



Applications
Symposium Community

Trip Report

Applications Symposium Community

Key Takeaways

For the 702 members of the Applications Community at Symposium — and for hundreds more who attended application-themed sessions — key takeaways focused on the need for application leaders to address six business imperatives: attract and retain customers; build an agile and innovative organization; improve critical processes and workflows; improve workforce effectiveness; manage risk, compliance and governance; and maximize performance, profitability and competitiveness.

Three of these areas are particularly critical:

- **Process management: The accelerating pace of business demands that processes become more information-integrated, orchestrated and dynamic. Service-oriented architecture (SOA) will enable organizations to rapidly assemble services to support these new, dynamic processes.**
- **Profitability and growth:** In a challenging economy, application leaders are pressured to produce functionality that will drive efficiencies and boost innovation and growth. But these leaders are also pressured to control costs, while grappling with financial burden of application portfolios that have ballooned in recent years. (One attendee told us his enterprise is struggling to reduce and rationalize more than 3,000 applications.)
- **Governance:** SOA and BPM adoption, business mandates, and IT modernization efforts demand more-mature governance practices.

Conference Highlights

Applications Scenario From 2008 Through 2012: The Expanding Universe

To address increasing business, technical and management requirements during the next five years, enterprises must develop new application competencies, methods and tools. Next-generation application solutions will need to focus on support for dynamic and unpredictable processes. Application leaders will need to accommodate and plan for “consumerized” device platforms, and for new content and collaboration choices created by social software and Web 2.0 technologies. The model of application-driven, dialogue-oriented transaction systems will yield to a new perspective with the user at the center, participating in multiple processes and applications through multiple interaction models. Gartner recommends that application leaders:

- **Understand the drivers of application change** and how these will affect your methods, architecture, skills and processes. Communicate these imperatives to your management, peer IT leaders and teams.
- **Recalibrate priorities** in all phases of the application activity cycle to ensure you devote sufficient attention to reviewing, strategizing and innovating.
- **Conduct a maturity assessment** of your application organizations to identify, prioritize and communicate the actions needed to strengthen processes, governance and other disciplines.
- **Strategically manage responses** to pressing trends, and avoid isolated, tactical reactions.

Pragmatic Application Life Cycle Management: Processes, Techniques and Tools

Through project and portfolio management (PPM), IT projects are managed like an investment portfolio. By charting alternatives according to investment criteria — such as required effort, time-to-benefit, risk of failure and magnitude of return — application leaders can clarify choices and balance the portfolio. Application life cycle management (ALM) seeks to enhance quality in terms of business and technical requirements, in addition to preventing problems from entering the source code or production environment. Application management must focus not only on new projects, maintenance, enhancement and support, but also on a portfolio approach to classifying applications and recommending tactical actions (such as enhancement or replacement) as changes arise. Today’s ALM tool “suites” are really product families, but many of the vendors offering them have excellent visions and should be monitored for their ability to deliver on them.

- **Today:** Find out which applications generate the most trouble tickets, which ones users and business leaders rely on most heavily, and which fit key future processes. Consider implementing PPM applications to track resource allocations, costs and project progress; use this information to align resources more closely to business priorities.

- **In the near future:** Create an application scorecard to track key portfolio metrics throughout the life cycle. Use “just enough process” with flexible, configurable application development (AD) methodology alternatives. These methods can AD delivery and responsiveness.
- **In the long term:** Track IT spending against business strategies and objectives. Explore vendor plans for products that support holistic IT planning and control.

SAP, Oracle and Microsoft: Competing for Business Application SOA Supremacy

These business application “megavendors” are engaged in an architectural shift, from pre-configured logic and to dynamic assemblies of services and components. Vendor-mandated designs will be replaced with organic design principles, driven by enterprises that implement business process platforms (BPPs), service-oriented AD environments and agile AD approaches. This shift is far from complete in user or vendor organizations, so vendors will tend to overstate their capabilities. But their architectural directions have major implications for enterprises and should be examined as part of the evaluation process.

- Remember that, although user and vendor strategies may overlap, they are not the same.
- Recognize that your BPP is a combination of technology, governance and content, not something you buy from a vendor.
- Focus less on SOA academically and more on using SOA pragmatically to enable business process agility and transparency.

IT Modernization: Creating a Modern Application Platform

The need to modernize legacy application environments is not new, but it is now receiving more visibility than ever. Drivers such as the need to control costs and increase agility have been constants, but what’s new is the recognition that baby boomers with legacy skills will soon retire and take their skills with them. Many organizations are grappling with decisions about whether to retire mainframe systems and move onto more distributed Unix-, Linux- or Windows-based platforms, or to install an SOA-based integration layer to expose legacy system transactions as services. Rather than addressing these decisions tactically, application leaders need a strategic approach. New application platforms require new ways of thinking. IT modernization planners must consider psychology of change: Can we change the thinking around application delivery?

- Determine the impact of retirement on your workforce by asking your HR group to provide a forecast of retirement rates by job title (to protect privacy).
- Some applications in your portfolio will need to be migrated. For those that do, focus on application migration issues in parallel with infrastructure planning. Changes in database technology or programming languages are necessary steps, but so is creating an operational environment that can deliver the same quality of service in different ways.
- Wrap legacy applications as a proof-of-concept for using an SOA-based modernization approach. But recognize that modernizing on the mainframe requires commitment to skills training.

