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3 Steps to IT Rationalization with HOPEX IT Portfolio Management

From IT inventory to application retirement through obsolescence risk reduction

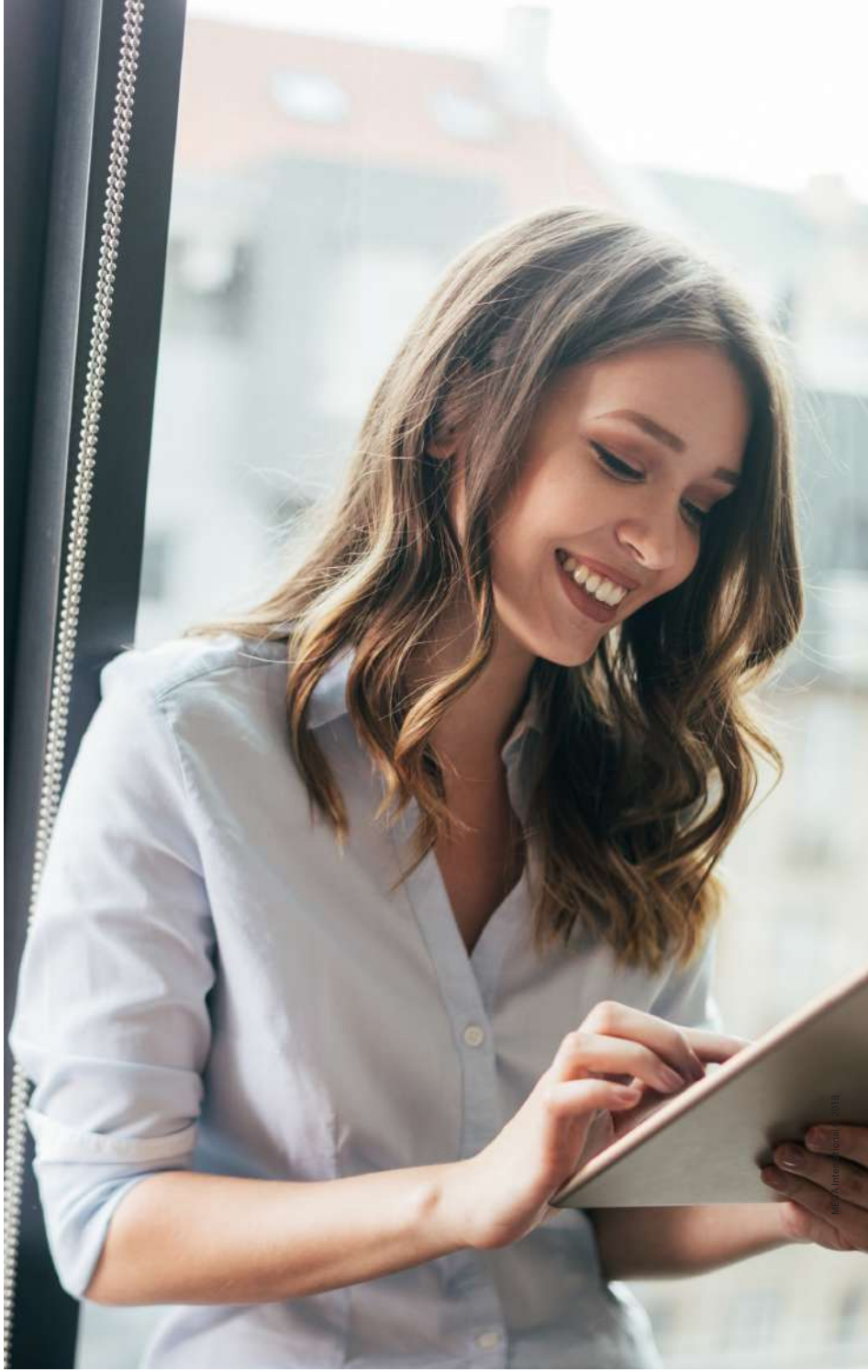
What's the Single Most Important Factor That Drives Your Business?

If you answered technology, then the next question you should ask is whether your IT team is fully equipped and empowered to innovate and foster business growth.

