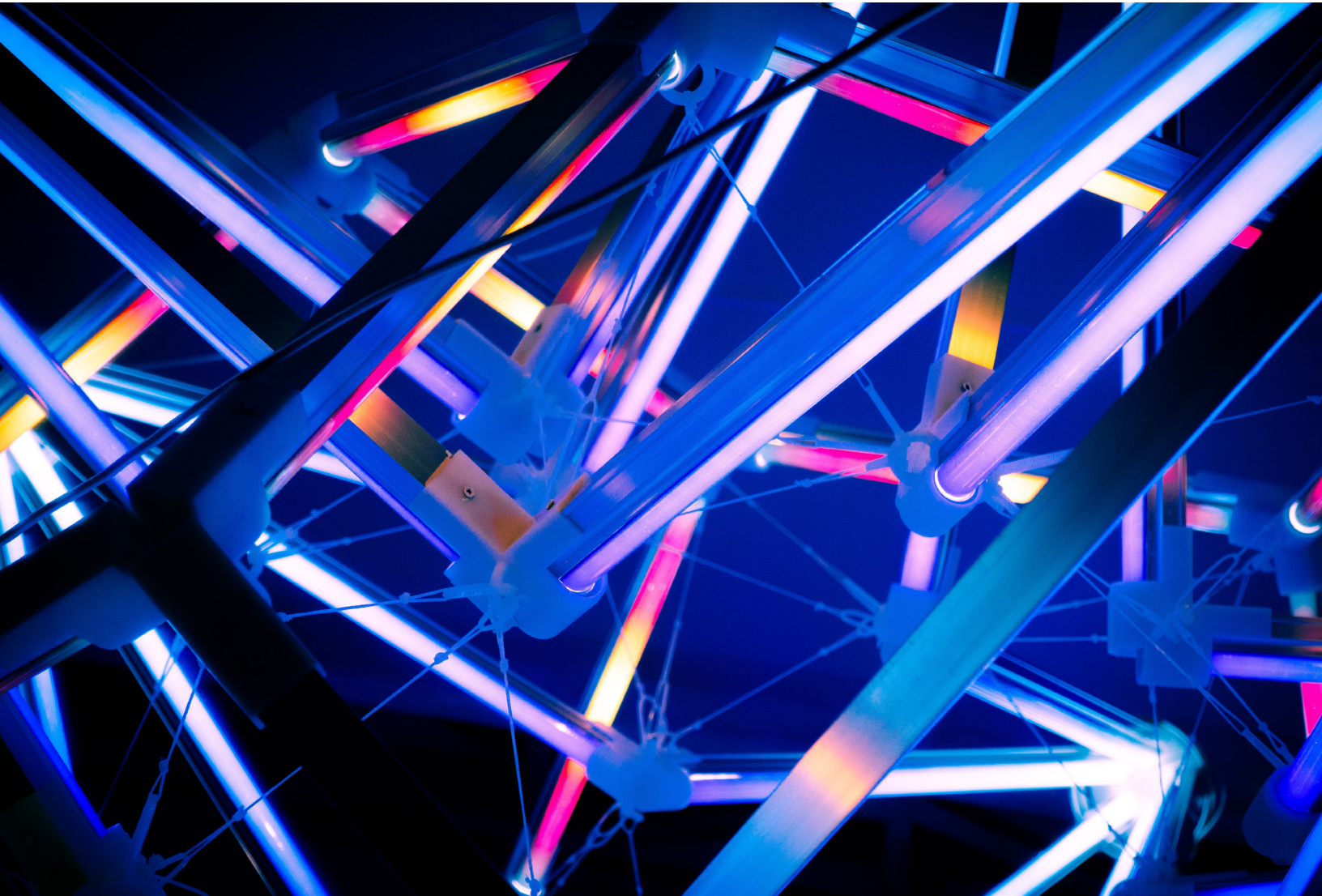# Detangling IT complexity: A playbook for maturing IT operations

# Application sprawl increases technical debt and IT complexities

"Simplify" is the word at the top of every IT leader's to-do list.

Digital transformation and the explosive growth of the cloud have made application portfolios more complex than ever. With the rise of hybrid work, you may have thousands of off-the-shelf and custom applications across your environment that you don't know about.

> **The number of SaaS apps running on corporate networks is 3X higher than what IT departments know about.**
>
> Everest Group[1]

A sprawling, unmanaged application portfolio can complicate your IT asset management (ITAM) efforts. Without the right tools and processes, it's hard to know where your applications live, who uses them, and how much you're paying for everything. This lack of visibility can create significant complexities—especially if your organization is growing rapidly. The faster your application portfolio grows, the harder it is to track and manage.

