

A photograph of three hikers (two women and one man) walking away from the camera on a dirt trail. They are wearing backpacks and outdoor gear. The background shows a valley with a lake and mountains under a cloudy sky. A semi-transparent geometric wireframe overlay is present on the left side of the image.

*rego*University 2017

Using APM / Application Rationalization

Your Guide: Mark Feher and Jen Scarlato

Introductions

- Take 5 Minutes
- Turn to a Person Near You
- Introduce Yourself



Agenda

- Introductions
- What Is Application Rationalization
- Key Concepts
- What Do We Rationalize?
- How Do We Rationalize?
- APM Organization Impacts
- Q&A

The background image is a scenic landscape. In the foreground, a dirt path leads up a grassy hillside. Two hikers, a woman in a grey shirt and a man in a yellow shirt, are walking away from the camera. In the middle ground, a large body of water is visible, with a small town or village on the far shore. In the background, a large mountain peak is visible, partially obscured by a layer of white clouds. The sky is filled with large, white, fluffy clouds.

What Is Application Rationalization

Let Rego be your guide.

Open Mic – What Is Application Rationalization?

What is the purpose of Application Rationalization within an organization?

- The Application dichotomy

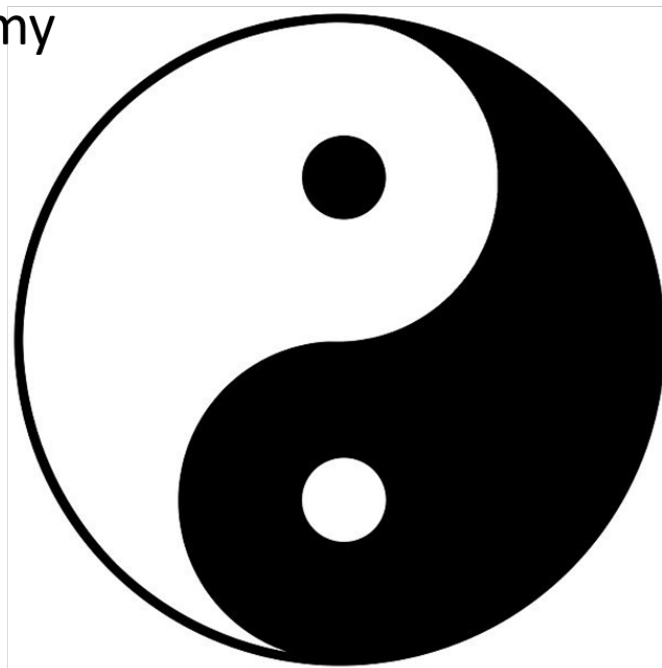
Support the goals of the business
by enabling required capabilities

Reduce the cost of operating
the business

Reduce the risks of operating
the business

Help to generate revenue for
the business

Help to “Keep the lights On”



Cost of ownership

Require infrastructure

Require training, support and
maintenance

Can impact the business
negatively if they fail

Stakeholders - Who is involved in APM and what do they need from APM?



The CIO needs a holistic view of the current application space, including the IT roadmap to manage financial investments.



The IT Director wants a single, accurate view of applications driving benefits versus those leaching dollars.



The Application Owner needs to manage the application lifecycle without draining resources, including day-to-day admin and maintenance and developing and/or implementing improvements.



The Enterprise Architect wants to maintain business capability standards and quickly identify redundant or risky applications.



The Support Organization provides input in the costs to support the application and participates in the Application Lifecycle



End-customer want to use the capabilities delivered by the applications to perform business functions

The background image is a scenic landscape. In the foreground, a dirt trail winds through tall, green grass and shrubs. Two hikers, a woman in a grey shirt and a man in a yellow shirt, are walking away from the camera on the trail. They are both wearing backpacks. In the middle ground, a large, calm body of water, possibly a lake or a bay, is visible. In the background, a dark, forested mountain peak rises above a layer of white, fluffy clouds. The sky is a deep blue with scattered white clouds.

Key Concepts

Let Rego be your guide.

