ACROSS AHEAD

Survey

Capability Map

2021

# Survey Report: Capability Mapping

– August / September 2021 –

> 30 November 2021 | Version 1.0

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This report contains the results of a capability mapping survey run by ACROSS & AHEAD in collaboration with the University of Stuttgart **between 27 August and 20 September 2021**.

It represents the responses from **24 organizations** from around the world that participated in the survey. Further information on the organizations represented in the data set can be found in Section 1 of this report.

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1. ORGANIZATIONAL BACKGROUND OF RESPONDENTS
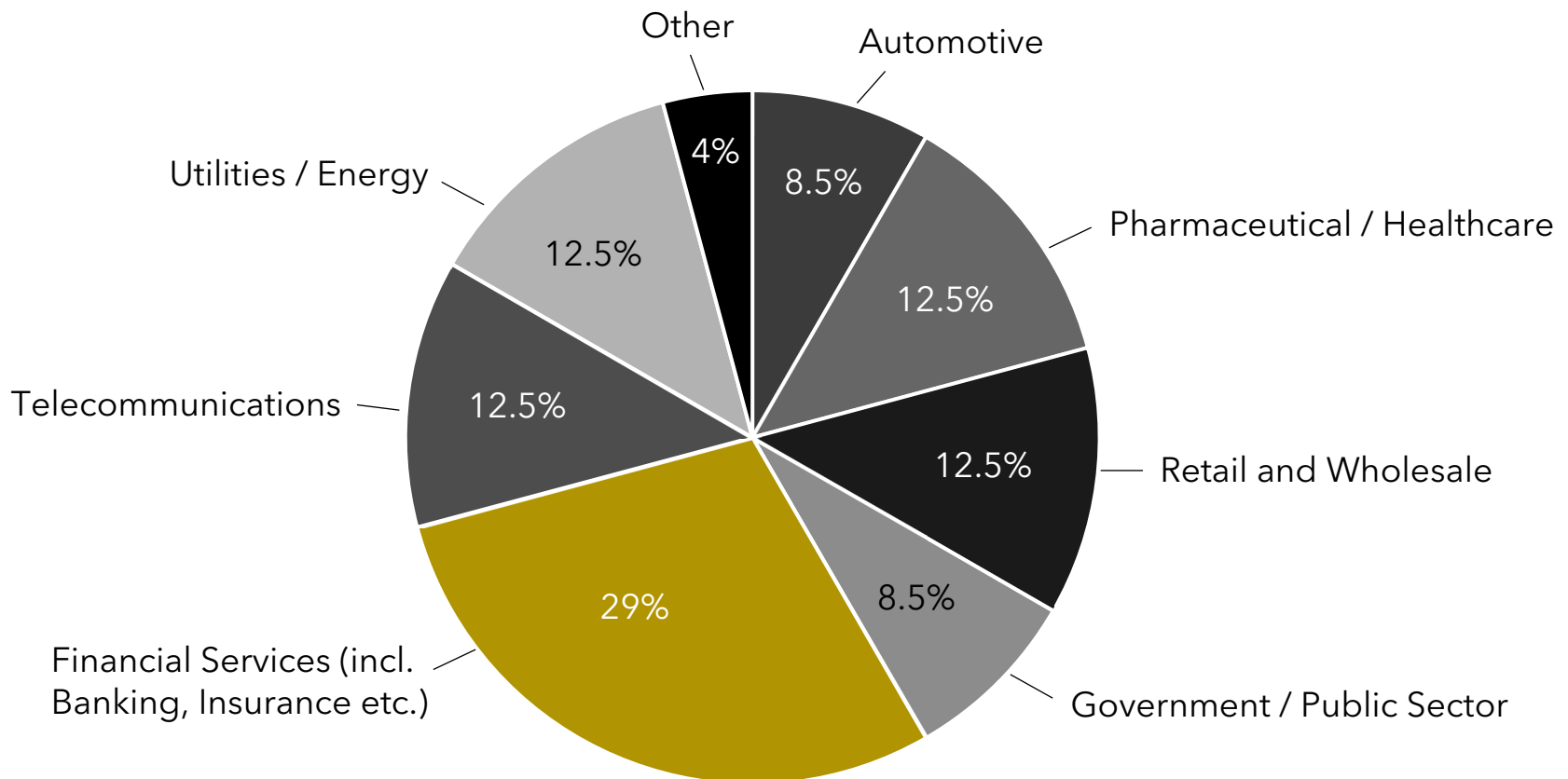
2. CAPABILITY MAPPING EXPERIENCE & RESPONSIBILITIES

3. CAPABILITY MAPPING APPROACH

4. CAPABILITY MAP USAGE

# 1.1 – Industry Affiliation

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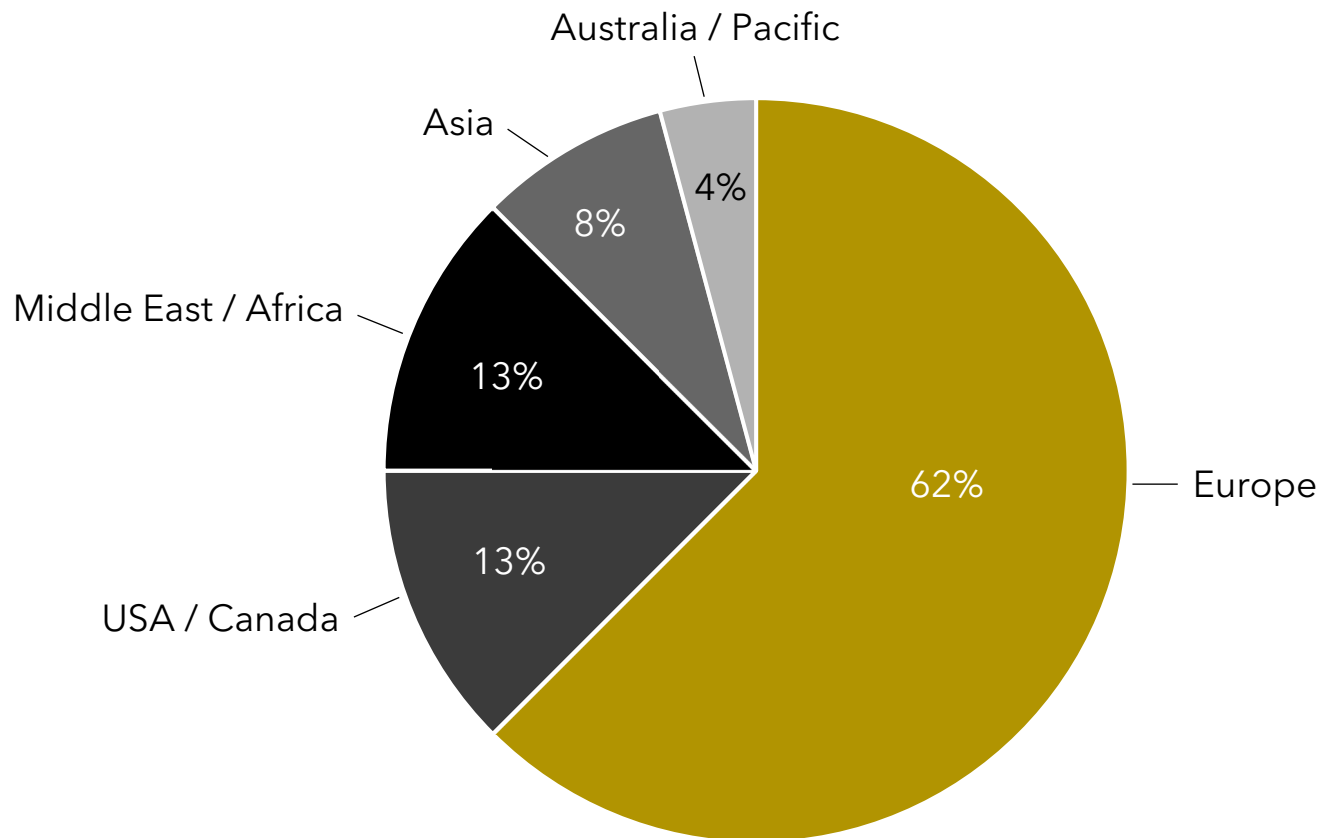**What industry does your organization belong to?**



- Other — 4%
- Automotive — 8.5%
- Pharmaceutical / Healthcare — 12.5%
- Retail and Wholesale — 12.5%
- Government / Public Sector — 8.5%
- Financial Services (incl. Banking, Insurance etc.) — 29%
- Telecommunications — 12.5%
- Utilities / Energy — 12.5%

# 1.2 – Organization's Headquarters

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**Where is your organization's headquarters located?**

# 1.3 – Organizational Size



**How many employees does your organization have?**

- Less than 250 — 4%
- Between 250 and 999 — 4%
- Between 1,000 and 9,999 — 21%
- Between 10,000 and 49,999 — 33%
- 50,000 or more — 38%

