

INFO~TECH



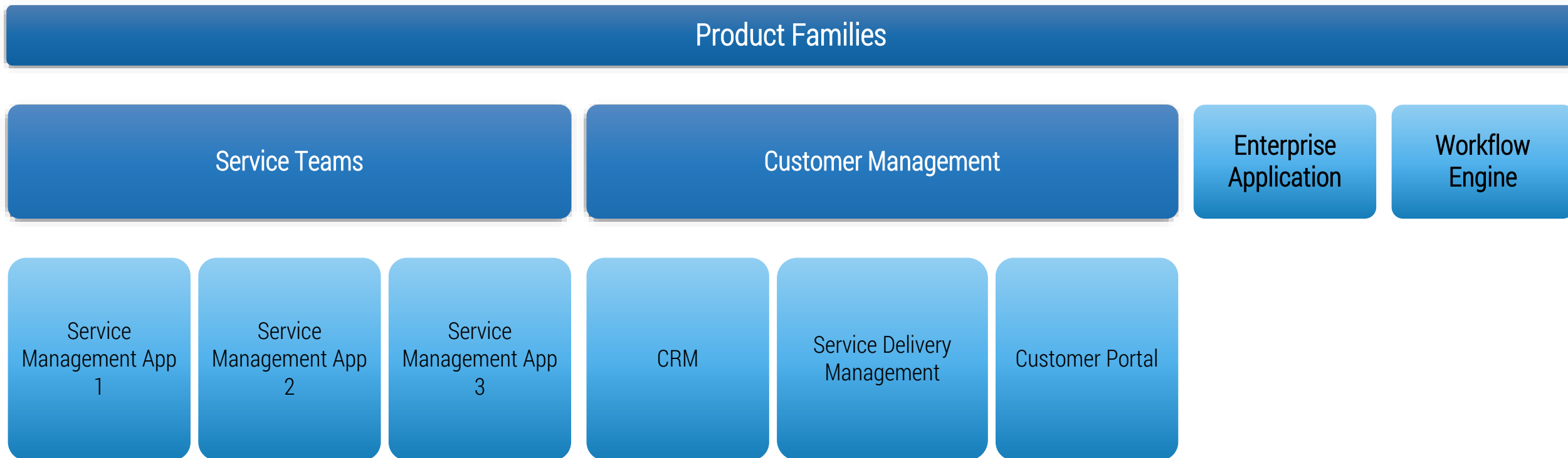
LIVE 2022

# Application Portfolio Management

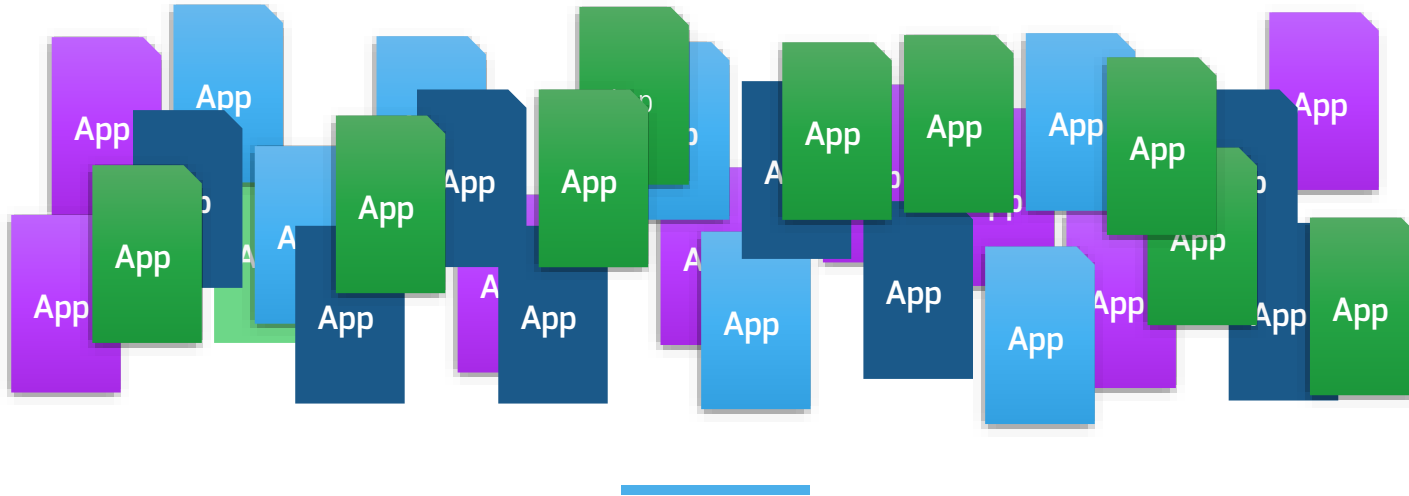
Presented by

**Hans Eckman | Ari Glaizel**

# Where would you prioritize development?



# Every organization experiences application sprawl



## Problems With Sprawl

Barriers to Change  
& Growth

Disparate Apps &  
Data

Difficulties in  
Prioritizing Support

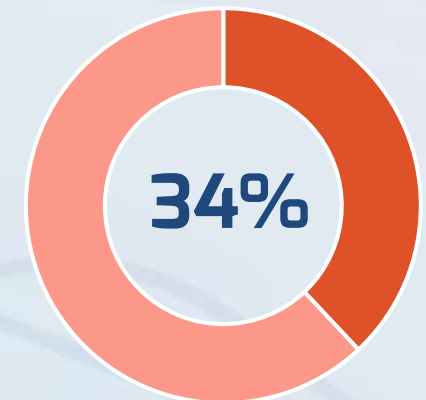
Redundancy and  
Inefficient Spending

