

SEPTEMBER 2017

The Need for Speed

Enabling DevOps Through Enterprise Architecture

Mark Landy - Jabe Bloom

Johnson & Johnson

The Johnson & Johnson Family of Companies is organized into several business segments comprised of franchises and therapeutic categories.

More than 125 Years of Caring. Our 128,300 employees touch the lives of over a billion people every day, throughout the world.

MEDICAL DEVICES

CONSUMER

PHARMACEUTICAL

500K

Unique Visitors

14

Acquisitions /
Divestitures in Flight

450

Apps Released
Each Year

500

Terabytes
of Data

\$113

JNJ NYSE

\$311B

Market cap

\$2B

Annual IT Spend

We are responsible to our...

Doctors, Nurses, and Patients,
Employees and Their Families,
Communities Where We Work,
Finally, to Our Stockholders

Risk sharing

Millions of new patients

Shift to outcomes

Active policy makers

Consolidation

Expanding care venues

A NEW WORLD of HEALTHCARE Technology

3D Printing

Advanced Analytics

Cloud

Mobile

Robotics

Internet of Things

J&J Enterprise Health Technology Strategy

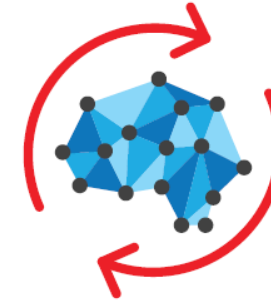
OUR HEALTHCARE TECHNOLOGY STRATEGY



Build a flexible, secure, digital business

Use technology to streamline our core business, build enterprise capabilities, and reduce our development cycles.

A digital business rapidly experiments, learns, and pivots. Data and insights enrich every decision. Processes are continuously rethought and reimaged.



Develop smart products that learn

Develop products that ingest data, analyze and adapt based on insights from consumers, patients and providers.

Smart products leverage feedback loops, machine learning and interconnectedness to continuously improve themselves



Create new models of engagement

Create solutions, interactive tools and ecosystems around stakeholders to improve experiences and outcomes.

Technology and connectivity are connecting doctors, patients, and other stakeholders in new ways, sparking conversations around our products



Become a leader in the Health Tech ecosystem

Identify opportunities to partner and collaborate with digital and connected health start-ups and industry leaders.

Launch programs to continue momentum around early-stage digital & connected health companies.

Enterprise Architecture

Not your grand's TOGAF....

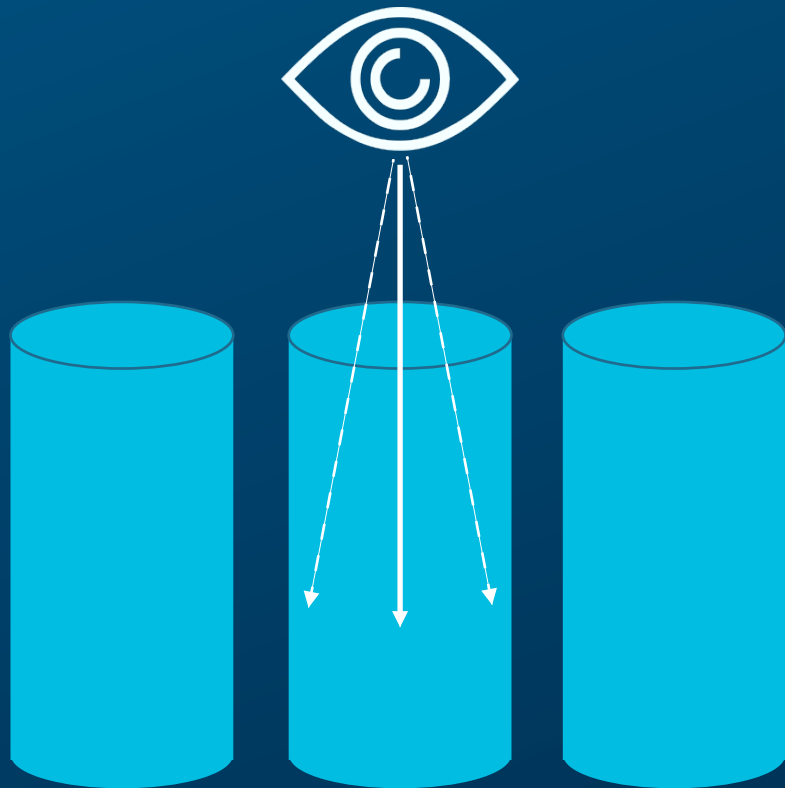
- *Compliance*
- *Standardization*
- *Review Board*
- *Bureaucracy*
- *Top - Down*
- *DEPARTMENT OF ARCHITECTURE*
- *Ivory Tower*
- *Disconnected from Teams and Customers*



