Introduction
Digital Transformation is no longer an Option

Digital Transformation is one of the top priorities of many organizations and with the right reasons. According to Forbes magazine: "Digital Transformation is no Longer an Option". *

Irrespective of the industry and the state of economy, IT has been brought in the forefront and is forcing organizations to accelerate their digital transformation program.

"The value of digital channels, products and operations is immediately obvious to companies everywhere right now," says Sandy Shen, senior director analyst, Gartner. **

Challenges

Having said that, a Digital Transformation journey is easier said than done. Some of the common challenges faced by organizations in their Digital Transformation journey are:

1. Inability to drive new strategy towards digital innovation.
2. Aligning architecture with business strategy.
3. Limited Application Landscape data that cannot be trusted for key decisions like optimization of current initiatives and making room for new technology.
4. Inconsistent Application Inventory to drive Application Rationalization.
5. No visibility to Technology Risks.

ServiceNow's APM (Application Portfolio Management) product within its ITBM (IT Business Management) suite has positioned itself in a unique position to support an organization's Digital Transformation journey. This whitepaper focuses on the Digital Transformation use-cases and how APM can help you take the right decision for your organization.

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What is Application Portfolio Management?

Application Portfolio Management (APM) is a framework for managing enterprise IT Software applications and software-based services. APM provides managers with an inventory of the company's software applications and metrics to illustrate the business benefits of each application. ***

APM relies on a scoring algorithm, in which each application in the company's inventory is ranked based on a set criterion, such as:
• Cost to build and maintain each application.
• The business value delivered by each application.
• Customer Satisfaction Score etc.

Adopting Application Portfolio Management processes benefits the organizations in the following ways:
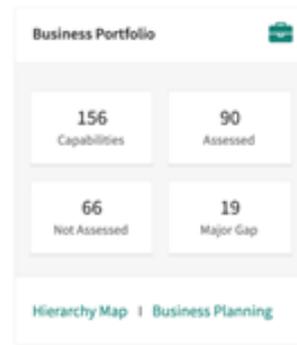
1. Categorize, streamline and modernize their application landscape.
2. Effectively align the application landscape to organization's strategy and business capability.
3. Reduce technology risk, improve operational efficiency and redirect investments from Run to Change.

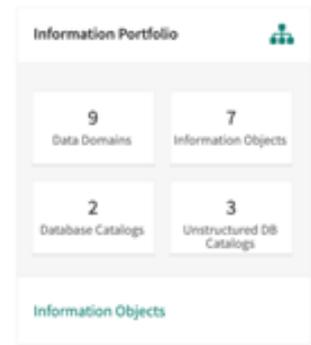**Introduction to APM in ServiceNow**

Portfolios to Drive Strategy

ServiceNow APM provides 4 portfolio views to drive Digital Transformation strategy. These 4 portfolio views enable an organization to manage, optimize and modernize the application landscape from multiple perspectives. It leverages data from multiple modules within ServiceNow (ITSM, ITOM, SAM, PPM) thereby providing a rich decision-making engine for your application portfolio.
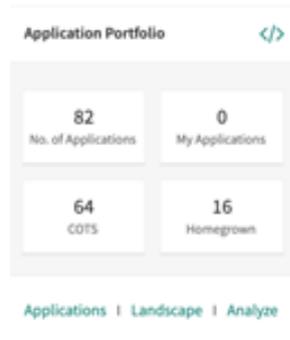
Application Portfolio Management

Business Portfolio

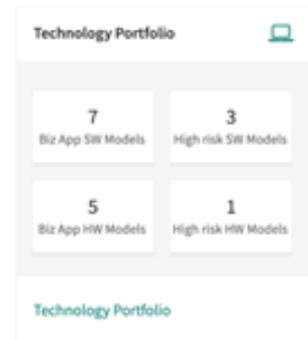| 156 Capabilities | 90 Assessed |
| 66 Not Assessed | 19 Major Gap |

Hierarchy Map I Business Planning

Manage Business Capabilities and Strategic Business Planning. Using Capability Planning feature, Business Capabilities are managed in a hierarchy, assessed and corrective actions taken where required.

Information Portfolio

| 9 Data Domains | 7 Information Objects |
| 2 Database Catalogs | 3 Unstructured DB Catalogs |

Information Objects

Manage and track information flow across configuration items

Application Portfolio

| 82 No. of Applications | 0 My Applications |
| 64 COTS | 16 Homegrown |

Applications I Landscape I Analyze

Track, manage and evaluate business applications. From this portfolio, we get complete visibility into application landscape, maintain an application record and consolidate and analyse the application portfolio.

Technology Portfolio

| 7 Biz App SW Models | 3 High risk SW Models |
| 5 Biz App HW Models | 1 High risk HW Models |

Technology Portfolio

The technology that runs the applications have a shelf life which needs proactive management and monitoring. This is made possible using the Technology Portfolio Management.

