Per Kroll, Chief Solution Architect – APM
IBM Software, Rational
pkroll@us.ibm.com

Jog Raj - EA Market Engineer - OSD Ecosystem
IBM Software, Rational
jog.raj@uk.ibm.com

Application Portfolio Management in Action

Reduce Cost and Improve Business Agility

Smarter software for a smarter planet

Enabling Product and Service Innovation | Rational

Agenda

- What is APM

- APM in action

- Conclusions

Adopt an Application Portfolio Management Practice

Application portfolio management (APM) is a repeating process using information and analytics that produces objective and transparent decisions around investing, consolidating, modernizing, or replacing applications.
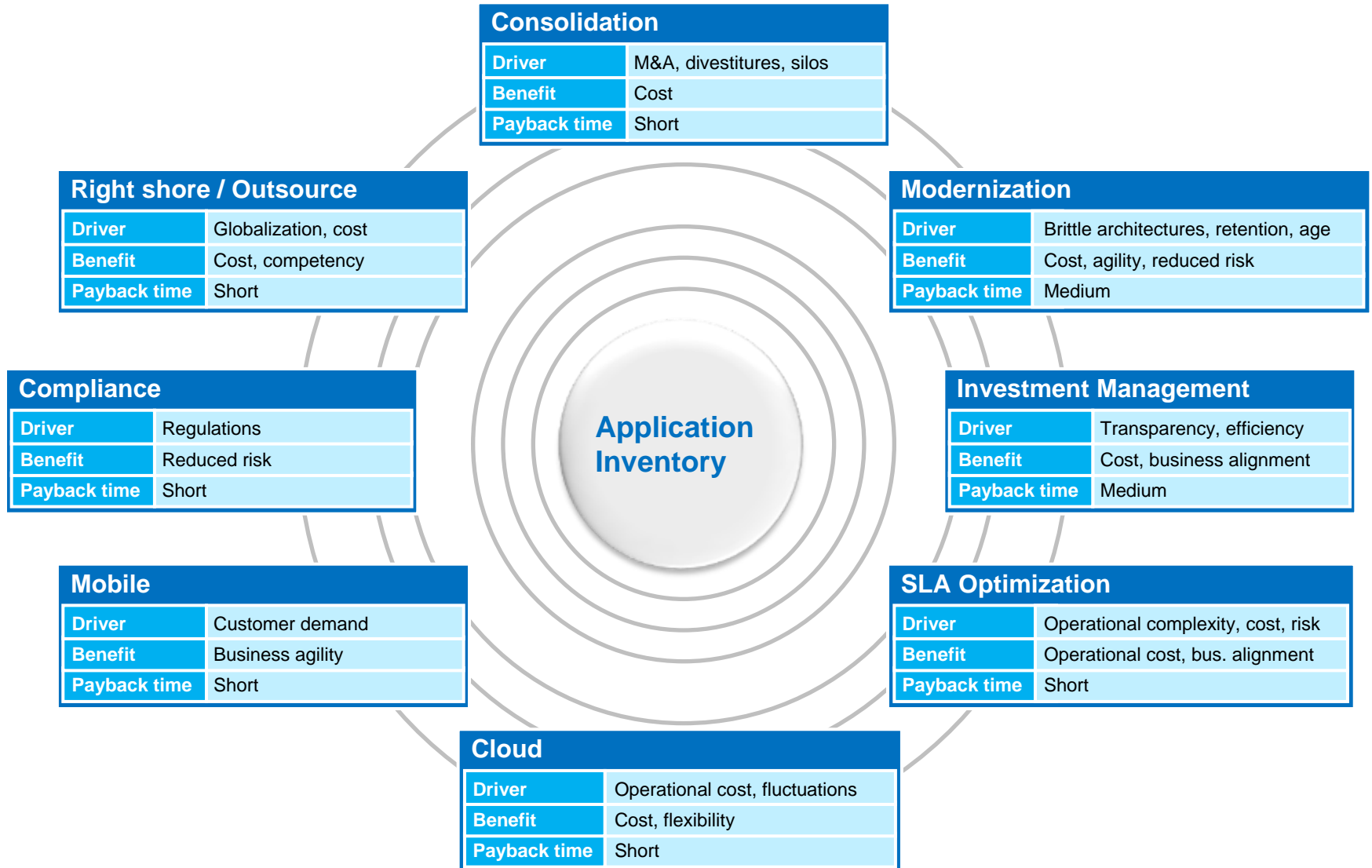
Benefits:

- Align the application portfolio with business strategies

- Reduce costs and optimize value

- Increase speed-to-deployment and speed-to-market

- Reduce risk associated with technology or resources

- Implement shared services

Application Portfolio Management needs to be informed by Enterprise Architecture to enable good decision making

# Smarter Computing business outcomes
APM-driven scenarios

Consolidation

Driver	M&A, divestitures, silos
Benefit	Cost
Payback time	Short

Right shore / Outsource

Driver	Globalization, cost
Benefit	Cost, competency
Payback time	Short

Modernization

Driver	Brittle architectures, retention, age
Benefit	Cost, agility, reduced risk
Payback time	Medium

Compliance

Driver	Regulations
Benefit	Reduced risk
Payback time	Short

Investment Management

Driver	Transparency, efficiency
Benefit	Cost, business alignment
Payback time	Medium

Application Inventory

Mobile

Driver	Customer demand
Benefit	Business agility
Payback time	Short

SLA Optimization

Driver	Operational complexity, cost, risk
Benefit	Operational cost, bus. alignment
Payback time	Short

Cloud

Driver	Operational cost, fluctuations
Benefit	Cost, flexibility
Payback time	Short

Delivering value: From decisions to execution

Analysis, decisions, governance, execution roadmaps

Collaborative Decision Making

IBM Rational Focal Point
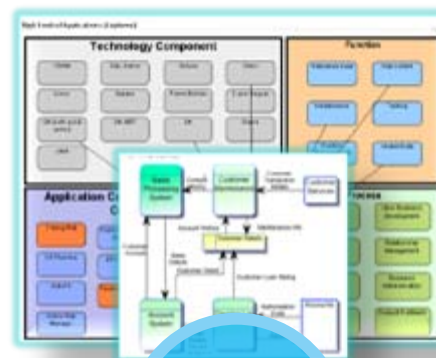
Architectural Context

Execution status *Execution roadmap*

Architectural Deep Dives

IBM Rational System Architect

Impact analysis, architectural roadmaps, future visioning

Integrated Application Lifecycle Management Solutions

Project execution in collaborative team environment

Execution

Tracked

Enterprise Modernization Solutions

Application flexibility, individual and team productivity, and system utilization

APM decisions and plans are executed and tracked in solutions for Application Lifecycle Management and Enterprise Modernization

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Application portfolio rationalization workflow

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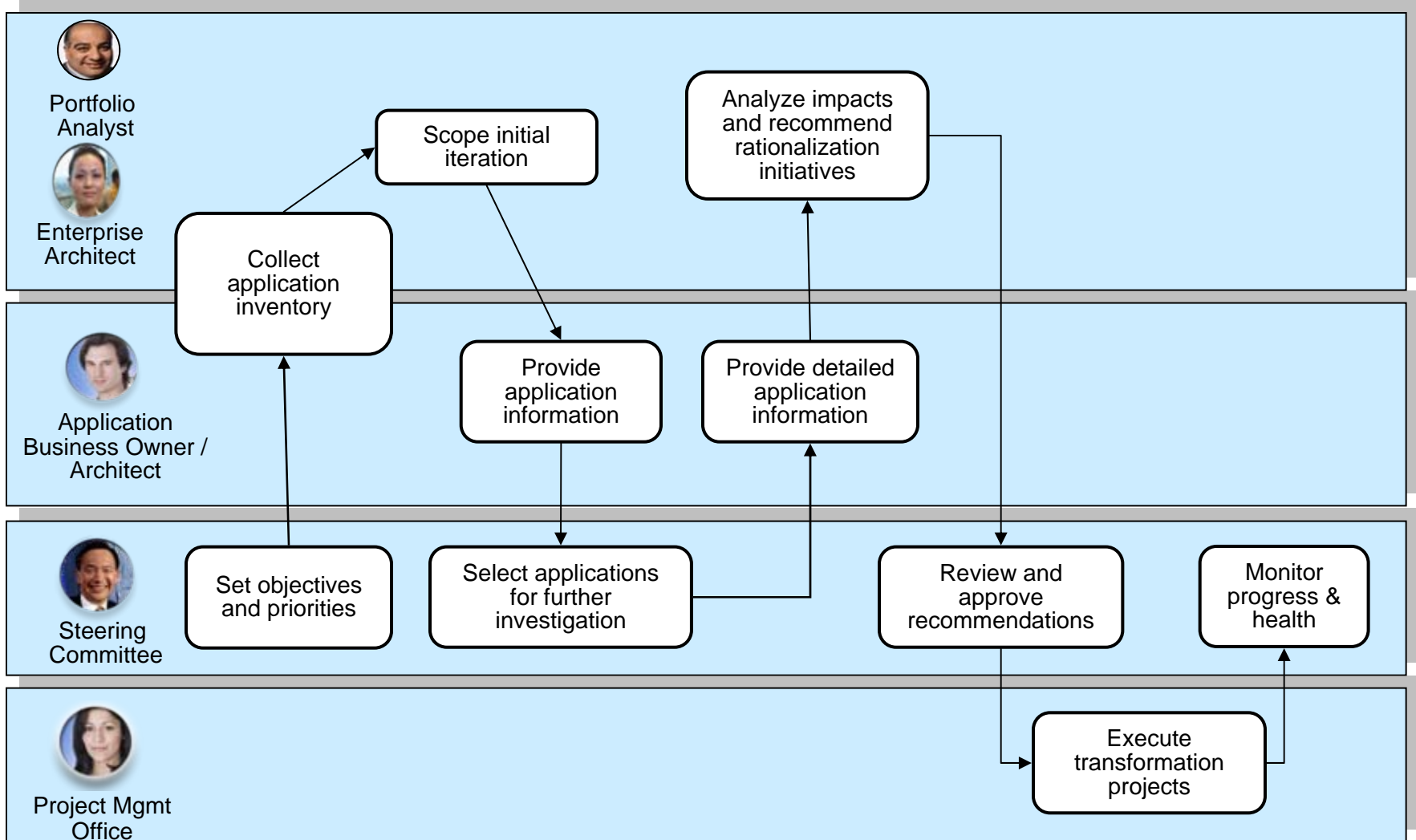
https://www14.software.ibm.com/iwm/web/cc/earlyprograms/rational.shtml