- *Enabling / Empowering*
- *Deliberate mindset shift Systems Thinking “Big Picture” Holism*
- *Architects as Agilist*
- *Embedded in and close to Business*
- *Distributed Coherent Thinking*
- *Decentralized Sensor Network*
- *NOT a DEPARTMENT. Not funded as a centralized function.*

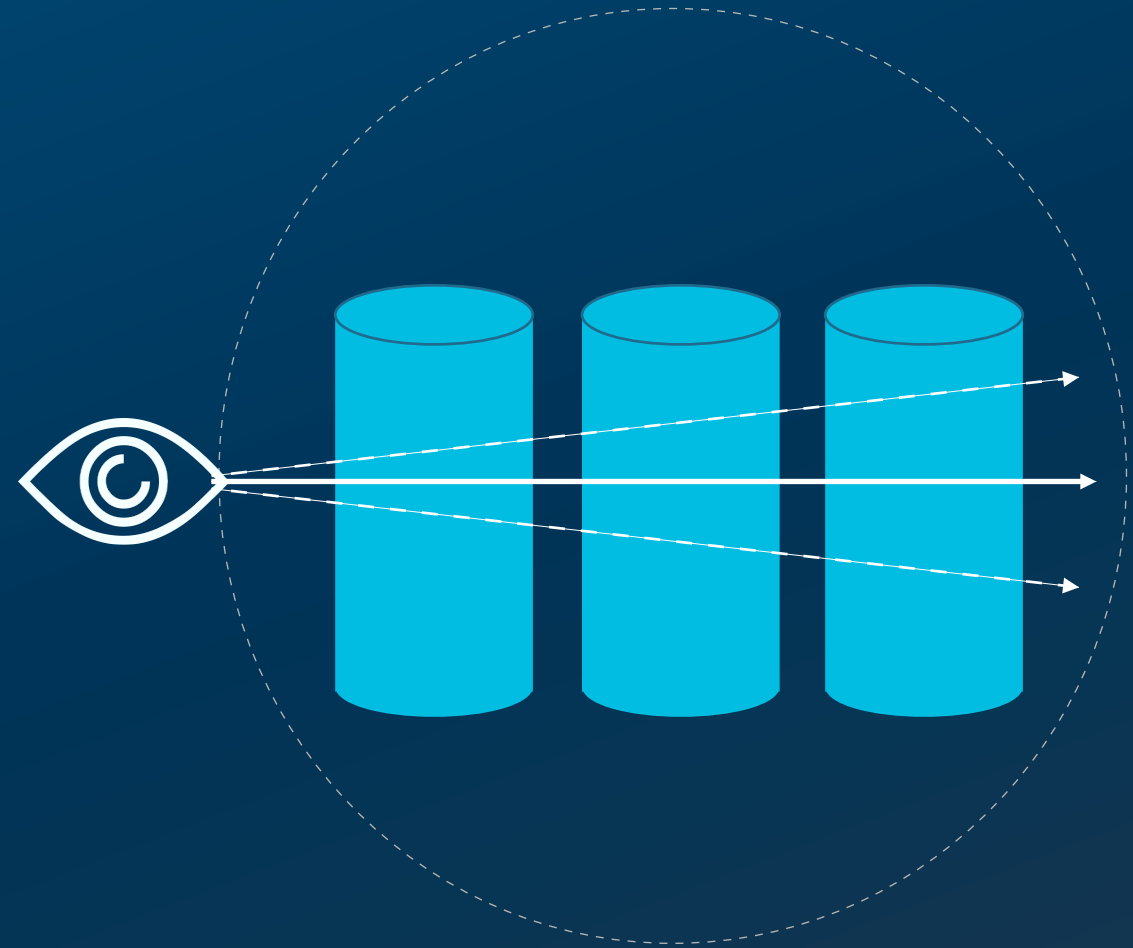
ENTERPRISE

LOCAL OPTIMA



VS

GLOBAL OPTIMA





Systems thinking

From local optima to whole-enterprise mindset

Theory of constraints

***WHY**
Change?*

*How to
CAUSE
the change?*

***WHAT**
to change?*

*What to
CHANGE
TO?*

Enterprise Agile Data Service

Enterprise Agile Data Service (EADS) is an In-memory grid, distributed across the globe and connected directly into our main systems 70% of Supply Chain Data.