Obsolescence

## Application Sprawl:

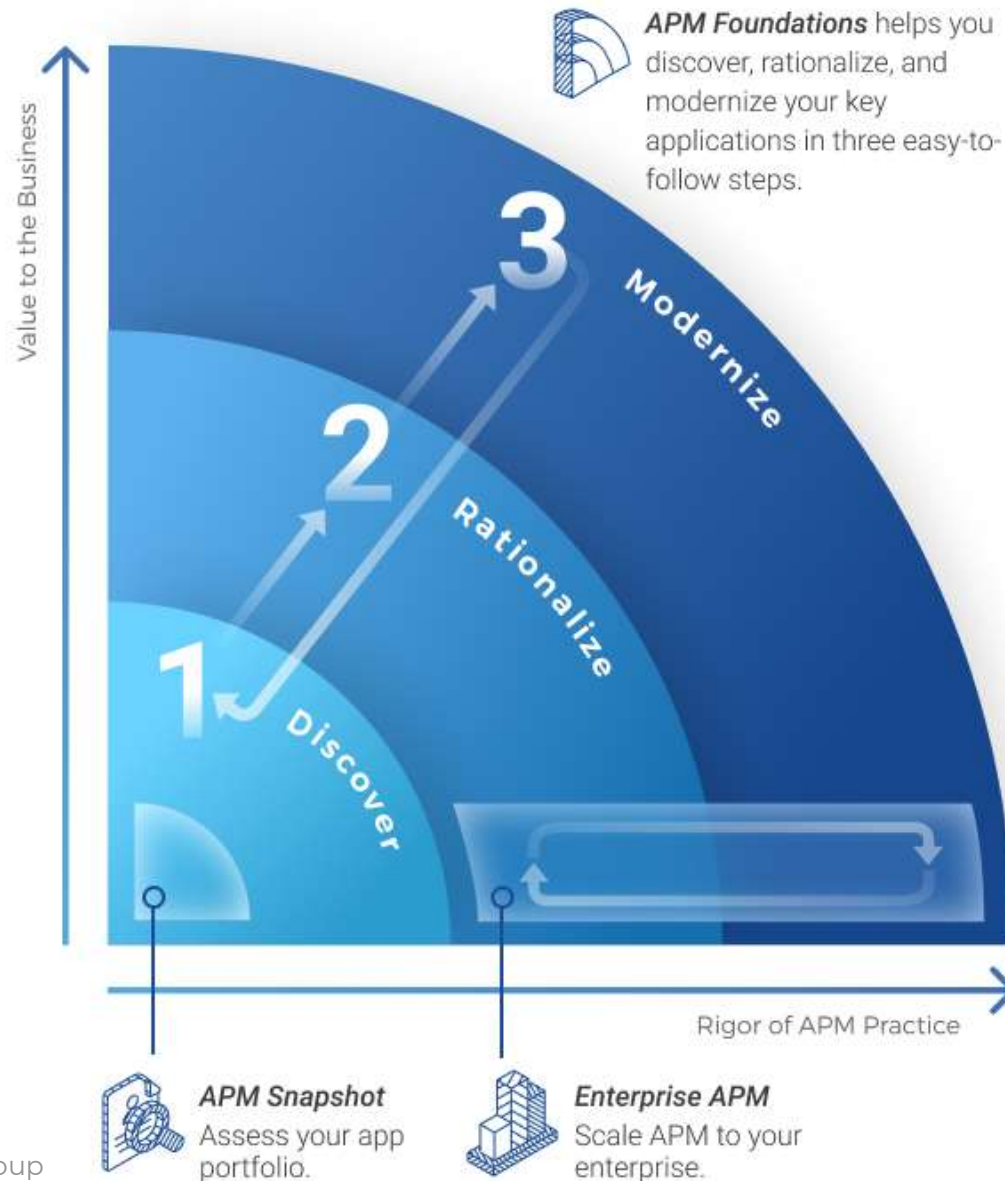
You have more apps than  
you need.

Only 34% of software is  
rated as both important  
and effective by users.



Source: [Info-Tech's CIO Business Vision](#)

# Understand Your APM Journey



## APM is the ongoing practice of:

- Providing visibility into your application landscape.
- Understand how well your apps are supporting your org.
- Align stakeholder and product team priorities.

