

White Paper

Building an adaptive enterprise capability for resilience.

The purpose of this White Paper is to assist you in assessing the merits of building an adaptive enterprise capability using an agile or adaptive meta-framework for adapting, defining, operating, managing and supporting the adaptive value chain for the overall enterprise.

This adaptive capability allows organisations to meet the challenges of driving *continuous efficiency and innovation* in the face of rapid change and increasing uncertainty.

This White Paper outlines a robust, highly scalable and smart method for building adaptive enterprise **strategy and architecture capabilities** that are not achievable using the existing traditional frameworks and methods. A list of relevant publications are provided in Section 8.

1. FAQ on building sustainable adaptive enterprise capabilities

Q: Why is building an adaptive enterprise strategy and architecture capability important for today's organisations?

A: In a changing environment, today's value proposition will differ from tomorrow's. A value proposition is an opportunity at a given point in time, which may evolve in response to changes, as they occur in the overall ecosystem. Therefore, organisations need adaptive, holistic organisation-wide and customer-centric value proposition oriented (VPO) approaches for actionable, smart strategies.

Q: Does establishing an Adaptive capability replace conventional 'change management' practices?

A: No. It increases the effectiveness, efficiency and agility of conventional 'change management' capabilities, and reduces the risk of degraded outcomes or failure.

Q: How exactly does this adaptive capability increase the effectiveness of conventional 'change management' and 'business transformation' practices?

A:

- Adaptation first is a more *proactive* approach in contrast to *reactive* change management approaches and practices.
- An adaptive capability *continuously* tests the validity of the key business, risk and technical assumptions on which the change initiative was originally based.
- It engrains the capability for active monitoring, predicting, and adapting to changes or digital opportunities with an appropriate degree of clarity, accuracy and in a well-orchestrated and timely manner.
- Establishing a sustainable enterprise value chain of integrated strategy, architecture, project delivery and service operations capabilities requires an adaptation-first approach.
- An adaptive capability ensures that at no stage are there material inconsistencies or misalignments between the organisation's mission, strategies, tactics and operations.

- Evidence is that current enterprise ‘change management’ approaches are typically too slow and not well suited to the rapidly evolving, complex and interrelated customer and business demands, not to mention risks.

Q: Will this replace our existing IT, project or enterprise governance frameworks?

A: No. Our approach involves the use of an agile and adaptive meta-framework that sits across the entire organisation.

Q: What is the Return on Investment (ROI) for investing in building adaptive capabilities?

A: Fact is, the *potential* for the benefits realisation resulting from increased agility and adaptability will vary between organisations and industries. The specific situation, context and capabilities of an organisation are all factors that influence the *actual benefits realisation at any point in time*. For this reason, the specific ROI will vary by organisation. Our approach is to work with you to develop a coherent, efficient and practical method for *identifying, defining, measuring and visualising* changes in your key value driver’s outcomes.

Q: If we don’t know the potential benefits at the start, how can we build the business case for making the investment in building this adaptive capability?

A: Our approach in helping you in building your enterprise adaptive capabilities, is *itself adaptive*. That is, we jointly make an initial small step on the journey. This first step is known as the *Vision and Scope phase*, which involves a small number of short, targeted workshops which typically occur over a week or two. At the end of this stage, the value of continuing the journey will be apparent at that point.

Q: Taking small steps is fine, however what’s the ‘grand plan’? Is there an overall framework or method for building this adaptive capability?

A: Absolutely. Your journey of developing a robust, highly scalable and smart method for building adaptive enterprise capabilities revolves around the application of a range of complex adaptive system techniques and The Gill Framework® that are not achievable using the existing traditional frameworks and methods.

Q: What is The Gill Framework®?

