

Application Portfolio Management - Rationalizing Applications

Bonn, 27. November 2019

Christian Richter, SVP Customer Success

Application Portfolio Management – Rationalizing Applications

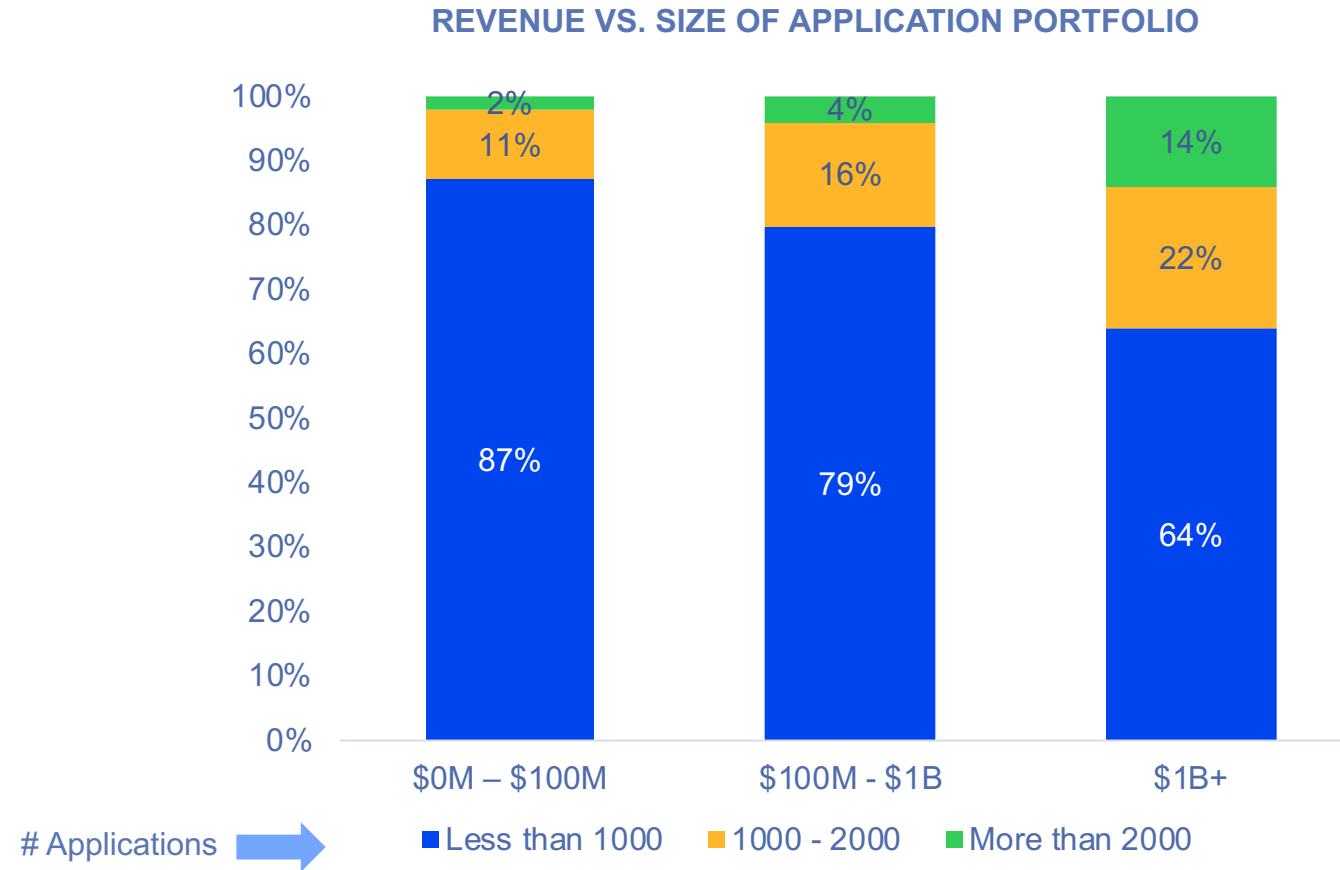
Today's agenda

Setting up your application portfolio

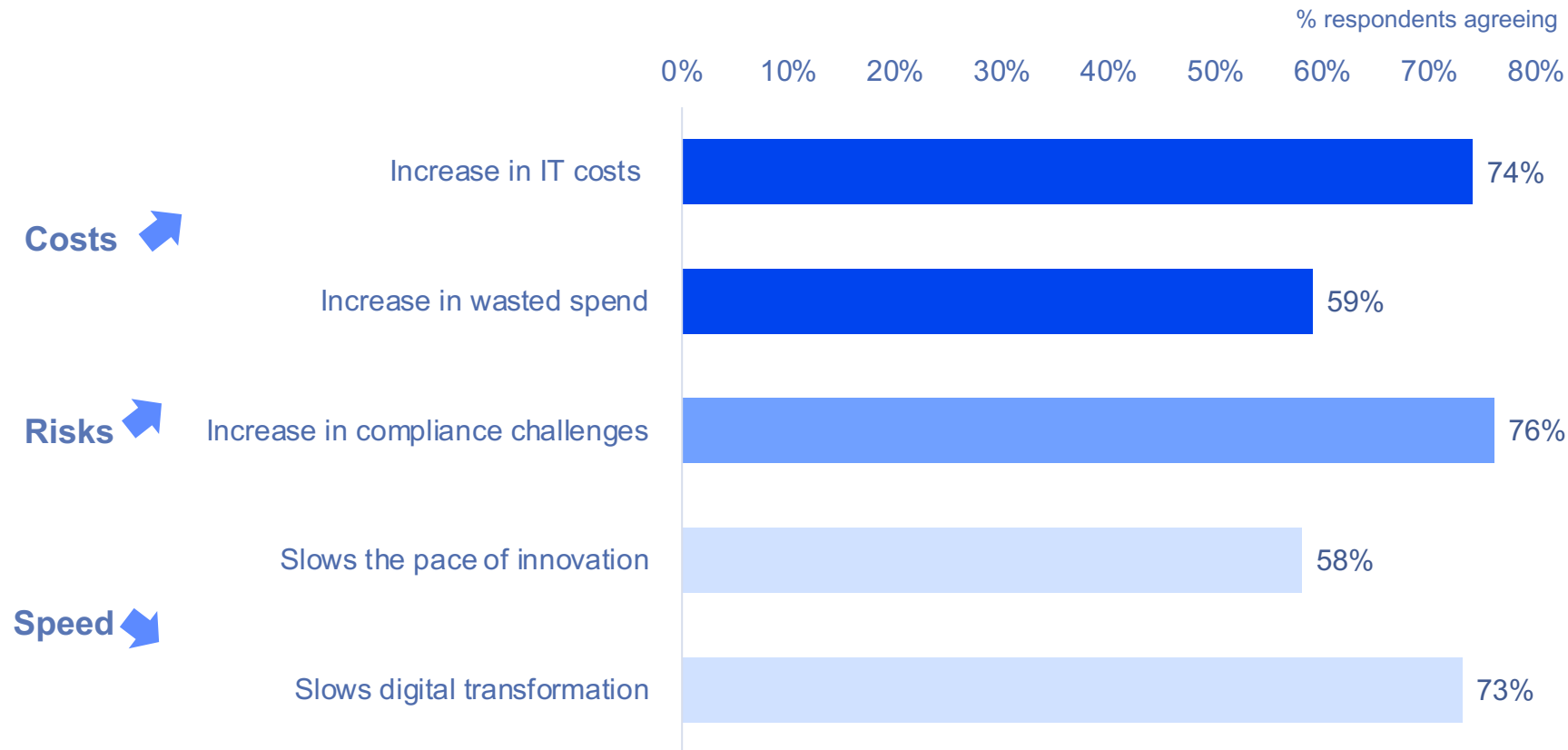
Identification of elimination candidates

