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Session: BRE4089 – Application Portfolio Management Roadmap

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This presentation includes certain non-GAAP financial measures as defined by SEC rules. We have provided a reconciliation of those measures to the most directly comparable GAAP measures in the Appendix.

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- Jakarta
- Kingston Themes
- Beyond Kingston

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Jakarta Release Features

- Application Instances - Service Mapping integration
  - Invoke service mapping activity directly from APM portal
- New reports and analysis (New Business Capability)
  - Business Process Capability Map Gap
  - Business Service Capabilities Map Gap
  - Business Service Application Mao Gap
- Customer feedback from Istanbul
  - Usability Improvements
  - Additional Application Indicators and reports

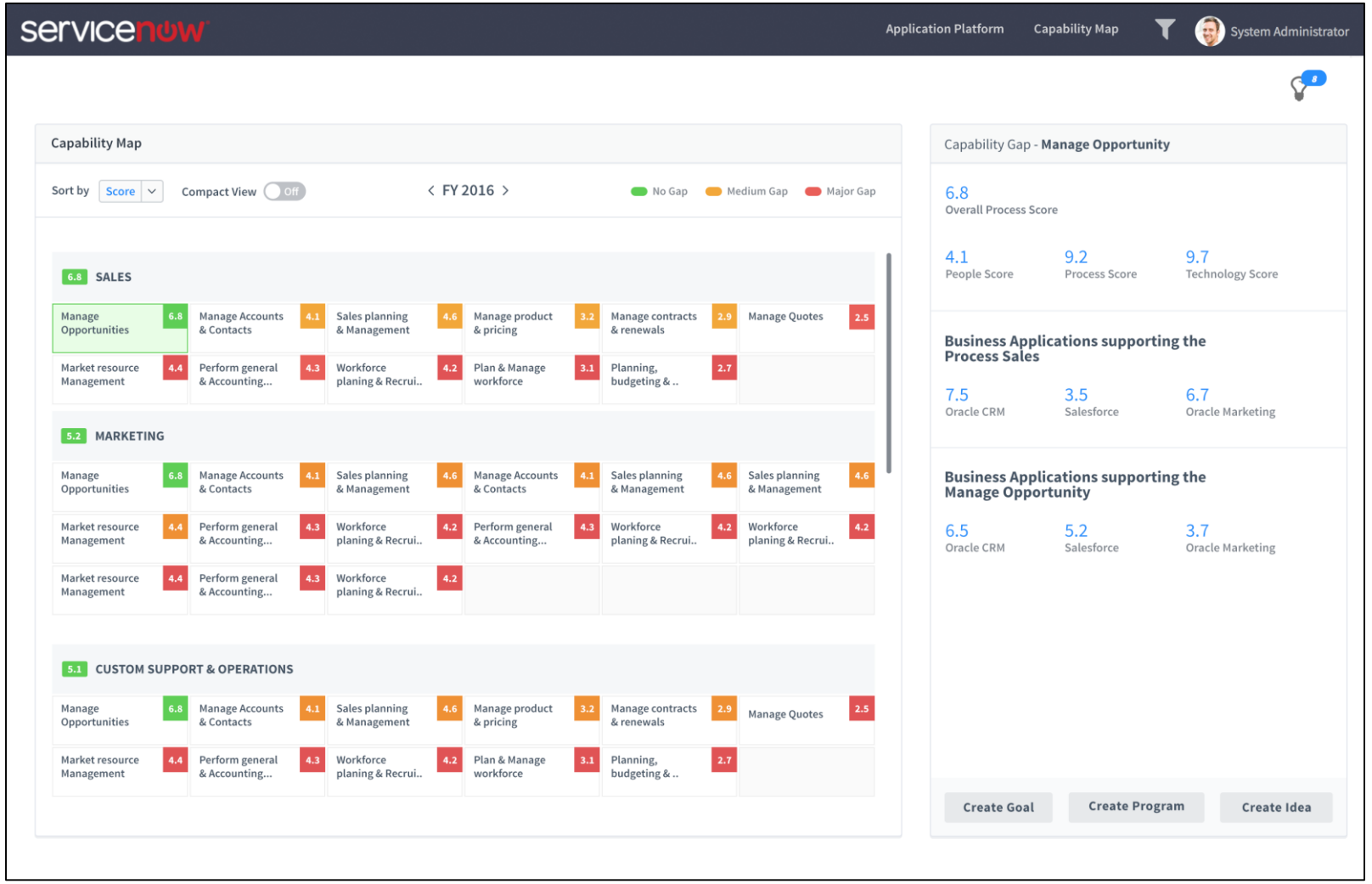
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Business Capability Map Gap

- New CMDB CI “Business Capability”
- Indicator infrastructure to support Business Capability Assessment - People, Process Technology
- Capability Map-Gap visualization
  - Drill in to capability detailed scores, applications
  - Create goals, programs and ideas

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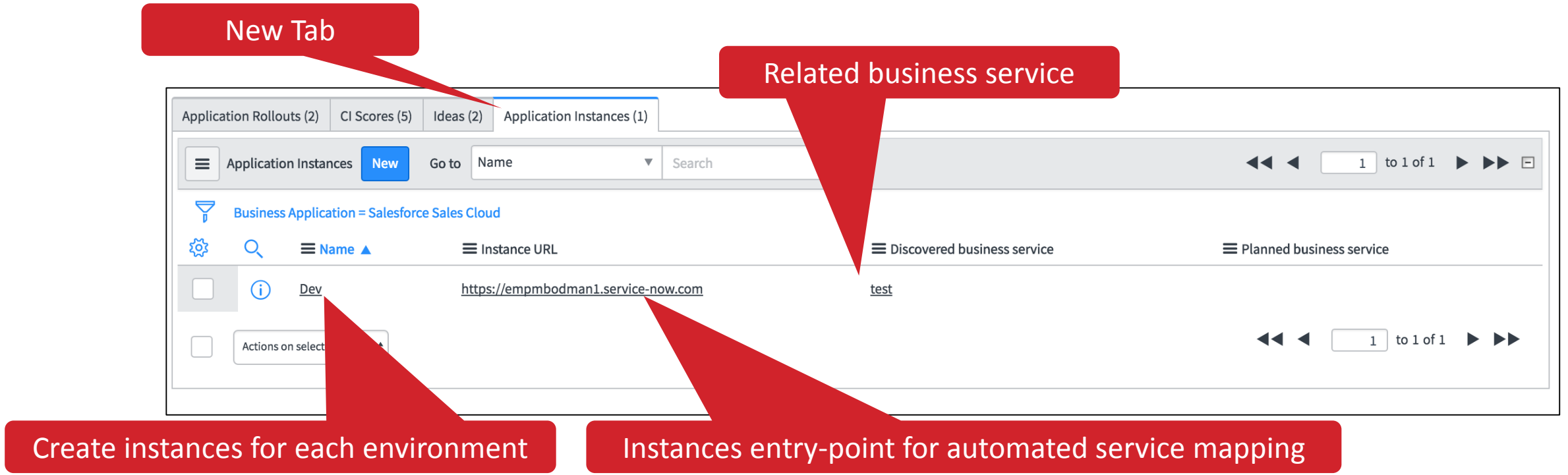
Business Capability Map Gap – Sample Visualization



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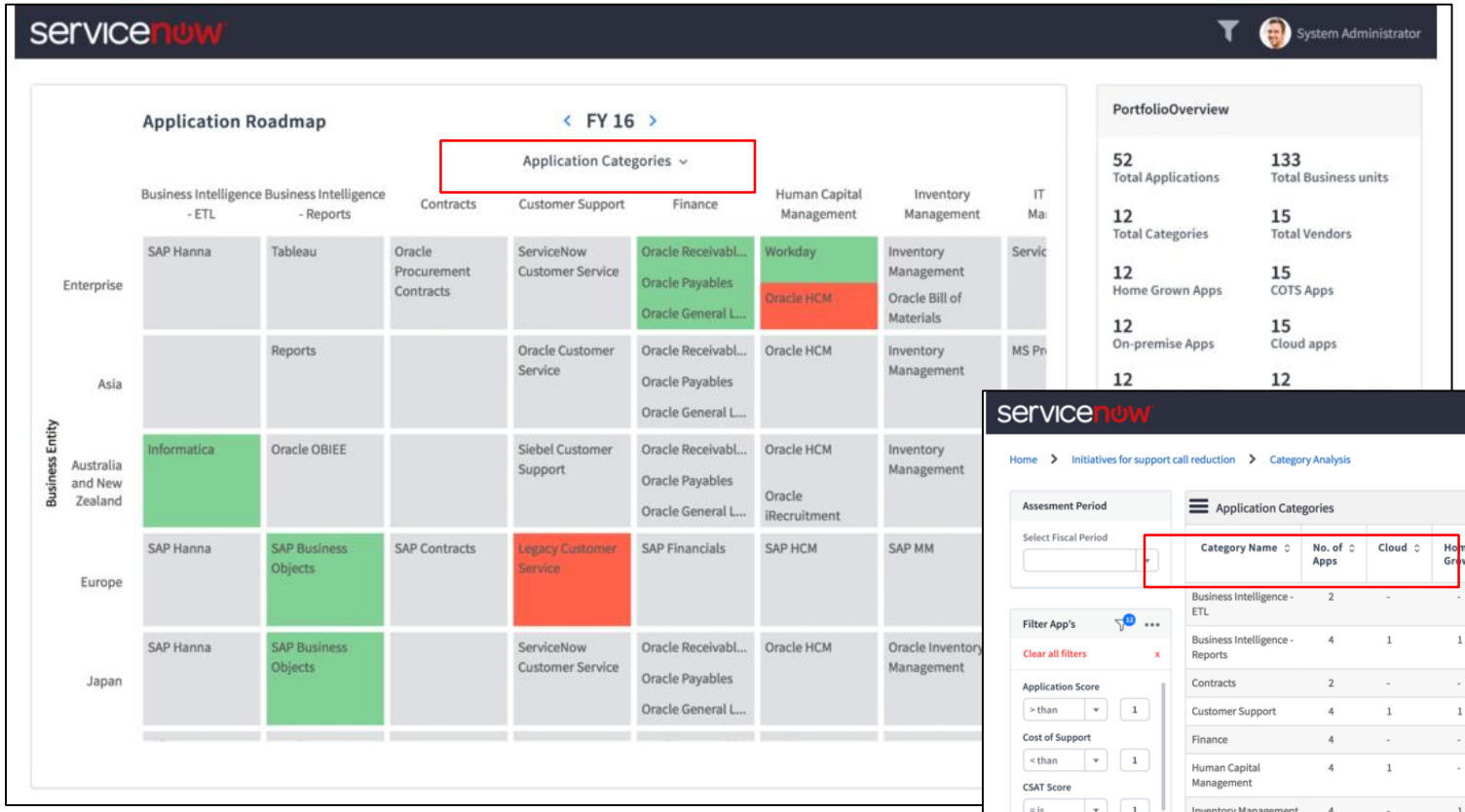
Application Instances: New integration with Service Mapping

