

How Enterprise Architecture Relates to Lean Startup

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Lean Startup is a flexible approach to starting a startup that aids the product development cycle. As stated in Harvard Business Review, “It is a methodology that favors experimentation over elaborate planning, customer feedback over intuition, and iterative design over traditional ‘big design up front’ development.” This is to say that to assess our businesses we simply go ahead with a Google form survey, instead of using complex business evaluation techniques like SWOT or STP analysis.

What is Enterprise Architecture (EA)?

But all this may seem too dreamy without a conceptual blueprint. EA is an ongoing management process that determines how an organisation can most effectively achieve and transition from its current to its future objectives. EA logically prioritises resources available and presents a framework of the organisation that enables entrepreneurs to think about different aspects of their business. It empowers them to link their existing strengths to see where they fit in the business canvas and can connect with the external environment. For instance, let us say there are three departments HR, Finance, IT and Marketing within an organisation. Enterprise architecture presents details about how every department can be strategically made to function in synthesis to maximise the potential of the organisation.

Integration of both our concepts: Lean Startup and EA

Both Lean Startup and EA are dynamic concepts involving continuous evolution but at the same time they are starkly different. While Lean Startup is about constantly revamping business models and making new strategies as per the needs of the customer, enterprise architecture improvises existing strategic plans to align business demands with IT. Both concepts when applied individually are conducive to business growth, but when used together they can move mountains.

The synchronization of the two equips entrepreneurs with a mindset to continuously renovate the enterprise architecture instead of building one that will take years to develop into a perfect ideal.

Global overview

Internationally, the driving force behind world's most successful businesses such as Amazon has been its obsession with its customers. This fixation has led to intimate customer bonding which encourages them to not only stay loyal to the company but also give back to the company in the form of constant feedback about their expectations from it. Bezos believes that, "Everyone has to be able to work in a call center" so that they have insight into the customer's perspective. As such, each year he and thousands of Amazon managers attend two days of call center training and field calls periodically. Taking customer opinion at the right time prevents wastage of time and resources.

Dropbox is another multi-billion dollar business that minimised the time of its product development cycle by a virtual display of the product seeking opinion polls. To estimate if the demand for their product was sufficient to go ahead with the actual product development they asked for e-mail addresses of potential beta users.

But how do we integrate the two?

Following are a few ways by which entrepreneurial teams can look at incorporating the two:

The melting point of an Enterprise Architecture and a Lean Startup comes in when the synchronization of the two equips entrepreneurs with a mindset to continuously renovate the enterprise instead of building towards a virtual ideal to be in the next few years.

Create an outline of IT assets and business processes with an objective to understand the strengths and weaknesses of the business.

Set in place governance principles that drive an ongoing discussion about business strategy and how it can be expressed through IT.

The Lean Startup approach aka 'Build-Measure-Learn', aims to increase the value to customers while using fewer resources:

a. Phase 1: Build

Includes launching a minimum viable product (MVP), which could be just a virtual representation of the product to gauge potential users' interest. MVP revolves around the dominant question of our time: whether the product should be built and not can it be built?

b. Phase 2: Measure

After evaluating the level of interest, it is essential to determine if the demand is sustainable to:

>To continue product development?

>If it is continued, what attributes should be added or refined?

c. Phase 3: Learn

Finally, after compiling potential users' feedback, the last decision making point is whether to persevere or pivot. It encompasses the critical factor of changing product strategy or shutting down development entirely. Eric Ries who coined the term 'Lean Startup', believes that the future of a startup must not be analysed by the burn per month but by number of pivot opportunities left undiscovered.

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