Managing the application rationalization process

The need to manage Application Portfolios increases with company size

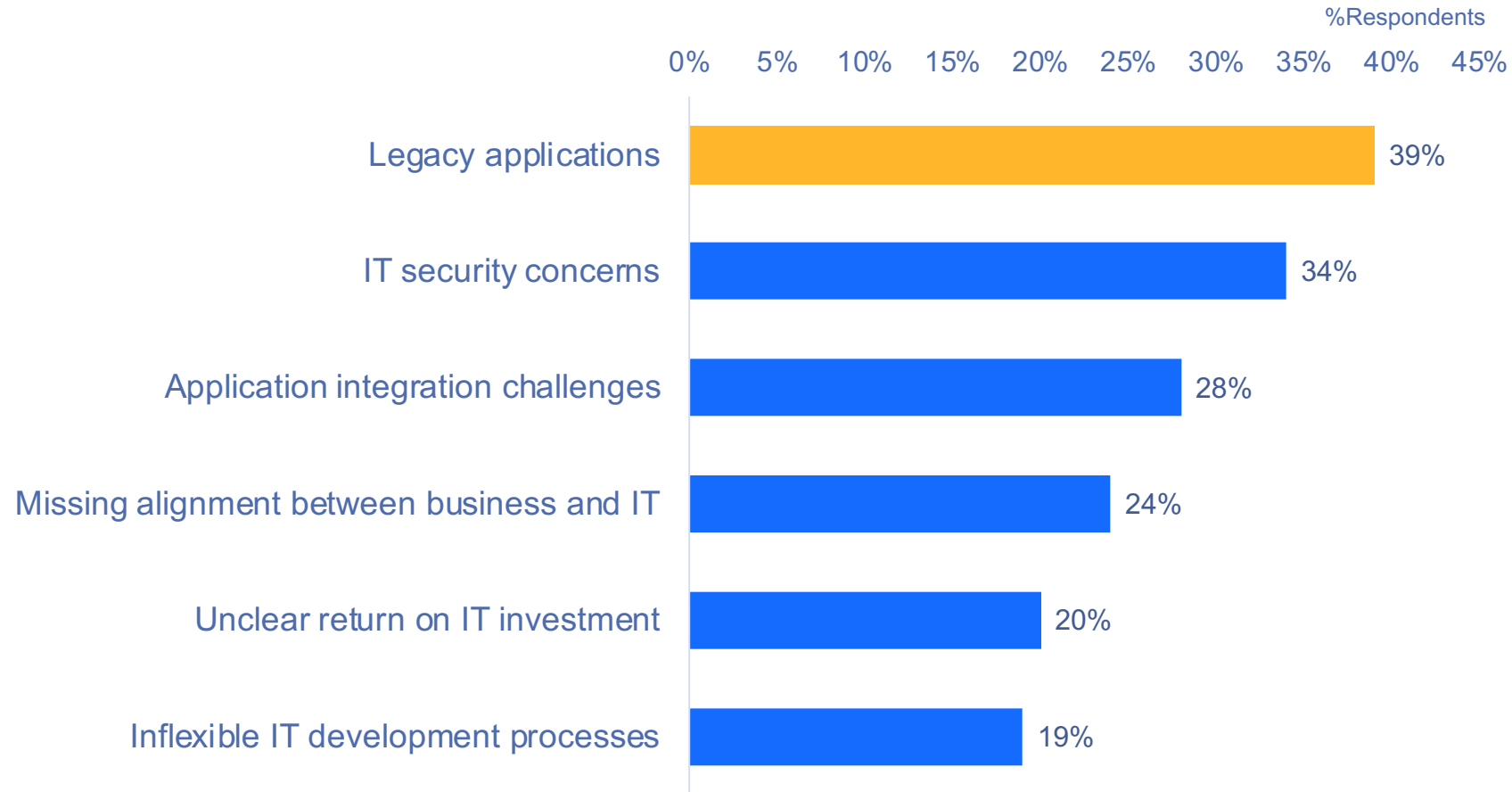


Unmanaged IT Complexity has a major impact on key IT success factors



Question: Which of the following do you see as a consequence of unmanaged IT Complexity? Select for each whether you agree or disagree.

Legacy applications are a main blocker for digital transformation



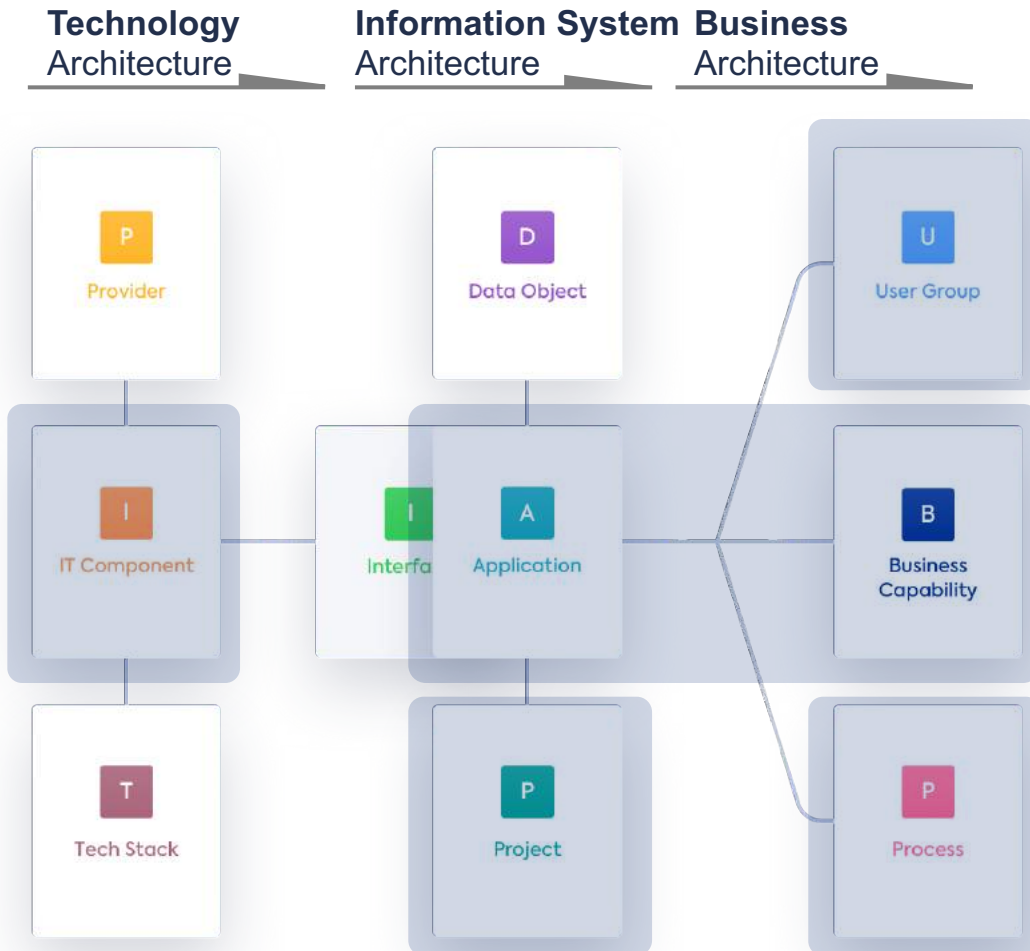
Question: Which are major obstacles to your organization's digital transformation? Select all that apply.

Companies without established Application Portfolio Management ...

- ... buy Applications to **solve urgent problems** (not following IT strategy)
- ... run and pay for
 - **multiple similar Applications** completing the same tasks
 - **Applications** that are **unstable** or are **no longer used**
 - **outdated Applications** that have never been uninstalled
- ... are **vulnerable to compliance and security breaches**

Generating business value from Application Portfolio Management in 4 steps

Fact Sheets in Scope



Best Practice steps in LeanIX

- 1 Establish a lean **business capability** model
- 2 Adapt the best-practice **application definition** to your needs with clear separation from IT components
- 3 Collaboratively evaluate **functional fit** and **technical fit** of your **applications**
- 4 Manage **rationalization process** and prove **business value**

1 Establish a lean business capability model based on proven best practices



BEST PRACTICES

Business capability modeling is a technique for the representation of an organization's business anchor model independent of the organization's structure, processes, people or domains.

Don't overlap
Good capabilities do not overlap; they are mutually exclusive. A good test is to check whether you can assign Level 2 capabilities without ambiguity.

Define "What"; not "How"
Business capabilities encapsulate what a business is doing right now and what it must be doing to meet current and future challenges.

Long-term stability
Properly defined business capabilities are fairly stable over time, persisting throughout any organizational changes. Only major business model updates should affect them.

Cross-organizational
Don't focus too much on business units. Capabilities should remain the same and be independent of the current structure of the organization.

