Drive Smarter Application Rationalization and Right-Sizing

Get your business partners working with you to make smart application rationalization decisions based on facts rather than opinions.

TBMcouncil

Chris Levitt

- Current: Sr Strategist TBM Council
- Previous: IT Service Strategy Lead at Con-way
- Principal, TBM Council

Kevin Salmon

- Current: IT Integrated Delivery Lead at Clorox
- Previous: Delivery Executive at Accenture
- Principal, TBM Council

- Primary Industry:
  Consumer Products

- Employees / (IT):
  8,300 / (120)

- Revenues:
  $5.6B

- IT Budget
  $115M, flat

- Operating Model:
  Mostly Centralized

- Run vs. Change
  70% to 30%

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- How did we know we were ready?

- What was the business case for investment?

- How have we matured and increased use?

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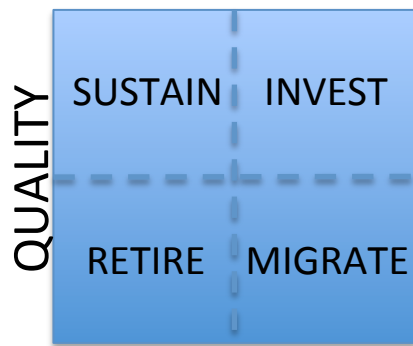| Your Business Depends on You to:	But, First, You Must Deal With:
Collaborate with them to deliver transformational change	RTB spending increases due to inflation and application growth
Improve process efficiency and end user productivity through small projects	Limited capacity and slow time to market because development teams are supporting unneeded apps
Manage IT assets efficiently	Multiple sources of truth which make it difficult to maintain asset inventory and a defensible TCO
Be transparent in how decisions are made and where savings are going	Establishing a credible reporting architecture that reflects the entire portfolio and results of your decisions

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- Application Rationalization is one systematic way to drive a different outcome with your business
  - Unlock innovation by shifting unnecessary RTB spend to CTB
  - Enable a different conversation with your business users
 - Free development resources to deliver more app projects faster

But How?

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App App App App App App App App App App App App App App App App App

SUSTAIN	INVEST
RETIRE	MIGRATE

QUALITY

VALUE

STANDARDIZE

MODERNIZE

ENABLE

App	App	App	App
App	App	App	App
App	App	App	App
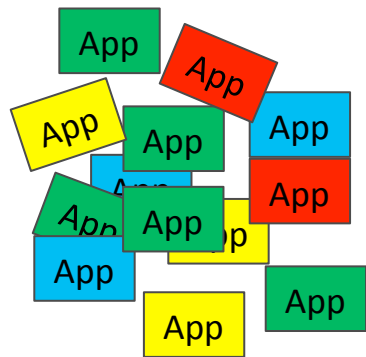
Inaccurate inventory
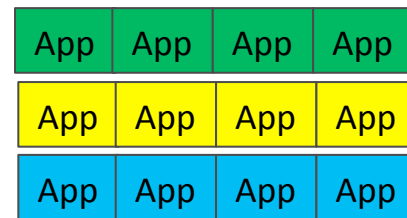Who owns the app?
Unclear TCO
What services?
Sprawl

Does it meet
business needs?
Can we support it
(utility/warranty
and cost)?
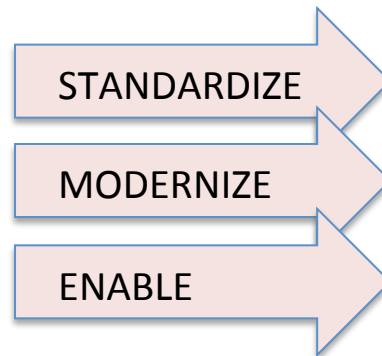
Rationalize:
• Strategy
• Capability map
• Trends
• Vendor selection

Reconfigured
portfolio with clear
TCO & maintenance
plan

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- ## Data!

Directionally Correct App TCO

- Costs by type
- App inventory
- # servers per App
- Avg storage per server

Good Data

Accurate App TCO with Infrastructure

- Current asset inventory
- App-Server-Storage mapping
- Server & storage utilization
- Service catalog

Better Data

Strategic Portfolio Alignment

- App consumption of infra assets
- App lifecycle state
- App-to-BU mapping
- App project costs
- License and maint costs
- User login data
- Incident reporting

Best Data

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- What would it mean to you if you could share these things with your peers in the business?

