100% LIVE

Capability Maps Reloaded

Richard Lynch
Jim Dowling
Wolfgang Goebl
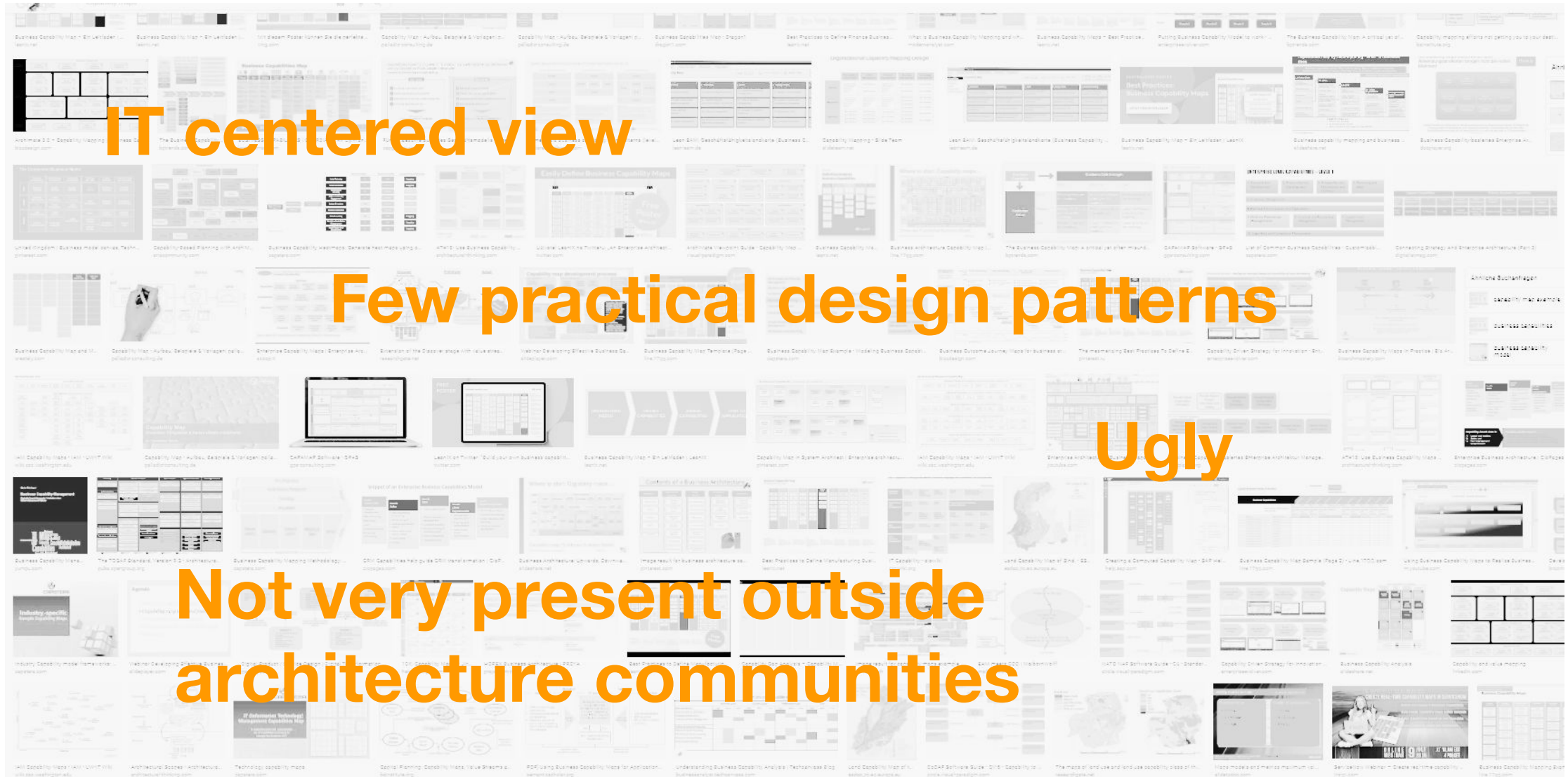
INTERSECTION GROUP

We help people create better enterprises.
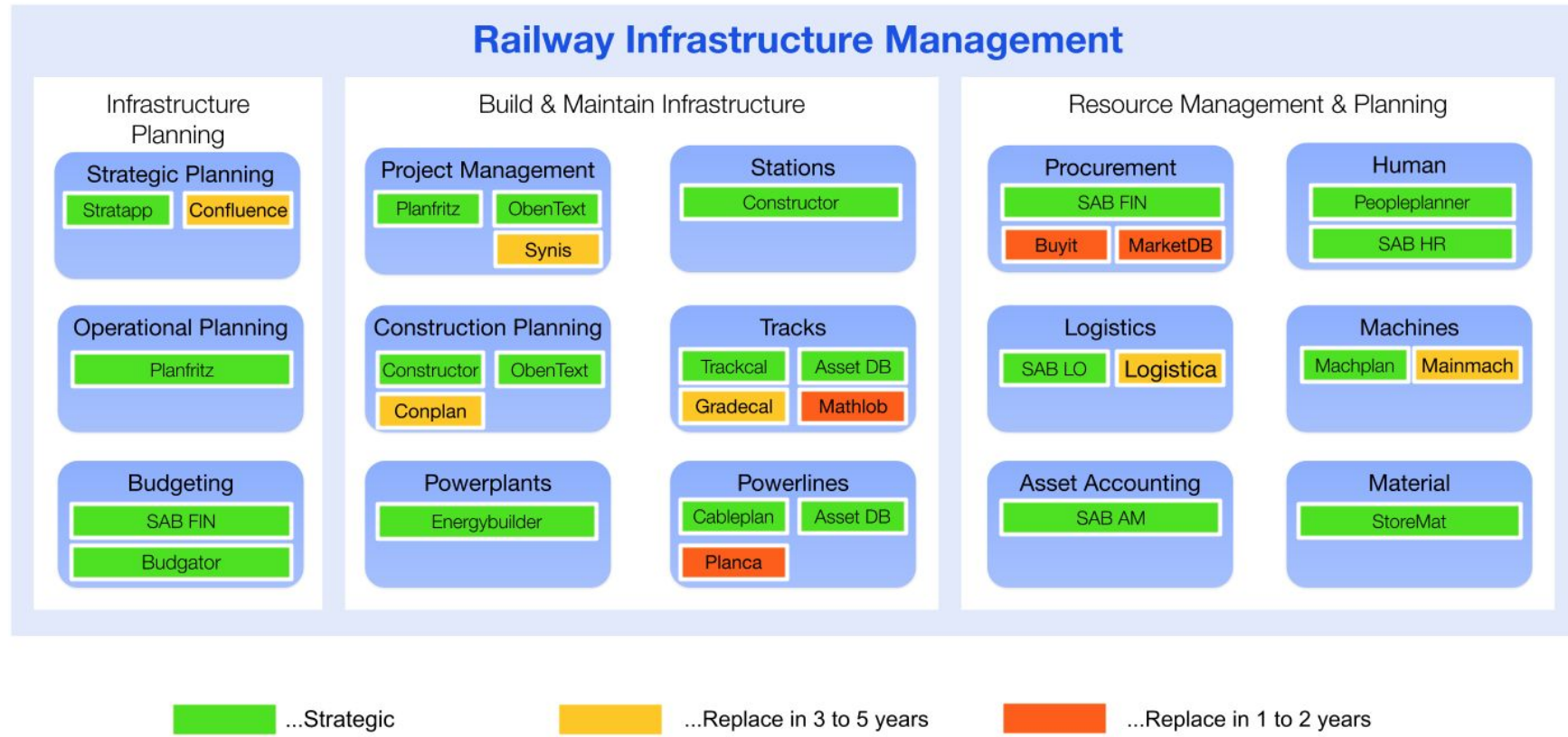
Capabilities as used by EA/BA today

