Implementing enterprise architecture with SAP LeanIX

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Introduction

As emerging technologies are accelerating digital transformation across various sectors, seamless collaboration between business and IT leaders becomes imperative for achieving organisational success. Enterprise architecture (EA) or the actual application of aligning an organisation's business goals with its IT strategy, processes, data and technology is increasingly becoming a critical enabler for businesses. Usually the chief information officer (CIO) leads the EA operations with a team of enterprise architects who work closely with the application owners of different departments within the organisation. The primary objective of setting up EA practice within an organisation is to enable strategic vision, improved operations and provide the flexibility to adapt to new developments.

EA delivers measurable benefits across financial performance, security, operational efficiency, and decision-making which helps organisations drive faster growth while simplifying complexity. It provides IT leaders with greater visibility to develop an operating model which can deliver value to organisations that have developed integrated business model and also elevates the role of enterprise technology across the organisation. However, like any major initiative, establishing EA comes with challenges that require careful planning.

This paper explores how organisations can unlock the benefits of a successful EA practice and sustain consistent results and deliver value to all stakeholders.

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The role of EA in value creation for organisations

EA enables organisations to enhance cost efficiency, reduce risks and drive digital transformation which a chief information officer focuses on.

Some ways by which EA can minimise cost are:

Create target operating model

One of the most important task for EA team is to create a target operating model which enables them to derive value from the integrated business model they have adopted. Measuring tangible business outcomes such as cost reduction, technology road mapping, ease of innovation rather than compliance metrics. EA team look for an integrated business process view with EA tools such as SAP Signavio and SAP LeanIX. This united view gives a holistic analysis, prioritising IT planning for important business processes and associated technology risks.

Rationalising technology assets

Future costs and inefficiencies resulting from making quick fixes, outdated technology and poor documentation in the IT landscape often leads to high maintenance costs and becomes an impediment for adopting innovation which is also referred to as a technical debt.

To avoid this debt, organisations must analyse their applications by looking at the business capabilities of each department and the technology used to support them.

They should also get feedback from the people who use these applications to create a matrix that shows how well each application matches the business needs. This helps in identifying gaps and finding any redundant applications in the system.

At the same time, they should be careful about any connections or interfaces that might affect daily operations or create security issues and ensure that they don't turn off any applications that are essential to the business unless they have a replacement in place.

EA can provide important insights on users across the organisation. Organisations can analyse their vendor details and the amount spent using EA inventory. This information can feed into procurement to point out opportunities for negotiating the cost with the vendors. The amount of paperwork required and the time required to create reports can be significantly decreased by using an innovative EA tool. Teams can access appropriate IT data when an EA tool is in place, which reduces administrative work. Staff can work collaboratively immediately within the tool, ensuring that essential data stays current. A searchable knowledge base can help staff access material considerably faster— potentially saving the time they would normally spend searching. Since all the information needed is immediately available, projects can start more rapidly, resulting in significant staffing and consulting cost reductions.

EA can also provide important information about user demographics and the total number of users in the company. Organisations can use the EA inventory to identify vendors, learn how much they spend with them, and then discuss the results with procurement. This helps the organisation recognise possibilities to consolidate vendors and negotiate rates.

Reducing hazards and preventing IT security incidents

Using out-of-date programmes which can only manage a certain number of modifications is risky and could give rise to IT incidents which could incur financial and reputational losses. An up-to-date EA inventory gives vital information about all applications, including the technologies they rely on. This assists organisations in determining which applications may be vulnerable due to unsupported underlying IT components.

Avoid IT outages caused by outdated technology

Businesses have to follow many regulations, such as the Health Insurance Portability and Accountability Act (HIPAA), the Payment Card Industry Security Standards Council (PCI SSC), the Federal Information Security Management Act (FISMA), and the General Data Protection Regulation (GDPR), among others. Though adhering to these regulations is cost-intensive, repercussions of breaking these norms are far more severe. LeanIX enables you to identify the gaps and develop replacement strategies. The LeanIX Survey add-on can also aid organisations in setting up one-time or recurring surveys, involving the necessary people to guarantee that the information about how sensitive data is being used stays correct.

By making it easier to handle paperwork, governance, and reporting, the business can focus on leading change and ensuring cloud, big data, and digitalisation activities are effective. Modern development approaches like DevOps depend on having access to information and being able to reuse services.

By accessing all the information about the company's IT infrastructure on an EA platform, the organisation can improve the efficiency of their processes. Further, to comply with legal obligations, EA systems can automatically record each new service, its lifecycle, and interfaces in IT inventory.