Without clear visibility, it also becomes easy for technical debt to accumulate as your assets age and quick fixes pile up. Outdated applications will continue to consume resources, even if no one uses them. These ghost assets can haunt your balance sheets and impact your ITAM success.

[1]Everest Group: Don't Fear Shadow IT: Embrace It, 2022
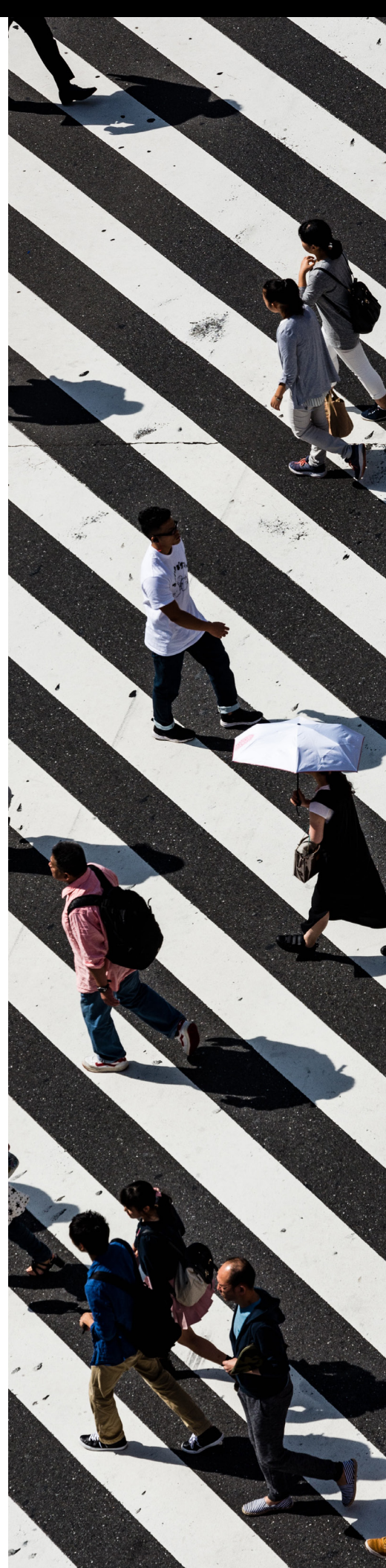
> **"**
>
> 92% of CIOs believe digital transformation will drive new revenue in the year ahead, but 72% say technical debt will adversely impact their transformation efforts.
>
> SoftwareOne[2]
>
> **"**

Meanwhile, teams that manage applications in silos can further increase your costs and complexities. It's incredibly easy for employees to purchase cloud apps. All they need is a credit card and a few clicks.

While buying applications on the fly helps employees get the job done, it can cost you. Shadow IT creates security and management risks. It also accounts for up to 50% of IT spending.[3] Much of this spending is unnecessary, as you may already have the application features your users need. According to Flexera, organizations waste 33% of their SaaS spend.[4]

Decentralized purchasing, combined with a lack of visibility, undermines your ITAM efforts and can prevent you from effectively managing applications and other assets.

If this sounds like your environment, read on. This playbook outlines how you can give teams a clear view of your applications so you can cut costs, improve efficiencies, and simplify your ITAM processes.

## Utility company aligns its IT infrastructure and business goals (while saving $2M)

A utility company wanted to better understand what applications it was using, who owned them, and whether they were necessary. APM helped the company see the following benefits:

- Save $2M in software licensing and maintenance costs.

- Reduce its applications by 17%.

- Build an enterprise architecture practice that aligns the company's IT infrastructure with its business goals.

[2]SoftwareOne: CIO Pulse, 2023
[3]Everest Group: Don't Fear Shadow IT: Embrace It, 2022
[4]Flexera: State of ITAM Report, 2022

# From overwhelmed to in control: How APM helps you simplify and save

Adding application portfolio management (APM) to your ITAM program can help you untangle complexities, save money, and drive more value from your assets.

APM provides complete visibility into all your organization's applications—both on-premises and in the cloud. You can use this visibility to optimize your application portfolio so it supports your business well into the future.

With APM, you can:

- Reduce complexity across your tech stack by managing a diverse software and cloud landscape from a central platform.

- Align your IT spend with initiatives that generate business value.

- Eliminate technical debt with data that helps you make informed decisions about which applications to keep, update, or retire.

- Save money by eliminating redundant apps and licenses.

- Minimize your security and compliance risks by effectively managing application lifecycles.

- Accelerate innovation through application modernization.

However, APM can seem daunting, especially if you don't have dedicated resources in-house. Where do you start?

# Step 1: Don't rely on tooling as a silver bullet.

The right tools can help you improve APM efficiencies. For example, a discovery platform can show you which applications you have and where each one lives.