Provide a single source of truth
Harvest existing inventory and leverage extended team

Application Architect

Application Business Owner

- Rapidly import inventory from existing spreadsheets

- Web-based entry through role-based views

- Provide filters to make data entry trivial

- Increase data quality through choice selections and built in quality assurance steps

Application improvement potential
Identify candidate applications to be decommissioned or modernized

Portfolio Analyst

Enterprise Architect

Modernize =>
High business score + low IT score

Increase business agility through modernization

Discontinue =>
Low business score +
low IT score

Reduce cost through IT simplification
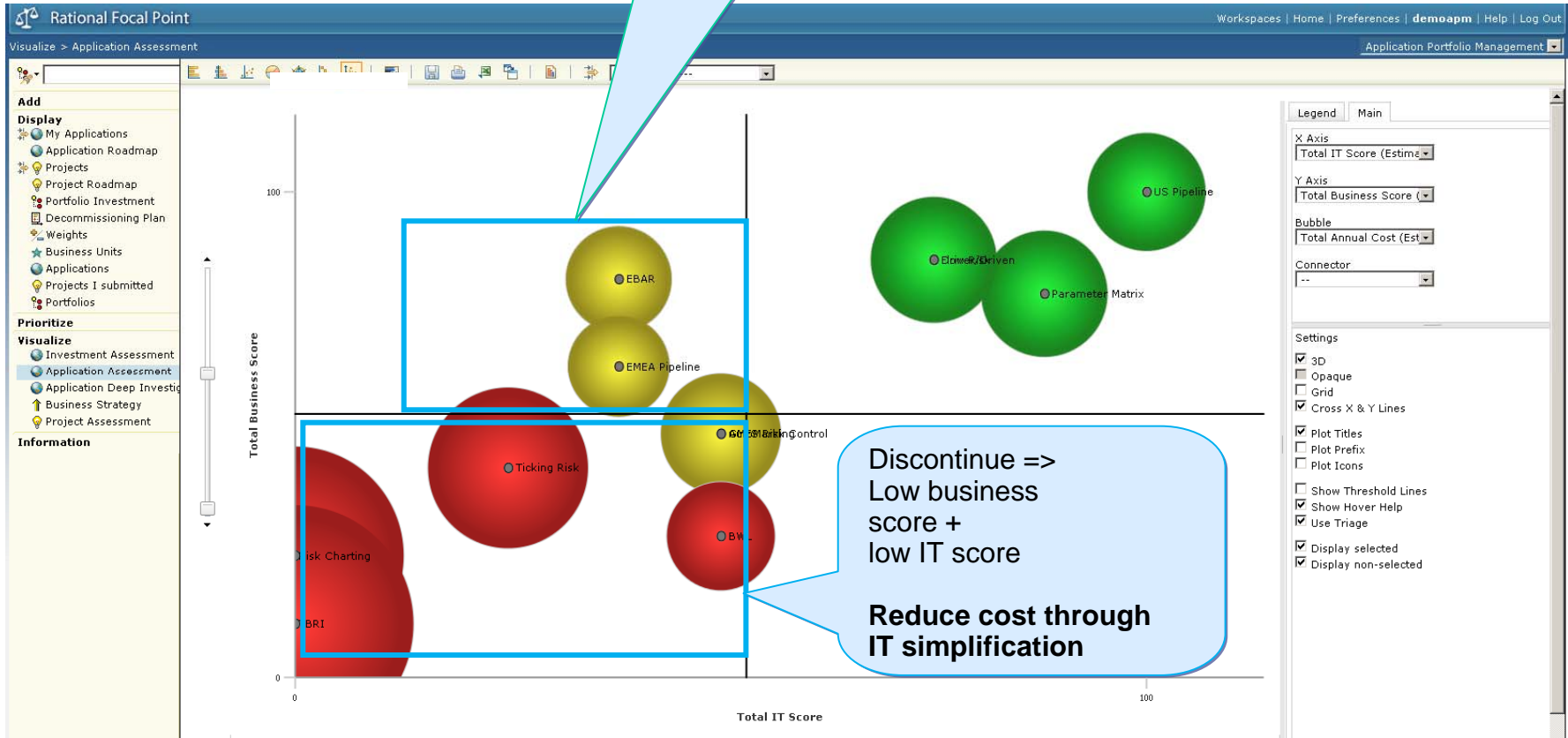
In-depth Analysis