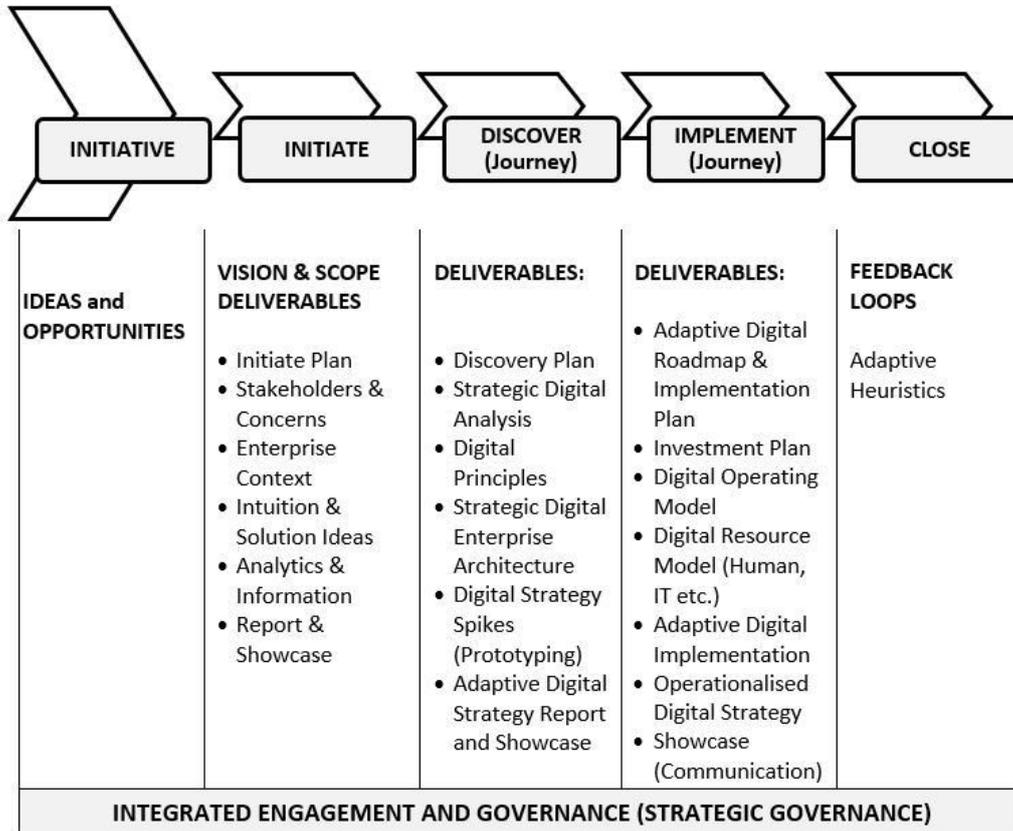
A: The Gill Framework® is an agile or adaptive meta-framework for architecting Adaptive Enterprises as Adaptive Enterprise Service Systems. Dr. Asif Gill is the author of this unique framework, which can be freely used for internal purposes within any organisation, and at no cost by just acknowledging the source and copyright holder (Dr Asif Q. Gill). www.thegillframework.com.

Q: Is this just another ‘project’ or ‘change initiative’?

A: No. The journey of building an adaptive enterprise is itself adaptive, based on an analytics-and-intuition informed *ongoing* activity or journey, which requires a whole-of-organisation, integrated engagement and governance approach.

Q: You talk about a ‘journey’. What does this really mean?

A: These integrated adaptive enterprise value chain capabilities execute specific initiatives through adaptive value streams of *initiate-journey-close* feedback loops for continuous efficiency and innovation. Requirements continuously emerge in this value chain, which are managed via adaptive enterprise requirements management capability. The *initiate-journey-close* process is outlined in the following figure.



Adaptive Strategy Pipeline: Initiate-Journey-Close
(adapted from The Gill Framework® V3.0)

Q: How will this approach affect IT - Business relationships, alignment and engagement?

A: The journey for developing an adaptive capability can have a profoundly positive impact on IT - business and customer engagements as it requires the ongoing collaboration between multiple stakeholders within and across your organisation as part of the process.

Q: Ok, all sounds fine in theory, what about the reality of starting the journey?

A: The first step is to complete a small Vision and Scope exercise. This involves a high-level review of the scope and capabilities of your existing strategy and architecture capabilities.

