knowledge17

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Lab Guide

Application Portfolio Management 101

Simon Grice

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Introduction

ServiceNow Application Portfolio Management (APM) provides key capabilities to build a Business Application inventory. This will help you to understand how many applications your business organization has, and develop an application rationalization roadmap aligned to the enterprise goals and objectives. APM provides insight into the applications by using real-time data from the platform; reports and dashboards enable you to make better business judgments.

Adopting new business technologies is imperative to retain business competitiveness in the ever-growing market, which increases the demand for new applications. The dynamics of technology are so profound that the organization is unable to take advantage of the existing applications to fulfill its increasing needs. Procuring new applications (in addition to maintaining existing ones) and reviewing the redundancy of applications for similar functions, add to the budgetary constraint of the organization.

Application Portfolio Management helps you to address business challenges such as:

- Redundant applications for similar functions
- Increasing costs incurred because of owning and maintaining applications
- Ever-increasing demand to upgrade the existing applications for new functions
- Conflict between in-house legacy applications and that of the vendors
- Inadequate performance because of outdated applications

This lab explains how ServiceNow APM can be used to support the process of application rationalization.



Log On to Your Lab Instance

1. Navigate to the instance reservation URL provided by the instructor. For example: **https://k17d-sig-518-001-instructor.lab.service-now.com/instance_reservation.do**
2. Enter your name and email address and click **Submit**.
3. Note the login credentials for the instance assigned to you. Click on the **link** to the instance.
4. Log on as **admin** using the provided password (**Knowledge17**).

Lab Goal

This lab introduces the APM Home Page, Application Overview, and Landscape Dashboard to help you become family with the classification framework.

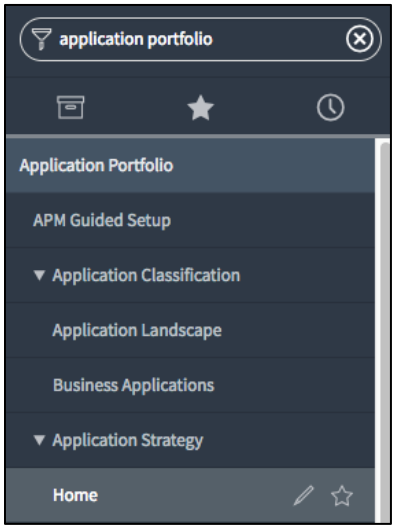
Lab 1
Classification

Step 1: APM Home Page

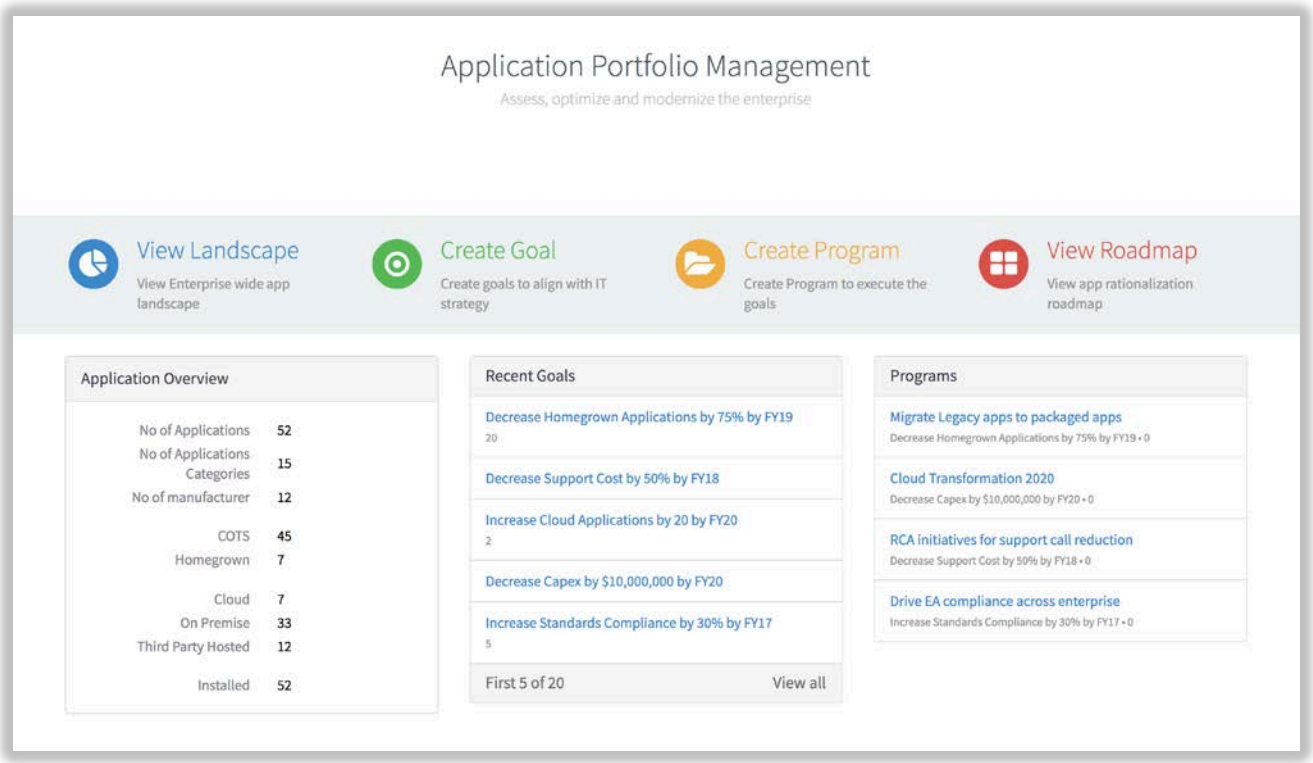
Begin at the Application Portfolio Management Home Page.

1. Navigate to **Application Portfolio** by typing **application portfolio** in the application navigator filter box.

2. Select **Home** from under the Application Strategy module. This launches the APM Home Page in a new browser window.



The APM Home Page allows an enterprise architect or application owner to work with their data, and supports the process of application rationalization.

