



eBook

APM Series

*Six Visio views to help
communicate your application
portfolio rationalization vision*



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Introduction

It could be argued the most important part of an architect's job is effective communication. After all it is possible to understand an organization's most complex challenges and design fit for purpose solutions but if senior managers cannot understand or buy-in to those solutions this doesn't mean very much. This white paper focuses on how to communicate a specific type of information, your application rationalization vision, from a number of perspectives.

Summary

Since there are a vast amount of ways to dissect an application portfolio and in turn structure your architecture model to support them, this white paper will focus on just a handful of attributes and relationships. It will use the TOGAF 9 metamodel as a foundation with Orbus Software's TOGAF notation, but there are deviations, such as the linkage from Function to Logical Application Component.

As with every Application Portfolio Management (APM) architecture metamodel, metadata is of primary importance. With this in mind, and having first hand experience of the number of different configurations in use, this paper will limit attributes used to the below:



Logical Application Component

Total Cost (\$k): A roll-up of the cost of associated Physical Application Components

Average Business Fit: Average of business fit scores of associated Physical Application Components

Average Technology Fit: Average of technology fit scores of associated Physical Application Components

Weighted Fit Score: Weighted average of technology and business fit scores

Application Count: Count of all associated Physical Application Components

Physical Application Component

Business Fit

Technology Fit

Annual Cost

Annual Support Cost

Current Year Discretionary Cost

Total Cost: Sum of Annual Cost, Annual Support Cost and Current Year Discretionary Cost

Functionality Delivered: Number of Application Functions delivered by the Physical Application Component

Functionality Delivered by other applications: Number of application functions which are not unique, that are provided by one or more other Physical Application Components

Unique Functions: Number of functions which are solely delivered by the Physical Application Component in question

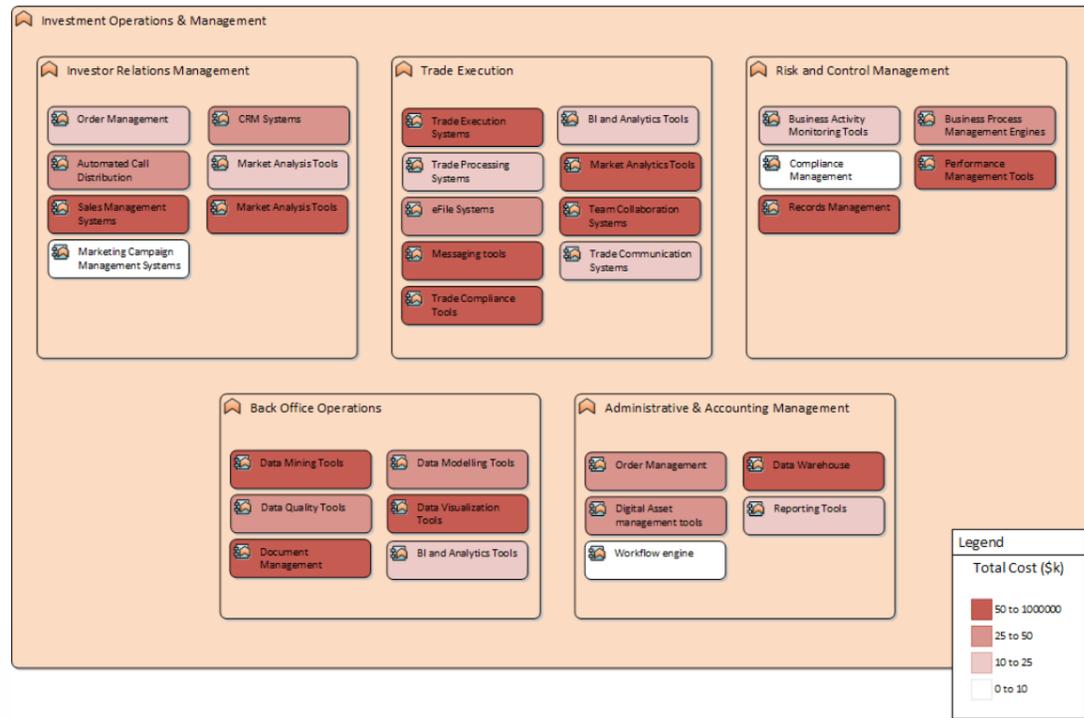
In addition to the below, the viewpoints presume the below object types and a relationship between each (1-2, 2-3, 3-4):

