Application Rationalization

An Outcome Driven EA Playbook

V5 update

MEGA

Challenges
Why Rationalize Applications?

Lack of Agility

- Most companies have **limited visibility** on IT assets. Applications are often spread-out into **many Excel sheets**
- **Investment decisions** are complicated if you don't know what's already available in house
- You need to know **what will be impacted** when **adding or deprecating applications**

Costs too high

- **Redundant applications** cost money
- Many applications **aren't used**, or many licenses are unused

Supporting the business

- Some business capabilities are supported by very **manual** and convoluted processes, which triggers high risk and low traceability
- Many applications **don't meet user expectations**

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Methodology

How do I get it done?

1

Inventory applications

- **Inventory** applications, lifecycles, exchanges, technologies and capabilities
- **Group** applications into portfolios to structure the repository
- **Assign** clear ownership and set-up a workflow to control additions / removals
- **Publish the inventory** on the intranet with the EA Portal

2

Evaluate applications

- **Identify gaps and redundancies** through a capability map
- **Evaluate costs** per application, based on several cost lines
- **Assess** applications through questionnaires & Generate the **TIME report** to support investment decisions

3

Run transformation projects

- Prepare **decommissioning plan**
- Run **impact analysis** in 2D and 3D to identify the impact of change
- **Manage projects** to ensure consistent transformation

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Step 1
Inventory applications

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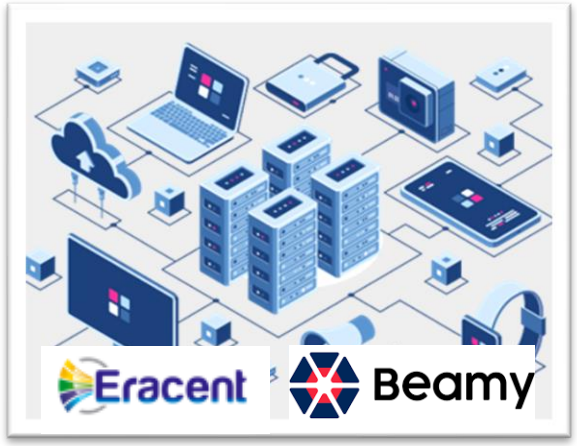
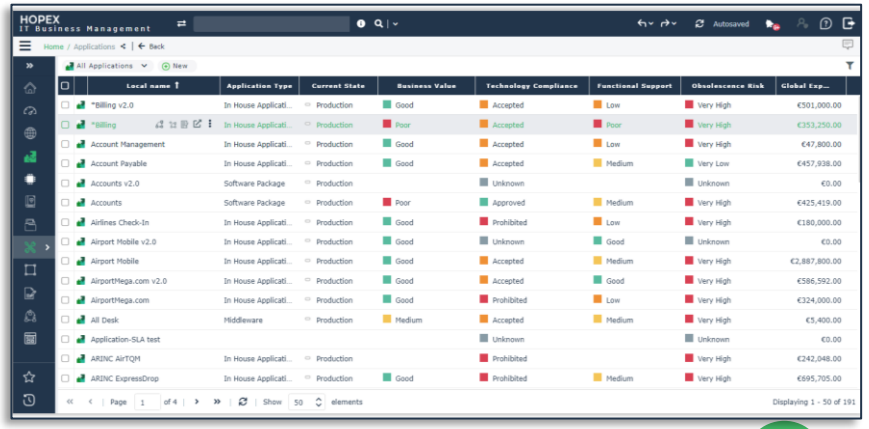
AUTOMATE DATA COLLECTION



Using application automatic discovery tools, draw up an inventory of available technologies and applications.

Import the list of applications via MEGA ready-to-use Excel import templates to make the repository actionable in a few weeks.

APPLICATION INVENTORY



MEGA

Step 1
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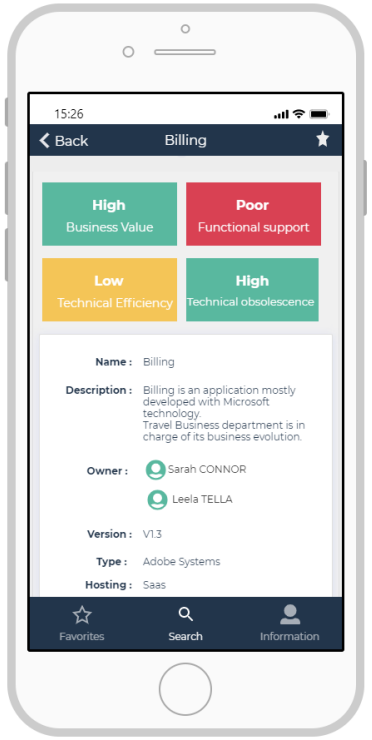
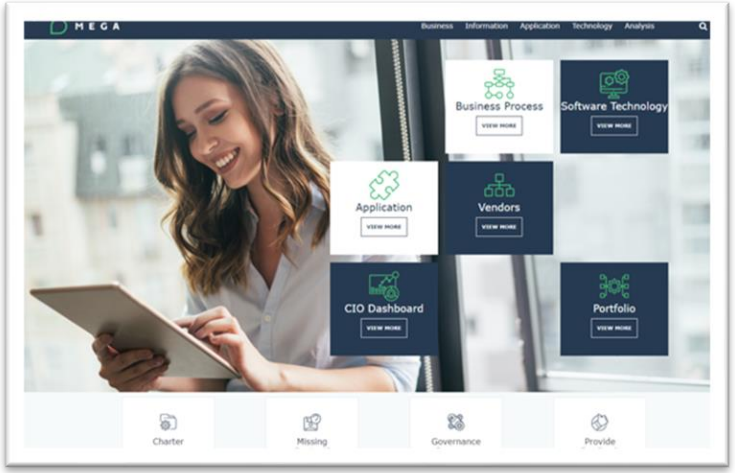
HOPEX ID CARD



Share the information and make it available to all the stakeholders within the organization. This visibility will be the best insurance for owners that information will be kept up to date.