Capabilities as used by EA/BA today

IT centered view

Few practical design patterns

Ugly

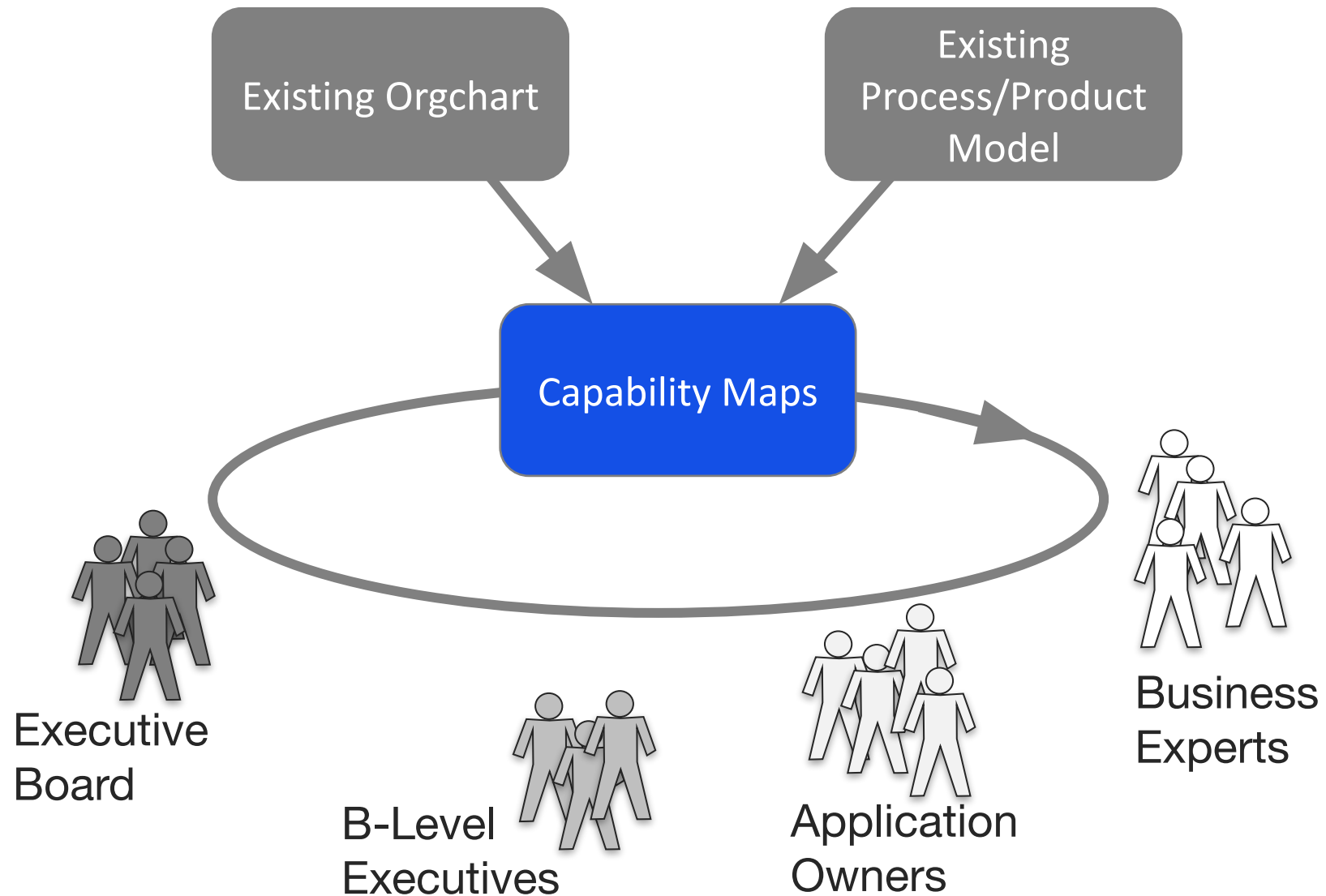Not very present outside architecture communities

Capabilities as used by EA/BA today

Application portfolio management: Assign Applications to caps
Cap structure lives in EA/BA only, not co-designed with bus

Railway Infrastructure Management

Infrastructure Planning

Strategic Planning
- Stratapp
- Confluence

Operational Planning
- Planfritz

Budgeting
- SAB FIN
- Budgator

Build & Maintain Infrastructure

Project Management
- Planfritz
- ObenText
- Synis

Construction Planning
- Constructor
- ObenText
- Conplan

Powerplants
- Energybuilder

Stations
- Constructor

Tracks
- Trackcal
- Asset DB
- Gradecal
- Mathlob

Powerlines
- Cableplan
- Asset DB
- Planca

Resource Management & Planning

Procurement
- SAB FIN
- Buyit
- MarketDB

Logistics
- SAB LO
- Logistica

Asset Accounting
- SAB AM

Human
- Peopleplanner
- SAB HR

Machines
- Machplan
- Mainmach

Material
- StoreMat

Legend:
- ...Strategic (green)
- ...Replace in 3 to 5 years (yellow)
- ...Replace in 1 to 2 years (orange)

Bottom up elicitation

How can we ever connect the worlds...

Operational Management

IT Application Portfolio Management

Jim Dowling

About Capable Company

Rich Lynch

- **Company leaders**: CIO, COO, PMO

- **Consultants** coach teams and build leadership capability to transform organizations

- **Authors**: *Capable Company, Corporate Renaissance* and *Measure Up!*

- **Educators**: we have bundled the above and transformed to leadership development and education.