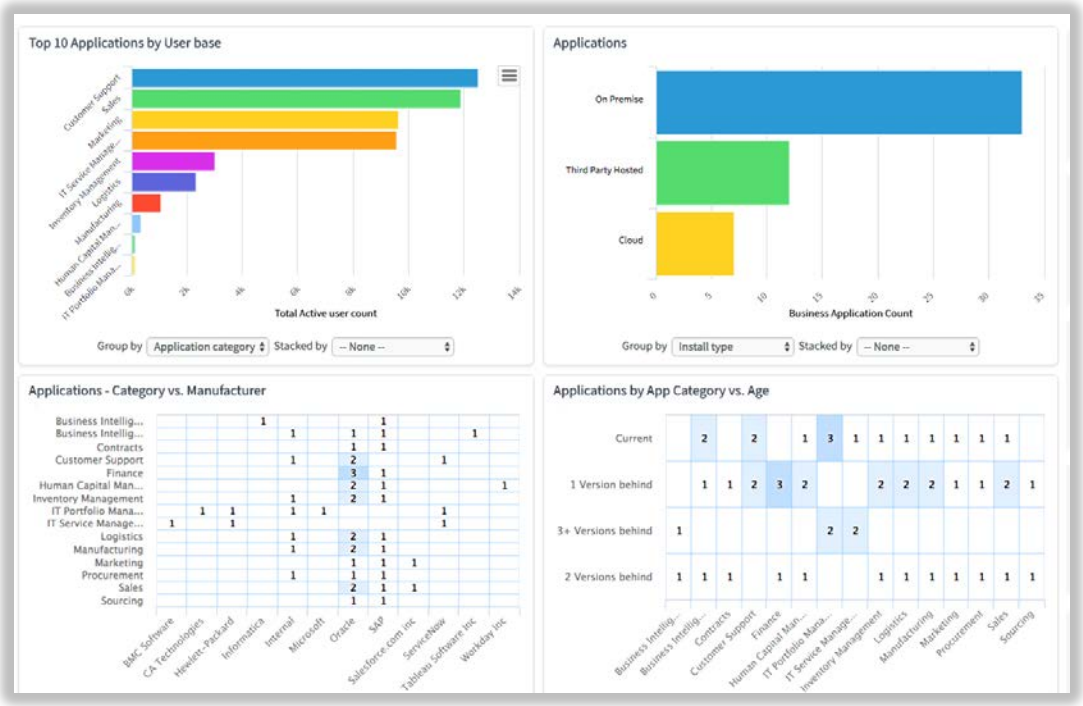


On the bottom-left is an overview of the applications that provides answers to the number of applications being managed and other insights (e.g., the number of applications deployed on premise versus in the cloud).

For many organizations, the Application Inventory is held in a standalone solution or even an Excel spreadsheet. This information can readily be loaded into ServiceNow by using the Guided Setup covered in LAB132027, *APM 201: The Capabilities of the New Application Portfolio Management Solution*. We can wrap additional context and data around the Business Applications to provide further insight. The 201 lab is aimed more at the Analyst that defines this additional data. This 101 lab is aimed at the Planner (such as an application owner) who uses the data to gain insight and plan future roadmaps.

Step 2: View Landscape

1. From the Application Portfolio Management home page, click **View Landscape**.



Here you can see a high-level overview of our application portfolio. Imagine being able to go into your executive board meetings armed with real-time accurate visibility of the application portfolio.

This capability enables you to show the VP of HR, VP of Sales, and VP of Marketing, the applications with which you are supporting their business.

On the top-left, note **Top 10 applications by User Base** report. This can be viewed in terms of Application Category and Application Family.

Note: An application category groups applications by **purpose** or **function**, while an application family classifies it by **vendor** or **platform.**

The **Applications** report at the top-right of the dashboard enables you to analyze the application portfolio in terms of different classifications, including:

- Install type
- Platform
- Technology Stack
- Currency (in terms of versions)

Note: The reports on the dashboard are fully interactive, so you can drill down to the detail.

On the next row of the dashboard you see two different heat maps, **Applications – Category vs Manufacturer** and **Applications by App Category vs Age.** These relate to vendor relationships and whether you are keeping up to date with support.

Note: You can filter the entire dashboard interactively using the filters on the right side.

Please answer these questions:

Q: Which Application Category has the highest Total active user count?

A:

Q: Which Application Family has the highest Total active user count?

A:

Q: How many Business Applications are deployed On Premise?

A:

Q: How many Business Applications are based on Cobol Technology?

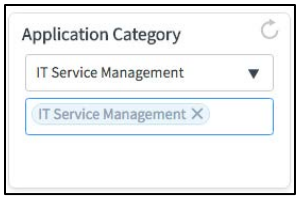
A:

Q: How many Business Applications are 3+ Versions Behind?

A:

Optional Step: Drill Down to a Business Application Record

1. From the Landscape Dashboard clear any filters on the right side.
2. Filter **Application Category** for **IT Service Management**.



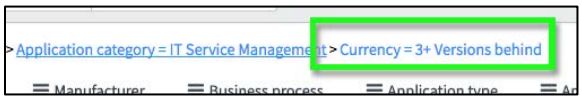
3. Click the **3+ versions behind** on **Applications by App Category vs. Age**.

4. Remove the breadcrumb filter for **>Currency=3+ Versions behind**.



5. Drill into **ServiceNow ITSM** to view the fields you record and capture around a Business Application.

6. In this example, look at the **IT Service Management** category. See that you have 2 applications that are 3+ versions behind. Hmmm… BMC and HP.



   By opening the filter, you see all ITSM Business Applications, and you see that ServiceNow is current.

In the past, we have seen a lot of customers extend our Business Service **configuration item** (CI) class to record their applications. With APM, we now provide an OOTB CI called **Business Applications** with a rich set of predefined attributes that you can track by viewing the ServiceNow application record.

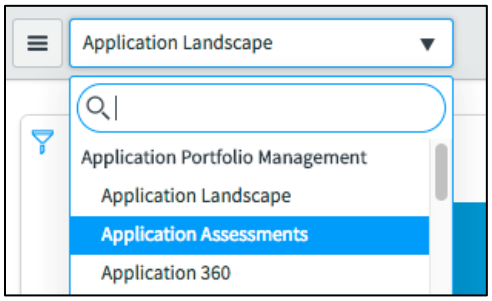
Lab Goal

This lab introduces the Application Assessment Dashboard and Application Indicators to help you become family with the example measurements used.