UNLIMITED ACCESS TO THE PUBLISHED INVENTORY WITH THE EA PORTAL



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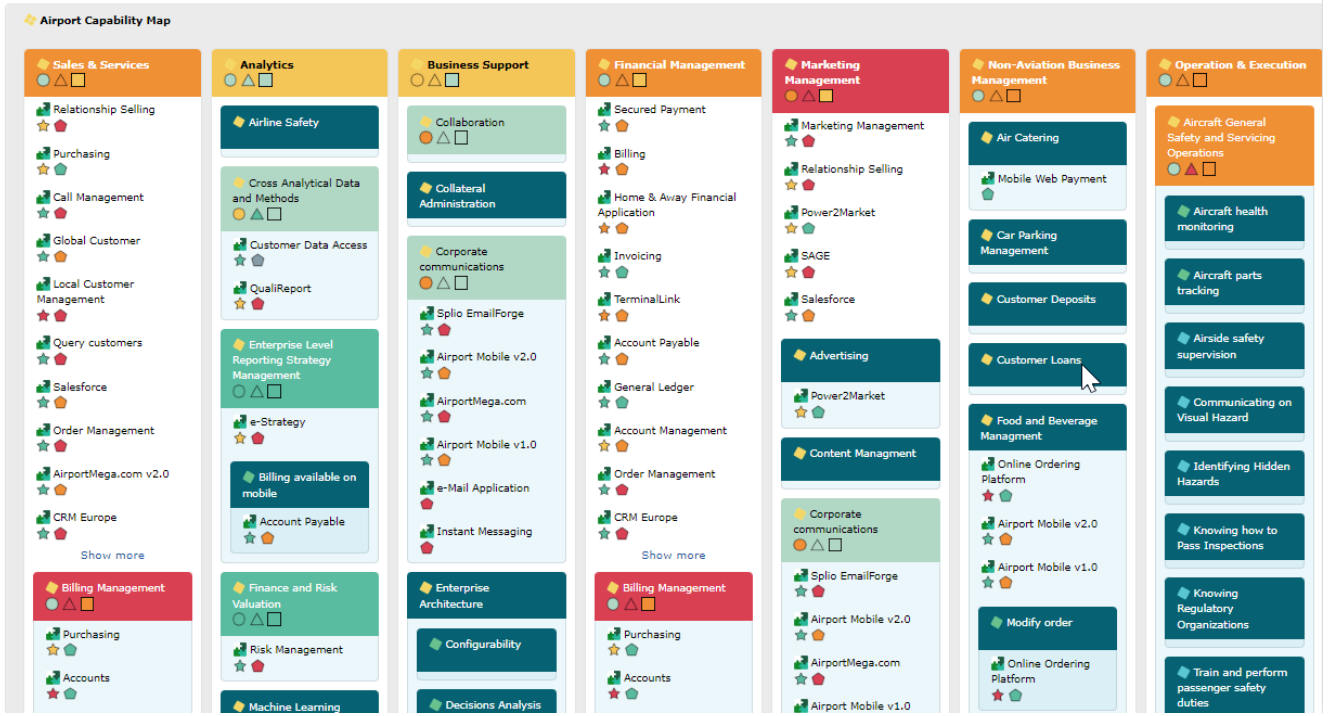
Step 2.1
Identify gaps & redundancies

2

Evaluate applications

- **Identify gaps and redundancies** through a capability map
- **Evaluate costs** per application, based several cost lines
- **Assess applications through questionnaires and g**enerate the **TIME report** to support investment decisions

CAPABILITY MAP WITH OVERLAYS



- Identify capabilities without any supporting application
- Identify redundant applications
- Analyze the impacts of application assessments on business capabilities

Step 2.2
Evaluate costs

2

Evaluate applications

- **Identify gaps and redundancies** through a capability map
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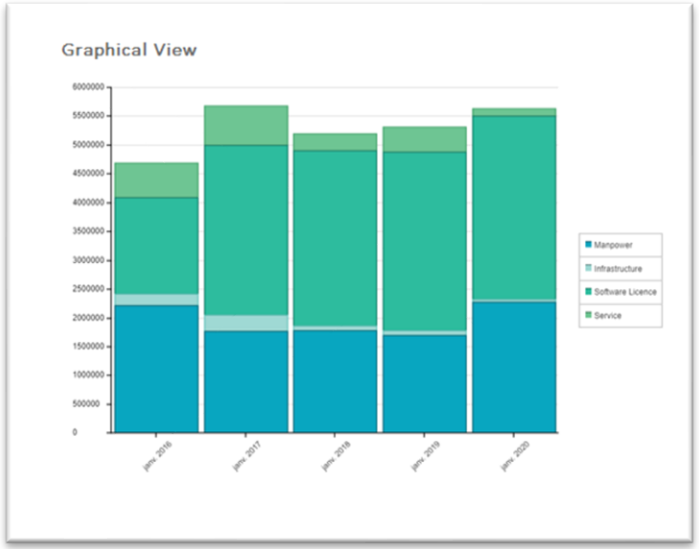
COSTS PER COST LINE



For each application portfolio,
- Define cost lines (licenses, maintenance, infrastructure, manpower…)
- Run cost consolidation per cost line for each portfolio

Run cost consolidation per business capability on a multi-criteria tree map

COST CONSOLIDATION TREE MAP

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Step 2.3
Questionnaire assessment & TIME report

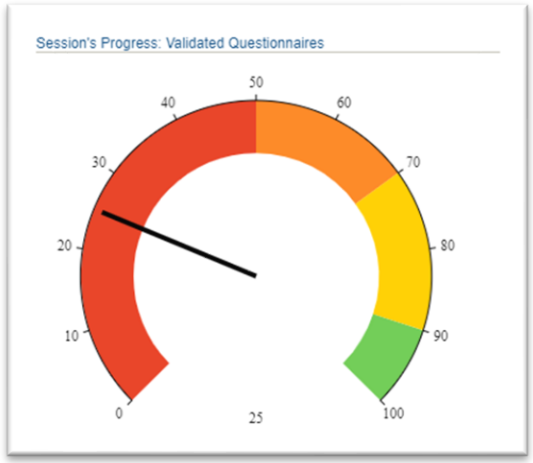
2

Evaluate applications

- **Identify gaps and redundancies** through a capability map
- **Evaluate costs** per application, based several cost lines
- **Assess** applications through questionnaires & Generate the **TIME report** to support investment decisions

SURVEY MONITORING DASHBOARD

Run assessment campaigns with application owners based on configurable criteria (ex: business value, technical risk, user satisfaction…), and monitor progress through dashboards

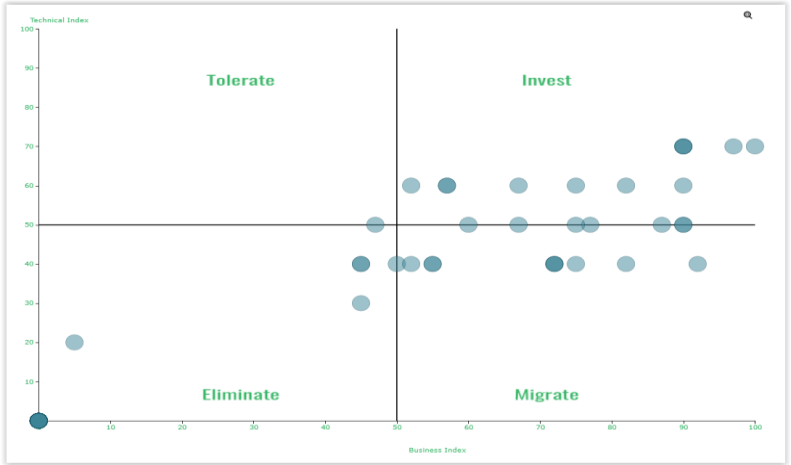


CLOUD MIGRATION ANALYSIS

Run assessment campaigns to get a representation of migration recommandations for applications of a portfolio

TIME REPORT

Identify which application to Tolerate, Invest on, Maintain, or Eliminate



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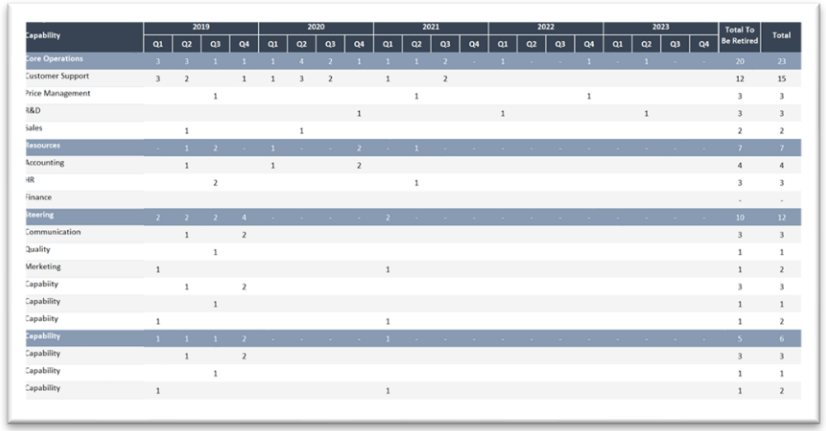
Step 3.1
Prepare decommissioning plan

