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Outsourcing and Architecture

Dealing with New Architectures and Old Culture

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Brussels

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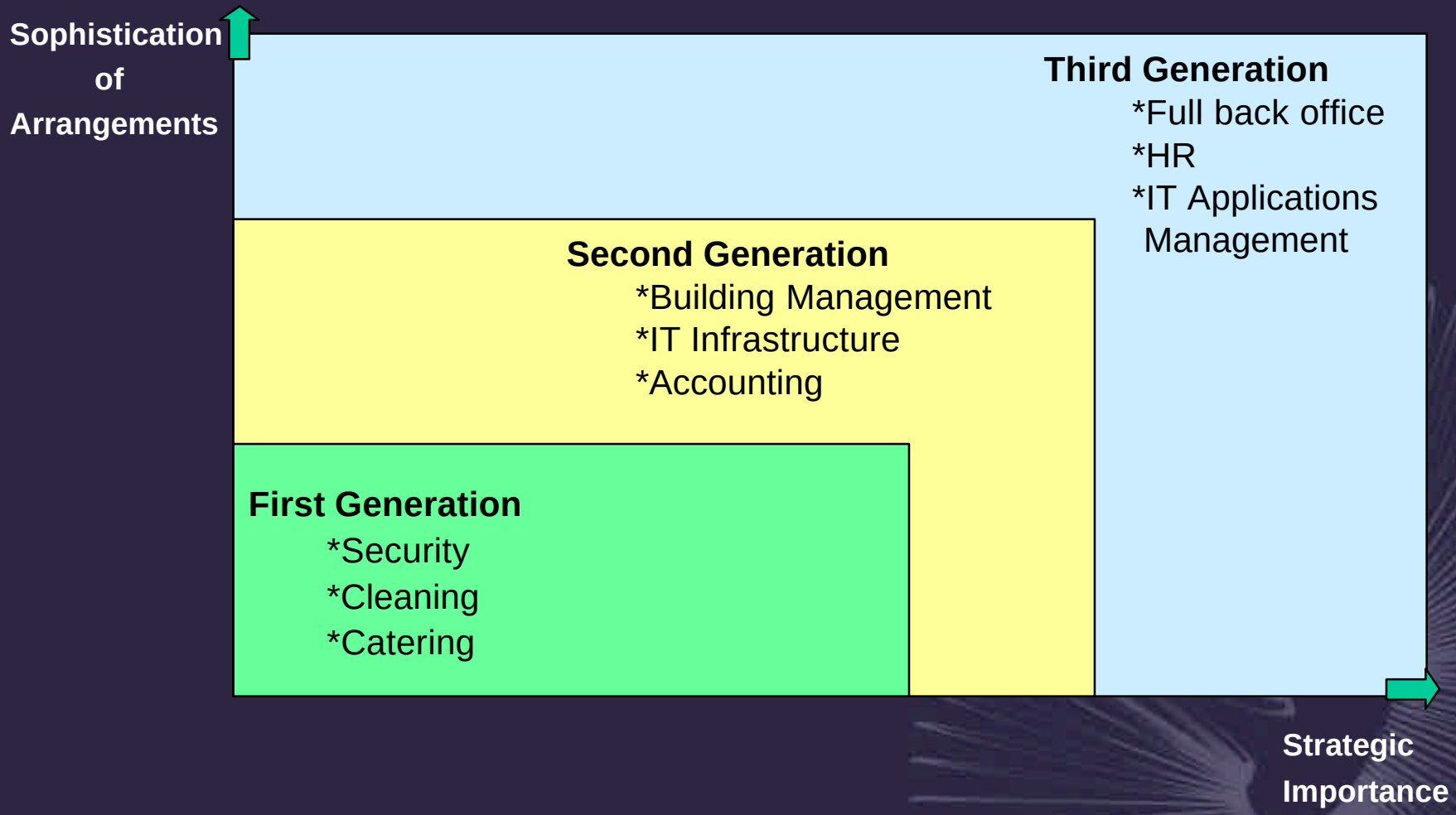
Overview

- Outsourcing
  - Where, what, why, how …
- Back to reality
  - Why outsourcing fails
- Archaeology vs. architecture
  - Digging into the past
  - Looking into the future
- Whither architecture?

