

**On the relationship of
IT & the enterprise of
which it is a part ...**
*[getting a handle on the
concept of “enterprise
architecture”]*

- “Alignment,” “flexibility,” “nimbleness,” “simplicity,” and so on are design objectives; answers to questions like “what do we want it to look like?”
- The answer to the question “how do we accomplish it?” ...
 - is what most now call “planning” or “strategic planning”;
 - and a few, thinking in the most comprehensive sense of the term, call it “Enterprise Architecture.”
 - Fed Chairman Bernanke calls it “intangible capital“ ...

- In his June 2006 commencement speech @ MIT **Federal Reserve Board Chairman Bernanke** said ...
- "In the case of information and communication technologies, new economic research suggests that the investments in associated **intangible capital -- figuring out what to do with the computer once it's out of the box** -- are quite important indeed.
- In my view, **important investments in intangible capital remain to be made, as much still remains to be learned about how to harness these technologies most effectively.** Thus, it should not be surprising that the benefits of these technologies have taken a long time to show up in the productivity statistics.
- This research also suggests that the current productivity revival still has some legs, as **the full economic benefits of recent technological changes have not yet been completely realized.**"

- The **US government's GAO** says
- **“Enterprise Architecture (EA)” provides “a clear and comprehensive picture of an ... organization.”** *Information Technology: Enterprise Architecture Use Across The Federal Government Can Be Improved, GAO-02-6, February 2002, <http://www.gao.gov/new.items/d026.pdf>.*
- **“An enterprise architecture is a blueprint for organizational change defined in models [using words, graphics, and other depictions] that describe (in both business and technology terms) how the entity operates today and how it intends to operate in the future; it also includes a plan for transitioning to this future state.”** *Enterprise Architecture: Leadership Remains Key To Establishing And Leveraging Architectures for Organizational Transformation, GAO- 06-831, August 2006, <http://www.gao.gov/new.items/d06831.pdf>.*

- Kappelman says **EA is about communications and the creation of a shared language to “talk” about the enterprise.**
- **CONSIDER THIS:** If the people within the enterprise cannot adequately communicate in order to align their thinking, then how can we expect the more tangible “things” managed by those people (like hardware, software, data, people, products, channels, monies, etc.) to be aligned with the more intangible things like goals, objectives, motivations, or government regulations?

Other Remarks by Federal Reserve Board Chairman Ben S. Bernanke

- Some observers have characterized the **new information and communication technologies** as *general-purpose technologies*, which means that -- like earlier major innovations such as electrification and the internal combustion engine -- they have the potential to revolutionize production and make many new goods and services available to consumers (see Bresnahan and Trajtenberg, 1995).
- **To make effective use of such a technology within a specific firm or industry, however, managers must supplement their purchases of new equipment with investments in firm- or industry-specific research and development, worker training, and organizational redesign -- all examples of what economists call *intangible capital*.**
- (August 31, 2006) <http://www.federalreserve.gov/boarddocs/speeches/2006/20060831/default.htm>