Built for Government: Strengthen your Strategic Portfolio Management by Prioritizing Impactful Efforts

Measurements and Prioritization Schemes

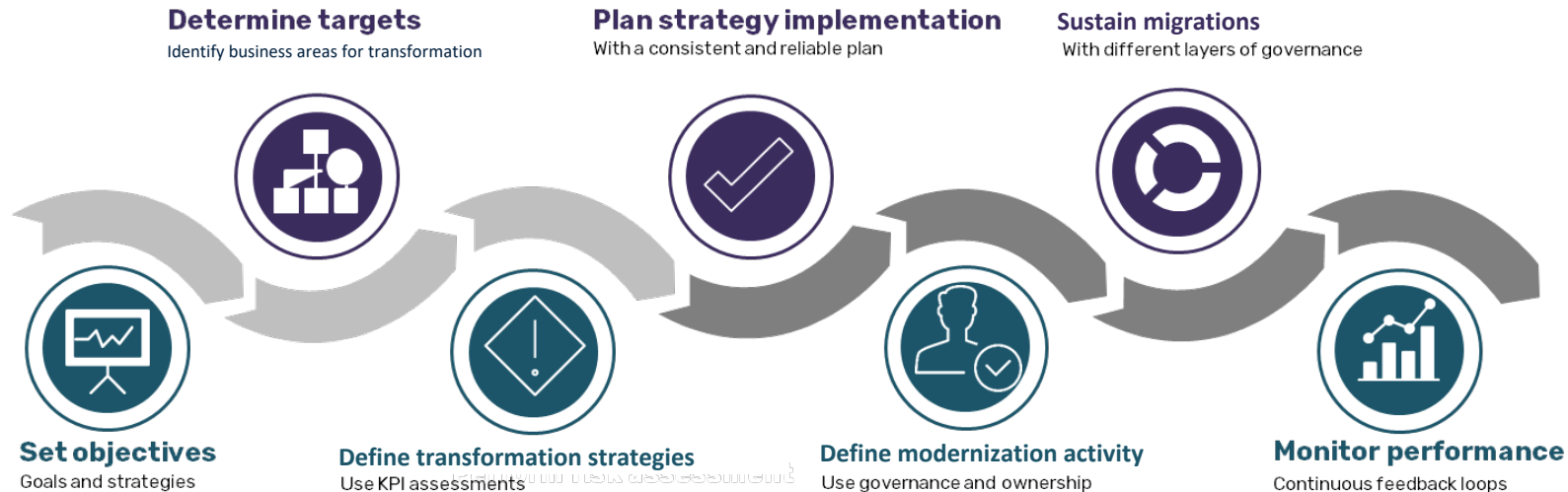**Jeff Chancellor, Principal Systems Engineer**

Business and IT Transformation Advisory Services

Software AG Government Solutions

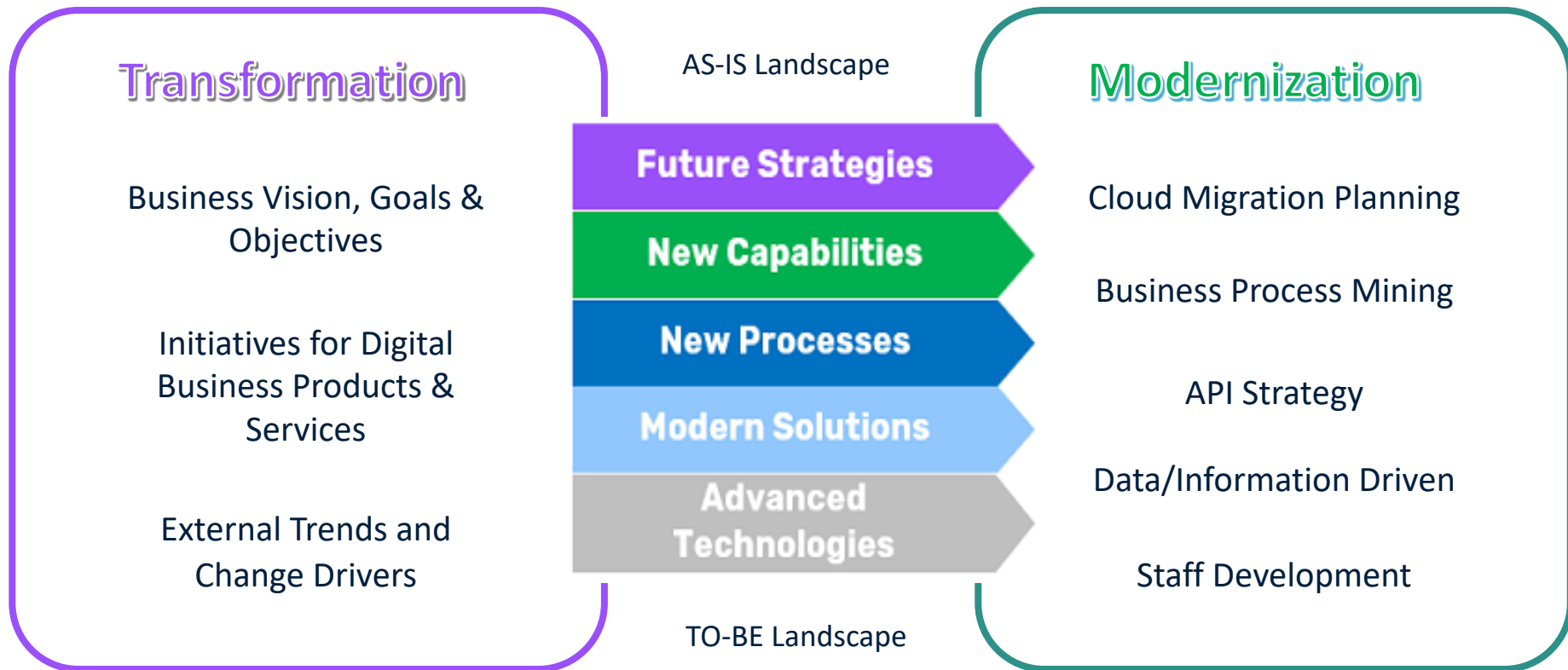# Transformation and Modernization are always in motion

Being Strategic requires a set of key activities to deliver expected business value