Mashups: Composite Applications for the Rest of Us

Mashups — which use Web-based, presentation-layer integration to mix content from different sources into composite applications — are at the “Peak of Inflated Expectations” in the Gartner Hype Cycle. The public popularity of mashups is driving interest and experimentation in how they can deliver enterprise value. An enterprise mashup environment will enable users to build their own applications to fill unmet needs. Mashups will change the way applications are delivered — it’s not a question of if, but when.

- Build a repository of useful mashups and links to source sites.
- Monitor competitors’ external mashup implementations for opportunities and threats.
- Prepare your infrastructure for increased traffic and experimentation by IT and business users.

Mastermind Interview

Microsoft CEO Steve Ballmer, in an interview with Gartner analysts Yvonne Genovese and David Mitchell Smith, cited four computing realms that are central to Microsoft’s strategy: the PC, the Web, the enterprise market, and devices/entertainment. Although application leaders must focus most intently on Microsoft’s enterprise solutions, they also must understand the implications of product evolution in the other three areas, because they influence employee, consumer and partner expectations about future enterprise applications. When Gartner analyst Yvonne Genovese pressed Ballmer on the need to be more transparent with its product road map, he said he recognized the issue and noted that, among the four spheres, the enterprise one has the biggest need for transparency in product road maps and milestones. Gartner’s observation here is that the effect of consumerization brings a new need for application leaders to avoid consumer-related technology surprises.

What People Asked About

Many of the issues on attendees' minds — expressed in analyst one-on-ones, session Q&As and hallway conversations — focused on organizational issues. Many conference attendees were keenly interested in assessing maturity and showed great interest in the Gartner for IT Leaders interactive application maturity assessment tool, which was demonstrated on-site and cited in several sessions. Questions focused on how to best use the tool to benchmark efforts, gain consensus on plans and communicate with peers.

People issues were another concern. Many questions focused on staffing, culture, skills and organization. One IT director told us his team is sold on the benefits of PPM, but struggles with how to bring about the cultural mind-set change needed to use that approach.

Many also struggled to plan for how SOA will render traditional ways to organize and staff application groups ineffective. Application leaders wonder: Can staff be retrained to work in the new environment? What are the right ways to group people? One AD manager observed, "We're very serious about SOA, but my concern is the business processes — that's where we struggle."

Q&As from presentations in the application track included:

- **What are your thoughts about on-time delivery as a major focus of AD metrics?** First, remember that time- and budget-based metrics measure efficiency, not effectiveness. Focusing too much on these metrics may drive on-time, under-budget projects that have terrible quality and fail to address the business requirements. Second, consider viewing efficiency metrics using a statistical process control chart that displays your variance from targets in a "shotgun" diagram. If that variance falls within a consistent, constrained range, you can examine corrective adjustments. If the results are scattered all over the map, you've got an out-of-control process.
- **If we move to consuming more software from externally sourced services rather than building it in-house, won't we lose some differentiation from competitors?** You'll achieve differentiation by combining vendor-provided and home-built services in unique ways that work for your company — and by defining explicit process models that define how to use these services in your organization.
- **Our entire business case for migrating off the mainframe was to implement SAP. Was that a good decision?** No, but Gartner's opinion has nothing to do with SAP. First of all, you can run SAP on mainframes now, although that wasn't true until recently. In general, a packaged-application implementation shouldn't be the sole driver of a move off the mainframe. More packages may be available on Windows and Unix, but the key question is: Can I get high-performing applications delivered on the new platform? If you have the skills and operational infrastructure in place, the answer is yes. But if you don't — and you lose all the steps, rules and business processes associated with the old platform — you could create even bigger problems.
- **What about the mashup "Frankenstein effect," where someone assembles these parts into a monster that eats up processing cycles then goes to a different company and leaves the mashup with no documentation or anyone to maintain it?** If I create a mashup for me, I may be building a monster, but it's my monster. It's only when people share mashups that these issues arise, so you need to monitor that. If a big user community loves someone's mashup, you should adopt it as a core enterprise application you can control.
- **What about the security risk of mashups?** You need to implement security at various levels of your mashup environment, but there's an important caveat: Information you don't want shared shouldn't be available as a mashable component. And remember, on a secure Web site, you're not blasting information to anybody — just those with permission to access that site and the information on it.

Things to Watch For

- By 2009, the proportion and variety of externally sourced functionality in the application portfolio will double, requiring radical redesign of management processes.
- By 2010, at least 30% of high-performance workplace applications will be delivered by two or more of the following: software as a service, rich Internet applications, and rich-client, PC-based deployment.
- The integration of PPM, IT service management and ALM functions into a cohesive IT planning and control (ITPC) offering is under way, but a true ITPC market will not coalesce until 2009.
- The traditional view of an "application" that has prevailed during the past 20 years will be obsolete by 2010. An "application" will shift from being "what you buy" to "what you do with the software assets under your control," whether those assets are homegrown or purchased.

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