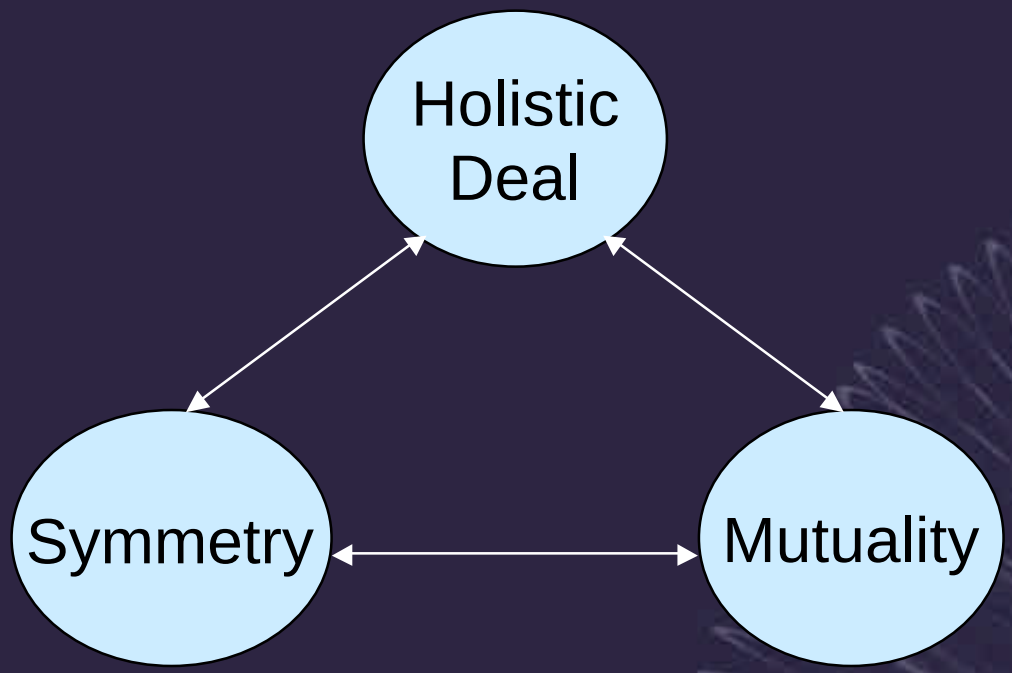
Evolution of outsourcing



Characteristics of Outsourcing Arrangements

- **First Generation**
  - Fixed price
  - Fixed scope
  - Penalties
  - Rigorous Change Management
- **Second Generation**
  - Flexible scope
  - Cost plus / open book
  - Penalties and bonuses
  - Evolutionary structures enshrined
- **Third Generation**
  - Strategic joint goals
  - Joint performance measures
  - Success rewards
  - Flexible scope

The Key Components for Good Outsourcing governance



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The Key Components for good Outsourcing Governance

- Before approaching an outsourcer
  - define overall objectives
  - certainty vs. flexibility
  - measure the current situation
  - shape the proposition
  - define governance needs
  - build consensus

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The Key Components for Good Outsourcing Governance

- During outsourcing negotiations
  - codifying success
  - bonuses and penalties
  - relationships and interfaces
  - defining responsibilities
  - assessing performance and style

The Key Components for Good Outsourcing Governance

- After the deal is done
  - managing people during handover
  - transition from resource management to service management
  - retaining key knowledge and skills
  - continuous improvement
  - monitoring outcomes
  - review and renewal

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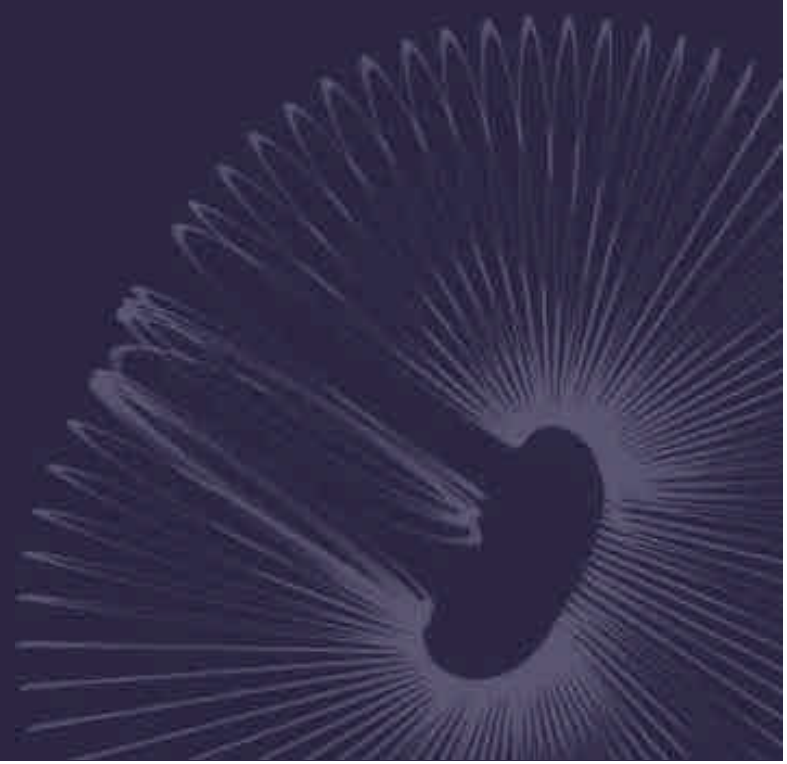
Back to Reality

- Why does outsourcing fail?
  - Outsourcing garbage
  - Seduction is easier than marriage
  - Change to service-based culture
  - Lack of trust
  - Blame
  - Relationships
  - Bad metrics
  - Expertise
  - Training
  - Change management