# 1.4 – Respondent's Position
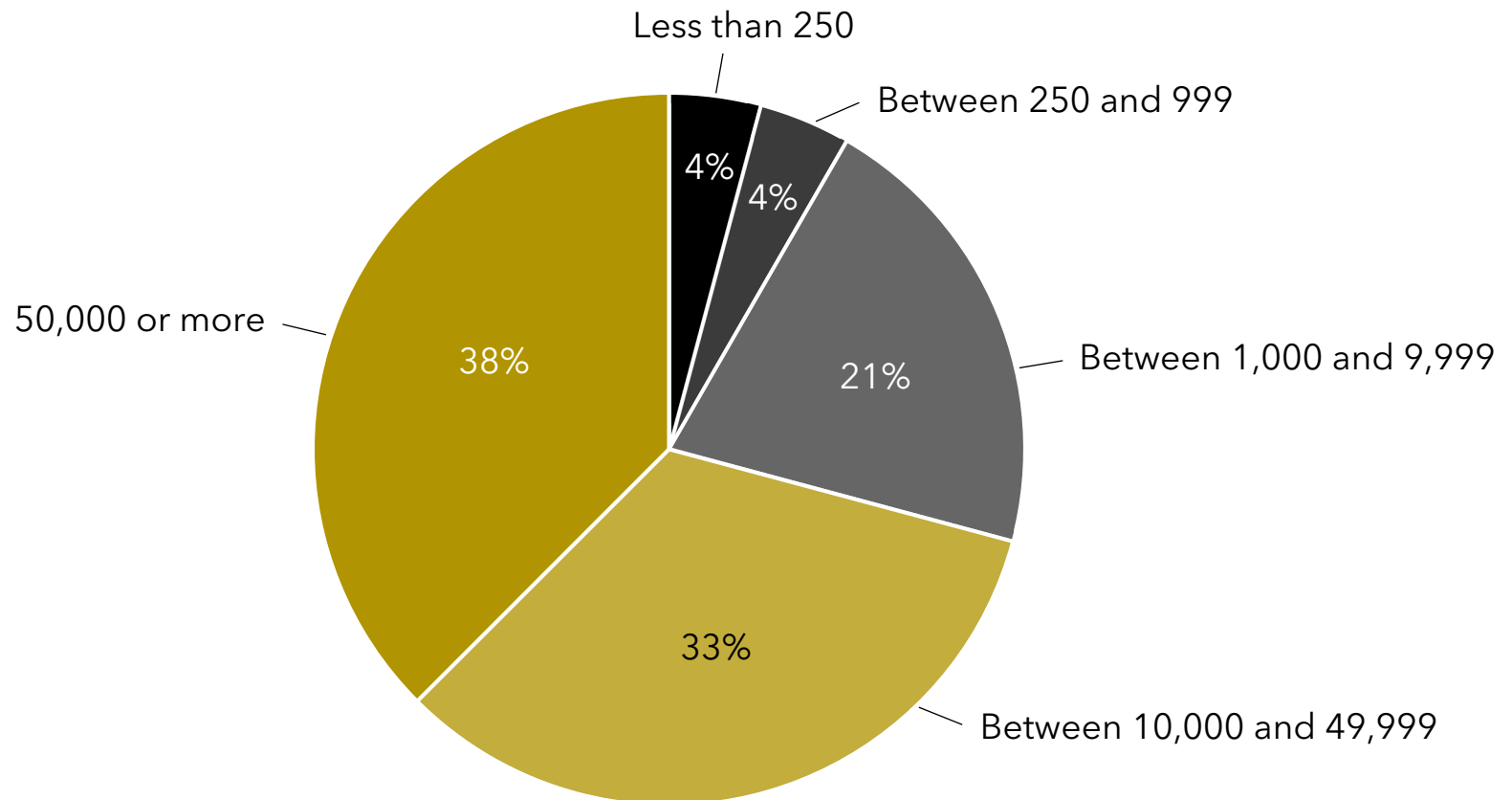
**What is your current position in the organization?**
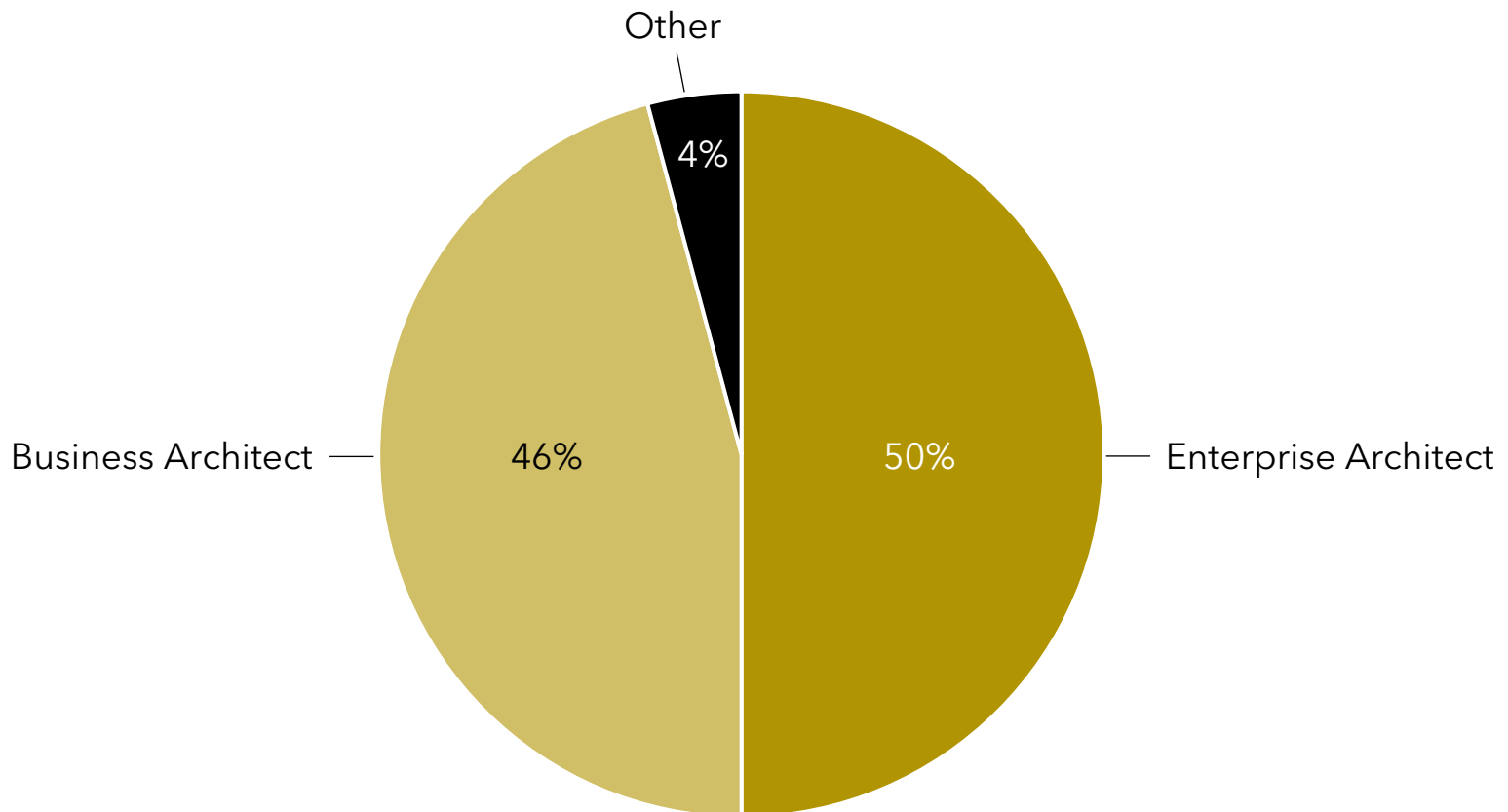
1. ORGANIZATIONAL BACKGROUND OF RESPONDENTS
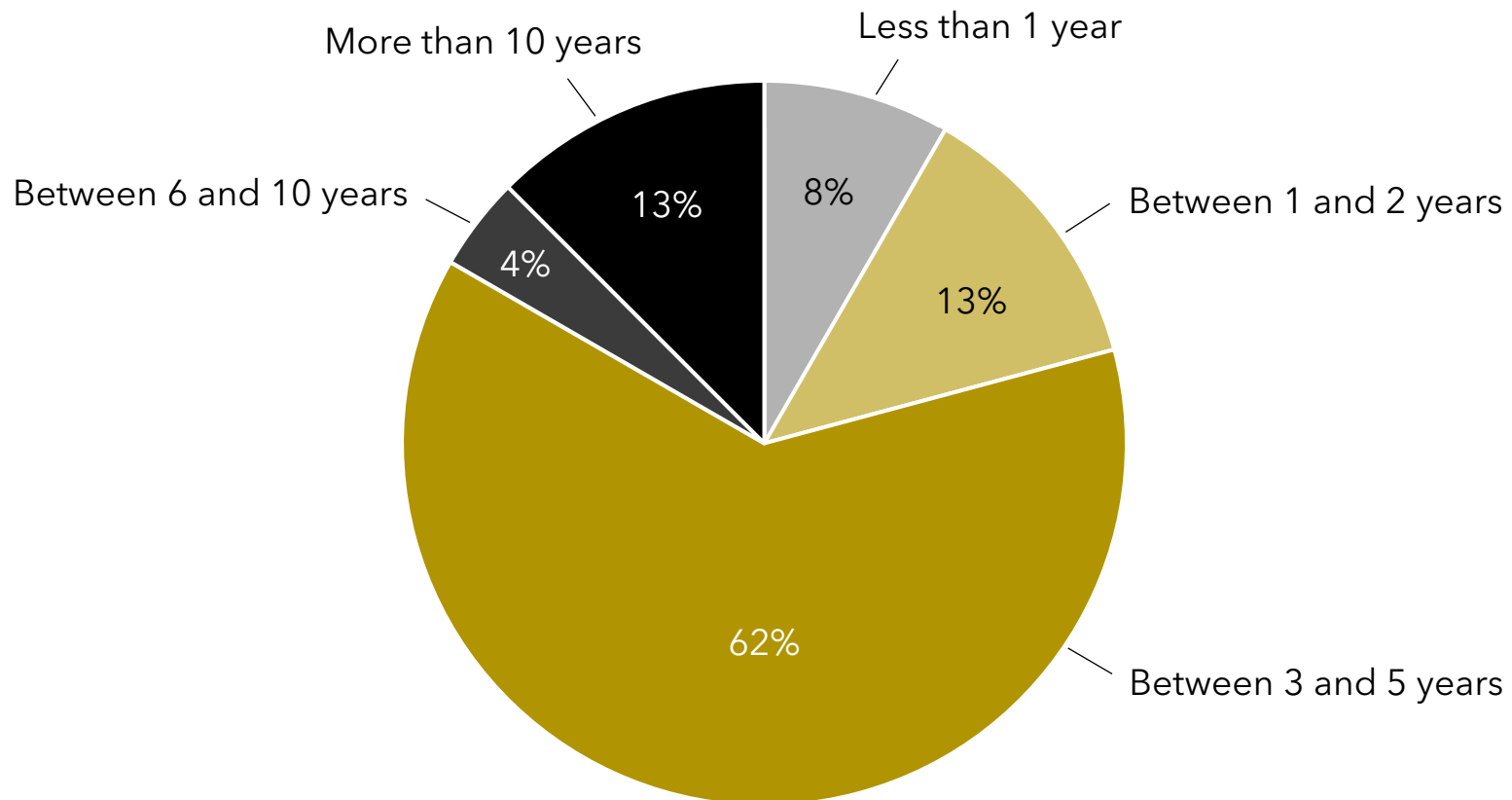
2. CAPABILITY MAPPING EXPERIENCE & RESPONSIBILITIES

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## 2.1 – Mapping History

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**How long has your organization been practicing capability mapping?**



