Alternative Technologies

Enterprise Integrity: The Art of Mimicry I

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The call for alignment between business and IT reverberates through the halls of finance and industry as if it were issued only moments ago. The marketing generals of almost every enterprise software agenda fight a never-ending battle to be heard above each other, proclaiming that their product will bring about the illusive goal of seamless coordination between those who use information and those who manage it. Since the early days of business process reengineering we've heard of, and often promoted, the impending demise of the IT priesthood, of management's technophobia, and of business user's frustration.

To be fair, we have made tremendous progress. Unfortunately, the complexity and velocity of markets continues to outpace technological sophistication, winning a race so that none may be declared victors. Almost everyone recognizes the need for alignment, brilliant minds have been dedicated to developing friendlier, more agile, and business-driven software, and yet the gap between business and IT remains. Surely we must conclude that the cause of our failure cannot be addressed by making software easier, faster, and cheaper to produce. It cannot be as simple as a new architecture or a new methodology. Something more fundamental is wrong.

The software industry's current love affair with service orientation seems to be resonating with business. We talk about business processes, business transactions, business events, business activities, business metrics and key performance indicators, and even business services. The language IT uses is now a bit more familiar to business users, and they are beginning to expect great advances. It's really too bad that they are going to be disappointed. Unfortunately, though the words may sound like they refer to business, the software industry uses them to denote technology. We've merely plastered over the gap between business and IT by mimicking the words used by business, all but ignoring the details of how they are used.

This phenomenon is becoming apparent in the push to adopt Service Oriented Architecture (SOA), an agenda I definitely applaud. However, we need to become more adept at the art of mimicry, extending it so that software services mimic real-world business services. To that end, an examination of the roles played by business services may be enlightening.

The advent of the industrial revolution led to top-down, functionally-decomposed organizations with multiple management layers, departments, divisions, and so on. The almost exclusive

focus on productivity and automation eventually led to other forms of inefficiency, especially poor or unpredictable quality. Functional organizations have a kind of rigidity in which roles and responsibilities are relatively fixed, resulting in inflexible services and so poor adaptability of the organization in response to customer demands and supplier capabilities. This is fine in an static or slowly changing market. Business processes become well-defined assembly line operations that can be finely tuned or even re-engineered periodically, composed of services with well-known resource requirements to which standard costing can be applied.

Now well understood in business schools, though barely addressed in practice, competitiveness in a volatile market requires agility. Appropriate and timely response requires awareness of customer satisfaction, demand, and desires; of the competition's strengths, weaknesses, opportunities, and threats; and of partners' (e.g., employees' – yes, employees – and suppliers') needs and capabilities. The principles of customer relationship management and value chain management have taught us that successful business today is a coupled network of services across all these business entities. We no longer think of products as being independent of the services that deliver and accompany them: *A product is really the manifestation of and delivery vehicle for services*, a means of conveyance. Total quality management makes the quality of each service paramount, so that services are redefined according to business objectives and performed according to resource abilities. Thus, functional organization is the anathema of a service-centric business.

A service-centric business is defined in terms of the services it executes and provides. The business manager sees services as being grouped together based on roles and responsibilities that can be assigned at will (albeit under the usual political and budgetary constraints). This is radically different from the mere reassignment only among a group of individuals with a particular role. Here, services may be assigned across traditional functional and departmental boundaries, and it is the services performed that define the organization in terms of natural groupings of stake-holders.

Next issue we'll examine some of the many opportunities and challenges that attend the service-centric business. Aligning the *enterprise* and IT to maintain *integrity* is among the most important.