

An Introduction to Pace Layering

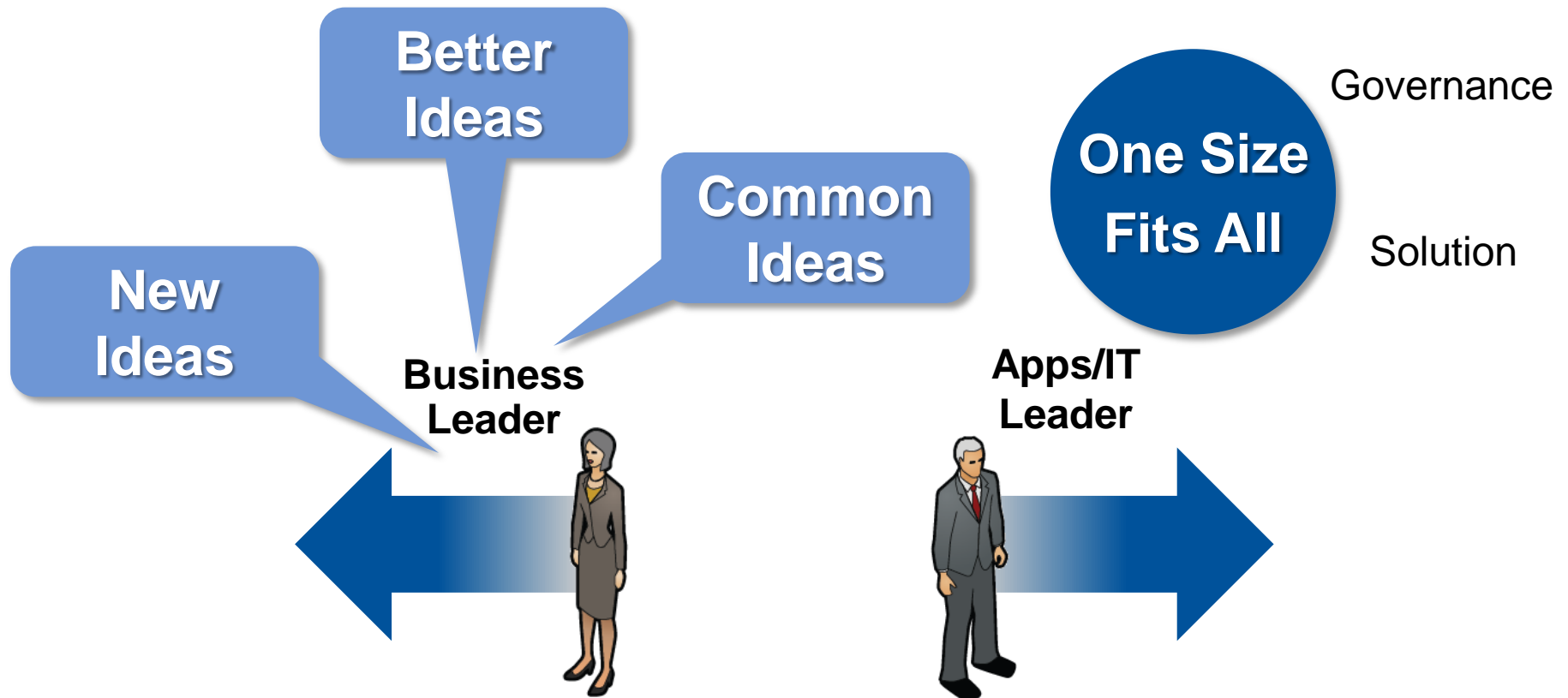
Brian Rice

Leadership Partner

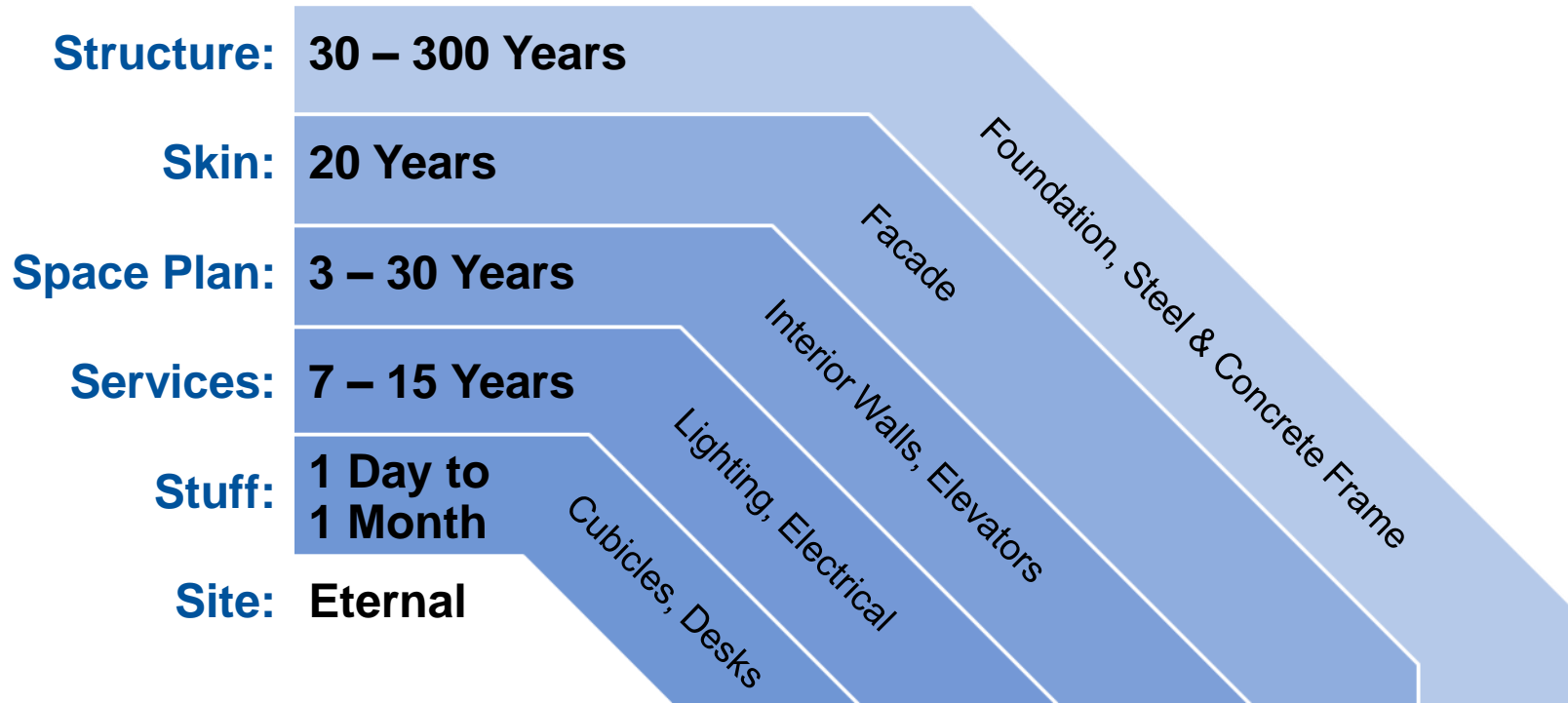
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Improving