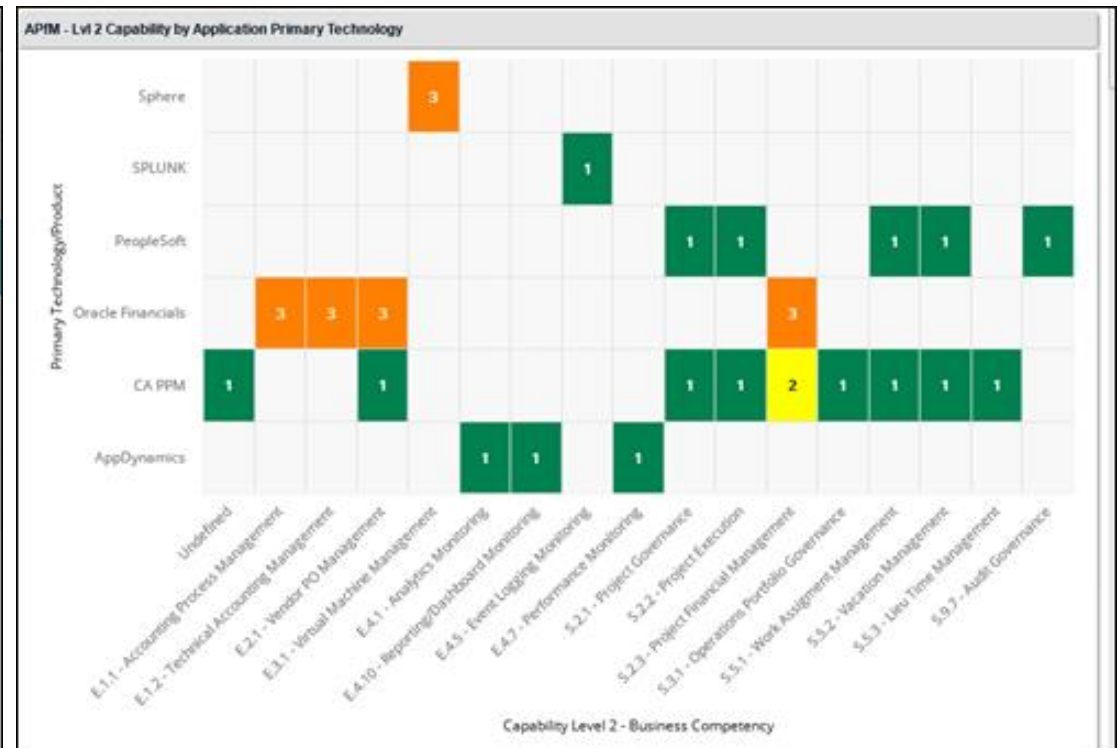
Capability Mapping

- Capabilities provide a mechanism to categorize our applications at different levels.
- We identify what area of the business the applications is providing a solution for, as well as what business processes it supports
- This capability matching can start at a high level and evolve over time to lower levels of granularity based on the organizations needs

