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An Application Portfolio Management Toolkit

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One of the most common initiatives that you find in enterprise architecture is application portfolio management. This is hardly surprising – it's offers a combination of possible quick wins (by identifying opportunities for rationalization) and risk reduction (by detecting existing issues and problems). At the same time, it provides a basis for planning further initiatives by establishing a baseline understanding of the application landscape.

However, establishing the application portfolio can be an uphill struggle – but there are ways to make it less of a struggle. While you obviously need some kind of repository to store and manage the application portfolio going forward (and iServer is a fine choice for this), there are a number of intermediate tools that can make a great difference in how hard the initial process of establishing the portfolio is.

In this white paper I'm going to outline the tools that I've found useful and why, and you can download templates for each as part of the accompanying resources for this white paper.

Project Kickoff Deck

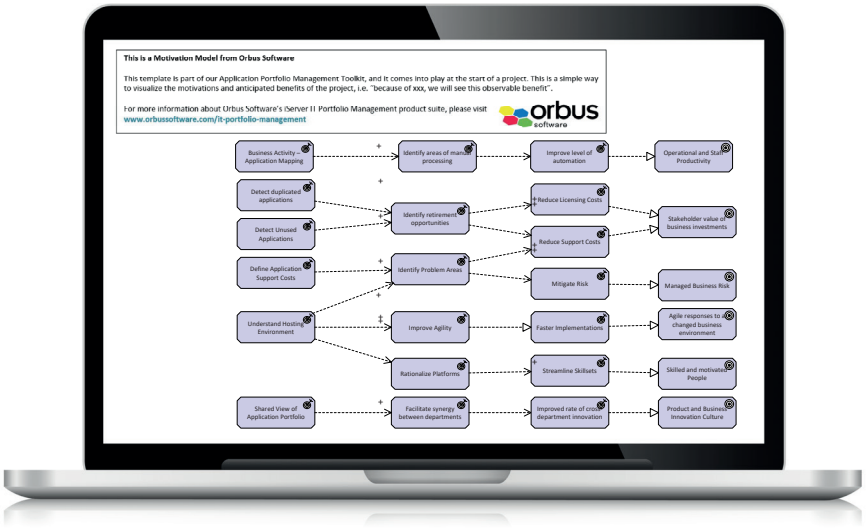
The first tool is a project kickoff deck. Now, I'm the last person to suggest that what the world needs is more PowerPoint slides. But the fact is for some stakeholders, it is the best medium. There are those who just want bullet points and who don't have the patience to read and digest a meatier document. It's also a fact that managers beyond a certain level spend half their life having PowerPoint slides presented to them – so it becomes a familiar format.

You don't necessarily have to present the project kickoff deck in person – it may well be that circulation via email is perfectly good enough. It all depends on the culture of the organization in question and the stakeholders themselves. But whether circulated offline, or presented to the key stakeholders, a kickoff deck is a useful tool to set expectations and bring key points to the foreground.

Motivation Model

The next tool is also one that comes into play at the start of the project – a motivation model. In other words, there's value in asking; why are we undertaking this APM project. It's tempting to simply say "to find out what applications we can retire." But what if there are no candidates found? You can expect opportunities for rationalization in a bank that has grown by a series of acquisitions, or a multinational manufacturer… but what about a state government that has faced restricted budgets ever since the 2008 crisis? If you can't find any application to retire, but discover a number of other opportunities for improvement and for cost saving, was the project a failure?

So there's value in outlining a set of anticipated benefits from the project. Now, it's the nature of benefits that some may not be easily measurable. But in practice, there benefits will always have observable effects – otherwise they wouldn't be benefits. The way to address this is to show a chain of benefits – "because of this (unobservable benefit) we see this (observable benefit)".



Survey

The application survey is your primary tool for collecting details of the applications in the portfolio. Now, at a simplistic level, it's possible to simply ask application owners to rate their applications on a scale of 1-5 (or 1-10, or some other arbitrary rating) for both business fit, technical fit and risk, and be done with it. But in practice you need to give them some guidance and structure to their ratings, for a couple of reasons.

First of all, most people when faced with an initiative of this nature are going to be wary of some outside presence swooping in and taking away applications that they genuinely need to execute their responsibilities correctly. This leads to a natural temptation to over-rate their applications. How many times have we all found ourselves asking someone to rank items in order of priority, only to be told that all of them are *top priority*? You can risk encountering the same mindset in your survey exercise.

At the same time, when asking people to pick a figure from 1-5 to rate something, different people will rate the same item at different levels based on their own level of optimism and nothing else. One type of mindset focuses on the negative, another focuses on the positive… both approaches can be useful, but without guidance they lead to different ratings for the same fundamental item.

