



# Altus

clear thinking for Financial Services

## Application Landscape

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The financial services industry runs a huge number of software applications. From legacy administration systems, through mid-range commission systems, bespoke client-server illustration systems to open source web browsers on the desktop. If every business change leads to the introduction of new systems, the operational cost will soon become un-supportable. Clearly there is a need for some control.

Many firms have a list of preferred or authorised applications. However at Altus we believe that it isn't enough to simply label an application "strategic" and consider the problem solved. Support must be available to allow business units to make effective use of the chosen software, without delaying their business projects unduly.





## Application Landscape

### The Issue

Several factors have combined to swell the number of systems operated by a typical financial services firm. Mergers, acquisitions and joint ventures have led to many firms inheriting multiple systems doing the same job. New systems are built specifically to speed the launch of new products and channels. Moreover, the back-catalogue of legacy systems continues to grow; despite their technical obsolescence, replacing systems which reliably support products sold many years ago has proved hard to justify, and even harder to achieve.

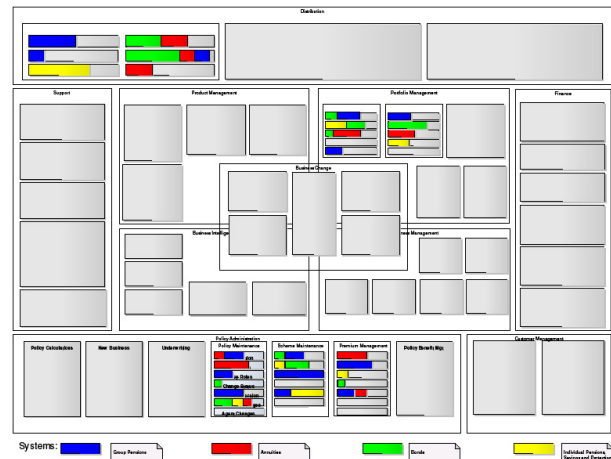
Maintaining this large number of systems becomes increasingly costly, particularly as technology ages. But companies have become rightly cynical about promises of green-field replacements of existing systems with “the one true system”. Clearly, an organisation with thousands of applications in use is never going to rationalise this overnight; nonetheless some management of future applications is necessary, so that the cost of future business change does not become prohibitive.

Many companies have already tried highly centralised approaches to solve this issue. These often fail because they require individual business units to act against their own interest. Whilst using a strategic group-wide tool may save the group money in the long term, this is of little concern to a business unit manager charged with delivering a new product. The system will only work if it delivers benefit to both the group and to the individual business units charged with effecting business change.

### The Altus Approach

At Altus we understand that a simplistic system imposed from the centre will, at best, be resented and impede change in the business units, and at worst, be ignored or actively circumvented. Instead, we help you

System Capabilities example



design a system that delivers benefits to all levels of the organisation.

We begin by analysing your existing architecture and classifying applications into broad capability domains, in line with a capability model for your business. This forms the basis for organising the rest of the work, and enables all stakeholders to understand the landscape.

Next, we compile a high quality inventory of all your systems. In many, cases this can be pulled together from existing documents, but it may have to be gathered from scratch. For time-efficiency, we normally proceed with surveys completed by various parts of the business, followed by interviews or workshops to complete the picture.

However, we do more than simply identify a long list of applications. Applications stand on the shoulders of other applications and technologies, be they databases, operating systems, word processing software or messaging protocols. We examine the underlying technologies and application dependencies, which is vital in order to avoid the risk of strategic applications being built on unsupported underlying technology.

### The Altus Approach (cont.)

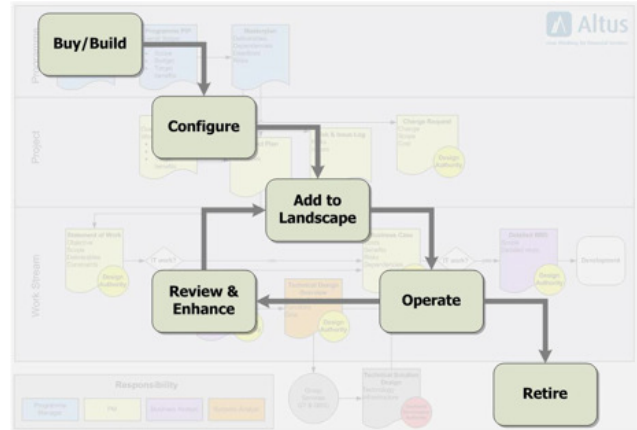
Whilst the baseline inventory of current applications is being gathered, we also tailor a process to manage your application landscape. This involves formalising the lifecycle that an application will follow, from conception to retirement, and ensuring the key changes are integrated with your project cycle and governed appropriately. An important part of this stage is agreeing how existing applications will be classified within the landscape.

We then collaborate with people from various parts of your organisation to determine the procedures required to support the Application Landscape management process. Naturally, this includes integrating the landscape into your architecture governance, without which the landscape is a static document that would eventually fall into disuse. But it will also extend beyond your IT architecture teams, to functions like procurement, legal and business users – to ensure there is real incentive to use preferred systems rather than just a stick.

Once the process and procedures are in place, and the baseline inventory of existing applications is available, we can start moving your existing applications into the new application lifecycle. This involves identifying appropriate owners and support contacts, overseeing the collation of necessary documentation and updates to relevant policy documents. Telling business units they must use a particular system without providing an infrastructure to support them is unlikely to work.

Finally the whole application lifecycle will be ready for roll out. The Altus approach will ensure that this goes smoothly, having already sought input from business units, and agreed that the baseline represents reality.

Application Lifecycle & project governance



### The Deliverables

- Application lifecycle process – to track applications throughout their use in your organisation, and manage the introduction of new applications.
- Baseline application landscape – classifying and describing all current applications, including their dependencies, support details and lifecycle stages.

### The Benefits

Assembling a single view of all the applications in your organisation provides the immediate benefit of clarity: business units can see which applications are in use and incorporate this information into their designs.

As business units leverage the experience and bargaining power of the entire organisation, the rate at which new applications are introduced to the landscape will slow. It will also become easier for units to identify applications they wish to retire.

Over time, the landscape will enable you to concentrate your investment in fewer applications and technologies, reducing the total cost of ownership and increasing your return on this investment.




## clear thinking for Financial Services

Altus understand Financial Services - the products, the processes, the people and the systems that make the whole thing tick. With years of experience in complex change programmes, we understand that successful solutions begin with the business.

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