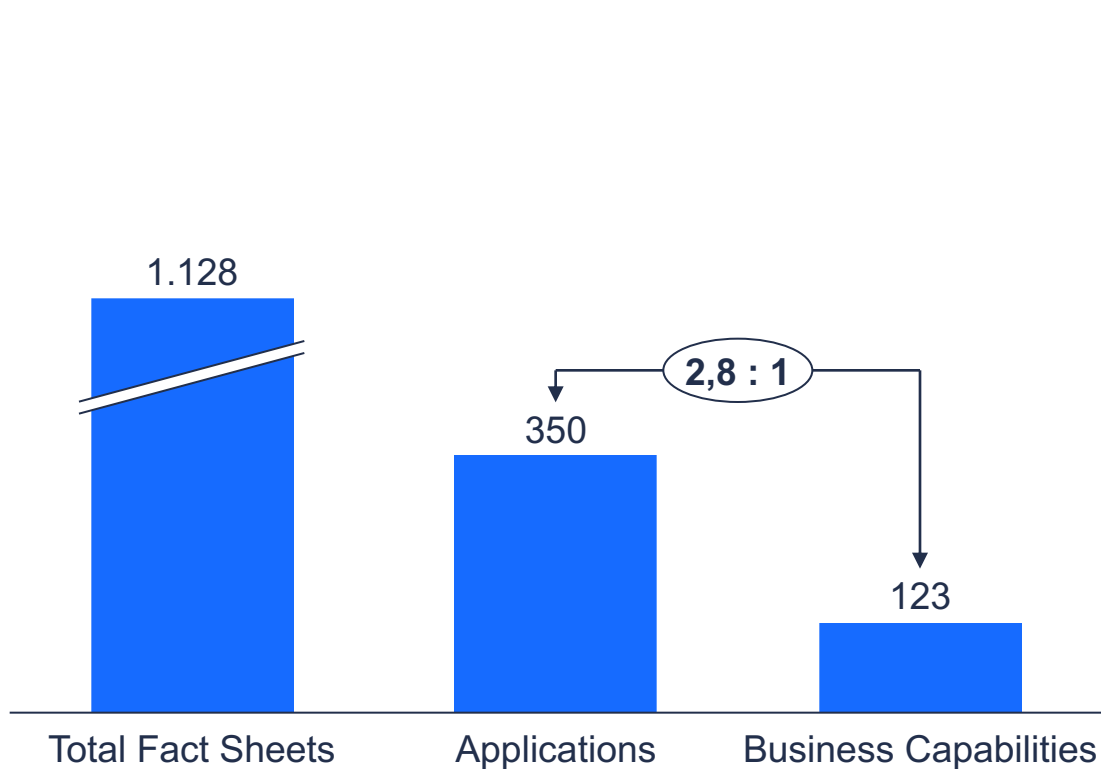
7 to 10 capabilities in top level
The highest level capabilities should be a complete description of your business. Aim to make your categories reflect key aspects of what the business actually does.

- Best Practices for industries energy, manufacturing, and finance available
- Make sure to focus on quick results and rather than long discussions

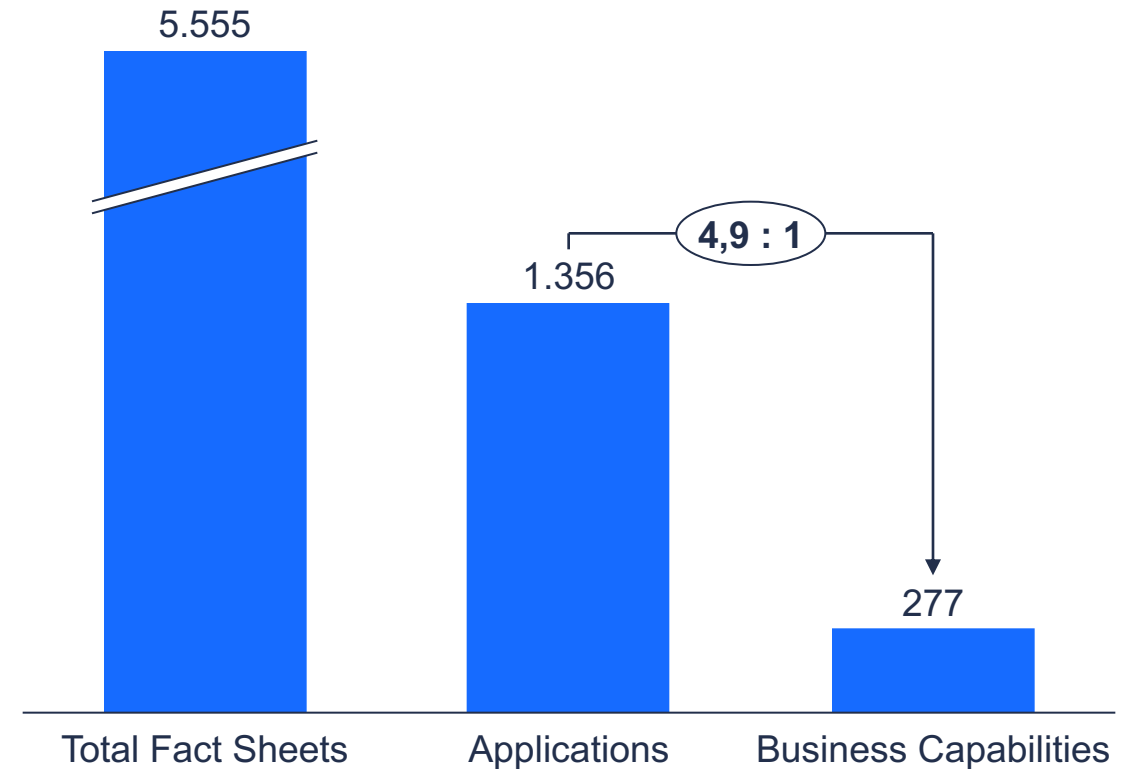
1 Customers in smaller editions have a higher LeanIX granularity in App to BC mapping

EA
19

Smart / Advanced Edition (Ø # of Fact Sheets)



Prof / Ultimate Edition (Ø # of Fact Sheets)



2 Establish an Application definition that fits your environment based on best practices



- ✓ **Business first:** The application list needs to be understandable by everyone
- ✓ **Be realistic:** If an XLS or a Sharepoint application is supporting your business, it's likely an application
- ✓ **Keep it simple:** Use hierarchies only when really needed. Don't be shy to leave out modules or other details at least for the start

2 Focus on the most important Application attributes at the start

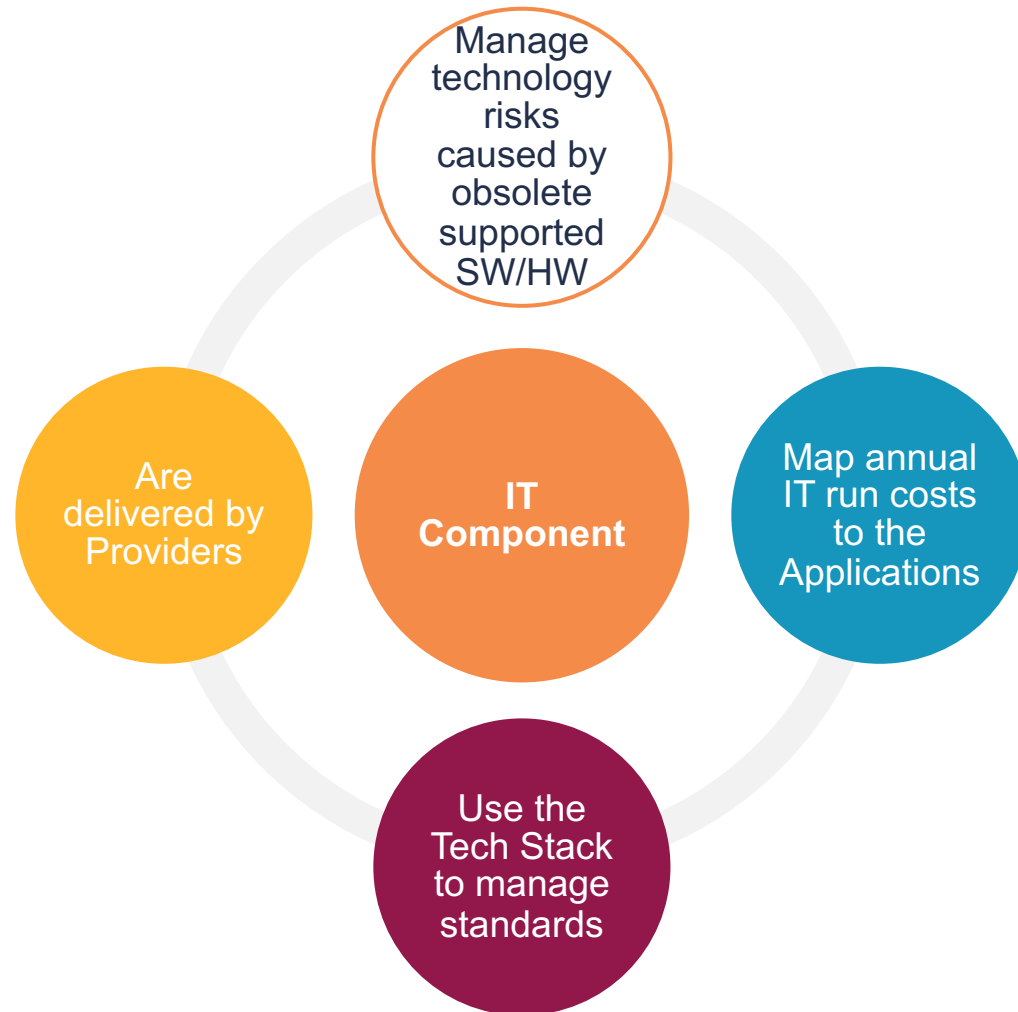
The screenshot shows the LeanIX application configuration page for 'AttorneyNet'. The page is divided into several sections, each with a progress indicator on the right. Callouts A through E highlight specific features:

- A** (Name & Description): The 'Name' field is 'AttorneyNet' and the 'Description' is 'AttorneyNet is an inventory of all lawyers around the world we are working together.' The 'LeanIX v3 ID' is '100000002'.
- B** (Lifecycle): The 'Phase in' is 'Active' and the 'Active' status is indicated by a green bar.
- C** (Business Capabilities): The 'Business Capabilities' section shows 'Corporate Services / Legal' as a supported capability.
- D** (Edit tags): The 'Edit tags' button is highlighted.
- E** (Information): The 'Information' section is highlighted.

Other sections visible include 'Fact Sheet', 'Subscriptions (2)', 'Comments (0)', 'Documents (0)', 'Metrics', 'Surveys (0)', 'Last Update (4 months ago)', 'Business Support', 'Business Criticality & Functional Fit', 'Business Capabilities (1)', 'Sourcing', 'Technical Fit', and 'IT Components (1)'.

- A** Assign application **name & description** for easy identification
- B** Set basic **lifecycle** information
- C** Assign applications to **business capabilities**
- D** Add your most important application attributes (e.g. Hosting, TIME, PII) as **tag groups**
- E** Define major **responsibilities** (e.g. Application Owner) as base for further data collection & maintenance

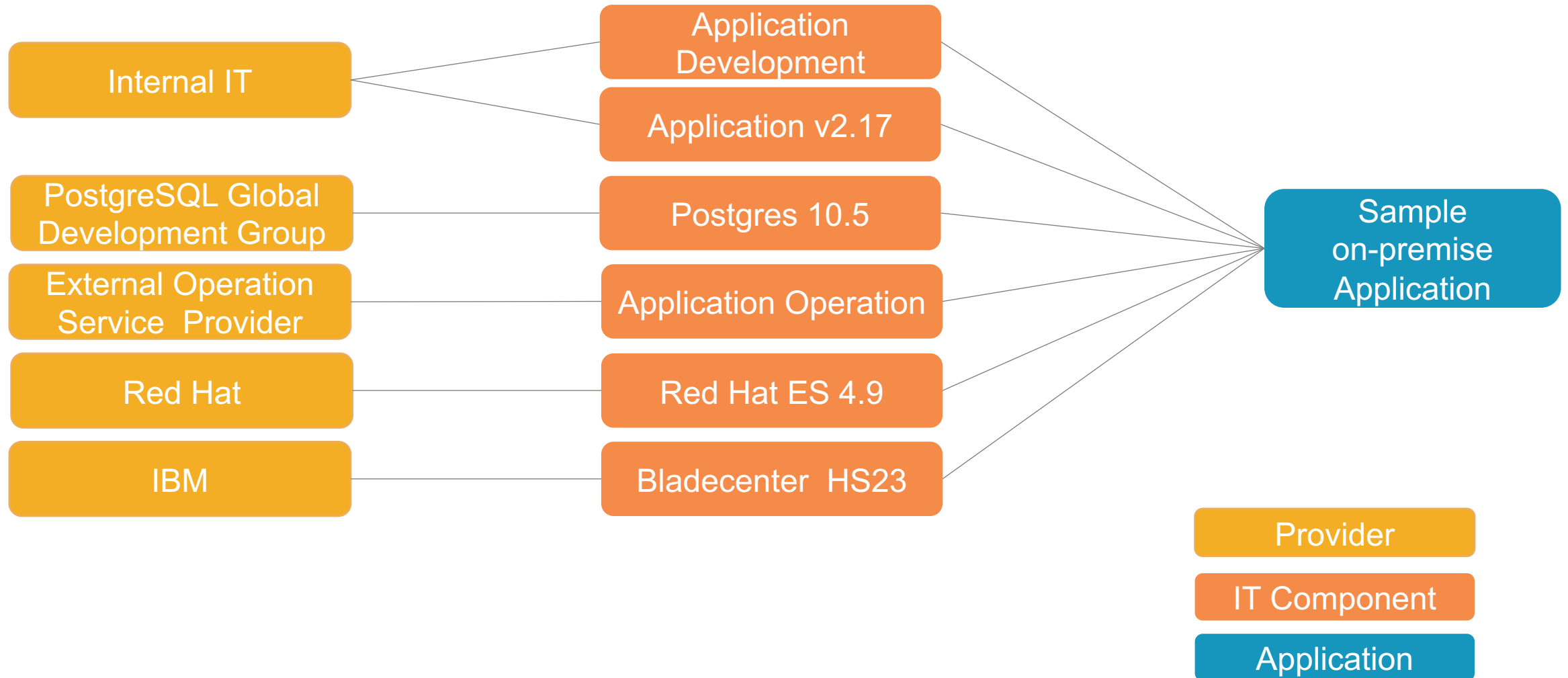
2 Keep the right granularity for IT Components



- ✓ **Use-Case first:** It's easy to get lost in details – only maintain in LeanIX what creates value
- ✓ **LeanIX is no CMDB:** As rule of thumb, it is mostly recommended to work with abstraction / product models, not instances
- ✓ **Use relations with care:** IT Components can be interlinked via “hierarchy” and “requires/required by”, but often there is an easier way
- ✓ **Build-up blueprints:** Use typical settings / examples to establish a common view throughout your company

2 Modelling Example: On-Premise Application LeanIX

EA
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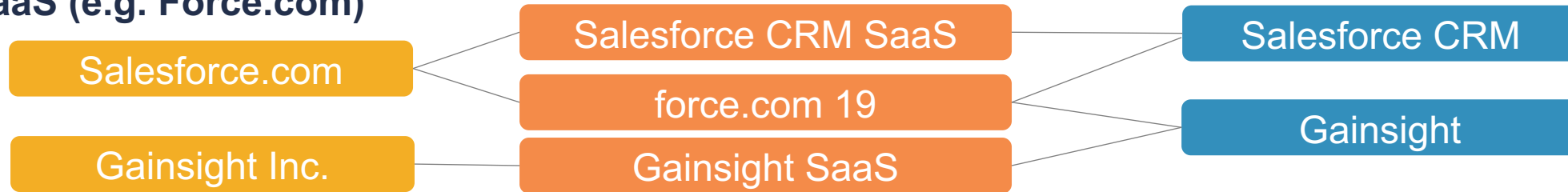