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Application Landscape Visibility driven by Application Inventory

A comprehensive and trusted list of Business Applications is the foundation of a successful Digital Transformation journey. One of the key items managed by APM is the Business Application data along with its key attributes. Underlying features like Data Certifications and implementing Data Ownership processes allows to keep the Business Applications data up to date. This visibility allows key insights like holistic overview of the Business Applications, supporting technologies and manufacturers which in turn drives actions for business strategies like Cloud Readiness and Decrease Homegrown Applications.
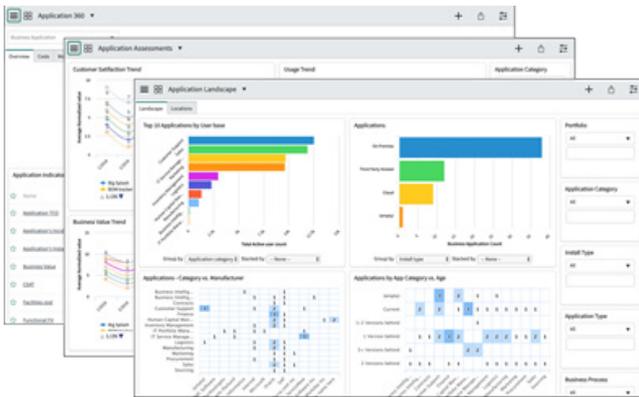
Visibility on Business Value and Alignment

One aspect of Business Transformation is to improve the support of Business Capability by IT and transform IT from enabling to running Business Capability. This is enabled by the Business Capability planning in APM.
It manages an organization's Business Capabilities and aligns Business Applications to the supporting capabilities. This allows to remove redundancy like duplicate applications providing the same business capability and understand business capability context. Capability Scoring Profile scores the profile thereby driving conversations on the Business Value and engaging Enterprise Architects to take necessary actions on the critical capabilities.
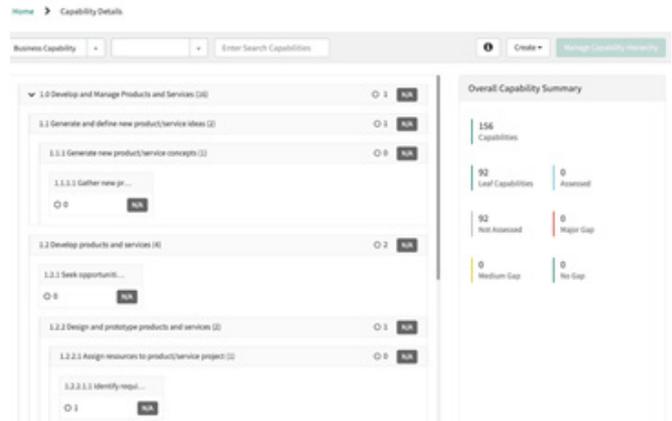

Drive Business Strategy and Application Rationalization

APM enables to drive strategy by managing programs and identifying opportunities using application rationalization process. Example of such goals are: Identify Cost Savings Opportunities, Identify Application Consolidation and Identify Application Modernization.


ServiceNow APM provides recommendations based on the selected criteria and the application score. Multiple criteria selection enables a thorough decision-making process. The outcome of rationalization (Demands and Projects) then enters the PPM (Project and Portfolio Management) pipeline for Portfolio Prioritization.
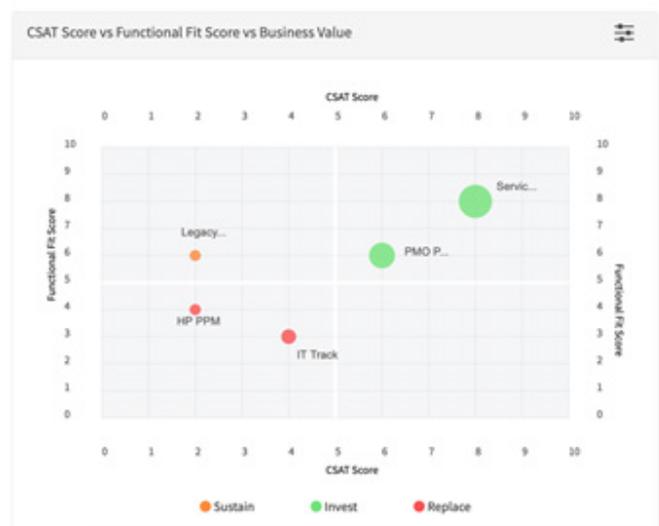
Manage Technology Lifecycle and Risks

By leveraging Software and Hardware model data being fetched from Software Asset Management (SAM), the Technology Portfolio Management (TPM) provides visibility to technology risks and lets Enterprise Architects create Demand or Project in order to mitigate these risks. An end of life indicator in the TPM dashboard can be used to trigger discussion of application replacement or an upgrade. The TPM timeline view provides the complete overview thereby allowing to plan ahead. Such a view also provides the technology landscape required to support a Business Capability and can be used to trigger discussion on technology simplification strategies.
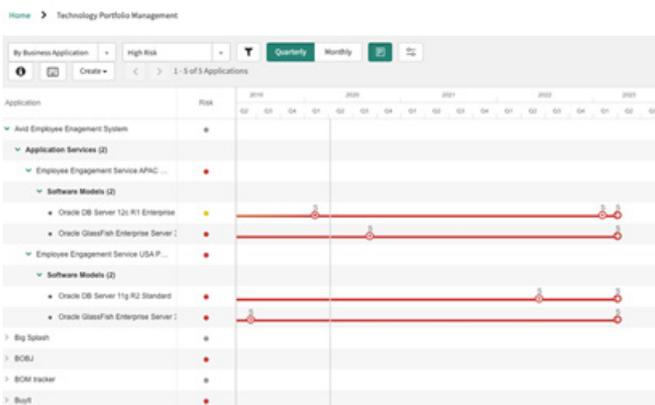
Conclusion

As part of this whitepaper, we thus see how ServiceNow APM supports an organizations Digital Transformation strategy using a number of use cases. By optimizing IT Assets driven by up to date information and alignment of such efforts to organization's strategy, ServiceNow APM can help you to jump start your Digital Transformation journey.

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