However, tools alone won't solve your problems. You also need the right team and processes to achieve your desired results.

A well-structured team will give your APM program the expertise it needs to drive value. IT leaders, application managers, finance analysts, and security experts all play a vital role in managing your applications—from procurement through decommissioning.

Streamlined processes are also key to reducing ITAM complexity. With the right processes, you can ensure each application meets your security and business requirements. More efficient processes can also simplify license renewals and other application management tasks.

# Step 2: Get a complete and accurate map of your IT estate based on trustworthy data.

Before you can tackle the complexity and technical debt that has mounted over the years—or even begin to think about optimizing costs—you need a complete and accurate map of your IT assets. And you must build this map on trustworthy data.

Your first step is reconciling your application inventory so you know what you have at your starting point. You can do this in two steps:

1. **Identify all the records you don't know about.** You can use automated tools whenever possible. But if you're just starting with APM, you may need to locate applications via your financial systems manually. A quick search through your invoices or purchase orders may reveal hidden costs and applications.

2. **Get related metadata about your applications.** For example, you can collect metadata on the number of employees using an application and their geographies. You can also track contract start and end dates, versioning history, and other metadata. You will need this information to perform analysis and make

   recommendations about your applications.

# Step 3: Create a strategic IT blueprint.

Gaining visibility into your application portfolio helps you build the foundation for a custom IT roadmap. The insights you gain from APM can serve as a jumping-off point for other initiatives—such as software asset management (SAM), application modernization, cloud migrations, and cloud financial management (FinOps).

With a comprehensive view of your estate, you can find quick wins that will save you money and improve performance now. You can also identify long-term savings as you optimize your applications over time. Ultimately, this visibility will reveal an end-to-end application portfolio that you can use to accelerate innovation.
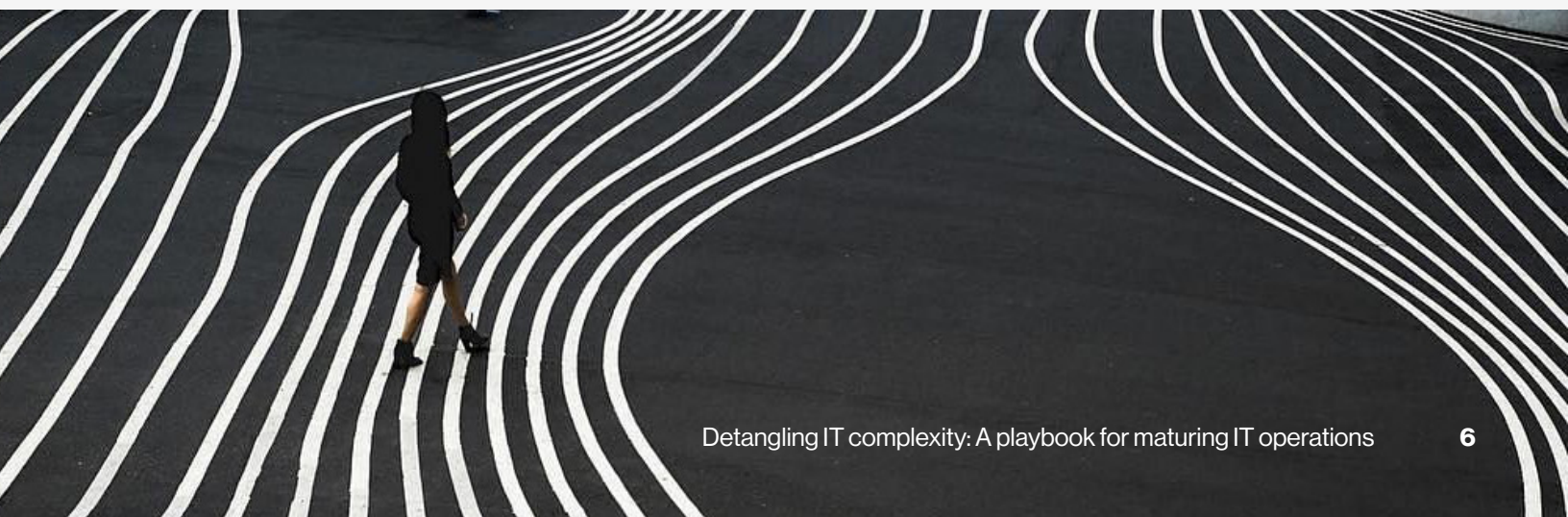
# **Step 4:** Optimize costs with application rationalization.

