



# Simplify Application Portfolios Across the Business and IT

# The Necessity of Digital Transformation

The application economy is here. Nearly every interaction a person has today—be it for work, commerce or play—has a digital dimension. To survive and grow in this environment, every business must become a technology business.

For IT leaders, this means assuming a more strategic role guiding new application development that will fuel the relationship between the business and the customer. At the same time, IT must shift from an operational function into a competitive differentiator. As a result, IT's focus must be centered on strategic initiatives, not on back-office functions and support. How do they do this? By capitalizing on every opportunity to increase efficiencies, reduce costs and make the most of their existing assets.

Application Portfolio Management (APM) can be used to analyze application inventories for cost reduction and risk, delivering the insights CIOs need to make the right decisions to enable a modern workforce.

## WITH APM, IT CAN:

- Simplify IT support and reduce the costs of supporting redundant, under-used or obsolete applications
- Identify and rationalize applications to understand their associated costs, risks and business value
- Optimize IT transformation by benchmarking application quality, productivity and business alignment
- Identify the mission-criticality and risk profile of each application
- Determine the best ways to leverage new and existing technologies to deliver maximum business value and meet the needs of increasingly tech-savvy users

# The Challenges of Facing IT Transformation

There are numerous reasons why an organization might begin to analyze their applications for cost reduction and risk. Application sprawl, software redundancies and costly compliance penalties eat away at IT budgets. Additionally, applications that are not in alignment with business goals do little to progress a company's forward momentum, while a lack of visibility into the risks associated with the mission-criticality of applications impedes effective decision-making. Regardless of the reason, however, an effective application rationalization process will help organizations overcome challenges across IT and the business.



## The IT Challenge

Because a large portion of IT budgets is typically allocated to simply “keeping the lights on,” IT rarely has the time, resources or visibility it needs to focus on innovation and align itself to business priorities.



## The User Challenge

Frustrated by inadequate, underperforming applications and no response to their requests, business users will often go around IT to source the applications, infrastructure and platform resources they need.



