Platform Governance

Accelerating Digital Transformation with Solution Factory

Solution Platforms Accelerate Your Digital Transformation

Imagine a situation where your digital processes and services are implemented in a fraction of the time it used to take. In fact, as quickly as you can specify a workflow—either verbally or with a diagram. This is already becoming a reality with modern low/no-code platforms such as Salesforce and ServiceNow. When solution development is no longer a bottleneck, the focus must shift to business design and platform governance. Before delving into governance, let's first clarify the defining characteristics of modern solution platforms.

Modern solution platforms have four key characteristics

First, they offer extensive functionality that provides features for a wide range of use cases, with roughly 70% of the required features available out-of-the-box. This extensive functionality significantly accelerates solution development while increasing reliability. By leveraging pre-built features, businesses and development teams can focus more on customization and value creation rather than building everything from scratch. This contributes to not only faster time-to-market but also enhances solution stability due to the tried-and-tested nature of these built-in components.

Second, SaaS platforms are frequently upgraded, ensuring that technological debt is minimized and new features are utilized almost immediately. These frequent upgrades mean that development teams can always access the latest technological advancements without the burden of manually updating software or worrying about compatibility issues. The SaaS model ensures that every user is on the latest version, which not only reduces maintenance costs but also enhances security and performance by addressing potential vulnerabilities and leveraging up-to-date best practices.

Third, **low/no-code development** enables faster solutions that can be validated by using visual workflow diagrams, unlike traditional software code that requires extensive testing. With low/no-code tools, people with minimal programming skills can contribute to the development process, bridging the gap between business needs and technical capabilities. This democratization of development allows for rapid prototyping, easier iterations, and ultimately, faster delivery of solutions that are well-aligned with business requirements.

Finally, **AI capabilities** makes development and validation even faster and more intuitive, allowing users and developers to interact using natural language and automate repetitive tasks. AI assistants and agents can help generate workflows, detect anomalies, provide recommendations, and even predict outcomes. This capability not only streamlines the development process but also enhances the user experience by reducing manual effort and minimizing errors. The integration of AI into these platforms means that they are continually learning and adapting, thus providing smarter and more efficient solutions over time.

The outcome? Development timelines transform: years become quarters, quarters become months, months become weeks, weeks become days, and days become hours—all compared to traditional agile development. This drastic reduction in development time necessitates new ways of working and orchestrating value creation, from the initial business need to the final solution release.

Beyond Agile Practices: A New Benchmark for Rapid Development

If solution development can be completed in a quarter of the time typical in agile software development, traditional agile ceremonies become cumbersome. Why have extensive quarterly planning sessions when average solution delivery is now faster than that? The cycles can become inefficient, with planning and ceremonies taking up more time compared to the actual development.

The answer lies in **more targeted demand tracks for various types of demand**. By tailoring specific tracks to meet different kinds of demand, organizations can ensure that each type of request is addressed in the most efficient manner possible. Most demand-to-development commitments can be completed within monthly cycles, allowing for a rapid and adaptive response to evolving needs. Meanwhile, portfolio-level commitments are coordinated on a quarterly basis to align with broader strategic goals. Product Increment (PI) Planning now shifts its focus to epic-level coordination, ensuring that high-level initiatives receive the attention they need while individual features and enablers can move through faster, more direct development tracks. This dual-track approach allows organizations to handle both strategic and operational needs simultaneously, driving overall efficiency and responsiveness.

