Value, values and effectiveness

The underlying core for architectures

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Contents

VALUE: SAMPLE

This is a sample of the content from the Tetradian *Value, Values and Effectiveness* anthology.

This anthology from the Tetradian weblog explores the nature of value and its relationship with the role of enterprise architecture.

This sample contains around one-tenth of the content from the full anthology. The complete book includes about 35 posts and 65 images from the weblog. These posts are split into four groups:

- *Value: Value and Values* - outlines the practical meaning of 'value' and the distinctions between 'value' and 'values'.
- *Value: Values and Quality* - provides an overview of quality as an expression of values, and how to use this in enterprise architecture.
- *Value: Economics and Value* - describes how money is only one subset of value, and the implications of this fact for enterprise architecture and business architecture.
- *Value: Effectiveness and Value* - shows how values determine the practical meaning of 'effectiveness', and how effectiveness supports value in the enterprise.

For further information on enterprise-architectures and more, visit the **Tetradian weblog** at weblog.tetradian.com[1]. The weblog currently includes some 1400 posts and more than a thousand images, and is at present the world's primary source on *whole-enterprise architecture* - methods, principles and practices for architectures that extend beyond IT to the whole enterprise.

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[1] http://weblog.tetradian.com

For more ebooks and anthologies on enterprise-architecture and more, visit the **Tetradian website on Leanpub** at leanpub.com/u/tetradian². (Each anthology contains around 30-40 posts from the weblog.)

Some books are also available in print format, from all regular book-retailers. For more details, see the 'Books' section on the main **Tetradian website** at tetradian.com/books/³.

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²https://leanpub.com/u/tetradian
³http://tetradian.com/books/

Values-architecture 101

There's been a fairly lengthy argument on the LinkedIn business-architecture list about the role and meaning of 'value' in business-architecture. As usual, most of the US contingent leapt off onto the red-herring of 'shareholder-value', which to me is almost completely irrelevant to the actual design and structure of a business-architecture – it's an *outcome*, not an input as such.

After much back-and-forth – and a constant struggle to detach the discussion from the US obsession with 'shareholder-value' – I finally managed to get at least some of the contributors to understand that values are some of the key *inputs* to an architecture. At this point, one of contributors tossed in what I can only describe as a lame attempt at a justification for architectural incompetence:

> In my work I usually don't create the many-layered value model that you do. I go right to the heart and relate tactical decisions to tangible value.

I'd have to say that I was shocked but not surprised. Three instant comments:

- it's talking about price, not value;
- it's going to the head (analysis), not to the heart (value); and
- it's describing business-strategy and/or business-tactics, not business-architecture.

What's still needed is a solid focus on the actual topic, namely *value* in business-architecture - in other words, the *values-architecture* that underpins the business-architecture itself.

To illustrate this, consider that statement "I usually don't create the many-layered value model that you do". A simple question: would *you* trust a purported architect who said "I'm going to use metal and glass in your building", without any explanation or analysis as to *why* those materials would be used? Or what calculations underpin the choice of properties for the metal, or solar and other characteristics of the glass? Would *you* be concerned that there's no 'many-layered model' behind the design, for example no apparent awareness of the need for resilience against earthquake or severe-storm, because though those are relatively rare in the short-term, they are highly likely in the medium to longer term? Would *you* trust an architect who regarded a many-layered, multi-faceted model of the building as irrelevant to the architecture-development and subsequent design and implementation? Would *you* trust an 'architect' whose only concern was price? I would *hope* that the answer would be 'No'...

Which is why, like any real architect, I *do* insist on models that demonstrably assess *all* of the key factors in play in an architecture design.

So: some suggestions towards a Values Architecture 101:

#1. Values are *subjective*, not objective; they are feelings, not things.

#2. Values are the literal *drivers* for a business-architecture: they are the winds that blow across it, the rivers that flow through it, the forces that shake the ground beneath it. Values are the actual links in any value-chain or value-web. As with a physical building, the business-architecture cannot ignore those forces – it *must* be designed around them.

#3. Values are primarily qualitative, not quantitative. Where it is necessary to describe values in quantitative terms, it is usually best to use simple 1-5 scales or the like; anything else is likely to introduce 'spurious precision', which is both misleading and dangerous.

#4. Any attempt to 'objectivise' values – such as by 'valuation' into

a price – will always be based on hidden assumptions. Because of those hidden-assumptions, transforms to price etc are non-reversible, making it impracticable or impossible to derive the underlying value-factors by reverse-engineering from the valuation itself. Hence in architecture it is always best to model the values *as* values, in order to surface those hidden-assumptions.

#5. An enterprise (or extended-enterprise, reaching far beyond the 'enterprise' of the business itself) coalesces around a core value (the 'vision') and a cluster of related values and derived principles. These values represent the *choices* – conscious and unconscious – of the stakeholders in the enterprise, and are context-dependent. These enterprise-choices describe and define the ecosystem within which the business will operate. Amongst many other possible stakeholder-roles, a business will typically place itself in a 'supplier' role within that enterprise.

#6. The core of the business's relationship with other stakeholders is its set of 'value-propositions' – which, by definition, incorporate key concepts of value to and with the respective stakeholders. The business-model, operating-model, organisation-model etc are artefacts that are derived architecturally from the value-propositions and their underlying values.

#7. A business has a value-relationship with *every* stakeholder in the enterprise, whether or not this is made explicit via a value-proposition. It is extremely dangerous – especially in the longer-term – to ignore the implied relationships with enterprise-stakeholders not explicitly referenced in value-propositions.

#8. Pseudo-values such as 'shareholder-value' may be derived *from* the architecture, but usually play no direct part *in* the architecture.

Enough to start with, I hope?

Source (Tetradian weblog)

- *Date*: 2010/02/08
- *URL*: values-architecture-101[4]
- *Comments*: 5
- *Categories*: Business, Enterprise architecture, Society
- *Tags*: Business, business architecture, enterprise, Enterprise architecture, shareholder-value, strategy, value

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[4]http://weblog.tetradian.com/values-architecture-101

What is a value-proposition?

'Value-proposition' is a term much-bandied-about in business-models and the like. Yet what exactly *is* it?

A tweet by Alex Osterwalder[5] pointed me to an article by Steve Blank[6] on 'How to build a billion-dollar startup[7]', which included this brief section on the role of the product or service:

> *Is It a Problem or a Need?* I've now come to believe that the value proposition in a business model (value proposition is the fancy name for your product or service) fits into either one of two categories:
> – It solves a problem and gets a job done for a consumer or a company (accounting software, elevators, air-conditioning, electricity, tablet computers, electric toothbrushes, airplanes, email software, etc.)
> – Or it fulfills a fundamental human social need (friendship, dating, sex, entertainment, art, communication, blogs, confession, networking, gambling, religion, etc.)

All fair enough: useful advice indeed. But wait a moment, what was that throwaway comment there?

> ...the value proposition in a business model (value proposition is the fancy name for your product or service)...

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[5] http://twitter.com/AlexOsterwalder
[6] http://twitter.com/sgblank
[7] http://steveblank.com/2012/04/19/how-to-build-a-billion-dollar-startup/

No, *no*, **no!** Fundamentally, completely, absolutely wrong! That view of 'value-proposition' is exactly what **not** to do!

Or rather, what Steve says above is how we'd usually frame it in classic push-marketing – where, to be blunt, the role of the supposed 'value-proposition' is often to hide the fact that the proposed product or service doesn't have much real value...

In **push-marketing**, *we **start from the proposition, and then look for the value**.* We start from the product or service – something that we know we can make or do, and therefore want to be able to sell. To make it supposedly-saleable, we hunt around for something that could be called a 'value', especially one that could differentiate this product or service from all those others that look just about exactly the same because they're things that people know how to make or do. Hence the idea that the 'value-proposition' consists of terms such as *cheaper*, *faster*, *better*, *new*. At least, as seen 'inside-out[8]' *from* the organisation's perspective *to* 'the market'.