Less than 1 year 8%

More than 10 years 13%

Between 6 and 10 years 4%

Between 1 and 2 years 13%

62%

Between 3 and 5 years

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## What were the inputs that you used for developing your organization's capability map?
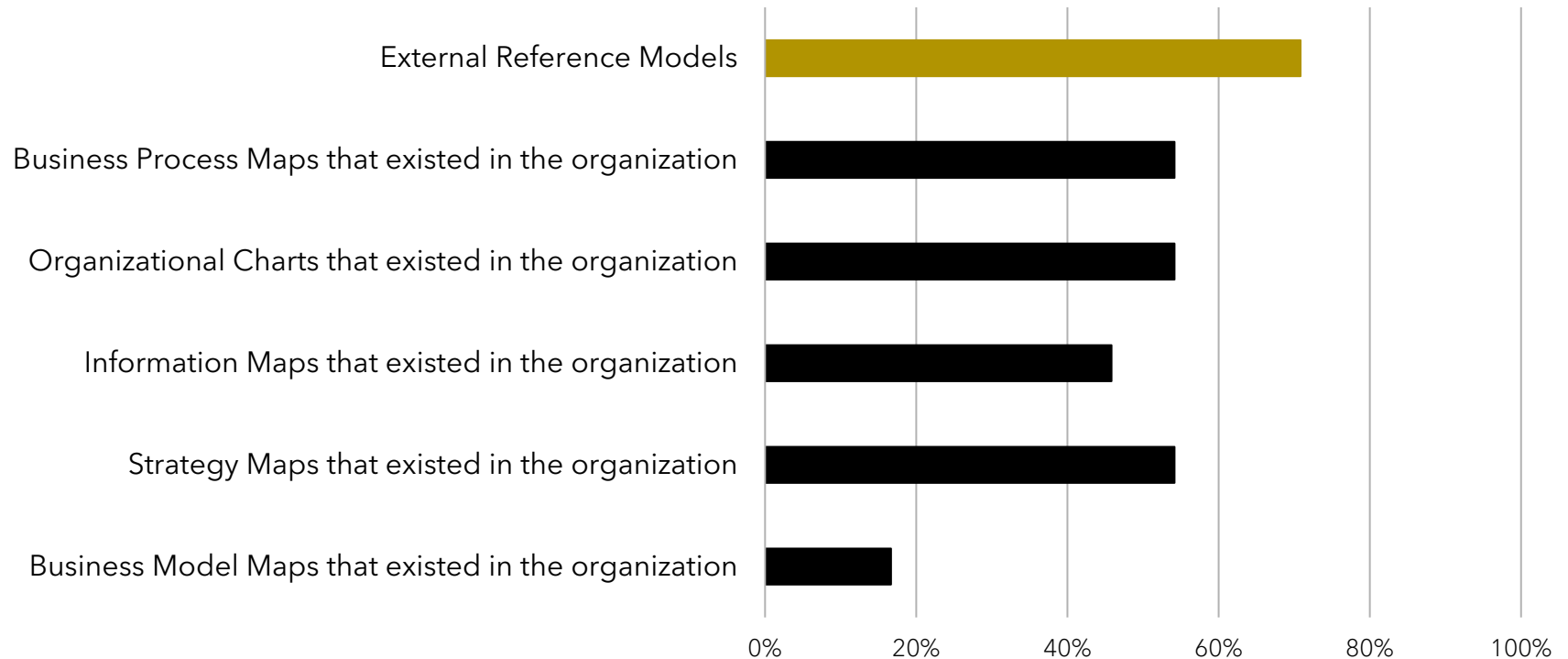
– multiple choices possible –

# 2.3 – Mapping Team

## Who has been involved in developing and maintaining the capability map?

– multiple choices possible –
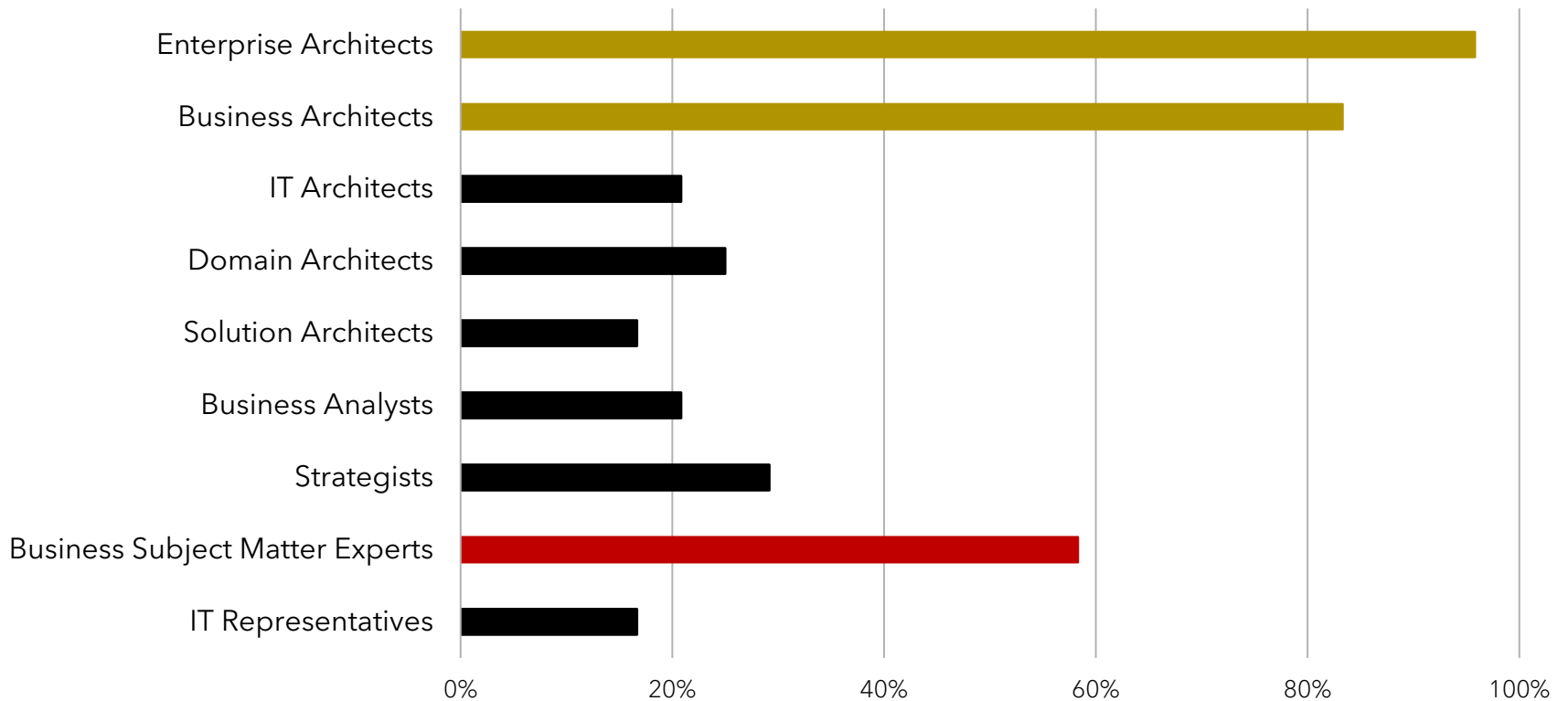
## 2.4 – Mapping Lead

**Who has been responsible for developing the capability map?**
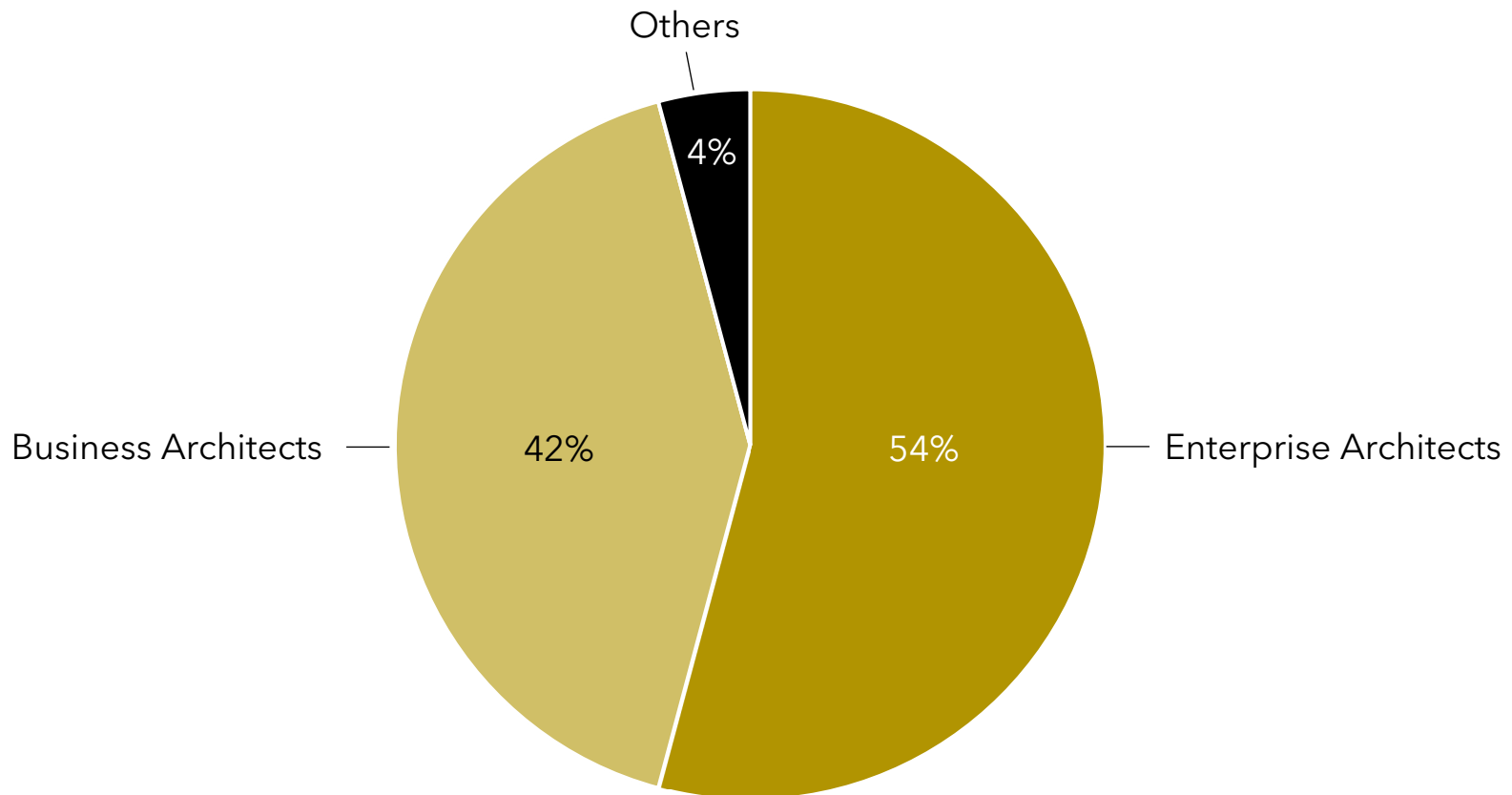
Others

4%

Business Architects — 42%    54% — Enterprise Architects

- Most organizations use external reference models as an input for developing their capability maps. Other inputs used by more than 50% of the surveyed organizations include business process maps, organizational charts, and strategy maps. Business model maps turned out to be less relevant, which may, however, be due to the fact that they were not available for use at the time of creating the map.

- In almost every organization represented in the data set, enterprise architects and business architects have been contributing to the development and maintenance of the capability map (with one of them leading the efforts). The involvement of other architectural roles (e.g., domain architects or solution architects) seems to be less common.