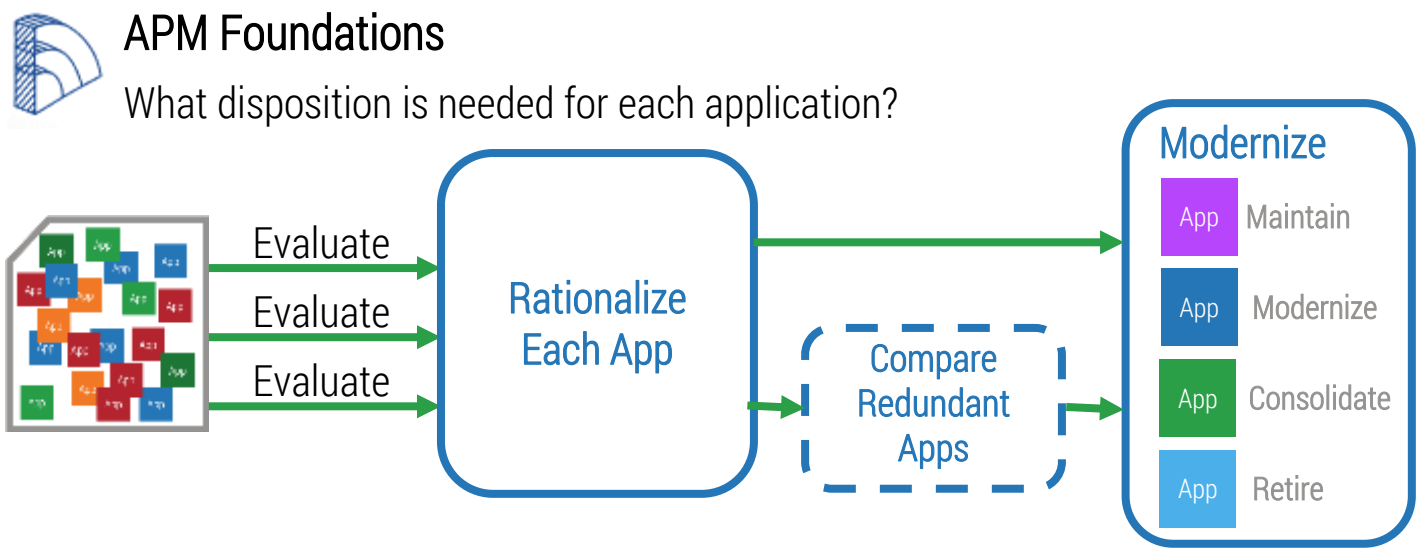
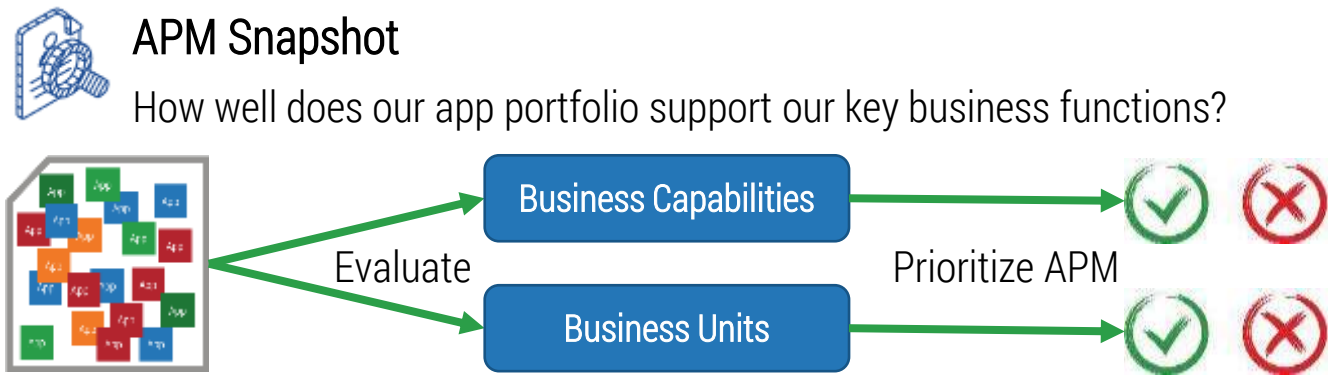
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How well are our applications supporting our business capabilities, teams, and customers?

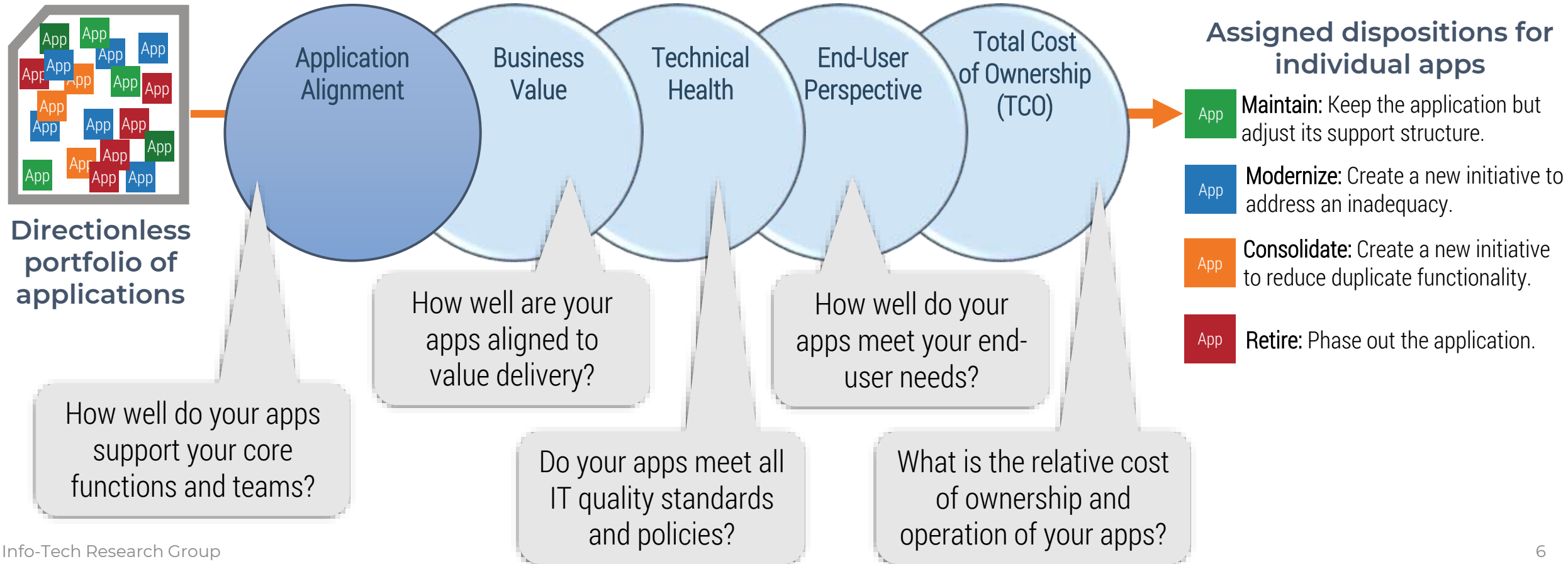
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How well are our applications performing against our standards, policies, and values?