3

Run transformation projects

- Prepare **decommissioning plan**
- Run **impact analysis** in 2D and 3D to identify the impact of change
- **Manage projects** to ensure consistent transformation

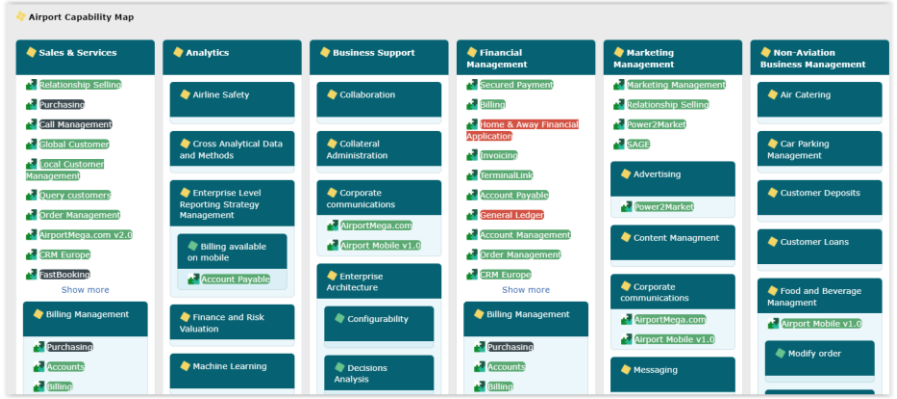
DECOMMISSIONING PLAN



Capability	2019				2020				2021				2022				2023				Total To Be Retired	Total
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Core Operations	3	3	1	1	1	4	2	1	1	1	2	-	1	-	-	1	-	1	-	-	20	23
Customer Support	3	2		1	1	3	2		1		2										12	15
Price Management			1							1						1					3	3
R&D								1						1					1		3	3
Sales		1				1															2	2
Resources	-	1	2	-	1	-	-	2	-	1	-	-	-	-	-	-	-	-	-	-	7	7
Accounting		1			1			2													4	4
HR			2							1											3	3
Finance																					-	-
Steering	2	2	2	4	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	10	12
Communication		1		2																	3	3
Quality			1																		1	1
Marketing	1								1												1	2
Capability		1		2																	3	3
Capability			1																		1	1
Capability	1								1												1	2
Capability	1	1	1	2	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	5	6
Capability		1		2																	3	3
Capability			1																		1	1
Capability	1								1												1	2

Plan for application decommission per quarter, and generate plan per business capabilities

TIMED BUSINESS CAPABILITY MAP



Switch views to visualize the plan graphically on the capability map

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Step 3.2
Identify impact of change

3

Run transformation projects

- Prepare **decommissioning plan**
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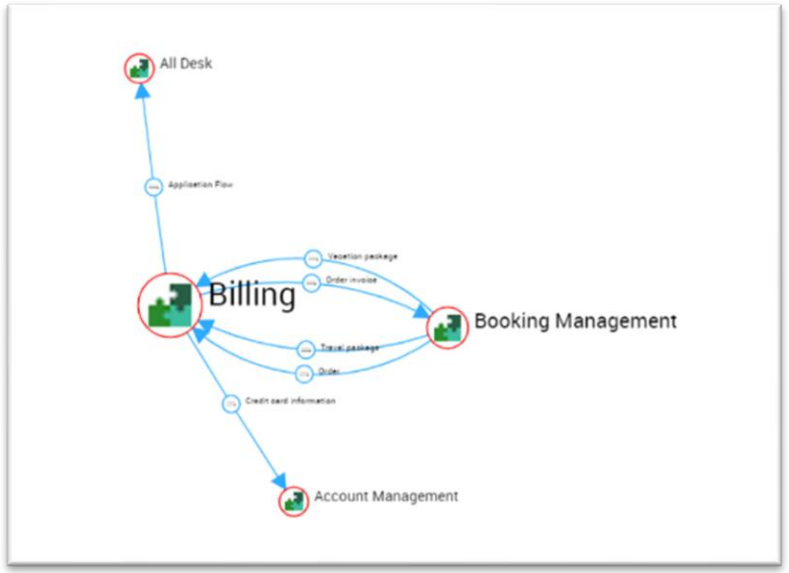
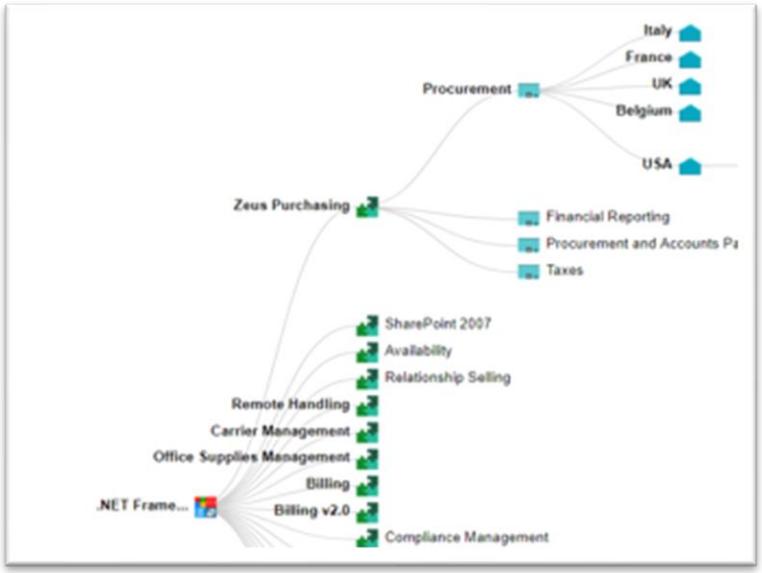
- **Manage projects** to ensure consistent transformation

ENVIRONMENT REPORT

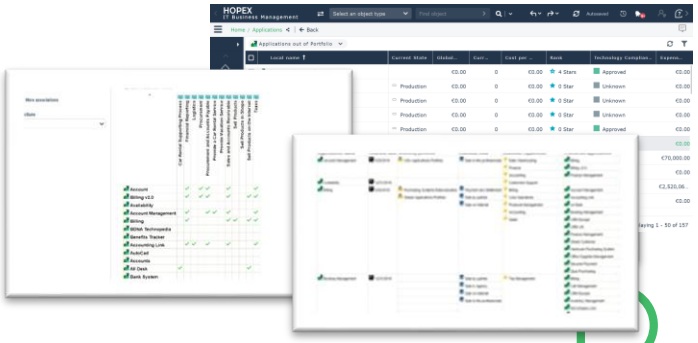


DENDROGRAM



Run auto-generated reports, in 2D or 3D, to show
- inter-dependencies between applications
- dependencies to technologies
- impacts on the business

A variety of other reports is later described, to visualize impacts and dependencies in multiple ways