The Business/IT Conversation



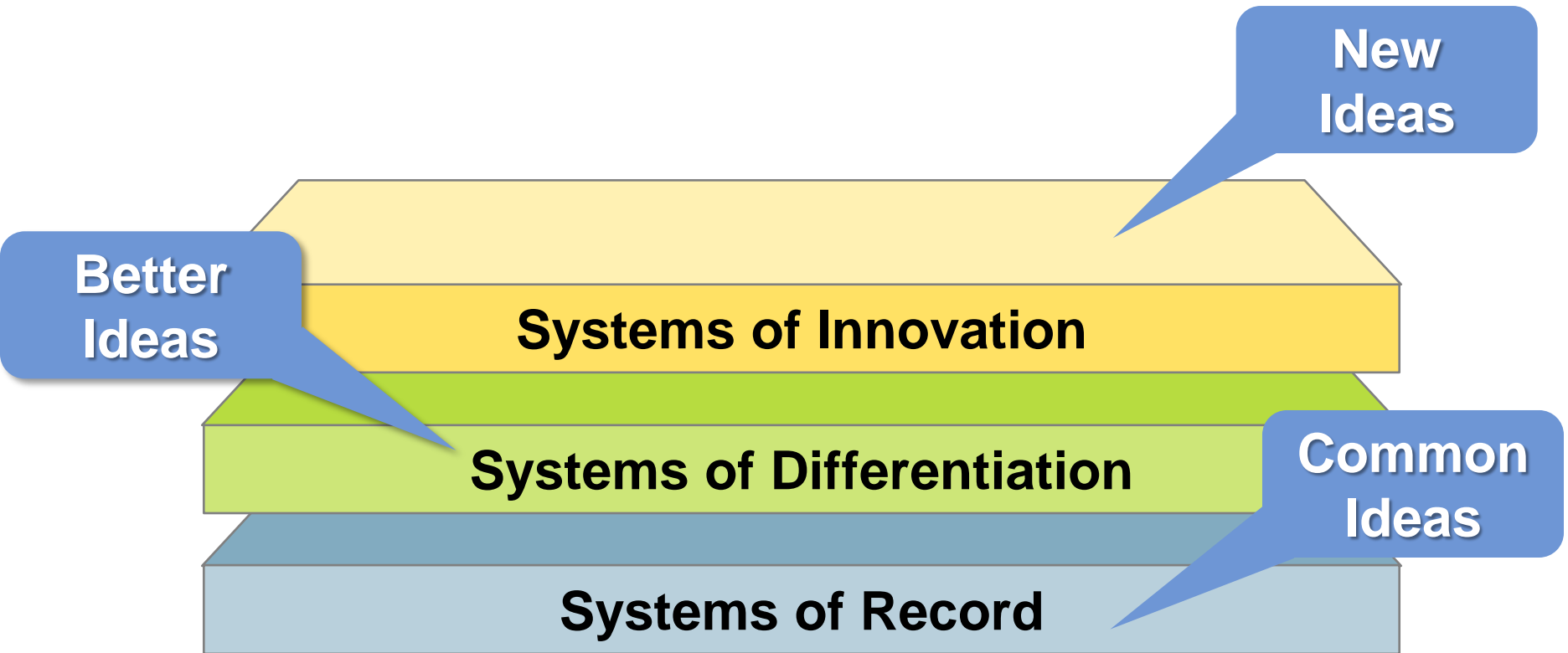
How Do Other "Systems" in Industry Deal With Varying Rates of Change? Pace Layering/Shearing Layers