Determine targets
Identify business areas for transformation

Plan strategy implementation
With a consistent and reliable plan

Sustain migrations
With different layers of governance

Set objectives
Goals and strategies

Define transformation strategies
Use KPI assessments

Define modernization activity
Use governance and ownership

Monitor performance
Continuous feedback loops

Business Strategies and IT Strategies are the Guardrails

Be sure to maintain Line-of-Sight as you define your Transformation

Transformation

AS-IS Landscape

Modernization

Business Vision, Goals & Objectives

Future Strategies

Cloud Migration Planning

New Capabilities

Business Process Mining

Initiatives for Digital Business Products & Services

New Processes

API Strategy

Modern Solutions

Data/Information Driven

External Trends and Change Drivers

Advanced Technologies

Staff Development

TO-BE Landscape

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Establish and Promote the VISION for the Agency

Capture the hierarchy of Goals, Objectives and Initiatives

Record your current Strategic Performance
Keep focused on the most important elements for the overall Enterprise

Base Attributes

Vision	Responsible Organization	ARIS Model	Resource Constraint (Person Years)	Investment Constraint ($ Million)
Become the leading digital bank	Strategy & Business Development	All Finance Holding	210	102

Description

Use digital technologies to transform business and operating models to deliver new digital products and services and to optimize costs, risks, and agility.

SWOT Analysis

Strengths		Weaknesses	
S A large customer base	**S** Renown product portfolio	**W** New innovations are lacking	**W** Customer base is shrinking

Opportunities		Threats	
O Can attract talent	**O** Solid cash flow	**T** No offerings for digital natives	**T** Competitors steal market share

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Know the impacts of the business environment on Strategy

🔺 Vision VIS-56: Become the leading digital bank [Report: VMND_BusinessEnvironmentImpact-Matrix]

This configured report displays the business environmental impact on each value node

Export ▼

Become the leading digital bank	Attain outstanding customer experience
External asset-value checks ⓅⒺⓈⓉⓁⒺⒸ	
Increasing industry-focused FSI business ⓅⒺⓈⓉⓁⒺⒸ	
Intrusive compliance regulations ⓅⒺⓈⓉⓁⒺⒸ	
Loss of customer loyalty ⓅⒺⓈⓉⓁⒺⒸ	Medium
Move to digital business models ⓅⒺⓈⓉⓁⒺⒸ	Very High
New competitors without IT Legacy ⓅⒺⓈⓉⓁⒺⒸ	
Politicians distancing themselves ⓅⒺⓈⓉⓁⒺⒸ	
Socially-networked society ⓅⒺⓈⓉⓁⒺⒸ	
Trend to cloud-based	

Legend

Business Environment Impact Score

X	0-4
X	4-8
X	8-12
X	12-16
X	16-20

BED Colors

- External asset-value checks
- Increasing industry-focused FSI business
- Intrusive compliance regulations
- Loss of customer loyalty
- Move to digital business models
- New competitors without IT Legacy
- Politicians distancing themselves
- Socially-networked society
- Trend to cloud-based applications
- Uncertain economic climate

