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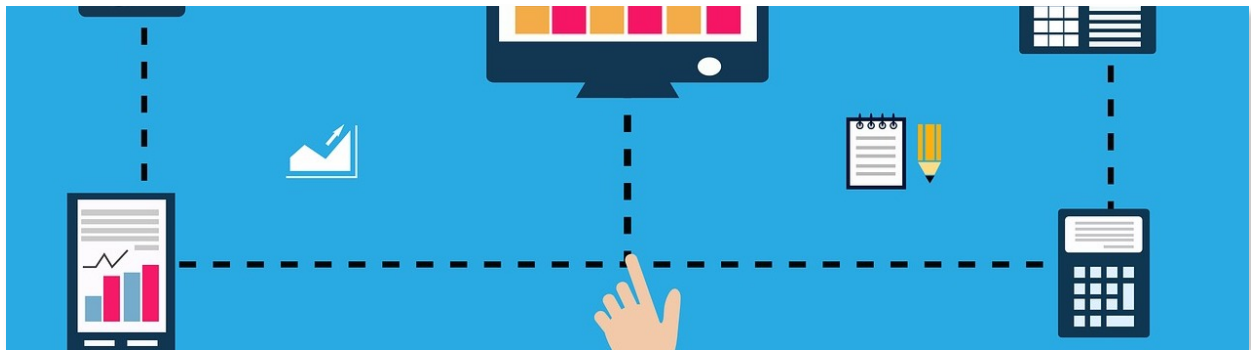**25th April 2019**

Operating Models in ArchiMate

How using ArchiMate can help define Operating Models

Introduction

The need for a well understood Operating Model is important to the successful implementation of any business transformation. In fact it's important to have such a model just to operate and even before any transformation. The change to the 'Business Architecture' is often overlooked or poorly articulated. A new Operating Model may drive a change to the organisation (such as consolidated boards, or new groups). Most organisations try to bolt on an Operating Model for a new structure rather than think about what the ideal 'way of working' should be first. The definition of an Operating Model is a powerful aspect of doing Enterprise Architecture. Using ArchiMate in its definition is extremely powerful.

What is an Operating Model?

TOGAF

A quick visit to the Open Group TOGAF 9.2 standard (section 29.3) [Ref 1] offers this guidance:

> **"Key to establishing interoperability is the determination of the corporate Operating Model, where the Operating Model is *the necessary level of business process* integration and standardisation for delivering goods and services to customers."**

So it's key! And it's about business processes (and their interactions with each other). But it can't be just about the 'process'. Let's assume it includes the active elements of ArchiMate (Business Services, Functions and Co-operations) and structure elements (role and organisation-unit). Mention of standardisation means that it has to be operated consistently; let's use a notation that gets agreed and communicated.

It then refers to a strong strategy reference - 'Enterprise Architecture as Strategy (Ross et al., 2006))', saying:

"By providing a more stable and actionable view of the company than strategy, the Operating Model drives the design of the foundation for execution "

Which only means operating models shouldn't change much (be stable) and should be realistic (actionable) in what they tell the organisation to do.

"The corporate Operating Model will normally indicate what type of interoperability approach will be appropriate."

They should describe what *behaviour* the organisation should exhibit. Finally:

"…it is common for the internal Operating Model (and supporting interoperability model) to differ from the one used for the extended enterprise."

There needs to be several levels of Operating Model within an organisation. We will have an Operating Model at corporate / enterprise level to model how the organisation behaves with the outside worlds (its customers and partners), plus others for internal use within a specific domain. In ArchiMate that can be done through the use of Services to expose the internal Processes, and for externally facing Business Interfaces of the Roles and Actors. Having Operating Models abstracted, and time based (having a baseline and potentially multiple target operating models) is the same as any aspect of 'an architecture'. Using an appropriate tool to articulate this is key.

Strategy planning tools

There are also plenty of tools such as Capability Models, Business Model Canvas, SWOTS and PESTELS. These will generally clarify and challenge the motivational aspects - they can justify why the Operating Model changes needed.

An ArchiMate Operating Model

ArchiMate is commonly used to describe changes to architecture and we can equally use it for operating models. What meta-model and style can we adopt to capture the Operating Models?