From your POV, what are the big challenges in focus and alignment around meeting business challenges that you face?
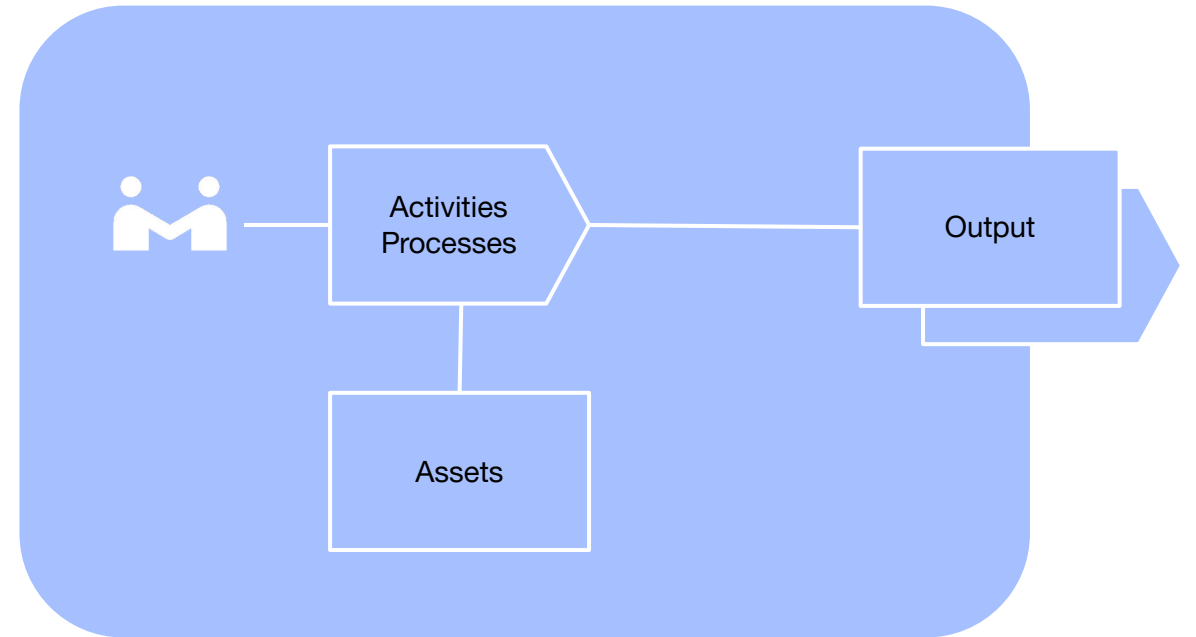
-> **Post to Chat**

◯ **Capability**

What we are able to do by orchestrating people and assets.
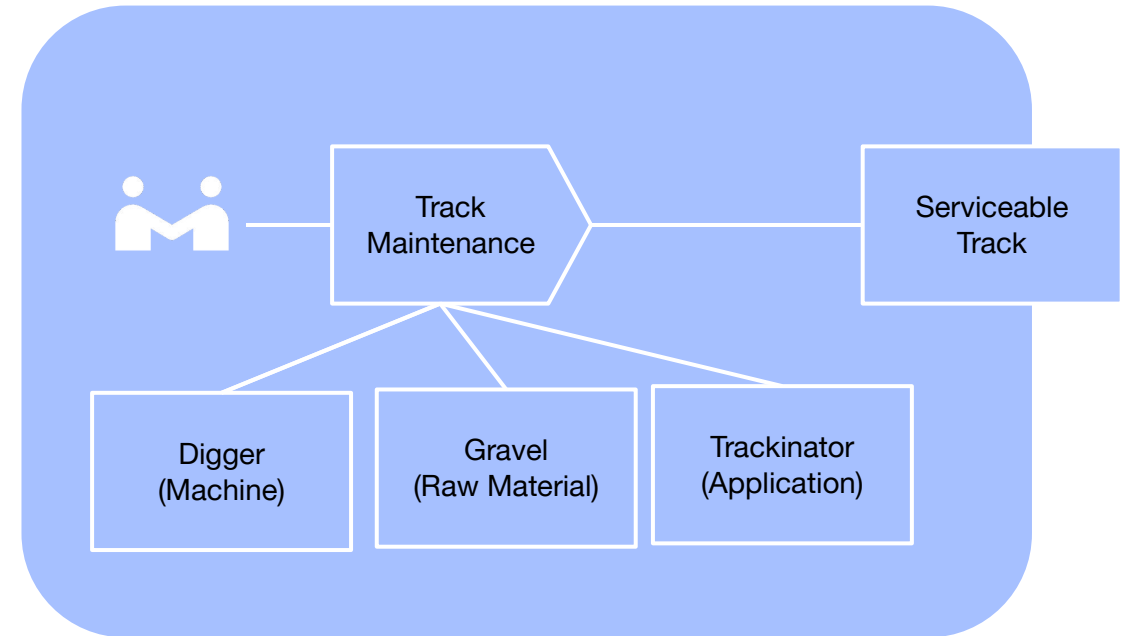