Production use cases are now live now and expanding – full integration by 2018



Provides a single version of the truth for our Data, which is inherently Agile



Enables API market place for value added application delivery



Reduces time to insight and action for our business and stakeholders



Isolates Processes and Change



Accelerates Time to Value for Acquisitions and Divestitures – and Legacy Process Modernization



Increased productivity and reduced costs
Opportunistic rationalization of ERP platforms

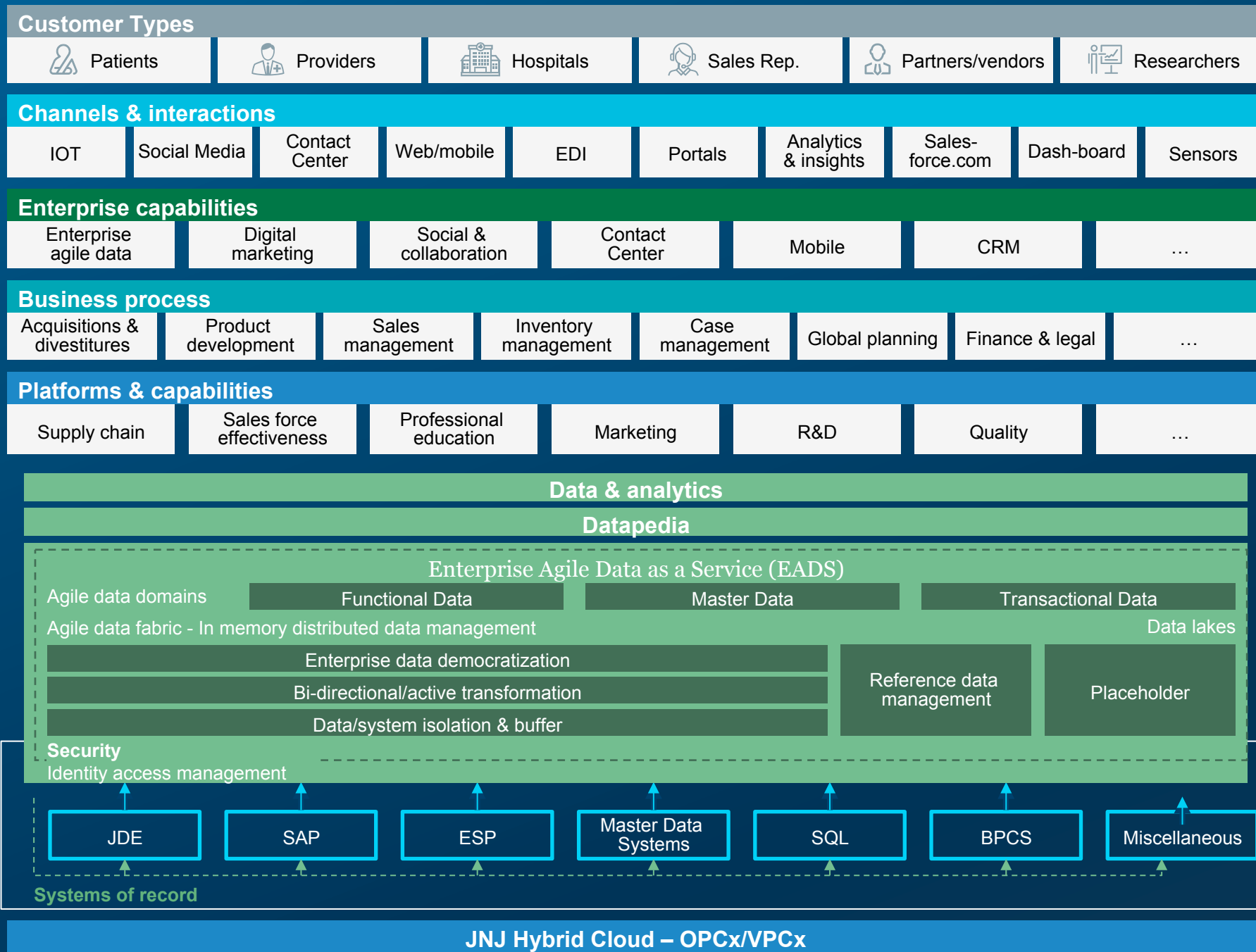


“

Enterprises which design & execute strategies are constrained to produce & fund projects reflecting organizational and temporal silos.

