



The future of
Application portfolio
management,
that drives new value
and growth, is here.

CGI

Big shifts in the technology supply chain



With Canadian businesses increasingly embedding digital in their business models, they are also seeking more value from their IT investments and expect IT to align with business outcomes. Enhancing customer and citizen experience, delivering client-facing digital transformation, customer centricity and Business process digitalization are all key priorities (Source: CGI 2023 Voice of our Clients) that indicate how business and IT objectives are converging.

On the supply side, the IT supply chain itself is evolving, in how software applications are created, procured, and consumed. Building and launching modern applications is one thing but operationalizing them and managing them is another. Both need to be business-outcome focussed. Both need to be agile.

From CGI's research, only 30% (Source: CGI 2023 Voice of our Clients) of Canadian businesses claim their digitization efforts are producing results, which means there is a need to think deeper and beyond building and launching, but also operationalizing digitization strategies. The latter being the focus of this article – How Application Management plays a pivotal role in enabling sustained business growth and innovation, rather than being solely a support function.



The problem



Conventional approaches to managing an application portfolio have worked in the past, but they are not designed to enable the business agility that organizations are looking for. Constraints such as technical debt and increasing sprawl, difficulty in making changes quickly, new threats and regulatory requirements, hybrid IT environments and access to talent, all make extracting value out of application portfolio complex.

A deeper look at the underlying issues

First, conventional application portfolio management approaches focus on IT processes, IT KPIs and lack a business-centric approach to application development, efficiency, and innovation. Second, the model also creates inefficient budget allocations due to their focus on cost-cutting rather than value creation. This approach can lead to a culture of 'doing more with less' and can stifle innovation and growth opportunities. Finally, keeping up with the accelerating pace of change is also crucial but current models typically manage applications within a siloed environment and isolated operations teams that often lack standardized and modernized toolsets to automate and maintain proactively. The result? Slow and inflexible processes – with limited opportunities for innovation, automation, and responsiveness to evolving needs.

The solution in a nutshell

What's needed today is, the Application Portfolio management approach itself needs to be modernized to enable business agility, driven by business objectives – a Business-First Application Management approach.



Business-First Application Management – Where, Application Management meets Agility and Automation



The Business-First way to manage a portfolio of applications is underpinned in business-centric focus, data and automation, with the following key considerations:

Business KPIs in addition to IT KPIs, that will align IT with business goals and objectives, ensuring that technology investments support business outcomes and add value. A Business-First Application Management provides a better understanding and focus on business objectives through business-capability modeling, enhanced business processes and IT use, and client research. For example, Agile and DevOps methodologies are fully adopted for a business-centric focus within IT organizations and their AMS providers – promoting collaboration, responsiveness, and alignment with business objectives.

A key success factor in introducing Business KPIs would be to directly integrate the AMS provider teams into business dialogues. This inclusive strategy ensures that the devised solutions are not merely technically adept but are also in sync with business objectives, eliminating communication leakage.

Continuous, cost-effective innovation of application portfolios. Focusing solely on slashing costs can be detrimental in the long run. By strategically looking at cost allocation, companies can save operational expenditure and redirect savings towards growth. But the problem of identifying where resources are underutilized or over-allocated is also a persistent challenge. Using advanced analytics and machine-learning algorithms, a Business-First Application Management approach provides proactive insights and data-driven recommendations where resources are under-utilized or over-allocated and provides recommendations to optimize budget allocation. For example, this involves a budget plan that factors in the business strategy and an application portfolio review that provides data points on technical and business health of applications that are inputs to prioritizing IT spending.

Flexible, scalable, faster solutions to keep pace and adapt to the changing needs of business and customers. Companies can become more responsive to market changes in by leveraging AI and automation for say, intelligent incident management, the automation of routine tasks, and predictive analytics for proactive issue resolution. The Business-First Application Management approach should be equipped to put business needs first and quickly adapt to what customers want. Here is where AI and automation play a central role and not just add-ons. With AI, production issues could be spotted and fixed faster than ever. AIOps takes it a step further to predict and prevent problems before they happen. In fact, a use case to implement the power of AI is through the Application Performance Manager tools that could equip the AI engine with all the necessary data about the application portfolio, allowing teams to anticipate problems and boost application stability and reliability.



