The Secret to Lower Labor Costs -- May Be Hidden in Your Application Portfolio
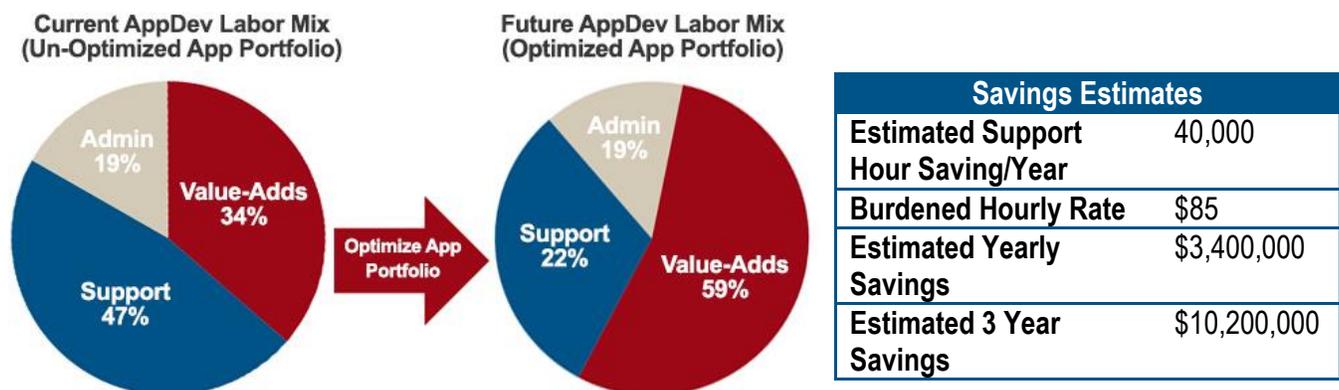
Reactive management is a fact of life in complex IT environments. Maintaining production is always going to take priority over big picture perspectives. IT application portfolios usually evolve over time, growing organically, rather than through holistic design. The inevitable results include loss of visibility, redundancies and inefficiencies tied to aging and duplicative technology that lingers long past its useful lifetime. Left unchecked, these invisible factors will siphon off a disproportionate share of your resources.

This insight is supported by research that consistently finds that when companies take the time to actively manage their application portfolios, IT expenditures decline by 15-20% -- with no significant side effects. The fact is that these unrecognized redundancies and inefficiencies represent a very significant opportunity for IT cost savings and quality improvements. The question is: how do you get there, while maintaining day to day operations?

Introducing a fast, low-cost path to savings: Application Portfolio Assessment

Because few clients have a process -- or even the organizational structure in place - to assess their portfolios, we piloted and proved our own Application Portfolio Assessment Methodology. We now offer this proven service to help clients determine how to optimize their application portfolio as a path to reducing IT costs, improving IT quality and freeing up resources for high-value strategic initiatives.
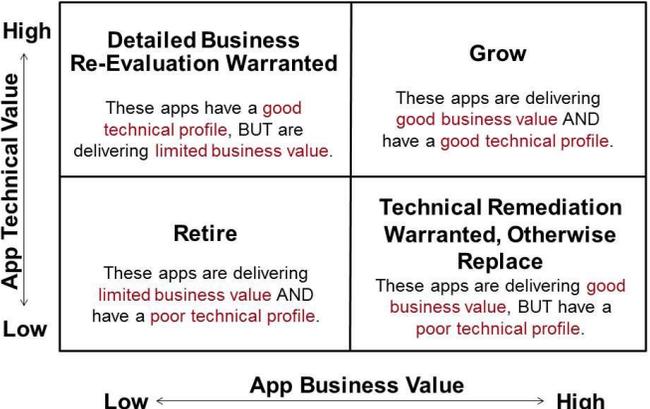
Part of the power of Application Portfolio Assessment Methodology is how it identifies wasted IT support. Along with reducing unnecessary expenditure due to redundancies and inefficiencies in an enterprise's (or business unit's) application portfolio, it enables companies to invest more in strategic programs. See the case study below of a recent client assessment, in which it was determined that 42% of enterprise applications should be retired or replaced.

Current AppDev Labor Mix (Un-Optimized App Portfolio)
Admin 19%
Value-Adds 34%
Support 47%

Optimize App Portfolio

Future AppDev Labor Mix (Optimized App Portfolio)
Admin 19%
Support 22%
Value-Adds 59%

Savings Estimates	
Estimated Support Hour Saving/Year	40,000
Burdened Hourly Rate	$85
Estimated Yearly Savings	$3,400,000
Estimated 3 Year Savings	$10,200,000

Realize ROI today with a reality-based, stakeholder-driven process.

A key tenet of Leveraging Technology's Application Portfolio Assessment service offering is that it meets clients where they are, as opposed to where they aren't. We understand that most companies do not have detailed, documented, quantitative information about all of their applications. However, your company has excellent SMEs (Subject Matter Experts) that have detailed knowledge of their applications. Our methodology pulls together a small team of your SMEs and applies their subjective inputs in a structured environment facilitated by an experienced Application Portfolio Architect to fast-track a meaningful portfolio assessment, and produce an executable, as opposed to aspirational, roadmap.

Get actionable answers in days, not months.

Methodology	• A process and tooling for assessing the business value and technical value of each application. • The team evaluates each application and places it in one of the four quadrants (see illustration)
Assessment Quadrants	• Assessment of applications is based on how its technical value compares to its business value with a good-to-poor rating on each value. • Quadrants identify which apps to 1 - Grow; 2 – Need Technical Remediation; 3 - Require Detailed Business Reevaluation; or 4 - Retired. **High** / App Technical Value / **Low** **Detailed Business Re-Evaluation Warranted** — These apps have a good technical profile, BUT are delivering limited business value. **Grow** — These apps are delivering good business value AND have a good technical profile. **Retire** — These apps are delivering limited business value AND have a poor technical profile. **Technical Remediation Warranted, Otherwise Replace** — These apps are delivering good business value, BUT have a poor technical profile. **App Business Value** — **Low** ← → **High**
Roadmap	• Prioritized plan for executing on the quadrant recommendations for all applications (For example, the team will decide on and document which applications should be retired first, second, and third, along with associated retirement plan specifics.)
Deliverables	• Quadrant Recommendations for each application • Associated rationale and application attributes in a "dashboard" • Portfolio Roadmap encompassing all of the applications under consideration.

Seize Your Opportunity

Investing a few hours in preparation, followed by a Leveraging Technology-facilitated team assessment, our exclusive methodology can be applied to transform your application portfolio, and potentially realize significant savings in labor and licensing costs. To learn more, contact Info@leveraging.com or call 585.454.4250 x100.

About Leveraging Technology

We are a business consulting firm founded in 1998 that fully understands how all aspects of the information technology lifecycle can impact business results. We employ a practical, partnering approach to transforming the design and architecture of your information technology environment to drive business performance. We provide consulting services to a mix of industries across the entire IT lifecycle, while maintaining a perspective of the business strategy.