## The CIO Challenge

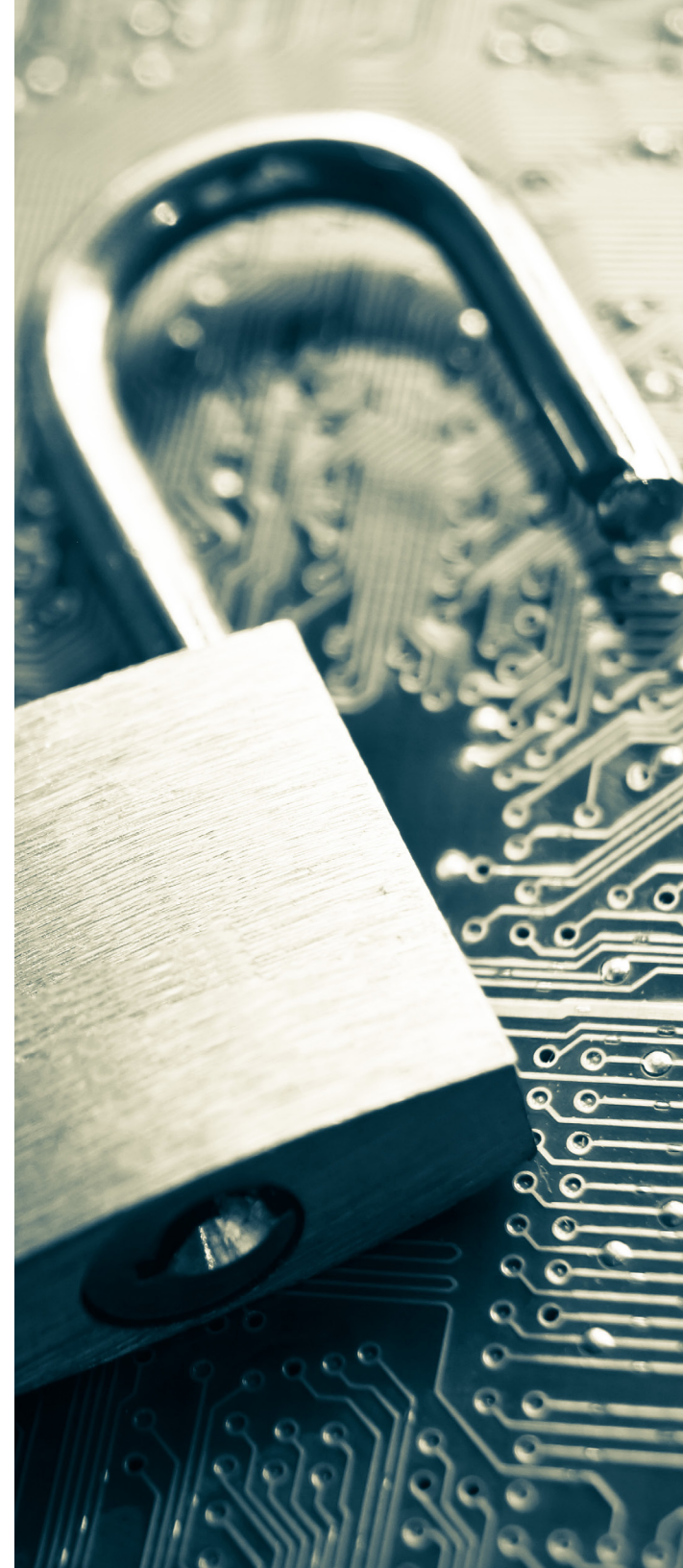
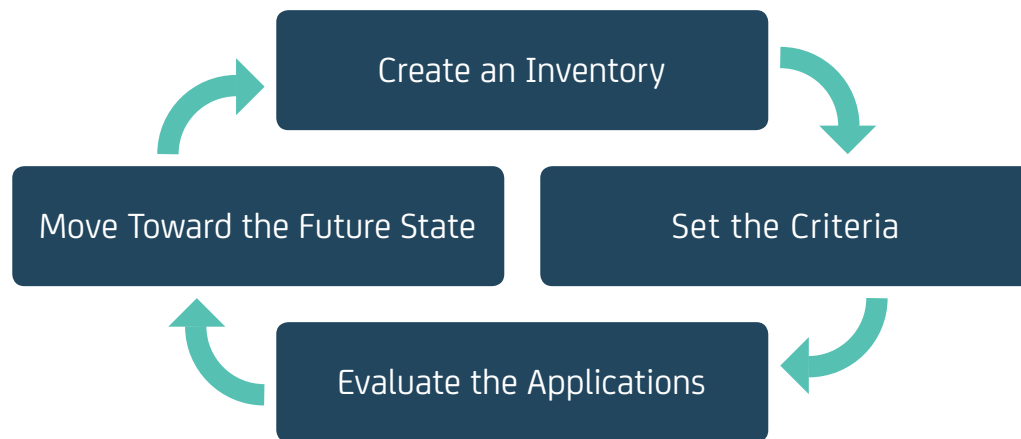
Without an ability to cross-reference business projects with existing IT assets, CIOs struggle to manage the complex mix of programs, projects, resources and costs around their applications. As a result, they don't always know what steps are needed to drive transformation with APM.

**74%** of CIOs find it challenging to balance business innovation and operational excellence<sup>1</sup>

<sup>1</sup> CIO Magazine. 2015 State of the CIO Survey. January 2015.