APM invokes Service Mapping for top-down mapping of each deployed Business Application instance

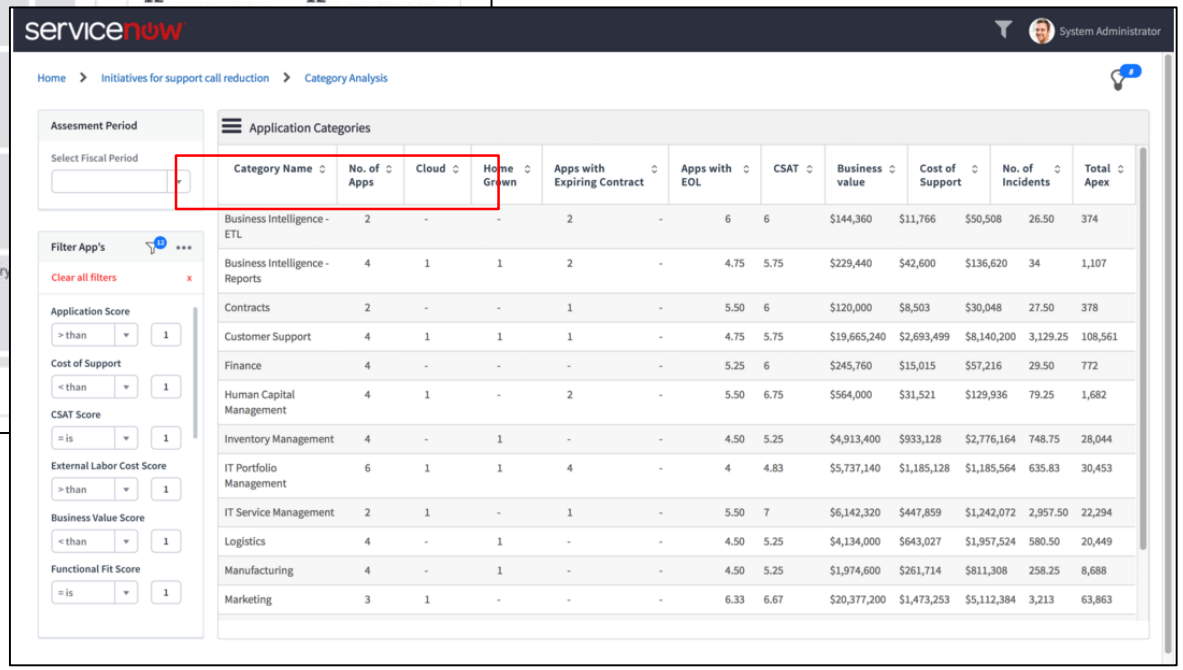


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Usability Improvement – Flexible Axis



Select Axis from any of the App attribute – Business Process, Portfolio, App Family, Technology, Platform, Etc



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Additional Indicators & Reports

Additional OOTB Indicators

- Percent of critical Incidents reported for related CIs
- Incident resolution hours for Application and related CIs
- Percent of Unsuccessful Changes for related CIs
- Number of SLA breaches for Application and related CIs
- Average Time to Demand approval
- Percent of approved demands

Additional Reports on App 360 dashboard

- Demands & Projects
- Surveys & Assessments
- CI Health

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Release Kingston and Beyond Use Cases

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APM Maturity Model – APM Investment Priorities



Level 1

P1

- Applications under Management

Lifecycle process defined

IT and Business Ownership established

Applications categorized



Level 2

- Basic Rationalization

Category based optimization

Human derived metadata

Coarse optimization



Level 3

P2

- Advanced Rationalization

Broadly sourced metadata

Multi-objective rationalization

Integrated business and IT demand



Level 4

- Continuously Optimized Portfolio

AI based Recommendations

Tightly integrated Demand processes

Regularly evolving criteria & use cases

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Kingston Themes for APM

- Business Planning portal
  - Leverage Capabilities for Application Portfolio rationalization and planning
  - Partner with PPM Demand team for common use in demand prioritization use-cases
- Technology Planning portal
  - Address Software lifecycle management and planning use cases
  - Partner with Software Asset Management team for normalization and asset data
- EA Tool migration guide & tools
  - Help EA platform customers migrate to ServiceNow more readily (>20 standing by now)
- APM customer feedback from Istanbul & Jakarta
  - Easier CI editing for Business Application relationships
  - Restrict access to allow only Application type CI changes
- Clear CI modeling & guidance
  - Cross BU effort to document CI definitions and modeling best practices

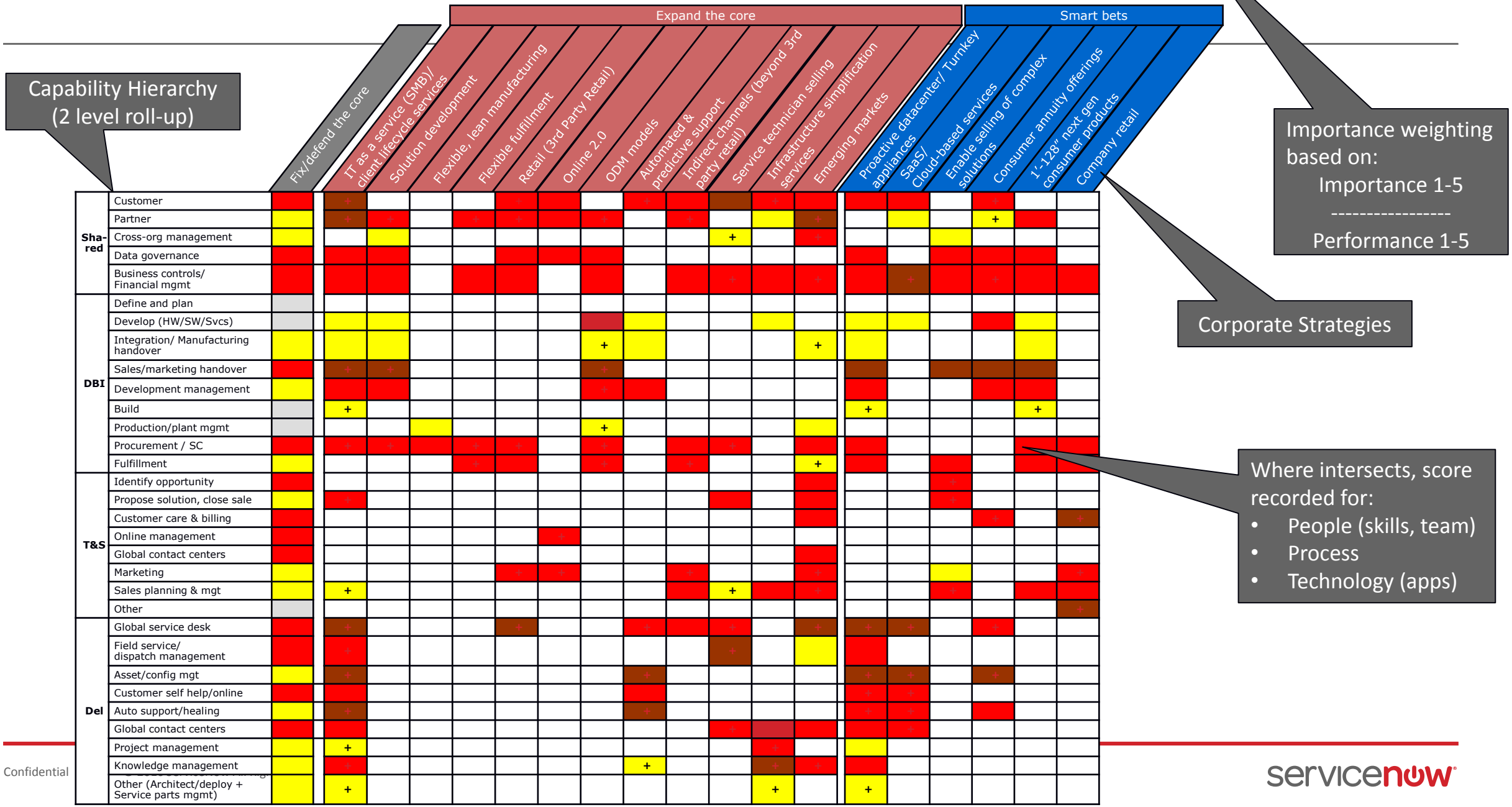
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Example Capability Assessment