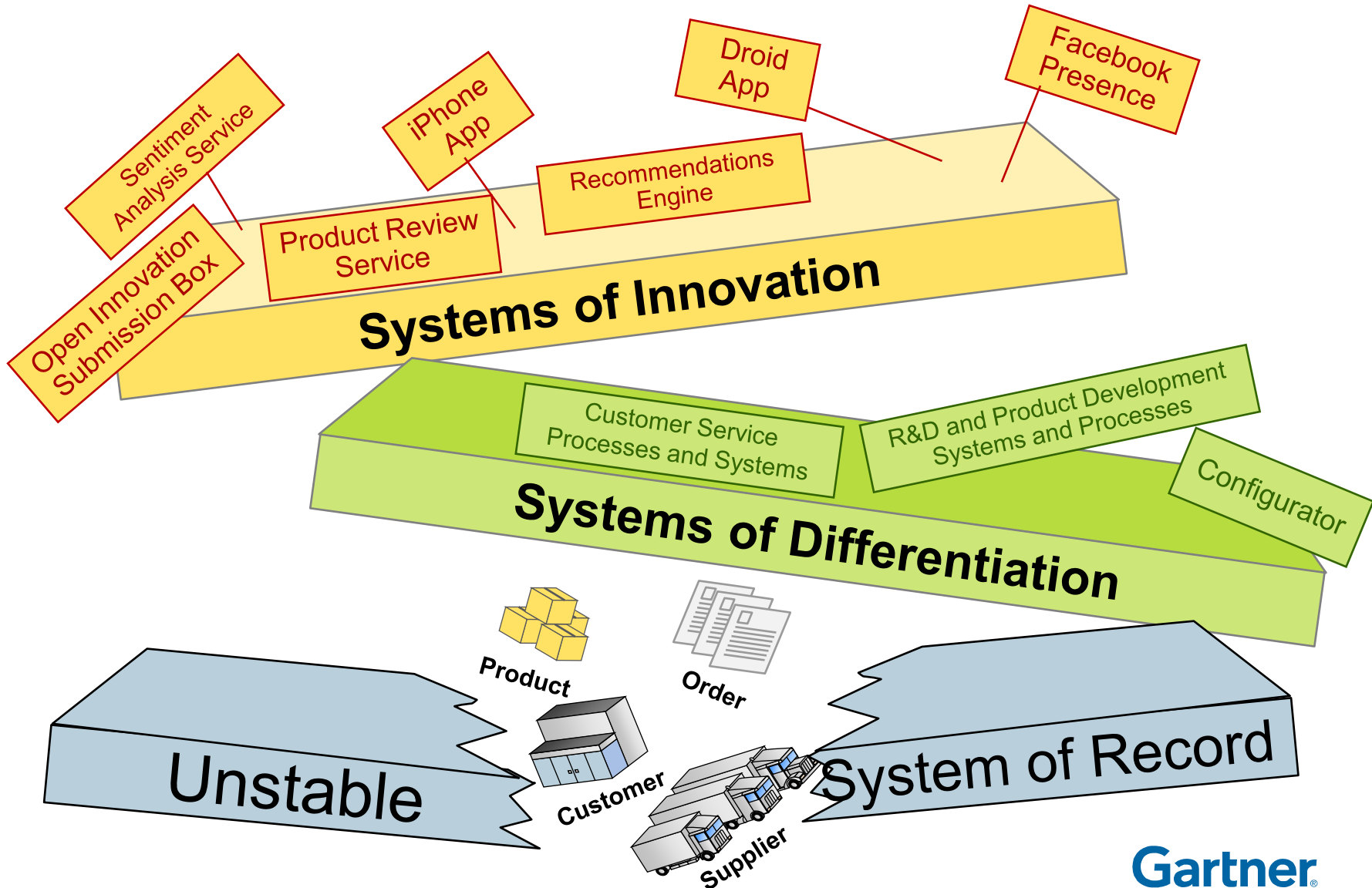
Note: For more on pace layers and shearing layers in building architecture see "How Buildings Learn" (1994) by Stewart Brand