Capability Class (Level 0)	Capability (Level 1)	Business Competency (Level 2)	Business Service (Level 3)	Process (Level 4)
E - Enabling Capabilities	E.1 - Accounting & Finance	E.1.1 - Accounting Process Management	E.1.1.1 - Accounts Payable/POAP	E.1.1.1.1 - Process Employee Expenses
E - Enabling Capabilities	E.1 - Accounting & Finance	E.1.1 - Accounting Process Management	E.1.1.1 - Accounts Payable/POAP	E.1.1.1.2 - Process Vendor Expenses
E - Enabling Capabilities	E.1 - Accounting & Finance	E.1.1 - Accounting Process Management		
E - Enabling Capabilities	E.1 - Accounting & Finance	E.1.2 - Technical Accounting Management	E.1.2.1 - Accounting Policy Management	
E - Enabling Capabilities	E.1 - Accounting & Finance	E.1.2 - Technical Accounting Management	E.1.2.1 - Accounting Policy Management	E.1.2.1.1 - Product Level Accounting Policy
E - Enabling Capabilities	E.1 - Accounting & Finance	E.1.2 - Technical Accounting Management	E.1.2.1 - Accounting Policy Management	E.1.2.1.2 - Set General & Financial Accounting Standards & Policy
E - Enabling Capabilities	E.1 - Accounting & Finance	E.1.2 - Technical Accounting Management		
E - Enabling Capabilities	E.2 - Vendor Management	E.2.1 - Vendor PO Management		
E - Enabling Capabilities	E.3 - Infrastructure Management	E.3.1 - Virtual Machine Management		
E - Enabling Capabilities	E.4 - IT Monitoring	E.4.1 - Analytics Monitoring		
E - Enabling Capabilities	E.4 - IT Monitoring	E.4.10 - Reporting/Dashboard Monitoring		
E - Enabling Capabilities	E.4 - IT Monitoring	E.4.11 - Security Monitoring		
E - Enabling Capabilities	E.4 - IT Monitoring	E.4.2 - Availability Monitoring		
E - Enabling Capabilities	E.4 - IT Monitoring	E.4.3 - Capacity Monitoring		
E - Enabling Capabilities	E.4 - IT Monitoring	E.4.4 - Configuration Monitoring		
E - Enabling Capabilities	E.4 - IT Monitoring	E.4.5 - Event Logging Monitoring		
E - Enabling Capabilities	E.4 - IT Monitoring	E.4.6 - Inventory Monitoring		
E - Enabling Capabilities	E.4 - IT Monitoring	E.4.7 - Performance Monitoring		
E - Enabling Capabilities	E.4 - IT Monitoring	E.4.8 - Process Control Monitoring		
E - Enabling Capabilities	E.4 - IT Monitoring	E.4.9 - Relationship Mapping Monitoring		
F - Foundational Capabilities	F.1 - Product Management	F.1.1 - Product Development	F.1.1.1 - Product Research	
F - Foundational Capabilities	F.1 - Product Management	F.1.1 - Product Development	F.1.1.2 - Product Design	
F - Foundational Capabilities	F.1 - Product Management	F.1.2 - Product Portfolio Management		
F - Foundational Capabilities	F.1 - Product Management	F.1.3 - Product Life Cycle Management		
S - Strategic Capabilities	S.2 - Project Management	S.2.1 - Project Governance		
S - Strategic Capabilities	S.2 - Project Management	S.2.2 - Project Execution		
S - Strategic Capabilities	S.2 - Project Management	S.2.3 - Project Financial Management	S.2.3.1 - Project Plans/Forecasts Management	
S - Strategic Capabilities	S.2 - Project Management	S.2.3 - Project Financial Management	S.2.3.2 - Project Budget Management	
S - Strategic Capabilities	S.3 - Operations Portfolio Management	S.3.1 - Operations Portfolio Governance		
S - Strategic Capabilities	S.5 - Resource Management	S.5.1 - Work Assignment Management		
S - Strategic Capabilities	S.5 - Resource Management	S.5.2 - Vacation Management		
S - Strategic Capabilities	S.5 - Resource Management	S.5.3 - Lieu Time Management		
S - Strategic Capabilities	S.9 - Business Governance	S.9.7 - Audit Governance		

The Output Of Capability Mapping

- Once the applications have been mapped to a capability, we gain insights into our overall application landscape.
- We are able to see how many applications are supporting our organization, and where there possible redundancy ... thus starting the rationalization process