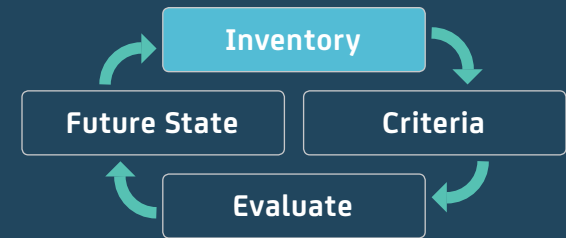
# How to Simplify and Reduce the Risks and Costs of the Application Portfolio

When faced with the user, IT and business challenges associated with IT transformation, it's common for organizations to be intimidated by the overwhelming undertaking of rationalizing their application portfolio—often because they simply don't know where to begin. Here are some processes to consider to alleviate that uncertainty. The APM methodologies outlined on the following pages offer a cyclical roadmap organizations can follow to not just begin the APM process, but also continually monitor and maintain their portfolios as they grow and evolve into the future.



HOW TO SIMPLIFY AND REDUCE THE RISKS  
AND COSTS OF THE APPLICATION PORTFOLIO

# Create an Inventory



Before an organization can transform its application portfolio, it has to know what it has, so step one is all about creating an inventory of existing assets. The actions involved in this crucial first step include:

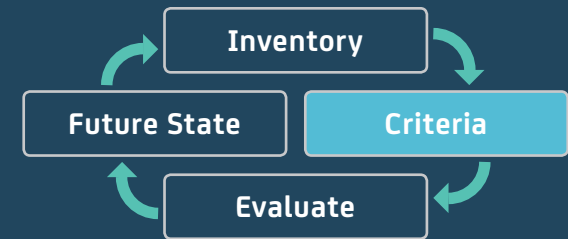
- Appointing an APM program manager to drive the process and act as its champion within the organization
- Defining what constitutes an application, based on an organization's unique characteristics and requirements
- Discovering all current applications, whether manually or with the help of a portfolio management tool
- Pooling important information, such as contracts, licenses, etc., and capturing the applications' meta data
- Conducting a risk and mission-criticality health check on applications
- Documenting where and how each application is used

Applications															
Filter: System Default															
	Application	Manager	Stage	Rationalization Score	Cloud Suitability	Platform	Technology	Category	Version	Vendor	Financial Impact	Alias	SOX App	Disaster Recovery Required?	Campus Intensive
	Altus Online Order	Turner, Bruce				Sun	Web	Service Management	3.4			ALTUS			
	BrightStor Resource Mgr for Exchange	Smith, Kevin				Windows	Data	Network Management	12.1	CA					
	Call Contact Center	Stewart, Diane				HP-UX	Voice	Network Management	6.2	HP					
	CSS OnLine Retirement	Smith, Kevin				Windows	Web	Content Management	7						
	Employee Benefits Admin	Stoneburg, Sam				Sun	Web	Resource Management	14.1			Benny			
	Employee Benefits Enrollment	Stewart, Diane				Sun	Web	Resource Management	14.1						
	Fixed Assets	Childers, Valerie				Sun	Data	Email	2.6	Oracle					
	Global Expense	Stewart, Diane				Sun	Data	Finance	1.0	Oracle					
	Payroll	Smith, Kevin				Sun	Data	Finance	11.0	SAP					
	SAP R/3 Financial Accounting	Preston, Sarah				HP-UX	Web	Finance	R/3	SAP					
	SAP R/3 Human Resources	Preston, Sarah				HP-UX	Web	Resource Management	R/3	SAP					
	SAP R/3 Purchasing	Stewart, Diane				Sun	Data	Finance	3.8	Oracle					

*The right APM solution will help streamline and automate the application inventory process.*

HOW TO SIMPLIFY AND REDUCE THE RISKS  
AND COSTS OF THE APPLICATION PORTFOLIO

# Set the Criteria



Once the inventory has been created, the next step is to begin characterizing applications based on a specific set of criteria that will help determine their value to the business. The actions involved in this step include:

- Creating rationalization categories
- Mapping applications into business processes
- Assessing applications according to key criteria, including:
  - Technical fit
  - Strategic fit
  - Business value
  - Aging risk
  - Criticality level
  - Costs
  - Vendor health