- 1 Function
- 2 Logical Application Component
- 3 Physical Application Component
- 4 Application Function

Logical Application Heatmap

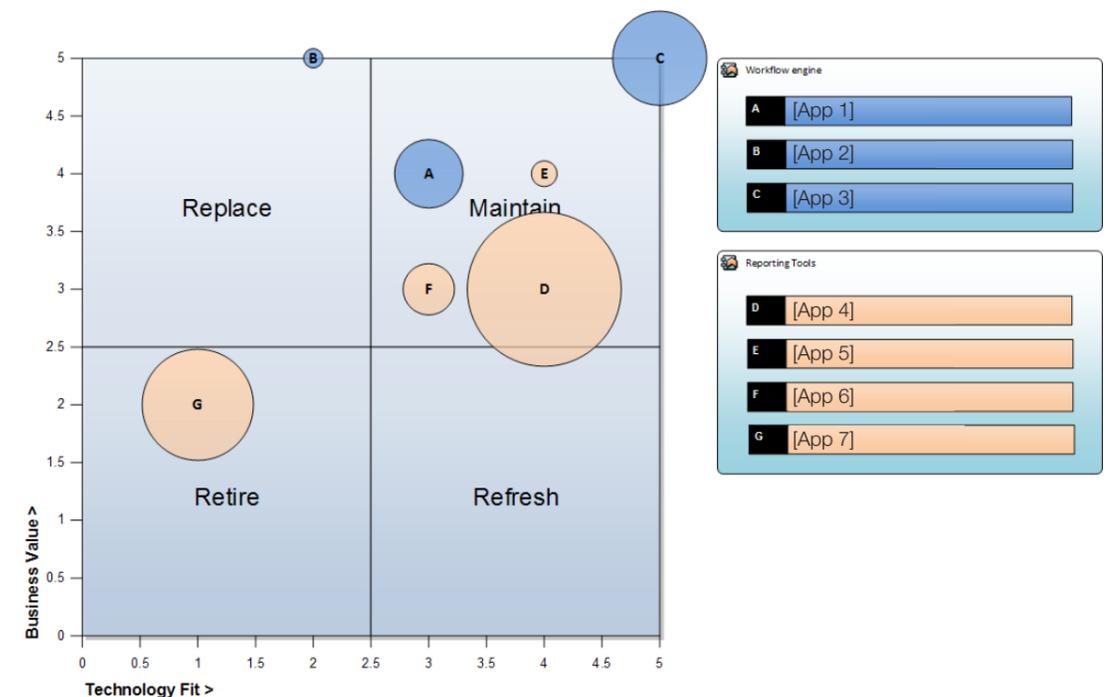
One of the first challenges for an application rationalization effort is understanding where there are most opportunities for rationalization in the portfolio. Although, as previously mentioned, there are hundreds of ways to identify such opportunities, one of the most common drivers for an initiative is cost.

This heatmap takes logical application components, categorized them by business function and uses the attribute 'Total Cost \$k' to show cost at a highly summarized level of detail. This enables portfolio managers to see where there is a disproportionately high cost. This view would be used to show one perspective, with a more detailed analysis likely to be used to highlight how these high level costs break down.