Business Entities

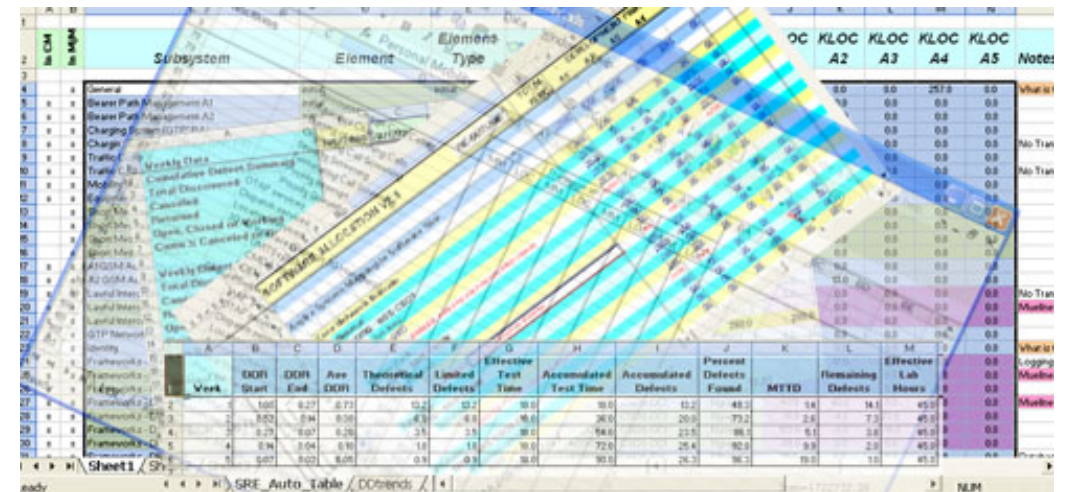
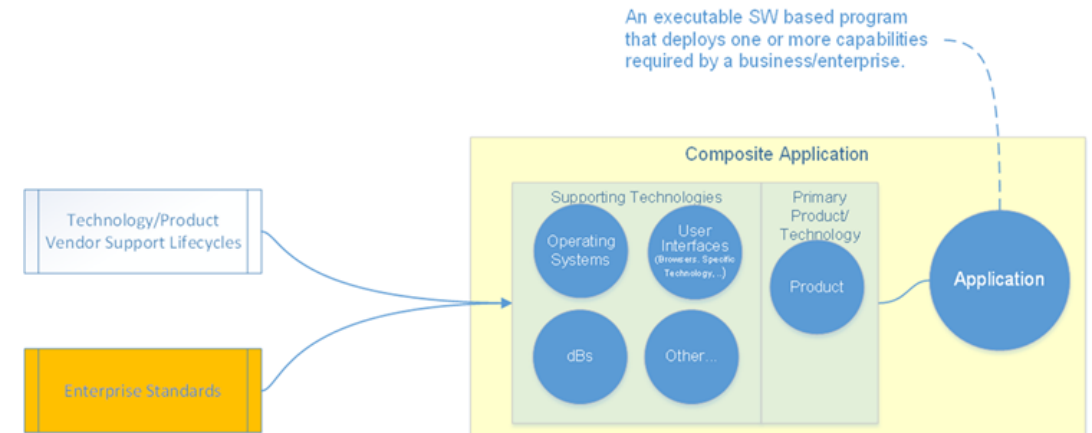
- Knowing where your applications are deployed within the organization is another way to identify how these systems are used across the enterprise.
- Business Entities may be defined as:
 - Lines Of Business
 - Regions
 - Departments



What Is An Application?

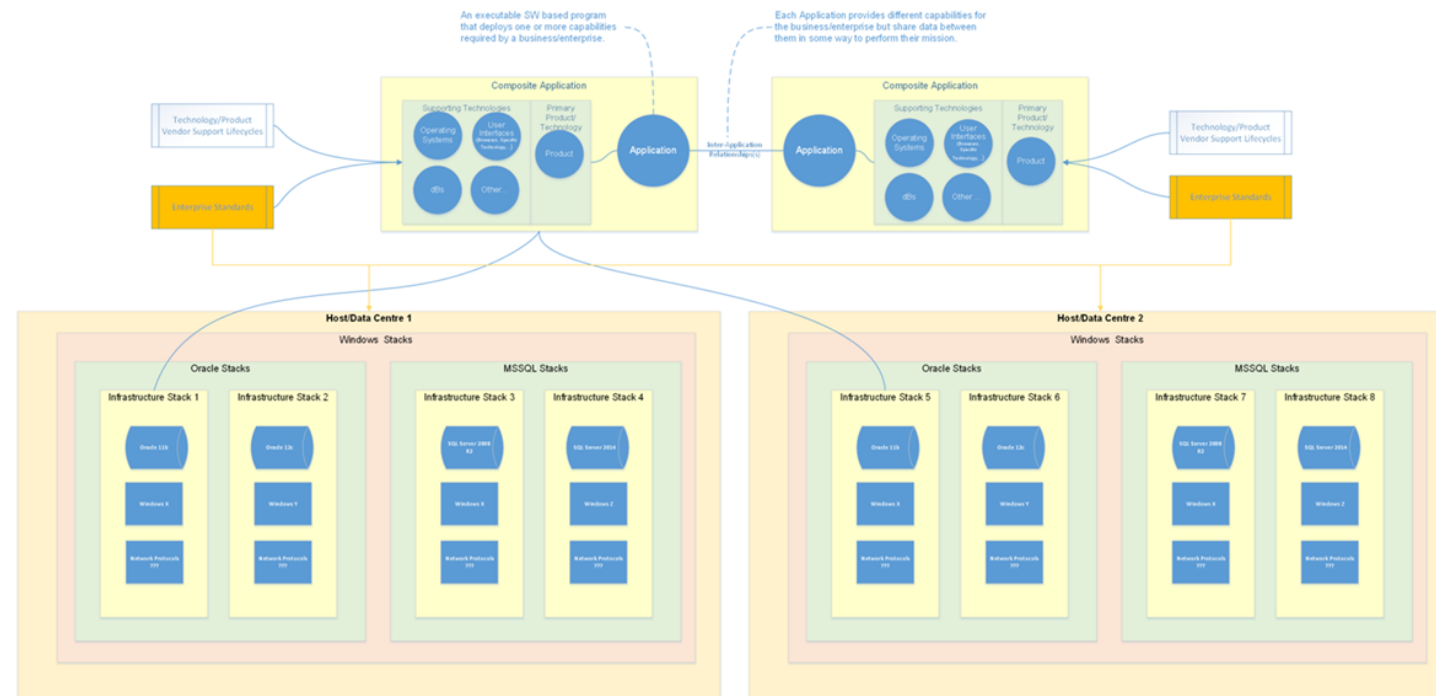
Identifying applications within your organization requires that you define *what* is considered an application.