There are three basic characteristics of an effective IT program for growing enterprises:

- **IT resource availability:** Do you have complete visibility into your IT portfolio that provides - at a glance - an inventory of all applications and which business functions they serve?
- **IT Rationalization:** Have you simplified the complexity of your IT system that may have resulted from growth, mergers or acquisitions? Have you properly eliminated or modernized specific resources so that you're operating at the peak of business agility?
- **Security:** Have you reduced the obsolescence risks of the hundreds (or thousands) technology components that support your applications, by monitoring their lifecycle with up-to-date information?

Taking action to gain visibility, simplify complexity and reduce risks can rationalize your IT system so that you can devote more resources to innovation.



Establishing IT Portfolio Management as an Ongoing Practice

In this digital age, where almost every new business project is an IT project, IT departments have to help proactively define new business opportunities, not simply ‘keep the lights on.

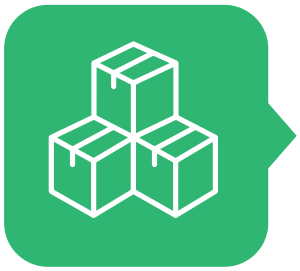
Establishing IT portfolio management as an ongoing practice is the best way to make your IT system more powerful, efficient and directly suited to the daily needs of your internal innovators. It can help your company overcome today’s business demands and position it for future challenges.

IT portfolio management improves business performance by helping you determine which applications serve your company best and by providing the information you need to answer vital questions.

Once you know the business value, cost, technical efficiency, performance and risk of each IT asset, you can create a roadmap that shows you how to streamline your IT system, add and retire technologies at the right time, avoid technology obsolescence, eliminate costly redundancies, and gain a competitive edge.

3 Steps to Increase Visibility and Rationalize your IT Portfolio

Each new step brings additional value to your organization and helps you move from a simple – but yet beneficial- application inventory to a full management of your IT assets.



Step 1

Inventory Applications

Making an inventory of applications allows institutions to get visibility into the IT landscape

Step 2

Remove Applications

Removing your applications helps you cut IT costs while reducing the complexity of your application landscape

Step 3

Mitigate Technology Risk

Mitigating obsolescence risks ensures that projects rely on up-to-date technologies while decreasing security risks

Step 1: Get Visibility into Your Application Portfolio

When you know how and where your applications are used, and by whom, you'll have a clear understanding of how they serve the business, which ones are best suited for each group and which ones are unnecessary or ready for retirement.

This inventory also provides a comprehensive picture of the entire company's IT landscape, so that you can keep your IT system flexible for new business projects or to accommodate needed applications in the portfolio.

There is a proven, structured portfolio management method to create an application inventory:

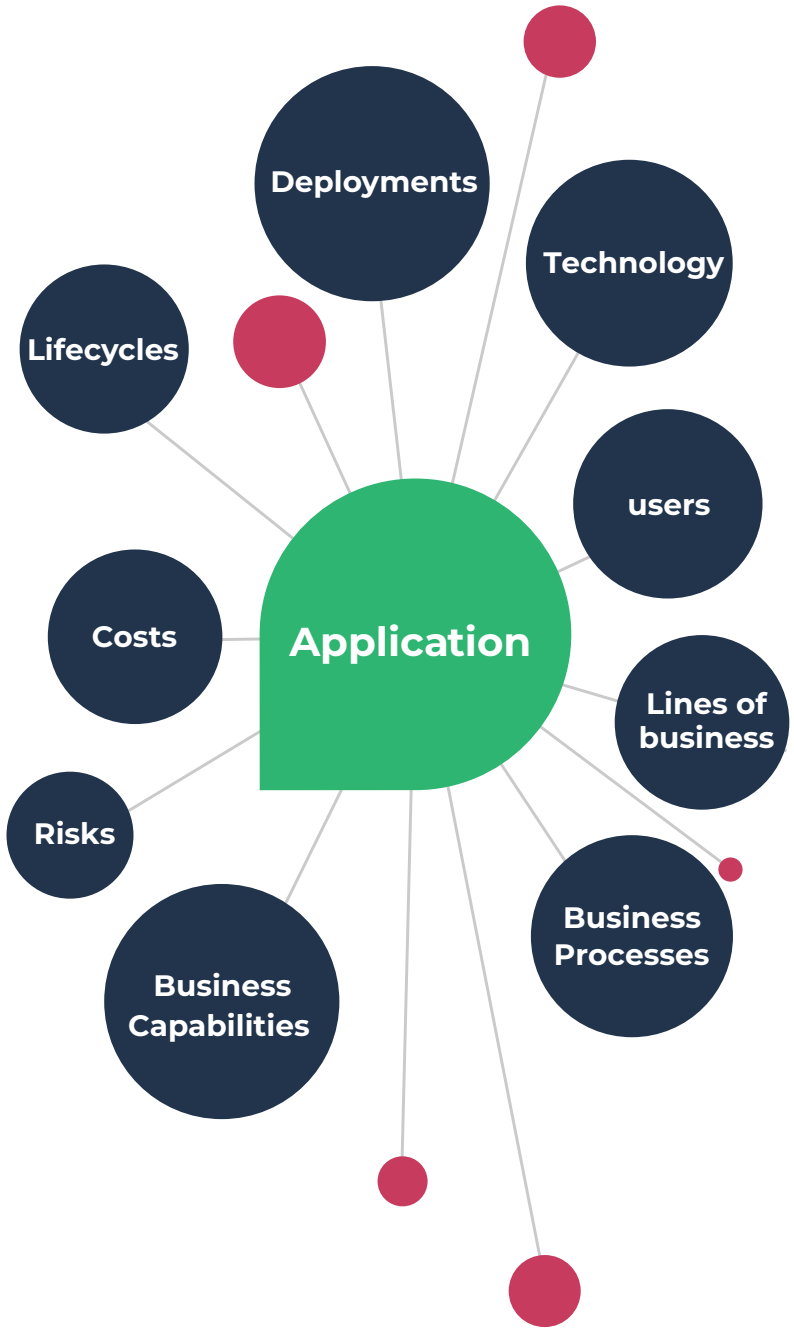
- **Plan and prepare for data collection** by setting up the scope of collected data and the source of information
- **Crowdsource data collection** using a central repository and a collaborative approach, so every key stakeholder can contribute
- **Create reports that aggregate collected data** so that stakeholders and subject matter experts can check the accuracy of the entered data

Plan and Prepare for data Collection

You can speed up and automate the data collection process by connecting HOPEX IT Portfolio Management to external solutions such as ServiceNow that includes information on the software technologies used in you IT system.

You may need to understand among others:

- Where applications are deployed (company branch, site, server)
- How applications support business activities (Lines of Business, Business Processes, Business Capabilities)
- How applications interact with each other through data flows
- Application costs, including recurrent, non-recurrent, maintenance and labor costs
- Application lifecycles and their deployments
- Underlying technology components that support applications

