Application Overhaul

Key Initiative Overview

Scott D. Nelson
Research Managing Vice President

This overview provides a high-level description of the Application Overhaul Key Initiative. IT leaders can use this guide to understand how to develop an application strategy based on business strategy and an application portfolio analysis.

Analysis

An application overhaul takes place as part of an application strategy, which is a plan to achieve a business outcome through the use of technology.

To be successful in the ever-changing business world, enterprises need a coherent application strategy. Too often, the IT conversation is dominated by what projects to do next, the status of existing projects and talk of maintenance efforts. Enterprises that ignore long-range planning risk dealing with escalating maintenance costs for out-of-date applications, a lack of access to information critical to decision making and regulatory compliance, and a loss of business agility in an increasingly agile world. To avoid these pitfalls, enterprises must put IT strategic planning at the heart of their IT leaders' management agendas. Such planning includes developing an application strategy, funding a modernization program for their IT portfolios and focusing on retiring older systems.

Consider these factors to determine your readiness

IT leaders who seek to put IT strategic planning at the heart of their management agendas should:
- Inventory applications, and determine which applications to include in a rationalization analysis.
- Build a business case for application overhaul based on an analysis of the cost benefits each application offers.
- Obtain critical buy-in from business executives for the application rationalization progress.
- Maintain the momentum in their application rationalization effort, and prevent it from stalling out.
- Accurately assess the time, effort and expenses related to retiring a system.

Pursue an application overhaul in five phases

Gartner recommends that IT leaders plan application rationalization initiatives in five major phases:
- **Strategize and plan:** Draft a charter to gain agreement on the vision and mandate behind the project, in alignment with business goals. Scope the project, and establish resources, budget and governance systems. Integrate the project with strategic IT and business plans.
- **Architect solution:** Define the architecture, technology and standards for the project. Model business requirements, and detail specifications for solution delivery. Recommend how to implement the project. Define process detail and performance metrics. Communicate the plan.
- **Select solution:** Set requirements and issue RFPs. Analyze market intelligence. Evaluate vendor/service provider options. Choose technologies and vendors/service providers. Negotiate service-level agreements and contracts.
- **Deploy:** Design, deploy, staff and manage the implementation. Develop rules, workflows, forms and user interfaces. Define organizational and governance structures. Create a development and test environment. Run tests. Seek user feedback. Manage and monitor risks.
- **Operate and evolve:** Operate and manage the implementation. Revise in response to feedback, risks and changing business requirements. Measure performance. Monitor use and compliance. Develop skills and define best practices for users. Refine governance processes.

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Read More From Gartner About Application Overhaul

The following is just a sampling of the research and tools Gartner clients have access to every day.

Strategize and plan

The Eight Building Blocks of an Application Strategy
ID: G00152604
Often, application strategies just evolve by happenstance, but they shouldn't. There are eight key components that all good application strategies must contain, so successful organizations must be aware of them.

Planning for IT Modernization: Start From the Top With APM
ID: G00172755
Application portfolio management provides key planning and management details for IT modernization programs. Progressive refinement from a high-level assessment leads to focused decisions that can improve the return on the assets in use.

Maturity Model Overview: Application Organizations
ID: G00170166
Gartner's maturity assessment for application organizations enables organizations and their leaders and managers to evaluate application processes in a holistic fashion and to identify actions for advancement.

Architect solution

Customization: The Cost That Keeps on Costing
ID: G00165372
Customizing a packaged application is an expensive activity. But it is only when the full life cycle costs of a customized application are measured that the true cost is revealed.

Moving Up the Applications Maturity Ladder: How Far and How Fast?
ID: G00167509
It's interesting to perform an assessment of an application organization's maturity, but this only provides information on how far an organization needs to mature. To formalize an improvement process, two other questions—how fast and why—need to be answered as well.

Predicts 2010: Future Impacts of Cost Cutting and Cloud in Sourcing IT and Business Process Services
ID: G00172389
Difficult economic times have forced enterprises to make difficult choices to cut costs, undertake risk, and explore new delivery and acquisition models. Here, we provide Gartner's predictions for the future of sourcing, selecting, contracting and managing IT services.

Select solution

Shelfware Is Stealing Your Budget: Spot It and Stop It
ID: G00167234
Shelfware has many different manifestations, but they all bleed money to no value. IT management teams need to learn how to hunt down and eliminate shelfware to free up their budgets for more-important activities.

