



# Energy company

optimises post-merger IT estate using APM

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**USD 4M**

savings in licensing and maintenance costs in year 1

**55%**

reduction in number of applications

**Maturity**

gained by building a centralised APM in-house practice

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**Client**

Energy Company

**Industry**

Energy

**Services**

Application Portfolio Management

**Country**

Canada, United States

After an acquisition, an energy company found itself with a large IT environment that it needed to optimise. The system contained numerous on-premises legacy systems and, in many cases, duplicate applications. With operations in Canada and the US, the company needed to drive out costs, reduce duplication and create a unified IT environment that would work efficiently for the newly integrated organisation. This optimisation was also necessary to prepare the company for a migration to the cloud.

The company used [SoftwareOne's Application Portfolio Management \(APM\)](#) methodology to identify applications, including applications that were no longer being used at all, duplicates and other unnecessary applications. Over three years, the company was able to reduce its number of applications by over 50%. It was then able to implement ServiceNow APM to help it maintain its new level of efficiency.



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## The challenge

### Acquisition resulted in complicated, inefficient IT systems

When the energy company finalised its purchase of another energy company, it found that it had doubled all the inefficiencies of its ageing, on-premises legacy IT systems.

Both companies had legacy systems running on premises that already had duplications within their existing portfolios. And neither had strong processes in place around how to manage those portfolios. The acquisition accelerated the need to deal with those inefficiencies. The company needed to rationalise applications to work across the organisation and it needed to drive out unnecessary costs. Neither of the companies had a formal application portfolio management practice in place. The integrated company did not have the resources to manage the initiative on its own, nor did it have a strategy to go about the project.

The company turned to SoftwareOne's accredited APM experts to help it better understand its business.

SoftwareOne embarked on a data collection initiative, gathering a list of all the applications each company had been using – which had been stored in spreadsheets and on shared drives – to create a consolidated list, tagging each application to indicate which company had owned it. Having compiled this list, SoftwareOne's next step was to identify and meet with the individual application owners – more than 100 in total.

## The solution

### Easy wins and hard work add up to success

It took several weeks to collect and consolidate the application data, and analyse application use data. At the end of the analysis, SoftwareOne produced a report that ranked the applications in multiple categories. These categories indicated how often the application was used, how easy it would be to remove it from the company's IT environment and how great the resulting benefit would be.

The purpose of this analysis was to optimise the application portfolio and find cost synergies, while standing up a centralised in-house APM practice with the skills, mindset and information to decommission applications that were no longer needed. This was important because, without an in-house APM practice, there was no centralised oversight, which led to waste. For example, when software licences came up for renewal, the company renewed systems that had already been identified as ready for retirement. That was because there was no communication between the department that paid invoices, the department that made strategic IT decisions and the staff members who actually decommissioned IT resources.

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## The outcome

### USD 4M saved in year 1

The energy company quickly realised savings on licensing and maintenance fees. SoftwareOne helped the organisation to identify all of its applications, find opportunities to rationalise them and develop a multi-year plan.

### Reduced complexity

The company reduced its number of applications by 55%. In addition to achieving quick wins within about 24 weeks, SoftwareOne also helped the organisation with planning for rationalisation of applications that would take much longer. With fewer applications, the company is running a leaner organisation, helping it to operate more efficiently in a challenging business climate.

### Established a process and governance framework

The project has introduced an APM culture to the organisation that is now better able, with the help of a ServiceNow APM implementation, to maintain the gains made. SoftwareOne has helped the company to develop its ServiceNow capabilities, providing it with the tools and knowledge needed to keep application growth rational and cost-effective.

### Software licence cost avoidance

The energy company was able to cut unnecessary licences and optimise remaining applications to save costs.

### Increased visibility of IT landscape

In addition to improving visibility, the company has been able to gain improved insights into its IT costs.

### Preparation for cloud migration

By documenting and optimising its IT environment, the company is assured of easier migration to the cloud.

## CONTACT US TODAY

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