

# OBASHI explained



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## Foreword from Richard Pharro, CEO, APMG



OBASHI provides a framework and method for capturing, illustrating and modelling the relationships, interdependencies and data flows between business and IT assets and resources in a business context.

Understanding data flow allows a better understanding of how your business works, no matter what your specific objectives and responsibilities may be.

OBASHI identifies business assets and interdependencies, providing an intuitive, visual map of the business to enhance understanding and improve communication.

For further information, reference materials and details of our certification scheme, visit [www.apmg-international.com](http://www.apmg-international.com)

*Richard Pharro*

## Executive Summary

For years, business leaders have bemoaned the inability of IT to demonstrate its true value and relevance in terms that can be universally understood, and hence debated. And with good reason as many industries have created common terms and processes that can be readily understood by everyone involved.

Within the IT industry, by contrast, the combination of rapid pace of change and the inherent complexity of many these new technologies has created an environment of miscommunication and misunderstanding that has led to mistrust by the business and left a litany of failed investments.

As Professor Jim Norton, Former Senior Policy Adviser e-business & e-Government, UK Institute of Directors. Vice-President & Trustee, BCS – The Chartered Institute for IT, says, “Far too often, major investments in new information and communications technology (ICT) fail to deliver on the benefits promised.” He cites poor understanding of the business need, lack of buy in from key stakeholders, and under investment in people and processes as major contributors. But he also highlights the lack of ability to capture and communicate the way in which an organisation works in a clear and understandable form; how activities, processes and the supporting technical infrastructure are linked to deliver the outputs required.

Today, the challenge is even tougher, with CIOs now expected to deliver a continuous programme of innovation and transformation within an era of austerity that demands consolidation and cost containment. But just how can such decisions be taken without even the ability to truly understand today’s business processes and interactions, let alone model the possible impact of the proposed change?

If organisations are to minimise risk and derive the required value from IT, there is a clear need to do this better; to deliver a common platform that facilitates better understanding between IT and the business, but also between disparate IT teams and, where relevant, external suppliers.

As Norton says, “For many years I looked for a methodology that would really address this challenge holistically.”

Step forward the OBASHI methodology which, he says, “Addresses directly the key issues behind the underperformance of ICT enabled business change.”

This white paper explains the history behind the development of OBASHI, which is a new way to document and model how people, processes and technology interact to make a business work far more effectively.

With its roots in the oil and gas industry, OBASHI makes business complexity easier to understand by highlighting business assets, analysing their interdependencies, and creating a visual map of the business to provide a common business language upon which both day to day and strategic decisions can be both based and delivered.

With a common language and clear understanding of data flows across the business, organisations can gain significant benefits, ranging from supporting rapid change to meeting the green agenda and driving out IT wastage. Critically, by creating consensus and universal understanding, organisations can finally begin to understand the fundamental role of IT within the business and attain a true measure of its corporate value.

## Setting the scene

### COMPLEX TERMINOLOGY AND BUSINESS CONFUSION

In today's highly competitive environment, CIOs are under pressure to drive down costs and squeeze greater value from IT assets, whilst supporting rapid business change. Yet many organisations lack the ability to understand the broader implications of many business decisions, making it extremely difficult to assess the associated business risk.

How can an organisation effectively assess an outsourcing strategy, or understand the implications of merger and acquisition-driven consolidation, or assess compliance risk without embarking upon a business led discussion, that not only references ongoing strategy across every part of the organisation but also considers key roles from compliance to risk management and service delivery?

And when it comes to cost cutting, this lack of insight and understanding can seriously jeopardise the quality and stability of organisations. The dangers associated with this lack of operational visibility have been flagged in the public sector. According to the UK National Audit Office (NAO), the UK Government is unlikely to meet its £35 billion spending reduction deadline next year, with departments lacking

the proper data to measure the cuts. The NAO investigated five large departments due to deliver £2.8 billion of the savings. It found that while 38 per cent of individual savings targets were sustainable, 44 per cent were uncertain, and 18 per cent "significantly overstated" their realistic savings potential.

This ambiguity regarding the implications of change is a burden to private and public sector alike. And the issue is not only poor information upon which to base these critical decisions but also the confusion that arises between individuals and departments working to different objectives and using different terminology.

With the pressure now beginning to tell, especially in the public sector, there is a real need for a common language to support relevant cross business discussion and analysis.

If IT is to realise its potential in delivering value to the business, organisations require a framework and method for capturing, illustrating and modelling the relationships, and inter-dependencies of all their assets in a relevant business context. This will only be achieved if they understand how data flows between their people, their processes and their technology.

