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# Four critical questions for the Application Portfolio Manager

Fact sheet

## Is your application portfolio aligned to business goals?

The company expects you to deliver a transparent, cost-effective application landscape that is in line with current business needs. In addition, the application landscape should be agile so that the company can react to changing business models and market conditions.

Unfortunately, the application landscape is often plagued with redundant functionality and a complexity no one can see through. The result: uncontrolled costs and a reluctance to change anything—which in turn frustrates the business.

Help is here: Leading international companies use integrated IT portfolio management (ITPM) and enterprise architecture (EA) capabilities to ensure that the application landscape is transparent and proactively managed to control costs and deliver agility. Interested in knowing how?

Manage your application portfolio smartly to ensure applications are on target with business needs.

# Are you ready for expert-level application portfolio management?

Being in charge of the application landscape means knowing which applications you have, what they do and who uses them. Additionally, you need the tools to optimize application costs and plan changes to the application portfolio.

Prerequisites for this are good governance and processes to ensure that information on the application landscape is available and up-to-date and that application portfolios are proactively managed. For this, there are four key issues you need to address.

**Do you have a solid system of record for all applications?**
This means an accurate and up-to-date application inventory reliably maintained through ownership appropriation and well-defined and established portfolio management processes. If this is not the case, you cannot effectively manage the application portfolio.

**Are the business functions and services provided by the applications documented?**
Understanding the application underpinning of the business is key to business-aligned portfolio optimization. This includes capturing organizations, business processes and business capabilities and relating these to their supporting applications. Further, it ensures no change decisions are made that could interrupt business continuity.

**Can you capture indicators such as cost, risk and user satisfaction and aggregate them for business analysis?**
KPI-based portfolio analytics lets you optimize the portfolio smartly, counting many factors into the equation and providing the insights that will help avoid harmful change decisions.

**Can you create and manage application road maps and life cycles—in a form that can be iterated with business and within IT?**
Well-articulated road maps are essential for good application architecture governance. These will be your foundation for creating and communicating consistent and viable plans for changing the application landscape.

| Business Analyst Head of Strategy Realization | Head of Program Management IT Finance Manager IT Strategist & Planner CISO | Enterprise Architect Application Portfolio Manager Head of Infrastructure Lean Portfolio Manager |
|---|---|---|
| Strategy Development | IT Strategy & Planning | IT Portfolio Management |
| Business demands Strategy | Programs Master plans | Portfolios Road maps |

To overcome the challenges of optimizing application landscapes, CIOs, application portfolio managers and business managers need to integrate people, processes and information to introduce the necessary governance and transparency into the business-IT relationship.
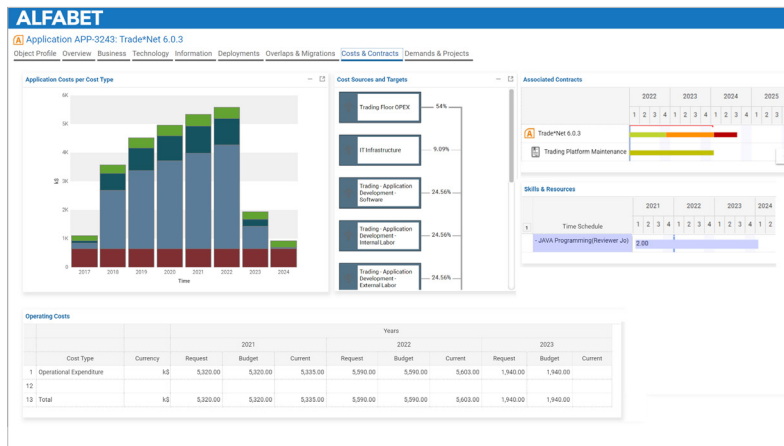
# Find the answers with enterprise architecture and IT portfolio management

Using an enterprise architecture (EA)-based IT portfolio management (ITPM) approach, best-in-class application portfolio managers implement the processes and governance necessary for application landscape planning and management. You support the needs of all involved stakeholders with the capabilities needed to rationalize and maintain a strong, business-aligned application portfolio. Are applications aligned to business needs? Are running costs optimized? Is your landscape flexible enough for future business needs? These questions you can answer with a qualified, confident and committed "yes!"

