ENTERPRISE ARCHITECTURE COURSE RETURN ON INVESTMENT

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Return on Investment of Enterprise Architecture Courses

This document summarizes the Return on Investment of Enterprise Architecture (EA) and Technology courses developed by Clive Finkelstein of Information Engineering Services Pty Ltd (IES). An overview of Clive Finkelstein and his courses is available from www.ies.aust.com/cbfindex.htm. Copyright in these courses as described herein is being offered for sale.

1. The EA Courses:

Links to download the course descriptions are provided below for the following courses:

· *Introduction to Enterprise Architecture for Managers* (1 day)
· *Rapid Delivery Workshop for Enterprise Architecture* (3 days)
· *Rapid Delivery Technologies for Enterprise Architecture* (1 day)

All of the above courses will enable Education and Consulting Services companies (and also Software companies) to offer public and inhouse education courses and consulting services based on these course materials to their relevant markets.

2. Course Groups

The above courses enable groups of courses to be tailored – comprising seminars and skills-transfer workshops – typically based on 5 days of inhouse course presentation as follows:

Rapid Delivery EA Course Group:

· *Rapid Delivery Workshop for Enterprise Architecture* (5 days)

This course group provides introductory training for business and IT staff in Enterprise Architecture concepts and principles plus skills-transfer training in hands-on workshop teams of 4 – 5 students, who work together on EA problems and exercises with sample solutions.

The *Rapid Delivery EA Course Group* is made up of *"Introduction to Enterprise Architecture for Managers"* (1 day) and *"Rapid Delivery Workshop for Enterprise Architecture Maturity"* (3 days) above, plus *"Rapid Delivery Technologies for Enterprise Architecture"* (1 day). For typical class sizes of 21-30 this course group can be presented in 4 days. With larger class sizes of 81-90 the course is presented in 5 days because of the larger number of workshop teams for the instructor to supervise.

Data Modeling Course Group:

· Data Modeling Inhouse Workshop (3 - 5 days)

This course group provides introductory data modeling training for business and IT staff in *"Business-Driven Data Modeling Concepts"* and *"Business Normalization Concepts"*. It includes the *"Data Modeling Case Study Workshop"*.

The *Business-Driven Data Modeling Concepts* and *Business Normalization Concepts* components of the Data Modeling Course Group can be presented in 3 days. Students personally complete the workshop in their own time after the inhouse training. Successful later personal completion of this workshop qualifies each student as a Certified Business Data Modeler (CBDM). This course group is also sold online by IES as the *CBDM Self-Study Course at www.ies.aust.com/.*

The *Data Modeling Case Study Workshop* can alternatively be conducted in a classroom workshop environment with students working in teams of 4 – 5 students each, over 2 – 3 days. The instructor then makes assessment for CBDM qualification based on performance of the workshop teams.

Technology Course Group:

This course group provides training for business and IT staff in the concepts and principles of rapid delivery technologies for Enterprise Architecture.

The Technology *Course Group* uses *"Enterprise Integration Technologies"* (2 days) and *"Enterprise and e-Government Portals"* (3 days). This course group can be presented as two seminars over 5 days for larger class sizes of several hundred.

EA Project Course Group:

- [Tactical and Operational Modeling Inhouse Workshop](#) (5 days)

This course group provides project team training for business and IT staff in Enterprise Architecture rapid project implementation. It requires prerequisite attendance and completion of the *Rapid Delivery EA Course Group* and the *Technology Course Group.* It provides training in Project Management of rapid delivery EA projects plus skills-transfer training in hands-on workshop teams of 4 – 5 students: with each team working on priority parts of the client's own EA project.

This inhouse EA Project course group is used to fast-start the training of a client's EA project team for project implementation. It leads to and is used in conjunction with EA Consulting services.

3. Course Materials

The course materials for the above courses and course groups are available in Microsoft PowerPoint. Documentation of these courses for instructors is provided as detailed Instructor Notes in PowerPoint. Course Handouts for students can be printed as Handouts, with two visuals per page in PDF or as Instructor Notes in PDF. The Reference Text for these courses is the ebook: *"Enterprise Architecture for Integration: Rapid Delivery Methods and Technologies", Second Edition,* Clive Finkelstein (2011). The book is reviewed at www.ies.aust.com/ten/ten32.htm. This book is available for purchase for each course group above and can be ordered in bulk directly from www.ies.aust.com.

