CAPABILITY-BASED ROADMAPS FOR AN ENTERPRISE TRANSFORMATION

HOW BCBSMN DID IT AND WHAT WE LEARNED

MACC15
November 12, 2015

Todd Sicard, BCBSMN Principal Enterprise Architect

Blue Cross® and Blue Shield® of Minnesota and Blue Plus® are nonprofit independent licensees of the Blue Cross and Blue Shield Association.
SESSION OUTLINE
(THIS IS A “HOW TO”)

• Describe the creation, content, visualization, and usage of capability-based roadmaps.

• Discuss our development journey from a pragmatic, hands-on, and lessons-learned perspective.
  • Initial conditions
  • Approach
  • Visualization
  • Documentation
  • Translation into data
  • Coordinating roadmaps
  • Next steps
WHO AM I?  
WHY AM I HERE?

Todd Sicard is currently a Principal Enterprise Architect at Blue Cross Blue Shield of Minnesota helping to achieve business and IT strategy via a planned evolution of IT systems. His experience includes over 20 years of health insurance and over 10 years of enterprise-level architecture. He can also be found playing 3rd trombone at the Wabasha Street Caves with Beasley’s Big Band. He finds it a bit odd to be referring to himself in the third person.

linkedin.com/in/toddsicard
ABOUT BLUE CROSS AND BLUE SHIELD OF MINNESOTA

In 1933, seven St. Paul hospitals teamed up to form the Minnesota Hospital Association, becoming the country’s first prepaid health care network. Today, Blue Cross is the leading health plan in the state.

• We have more members, the largest network of doctors and more products and services than any other health plan in Minnesota.
• About one in three Minnesotans has a health plan with us.
• Our 2.6 million members can be found in every Minnesota county, all 50 states and on four continents.
WHAT’S HAPPENING — DRIVING FACTORS

• Consumer driven marketplace
  • Digitization and mobilization
  • Personalization
• Industry and mandate drivers
  • Provider-payer collaboration
  • Increasing quality

• Internal drivers
  • Reduce operating costs
  • Differentiate in a very competitive marketplace
Our challenge: Transform strategy into something actionable
CHALLENGE ACCEPTED: THE CAPABILITY ROADMAP
ROADMAP USERS & USES: THE INITIALIZATION OF ACTION

• Transformation Leadership
  • Understanding of scope, challenges, and risks
  • A complete atlas of capability roadmaps

• Business Leaders
  • Insights into training, staffing requirements, & process changes

• Project Managers
  • Scope definition, key task inventory, inter-project coordination

• Solution Architects
  • Decisions, timing, and conversion approach for key assets
A “ROADMAP”

- Roadmaps translate a strategy into actions
- How to get from A to B, achieving X

- Each has a specific, capability model-based scope
- Each is a multi-year description of how systems will rise, fall, or change

- A System is composed of applications, datastores, vendor platforms
- Applications are the “biggies;” the “key” ones
- Changes are non-trivial; needed to advance strategy
ROADMAP APPROACH

1. Strategy & overall approach defined
   EA’s were the first out of the gates
   Armed with strategy & our models

2. Led with the visual
   Fleshed out in the documentation
   Rounds of approvals

3. Converted into data
   Loaded into enterprise modeling tool
   Now managing data
PREREQUISITES

• Board-down executive alignment
• Director-level participation
• Funding
• Unfettered access to SME’s
• EA team assigned @ 100%
• Looming deadlines

• Capability Model – Hierarchical w/ 3 levels (L1, L2, & L3)
• Operating Models: Assets mapped to Capabilities
  • Application
  • Datastore
  • Ecosystem
PREREQUISITES
CAPABILITY MODEL
PREREQUISITES
OPERATING MODELS
• Decision #1: Keep each asset into the Target State?
• Each current asset is painted red, green, or grey
VISUALIZATIONS

THE ROADMAP

• A roadmap tells the story of how the current operating model is transformed
• 1000’s of points of information on each page
• We developed a topographic framework
HOW THE ROADMAP WORKS
THE TOPOGRAPHIC ROADMAP’S CONTENTS

• Strategy and Level 1 Capability (‘L1’)

• Sub-Capabilities (levels 2 and 3)  what
• Time and Targets     when and why

• System Lifelines     which and when
• Work Packages       how

• External Stakeholder Impacts  who
• Internal Staff Impacts  who
**THE FICTIONAL SCENARIO**