2 Modelling Example: Cloud Applications

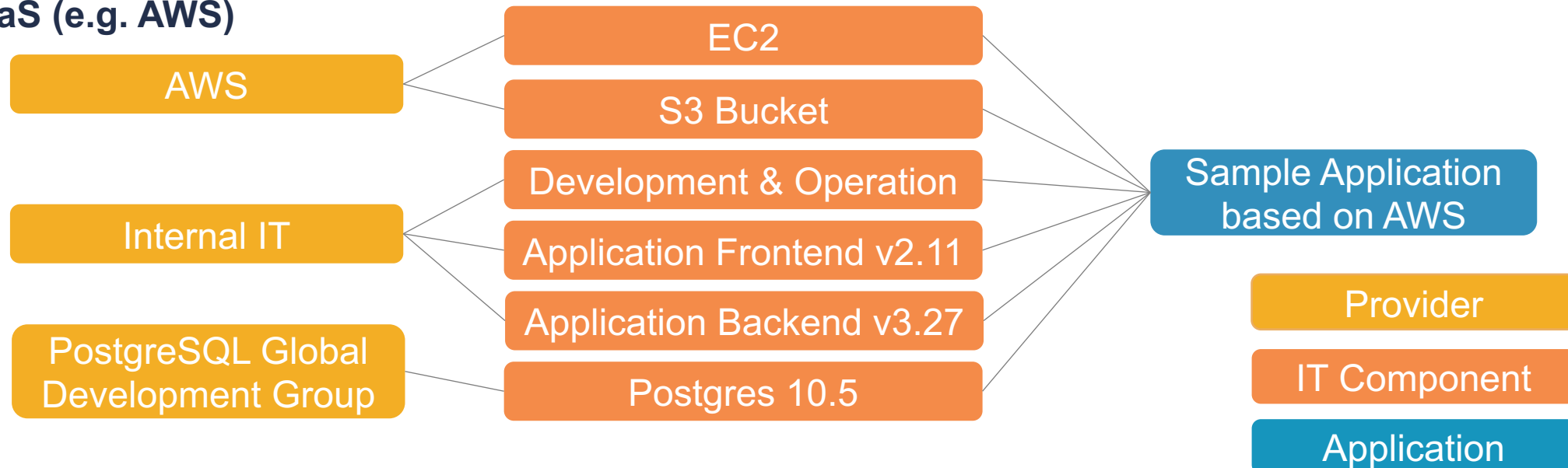
SaaS (e.g. LeanIX)



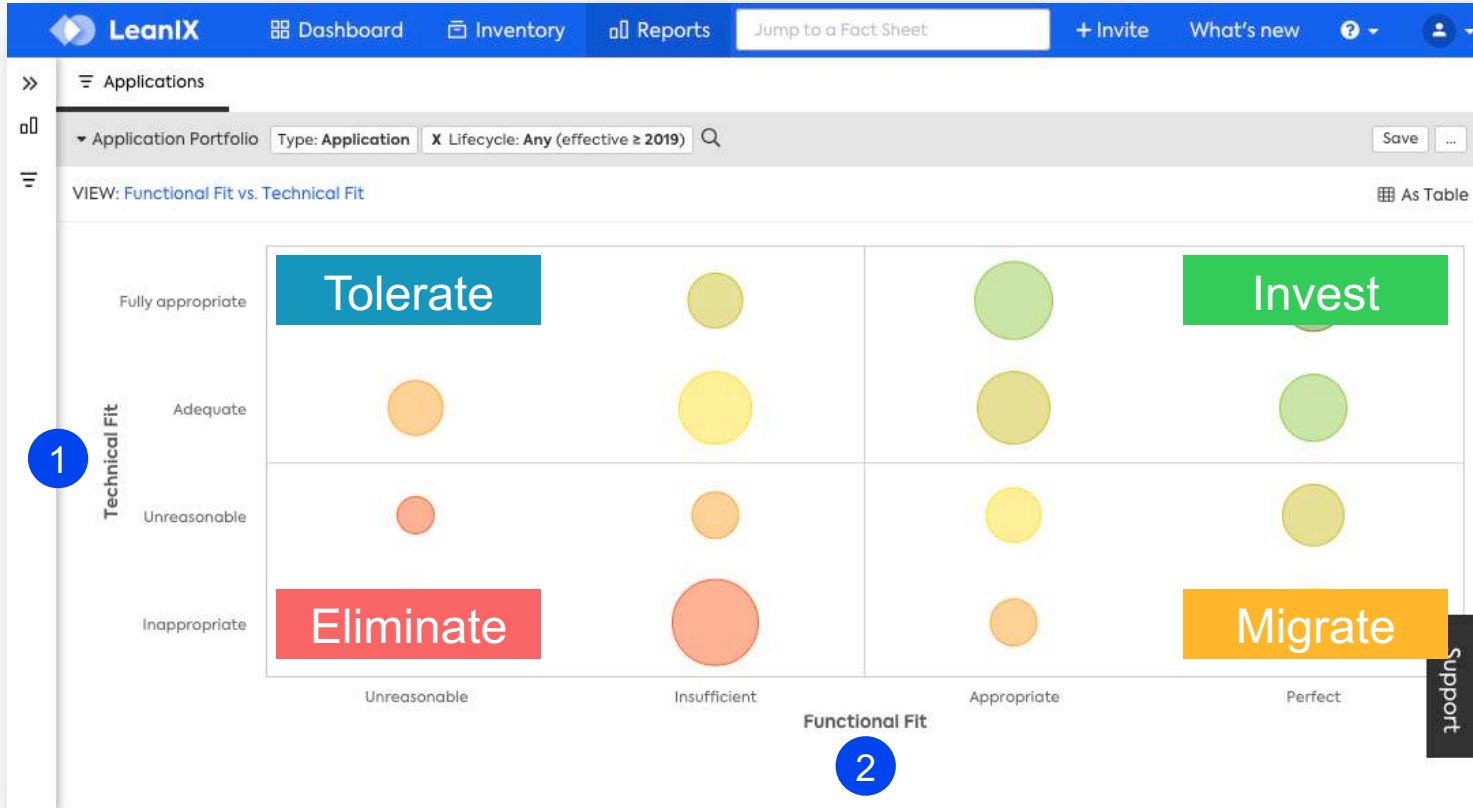
PaaS (e.g. Force.com)



IaaS (e.g. AWS)



3 Build your Application evaluation model – take Gartner's TIME model as a reference



1 Technical Fit

- Support for Application
- Data Quality
- Source Code Quality / Availability
- Reliability / Security
- Response Time / Ease of Change
- Technology

2 Functional Fit / Business Value

- Business need fulfillment
- Support of operational efficiency
- Provision of critical function
- Utilization
- User Experience
- Revenue Generation / Cost Saving

3 Reach out to your organization for the evaluation and prepare for a regular process

The screenshot displays the LeanIX web application interface. The top navigation bar includes the LeanIX logo, a search bar, and links for Dashboard, Inventory, Reports, and a 'Jump to a Fact Sheet' input. On the left, a sidebar menu lists various settings and administration options. The main content area is titled 'Surveys' and contains a 'Create a new Survey' button and a table of existing surveys.

Title	Survey runs	Creation Date
Technical Fitness	0	2019-11-18 13:44:30

Pro

- Easy to implement
- Collaborative input for Application Evaluation
- Limited overhead for EA and Application / Business Owners
- Regular runs possible

Contra

- Limited granularity of evaluating drivers of Technical / Functional Fit
- Manual transfer into TIME logic necessary
- High data quality needed for responsibilities (e.g. Application Owner)

3 Reach out to your organization for the evaluation and prepare for a regular process

LeanIX Dashboard Inventory Reports Jump to a Fact Sheet + Invite What's new ?

My Settings
Profile
Password
Notifications

Add-Ons
Surveys
Metrics

Administration
Users
Settings
Fact Sheet Types
Subscription Roles
Tagging
Service Health
Export
Integrations
Sync Logging
Logo & Color

Developers
API Tokens
Tools
Webhooks
Configuration
Reports

← Survey: Application Evaluation Survey

Design Survey Run Survey Status & results

Text input [] T

Number input [] #

Date input []

Textarea []

Radio (single selection)
☐ Option 1
☐ Option 2
☐ Option 3

Checkbox (multiple selections)
☐ Option 1
☐ Option 2
☐ Option 3

Fact Sheet segment []

Calculated field []

Application Evaluation Survey

Please rate your Application

Fact Sheet type: Application

> ☐ Information
> ☐ Dependencies
> ☐ Projects
✓ ☒ Business Support
 ☒ Business Criticality & Functional Fit
 ☐ Business Capabilities
 ☐ Processes
 ☐ User Groups
> ☐ Data Management
✓ ☒ Sourcing
 ☒ Technical Fit
 ☐ IT Components

Preview Save & Next ...