4. Revenue Opportunity

Each course group is typically sold for inhouse presentation based on class attendance numbers, generating daily and weekly revenue as follows in Table 1:

TABLE 1: INHOUSE COURSE REVENUE

No of Students per Inhouse Class	Revenue per Day ($USD)	Revenue per Week ($USD)	Client Cost per Student Day ($USD)	Client Cost per Student Week ($USD)
01-20	$3,000	$15,000	$150	$750
21-30	$4,000	$20,000	$133	$665
31-40	$5,000	$25,000	$125	$625
41-50	$6,000	$30,000	$120	$600
51-60	$7,000	$35,000	$116	$580
61-70	$8,000	$40,000	$114	$570
71-80	$9,000	$45,000	$112	$560
81-90	$10,000	$50,000	$111	$555

A typical inhouse class size is 21-30 students, which generates $USD 20,000 revenue per week at a client cost of $USD 665 per student week. For very experienced EA instructors, larger class sizes of 81-90 students are feasible, generating $USD 50,000 revenue per week. Such courses are very cost-effective for clients, representing a client cost of $USD 555 per student week. This is significantly below public course rates which typically cost clients $USD 2,500 - $3,000 per student week, not including travel and accommodation costs.

An added benefit for clients is that inhouse courses can be tailored to the client's unique requirements – an option that is not feasible for public courses. Such inhouse courses also generate on-going project consulting revenue, from consultants who are assigned to advise trained clients in the implementation of their EA projects through Quality Assurance Consulting services. Furthermore, public courses and inhouse courses help to sell consulting, while consulting and public courses are complementary and help to sell further inhouse courses.

The above typical in-house course fees represent the revenue generation potential of each instructor. IES has historically been constrained in its revenue generation capability by insufficient staff numbers: with only one salesperson (Clive Finkelstein) who is also the principal instructor. The annual audience for inhouse courses that he has presented has averaged 3,000 student days per year

- For larger education and consulting companies, total revenue generation potential is directly proportional to the number of sales people and instructors who can be assigned to sell and

present these courses. With a dedicated sales team, each instructor can generate annual course revenue of $USD 500,000 from the presentation of courses in only 25 weeks per year.

5. Market Potential

The Enterprise Architecture market is rapidly growing in most countries throughout the world, based on a common need by Government, Commercial and Defense organizations to achieve Enterprise Integration. EA has been promoted worldwide through the public and inhouse courses presented by people such as John Zachman, Clive Finkelstein and many others.

Geographic markets such as the USA, Canada and UK are well advanced, through US Federal Government initiatives such as FEAF (the Federal Enterprise Architecture Framework), Dept of Defense initiatives such as DoDAF and MoDAF (the Dept of Defense Architecture Framework in USA and the Ministry of Defense Architecture Framework in UK) and TOGAF (the Open Group Architecture Framework). The courses are directly applicable and can be used with each of these EA approaches.

Many software vendors also support and grow the EA market with their EA-focused Modeling Tools, such as IBM System Architect (previously called Popkin System Architect), Sparx Systems' Enterprise Architect from Australia and Visible Advantage and Visible Analyst from Visible Systems Corporation in the USA.

As discussed above, inhouse courses also generate on-going project consulting revenue, based on consultants who are assigned to advise inhouse-trained clients in the implementation of their EA projects through Quality Assurance Consulting services. Furthermore, public courses and inhouse courses help to sell consulting, while consulting and public courses help to sell inhouse courses.

The market potential in each geographic market for the EA courses discussed in this document is best assessed by the various EA Education and Consulting Services companies that operate in those geographic markets.

Benefits of EA Courses

- Very high quality courses that present a unique opportunity for Education and Consulting companies to enter the Enterprise Architecture Education and Consulting market.
- Workshops that teach Rapid Delivery Methods and Technologies for EA that generate high ongoing demand for EA consulting support.
- Course materials are PowerPoint presentations with full Instructor Notes and Student Handouts in PDF, together with exercise problems and sample solutions.
- Student documentation is also the ebook: *"Enterprise Architecture for Integration: Rapid Delivery Methods and Technologies"*, Second Edition, Clive Finkelstein (2011) in PDF and for Apple iPad and Amazon Kindle, together with exercise problems and sample solutions.
- Teach-the-Teacher training by Clive Finkelstein on the purchaser's premises of Instructors and Consultants in the presentation of these courses and the application of these methods and technologies.

6. Purchase Options for Education Courses and Consulting Rights

Two purchase options are available:

6.1 Option 1: Franchising

- This is a lower-cost option that enables the purchase of *Exclusive Franchise Rights* to present and support EA courses in specific Geographic Markets.

- It involves a one-time Franchise Fee for these rights plus training of instructors and sales staff.

- Start-up Teach the Teacher (TTT) training: Clive Finkelstein personally presents courses for instructors and sales staff on the Franchisee's premises.