Track Maintenance

◯ Capability

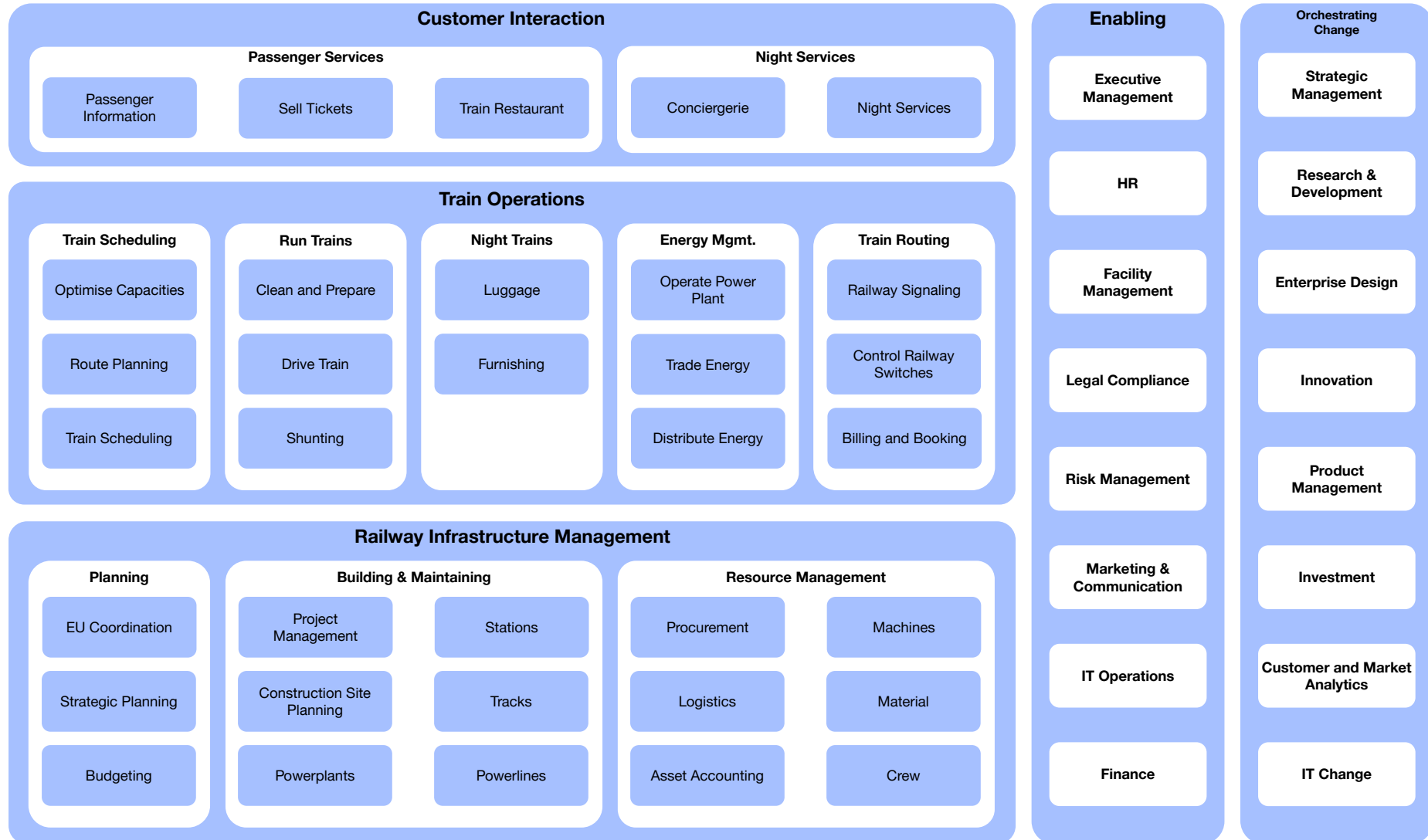**What we are able to do by orchestrating people and assets.**

Capability Map

Customer Interaction

Passenger Services

| Passenger Information | Sell Tickets | Train Restaurant |

Night Services

| Conciergerie | Night Services |

Train Operations

Train Scheduling
- Optimise Capacities
- Route Planning
- Train Scheduling

Run Trains
- Clean and Prepare
- Drive Train
- Shunting

Night Trains
- Luggage
- Furnishing

Energy Mgmt.
- Operate Power Plant
- Trade Energy
- Distribute Energy

Train Routing
- Railway Signaling
- Control Railway Switches
- Billing and Booking

Railway Infrastructure Management

Planning
- EU Coordination
- Strategic Planning
- Budgeting

Building & Maintaining
- Project Management
- Construction Site Planning
- Powerplants
- Stations
- Tracks
- Powerlines

Resource Management
- Procurement
- Logistics
- Asset Accounting
- Machines
- Material
- Crew

Enabling
- Executive Management
- HR
- Facility Management
- Legal Compliance
- Risk Management
- Marketing & Communication
- IT Operations
- Finance

Orchestrating Change
- Strategic Management
- Research & Development
- Enterprise Design
- Innovation
- Product Management
- Investment
- Customer and Market Analytics
- IT Change

Is your work EA, BA, EITA or other?

What challenges are your organizations' or clients facing on the pathway from design to business outcomes?

-> **Post to Chat**

How Capabilities Drive Enterprise Performance

Organization Alignment

- Serve as a common language which can bring leaders together to define and execute strategy.

Acquisition/Demerger Planning and Execution

- Complete a demerger by reducing cost *and* building new capabilities needed for the new company.

Drive Revenue Growth

- Identify capabilities that could be leveraged in new domains to grow revenue.

Communication

- Communicate the future state to engage the entire organization in the journey (appreciative inquiry).

worfit by Accelare

A nonprofit organization whose purpose is to end childhood malnutrition

1 Build Brand and Advocacy

1.1 Build public support, funding, and advocacy influence

1.2 Educate the public about malnutrition and hunger

1.3 Deliver targeted messages about Edesia

2 Develop Global Partner network

2.1 Develop strategic partnerships

2.2 Align partners to Edesia's Purpose and Values

2.3 Develop & manage partner network

2.4 Work in places where we don't have a presence

3 Formulate New Products

3.1 Identify and prioritize unmet needs

3.2 Adapt products to local customs and regulations

3.3 Test and rigorously experiment new products

3.4 Assess production impact

3.5 Scale new programs and products

4 Manage The Supply Chain

4.1 Manage Logistics & Warehousing

4.2 Plan for demand

4.3 Optimize finished goods inventories

5 Manufacture Products

5.1 Provide Production Facilities

  5.1.1 Contract Production

  5.1.2 Configure Current Facilities

  5.1.3 Build Out Facilities

  5.1.4 Schedule Production

  5.1.5 Manage Capacity Utilization

5.2 Source and Receive

5.3 Store Ingredients

5.4 Dispense Ingredients

5.5 Operate Manufacturing Processes

5.6 Package Products

5.7 Maintain Production Infrastructure

6 Distribute products
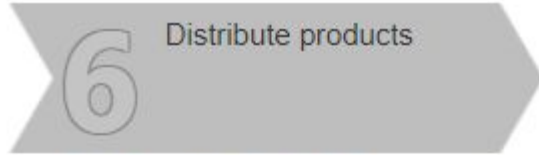
6.1 Plan Distribution Requirements from Orders & Forecasts

6.2 Manage Material Returns

6.3 Process Orders

6.4 Manage Goods Delivery

  6.4.1 Operate Transport & Delivery of Outbound Goods

  6.4.2 Manage the transportation partnerships

  6.4.3 Process & Audit Carrier Invoices & Documents

  6.4.4 Monitor & Address Fraudulent, Gray and Black Marketing

6.5 Manage Waste Disposal

In EDGY Notation

```
┌─────────────┐     ┌─────────────┐     ┌─────────────┐     ┌─────────────┐     ┌─────────────┐     ┌─────────────┐
│ Build Brand │ ──► │ Develop     │ ──► │ Formulate   │ ──► │ Manage the  │ ──► │ Manufacture │ ──► │ Distribute  │
│ and         │     │ Global      │     │ New         │     │ Supply      │     │ Products    │     │ Products    │
│ Advocacy    │     │ Partner     │     │ Products    │     │ Chain       │     │             │     │             │
│             │     │ Network     │     │             │     │             │     │             │     │             │
└─────────────┘     └─────────────┘     └─────────────┘     └─────────────┘     └─────────────┘     └─────────────┘
```

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Capability Levels

Level One: Capability Families
Level One presents a high-level category view of capabilities.