A Pace Layered View of Systems

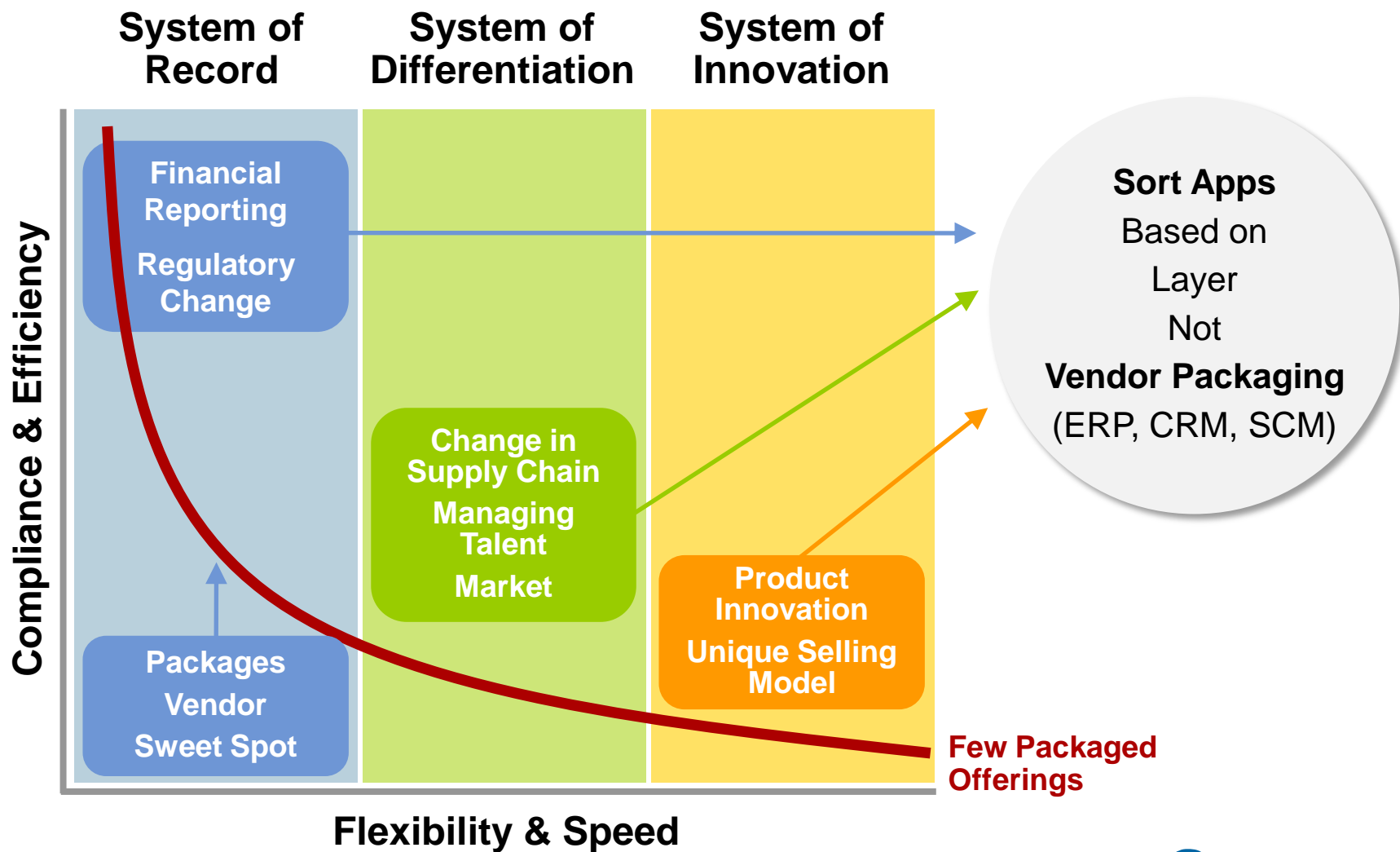
Business applications can be categorized by the nature of the problem they address, their rate of change and the distinctiveness of the solution.