- This option includes an *On-Going License Fee* based on a royalty percentage of gross education and consulting revenue generated from the courses.

- The purchase of *Exclusive Franchise Rights* also includes the right to promote and present public courses based on the franchised course materials. Such public courses provide a subtle marketing opportunity to sell prospective clients on the benefits of the EA and Technology courses for inhouse presentation and consulting support.

- This sales strategy has been successfully used by IES for many years, where prospects effectively pay for a limited number of their people to attend these courses at public course rates, so they can evaluate the courses for potential future inhouse presentation and tailoring.

- Public courses provide additional revenue and profit potential and represent a sales strategy of "prospect-paid marketing".

6.2 Option 2: Copyright Purchase

- This is a higher-cost option than Franchising as it involves outright purchase of the Copyright Ownership in the courses and the world-wide rights to the courses for presentation. It includes the course descriptions used to promote the education courses and consulting services.

- It includes the right for such Copyright Purchasing Companies to promote themselves as the "successor" to Clive Finkelstein and Information Engineering Services Pty Ltd (IES) as the owner of these EA and Technology courses and consulting services.

- It involves a one-time Purchase of the Copyright in the course materials plus training of instructors, consultants and sales staff by Clive Finkelstein.

- Start-up Teach the Teacher (TTT) training courses for instructors, consultants and sales staff are presented on the Copyright Purchaser's premises personally by Clive Finkelstein.

- This option does not involve any ongoing license fees based on a royalty percentage of gross education and consulting revenue generated from the courses.

- The purchase of the Copyright also includes the right to promote and present public courses based on the copyrighted course materials. Such public courses provide a subtle marketing opportunity to sell prospective clients on the benefits of the EA and Technology courses for inhouse presentation and consulting support.

- This sales strategy has been successfully used by IES for many years, where prospects effectively pay for a limited number of their people to attend these courses at public course rates, so they can evaluate the courses for potential future inhouse presentation and tailoring.

- Public courses provide additional revenue and profit potential and represent a sales strategy of "prospect-paid marketing".

- This option presents an opportunity for the Copyright Ownership Purchaser to establish its own Franchising capability as described above, for training and support of Franchisees or instead to train and support business partners and "value-added resellers". This would be a significant additional profit centre.

7. *Return on Investment of Purchase Options*

Separate course groups can be selected for franchising or copyright purchase from the course groups described earlier. The above options have a Return on Investment for each course group that provides early break-even as discussed next.

7.1 Option 1: Franchising ROI Break-Even

- The one-time *Exclusive Franchise Rights* in Option 1 for each course group is $USD 150,000 payable to IES. This has a ROI break-even of 37.5 days inhouse course revenue: based on the revenue rates for typical inhouse class sizes of 21-30 students, which generates revenue of $USD 20,000 per week, as quoted in Table 1.

- The *On-Going License Fee* for each course group is based on a minimum 10% royalty of gross education and consulting revenue generated from the courses, payable to IES.

- Charges for each course group of the TTT training of instructors, consultants and sales staff is charged by IES to the Franchisee at the same rates as quoted in Table 1 based on the number of staff to be trained, together with the international business class airfare from Perth, Western Australia to the Franchisee's premises plus airport taxis, hotel accommodation and meals.

- Where multiple companies are competing for the *Exclusive Franchise Rights* for each course group in a specific geographic market, these rights will be secured by the company that tenders the highest royalty for the *On-Going License Fee* based on their projected annual gross course and consulting revenue.

- Tenders must be submitted using the Tender Offer Form. This online form is located at http://www.ies.aust.com/ten/tender-ten40.htm.

7.2 Option 2: Copyright Ownership Purchase ROI Break-Even

- As Option 2 would also enable the successful Copyright Purchaser to generate its own Franchising Revenue as a profit centre for each course group as described in Option 1, the successful Copyright Purchaser will need to tender for a multiple of the one-time *Exclusive Franchise Rights* in Option 1 for each course group, of $USD 150,000.

- This Copyright Purchase will therefore have a ROI break-even that will be a similar multiple of 37.5 days inhouse course revenue for each course group based on the revenue rates for typical inhouse class sizes of 21-30 students, which generates revenue of $USD 20,000 per week, as quoted in Table 1.

- Charges for each course group of the TTT training of instructors, consultants and sales staff is charged by IES to the Copyright Purchaser at the same rates as quoted in Table 1 based on the number of staff to be trained, together with the international business class airfare from Perth, Western Australia to the Copyright Purchaser's premises plus airport taxis, hotel accommodation and meals.