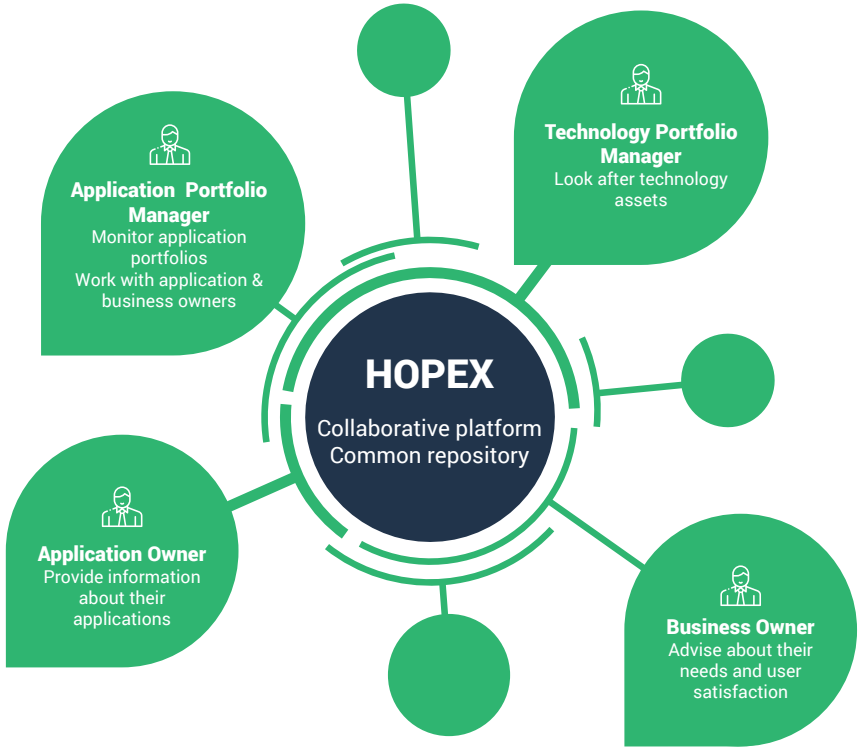


Crowdsource Data Collection

HOPEX IT Portfolio Management is a collaborative platform that provides a central repository to ensure that your information is trustworthy, and that portfolio analysis is performed across the entire IT system.

Distinct categories of stakeholders are typically involved:

- **Application Portfolio Managers** monitor application portfolios, work with application and business owners to keep data updated, and create reports about the status of their portfolios
- **Technology Portfolio Managers** look after technology assets, check technology obsolescence and compliance, identify changes and updates
- **Application Owners** provide updated business and technical information about their applications for the inventory while monitoring application performance
- **Business Owners** provide information about the business processes that support applications, advise portfolio managers about their business needs and their satisfaction about their applications



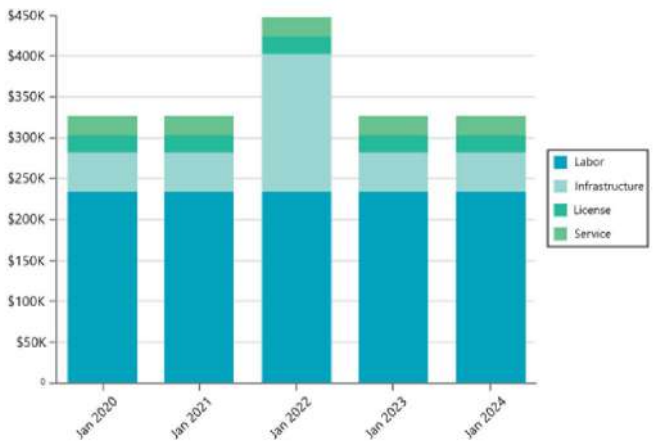
By collecting and storing your data in a central repository, you create a 'single source of truth' that can be easily shared across your organization.

Create Reports That Aggregate Collected Data

To leverage the information collected, you can create reports that aggregate these data.

Understand applications costs

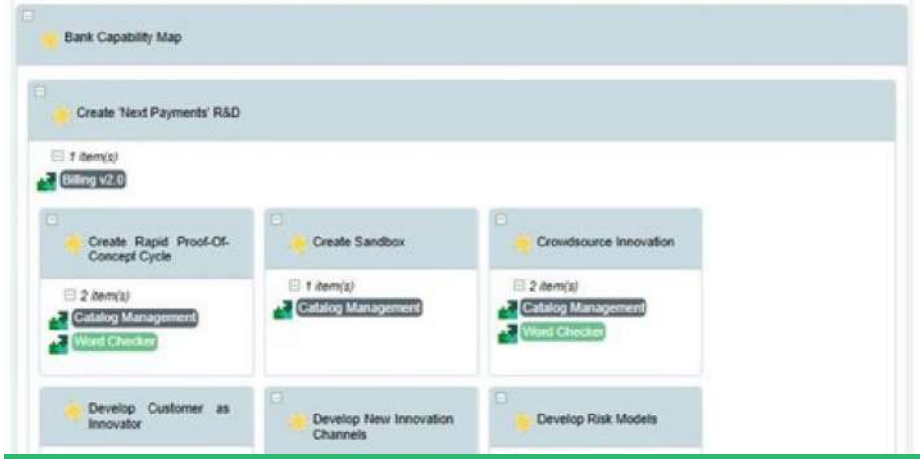
- HOPEX IT Portfolio Management can provide you with costs broken down by labor, service, infrastructure and license costs, as well as a view of application costs over time
- Other views can quickly help you determine the most expensive applications so you can get a better understanding of where to reduce costs