PESTLEC - 1. Political

- Ⓟ not Political
- 🅟 is Political

PESTLEC - 2. Environmental

- Ⓔ not Environmental
- 🅔 is Environmental

PESTLEC - 3. Social

- Ⓢ not Social
- 🅢 is Social

PESTLEC - 4. Technological

- Ⓣ not Technological
- 🅣 is Technological

PESTLEC - 5. Legal

- Ⓛ not Legal
- 🅛 is Legal

PESTLEC - 6. Economic

- Ⓔ not Econcomic
- 🅔 is Economic

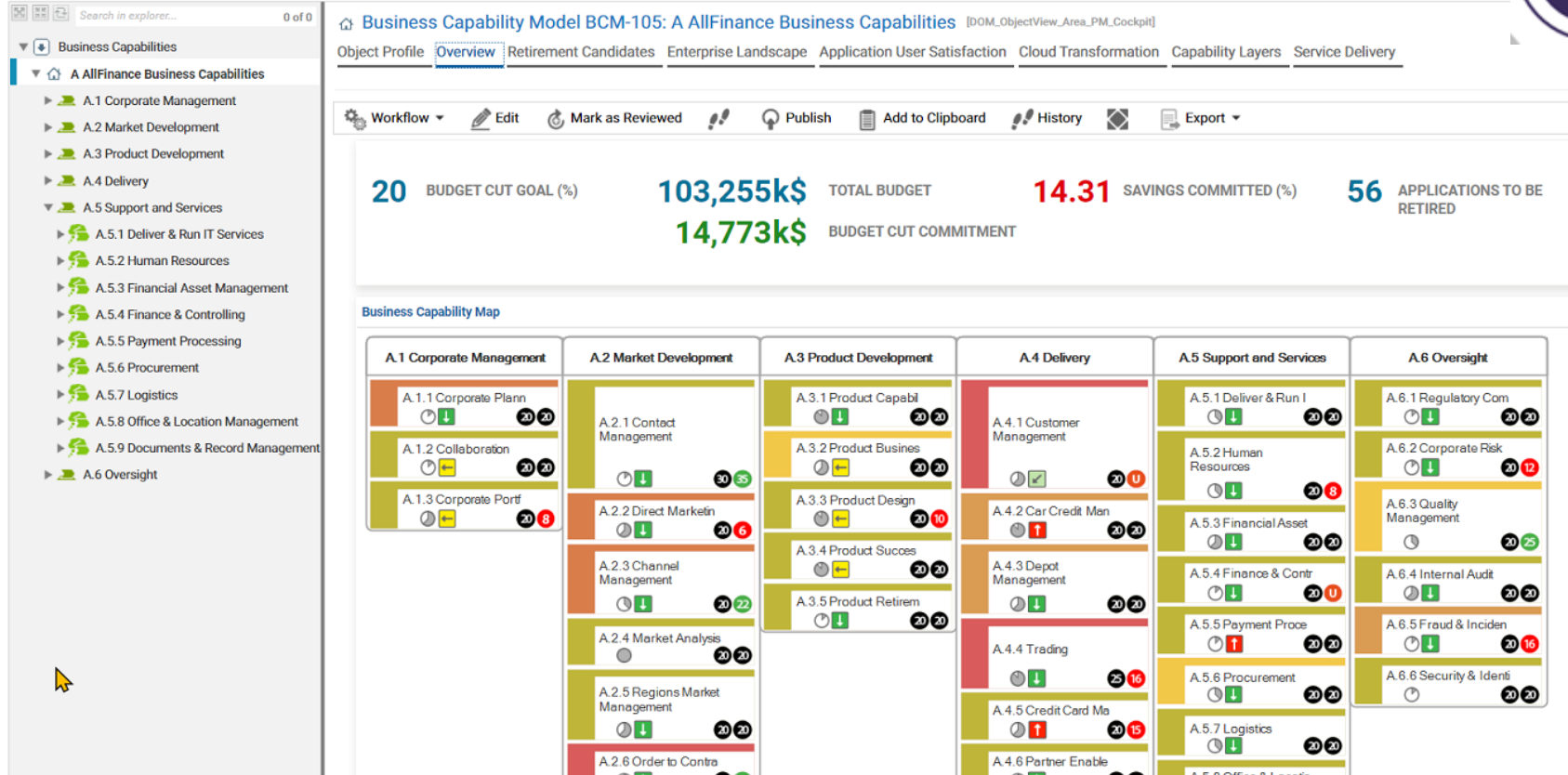### PESTLEC - 7. Competitor

- Ⓒ not Competitor
- 🅒 is Competitor

Close

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Align your Strategies to your Functional Capabilities

Set targets to continue toward the desired outcomes

Understand your customer "touchpoints"

Modernization:

Start with Key Business Processes

Process Mining illuminates actual process execution

What if you could...

And then ...
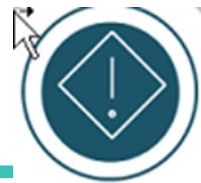
...find out if there are any bottlenecks in your process landscape?

...harmonize operations globally, establish touchless entitlements and identify potentials for automation?

...generate reports to benchmark and analyze business processes?
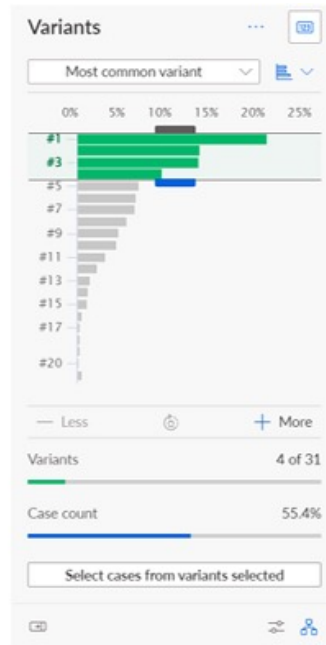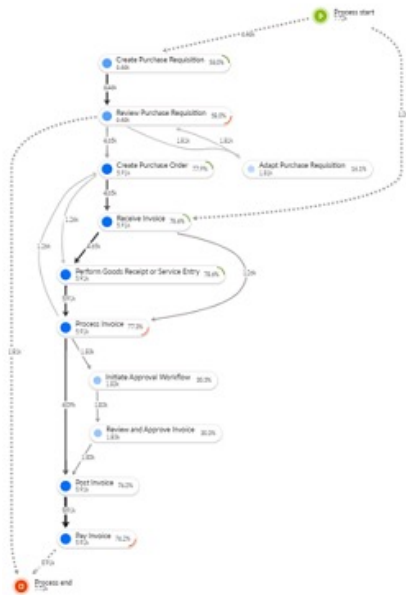
... quickly address bottlenecks and root-causes

... measure conformance rate and identify happy paths for automation

... benchmark KPIs against standards and visualize in diagrams and charts

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Focus on Key Business Processes to support Transformation

Commit to investigating and finding details in your execution space

Process Logs
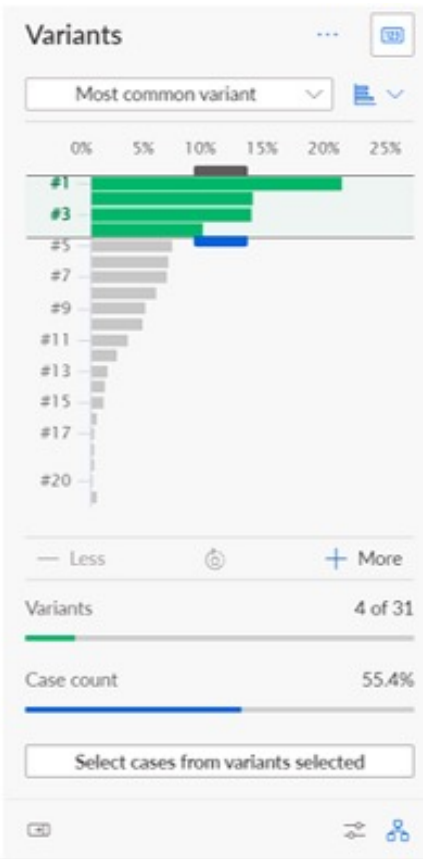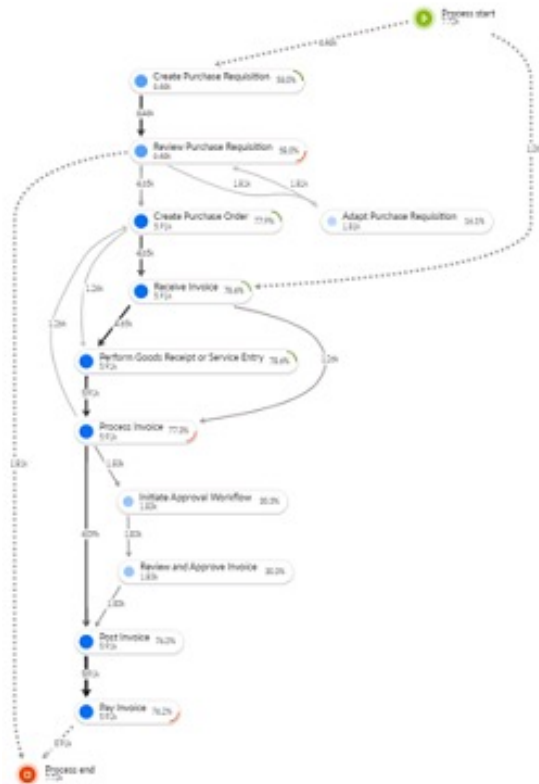
Process Modernization leads to significantly better outcomes

Insights from Business Process Analysis has a real impact on Efficiency

Accelerated Digital Transformation

...**model and redesign your processes** in a single suite that enables collaboration between all employees and technologies?