Properties ▾ Team Financial Plans Chargebacks Hierarchy Processes

Application: Altus Online Order - Properties - Main - Application Profile

Scores

Business Score 77 ◆ Technology Score 71 ◆

**Business Factors**

Affects Internal or External Facing Functions	External <span style="color: green;">◆</span>	Level of Revenue or Savings Realized Due to Function	50M+ <span style="color: green;">◆</span>
Contributes to Brand Future	Yes <span style="color: green;">◆</span>	Provides Competitive Advantage	Significant <span style="color: green;">◆</span>
Level of Annual Maintenance Costs	High <span style="color: pink;">◆</span>	Required for Regulatory Compliance	No <span style="color: red;">◆</span>
Level of Manual Work Still Required	Low <span style="color: red;">◆</span>	Strategic, Tactical, or Operational Function	Strategic <span style="color: red;">◆</span>
Level of Stability	High <span style="color: green;">◆</span>	Unique to Company or available as Commodity	Commodity <span style="color: green;">◆</span>
Meets Functional Needs	Completely <span style="color: green;">◆</span>	Users Recommend to Others	Definitely Would Recommend <span style="color: green;">◆</span>

**Business Process**

Business Process (Level 1)	Finance <span style="color: green;">◆</span>	Business Process (Level 4)	[--Select--] <span style="color: red;">◆</span>
Business Process (Level 2)	Compensation <span style="color: green;">◆</span>	Business Process (Level 5)	[--Select--] <span style="color: red;">◆</span>
Business Process (Level 3)	Payroll <span style="color: green;">◆</span>		

**Technology Factors**

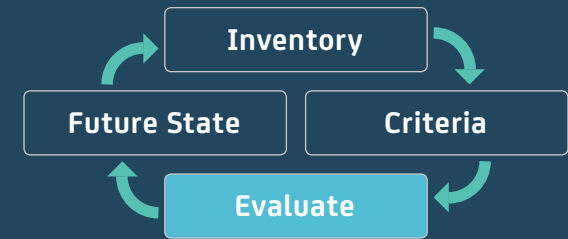
Age of Technology Platform	New <span style="color: green;">◆</span>	Ease of Integration to Other Applications	Very Hard <span style="color: red;">◆</span>
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Save Save And Return Return

*The right APM solution will walk organizations through criteria selection during the application rationalization process.*

HOW TO SIMPLIFY AND REDUCE THE RISKS  
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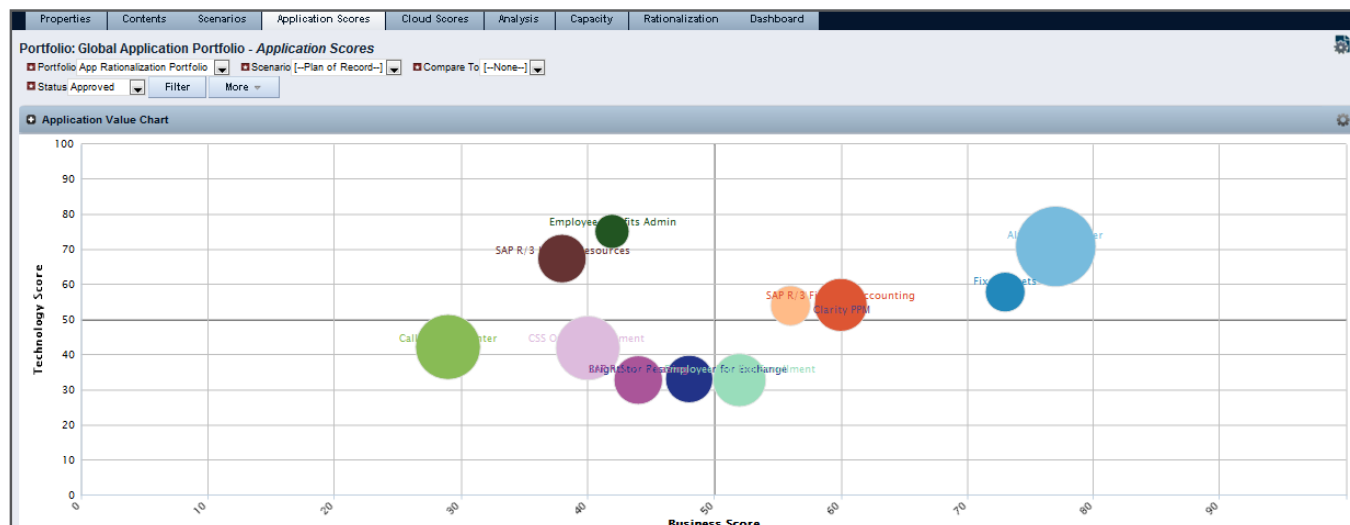
# Evaluate the Applications