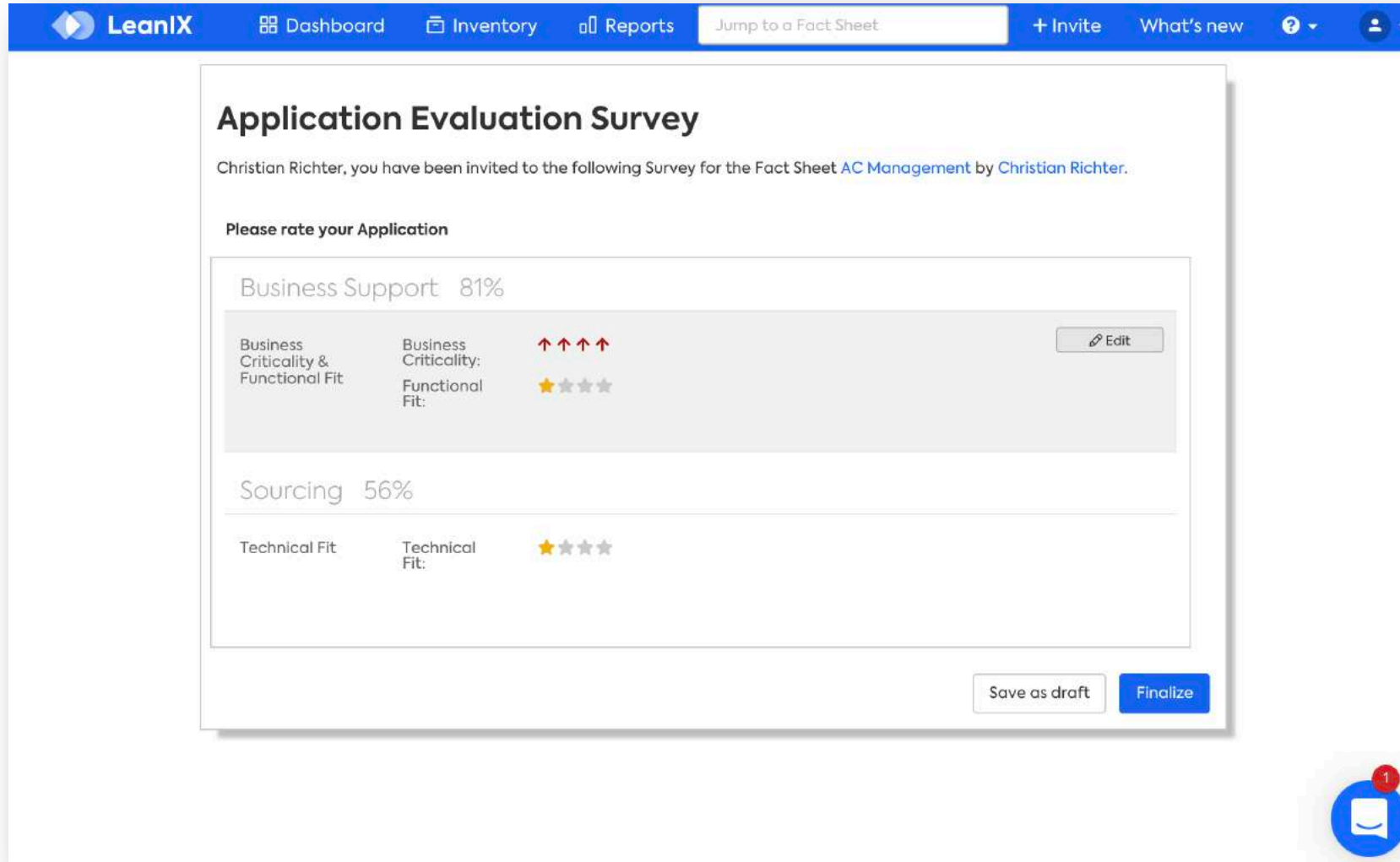
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3 User receive an email notification directing them to the relevant



The screenshot shows the LeanIX web application interface. The top navigation bar is blue with the LeanIX logo, 'Dashboard', 'Inventory', 'Reports', a search bar containing 'Jump to a Fact Sheet', '+ Invite', 'What's new', a help icon, and a user profile icon. The main content area is titled 'Application Evaluation Survey' and includes a message: 'Christian Richter, you have been invited to the following Survey for the Fact Sheet AC Management by Christian Richter.' Below this, a section titled 'Please rate your Application' contains two evaluation cards. The first card, 'Business Support 81%', shows 'Business Criticality & Functional Fit' with a rating of four red upward arrows and a yellow star, and an 'Edit' button. The second card, 'Sourcing 56%', shows 'Technical Fit' with a rating of four yellow stars. At the bottom right of the survey area are 'Save as draft' and 'Finalize' buttons. A chat icon with a red notification bubble is in the bottom right corner of the page.

Application Evaluation Survey

Christian Richter, you have been invited to the following Survey for the Fact Sheet [AC Management](#) by [Christian Richter](#).

Please rate your Application

Business Support 81%

Business Criticality & Functional Fit	Business Criticality: Functional Fit:	↑ ↑ ↑ ↑ ★	Edit
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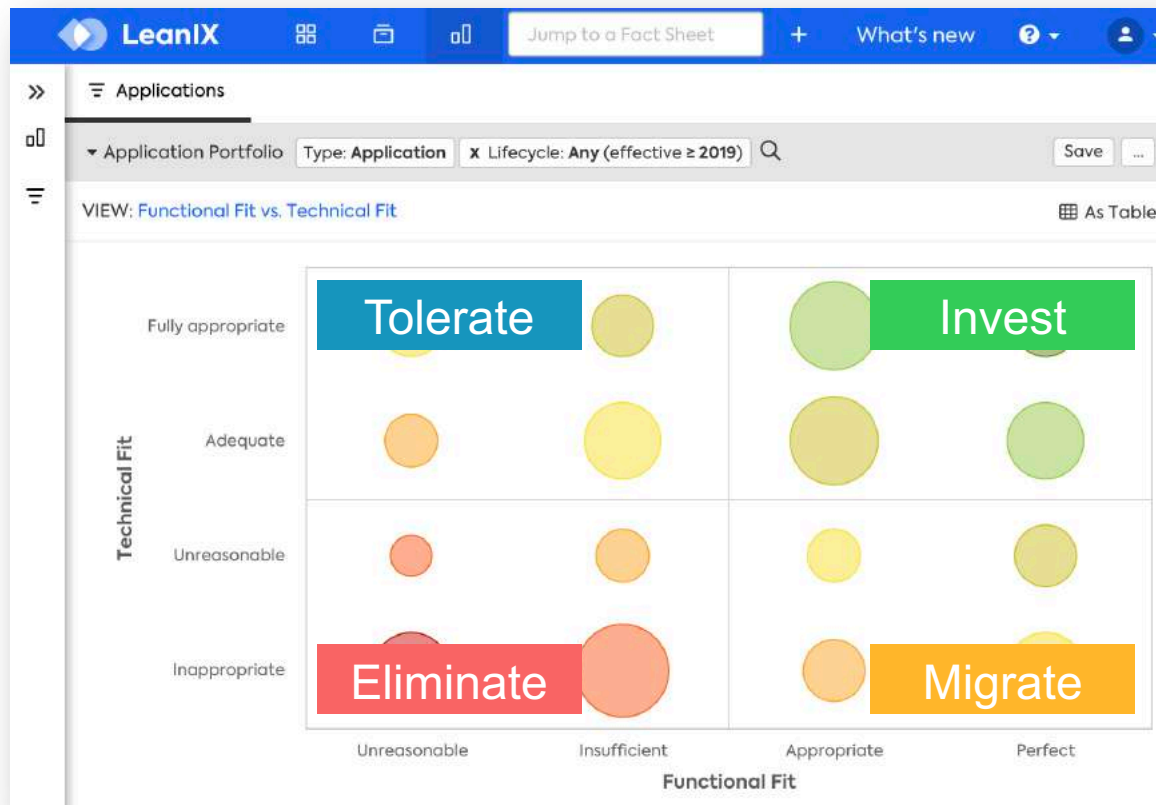
Sourcing 56%

Technical Fit	Technical Fit:	★★★★
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[Save as draft](#) [Finalize](#)

3 Setup projects, adopt lifecycles and successor relations based on TIME evaluation

Assign Tags to Application Fact Sheets according to TIME Model



Implications

Tolerate

- Setup functional enhancement projects where necessary
- Look for existing Applications / Platforms solutions which might cover business need

Invest

- Setup investment projects
- Establish Applications as Successor of Migration and Elimination candidates

Migrate

- Document „Phase Out“ of Applications via Lifecycle
- Fill in Successors where possible
- Setup migration projects

Eliminate

- Document „Phase Out“ and „End of Life“ of Applications via Lifecycle
- Fill in Successors
- Setup phase out projects

3 Expert tip – automate tag assignment for TIME model via Azure Function

The screenshot displays the LeanIX user interface for the 'audimex' application. The top navigation bar includes 'Dashboard', 'Inventory', and 'Reports'. The main header shows 'audimex' with a '16%' completion status and buttons for 'Check needed', 'Set your role', and 'Edit tags'. Below this, a description states: 'To perform Audit projects audimex is the companion for managing all aspects of such projects, COBIT compliant.' The 'Fact Sheet' tab is selected, showing a timeline from 2010 to 2022. The 'Lifecycle' section indicates the application is 'Active' from 2010 to 2022. The 'Successors' and 'Predecessors' sections are empty. The 'Dependencies' section shows '0%' completion. The right sidebar contains 'INTEGRATIONS', 'TO-DO', and 'RECENTLY VIEWED' sections.