60%
benefits

The War for Talent Will Intensify

...implement a technology that **facilitates the work of your employees** and allows them to focus on high value-added tasks?

42%
employee motivation

Increasing Customer Expectations

...find new and **more efficient paths** to respond even faster to customers' needs and anticipate their needs?

40%
CX Improves

Data and Device Security

...control that all security **measures are complied** with while having an overview of all your IT systems?

46%
customer trust

All while Driving Down Risks

...drive down risks by integrating risk reduction techniques into the migrated application

30%
reduction

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Modernization:
Application Consolidation & Migration Planning

Set Transformation Targets against Business Capability Model

Know your most important capability areas, and leave room for new capabilities
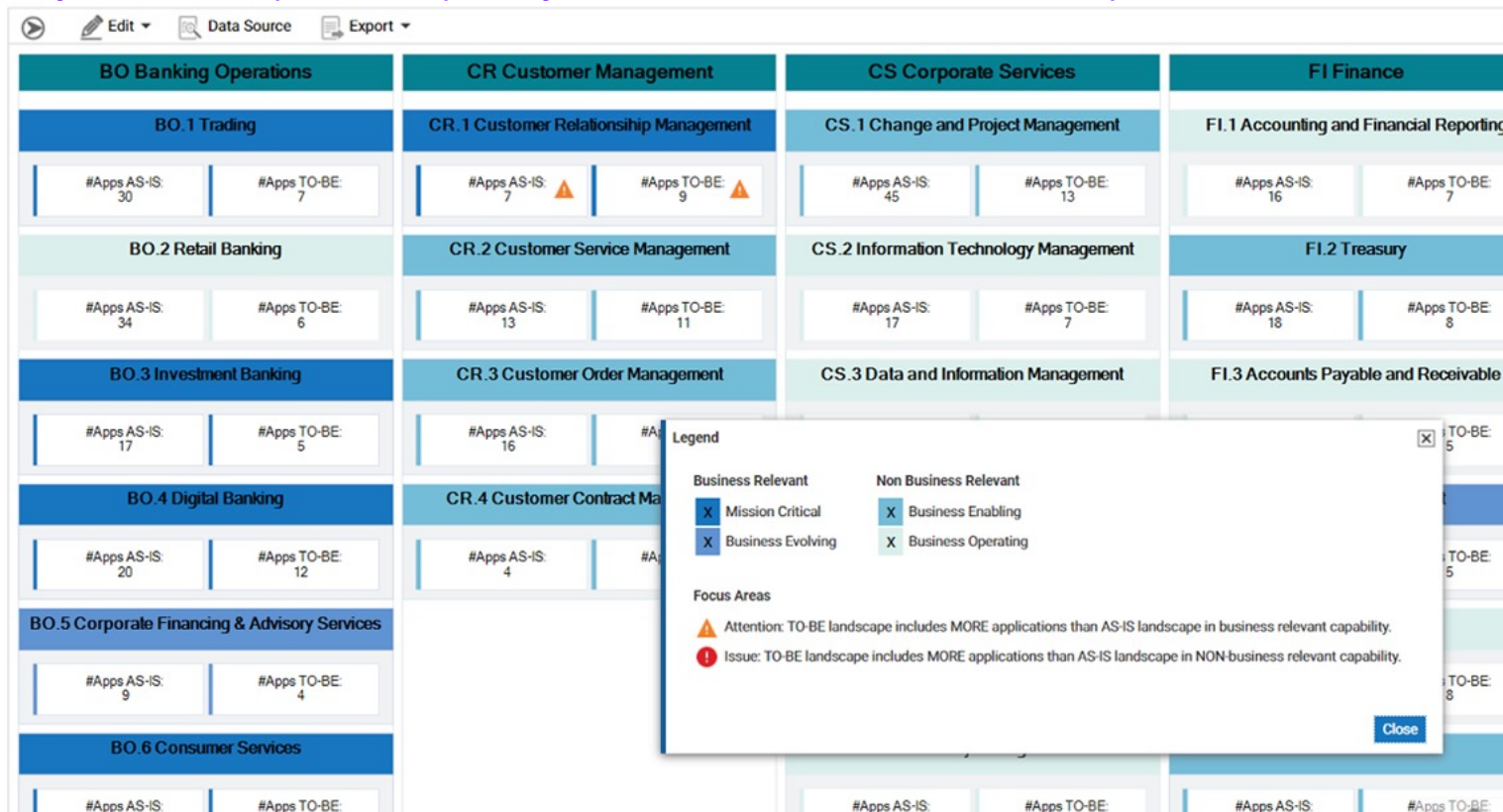
Continue assessing how Capabilities could be Migrated
Cloud Readiness Assessments and Workloads

⌂ Business Capability Model BCM-105: A AllFinance Business Capabilities [Report: DOM_CloudStrategyFullfillmentAnalysis_Tree]

This configured tree map report displays the evaluation of cloud fulfillment for the selected domain and its subordinate domains.

Business Capability

A AllFinance Business Capabilities

Export ▾

A.1 Corporate Management
- A.1.1 Corporate Planning
- A.1.2 Collaboration
- A.1.3 Corporate Portf

A.2 Market Development
- A.2.1 Contact Management
- A.2.2 Direct Marketing Management
- A.2.3 Channel Management
- A.2.4 Market Analysis
- A.2.5 Regions Market Management
- A.2.6 Order to Contract Management
- A.2.7 Sales Managem
- A.2.8 Revenue Analysis

A.3 Product Development
- A.3.1 Product Capability Definition
- A.3.2 Product Business & Development Plannin
- A.3.3 Product Design
- A.3.4 Product Success Analysis
- A.3.5 Product Retirem

A.4 Delivery
- A.4.1 Customer Management
- A.4.2 Car Credit Management
- A.4.3 Depot Manage
- A.4.4 Trading
- A.4.5 Credit Card Management
- A.4.6 Partner Enablement
- A.4.7 Loan Management
- A.4.8 Order Manage
- A.4.9 Account Management