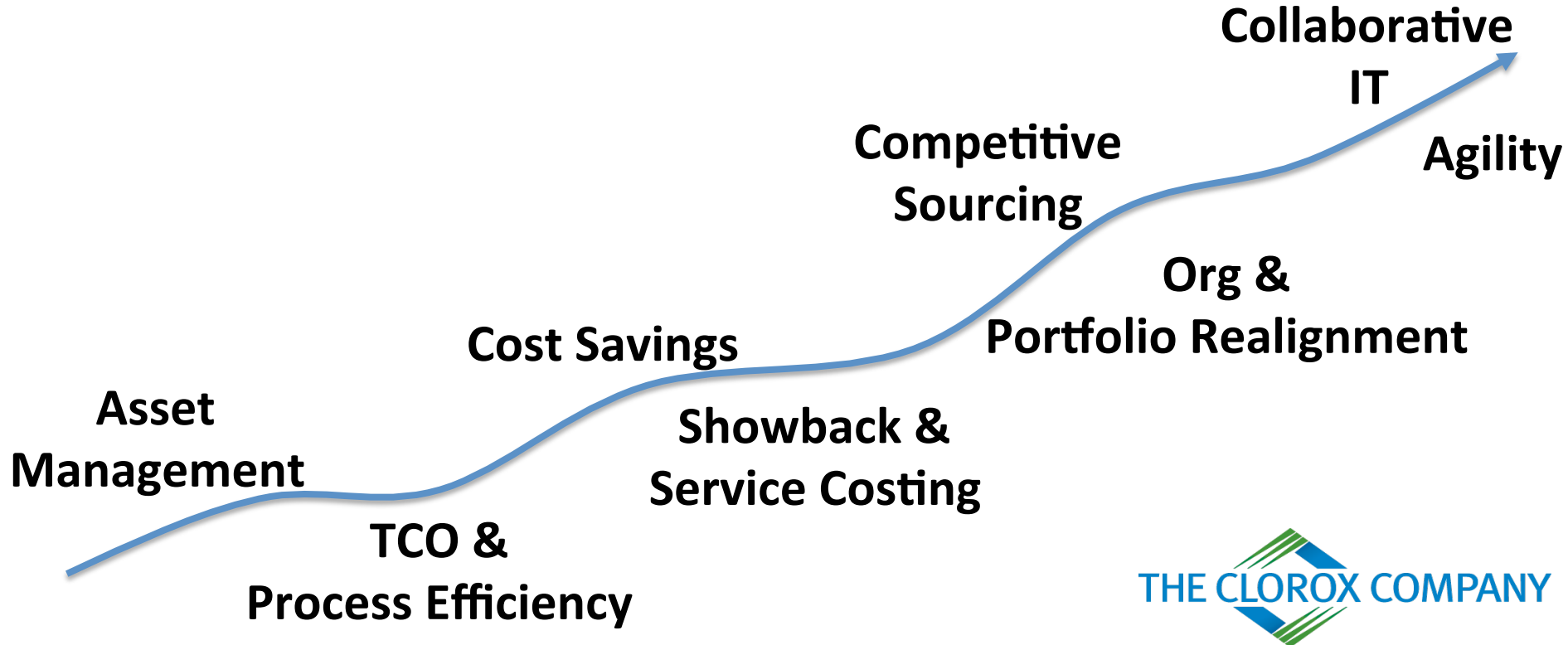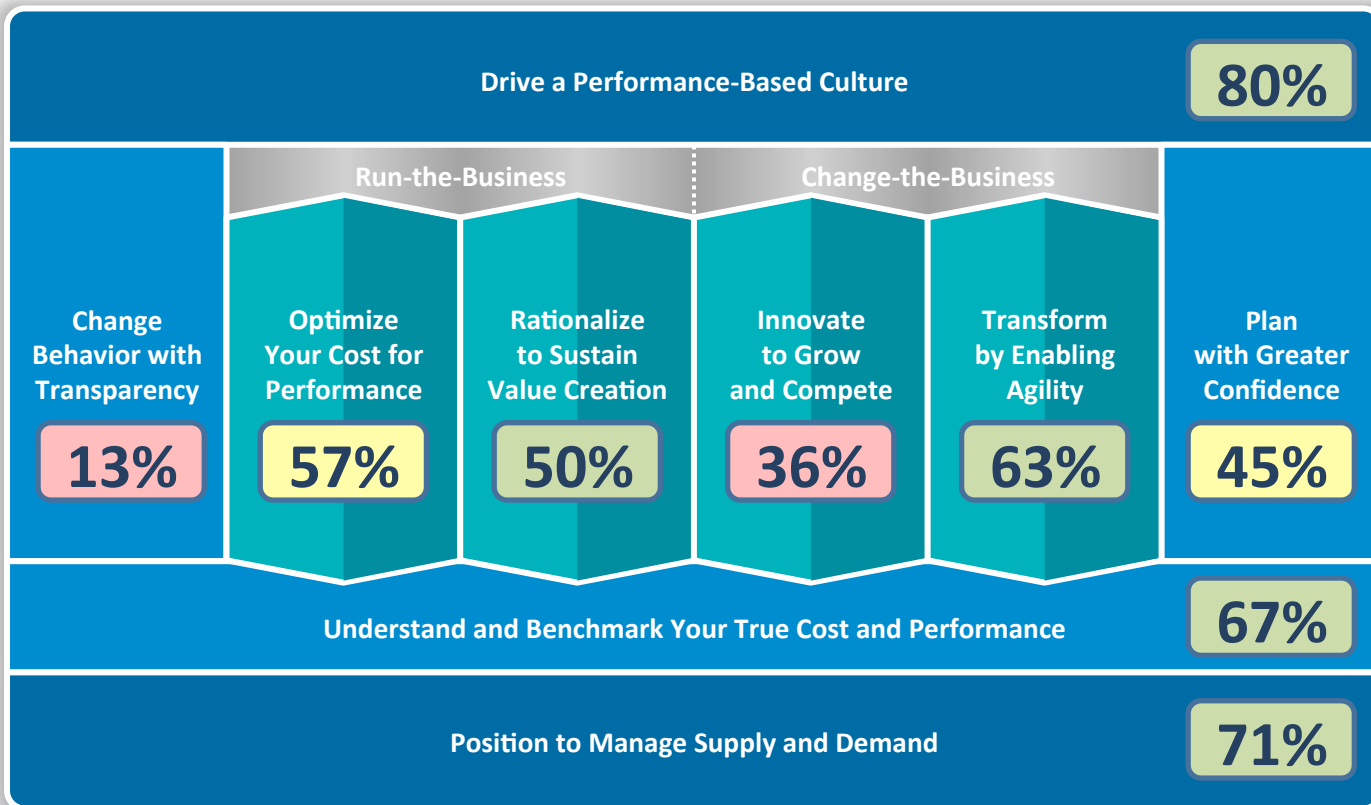| Strategic Portfolio Alignment |
|---|
| • App consumption of infra assets |
| • App lifecycle state |
| • App-to-BU mapping |
| • App project costs |
| • License and maint costs |
| • User login data |
| • Incident reporting |
| **Best Data** |