# APM Provides Visibility



# Info-Tech's Five Lens Model



# APM Lenses Reveal App Performance

No.	Application Name	Category	IT Supported?	Business Value	Technical Health	End-User Perspective	Total Cost of Ownership
1	Enterprise App	Business Application	Y	5.0	4.7	3.1	3.4
2	Workflow Engine	Software Components	Y	2.4	3.1	2.0	3.4
3	Service 01 Management System	Custom Productivity App	Y	4.6	2.0	4.0	4.1
4	Service 02 Management System	Custom Productivity App	Y	4.6	2.0	5.0	4.1
5	Service 03 Management System	Custom Productivity App	Y	4.6	2.0	4.0	4.1
9	Customer Management System	Partner Applications	Y	1.0	4.7	2.4	5.0
10	Service Delivery	Partner Applications	Y	2.0	4.7	2.4	5.0
11	Customer Portal	Partner Applications	Y	3.0	4.6	2.3	5.0
12	Legacy Data Exchange	Shadow IT	N	2.2	1.7	2.8	3.8

# APM Lenses Reveal App Performance

External Applications - No Control

No.	Application Name	Category	IT Supported?	Business Value	Technical Health	End-User Perspective	Total Cost of Ownership
1	Enterprise App	Business Application	Y	5.0	4.7	3.1	3.4
2	Workflow Engine	Software Components	Y	2.4	3.1	2.0	3.4
3	Service 01 Management System	Custom Productivity App	Y	4.6	2.0	4.0	4.1
4	Service 02 Management System	Custom Productivity App	Y	4.6	2.0	5.0	4.1
5	Service 03 Management System	Custom Productivity App	Y	4.6	2.0	4.0	4.1
9	Customer Management System	Partner Applications	Y	1.0	4.7	2.4	5.0
10	Service Delivery	Partner Applications	Y	2.0	4.7	2.4	5.0
11	Customer Portal	Partner Applications	Y	3.0	4.6	2.3	5.0
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New System – Improve Training and Alignment

Unsupported App

Consolidate and Remediate Workflow and Data Systems

Improve Collaboration and Demand With External System Owners

# Use Scoring Thresholds to Determine Dispositions

No.	Application Name	Category	II Su	Recommended Disposition	Recommended Priority	Disposition	Priority	Business Value	Technical Health	End-User Perspective	Total Cost of Ownership
1	Enterprise App	Busin	Y	Reward	Moderate	Reward	Moderate	5.0	4.7	3.1	3.4
2	Workflow Engine	Softw	Y	Refocus	High	Refocus	High	2.4	3.1	2.0	3.4
3	Service 01 Management System	Custo	Y	Remediate	Very High	Remediate	Very High	4.6	2.0	4.0	4.1
4	Service 02 Management System	Custo	Y	Remediate	Very High	Remediate	Very High	4.6	2.0	5.0	4.1
5	Service 03 Management System	Custo	Y	Remediate	Very High	Remediate	Very High	4.6	2.0	4.0	4.1
9	Customer Management System	Partn	Y	Refocus	High			1.0	4.7	2.4	5.0
10	Service Delivery	Partn	Y	Refocus	High			2.0	4.7	2.4	5.0
11	Customer Portal	Partn	Y	Refresh	High			3.0	4.6	2.3	5.0
12	Legacy Data Exchange	Shad	N	Retire	Very High	Retire	Very High	2.2	1.7	2.8	3.8

Weighted Lens Scores  
Provide a Recommended  
Disposition

Determine Which  
Disposition Aligns  
Best to Your Goals

# APM Snapshot Identifies Under-Supported Capabilities

Total			Category Weighting (must equal 100%)				Key	
Total Weighting (must equal 100%) = 100%			30%	40%	20%	10%	Reward >75%	Improve 50-75%
Business Units	Total Number of Apps	Number of Apps Not Managed by IT	Business Value	Technical Health	End-User Perspective	Total Cost of Ownership	Overall Score (5-point scale)	Grouped Score (5-point score quartiles)
Service 01	3	0	2.53	3.81	2.92	4.71	3.34	67%
Service 02	3	0	2.53	3.81	3.25	4.71	3.40	68%
Service 03	3	0	2.53	3.81	2.92	4.71	3.34	67%
Service 04	3	0	1.50	4.71	2.38	5.00	3.31	66%
Service 05	3	0	1.50	4.71	2.38	5.00	3.31	66%
Service 06	3	0	1.50	4.71	2.38	5.00	3.31	66%
Corporate Operations	2	0	3.70	3.93	2.56	3.38	3.53	71%
Finance	3	0	3.13	4.19	2.50	3.92	3.51	70%
HR	2	0	3.70	3.93	2.56	3.38	3.53	71%
IT	2	1	2.30	2.43	2.38	3.56	2.49	50%

# APM Tips and Getting Started



## Start Small

Use a subset of apps to refine your lenses, criteria, and scoring.



## Build a Plan

Prioritize areas with the highest awareness value. Don't boil the ocean.



## Use Properly

APM provides visibility, not instructions. Follow with root cause analysis.



## Make It Evergreen

This isn't one and done. Build your evergreen process to update and refresh.

# Thank You

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## Continue the discussion

If you'd like to discuss this further or get help, please email me or book an Analyst Call with your Account Rep.



**Hans Eckman**

Principal Research Director, Applications  
heckman@infotech.com

# Application Portfolio Management

## Additional information

Links to source material and additional help:

[APM Resource Page](#)

[Application Portfolio Snapshot](#)

[Application Portfolio Management Foundations](#)

# Executive Summary

## Your Challenge

- Organizations consider application oversight a low priority and app portfolio knowledge is poor.
- No dedicated or centralized effort to manage the app portfolio means no single source of truth is available to support informed decision making.
- Organizations acquire more applications over time, creating redundancy, waste, and the need for additional support.
- Organizations are more vulnerable to changing markets. Flexibility and growth is compromised when applications are unadaptable or cannot scale.

## Common Obstacles

- APM implies a holistic approach and compiling multiple priorities and perspectives.
- Organizations have limited time to act strategically or proactively and need to be succinct.
- Uncertainties on business value prevent IT from successfully advising software decision making.
- IT knows its technical debt but struggles to get the business to act on technical risks.
- Attempts at exposing these problems rarely gain buy-in and discourage the push for improvement.

## Info-Tech's Approach

- Think low priority over no priority.
- Integrate these tasks into your mixed workload.
- Create an inventory built for better decision making.
- Rationalize your apps in accordance with business priorities and communicate risks on their terms.
- Create a roadmap that improves communication between those who own, manage, and support an application.
- Build your APM process fit for size.

