

## Using Business Architecture to Enable Transformational Initiatives

**Diana Krohn** is the Principal Enterprise Architect at United Airlines. At the **OPEX Week 2017: Business Transformation World Summit** (organized by the **PEX Network**), she shared how **United Airlines** is “Using Business Architecture to Enable Transformational Initiatives”. Below is a brief summary of the presentation.

**United Continental Holdings Inc.**, otherwise known as **United Airlines** was founded in 1926. It is the world’s second largest airline. United and United Express manage 4,500 flights per day, at 339 airports. They are a founding member of Star Alliance which provides service to 192 countries and employs 84,000 people in the US and worldwide. In 2010, the company merged with Continental. This in combination with the uncontrolled variables typical of the airline industry (people, government, weather) provided a burning platform and the need for enterprise wide change.

**Before the merger**, United Airlines engaged in **Business Impact Analysis (BIA)**. This consisted of high level capability analysis and a concerted effort around process mapping and business requirements gathering. The initiative revealed a number of opportunities for improvement and these were prioritized according to business impact. In the early stages of **BIA**, the Business Architecture team balanced its attention between strategic efforts and helping others to resolve ‘their’ problems. The latter contributed to the building up of relationships and began shifting the culture towards team based problem solving. **Krohn** states,

*“Early on, we focused on what other people’s problems were. Even if not directly tied to strategy and Business Architecture, we added value and built relationships through solving other teams’ problems. This in turn gave us the ability to bring them in when it was time to discuss more strategically aligned issues and needing their expertise to resolve them”.*

**With the merger**, the need for assimilating and modernizing business processes became even more critical. From a Business Architecture standpoint, the current state was defined and business impact was better understood from earlier initiatives. Now, a much greater emphasis needed to be on strategic alignment and enterprise transformation. To achieve this required a strong collaboration with IT and ensuring that work streams and systems were better synchronized as change occurred. **Krohn** explains,

*“We started talking about ‘what is this system supporting’, not just if it’s ‘better’ independently of what the business really needs... we began focusing on what capability needed to be enabled, and what we needed technology to do in support of it. This was a fundamental shift from previous thinking where new technology was brought in and made to fit business processes.”*

With the strengthening internal collaborations, individual solutions were overshadowed by a more collective approach to problem solving. Another factor that contributed to this is the adoption and growing use of the **Capability Model**. **Ulrich Kalex** wrote that,

*“A **Business Capability** defines the organization’s capacity to successfully perform unique business activities. Capabilities are the building blocks of the business. They*

*represent stable business functions, are unique and independent from each other, are abstracted from the organizational model, and capture the business' interest."*

**Forrester Research's** definition of a **Business Capability Map** is "a model of the firm associating the business capabilities, processes, and functions required for business success with the IT resource that enables them."

**Today at United Airlines**, the **Capability Model** is the foundation by which organizational assessments are conducted. Assessments are systematically used to ensure that work streams and their capabilities are well understood before any change is introduced. **Capability Assessments** consist of (1) an initial assessment, whereby the impacted value streams and capabilities are identified, (2) areas of changes are specifically identified, and (3) impact of change is clearly understood. At all stages, stakeholders are engaged and key to the decision-making process.

As a result, **Capability Assessments** are benefiting the work and culture at **United** in important ways:

- **Alignment:** improved communication, cooperation between IT and business teams; facilitated process alignment across business units.
- **Program planning:** illustrated all aspects of capability transformation; provided basis to determine sequencing.
- **System design:** ensured alignment between business process and systems; supported and accelerated requirement documentation.
- **Testing:** provided basis for test scenarios through end to end workflow models; Accelerated scenario documentation.
- **Training:** Highlighted business impacts, and needs for training/communication; provided the basis for training scenarios.
- **Change management:** provided support for impact analysis associated with change request; provided high level scope definition
- **Continuous Improvement:** identified processes that most benefit from lean and six sigma; pinpoints waste and non-value added activities

Enterprise Architecture has been reshaping business operations at **United Airlines**. The holistic approach of identifying and assessing the work streams is impacting the culture and the way business is conducted in a profound way. Even though the company still has a long way to go, the strong collaborations across the organization as well as **Capability Modeling** are all contributing to **United Airlines'** journey towards improved financial outcomes and customer service.

*Learn more about Business Capability Models here from **Ulrich Kalex** here>>>*

*<http://www.bainstitute.org/resources/articles/capabilities-value-streams-business-architectures-essential-alliance> and here >>> <http://www.opengroup.org/johannesburg2011/Ulrich%20Kalex%20-%20Business%20Capability%20Management.pdf>*

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