Over the last 10 years a strong driver for the development of Enterprise Architecture has been to align organisations around a common set of capabilities and outcomes. This has often been driven through the use of Business Capability based planning techniques, a methodology Glue Reply has been heavily involved in since its' inception. Business Capabilities have been used very effectively within organisations in order to articulate what the organisation does, what it needs to do and how these capabilities need to develop in maturity to deliver the organisations’ business aspirations. One of the many common artefacts is the Business Capability Model, a business-on-a-page visual articulation of capabilities typically supported by various other key artefacts.

However Business Capability based planning is not always successful and there are a number of reasons why.
ENGAGING THE RIGHT STAKEHOLDERS IN BUSINESS CAPABILITY PLANNING

Business capability planning is often undertaken by either Strategy functions or a Business Architecture element of an Enterprise Architecture capability. Sometimes the systemic cause of the failure of adoption comes from where the initiative is driven from and to what extent it forms part of the organisations’ strategic planning. Too often it is a view of the organisation rather than a representation that has been garnered through active engagement with the organisation in the creation of the Business Capability based planning assets. An extreme version of this is sometimes whilst it is called a business capability model, it is in reality a rationalisation of what is understood about the organisation by an IT function rather than what the people responsible for the capabilities would themselves recognise. Another important challenge is the language utilised and ensuring capabilities are articulated in a way that business stakeholders agree with, enabling them to effectively relate to and use the model. If the capabilities aren’t expressed in a way that is well aligned to the parlance of the department responsible for the area then the model is almost certainly doomed to failure.

A wider and equally challenging problem is the extent to which work is undertaken to ensure that everyone responsible for the definition of their capabilities is bought into the methodology as a whole.

THROUGH LIFE CAPABILITY, OR JUST CAPABILITY PLANNING?

There are a few areas of Business Capability based planning that are much less mature. The first area is translating the capability, capability level requirements and the planning disciplines around capabilities into considering how that capability should be managed through its’ life and executing such a through-life management around capabilities. The original concept of managing against capabilities comes from the military, and how they manage military capabilities and platforms effectively through their life. So it is an interesting conundrum that one of the principle objectives of the Capability-based approach has failed to mature outside the military context. This in itself is a problem because the organisation isn’t living the management of the capability.

Planning and executing the management of a capability through life is difficult, it is often complicated by the same things that simplify business capability based planning – that is organisational design and constraints. In the military context in the UK MoD they talk about the Defence Lines of Development, these are training, equipment, personnel, information, concepts & doctrine, organisation, infrastructure and logistics and underpinning all these their interoperability. These concepts are not actually difficult to translate into the non-military world, the outcomes they are seeking is to ensure that everything is being planned and executed individually and holistically to ensure that a capability level is realised, maintained and managed holistically. In the context of execution this means that the people, processes and technologies together with enabling and supporting capabilities are managed.

The effect of through life capability management being less mature can have a stark effect on adoption of Capability-based planning; it is relatively common to go to organisations where capability models have failed to ‘land’ successfully within the organisation because it is seen as an academic activity not connected to realisation.
CAPABILITY OR PROCESS?

A failing of business capability based planning adoption has also been because it is conceptually difficult for some people to understand the difference between a capability and a process. At a high level the difference seems apparent, a capability at the highest level avoids the how and focuses on the what and why, but in reality when you look at the two side-by-side the line can seem blurred. This is further exaggerated by the fact that there are many capability models out there that haven’t been well developed and really are process models. There are other variations on this theme that fail capability modelling, like considering channels as a structural part of the model which can add to significant confusion.

CAPABILITY LEVELLING

Part of the genesis of Capability based planning is around capabilities’ association with the planning, enabling, delivering and supporting the core value-chains of an organisation. The problem with many capability models is that this is a long-forgotten facet and because it is forgotten some of the equivalence of capabilities and their levelling is also forgotten. There are techniques such as the use of enterprise patterns and value chain mappings that can be used to both exploit capability models but to also validate the levelling. The problem is that when nothing like this has been done there is a much higher risk of inconsistency of levelling in the model. Whilst this might sound like a purism problem, practically it realises itself as an adoption problem, where experts in a specific area recognise the limitations of unlevelled models when they try to use them or relate them to part of their business. It also will be difficult to illustrate an enterprise process end-to-end without problems of equivalence.