Level Two: Generic Capability Groups
Level Two capabilities are the generic capabilities essential for strategy delivery. This level is useful to explore completeness of the model and provides the data for Capability Map

Level Three: Specific Capabilities
Level Three lists the specific capabilities. This level , an organization assesses performance, makes sourcing decisions, addresses gaps, etc.

Capability Attributes

Heat Map Attributes

1. **Value Contribution** (Distinctive & Financial Impact measures)
2. **Performance** (Effectiveness and Efficiency measures)

Other Attributes

3. **IP Protection** (Proprietary Knowledge, Tight Coupling)
4. **Gap closure date** (when the capability is needed)
5. **Productive life** (month or years till shed or replace)

worfit by Accelare

A nonprofit organization whose purpose is to end childhood malnutrition

Contribution ⌄   2023

🟩 Distinctive   🟨 Support   🟧 Essential   🟦 Business Necessity

1 Build Brand and Advocacy

2 Develop Global Partner network

3 Formulate New Products

4 Manage The Supply Chain

5 Manufacture Products

6 Distribute products

🟩 1.1 Build public support, funding, and advocacy influence

🟦 1.2 Educate the public about malnutrition and hunger

🟦 1.3 Deliver targeted messages about Edesia

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🟦 3.5 Scale new programs and products

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Support Effective / Efficient Adopt : Adapt	**Distinctive** Effective / Efficient Adapt
Necessary Efficient / No Defects Adopt	**Essential** Effective : Efficient Adopt : Adapt

Heat Mapping suggests where to invest?

The desired future state of a nonprofit whose purpose is to end childhood malnutrition
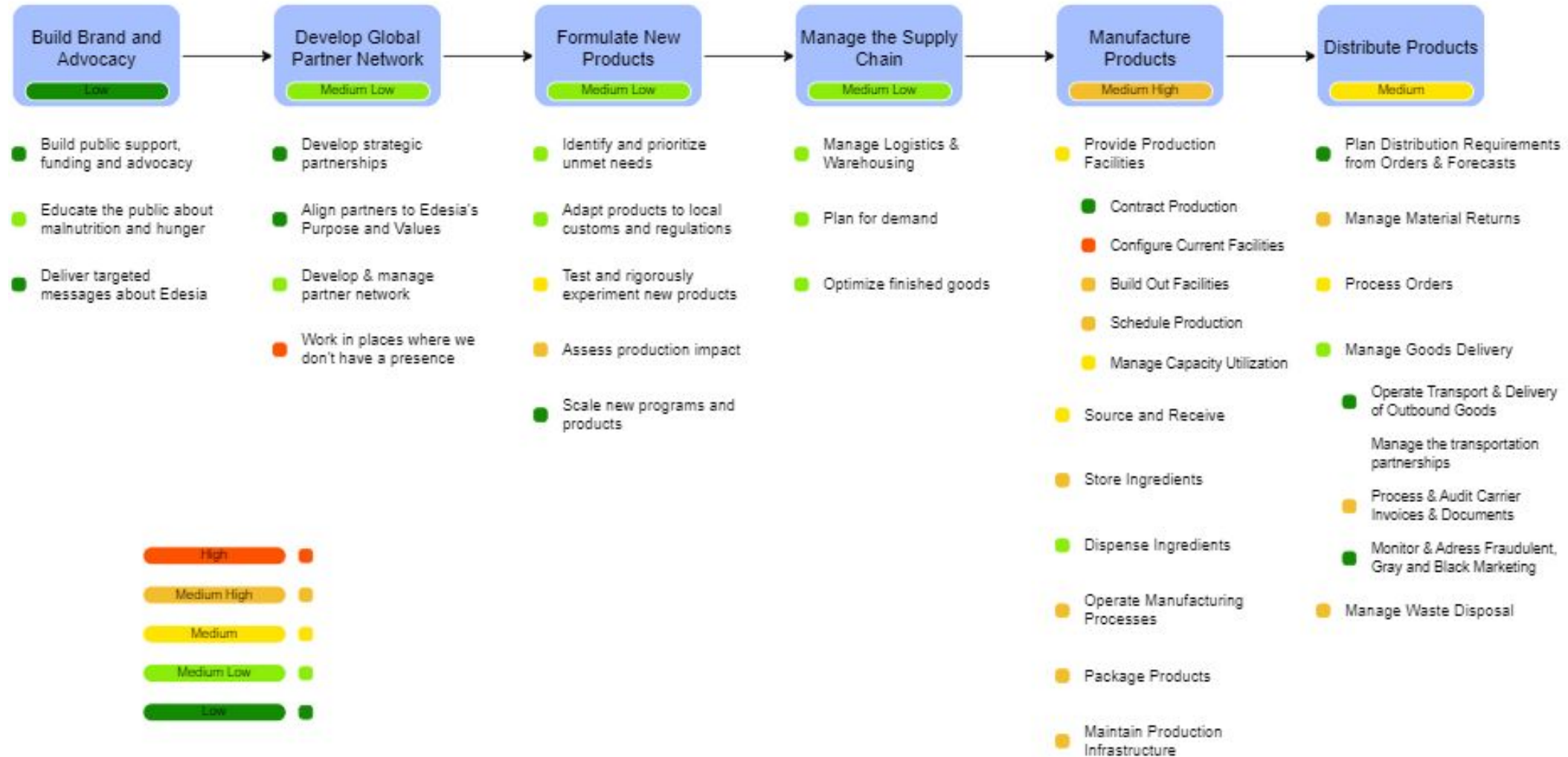
↻ | Capability Heat ⌄ | 2023

🔴 High   🟠 Medium High   🟡 Medium   🟢 Medium Low   🟩 Low

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1. Assess Value Contribution by 2 measures: **Differentiation** and **Financial** contribution
2. Set performance goals and assess performance on **Effectiveness** and **Efficiency**
3. Determine "heat." These 4 measures, produce a **Heat Map** or a visualization of an organization's capabilities, indicating the level of attention required for each.