Application Cost Breakdown

Describe application business scope

- Connect the company's vision and strategy directly to the planning of your IT portfolio with business capability maps
- Identify duplicates and applications to be removed
- Weigh the contribution of an application to every supported business capability



Applications Supporting Business Capabilities

Create Reports That Aggregate Collected Data

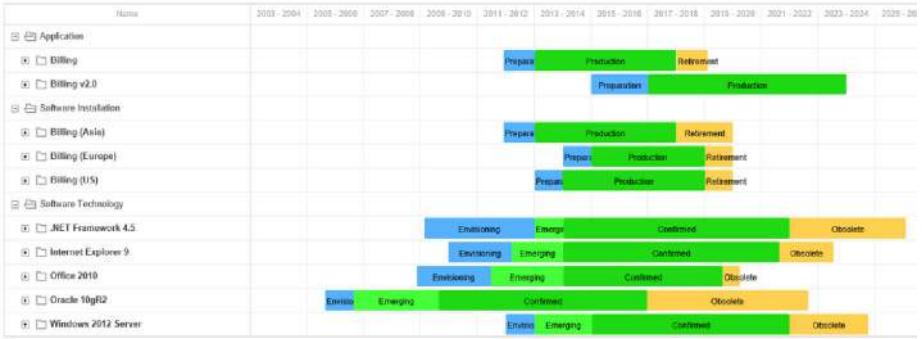
Describe application deployments

- Map application deployments to get an exact picture of multiple locations deployment
- Describe deployed applications based on your company's locations (headquarters, regional offices) or on a server basis
- Manage deployment lifecycles with begin and end dates, as well as the current state for each deployment

Application Deployment

Understand application lifecycles

- In HOPEX IT Portfolio Management, define the lifecycles of your applications with lifecycle charts
- Describe the lifecycles of the various deployments of your applications, as well as the technologies supporting these applications



Application and Technology Lifecycles

Step 2: Reduce IT Complexity and Costs by Decommissioning Applications

A comprehensive inventory is the starting point to test the efficiency of your application portfolio and drive the changes based on evolving business needs.

You can begin the process by assessing the technical and business value of your applications. You can then remove unnecessary, redundant or high-cost applications. You can also decide to modernize some applications that provide value to the business, but that are supported by inefficient technologies.

Removing applications requires three essential steps:

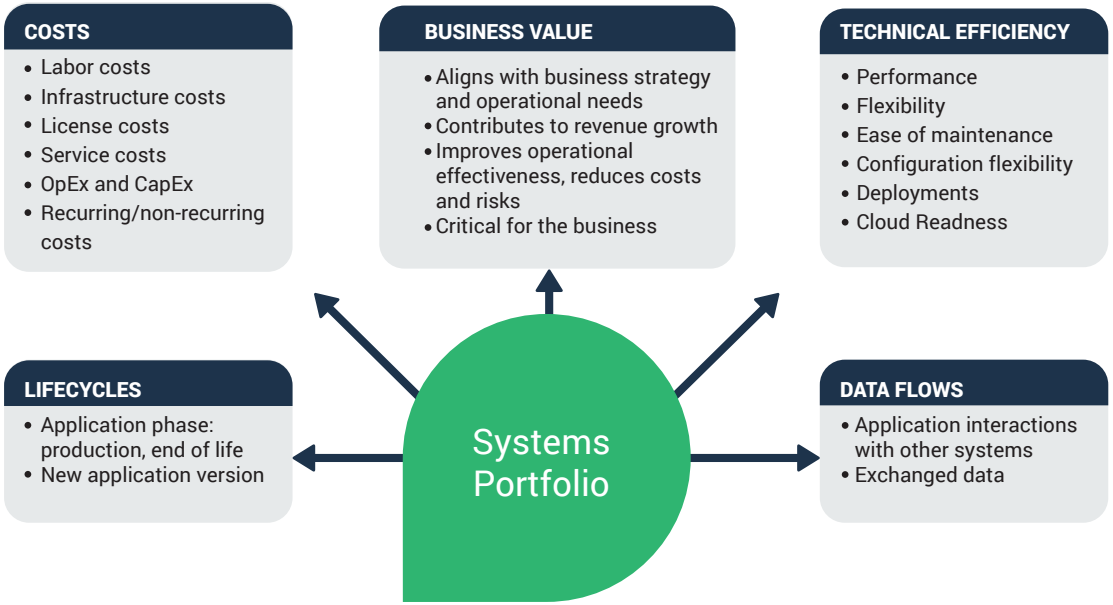
- **Define criteria to assess your applications** with a focus on key issues, such as how well an application supports important business objectives
- **Crowdsource the evaluation process** through the key stakeholders in your organization
- **Categorize and rank applications** so you can identify the ones to be modernized

