

Enterprise Architecture: A critical element for sustainable business scaling and transformation

In today's fast-paced business and investment world, scalability, adaptability, and transformation are critical factors for success. Investors actively seek clarity from prospective portfolio companies on their business capabilities, the technology architecture that enables them, and a value creation roadmap for implementation in order to realise growth potential.

To achieve these capabilities, a solid enterprise architecture is essential. The overarching objective of an enterprise architecture is to align people, processes, and technology with business goals and strategy to facilitate efficient decision-making, enhance overall performance, and so that the architecture can serve as an effective blueprint for how the organisation will run.

An enterprise architecture project starts by analysing business objectives,

processes, and strategies to identify requirements for the technology architecture. The existing system architecture is assessed against these requirements, including performance criteria such as scalability, operability, and security. This evaluation can also include future architecture plans. Manual or inefficient processes are identified, and data models for customer, product, or transaction data are evaluated. Drawing on this initial as-is setup, enterprise architecture projects continue developing a target picture across the layers of business, systems, operations and data models.

So, a strong enterprise architecture addresses flaws like outdated, functionally limited software systems, lack of cross-system integration, and restrictive data models to optimise productivity and, consequently, sharpen an organisation's competitive edge and win investor attention.

Accelerating Growth: Early Implementation Strategies

Although startups can rely on lean processes and simple systems, as all businesses evolve, they begin to encounter processes that can limit productivity and hinder growth. For example, managing customer data in digital sheets may work initially, but it can become a major hindrance as the customer pool grows, making investment in a customer relationship management (CRM) solution necessary. Similarly, e-commerce startups can begin with a packaged shop system but will eventually need an enterprise resource planning (ERP) system to consolidate all transactional, supply chain, and financial activities in one place.

Starting with enterprise architecture at the beginning of a business enables companies to gain clarity on their tech-enabled business capabilities and prioritise investments. For e-commerce organisations in particular, building on a scalable architecture from the start pays off as operational parameters like web traffic, order numbers, line items, service requests, lead and account numbers can rapidly multiply, and businesses need to keep up.

By offering a comprehensive picture of the organisation's processes, systems, and technology, enterprise architecture can detect potential business restrictions early on, enabling proactive decision-making and risk reduction.

Managing Effective Reviews

Having a clear perspective on the architecture of a business's processes, systems, and data models is crucial at any stage of operation. However, there are several signs that may indicate the need for a review of these components.

One such sign is a decrease in the quality of the customer experience across marketing, commerce, and customer service touchpoints due to a lack of personalisation, insight into customer needs, or slow response and fulfilment times at simultaneously rising IT spend as percentage of revenue.

Another sign is a decline in operational productivity and cost-effectiveness. This can occur when manual processes in marketing, order fulfilment, customer service, supply chain management, and other areas become unsustainable as operations scale. Moreover, the accumulation of technical debt and the maintenance of legacy software can also signify the need for a review of a business's architecture. The worst case of this is when critical business processes are technologically enabled by insufficiently documented in-house developed solutions and those developers leave the company.

What once were quick fixes, such as customisations in software systems or how different systems interact, can become unmanageable over time, requiring more valuable IT and business resources. Additionally, documentation of systems, data flows, and models can show significant gaps and may be tied to single knowledge bearers, which poses a severe risk to performance, security, and the availability of systems in case of the loss of a key team member.

Enterprise architecture adds value by coordinating a company's business strategy, operational efficiency, and technological resources to support the achievement of its objectives. It also facilitates effective decision-making, lowers risk, boosts operational effectiveness, and ensures the best use of available technology resources.

Customisable Solutions

When it comes to enterprise architecture, there is no one-size-fits-all solution. Businesses of different sizes, stages, and industries face unique challenges that require tailored approaches to business processes, system architecture, and data models.

Accordingly, methodology is essential to providing customised solutions for each client. Taking the time to look at each organisation individually, identifying the business vision and strategy, before performing an assessment of their individual situation is the only way to develop an enterprise architecture strategy that aligns with the client's specific purpose.

As technology becomes increasingly essential to business success, strong IT solutions and teams are an important way to get ahead. Tailoring enterprise architecture to each business's unique needs is the best way to help organisations of all sizes and stages achieve sustainable, scalable growth. Moreover, having a clear architecture in place that works in concert with

business strategies, priorities and goals is a tangible way to demonstrate growth potential to investors.

OMMAX supports organisations maximising the value of their enterprise architecture by providing expert guidance, best practices, and proven methodologies to develop and implement an effective enterprise architecture framework.

Tobias Moeglich is Director Enterprise Architecture at [OMMAX](#)

Article by TOBIAS MOEGLICH