It's called 'push' because we use the supposed-value to *push* our product or service at people. And it's clear, simple, easy to understand, easily measurable, and all the rest, so we see it absolutely everywhere – but it *doesn't* work well, for anyone. In many cases, all it really manages to do is create 'a race to the bottom', where *no-one* wins. Oops...

By contrast, in **pull-marketing**, *we **start from the value, and then look for the proposition**.* (Value first, then proposition: that's *why* it's correctly called a 'value-proposition'.) For example, as Steve Blank *does* explain well in the second half of that quote above, two key categories of value are *problem* and *perceived-need*. Chris Potts[9] summarised it nicely in the following tweet:

- Value-proposition: listen to music wherever you want, with no discs, tapes etc. Product: (eg) iPod.

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[8] http://weblog.tetradian.com/inside-in-inside-out-outside-in-outside-out/
[9] http://twitter.com/chrisdpotts

(To be pedantic, Chris' 'value-proposition' there is more the 'problem' or 'need', the *driver* that links between value and value-proposition: we'll come back to that in a moment.)
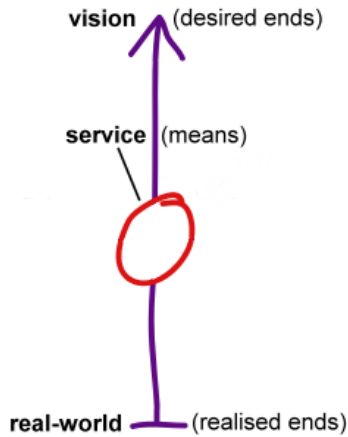
It's called 'pull' because we use the connection to a broader meaning of value to *pull* people into mutual conversation with us, and thence *from that conversation* identify an appropriate product or service for their problem or need. It's not as simple as 'push', partly because what we need to deliver may vary quite a lot from one person to another, partly because we need the empathy[10] to work with an 'outside-in' perspective rather than from a literally self-centred 'inside-out' view, and partly because we have to juggle two different meanings of 'value' – the 'vertical' connection to vision and values, which creates the pull, and the 'horizontal' flow of value that satisfies the need. Yet when it's done well, the power of pull[11] provides for everyone's needs – and *everyone* wins.

Let's use Enterprise Canvas[12] to look at this. First, to simplify things, we assert that 'everything is a service' – a product is thus a kind of 'proto-service', a means through which to deliver a self-service. In the most basic view in Enterprise Canvas, a service is_ a means to an end_ that sits somewhere on a vertical axis between *desired-ends* – what we want the service to deliver, or help to deliver – and *realised-ends* – what the service can or has actually delivered:

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[10]http://blogs.msdn.com/b/nickmalik/archive/2013/01/10/the-most-important-personality-trait-of-an-enterprise-architect.aspx
[11]http://www.edgeperspectives.com/pop.html
[12]http://weblog.tetradian.com/tag/enterprise-canvas/

We'd typically apply a 'Five Whys' to identify the overall vision and concomitant values for this service. To me, the vision[13] has three distinct components that are shared by everyone in the effective shared-enterprise:

- the *what* or *with-what* - something that identifies for the *content* or *focus* for this enterprise
- the *how* – some kind of *action* on that content or focus
- the *why* – a *qualifier* that validates and bridges between content and action

Various values fall out of the vision – and they provide the *reason _for people to connect with each other across the enterprise, the _-value* that forms the start-point for the value-proposition.
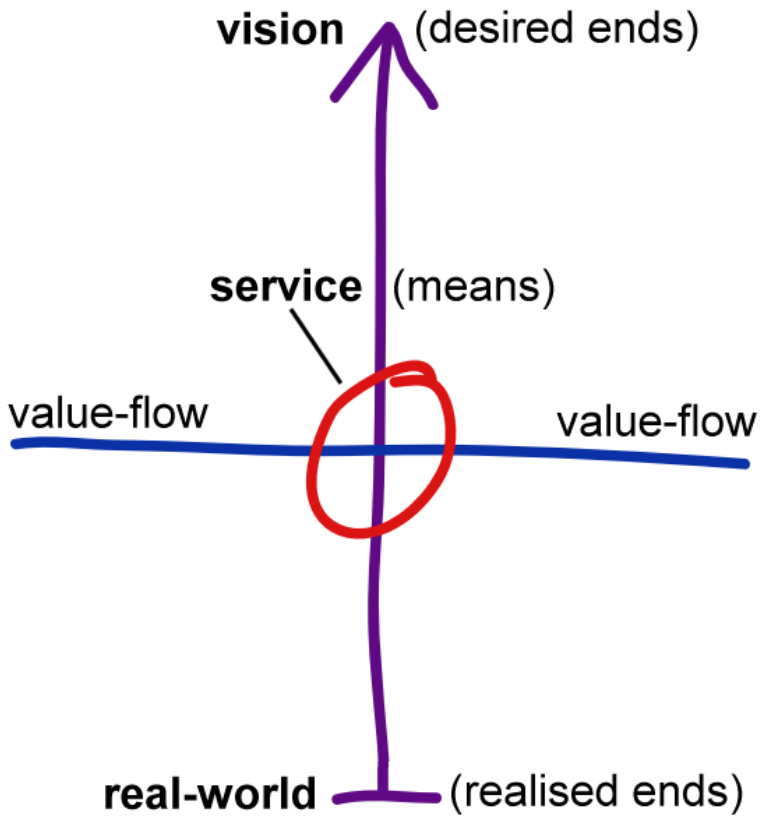
To use the TED example, "ideas worth spreading", the whole point is that these are not just ideas that are being spread around, these are ideas that are *worth* spreading.

Or, to use Chris' example above, the real driver is more like *good music everywhere anywhere.* Which then leads 'downward' (more towards the practical-detail of 'how' and 'with-what') to:
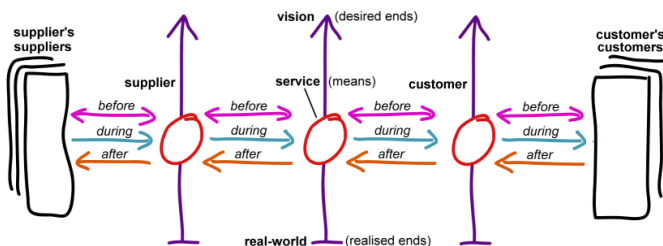
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[13]http://weblog.tetradian.com/why-vision/

- *music I can carry with me*
- add a bit more detail: *my own choice of music I can carry with me, without hassle*
- expand on 'without hassle': *preferably something small that I can easily carry anywhere and doesn't need the clutter of discs or tapes*

Which brings us to Chris' specific 'value-proposition *request*'. To which an example-*response* – the *proposition* in the 'value-proposition' is, as Chris says, the iPod. Starting from the vision and the value, the service presents – proposes – an *offer* which would satisfy a need *in relation to that value*. That's why we talk about 'value-flow', because it's a flow or sequence of exchanges that in some way delivers something 'of value' for *everyone* in relation to that value. Hence, in visual form:

And if we expand this view outward, as a value-chain or value-web:
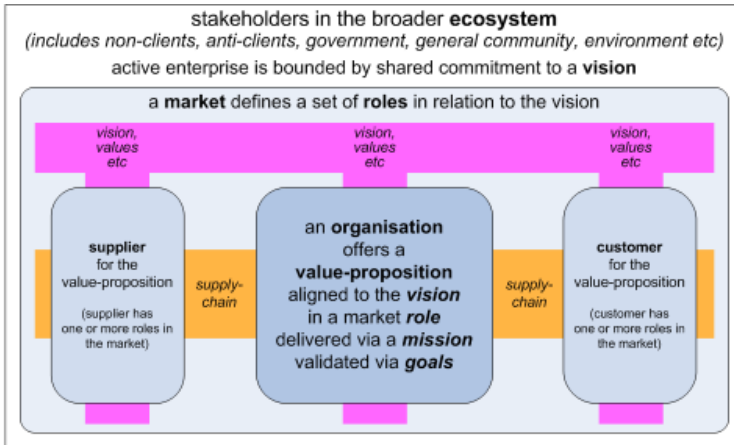

At each stage in the sequence of exchanges, the respective players establish the connection of shared-vision and values, and then

explore the proposition that the service-provider offers, to satisfy a problem or perceived-need in relation to the vision and values. *The connection of values provides the 'pull' towards the value-proposition.* This happens in distinct stages:

- *before* transaction: establish the value-connection – the effective definition of what value 'is' in this context
- *before* transaction: explore the relevance of the value-proposition – how and to what extent, *relative to those values*, this product or service will satisfy the overall problem or perceived-need
- *during* transaction: deliver the product or service *in accordance with the proposed delivered-value* – such as specified in a service-level agreement – again, *relative to those specified or implied shared-values*
- *after* transaction: evaluate satisfaction in relation to the offer or 'promise', and ultimately_ in relation to those shared-values_
- *after* transaction: resolve any required value-balance – such as via payment etc

To summarise those overall relationships in a bit more detail:

The value-web isn't solely about the horizontal supply-chain: that's just the *how* and *with-what* of the transactional relationship. That's the visible part of value, sure, yet it's actually held together through a more vertical connection of *why* – the *reason* or purpose for the relationship between the players to exist. ***Value-proposition provides the link between why, how and with-what***.