+ denotes new capabilities required (vs. previous tier of strategy pyramid)

Importance-weighted Gap

- Highest
- High
- Medium
- Low



Capability Hierarchy (2 level roll-up)

Importance weighting based on:
Importance 1-5

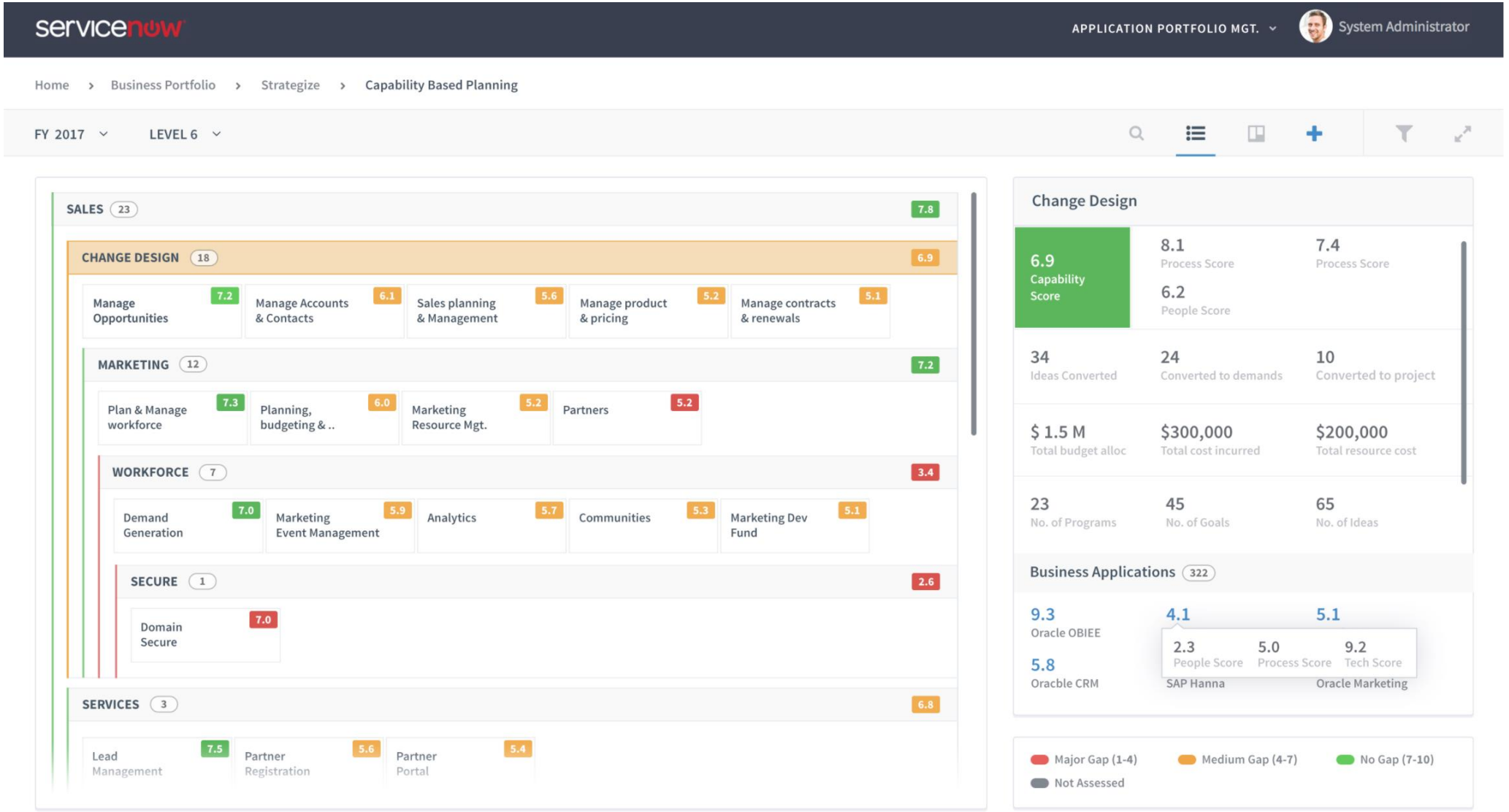
Performance 1-5

Corporate Strategies

Where intersects, score recorded for:
- People (skills, team)
- Process
- Technology (apps)

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Business Planning: New Capability Assessment Design



Business Planning: Strategy Map

Vision

We meet our commitments so our clients can meet theirs, today and tomorrow.

Mission

We execute with passion and proficiency, delivering to our clients valued services that allow them to achieve their financial goals.

We will accomplish this by;

- making solutions simple for the client.
- aligning resources and assets with strategic priorities.
- continually improving our skills, processes, and IT capabilities.

Strategic Objectives

Financial Stewardship	M&A capability	An Enterprise Technology Foundation that is Scalable, Flexible, Reliable, Recoverable and Secure	Customer and/or Producer Centric solutions	Solutions that are portable to multiple Platforms	Predictive data & analytic capabilities	Team of Influencers & Change Leaders
Automation and LEAN to streamline processes and reduce cost	Governance: Enterprise Architecture, Process and Portfolio	R&D Innovation	Unbundled products, features and functions	Delivery Speed	High Performing Staff	

Goals

Financial	Client	Business Development	Associate	
Develop and manage the IT capital and operational plan that delivers on strategic initiatives, while reducing expenses and optimizing investments	Align IT Capabilities and resources to deliver strategic priorities and meet the Services Level Agreements for day-to-day operations.	Ensure quality execution and manage enterprise risk through adherence to IT standards and processes.	Role Model the W&SFG 10 Guiding Principles of our Culture and execute the IT vision and mission.	Recruit and retain associates with the right skills, competencies, and cultural fit and foster the development of associates to reach their full potential

Capabilities

Strategic Planning	Business Architecture	Enterprise Architecture	IT Risk Management	Business Continuity	Infrastructure Architecture	ITIL Service Management	Organizational Change Mgt
Total Cost of Ownership	Business Analysis	Project Delivery	InfoSec Risk Management	Disaster Recovery	Managed Hosting	Asset Management	Talent & Workforce Management
M&A Integration	Business Process Improvement	Quality Assurance	IT & Cyber Security	Data & Integration Services	Reporting & Analytics	Infrastructure Operations	Knowledge Transfer
Vendor Management	Portfolio Management	Testing	Identity & Access Management	Data Governance	Content Management		Employee Engagement

Support APQC as Starter Capability Content



Capability

Sub Capability

Sub Sub Capability

PCF ID	Level 1 ID	Name
10002	1.0	Develop Vision and Strategy
10003	2.0	Develop and Manage Products and Services
10004	3.0	Market and Sell Products and Services
20022	4.0	Deliver Physical Products
20025	5.0	Deliver Services
20085	6.0	Manage Customer Service
10007	7.0	Develop and Manage Human Capital
10008	8.0	Manage Information Technology (IT)
17058	9.0	Manage Financial Resources
19207	10.0	Acquire, Construct, and Manage Assets
16437	11.0	Manage Enterprise Risk, Compliance, Remediation, and Resiliency
10012	12.0	Manage External Relationships
10013	13.0	Develop and Manage Business Capabilities

- APQC is loaded into the system as a default dataset / structure for capabilities.

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Technology Portfolio Lifecycles to be Added

- ✓ Adding additional lifecycle to Software Product Model
- ✓ Every technology to be categorized: Database, collaboration, Desktop, Smart Phone, Networking etc.

