www.pwc.de

# How agile architecture can be applied in large-scale agile environments –

## Part 5: How can Architects be more deeply involved in the business strategy to establish IT as an enabler?

## Strategic integration of architecture into demand and portfolio management

Four months have passed since Peter, along with his Architects, consultants, and his newly established Programme Architecture Office team, transformed the architecture organisation including the lean-agile working and decision-making processes among Architects. The Architects are now working more closely with the delivery teams, and new business demands are being passed on to him at the portfolio level so that he can translate them into strategic themes and architectural epics and cascade them down to the programme level and agile delivery teams.

During his discussions and redesigns, the importance of architecture as a link between strategy and agile delivery occurred to him as being of primary significance. On the one hand, it acts as a receiver of requirements but on the other, possibly also as an enabler for identifying and shaping new use cases and business opportunities from within IT.

Peter decides to develop a concept that intensifies the link between architecture and demand management. A few days pass and he realises that the demands have only been passed on to him, but that he himself is not actively involved in the development of the demands of a domain and product definitions. Consequently, the architecture team is still operating in a reactive mode of refinement and execution. Peter has many ideas about where and how the Architects could contribute to demand and portfolio management. They could highlight dependencies between initiatives and products, implications for the technology portfolio, required technology skills and service providers, and potential infrastructure or IT security topics. The resulting effects on the timelines and budget could also be discussed with the business. In addition, the Domain Architects could serve as subject matter experts for possible implementation scenarios of a demand and provide some reality checks. One possibility would be to present new integration options between the customer data platform and social media management to gain more customer insights. Above all, this would improve expectation management and planning and save time in IT delivery because the architecture view would already have been taken into account at an early stage and any potential issues would directly trigger required the architecture work.

However, another aspect is much more important to Peter. He is thrilled by this thought: The architecture is capable of serving as an enabler for new business opportunities. Only recently, a data analytics platform was introduced as part of the Butterfly programme. Peter knows about this platforms's great potential and also its real-time analytics capabilities, which could enable new use cases in the area of IoT and predictive maintenance. For example, his organisation could use it to shut down machines in a timely manner, or to gain valuable information and save energy costs by analysing the use of its equipment. So far, however, the business has not addressed these use cases. For this reason, Peter develops the following concept, which will allow IT to become an enabler for new innovations:

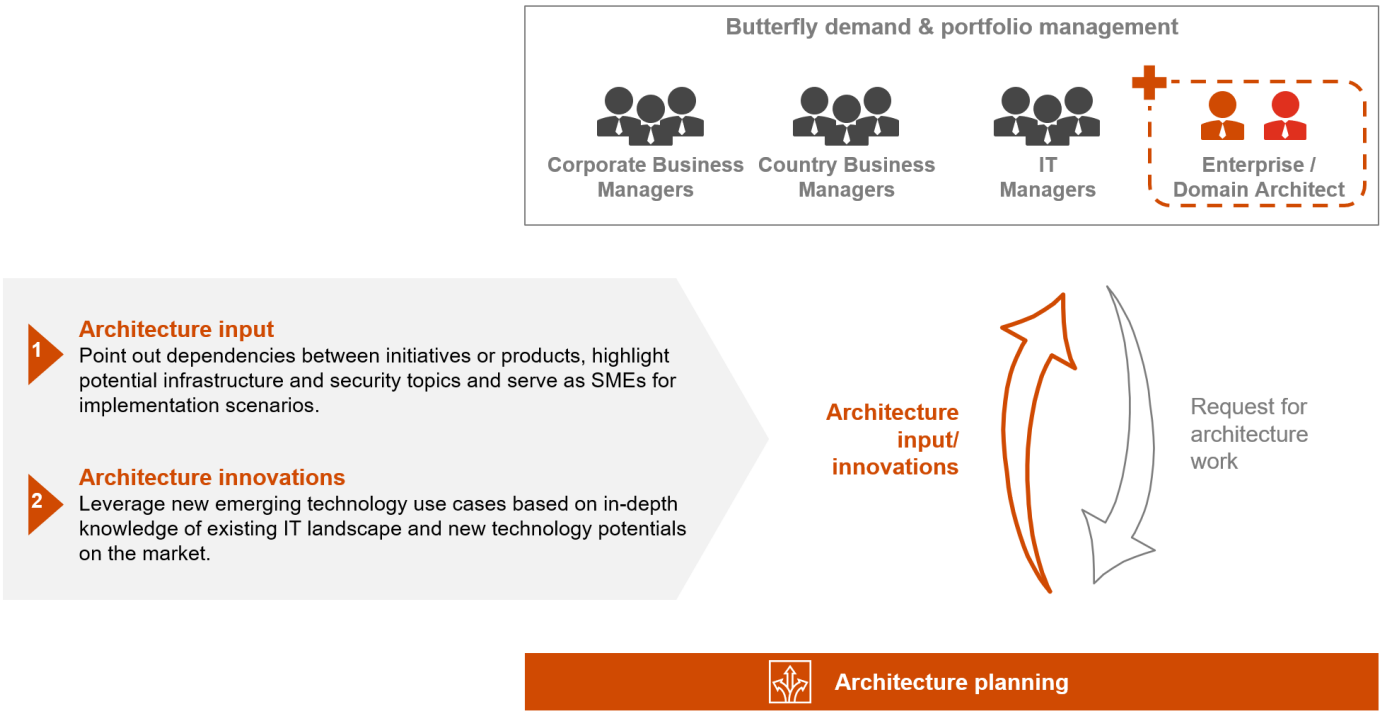


*Figure 1: Architecture involvement into demand & portfolio management*

## From “IT orchestrators” to “technology innovators”

To establish the concept, the enterprise architecture function needs to drive technology and innovation management strongly, together with the business units. The Domain Architects must then be involved in developing domain-specific solution options for relevant technologies and then present them in demand and portfolio management. As Peter is both Domain and Lead Architect for the Butterfly Programme, he also takes on this role for the Butterfly Programme. As a starting point, Peter would like to get an overview of which innovation initiatives have recently taken place in the company in order to understand where the company is currently situated technologically and which potentials may lie undetected in the innovations. However, Peter sees another factor to be taken into account in the future, in addition to the innovations already used in the company. The Enterprise Architects need to get a structured overview of which innovations already exist on the market and assess how relevant they will be for the company in the future. From this point on, it would then be possible to ascertain which innovations should be prioritised and thus determine the necessary intensity of activities. One of Peter's friends, Derrick, had mentioned a similar "innovation radar" tool at their last meeting. Using such a tool, allows innovations to be assessed for the relevant business units. That assessment would provide a broad overview of the market and investment of available resources, with careful targeting, in innovations with the greatest potential. Using this “innovation radar” the Enterprise Architects could approach the different business units with the most promising innovations. Together with their business representatives, they would conduct the first screenings of business opportunities for

implementing digital innovations profitably in the company and thus intelligently develop the business or operating model further. The Domain Architects, like Peter in his former role, would need to be involved to work out domain-specific technological deployment options and then carry them into demand and portfolio management. To promote this idea to his manager Maria, he draws up an exemplary overview of the “innovation radar”:

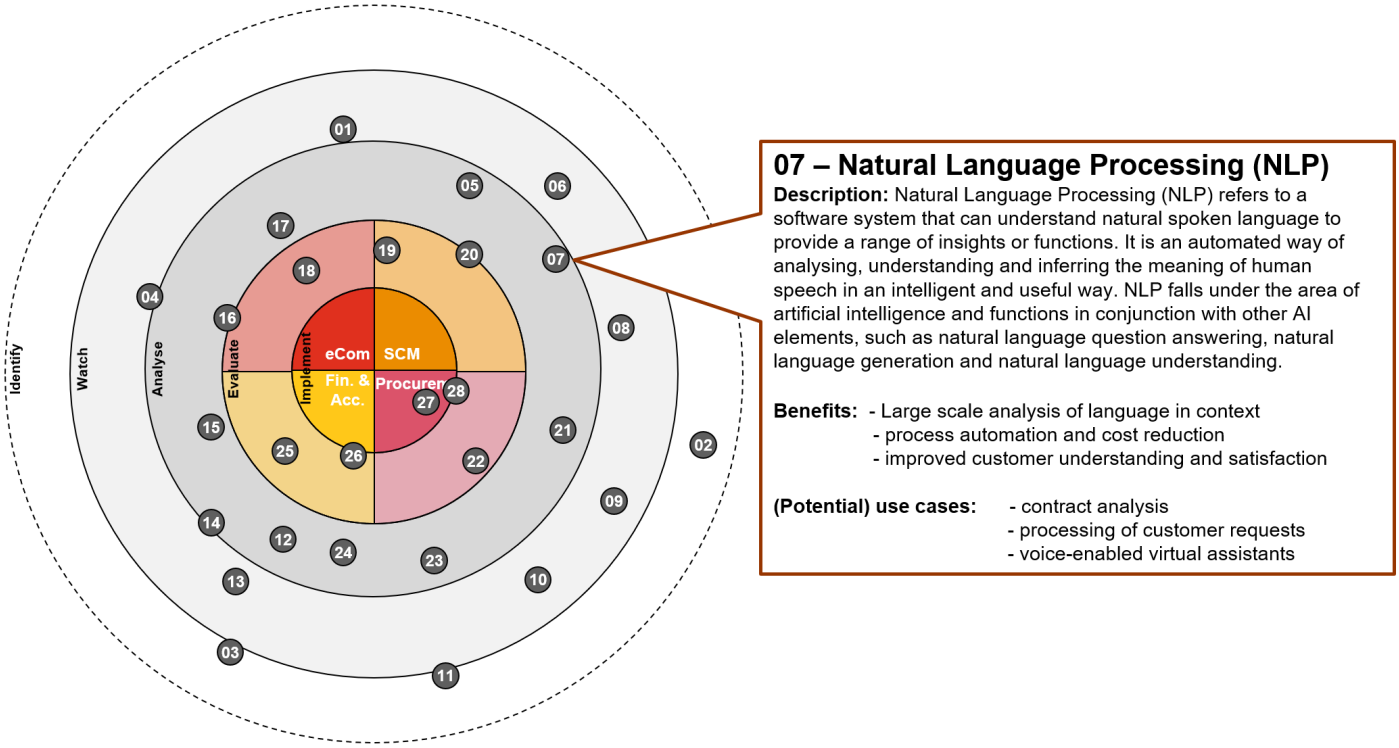


*Figure 2: Innovation Radar*

Peter is of the opinion that in his company, a technology-driven company, IT has developed from a cost factor and asset to a potential business enabler. To keep up with a rapidly changing and technology-based market, he concludes the following:

**Enterprise and Domain Architects** need to step up their game, not only to support the implementation of business demands but **also to advise the business on new, relevant technology trends** and how they can be applied **to innovate the business and operating model. Shift the focus,** moving from strategy execution **to strategy design.**

*Figure 3: Evolution of Enterprise and Domain Architects*

## Authors of the article series

**Marius Scheidt**
Senior Associate

**Juri Rybicki**
Senior Associate

## Your PwC contacts for Enterprise Architecture Management

**Eric Stettiner**
Director
eric.stettiner@pwc.com

**Alexander Thome**
Director
alexander.thome@pwc.com

**About PwC**

Our clients face diverse challenges, strive to put new ideas into practice and seek expert advice. They turn to us for comprehensive support and practical solutions that deliver maximum value. Whether for a global player, a family business or a public institution, we leverage all of our assets: experience, industry knowledge, high standards of quality, commitment to innovation and the resources of our expert network in 155 countries. Building a trusting and cooperative relationship with our clients is particularly important to us – the better we know and understand our clients' needs, the more effectively we can support them.

PwC Germany. More than 12,000 dedicated people at 21 locations. €2.3 billion in turnover. The leading auditing and consulting firm in Germany.

www.pwc.de