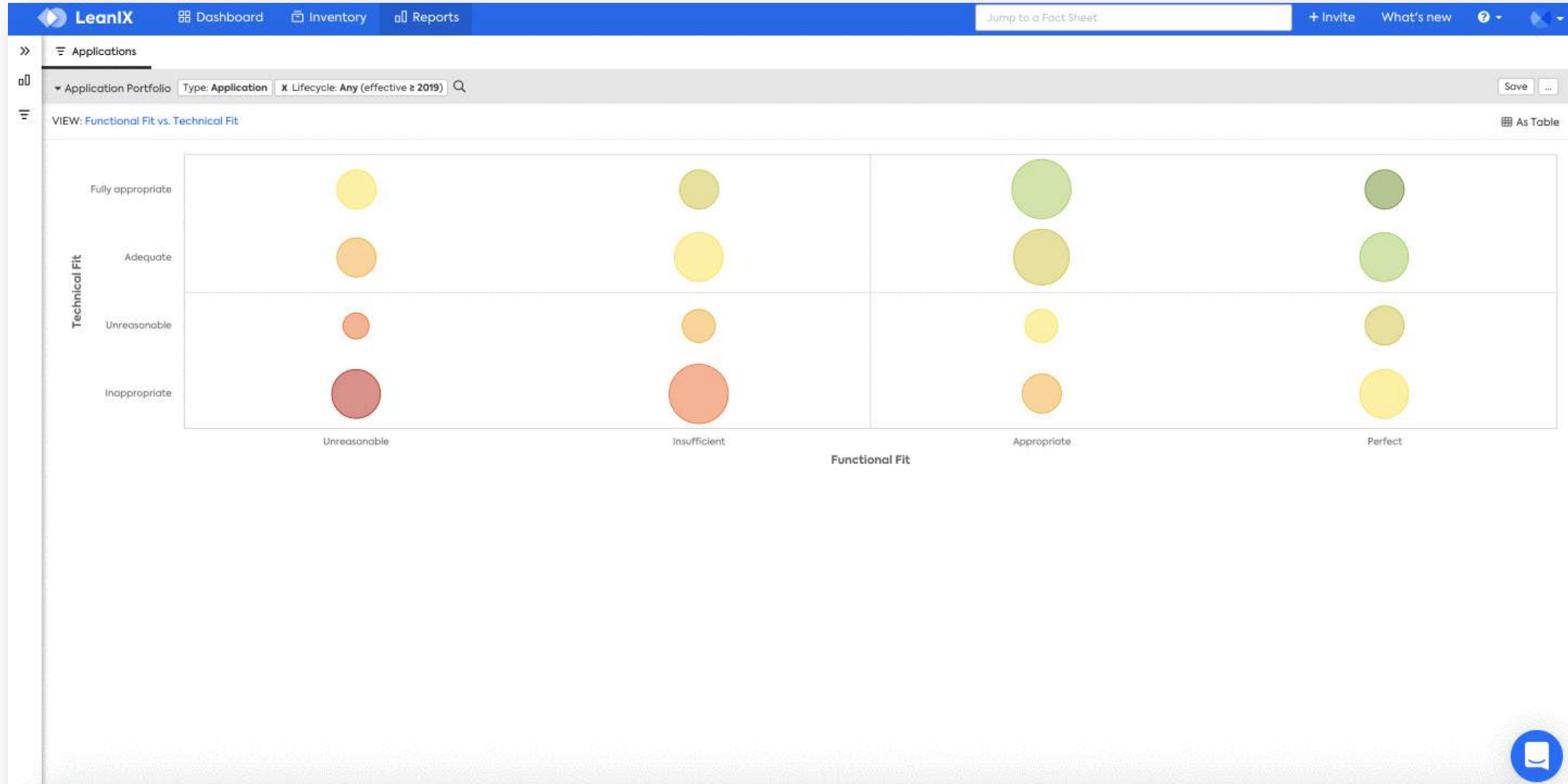
Download your automation script here:
<https://github.com/leanix-public/scripts/tree/master/timeModelSync>

3 Expert tip – automate tag assignment for TIME model via Azure Function

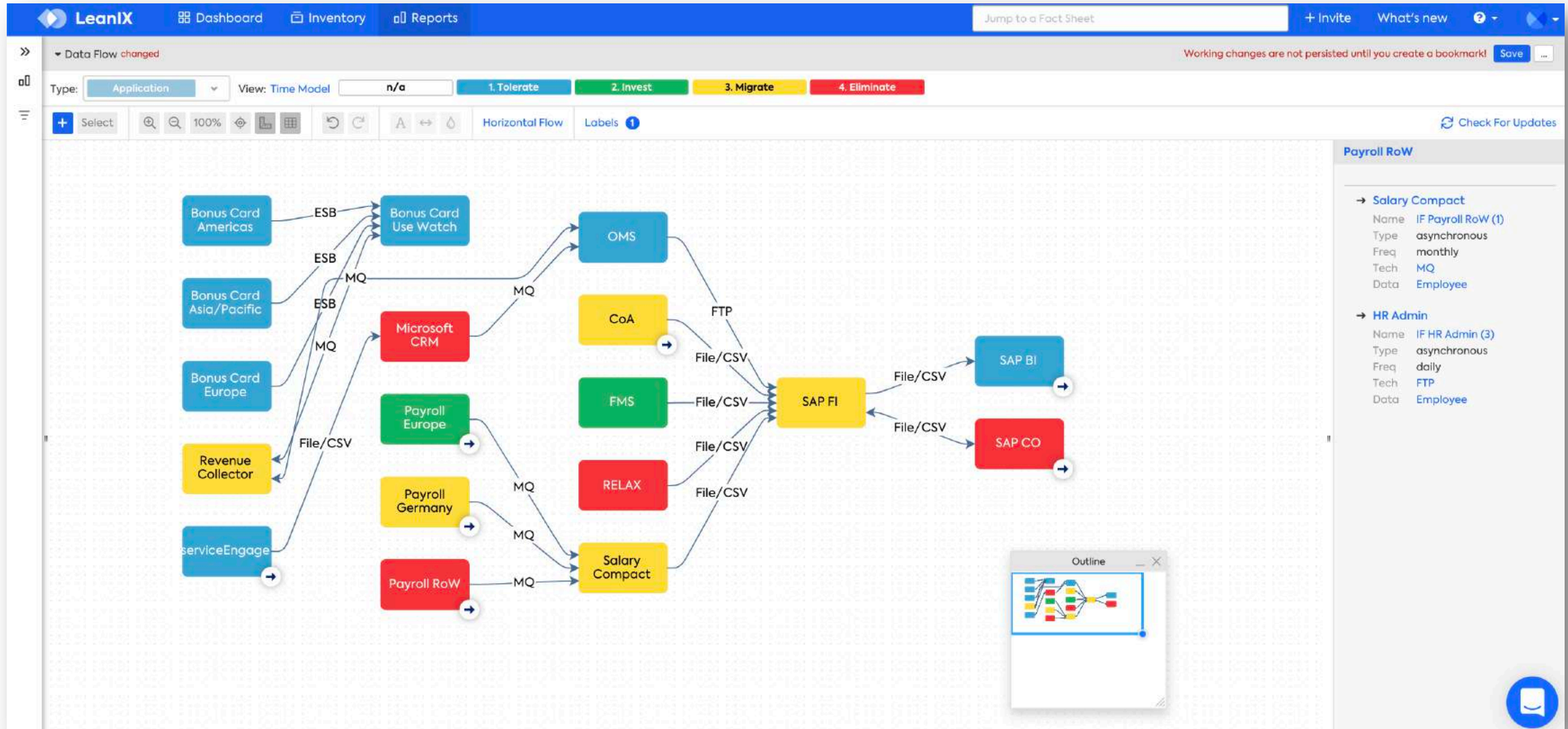
The screenshot displays the LeanIX web application interface. At the top, a blue navigation bar contains the LeanIX logo, a search bar with the text 'Jump to a Fact Sheet', and links for '+ Invite', 'What's new', and a user profile icon. Below the navigation bar, the main content area shows the details for a project named 'audimex'. The project status is '21%' with a green checkmark. Below the status, there are four colored buttons: 'Application' (blue), 'On Premise' (green), 'Silver' (grey), and 'Invest' (green), followed by an 'Edit tags' link. A descriptive text states: 'To perform Audit projects audimex is the companion for managing all aspects of such projects, COBIT compliant.' Below this, a horizontal menu shows various tabs: 'Fact Sheet' (selected), 'Subscriptions (2)', 'Comments (2)', 'Documents (0)', 'Metrics', 'Surveys (0)', and 'Last Update (less than a minute ago)'. The 'Information 38%' section follows, containing a table with project details: Name (audimex), Description (To perform Audit projects audimex is the companion for managing all aspects of such projects, COBIT compliant.), and LeanIX v3 ID (100000003). Below the information section is a 'Lifecycle' chart showing a timeline from 2010 to 2022, with a blue bar indicating the project is 'Active' from 2011 to 2022. At the bottom, there are sections for 'Successors' and 'Predecessors', each with a question 'What are the successors?' and 'What are the predecessors?' respectively. On the right side of the interface, a sidebar contains sections for 'INTEGRATIONS' (listing Pivotal), 'TO-DO' (listing 'Remind me'), and 'RECENTLY VIEWED' (listing audimex, Test Application 1, AC Management Cloud, BPM, and AutoCAD). A blue chat icon with a red notification bubble is located at the bottom right of the sidebar.