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Current Architecture Trends

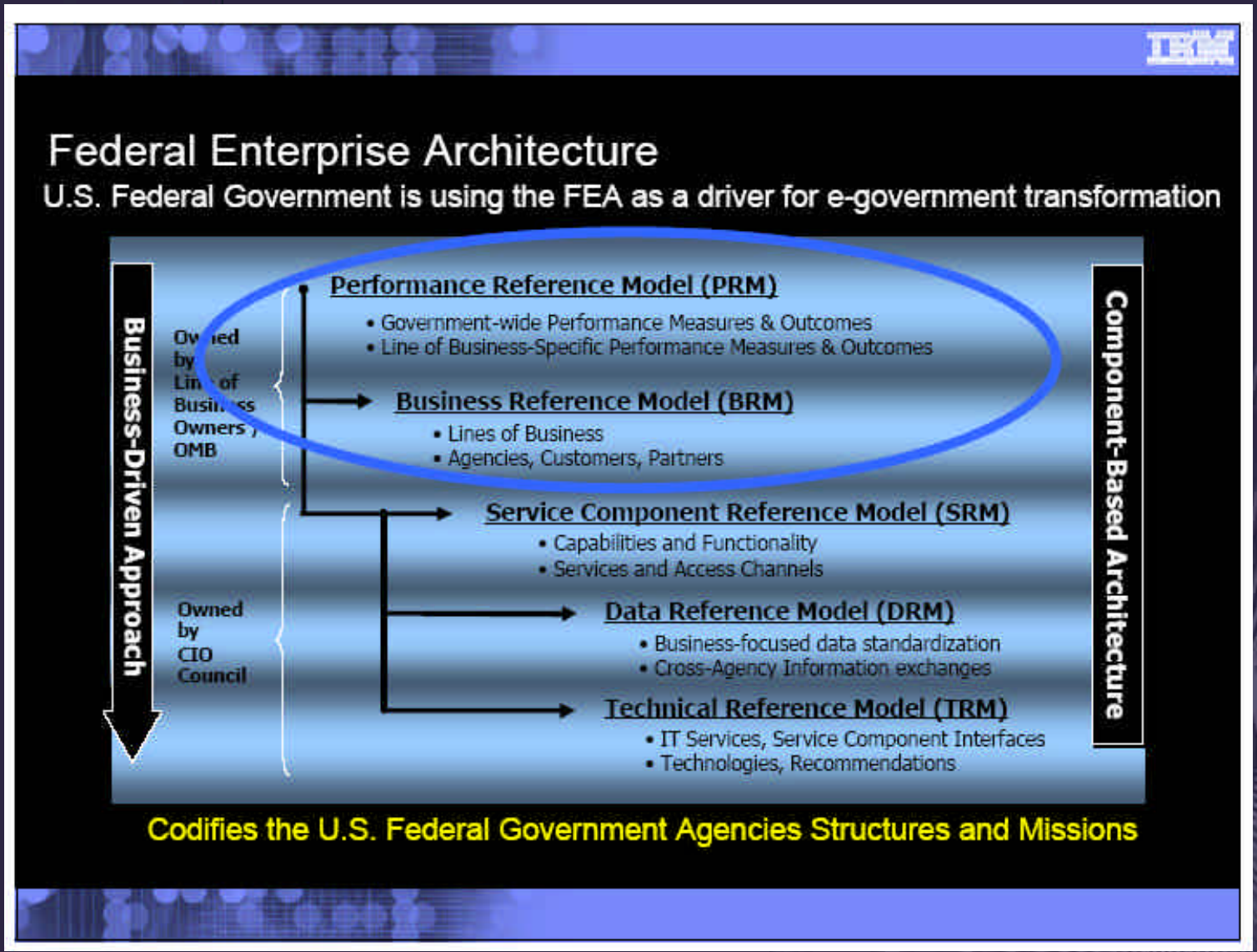
- Main Points
  - Heavy commitment from US Federal agencies to Enterprise Architecture
  - Zachman is de-facto standard
  - Open Group TOGAF 8 very well received
- Major Issues
  - Architecture inflexibility
  - Integration issues
  - Governance
- Key Directions
  - Virtualisation
  - Automation
  - Integration
  - Tool support becoming more coherent and achievable
  - Network centricity continues to advance apace

Archaeology and Architecture

- Most architecture departments are engaged in mapping and naming activities – a restrospective view
- As new technology appears it simply overlays the current
  - Increases level of complexity
  - Reduces level of understanding of legacy
- Taxonomy is important, but not a driver
- Business must always drive architectural activity
- Architects become narrowly focussed and attempts at enterprise views are constricted by tree-hugging

- Try mapping your architectural models, design rules and standards onto the new agile architectural concepts …
  - Virtualisation
  - Automation
  - Integration