- **In more than 40% of the organizations in the survey no business subject matter experts have been involved in the mapping efforts.**

  - This may be due to the fact that the creation of the map might have been an IT and not a business initiative. However, since inputs from subject matter experts will likely be essential for the capability map to become a high-quality artifact that will be accepted in the business, this seems to be a serious issue.
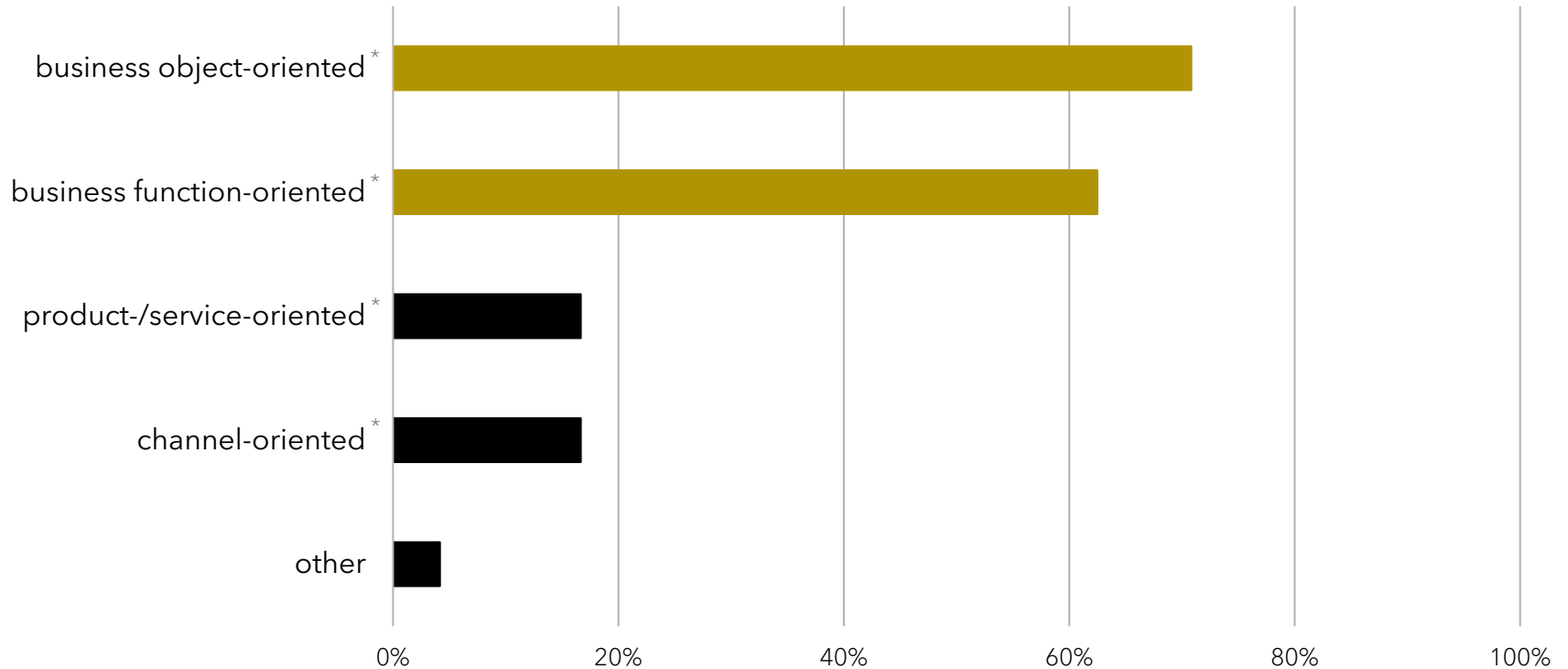
1. ORGANIZATIONAL BACKGROUND OF RESPONDENTS

2. CAPABILITY MAPPING EXPERIENCE & RESPONSIBILITIES

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**How do you identify, name, and discriminate between high-level capabilities in your organization's capability map?**

– multiple choices possible –



* see Appendix for further explanation and examples

**How do you identify, name, and discriminate between high-level capabilities in your organization's capability map?**

AGGREGATED RESULTS *

based on **another combination** of criteria

(only one of which does not involve either business objects or functions)

33%

based on **business objects**

29%

13%

based on **business functions**

25%

based on **business objects and business functions**

\* Focused on whether the approach being used is oriented towards a single criterion or makes use of several criteria

**How do you identify, name, and discriminate between high-level capabilities in your organization's capability map?**

AGGREGATED RESULTS *
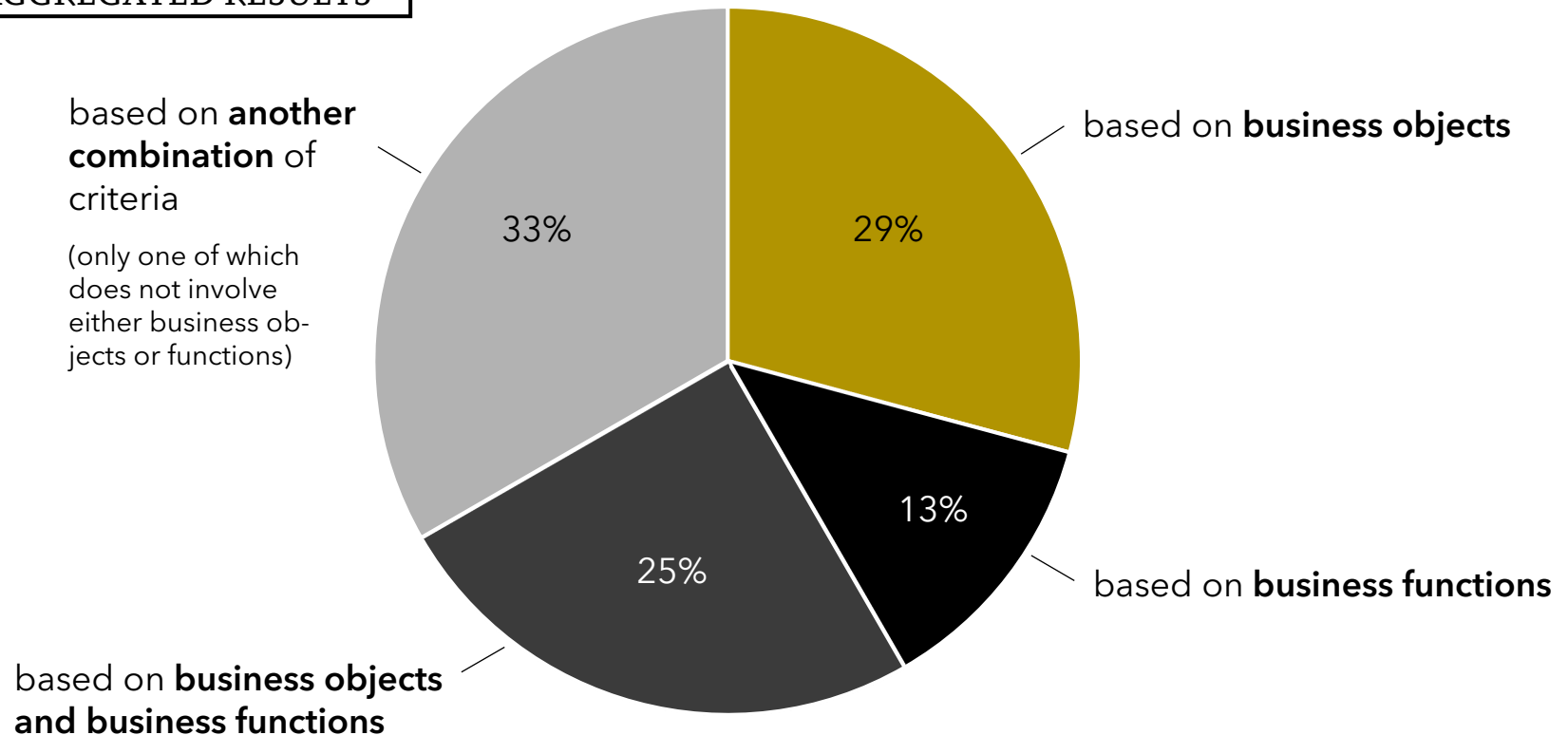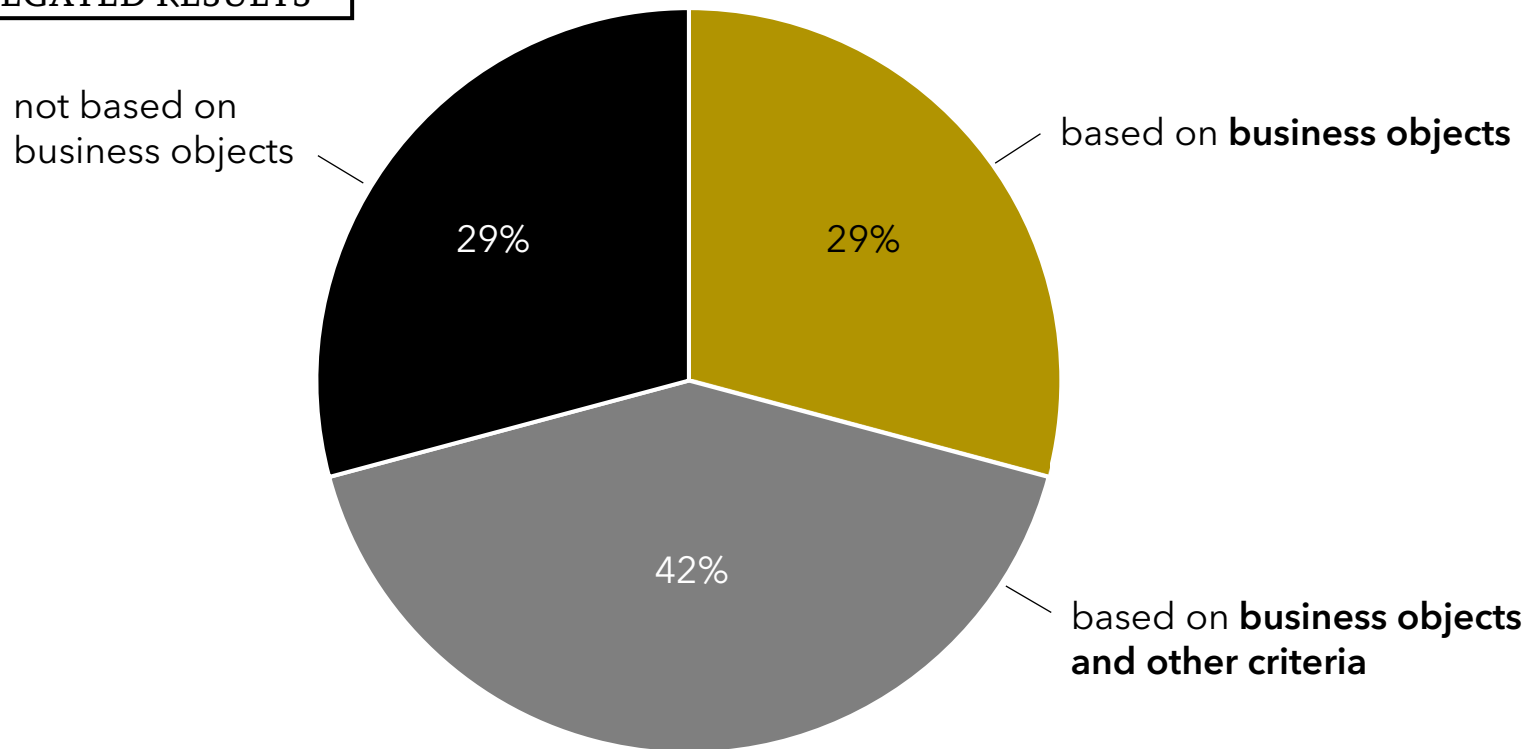