After the criteria has been set, it's important to evaluate the applications according to their characteristics and how they impact the business around usability, cost and risk. The actions involved in this step include:

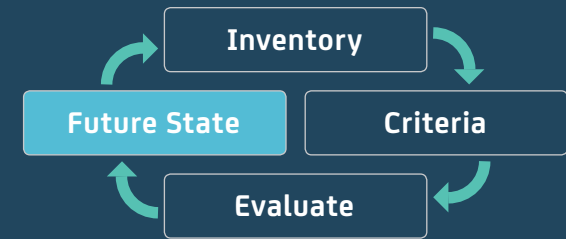
- Weighting the criteria, which attempts to take some of the human element out of the equation, so the applications can be evaluated according to key metrics, including:
  - Number of support issues
  - Cost of IT staff and maintenance
  - Availability and resultant productivity impacts
  - Processing speed
- Surveying the application's business value based on its usability and user satisfaction
- Understanding the level of risk associated with the application based on mission-criticality, number of users and overall business value
- Aging IT applications and systems through an assessment of risk and criticality levels

*The right APM solution will help organizations quickly evaluate applications based on their business and technology characteristics.*



HOW TO SIMPLIFY AND REDUCE THE RISKS  
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# Move Toward the Future State



Now that the applications have been evaluated based on their level of impact to the business, the next step is to pull all of that data together and use it to make some decisions about how to get to a future state. The actions involved in this step include:

- Collating all of the data from the previous steps into an application portfolio
- Visualizing the current-state application environment and defining a future state to work towards
- Deciding to retire, replace or update applications based on how they impact the business from a risk, cost and simplification perspective
- Building a transition plan that takes into account important changes for IT, users and the business as the transformation occurs
- Understanding that application rationalization is an ongoing process, and moving back to step one as the application environment continues to evolve and change over time

*A waterline view within the right APM solution will help users visualize and rank application investments and guide the transition toward a future state.*

Rank	Investment	Start	Finish	Approved	Required	Planned Cost	Planned Capital Cost	Planned Operating Cost	Role Demand	Role: Architect	Planned ROI	Risk
1	Altus Online Order Application	11/1/12	10/31/14	✓		312,552	180,000	132,552	805.60	104.00	34.47%	12
2	Employee Benefits Admin Applica...	12/1/12	11/30/14	✓	✓	222,696	135,000	87,696	626.40	313.20	(8.03%)	13
3	CSS OnLine Retirement Application	2/1/13	1/31/15	✓		89,024	30,000	59,024	380.80	190.40	92.03%	25
4	Employee Benefits Enrollment Ap...	4/1/13	3/31/15	✓	✓	68,640	0	68,640	472.80	157.60	121.98%	20
5	Call Contact Center Application	3/1/13	2/28/15	✓		54,936	0	54,936	348.80	87.20	55.81%	70
6	Payroll	2/1/13	1/31/15	✓		57,120	0	57,120	1,904.00	1,904.00	104.88%	35
7	Supply Chain Datamart Application	3/1/13	2/28/15	✓		100,632	30,000	70,632	523.20	261.60	154.55%	56
8	BrightStor Storage Resource Man...	1/1/13	12/31/14	✓		54,270	36,000	18,270	104.40		(24.64%)	32
9	Fixed Assets	1/1/13	12/31/14	✓	✓	175,168	100,000	75,168	417.60		(18.00%)	75
10	SAP R/3 Financial Accounting	12/1/12	11/30/14	✓	✓	187,584	150,000	37,584	208.80		(56.28%)	25
11	SAP R/3 Human Resources	4/1/13	3/31/15	✓	✓	69,920	20,000	49,920	1,576.00		50.34%	10
12	Global Expense Application	11/1/12	10/31/14		✓	30,568	0	30,568	198.40		84.26%	24