Federated Implementation



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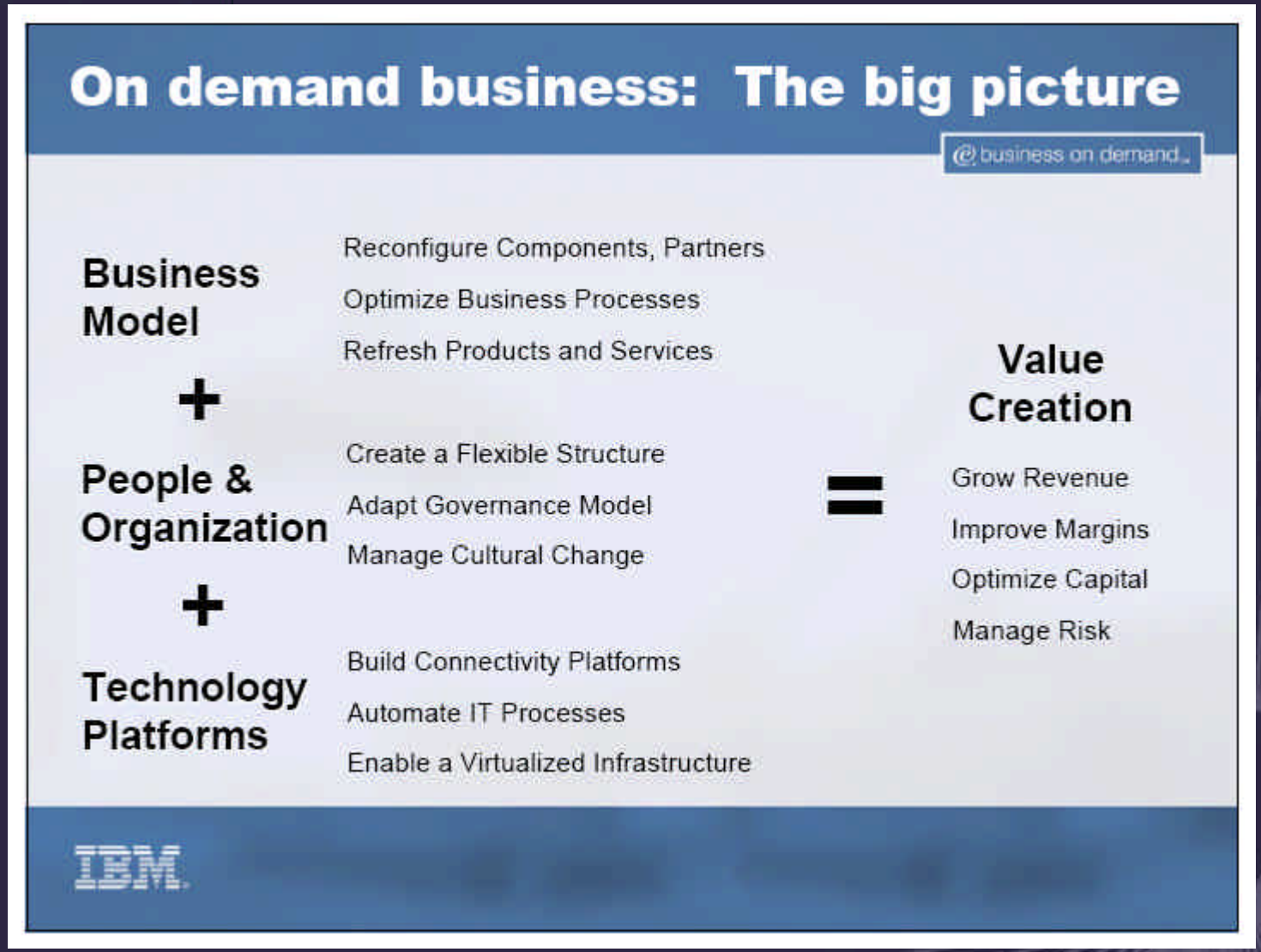