Visualize the future state and what it will take to realize it

1. Focus projects on capability gaps
2. Portfolios of Run/Improve and Transform the business

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Capability Heat Mapping in EDGY

Build Brand and Advocacy — Low
- Build public support, funding and advocacy
- Educate the public about malnutrition and hunger
- Deliver targeted messages about Edesia

Develop Global Partner Network — Medium Low
- Develop strategic partnerships
- Align partners to Edesia's Purpose and Values
- Develop & manage partner network
- Work in places where we don't have a presence

Formulate New Products — Medium Low
- Identify and prioritize unmet needs
- Adapt products to local customs and regulations
- Test and rigorously experiment new products
- Assess production impact
- Scale new programs and products

Manage the Supply Chain — Medium Low
- Manage Logistics & Warehousing
- Plan for demand
- Optimize finished goods

Manufacture Products — Medium High
- Provide Production Facilities
- Contract Production
- Configure Current Facilities
- Build Out Facilities
- Schedule Production
- Manage Capacity Utilization
- Source and Receive
- Store Ingredients
- Dispense Ingredients
- Operate Manufacturing Processes
- Package Products
- Maintain Production Infrastructure

Distribute Products — Medium
- Plan Distribution Requirements from Orders & Forecasts
- Manage Material Returns
- Process Orders
- Manage Goods Delivery
- Operate Transport & Delivery of Outbound Goods
- Manage the transportation partnerships
- Process & Audit Carrier Invoices & Documents
- Monitor & Adress Fraudulent, Gray and Black Marketing
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Legend:
- High
- Medium High
- Medium
- Medium Low
- Low

How do you see this approach to Business/IT alignment through capability modeling being helpful?

-> **Post to Chat**

◯ Building blocks

Well defined outputs

Clear boundaries

Design for adaptivity

Reuse
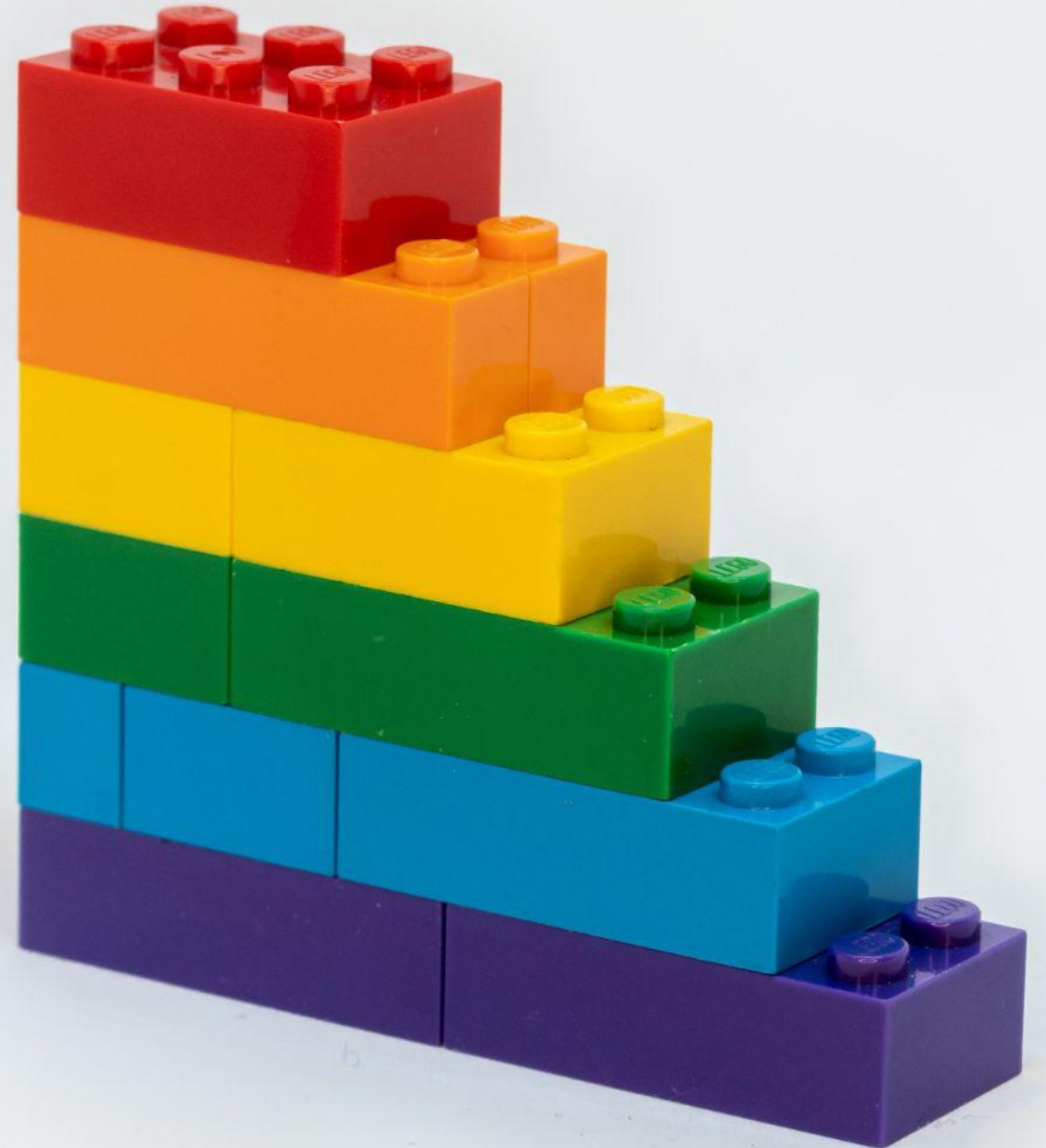
○ Cohesion

Together what belongs together

Many interactions between people and software applications within a capability
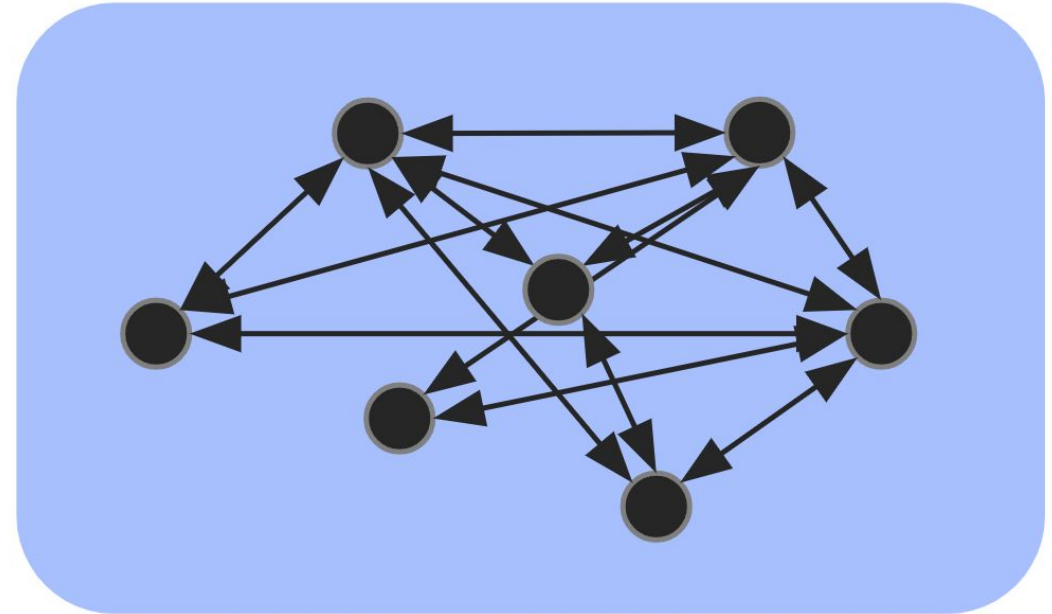
Loose coupling