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Collaborative
IT
Agility

Competitive
Sourcing

Org &
Portfolio Realignment

Cost Savings

Asset
Management

Showback &
Service Costing

TCO &
Process Efficiency

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Clorox TBM Index (2011)

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Drive a Performance-Based Culture — 80%

Run-the-Business | Change-the-Business

Change Behavior with Transparency — 13%

Optimize Your Cost for Performance — 57%

Rationalize to Sustain Value Creation — 50%

Innovate to Grow and Compete — 36%

Transform by Enabling Agility — 63%

Plan with Greater Confidence — 45%

Understand and Benchmark Your True Cost and Performance — 67%

Position to Manage Supply and Demand — 71%

Clorox TBM Index (2013)

Drive a Performance-Based Culture — **85%**

Run-the-Business | Change-the-Business

- Change Behavior with Transparency — **63%**
- Optimize Your Cost for Performance — **57%**
- Rationalize to Sustain Value Creation — **63%**
- Innovate to Grow and Compete — **54%**
- Transform by Enabling Agility — **75%**
- Plan with Greater Confidence — **63%**

Understand and Benchmark Your True Cost and Performance — **67%**

Position to Manage Supply and Demand — **79%**

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- Application rationalization is a vital part of optimizing the IT portfolio and cost model

- Blend cost, asset, and consumption data to spark a new relationship with the business

- Get out of the parking lot and be a strategy a growth enabler