— (after) MELVIN CONWAY

ENTERPRISE REFERENCE TECHNOLOGY ARCHITECTURE



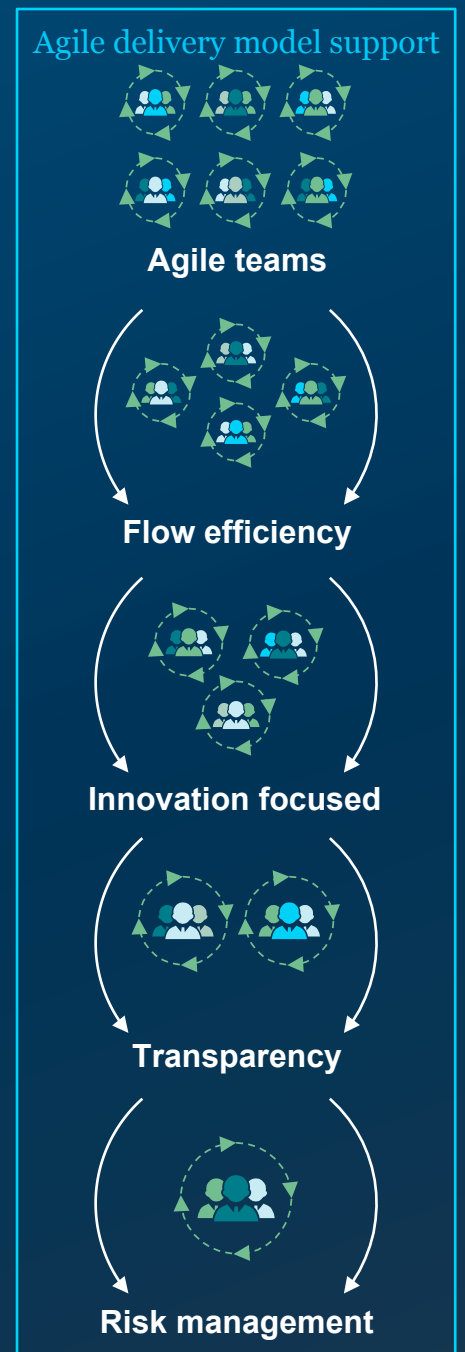
Highly flexible
External customer agility of value

More flexible
Internal business value focused

Systems view
Strategic revision

Virtual enterprise
Agile delivery

Most rigid
OPCO Assets



High velocity, fast cycles rapid experimentation

Slow velocity, long cycles tightly coupled systems

Our Approach: Fund strategies with visible outcomes

Not (only) projects with completion dates....

- **PROJECT(s)** create a localized space, with little real flexibility for experimentation; No slack.
- Organizations, functions, and companies create and sponsor **PROJECTS** which are constrained to localized sponsor's need, not Enterprise capability...
- **PROJECTS** are Temporal Silos which struggle with time horizons greater than 1 year, particularly in publicly traded enterprises.
- To deliver **VALUE/OUTCOMES, STRATEGICALLY**, we must therefore relax the lateral (silo) and temporal (duration) constraints of a **FUNDING** corridor.

Principles of Clydesdales

- Visualize Your Work, but first, **Visualize Your System!**
- Identify the biggest constraints on your system, then apply the five focusing steps:
 1. Switch from Projects (Temporal Silos), to Strategies (Capability Value Streams)
 2. Align cross-functional, cross-disciplined teams to Strategies & Enterprise Services
 3. Stop measuring resource efficiency (cost-accounting/activity based accounting), Start measuring flow efficiency
 4. Shape Value and Failure Demand through Human Sensor Networks
 5. Identify Asymmetric Bets for Experimentation & Learning

A Tale of Two Cities

(Wait!? I thought this room looked familiar)



Strong sponsorship as means to the end



Financial case and model



Change management



Rigor and discipline



Sponsorship / strength don't work
You need to sell into a market:



Go-to-Market plan



Viral / uptake



“Crossing the Chasm”

what's next...

When you cant directly change the system you are in, hack it

- We hacked the EA role to inject TOC etc
- Whats next, we will hack the finance function by injecting Throughput Accounting (to Address Conway)
- Shift from Program Transformation to Sustain. (Two Storylines simultaneously)
- Treat DATA as depreciating asset that lives beyond a project, and attracts “expected maintenance” and renewal activities, at the scope of the asset, the Enterprise

A photograph of a horse standing in a field, overlaid with a semi-transparent red filter. The horse is facing right and is wearing a bridle. The background shows a fence and trees.

The Need for Speed

Enabling DevOps Through Enterprise Architecture

Thank You