CAPABILITY OR SERVICE?

Another area that is now coming to prominence is the difference between capability and service. Some of the adoption challenges with Business Capability models is that on their own they don’t articulate what the organisation provides out to its customers. These are the services the organisation provides. A prime example of this is the recent focus on Important Business Services by the UK Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) – the UK regulatory bodies for regulated financial services organisations. Many financial services organisations have struggled to look at this alternative planning view because their capability models have not historically had this view. A second problem with this view comes in that because capabilities are not managed in the through-life context it is difficult to then take that perspective in terms of the organisation to deliver an operationally resilient service (which is the angle the PRA is looking at the problem from). In this context it is probably easier to align to the ITIL-like definition of IT Service than a capability model albeit ITIL only provides the technological view of the resilience of a service.

When looking at services there are a number of lenses – services provided outwards/visible to the outside world, services that are internal that contribute to the lifecycle of the services that are visible and the capabilities associated with all these services. In the example PRA/FCA regulatory context, they explicitly describe their interest as only ‘important business services’ and these are customer-facing, but in order to accurately evaluate importance of a service in reality you need them all to be defined; that in turn has a significant benefit of enabling
the service to be mapped from the customer all the way down to potentially low-level CMDB configuration items that are the most atomic technology item managed. Equally, as well as the customer-facing services there are internal services that enable the customer-facing services that can easily be missed if purely focusing on the outbound services.

The reason why all business services need to be modelled is that it is extremely easy to miss the service dependencies when defining as Business Service – services are dependent on other services and it isn’t possible to simply encompass everything related to something like taking a payment into one standalone service for planning. To actually be effective at managing the operational resilience of this business service both the supporting business services (including internal business services) and the capability that enables the fulfilment of the service need to be modelled and much more importantly managed through life. Without this join-up the likely effect is that the Important Business Service as is managed is ultimately not as operationally resilient as might be thought. A simple example of this is to what extent the digital workplace environment is made to be resilient where many important business services strongly depend on this working environment; this is likely to be fairly obvious but there are many other areas where it is much less obvious and some of these are not wholly technological and this is exactly why the capability view becomes important.

Another problem with the Service world is the perspective towards the ITIL foundational lifecycles such as problem management, incident management etc, where people are used to considering a constituent part of what a service is to the real business service.

A final challenge with Business Services and Business Capabilities is that the top-level could look very similar, but a Business Service taxonomy quickly breaks down into effectively tiers of services whereas a capability model has a set of capability statements that are the capabilities ultimately required to fulfil the service. This confusion is easily resolved but it can lead people to think (incorrectly) that a Business Capability model is the same as Business Service model.
CLOSING THE LOOP
In order to utilise capability-based planning effectively some of the limitations and challenges highlighted above need to be closed down. This is through looking at the problem in a slightly different manner. The real benefits of capability based planning is to be holistic, i.e.

- Engage stakeholders who own, manage, run, are accountable or responsible for capabilities. There is limited value in doing it in their name without their buy-in
- Plan the capability and manage it through life. Don’t cut corners in capability based planning, ensure that it truly a good representation of the organisation. Through life means managing considerations around technologies fulfilling capabilities, people competencies and organisational capabilities
- Associate the capability with the services it enables, and all aspects of how it is managed through its’ fulfilment exploiting the capabilities through life perspective
- Create a holistic service catalogue, use a methodology that ensures that internal services and externally-facing services are both considered and the dependency trees between services are fully understood. This needs to tie together soft and hard links between services and both technological, and non-technological links
- Consider whether to link processes to the services rather than the capabilities
- Manage capabilities through life for the purpose of them being used to realise the Business Services.

GLUE REPLY
Glue Reply is the Reply Group Company specialising in IT architecture, integration and data solutions that drive business value. Pragmatic in its approach, Glue Reply provides independent advice on the technology solutions that achieve clients’ business objectives. Glue Reply’s core proposition is to help organisations maximise the value from their business change and technology investments by helping them define, design, implement and resource best practice. Glue Reply works with many companies as a trusted advisor as well as being known for getting stuck into the nuts and bolts of any technical challenge to ensure the desired outcome. Glue Reply’s solutions drive operational excellence whilst preparing clients for digital transformation, cost reduction and data exploitation. For more information please contact us at glue@reply.com or call us on +44 (0) 20 7730 6000.