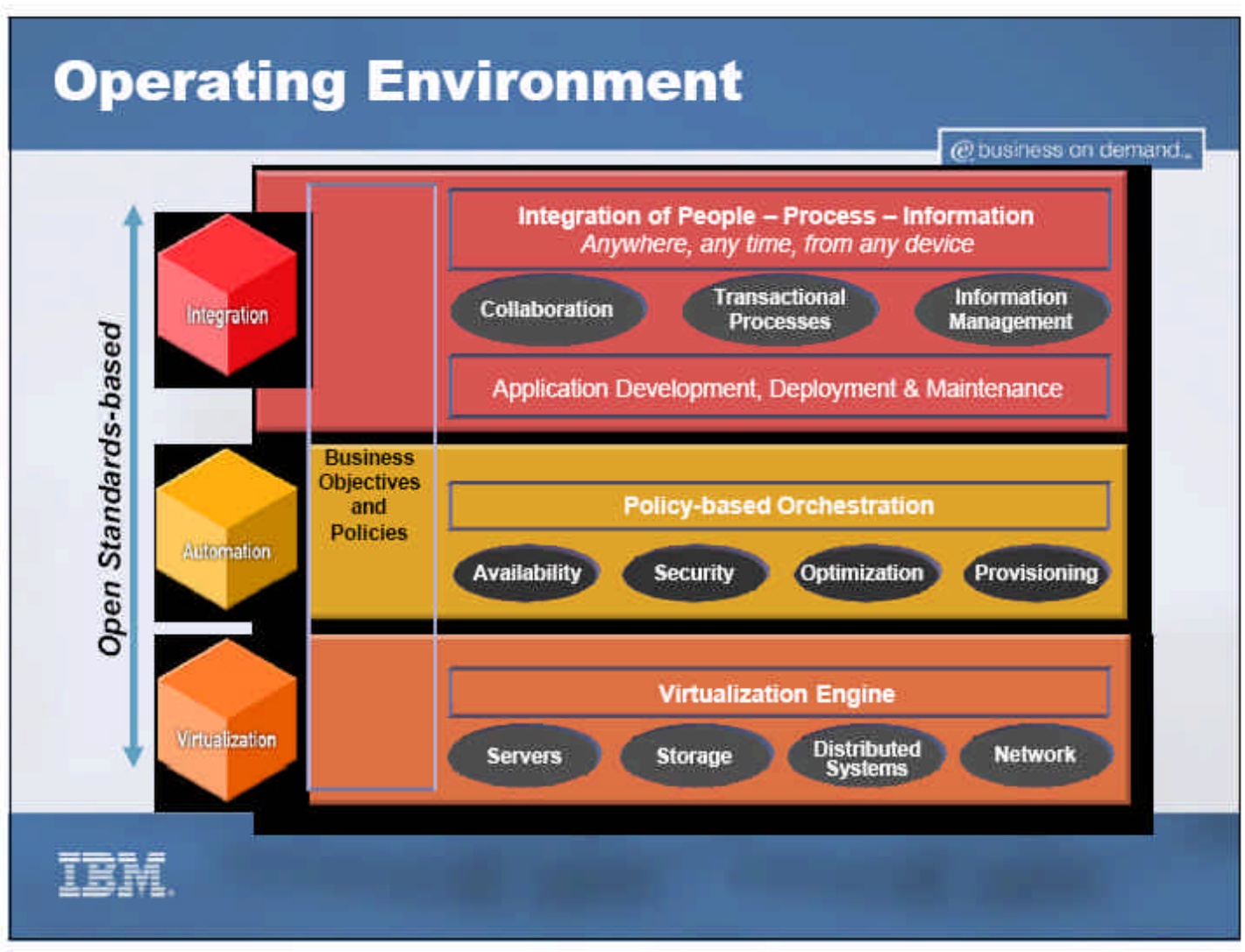
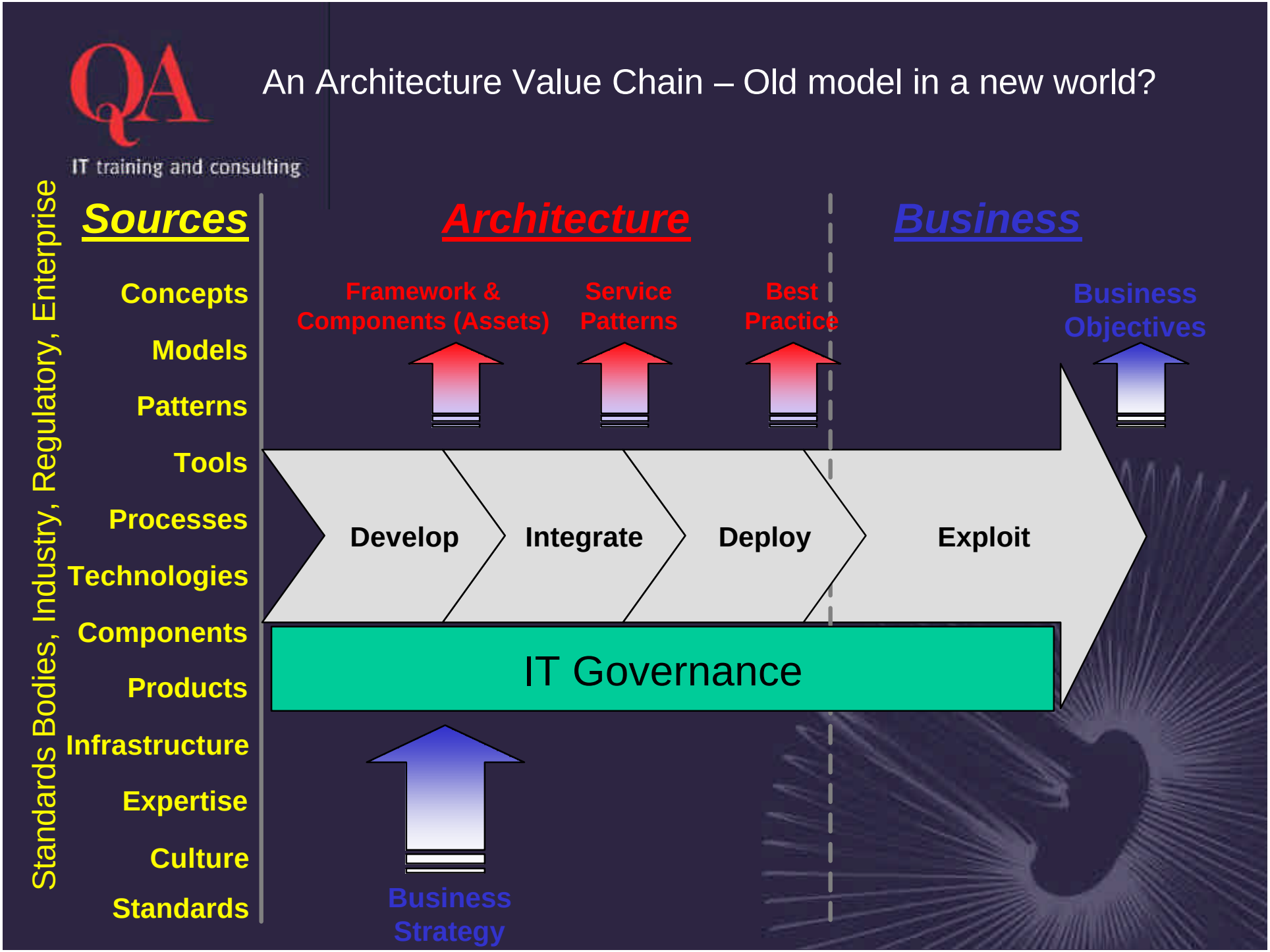
IBM's View (thanks for a clear slide !!!)