Business vs Technical Fit Matrix

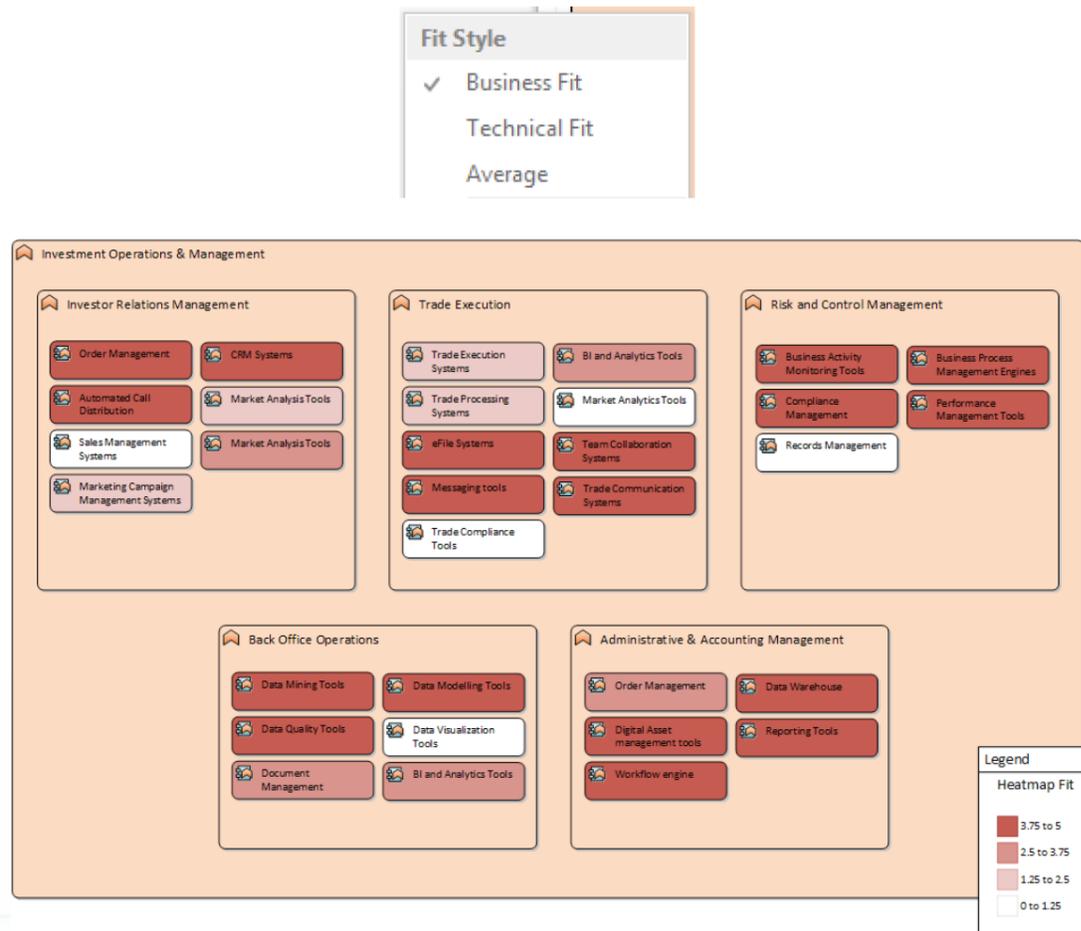
As one of the most popular matrices used by application portfolio managers, this matrix uses business and technical fit to categorize applications into Tolerate, Invest, Eliminate or Migrate. Applications which score poorly in both business and technology fit scores would fall into the 'retire' category, whereas applications which are a poor business fit but a good technology fit would be categorized as 'refresh'. If the application has a good business fit and poor technology fit it would 'replace' and for a good score on both fit's it would be 'Maintain'. The size of the bubble is the cost.



Logical Applications by Fit

The two most commonly used metrics by portfolio managers have, in my experience, been business and technology fit. These metrics are generally calculated through extensive stakeholder interviews using a multitude of well engineered questions. Since these metrics are very common, it is also common to see heatmaps based upon the results. In this case we are using the logical, not physical, application component to understand results for a group of applications.

The whiter logical applications in this view have the poorest fit score. The fit can be toggled between business and technology using the right click menu. Alternatively, the average of the two fit scores can be used for an even more summarized level of information.