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# About the Solution from CA Technologies

Application Portfolio Management with CA Project & Portfolio Management (PPM) is designed to help organizations manage these processes, so they can bridge the gap between growing technology demands and available budget. It delivers a fact-based decision-making methodology that reduces the costs and complexity associated with managing a modernized and optimized application portfolio.

## CA PPM for Application Portfolio Management helps organizations to:

- **Free up resources to fund new innovation**
- **Create application investment plans** that are interlocked with corporate risks, cost benefits and business priorities
- **Gain a holistic view of the application landscape** and related risks and investments
- **Reduce costs and complexity**
- **Respond rapidly to business and user needs**



For more information about CA PPM for Application Portfolio Management, visit [ca.com/ppm](https://ca.com/ppm).

CA Technologies named a “leader” in the Gartner 2017 Magic Quadrant for Project Portfolio Management, Worldwide.



[READ THE ANALYST REPORT](#)

# Leading Financial Services Group Saves €3.5 Million Through Application Rationalization

## CHALLENGE

A leading financial services group in the Nordic and Baltic regions wanted to enhance business agility so it could meet growing customer demands, while at the same time reducing the costs around its applications. What it lacked was a centralized platform for rationalizing its application portfolio.

## SOLUTION

The company implemented CA PPM to track more than 3,000 business applications, including banking systems, customer relationship management solutions and its back-office software. The solution provides a consistent framework for making informed decisions about when to retire, upgrade or replace applications.

## RESULTS

Since implementing CA PPM, the financial services group has experienced numerous financial and operational benefits, including:

- Identified 150 applications for retirement, resulting in €3.5 million in cost savings
- Simplified IT support and maintenance
- Accelerated implementation of new services and regulatory requirements
- Projected savings of 10 to 15 percent of total application maintenance costs, which could add up to €20 million over the next few years

For more about how this leading financial services group leveraged CA PPM to rationalize its application portfolio, [read the full story.](#)

# About CA Project & Portfolio Management

CA PPM is the industry standard in project and portfolio management solutions, helping organizations plan from the top down and execute flawlessly from the bottom up.

## Plan Your Investments

Ensure your organization's investments, from applications to projects and resources, are aligned with the strategic plans of your business. Prioritize and shift initiatives across traditional and agile teams to better react to market and customer demands in the application economy.

## Drive Faster Results

Now your business can be as agile as your development teams. Managers can constantly evaluate and evolve their projects, products and applications. Financial planners can link investments to product and application portfolios, resulting in higher returns and better business value.

## Unlock Management Insights

Leverage the critical insight of business intelligence to analyze your investment and project portfolios for more strategic decision making across all areas of your business. Project owners, stakeholders, and team members all have instant access to the insight they need to quickly make decisions and take action to ensure success.

For more information, visit [ca.com/ppm](https://ca.com/ppm)

CA Technologies (NASDAQ: CA) creates software that fuels transformation for companies and enables them to seize the opportunities of the application economy. Software is at the heart of every business, in every industry. From planning to development to management and security, CA is working with companies worldwide to change the way we live, transact and communicate – across mobile, private and public cloud, distributed and mainframe environments. Learn more at [ca.com](https://ca.com).

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