IBM's View – What it will be like (echoed by others)

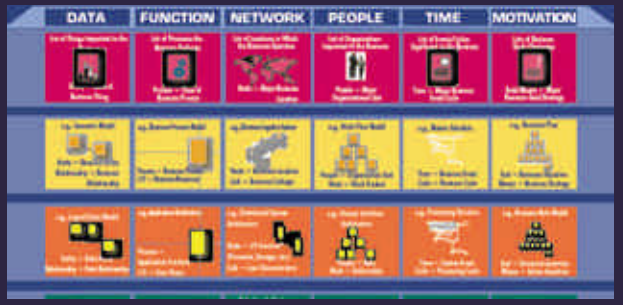


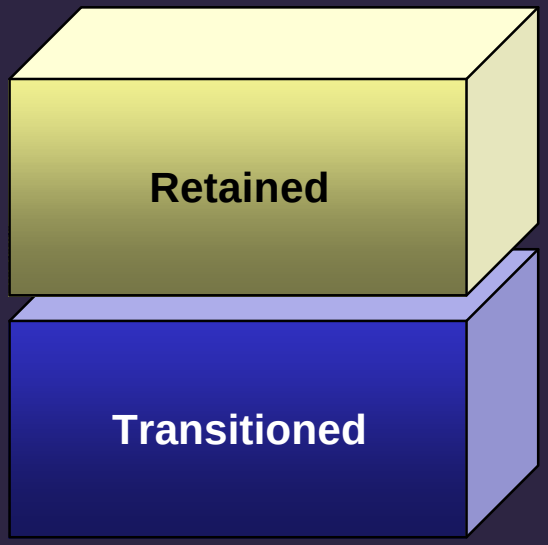
An Architecture Value Chain – Old model in a new world?