Q: Is this another consulting pitch based on the principle of ‘land and expand’ to maximise consulting revenue, whether the client ends up realising sustainable value or not?

A: Absolutely not. We co-create value with you at each iteration of your journey and do not try to ‘boil the ocean’. We operate on the principle of maximising skill transfer, and in jointly identifying the optimal path for you to build your adaptive capabilities.

2. Vision and Scope Phase

Your first step in your journey of building adaptive capabilities starts with the *Vision and Scope* phase.

The key objective of this Vision and Scope Phase is to efficiently conduct a high-level review of the *scope and capabilities of your existing strategy and architecture* for detecting, anticipating and responding to constantly evolving business, customer needs and other changes.

The Vision and Scope workshops

Over a few weeks, we expertly facilitate a small number of focus workshops of no more than 2 hours each, involving a range of key IT and business stakeholders.

The workshops involve a high-level review of strategy, architecture, service management and project management practices covering aspects such as value drivers, stakeholder concerns, pain points, problems, opportunities and risks.

The outcomes from this Vision and Scope Phase include:

1. A report that includes:
 - o Key findings and their opportunities,
 - o Key recommendations,
 - o Proposed next steps, as well as a
 - o Summarisation of each workshop's proceedings.
2. A close-out meeting involving key stakeholders to:
 - o Review, amend and ratify the report's contents
 - o Obtain consensus on next steps

3. Vision and Scope phase FAQ

Q: How long will this initial Vision and Scope phase take all-up?

A: The initial Vision and Scope phase will take no more than 2-3 weeks to complete, possibly less depending on individual's availabilities.

Q: What's being asked of each participant?

A: Each participant will be involved in one or two small focus groups (workshops) that will be high value, short duration, and very interactive – typically less than 2 hours.

Q: Haven't we done all this before?

A: Unlikely. Most organisations have centres of excellence within functional areas or domains of expertise. However, ensuring that a well-orchestrated, holistic capability for adapting, defining, operating, managing and supporting an adaptive enterprise strategy and architecture exists organisation-wide requires more than domain expertise.

Q: Who needs to be involved in this phase?

A: Key stakeholders that will have a direct influence on how a new adaptive strategy and architecture capability is defined, developed and established - either as a subject matter expert or decision-maker or both. Depending on the Vision and Scope brief, workshop participants *may* include stakeholders from

areas representing customers, business, IT, risk, finance, governance, executive, operations through to human resources, for example

Q: What's being asked of each participant?

A: Each participant will be involved in one or two small focus groups (workshops) that will be high value, short duration, and very interactive – typically less than 2 hours.

- Workshops will conduct a high-level review of strategy, architecture, service management and project management practices

Q: We've got many other programs and initiatives underway - will this be yet a distraction?

A: No. It is important to realise that building an adaptive strategy and architecture capability is *not* a replacement or refinement of existing initiatives or frameworks - whether strategy, architecture, governance, risk or project management, for example.

- Building an adaptive strategy and architecture capability will embrace *existing* strategy, architecture, governance, risk, project and service management practices, for example

Q: What about or existing architectures and frameworks (eg ITIL, TOGAF, MPBOK, PRINCE2, BABOK, Agile, Lean, etc...)?

A: An adaptive strategy and architecture capability:

- Will be built off the work done thus far in a range of areas such as strategy, architecture, governance, risk, culture and so on.
- Is a meta-framework that *integrates and tailors* all aspects of an organisation's strategy and architecture capabilities for adaptability, and is not a replacement for existing models and frameworks.