# Introducing Obashi

## THE PHILOSOPHY OF DATA FLOW MAPPING

Various methodologies have been developed over the years designed to bridge the gap between IT and non-IT personnel. Yet to date, none have actually provided a simple to use, universally understood framework that enables everybody to see and understand how the business works and how they fit in.

Critically, IT needs to evolve and recognise its remit in delivering corporate value, in making the business work better. It needs a way to demonstrate both the cost and value of IT to the business and a way to prove how IT is helping to support the business moving forward. Critically, this has to be done in a standard fashion, using a common language to ensure universal understanding.

In addition, if barriers between departments, and even IT teams, are to be broken down, organisations need to be able to intuitively demonstrate the way activities, processes and the supporting technical infrastructure are linked to deliver required business outputs. Being able to see and understand these links and interdependencies provides a deeper understanding of the challenges faced by the business and facilitates better decision-making.

This universal approach, providing clarity across Ownership, Business Processes, Applications, Systems, Hardware, and Infrastructure can define the business services of a modern enterprise in a way that can be understood by individuals in every role across any organisation.

Leveraging experience gained within the oil and gas industry OBASHI, is the first methodology and framework that puts IT firmly within a business context. Its creation was inspired by a

project with British Petroleum circa 2000/2001 to understand the value of the significant IT investment, specifically enabling plant managers to visualise and understand how and why IT assets supported business services. The development of the OBASHI methodology then followed, which allowed business professionals in the oil & gas and process control industry real insight into the financial value of the data flow supporting key business services. The same principles can now be applied universally across every organisation that has some form of IT infrastructure.

The OBASHI Methodology assesses these six 'layers' of business operations, the first two of which examine how the business works and then a further four that explore the IT assets that support these activities:

- Ownership (stakeholders)
- Business Process
- Application
- System (Operating Systems)
- Hardware
- Infrastructure

These layers are mapped out in a Business and IT diagram (B&IT) which provides the framework to store information usefully. Elements are placed in these layers that represent the people, process and technology in a business.

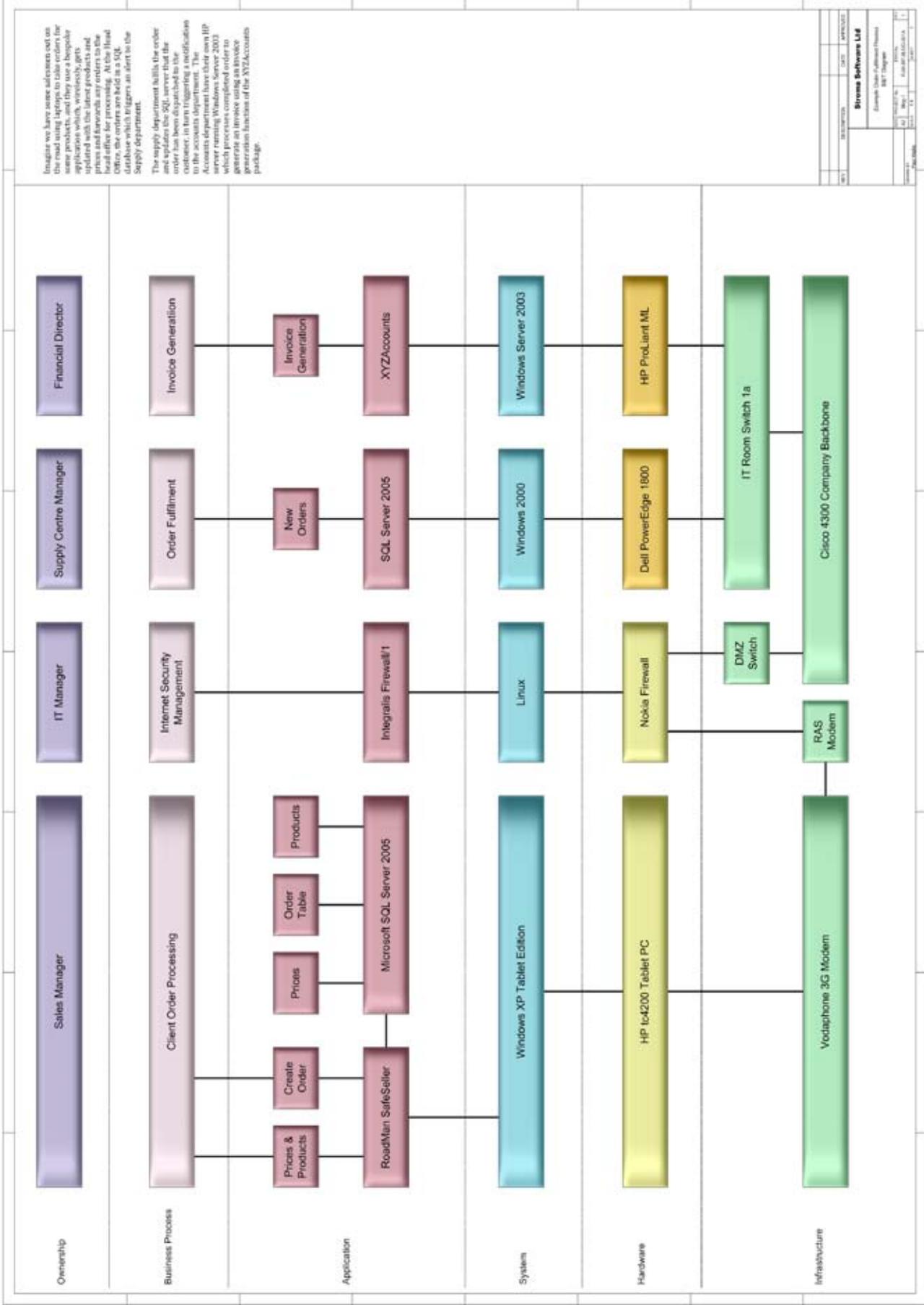
The key to this OBASHI approach is that business resources and IT assets are regarded as providers of data, consumers of data, or the conduit through which the data can flow. This enables the creation of the diagrammatic representation based on how data flows across the organisation, providing a common, intuitive and easily-understood diagram that facilitates relevant communication and decision making.