INTERNAL LIFECYCLE PHASES

(Phases in order, by date, not every phase required)

- Early Adopter
- Mainstream
- Declining Use
- Retire

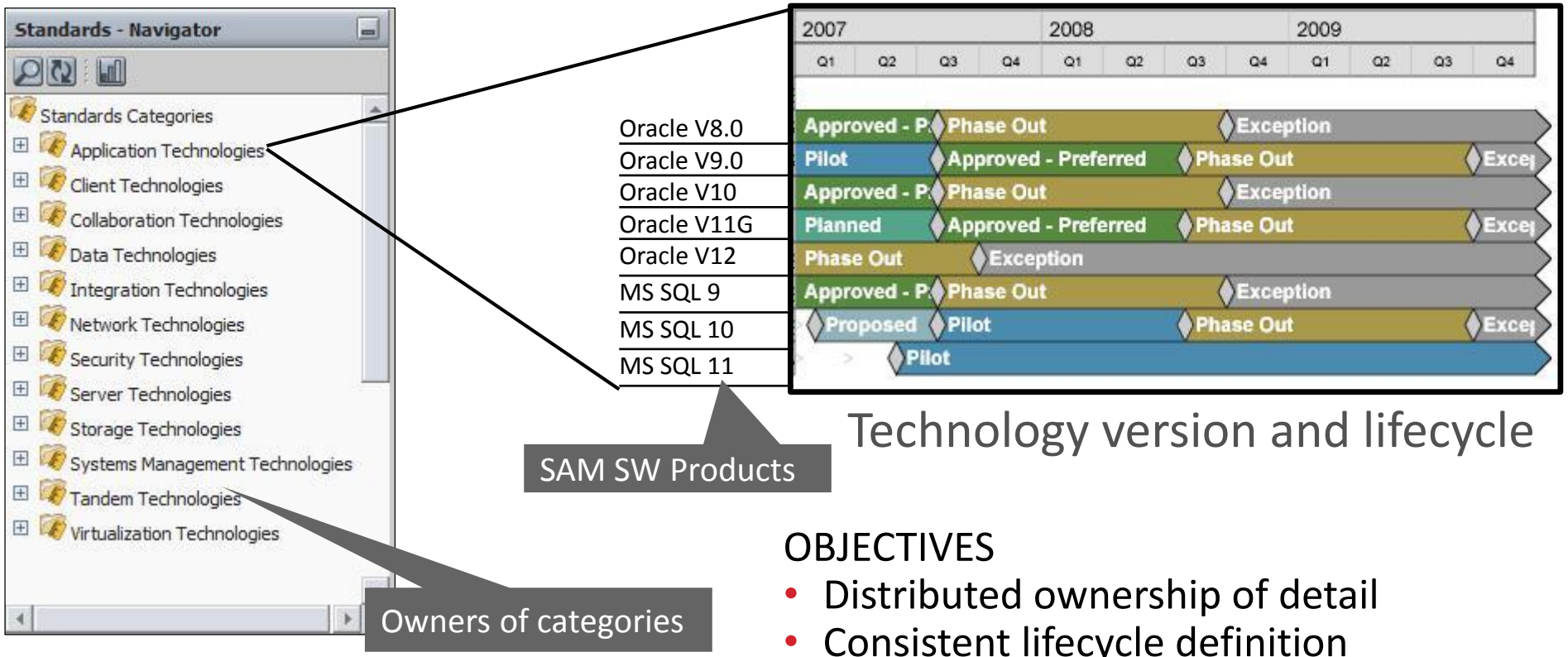
VENDOR LIFECYCLE PHASES

- Alpha
- Beta
- GA
- Extended support
- No longer supported

Partnering with Software Asset Management

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Example Categorized Lifecycles

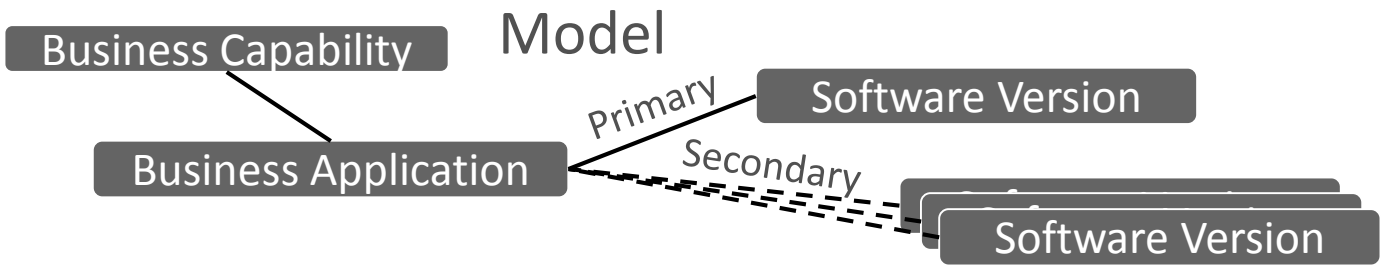


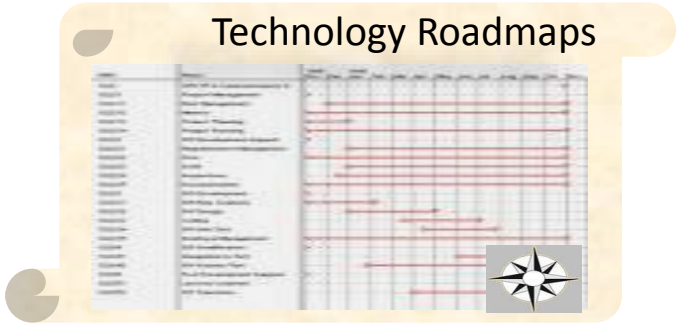
OBJECTIVES

- Distributed ownership of detail
- Consistent lifecycle definition
- Version Transition planning & management (PPM Tie)
- Comprehensive analysis and reporting on lifecycle impact
- Couple with Software Asset Management & APM

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Example Visualization – Lifecycle Impacts per Capabilities (Red = bad)





- Drill into apps & technology
- Action: Create idea to address big risks
- Correlate capability with greatest strategic importance / gap score

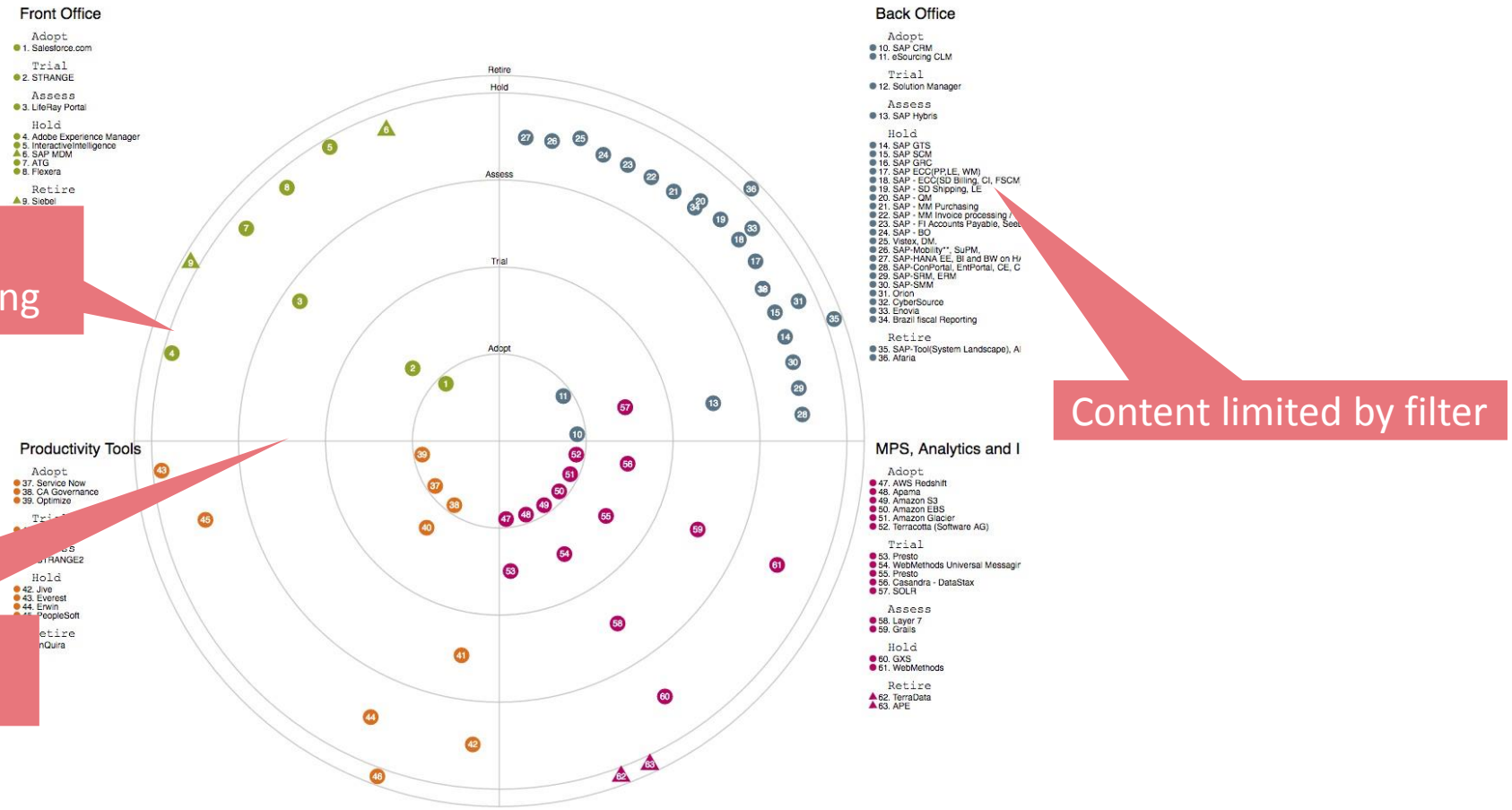


Business Capability Risks – EOL Technology

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New Visualization: Technology Lifecycle Radar

I need to plot my technology lifecycles on one-page so that I can better communicate which applications we are going towards using, and away from using in an easy to digest view.