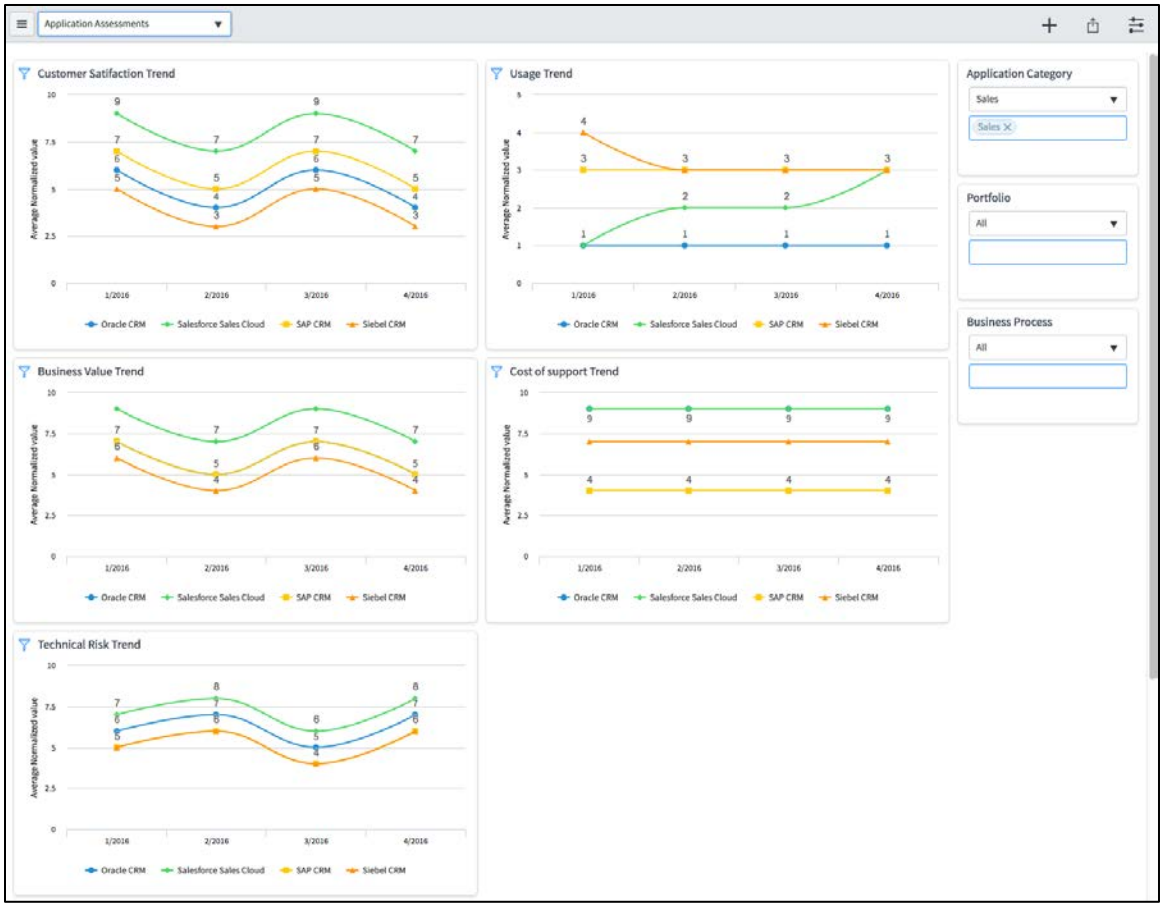
Lab 2
Measurement

Step 1: View Assessments

1. From the Application Portfolio Management home page. click **View Landscape**.
2. From the Dashboard drop-down menu, select **Application Assessment**.



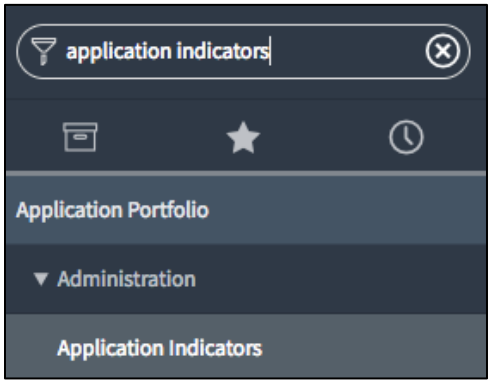
3. In this Dashboard, you can see that the filter is set to Application Category **Sales**. This enables you to see trended information for the 4 Business Applications supporting Sales. Lab 3 explains how this information is used to help analyze and plan based on Category information. For now, see how we collect these indicator scores.



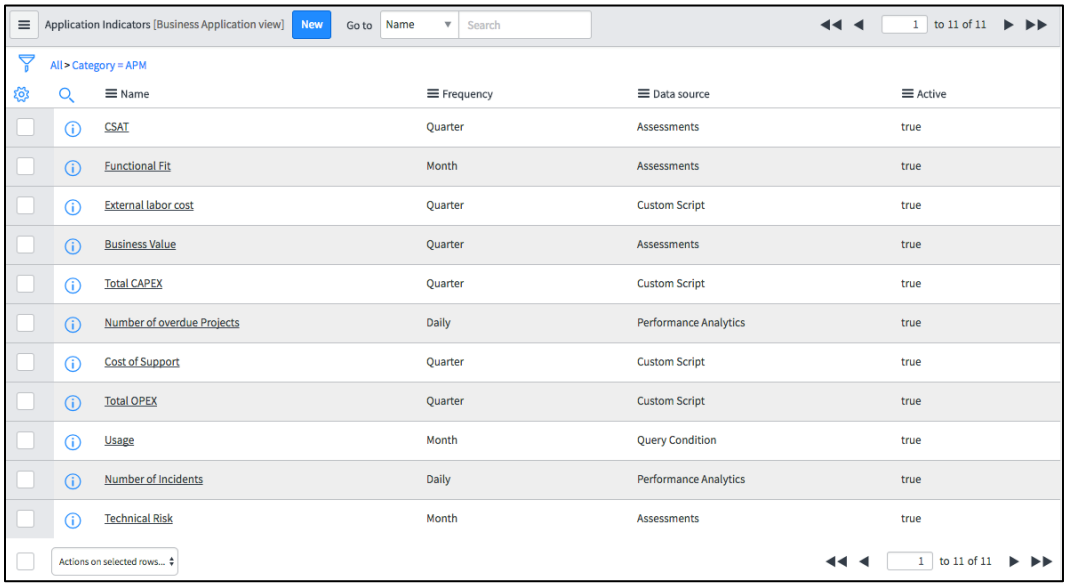
Step 2: View Application Indicators

1. Switch back to the ServiceNow application tab.

2. Navigate to **Application Indicators** by typing **application indicators** in the application navigator filter box.



3. Notice in the list of Application Indicators the measurements that are used by the Application Assessment Dashboard. Notice also the Frequency and collection method (Data Source).



