

Business white paper

Get your applications in order for mobile and cloud business



New technologies demand changes

When asked how important technology is to driving innovation in their organisations, 100 per cent CEOs indicated it was important, with 80 per cent pointing out that it's very important, according to HP sponsored research. Even CIOs agree with their CEOs.¹

According to the same research, when asked whether or not technology will be the innovation engine or administrative engine for a business or government, approximately two out of three CEOs said it would be the 'innovation engine'. This represents a significant shift in the role that technology is playing in enterprises.

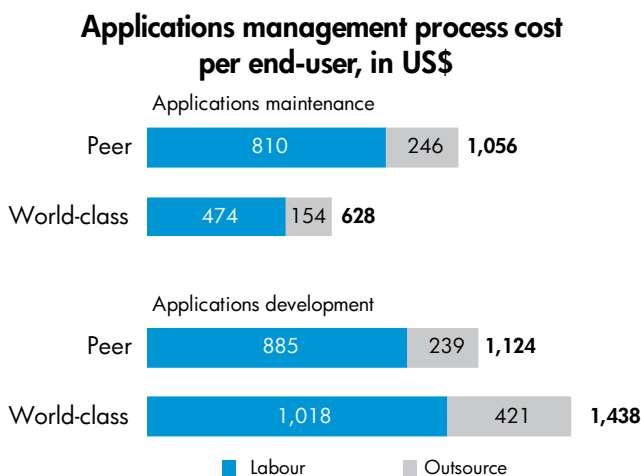
Today, organisations demand new applications and more functionality delivered more quickly, and at a lower cost than ever before. Many organisations either want a mobile application or are already using one. In fact, according to analysts, by 2016 350 million employees will use smartphones at work and businesses will increase spending on mobile projects over 100 per cent in the same time. Also, a great number of application development projects are mobile only or 'mobile first'.

The same can be said of cloud-based technologies. According to analysts, up to 50 per cent of IT applications are expected to be hosted on the cloud within the next few years. Unfortunately, IT departments are having difficulty tackling new innovation projects or even modernisations to utilise these new technologies because they spend a huge percentage of their budgets on 'keep-the-lights-on' activities.

The result... there are very few resources left over to think about modernisation and innovation. For companies to remain competitive and business users to get the things they demand, this high percentage dedicated to 'keeping the lights on' is unsustainable.

¹ Source: 'Application Landscape Report', sponsored by Cap-Gemini and HP, 2011.

Figure 1
World-class companies use Application Portfolio Management to reduce maintenance spend and funnel that money directly into innovation driving their business



Present scenario

Technology is now being driven by business users who make many of their applications accessible through mobile devices as the mobile platforms are evolving rapidly. IT is also being asked to use and support cloud-based services in order to reduce maintenance costs and accelerate time to market. The demand to modernise an organisation's applications is at a pace and level of complexity that IT has never seen before. This puts stress not only on IT's ability to find tools and skills to enhance and support these new applications, but also on their existing application portfolio management and application lifecycle management processes and practices.

Using components from the cloud offers the promise of lower operating costs and increased speed of delivery. It can also increase the complexity of solution, relying on internal and external components.

The unfortunate result, capacity, and complexity of IT's current application environment does not allow IT to think about modernisation (that is, almost 70 per cent of current IT resources are being spent on 'keep-the-lights-on' activities).

Most IT organisations lack the readily available knowledge, processes, and software tools to effectively assess the applications that would be a good fit for mobile usage or cloud delivery, without experiencing significant business disruption. Organisational fear and security risks of movement to the cloud and mobile devices are also barriers which increase resistance to change.

Yet, IT leaders cannot delay mobile delivery while planning a massive application transformation and they know they must transform their portfolio to be more agile and responsive. They would prefer to get ahead of this technology transition and become proactive about the way they assess, modernise, manage, and govern their portfolio of applications. This can result in maximum efficiencies that can allow businesses to drive technology innovation such as mobile and cloud technologies through their business at a lower cost.

Change is good...seize the opportunity

The drive to mobile and cloud presents IT leaders with a unique opportunity. Business users are demanding change and want it right away. Since change is often difficult, an opening such as this rarely comes along. Why not use it to make the changes to begin the transformation IT has been seeking for so long?

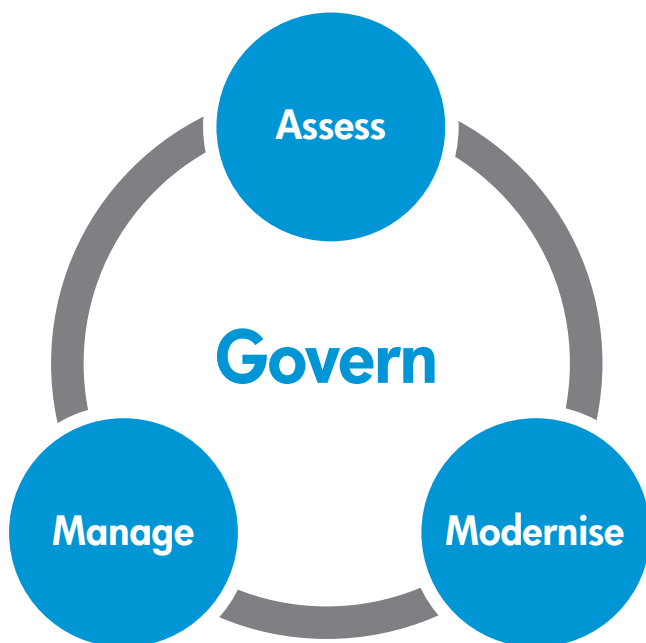
At the same time, IT can put in place a series of processes and tools that enable quick modernisation of some applications, adding mobile capabilities and cloud components. IT can also build an enduring application transformation process to be more proactive in the future.

