Research Report

The Business-Driven Roadmap Imperative

How IT Can Unshackle Itself from a
Vendor-Dictated Model

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Summary

While transactional efficiencies and simplification are still foundational for well-run IT organizations, IT's mandate has changed. Many CIOs are being asked by their CEO to focus on game-changing initiatives. This requires IT to shift from a reactive, ticket-based cost center to an open, agile and customer-engaged organization that rationalizes technology decisions based on where the business is going. CIOs must ensure that precious IT dollars are spent where they will make the most difference. To be successful at this, IT leaders are making a conscious shift to implement a Business-Driven Roadmap.

Observations

– Most CIOs believe they are in control of their enterprise software roadmap, but may feel pressured to adhere to their vendors' roadmaps or adopt a general strategy such as "cloud-first" without a clear map of how the strategy supports the business.

– Many IT roadmaps are too technically focused — created from the bottom up to support IT goals rather than being developed to support business strategies.

Recommendations

– Develop a business-driven approach for enterprise software initiatives to create alignment among stakeholders on how IT will ensure technology solutions are in place and ready to support the business strategy.

– Use a Business-Driven Roadmap to optimize IT and create capacity for delivering the right technology solutions at the right time to enable business priorities. The roadmap can guide decisions on optimizing operations costs and staffing in order to free up funds and resources for innovation.

– Use a Business-Driven Roadmap to prioritize innovation and become better able to respond to change so you can innovate at the speed of the business. Adopt best-in-class options that support the business strategy without being limited to incumbent vendor solutions.

– Future-proof your enterprise and ensure that IT has the flexibility to respond to the business. Eliminate low-value/high-cost vendor-dictated changes that don't improve the business. Replace them with initiatives that enable business growth and competitive advantage.

– Use multiple IT roadmaps (e.g., functional, technical, cloud, etc.) to show layers of detail about how your IT strategy supports the business.

– Wrap it all up with a support roadmap that indicates the changes in support requirements that will occur as a result of following the Business-Driven Roadmap. This will help you plan for adding headcount and filling skill gaps, particularly as some analysts have predicted that the global IT resource shortage will get worse.

Analysis

It's Time to Change How IT Enables the Business (the new CEO Mandate)

Business priorities are changing to growth and innovation. This is shifting the CEO's mandate to IT from efficiency and standardization to being an open, agile and customer-engaged organization that enables business-driven outcomes. Complicating this dynamic is an increase in the frequency of vendors introducing new digital technologies such as cloud, social, mobile and analytics. New opportunities are opening up for the business to determine if — and how — it will innovate. However, investing in innovation is easier said than done.

Many CIOs are unsure about which technologies to invest in as they prepare to meet future business demands. Constant change in technologies can force decisions about whether to keep what they've got or swap out components for new products as technologies evolve. The cost of changes will add up, but many CIOs don't get additional budget from their CEOs to make digital and other innovations happen.

Most CIOs believe they are in control of their IT roadmaps, but many feel pressured to adhere to their vendors' roadmaps or risk loss of support. Others feel pressured to adopt a general strategy such as "cloud first" without a clear map of how the strategy supports the business. These approaches are not aligned with business transformation or IT's new mission. Vendor-dictated changes can consume a significant portion of the IT budget and resources that could be used to deliver greater business value and innovation.

In order to be responsive to the business, CIOs must choose between two directional strategies: vendor-dictated or business-driven.

Defining a Business-Driven Roadmap

A Business-Driven Roadmap is a rolling 3- to 10-year plan that translates an enterprise's business strategy into technology initiatives that enable the enterprise to achieve its objectives. A roadmap is business-driven when technology investments are aligned with business goals, priorities, resources and timing. It is comprised of a primary high-level roadmap showing technology investments that enable business outcomes.

