

Win in the flat world

Findings from the
Enterprise Architecture Survey 2007
Executive Summary

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Survey



Enterprise Architecture - A Strategic Transformation Tool

The role of Enterprise Architecture (EA) is changing. When it started off in the 1980s (marked by John Zachman's path-breaking work), EA was an IT-centric function. Today, most companies use it to align IT with business.

In its next stage of evolution, Infosys believes EA will morph into a tool to implement business strategy. Enterprise Architecture will be redefined to break out of its IT-centric role to govern the interaction of all units and assets in an organization and to collaboratively create value with business partners and customers.

To better understand where EA is positioned today, Infosys recently conducted a survey of CIOs, Chief Architects, and Business and IT Managers. It yielded 262 responses to 23 questions, covering various achievements in the field and providing strong indications on the future course of EA.

Infosys presented a webinar on this survey on July 11, 2007. A recording of the webinar can be obtained at <http://www.infosys.com/ea-survey>.

A Brief History of Enterprise Architecture

When the EA journey began several decades ago, standardizing technology and documenting its use across the organization were the core objectives. The focus was on organizing frameworks and technology products. The large picture was documented rather than planned – remember diagrams depicting the application landscape (the famous “hairballs”), and the first enterprise data models?

The crucial role of information technology as a platform for efficient and effective operation of an organization's business demanded a better understanding of the interdependent relationship between IT and the organization hosting it. It became evident that systems built in functional silos with limited visibility into the “big picture” restricted flow and impacted the integrity of information, thus adversely affecting collaboration across the organization. The monolithic nature of these systems constrained organizational change at the technology, information and process levels.

Removing these obstacles through improved business-IT alignment became the task of the late '90s – a task that continues to keep IT organizations busy, as evidenced by the enormous interest in the technological aspects of SOA.

There is clear evidence that investments pay back. A global study shows that well-managed IT has immediate impact on corporate performance¹. It reveals that:

- Firms with superior IT grow faster than their peers. Managers in enterprises with better IT enjoy more insights into their business, and their workers are more productive.

¹ Marco Iansiti, George Favalaro: Enterprise IT Capabilities and Business Performance. Keystone Strategy Inc 2006. <http://download.microsoft.com/download/7/B/3/7B3E67B0-308A-4A84-904F-E6C75D0B6115/KeystoneEnterpriseITCapabilities.doc>

- A stable and robust IT infrastructure, with well-implemented software to support operations and excellent IT management practices, is critical to achieving superior results.

Given its achievements, EA is clearly on the radar of corporate leaders.

Enterprise Architecture - An outlook

Enterprise Architecture is now ready for the next step – to evolve as a tool for transforming organizations.

Defined as the ability to achieve competitive advantage by reconfiguring resources in response to business opportunities and competitive threats, business agility is a critical success factor for corporations aiming to win in the flat world.

Architectural approaches can help create agile organizations. This discipline was developed while modularizing IT landscapes to recombine the capabilities of systems supporting the changing business models and processes. Restructuring of organizations is achieved by modularizing, understanding the services provided by organizational units, and analyzing inter-relationships between these units. These techniques enable corporations to make operational platforms more efficient, while adapting to the changing customers and partners and their expectations.

EA must deliver to its real semantics – architecture of the enterprise, not just IT architecture. Ross, Weill and Robertson² describe it as “the organizing logic for business processes and IT infrastructure, reflecting the integration and standardization requirements of the company’s operating model.” Infosys defines it as an “approach to developing enterprise level capabilities of an organization by structuring the relationships and interactions of its tangible and intangible resources and assets with each other and with the environment through a planned, principle-based manner.”

Infosys Enterprise Architecture Survey 2007

To better understand how EA is positioned today, Infosys carried out a survey involving CIOs, Chief Architects, and Business and IT Managers. The survey covered the daily activities of enterprise architects, and how they work with and contribute to other organizational activities such as business planning, IT governance, and project activities. Infosys had conducted a similar survey in 2005-06.

The 2007 survey, a web-based questionnaire with 23 detailed questions, covered Infosys’ customer base. Respondents were asked to provide information on their company and its EA practices.

² Jeanne W. Ross, Peter Weill, David C. Robertson: Enterprise Architecture as Strategy. McGraw-Hill 2006.

