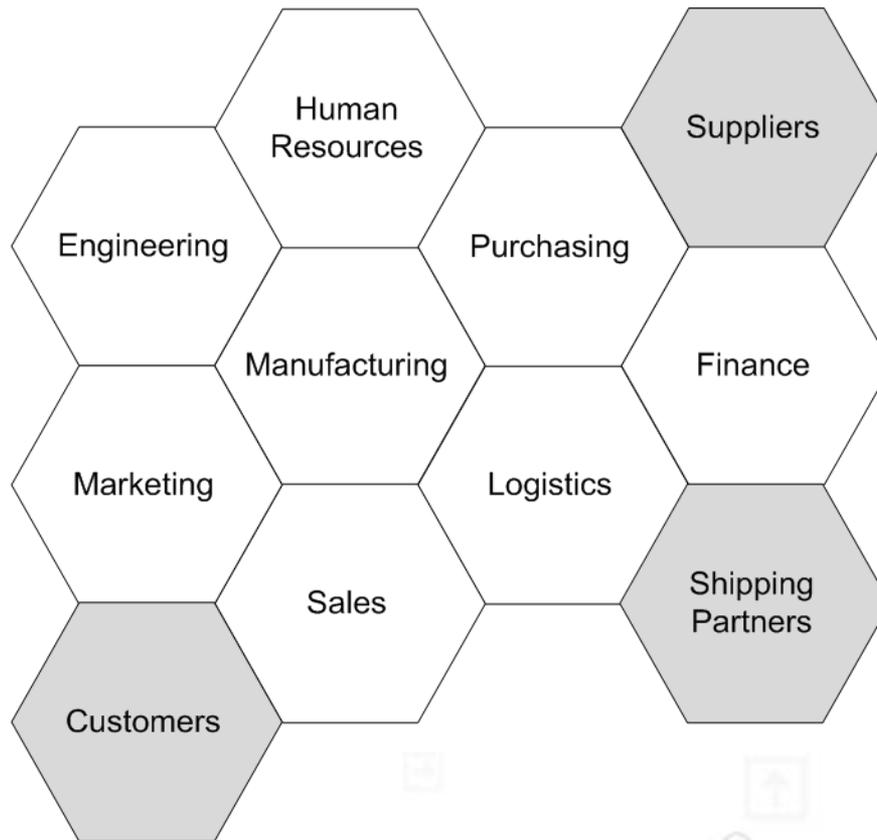
- The desired business benefit
- Within cost constraints
- *While preserving the flexibility to address tomorrow's needs*
 - i.e. avoid the “big bang” and evolve gracefully

Total Architecture

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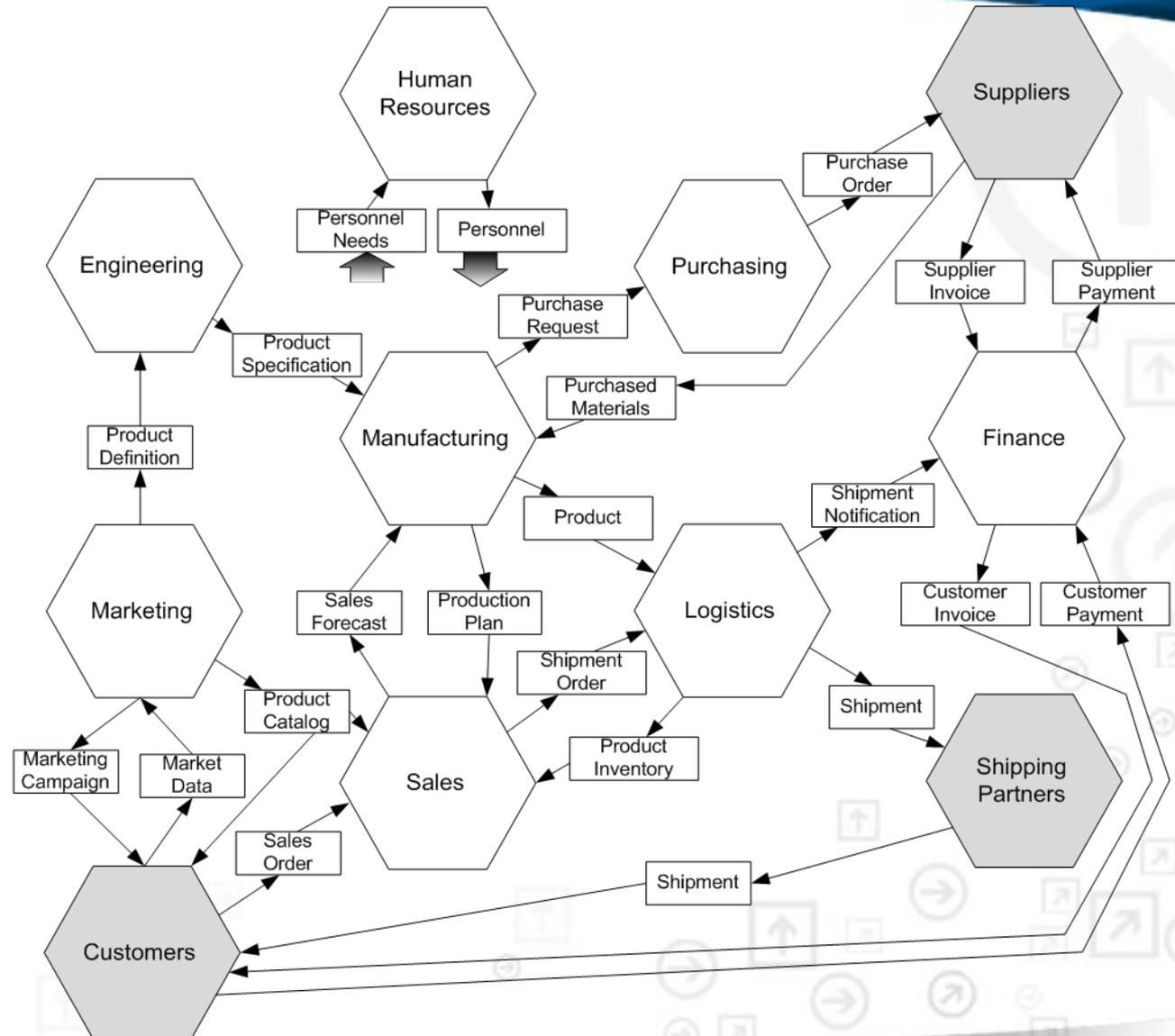
The Idealized Enterprise View Looks Simple

- A functional organization with well-defined responsibilities...

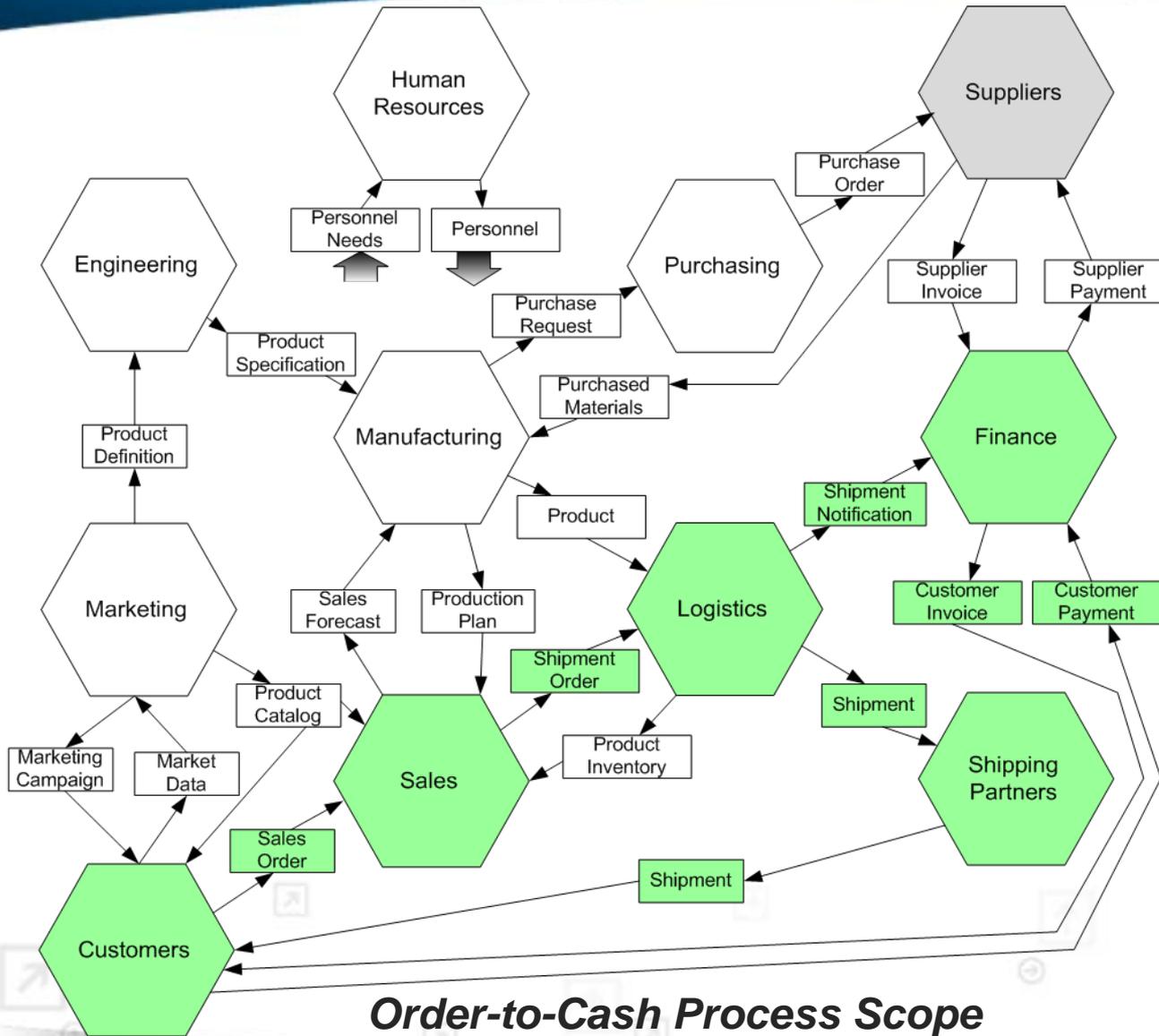


But There Is a Lot of Dialog Between the Organizations

- How do you make sense of this?