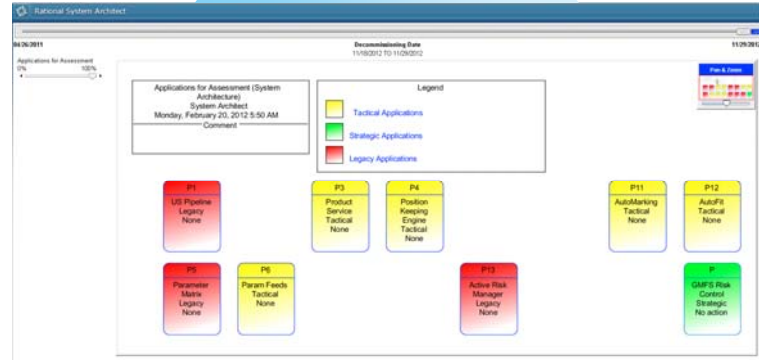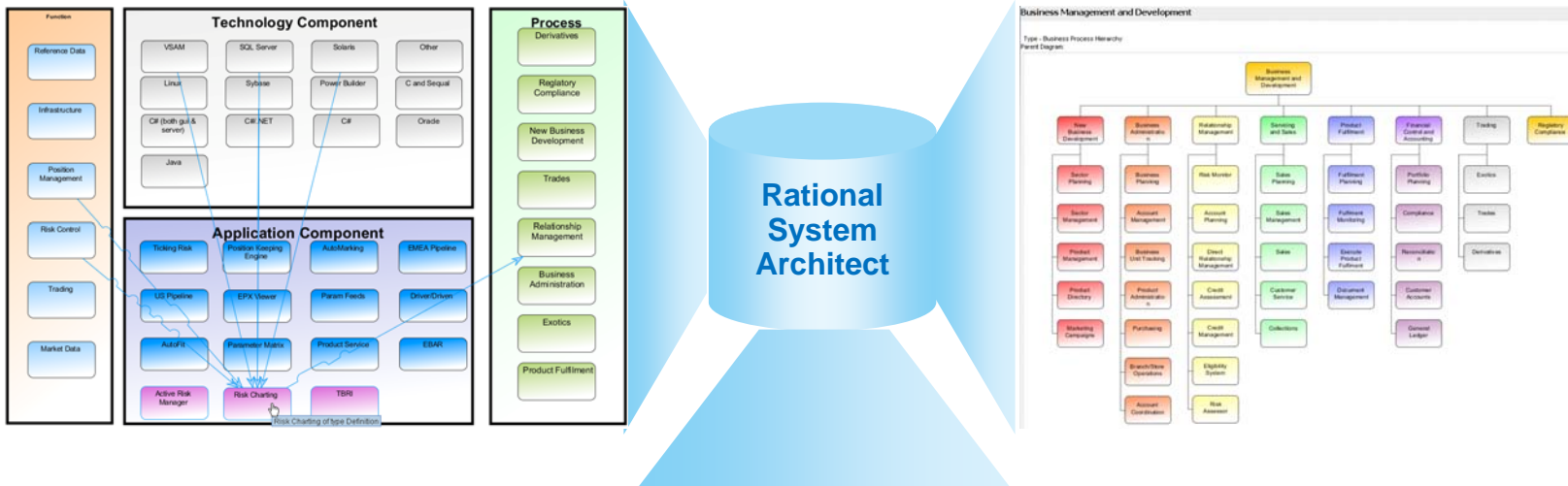*Understand architecture; impact, options, roadmaps*