The results clearly indicated that:

- EA has achieved the objectives of its evolutionary stages
- EA helps IT support the business
- It is being accepted as a tool for implementing business strategy across the enterprise

These conclusions were drawn from the benefits that companies attribute to EA, the objectives they assign to it, its focus areas, and the role it plays in the organization. Key excerpts from the upcoming survey analysis and report follow:

Enterprise Architecture has achieved its current goals, and is looking further

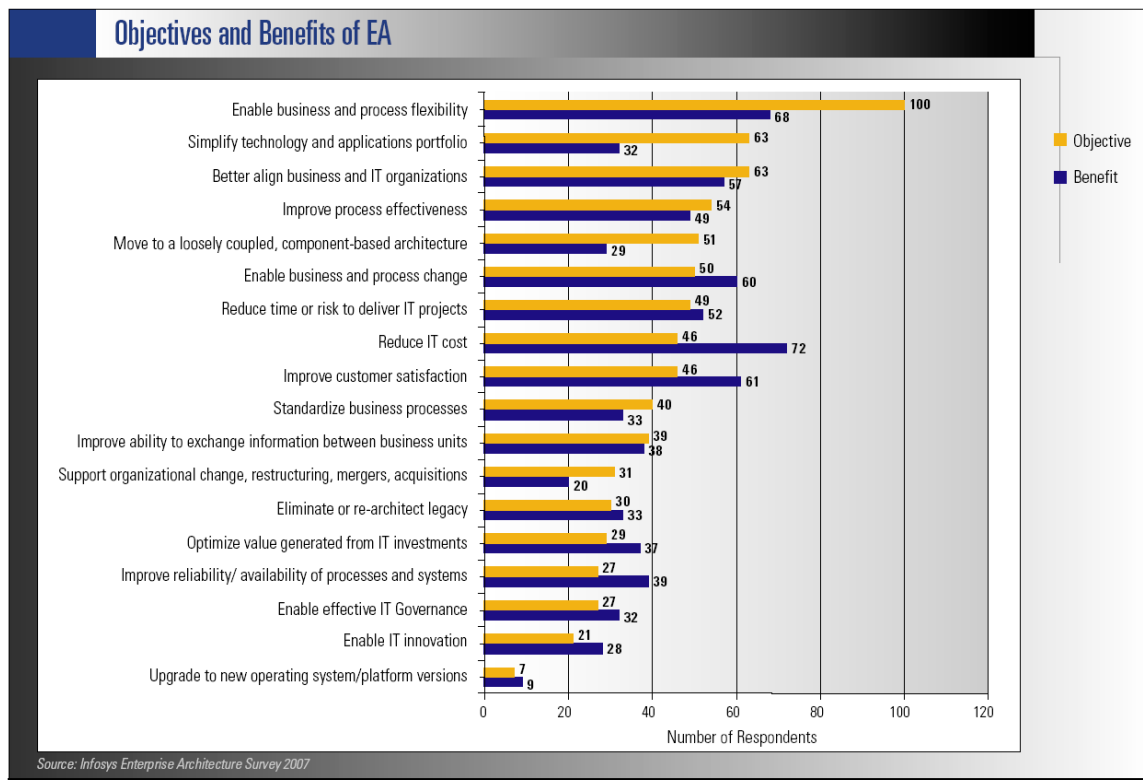


Figure 1: Enterprise Architecture is aiming for agility

Source: Infosys Analysis

Agility is the objective of the day - not just for IT, but for the entire organization. The most cited objective of EA is flexibility of business and processes to enable the enterprise to stay competitive.

The other objectives of EA include:

- Simplification of technology and application portfolios: Although this has been on the agenda of CIOs for years, the struggle with complexity is not won easily. A large number of respondents stated it as an objective – but only half of them consider it a benefit already achieved. There is no other area where the gap is so large.
- Alignment of business and IT.

IT cost reduction is the topmost benefit, according to a majority of respondents. Clearly, EA has lived up to its promise. This aspect was the *most popular objective* of the Infosys 2005-06 survey.