- **Strategy:** Move to new platform called the “Back Office Core”
- **Overall Approach:** Migrate clients by LOB over a few years
- **Roadmap:** Capability 2.0 Manage Suppliers

Fictional & simplified level 1 capability model:

*Roadmaps are VERY confidential things!*
Strategy + Level “1” Capability

Capability Roadmap: Core System Transformation

2. Develop & Manage Supplier Relations
THE TOPOGRAPHIC ROADMAP
X AND Y AXIS

Y = Capabilities + Systems

Cap-to-cap mapping

System Composition
E = Ecosystem
A = Application
D = Datastore

X = Time + Targets
Other possibilities:
Organization, resources, processes, value streams, etc.

THE TOPOGRAPHIC ROADMAP
SYSTEM LIFELINES

Current Operating Model

First Migration

Target Operating Model

2016

2017

2018

2019

2020

External / Vendor

Internal Full Usage

Decreasing Usage

Retroactive

Decomm

Initialization

Increasing Usage

Full Usage

Internal Full Usage

Decomm

Initialization

Full Usage

Organization, resources, processes, value streams, etc.
THE TOPOGRAPHIC ROADMAP

WORK PACKAGES

- A “Work Package” is a distinct unit of non-trivial change
- Unique ID’s = capability number + alpha
- Special Cases: Gaps, Repeating

### Diagram

- **BOCore TBD**
  - GAP: Estimation
  - Migrate PayModel

- **SA&R (2.2.7)**
  - BOCs Core SuppSource

- **2.1.3b**
  - Warehouse

- **2.2.4a**
  - Rewire Demographics

- **2.2.6a**
  - Migrate Credentials

- **2.2.8g**
  - X = Killer
  - 1x = One time only
  - A = Automated
  - M = Manual
THE TOPOGRAPHIC ROADMAP IMPACTS

External Stakeholders

Internal Departments or Processes

2.2.6a

Supplier Impact

TS4

Migrate Credentials

2.2.7c

1x

Dual Maintenance

2.2.7b

GAP: Timely Payment
THE *ILITIES: LEGIB* CONSUMAB* USAB*

• Goal: **Learn to read one, then be able to read them all**
  
  *Just like opening a Rand McNally road atlas of the 50 states.*

• What makes them legible?
  
  • Highly standardized look and feel
  
  • Fixed size and layout
  
  • Standardized shapes
  
  • Standardized coloration
  
  • Standardized fonts
BEYOND THE VISUAL: WORDS AND DATA
An accompanying document better describing:

- Capabilities in scope / out of scope
- Capability interdependencies
- Glossary of system components: ECO, APP, DS
- Work packages (example on next slide)
- Stakeholder impacts
- Internal organization impacts
- Milestones

Plus the usuals…
- Exec Summary
- In scope / out of scope
- Assumptions
- Risks
- Constraints
- Project dependencies
- Open decisions
- Approvals
WORK PACKAGE DESCRIPTIONS

…the cornerstones for the solution and project plans

<table>
<thead>
<tr>
<th>ID</th>
<th>Package</th>
<th>Blue Cross</th>
<th>BOCr</th>
<th>General scope and approach</th>
<th>Line of business (LOB)</th>
</tr>
</thead>
</table>
| 2.1.3a  | Convert to PayModel   | 2016       |      | • Not Transformation: Already in progress  
|         |                       |            |      | • Functionality will be migrated to PayModel and SAS by Supplier Finance staff.                | All but Gov            |
| 2.1.3b  | Gap: Estimation       | 2017       |      | • “Flexible GUI for research of supplier contracting models”                                   | All but Gov            |
| 2.1.3c  | Migrate PayModel      | 2018       | 2018 | • Ensure BOCore has the full breadth and depth of historical, integrated data to model supplier payments.  
|         |                       |            |      | • Perform bulk loads (as needed) and setup automated ongoing feeds.                             | All but Gov            |
|         |                       |            |      | • Kill feeds from Warehouse to PayModel.                                                      |                        |
|         |                       |            |      | • Manually migrate remaining pricing data and functionality                                     |                        |
|         |                       |            |      | • Cross reference to Work Package 2.2.8c                                                      |                        |
• **Capability Model** - \( L1, L2, \text{ & } L3 \)
• **Assets** - ecosystem entities, applications, & datastores
• **Op Models** - assets to capability
  • Primary versus secondary
• **Heatmaps** - outcome
  • Decommission, sustain, or consolidate
  • Decision date and comments
• **Roadmaps** - lifecycle
  • Production start / end
  • Decommissioning start / end
• **System Glossary** - systems into assets
TRANSLATION INTO DATA