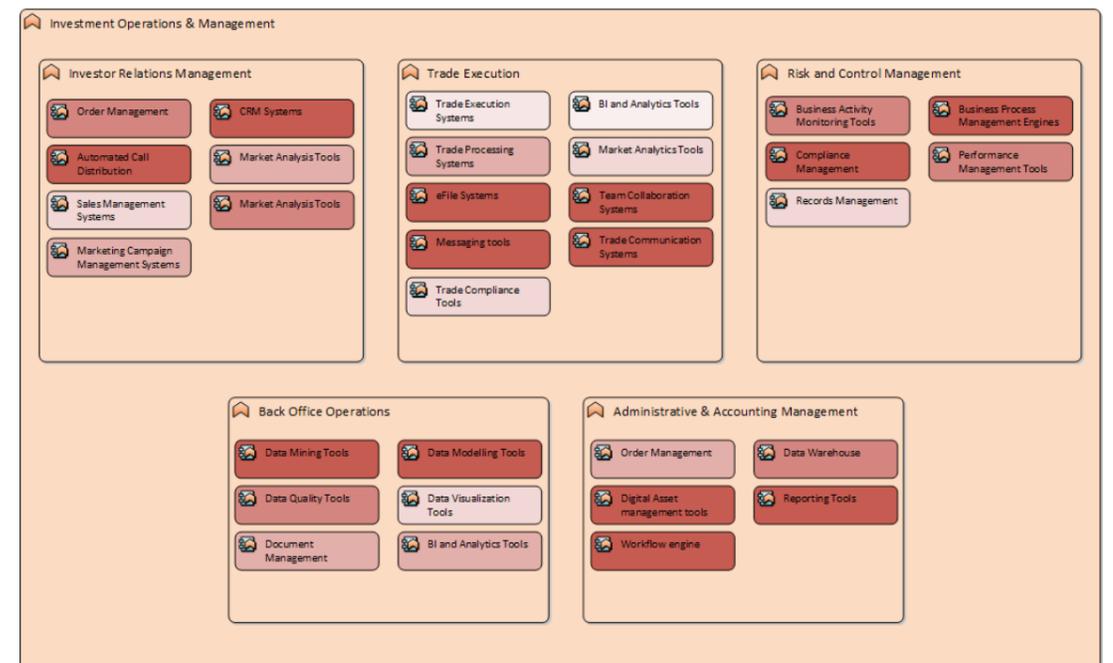


Weighted Average Logical Application Heatmap

This view is similar to 'logical applications by fit' except here we are weighting the scores, to enhance the results. This is useful since the APM initiative may be driven by a desire to increase business or technology fit, so this weighting can be adjusted to account for this.

The weighting is set on the page and the logical applications are showing the fit scores at a summarized level.

| | |
|---------------------------------|----|
| Business Fit Weighting | 60 |
| Technology Fit Weighting | 40 |

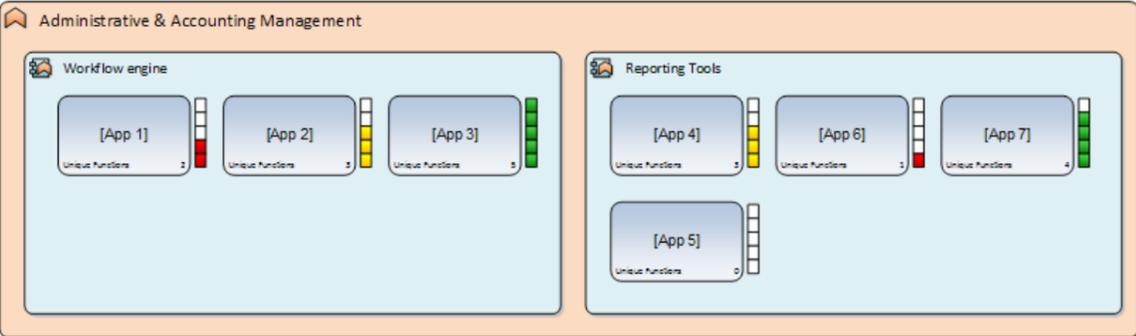


Application Functionality Overlap

In this view the goal is to identify physical applications which deliver unique functionality, since they cannot easily be replaced. By grouping the applications by the logical application, we can see similar applications – such as reporting tools.