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Step 3.3
Manage projects

3

Run transformation projects

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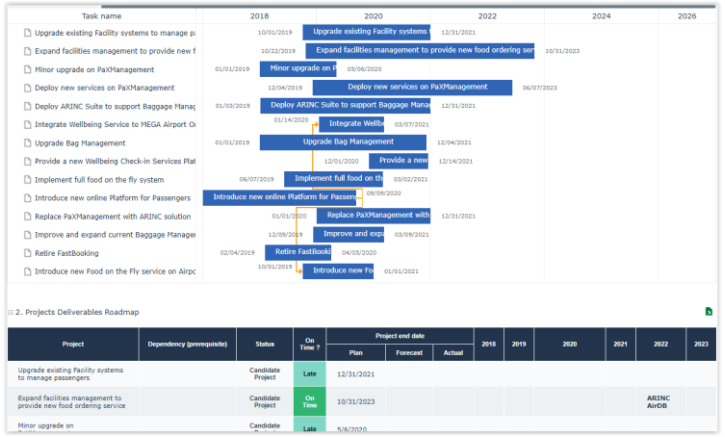
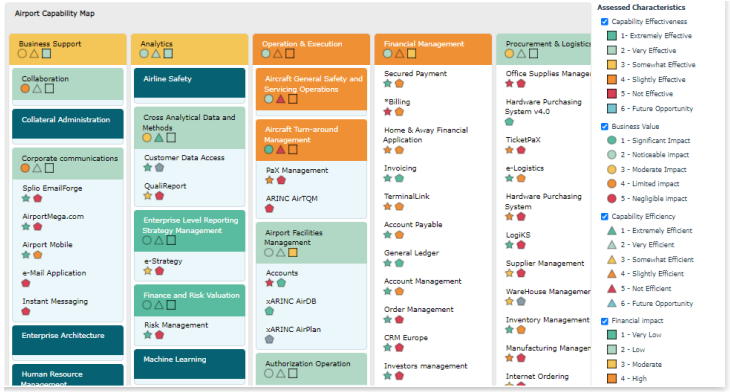
PROJECT MONITORING DASHBOARD



- Run projects to add, change or decommission applications
- Monitor projects statuses and dependencies

- Populate project deliverables
- Assess consistency and impact on business capabilities

ASSESS IMPACTS ON CAPABILITIES



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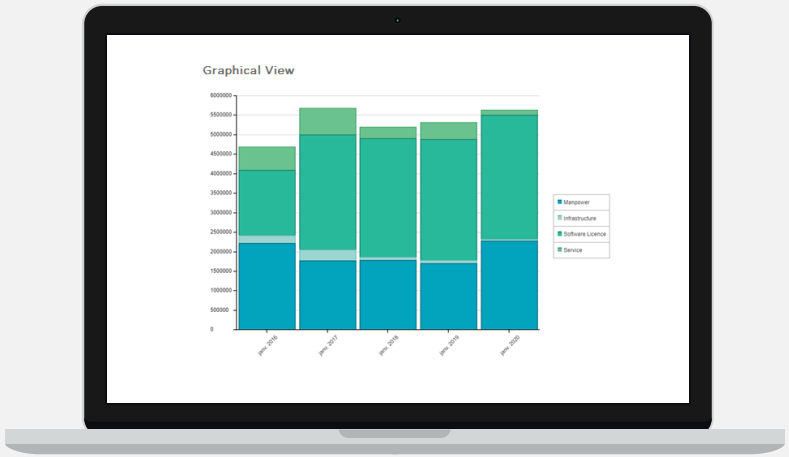
Key reports

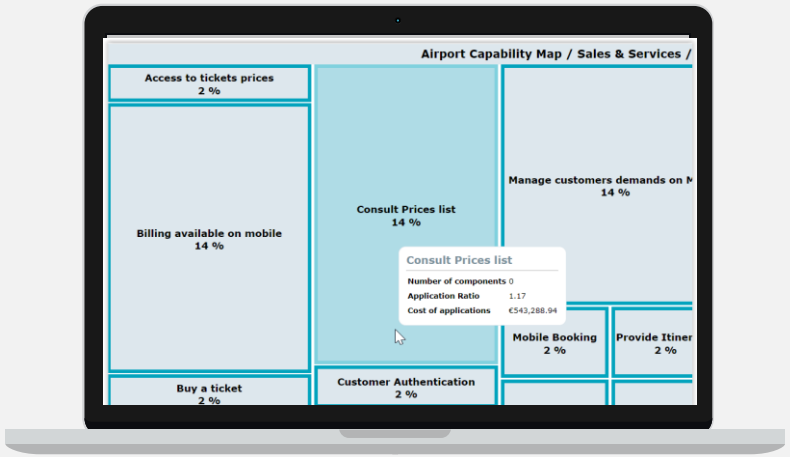
COST PER COST LINE



Consolidate application costs per cost line at portfolio level

Required data:
- Applications
- Portfolios
- Cost lines
- Costs per application and cost line

COST CONSOLIDATION TREE MAP



Consolidate costs per business capability

Required data
- Business capabilities
- Applications
- Costs per application & cost line

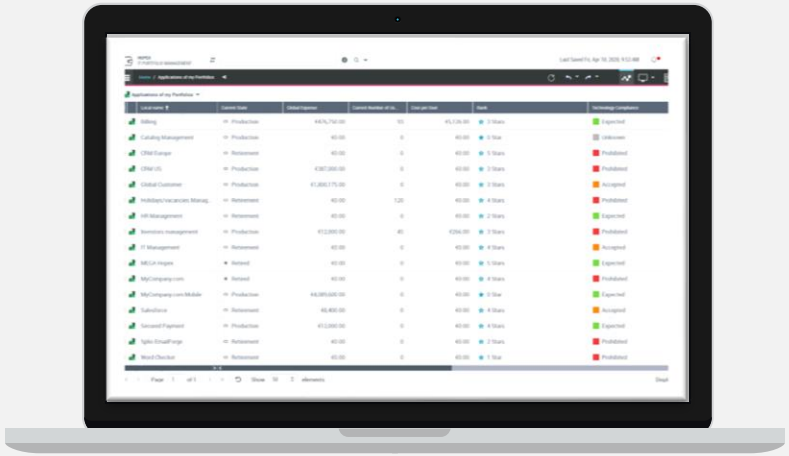
SCENARIO COMPARISON

Compare transformation scenarios with multiple criteria

Required data:
- Portfolio
- Scenarios & initiatives
- Evaluation criteria

Key reports

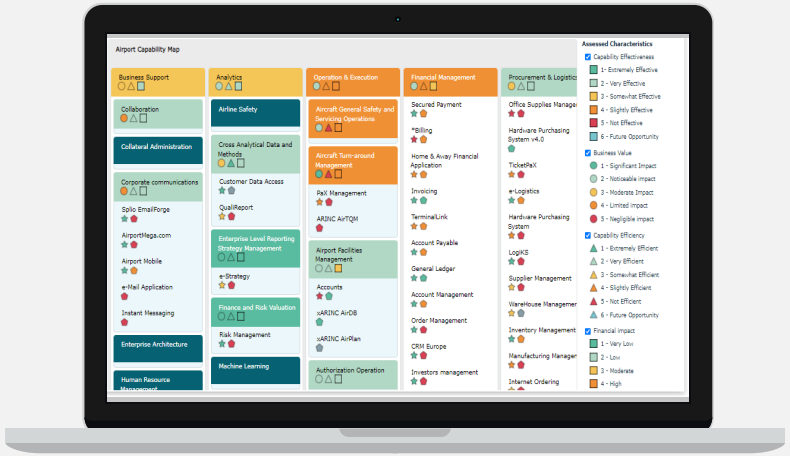
APPLICATION INVENTORY



Provide a single source of truth for applications

Required data:
- Applications
- Available fields

CAPABILITY MAP WITH OVERLAYS



Show how applications support your business capabilities and display impact of assessments