ArchiMate 3.1

ArchiMate [Ref 2] doesn't attempt to impose on TOGAF's standard (or any other business standards) in regard to defining an Operating Model. But we can use its behaviour concepts and how they interact to cover it off. In fact, given the relative interchangeability of Process, Function and Service behaviour concepts, we have a rich way of explaining things.
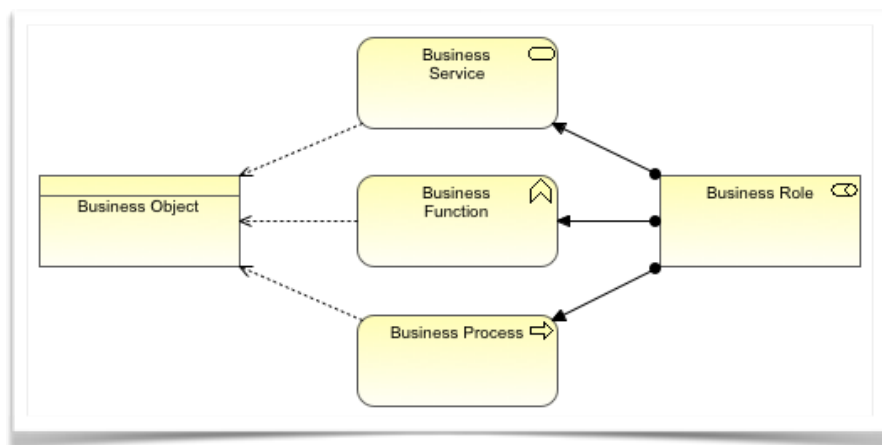

Diagram 1 - ArchiMate Concepts for Operating Models

Diagram 1 shows a Business Role assigned to either a Business Service / Function or Process (whichever works best in the model we're creating) in order to access a Business Object.

Add to this using a Cooperation of Roles / Actors as a behavioural element extends it further in Diagram 2, where we see two Business Roles collaborating together to create a Deliverable.
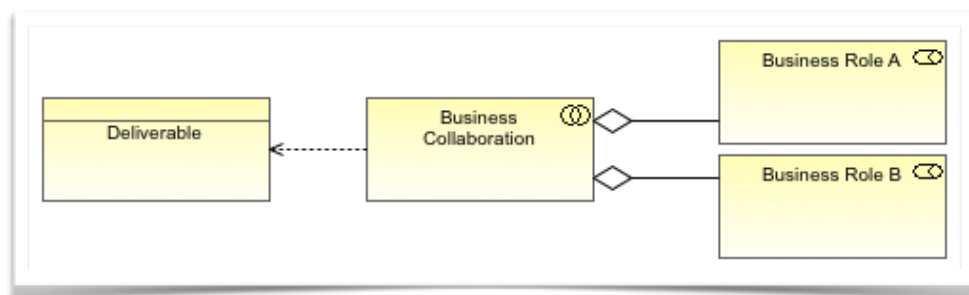

Diagram 2 - ArchiMate Collaboration

There are excellent examples and the formal use of Collaboration in [Ref 3].

A Basic Operating Model

An Operating Model will not just be an 'Architecture Model', or even a future 'Target Model'. A good working version should be a little of both. It will use the behavioural concepts as mentioned above, plus a sprinkling of Active (Business Roles) and Passive (Business Information) for context.