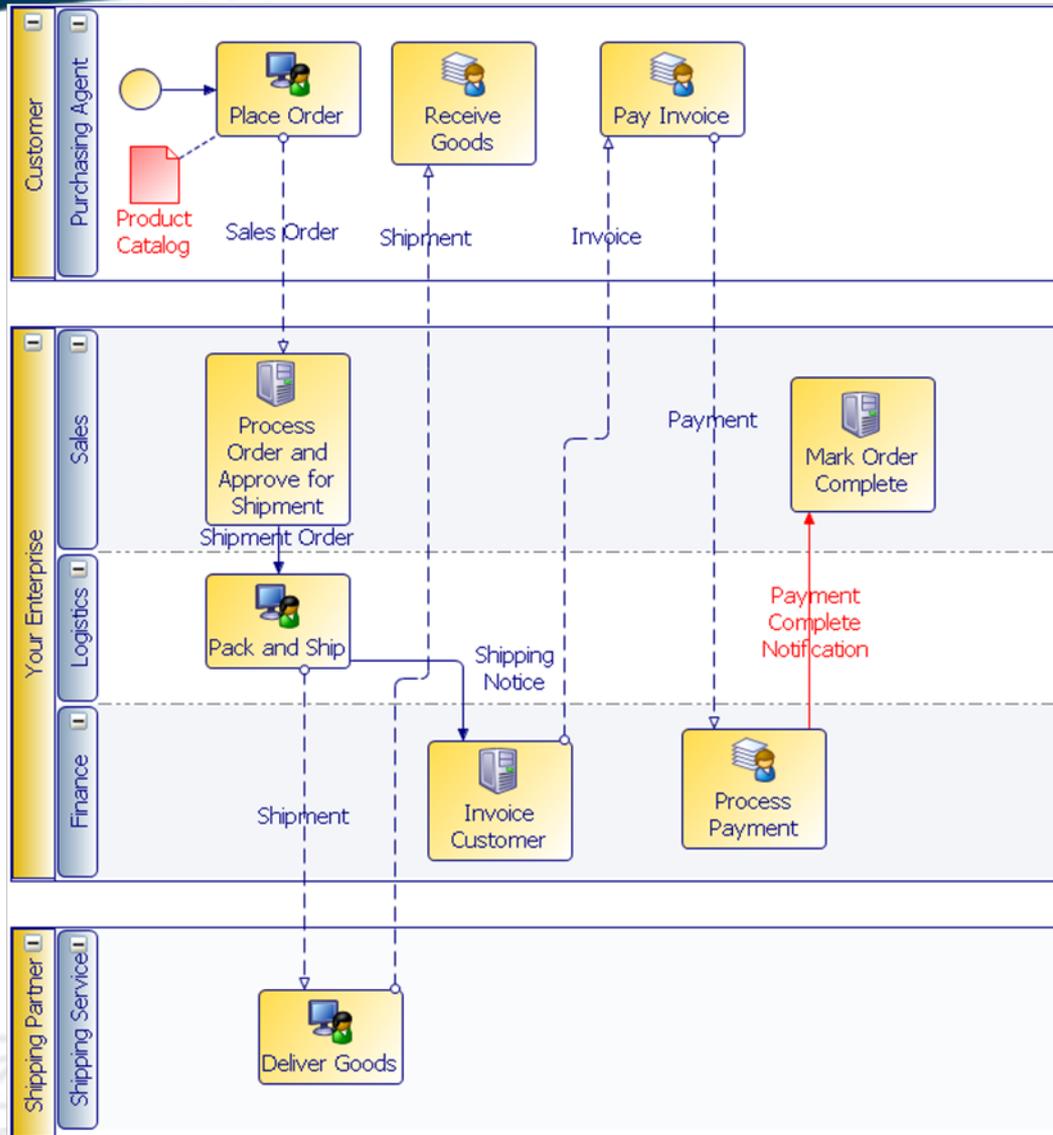
You Think in Terms of Business Processes



Order-to-Cash Process Scope

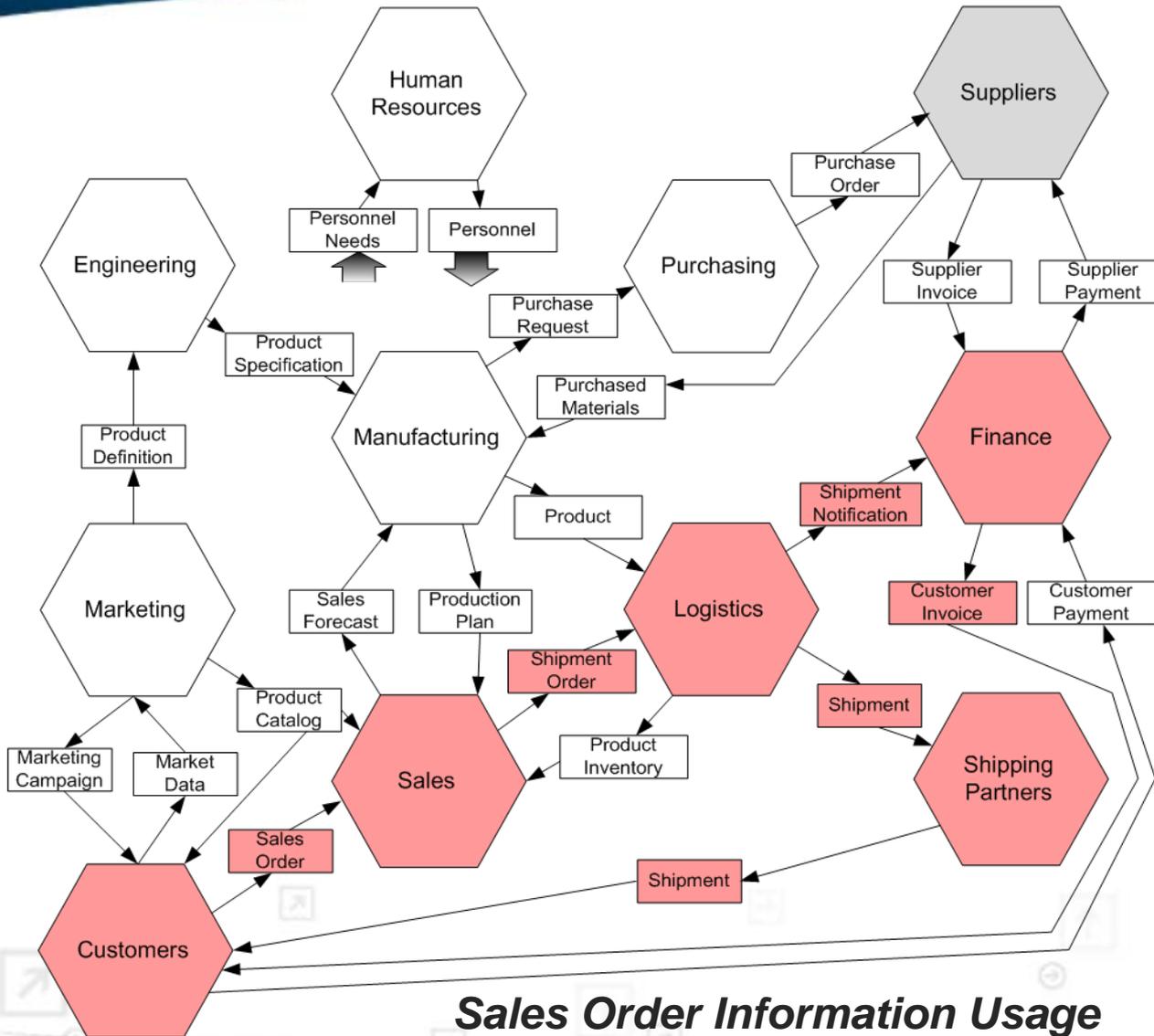
This picture does not tell you how the order-to-cash process actually works!

Business Process Models Provide That Understanding



- **Activities and their structure**
- **Participants**
 - Swimlanes represent roles
 - Activities in the lanes represent responsibilities
- **Interactions between participants**
 - Artifacts
 - Messages
 - Physical objects
 - Relationships to activities
- **Interactions with other business processes**
 - Where does the product catalog come from?