Incidentally, this is the key reason behind a perhaps-subtle yet important difference between Business Model Canvas[14] – focussed on the core business-model – and Enterprise Canvas – designed more for whole-of-enterprise architecture.

In Business Model Canvas, the Value Proposition cell provides the central spine for the whole business-model:

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[14]http://en.wikipedia.org/wiki/Business_Model_Canvas

Yet it provides us with no means to distinguish between *value* (horizontal) and *values* (vertical), nor to distinguish between the value-metrics for a product or service, versus the product or service itself – they're all conflated together into the one 'value-proposition'. Which, in effect, forces us into Steve Blank's assertion that "value proposition is the fancy name for your product or service" – and, in turn, all but traps us into a push-marketing model for products and services, which rarely works well.

In Enterprise Canvas, though, we draw explicit distinctions between those different concerns:

- *value-proposition **proposes** value* – it establishes the connection to (vertical) shared-values, as a shared *story*[15], and identifies the (horizontal) problem or need to be satisfied by the provider
- *value-creation **creates** value* – it delivers (horizontal) value against the identified and agreed problem or need – typically in the form of products and/or services – and in relation to the shared-values

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[15]http://weblog.tetradian.com/the-enterprise-is-the-story/

- *value-governance* **governs** value – verifies that value has been delivered in accordance with the problem or need and the shared-values or story, to the satisfaction of *all* parties in that story

Together, these three cells form the central spine of business-model, much as with the single Value Proposition cell in Business Model Canvas. Yet whilst they're strongly interdependent, and in some ways act as one, they deal with distinct and different aspects of the overall value-flow in the business-model, and in practice they're often enacted by dif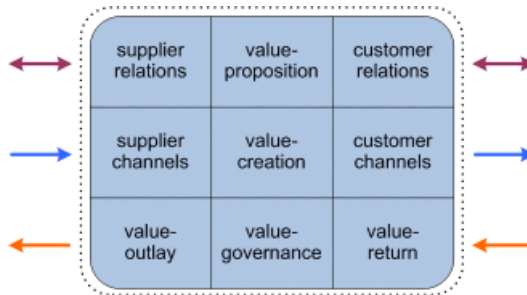ferent people or entities, too. It also makes it much easier to understand how to design a 'pull'-based business-model, rather than default back to the inherently-ineffective 'push'. So overall, it's definitely useful to be able to separate-out the different sub-themes in this way:

This three-way distinction also makes it simpler to understand the different interactions that happen – often with different parties – in the different stages of the value-flow. And since any given service in an enterprise is both a provider of some services, and also a consumer of other services, it does make more sense to lay this out in symmetrical form – another subtle-yet-important difference from Business Model Canvas:

If we turn this sideways-on, with the 'inside' spine on the left, and the 'outward-facing' elements on the right, we can then also describe the overall sequence and structure and drivers of the interactions and sub-flows that make up the overall *story* of the business-model:

Again, each of those central cells (or, in this diagram above, the left-hand cells) manages a different part of the business-model story:

- value-proposition guides and drives the *why* for the service's activities
- value-creation presents the *how* and *with-what* of the service and its products, linked back to that *why*

- value-governance links and verifies the *with-what*, the *how*
  and the *why*, always striving to reduce the gap and tension
  between desired-ends and realised-ends

In short, value-proposition is *not* "the fancy name for your product
or service": yes, they're closely related, but they do need to be
understood as separate and distinct.

And if you do allow them to blur together, the business-conse-
quences are often not good at all: You Have Been Warned?

Source (Tetradian weblog)

- *Date*: 2013/01/23
- *URL*: what-is-a-value-proposition[16]
- *Comments*: 11
- *Categories*: Business, Enterprise architecture
- *Tags*: Business, business architecture, business model, enter-
  prise, Enterprise architecture, enterprise canvas, marketing,
  value-proposition

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[16]http://weblog.tetradian.com/what-is-a-value-proposition

Price, value, worth and cost

It didn't look like much. Not worth much, certainly. It had been a gift from a friend, a former colleague: I'd had it for years, kept it reasonably safe in an old battered ring-case, until finally it was lost somewhere.

In appearance, and in fact, it was just a small wedge of dull brown sandy rock, maybe half an inch long, and quite a bit less than that in both width and height. It was kind of T-shaped, a bit like where the vanes of 'desert rose[17]' crystal intersect, broken off from an underlying base, and with little glittery bits of embedded sand showing through where the edges had been snapped off.

Yet for all that, it was out of this world. Literally. To be more precise, it was from the *other* world that's shown as the foreground in this so-famous image…

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[17]http://en.wikipedia.org/wiki/File:Roses_des_Sables_Tunisie.jpg

To which, of course, there's a story attached. :-)

Way back when, I'd been near-obsessed by anything to do with astronomy and space. At school, a close friend's father ran the university's radio-astronomy observatory[18]; in later decades, he became a Nobel Laureate for Physics[19], and, eventually, the Astronomer Royal[20]. It's where I first came across computers: I remember being allowed, at a very early age, to print my name on six-channel punch-tape. I had my own telescope; even as a teenager got involved in academic and observational arguments[21] about the formation of the moon; for a few years was also a keen member of the British Interplanetary Society[22] - a serious engineering-oriented group of which my mother, it transpired, had also been a member when it first started, way back in the late 1930s. So yeah, kinda committed, you might say.

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[18]http://en.wikipedia.org/wiki/Mullard_Radio_Astronomy_Observatory
[19]http://www.nobelprize.org/nobel_prizes/physics/laureates/1974/
[20]http://en.wikipedia.org/wiki/Astronomer_Royal
[21]http://britastro.org/baa/
[22]http://www.bis-space.com/

Late at school, I'd still perhaps intended to take up a career as a professional astronomer: but reality was that my maths wasn't up to it, and I needed to try elsewhere. Which took me on a different path, to a different college, and, eventually to long, shared conversations with a technician there whom I'll call Hans. (There's a risk that, even after all this time, some people might get into trouble for what follows, so best I don't use real names here.)

He was German. Back in the late 1930s he'd been an apprentice engineer, working on hydraulic pumps for everyday agricultural tractors. Come the war, he found himself posted to Peenemunde[23], working with von Braun[24]'s team there, developing fuel-pumps for rocket motors. (They'd succeeded in their brief, he said, whilst at first the plumbers didn't - hence some very *interesting* explosions on the launch-pad...!) As the war came to a close, the whole team had decamped to the west to try to evade the Russians; by intent, he was captured by the British, spent some while in a PoW camp in Britain, and, with his home now in East Germany, had simply stayed on after his release. He was one of the few of his cohort that had managed to evade being caught up in Operation Paperclip[25]; with some difficulty, he'd convinced his British interrogators that he really would *not* get involved in designing military missiles, and had taken a much more mundane job instead.

But he kept in close touch with his former colleagues - which is why our small provincial college was one of the few in Britain to receive a tiny fragment of moon-rock, brought back by Apollo 11. (That item arrived with its own security guard; in the meantime, Hans' own personal piece arrived in the ordinary mail...)