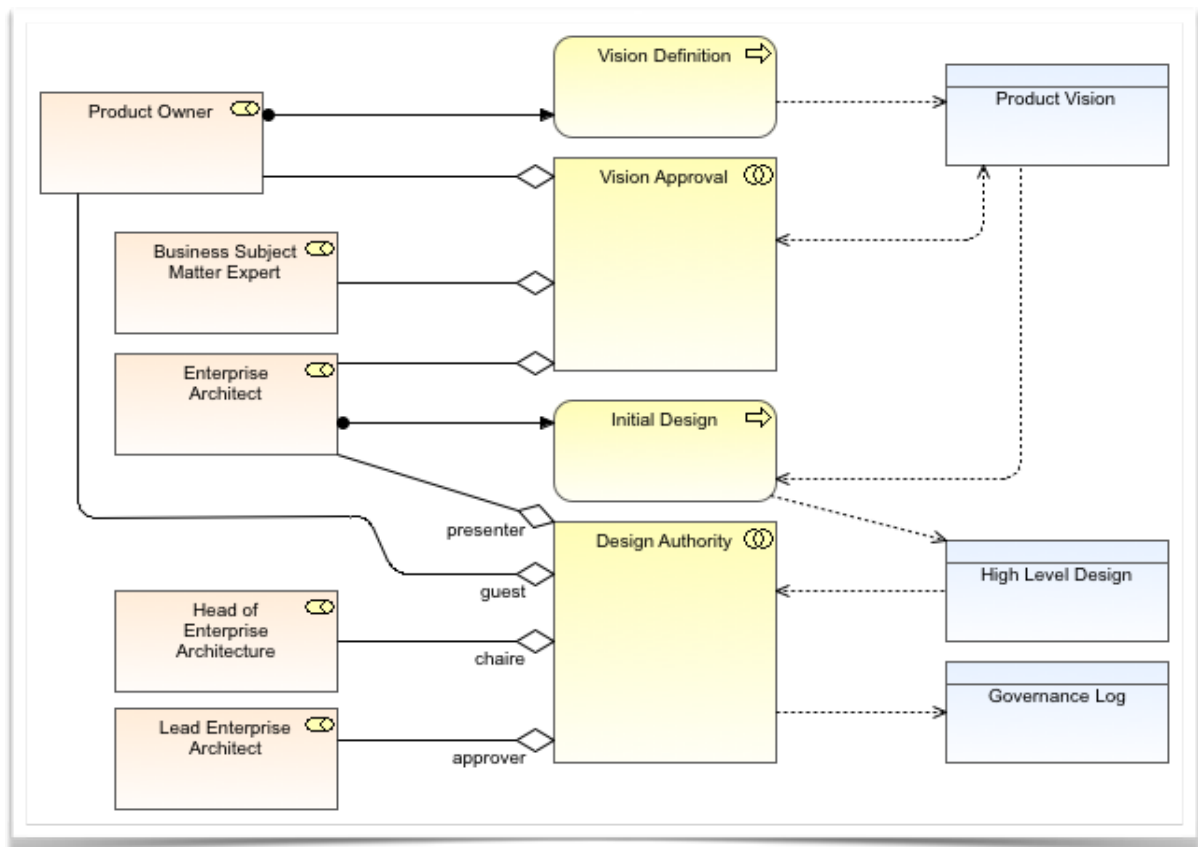A Business Process Cooperation view is about right for this, see Diagram 3:

Diagram 3 - Example Target Operating Model

We may need a large, complex view, or a number of structured views, depending on the Organisation's target size and complexity. There might also be a number of decomposed levels, especially if there is more than one Operating Model and they interact, or if the Business Roles are shared.

Of course it will normally be a To-Be / Future / Target perspective, and we are more than likely going to need to consider the As-Is / Present / Baseline for context and to elaborate the business transformation to get there.

Mind The TOM Gap

The phase '*Target* Operating Model', or 'TOM' is often used but, of course, the 'Target' part of that is actually referring to a desired end state. So how do we transition to that Target Operating Model. Where is the Baseline version of it? What about the Gaps between the two? And should there be a single transition endeavour to get there?

We can establish the Baseline Operating Model, with all its potential flaws, by using the same concepts described above. Standard Enterprise Architecture techniques will allow us to see what the difference between them should be (the "Gaps") and we can start to think about whether the Gaps are small enough to get to a Target state in one step, or not.

That assumes we know what the target state is, but in reality we should only get to the target by considering our business principles, goals, drivers and constraints. In other words, how should we *really* operate in support of the organisation's strategy and culture?

Next Steps

Once there is a clearly articulated *baseline* Operating Model (and all organisations should have one), it is then possible to really start with any organisational redesign that it may imply. Most organisations have a reorganisation *then* think about how to operate it. The emphasis should be on what the new organisation must deliver before organising it. With the transitions to *target* Operating models, the use of Business Capabilities are ideal to support the transformational change. Capabilities are used to decompose the models to a next level to support the new Operating Model and its updated capabilities.

References

Inspiring thinking and guidance is out there:

1. The Open Group - TOGAF 9.2 Specification.

   http://www.opengroup.org/subjectareas/enterprise/togaf

2. The Open Group - ArchiMate 3.0 Specification.

   https://www2.opengroup.org/ogsys/catalog/C162

3 Mastering ArchiMate Edition III by Gerben Wierda

   https://ea.rna.nl/the-book-edition-iii

Also thanks to Rebecca Paul and Eddie Walker for input and inspiration.