not based on
business objects

based on **business objects**

29%

29%

42%

based on **business objects
and other criteria**
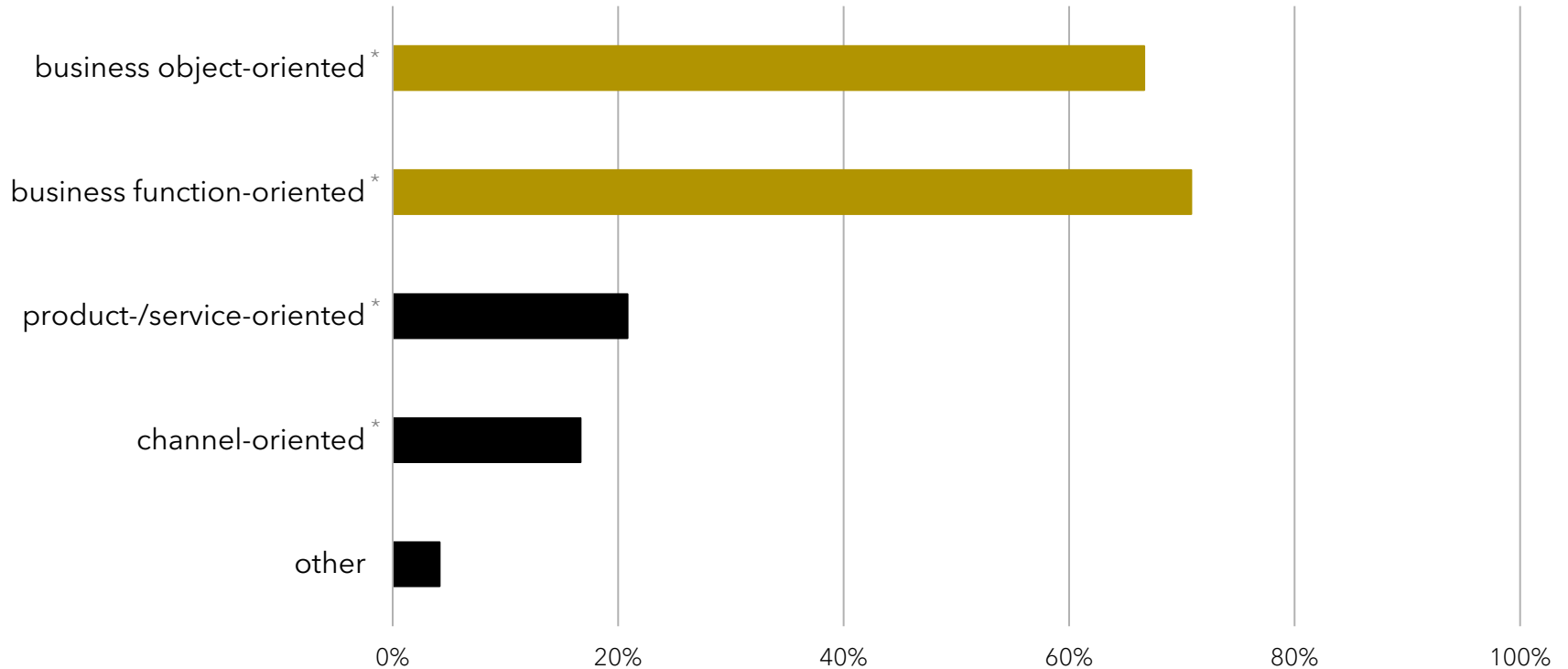
* Focused on whether business objects are used as the only criterion, as one among others, or not at all

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## How are capabilities decomposed into child capabilities in your organization's capability map?

– multiple choices possible –



* see Appendix for further explanation and examples

# 3.3 – Number of Top-Level Capabilities

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**How many top-level capabilities (i.e., the top-level elements of your map, even if they are referred to as something else, such as, e.g., "domains") does your organization's capability map have?**
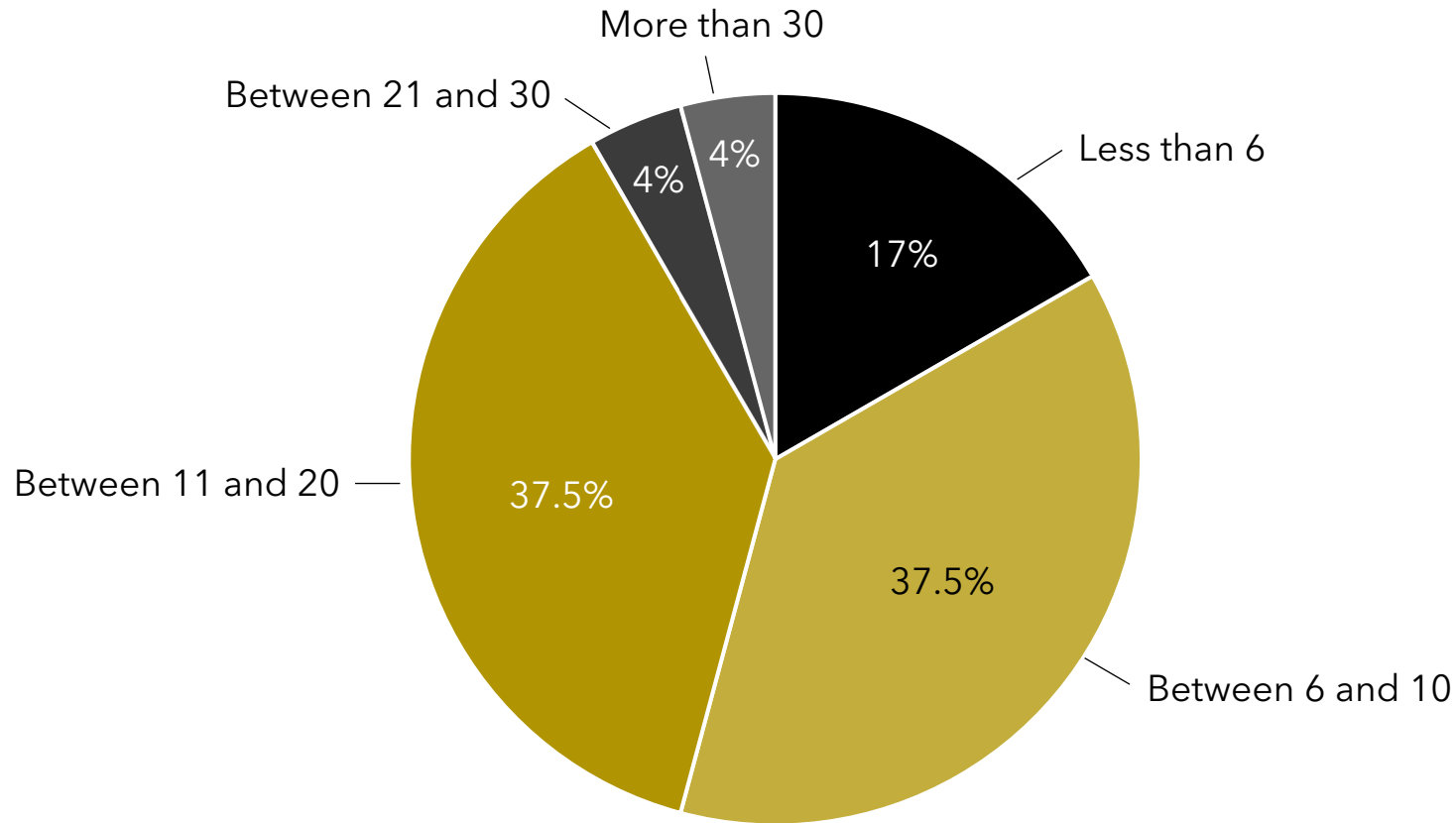
**How many levels (of abstraction / decomposition) does your organization's capability map have (any top level with, e.g., "domains" included)?**



5 or more

8%

2

25%

4 — 21%

46%

3
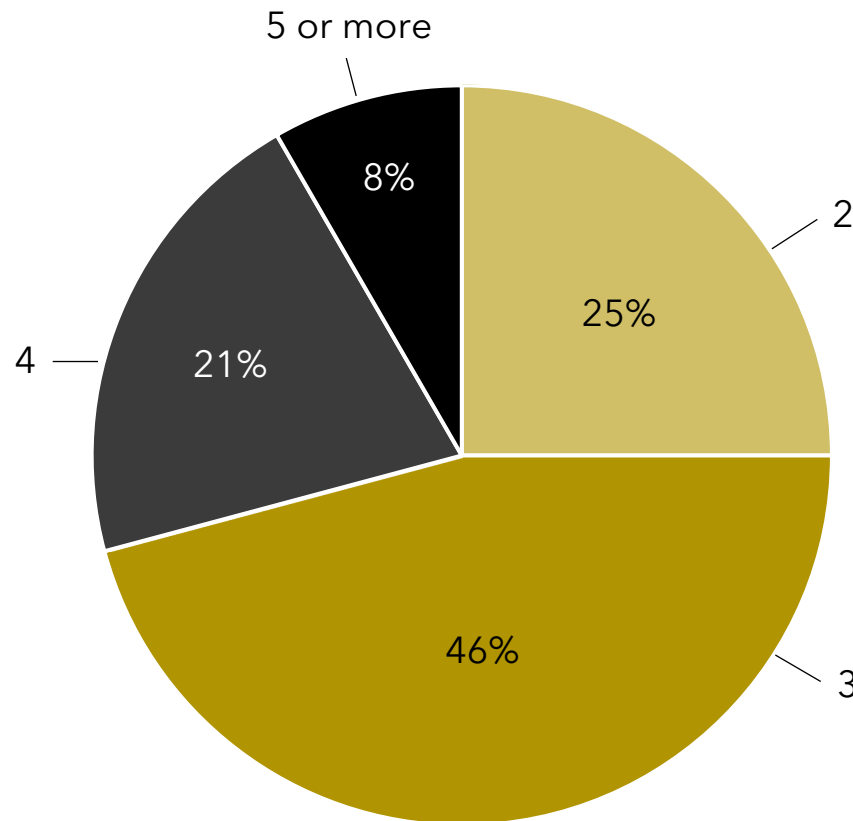
# 3.5 – Existence of Capability Owners

**Are capability owners defined in your organization?**



No — 46%

54% — Yes

# 3.6 – Redevelopment of the Map

**Has there ever been a complete or substantial redevelopment / reorganization of your organization's capability map and, if so, what were the major differences between the old and the new map?**