4. Benefits realisation

Being able to measure the benefits realised from the journey of building an adaptive capability hinges on *identifying, defining, measuring and visualising* the key metrics that define the relevant **business value drivers**

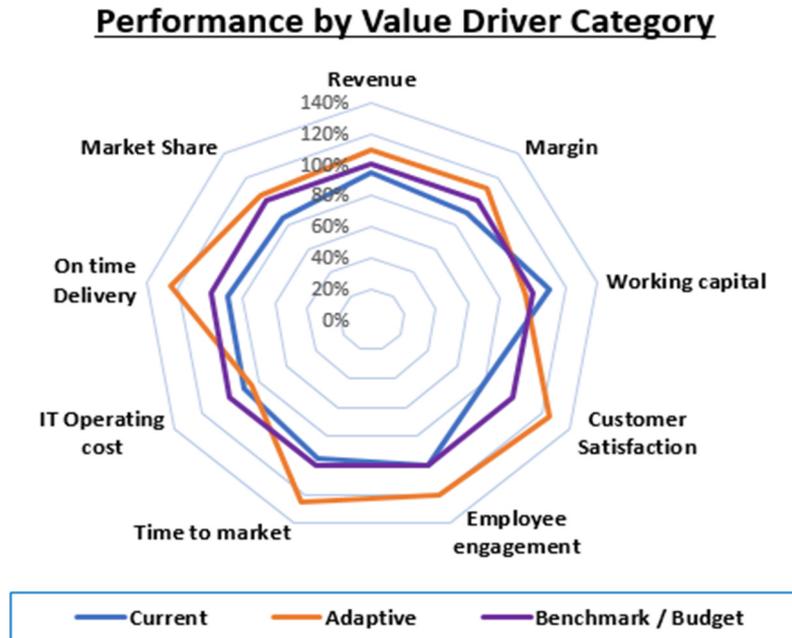
Benefits realisation hinges on:

1. **Identifying:**
 - o Primary, secondary and tertiary value drivers
 - o Dominant causal and correlation influences associated with each value driver
2. **Defining:**
 - o Each value driver's metric
 - o The method of measuring each metric.
3. **Measuring:**
 - o Changes in each value driver metric as part of the journey
 - o Ensuring the fidelity of each measure
4. **Visualising:**
 - o Integrate and align measures with existing business reporting methods such as balanced scorecards, dashboards, business operations, financial, sales or other relevant governance processes.
 - o To drive actionable, relevant feedback loops

5. Visualisation examples

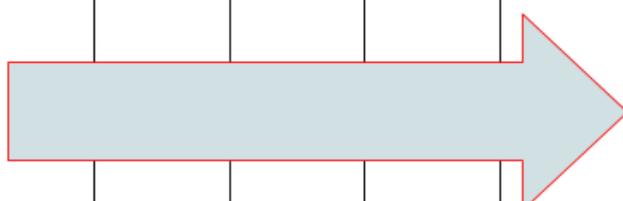
Two common methods to visualising changes in value drivers and outcomes revolve around *normalised and absolute measures*.

A spider plot is useful to illustrate the normalised value driver performance (expressed as a percentage, in this example)



A table summarises the absolute measures (ie: financial, or other) of benefits arising from the adaptive capability

Value Driver Matrix - Identifying the benefits of an adaptive capability

Type	Primary	Secondary	Metric	Delta	Quantified Benefit
					\$ or other measure

6. Acknowledgement

We would like to thank Dr. Asif Gill for providing the guidance in correctly interpreting and applying The Gill Framework®.

7. Next Steps

To find out more about how your organisation can build an adaptive capability to protect, optimise and grow business value in the face of increasing change and uncertainty, contact Rob Livingstone directly at rob@livingstoneadvisory.com or on +61 419 632 674.

8. Publications

The following are some of the key publications by Dr Asif Gill and Rob Livingstone on adaptive strategy, architecture, project delivery, service operations capabilities, innovation and related topics.

Books

- **Gill, A.Q., Livingstone, R.** 2017, Adaptive Enterprise Strategy Journey Management., 1st Ed.
- **Gill, A.Q.** 2015, Adaptive Cloud Enterprise Architecture. World Scientific Publishing Co.
- **Gill, A.Q.** 2012, The Gill Framework: Adaptive Enterprise Architecture Toolkit [Kindle Edition].
- **Gill, A.Q.** 2011, Enterprise Agile Adoption and Improvement: A Comprehensive Information Guide to Agile System Development Strategy and Implementation, LAP.