A.5 Support and Services
- A.5.1 Deliver & Run IT Services
- A.5.2 Human Resourc
- A.5.3 Financial Asset Management
- A.5.4 Finance & Controlling
- A.5.5 Payment Proce
- A.5.6 Procurement
- A.5.7 Logistics
- A.5.8 Office & Locatio
- A.5.9 Documents & R

A.6 Oversight
- A.6.1 Regulatory

Legend

Cloud-Sourcing Principle
- Cloud - All Options
- Cloud - Not SaaS
- Cloud - Not SaaS (Customer data must be persistent in country of business ownership)
- Cloud - On-premise first
- Cloud - SaaS first
- Cloud - SaaS first (Customer data must be persistent in country of business ownership)

Application Support
- #apps: [0..3[
- #apps: [3..6[
- #apps: [6..9]

Cloud-Sourcing Principle - Percental Fulfillment
- 20%
- 40%
- 60%
- 80%
- 100%

Close

Know your APPRAT scores for each Business Capability

Have the supporting data ready for drill-down and presentation

Application TIME Portfolio

Tolerate | Invest
Technical Score
Eliminate | Migrate
Business Score

Current Year OpEx: ○ low ○ medium

Human Resource Management

Providing Application Planned OPEX by Cost Type

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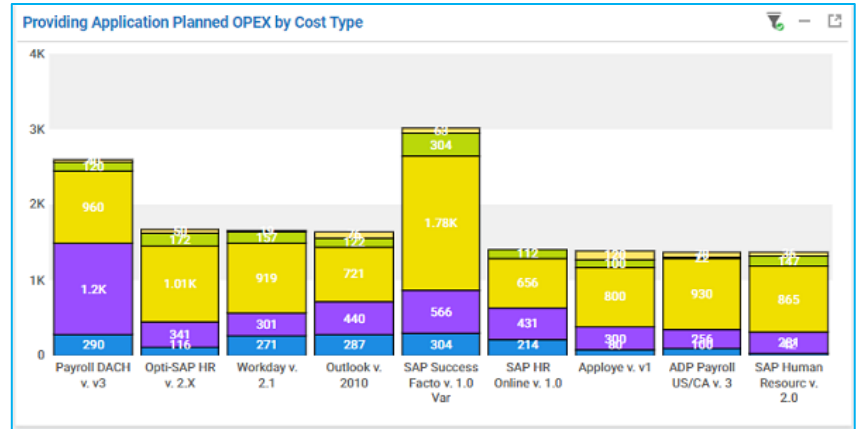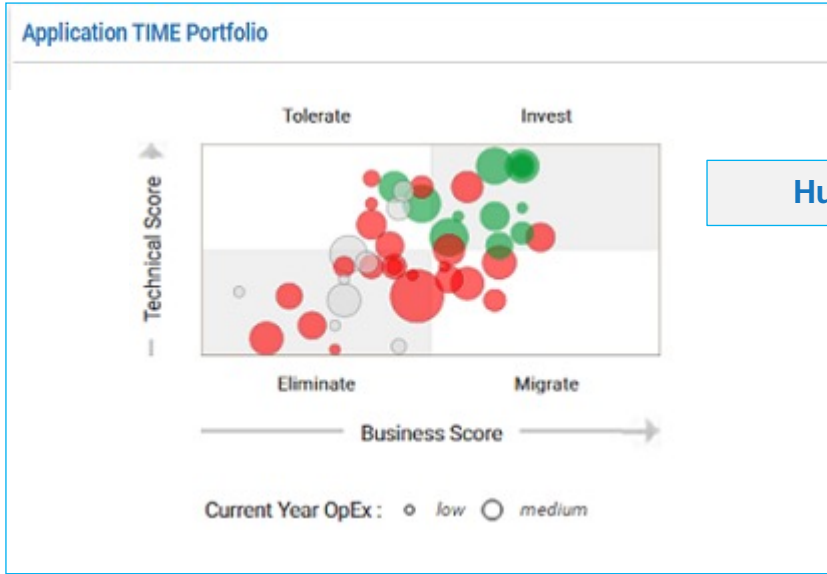
Moving Applications with a Migration Schedule*

Understand the Plan to move from AS-IS to the TO-BE

*data has been filtered

Each Application carries Cost & Risk Factors

Rehosting is lowest cost – Re-Architecting is higher cost but lowest risk (e.g. Cloud Native App)

Applications by Focus Areas [Report: SAG_Cloud_FocusArea_Table]

Add to Clipboard | Export | [PO_SAG_Cloud_FocusArea_Table]

84 object(s) has (have) been found.