Some months later, he took me to one side, and, with an unusually broad grin, said "This is for you". And he gave me a tiny package, wrapped in paper-tissue. Straight away I knew exactly what it was - even though it didn't look like much at all:

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[23]http://en.wikipedia.org/wiki/Peenem%C3%BCnde_Army_Research_Center
[24]http://en.wikipedia.org/wiki/Wernher_von_Braun
[25]http://en.wikipedia.org/wiki/Operation_Paperclip

It's what I'd described earlier: much smaller than that sketch above, a small T-shaped wedge of rock, dull-brown, seemingly a bit burnt, with little glittery bits of sand that, if I wasn't careful how I handled it, came off at the touch. It had been part of the contingency-sample[26] from the Apollo-12[27] mission, apparently: taken from directly under the lander's exhaust, it was pretty much useless for science, hence quietly - if very much unofficially - kept aside for private mementos and private gifts. We were promised more from the upcoming Apollo 13[28] mission, he said - but as everyone knows, it never got there. Soon after that, it was time for me to move on to another college, and we soon lost touch. These things happen, of course.

I kept it for quite a few years, tucked away in that old ring-box. Not surprisingly, it was a focus for quite a lot of attention, and some great conversations. (Without my knowledge, someone broke off a tiny fragment and tried to smoke it - which kinda tells you a bit more about what it looked like, and the kind of people I rubbed shoulders with in those Glastonbury days. :-)) Eventually it was starting to look a bit worn - a bit finger-greasy from all the handling, and more and more of the glittery little sand-particles rubbed away - so I gave it to a jeweller-friend to make a mount for it, for better protection. And that was the last I heard of it, or him: when next

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[26]http://en.wikipedia.org/wiki/Apollo_15_operations_on_the_Lunar_surface#EVA-1
[27]http://en.wikipedia.org/wiki/Apollo_12
[28]http://en.wikipedia.org/wiki/Apollo_13

I enquired, he'd left the country, and my little piece of moon-rock was nowhere to be seen. Thrown out with all the other rubbish of the move, most likely: after all, given who I was, not everyone would be likely to believe that it was what I said it was.

And truth be told, it's possible that the whole thing *was* a fantasy, of course. There was enough evidence to indicate that it was indeed all real: but yeah, Hans could perhaps have been taking all of us for a ride - not just me, but the college administration, and many others as well.

Yet it actually doesn't matter: that's the whole point here. It's what it was *worth*, to me and to others, that actually matters.

Which brings us to an interesting point that we come across very often in enterprise-architecture and elsewhere: **value, worth, cost and price are not the same**.

Many people seem to treat each of those terms as synonyms for each other: in Australia, for example, if people ask "What's it worth?", what they actually mean is "What's the price?" Yet there *are* key differences between those terms; and if we *do* treat them as synonyms, we're likely to create confusions from which there is often no clear way out. And it might be helpful to use this little piece of putative moon-rock as an example to illustrate the real differences between those terms.

The **value** of something resides primarily in the services that it can enable. In the case of that moon-rock, its scientific value was close to nil. It would have been damaged by the blast, heat and chemistry of the rocket exhaust: by comparison with the pristine materials available further from the lander, it was almost useless. But that was the whole point of the contingency-sample: if they'd had to leave straight away, at least it would have been *something* from the place. Yet since they *didn't* have to leave straight away, all the real scientific value was from other rocks elsewhere.

For me, the value - the '*services*' that it enabled - lay primarily in the way I could use it as a conversation-starter. There wasn't much

else I *could* use it for, really. :-)

The **worth** of something probably resides less in the thing itself, but in what it *means* to someone. In that sense, value and worth are similar, and often related, yet not quite the same. To the scientists, for example, this little piece of moon-rock was all but valueless *and* worthless, because it could help very little towards what *they* regarded as 'meaningful'. Yet to others, it *symbolised* all of the relationships, the memories, pride, achievement, and much more - as can be seen in the way that small pieces were passed to other nations' embassies as an overt, even ostentatious, display of politics and prowess.

For me, in my own much quieter way, it symbolised many things too: my lifelong passion for cosmology and space, my friendship with Hans, my commitment to the 'bigger-picture' view of the world, and much more. That's what it was worth, to me. And yet, when it was lost, that didn't much matter - the *memory* of that little piece of moon-rock was, and still is, almost as much of an anchor for those connections as the physical thing itself had been. Do I have the thing itself now? No. Do I still have the *worth* of that thing? Mostly, yes. That's the difference there.

The **cost** of something is the sum of all of the effort needed to create it, find it, move it around, act on it, whatever, and in every sense - including emotional and aspirational ('spiritual') costs of relationship and meaning and the like. For example, the costs included the effort and expense and everything else in NASA's enterprise to get vehicles and people to, on and from the moon, and everything that led up to that end - including the political will of people like President John F. Kennedy, who committed the US as a whole to that task, and, further behind it, the military and other fears that drove the 'space race' in the first place. Further back again, for Hans, the costs included things like the fear created for him during the Allied bombing-raids at Peenemunde, and - for him, and for many others on von Braun's team - the shame of having been entrapped in war-work, when what they'd originally

aimed to create (and, ultimately did achieve) was a full-scale space-programme.

For me, of course, the costs might at first seem trivial: after all, it was just a gift, and that was it. Yet behind that, there *were* very real costs too, no matter how enjoyable most of them might have felt at the time. For example, the 'meaning-effort' to find astronomy and space interesting in the first place; the effort involved in all of that study, to develop understanding of the issues and what (often very little) part I could play within them; the effort of conversations, and of building person-to-person connections with my schoolfriend, and his father, and Hans, and with many others too within that overall context. Mapping out the full set of costs, and the interactions and interdependencies between those costs, can often be very complex indeed - but sometimes, to make sense of a context, we do indeed have to go quite a long way down the rabbit-hole...

The **price** of something is... well, a *mess*, really. It's supposedly a 'valuation in monetary terms', but it's probable that the most honest description of price and pricing is that it sits somewhere between a random guess, wishful-thinking, self-delusion, and, too often, outright fraud. Crucially, it describes a *subset* of costs - usually those most amenable to a possession-type model, aligning far more with the physical and, to some extent, virtual (informational dimensions of assets, and often ignoring or excluding all relational and/or aspirational dimensions - yet also attaches or focusses on arbitrary concepts such as 'scarcity'. In the case of that little piece of moonrock, technically no price should be available, since in principle it always remains the property of NASA. The *nominal* price - total monetary-cost of missions divided by total mass returned - should be around US$50 a gram[29] at 1970s figures, if my back-of-the-envelope calculations are anywhere near correct; but I have seen prices quoted of upwards of US$250,000 for even a piece as small as that one, simply because of its rarity on the so-called 'open market',

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[29]http://www.astronomycafe.net/qadir/q1019.html

or anywhere at all.

For me, the price was zero. *And that was the whole point*: it was a gift, from friend to friend. If a price had been put on it, it wouldn't have been a gift any more - not of that type, anyway. And the relationship would have been different, too: *the price of the gift would have clashed with the worth of the gift.*

To put all of this into a more everyday perspective, consider the *value, worth, cost and price of a house*:

– The *value* of a house is the services that it delivers. Interestingly, the effective value of an average house or apartment in Britain - floor-space, room-size, garden-area, facilities and so on - reached a peak somewhen around the 1980s, and has actually been going down ever since.

– The *worth* of a house is in the emotional and other drivers that it supports and represents. This is, by definition, highly subjective.

– The *cost* of a house is somewhat more complex to assess. In monetary terms only, the cost is the sum of all costs to build and maintain. More realistically, we also need to take many other forms of cost into account, such as loss of amenity-space to others, damage or loss of history, impact on future generations, and much, much more.

– The *price* of a house is an arbitrary monetary 'valuation', based primarily on spurious and often delusory notions such as microeconomics[30] and the like, and which may bear little to no connection with the value, worth or cost of the house.

In short, *the price of a house is not the same as the cost of a house is not the same as the worth of a house is not the same as the value of a house.* They're *all* different from each other.

And the same applies to *everything* - the price, cost, worth and value of anything at all.