Application indicators are business metrics used to assess applications. The applications are periodically evaluated and scores are calculated. You can create an application indicator based on the business needs. These indicators use the Application score profile, which is a consolidation of indicators and their weights.

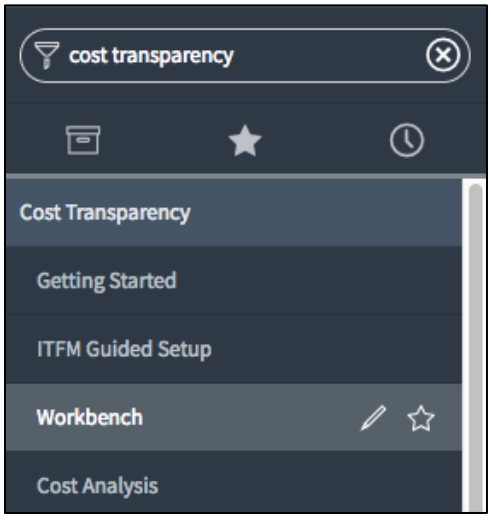
Use the default application profile or set up application profiles per your requirements. As stated earlier, LAB132027 (APM 201) provides more detail on this type of setup. For this lab, just be aware of what we use during analysis later.

Optional Step: Financial Management (Cost Transparency)

One of the key metrics when determining the value of a Business Application is the offsetting cost of delivering the application. Cost metrics such as External Labor Cost, Cost of Support, and Total CapEx and OpEx are driven from the ServiceNow Cost Transparency application. We provide an OOTB cost model for Business Applications to derive those APM cost metrics. This additional step highlights the Cost Transparency Workbench that is used to model these costs.

1. Navigate to **Cost Transparency** by typing **cost transparency** in the application navigator filter box.

2. Select **Workbench** from under the Cost Transparency module. This launches the Workbench in a new browser window Set Cost Model = Default Cost Model(APM).



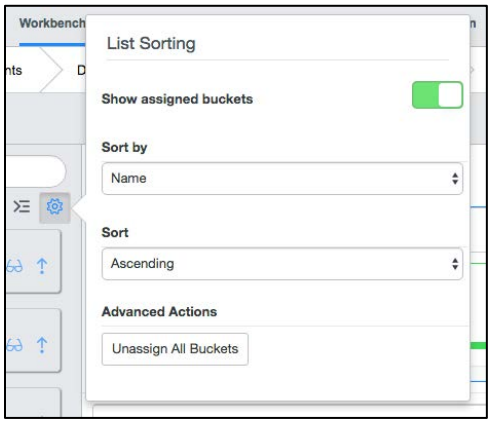
3. Set Fiscal Period = **FY16 Q3**.

4. Navigate to **Data Cleansing** and click the blue button, **Cleanse Data**.

5. Navigate to **Bucketing** and click the blue button **Run Bucketing**.

6. Navigate to **Allocation Setup.**

7. Select the option to **Show assigned buckets**.



8. Filter for **Support**.

9. Click the Preview in Allocation **Viewer**.



10. Close the Cost Transparency workbench window and return to the **APM Home Page**.

Lab Goal

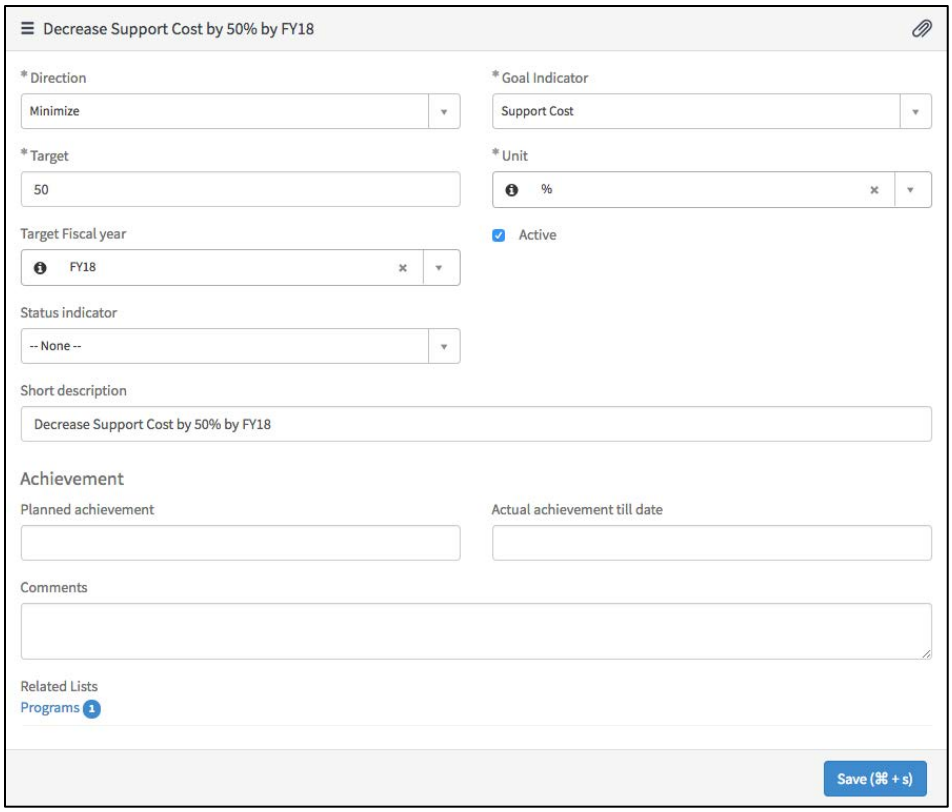
In the prior 2 labs, you explored the Classification and Measurement being used for the Business Applications. This lab shows how the resulting analysis can be used in the context of planning the future roadmap for the Application Portfolio.