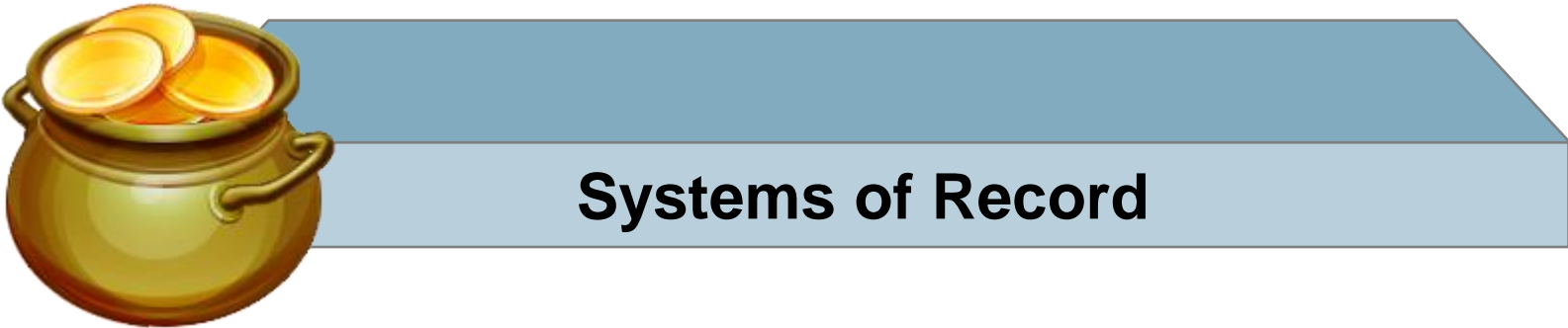
Unstable Foundations Lead to Failure



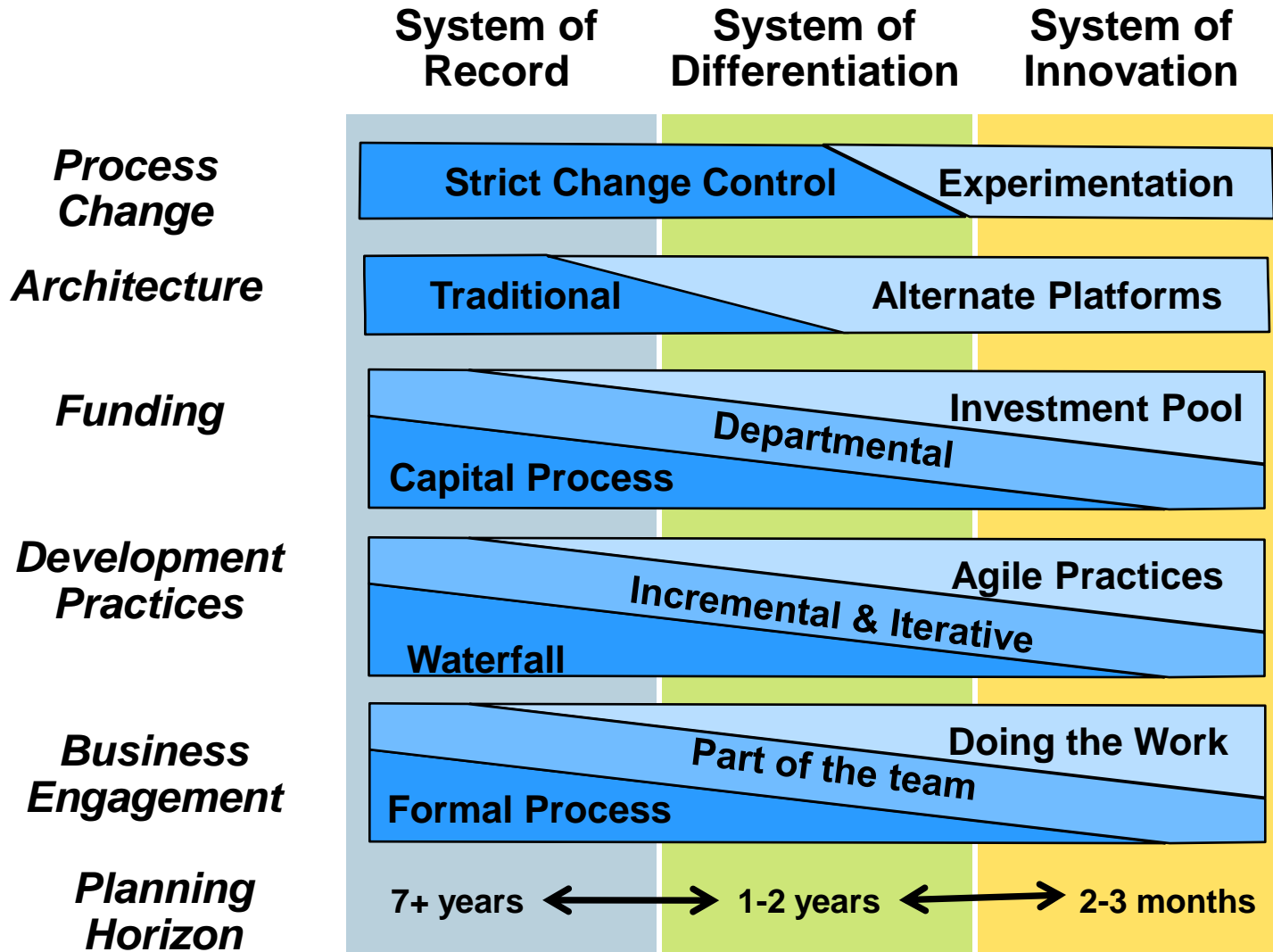
Your Application Portfolio Should Match Business Strategy Requirements



