Best Practices for EA and PPM Integration
Toward Improved Business Value Outcomes

Published: 24 September 2012

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When enterprise architecture and project and portfolio management teams work together, the natural synergy between these two disciplines will yield higher-value business outcomes. Follow these best practices to establish a fruitful relationship.

Key Challenges

■ Enterprise architecture (EA) and project portfolio management (PPM) are two disciplines that are highly mutually beneficial, and the value of the outcomes they deliver in synergy can far exceed the sum of their individual parts, yet most organizations have not taken advantage of this.

■ In many organizations, the leaders of these initiatives have no awareness of or relationship with each other, they have conflicting objectives, and their respective functions have no integration points in terms of their processes or deliverables.

■ EA and PPM leaders need clear best practices to follow to ensure that these disciplines build an effective relationship and integrate to yield improved business outcomes.

Recommendations

■ Open communication between EA and PPM leaders, and identify mutual goals and common ground.

■ Build a business case for EA/PPM integration, focusing on three key business value outcomes and common objectives.

■ Ensure that the PPM function provides key deliverables to the EA team, and that the EA team, in turn, provides key deliverables to PPM.

■ Devise an action plan for EA and PPM integration.

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Introduction

Enterprise architects consistently face the challenge of how to influence projects that are not accountable to them, while PPM leaders are always trying to improve project performance. Too often, project portfolios are formed as an aggregation of wish lists from business managers, and little analysis is done to identify and select the right projects. EA (see Note 1) and PPM (see Note 2) are two best practices that already yield significant benefits in terms of business outcomes by themselves; however, when these two disciplines are integrated, the synergistic value of the outcomes they deliver far exceeds the sum of their individual parts.

Gartner survey data shows that 27% of organizations have integrated EA and PPM, and that 63% are working on it or considering it. This indicates that the desire to exploit the benefits of EA/PPM integration is gaining traction, although most organizations have not yet fully realized the potential synergies. The U.S. notably lags the rest of the world in EA/PPM integration.²

These two disciplines offer mutual benefits. For example:

- PPM can help the EA program ensure that the EA future state is realized — because progress toward this state is largely executed through projects — and can help get project teams to embrace EA principles and artifacts.
PPM programs can benefit from using EA guidance to ensure that the right projects are selected and managed in the right way to enable them to deliver on the desired business outcomes that fulfill the business strategy.

Figure 1 shows PPM in the larger context of IT portfolio management (including asset portfolio management), highlighting areas where EA/PPM integration will offer high-value benefits.

Despite this natural synergy, Gartner has found that the teams involved in these two disciplines are often barely aware of each other. The leaders of each discipline — usually chief architects in the case of EA, and PMO directors or senior portfolio managers in the case of PPM (see Note 3) — often have no formal or informal relationship, have no integration in terms of their processes or deliverables from their respective functions, and fail to capitalize on common objectives that would benefit both functions and the business as a whole. This is a huge missed opportunity.

Here, we share best practices that will enable EA and PPM leaders to establish a relationship, build a business case for the benefits of integration, and start working together and providing beneficial input to each other.
Analysis

Establish Communication Between EA and PPM Leaders, and Identify Mutual Interests and Common Ground

If they haven’t already, leaders of these disciplines need to establish communication. In addition to holding awareness-building and joint-planning sessions, leaders of these disciplines should ensure that members of their teams meet in less formal contexts as well — over lunch, for example. An important goal of such communication is not simply to establish rapport, but also to identify areas of mutual interest and common ground. What goals do EA and PPM have in common, and how can EA and PPM work together to advance them?

Typical areas of common interest between EA and PPM include:

- Providing decision-quality project information and recommendations to investment decision makers, including project portfolio analysis, information on which projects should be approved and funded, key dependencies and constraints between projects, and which projects should be canceled to realize optimal business outcomes
- Improving the functional alignment of solutions with the true needs of users and the business

Build a Business Case for EA/PPM Integration, Focusing on Three Key Business Value Outcomes

Gartner has identified several positive technology and business value outcomes that can be achieved through effective EA/PPM collaboration, which should be used as the basis for building a business case for more engagement between the two functions. The top three are:

1. **Improved project selection decisions**: A critical concern of both EA and PPM is project selection and prioritization, given limited financial and human resources. A common method of prioritizing competing project requests is to rank them based on return on investment. This approach is flawed, however, since many projects that generate no direct financial return are still critical to the business. Instead, projects must be prioritized by determining which future-state business capability the projects support to align them with the business strategy. EA must play a critical role in helping PPM leaders and others involved in IT or enterprise governance assess which proposed projects should proceed and which existing ones should be terminated, based on this alignment. If EA input is used in recommending project prioritization choices to business leaders, the business benefit achieved from these choices will improve. EA, for its part, typically has no direct authority over project decisions, so the PPM partnership can greatly influence the execution of EA-recommended enterprise change.

