

Business Architecture

A blue print that defines the business strategy, structure, capabilities and key business processes

A **Business Architecture** is a framework of all the enabling factors which has to work in tandem to ensure successful commercialization of an idea or a technology. It bridges the gap between a business strategy and its successful execution



Need for a Business Architecture

One may have a brilliant idea or technology and succeed in developing a Minimum Viable Product, but successful commercialisation of the idea depends on how well the business architecture is framed and implemented. In fact, testing the viability of an idea or technology largely depends on the business architecture one is trying to develop. Thus, even before the idea is taken to the market to test its viability, a broad business architecture should be put on paper

How to build a Business Architecture

The start-ups knowingly or unknowingly already have a business architecture, but in most cases it is not documented or put to use

Following needs to be addressed before building a Business Architecture

- Making a conscious decision to fundamentally understand the capabilities required to deliver the outcomes required for the organization
- Understanding what are the key value drivers and value streams in the organisation

Benefits of having a Business Architecture

A well laid Business Architecture which is practical, cost effective and futuristic may be relatively easy to implement and hence likely to give a greater chance for the business to succeed



It helps to focus and align business strategies across the organisation



It improves decision making process and lowers the risk



A well documented Business Architecture improves operational efficiency



Business Architecture increases agility in decision making

While building a Business Architecture Framework one should focus on the following

Structure

- Is the solution a product, service or a platform?
- What channels and partnerships will be used to sell?
- What partnerships would be needed to manufacture or get access to platforms or acquire enabling assets if one has to engage with external entity to bring the solution into market?

Value Creation

- Highlight how the proposed product / service is different from existing products / services
- List all the benefits that customers will derive. There are broadly three kinds of benefits
 - economic, i.e., savings in time and money;
 - experiential, such as improved user experiences;
 - social, i.e., benefits such as networking / communication / enabling platforms

Value Capture

- What model one is employing to sell to customers and earn revenue?
- How well the same is aligned with the market conditions?
- How easy or tough will it be to realise cash?

Capabilities

- What particular knowledge, skills, and abilities are required to operate and ensure effective execution of the business model?
- What part of these skill sets required are available in-house and what needs to be acquired?
- How can one make these capabilities difficult to replicate by others?

Assets

- High-level description of the particular assets needed to enable business and operating model (i.e. capital equipment, hardware, software, customer database or infrastructure assets)

Human Resources

- How would one develop an ideal team with complementary skill sets and expertise that would enable delivering on the operating model? (This also includes hiring of key personnel with skill sets which may not be available with the promoters)

Marketing Approach

- A key challenge for any start up is to access market for sale as consumers are usually reluctant to spend money on new product or service. What marketing approach suits the particular venture and the platform/s to be used is very important to create the “Brand” which will differentiate the product or service from existing ones or create a completely new product or service which will appeal to potential consumers

Financial Resources

- Broadly estimate the financial resources one would need to bring the solution to market and run the operations.
- What form of funding would one require and at what stage and why would that be the best fit for the entity?
- What would this funding be specifically used for?

Milestones

- Key milestones with clearly defined path to reach the milestones need to be defined. The entire team with all other enabling factors need to be completely aligned and committed.
- Learning from the journey need to be captured and course corrections to be implemented as and when needed