Outer Band = End Of Life
inner band = New / emerging

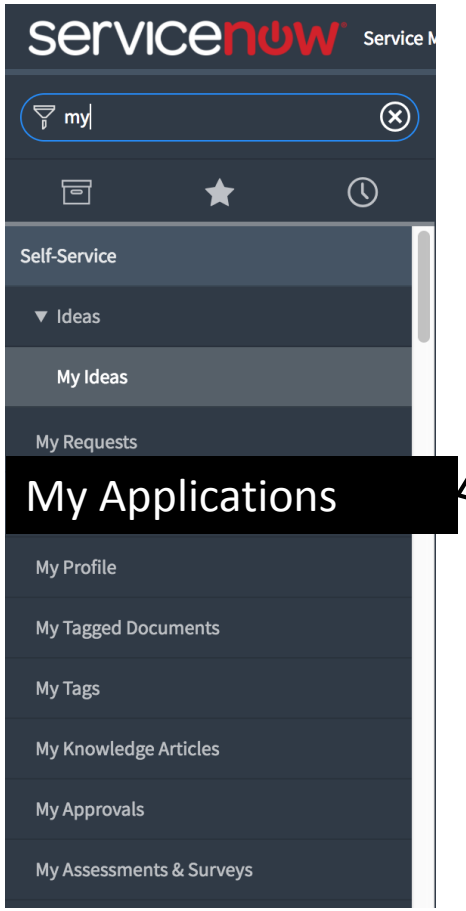
Content limited by filter

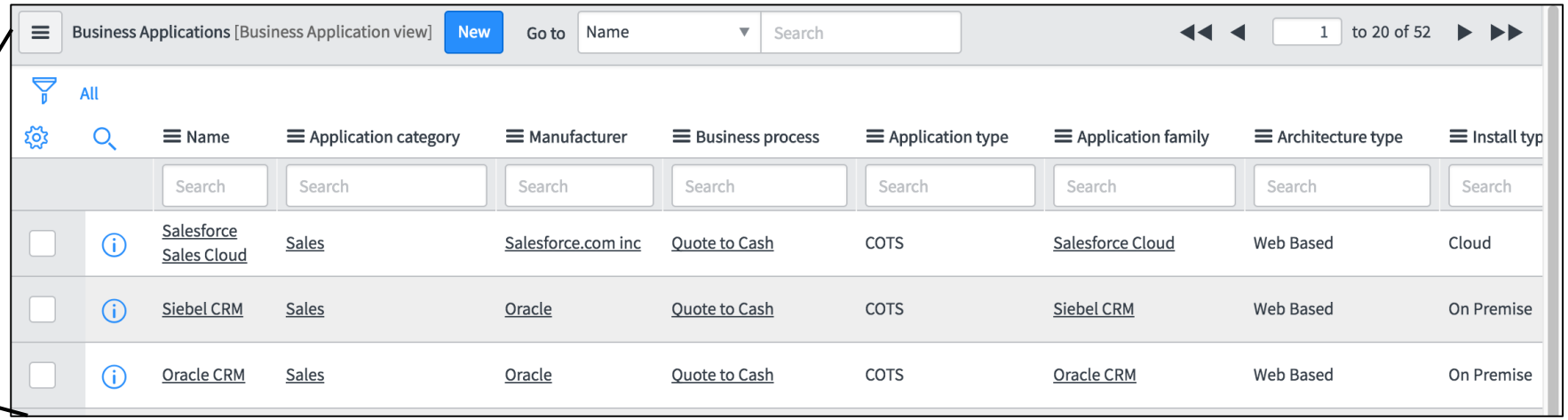
Each slice is a grouping option
ex. category

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Feedback: My Applications

As an application IT or Business owner, I can by default see my applications under “My Applications” main menus like other assigned / owned items.





Applications that I’m related to either as IT owner, Business owner, or other type of relationship with

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Stabilization: App Governance & Quarterly Review Cycle OOTB

Automatically invoke quarterly review cycle to update application data periodically

Report to reveal what users have not completed review

Leverage Data Certification Plugin to ensure data quality / criteria

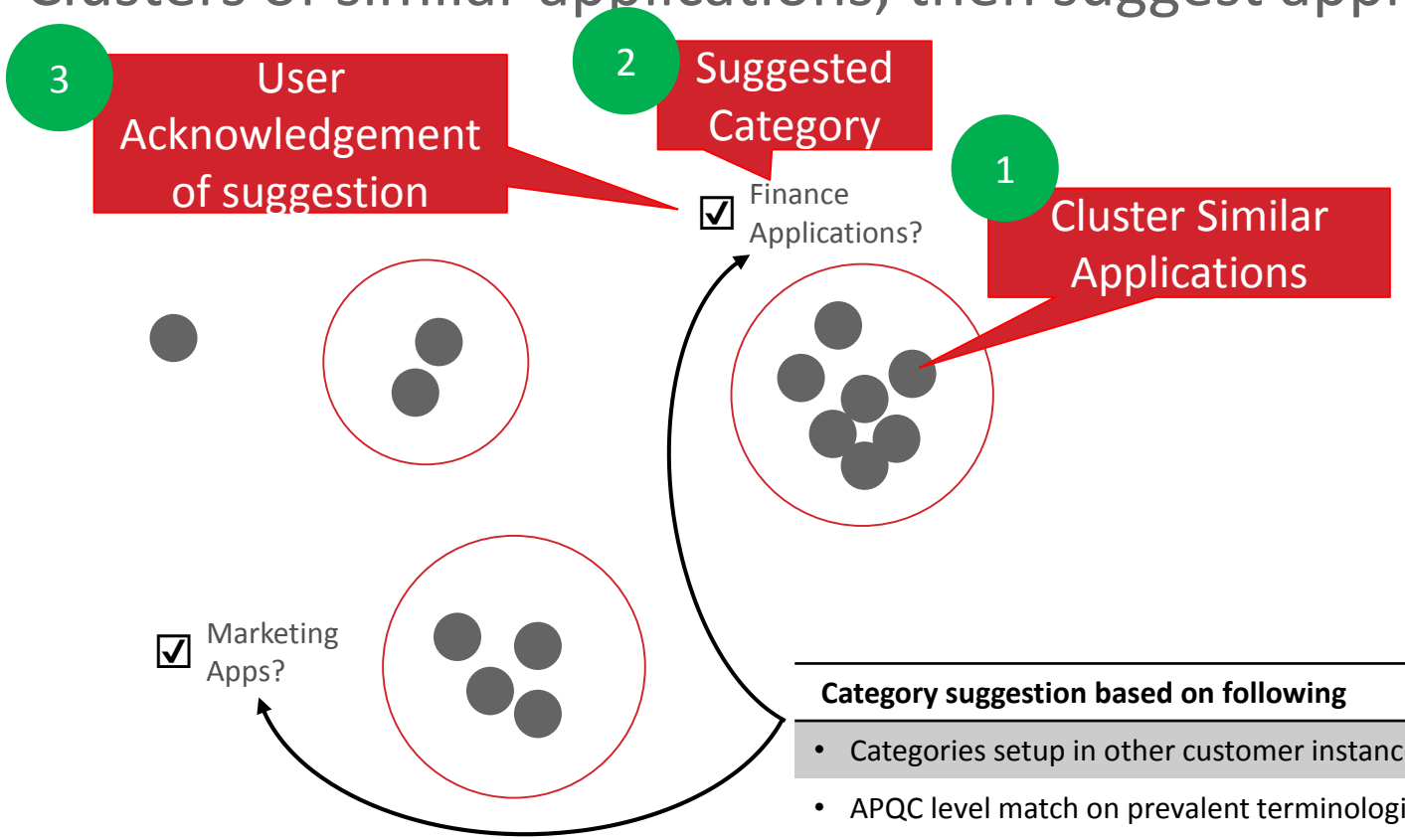
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Beyond Kingston
AI oriented features

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Smart Application Categorization Process

Clusters of similar applications, then suggest application categorization structure



Clustered Apps Based on:
Description
Users / org structure
Product Documentation (COTS)
Requirements that built app
The Category of other instances
data stored / metadata
UI content (HTML)
Install packaging description
Instance WAR file, file names / metadata
Source Code meta-data & comments