So it's useful to break out the components of business fit, and of technical fit, and of risk, and have application owners rate them all separately. You can then average them to derive a score. The scores will not tell the whole story for every application, true – but they serve as a starting point to identify areas for investigation.

	A	B	C
1		***Please use one column per application. Add extra columns for applications that you own, that we have not identified - - - > >***	Application 1
2			
3		Guidance	
4	Did the system consistently meet Service Level Agreements during the preceding 12 months? (MTTR from incidents within SLA)	0 - SLA's met less than 75% during period of assessment 1 - SLA's met between 75 % and 84% 2 - SLA's met between 85 % and 89% 3 - SLA's met between 90 % and 94% 4 - SLA's met between 95% and 99% 5 - SLA's met 100% during period of assessment	

On that same note, it's important to note here that the survey should not be the only tool for investigating applications – it's merely a starting point. It may be that some applications are simple enough or run smoothly enough with enough support for business operations that no further detail is necessary. But others will likely require deeper investigation in a more free-form manner.

Survey - Covering Email

A good covering email for when the survey is sent out is absolutely vital. As mentioned above, the immediate first reaction is often along the lines of "here comes someone wanting to take my software away." Even if all information holders have been informed of the project and the need for it, it's only when they receive the formal request for information that things become truly real for them.

Input Tracker

One of the characteristics of an Application Portfolio Management project is that it draws together a number of inputs from a number of sources. You need evaluations of the applications; information on costs of applications; ideally, information on their hosting environments. You want process information and help in mapping applications to the process that they support.

All this won't be coming from one group or individual. It may well be coming from several dozen sources, depending on how application owners are assigned and on how the applications are managed. So the project is going to be drawing together a number of inputs from a potentially large number of sources.

This means that it is very useful to maintain and track the list of required inputs, their status and who the action is on. A spreadsheet is a perfectly acceptable approach for this, or any modeling tool that can maintain lists – iServer works perfectly well in this situation.

Starter RAID Log

An Application Portfolio Management project is a project, like any another… which means that project management best practice requires you to have and maintain a RAID log – Risks, Assumptions, Issues and Dependencies. Now, it's true that each organization is different. But there are some aspects of the RAID log that will be the same regardless of the organization – for example, lack of response from application owners is a risk whether you're at a state government in the USA or a bank in South Africa.

So a starter RAID log is one of the tools that I've found useful to have. First of all, it gives a starting point for the project manager to create their own RAID log that is better tailored to the organization. This saves time and starts the project with your having made their life easier – never a bad thing. A second benefit of providing a starter RAID log is that it expresses the important risks, assumptions, issues and dependencies in a format that is more familiar to a project manager – it makes them seem more real, somehow.

	A	B	C	D
1	**ID**	**Title**	**Description**	**Probab**
2	RI001	No defined list of processes	There may not be any list of organizational processes	Mediun
3	RI002	Application owners unknown	Some applications may not have any clearly identified owner	Low
4	RI003	Shadow IT cloud applicatons implemented	Some departments may have implemented cloud-based applications without going through governance	Mediun

List of Information Sources

I've already mentioned that collecting information, from what is often a wide variety of information holders, is a major challenge in an APM project – often the primary challenge. One factor that can exacerbate this, especially if you are new to the organization or working as a temporary contractor, is relying on others to know where information might exist. For example, you may not have access to the corporate intranet – or you may only have highly restricted access.

In such a situation, you may be put in the position where you have to rely on some designated contact within the organization to obtain some of the information that you need. The problem comes from the simple fact that no-one is omniscient – so will your contact know where to look for the information required?

So in this situation, it is very useful to have a list of sources where you can look for information. Sometimes, depending on the source, the information may be out of date. This is unavoidable. However, often such outdated information is only partially incorrect – and it can then serve as a starting point.

So a list of possible information sources can be a useful input to hand to your contact – or serve as a starting point to identify who to seek out and talk to.

Concluding Remarks

The documents listed above form a useful toolkit for addressing the challenges of implementing an application portfolio management project. Every organization is different of course, and I highly recommend using the provided resources as a starting point and tailoring them to the specific organization undertaking the application portfolio initiative.

For example, a bank in the Gulf Cooperation Council region should include support for Islamic Banking as a component of business fit in the survey, while a bank in the USA should consider the ability to adjust local practices to take account of the laws of each individual state.

That said, I have found that it is always far easier to emend and extend an existing template than to create a fresh document from scratch – as artists say, form is liberating. It is my hope that the templates that I have provided prove useful, especially when considered in conjunction with the individual discussions of each resource provided above.