## The capabilities you need

### Application portfolio governance

Application portfolio governance gives you tools to inventory your applications, categorize them into manageable portfolios, and implement application data responsibility and management processes. Life-cycle management capabilities give planners and strategists the insights they need for reliable planning of tactical and strategic changes to the IT landscape. Definition and planning of supported services, information flows and supporting technologies facilitate agile solution development, data governance and technology standardization.
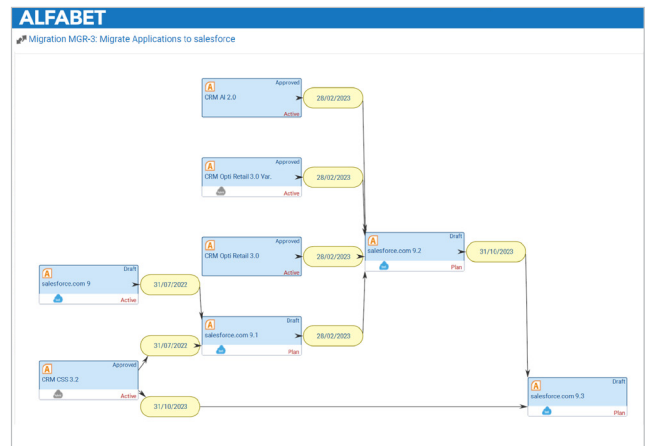
### IT finance management

IT finance management allows you to assign costs and budgets to the applications—enabling the analysis of life-cycle costs and exposing IT cost drivers in business terms i.e., processes and capabilities. Application portfolios can be optimized for costs. Budget approvals for application spend can be managed in accordance with business priorities. This leads to better governance and cost effectiveness.

### IT planning

IT planning converts business demand into executable and funded IT programs. It enables target application landscapes and scenarios to be iterated with the business and broken down into roll-out plans and project milestones. Applications are directly associated with projects and demands, enabling impact analysis and exposing conflicts in application road maps.

### IT risk management

IT risk management enables you to conduct risk assessments on your applications to ensure business continuity and fulfill compliance obligations. Risk and controls assessment surveys can be designed, executed and tracked. The results—already consolidated into one source for analysis—can then be used to drive mitigation strategies.

Understand application cost drivers.

Road-map application consolidation.

"Right now, we have 10 or more marketing automation applications that fulfill very similar business requirements. We are going to consolidate that down to just 2 or 3… Our costs will get reduced by 50% ultimately. And that's just one application type."

– Global telecommunications provider

## Take the next step

Contact your Software AG representative today to see how Alfabet can help your enterprise transform into a successful digital business.
Also visit www.SoftwareAG.com/alfabet.

## Leader in ITPM and EA

Internationally renowned companies across the globe use the market-leading solution for ITPM and EA—Alfabet. The platform provides a set of core capabilities to sustainably manage and ensure IT's contribution to business value. Use Alfabet to plan and manage the performance of IT support throughout its entire life cycle—ensuring that business strategy and demands are completely understood, prioritized and executed on and that the costs, quality and risks to IT support are known and considered during decision-making.

## About Alfabet

Alfabet is a leading enterprise platform with standard modules that support effective ITPM and EA, offering:

- Richest set of artifacts in the industry
- A single, central repository
- Role-based access and support for global communities
- Decision-ready reporting and publication
- Advanced support for the agile enterprise
- Broad and easy-to-use configuration
- Leading-edge use of AI technologies
- Support for federated enterprises

| Business Strategy Development | Operating Model Development | Agile Transformation | IT Portfolio Management | Enterprise Architecture Governance |
|---|---|---|---|---|
| Business model definition | Business capability management | Resource management | Application portfolio governance | Policies and standards mgmt. |
| Business strategy validation | Operating model planning | Target architecture and scenario mgmt. | Information portfolio governance | Integrated roadmap management |
| Business demand management | Organization and ecosystem planning | Agile portfolio and feature mgmt. | Technology portfolio governance | Insights, diagnostics and reporting |
| Innovation management | Value stream mapping | Tracking and issue management | Service portfolio governance | Data gathering and integration |
| | | Project portfolio governance | | Stakeholder management |
| **Finance Management** | Cost driver analyis | Contract and vendor management | OpEx optimization | Investment optimizaton |
| **Security and risk Management** | Security architecture | Threat and risk management | Mitigation roadmapping | Compliance management |

With Software AG's Alfabet solution, essential EA and ITPM capabilities are integrated for optimal results.

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