Another key shift is in operations management. In platform development, operational aspects are often handled by the SaaS vendor, with the platform itself serving multiple development teams. This centralization fundamentally changes the traditional agile DevOps model, where individual teams are responsible for operations, to a coordinated service management approach, emphasizing that **operations need to be more centrally and more professionally managed than by a single DevOps team**. This approach ensures higher levels of consistency, reliability, and scalability, with specialized teams focusing on platform-level operational excellence rather than fragmented efforts by individual DevOps teams. Enhanced service management becomes a crucial element, allowing businesses to leverage expertise in managing large-scale platform operations, which is critical for maintaining the stability and efficiency of the system.
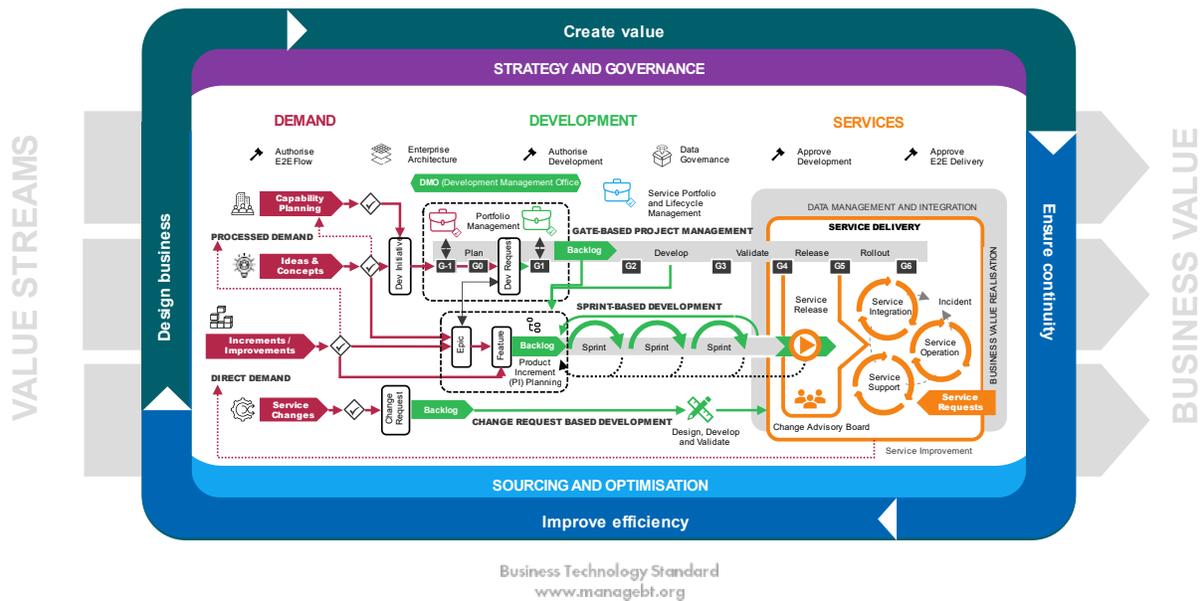

Operating model for a solution factory

Platform Governance: Setting the Stage for Accelerated Digital Transformation with Solution Factory

Platform governance serves as the overarching framework that brings together all elements of solution development and platform management. It ensures that solution development functions as an efficient and scalable 'factory', capable of accelerating digital transformation. Effective platform governance creates alignment between strategy, design, development, and operation, making it possible to respond quickly and effectively to evolving business needs.