- Composite Applications
 - Identify supporting technologies, databases, user interfaces, to determine the full application definition
- Simple Applications
- A individual with a spreadsheet
 - It is important to recognize when critical information is dependent on an individual who manages multiple data points and spreadsheets to develop the report that helps leadership to make decisions.



...And What Do We Want To Know About Our Applications

- Identify Applications is a key component, but we also must know what we want to track about these applications.
- This includes simple attributes such as application owner and technology stack
- But can also include relationships to other areas, such as:
 - Supporting Software
 - Infrastructure
 - Integration
 - Shared Data
 - Hosting Locations
 - Number Of Instances

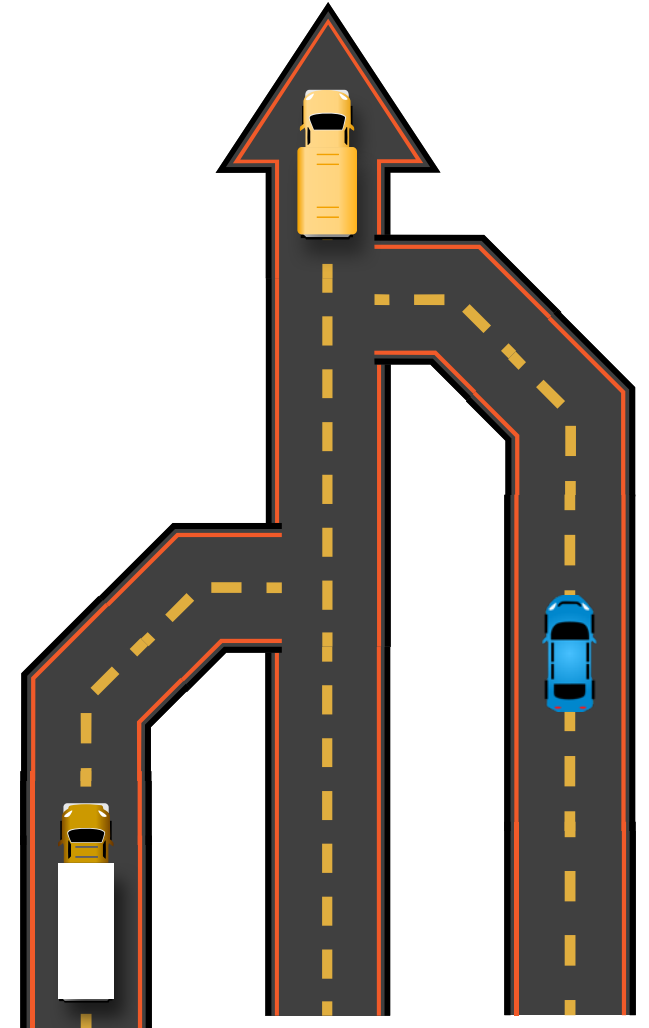


What Do We Rationalize



Where Should We Start

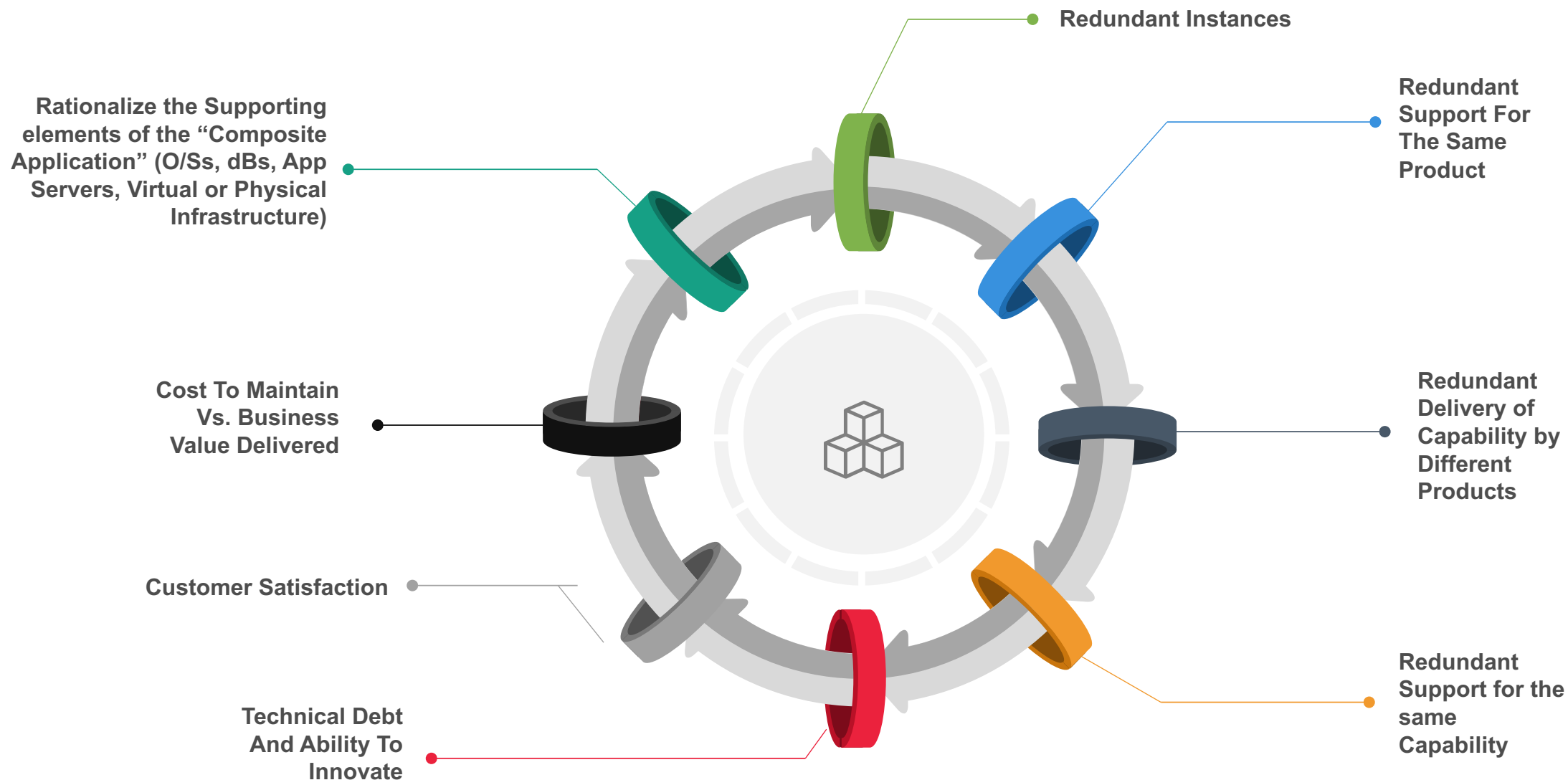
- There may be different areas in your organization that implement APM at different times.
- If you are a large organization, you may choose to focus on specific application areas first, such as financial applications, or BI solutions
- APM may target applications that became assets of the organization through acquisition
- It is expected that different areas of the application landscape will join the APM roadmap at different times
- You can start simple and build your APM capability to the level needed for your organization



What Do We Rationalize

What are the areas we focus on when we are attempting to rationalize our Application Portfolio?

What Do We Rationalize continued...



The background image is a scenic landscape. In the foreground, a dirt trail leads up a grassy hillside. Two hikers, a woman in a grey shirt and a man in a yellow shirt, are walking away from the camera. In the middle ground, a large body of water is visible, with a small town or village on the far shore. In the background, a large mountain peak is visible, partially obscured by a layer of white clouds. The sky is filled with large, white, fluffy clouds. A semi-transparent white banner with a geometric pattern is overlaid on the image, containing the text "How Do We Rationalize?".