Required data
- Business capabilities
- Applications
- Application assessments

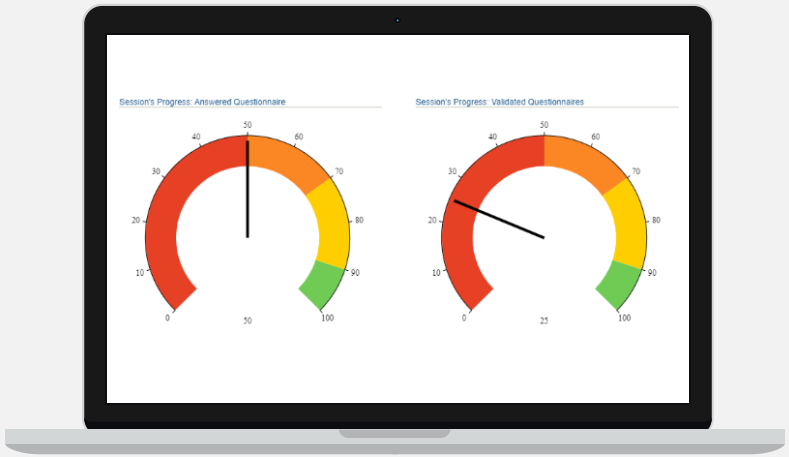
EA PORTAL

Publish the information on a license free portal to show results to all EA stakeholders

Required data:
- Applications
- Any required data to be published

Key reports

CAMPAIGN MONITORING DASHBOARD



Follow-up the progress of assessment campaigns through dashboards

Required data:

- Campaigns in progress, with campaign content (questionnaires, respondents, assessed objects…)

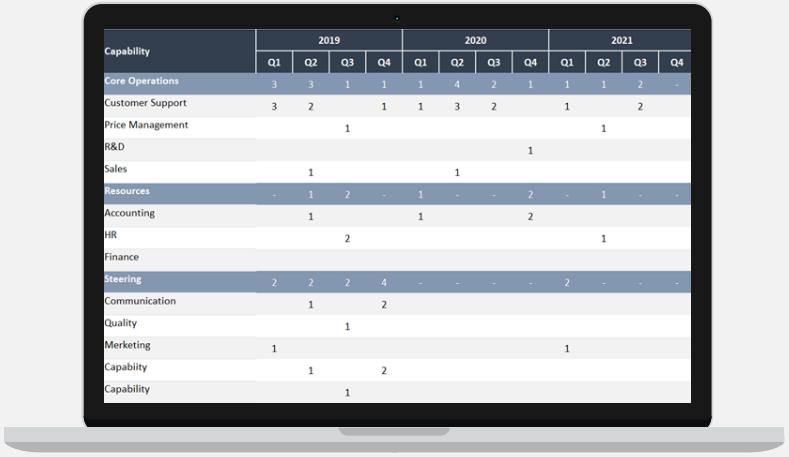
TIME REPORT

Identify applications to Tolerate, Invest on, Maintain and Eliminate thanks to evaluation results

Required data

- Applications
- Evaluations

DECOMMISSIONING PLAN



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Price Management			1							1		
R&D								1				
Sales		1				1						
Resources	-	1	2	-	1	-	-	2	-	1	-	-
Accounting		1			1			2				
HR			2							1		
Finance												
Steering	2	2	2	4	-	-	-	-	2	-	-	-
Communication		1		2								
Quality			1									
Merketing	1								1			
Capabiity		1		2								
Capability			1									

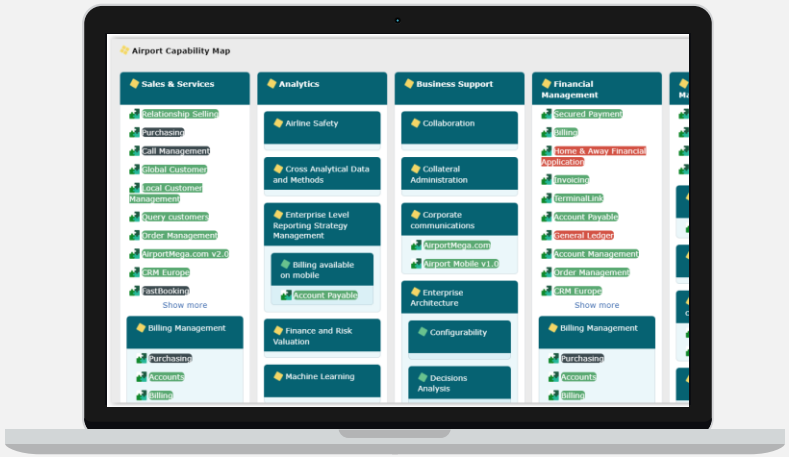
Communicate the application decommissioning plan for the next 5 years, with associated cost savings, per capability

Required data:

- Business Capabilities
- Applications
- Lifecycles
- Application costs

Key reports

TIMED CAPABILITY MAP



Identify retired VS in-production applications per business capability and per year, to ensure strong business support over the years

Required data:

- Business capabilities
- Applications
- Lifecycles

APPLICATION ENVIRONMENT REPORT

Automatically visualize exchanges between applications, and with other objects

Required data

- Applications
- Exchanges
- Optionally other objects

DENDROGRAM

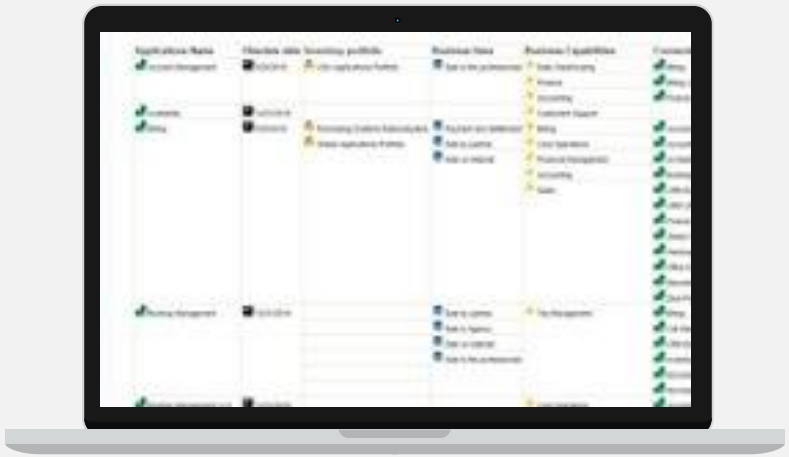
Automatically visualize impacts and dependencies between objects of the repository

Required data:

- Applications
- Configurable items to measure impacts

Key reports

360° MATRIX

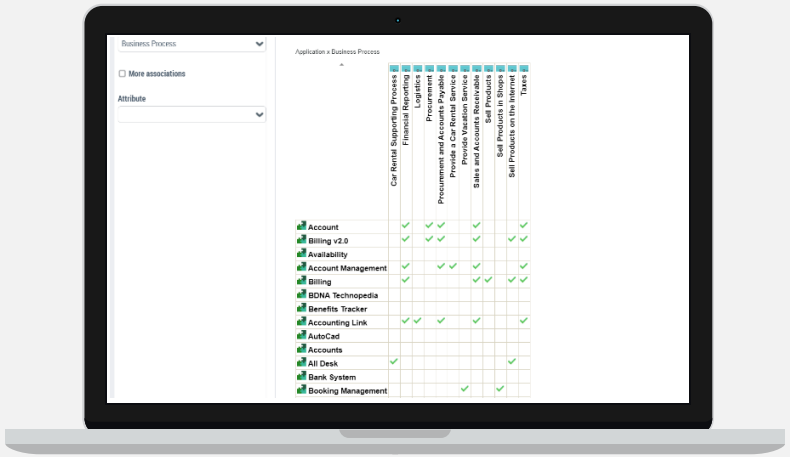


Analyze connection between application and their dependencies for each portfolio

Required data:

- Application Portfolios
- Applications
- Technologies
- Business lines
- servers

MATRIX

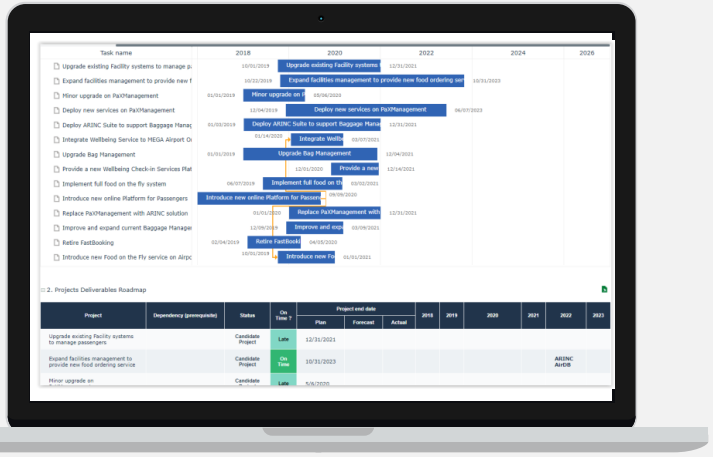


View how applications support business processes through a matrix. Matrices can be configured by users to display any connection

Required data

- Applications
- Business processes
- (Any other connection)

PROJECT ROADMAP



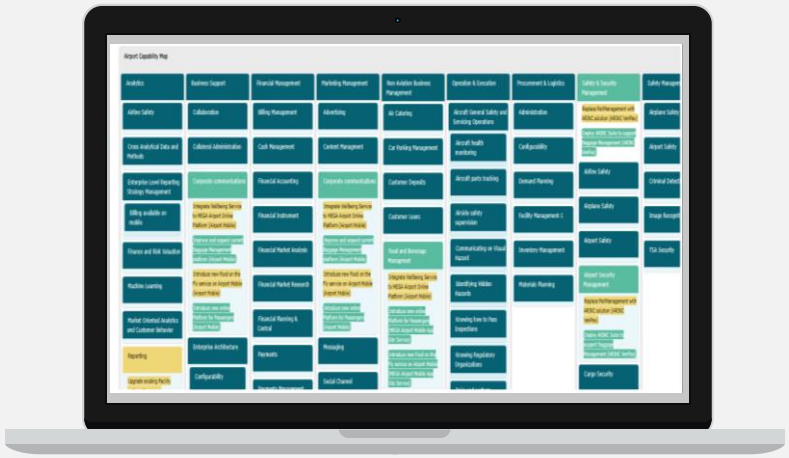
Monitor projects by portfolio, including dependencies and status

Required data:

- Project portfolio
- Projects
- Project lifecycle
- Project dependencies

Key reports

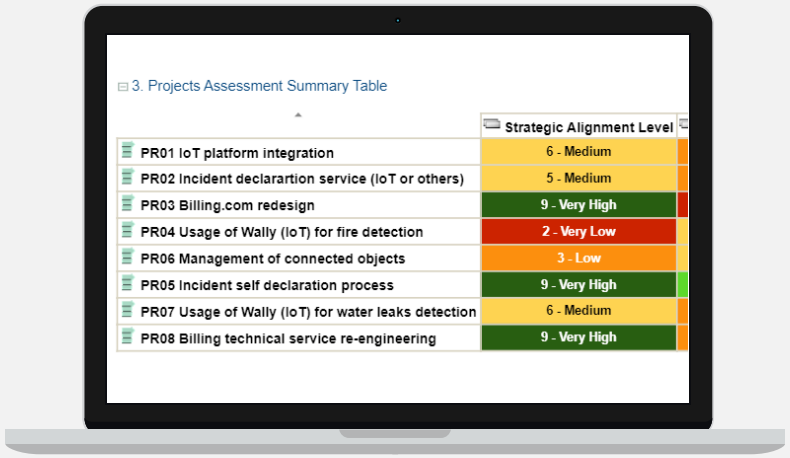
PROJECT DELIVERABLE IMPACT ON CAPABILITY MAP



Ensure consistency of projects by comparing their impacts on the capability map

Required data:
- Project portfolios
- Projects
- Project deliverables
- Business capability map

PROJECT DASHBOARD



Monitor projects' assessments, costs, benefits and ROIs through a single table on each portfolio

Required data
- Project portfolios
- Projects
- Project assessment
- Project cost
- Project benefit
- Project ROI

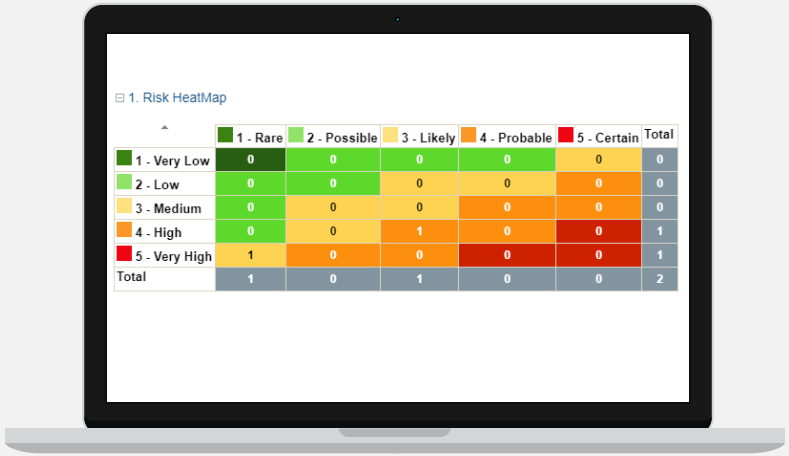
PROJECT KPIS

Monitor budget, costs, ROI, forecast cost variance and actual cost variance per project portfolio

Required data:
- Project portfolios
- Projects
- Project progress rate and delay
- Project cost forecast
- Project cost actual
- Project ROI
- Project risks and assessments

Key reports

PROJECT PORTFOLIO RISK HEATMAP



	1 - Rare	2 - Possible	3 - Likely	4 - Probable	5 - Certain	Total
1 - Very Low	0	0	0	0	0	0
2 - Low	0	0	0	0	0	0
3 - Medium	0	0	0	0	0	0
4 - High	0	0	1	0	0	1
5 - Very High	1	0	0	0	0	1
Total	1	0	1	0	0	2

Monitor project risks at portfolio level

Required data:
- Project portfolios
- Projects
- Project risks
- Risk assessments

APPLICATION EVOLUTION DASHBOARD

Anticipate application costs by monitoring newly created and retired applications per year