Define Criteria to Assess Applications

Set assessment criteria with a focus on key questions, such as how well an application supports important business operations and the readiness of an application to be moved to the cloud.

Here is a list of criteria that you may consider when assessing your applications:

- Business support and value: how does an application supports critical business capabilities, business processes and lines of business?
- Technical efficiency: how efficiently is an application supported by technology components?
- Costs: what are the current and expected future application costs?
- Lifecycles: what are the lifecycles of your applications in various deployments, as well as the underlying technology lifecycles?
- Data flows: how do applications interact with one another?
- Cloud readiness: do your code patterns indicate that an application is difficult to migrate to the cloud?



In order to get additional clarity on your in-house applications, third party tools are able to scan the software code.

They provide insightful metrics on software such as the risks of unavailability of an application, the ability to transfer and maintain an application, as well as the code complexity. Based on code analysis, they can also measure the suitability of an application to be moved to the cloud.

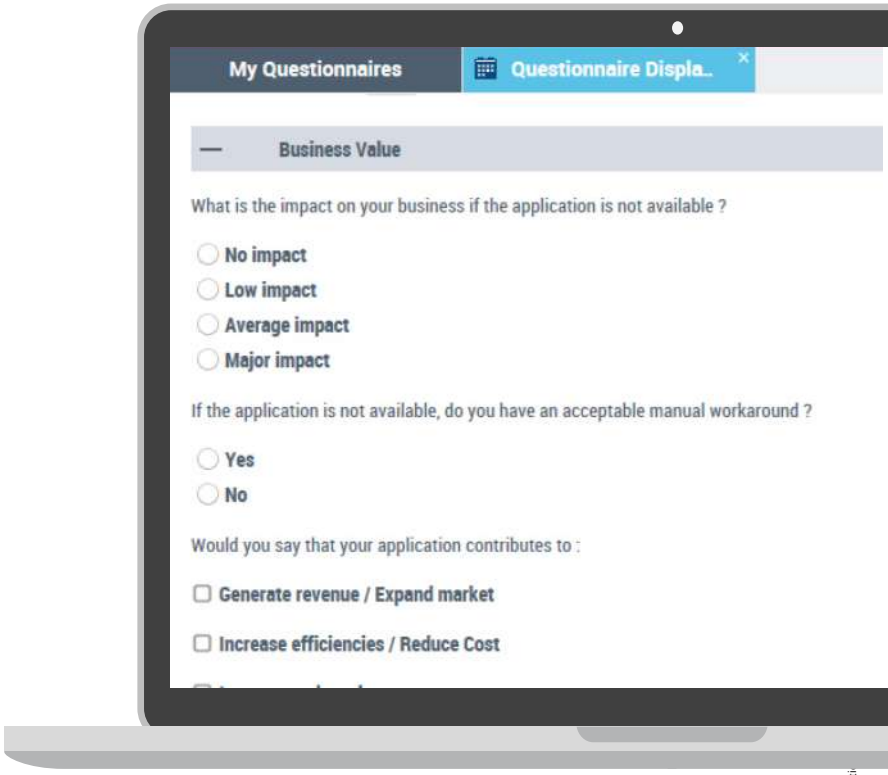
Crowdsource the Evaluation Process

The evaluation of your application portfolio can be crowdsourced with the portfolio manager coordinating the effort.

This would involve asking application owners and other stakeholders to provide information and scores on applications through questionnaires, similar to the process followed during the inventory phase.

A pre-defined score sheet can be used to set the company standard for the entire portfolio, leaving as little room as possible for subjectivity.