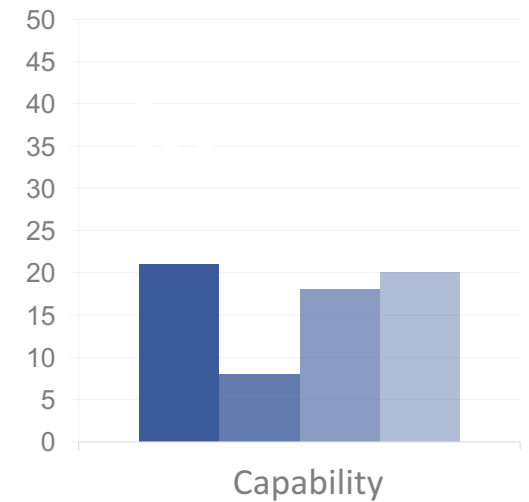
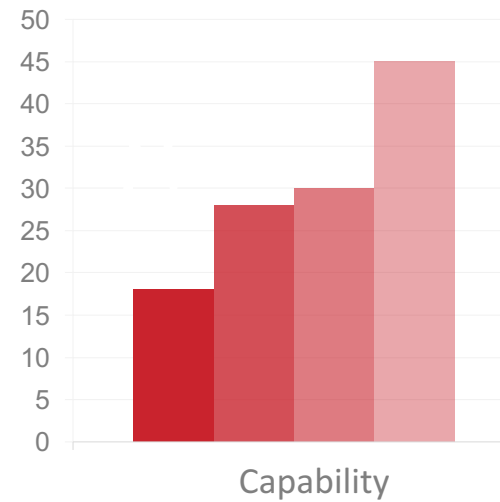
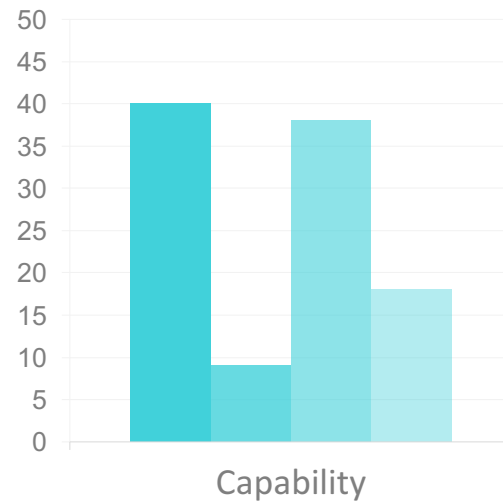
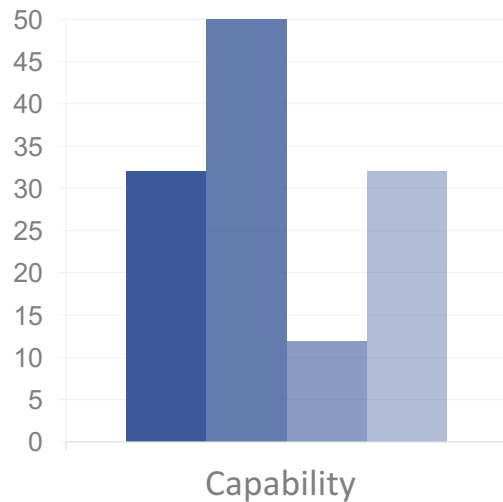
How Do We Rationalize?

How Do We Rationalize?

Now that we know what applications we want to target, how do we go about executing the application rationalization?

Key Indicators

In order to compare applications against one another, we need to establish a set of Key Scoring Indicators, that will help us understand how applications that are providing similar value rank up against one another.



Rationalization Options

- Determine what actions to take on an Application
 - Invest
 - Maintain
 - Replace
 - Retire
 - Purchase



Rationalization Actions

- Develop project plans to managing the changes and estimate the cost of changes (some may not be worth it at this point)
- Merge multiple instances into 1 to reduce infrastructure needs and support needs
- Eliminate multiple products that deliver the same capability
- Look at the cost of application maintenance and possibly replace with a cheaper solution
- Determine if the process that the application supports is still supported within your organization

Look At Vendor Management

- Vendor Management
 - Renegotiate Maintenance and licensing costs for multiple instances that are merged
 - Renegotiate Maintenance and licensing costs for multiple products from the same vendor
 - Renegotiate Maintenance and licensing costs for mergers of redundant capability to a single product/application (leverage the alternative that you can always select the other redundant app(s) instead.