84 Apps

Assessing/Scoring

Cloud Approach

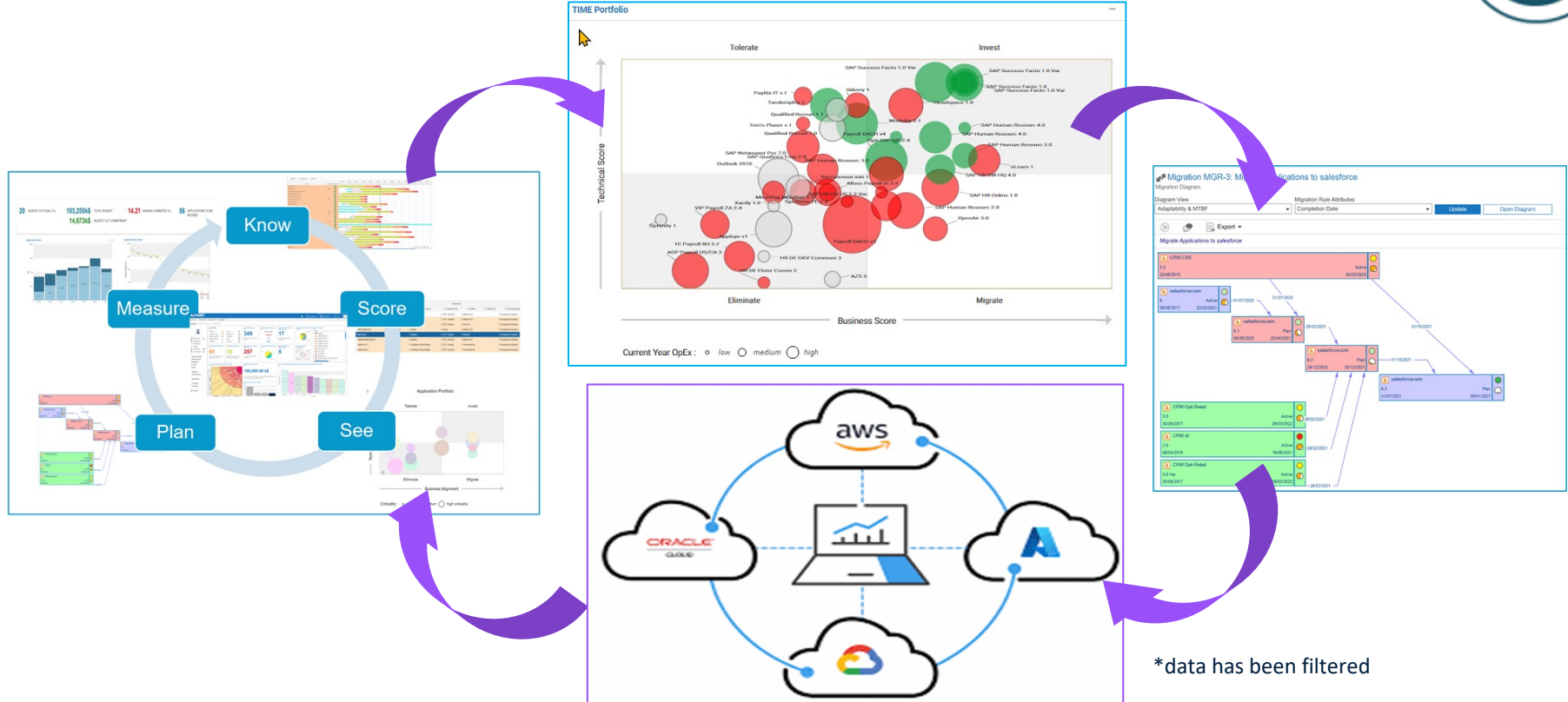|	Application	Cloud Relevance	Cloud Readiness	Total Current Year Planned OpEx	Cloud Strategy	Retire/Retain	Quick Wins	Long Term Bets	Focus Area
1	Mafo-Portal 2.6	3.00	1.60	655.00	Unknown			████	
2	Electronic Person 2.5	2.40	4.25	1,251.00	Unknown		████		
3	CRM CSS 3.2	3.00	2.55	3,445.00	Unknown				████
4	ARS BV 1.0	1.70	2.60	762.00	Refactor		X		
5	ZERMATT x	1.90	3.10	1,638.00	Unknown		████		
6	SAPAI 4.1	2.70	3.85	973.00	Rearchitect				████
7	CRM OR 2.0	2.30	2.90	1,527.00	Rebuild		████		
8	OptiRetail 2.0	1.90	1.60	1,243.00	Unknown	████	████		
9	AGL 1.0	2.20	2.85	931.00	Rehost		████		
10	ARBI 1.2.1	1.50	1.40	959.00	Retain/Retire	████			
11	ARIS 6.2.1	2.90	3.00	1,028.00	Rehost				████
12	BASE OS 1.0	1.70	1.50	1,261.00	Rebuild	████			
13	Bloomberg 6.6.3	2.20	2.00	723.00	Rearchitect	████			
14	Bookbuilder/Reta 1.0	2.50	1.90	1,096.00	Rebuild			████	
15	BSP Trade 1.0	3.20	2.65	1,786.00	Rehost				████
16	CRM 2.6	2.80	1.80	1,422.00	Unknown			████	
17	DANSYS 1	1.60	1.10	1,048.00	Rehost	████			
18	DARISK 1	1.60	1.55	1,250.00	Rearchit	████			
19	Loan Passive 1.0	3.50	3.25	1,171.00	Rehost				████
20	DW-Realtime 6.0.2	1.50	0.60	1,202.00	Refactor	████			
21	EBIP 1.0	2.90	1.75	1,307.00	Rearchit			████	
22	EMS 3.1.2	1.10	2.30	1,555.00	Rehost	████			
23	GL Trade 2.3	2.70	1.80	1,036.00	Rehost			████	
24	WGW 1.10.3	2.90	3.30	1,284.00	Unknown				████

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Planning for Multiple Cloud Environments

How to select the proper cloud for modernization activities

Human Experience Management

IT Service Management
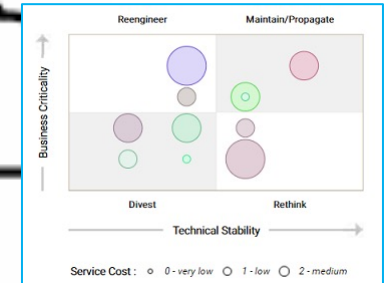
Prioritizing your Funding

Develop initial funding and budget allocation

Work within your constraints of spending limits and resource availability

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Document your need for Resources for Modernization Projects