Pace Layering and Budgeting

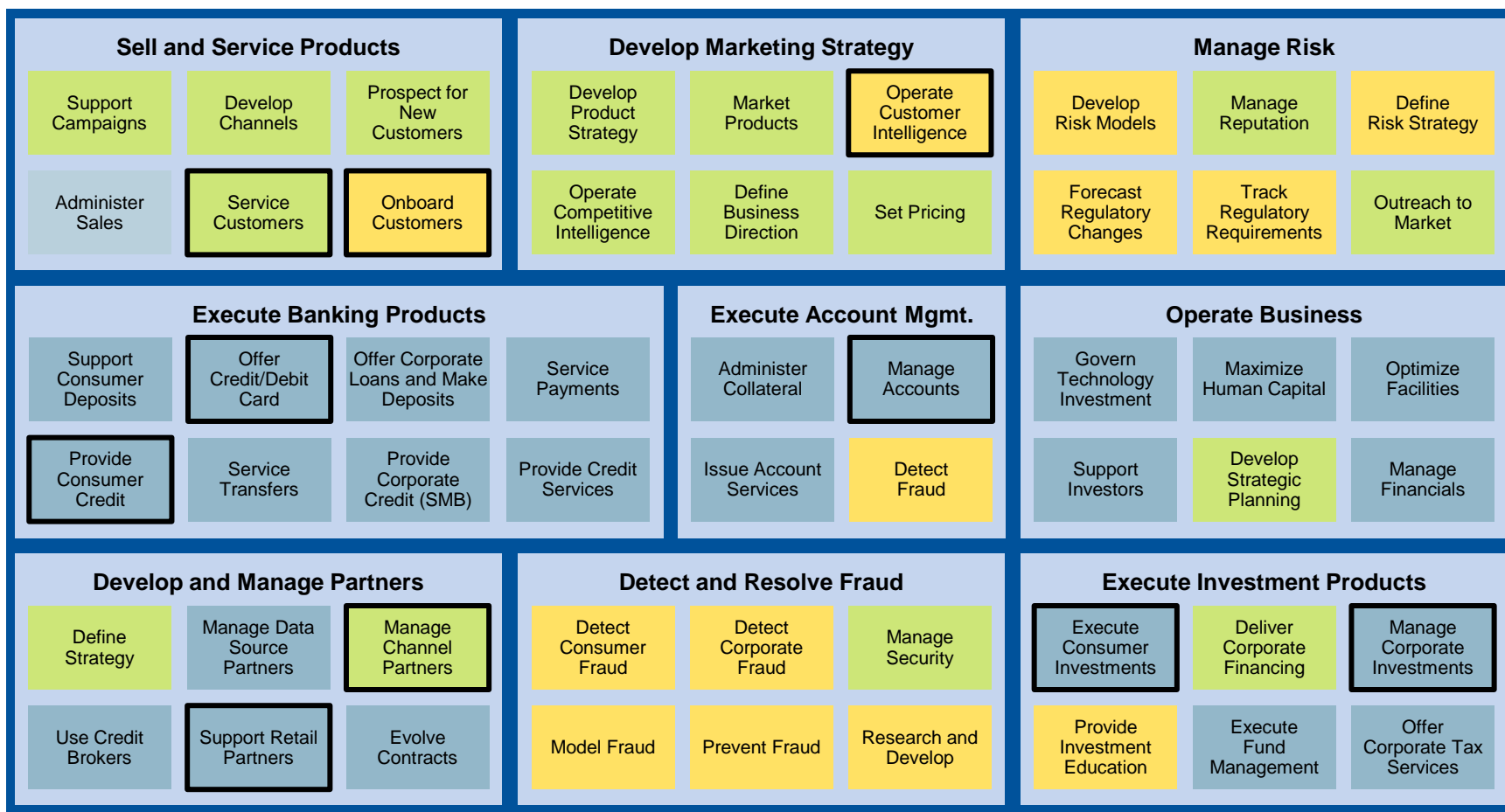


Governance Differences Between the Layers



Leveraging Pace Layering to Understand Areas of Innovation and Differentiation

Strategic Future-State Business Capabilities (Three Years)



Innovation
Differentiation
Record (Commodity)
 Strategic Areas

Recommendations for Layers

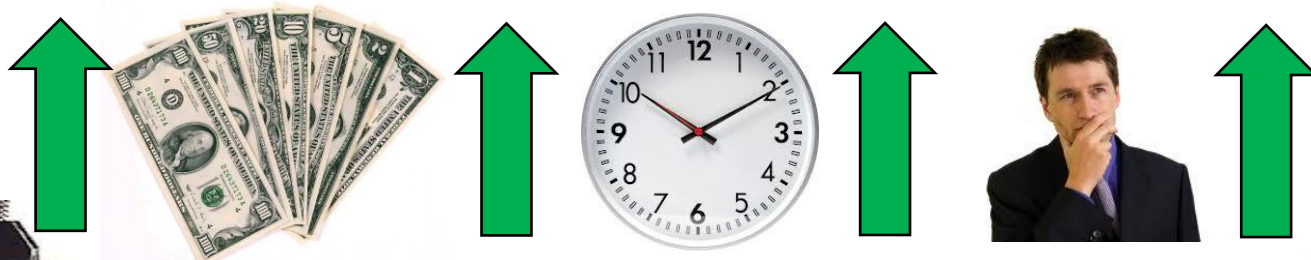
Characteristic	Systems of Record	Systems of Differentiation	Systems of Innovation
Strategic Focus	Improve execution, lowest TCO	Strategic advantage	New idea
Lifespan	10-20 years	3-5 years	6 months to 3 years
Pace of Major Change	Infrequent	More frequent / configurability is key	Very frequent
Process Viability	Understood & stable	Understood & dynamic	Ambiguous & dynamic
Data Integrity	High	Moderate	Limited
Support Requirements	75% technical 25% business	50% technical 50% business	25% technical 75% business
Sourcing	Integrated packaged application suite	Best of breed	Custom, orchestrated, open innovation
Customizations	Best Practices, limited or no customization	Some custom configuration or customizations	Custom code, best practices, configuration
Technical Deployment	On-premise; cloud emerging	On-premise or SaaS	Any, but typically on-premise
Investment	Capital asset	Capital or expense	Expense

Pace Layered Application Strategy

Refocus time, money & attention
(What's in it for the business?)

Systems of Innovation

Systems of Differentiation



Systems of Record



How to Build a Pace-Layered Strategy

1. Create a panel of business users and IT application experts.
 2. Decompose existing suites into individual applications.
 3. Associate each application with the business process it supports.
 4. Analyze the characteristics of each application and process.
 5. Use the pace-layered application characteristics as a starting point to assign the application to a layer.
6. Adapt your application governance model to fit the objectives and needs of the three layers.
 7. Establish a set of connective technologies to facilitate the interoperability of the application within and between layers.
 8. Build awareness of pace layers throughout the organization.
 9. Encourage users to think about applications and processes based on their probable rate of change.