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Implementation and maintenance of EA tool

Organisations should ensure that their EA reflects the real scenario of the organisation's IT, business, and budget. By doing so, businesses can remain adaptable to unforeseen events and concentrate on their core competencies.

While establishing EA inventory, it's important to understand the problem the organisation is trying to solve. They should first identify what data needs to be collected and maintained. For instance, organisations must obtain data that aids them in their assessment of the applications' suitability based on their technical and functional worth.

The more detail the EA inventory, the tougher it will be to maintain data accuracy.

Next, carefully consider how the reports will be utilised. Organisations should start with one or two major reports and gather the information which is directly linked to business activities. Instead of delving into too much detail, organisations should concentrate on covering a broad spectrum. Using a lightweight approach keeps organisations focused on what matters most and helps decrease complexity.

The focus of the organisations should be on setting small, clear goals and monitoring them regularly. Organisations should set up clear goals and regularly check its progress. Not having good quality checks could lead to problems which could be cost- and time-intensive.

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EA roadmap

Equitable access to data for the concerned teams enables better workflow and independent analysis. Periodic checks ensures that data is more accurate, which enables decision-makers to make informed decisions. Organisations must choose an EA product that is simple to use, facilitates collaboration throughout the entire organisation, makes information sharing easy, and enables them to generate insightful reports.

The key to successfully implementing EA tools such as LeanIX is implementing it in small phases which can help the organisation in monitoring the progress and rectify any errors in the early stages. The following steps can help an organisation develop their EA roadmap:

Step 1: Creating capability maps

Making a map of the company's capabilities is the first step for establishing EA. These capabilities demonstrate what the firm is doing and what it has to do to follow the EA strategy. Start by considering the key skills the company needs to run. Only the most crucial ones should be included at the first stage which can later be broken down into smaller tiers where each capability should clearly explain its parent capability and not overlap with others.

SAP's LeanIX provides best practice guide and reference models by which business capability maps can be prepared. This will help align business goals with IT enablement and transformation. The models can be tailored according to the needs and integrate with LeanIX EA solution to develop a comprehensive adoption roadmap.

Step 2: Collecting IT application portfolio data

To setup an EA system, it is essential to have precise information about the IT environment by digging into the current data types, structures, layouts, syntax and its sources. Once they are collected, it is important to organise and keep only updated data. Appointing a designated content owner could also help organisations in conducting periodic assessments. With this cleansed data, EA inventory can be populated for initial testing before the organisation can conduct complete data migration. LeanIX, has extensive features to migrate data which is important for maintaining inventory applications swiftly and efficiently.

Step 3: Analysing application portfolio information

Evaluate application portfolio by considering its technological fit, business significance, and suitability. These categories can be rated on a scale of 1 to 4 in LeanIX where the range of business criticality is 1 (tolerable) to 4 (mission-critical). Technical fit evaluates whether there is a need to update services, software, or hardware based on current and future business needs. This provides information for a preliminary analysis which helps assess each application's relevance to determine which should be removed and which should be invested in.

Step 4: Collaboration

Organisations must encourage each function to actively utilise EA solutions and schedule frequent meetings to check progress and keep the teams updated. A collaborated effort is key to the organisation's ability to visualise the IT environment, create a holistic view of end-to-end application architecture, create high level initiatives, transformative projects, milestones and ascertain dependencies. This will give the organisation an opportunity to initiate a governance model for keeping the data up to date.

Step 5. Implementation

Implementing enhancement ideas within LeanIX after data input involves using the platform's analysis and reporting features to identify opportunities for optimisation and consolidate applications. This process typically involves leveraging the following LeanIX functionalities:

Application rationalisation and portfolio analysis

LeanIX offers dashboards and reports (such as the application matrix or application landscape visualisations) to provide a comprehensive overview of the application portfolio. These help visualise redundancy, technical fit, and business value.

Consolidating applications and reducing redundancy

Utilising LeanIX surveys to gather data from application owners about the usage, cost, and health of their applications. This helps identify underutilised or redundant programmes.

Roadmapping

Use the roadmap feature to plan the phase-out of legacy or redundant applications.