Book Chapters

- **Gill, A.Q.** 2017, 'Applying Agility and Living Service Systems Thinking to Enterprise Architecture' in Decision Management: Concepts, Methodologies, Tools, and Applications. Information Resources Management Association, IGI, USA, pp. 487-502.
- von Rosing, M., von Scheel, J. & **Gill, A.Q.** 2015, 'Applying Agile Principles to BPM' in Elliot, S. (ed), The Complete Business Process Handbook: Body of Knowledge from Process Modeling to BPM, Elsevier Inc., USA, pp. 553-577.
- von Rosing, M., Scheer, A., von Scheel, H., Svendsen, A.D.M., Kokkonen, A., Ross, A.M., Bøgebjerg, A.F., Olsen, A., Dicks, A., **Gill, A.Q.** & et al. 2015, 'Business Process Trends' in Elliot, S. (ed), The Complete Business Process Handbook: Body of Knowledge from Process Modeling to BPM, Elsevier Inc., USA, pp. 187-216.
- **Gill, A.Q.** & Bunker, D. 2013, 'SaaS Requirements Engineering for Agile Development', Agile and Lean Service-Oriented Development: Foundations, Theory, and Practice, IGI, USA, pp. 64-93.

Industry Articles

- **Livingstone, R.** 2016, 'How has enterprise technology complicated the CFO role?', TechTarget
- **Livingstone, R.** 2016, 'Three ways to build innovation into your organisation', The Conversation
- **Livingstone, R.** 2015, 'Balancing outsourcing with Agile development', CIO Autumn 2015
- **Gill, A.Q.** 2014, 'Agile Enterprise Architecture Modeling', Orbus Software. Industry White Paper.
- **Gill, A.Q.** 2013, 'Defining a Social Architecture within the Enterprise Architecture Context', Orbus Software. Industry White Paper.
- **Gill, A.Q.** 2013, 'Defining a Facility Architecture within the Agile Enterprise Architecture Context', Orbus Software. Industry White Paper.
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- **Gill, A.Q.** and **Livingstone, R.**, 2012. 'Demanding times.' *CIO*, (Mar/Apr 2012), p.64.

Academic Articles

- Korhonen, J.J., Lapalme, J., McDavid, D. and **Gill, A.Q.**, 2016, August. Adaptive enterprise architecture for the future: Towards a reconceptualization of EA. In *Business Informatics (CBI), 2016 IEEE 18th Conference on* (Vol. 1, pp. 272-281). IEEE.
- **Gill, A.Q.**, Chew, E.K., Kricker, D. and Bird, G., 2016, August. Adaptive Enterprise Resilience Management: Adaptive Action Design Research in Financial Services Case Study. In *Business Informatics (CBI), 2016 IEEE 18th Conference on* (Vol. 1, pp. 113-122). IEEE.
- **Gill, A.Q.**, Phennel, N., Lane, D. and Phung, V.L., 2016. IoT-enabled emergency information supply chain architecture for elderly people: The Australian context. *Information Systems*, 58, pp.75-86.
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- **Gill, A.Q.**, 2015. Agile enterprise architecture modelling: Evaluating the applicability and integration of six modelling standards. *Information and Software Technology*, 67, pp.196-206.
- **Gill, A.Q.**, Chew, E., Bird, G. and Kricker, D., 2015, July. An Agile Service Resilience Architecture Capability: Financial Services Case Study. In *Business Informatics (CBI), 2015 IEEE 17th Conference on* (Vol. 1, pp. 209-216). IEEE.
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- **Gill, A.Q.**, 2015, September. Learning Enterprise Agile Software Engineering: Scaling Agility at the Enterprise Level. In *Software Engineering Conference (ASWEC), 2015 24th Australasian* (pp. 148-154). IEEE.
- **Gill, A.Q.** 2015, 'Adaptive Enterprise Architecture Driven Agile Development', International Conference on Information Systems Development, Department of Information Systems, City University of Hong Kong, Harbin, China.