Required data
- Applications
- Lifecycles

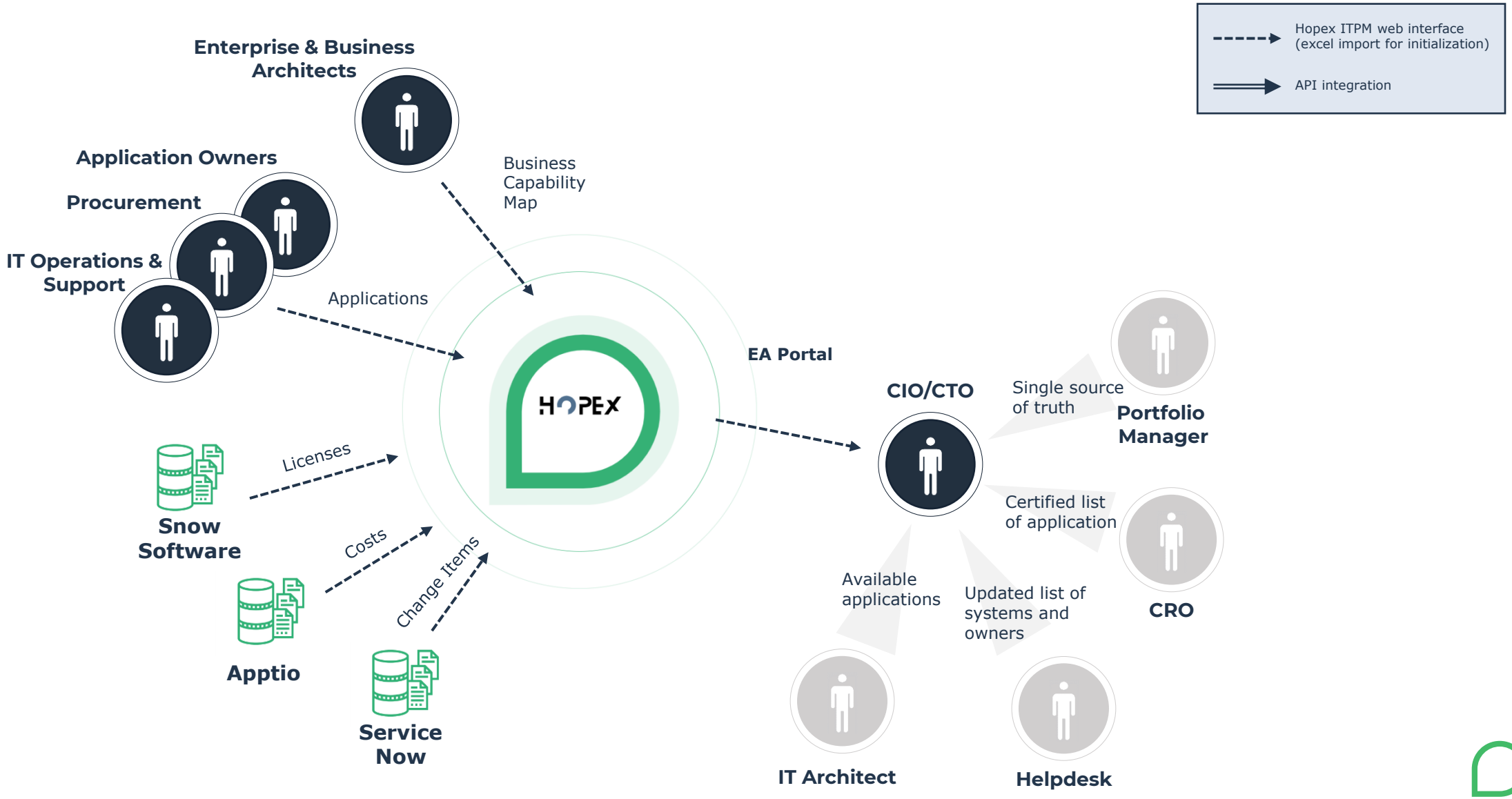
APPLICATIONS PER CAPABILITY

Provide an overview of the capabilities that consume the larger amount of applications, to obtain indicators of potential gaps and redundancies

Required data:
- Business capabilities
- Applications

Sources & Targets

Where can you find the data in your organization? Who are the reports for?

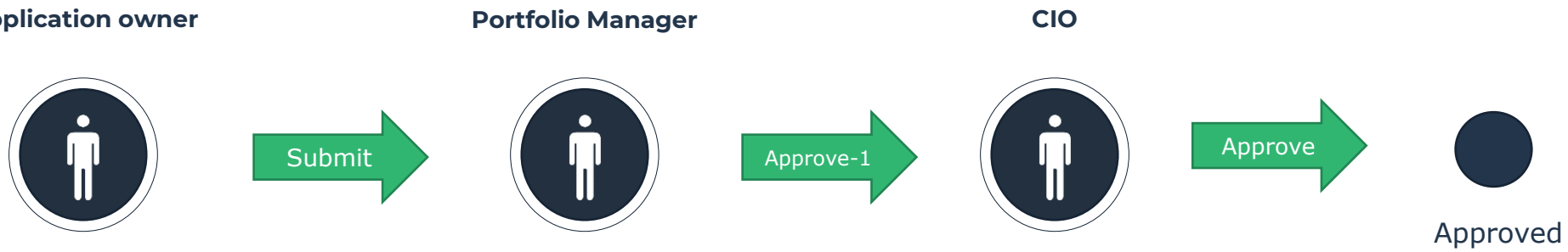


Tips and Tricks

Set up an easy workflow

- Setting up a workflow in HOPEX for application approval allows your organization to better control application requests and obtain a clear picture of the application landscape at all points of time. “If it isn’t in HOPEX, it doesn’t exist”
- To avoid slowing down operations, the workflow should be simple enough. We suggest to limit the levels of approval to 2 approvals.

Application approval workflow - example



Tips & Tricks

Ensure Ownership through portfolios

- Use portfolios to **categorize** applications and ensure **ownership**
- Sub portfolios can be used to manage high amounts of data

Portfolio (ex: Finance, HR, Sales, Digital)

Sub Portfolio (ex: Payroll, Communication, Staffing…)

Application (Billing, EA Tool, Call Management…)

MEGA

Tips & Tricks

Use MEGA's Excel template to import existing data

- MEGA’s ITPM Excel template allows you to import all the data you need to populate your HOPEX inventory and generate your reports.
- The ITPM import template is available on the HOPEX Store: https://community.mega.com/t5/HOPEX-Store/bd-p/hopex-store

"The EA group is an influencer of strategic planning and HOPEX provided us with the ultimate visibility required to have a holistic understanding of ecosystems, data, and interdependencies across the business units. Through visualizations and dashboards, business managers are empowered to translate data into action. And, as a trusted advisor to the business units, our EA team has a seat at the table to influence strategic initiatives."