Other Types Of Rationalization Activities

- Identify where there are business capabilities and processes, and no applications to support them.
- Look for filling gaps in tools to reduce operating costs or reduce business risk (e.g., mean time to recover customer facing services).
- Identify where the data is, and determine if solutions can be built around data consolidation for better reporting and analytics

A scenic landscape featuring a large body of water (likely a lake or bay) in the middle ground, surrounded by lush green hills and mountains. In the foreground, two hikers with backpacks are walking along a dirt path on a grassy slope. The sky is filled with large, white, fluffy clouds, and a dark mountain peak is visible through the clouds in the background. The overall scene is bright and vibrant, suggesting a sunny day.

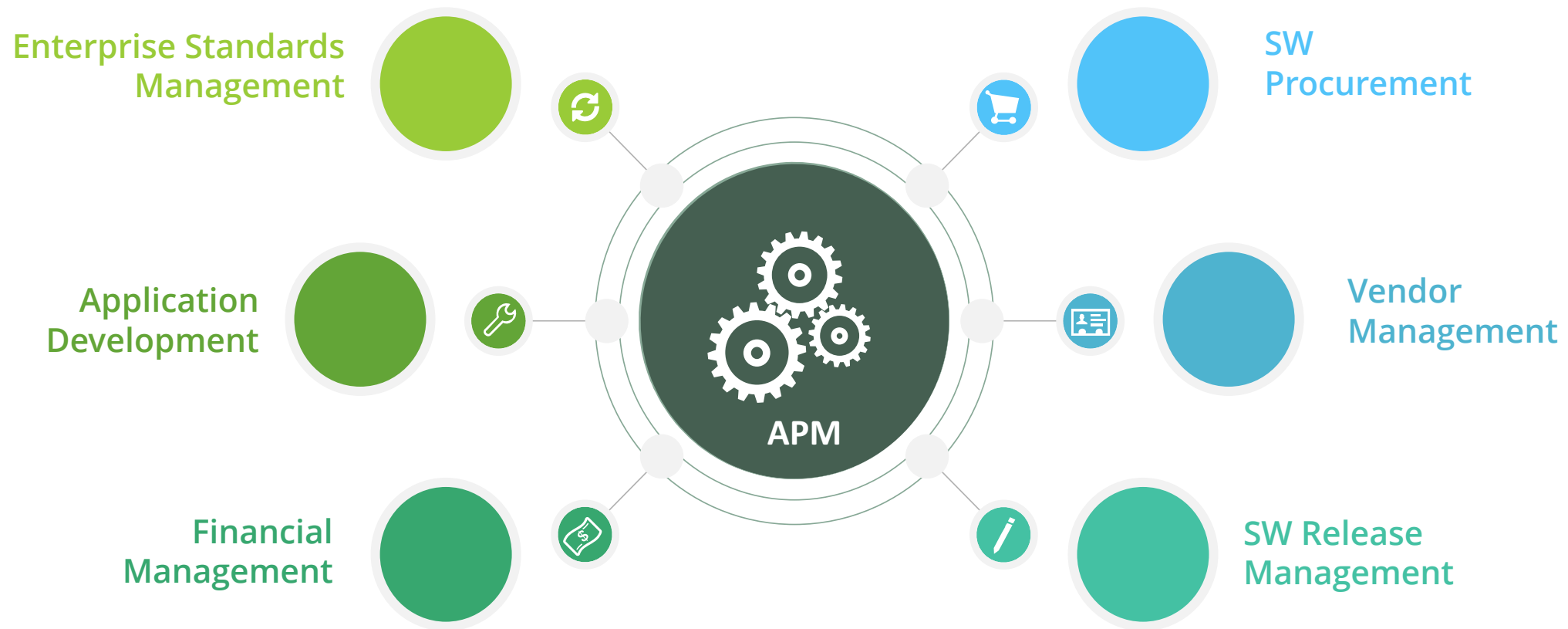
Business Use/ Lifecycle Management

APM Impacts

What Other Areas Of The Business Are Impacted By APM?

Business Use/Lifecycle Management

We must remember that APM impacts other areas of the business



Questions?



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