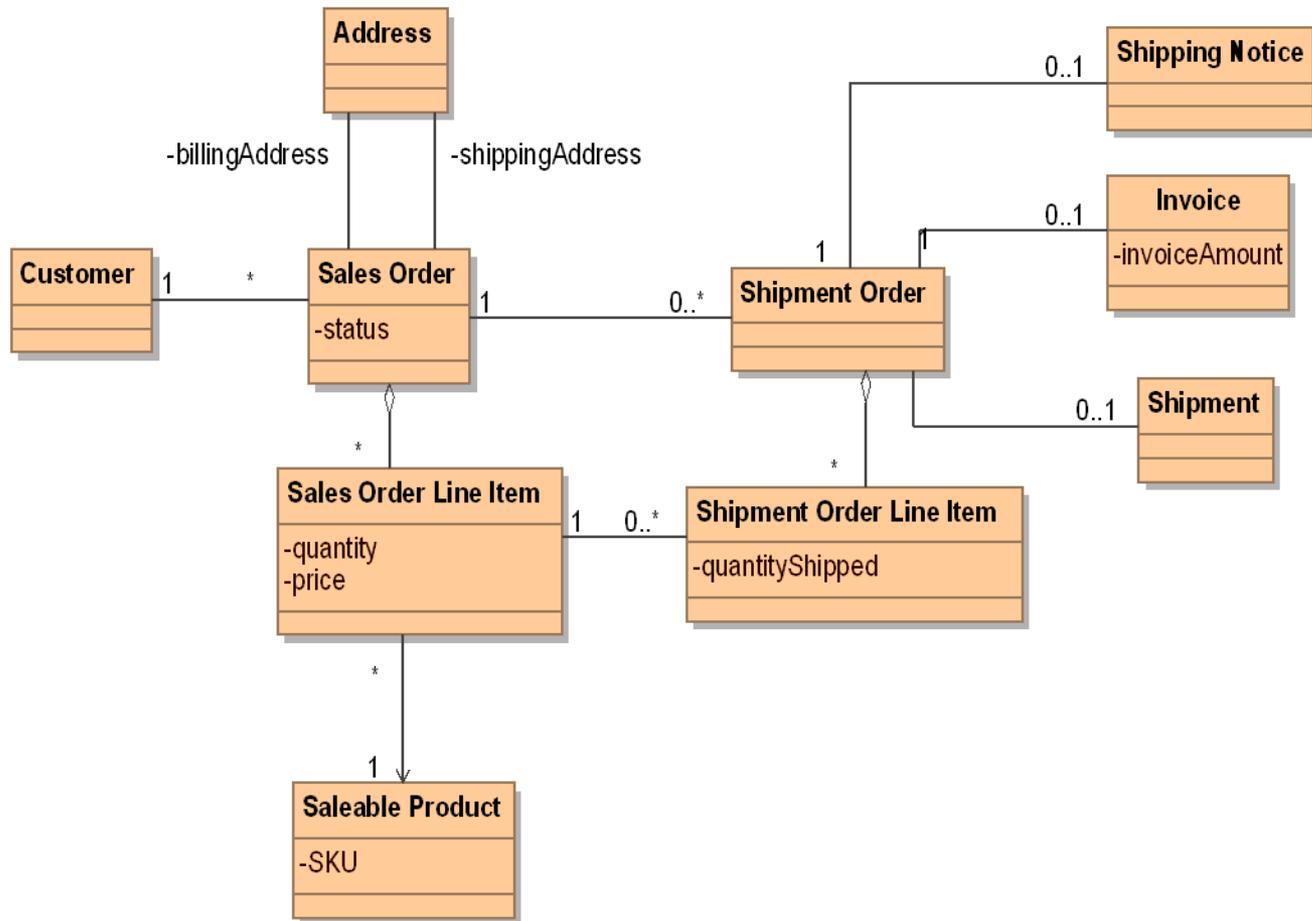
You Must Think About Information as Well



Understanding utilization scope tells you little about the information itself

Sales Order Information Usage

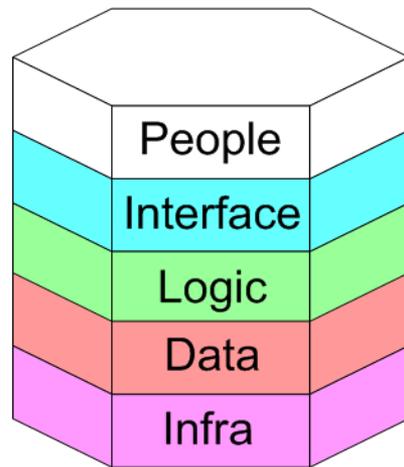
Logical Data Models Provide That Understanding



□ But models don't characterize:

- Who owns the data
 - Organization
 - System
- Where the data physically lives
- Where data is replicated
 - How consistency is maintained

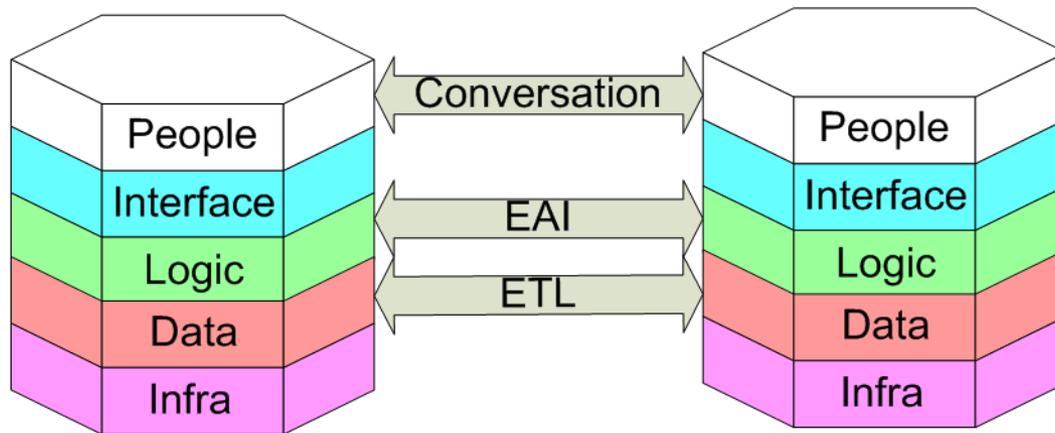
Each “Organization” is Actually a Stack



Traditional three-tier structure

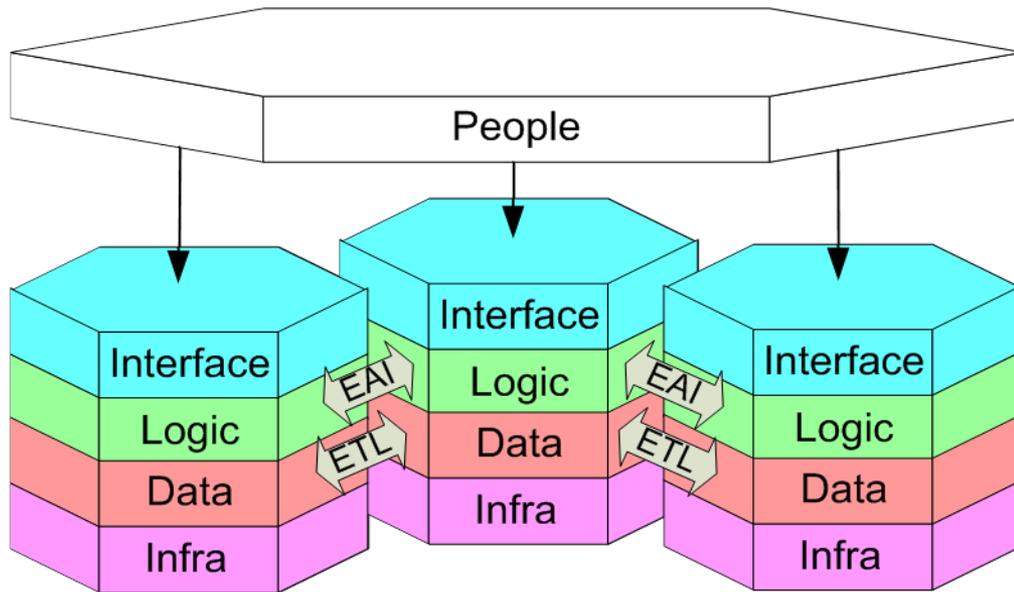
- There may be multiple components at each layer:
 - Interfaces
 - Logic components
 - Data components
 - Infrastructure

Traditional Means of Supporting Organizational Interaction



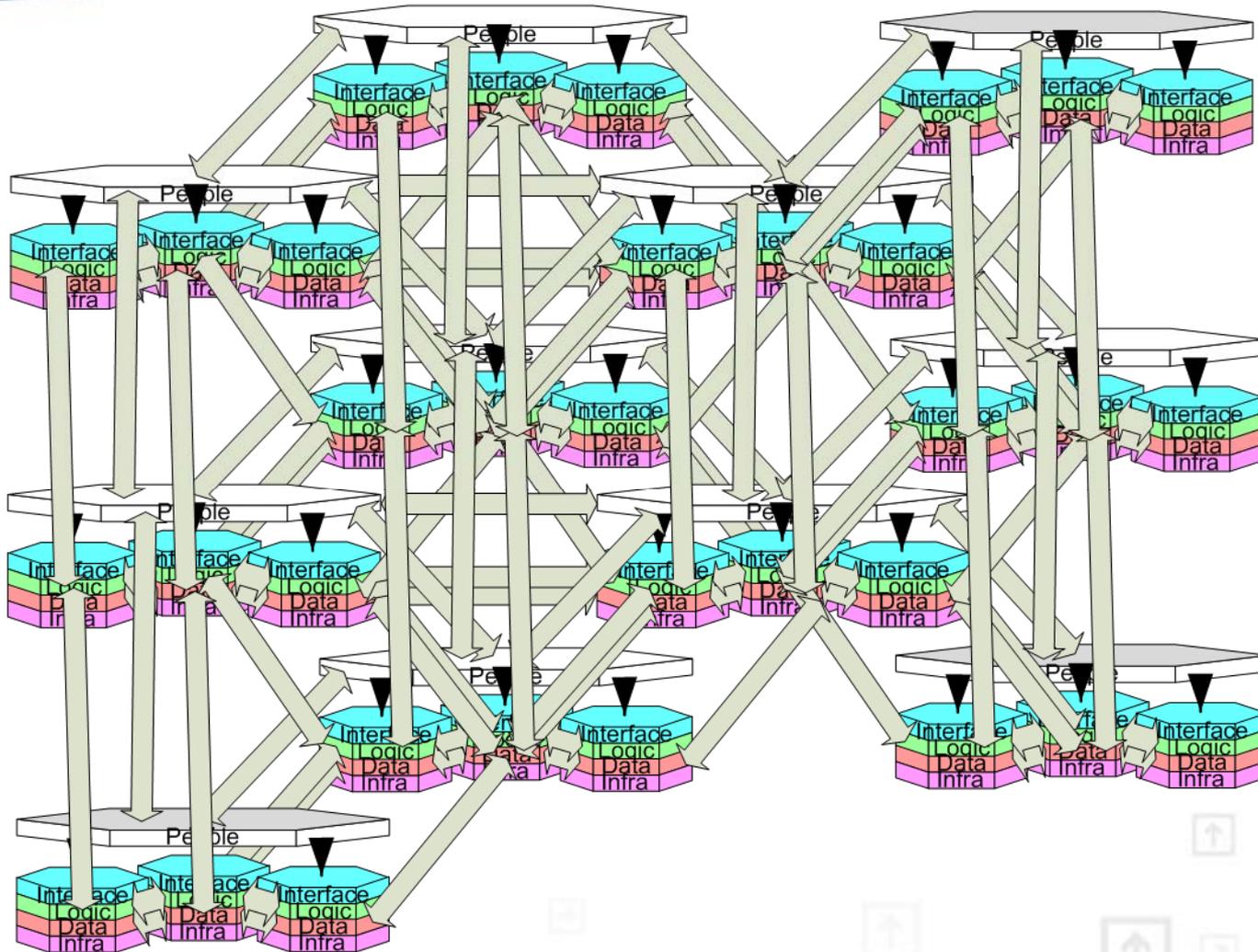
- Conversation – human level
- EAI – logic level
- ETL – data level