If you take the idea of a physical roadmap and apply it to an enterprise, the roadmap shows your business goals (or business outcomes) as destinations. It shows the IT strategy as the route you intend take to get there. It shows individual technology investments or projects as the stops you'll make along the way. There may be detours along the way, but you should start out with a plan.

The key difference between a Business-Driven Roadmap and a vendor-dictated roadmap is that a Business-Driven Roadmap places the business requirements and users at the center of every critical roadmap decision. Its destinations are defined by business leaders. For example, if the roadmap doesn't show how investments move the enterprise toward achieving business goals, it is not business-driven because there is no business destination defined. Application and technology roadmaps are also not business-driven if they are built around your vendor's roadmap and goals. Applying a vendor's upgrades in order to retain full support or migrating to the vendor's cloud solutions in order to follow the vendor's technology roadmap are examples of vendor-dictated initiatives. Figure 1 shows additional comparisons of the vendor-dictated versus business-driven roadmap approach. Your enterprise software vendor's updates should be included when planning a Business-Driven Roadmap if they contribute to achieving a business goal. However, the vendor updates shouldn't dictate the route, priority or timing of a Business-Driven Roadmap.

Figure 1. Vendor-Dictated Versus Business-Driven Roadmap Comparison

Comparison	Vendor-Dictated Roadmap	Business-Driven Roadmap
Focus	Benefits vendor	Benefits business
Investments	Upgrades and migration	Innovation and differentiation
Agility	Vendor only lock-in	Best-in-class / hybrid
Flexibility	Rigid support policies	Maximize value and ROI
Cost model	90%+ margins	Up to 90% cost savings
Support coverage	Vendor code only	Vendor & custom code
Support delivery	Call center, book-trained	Assigned, expert engineers
Business impact	High cost, low ROI	Low cost, high ROI

There is no such thing as a "one-size-fits-all" roadmap, and a single view of the roadmap will likely be too limited to show the various application and technology layers involved in how your IT strategies will be executed. More detailed, supplemental roadmaps (e.g., functional, technical, cloud, infrastructure, security, skills and others) may be needed to capture details such as the order in which specific new business capabilities will be implemented. Likewise, roadmaps may be used to show how a given strategy will be executed — for example, cloud migration by cloud layer. Each of the roadmap views should reflect the priorities and timing needed to align with the business' goals (Figure 2).

Wrapping it all up, the Business-Driven Roadmap provides a holistic view of the timeline of support needed to deliver and maintain the solutions being planned. It makes visible the changes in support requirements that will occur as a result of following the Business-Driven Roadmap. Given a rising wave of retirements among people with enterprise software skills, combined with an acute demand for new digital skills, the competition for resources is going to get worse. A Business-Driven Roadmap will help you develop a support roadmap to guide headcount decisions and plan for filling skill gaps.

Figure 2. Sample Business-Driven Roadmap Layers (not an exhaustive list)

Type	Audience	Description
Strategic	C-level stakeholders	Sets fundamental direction and guides IT investment decisions
Capability	Business leaders	Shows the priority, timing and sequence of new business capabilities to support business goals
Functional	Business and IT	A vendor-specific map for deploying functionality that achieves business goals
Technical	IT leaders	Investments by type of technology (e.g., database) to get ready for the business, to address externally driven changes or modernize the application environment
Cloud	Cloud stakeholders	Shows the priority, timing and sequence for moving portions of the application platform and portfolio to the cloud
Support	IT leaders	Shows the support strategies and timing for the other roadmaps
Digital	Business and IT	Shows the priority, timing and sequence of new business capabilities to support business goals
Risk	Business and IT	Shows the change in levels of risk as other roadmap destinations are reached
Licensing	Business and IT	Shows the changes in licensing needed to support other roadmap destinations

Why Adopt a Business-Driven Roadmap?