Lab 3
Planning and Analysis

Step 1: Create Goals

Having reviewed the landscape of your application portfolio, you can now consider how to rationalize the portfolio. The first step is to define the goals of the rationalization exercise. From the APM home page, you can create goals. Imagine one of your primary targets is to reduce the cost of support. Drill into the already defined **Decrease Support Cost by 50% by FY18** goal.

1. From the APM home page, click the goal **Decrease Support Cost by 50% by FY1**.



2. If you consider the detail of the defined goal, you can see that the aim is to minimize support costs and target a 50% reduction by FY18.

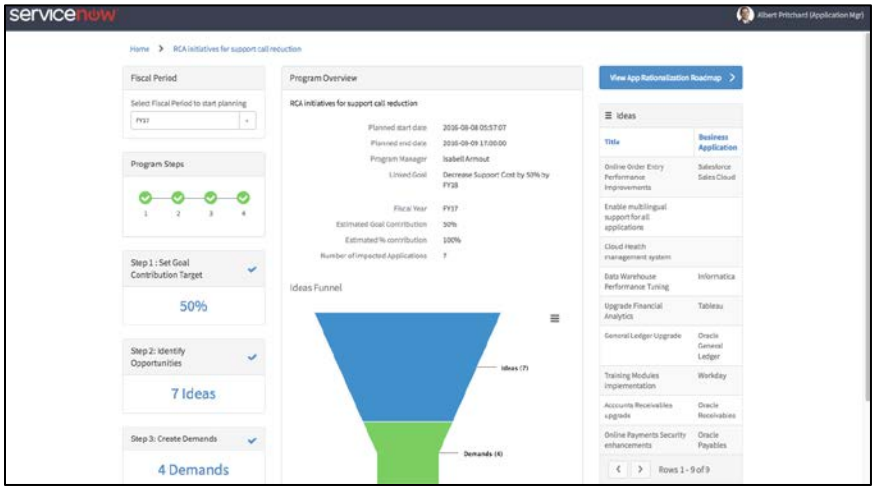
3. Click the background to close the goal.

Step 2: Create Program

Having defined the goals, you can now create programs to contribute to and deliver on those goals. These programs are linked directly to the goals created. For the purposes of this lab, use a program that has already been created, namely **RCA initiatives for support call reduction.**

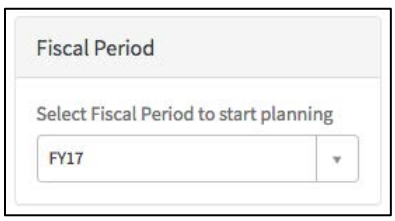
1. From the APM home page, click the program **RCA initiatives for support call reduction**.

2. In the program, you can now start planning this program by identifying relevant rationalization opportunities to achieve the defined goal.



The solution supports the delivery of different types of programs, including those large transformational activities that span multiple years. You can therefore plan this program for each fiscal year aligned to the corporate budgeting cycle. For the purposes of this lab, plan for **FY17**.

3. Make sure the fiscal period is set to FY17.



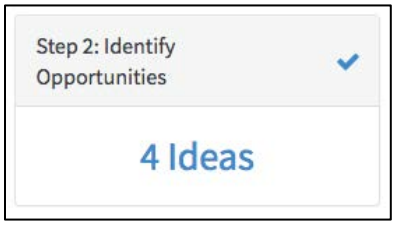
4. When you enter the program, you are taken to a guided navigation page, which takes you step-by-step through the planning process.

5. Start with defining the targets for the program in this fiscal period. The target indicates what you target this program to deliver in terms of contribution to achieving the defined goal in FY17.

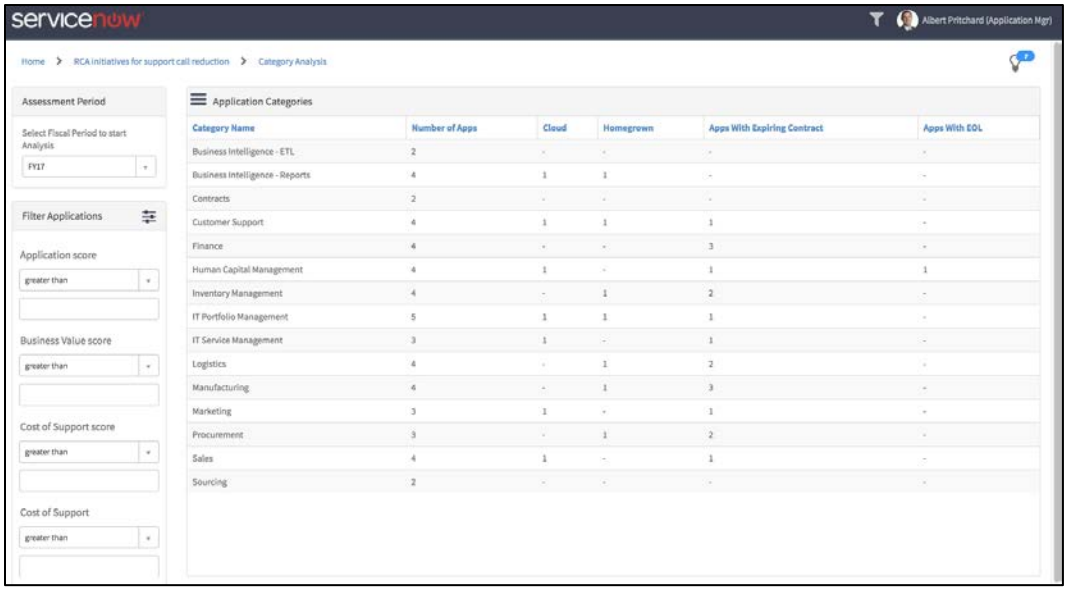
Step 3: Identify Opportunities

Having defined the targets for FY17, the next step is to identify the opportunities within the Application Portfolio that you can execute within this period to achieve the target. Bringing together all the information around the portfolio of Business Applications APM helps you understand where those opportunities exist.