People May Interact with Multiple Systems



- EAI and ETL can be used within an organization as well

Overall, Understanding Interactions is Complicated



This is the problem that SOA and BPM are supposed to solve

For Success, A Total Architecture Perspective is Required

□ Business Processes

- Sales order management
- Inventory management
- Accounting

□ People

- Participants in the business processes

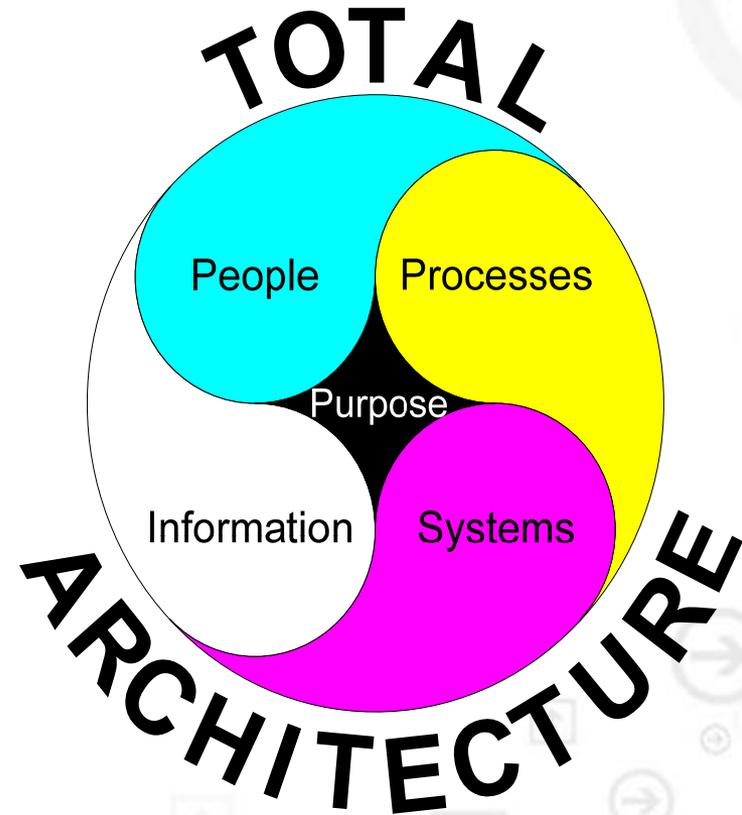
□ Information

- What information is being used

□ Systems

- Computers, networks, applications, infrastructure