The governance framework is made up of six core elements: platform strategy, demand planning, demand management, solution development, operations, and technology increments. Each of these elements plays a crucial role in creating a cohesive and well-managed platform environment. A strong platform governance model ensures that organizations can navigate the complexities of digital transformation, driving both innovation and operational efficiency.
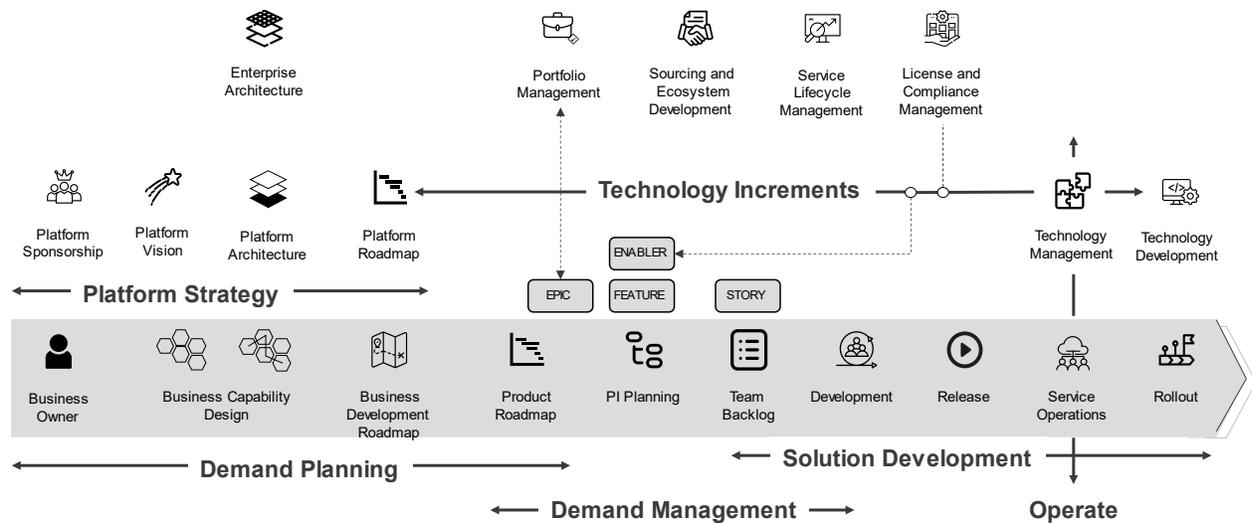
Elements of platform governance

Platform Strategy: Defining the Direction

A well-structured platform strategy is essential to align the platform's role in relation to other solution platforms with long-term business goals. Solution platforms come with extensive functionality, and significant investments are made by the platform software company in developing new features and maintaining operations. To derive maximum value from this investment, the platform must be widely utilized across multiple organizational stakeholders. Platforms are not point solutions; they are integral to the entire business structure.

A platform strategy establishes the foundation for aligning the platform's role with business objectives and other solution platforms. It provides a clear **vision** for digital transformation, defines **executive sponsorship**, and lays out the **architecture** and **roadmap** needed to achieve strategic outcomes. The vision describes the transformation goals and the expected outcomes that the platform aims to achieve, while executive sponsorship secures the support necessary to advocate for the platform's role within the organization. The architecture defines essential platform components and ensures compatibility and integration across the enterprise. The roadmap defines how the use of the platform is extended to different businesses and use case domains, outlining a timeline for advancements, including new features and upgrades, ensuring alignment with strategic objectives.

Demand Planning: Aligning Capabilities with Needs

Demand planning plays a key role in identifying and designing the business capabilities requiring solution development. This ensures that platform development aligns closely with both business objectives and specific business needs. The planning of the business needs is called business design, which results in the **business capability development roadmap** that addresses evolving demands. This roadmap, which is broken down into epics, is prioritized to ensure that it delivers maximum business value. By aligning development activities with business goals, organizations can meet both immediate needs and longer-term business objectives.

Demand Management: Moving from Needs to Development

Once business needs are articulated through demand planning, **demand management** bridges the gap between these needs and actual development. The goal is to ensure that all business needs are translated into well-defined requirements and tasks that align with development capacity and schedules. The articulated requirements are refined into **features** and **user stories**, which then populate the development backlogs. Product Increment (PI) planning ensures that these requirements are aligned with development timelines and capacity, resulting in a backlog that is both actionable and prioritized. This approach allows agile teams to begin development with a clear focus on business outcomes.

Solution Development and Operations

The integration of development and operations is central to effective platform governance. Agile practices support continuous delivery while ensuring consistent operations. Development teams utilize **backlogs** and **sprints** to design, build, and validate solutions, maintaining alignment with business needs throughout the process. Platform operations are **centralized**, which enhances scalability and ensures that SaaS platforms are managed consistently across different development teams. This consistency in management helps maintain platform stability and reliability, while **release governance** oversees the output from various development teams, ensuring quality and alignment before deployment.

