J. Ward and J. Peppard, Strategic Planning for Information Systems, Third Edition, John Willey, 2002.

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Managing the Applications Portfolio

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- Components of Applications Portfolio:
  - Existing information systems
  - Required information systems
  - Potential information systems

- Managing the Applications Portfolio
  - Place in our 2x2 grid

Classifying The Applications in The Portfolio

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- Once the portfolio is understand and agreed, decisions on how best to manage each application, both existing and future, can be made.
- Some existing applications may be:
  - obsolete and no longer required
  - need significant investment to avoid future problems
  - underexploited

Strength, Weaknesses, Opportunities and Threats (SWOT) Analysis of Existing Applications

- High potential, now underexploited
- Can be extended/enhanced to be more valuable
- Could be more valuable if better integrated or used more
- Critical but data quality is poor
- Needs to be developed to meet current & future needs
- Must be enhanced to meet changed requirements in future
- Required but must be reimplemented/upgraded
- Less important in future; needs to be

Classifying The Applications in The Portfolio

- The portfolio is not a way of classifying email, intranet, the Internet and a data warehouse call all be used for a variety of applications
- ERP and CRM packages deliver applications in all quadrants

Example Portfolio for a Manufacturing Company

Strategic	High potential
* Direct Marketing ** Advertising and Promotion-Campaign Management ** Sales forecasting/Market Analysis ? Customer Relationship Management	** e-Procurement ? On-line customer specification system ** Product tracking/traceability ? Product profitability analysis ** Data warehouse-customer analysis
* Product database/inventory management * Production control * Purchasing materials ( ) Costing systems * Warehouse management	* Payroll and Personnel system * Receivables - Payables * General Ledger * Office systems
Key Operational	**Support**

*** Existing system, ( ) Existing system needs improvement, ** Planned system**
? Potential system

Driving Forces in the Segments of the Portfolio

- **High Potential**
  - New business ideas or technological opportunity
- **Strategic**
  - Market requirements, competitive pressures
  - Business objectives, success factors and vision of how to achieve them
  - Obtaining an advantage
- **Key Operational**
  - Improving the performance of existing activities (speed, accuracy, economics)
  - Integration of data
  - Avoiding a business disadvantage
- **Support**
  - Improved productivity/efficiency of specific business tasks
  - General legislation

Critical Requirements in the Segments of the Portfolio

- **High Potential**
  - Rapid evaluation of prototypes and avoid wasting effort/resources
  - Understand the potential benefits
  - Identify the best way to proceed
- **Strategic**
  - Rapid development to meet the business objective and realize benefits
  - Flexible system that can be adapted in the future
- **Key Operational**
  - High-quality, long life solutions and effective data management
  - Identify the best solution
  - Evaluation of options available by object feasibility study
- **Support**
  - Low-cost, long-term solutions – often packaged software to satisfy most needs

Key Questions for Application Portfolio

STRATEGIC		HIGH POTENTIAL	
WHY	do we want to do it in strategic terms?	WHY	- not clear and/or
WHAT	does the system need to gain the advantage?	WHAT	- not certain and or
HOW	best to do it?	HOW	- not yet known
WHY	to improve performance & avoid disadvantage	WHY	to reduce costs by improving efficiency
WHAT	actually has to improve and by how much?	WHAT	of existing necessary tasks
HOW	best to do it?	HOW	best to do it?
KEY OPERATIONAL		SUPPORT	

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The End