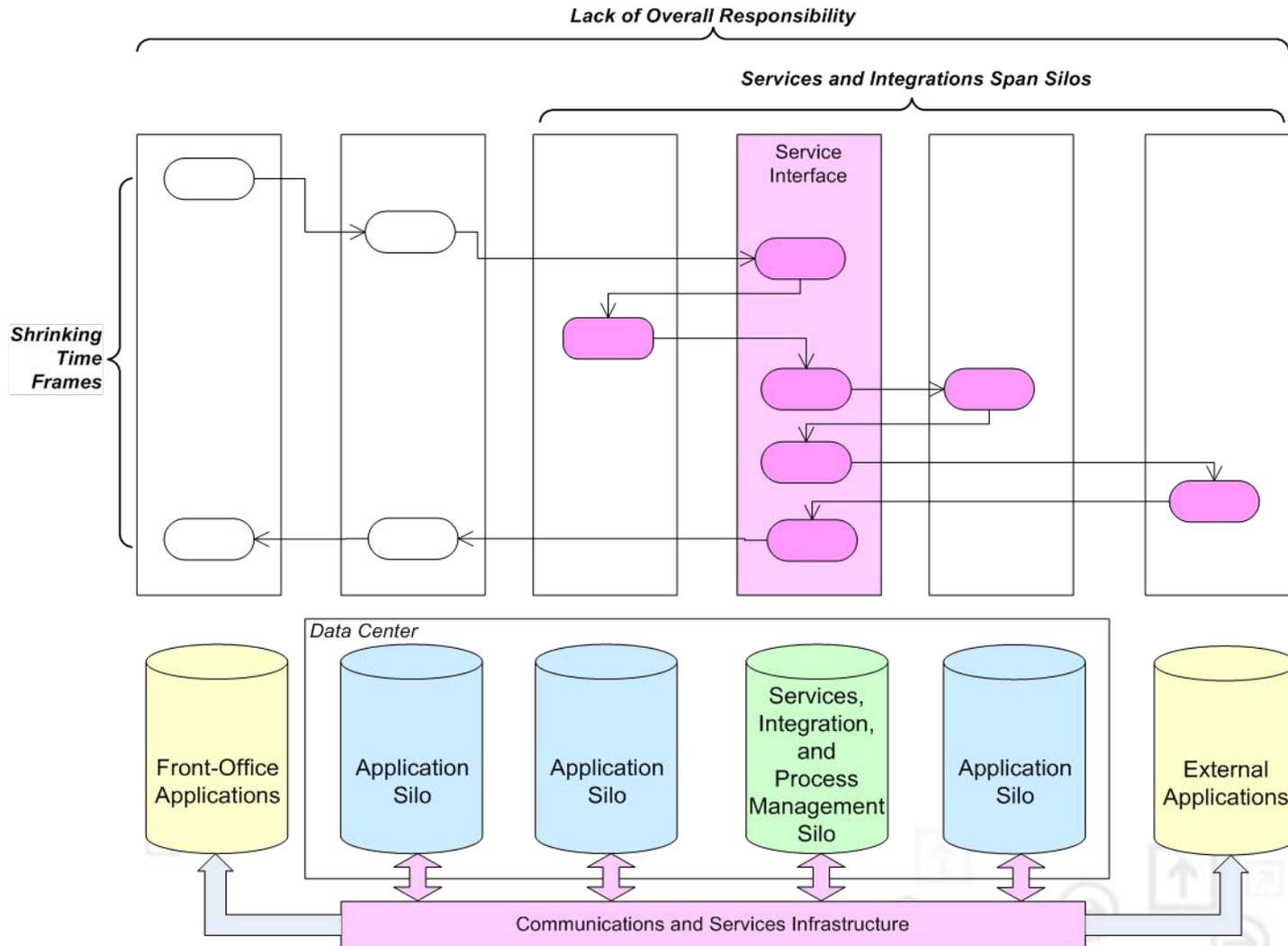
□ Business Purpose



Organizational Issues

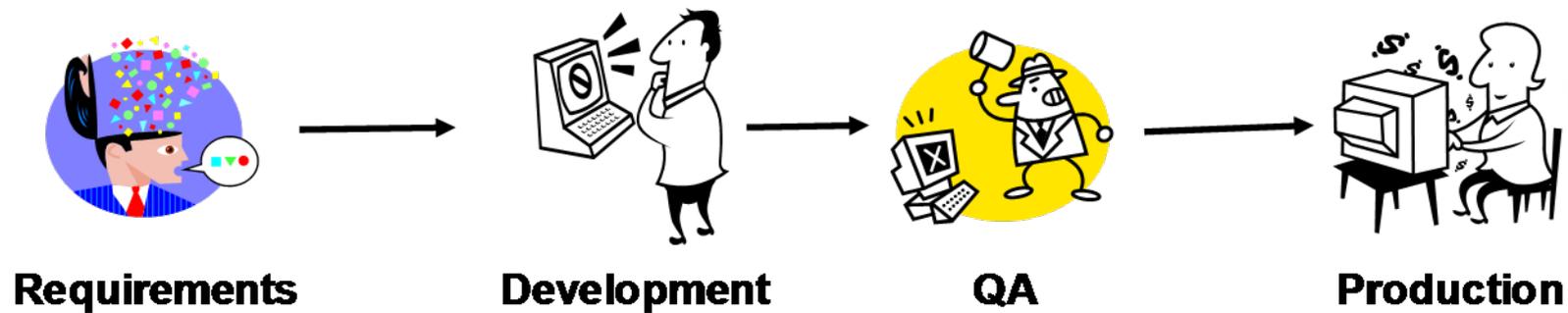


Business Processes and Services Cross Organizational Boundaries



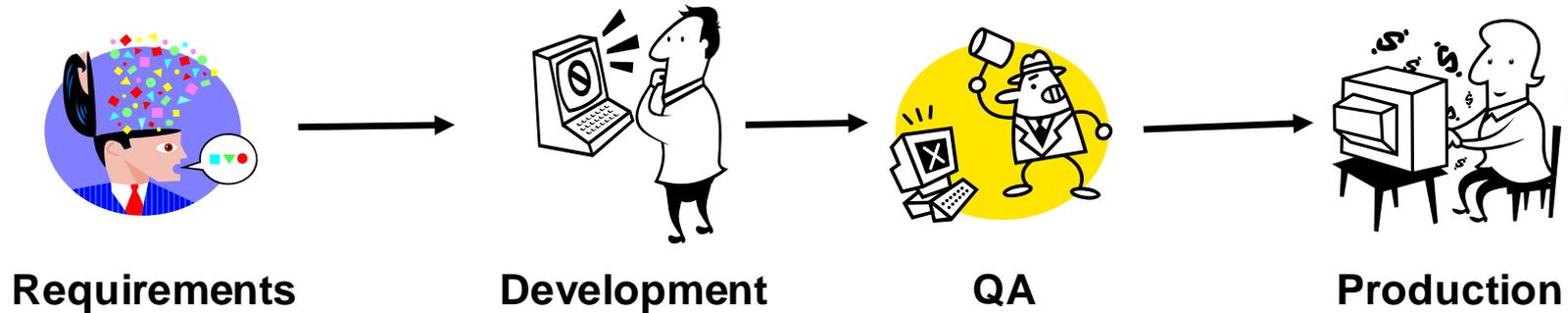
Many Development Processes Have Become Degenerate

They assume a single system is being worked on

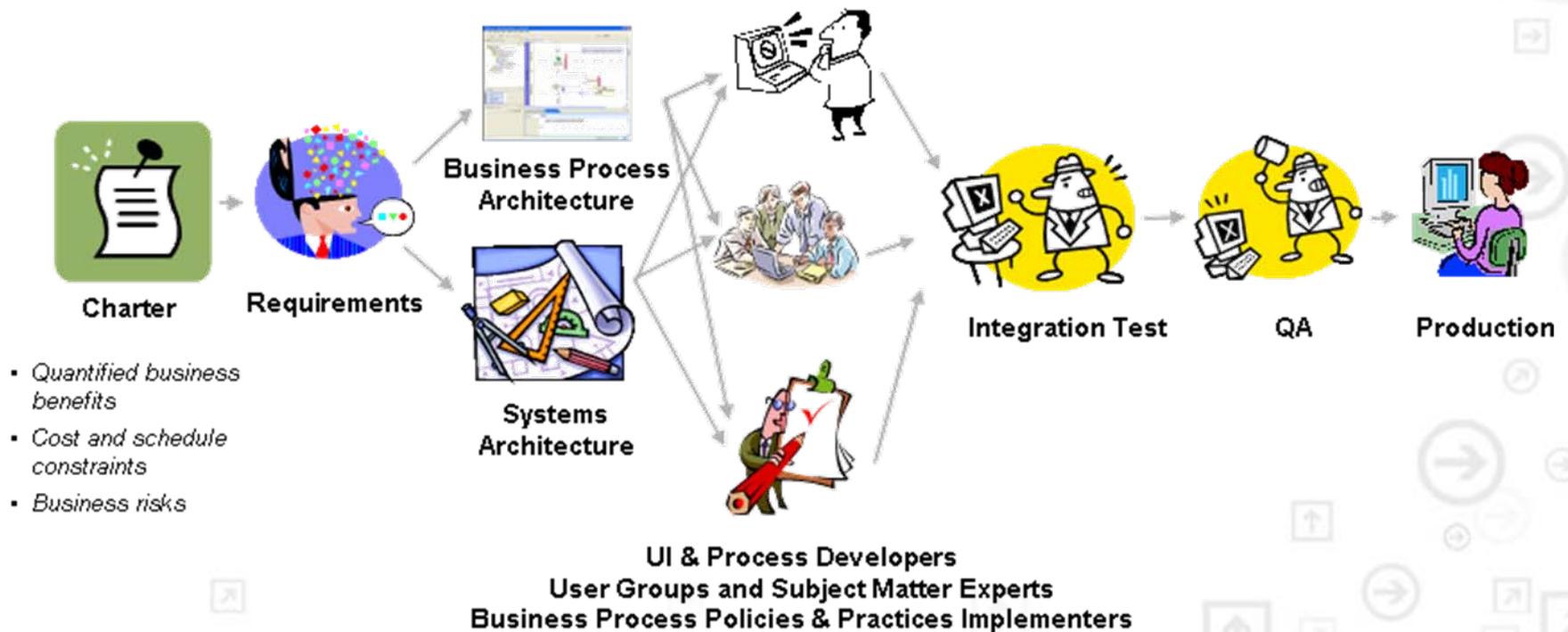


Degenerate Processes Will Not Work for SOA and BPM

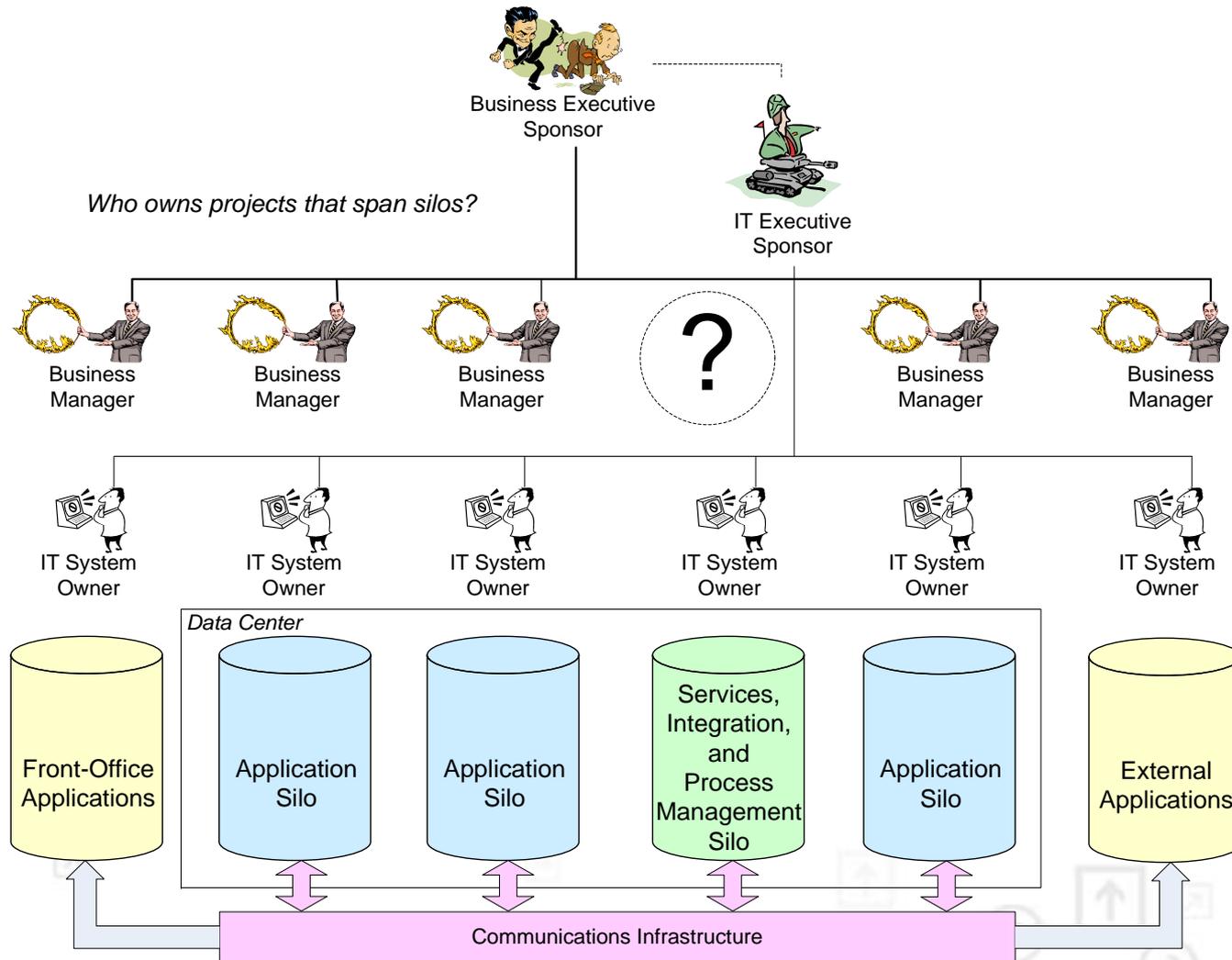
Multiple organizations and systems are involved