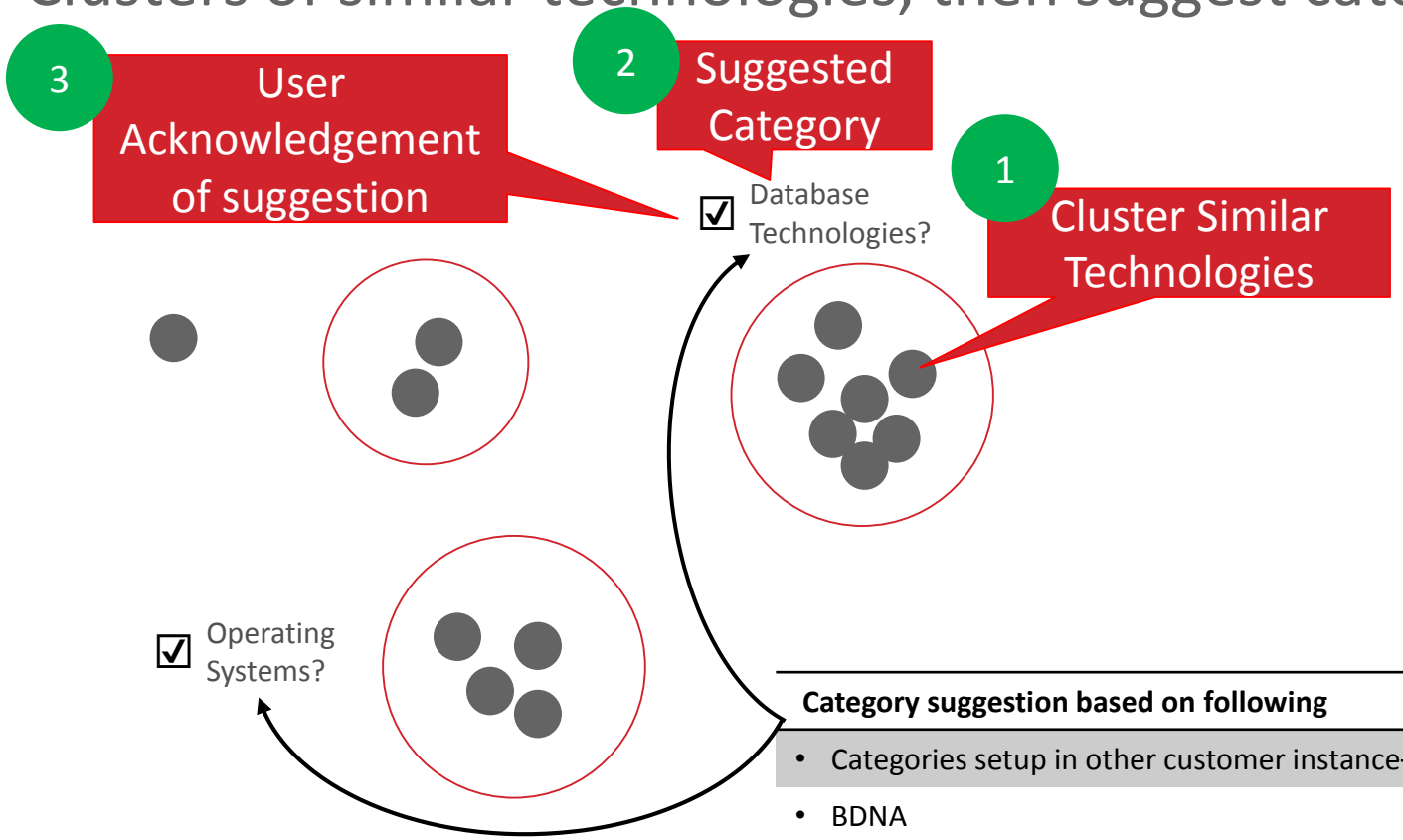
Category suggestion based on following

- Categories setup in other customer instance– Opt-in from existing APM user base
- APQC level match on prevalent terminologies (L1 – L5 matching taxonomy)
- Gartner market categorization example: https://www.gartner.com/doc/3535317?ref=SiteSearch&sthkw=mq&fnl=search&srcId=1-3478922254
- Vendor Categorization of products example: https://www.ibm.com/products/en-us/?lnk=hmpr

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Smart Technology Categorization Process

Clusters of similar technologies, then suggest categorization structure



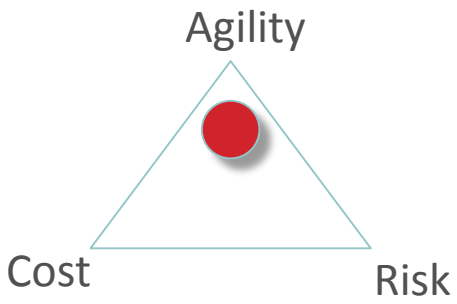
Clustered Technologies Based on:
Name
Description
Product Documentation (COTS)
The Category of other instances
Erecent Reference Data
BDNA if available

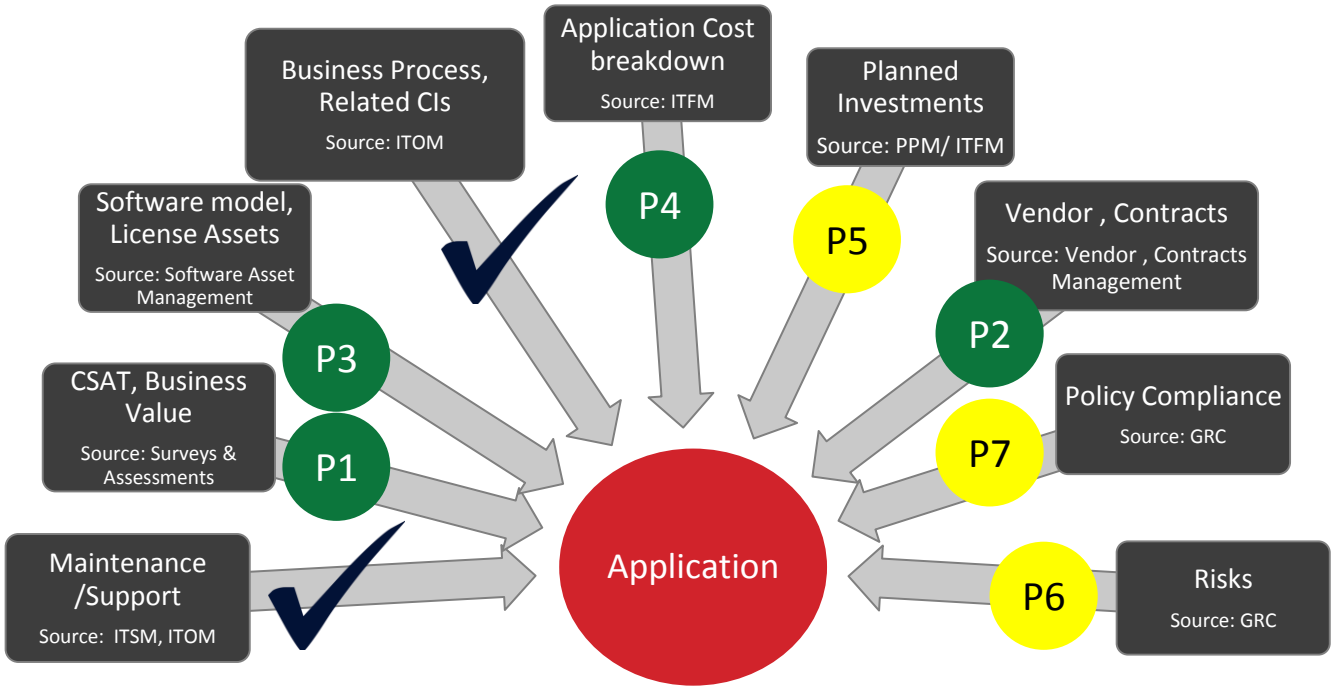
Category suggestion based on following
• Categories setup in other customer instance– Opt-in from existing TPM user base
• BDNA
• Erecent
• Vendor Categorization of products example: https://www.ibm.com/products/en-us/?lnk=hmpr

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Maturity Recommender - Improving APM decisions over time

- Common knowledge of platform modules, KPI's and algorithms
- Priority adjusts contextually