HP defines ideal application transformation process

HP can help you take advantage of this quest for change. We provide tools and processes to modernise your applications that can be used on mobile devices and potentially speed the new application to market by utilising some new cloud-based technologies.

HP can also help you transform legacy applications and processes. We have over 10 years of experience in helping enterprises gain control over aging applications and inflexible processes to accelerate growth, agility, and innovation. The key steps and best practices of the HP Application Transformation solution include

Figure 2
The HP Application Transformation process



Assessment

Companies need to assess the current application portfolio and evaluate the cost and benefit to the business. Application discovery and portfolio management is a crucial component that allows organisations to understand how they support the business and to make a decision on the future of each application.

Modernisation

To modernise business-critical applications, organisations must be able to test more accurately, more often, and efficiently for functionality, performance, and security. If an application is deemed unnecessary, it should be retired.

Management

Companies must be able to monitor the applications, the services they support, and the health of the underlying infrastructure to ensure IT meets availability, performance, and functionality.

Governance

Any amount of work you do to modernise your applications, can fall apart without good governance. In particular, your ability to stay the course with modernisation and retirement plans by ensuring availability of budgets and resources. Also, companies must prioritise demands placed on resources for new applications against resources required for application modernisation and management, and give the management a consistent view of these processes.

Working together

Today, business users want new functionality quickly and are willing to collaborate with technology teams and discuss how this can be delivered. In this scenario, both IT – due to pressure and costs associated with legacy applications – and the business – due to their desire to have latest technologies – are ready to negotiate the status and use of legacy applications. It's the perfect time to agree on a process and replace these expensive, often-redundant legacy applications and still meet the evolving business requirements for technology.

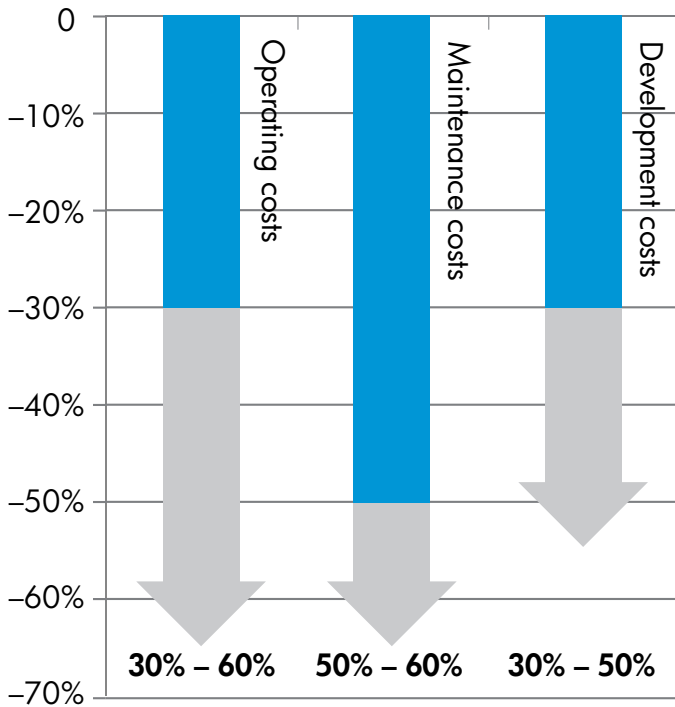
Technology, infrastructure implications

The journey of application transformation can also include many technology and infrastructure benefits. First, the process itself motivates use of automated discovery and dependency mapping technologies, allowing you to better understand dependencies and map out architectures. Secondly, it provides a baseline mapping of applications to business processes that pay dividends as long as you keep the baseline updated. Lastly, reduction in old and redundant applications inevitably reduces the size and complexity of your infrastructure, thereby reducing cost and management headaches.

How HP fares

HP has been performing application rationalisations for customers for over 10 years. The results for these customers have been tremendous. Not only have they turned the corner in their ability to quickly and effectively innovate, they have also secured remarkable cost reductions (see figure 3).

Figure 3
Applications cost improvements²



At HP, we have also used our application transformation capabilities to transform our own IT resulting in:

- Significantly reduced internal IT spending
- Consolidated more than 6,000 applications to approximately 1,500 more-standardised applications

Through ongoing portfolio management and application lifecycle management, IT has delivered hundreds of high-priority business innovation projects while transforming technology infrastructure and operations.

Conclusion

The dividends provided to your business partners from mobile usage of applications are high. The benefits IT derives from usage of cloud-based services are also great. Don't let these technological transitions happen without using them as springboards to get your application house in order. HP has been there and realised the benefits. We have also served a number of customers with their application transformation journey. Let HP help you as well!

To find out more about HP's Application Transformation solutions, visit hp.com/go/appsoa.

² Results of application transformations/rationalisations performed by HP over the past several years.

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