Clear accountabilities

Avoid redundancy

Minimise interactions between capabilities

Key to adaptivity
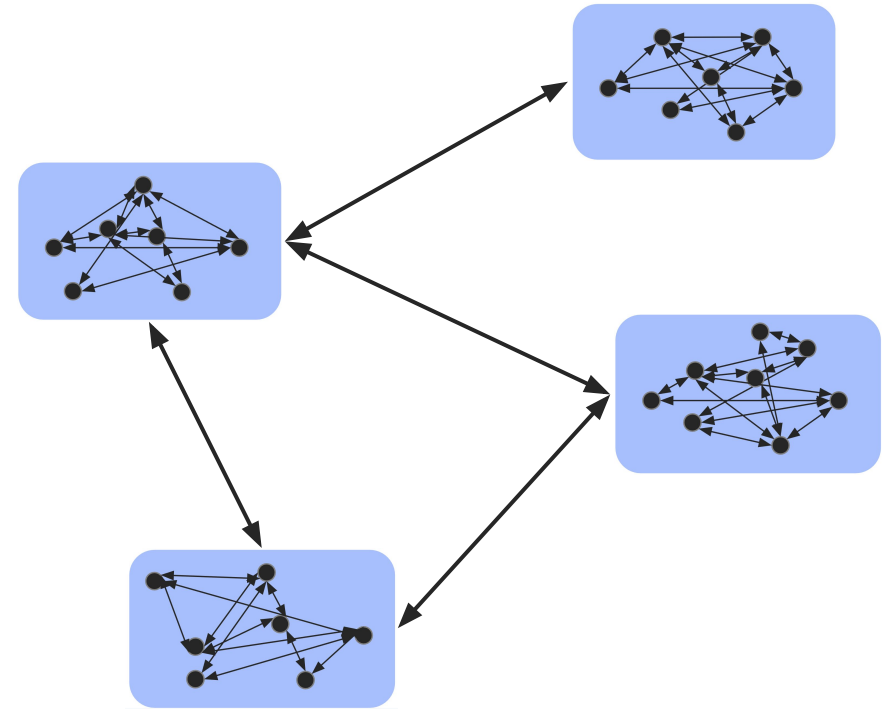
Capability Snapshots

Communicate a Story about the Organization's pathway to a series of future state.

- It is a more detailed expression of WHAT capabilities are needed for the enterprise to take strategy to an actionable level.
- It is **a multi-dimensional, Multiview, and dynamic**
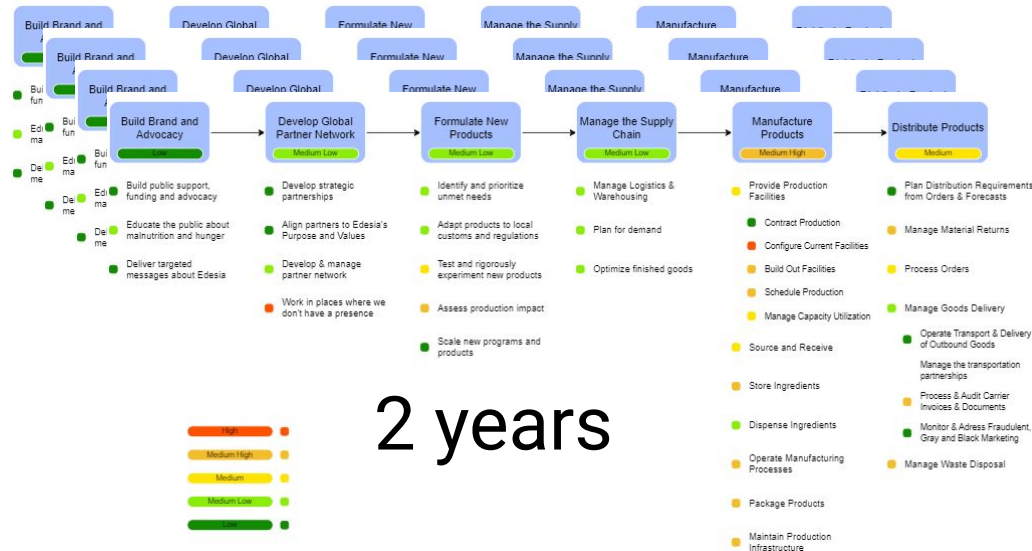
A **Capability Map** is a "block-oriented diagram" representing capabilities for a business.

- It is a **high-level** view of the business activities
- It is **two-dimensiona**l representation of the business activities for **understanding technology relationships and products**.

2 years
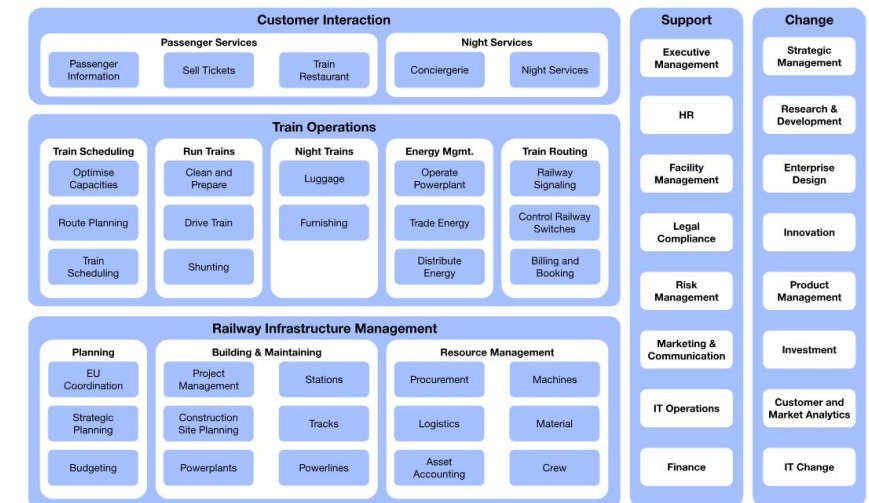
Ways to view capabilities

A **Milky Way Map** is a visual representation of the whole business or some part of it; depicting the geography of the business of the enterprise. It shows the big picture in a single view, including **what** customer activities or tasks to be done, **how** the enterprise serves those tasks, and **why** the enterprise is doing all of this.