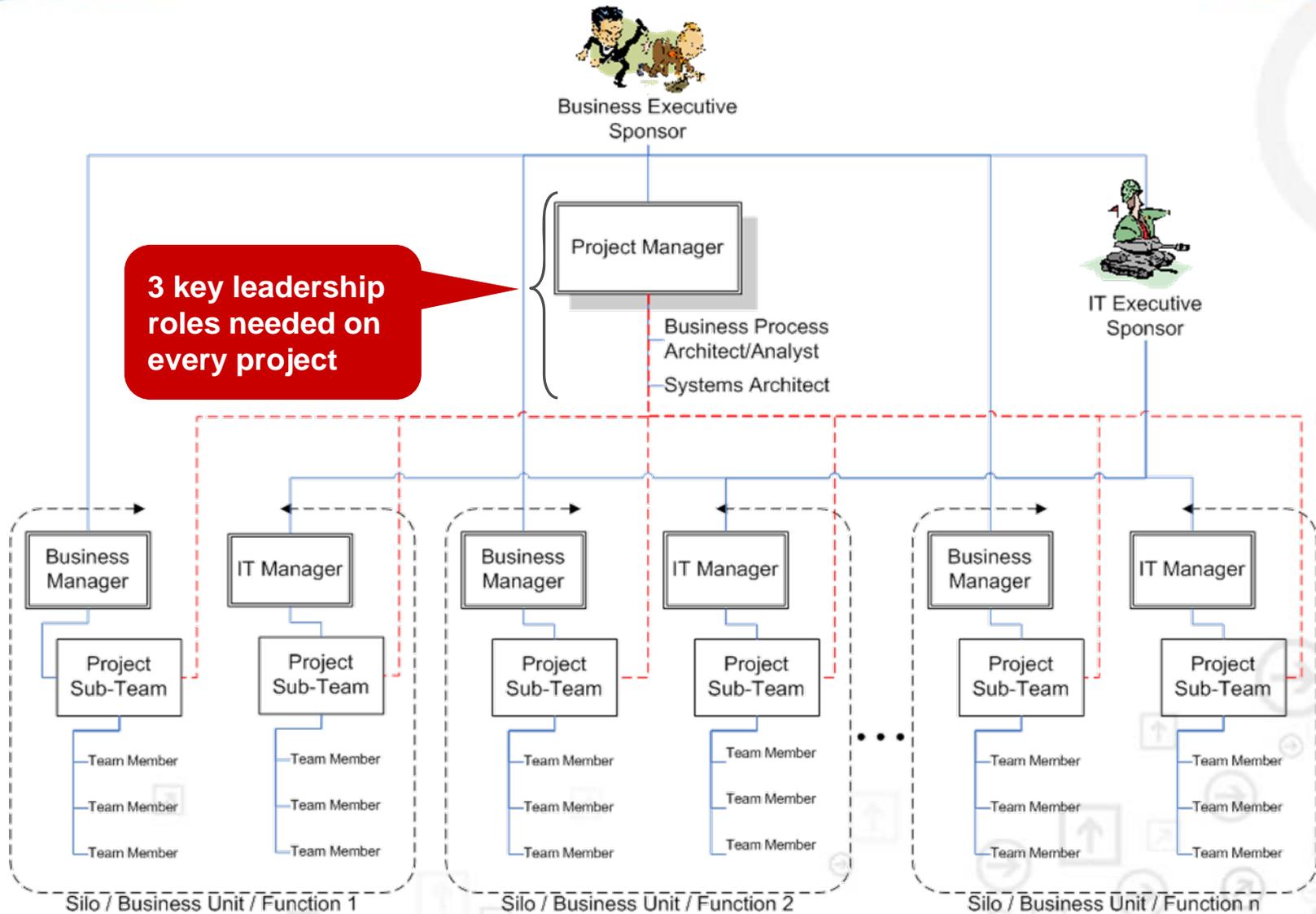
A Richer Development Processes Is Required



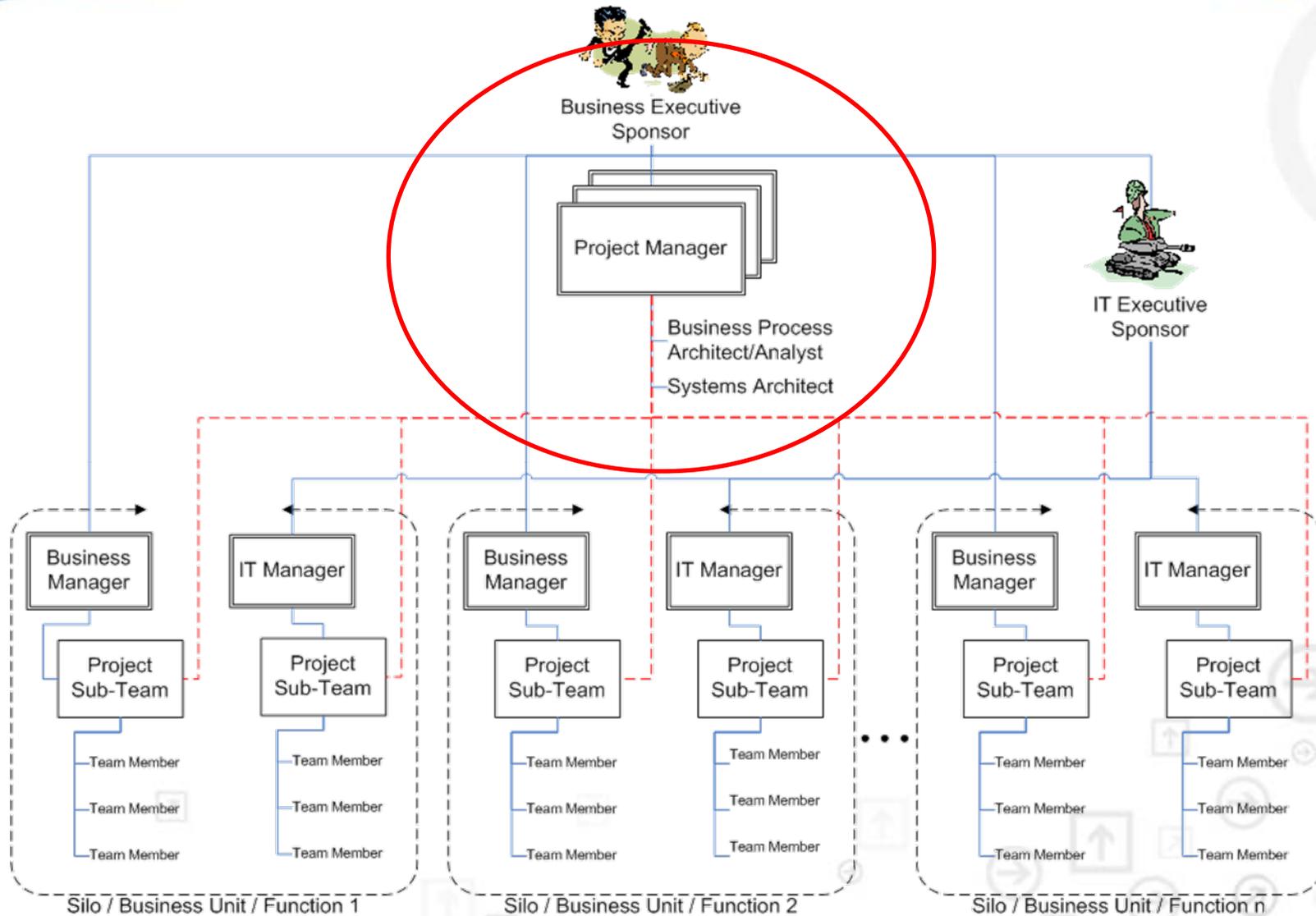
Who Owns Projects That Span Silos?



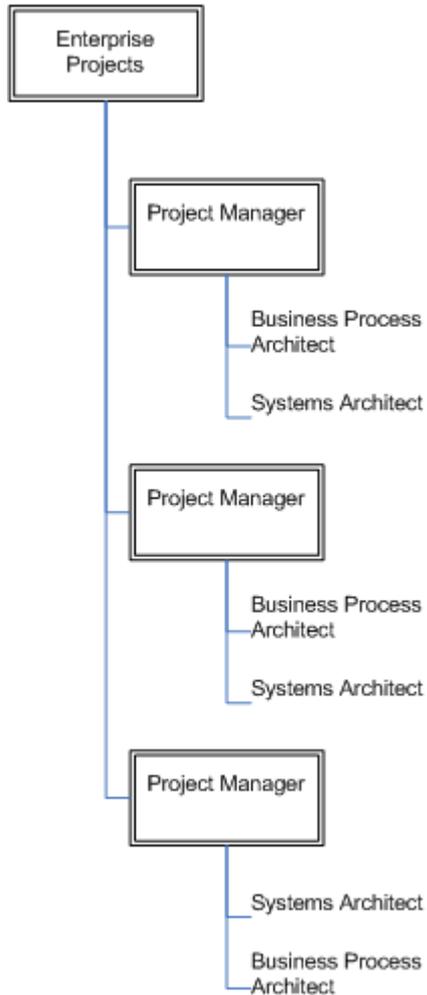
Multi-Silo Projects Include Members from All Silos