Integration Scenario - Outsourcing

- Replacement
- Where do we draw the line?
- Zachman Rows 1-3





Services

Outsourcer

People

Infrastructure

Architectural activity and exterior forces

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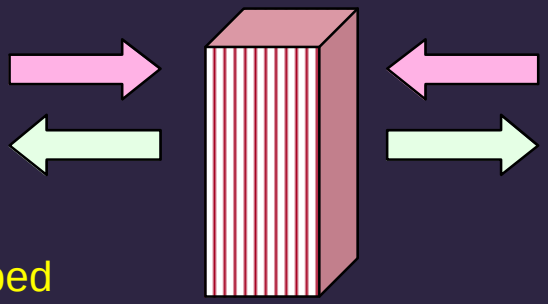
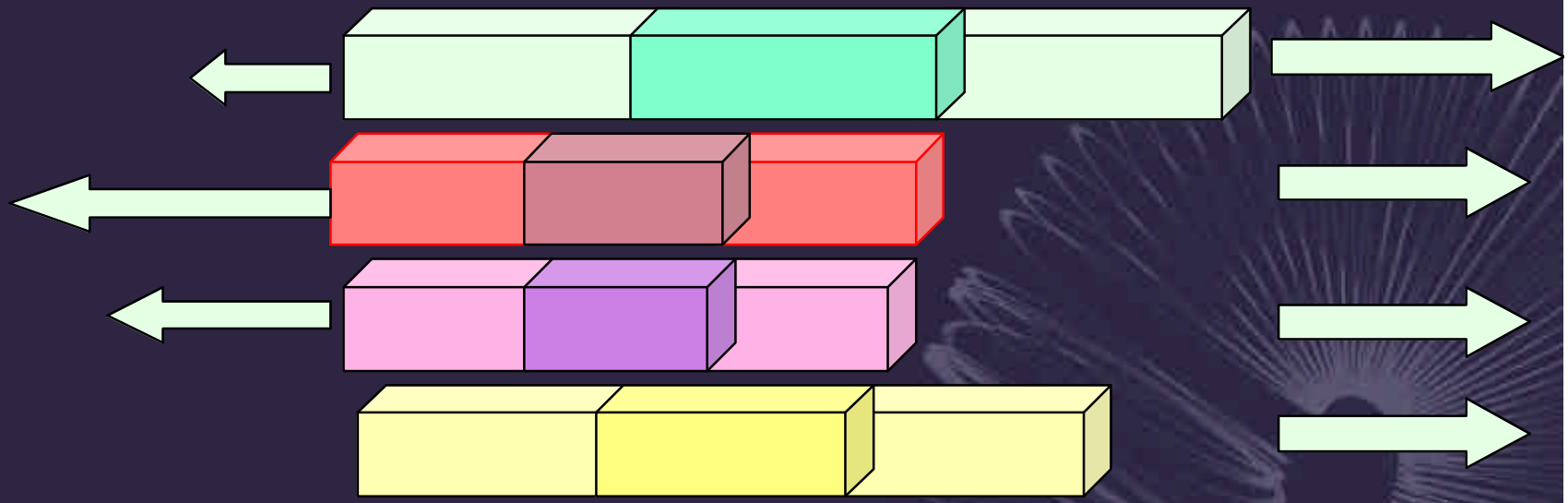
Business Model Changes



Architectures developed differentially by different parties



Business model no longer well supported

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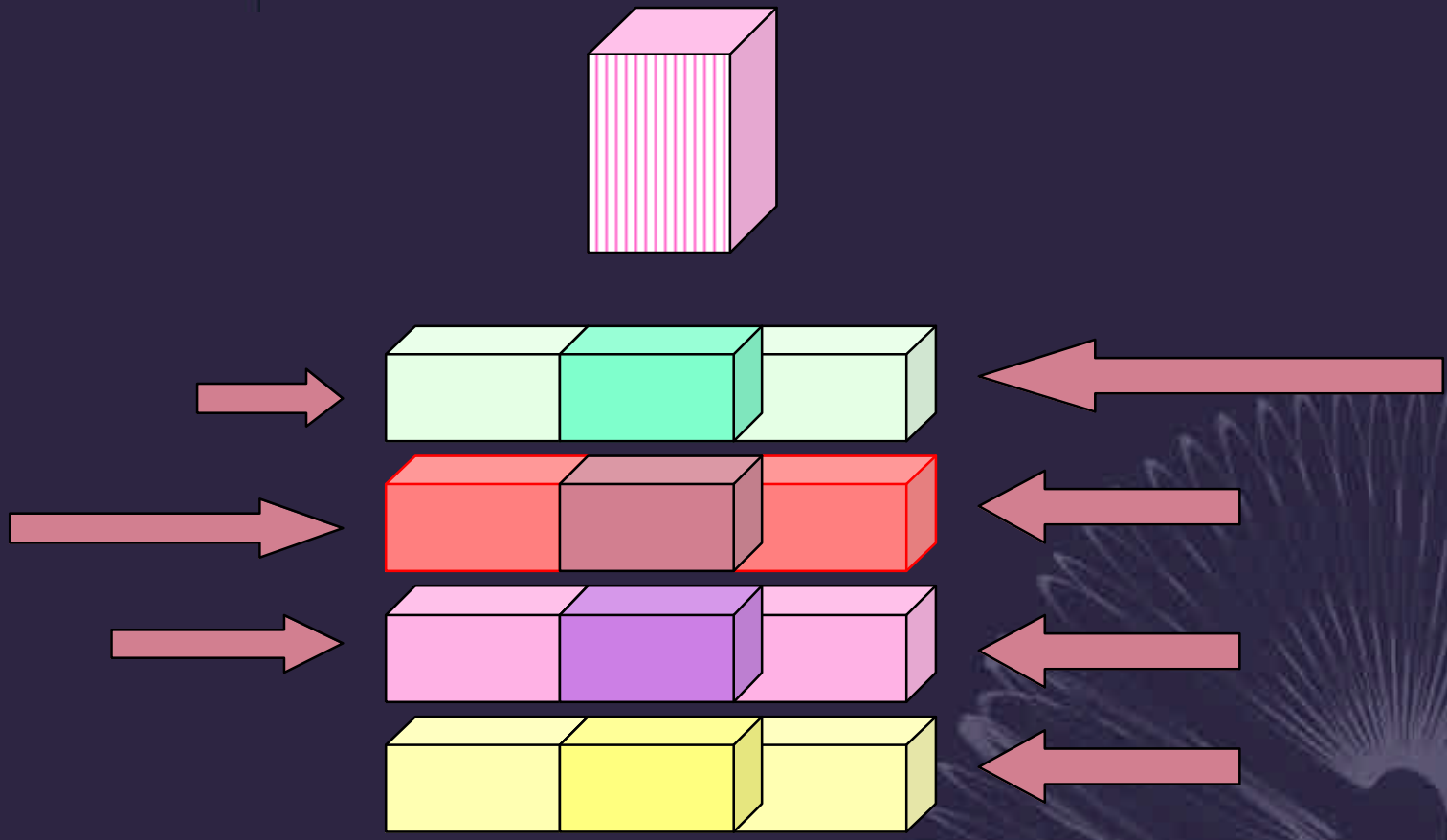
Govern to the business model