Step 6: Examining data

It is important to analyse the information and its benefits to the organisation after identifying the main applications, vital improvements, and urgent operational issues. Organisations must concentrate on the key data points that are important for the business and the systems they utilise. LeanIX helps examine data flows and identify potential application failure points due to numerous interfaces through specific features and reports. These tools can provide insights to ensure that EA initiatives continue to provide value over time, it is important to establish clear rules for activities and define roles for each member of the implementation team. User communities can assist in maintaining the data in EA inventory if they are engaged in the process. To maintain good data quality, one must conduct frequent surveys or implement a mechanism that prompts application owners to review their data at predetermined intervals. Organisations must also pay attention to the information that is most useful for projects and use automated data sources whenever applicable.
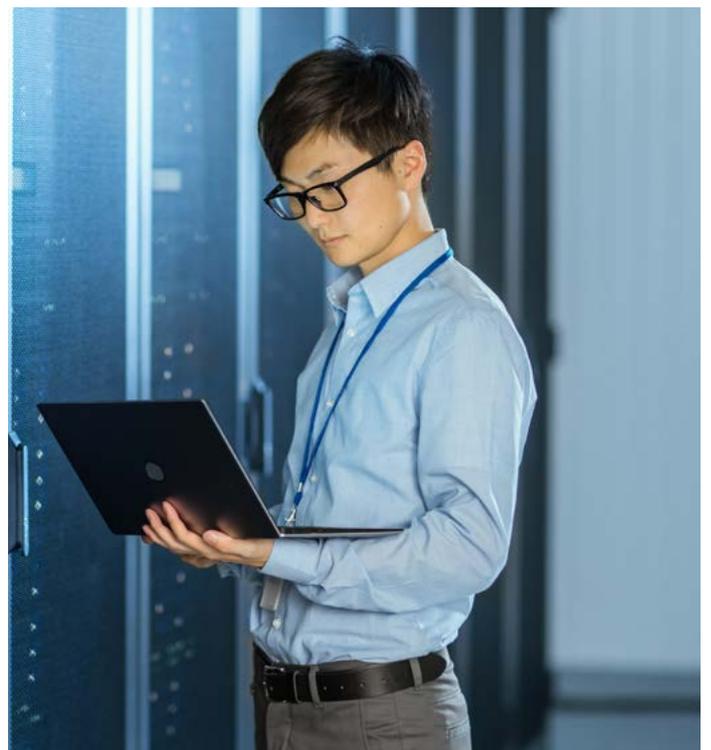
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Unlocking EA's potential for CIOs

To demonstrate how EA's transparency can help address some of the most crucial issues in the boardroom, some of questions which CIOs can ask are:

Which apps are most crucial to the company, and how they are evolving

Many inquiries pertaining to an organisation's application portfolio management can be addressed via enterprise architecture. Organisations may test many scenarios over time to ensure that IT and business initiatives are in sync, from application rationalisation to security analysis and beyond.

Some of the benefits of this for the CIOs include

- Lower costs by rationalising applications

- Improve comprehension of the functional and technical risk profile of the application landscape to lower risk

- Improve agility by better meeting company needs.

What dangers do organisations face from adopting technology

CIOs want to understand the dangers in of their organisation's IT environment and how they can prevent a security lapse. Having a detailed picture of the IT landscape can assist them in detecting possible risk areas and address security flaws before they can lead to data breaches. EA is an invaluable tool for ensuring compliance and avoiding harsh regulatory fines which can help CIOs:

- Reduce expenses by standardising and eliminating redundancy

- Minimise risk by understanding the impact and compliance with technology lifecycle management

- Increase agility by rapidly enabling business capabilities through specified standards and reusable patterns.

What are the main technological dependencies, and how businesses can manage business data more effectively

CIO can have a detailed picture of all the relationships across apps with EA, including the locations and movements of data. Based on how various components interact, this knowledge aids in locating potential issues and weak spots in the system.

How is data utilised and stored

CIOs want to know how they can avoid security issues and what dangers exist in the company's IT ecosystem. A complete overview of the technological configuration can help identify possible issues and address security flaws before they result in data breaches. EA is useful for maintaining compliance and avoiding harsh regulatory fines.

Some of the benefits of this for the CIOs include:

- Reducing expenses by establishing standard procedures and eliminating superfluous systems

- Improving agility by facilitating quicker support for business demands through established standards and reusable solutions; lowering risk by comprehending how technology is managed and its impact on compliance.

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Conclusion

Investing in EA is an investment for securing your company's future. Organisations must have a skilled workforce and the necessary resources to match business objectives with the technology required. EA tools such as SAP LeanIX can support companies in creating a solid foundation for long-term enterprise architecture success. Many of the organisations which have adopted SAP LeanIX have seen significant cost savings, enhanced security, and greater efficiency in their IT operations, along with increased transparency. The results are clear and measurable, making EA a crucial tool that influences both current and future business decisions.

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