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[30]http://en.wikipedia.org/wiki/Microeconomics

Hence, for enterprise-architects, ***don't mix these terms up***, or use any of them as a synonym for any other. They represent very different things, very different attributes of or assigned to an entity - and getting this wrong will *guarantee* problems for someone further down the line.

That's it for now: over to you for comment, perhaps?

Source (Tetradian weblog)

- *Date*: 2014/01/07
- *URL*: price-value-worth-and-cost[31]
- *Comments*: 4
- *Categories*: Business, Enterprise architecture, Society
- *Tags*: Business, economics, price, value

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[31]http://weblog.tetradian.com/price-value-worth-and-cost

Why the bottom-line doesn't come first in enterprise-architecture

Yep, it's red-rag time, folks... Sometimes I really do despair of 'enterprise'-architecture that completely fails to understand the difference between enterprise and organisation, or that mistakes the concerns of a single stakeholder group for the aims of the enterprise as a whole...

This came up yet again at the current Open Group conference in Austin[32]. At least these days Open Group and TOGAF *are* making determined efforts to break out of the old IT-centric box, but unfortunately seem to be leaping straight into the next dead-end disaster-area, namely 'business-centrism'. And that's illustrated all too well in one of the tweets that floated up from the conference space:

- *systemsflow*: Business Architecture: can't every business be boiled down to one use case name: Make Money? Drill down from there #ogaus

This came from an unnamed tweeter[33] [*update*: his name's Ben Sommer - apologies, Ben :-)] at a company called Systems Flow Inc, whose Twitter summary – "We are a boutique IT consulting firm obsessed with perfecting the design and delivery of enterprise and solution architecture" – does kind of imply the all-too-usual misplaced IT-centrism. Not much about *business*-architecture, anyway. To which, well, yes, I fulminated once again:

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[32]http://www.opengroup.org/austin2011/
[33]http://twitter.com/systemsflow

- *tetradian*: RT @systemsflow: "can't every business be boiled down to one use case: Make Money?" - no, it can't: this is exactly what not to do for #entarch / #bizarch...

The response was a kind of brief acknowledgement that yes, it *is* possible that there might be a few rare business-models that are not solely focussed on money:

- *systemsflow*: forgot govmn't: Win Mission

But to to me that still completely misses the point. In essence, it tries to assert that the enterprise-beneficiaries in effect *are* 'the enterprise' – ignoring every other player in the enterprise. (See the later part of this post[34] and also here[35] for an explanation of the enterprise-role of 'beneficiary'.) To be blunt, this not only seems startling ignorant – in the literal sense of the word – but also represents an almost certain guarantee of failure of enterprise-architecture and business-architecture, delivering a model of the enterprise that in practice is so misleading and so incomplete as to be worse than useless. Hence, again, another explosion from me:

- *tetradian*: 'make money' / 'win mission' etc are subsidiary #entarch aims for specific stakeholders: understand whole-enterprise first! // we develop #entarch for an organisation, but about whole-enterprise – are not the same! http://slidesha.re/8wWNSq[36] #ogaus

The reply didn't look at that at all, but could perhaps be described as a variation on the theme of "it's all the conference's fault, honest":

- *systemsflow*: theme for today is 'benefit bottom line w/EA = succeed'

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[34]http://weblog.tetradian.com/bmcanvas-for-nonprofits/
[35]http://weblog.tetradian.com/enterprise-canvas-pt3/
[36]http://slidesha.re/8wWNSq

The reason I got cross about this – again – was that there was no questioning about what a 'bottom-line' might be: instead, it's just *assumed* that it's always and only about money. Which, to again be blunt, indicates some serious problems in the architecture – because in architecture-practice we must not and *dare not* allow *any* assumption to go unchallenged. And as architects we also need to ask some serious questions about way the various priorities are brought into balance within the enterprise – questions that clearly are not being asked if the only 'bottom-line' in focus is a monetary one. (I often wonder whether, as in so-called 'economics', the main reason why there's so much focus on a monetary 'bottom-line' is because money is the easiest item to count? – in other words, the real problem is a particularly unimaginative form of laziness?) Anyway, another annoyed tweet from me:

- tetradian: systemsflow: "theme for today is 'benefit bottom line w/EA = succeed'" – hmm. indicates limited model of how enterprise works...? #ogaus

To which there wasn't a reply. (And fair enough: I admit I do perhaps go on at people a bit too much about this. Oh well. :-( ) Joseph Gaus did join in at this point, though:

- *JWGaus*: @tetradian @systemsflow #entarch there are too many nuances of 'make money', the next level of detail is needed. Too generic to be useful. // define vision and principles for how to 'make money' and define enterprise structure to that. // summarize higher than your vision and principles and you've lost your enterprise.
- *tetradian*: RT @JWGaus: define vision / principles for how to 'make money' , define enterprise structure to that. >wrong way round? http://bit.ly/9zU9J[37]

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[37]http://bit.ly/9zU9J

In fact I'd got it wrong there in my fulminating. :-| Joseph was in fact agreeing, but – as he said in another tweet – the 140-character limit on tweets meant that the meaning of what he was aiming say ended up compressed just that bit too much. The SystemsFlow tweeter did come back in again at this point, though:

- *systemsflow*: MT @jwgaus @tetradian #ogaus #entarch too many nuances of 'make money' to be useful // agree, the level at which all businesses are same
- *tetradian*: @systemsflow: 'make money'.."agree, the level at which all businesses are same" – whole point is they're not the same… #ogaus #entarch

To which no doubt quite a few folks would say "Yeah… so what?" :-) Why does any of this matter, anyway? And anyway, if we talk about anything other than the (financial) bottom-line, that'll get us fired, won't it?

The blunt answer is it's more that, as enterprise-architects, and even as business-architects, if we *don't* talk about a lot more than that single 'special' bottom-line, we darn well *ought* to be fired, because we wouldn't be doing our jobs properly. Again, this comes back to that difference between organisation and enterprise[38]. It's true that the organisation pays our wages or consultancy-fees, and we'll usually develop an architecture for and on behalf of an organisation; but the architecture we develop needs to be about *the enterprise* – the extended-enterprise or 'ecosystem' in which the organisation operates, and which defines the larger-scope strategic context for the organisation.

If we equate 'the enterprise' with the organisation, we have no means to describe any of the context for the organisation; and we also shut out any awareness of the reasons why other people out there in the extended-enterprise would need or even *want* to engage with the organisation. And doing that would also shut out

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[38]http://www.slideshare.net/tetradian/what-is-an-enterprise

any awareness of the anti-client[39] space, which usually represents some serious kurtosis-risks[40] for the whole organisation.

Which means that we would be missing much if not most of the information we need in order to describe *how* we arrive at that beloved 'bottom-line'.

Which would not be much of an architecture, to be honest.

Not one that would be much practical use, anyway.

Which is why I rant and rage about this so much – because the usual obsessive and exclusive focus on 'the bottom-line' actually *destroys* the potential value of enterprise-architecture, and in turn damages the entire enterprise-architecture profession itself. Oops…

[An aside: an even bigger 'Oops…' is the 'shareholder-only' model of US corporate law, which to just about every other country either looks like insanity, a structure for organised theft on a massive scale, or both. The notion that 'the shareholders' are the sole 'possessors' of the entire enterprise is, frankly, anachronistic and absurd - and that's putting it politely… For example, given that most of the so-called 'assets' of most corporations these days reside in people's heads, saying that the shareholders 'possess' those assets means that they also claim to 'possess' exclusive 'rights' to those people's lives - and there could be some *very* interesting challenges against *that* assertion in terms of the US Constitution, let alone anything else. Hmm… As a very minimum, enterprise-architects need to take a view of the enterprise such as that in German-style corporate law, which insists that the views of all stakeholders need to be taken into account in the organisation's structure and its more nuanced 'bottom-line'.]