Insure there is capacity to meet your requirements

Project Prioritization

Projects ultimately have dependencies – record their details
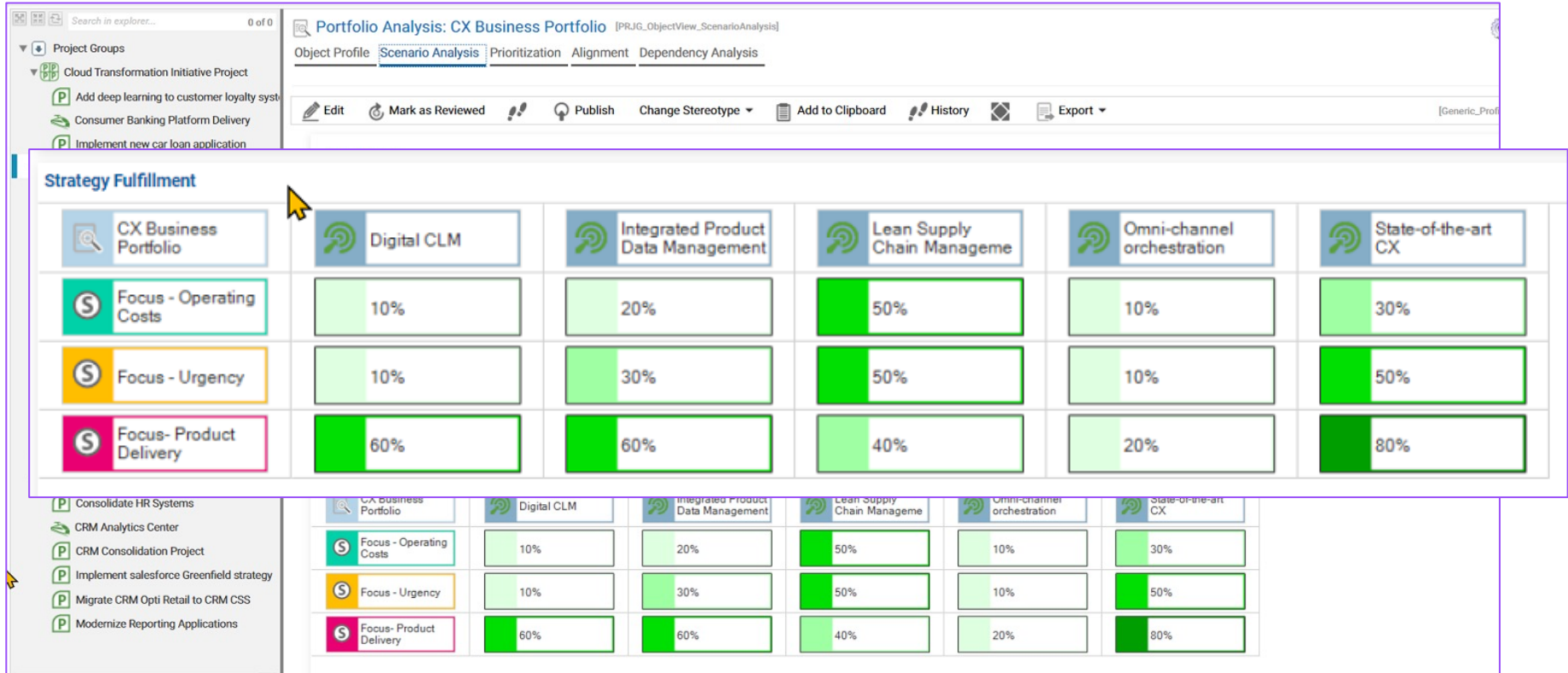
Be prepared to negotiate the order of implementation

Keeping assets aligned preserves line-of-sight, ordering optimizes available constraints

Prioritization

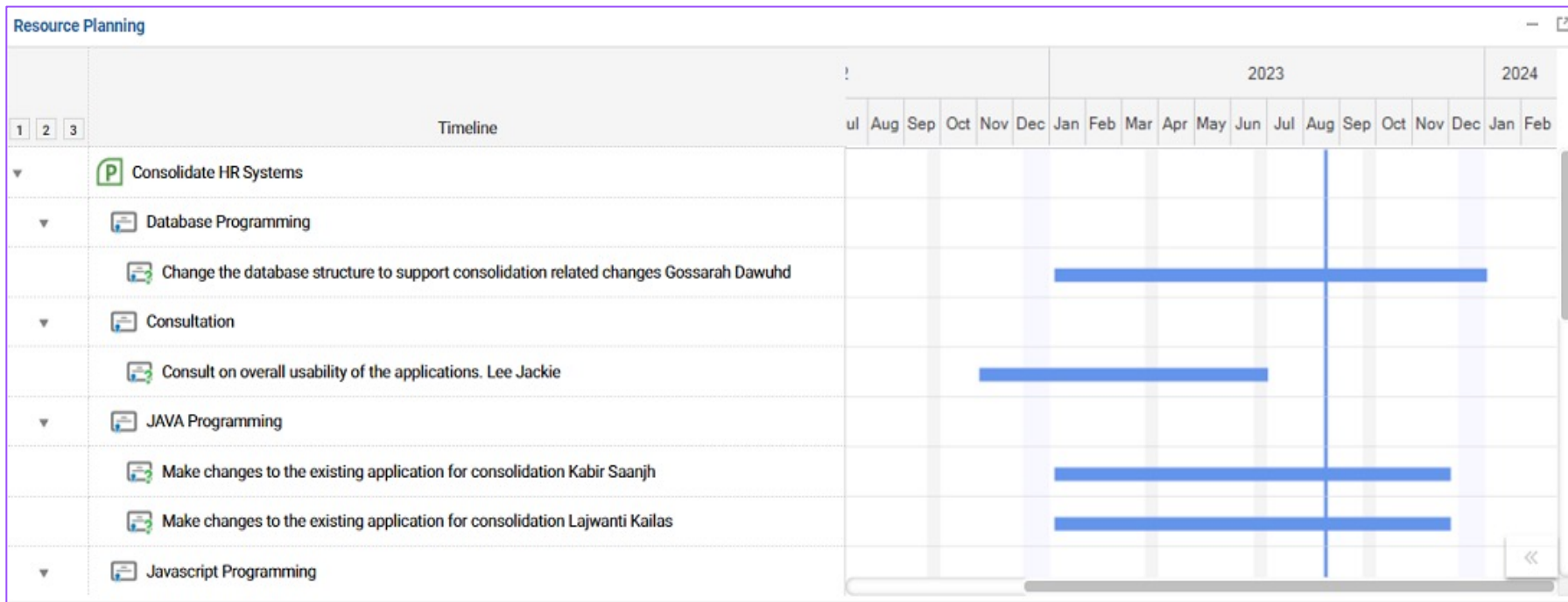|	Name	Architectural Impact	Business Value	Project Risk	Strategic Value	Average	Ranking Calculated	Ranking Manually	Comment
1	Consumer Banking Platform Delivery	↖	3	S	↑	3.88	3	1	
2	CRM Consolidation Project	↖	1	L	↓	2.53	5	2	
3	Partner Market Place Delivery	↖	2	L	↑	4.08	1	3	
4	Banking Service Platform Delivery	↖	2	L	↑	3.96	2		
5	CRM Analytics Center	←	3	XXS	↑	3.47	4		
6	Migrate CRM Opti Retail to CRM CSS	←	1	L	↓	2.32	6		
7	Integrate CRM with SAP	✓	1	S	↓	1.85	7		
8	Enhance Regional Support of CRM	✓	1	XS	↓	1.70	8		