The Executive Sponsor Can't Oversee All These Projects



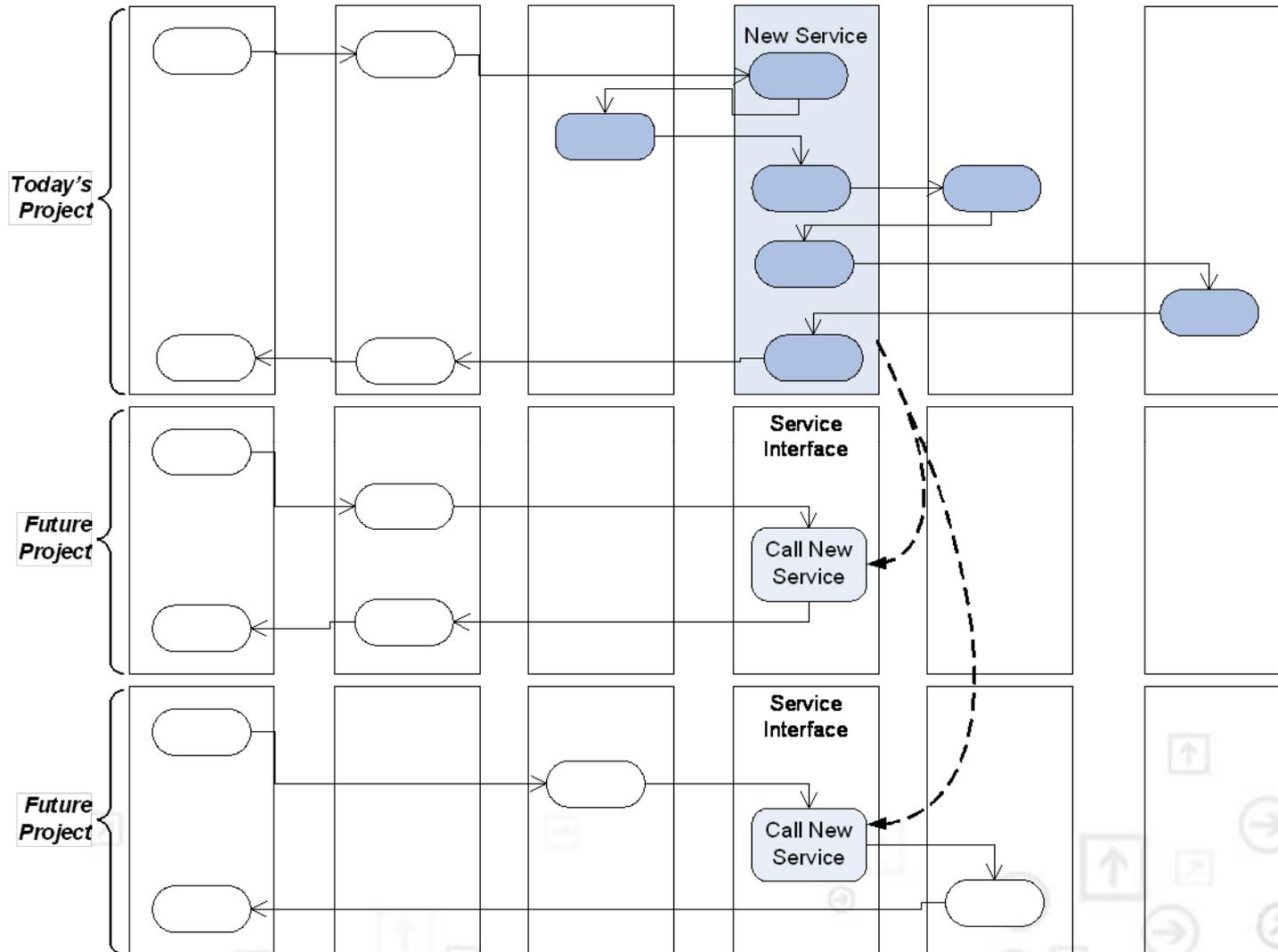
Enterprise Projects Group Should Manage These Projects



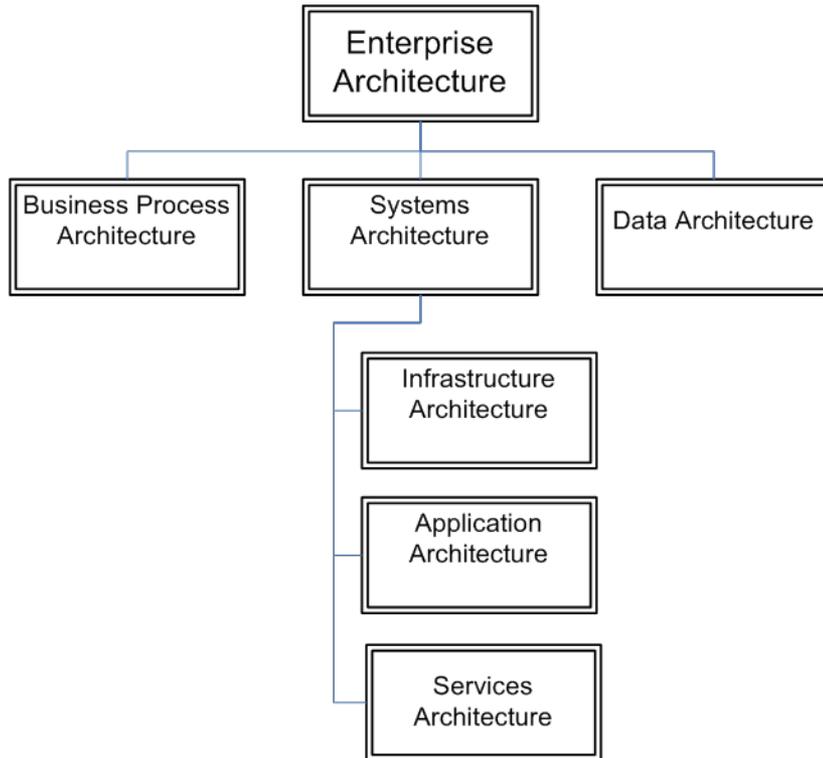
- The group provides a reporting structure for projects that span organizational silos

Who Provides the Cross-Project Service Perspective?

Who looks ahead for future usages?



The Enterprise Architecture Group Coordinates Projects



□ Establishes the vision

- Ensures projects collectively converge on a single coherent architecture

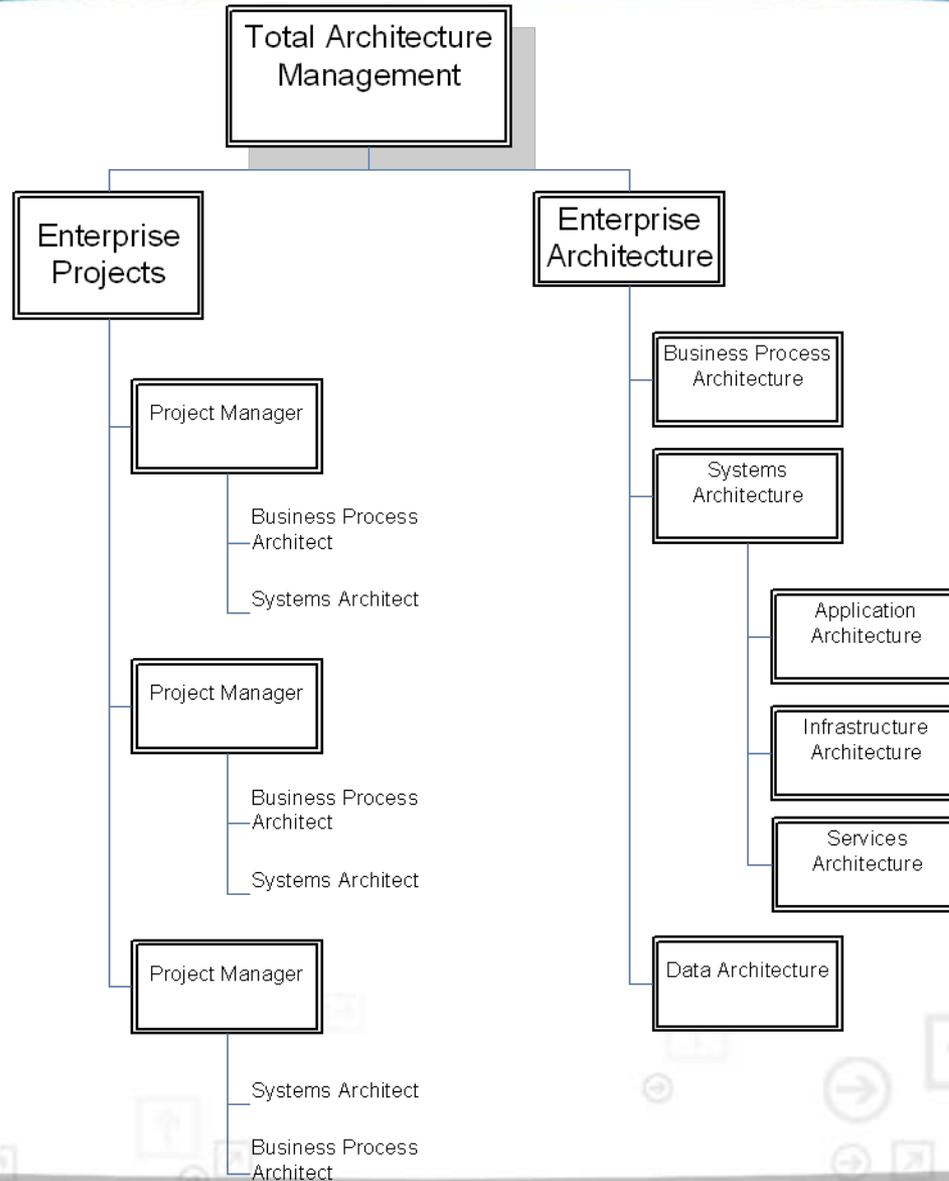
□ Maintains cross-silo perspective at all levels