Again, why does any of this matter, you might ask? – what's the point? The reason why it's not "yet another pointless ivory-tower quibbling-game" - and why it's actually a *foundational* issue for enterprise-architecture and business-architecture alike – is

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[39]http://sidewise.biz/who-are-your-anti-clients/
[40]http://en.wikipedia.org/wiki/Kurtosis_risk

well explained in a tweet from respected enterprise-architect Sally Bean[41]:

- *Cybersal*:   @tetradian   @systemsflow   The   negative consequences of focusing on bottom line ahead of everything else http://bit.ly/oYCEiE[42]#entarch #bizarch #ogaus

The link points to an insightful article in the British newspaper *The Guardian*[43], reporting on the current farrago around illegal phone-hacking – described as apparently 'on an industrial scale' – by the international Murdoch news-group. Why did they do it? Because the hacking supported their policy of tabloid sensationalism, which fed into their bottom-line. Why did they not think about any of the consequences of this, to others and, eventually, to themselves? Because they were focussed only on the financial bottom-line – so much so that they ignored all of the extended-enterprise context that could hit their bottom-line from so-called 'left-field'. The *only* thing that mattered was the bottom-line, this financial year, this quarter, today, *now*. They built up a culture in which no-one could question the absolute and unrelenting primacy of that short-term bottom-line. In other words, they created a culture and architecture that, in the longer-term, was *guaranteed* to fail. Not clever...

As that Guardian article shows, Enron[44] did exactly the same. Likewise the inanities of the banks that led directly to the 'global financial crash'. Likewise the Ford Motor Company, with their infamous decisions around the design of the Ford Pinto[45]. Likewise, for a somewhat different bottom-line, the NASA culture that led directly to the Challenger disaster[46]. Likewise... likewise... likewise... the catalogue could go on, and on, and on.

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[41]http://twitter.com/Cybersal
[42]http://bit.ly/oYCEiE
[43]http://www.guardian.co.uk
[44]http://en.wikipedia.org/wiki/Enron_scandal
[45]http://en.wikipedia.org/wiki/Ford_Pinto
[46]http://en.wikipedia.org/wiki/Challenger_disaster

To put it at its simplest, if we place the bottom-line as the first consideration – or, worse, the only consideration – then, at the very least, a lot of people are going to lose a lot of money, or more. It may well be that a lot of people lose their livelihoods, or even their lives. *As enterprise-architects we have a professional responsibility to make sure that that doesn't happen.* And we would have neither right nor reason to call ourselves a profession unless we *do* take that responsibility seriously – for *all* of the organisation's stakeholders. It's as simple and as bald as that.

And that's why the 'bottom-line' does not, cannot, in fact *must* not come first in enterprise-architecture.

That's my view, anyway: your thoughts, perhaps?

Source (Tetradian weblog)

- *Date*: 2011/07/19
- *URL*: why-bottom-line-doesnt-come-first-in-ea[47]
- *Comments*: 9
- *Categories*: Business, Enterprise architecture
- *Tags*: bottom-line, Business, business architecture, economics, enterprise, Enterprise architecture, money, stakeholder, story, strategy, values
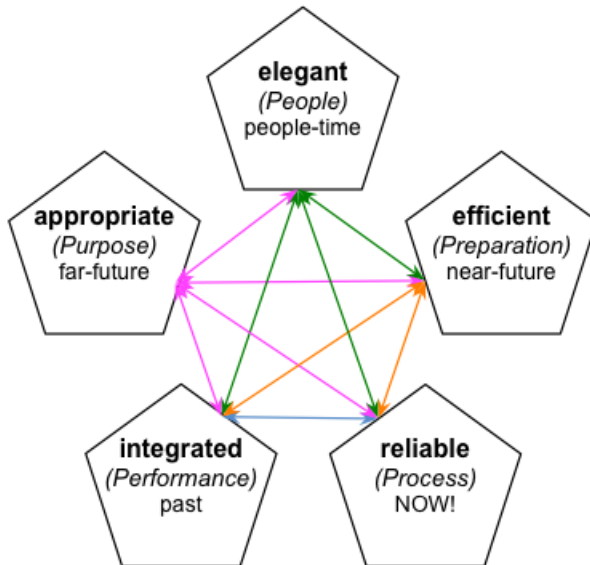
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[47]http://weblog.tetradian.com/why-bottom-line-doesnt-come-first-in-ea

A tagline for enterprise-effectiveness

What's a simple tagline that we can use to help guide conversations about enhancing of enterprise-effectiveness?

My own preference is this: **things work better when they work together, on purpose**.

Okay, I'll admit that that doesn't quite give us the full effectiveness-summary set that we've explored in the previous[48] posts[49] in this series - *efficient*, *reliable*, *elegant*, *appropriate*, *integrated*:

[48]http://weblog.tetradian.com/enterprise-effectiveness/
[49]http://weblog.tetradian.com/effective-about-effectiveness/

To cover the whole of that set, the tagline would have to be quite a bit longer: *"things work better when they work together, efficiently, reliably, simply and elegantly, on purpose"*. Which is kinda unwieldy, and too long for a simple tagline. Not quite what we'd want.

So yeah, let's stick with the shorter version for now, and allow the other effectiveness-themes in that set (and many other themes too) to arise naturally from the conversation.

But how do we use that tagline? What conversations? Why? And for what purpose, what outcomes? Let's strip it right down to an even shorter form - *"things work better together on-purpose"* - and explore what arises as we go word-by-word through that short-form tagline...

– "things"

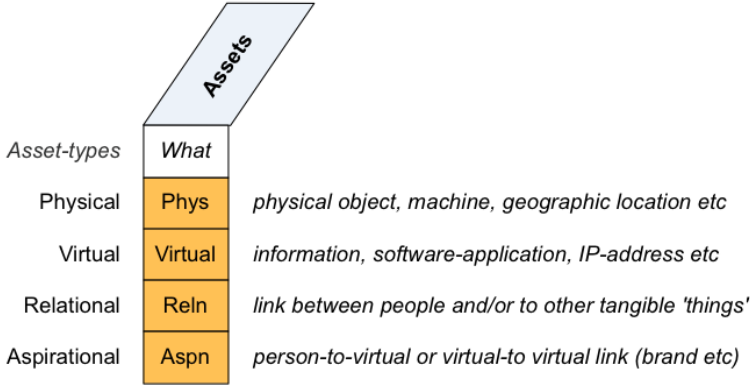What 'things'? What is the *'What'* of the enterprise?

This is in a deliberately-blurry sense at first - "What's happenin'?" "Oh, y'know, things, stuff, whatever..." - and from there work slowly towards specifics. There's a literal sense to this, of course - physical things, physical *stuff* - but a broader sense too, around information, relations, brands, reputation, all that kind of stuff as well. So, some questions to play with around 'things':

- What are the 'things' of this enterprise?
- Who or what decides what things are in-scope for this enterprise, and which aren't?
- What happens to those things? In what ways do they change? - become transformed into or used in other things? (And what happens to *those* other things?)
- What are the lifecycles for those things? - Create, Read, Update Delete, and all that[50]?

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[50]http://weblog.tetradian.com/crud-crude-action-acronyms/

- Who or what decides what should or should not happen to each thing? Why?
- Who owns each of these things? In what sense of 'own'? And what stage in each lifecycle for each thing?

Another term for 'things' is **assets**. In effect, things or 'resources' become 'assets[51]' when someone has responsibility for them - whether they know it or not. We also need to note that each thing or asset will express one or more of the asset-dimensions[52]:

Asset-types	What	
Physical	Phys	physical object, machine, geographic location etc
Virtual	Virtual	information, software-application, IP-address etc
Relational	Reln	link between people and/or to other tangible 'things'
Aspirational	Aspn	person-to-virtual or virtual-to virtual link (brand etc)

As a quick summary of the distinctions between these asset-dimensions:

- *physical*: tangible, independent (it exists in its own right), exchangeable (I can pass the thing itself to you), alienable (if I give it to you, I no longer have it)
- *virtual*: non-tangible, semi-independent (exists in its own right, but requires association with something physical to give it accessible form), semi-exchangeable (I can pass a clone or imperfect-copy of the thing to you), non-alienable (if I give it to you, I still have it)

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[51]http://weblog.tetradian.com/assets-and-services/
[52]http://weblog.tetradian.com/fractals-naming-and-enterprise-architecture/

- *relational*: semi-tangible (each end of the link is tangible), dependent (it exists between its nodes, and may be dropped from either end), non-exchangeable (if I have it, I cannot give it to you – though I can create conditions under which you could create your own equivalent copy), inherently non-alienable (there is nothing that can be given to others)
- *aspirational* ('meaning'): semi-tangible at best (one end of the link may be tangible, but at least one node will be virtual), dependent (it exists between its nodes), non-exchangeable (as for relational-asset), inherently non-alienable (as for relational-asset)

These distinctions are crucially important, and a lot of people get them mixed up. For example, trying to 'control' information as if it's physical is rarely a good idea - especially if our business-model assumes that that'll work. (Which it doesn't, as the media-industries and others discovered to their cost...)