### Info-Tech Insight: You can't outsource strategy.

Modern software options have decreased the need for organizations to have robust in-house application management capabilities. Your applications' future and governance of the portfolio still requires a centralized IT oversight to ensure the best return on investment.

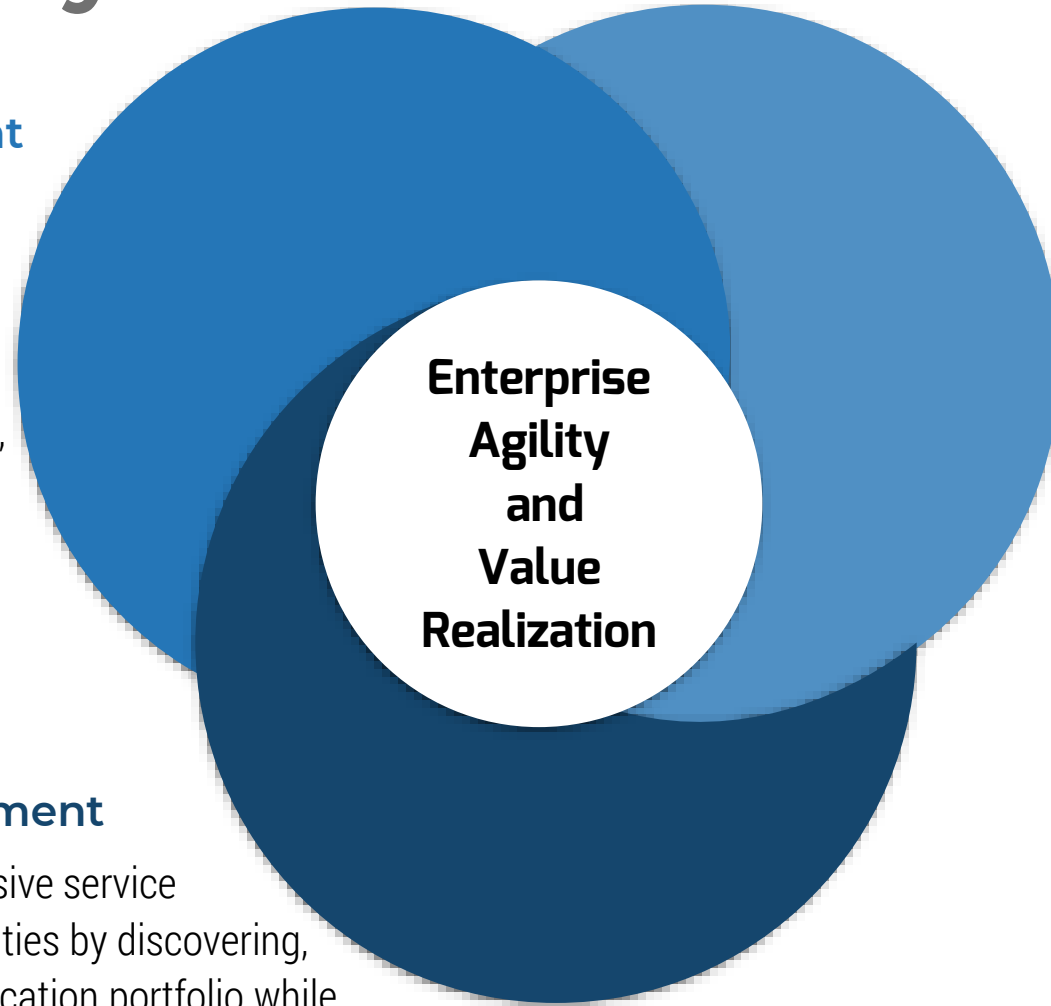
# Create a Balanced Approach to Value Delivery

## Product Lifecycle Management

Align your product and service improvement and execution to enterprise strategy and value realization in three key areas: defining your products and services, aligning product/service owners, and developing your product vision.

## Application Portfolio Management

Transform your applications into a cohesive service catalog aligned to your business capabilities by discovering, rationalizing, and modernizing your application portfolio while improving application maintenance, management, and reuse.



## Product Delivery Lifecycle (Agile DevOps)

Enhance business agility by leveraging an Agile mindset and continuously improving your delivery throughput, quality, value realization, and adaptive governance.

## Application Portfolio Management (APM):

The ongoing practice of:

- Providing visibility into applications across the organization.
- Recommending corrections or enhancements to decision makers.
- Aligning delivery teams on priority.
- Showcasing the direction of applications to stakeholders.

# APM allows you to better understand and set the direction of your portfolio



### Application Alignment

The process of revealing application information through interviewing stakeholders and aligning to business capabilities.



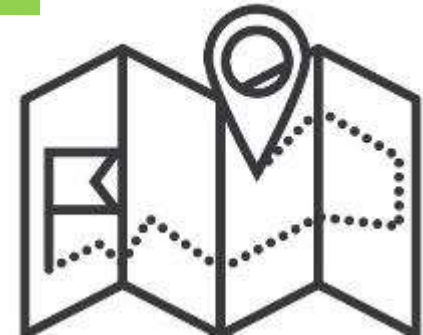
### Application Inventory

The artifact that documents and informs the business of your application portfolio.



### Application Rationalization

The process of collecting information and assessing your applications to determine recommended dispositions.



### Application Roadmap

The artifact that showcases the strategic directions for your applications over a given timeline.

