



Altus

clear thinking for Financial Services

Architecture Governance

No matter how compelling or carefully constructed the vision, the acid test of architecture is what gets built. So why is it that so much of what gets implemented in Financial Services bears little resemblance to the original grand design? To put it another way, how can we make a better job of putting architecture into practice?

At Altus we believe that a key ingredient is the role of architecture governance. In the construction and engineering industries the need for scrutiny of detailed designs against an overall master plan is well established. But in Financial Services “governance” is typically seen as an unnecessary evil; IT artificially constraining the business.

We see architecture as much more than an IT issue, and governance as requiring much more than just technical expertise. This paper summarises how Altus approaches the roles of business and systems design authority and how we fine-tune them to the needs of the Financial Services industry.





Architecture Governance

The Issue

Many large Financial Services companies now have dedicated teams producing and maintaining clear and comprehensive models of their target business and systems architecture. But in most cases the reality of the systems landscape remains far removed from the vision, and the architecture team frequently acquires an 'ivory tower' reputation.

Architecture gets associated with expensive 'white elephant' projects or with unrealistic designs that put a brake on the business. So why does our industry find it so hard to turn what are often sound ideas into practice?

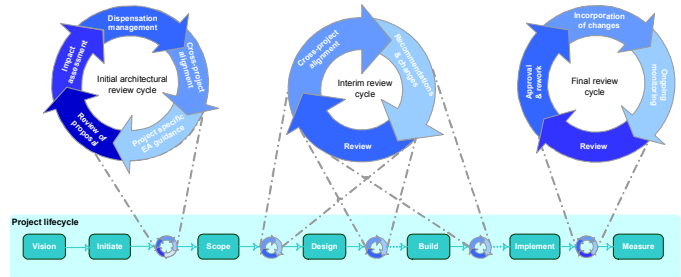
Altus believes the key lies in how the target architecture is applied and it is essential to understand how far we can really push the architecture metaphor in this context.

In construction or engineering, architecture is how the finished product is defined - the pieces must literally fit together to build the finished product (otherwise something will probably collapse). In Financial Services, the basic product (the Enterprise) already exists and change is driven from within by business-led projects.

Your architects may have a vision of how the Enterprise should look in five years' time but, in a constantly changing market, it is unrealistic to expect the business to follow a neatly laid out 5-year architectural roadmap to get there.

The Altus Approach

To get the most from Financial Services Enterprise Architecture, you need a group that can translate the vision into practical recommendations for



business projects as they arise and steer them in the right direction without creating a roadblock. We call this the Design Authority, and it should have a business as well as a technical mandate.

Their role is not to devise a series of incremental projects that will combine to deliver the target architecture and then persuade the business to want them. Instead they should understand the fundamental principles and goals of the target and apply them to things the business wants to do.

To work effectively, this requires more than just reviewing the outputs from projects and passing or failing them; an engaged Design Authority should be contributing to the design process and helping to shape solutions, which requires both business and technical expertise. Where Altus provides this service to clients, we get involved as early as possible in a project to facilitate discussion around options and the impact on longer-term plans.

Making this happen reliably and repeatably takes more than just good intentions, and it is important to clarify where the Design Authority fits in an organisation's project lifecycle.

The Altus Approach (cont.)

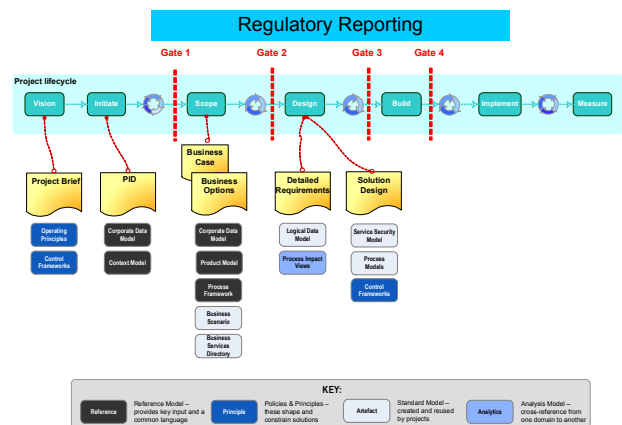
Many organisations have this lifecycle extensively documented, but it is important to scratch beneath the surface to see how different types of project really work. Different aspects can be more or less important depending on the nature of the project: regulatory changes tend to focus on process; new products focus on data and business rules; efficiency improvements focus on technology, and so on. These subtleties can be glossed over in a project methodology but are important if we are to bring the right aspects of architecture to bear.

Which brings us on to the architecture itself. Having understood how projects work in your organisation, the next step is to identify the types of models the business is working with.

While there is general agreement on the broad types of architecture models required, it is wise to take an inventory of all the architecture resources actually in use. This should include not just the usual operational aspects such as organisation, process and systems but motivational inputs too – policies, procedures and strategy.

Having established the main types of change project, the kind of inputs they need and the types of model being used, the next step is to map these to each other. The result is a 'cookbook' of how models are used on projects, who maintains them and where to focus architecture support and controls. Where an EA tool is in use, this 'cookbook' will be a very useful input to your metamodel.

With the key project-architecture touchpoints identified, you then need to work out how the Design Authority relates to these. That could mean contributing (even as early as Steering Group), consulting, gatekeeping or managing non-compliance; mechanisms need to be developed and agreed for all these. There are various standard resources available to help (e.g. TOGAF) and Altus has helped clients with all of these areas.



Finally, you need to decide where the Design Authority will fit in your organisation, taking account of existing structures, funding models and the need for an independent function.

The Benefits

To return to the architecture metaphor one last time, a well-founded Design Authority will seriously improve your chances of seeing some buildings that resemble the plans. They may not get built in quite the order the architect had in mind but the result will be a big improvement on the pile of bricks you might otherwise be left with.




clear thinking for Financial Services

Altus understand Financial Services - the products, the processes, the people and the systems that make the whole thing tick. With years of experience in complex change programmes, we understand that successful solutions begin with the business.

Altus Limited

1 Widcombe Crescent, Bath, BA2 6AH

 +44 (0)1225 472830

 enquiries@altus.co.uk

 www.altus.co.uk