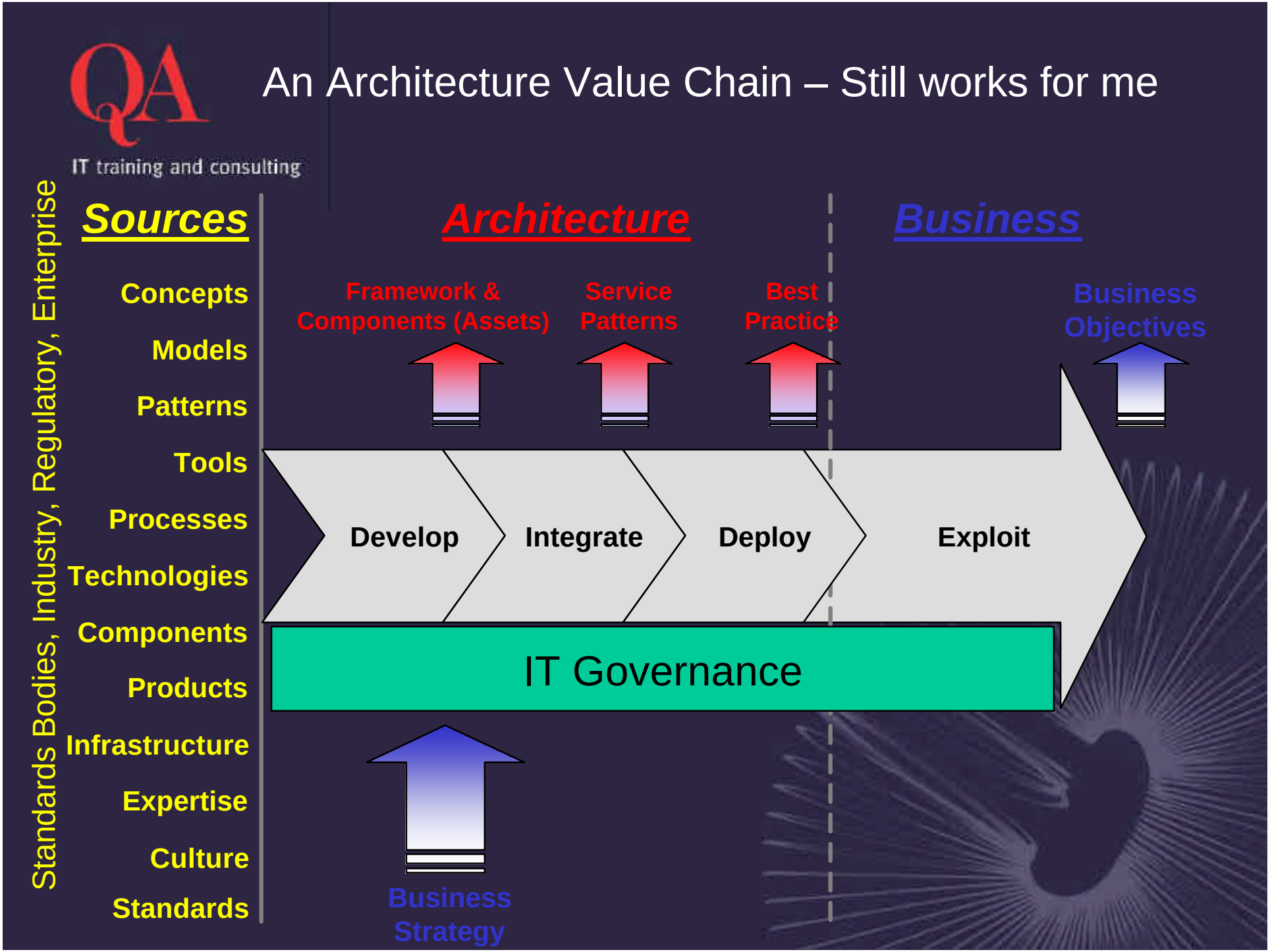


Strong governance realigns architecture to changed business model accommodating external forces

What Now?

- Deployment
  - Service patterns
  - Policies
- Common methodologies
- Strategies for procurement
- Refocus architecture for
  - Virtualisation
  - Automation
  - Integration
- No more archaeology!

An Architecture Value Chain – Still works for me



Questions?

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