Application Architect

Application Business Owner

- Be informed using IBM Rational System Architect, for Enterprise Architecture

Collaborative Decision Making
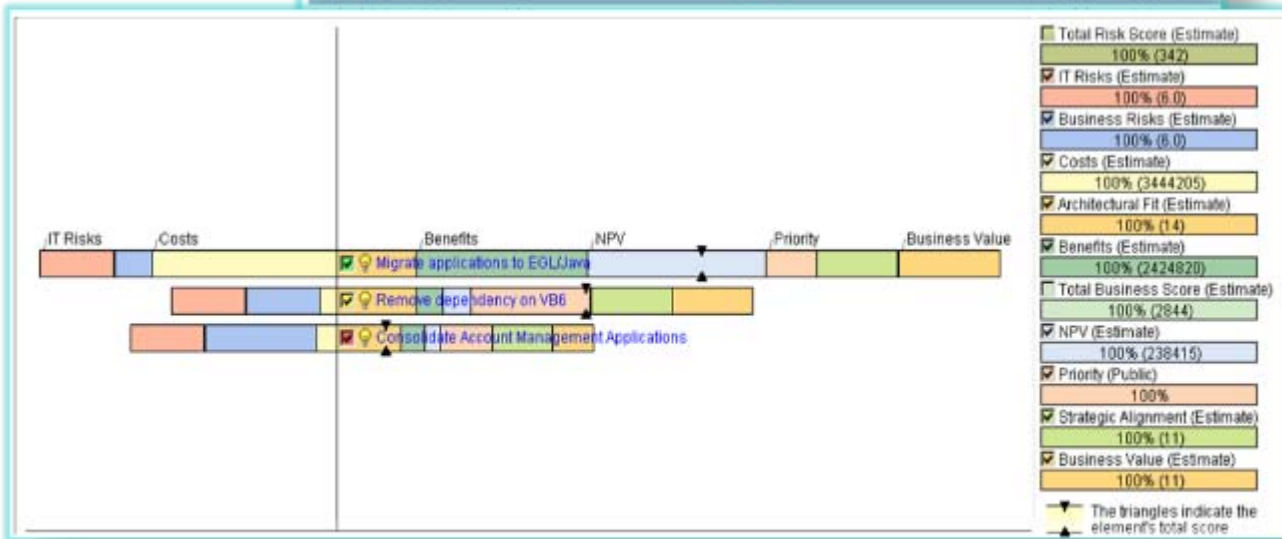## *Evaluate and prioritize rationalization projects*

Steering Committee

Project Mgmt. Office

- Compare projects side by side using pair-wise comparison

- Visualize project priority base on defined project criteria

What Did We See

- Manage the Portfolio, Track Assessments, and Track the Transformation to future state

- Do High-level assessment of the Portfolio to identify candidate applications warranting a deeper look

- Do deeper investigations with impact analysis where warranted

- We could outline architectural alternatives and architectural roadmaps

- Architectural alternatives could be translated into project proposals, which could be assessed based on qualitative and quantitative (e.g. ROI) analysis

- Project roadmaps could be produced to complement architectural roadmaps

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What are driving success

- The approach to EA
  - Start with the decisions to make
  - Who needs to be involved in the decision making?
  - What is the minimum set of information needed to make the decisions?