No — 48%

52% — Yes ▶

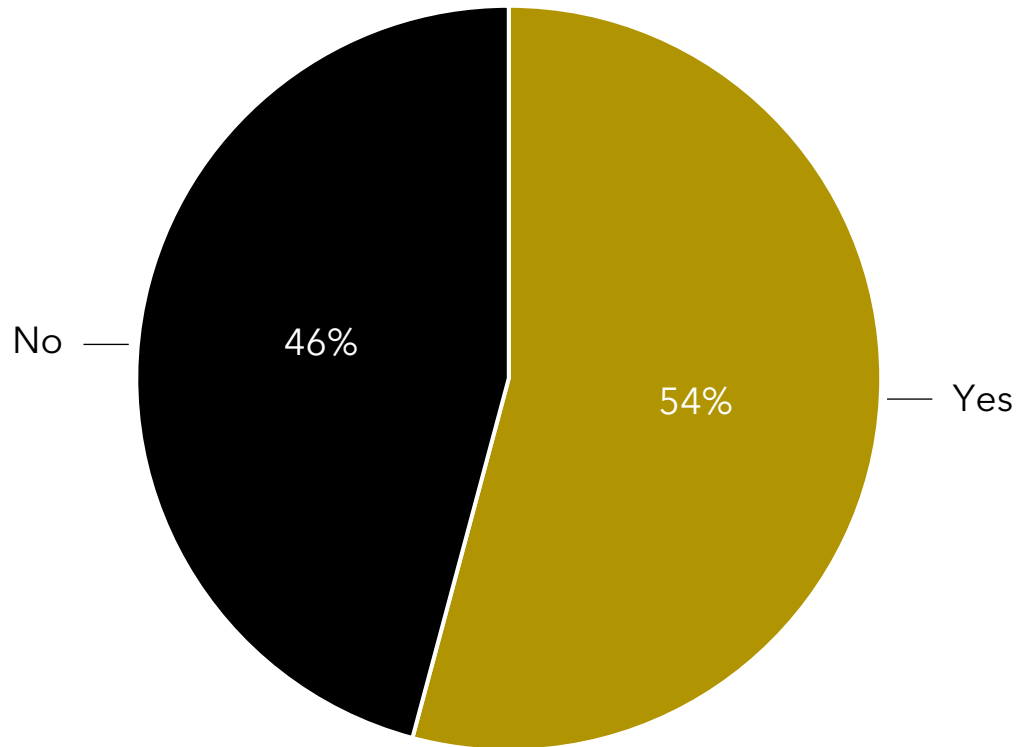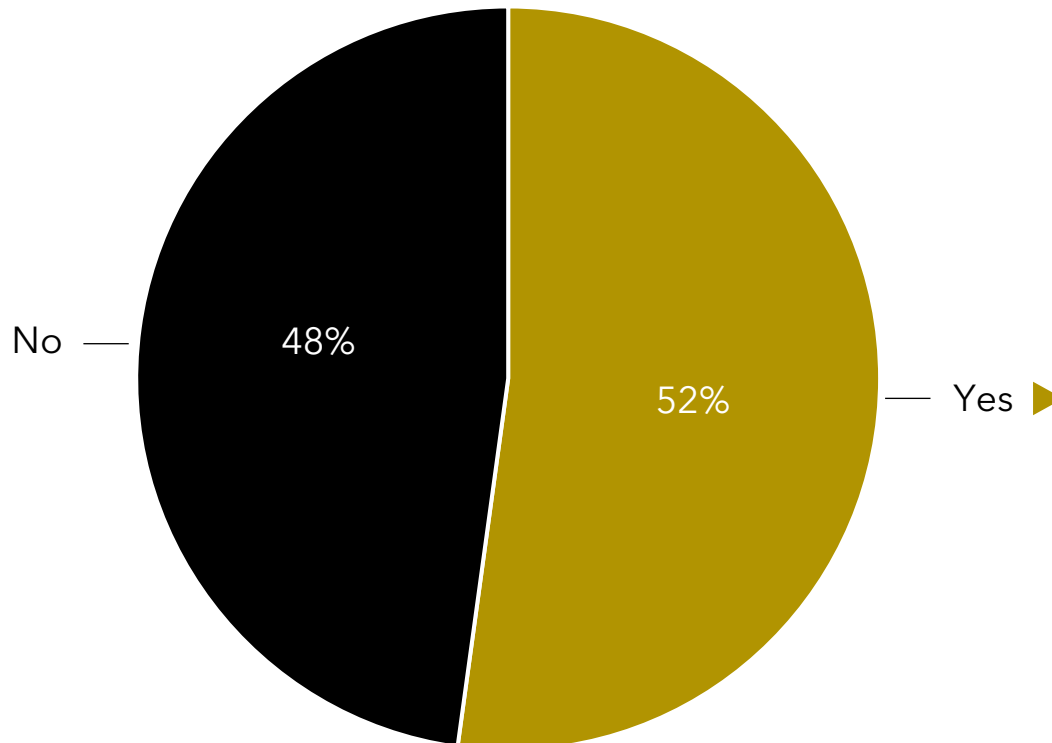- "less organization-oriented"
- "first version was created by external consulting company, second version does fit more to the company's business"
- "new services"
- "namings driven by top-level management"
- "consolidations and mergers"
- "new capabilities in the industry developed"
- "moved from object to function orientation because other teams had competing model and won"
- "we moved from an org. chart oriented model to a business object-oriented approach"

# 3.7 – Reassignments in the Map

**Have you ever made changes to your organization's capability map that moved a lower-level capability to another higher-level capability than before and, if so, why?**
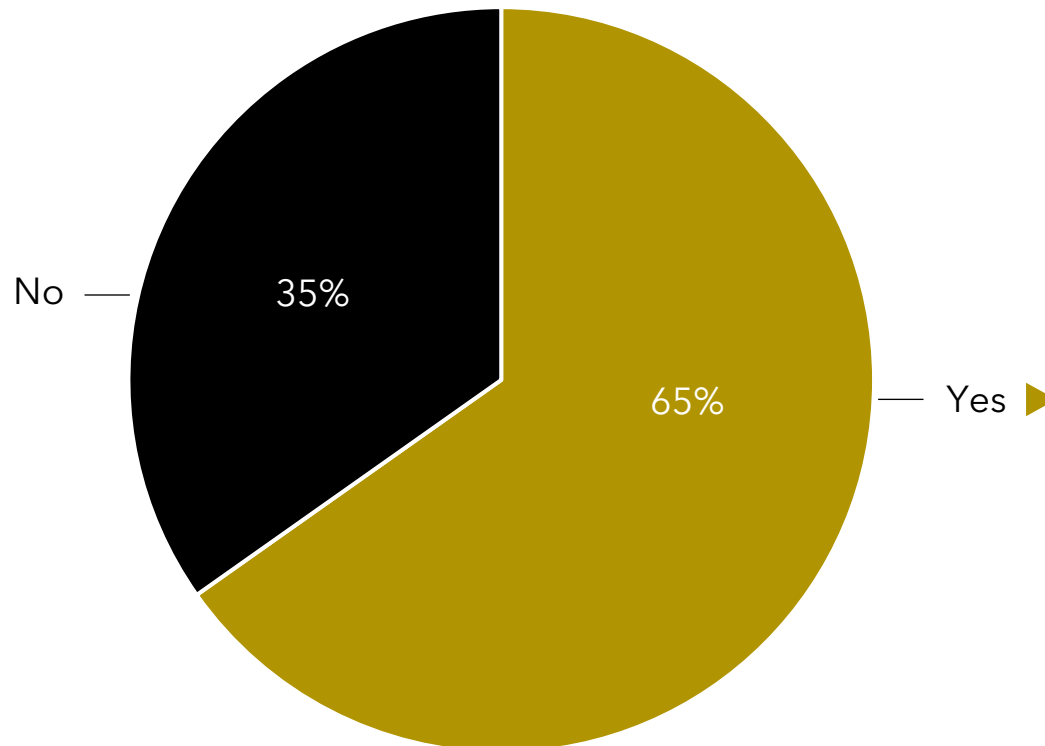


- "due to strategic importance"
- "more domains to better structure and manage"
- "to reduce depth in the overall capability map"
- "to satisfy objectives like the feeling of ownership"
- "restructuring from 4 to 3 levels"
- "for growth in lower-level capabilities needing more resources and focus"
- "we had to re-assign when going into the capabilities' details"

No — 35%

65% — Yes ▶

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- **Business object and function orientation appear to be the predominant approaches for identifying, naming, and organizing / segregating high-level capabilities as well as for decomposing capabilities to lower levels** (note that over 95% of the organizations in the sample make use of at least one of those two approaches).

- Most organizations use a combination of criteria for setting their capability boundaries.

- Just under half of the surveyed organizations have three decomposition levels in their capability maps. Most others have either two or four levels.

- A common number of top-level capabilities appears to be somewhere between 6 and 20. Only few organizations have less than 6 or more than 20 top-level capabilities.

- Capability owners are defined in about half of the organizations in the sample.

- Just over half of the surveyed organizations made their capability maps undergo some substantial reorganization at some point in the past. They seem to have taken quite different directions though.

- Two thirds of the surveyed organizations have made changes to the capability map that moved capabilities to some other place in the map. Several respondents referred to politically-motivated reasons for doing so.

1. ORGANIZATIONAL BACKGROUND OF RESPONDENTS

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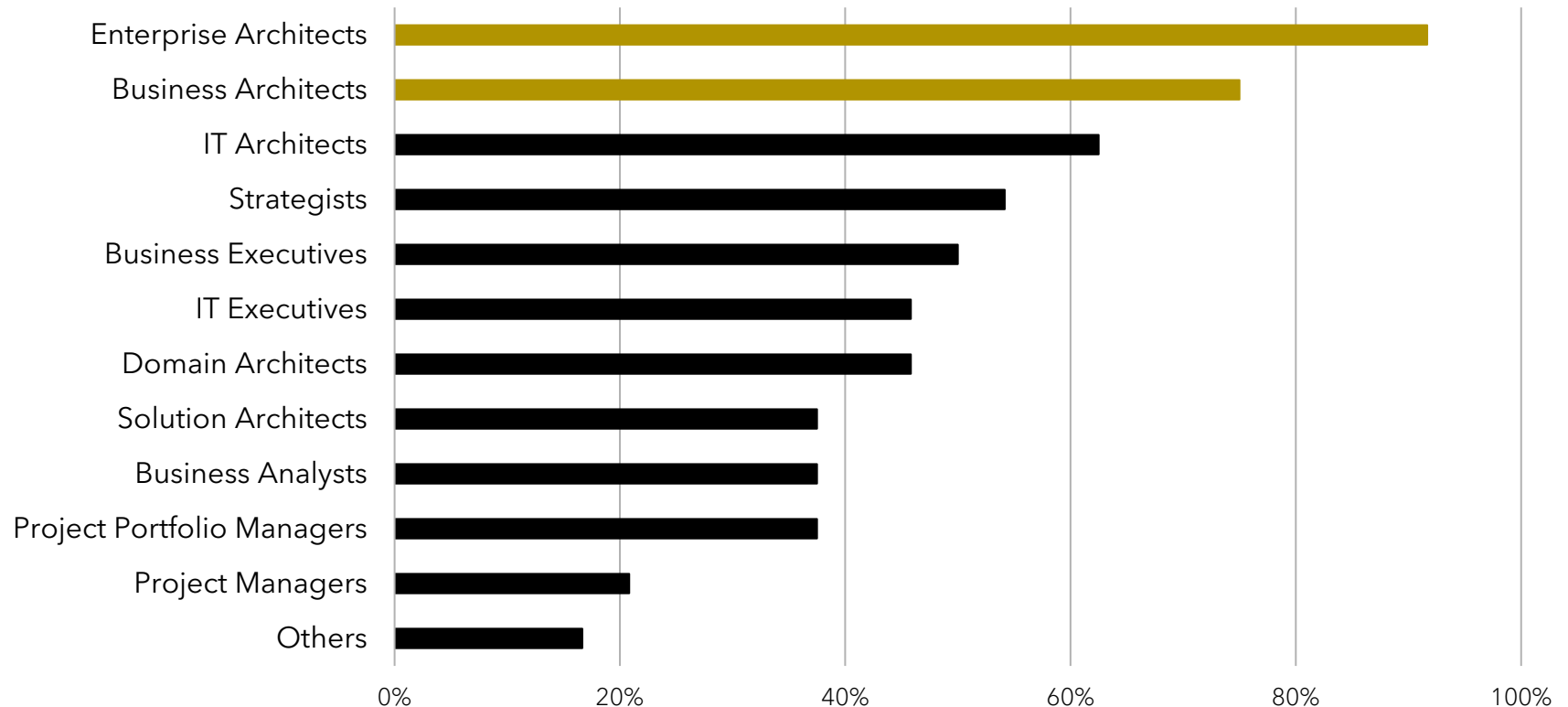
3. CAPABILITY MAPPING APPROACH