Technology Increments: Keeping the Platform Evergreen

Keeping the platform evergreen, modern, and safe is a fundamental principle, and **technology increments** play a key role in this process. SaaS vendors regularly develop new features and platform products, which helps keep platforms up-to-date and on the cutting edge of technology. User organizations must strategically determine which increments to adopt, ensuring they align with overall business objectives and platform strategy. Effective **sourcing and vendor management** practices are crucial to maximizing the value provided by vendors through well-negotiated contracts and strong partnerships. By aligning technology increments with the platform roadmap, organizations ensure that their platform remains cohesive, secure, and strategically relevant.

# Vendor Ecosystem for Solution Factory: Defining Partner Roles and Scope

A well-structured vendor ecosystem is essential for successful platform governance and solution development. This ecosystem spans a broad range of roles and responsibilities. The scope of vendor responsibility can vary, from solution development to comprehensive demand and technology planning. There are four key categories for platform solution and service vendors.

Platform operations are handled by both the **SaaS vendor** and an **AMS (Application Management Services) vendor**. The SaaS vendor focuses on core responsibilities such as maintenance, updates, and security to ensure consistent functioning, ensuring that the platform is reliable, secure, and always up-to-date by taking care of regular upgrades and swiftly addressing vulnerabilities. The AMS vendor, on the other hand, takes care of release governance, change request-based continual improvements (CI), and version upgrades. The AMS role is critical as the operations are centralised and serve several development teams, ensuring consistency and efficiency across the organisation. This division of responsibilities allows the rest of the ecosystem to focus on solution development without worrying about the underlying platform stability and operational complexities.

Solution development vendors are responsible for the solution development, minimizing the need for custom code, and ensuring the smart use of platform functionality. These vendors work to reduce complexity by leveraging the platform's existing features, which not only speeds up development but also ensures maintainability. The development is based on clearly defined requirements, features, and user stories, which populate the backlogs and guide the entire development process. By adhering to these well-documented requirements, solution development vendors can deliver efficient, cost-effective, and scalable solutions that integrate seamlessly with the platform while maximizing its capabilities.

System integrators extend the solution development vendor role by ensuring that the platform integrates smoothly within the broader enterprise architecture, connecting it with other critical systems. Their expertise in integration technologies and methodologies allows businesses to leverage the full potential of the platform by creating necessary connections with other platforms and solutions ensuring that data flows seamlessly across systems. System integrators focus on building the bridges between different technologies, enabling interoperability and cohesive digital environments. This integration work is essential for achieving efficient, end-to-end business operations, eliminating silos, and ensuring that various parts of the organization function in harmony. System integrators also play a key role in technology increments by ensuring that new platform features and upgrades are properly integrated with existing systems. They help organizations adopt new products introduced by SaaS vendors, ensuring that these technology increments align with the enterprise architecture and support business goals. By doing so, system integrators contribute to keeping the platform modern, secure, and fully integrated with the broader IT landscape.