Download your automation script here:
<https://github.com/leanix-public/scripts/tree/master/timeModelSync>

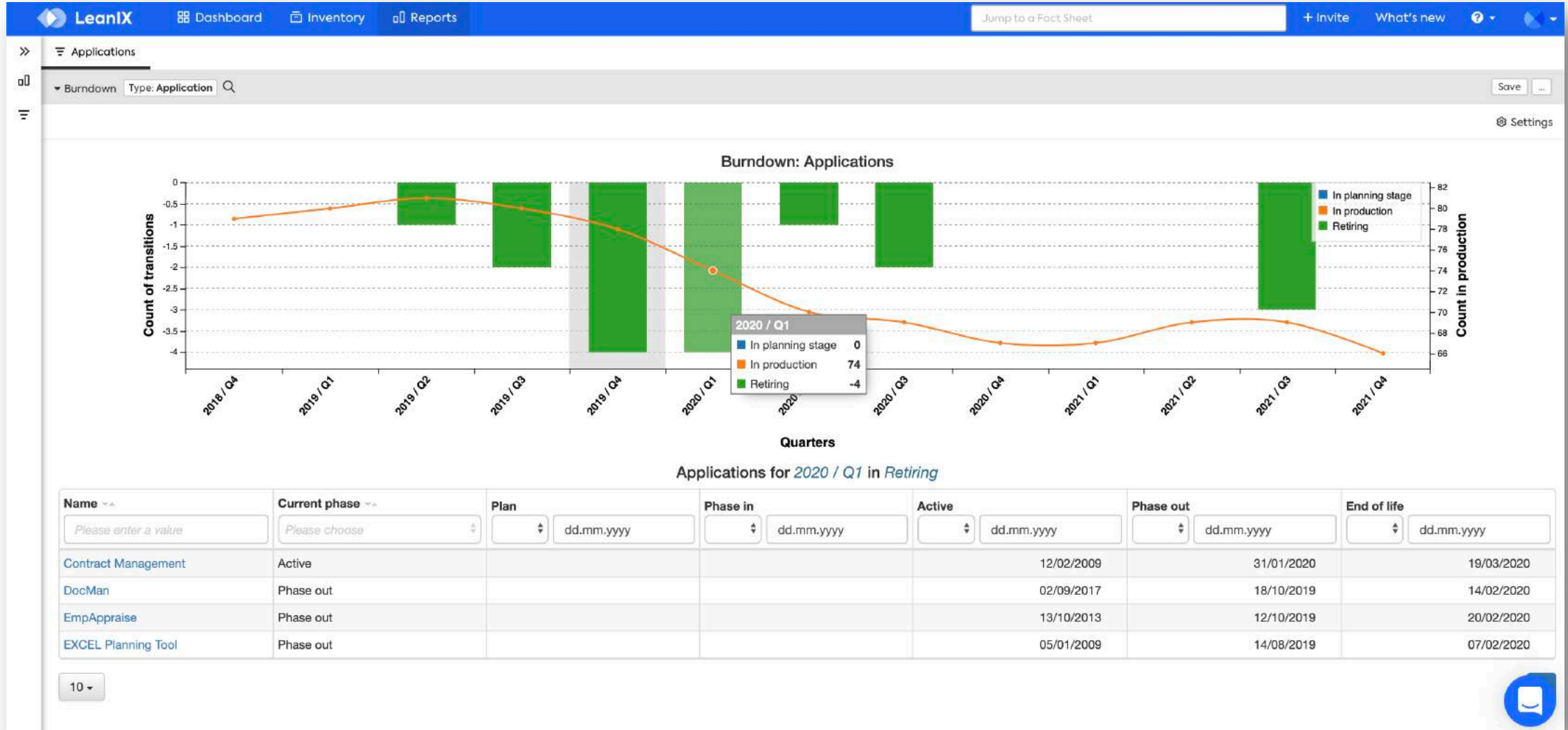
4 Analyze the business impact of the evaluation



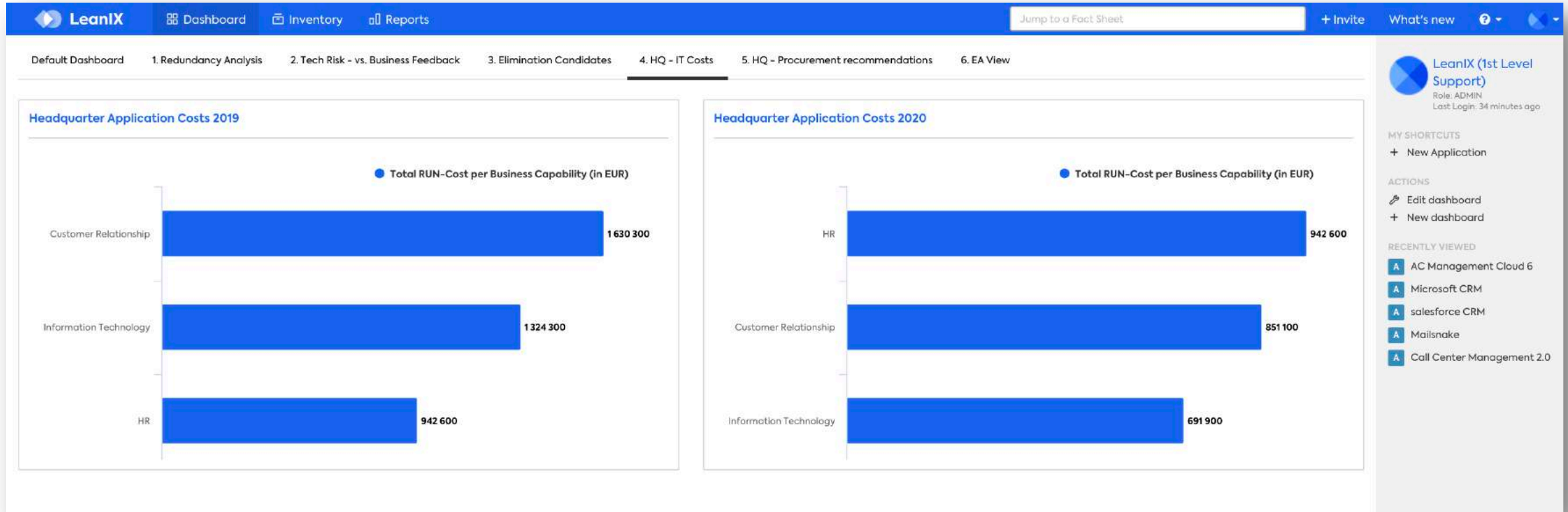
4 Analyze the business impact of the evaluation



4 Quantitatively analyze the impact of your evaluation on the overall Application Portfolio



4 Document cost savings on business capability level



Summary

Application Rationalization efforts **prove tangible business value**

Enterprise Architectures are in the **driver's seat** to help their **CIOs, CFOs, and CEOs** realize **efficiency gains** while not negatively impacting the business

LeanIX fosters a **collaborative** and **data-driven** approach towards **evaluating** and **managing** the **Application Portfolio**

Thank you!



Any questions?