

## Chapter 5

# Business Architecture: For Risk Management and Strategic Planning

### ABSTRACT

*A well-presented business architecture will provide a holistic view of the enterprise. This will best enable management to see the critical structures and how they work together to determine what improvements can be made and what risks may exist. This chapter will show how the idea of architectural principles can be used to guide the development of an architectural reference model which can then be used by the planning staff to develop and present the organisational analysis in the form of architectural blueprint of the organisation. An architectural blueprint of the organisation would go a long way to ensuring that all the staff are on the same page by including the strategic plan and risk assessment plan within the business architecture; then it would ensure the development of the organisation would be as effective as possible. TOGAF provide a very detailed definition of 'Enterprise Architecture' which covers all the topics from the Strategic Plan, Business Architecture to the IT System, but the TOGAF focus is very much on requirements to build the IT system. This book is aimed at the business manager developing the business architecture for organisational improvement, with IT there only as another value adding activity.*

### INTRODUCTION

This chapter brings together the arguments about business information and the search for the right information, but why strive to develop the business architecture? A quote from Reynolds (2009) gives a strong argument in

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favour of the effort, “Where there is a business architecture, it becomes easy to build a portfolio of projects or initiatives that will help the business move forward in a strategic way, with each initiative bringing the business closer to the envisioned end state of the roadmap” (p. 8).

The previous chapter dealt with the importance of the right structure for creating a readable document with content that is easily understandable. Architecture is a structure that defines a particular instance of a subject. In this context, a business architecture defines a particular instance of a business organisation describing the core of the organisation and its supporting structures.

Chapter 1 emphasised the importance of the business model and the value activities for describing the central core of an organisation and how the organisation intends to do business. The analysis chapter discusses how to flesh out the information with specific details of how this organisation operates and which activities add value and where the costs and risks are to be found. Most importantly it defines the relationships and *raison d’etre* of critical activities, cost events, risks and relationships.

The chapter on information is there to stress the importance of searching out the information critical to the development of the organisation and where necessary to build the information systems to provide the essential data for massaging into the management information. This argues the case for the strategic plan for both the organisation and the information systems to be aligned from the outset.

Analysis of the organisation is needed to define the critical elements of the organisation and the essential interrelationships, whereas the architecture is about describing how the elements fit together to create the organisation. A well-presented architecture will provide a holistic view of the enterprise, this will best enable management to see the critical structures and how they work together, to determine what improvements can be made and what risks may exist.

As the architectural blueprint is developed, it may well be necessary to revisit the analysis phase to clarify and investigate potential missing information to be added into the structure. This might be particularly true for external interactions (government, market, legal, etc.) that should be investigated for their potential future impact.

Many heads of organisations would argue that their business is too complex or too diverse or too changeable to spend the necessary time developing an

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