

A Guide to EA Metrics for the Digital Enterprise: The Strategic Use of Value Metrics

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Back in 2015, Cutter Consortium published an [Executive Report](#) that introduced a process for deriving enterprise architecture (EA) value metrics that align with the value drivers particular to an organization — those important to both the core business capabilities of the organization as well as its key stakeholders. This process has been applied with great success to business architecture (BA), IT, and other areas beyond EA that need to demonstrate value to the organization. The accompanying *Report* is an update to my 2015 *Report* and contains refinements to the process as well as additional information and perspectives from the field regarding the strategic use of value metrics that will, over time, allow the EA organization to be viewed as a strategic resource/partner and eventually earn a seat at the strategic planning table.

EA Value Creation

At the strategic level, EA guides IT planning, spending, and investment priorities, as well as the alignment of IT resources with business goals. At the tactical level, EA supports the ability of an organization to mitigate development risks through guidance and the use of standards. One of the greatest challenges faced by those trying to manage EA in today's fast-moving economy and complex technical environment is knowing whether the "ship is on course" and being able to predict and anticipate failures before it is too late. As with driving a car or steering a ship, good instruments are essential.

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EXECUTIVE SUMMARY

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EA Metrics

For organizations to survive in today's age of digital transformation, a systematic and solid corporate performance management process is vital, and a crucial part of performance management is metrics. EA must directly show how it positively impacts measures that matter to the rest of the organization. Most assume that a common set of metrics will work for all organizations, but this mindset fails to consider that different organizations have different value sets that require different measures. Indeed, the process of measurement for EA is so complex that no single model fits all organizations. Every organization must have its own customized measurement process depending on its needs.

Benefits of EA Metrics

At a strategic level, EA metrics establish quantifiable parameters that enable practitioners to assess and evaluate the EA program, the IT assets employed, and their relevance to delivering business value for the enterprise. At a tactical level, EA metrics include parameters that impact EA and its effectiveness across the organization — both directly and indirectly. By leveraging EA metrics, practitioners and business stakeholders can evaluate:

- The benefits delivered as a result of applying EA processes, models, frameworks, and technology standards
- The alignment (or lack of alignment) between projects and programs and the business strategies they support
- The ability of each individual project to overcome architecturally significant risks, constraints, and challenges
- The common risks inherent in overall architecture planning for digital transformation, application rationalization, or legacy modernization initiatives
- The use of EA information, such as patterns, standards, and registries

The accompanying *Report* addresses common pitfalls in selecting EA value metrics, discusses the attributes of effective metrics, and elaborates on the necessity of the EA value measurement program demonstrating that the EA organization understands the key strategic metrics that the business values and showing that it can positively impact these key strategic metrics.

Aligning EA Metrics to Business Value Drivers

The challenge in measuring EA value is not a lack of metrics; it is knowing which ones make sense for your organization and provide the most “value” for the effort. The key to a successful value measurement program, therefore, is to identify metrics that correlate to business key performance indicators (KPIs). The *Report* describes seven steps for deriving long-term EA value metrics that align with the value drivers of the organization:

- 1. Stakeholder analysis/value mapping** — determines what value measures are the most important and most frequently cited
- 2. Business capability analysis/value mapping** — helps in the understanding, categorizing, and prioritizing of business capabilities and then determining what value measures are needed for identified high-value business capabilities
- 3. Stakeholder and business capability value measures mapping and analysis** — determines how much of an intersection exists between identified stakeholder value measures and core business capability value measures
- 4. Metrics selection** — helps select those metrics that are of importance to key stakeholders and core business capabilities
- 5. Project selection** — selects which projects will best demonstrate the strategic value that EA can bring to the organization
- 6. Performance improvement considerations** — ensure that the EA value measurement set continually aligns with changes in the composition and value sets of the key stakeholders and core business capabilities
- 7. Communications considerations** — ensure that effective EA value communications plans are developed for different key stakeholder groups

EA value metrics should align with the value measures utilized by the core capabilities of the organization, as well as those measures utilized by key stakeholders. This process allows the EA team to directly show how it positively impacts measures that matter to the rest of the organization. Once this task has been accomplished, the value of EA to the enterprise will not only be understood but assured.