If an organization were to run without change, and the technologies that enable that organization remained static, there would be no "change journey" needed. There would be little need to ensure that technology is in place to support the changes. The risk of not having a roadmap would be minimal. It's only when the need to "get from here to there" arises, that you have to make choices about how you intend to make the journey so that the right investments are made and made in time to allow IT to enable the business change. Alignment between IT and lines of business is critical. If organizations are not aligned with and enabling business initiatives, their tenure will likely be short-lived. Using a Business-Driven Roadmap highlights needs, gaps and disconnects between the business objectives and IT's technology plans.

The digital journey provides a clear example of how important this is. If the business has decided to "go digital," most enterprises will need to ensure that digitally capable technology infrastructure is in place to serve as the platform on which digital solutions reside. You can't buy a digital platform today so IT must be aware of the business goal and timeline in order to build the platform earlier on the timeline, before the business needs it.

CIOs must keep up with the pace of change in the business. Following a Business-Driven Roadmap helps IT optimize and create capacity for change in terms of people, time and money. For many, the existing enterprise software platform lacks the agility to innovate or change quickly. Plus, ongoing and required technology "churn" consumes valuable resources. Following a Business-Driven Roadmap can give IT the agility to accelerate innovation by eliminating vendor lock-in. This lets you leverage existing stable, mature software investments as a foundation for incorporating innovation faster.

Another key benefit of following a Business-Driven Roadmap is that it can make IT more flexible. Business objectives can be achieved on the enterprise's terms and timing, not timing dictated by vendors. Being liberated from vendor-dictated changes allows IT to focus on modernizing the enterprise software environment, helping make it future-proof and ready for continuous change.

Finally, it highlights operations and support needs over the timespan of the roadmap. Doing this enables a unified approach to managing and supporting the enterprise software portfolio. Let's look at three key benefits in more detail:

Optimize to create capacity: A Business-Driven Roadmap makes visible the company's "innovation capacity" and facilitates resource/manpower planning to provide the right skills in the right quantities. Many CIOs have a mandate to innovate, yet most have capacity constraints and only a lucky few get new budget and staff to deliver innovation. Many CIOs also have pressure to adhere to vendor policies and product roadmaps. Following a Business-Driven Roadmap forces elimination of high-cost/low-value/resource-intensive initiatives (such as some vendor upgrades) that don't lead to achieving desired business outcomes. CIOs who decide to stop following their vendor-dictated roadmaps can create capacity to innovate.

Accelerate innovation: The new capacity can be assigned to delivering the right technology solutions at the right time to enable business priorities. Following a Business-Driven Roadmap also paves the way for adopting best-in-class options that support the business strategy without being limited to incumbent vendor solutions. This makes IT more nimble and accelerates innovation by being better able to respond to change in order to innovate at the speed of the business. A Business-Driven Roadmap also makes visible the changes in support requirements that will occur over time. This will help you plan ahead and avoid delays while adding headcount and filling skill gaps needed to execute and support initiatives on the roadmap.