Once you visualize all the software, business applications, and infrastructure across your estate, you're ready for application rationalization. This process involves analyzing every application so you can decide which ones to retain, retire, replace, or re-architect.
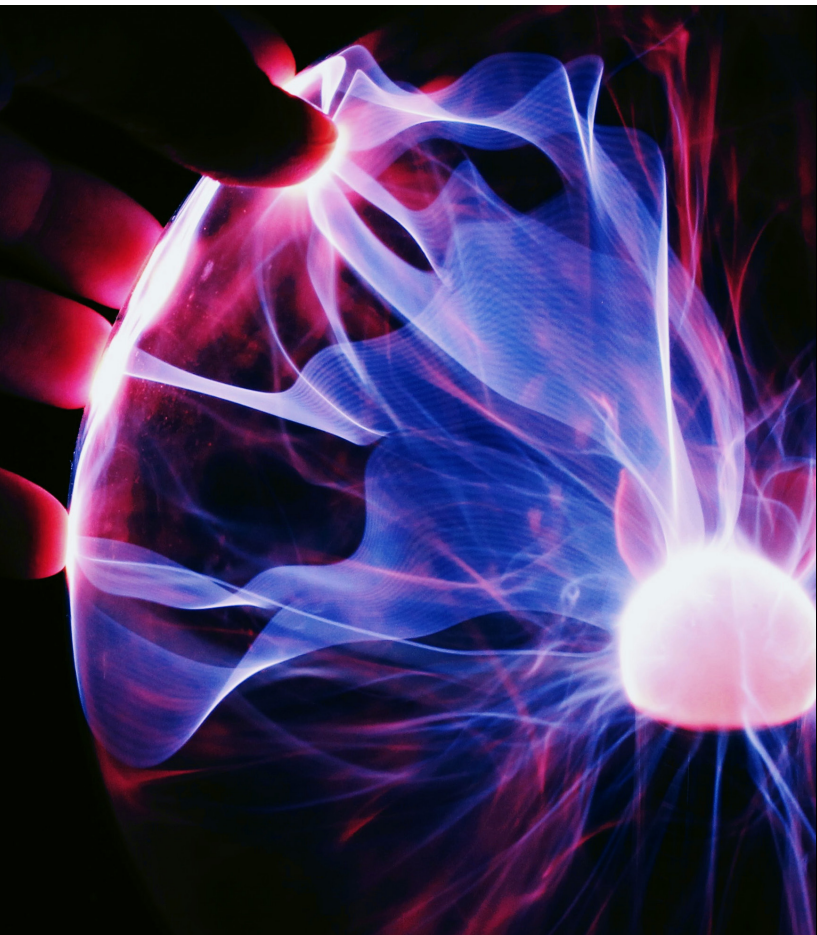
Adding application rationalization to your ITAM strategy can help you:

- Maximize application utilization to achieve greater ROI from every investment.

- Map usage and allocate expenses to business units to establish accountability.

- Quickly put governance and financial rules in place to identify risks and ensure compliance.

- Align your application portfolio with your business's current and future needs.

> ▐▐
>
> ## Rationalization can reduce your total application costs by 15%.
>
> SoftwareOne ▐▐

# Energy company saves $4M with application rationalization

An energy company wanted to reduce costs and eliminate duplicate applications after an acquisition. Rationalizing its IT environment helped the company achieve the following results:

- Save $4M in licensing and maintenance costs in just one year.

- Reduce its applications by 55%.

- Gain maturity by building a centralized, in-house APM practice.

# Step 5: Make APM an ongoing journey.

APM isn't a one-and-done task. If you make APM a short-term effort, your results will fade as teams revert to shadow IT. Once this happens, your governance model will fall apart.

Make APM an ongoing discipline. This will allow you to continuously optimize your application portfolio–even as you bring in new technology, such as AI.

# Achieve APM's benefits (without burdening your in-house team)

**APM is challenging.**

**But you don't need to go it alone.**

A partner with APM and ITAM expertise can help you understand your estate from end to end. The right partner can give you visibility into all your on-premises and cloud applications—while freeing your internal teams to focus on more strategic initiatives.

Your partner can also go beyond APM and handle everything from license optimization to cloud migrations. Ultimately, the right partner can set you up for success as you modernize and mature your IT organization.

and applications on a single platform that all teams can access. Using a shared platform with one data model gives you visibility across all your technology, improves workflows, and reduces costs.

# Next Steps

With the explosion of AI, your application portfolio may get out of hand quickly. Adding APM to your ITAM program prepares your organization for new technologies by ensuring you have total visibility into all your applications—whether they live on-premises or in a cloud. You can use this visibility to mitigate risks, simplify complex processes, and cut costs.

**Want to see if you're APM-ready?**

**Request an ITAM Maturity Assessment from the experts at SoftwareOne.**

# CONTACT US TODAY

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