Typically, each application would deliver similar functionality to the other applications in the logical grouping, so less functionality rich applications should stand out as having the potential to be replaced. The visualization shows the number of unique application functions being delivered so we can see 'App 5' for example should in theory be more easily retired than 'App 7' which is depended on for more unique functionality.

| | |
|--|----|
| Functionality Delivered | 10 |
| Functionality Delivered by Other Application | 8 |
| Unique Functions | 2 |

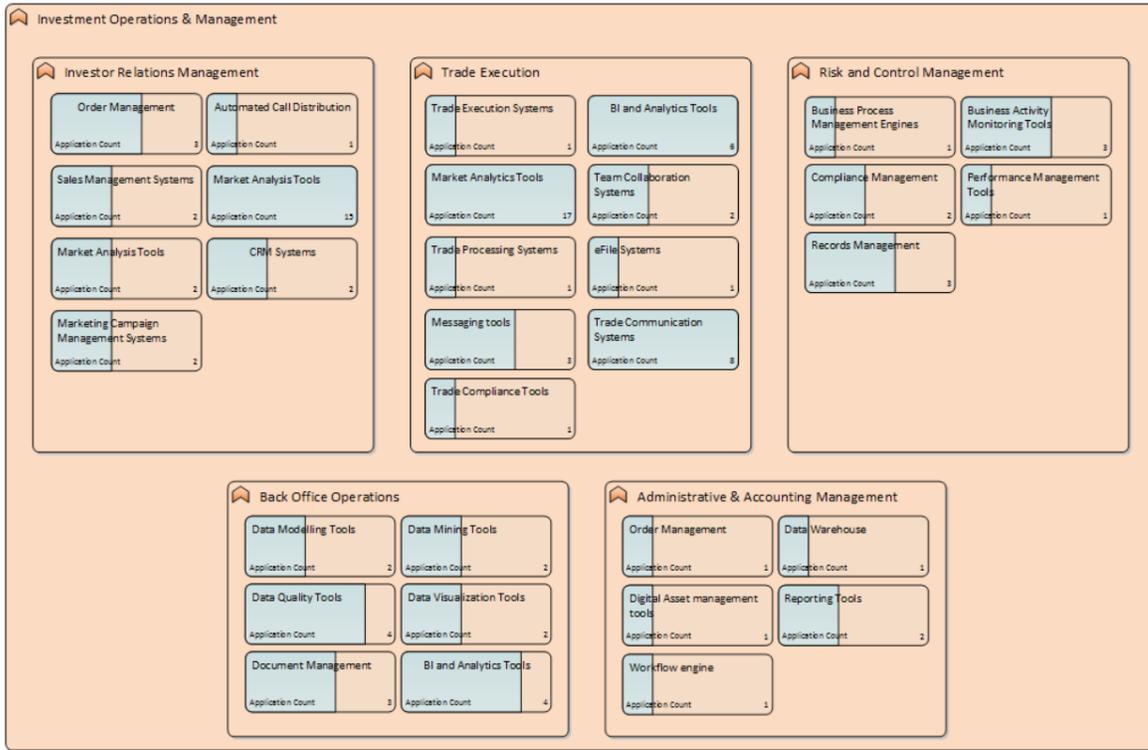


Number of Applications Visualization

When analyzing the application portfolio, it is sometimes helpful to categorize groups of physical applications and analyze them. This summary level of information can help to understand where rationalization opportunities exist. This view takes the logical application components i.e. CRM systems, ERP systems, etc... and uses a visualization to help to understand the count of applications of that type. By reviewing the portfolio at this level we can see which areas of the portfolio have many vs few applications, the theory being the more applications of each type the greater the opportunity to rationalize.

This view depends upon a 'high' count to enable the shape fill to function properly, since what one organization considers a high count may be different for another.

| | |
|------------------------|---|
| Application Count High | 5 |
|------------------------|---|



Ross Hocking

Ross has experience delivering Process, Enterprise Architecture and Governance, Risk & Compliance projects globally across multiple sectors but with a focus in the public sector and finance.

Ross has a particular interest in the pragmatic implementation of tools and methods, Application portfolio Management (APM), Business Process driven change and the positioning of successful EA departments within organizations today. Ross has certification in TOGAF, ArchiMate and COBIT along with extensive implementation experience.



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