Enterprise Architecture focuses on information integrity and integration

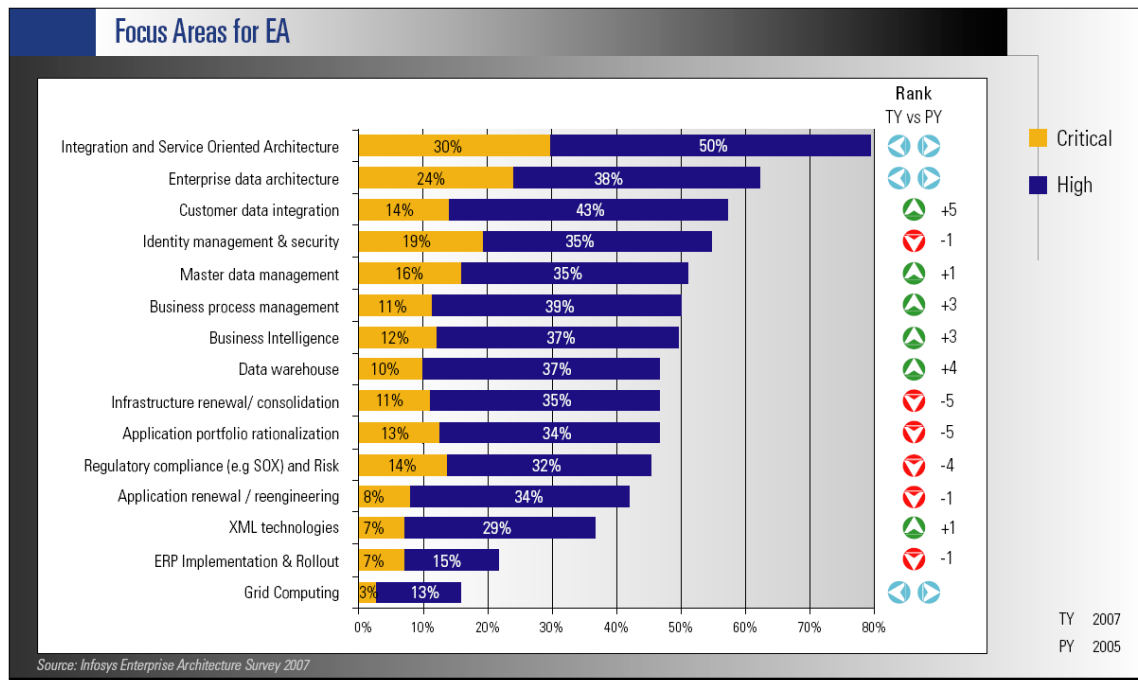


Figure 2: Enterprise Architecture uses SOA to achieve its objectives

Source: Infosys Analysis

With agility and flexibility being the key objectives of EA, enterprise architects are focusing on service-orientation and integration. Close to 80% of the survey participants listed these two objectives as “critical” or “high” in terms of significance. Enterprise data architecture, ranked number 2, is a crucial element of an SOA and integration strategy. It reflects the need for a consistent representation of the information entities an organization owns or interacts with.

Customer data integration moved up five notches from 8th place to 3rd place vis-à-vis the 2005-06 survey. The focus on customer data integration and master data management demonstrates strong operational benefits from consistent management of crucial information, and the significant value from investments in this area.

Enterprise Architecture gains reputation in strategic decision making

EA has gained acceptance as an important part of corporate decision making. This is apparent from its role in strategic planning, its reporting lines, and from the shift of activity to business architecture.

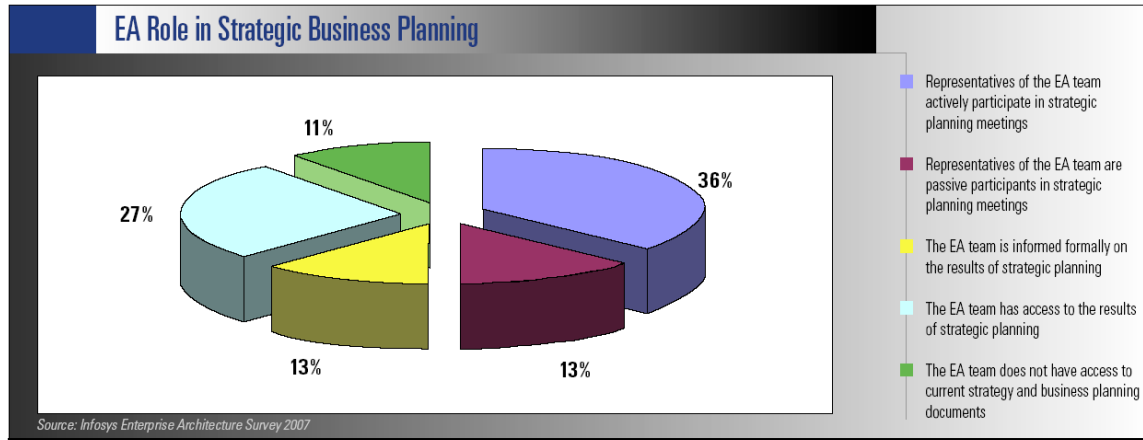


Figure 3: Organizations accept the strategic role of Enterprise Architecture

Source: Infosys Analysis

A strong indicator of the changing role of EA is its representation in business strategy planning. As many as **49%** of the participating enterprise architects are involved in long-term organizational decision-making, while **another 40%** are at least informed about the decisions. Only 11% do not have any visibility.

In very large organizations (50,000 and more employees), the numbers change considerably in favour of EA functions. 65% are involved in decision-making and 33% are informed about strategic planning.

EA teams have visibility into long-term business decision making in almost all cases. EA teams belonging to the remaining 11% need to assess carefully if they are talking the 'right language', and if they are working on topics perceived as relevant to the future of their organization.