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Top 10 Extreme Negotiation Tactics for Problematic Vendors
ID: G00164942
When dealing with problematic vendors, use Gartner's Top 10 techniques to reduce product and service prices in contracts.

Magic Quadrant for IT Project and Portfolio Management
ID: G00168075
The IT project and portfolio management market remains active in an adverse global economy. This year's Magic Quadrant acknowledges emerging IT planning and control and application portfolio management integration support, two (but not the only) routes for expanding PPM systems.

Deploy

Living on the Fault Line: The Case for Application Governance
ID: G00165885
The way organizations have defined their application governance frameworks has been inconsistent in the past. Where consistency has existed, it's been enforced to the degree that changing the policy is like the shifting of tectonic plates—it results in disruptive "quakes."

10 Key Actions to Reduce IT Infrastructure and Operations Cost Structure
ID: G00170304
I&O is a major target for cost optimization since it consumes 60% or more of IT spending. When fully implemented, our 10 cost reduction recommendations can reduce I&O cost structure by 10% or more through 2010, and 25% or more over the longer term.

Business Applications and Cloud Computing: Convergence or Myth?
ID: G00168840
Business applications have experienced significant changes in delivery models over the past five years. The success of SaaS is focusing attention on the implications of cloud computing. This research examines the realities of how cloud computing will impact business applications.

Operate and evolve

Best Practices Mitigate Data Migration Risks and Challenges
ID: G00167994
Data migration projects often exceed timelines and budgets, and frequently introduce challenges in application acceptance. Organizations can minimize disruptions and delays by applying a set of best practices focused on each of the key risks in migration efforts.

Six Best Practices for Addressing the Unique Attributes of Cost Optimization Initiatives
ID: G00167415
Many IT organizations have identified numerous cost optimization opportunities. However, they're encountering challenges in how to evaluate and prioritize these ideas, and then successfully move them to execution.

IT Infrastructure and Operations Management Cost Justification in 2009
ID: G00168321
Funding for IT I&O implementations requires clear, effective economic and business analyses that align the projects with business strategies. We outline the critical steps to take when creating a business case for new technology investment.

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Strategic Insights on Key Initiatives

All your initiatives are important, but some are mission-critical. Key Initiatives organize the vast Gartner resources around the projects and programs at the top of your list, helping you achieve demonstrable business results efficiently and cost-effectively.

Our 650 analysts engage in 260,000 one-to-one interactions each year with 60,000 clients from 10,000 organizations worldwide. Every day, clients tell us what they do to support their key decisions and processes for the initiatives that matter most to them. We apply that knowledge to deliver targeted insight and valuable tools just in time, from strategic planning through implementation and benefits realization. Our solutions evolve with our clients' changing needs, but our commitment to quality never changes.

Key Initiatives address significant business opportunities and threats, and typically have defined objectives, substantial financial implications, and high organizational visibility. They can involve multiple projects, but are typically implemented by a designated team with clear roles and responsibilities, and defined performance objectives. It's our solemn mission to guide your key decisions and processes so you achieve the highest possible returns at the lowest possible risk.

So which initiatives will make or break you this year? Don't worry, we've got you covered.

Key Initiatives

Application Development

Application Governance

Application Integration

Application Overhaul

BPM Technology and Tools

Business Continuity Management

Business Intelligence
Competency Center

Business Process Program
Management

Cloud Computing

Compliance

Corporate Performance Management

CRM

Customer Experience Management

Data Center Modernization
and Consolidation

Data Management and
Integration Maturity

Enterprise Architecture Program

Enterprise Architecture Stakeholder
Engagement

Enterprise Social Software

ERP

Identity and Access Management

Information Governance

Infrastructure Application and
Data Protection

Information Security
Program Management

IT Cost Optimization

IT Governance

ITIL and Process Improvement

IT Risk Management

Master Data Management

Microsoft Windows 7 and Office

Mobile Enterprise Strategy

Negotiating Vendor Contracts

Outsourcing

PMO

Portal Strategy

SharePoint for ECM

SOA and Application Architecture

Strategic Planning

Supply Chain Management

Vendor Management

Virtualization

VoIP, Unified Communications and
Collaboration

Three ways to learn more about how Gartner can help you move your Key Initiatives forward:
- Contact your account executive.
- Attend a webinar: gartner.com/webinars.
- View additional resources: gartner.com/app-overhaul.

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