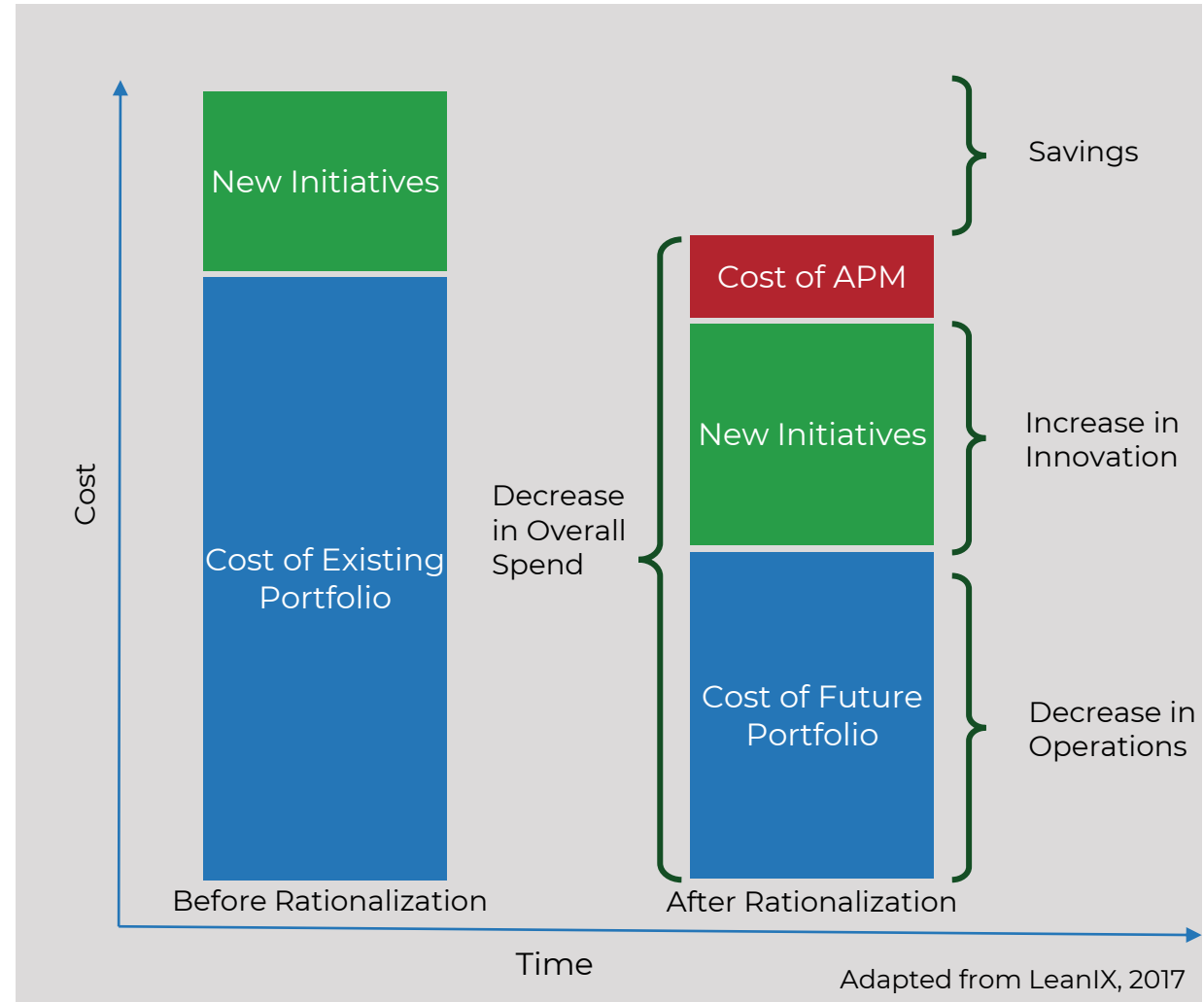
## The benefits of APM

Return on investment (ROI) is experienced by the reduction in the number of applications and operational costs.

But other benefits can include:

- Reduce redundancies
- Reduce risk
- Reduce complexity
- Improve processes
- Enable flexibility
- Enable scalability

## APM comes at a justified cost



# Executive Brief Case Study

INDUSTRY

SOURCE

Retail

Deloitte

## Supermarket Company

The grocer was a smaller organization for the supermarket industry with a relatively low IT budget. While its portfolio consisted of a dozen applications, the organization still found it difficult to react to an evolving industry due to inflexible and overly complex legacy systems.

The IT manager found himself in a scenario where he knew the applications well but had little awareness of the business processes they supported. Application maintenance was purely in keeping things operational, with little consideration for a future business strategy.

As the business demanded more responsiveness to changes, the IT team needed to be able to react more efficiently and effectively while still securing continuity of the business.

The IT manager found success by introducing APM and gaining a better understanding of the business use and future needs for the applications. The organization started small but then increased the scope over time to produce and develop techniques to aid the business in meeting strategic goals with applications.

## Results

The IT manager gained credibility and trust within the organization. The organization was able to build a plan to move away from the legacy systems and create a portfolio more responsive to the dynamic needs of an evolving marketplace.

**The Application Portfolio Management Initiative included the following components:**

Train teams and stakeholders on APM

Model the core business processes

Collect application inventory

Assign APM responsibilities

Start small, then grow

# Info-Tech's methodology Application Portfolio Management

	1. Lay Your Foundations	2. Improve Your Inventory	3. Rationalize Your Apps	4. Populate Your Roadmap
Phase Activities	1.1 Assess your current application portfolio 1.2 Determine narrative 1.3 Define goals and metrics 1.4 Define application categories 1.5 Determine APM steps and roles	2.1 Populate your inventory 2.2 Align to business capabilities	3.1 Assess business value 3.2 Assess technical health 3.3 Assess end-user perspective 3.4 Assess total cost of ownership	4.1 Review APM Snapshot results 4.2 Review APM Foundations results 4.3 Determine dispositions 4.4 Assess redundancies (Optional) 4.5 Determine dispositions for redundant applications (Optional) 4.6 Prioritize initiatives 4.7 Ongoing APM cadence
Phase Outcomes	Work with the appropriate management stakeholders to: <ul style="list-style-type: none"><li>• Extract key business priorities</li><li>• Set your goals</li><li>• Define scope of APM effort</li></ul>	Gather information on your own understanding of your applications to build a detailed inventory and identify areas of redundancy.	Work with application subject matter experts to collect and compile data points and determine the appropriate disposition for your apps.	Work with application delivery specialists to determine the strategic plans for your apps and place these in your portfolio roadmap.