Future-proof your enterprise: IT teams, more than any other group in an enterprise are used to change, but they are being pressed to keep up with an increase in the speed of innovation. CIOs should be enabled to orchestrate a dynamic portfolio of applications that is increasingly user-centric and interconnected. Following a Business-Driven Roadmap helps IT maximize the value and lifespan of current stable and mature assets without forced upgrades or migrations that don't advance the journey to achieving business goals. The ability to do this also improves IT's ability to make modernization decisions and build a flexible technology foundation that supports continuous change and accommodates future best-in-class solutions and strategies. By future-proofing your enterprise software ecosystem, you can ensure that IT has the flexibility to respond to the business.
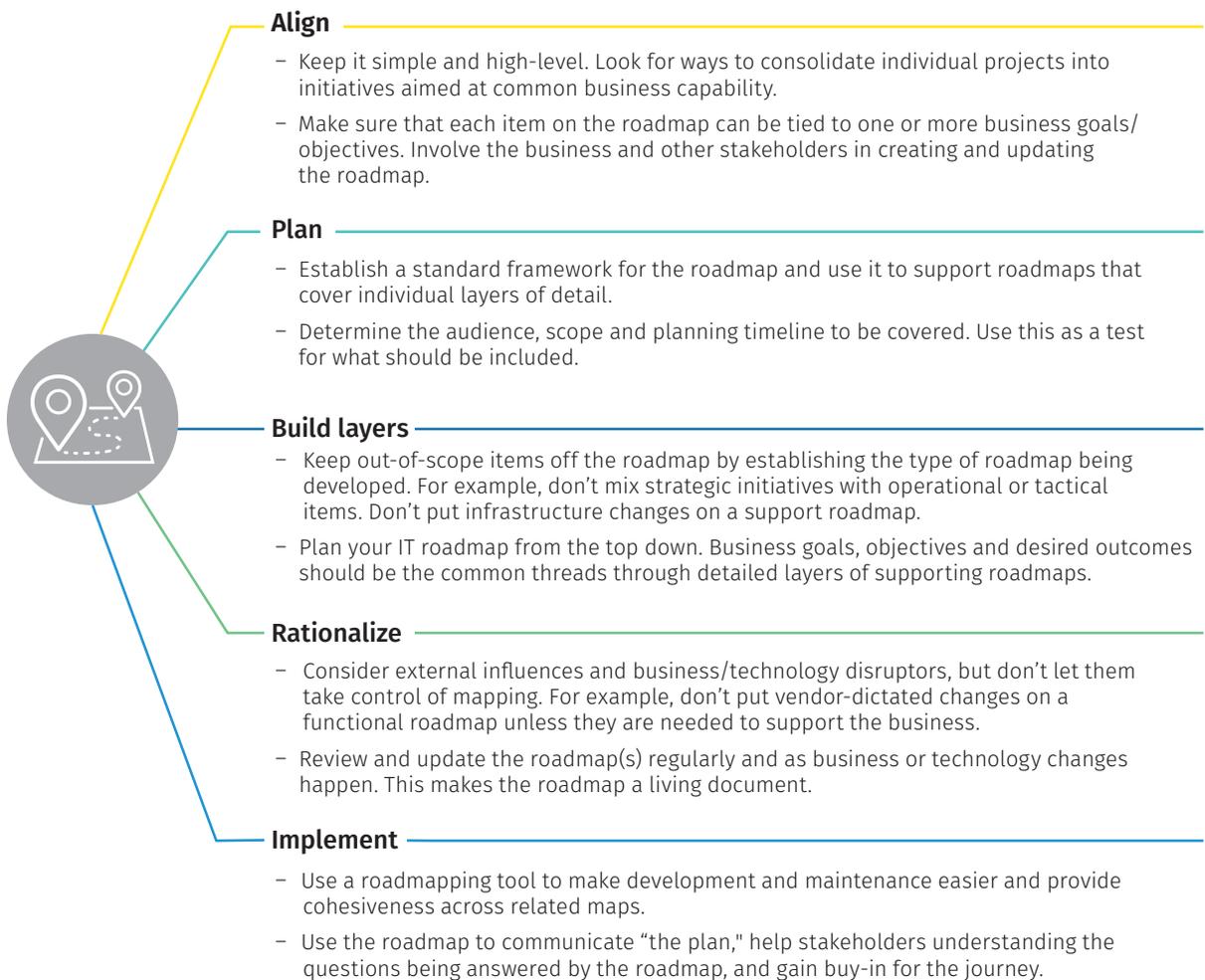
Attributes of a Business-Driven Roadmap

A good Business-Driven Roadmap lays out the enterprise's technology journey in support of business goals and priorities. It should be simple but must convey the sequence, priorities and timing of IT initiatives and how they align with specific enterprise goals. For CIOs to achieve the flexibility, agility, growth and transformation required by the business to drive the organization forward, they need a roadmap that does the following:

Attribute	Description
Aligns and communicates	Sets fundamental direction and guides IT investment decisions
Is collaborative	Shows the priority, timing and sequence of new business capabilities to support business goals
Prioritizes investments	A vendor-specific map for deploying functionality that achieves business goals
Is simple and focused	Identifies investments by type of technology (e.g., database) needed for the business, to address externally driven changes, or modernize infrastructure, etc.
Maximizes value	Shows the priority, timing and sequence for moving portions of the application platform and portfolio to the cloud
Makes capacity visible	Shows the timeline of support that will be needed to execute the roadmap
Has impact	Shows the priority, timing and sequence of new business capabilities to support business goals
Eliminates vendor lock-in	Shows the change in levels of risk as other roadmap destinations are reached
Puts IT back in control	Shows the changes in licensing needed to support other roadmap destinations
Is cost effective	Frees up funds from inefficient processes and churn
Is fit-for-purpose	Considers best-in-class options and is not limited to legacy vendor solutions

10 Best Practices for Creating a Business-Driven Roadmap

The most common mistake made when creating a Business-Driven Roadmap is jamming too much into it. Another common mistake is creating the roadmap from the bottom up rather than starting with business goals as the destination, and working your way down to the detailed routes that will get you there. A roadmap should be part of your enterprise architecture (EA) plan. As Gartner's James McGovern states in "Classify Roadmap Styles to Guide Roadmap Development," "EA teams that focus on generating operational roadmaps without tying them to the organization's strategy fail to deliver valuable insight and long-term benefit."[1]

The following list of lessons learned will help you create a highly effective roadmap:

Align

– Keep it simple and high-level. Look for ways to consolidate individual projects into initiatives aimed at common business capability.
– Make sure that each item on the roadmap can be tied to one or more business goals/objectives. Involve the business and other stakeholders in creating and updating the roadmap.

Plan

– Establish a standard framework for the roadmap and use it to support roadmaps that cover individual layers of detail.
– Determine the audience, scope and planning timeline to be covered. Use this as a test for what should be included.

Build layers

– Keep out-of-scope items off the roadmap by establishing the type of roadmap being developed. For example, don't mix strategic initiatives with operational or tactical items. Don't put infrastructure changes on a support roadmap.
– Plan your IT roadmap from the top down. Business goals, objectives and desired outcomes should be the common threads through detailed layers of supporting roadmaps.

Rationalize

– Consider external influences and business/technology disruptors, but don't let them take control of mapping. For example, don't put vendor-dictated changes on a functional roadmap unless they are needed to support the business.
– Review and update the roadmap(s) regularly and as business or technology changes happen. This makes the roadmap a living document.

Implement

– Use a roadmapping tool to make development and maintenance easier and provide cohesiveness across related maps.
– Use the roadmap to communicate "the plan," help stakeholders understanding the questions being answered by the roadmap, and gain buy-in for the journey.

To see more on building the case for breaking away from a vendor-dictated applications roadmap and moving towards an IT investment plan that is business-driven, see "Is Your Organization Delivering on a Business-Driven Roadmap?"[2] This research report provides telltale signs that your organization could be constrained by technology-dictated roadmaps. It highlights how to link your Business-Driven Roadmap with distinct destinations that can result in game-changing results for your company. It also explains how to take advantage of vendor updates, without letting the vendor dictate the route, priority or timing of your roadmap.

[1]Gartner, Inc. "Classify Roadmap Styles to Guide Roadmap Development." June 1, 2018.
[2]https://www.riministreet.com/delivering-on-bdr

Continue your Business-Driven Roadmap journey with these guiding resources:

Four Critical Factors to Consider When Making the 2025 SAP S/4HANA Decision for Your Business

https://www.riministreet.com/sap-s4hana-4factors-ebook?src=Imperative2019

Why Enterprises Are Rethinking Their Oracle Relationship and Cloud Strategy

https://www.riministreet.com/enterprises-rethinking-oracle-relationship?src=Imperative2019

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