4. CAPABILITY MAP USAGE

## Who in your organization makes use of the capability map (or is served by its usage)?
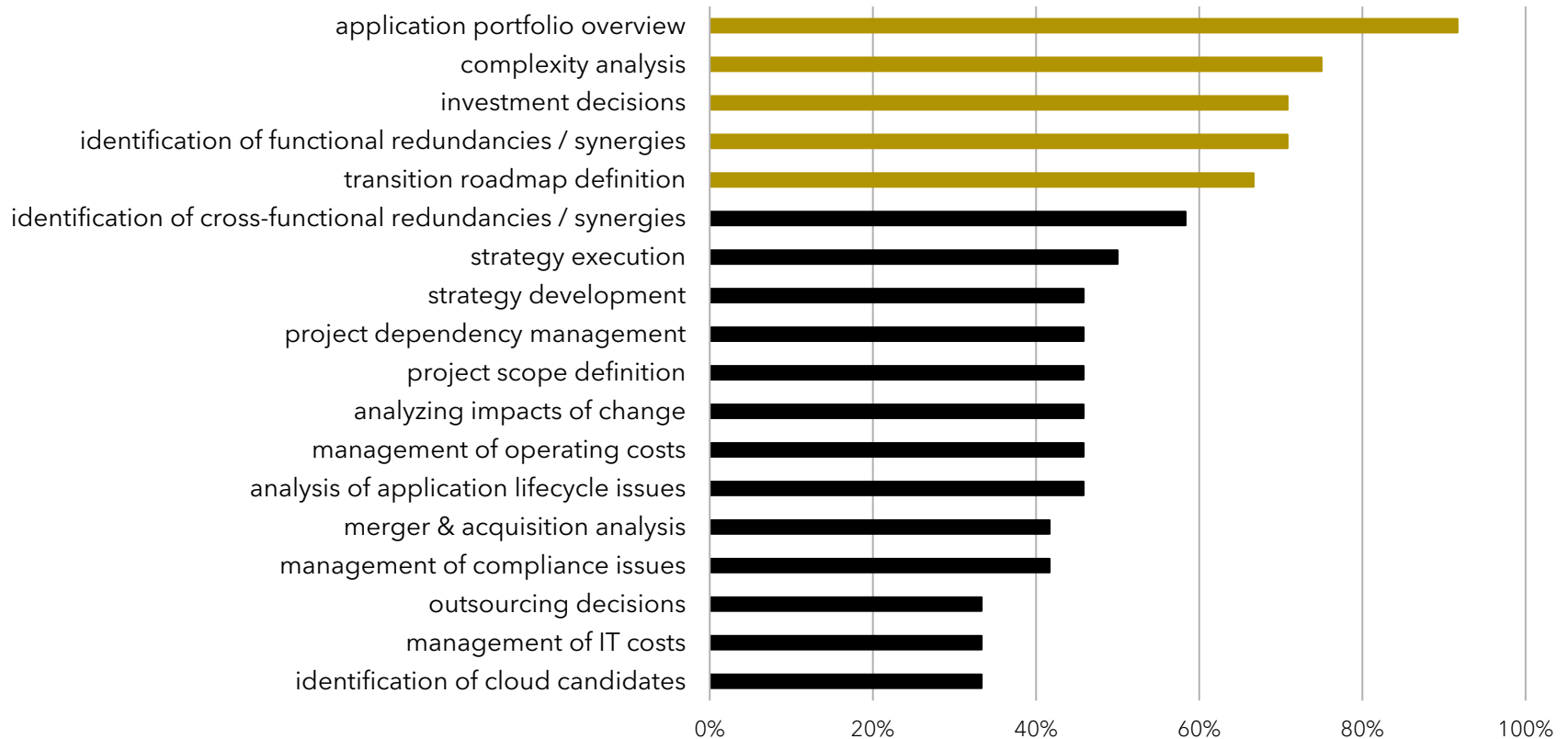
– multiple choices possible –

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## For what purposes do you use the capability map in your organization?

– multiple choices possible – *



Horizontal bar chart showing usage purposes (approximate percentages):

- application portfolio overview — ~92%
- complexity analysis — ~75%
- investment decisions — ~71%
- identification of functional redundancies / synergies — ~71%
- transition roadmap definition — ~67%
- identification of cross-functional redundancies / synergies — ~58%
- strategy execution — ~50%
- strategy development — ~46%
- project dependency management — ~46%
- project scope definition — ~46%
- analyzing impacts of change — ~46%
- management of operating costs — ~46%
- analysis of application lifecycle issues — ~46%
- merger & acquisition analysis — ~42%
- management of compliance issues — ~42%
- outsourcing decisions — ~33%
- management of IT costs — ~33%
- identification of cloud candidates — ~33%
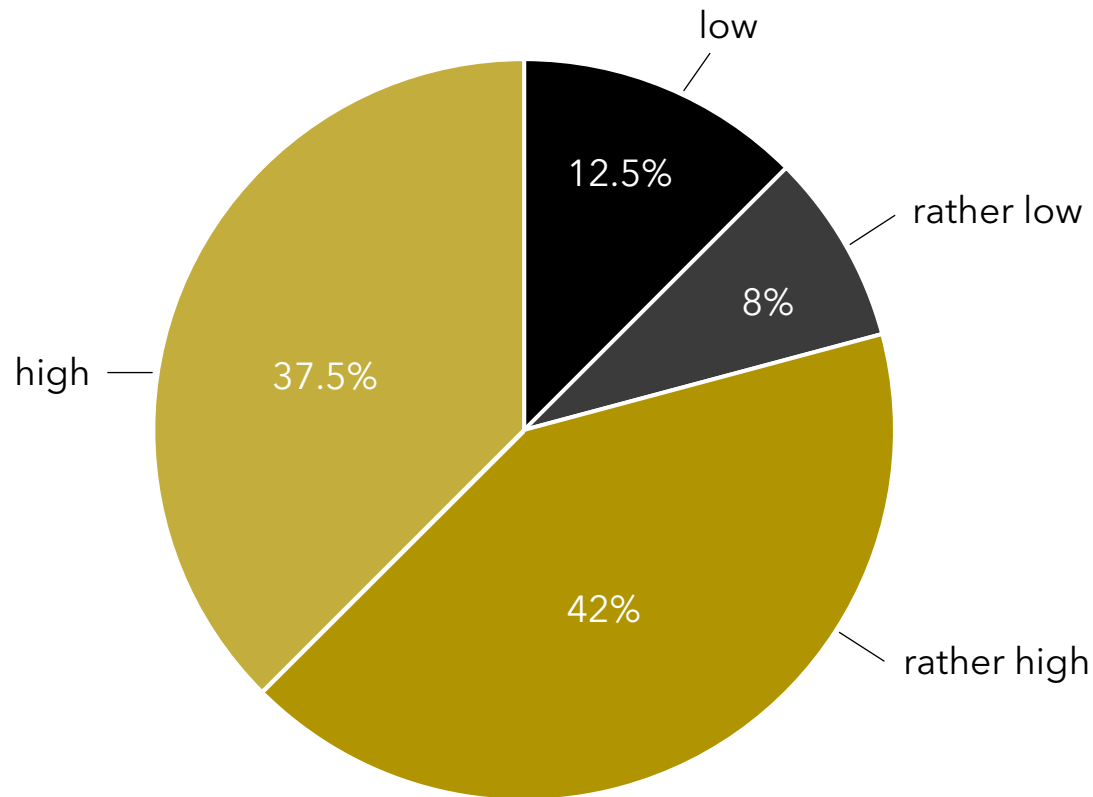
(x-axis: 0%, 20%, 40%, 60%, 80%, 100%)

* see Appendix for the full formulation of available choices

4.3 – Usefulness

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**How would you rate the usefulness of the capability map (i.e., benefits of using the capability map) in your organization's usage scenarios?**

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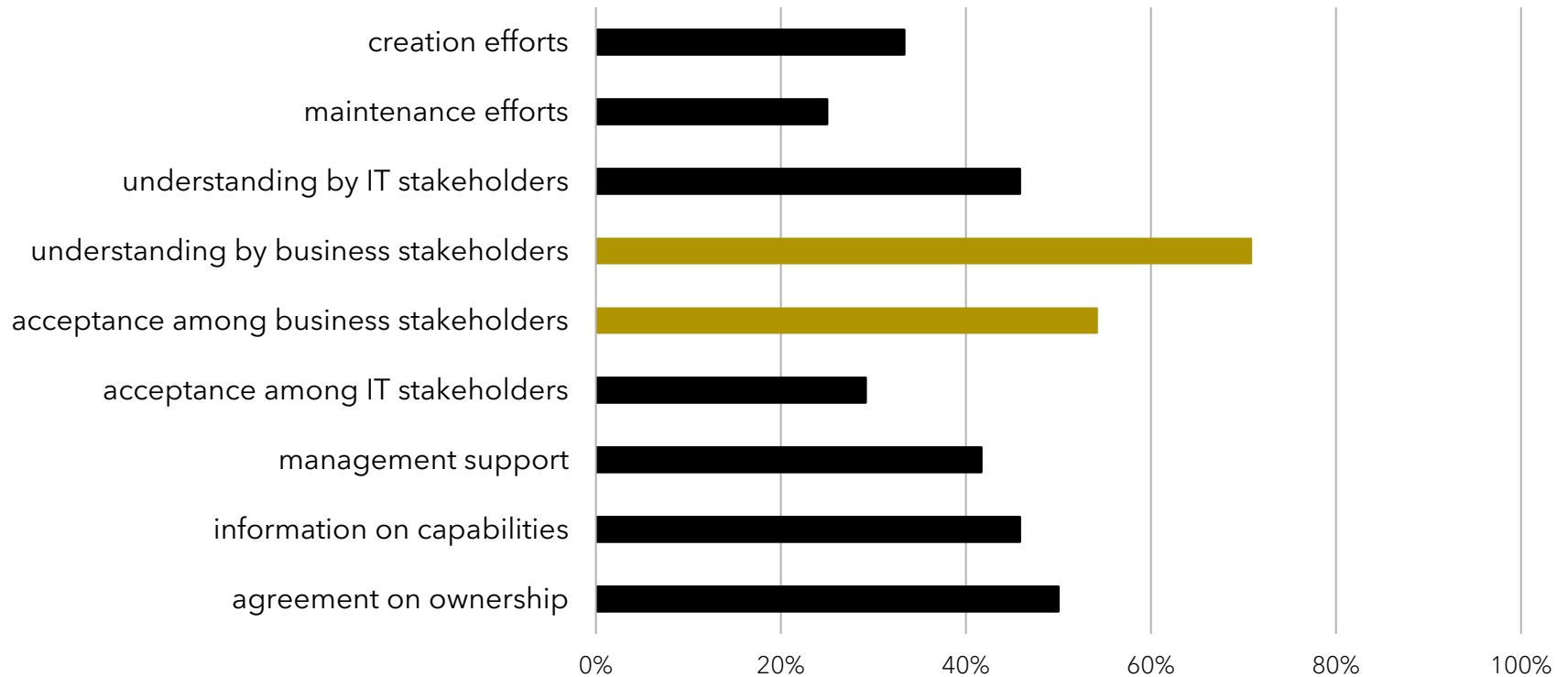
## What challenges have you been facing while developing, maintaining, and using the capability map?