- Financial Services Company Senior Manager, Enterprise Architecture

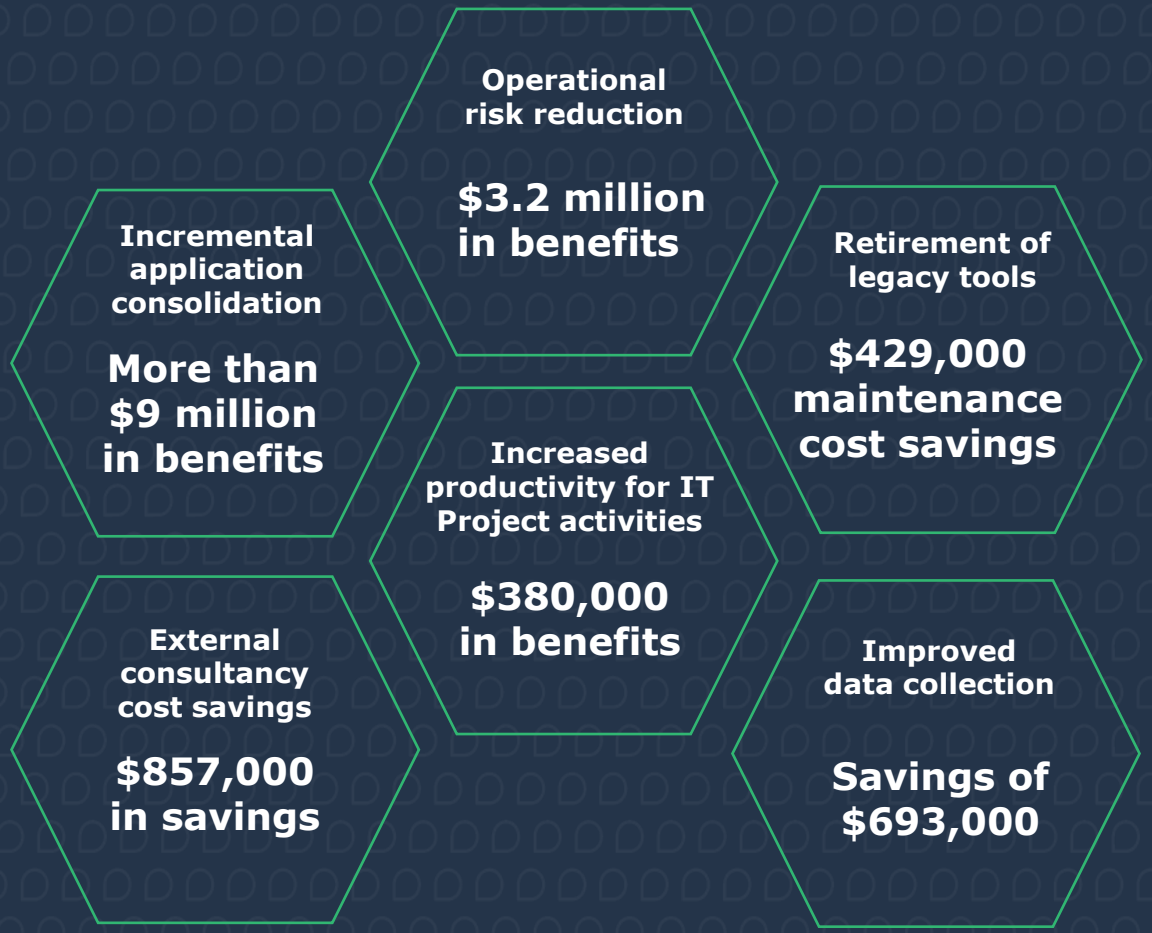
IT Rationalization / IT Strategic Planning

- **Objectives**
  - Gain better insight into the interdependencies of applications and technologies
  - Identify unutilized, redundant or non-compliant applications
  - Develop strategies for the modernization of their systems
  - Meet the demands of a growing company with a bigger focus on digital transformation
- **Results**
  - **Created a complete view** of organization's EA by rationalizing data and applications, thereby identifying and realizing downstream cost savings
  - **Created consistency and structured work projects** that helped standardize documentation and increase output of digital documentation
  - **Moved from an EA "push" mode to a business "pull mode"** that successfully communicated the value of EA output across business units
  - **Enabled faster and more streamlined planning** by using HOPEX data as a single source of truth for application inventory

MEGA

FORRESTER®

Total Economic Impact



Return on Investment **302%**

CUSTOMER OVERVIEW

- **One of the largest** financial services providers in the world
- **Revenue:** more than $65 billion
- **65,000+ employees**

CASE STUDY

- A large financial service provider
- Increase transparency
- Build a single, consolidated, managed IT portfolio
- Reduce IT asset costs and risks

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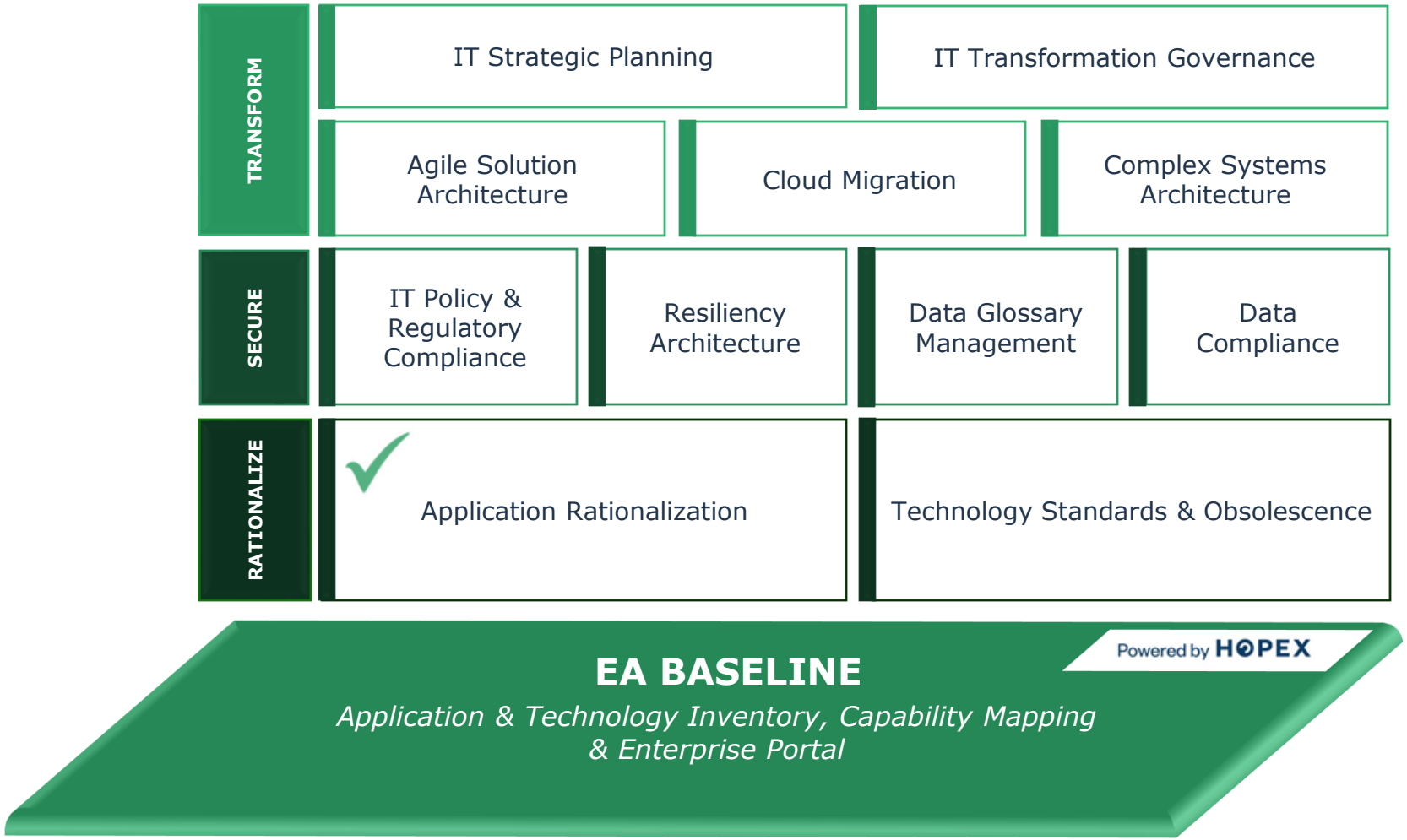
IT Transformation journey
What's next?



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SEE THE BIGGER PICTURE