1. Click on Step 2 ideas.



2. This takes you to the Category analysis.

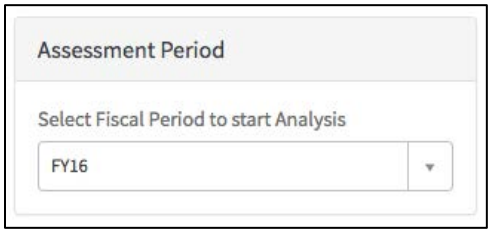


3. Start the analysis on this **Application Category Analysis** page. This summarizes by application category the business application portfolio.

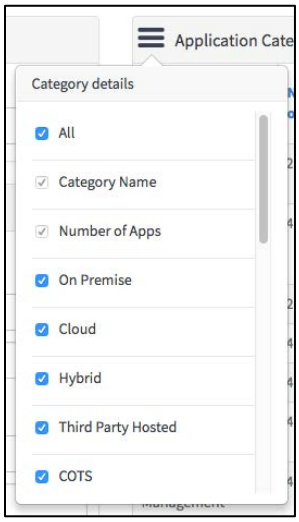
4. Due to the wealth of information in APM, you can perform analysis across a series of different metrics, including Cost, Incidents, Changes, Customer Satisfaction etc.

5. To perform your analysis, you can consider some historical information about the applications. Use FY16 data for the analysis.

6. Change the assessment period in the top-left of the dashboard to FY16.



7. Open the category details by clicking on the **burger** icon and selecting **All**.

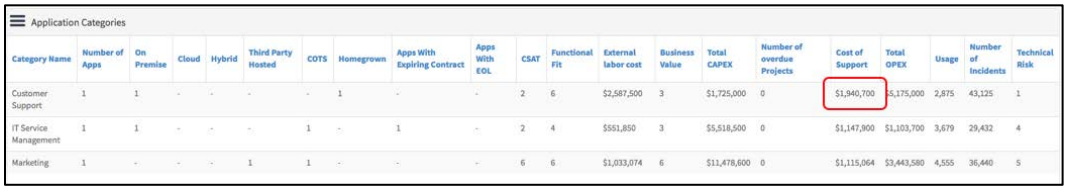


8. This options list lets you select which metrics that are most relevant for your analysis. In this lab, select **all** to see what metrics are suggested OOTB. The **Application Category Analysis** enables you to review your chosen metrics across all application categories.

9. Since the target is to reduce cost of support, narrow down application categories to those that contain applications where **cost of support was greater than 100k in FY16**.

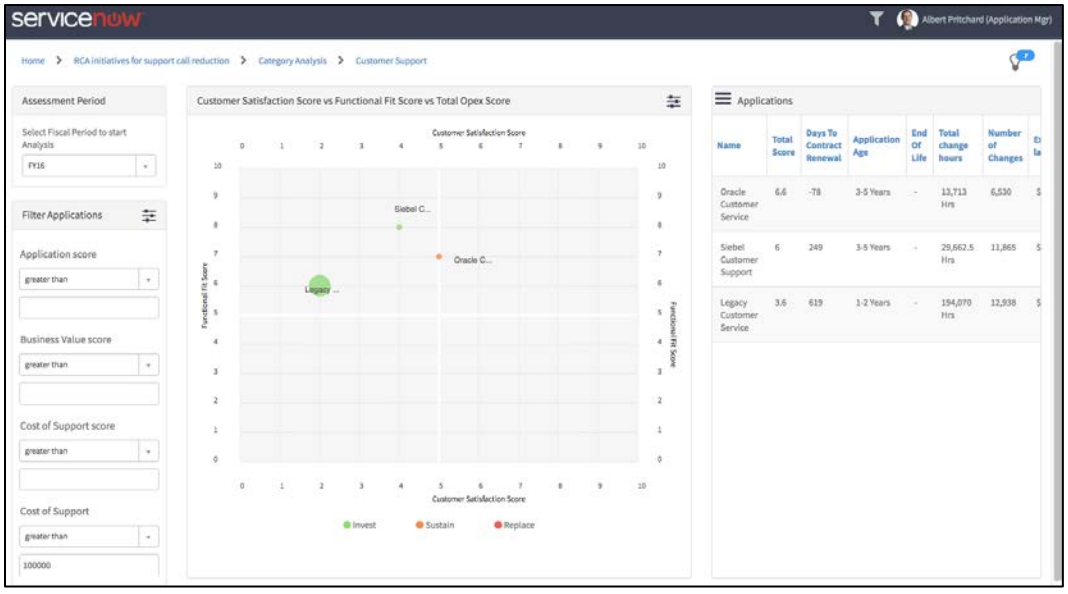
10. In the left filter, enter **1,000,000** in the **Cost of Support**.





11. As you see, the category for **Customer Support** incurred the highest cost of support in FY16. Drill into this category to see the details of the applications.

12. Clear the Cost of Support filter and click the **Customer Suppor**t category name.



13. This takes you into the detailed Customer Support category analysis. Note that there are currently 4 applications, shown by the list of applications on the right side of the screen and the 4 bubbles in the balanced view.

14. You can see that the **Legacy Customer Service application** has scored poorly overall, and you can also see close to $ 2million spent on support, evident from the number of incidents coming in and high change cycle time, etc.

Optional Step: Drill into Legacy Customer Service Application Record

As you may have done during Lab 1, this is another natural point in which you may wish to drill into more details about a specific Business Application.

1. From the Applications List on the right, click **Legacy Customer Service**.

   This application is based on client-server architecture, which could explain the high change cycle time. If you require more information, you can drill into more detail on the architecture by looking at the dependency map. This highlights the complex architecture of this business application.