## Key deliverable:



### Blueprint Storyboard

This is the PowerPoint document you are viewing now. Follow this guide to understand APM and how to use the tools, and build a repeatable APM process captured in your playbook.

# Blueprint deliverables

Each step of this blueprint is accompanied by supporting deliverables to help you accomplish your goals.



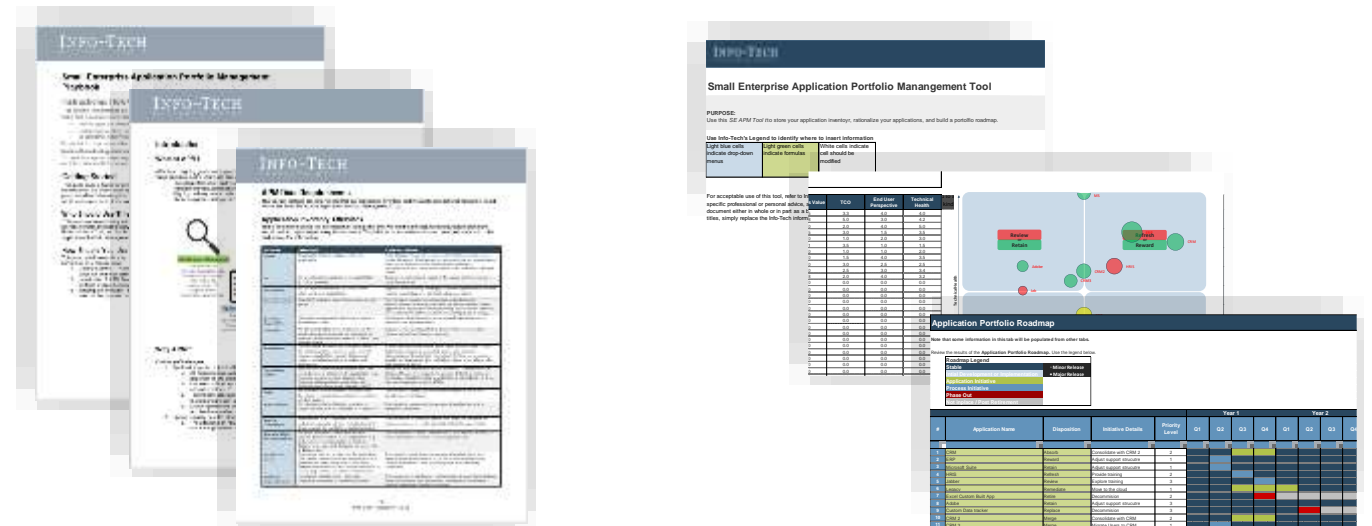
### Application Portfolio Management Foundations Playbook

This template allows you to capture your APM roles and responsibilities and build a repeatable process.



### Application Portfolio Management Foundations Tool

This tool stores all relevant application information and allows you to execute rationalization and build a portfolio roadmap.



# Info-Tech offers various levels of support to best suit your needs

## DIY Toolkit

"Our team has already made this critical project a priority, and we have the time and capability, but some guidance along the way would be helpful."

## Guided Implementation

"Our team knows that we need to fix a process, but we need assistance to determine where to focus. Some check-ins along the way would help keep us on track."

## Workshop

"We need to hit the ground running and get this project kicked off immediately. Our team has the ability to take this over once we get a framework and strategy in place."

## Consulting

"Our team does not have the time or the knowledge to take this project on. We need assistance through the entirety of this project."

**Diagnostics and consistent frameworks are used throughout all four options.**

# Guided Implementation

What does a typical GI for on this topic look like?



**Call #1:**  
Establish goals and foundations for your APM practice.



**Call #2:**  
Initiate inventory and determine data requirements.



**Call #3:**  
Initiate rationalization with group of applications.



**Call #4:**  
Review result of first iteration and perform retrospective.



**Call #5:**  
Initiate your roadmap and determine your ongoing APM practice.

A Guided Implementation (GI) is a series of calls with an Info-Tech analyst to help implement our right-sized best practices in your organization.

A typical GI, using our materials, is between 4 to 6 calls over the course of 2 to 3 months.

Note: The Guided Implementation will focus on a subset or group of applications depending on the state of your current APM inventory and available time. The goal is to use this first group to build your APM process and models to support your ongoing Discovery, Rationalization, and Modernization efforts.

# Workshop Overview






Contact your account representative for more information.  
[workshops@infotech.com](mailto:workshops@infotech.com) 1-888-670-8889

	1. Lay Your Foundations	2. Improve Your Inventory	3. Rationalize Your Apps	4. Populate Your Roadmap	Post Workshop Steps
Activities	1.1 Assess your current application portfolio 1.2 Determine narrative 1.3 Define goals and metrics 1.4 Define application categories 1.5 Determine APM steps and roles	2.1 Populate your inventory 2.2 Align to business capabilities	3.1 Assess business value 3.2 Assess technical health 3.3 Assess end-user perspective 3.4 Assess total cost of ownership	4.1 Review APM Snapshot results 4.2 Review APM Foundations results 4.3 Determine dispositions 4.4 Assess redundancies (Optional) 4.5 Determine dispositions for redundant applications (Optional) 4.6 Prioritize initiatives 4.7 Ongoing APM cadence	Complete in-progress deliverables from the previous four days.  Set up review time for workshop deliverables and to discuss the next steps.
Outcomes	Work with the appropriate management stakeholders to: <ol style="list-style-type: none"> <li>1. Extract key business priorities</li> <li>2. Set your goals</li> <li>3. Agree on key terms and set the scope for your APM effort</li> </ol>	Work with your applications team to: <ol style="list-style-type: none"> <li>1. Build a detailed inventory</li> <li>2. Identify areas of redundancy</li> <li>3. Understand outstanding data points needed for your inventory</li> </ol>	Work with the SMEs for a subset of applications to: <ol style="list-style-type: none"> <li>1. Collect and compile data points for different rationalization criteria</li> <li>2. Determine the appropriate disposition for your apps</li> </ol>	Work with application delivery specialists to: <ol style="list-style-type: none"> <li>1. Prioritize new potential initiatives</li> <li>2. Build an initial portfolio roadmap</li> <li>3. Build an action plan to complete APM activities</li> <li>4. Establish an ongoing cadence of APM activities</li> </ol>	Info-Tech analysts complete: <ol style="list-style-type: none"> <li>1. Workshop report</li> <li>2. APM Snapshot and Foundations Toolset</li> <li>3. Action plan</li> </ol>