- Business
- Application
- Infrastructure

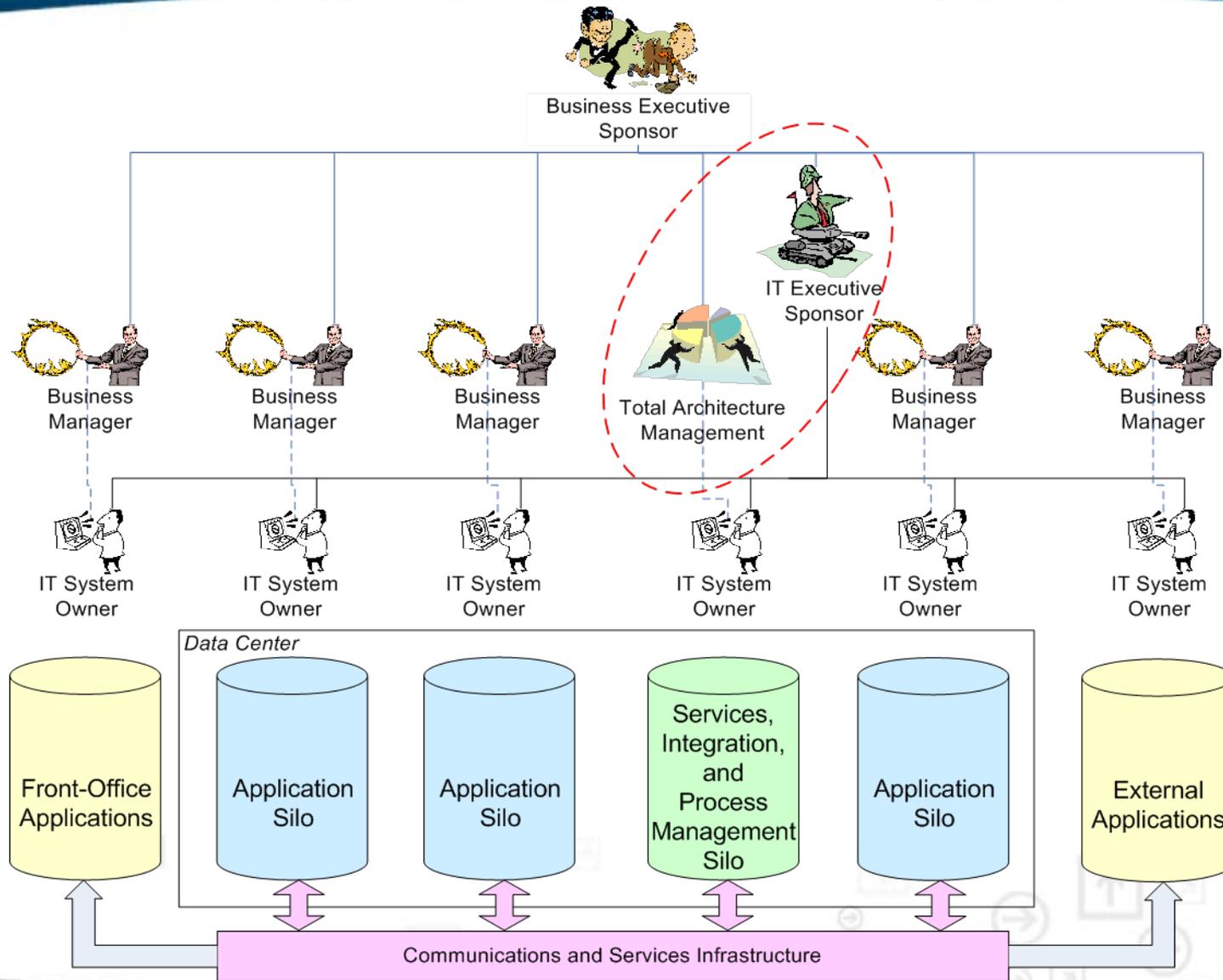
□ Responsible for:

- Architecture
- Standards
- Best practices
- Governance

Total Architecture Management



The Completed Organizational Picture



The Difference Between Good and Great ROI in BPM – The Center of Excellence

As shown below, organizations with an identified BPM Center of Excellence reported **five times greater ROI** over those with no Center of Excellence or dedicated process team. Similarly, those with a dedicated business process team in place reported nearly twice the ROI of those without any dedicated team in place.

Center of Excellence	107%
BP Team	26%
No CoE or BP Team	18%
All Respondents	44%

Figure 13. Distribution of Reported ROI by BPM Program Type

The Difference Between Good and Great ROI in SOA – Governance

- “60% of the Best in Class are achieving positive ROI on their SOA investments and are seeing lower application development costs under SOA, while 80% of the overall survey has yet to see an SOA payback achieved”
- “The Best in Class companies have implemented design-time governance and re-use policy to minimize lifecycle service costs compared to 13% overall. More than half of the Best in Class have set minimizing application software lifecycle costs as a measurable management objective.”
- “More than 75% of the Best in Class have implemented an automated solution to SOA operations and governance, typically with third-party software.”

	Laggards	Industry Average	Best in Class
No change	50%	39%	13%
Increased costs up to 5%	25%	13%	
Increased costs 6-10%	5%	20%	7%
Increased costs 11-20%	5%	9%	7%
Increased costs 21-30%		2%	13%
Increased costs more than 30%	2%	2%	
Decreased costs up to 5%	7%	7%	20%
Decreased costs 6-10%	5%	9%	13%
Decreased costs 11-20%	2%		7%
Decreased costs 21-30%			13%
Decreased costs more than 30%			7%

87% **85%** **60%**
Increased Costs **Lower Costs**

Source: Aberdeen SOA Management and Governance Benchmark Report, Jan 2007

Key Questions

- **Is there an architect on every silo-spanning project?**
 - Responsible for end-to-end business process and systems design
- **How Are cross-silo projects managed?**
 - Who negotiates with silos?
 - Who resolves conflicts?
- **Who validates the future applicability of services?**
 - Functionality
 - Granularity
 - SLAs

The Challenges of Silo-Spanning Projects Are Diverse

- Knowledge is scattered throughout the enterprise

- For success, business and IT must align

- Total architecture focus on producing business value

- New skill sets are required

- Total (business process and systems) architecture
- Project management focused on business results

- Clear ownership and control is needed for cross-silo projects

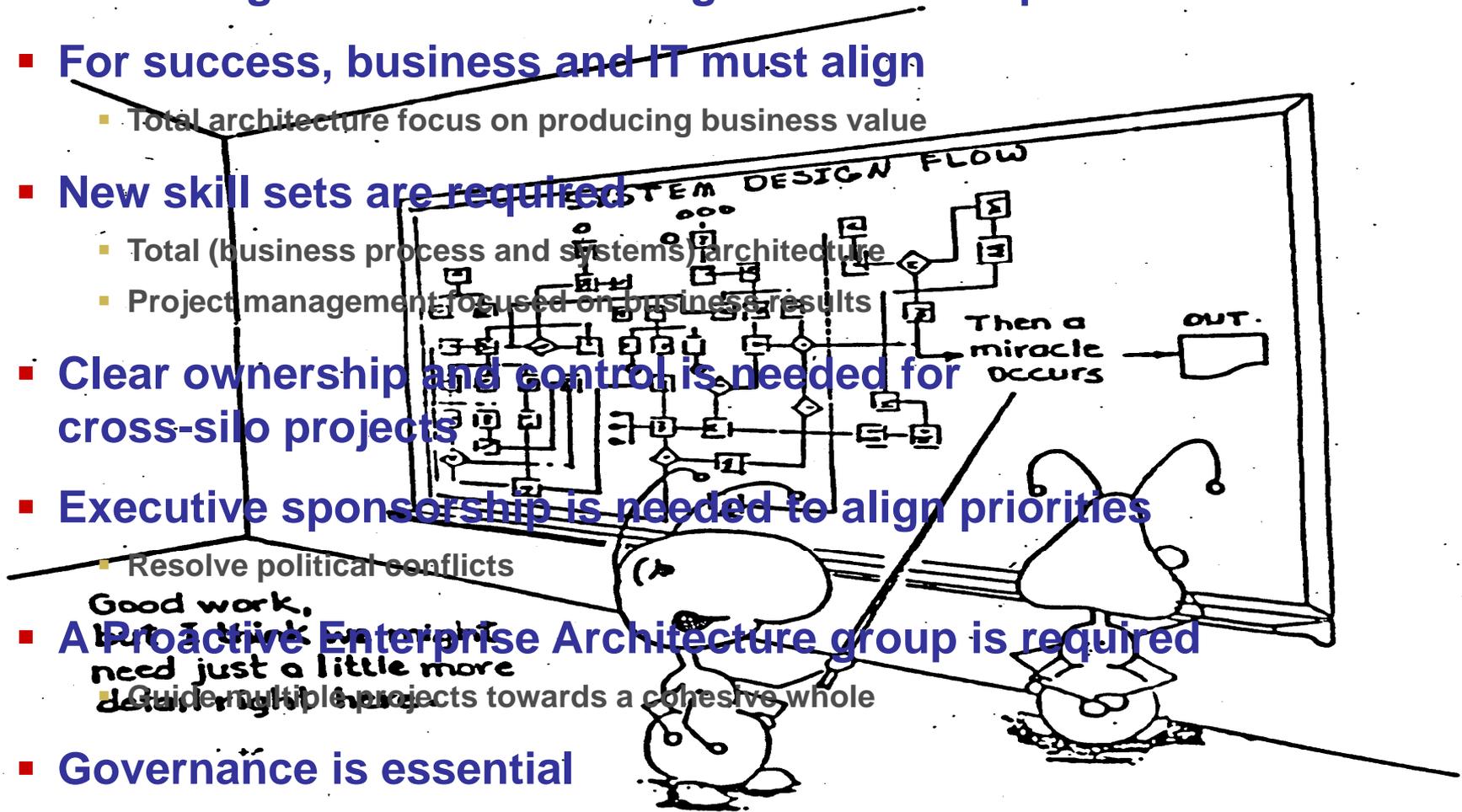
- Executive sponsorship is needed to align priorities

- Resolve political conflicts

- A Proactive Enterprise Architecture group is required

- Guide multiple projects towards a cohesive whole

- Governance is essential



Questions?

Thank you!

Paul C. Brown

Principal Software Architect

pbrown@tibco.com

www.total-architecture.com