- combines the customer's perspective and the enterprise's business perspective and
- the why, what and how by bringing together the enterprise's outcome elements, Purposes, Tasks and Capabilities.
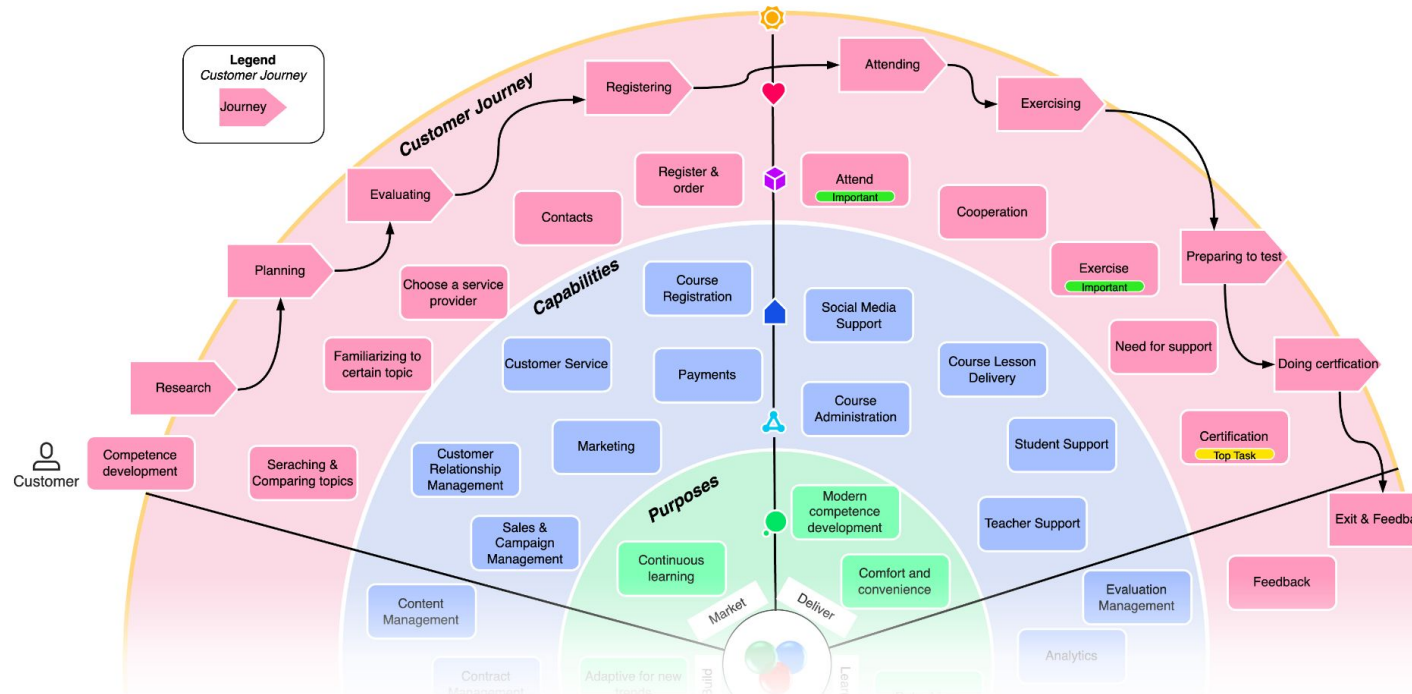
Views:
- Experience Focus
- Services Focus
- Organization Focus
- Budget Focus
- Portfolio Mgmt. Focus
- Architecture Focus

Figure: Focus on experience within the Customer Journey.

Learn More

Unlock the potential of your organization by making strategy actionable through a set of capabilities that align your organization.

Enroll today

maven

Capability Development:
Make strategy actionable

With **Jim Dowling, Amber Román, and Rich Lynch**

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Intersection Group is a **Non Profit Association**
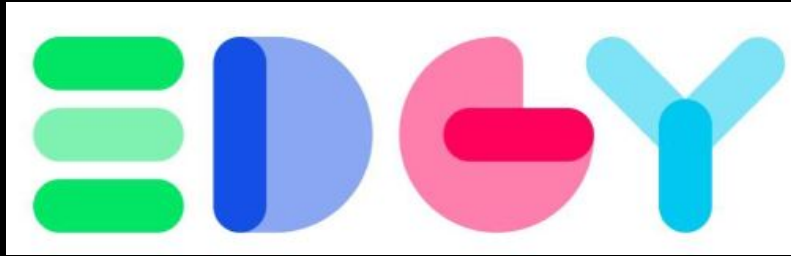
EDGY

www.enterprise.design

A set of connected Open Source tools for your Enterprise Design practice

Community and Events

Events for a global community of thinkers and practitioners
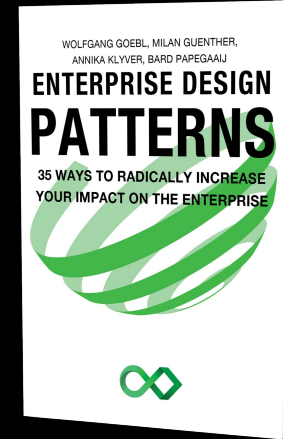
Learning and Knowledge

Publications, content, courses and digital tools with our partners

Upcoming Events

Capability Maps - Reloaded
Bring your Capability Maps to the next level!

- Webinar
- June 18, 2024, 4pm Berlin, Paris (CEST)
- Online

Next-Level Capability Modelling: Dive into the world of next-generation capability maps. Gain insights into designing effective business architectures, overcoming common pitfalls, and leveraging capability maps for effective corporate management.

Details   Register

Milky Way Enterprise Maps
Your enterprise on a napkin

- Webinar
- June 20, 2024, 4pm Berlin, Paris (CEST)
- Online

Navigate Enterprise Change with Milky Way Maps: Discover a transformative mapping technique to guide your organization through change. Learn how Milky Way enterprise maps facilitate joint wayfinding, reveal crucial links between capabilities and outcomes, and spark collaborative conversations for successful transformation.

Details   Register

EDGY Application Examples
Intersection Community Campfire

- Intersection Community Campfire
- June 26, 2024, 5 pm - 6 pm CEST (Vienna, Paris, Berlin)
- Online

Details   Register

Intersection 24: September 18-20
10th global conference on Enterprise Design

Conference Welcome
Kicking off Intersection 24

Focusing on the "Right" Things in a Time of Flux

INTERSECTION24

Rome, September 18–20

Save the date! https://intersection.group/events/intersection24

Thank you!

wolfgang@intersection.group
jim.Dowling@capablecompany.com
rich.Lynch@capablecompany.com

intersection.group
enterprise.design

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