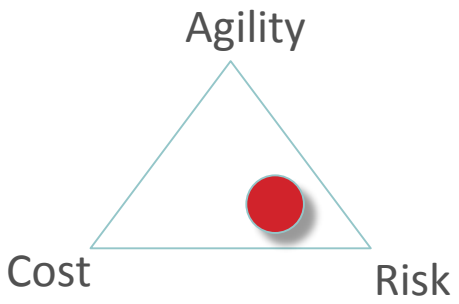


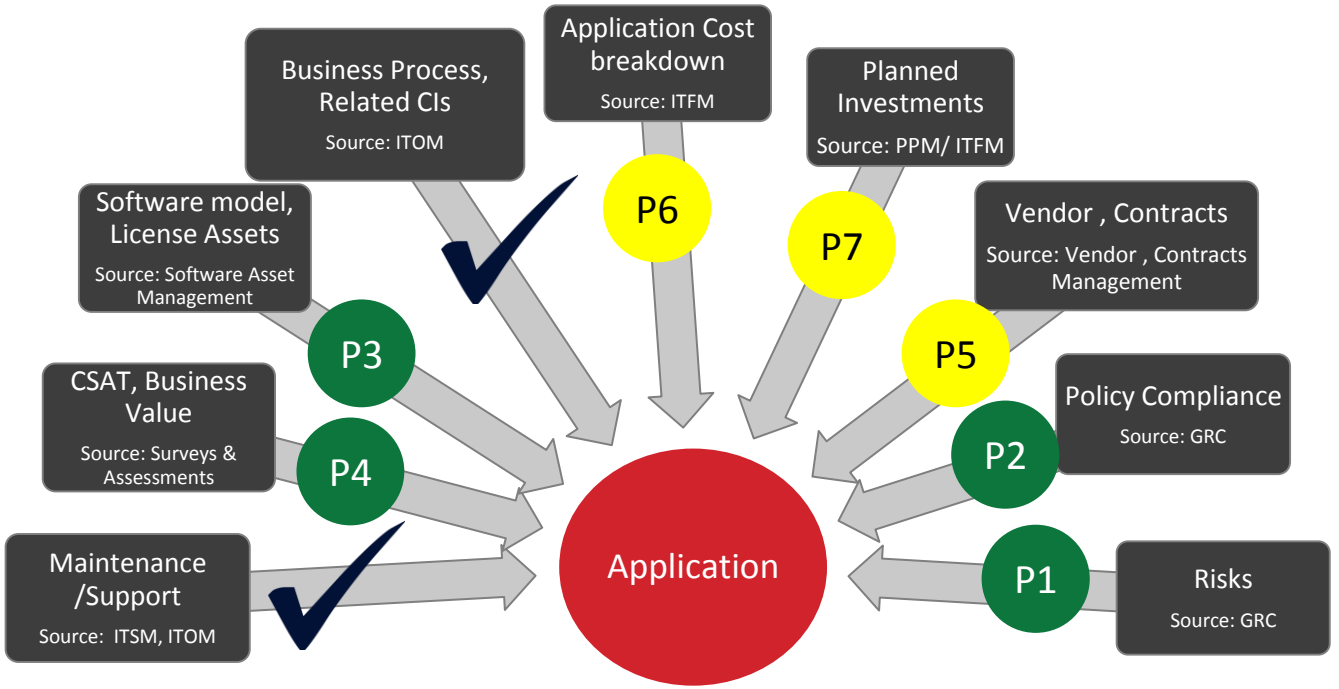


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Maturity Recommender - Improving APM decisions over time

- Common knowledge of platform modules, KPI's and algorithms
- Priority adjusts contextually





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Application Merge Agent – Continuously identifying redundancies

Agent finds similar applications, recommends which one is better to keep

Target App

From App	App1	App2	App3	App4	App5	App6	App7
App1		1.1	2.1	3.2	3.2	3.1	2
App2	9.4		4.3	4.3	31	2.1	1.1
App3	5.3	5.3		1.2	4.2	1	1.2
App4	1.2	7.2	7.3		3.7	6.9	3.2
App5	1.6	4.3	2.6	7.5		1	1.5
App6	3.1	2.2	3.2	7.0	1.1		2.1
App7	6.0	3.1	3.2	1.2	2.1	2.1	

1-10 Merge Score (10 greatest opportunity)

Highest Score to retire App2 into target App1

App6 and App4 should be merged, no clear target

Recommendations:

9.4: Merge App2-> App1
7.5: Merge App5-> App4
7.2: Merge App4-> App2
6.9: Merge App4-> App6

Evaluation Criteria

Matching App score:

- Similar Category
- Similar processes
- Better aligned to strategy
- Maximized asset use

Merge Direction Score:

- Lower cost / user
- Lower risk
- Lower complexity
- To target technology
- Greater asset availability

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Merge Recommendation Results Screen

Identifying App retirement Opportunities

Ranking score for best application to retire / merge

Rank	Application	Category	Reasons
932	HP PM - > Salesforst	Sales and Marketing	Cost, NPS
910	SAP CRM -> Oracle CRM	Customer Management	Reliability, Cost, Platform Alignment
901	CMS -> ?	Cust	Architecture, Risk, Latency
867	Lotus Notes -> Exchange	Colla	Redundancy, Cost, Vendor Alignment
856	Oracle Costing -> ServiceNow [illegible]EM	Financing	Availability, Stability, CapEx-OpEx
842	CDM -> ServiceNow PPS	[illegible]tomer Demand Management	Workload, infra-cost
828	Oracle Discreet Manufacturing ->	Capital [illegible]ment	Users, Cost, NPS, Infrastructure

Top reasons for score; cost, risk, reliability, NPS, etc.

Application suggested with Cloud target

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Cloud Migration Recommender

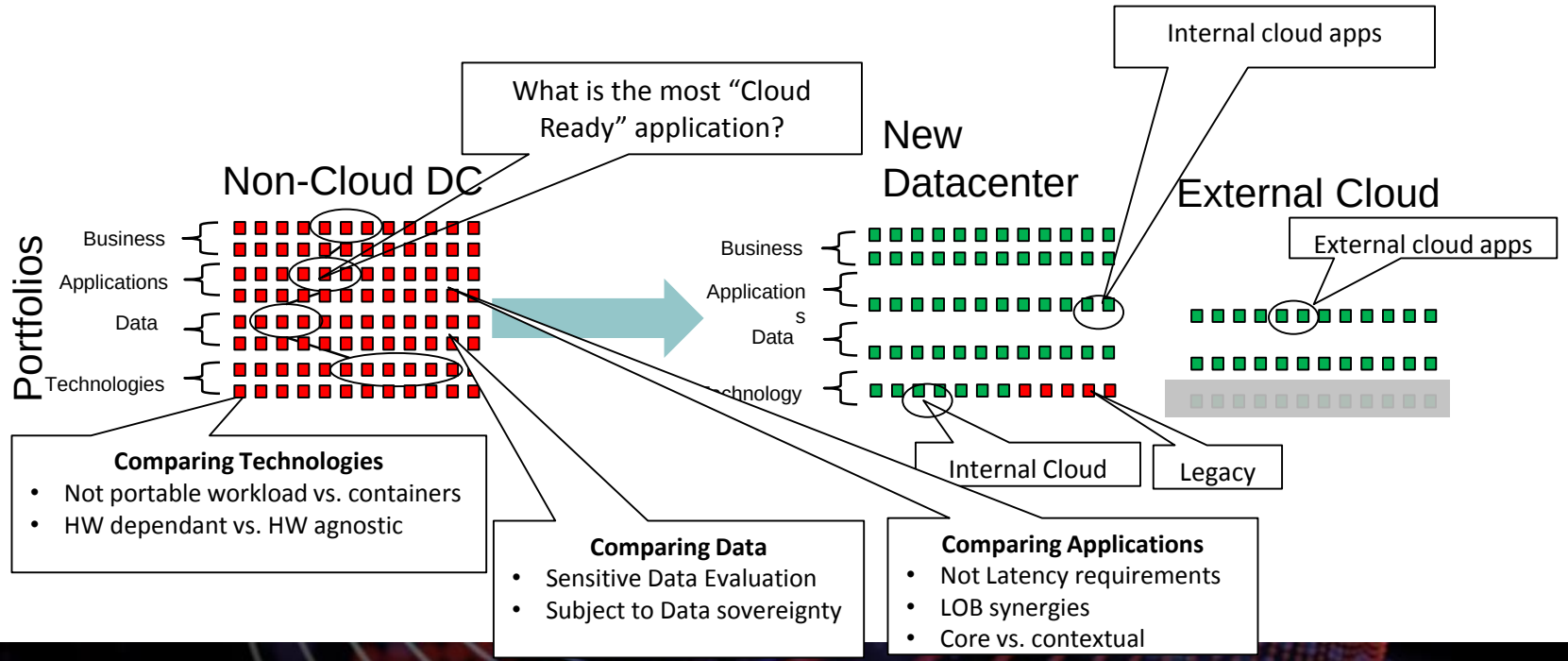
Cloud Migration Finder

The Planning Challenges

- Purely Manual process: Excel, Visio and PPT
- Inconsistent approach: scoping, prioritizing & tracking
- Subjective vs. objective

Insight Driven Cloud Questions

- What applications are most “cloud suitable”?
- What are the best move-groups for migration?
- Are we realizing benefits in Cloud?



Business Drivers:

- Decrease TCO:
- Cap-ex -> Capex spend
- Core vs. Contextual applications
- Limit risk

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Cloud Migration Recommender

Identifying cloud migration opportunities

Ranking score for best application for cloud

Rank	Application	Capability	Reasons
932	Sales4U on AWS	Sales and Marketing	Workload, users, Latency, Risk, Integrations
910	Pronto on-prem to Pronto.com		Users, Core V Context, Latency, # Integrations
901	CMS	Cust	Architecture, Risk, Latency
867	Exchange to MS Office 365		Cost, reliability, risk
856	MS Office to Office 365		Availability, Stability, CapEx-OpEx
842	CDM on AWS	tomer Demand Management	Workload, infra-cost
828	Capco on Azure	Capital ment	Workload, Architecture, CapEx->OpEx

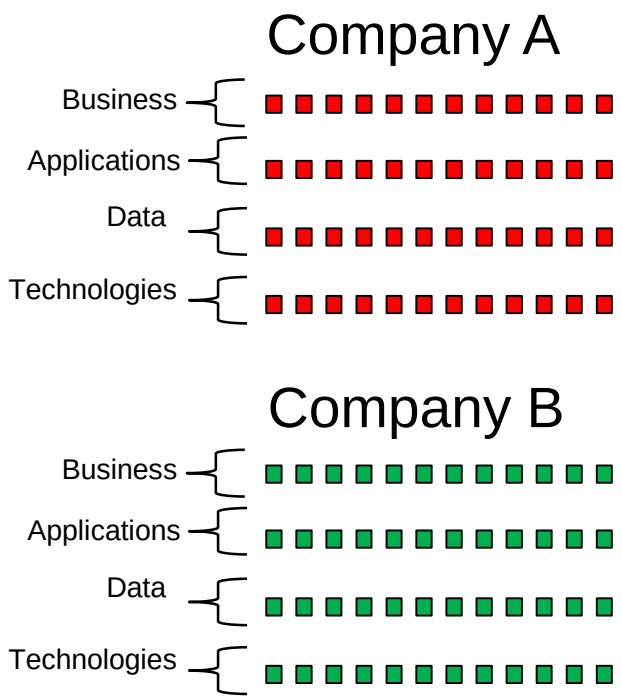
Top reasons for score; Workload, User Impact, integration Count, architecture, CapEx->OpEx