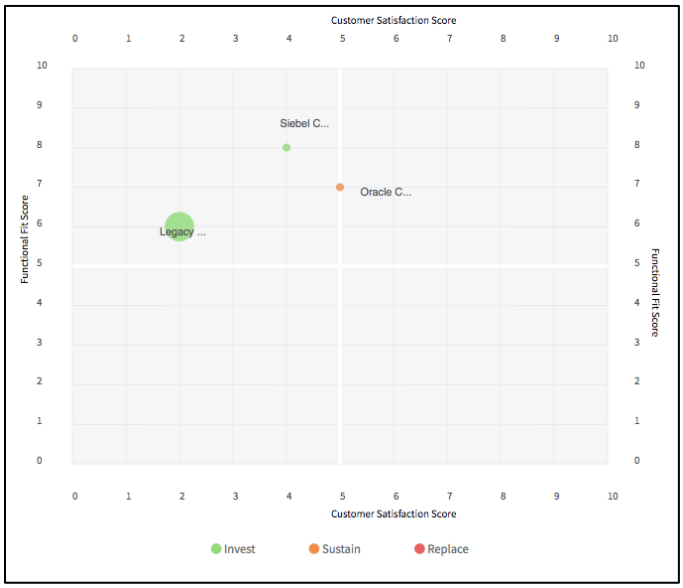
2. This also highlights the advantage of using ServiceNow as this information is coming directly from the CMDB and can be visualized by clicking on the **Show dependency views** icon.



3. After you review the application details, return to the **Customer Support** category analysis tab.

Step 3: Identify Opportunities (continued)

1. The Customer Support category analysis page enables you to perform further analysis by utilizing the bubble chart.



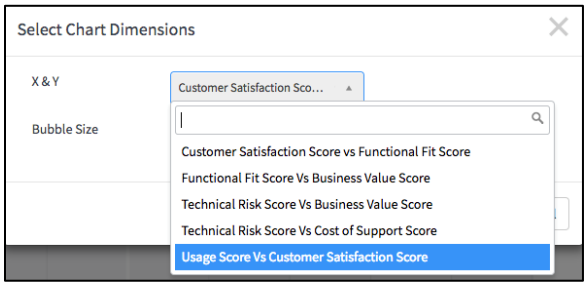
2. The bubble chart analyzes information across a range of different dimensions, and provides recommendations on application strategy based on the scores of these dimensions.

3. If you analyze the category by **Usage vs. Customer Satisfaction Score**, the bubble chart clearly indicates that you should consider replacing this legacy customer service application (i.e., the legacy customer service application is red, and the large bubble size is indicative of the high cost of support of the application).

4. Click on the **setting** icon on the top-right corner of the bubble chart.



5. Change the X&Y value to **Usage Score Vs Customer Satisfaction Score**.



6. Having identified the need to replace the **Legacy Customer Service application**, you need to identify a better application to replace this with.

7. See if there are any other applications in this category with a reduced support cost.

8. The **ServiceNow Customer Service** application looks like a good option. From the applications list, you can see that it has a good score, reduced support cost, with high functional fit, Business Value, and Customer Satisfaction scores (would you expect anything else!).

9. This looks like a suitable candidate to consolidate the customer service function. Start by moving the legacy customer service app to the ServiceNow platform.

   Note: You can try different selections to experiment with the different insights available from the analysis.

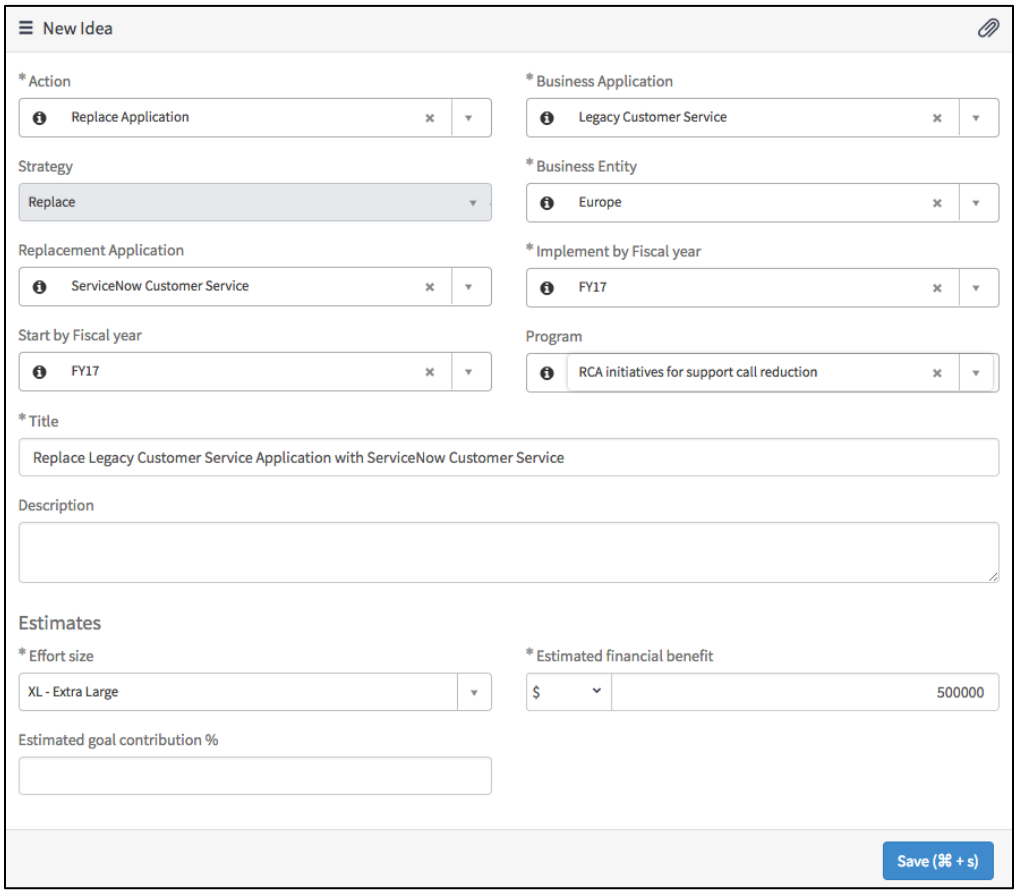
   Please also note: A lot of APM or Technology Business Management solutions talk about providing insights. However, ServiceNow is the only platform that allows you to find insights, then act and track those actions in the form of projects to achieve the desired outcome, due to the full integration of Project and Portfolio Management capabilities.

10. Having identified the rationalization opportunity, let's submit an idea to replace this **Legacy Customer Service** with ServiceNow Customer Service. Right-click on the Legacy Customer Service bubble and select the option to create an idea.