Pace Layer Publications

- **Overall Approach**
 - **Accelerating Innovation by Adopting a Pace-Layered Application Strategy** (G00230228) - <http://www.gartner.com/resId=1890915>
 - **How to Use Pace Layering to Develop a Modern Application Strategy**(G00208964) - <http://www.gartner.com/resId=1488129>
 - **How to Get Started with a Pace Layered Application Strategy** (G00211245) - <http://www.gartner.com/resId=1607414>
 - **Gartner's Application Pace Layer Model: Governance and Change Management** (G00211809) - <http://www.gartner.com/resId=1635516>
 - **Application Delivery Options in a Pace-Layered Application Strategy** (G00231418) - <http://www.gartner.com/resId=1937919>
 - **Operational Tempo and Pace Layers: Go Fast When You Must; Be Thorough When You Can** (G00205005) - <http://www.gartner.com/resId=1401131>
- **Specific Layers**
 - **Use Systems of Innovation to Respond Rapidly to Urgent Business Needs** (G00217538) - <http://www.gartner.com/resId=1837216>
 - **Systems of Record: You Can Not Innovate On An Unstable Foundation** (G00214816) - <http://www.gartner.com/resId=1759924>
- **Connective Tissue**
 - **Connecting Technology for a Pace-Layered Application Strategy** (G00211492) - <http://www.gartner.com/resId=1635415>
 - **SOA Enables a Pace Layered Approach to Applications** (G00213703) - <http://www.gartner.com/resId=1728037>
 - **Pace-Layering Services Will Improve SOA Value** (G00218721) - <http://www.gartner.com/resId=1851518>
 - **Metadata Management for Pace Layering** (G00218035) – <http://www.gartner.com/resId=1931814>

Pace Layer Publications – Business Domains

- **What Can Gartner's Pace Layered Application Strategy Do for an Enterprise's Business (G00215750) - <http://www.gartner.com/resId=1767418>** – this is the top view for the June/July 2011 note set
- **Business Domain-Specific Pace Layer Notes:**
 - **Use Gartner's Pace Layer Model to Structure Customer Service Applications Based on Business Value (G00213641) - <http://www.gartner.com/resId=1718814>**
 - **Applying Pace Layering to E-Commerce Processes and Applications ((G00213791) - <http://www.gartner.com/resId=1749814>**
 - **Use Gartner's Pace Layers Model to Better Manage Your Financial Management Application Portfolio (G00213657) - <http://www.gartner.com/resId=1730539>**
 - **Best Practices in Finance Shared Services: Using Pace Layers to Prioritize Processes and Applications (G00224945) - <http://www.gartner.com/resId=1871421>**
 - **Applying Gartner's Pace Layer Model to Human Capital Management (G00214212) - <http://www.gartner.com/resId=1749915>**
 - **Applying Pace Layers to Marketing Processes and Applications (G00213629) - <http://www.gartner.com/resId=1744727>**
 - **Applying Pace Layering to Customer-Centric Order Processes and Applications (G00213908) - <http://www.gartner.com/resId=1744722>**
 - **Use Gartner's Pace Layers Model to Structure Your Procurement Application Portfolio (G00213761) - <http://www.gartner.com/resId=1738114>**
 - **Apply Gartner's Pace Layer Model to Sales Applications (G00213505) - <http://www.gartner.com/resId=1746633>**
 - **Applying Gartner's Pace Layers to Supply Chain Applications and Processes (G00214453) – <http://www.gartner.com/resId=1750324>**

Pace Layer Publications

- **ERP**
 - **Applying Pace Layering to ERP Strategy** (G00227719) - <http://www.gartner.com/resId=1907416>
 - **Use a Pace-Layered Application Strategy to Clean Up ERP During Upgrades and Consolidation** (G00230527) - <http://www.gartner.com/resId=1918714>
 - **Using Pace Layers to Boost the Value from Your SAP ERP Investment** (G00213735) - <http://www.gartner.com/resId=1745114>
- **Analytics, CPM & Real-Time**
 - **Applying Gartner's Pace Layer Model to Business Analytics** (G00226265) - <http://www.gartner.com/resId=1881231>
 - **How to Apply Gartner's Pace-Layered Application Strategy to CPM** (G00233046) - <http://www.gartner.com/resId=1979416>
 - **Use Pace Layering as a Best Practice for Real-Time, Operational Intelligence Architecture** (G00219562) - <http://www.gartner.com/resId=1799915>
- **Concepts of Pace Layering in System Design** (G00223857) - <http://www.gartner.com/resId=1860114>
- **What Types of Model-Driven Applications Are Most Appropriate for a High Pace of Process Change?** (G00228565) - <http://www.gartner.com/resId=1952415>
- **Use the Pace Layer Model to Leverage the Consumerization of IT** (G00218056) - <http://www.gartner.com/resId=1842216>

Thank You

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