

# The Business Capability Map: Building a Foundation for Business/IT Alignment

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Businesses are faced with ever-increasing complexity, competition, and cost pressures. Vendors espouse new products and "silver bullet" solutions, but more often than not, they fall short of expectations, and worse, add to the complexity of IT challenges. Yet there is hope for getting a handle on this complexity and finally addressing the challenge of business/IT alignment. The approach is not based on a new product or technology but on an architectural foundation that brings the complexity of IT into focus from a business perspective. Starting from that perspective, enterprises can establish a clear understanding and concise business strategy, identify redundancies and gaps across existing systems, and move toward streamlined IT solutions that maximize value and align effectively with business objectives.

This approach, described in our recent Enterprise Architecture *Executive Report* ("[The Business Capability Map: The "Rosetta Stone" of Business/IT Alignment](#)," Vol. 14, No. 2), is based on the concept of a business capability. A business capability is the fundamental abstraction used to describe *what* a business does at the very core. The business can then use the concept of a business capability to realign its thinking and address complex issues in highly targeted ways. Businesses can then map those capabilities to IT solutions, such as applications and business services, making the redundancies and inconsistencies of the current state much more obvious and the transition to the future state much clearer.

The emergence and growing popularity of the business capability is due to a combination of factors that enable business/IT transformations:

- Capabilities provide business with a common language.
- Capabilities enable laserlike business investment focus.
- Capabilities serve as a baseline for strategic planning, change management, and impact analysis.
- Capabilities lead directly to business service specification and design.
- Capabilities clarify modernization and transformation approaches for IT architectures.

Overall, capabilities provide the capacity to achieve a desired outcome. They can be described through a capability map, which is a hierarchical description of what the business does.

Businesses usually refer to Level 1, Level 2, and Level 3 capabilities where each level is a decomposition of one or more capabilities at a higher level. We typically order these maps according to three categories of capabilities: strategic, value-add, and support. Adherence to principles facilitates efforts in understanding, defining, and using capabilities for planning and executing business/IT transformation efforts.

The 10 principles that will help you define your business capabilities are:

1. Capabilities define what a business does, not how a business does something.
2. Capabilities are nouns, not verbs.
3. Capabilities are defined in business terms, not technical terms.

4. Capabilities are stable, not volatile.
5. Capabilities are not redundant.
6. There is one capability map for a business.
7. Capabilities map to, but are not the same as, a line of business, business unit, business process, or value stream.
8. Capabilities have relationships to IT deployments and future-state IT architecture.
9. Automated capabilities are still business capabilities -- not IT capabilities.
10. Capabilities are of most value when incorporated into a larger view of an enterprise's ecosystem.

In [the report](#), we discuss the details of what a capability is and how to use it to achieve alignment. We describe the capability map and the different levels and categories of capabilities. We also describe a process for developing a capability map. While variations are employed in practice, the basic seven high-level steps to building a capability map are:

1. Draft an initial Level 1 capability map.
2. Review, finalize, and publish the Level 1 map.
3. Establish priorities for Level 2 decomposition.
4. Create and publish Level 2 map.
5. Establish priorities for Level 3 decomposition.
6. Create and publish Level 3 map.
7. Review, refine, publish, and communicate.

While these steps create the foundational view of business capabilities, further capability decomposition and additional business analysis and business/IT mapping allow the capability map to play a major role in business/IT transformation. We, therefore, spend some time putting capabilities into the perspective of the business architecture, including organization, value streams, information assets, and business processes. Taking the context to a higher level, we describe the relationship of capabilities to the overall enterprise architecture, including IT architecture domains. Of particular interest is the relationship between capabilities and service-oriented architecture (SOA), where the detailed decomposition of capabilities leads directly to the design of business and information services. Capabilities play an important role in business/IT transformation planning. We describe the techniques of capability-based analysis and how to use it for strategic and transformation planning. We extend this line of reasoning, mapping to value streams, processes, and existing applications -- ending up with a target-state architecture and a current-to-future-state transformation roadmap.

A discussion of IT transformation would not be complete without addressing the disposition of existing systems, so we finish off the report with an elaboration of the role of capabilities in system modernization and transformation. We have described the business capability map as the "Rosetta Stone" of business/IT alignment. The metaphor suggests that a communication gap exists across various business units and between business and related IT deployments. What has been missing is a key that is capable of expressing the important concepts and translating between them. The business capability key provides the link between two complex and widely different environments: business architecture and IT architecture.

Capability maps provide the high-level foundation for alignment between them. Business architecture, an overarching blueprint of the business, enables the mapping of capabilities to the strategies, goals, objectives, initiatives, information assets, processes, applications, and services that implement them. We're confident that they can play a key role in your business's transformation and alignment by reducing complexity, providing new understanding and clarity of focus, and helping to bridge the gap between your business and IT.