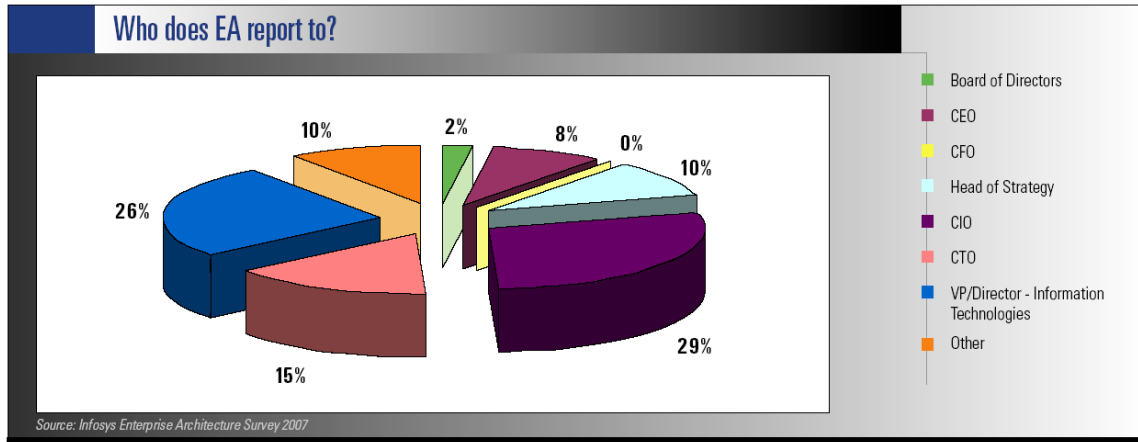


Figure 4: 20% of Enterprise Architecture teams report outside IT

Source: Infosys Analysis

The increasing relevance of EA across the organization is reflected in its reporting lines – in **20%** of the companies, the function reports at the corporate level, rather than the IT level. The Head of Strategy, the CEO, and the Board of Directors are the direct superiors of EA teams. In very large organizations (50,000+ employees), this figure goes up to **23%**.

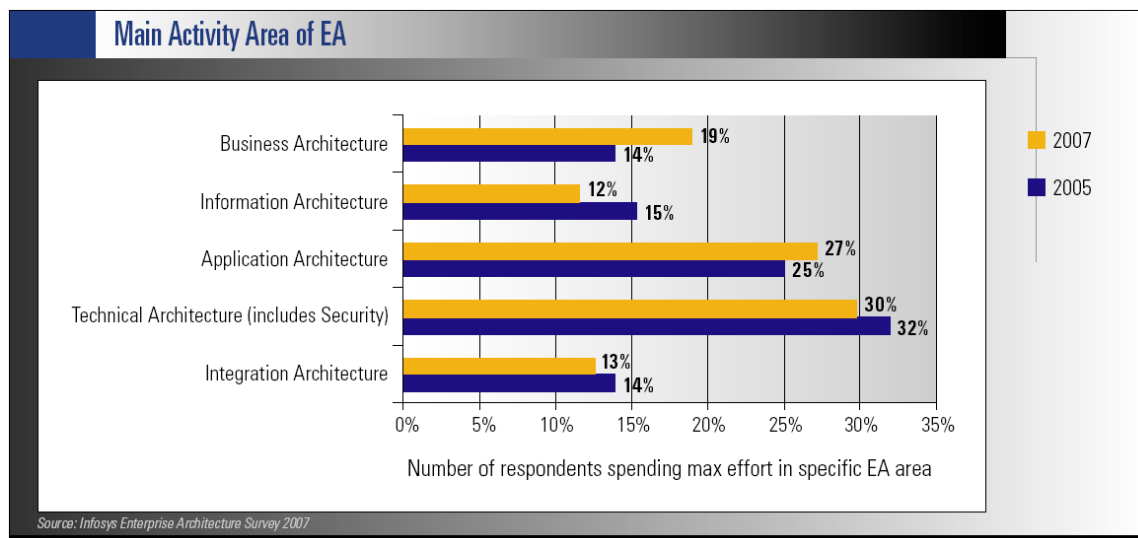


Figure 5: Business architecture gains importance

Source: Infosys Analysis

As organizations demand flexibility and agility, the expectations from Enterprise Architecture are changing. 19% of EA teams are already spending more time on business architecture, as opposed to focusing on disciplines traditionally in the realm of IT. This is a 36% increase over the last survey result of 14%.

Infosys Enterprise Architecture Survey Results

The results of the survey with statistics on all 23 questions and a detailed analysis report of respondent demographics will address:

- Objectives and benefits of EA
- Focus areas and activities of EA teams
- EA governance and its interactions with broader IT governance
- Acceptance and maturity of EA within organizations
- Benchmarks and best practices on team size, team composition, and usage of tools and frameworks

For more information on Infosys' Enterprise Architecture services, please visit www.infosys.com/ea

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