## The Obashi B&T Diagram

Organisations can then use the OBASHI Methodology to ascertain how the business operates as a whole and within each department, which IT assets enable critical dataflow, and how these assets are interdependent.

Critically, this six layer approach dovetails well with existing methodologies, such as the OGC best practices, because what OBASHI effectively allows you to do is to create the “Big Picture”, meaning Prince2® and ITIL® initiatives, which support improved project and service management, are easier to understand and communicate.

With this big picture, or corporate DNA, organisations have a clear picture of how the business inter-connectivity and a clearer understanding of the potential implications of change. The universal language enables everyone from senior executives to engineers or architects, even external suppliers, to achieve consensus, and understand the cost/value equations. The business can then establish a delivery platform to ensure changes are implemented effectively and quickly.



## Achieving Business Transformation

### DELIVERING BENEFITS AT EVERY LEVEL OF THE ORGANISATION

The OBASHI B&IT diagram provides information that is relevant to individuals across the business, from management through compliance officers and IT providers. It provides clear insight into the links between business assets, processes and functions. This enables individuals at every level of the organisation to understand how business change will affect their specific roles.

But what difference does this make in practice?

■ **Senior management:** Despite years of attempts to build bridges between IT and the business, senior managers are still struggling to understand the value of IT and remain frustrated by the constraints existing and new technologies impose on innovative plans for business expansion, consolidation or redirection.

Leveraging both a common language and a simple, intuitive diagrammatic presentation, the CIO can now truly demonstrate the role IT is playing in the business – and its associated value.

The creation of a strong platform for effective business design, based on consistent information and shared language, is key to managing rapid change. And the ability to simulate the impact of operational change up and down the business provides far more support for and confidence in key decisions.

■ **Compliance Officer:** Organisations now face an incredibly complex and wide ranging compliance landscape. For a compliance officer,

the challenges associated with managing the diverse activities of different departments, avoiding overlap, and controlling cost to comply is a massive challenge. With standards compliance increasingly associated with the use of or reliance on IT assets and resources, the ability to capture and contextualise any data required as proof of compliance to a standard is key.

Mapping data flows across the business enables an organisation to attribute key information and data standards relating to the people, process and technology assets and resources in their existing context, even if they are utilized across many parts of the business.

Designing standards adherence into business transformation and change control processes makes it far easier to monitor and manage progression towards achieving compliance and delivering the required proof.

For compliance officers, this approach provides a continuous, trusted knowledge base of evidence across a raft of compliance activity, from Data Protection and Freedom of Information, to Green IT and corporate risk.

■ **IT operations:** Too many IT investments have failed to deliver the expected benefits. But the technology itself is rarely at fault. Instead, a lack of business understanding combined with a lack of senior management commitment and poor cooperation between the different IT functions can severely jeopardise any project.

By creating a simple, accurate and easily understood approach to capturing and

communicating the way activities and processes link to the technical infrastructure to deliver outputs, IT can transform performance.

- The ability to combine accurate data flow tracking with business processes and 'what if' analysis enables IT to meet a variety of day to day and strategic objectives, from proving the value of IT spend, to identifying opportunities for cost reduction and supporting business change.
- Overcoming departmental and IT silos is key to minimising the risk associated with IT development.
- Optimisation through consolidation and sweating the assets can only be achieved effectively if organisations understand the implications of change across the entire business, not just in one area.