11. Complete the attributes of the new idea as follows:

    Action: **Replace Application**
    Business Entity: **Europe**
    Replacement Application: **ServiceNow Customer Service**
    Implement by Fiscal year: **FY17**
    Start by Fiscal year: **FY17**
    Program: **RCA initiatives for support call reduction**
    Title: **Replace Legacy Customer Service Application with ServiceNow Customer Service**
    Effort Size: **XL**
    Estimated financial benefit: **500000**



12. **Save** the completed form.

In this example, you are looking to having a phased rollout, starting with Europe. This would require a potentially large investment in the license and implementation cost, but it should help you realize $500k+ of net savings annually in cost.

Having created the idea, now return to the Program home page.

1. Click on the Program name in the breadcrumb.



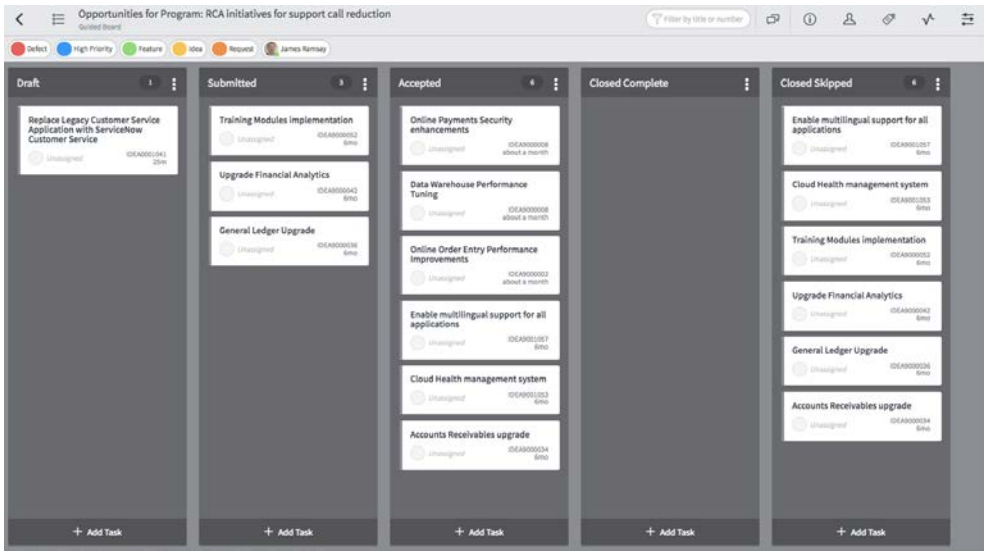
You can see that the new idea appears in the list of ideas for the program in that fiscal period.

You're now able to review all the submitted ideas and identify the ones to develop to deliver our goal.

Accepting an idea creates a demand. Demands can be thought of as Concepts, Briefs or Business Cases. These follow the Demand management and approval process. Once approved, a demand is converted into a project, which then manages the work involved. **The End-to-End process is managed in ServiceNow.**

1. Click on Step 3 Demands.





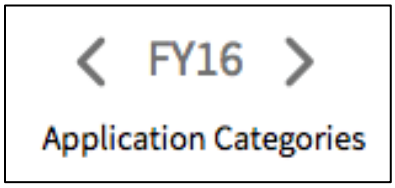
On entering Step 3 of the process, you see a Visual Task Board (VTB) of all the ideas (opportunities) identified for this program. Each idea is represented by a card on the VTB. To create a demand, you can select the card for the newly created **Replace Legacy Customer Service Application with ServiceNow Customer Service** idea and move it to the Accepted swim lane.

This formal overview into the Business Case creation, approval, and project life cycle marks the boundary of this lab. Further labs are available to cover the Project and Portfolio Management capabilities.

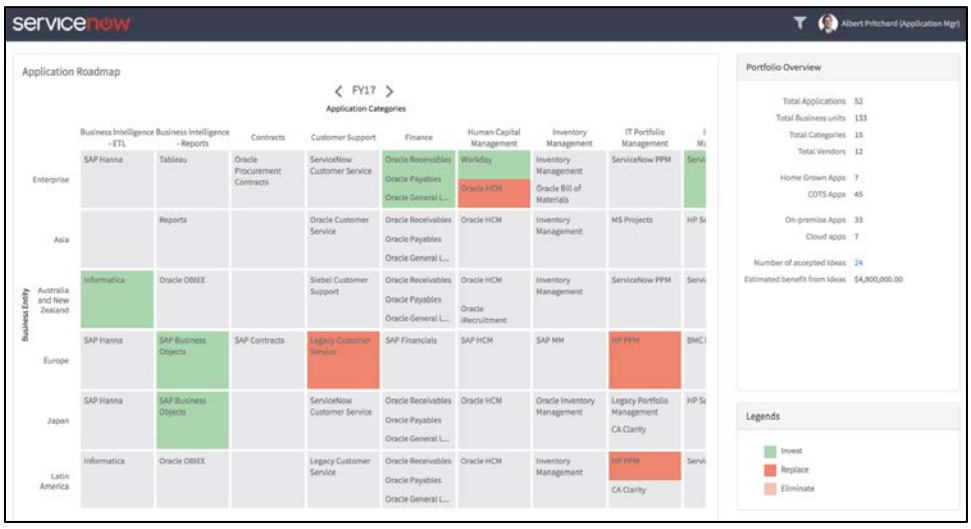
Step 4: Review Roadmap

As a final step, review how these decisions are reflected on the Roadmap.

1. Return to the **Application Portfolio** home page tab.
2. Click on **View Roadmap**.
3. Toggle between **FY16** & **FY17**.



4. The **Application Rationalization Roadmap** provides a real-time visualization into how the demands and projects were working impact the Application Landscape.



5. In the Application Rationalization roadmap, you can see the state of the applications between fiscal years. Here, you can see for Europe that the Customer Support application is the Legacy Customer service in FY16. Moving forward into FY17, the Legacy Customer service is slated for replacement for Europe (i.e., it is highlighted in RED).

6. You determined that the project to replace the Legacy Customer service will be done in FY17. Moving into FY18, you can see that the application is being replaced by ServiceNow customer service.

That concludes this lab. We hope it has provided you with a good overview of the Application Portfolio Management in the Istanbul release of ServiceNow. Thank you for taking the time to attend.