

# Application Portfolio Management

Learn how Alfabet from Software AG helps ensure the success of your application portfolio management practice.

## The challenge

Business applications are core to the operations of any enterprise today, and they consume the lion's share of IT spending. They underpin critical business processes that impact not only the enterprise, but also daily interactions with customers, partners and suppliers. Because of this central role, it is essential to have a robust, effective and efficient Application Portfolio Management (APM) practice, which:

- Provides current and reliable information on applications to the relevant stakeholders
- Supports rapid analysis of the application portfolio regarding impact, resulting from business events such as acquisitions, divestitures, product launches and entry into new markets
- Has the analytical power to support delivery of programs to increase agility, reduce costs, and improve application health
- Can support IT management processes that require reliable application information, such as IT risk assessments and project design

Indeed, being able to make the right decisions on the application strategy, regularly as part of an APM process and ad-hoc as required, is critical to maintaining competitive advantage and profit margins.

## Key benefits

- Single application inventory for improved communication
- Transparency and impact analysis for lower project costs
- SWOT of current application landscape
- Redundancy and consolidation analysis to lower costs
- Better agility and reduced IT risk
- Improved governance of the application portfolio
- Vital input for many IT planning and governance capabilities

## Four steps to success

Establishing a robust, effective and efficient APM practice requires the right approach. These four steps will help ensure success:

- Establish the right roles and processes required to maintain the inventory and to make portfolio decisions
- Gather essential information that cannot be imported from existing sources, such as the business context and top-down assessments of experts
- Assess portfolios from a business perspective, such as business capability, budget ownership and supported products
- Present the results in a format tailored to stakeholders, thus facilitating decision making

## Alfabet—the standard solution for APM

### Application inventory

Application owners and domain architects manage the inventory data using intuitive wizards and workflows. Business, technology, information and functional perspectives, among others, are supported. Monitors and reports ensure inventory completeness and data quality. An import/export framework supports initial load and synchronization with other sources.

### Stakeholder support

Web- and mobile-based portals give project managers information at their fingertips on the application landscape, thus reducing project costs. Application life cycle reports enable technology owners to align their technology support plans and to understand application road map impacts. Ad-hoc reporting answers any stakeholder questions.

### Portfolio assessments

IT management, business stakeholders, and domain architects can analyze the portfolio along multiple dimensions, such as technology health, cost, risk, usage and business fit.

A multitude of diagram and report types support making and communicating decisions. Adding new information attributes on the fly supports ad-hoc application assessments.

### Portfolio governance

Manageable portfolios are created with clear responsibility for capturing information, assessing portfolios and decision making. Standard business portfolios are supported, e.g., along business capability or organizational responsibility, as well as ad-hoc portfolios. Workflows and monitors help implement portfolio governance. Support of processes, such as approving application usage and processing of change requests, increases accountability and efficiency.

## Integrated approach

APM on its own delivers significant benefits. It is, however, more effective when integrated with other IT disciplines. For example:

- Project portfolio management integration reduces product cost and ensures projects align to application strategy
- Technology portfolio management integration reduces planning errors and facilitates technology standardization
- Demand management integration makes the application requirements transparent and manageable

Alfabet delivers support for these IT disciplines in a tightly integrated solution. Alfabet also provides a framework that supports rapid integration to other systems at the data and process levels. This guarantees the full benefits of integrated IT portfolio management.

## Fast path to value

Software AG is a quick enabler of APM, providing customers with the tools needed to take the steps toward APM success effectively and efficiently, namely:

- A standard solution for APM: Alfabet
- A proven APM methodology—available out of the box
- Templates to implement roles, such as application owner, domain architect and many more
- Standard reports and dashboards for IT management and other key stakeholders
- Standard support for technology, business, cost, functional, usage and many other perspectives
- Best practice templates for common governance processes
- A framework for rapid integration to data sources and other IT systems

## Take the next step

To learn more, contact your Software AG representative or  
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