Finally, a **business technology partner** extends the system integrator role even further by supporting the platform strategy and facilitating demand planning through business design. This partner helps define strategic goals and ensures that technological capabilities are aligned with business goals. Beyond technical execution, they actively contribute to strategic planning, helping to translate business needs into actionable technology initiatives. Additionally, they assist in leading the transformation and rolling out solutions across the organization, ensuring that business value is realized. This partner brings both deep technological expertise and a strong understanding of the business context, ensuring that technology investments are not only effective but also contribute meaningfully to long-term business success. By providing guidance on both strategic and operational levels, they help drive digital transformation in a structured, impactful, and cohesive manner.
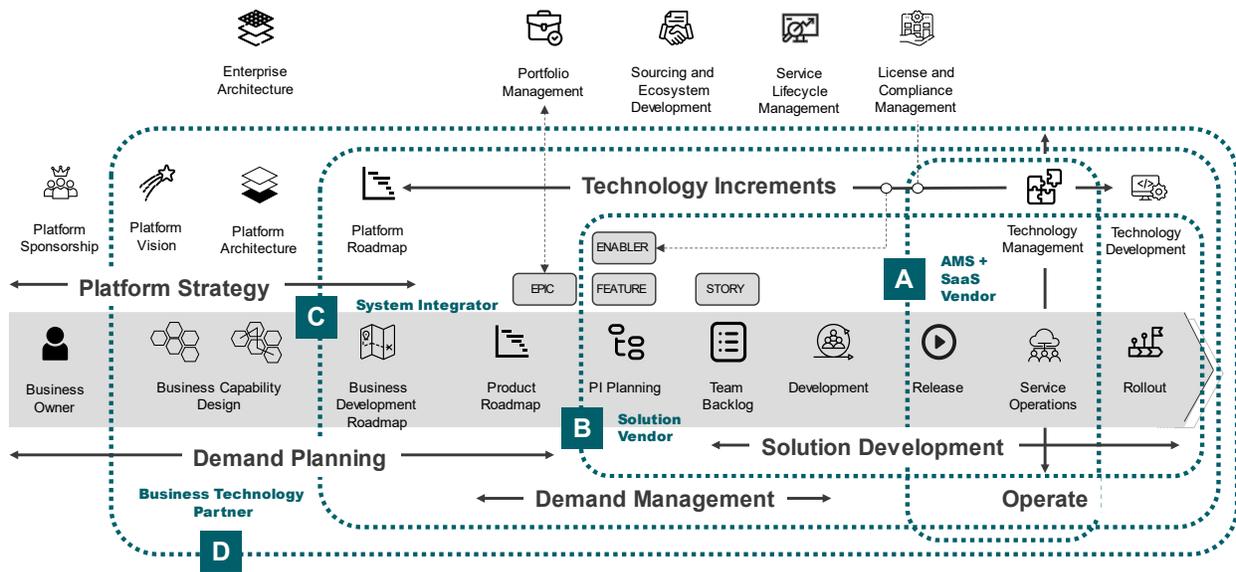
Vendor scopes

Key Takeaways and Questions for Effective Platform Governance

Platform governance is not just a set of processes—it is the ecosystem development that binds strategy, design, development, and operation in the evolving world of digital platforms. At its core, platform governance is about establishing a 'solution factory'—an efficient, standardized mechanism for producing digital solutions that accelerates digital transformation while maintaining quality and scalability. By clearly defining platform strategies, planning demand, managing development, and maintaining a robust vendor ecosystem, organizations can truly accelerate their digital transformation journey. A well-functioning governance model turns solution development into an efficient, repeatable process that adapts to changing needs without compromising on quality or agility.

To make the most out of platform governance, consider the following key questions:

- **How well-defined is our platform strategy, and does it align with long-term business goals?** Ensure your platform strategy includes a clear vision, executive sponsorship, and alignment with other solution platforms. Clearly articulate the business outcomes you want to achieve.
- **Are we effectively planning and prioritizing demand to meet our business needs?** Demand planning should lead to a well-structured development roadmap that addresses immediate and

future requirements. Ensure that business needs are properly translated into capabilities and clearly prioritized.

- **How well do we manage the translation of business needs into actionable development tasks?** Strong demand management processes are essential to move from articulated needs to actionable tasks. Verify that requirements are well-defined and features are properly added to backlogs to facilitate smooth development.

- **Do we have a robust vendor ecosystem strategy, and how effectively do we define the scope of partner?** The scope of vendor involvement can vary significantly, and the narrower the partner's scope, the more the organization needs to manage internally—and vice versa. System integrators, solution development vendors, and business technology partners each play different roles in platform governance. Consider how well your internal-external integration is functioning, and whether partner roles and scopes are clearly defined and aligned with your overall goals.

- **How are we managing technology increments to keep the platform evergreen, modern, and secure?** Evaluate the role of technology increments in your organization. Ensure that you are making strategic decisions about new features and upgrades, aligning them with business objectives to maximize platform value.

To answer these questions effectively, organizations should set up governance structures that facilitate regular reviews of platform strategy and demand planning. Engage with partners and internal stakeholders to ensure alignment and responsiveness. Use a structured approach to balance short-term operational needs with long-term strategic goals, creating a governance model that supports sustained innovation and growth.

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