2. **Improved strategic leverage of technology**: Most organizations underutilize strategic and emerging technologies. Leading organizations exploit technology to achieve greater business benefits, viewing it as a competitive weapon, rather than a cost of doing business. However, to avoid the pitfall of adopting "technology for technology’s sake," it is important to make the case...
for why certain technologies are strategic to the company. When EA guidance functions as a feed into the PPM process, PPM leaders can ensure that project proposals appropriately consider the potential to leverage key technologies by linking to business outcomes. For EA, PPM is a valuable liaison to the project community, and for PPM teams, better technology leverage will help ensure a successful project portfolio.

3. **Increased business value delivery:** Project success is usually judged based on whether it is on time and has the requisite functionality. EA can help with both of these. EA can shorten the design phase through reuse and the use of models. The use of EA requirements, principles and models also improves the requisite functionality.

**Ensure That the PPM Function Provides Key Deliverables to EA**

PPM is the keeper of EA progress information, from the standpoint of how EA is being used in projects in the organization. Project information delivers practical metrics to fuel continuous EA improvement. Hence, a key goal for an effective EA-PPM relationship is to ensure that PPM provides the following deliverables to the EA team:

- **Current and proposed projects list and status:** Many EA teams struggle to keep up on the projects proposed and under way in the enterprise. Lacking such awareness, it’s difficult to gauge progress toward the EA future state, and architect "just in time" with deliverables that project teams can consume and use.

- **Project dependencies report:** PPM practitioners often have visibility into the dependencies and links among projects.

- **Project fulfillment of EA requirements:** PPM input can provide a snapshot of how business change projects align with the EA requirements identified in the enterprise context.

- **PPM governance process:** EA teams should be aware of the sequence of project steps, including project conception, business case preparation, funding, monitoring, phase or stage gates, and closure.

- **Project design review meeting notifications:** The PPM function can ensure that design reviews for high-level, strategic projects include architects for EA consultation and compatibility assessments. EA leaders should know when these reviews occur so they can build EA consultation into the PPM process.

- **PPM training for EA staff:** For the EA staff to be an effective PPM ally, it needs to be savvier about PPM than the average person in the organization.

**PPM-to-EA Deliverable Example: Project Fulfillment on EA Requirements**

PPM efforts to analyze proposed projects often attempt to map projects directly to the business strategy to aid selection and prioritization. This is problematic, because the jump in abstraction level between projects and high-level business strategies is typically too great to make such mappings useful. However, the list of EA requirements defined in the enterprise context provides an
intermediate level of abstraction that can be used for this purpose instead (see "EA Must Include Defining Your Enterprise Context").

For example, if a high-level business strategy defined in the enterprise context is to "provide one face to the customer," an EA requirement derived from that strategy may be to "to create a single, consolidated customer database to be the authoritative system of record for all customer information." Projects cannot be easily mapped to the former strategy, but can readily be assessed in terms of their contribution to the latter, derivative requirement.

If a standard step in the PPM project review and governance process is to assess alignment with EA-defined requirements defined in the enterprise context, then a deliverable could be produced to show how these requirements map across projects in the portfolio (see Figure 2), thereby providing a snapshot of how well the project portfolio is contributing to the requirements defined the future-state architecture. Such mappings can also reveal "red flags" — for example, if a given project doesn't map to any requirements, then this indicates that it doesn't advance the strategy and may need to be reconsidered. Conversely, if an EA requirement doesn't map to any projects, then this may signal a gap between the current and future-state architectures that isn't being filled.

Figure 2. Projects Mapped to the Fulfillment of EA-Defined Business Requirements

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<thead>
<tr>
<th>EA Requirement 1</th>
<th>EA Requirement 2</th>
<th>EA Requirement 3</th>
<th>EA Requirement 4</th>
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<tbody>
<tr>
<td>Project 1</td>
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<td>Project 2</td>
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<td>Project 4</td>
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Source: Gartner (September 2012)

The same analysis can be done using future-state business capabilities instead of EA requirements.

Ensure That the EA Team Provides Key Deliverables to PPM

Gartner has defined five main types of EA deliverables: measurable, actionable, diagnostic, enabling and operational (see "EA Practitioners Must Focus on Outcome-Oriented Deliverables"). Actionable and diagnostic deliverables are particularly relevant to PPM synergy, because EA wants to give PPM practitioners information that will help them diagnose issues and take action to better manage the project portfolio. Such deliverables may include:

- **Enterprise context**: This early artifact created by the EA discipline derives change drivers from the business strategy, with linkage to EA requirements (see "EA Must Include Defining Your
Enterprise Context*). This information is useful to PPM because it provides a basis against which to assess projects’ alignment with the business strategy.

- **EA-inspired new project or project change proposals:** The EA team should generate its own proposals for new projects, or changes to existing projects, to close the gap between the current- and future-state architectures.

- **Project architectural alignment assessments:** For high-level, strategic projects, design review meetings should include architects to provide strategic consultation to the project team. This should include assessment of the proposed design vs. EA-defined principles and requirements, with findings summarized in a report to PPM leaders.