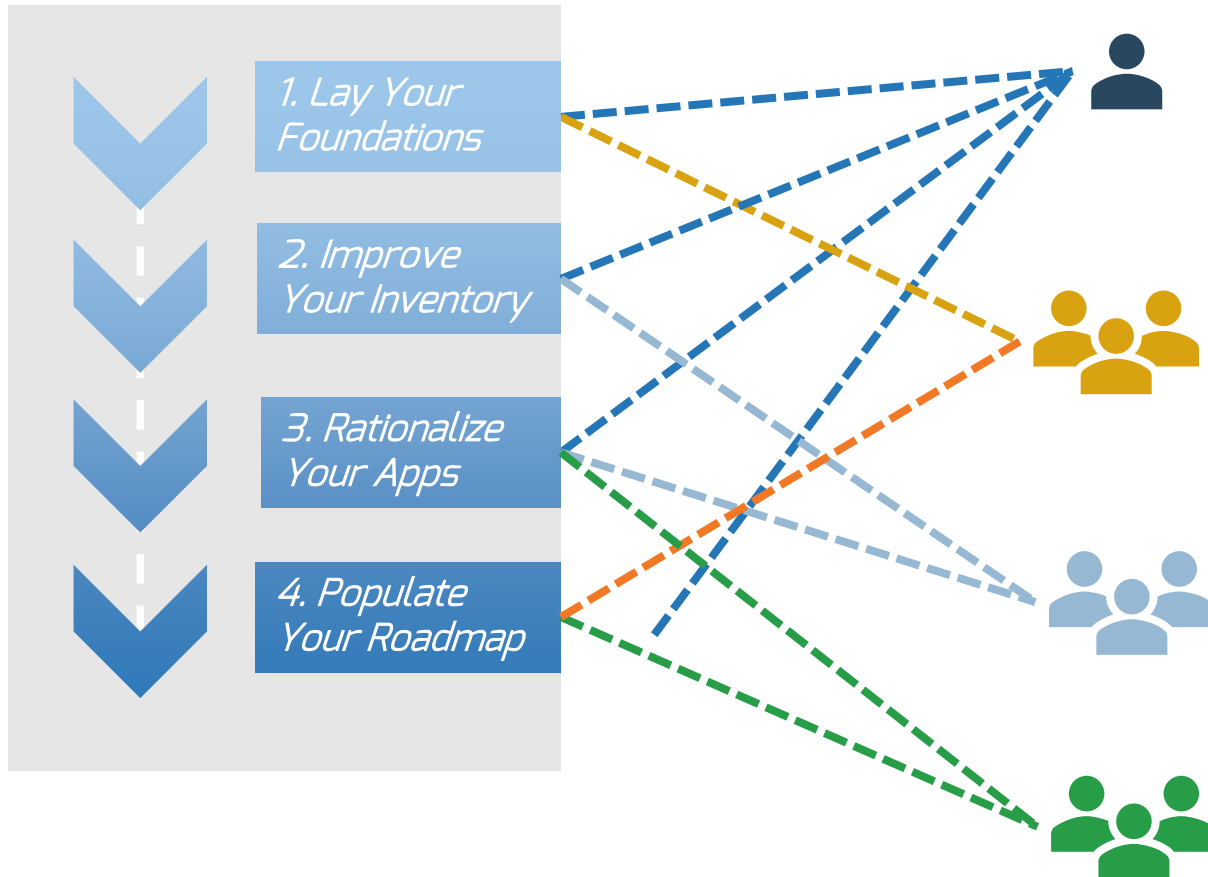
Note: The workshop will focus on a subset or group of applications depending on the state of your current APM inventory and available time. The goal is to use this first group to build your APM process and models to support your ongoing Discovery, Rationalization, and Modernization efforts.

# Workshop Options

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Outcomes	1-Day Snapshot	3-Day Snapshot and Foundations (Key Apps)	4-Day Snapshot and Foundations (Pilot Area)
<b>APM Snapshot</b> <ul style="list-style-type: none"><li>Align applications to business capabilities</li><li>Evaluate application support for business capabilities</li></ul>			
<b>APM Foundations</b> <ul style="list-style-type: none"><li>Define your APM program and cadence</li><li>Rationalize applications using weighted criteria</li><li>Define application dispositions</li><li>Build an application roadmap aligned to initiatives</li></ul>		 Establish APM practice with a sample set of apps and capabilities.	 Establish APM practice with a pilot and capabilities.

# Blueprint Pre-Step: Get the right stakeholders to the right exercises



## APM Lead/Owner (Recommended)

- ☐ Applications Lead or the individual responsible for application portfolio management, along with any applications team members if available

## Key Corporate Stakeholders

Depending on size and structure, participants could include:

- ☐ Head of IT (CIO, CTO, IT Director, or IT Manager)
- ☐ Head of shared services (CFO, COO, VP HR, etc.)
- ☐ Compliance Officer, Steering Committee
- ☐ Company owner or CEO

## Application Subject Matter Experts

[Individuals who have familiarity with a specific subset of applications.](#)

- ☐ Business owners (product owners, Head of Business Function, power users)
- ☐ Support owners (Operations Manager, IT Technician)

## Delivery Leads

- ☐ Development Managers
- ☐ Solution Architects
- ☐ Project Managers

# **Info-Tech Research Group**

# **Application Delivery and Management**

**Making your application journey a little easier and with less rework.**