Two other points to note. One is that people - business-folk especially - will often ask why *money*, for example, isn't there as a separate dimension in its own right. That's because it isn't: technically-speaking, money is just information about a belief, in other words a combination of the *virtual* and *aspirational* dimensions. You're welcome to include money as a separate dimension if you wish - because, yeah, a lot of people do seem to want it as such - but be aware that doing so can kinda confuse things further down the track, such as when we need to compare contexts where alternatives to 'currencies' may be in play.

The other is that, *by intent*, there's no mention of people as such. That's because ***people are not things*** - and we need to hammer that point home rather hard sometimes. Yes, *relations* with people are a kind of 'thing'; beliefs are a kind of 'thing'; *reputation* is a kind of 'thing'; and yes, those *are* in that mapping of asset-dimensions (typically as combinations of relational-dimension and aspirational-dimension). *Relations* with people are assets (and important ones,

too), but people *themselves* are not - and failure to understand that distinction is a *really* common cause of ineffectiveness in the enterprise. You Have Been Warned, etc?

– "work"

What is 'work'? What is the *'How'* of the enterprise, that we could aim to make more effective?

The challenge here is almost the opposite to that for 'things': it's too easy for discussions about work to become constrained to existing assumptions, whereas for this we need to keep exploration more open for as long as possible. Some questions to play with around 'work':

- What is 'work', within the enterprise?
- What needs to be done on or to or with all of those 'things' of the enterprise?
- Who or what does that work?
- Who decides what work is to be done? Does this differ from the person who does the work?
- Who is responsible or accountable[53] for that work? Is such responsibility freely chosen, or assigned by another? What are the consequences[54] for that choice?
- If the work is automated, who designs or operates that automation? Who provides oversight or checks on that design and operation of automation?
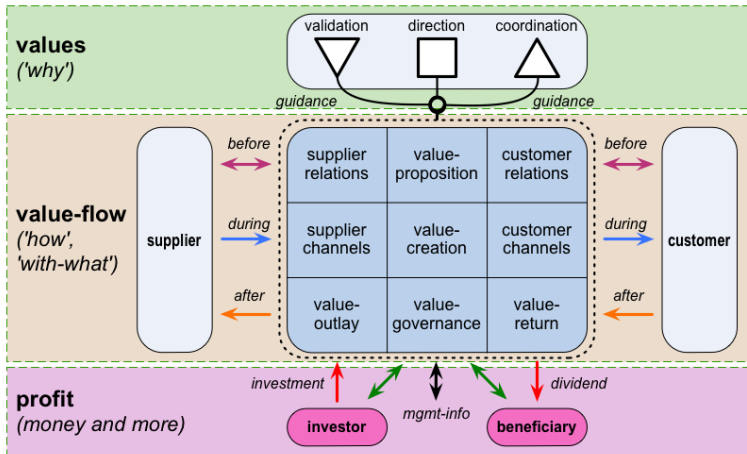
If we think of work in terms of services, then the Enterprise Canvas[55] framework can provide a useful visual-checklist[56] to guide explorations about work within the enterprise:

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[53]http://en.wikipedia.org/wiki/Responsibility_assignment_matrix
[54]http://www.danpink.com/books/drive/
[55]http://weblog.tetradian.com/services-and-ecanvas-review-summary/
[56]http://weblog.tetradian.com/ecanvas-as-service-viability-checklist/

Every element and exchange on the Enterprise Canvas frame represents some kind of work that needs to be done on some kind of 'things'. It may be helpful to use a semi-structured method such as the 'This' game[57] to guide exploration of the work, the 'things' and their interdependencies.

– "better"

What do we mean by 'better'? What is the *quality* of the enterprise, such that we know when the enterprise is more, or less, effective in terms of its aims and goals?

This is sometimes a bit harder to explore at first, not least because it barely rates any mention in any of the mainstream enterprise-architecture frameworks: it doesn't appear at all in Zachman[58], for example. Some questions to play with around 'better':

- What, in terms of the overall enterprise, is 'better' or 'not-better'?
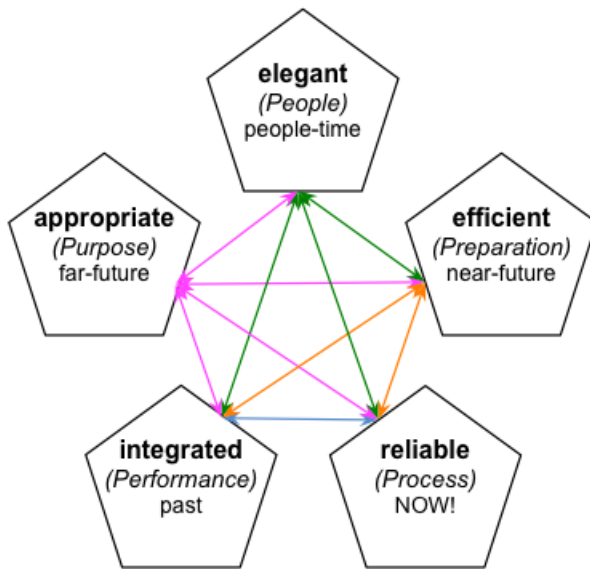
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[57]http://weblog.tetradian.com/this-exploratory-game-for-service-oriented-ea/
[58]http://en.wikipedia.org/wiki/Zachman_Framework

- How would you identify when 'better' has or has not been achieved? What metrics or other identifiers would you use?
- Who determines the values and metrics upon which 'better' or 'not-better' is based?
- For which groups of stakeholders - whether 'internal' or 'external' - does each aspect of 'better'' or 'not-better' apply?
- Where those metrics differ between stakeholder-groups, how would you obtain and monitor appropriate balance for and between each of the stakeholder-groups?
- Where those metrics and outcomes differ across various aspects or domains of the enterprise, how would you obtain and monitor appropriate balance for and between each of the domains, and across the overall enterprise as a whole?

That last pair of questions is extremely important, yet often missed - though it's where and why we so often end up with local efficiency, for example, at the expense of overall effectiveness. The old adage "act local, think global" definitely applies here...

One place to start is with the effectiveness-set that we've used throughout this series - efficient, reliable, elegant, appropriate, integrated:

We do need to recognise, though, that that's only a starter-set, one that's common to every organisation and enterprise. To go further, we need to explore all of the other qualitative '-ilities' that might apply in the context, such as flexibility, adaptability, extensibility, scalability and so on - all of the so-misnamed 'non-functionals[59]' of the respective enterprise. It would also be wise to explore the often-crucial distinctions between fragility, robustness, resilience and antifragility[60] that may apply in each aspect of the enterprise and its context.

– "together"

What do we mean by 'together'? What underpins the ***integration*** of activities and everything else in the enterprise, to work together

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[59]http://weblog.tetradian.com/non-functional-elements-in-ea/
[60]http://en.wikipedia.org/wiki/Antifragility

as a unified whole?

