

# WHAT IS BUSINESS-CAPABILITY MAPPING?



Business-capability mapping is a key step in business process management (BPM). BPM is an overarching modality that includes the discovery and mapping of business capabilities as well as drawing insights from the capabilities, allowing for improvement and optimization.

Before improvement and optimization can be achieved, businesses must understand what they do best and what they are capable of doing. That's where capability mapping comes into play. Business-capability mapping can also be referred to as business-process mapping.

When businesses design a capability map, they closely examine the existing processes that are at the core of the value they deliver to consumers or end-users. This differs from BPM, in that the latter includes both existing processes and those to be implemented. At the cornerstone of BPM is a strong business-capability map that offers enterprise businesses perspective as to what processes are their greatest assets.

It's such an important concept that we are going to spend this entire article covering business process mapping and how you can implement it for your enterprise business. Below we will discuss:

- "The What" of business-capability mapping;
- What exactly business capabilities are, in practical terms;
- How to use business capabilities to your enterprise advantage;
- Steps to modeling [your business capabilities](#); and
- Common challenges businesses face when they do.

Keep reading for all the best information on business process management.

## Emphasis on “The What”

Many of the topics we discuss focus on best practices; the processes that keep your business in order and how to implement them. In this case, that's not going to happen. Business process mapping is all about “the what.”

To create a business-capability map, business leaders must reflect on questions like:

- What processes are imperative to our value proposition?
- What processes do we perform the best?
- Which existing elements of the business model are most stable? Most critical?

The driving thought behind this is to define the “constants.”

For instance, how an enterprise implements a process congruent with time and technology. Consider that service delivery twenty years ago required a core group of team members in an office somewhere, and with cloud technology team members today could be fully remote.

In the above example, although the implemented service delivery is variable, the need for “service delivery” as a process is a constant.

## Business Capabilities: Demystified

As mentioned above, business capabilities focus on “what” rather than “how” or “why.” When you create a business-capability map, you must be able to identify capabilities while structuring them in a hierarchical way. The purpose of this is to connect strategic vision with realized value.

In simple terms, business capabilities are existing practices essential for core functioning of the business, while mapping them places emphasis on prioritizing their value in terms of executive vision and day-to-day operations.

Enterprise business capabilities include:

- Service delivery;
- Client management;
- Production chain management; and
- Sales and marketing.

Understanding business capabilities is the first step to using them effectively.

## How to Use Business Capabilities

There are a number of ways enterprise businesses can use these capabilities, once defined. One way, described at the top of this article, is in the broader context of business process management. Having a concrete design of business capabilities serves a number of purposes. A few are listed below:

## **Merger and Acquisition IT Consolidation**

Identifying areas of overlap can help enterprise businesses disassemble an existing IT unit in the event of a merger or acquisition, where one enterprise is becoming a part of another organization with an existing IT unit.

## **Planning for Investments**

On the flipside, if your business is planning for a big investment having capabilities mapped out from a multi-year, strategic vantage point can tell you where your money would best be spent. An enterprise business's capabilities are the cornerstone of capital investment planning as they offer a broad look at current state versus future.

## **Discover Duplicated Efforts**

Essential functions could be duplicated throughout the business unit, and that's not cost or resource efficient. Uncovering areas where functions may not be working in a business's favor is another outcome of process mapping.

## **3-Steps to Drafting Business Processes Map**

Now that you understand what a business capability map is, and what it does, let's look at how to accomplish designing it within an enterprise organization:

### **Step 1: Determine Business Architecture**

Do this by documenting and refining capabilities. Get all the best minds in strategic leadership together and start by compiling a list of top-tier, highest priority capabilities. Sounds easy enough, right?

Once that exists, break those capabilities down into subcategories of the existing capabilities required to deliver on them. Now, your list should look more like a tree, or an outline with primary and secondary capabilities.

You should continue down this path, decomposing the capabilities into their smallest units. During this process, visionaries should also look for opportunities to define semantics and dissolve duplication. If two capabilities have different names but serve the same function, a single consistent business term should be defined and listed, and the unnecessary capability should be dissolved.

When the tree of capabilities is complete, it's time to start connecting the dots. That is, looking for where capabilities connect with one another, and using visuals, like drawing lines between capabilities to show their relationship. Now, you've determined the framework at the core of your business.

### **Step 2: Overlay Technical and Business Architecture**

With your business architecture defined, it's time to overlay your technical architecture. Implementing IT in congruence with business capabilities is an important part of the mapping process, because it ensures that both operations and IT are working to support the same broad processes.

## **Step 3: Capability Mapping to Service Oriented Architecture**

Once a map is designed and laid out to include capabilities and technology support, service oriented architecture can be achieved. Ultimately, what you've done by laying your capabilities out this way is that you've created a roadmap, gearing your company's framework and IT infrastructure at services.

This final step goes beyond map design, which is accomplished in steps 1 and 2, focusing attention on organizational structure that can be driven by the map's insights. Regardless of whether or not you apply a service-oriented architecture model, following these steps will allow you to move away from rigid, prescriptive modeling in your enterprise business and toward modeling based on service and value.

## **Business Capability Challenges**

The main challenge of business capability mapping is fostering a top-down culture of adoption, usage, and support for the process. As you've likely gathered, it's not something that can be accomplished without a great deal of input across the organization, requiring dedicated resources and time to complete.

That's a tall order for some busy executives, and especially so when they don't understand how that map can be used to support service models, align IT with business goals, implement business process management, reduce wastefulness, and plan for strategic investments and acquisitions. To gain support for business capability mapping, IT departments must be able to demonstrate the value.

When you talk about it in the above context, having a business capability map is incredibly useful for the amount of time and effort that is put into it, but if not utilized properly, it could end up being a document on a drive somewhere that never gets used.