- **EA road maps:** These EA-developed plans, which describe steps needed to fill gaps between the current- and future-state architecture, should be shared with PPM leaders. The projects managed in the project portfolio should be contributing to the progress defined in EA road maps.

- **Project waivers to EA:** The EA team should continuously update a list of EA waivers that have been granted to projects by an EA assurance authority, such as the architecture review board (see the "Recommended Reading" section), and provide this list to the PMO for its awareness and use in conducting project reviews. Trends in EA waivers may indicate the need for updates to the EA.

- **EA training for PPM staff:** The goal is to provide project portfolio managers with enough understanding of EA to improve the working relationship between the two disciplines, and better leverage EA-PPM synergy for improved business outcomes.

**EA-to-PPM Deliverable Example: Executing a Big Data Strategy Using Outcome-Driven EA**

Figure 3 shows a type of actionable EA deliverable that should be used by PPM leaders and others involved in IT and enterprise governance to influence project selection and scoping decisions (see "Scenario Toolkit: How to Develop a Big Data Strategy Using Outcome-Driven Enterprise Architecture"). EA road maps like this must be used to determine whether project proposals are on track with the plan to accomplish desired business outcomes.
Devise an Action Plan for EA and PPM Integration

The following steps should be considered as part of an action plan for EA/PPM integration.

Short-term steps (within 90 days) include:

- Build relationships across the disciplines. Steps range from arranging informal get-togethers to planning formal meetings.
- Secure support for this integration plan from the CIO or other C-level sponsor.
- Identify and focus on common ground: shared or complementary objectives between EA and PPM.
- Build the case for PPM/EA partnering using examples like the ones provided here.
- Cross-train PPM and EA teams to build understanding and enable more-informed working relationships.

Steps to take in the longer term (within 12 months) include:

- Define points in the EA and PPM processes where reviews, interfaces and artifact handoffs should occur to enable integration.
- Prepare and deliver EA-to-PPM and PPM-to-EA deliverables. Focus on diagnostic deliverables to enable data-driven investment decisions for better business outcomes.

**Recommended Reading**

*Some documents may not be available as part of your current Gartner subscription.*

"How to Restart and Re-energize an Enterprise Architecture Program"

"Enterprise Architecture Priorities for 2012-2013 in North America"

"ITScore for Enterprise Architecture"

"ITScore for Program and Portfolio Management"

"Toolkit: Build Business-Outcome-Driven Enterprise Architecture Road Maps"

"Gartner Defines 'Governance'"

"EA Governance: Move Away From Command and Control"

"Toolkit: Five Steps for Defining Effective Enterprise Architecture Governance"

"Toolkit Sample Template: Enterprise Architecture Waiver Request Form"

"Stage Planning a Business Outcome-Driven Enterprise Architecture"

"EA Stage Planning: Target Business Outcomes"

"EA Governance: Move Away From Command and Control"

**Evidence**

1. In the 2011 global Gartner EA research study, 360 respondents reported on their integration of EA with PPM. Twenty-seven percent reported that they have already integrated. Thirty-seven percent have partially integrated, 26% are considering integration, and only 10% have no plans for this integration.

2. In the 2011 global Gartner EA research study, there was a significant difference in EA integration between EA and PPM by country, with the U.S. lagging the rest of the world. Those that have already integrated or partially integrated include:

- U.S.: 44.4%
- Brazil: 61.7%
- U.K.: 64.4%
- France: 66.7%
- Chile: 70.0%
- India: 71.1%
- China: 86.7%

Note 1 Enterprise Architecture (EA)

EA is a discipline for proactively and holistically leading enterprise responses to disruptive forces by identifying and analyzing the execution of change toward desired business vision and outcomes. EA delivers value by presenting business and IT leaders with signature-ready recommendations for adjusting policies and projects to achieve target business outcomes that capitalize on relevant business disruptions. EA is used to steer decision making toward the evolution of the future-state architecture (see "Hype Cycle for Enterprise Architecture, 2012").

Note 2 Project Portfolio Management (PPM)

PPM focuses on all the projects in development across an organization, and consolidates one view of the overall value and risks. It serves as a gating mechanism for ensuring that projects are in alignment with the business strategy, assumptions in the business case are adhered to, and decisions are based on accurate and timely data (see "Don't Wait: Three Simple Project Portfolio Management Scenarios and Solutions"). PPM processes, governance and tools are used to plan, create, access, balance and communicate the execution of the projects in the IT portfolio, and drive the effective allocation of resources (such as capital and human resources) across all projects. In many organizations, this discipline is performed in conjunction with a program and portfolio management function (see "Agenda for Program and Portfolio Management, 2012" and "ITScore for Program and Portfolio Management").

Note 3 PPM-Related Roles

- **PPM leaders** often report into a specific group called the "PMO," which has as its charter some subset of project, program and portfolio activities.
- **The project portfolio manager** is responsible for the analysis, governance and tools used to plan, create, assess and balance the candidate projects/programs in the portfolio.
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