As above with 'better', exploring this aspect of effectiveness can be much harder than we might expect - though in this case more often from fixed assumptions about what 'togetherness' supposedly 'should'[61] be, rather than what it needs to be for things to work well. Some questions to play with around 'together':
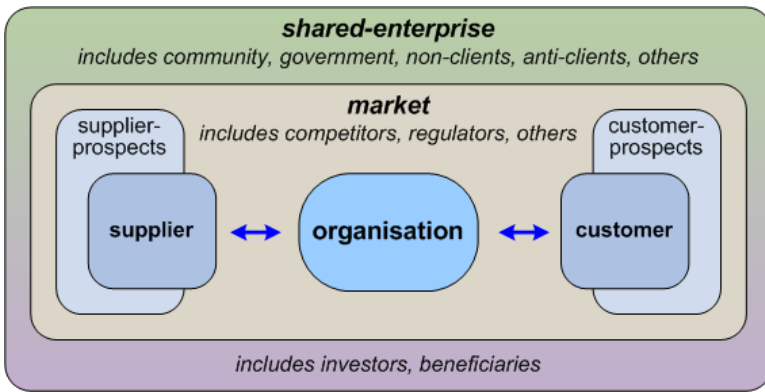
- What are the key interdependencies across the enterprise? (You may well need to go quite a lot deeper than you might at first expect, though the 'Just Enough Detail[62]' principle should always apply.)
- Who is responsible or accountable for each interdependency? (The answer should never be 'No-one'...)
- What are the interfaces and exchanges between each of the services that make up the activities of the enterprise? What interdependencies do each of these interfaces and exchanges create? (Again, the 'Just Enough Detail' principle should apply here.)
- Who is responsible and accountable for each of these interfaces and exchanges? (Again, the answer should never be 'No-one'.)
- What checks and balances are needed to link everything together across the enterprise in most optimal way overall? - allowing for the dynamics of change across the enterprise?
- What conversations between stakeholders are needed across the enterprise, to ensure optimal integration and 'togetherness' throughout the enterprise?
- Who is responsible and accountable for each of those conversations, and the outcomes of those conversations? (Once again, the answer should never be 'No-one'.)

As before, the Enterprise Canvas framework and the 'This' game may well be useful to guide this kind of exploration.

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[61]http://weblog.tetradian.com/rbpea-object-subject-and-should/
[62]http://weblog.tetradian.com/just-enough-detail/

One of the most common concepts for 'togetherness' is *alignment* to a defined business-strategy. Whilst that's obviously an important *aspect* of 'togetherness', it's only *one* aspect amongst many - and if we fail to acknowledge and work with that fact, we can get ourselves into very deep trouble without understanding how or why. We need to remember at all times that *the enterprise-in-scope is always larger than the organisation-in-scope* - a point we explored in the previous post 'Effectiveness for enterprise-effectiveness[63]':

The interdependencies, interfaces, exchanges, checks and balances, and conversations needed for 'togetherness' apply to relations between *all* stakeholders in the overall enterprise - not solely to those interactions that seemingly centre around the organisation itself. Again, we forget that fact at our peril...
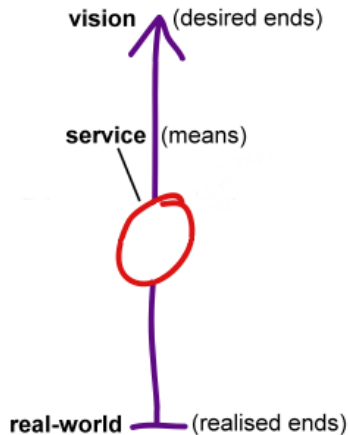
– "on-purpose"

What do we mean by 'on-purpose'? What is the *'Why'* for the enterprise, that underpins everything that it is and does?

In principle, 'on-purpose' should be straightforward: every action

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[63]http://weblog.tetradian.com/effective-about-effectiveness/

in the enterprise should take place in context of a shared-purpose - sometimes described as the 'vision' for the shared-enterprise. Every service acts as a means to move from what we already have - the 'realised-ends' in the existing real-world - towards that vision, the 'desired-ends':

Yet as with 'Together', the real challenge here is that there are often some too-rigid preconceptions about what the 'Why' is for an enterprise, and even more for who gets to define it - many of which preconceptions may well be dangerously wrong... So, some questions to play with around 'on-purpose':

- What is the purpose of the enterprise, as a central rallying-point for a 'bold endeavour'?
- How is that enterprise-purpose identified?
- Who defines that purpose? - or does it kind of define itself, POSIWID[64]-style?
- What values devolve from the shared-purpose? How do these help to identify what *'better'* would mean within the enterprise, and how to keep on-track towards both *'better'* and *'on-purpose'*?

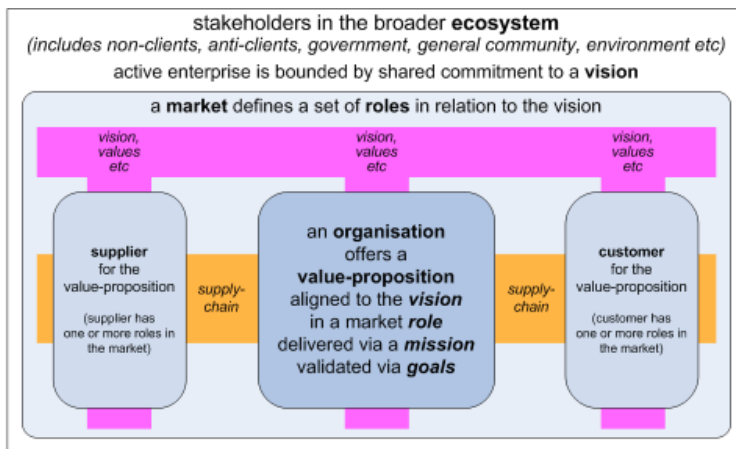[64]http://en.wikipedia.org/wiki/The_purpose_of_a_system_is_what_it_does

- How do we identify when actions are more towards, or less towards, *'on-purpose'*? What can we do to bring strategies and actions more towards *'on-purpose'*?
- What is the purpose or intent of each stakeholder-group in relation to that shared enterprise-purpose?
- What action needs to be taken to ensure that those differing purposes balance out in relation to each other and to the shared-purpose? How can we ensure that the purposes of one or more stakeholder-groups do not attempt to override all of the others?

It's perhaps crucial to note that *every* stakeholder has their own aim(s) and purpose(s) - many of which are changing all the time anyway. For example, a bar/restaurant chain wants to make a financial profit, the franchisee wants to run a business, the employees want meaningful work that also supports their own families, the city wants to attract visitors to the town, the police want no trouble from anyone, whilst the customer - right now, though perhaps not at any other time - just wants a good night out with something good to eat and drink. And **the shared-enterprise is the point where all of these disparate purposes coincide**.

Which is why, for enterprise-effectiveness, we need to understand that *no-one 'possesses' the enterprise* - it is *itself*, it just 'is'. And likewise no-one 'possesses' the shared-purpose for that shared-enterprise - it is *itself*, it just 'is'. To design a business-model in relation to that shared-enterprise, we need to know what that shared-purpose *is* - but we also need to remember that **we do not define that shared-purpose, nor do we possess it**. This is a crucial point that many business-folk still seemingly fail to understand...

The usual approach to business-models and the like would typically assume that the organisation 'is' the enterprise, and that everyone else exists only in relation to the organisation and its own needs, aims and purpose. This shift in perspective about the

nature of enterprise above warns us that that conventional view is literally self-centric[65] - and fundamentally wrong, causing serious misconceptions about the nature of value-propositions[66] and the like. Instead, building on that model of the shared-enterprise above, we can summarise the requirements for *'on-purpose'* visually as follows:

Nigel Green and Carl Bate's 'VPEC-T[67]' - Values, Policies, Events, Content, Trust - is one framework that's proved very useful to iden-tify and resolve clashes between stakeholders and their respective purposes. Overall, though, one of the simplest tactic is to keep focus on those core questions: "What is *'on-purpose'*? - and how do we get there?"

So that's all of the key elements for that tagline for enterprise-effectiveness: **things work better when they work together**, **on-purpose**.

I hope you find it useful! Your comments / suggestions / experiences, perhaps?

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[65]http://weblog.tetradian.com/rbpea-dangers-of-anything-centrism/
[66]http://weblog.tetradian.com/what-is-a-value-proposition/
[67]http://en.wikipedia.org/wiki/VPEC-T

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[68]http://weblog.tetradian.com/tagline-for-enterprise-effectiveness