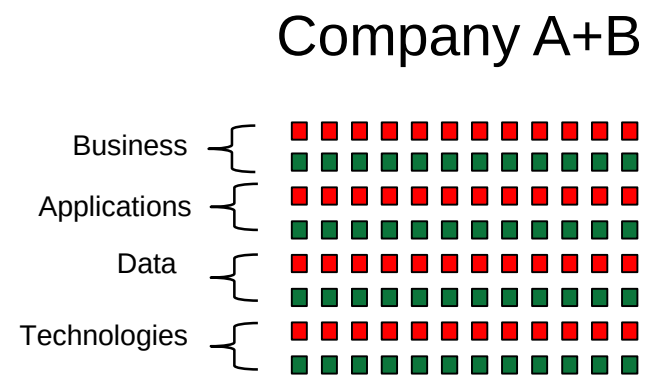
Application suggested with Cloud target

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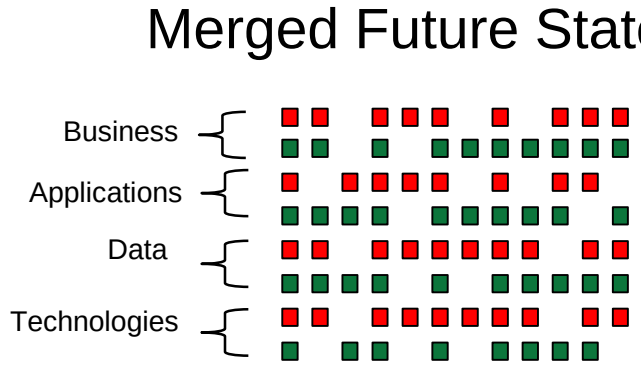
M&A Planning Recommender

M&A: Combining 2 Organizations

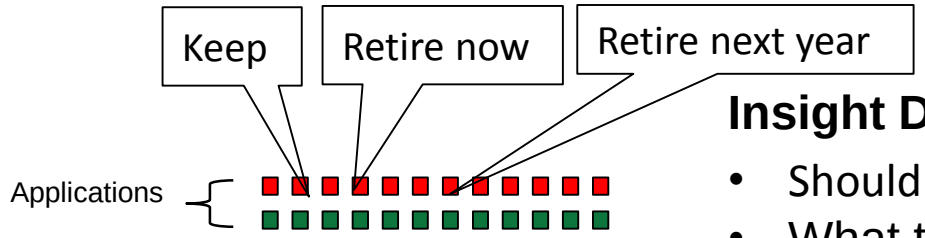




Immediately: 2X larger IT portfolio



Decreased cost, count & complexity



Insight Driven DC Transformation Questions

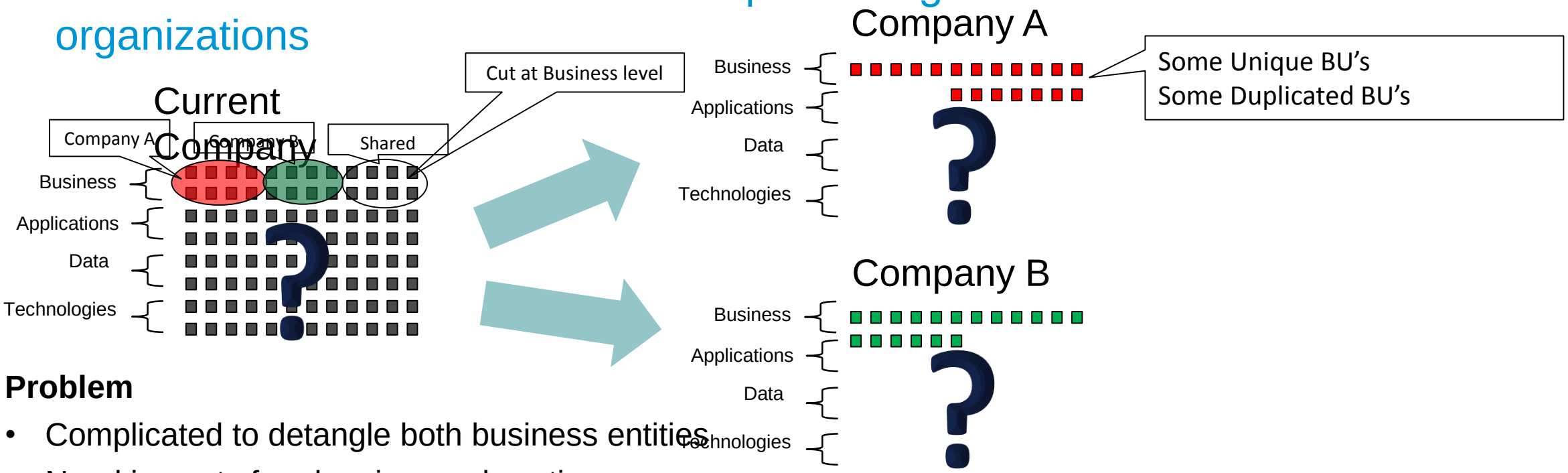
- Should the app from company A or B be kept?
- What technologies should we standardize on?
- What's the ideal sequence to merge apps?
- When can we realize IT savings from the

- Every portfolio item needs to be assessed and optimized
- Knowing dependencies (EA) critical for impact analysis

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Divestiture Planning Recommender

Divestitures: how to “Carve Out” to split an Organization into 2 new organizations



Problem

- Complicated to detangle both business entities
- Need impacts for planning, and costing

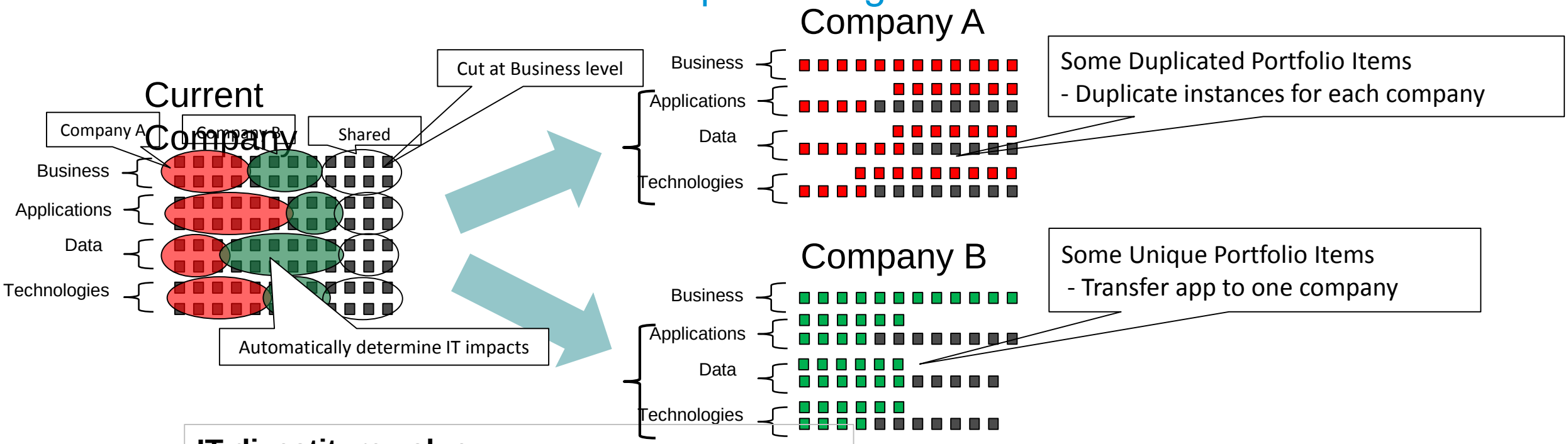
Challenge

- Every portfolio item needs to be assessed to determine destination
- Knowing dependencies critical for impact analysis

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Divestiture Planning Recommender

Divestitures: how to “Carve Out” to split an Organization into 2



IT divestiture value

- Decrease planning time
- Decrease execution time
  - Identify true costs
  - Identify shared dependencies

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Application Portfolio Management Sessions

- CCB3928 - Rationalizing your Technology Landscape with ServiceNow
- BRE4070 - Application Portfolio Management - Leverage the CMDB for success
- BRE4083 - Finally - IT planning that doesn't suck!
- BRE4089 - Roadmap: Future Direction for ServiceNow Application Portfolio Management
- BRP4288 - Panel: Real Life Experiences and Future Plans for Application Portfolio Management
- BRE4078 - How APM brings ''business of IT'' together
- LAB132027 - APM 201: The capabilities of the new Application Portfolio Management solution in Istanbul – Admin Focus
- LAB132026 - APM 101: Using the New Application Portfolio Management Solution to identify opportunities for Application Rationalization
- PCW4533 - Optimize IT value through Application Rationalization and Portfolio Management (2-Day Course)
- CCB3939 - Enabling Enterprise Architecture decisions through the ServiceNow platform

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