- Loaded into enterprise modeling tool
- Maintain roadmaps as data
- Visuals > Data
  *But that’s okay!* 

```
<table>
<thead>
<tr>
<th>Capability</th>
<th>L3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset</td>
<td>+Description +Outcome (Heat) +Outcome Decision Date +Outcome Comment</td>
</tr>
<tr>
<td></td>
<td>Lifecycle +Production +Retirement</td>
</tr>
<tr>
<td></td>
<td>Performs (Primary / Secondary)</td>
</tr>
<tr>
<td></td>
<td>Owning Org Owned by</td>
</tr>
<tr>
<td></td>
<td>Asset Subtype Asset Type</td>
</tr>
<tr>
<td></td>
<td>System Composed of</td>
</tr>
</tbody>
</table>
```

- System
- Asset Type
- Owned by
- Performs (Primary / Secondary)
- Lifecycle
- Description
- Outcome (Heat)
- Outcome Decision Date
- Outcome Comment
- Production
- Retirement
PRINCIPLES
LESSONS
OUTCOME
ROADMAPPING PRINCIPLES

• Anchor to capabilities, not organization or line of business
• Focus on the “biggie” systems… the others will follow
  Full enterprise breadth, but not too deep
• “Professional” means sweating all the details
  • Neat appearance
  • Consistent across roadmaps
  • Consumable content
• Bias for action – decisions with just-enough information
• 360 degree collaboration with all parties
• It must be actionable, representing key transformation work
LESSONS LEARNED

• Develop the framework **iteratively**
  *Keep modifying it until your audience finds it usable*

• **Don’t waste ink** on irrelevant or replications

• **Work Package’s lines** become solution-ish

• **Some decisions are too big** to only live here

• Each roadmap takes **a lot of time and people**
  *There are a LOT of decisions and data points*

• **Needs and uses change** over time and phase

• **We started out as pioneers** but were lapped at approvals

• **Coordinating multiple**, related roadmaps…
HOW WE COORDINATED MULTIPLE ROADMAPS

• One roadmap per capability
• One Enterprise Architect per roadmap
• EA’s matched to director-level business leads
The topographic framework was flexible…

• **SuperVendors!**
  • One vendor appearing upon many roadmaps
  • We created a vendor-specific, cross-capability roadmap
  • Spotlight vendor w/ green lifelines

• **Independent Lines of Business**
  • Showed on roadmaps when directly relevant
  • Generally created their own roadmaps
VISIO MUSTS: LAYERS AND STENCILS

2. Develop & Manage Supplier Relations

Current Operating Model

Timeline Spacing

2016

First Migration

- Sys Stop Lights E-A-D
- Sys BC Full
- Sys BC Decreasing
- Sys BC Runout
- Sys BC Retirement
- Sys BC Borrowed
- Sys ECO Full
- Sys ECO Decreasing
- Sys BOC Initial
- Sys BOC Increasing
- Sys BOC Full
- Work Package
- Work Package...
- Milestone
- Staff Impact
- Int Impact
- Int Automated
- Int Up
- Int Down
- Int Slant
- Int Killer
- BC L3 Divider
- Cap L3 BC
- Cap L2 BC
- Cap L3 BOC

L2 Cap Name
Centered, Top Aligned
Calibri 10pt Bold

L3 Cap Label
Centered x 2
Calibri 8 Bold

2.2.4 Negotiate Contract
Reimbursement

1/8" Overhang

4.125"

(Original Size)
“AFTER” THE ROADMAP

• Data quality checks, re-checks, and cross-checks

• Ongoing maintenance
  • Conflicts: Doing new work versus updates prior work
  • Choices: Tracking roadmaps execution

• Annual planning support

• Decommissioning planning
SO WHAT HAPPENED?
DID THE ROADMAPS WORK?

ON 11-1-15, OUR FIRST GROUPS MIGRATED!

In less than a year, BCBSMN went from strategy to our first migrations completed.
THANK YOU