Project Costs

	1 2 3 4	Project	Cost Type	Cost $	Accumulated Cost $
1 ▸		Consumer Banking Platform Delivery		3,141,750.00	3,141,750.00
21 ▸		CRM Consolidation Project		2,659,780.00	5,801,530.00
41 ▸		Partner Market Place Delivery		10,170.42	5,811,700.42
61 ▸		Banking Service Platform Delivery		8,166,842.85	13,978,543.27
81 ▸		CRM Analytics Center		5,132,430.00	19,110,973.27
101 ▸		Migrate CRM Opti Retail to CRM CSS		100,000.00	19,210,973.27
121 ▸		Integrate CRM with SAP		610,000.00	19,820,973.27
141 ▸		Enhance Regional Support of CRM		1,950,000.00	21,770,973.27

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Closing Statements

Commit to "Asking Key Questions" for better Decisioning

Make it meaningful so that common questions are available to everyone

Business Portfolio

- Who owns which applications?
- Where are our applications used?
- Which process areas require the most IT support?
- What are our cost drivers?
- What should we be focusing on?
- Where are our applications deployed?
- What is our business-IT alignment?
- Who are our vendors?
- Where are our business pain points?
- What are our contract conflicts?

Application Portfolio

- What is our application portfolio?
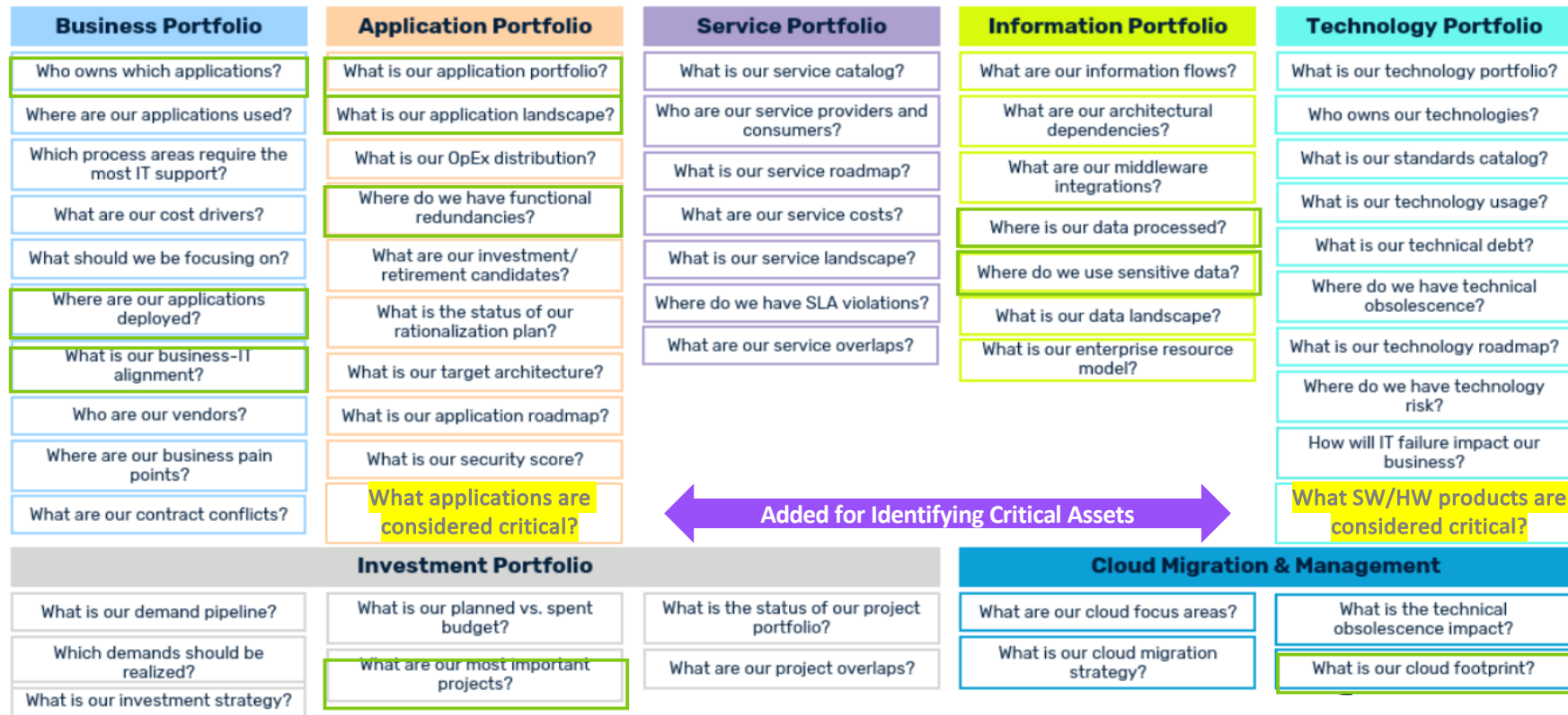- What is our application landscape?
- What is our OpEx distribution?
- Where do we have functional redundancies?
- What are our investment/retirement candidates?
- What is the status of our rationalization plan?
- What is our target architecture?
- What is our application roadmap?
- What is our security score?
- **What applications are considered critical?**

Service Portfolio

- What is our service catalog?
- Who are our service providers and consumers?
- What is our service roadmap?
- What are our service costs?
- What is our service landscape?
- Where do we have SLA violations?
- What are our service overlaps?

Information Portfolio

- What are our information flows?
- What are our architectural dependencies?
- What are our middleware integrations?
- Where is our data processed?
- Where do we use sensitive data?
- What is our data landscape?
- What is our enterprise resource model?

Technology Portfolio

- What is our technology portfolio?
- Who owns our technologies?
- What is our standards catalog?
- What is our technology usage?
- What is our technical debt?
- Where do we have technical obsolescence?
- What is our technology roadmap?
- Where do we have technology risk?
- How will IT failure impact our business?
- **What SW/HW products are considered critical?**

⟵ **Added for Identifying Critical Assets** ⟶

Investment Portfolio

- What is our demand pipeline?
- Which demands should be realized?
- What is our investment strategy?
- What is our planned vs. spent budget?
- What are our most important projects?
- What is the status of our project portfolio?
- What are our project overlaps?

Cloud Migration & Management

- What are our cloud focus areas?
- What is our cloud migration strategy?
- What is the technical obsolescence impact?
- What is our cloud footprint?

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Send your comments to Jeff.Chancellor@softwareaggov.com

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