- This Copyright Purchase ROI break-even will be further improved based on the amount of Franchise Revenue that the successful Copyright Purchaser could additionally generate itself from worldwide Franchise Fees in its Franchising Profit Centre.

- Where multiple companies are competing for the *Copyright Purchase* of each course group in a specific geographic market, the company that tenders the highest amount for purchase of the copyright in the courses will secure these rights.

- Tenders must be submitted using the Tender Offer Form. This online form is located at http://www.ies.aust.com/ten/tender-ten40.htm.

8. Clive Finkelstein

Clive Finkelstein is acknowledged worldwide as the "Father" of Information Engineering, and is the Managing Director of Information Engineering Services Pty Ltd in Australia. He has over 50 years' experience in the Computer Industry. He has been a Fellow of the Australian Computer Society since 1972 and was inducted into the 2008 Pearcey IT Hall of Fame in Australia. He has published many

books and papers, and contributed Chapters and Forewords to books published by McGraw-Hill and Springer-Verlag. Clive has authored the following books:

- *"Information Engineering",* James Martin and Clive Finkelstein, Savant Institute, Carnforth: Lancs UK (1981). This was the book that started the Information Engineering Revolution in the 1980's.
- *"An Introduction to Information Engineering",* Clive Finkelstein, Addison-Wesley, Sydney: Australia (1989). This book covers the history and evolution of Information Engineering.
- *"Information Engineering: Strategic Systems Development",* Clive Finkelstein, Addison-Wesley, Sydney: Australia (1992). This is the "how-to" book on using Information Engineering.
- *"Building Corporate Portals with XML",* Clive Finkelstein and Peter Aiken, McGraw-Hill New York: NY (2000). This book covers methodologies and technologies for Enterprise Portals.
- *"Enterprise Architecture for Integration: Rapid Delivery Methods and Technologies", First Edition,* Clive Finkelstein, Artech House, Norwood MA (2006). *This hardcover book is the Reference text for the courses and course groups in this document.*
- *"Enterprise Architecture for Integration: Rapid Delivery Methods and Technologies", Second Edition,* Clive Finkelstein (2011). *This ebook is the Reference text for the courses and course groups in this document. It can be downloaded in PDF from* www.ies.aust.com *and is also available for the Apple iPad and Amazon Kindle.*

Clive Finkelstein is an internationally renowned consultant and instructor, and has completed projects for Defense, Government and Commercial organizations throughout the world and in most industries. The emphasis of these projects has been to bridge from strategic business plans to information systems, so aligning systems closely with corporate goals. Many projects have involved the *Zachman Framework for Enterprise Architecture*, using the latest methods and technologies for rapid delivery of priority processes into production. These methods use Enterprise Engineering for rapid definition of Enterprise Architecture. His technology focus addresses Enterprise Integration technologies using XML, Enterprise Application Integration (EAI), Enterprise Portals, Web Services and Service-Oriented Architecture (SOA) for Business Process Management (BPM) using XML-based BPM languages such as Business Process Execution Language (BPEL), Business Process Modeling Language (BPML) and Business Process Specification Schema (BPSS also called ebBP) for ebXML.

His application of these methods in large and medium Government, Defense and Commercial enterprises results in *Business Transformation Enablement,* so that business and IT managers and their staffs can plan for and achieve rapid business change. Enterprise Architecture provides a Governance Analysis Framework that supports Sarbanes-Oxley and other Governance Audit requirements. It provides direct support and linkage to Balanced Scorecard for Strategy-Focused Organizations, to ensure that IT systems and databases support defined scorecard strategies and governance requirements for Enterprise Architecture maturity.

He provides worldwide training through public and inhouse courses – plus consulting – in all aspects of the Zachman Framework for Enterprise Architecture, with rapid delivery of standardized processes using Enterprise Engineering. During implementation he also moves organizations to rapid implementation using XML, Enterprise Portals, Web Services, BPM and SOA. These provide a central gateway to the information and knowledge resources of an enterprise on its Intranet and via the Internet. Enterprise Architecture, Enterprise Portals, Web Services, SOA and BPM will be key development methods and delivery technologies for most enterprises in the 21st century.

Clive publishes a free, quarterly technology newsletter via email: *"The Enterprise Newsletter (TEN)".* Past issues of TEN are at: http://www.ies.aust.com/ten/TEN_index.htm. His books, papers and projects are summarized at http://www.ies.aust.com/cbfindex.htm. He can be contacted at <cfink@ies.aust.com>*.* Many in-house skills-transfer workshops, seminars and online webcast courses presented by Clive Finkelstein are available at www.ies.aust.com.
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