– multiple choices possible – *
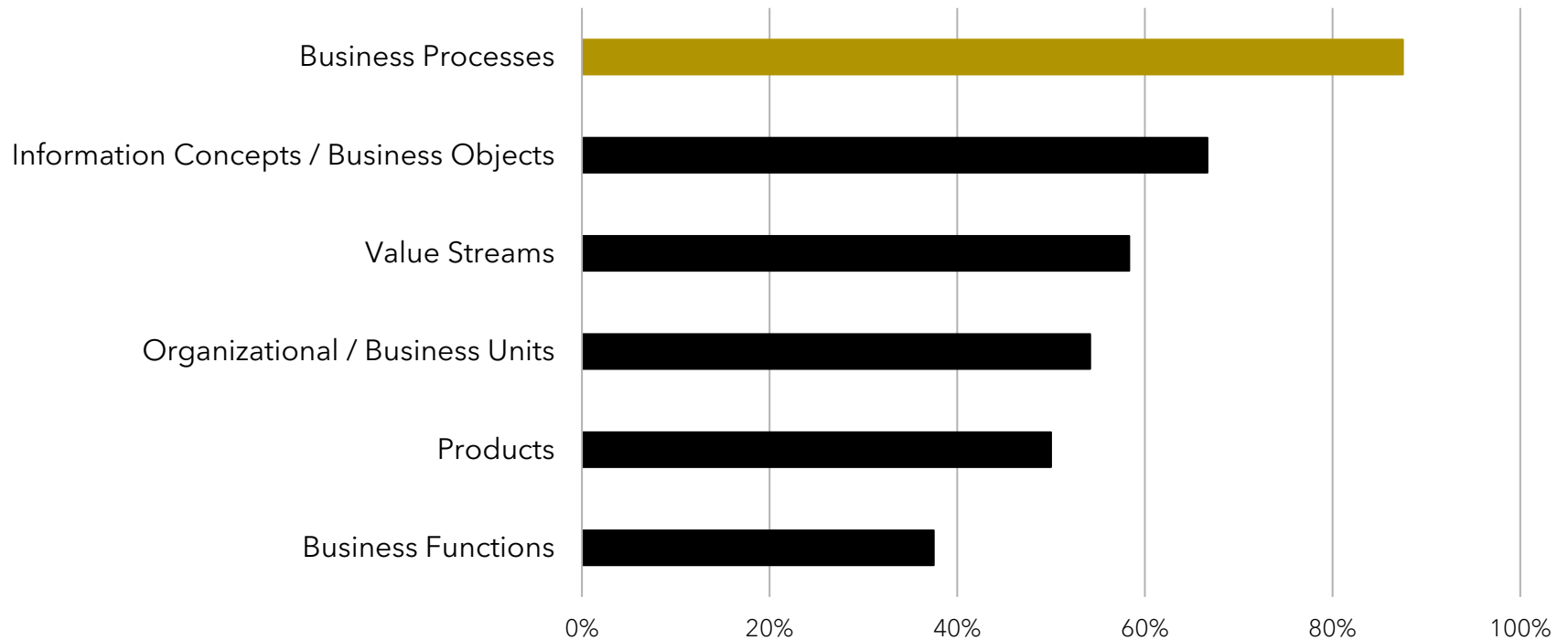


* see Appendix for the full formulation of available choices

# 4.5 – Other Business Architecture Concepts

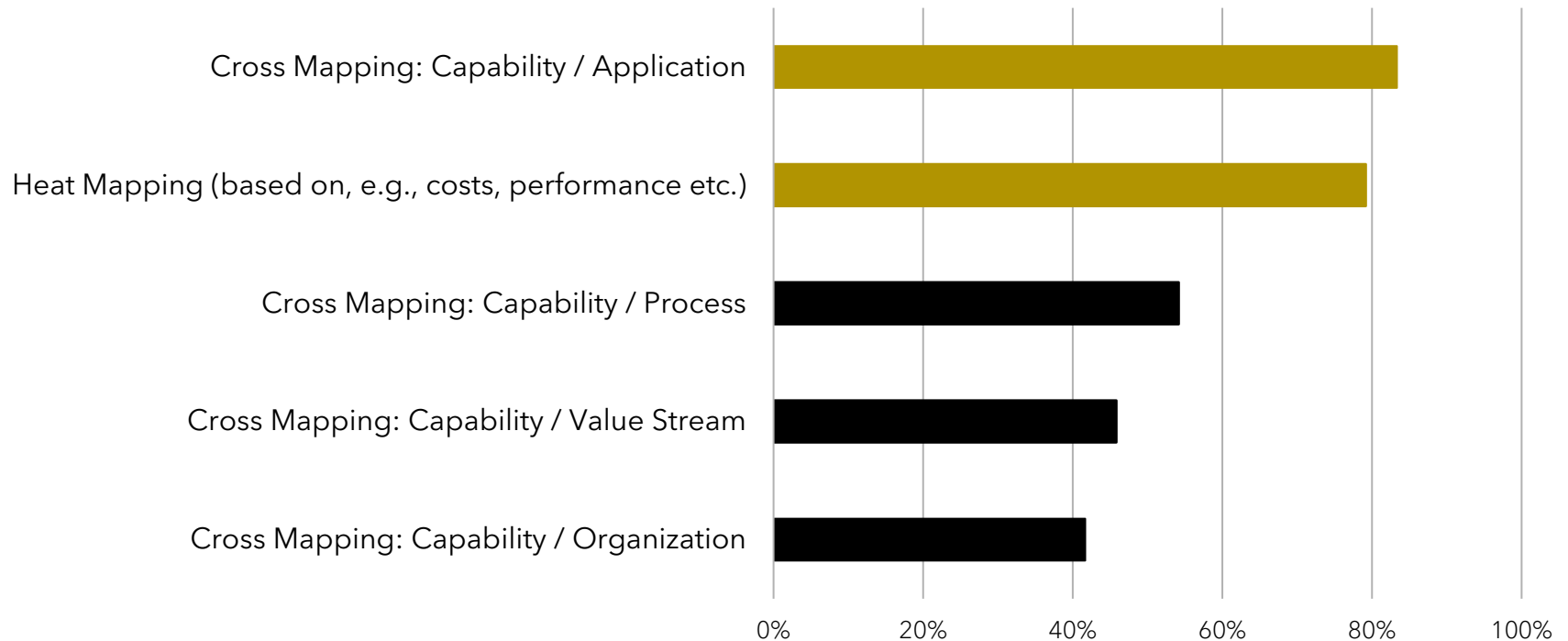**What other business architecture concepts do you make use of (and do you map) in your organization?**

– multiple choices possible –

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## Which mapping approaches do you use in your organization to analyze or assess capabilities?

– multiple choices possible –

- The main stakeholders of a capability map appear to be enterprise architects and business architects themselves, followed by IT architects, strategists, and business executives. Project-level roles such as business analysts and solution architects seem to be less prevalent stakeholders.

- Three out of the top five capability map usage scenarios are related to aspects of managing one's application portfolio. Making investment decisions and defining transition roadmaps are the other top purposes for which capability maps are used.

- **A great majority of organizations in the data set seem to benefit from the use of a capability map, irrespective of how the map has been designed.** This suggests not to get lost in mapping discussions and make decisions at some point.

- **The understanding and the acceptance among business stakeholders seem to be the key issues or challenges related to the development, maintenance, and use of a capability map.**

  - While this stresses the importance of involving stakeholders (see Question 2.3 and Sect. 2 Summary), it also suggests that architecture practitioners might need to find more effective ways of explaining and selling capability mapping in their organizations.

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## Get in touch
## for more insights.

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# 3.1 and 3.2 – Further Explanation and Examples

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**3.1 – How do you identify, name, and discriminate between high-level capabilities in your organization's capability map?**

- **business object-oriented**: e.g., campaign mgmt., customer mgmt., order mgmt.
- **business function-oriented**: e.g., marketing, sales, logistics, human resources
- **product-/service-oriented**: e.g., cars, trucks, buses etc. for an automotive company; giro, loan, investments etc. for a bank
- **channel-oriented**: e.g., online, store, direct sales etc.

**3.2 – How are capabilities decomposed into child capabilities in your organization's capability map?**

- **business object-oriented**:
  e.g., an order-related capability decomposed into order placement, order settlement, order splitting etc.; a finance-related capability decomposed into tax mgmt., payment mgmt., financial account mgmt. etc.

- **business function-oriented**:
  e.g., a finance-related capability decomposed into payroll, billing, financial reporting; an HR-related capability decomposed into recruiting, learning & development etc.

- **product-/service-oriented**:
  e.g., life insurance vs. non-life insurance child capabilities for an insurer

- **channel-oriented**:
  e.g., online-specific vs. store-specific child capabilities

# 4.2 – Full Formulation of Available Choices

**4.2 – For what purposes do you use the capability map in your organization?**

- Provide an overview of the organization's application portfolio
- Identify functional redundancies and synergy / harmonization potential in the application portfolio
- Identify cross-functional redundancies and synergy / harmonization potential in the application portfolio
- Identify and analyze impacts of lifecycle issues within the organization's application portfolio
- Identify applications in the organization's portfolio that support multiple capabilities and drive complexity
- Identify cloud candidates within the organization's application portfolio
- Manage IT costs
- Manage operating costs
- Identify and manage compliance issues
- Make investment decisions
- Make outsourcing decisions
- Facilitate merger & acquisition analysis
- Analyze impacts of (potential) change
- Define project scope and structure requirements
- Manage project dependencies
- Define transition roadmaps
- Inform strategy development
- Support strategy execution / implementation of business model shifts (e.g., new products, markets etc.)
- Other: _____

# 4.4 – Full Formulation of Available Choices

**4.4 – What challenges have you been facing while developing, maintaining, and using the capability map?**

- High efforts to create the map
- High efforts to maintain the map
- IT stakeholders have problems with understanding the map
- Business stakeholders have problems with understanding the map
- Lack of acceptance among business stakeholders
- Lack of acceptance among IT stakeholders
- Lack of management support
- Lack of available information on capabilities / poor capability descriptions
- Lack of agreement on capability ownership
- Other: _____