- Executive sponsorship

- Establish a single source of truth

- Business – IT collaboration

- Incremental adoption

Gather info, analyze, make decision

DRIVES

Increase in strategic spend
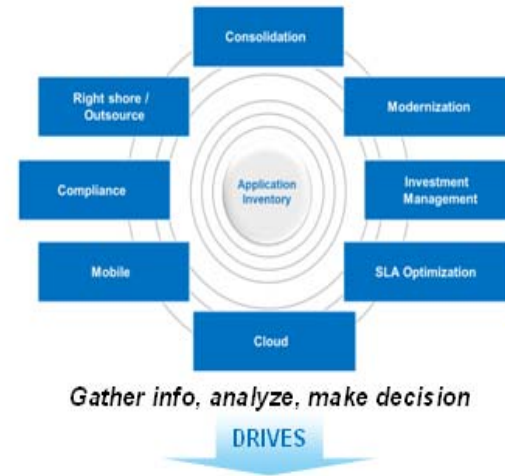
Strengthened business and IT collaboration

Usage scenarios across multiple adoption paths

Portfolio-lead APM

- Focus areas:
  - APM as a governance process supported by analytics
  - Collaborative decision making
  - Establishing project roadmaps

- Solution:
  - **Rational Focal Point**: Analyze application portfolio, identify candidate decisions, prioritize options, and propose and plan projects
  - **Rational System Architect:** Optionally use to investigate candidate decisions identified in Rational Focal Point

- When appropriate:
  - Currently using spreadsheets or initiative driven without mandating the rigor of a mature enterprise architecture practice

Enterprise Architecture-lead APM

- Focus areas:
  - Understanding the enterprise context of applications
  - Evaluating architectural alternatives
  - Establishing architectural roadmaps

- Solution:
  - **Rational System Architect:** Understand the enterprise architecture, define solution alternatives, and produce architectural roadmaps
  - **Rational Focal Point:** Prioritize solution alternatives identified in System Architect and propose and plan projects

- When appropriate:
  - Mature enterprise architecture practice in place or is being established

These two starting points often evolve to a model benefiting from both perspectives

Next steps: Two options

*Moving towards increased strategic spend and improved business agility*

1/2-day APM Executive Workshop

- What are your desired outcomes from the APM effort?

- What decisions do you need to support?

- What information and analytics are needed to support those decisions?

- What roles are involved in the information gathering and decision making?

1-day Proof of Technology

- Instructor-led lab exercises

- Hands-on walkthrough leveraging sample application inventory

- Walk through several end-to-end Application Portfolio Management scenarios

Call to action
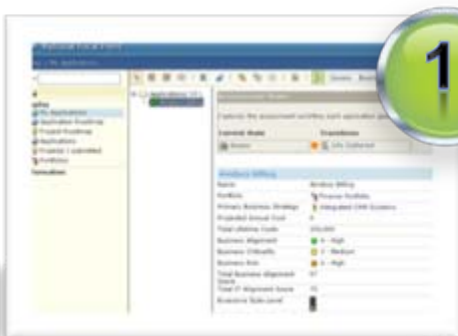
See APM in Action!
*Attend the Demo in the IBM Application Lab
from 2:00 – 2:45*

Stop by the IBM Pedestal
*Interact with our zEnterprise
and APM experts*

Visit www.ibm.com/rational
*Get latest news on Mainframe Software
for System z and zEnterprise*

Resources

- Smarter Computing
  - Software for System z and zEnterprise

- IBM Software Capabilities
  - Business Planning and Alignment
  - Enterprise Modernization

- APM content on ibm.com
  - whitepapers, demo, podcast, video etc.

- APM reference stories: North American Bank , Global Conglomerate

- APM Forrester Research report on monetized value that IBM Rational customers experienced
  - Provided on request

- APM whitepaper: Empowering the CIO

- APM Content on developerWorks
  - demos, presentations, User Guides, etc.

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Adopting APM: Shortest Route to Value for Smarter Computing
Incremental adoption with incremental value delivery

Value

Improve business agility and reduce cost through modernization
- Improve business agility and reduce by modernizing applications
- Continuously seek new rationalization targets

Reduce cost / increase innovation through consolidation
- Reduce cost by implementing consolidation decisions
- Rightsize investments in maintenance, operations and modernization based on objective analysis of value vs. cost, risk and improvement potential.

…Smarter Computing…

Identify rationalization targets
- Identify applications not used or that can be consolidated
- Identify applications that can be replaced with Packaged Apps / COTS
- Identify applications that should be modernized

Produce an application inventory
- Identify which applications we have
- Understand Business value vs. Cost / Risk

Time To Value

| 1-3 months | 6-9 months | 12-18 months | 18-24 months |

Smarter Computing with Application Portfolio Management
An incremental and continuous approach to achieving greater value and performance from your IT investments

Smarter Computing

Empower

Unify

Enterprise Modernization

Revitalize

Optimized Systems

Optimize

Integrated Application Portfolio Management Solutions

Jazz

Optimized Systems

Cloud

Virtuous Cycle

Big Data