Once done, you can categorize and rank applications to identify those to be removed or modernized.

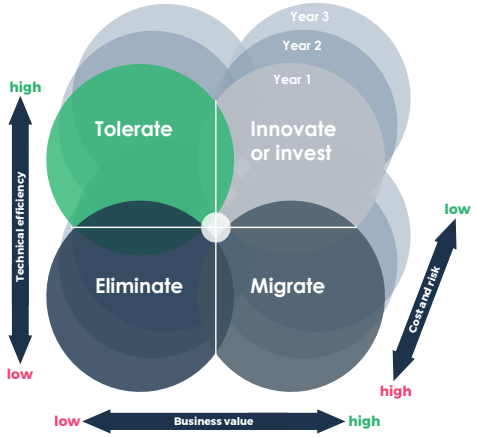


Categorize and Rank Applications

Rank applications by consolidating scores and cross-referencing criteria. This analysis helps you identify the applications to be removed, or on the contrary, the ones to be modernized.

This analysis helps you create candidate IT transformation projects to streamline your IT portfolio. You can also define and compare multiple what-if scenarios based on a mix of candidate projects to see what would happen to your IT system before any actual changes are made.

By simplifying the IT landscape, you'll reduce costs while gaining new flexibility. The IT team will be able to focus on the remaining applications, which have been determined to best support business needs. It also results in an improved alignment to the business and ensure that the most important investments are focused on the most critical applications.



Rank Applications based on various criteria

Compare multiple scenarios before removing applications

Step 3: Mitigate Risks That Arise from Technology Obsolescence

Many companies that undertake an IT portfolio analysis often stop after completing the inventory and streamlining phases, without continuing on to assess and reduce technology risks that can cripple a company.

If technology components that support business applications are not updated regularly, minor abnormalities at first sight can quickly lead to chain reactions with major consequences.

To avoid unnecessary risks, there are several actions to take:

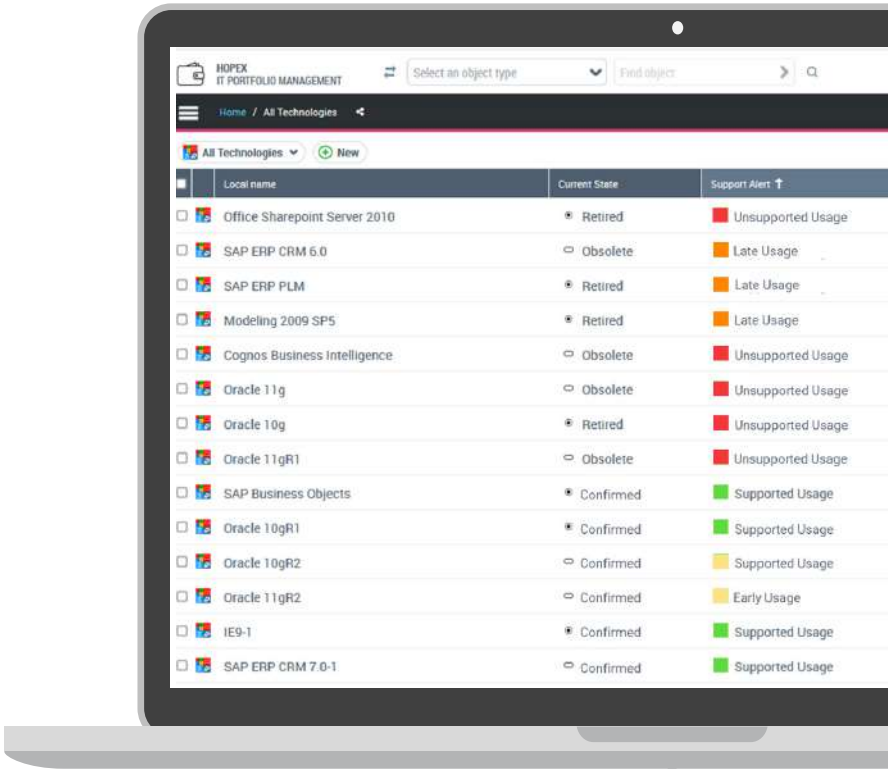
- Understand technologies' end of life
- Continuously review technology portfolio
- Share Information about technology risks with your organization

Understand Technologies' End of Life

To understand all of the technology assets in your IT landscape you can:

- Connect HOPEX IT Portfolio Management to a configuration management database (CMDB) to speed up inventory and get other relevant information about the technology components in your IT system.
- Subscribe to an external digital library containing information on IT resources such as end-of-life and end-of-support information.