■ **External supplier management:** While the shift from single to multi-sourcing continues, organisations are increasingly using a raft of external suppliers to deliver diverse IT support and service activities. But with these third parties working in isolation, there is no consistent overview of performance, or any way of mapping this activity to the strategic objectives.

By creating the big picture view of the business, an organisation can map in consultancy activity, better assess the role and performance of these third parties and create a clear direction for on going supplier management that reflects key business goals.

## OBASHI HAS END TO END BUSINESS IMPLICATIONS

This rigorous approach provides a chance to transform decision making, drive down risk and achieve more quantifiable value from both day to day and strategic investments. Creating a common language, universal framework and clear links between events will impact not only on business design but also business monitoring and business optimisation.

■ **Supporting Change:** Within the current business climate, rapid change is endemic. From the escalation in merger and acquisition activity to the drive towards innovation to reduce costs and achieve differentiation, organisations are entering a period of unprecedented change. Yet at the same time, this change needs to be achieved within an atmosphere of economic austerity and corporate cost containment.

Organisations now have the ability to understand the way functions link together, assess the implications of change on different functions and design new processes that leverage economies of scale throughout an organisation.

- The ability to track data flows, business owners and processes enables areas of commonality and overlap, across functions such as HR, Logistics, Finance and Design, to be rapidly identified. A strong delivery platform ensures best management practice can be quickly propagated across the business.
- Within a merged operation, with different customer bases and core activities, the ability to create a big picture view of the new organisation is key to identifying areas of business strength.

□ Organisations can then embark with confidence upon a consensus discussion surrounding the new long term goals, supported by 'what if' analysis to assess business risk.

■ **Achieving Compliance/Governance:** Using a common language and universally understood methodology that incorporates every aspect and function of operational delivery, organisations can overcome departmental silos and attain a far better understanding of operational risk. This joined-up approach drives down risk, supports streamlined compliance functions and drives down governance costs.

■ **Transforming Productivity:** Effectively managing budget cuts whilst maintaining output levels is a key challenge in the current economic climate. The ability to model business processes and assess the up- and down-stream implications of process change is key in making the right budget cuts and realising additional value without compromising performance in any area of the business.

■ **Reducing IT waste, maximising IT value:** Accurately mapped data flows enable organisations to understand the cost and value of IT to the business accurately for

the first time. In addition to identifying the cost/benefit of IT investment, CIOs can use modelling to demonstrate the potential value of new investments whilst also identifying opportunities for reducing IT waste.

■ **Facilitate Corporate Strategic Thinking:** A common language for discussion enables organisations to embark upon cross-departmental strategic consultation with a universally agreed starting point. Business modelling, design and optimisation can be employed to support rapid corporate change and mitigate the associated risk.

■ **Meeting Green IT Targets:** The ability to map data flows within the data centre enables organisations to, for example, assess how best to reduce electricity consumption, meet sustainability targets and support ISO 20,000 compliance.

## Conclusion

Meeting the challenges facing public and private sector organisations today

The corporate landscape remains challenging. Every business is faced with optimising resources whilst supporting a fast changing environment, from growing compliance demands to escalating merger and acquisition activity.

But organisations cannot afford to make these decisions based on gut feel; the risks are simply too high. And the effects of such strategy is plainly visible in the numerous failed projects and initiatives of the past 15 years, many blamed on a lack of thought and misunderstanding as well as poor delivery programmes.

Furthermore, while organisations increasingly buy in to the message that IT exists not simply to push the boundaries but to make businesses work better, many IT teams are struggling to accommodate the pace of business change.

One way to minimise risk and deliver the consolidation and cost cutting required in today's economy without fundamentally jeopardising corporate performance is to achieve true, accurate and trusted communication across IT and the business. And at the heart of this consensus must be a better way to document and model the interactions between people, processes and technology, across a business, to provide the big picture.

It is with this common language and intuitive, cross-functional approach that IT can truly fulfil its role as business enabler and facilitate true, effective business and IT collaboration to facilitate greater professionalism and, critically, deliver tangible value from the IT investment.

## Further information

The Obashi Method:  
**[www.obashi.co.uk](http://www.obashi.co.uk)**

Obashi Certification:  
**[www.apmg-international.com](http://www.apmg-international.com)**

“Seeing the big picture” is vital to making the right strategic decisions.

Being able to “join the dots” and understand how your assets interact in order to get more out of them is key for operational decision-makers.

OBASHI® allows you to do both.

You can create a dynamic map of how your organization works, then identify and value how data flows between your business assets.

OBASHI will make things clearer and help you make better decisions because it’s been designed, specifically, to help people improve how their organizations perform.

Whether your challenge is reducing costs, driving competitive advantage, or both, then you need to think OBASHI.



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