Baking Security into Business-First Application Management, to bridge the traditional divide between cross-functional teams and misalignments with business. By integrating security in various value streams spanning the software supply chain builds observability across environments and teams. By taking a metrics-driven product-centric strategy, which encourages stronger stakeholder alignment stakeholders can collaborate through code and automation, aiming at reaching faster time-to-market, faster remediation when the application has a vulnerability or a malfunction of any sort. Yet, it doesn't end with technology - it's a journey of cultural transformation. Continuous learning and a Design Thinking approach will pave the path.

The journey to modernizing Application Management



As we advise businesses today, Next-Gen Application Management approach needs to be aligned and integrated with the business to enable true agility. Becoming an agile organization is about transforming the entire enterprise to respond to change, enhance collaboration and deliver value directly to stakeholders, using five stages for success:

- 1 An organization Maturity Assessment
- 2 Application portfolio review
- 3 Business planning and strategy development to establish business priorities.
- 4 Creation of a portfolio-management framework offering Agile, DevOps toolchain, a common services team and delivery optimization
- 5 Organizational change to provide governance, an annual operating plan, and a dedicated value-management office

Success Story

Delivering new levels of value with an Agile AMS model.

To optimize services and deliver more value to a major technology manufacturer's business line, CGI performed an Agile Application Management Services (AMS) transformation in collaboration with the client.

The structure in place allows for daily collaboration between the CGI team and the client's product owner, a proximity that makes it possible to handle service and innovation requests quickly according to the client's priorities. The continuous improvement of production systems focuses more than ever on the client's current and evolving business needs.

CGI has carried out all of the necessary change management work, from strategic support and communication to mobilization, training and Agile coaching in order to continuously increase team maturity.

Increasing business satisfaction with modern metrics

Despite green performance indicators, a major client in the manufacturing sector was experiencing some dissatisfaction with the IT department. CGI partnered with the business to establish new metrics based on business impact. We identified critical business-impacting functionality and new indicators to align with business objectives.

When the measure was established, and despite traditional indicators at 100%, the business performance measure turned out to be 40%, representing dissatisfaction. To improve the measurement, the focus shifted from repair to proactive maintenance and impact prevention. To get the most out of IT, we focused closely on business value.

Value delivered.

- Agile strategic support of the AMS teams in the transformation and optimization of their operations toward agility.
- Major reduction in the number of incidents thanks to daily communication and a focus on improvement from the first incident.
- Better functional understanding of customer applications and processes.
- Services and applications that truly meet the priorities and needs of users.

Value delivered.

- Increased business satisfaction with IT services. Reduced business impact with proactive maintenance from the Operations team.
- Increased proximity between business and IT services.
- Increased business knowledge within IT services operation team.

CGI's Application Services - Maximizing the value of business applications

From industry and technology expertise to solutions and tooling, our full range of application management services helps organizations drive strategic business outcomes. CGI is at point where 40 years of application development and maintenance services converge with service innovation.

Key elements of our Business-First Application Portfolio Management approach:

Ops to AIOps and everything in between



Culture based on Business Value

CX/UX model in every engagement and IT objectives based on business objectives



Improved Methodology

Agile delivery/coaching and DevOps



Automation

Flexible and transparent with business case tracking built in



Proactive Maintenance & AIOps

Focus on critical business services with monitoring and AI to be proactive and predictive



Continuous Improvement

Dynamic IPI based on actual business objectives and structured improvement plan

To understand the full breadth of our Application Services, please visit: [cgi.com](https://www.cgi.com)

What's next?



As a forward-thinking technology leader, you understand the importance of staying ahead of the curve and keeping your organization competitive in a rapidly changing market.

If you're ready to take your application management to the next level, we invite you to get in touch with us today.

About the authors:

- Stephane Lefebvre, VP Consulting Delivery, Global Delivery Center, Saguenay, Quebec
- Carl Villeneuve, Director Consulting Delivery, Global Delivery Center, Montreal, Quebec
- Tyler Sherwood, VP Consulting Expert, Victoria, BC
- Amanda A Scarbro, Director Consulting Services, Victoria, BC



About CGI

Insights you can act on

Founded in 1976, CGI is among the largest IT and business consulting services firms in the world.

We are insights-driven and outcomes-based to help accelerate returns on your investments. Across 21 industry sectors in 400 locations worldwide, our 91,500 professionals provide comprehensive, scalable and sustainable IT and business consulting services that are informed globally and delivered locally.

For more information

[cgi.com](https://www.cgi.com)

© 2023 CGI Inc.