Rely on these information sources and reports from your IT Portfolio Management solution to understand the state of technology obsolescence and identify applications supported by obsolete technologies.

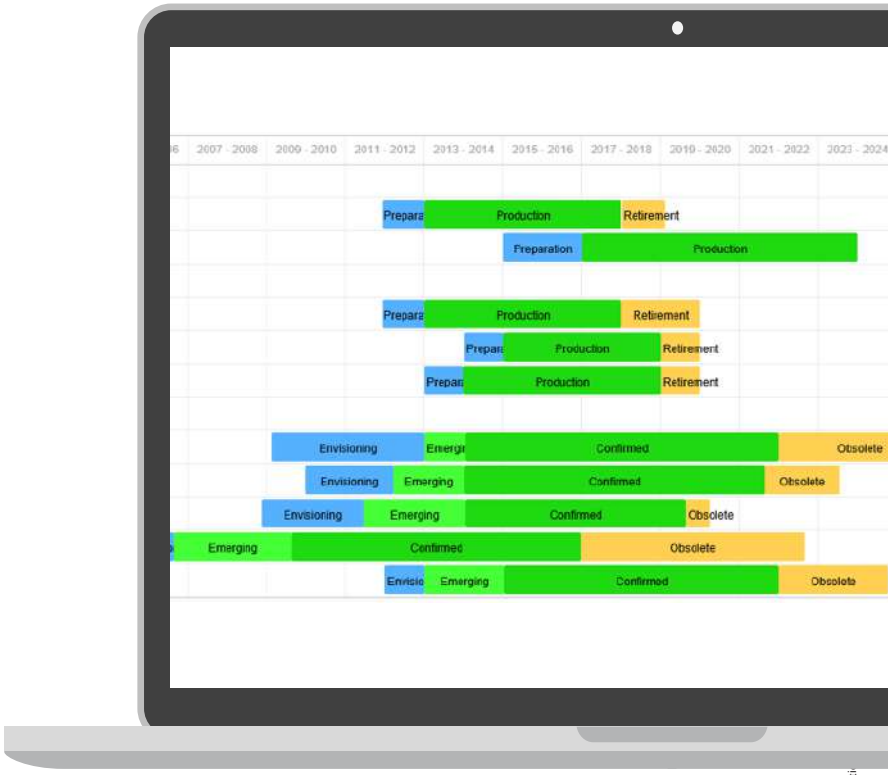


Continuously Review Technology Portfolio

With continuing review of technology lifecycles and obsolescence, you can :

- Accurately track the technology portfolio and establish clear relationships between applications and underlying technology components
- Avoid operational failures and unexpected costs by efficiently plan the replacement of technology components
- Transform IT assets to maintain an IT system that supports business goals
- Regain control of your IT portfolio and remove vulnerabilities

Monitoring technology risks will also help your business groups because you can ensure that you offer them well-maintained, up-to-date applications.



Share Information About Technology Risks with Your Organization

You can share information about technology risks through a web portal that directly connects to HOPEX IT Portfolio Management. This web portal includes end-of-life information, consolidated data, and reports about the technology portfolios used in your organization.

By doing so, you ensure that the various stakeholders in your organization don't use obsolete technologies in their projects, or technologies that wouldn't comply with your company standards.

It also provides information about the overall health of your technology portfolio and streamline your IT operations.

About MEGA

Founded in 1991, MEGA is a global software company and recognized market leader for over ten years. The company partners with customers to improve governance and accelerate transformation by leveraging technology. MEGA helps companies better analyze how they can operate and make the right decisions to accelerate the creation of value. The HOPEX Platform connects business, IT, data and risks perspectives in a single place that integrates across an entire company's ecosystem. The MEGA Services team partners with customers to deliver projects with a pragmatic approach..

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