

# How to justify 5250 line-of-business application modernization to your CFO

There is so much talk about application modernization that you could be forgiven for thinking that every 5250 application has already been dragged into the 21st century. But we all know that's not true. In fact, a typical IBM i user will probably be running at least one of their core business applications in 5250 mode.

So what is standing in the way of progress – apathy, fear, cost, or lack of a compelling reason?

The LANSA Services experience, from working as an advisor to many IBM shops (AS/400, iSeries, System i and IBM i) has taught us that the major impediment to starting an application modernization project is cost, or more specifically, how to justify the total investment required and thereby secure the funding.

This article shares some of the tips and techniques that have been used successfully to present an application modernization project for budget approval. As with many things in life, it is often the way that you present something that makes all the difference to how it is perceived and received.

You know that:

- Modernization has moved well beyond screen scraping your 5250 applications.
- Modernization has even moved beyond re-organizing functionality into an intuitive user framework.
- Modernization now includes workflow optimization, process automation and

integration that extends beyond your four walls.

You know all that and more, but none of that matters as your CFO tuned out seconds after you started talking.

Here's the thing. Your CFO does care about application modernization. He or she just doesn't realize it yet. Your job is to position it so they can embrace it – even if it becomes 'their idea' all along!

Let's start with what you have:

- A homegrown application, semi-monolithic, originally written in the '90s, maintained ever since, running your core business transactions.



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- A stable, scalable and generally misunderstood hardware platform.
- 1,000 demanding customers, many of them wanting you to open up your application for Web access and B2B integration, or move aside.
- 10 developers (well it used to be 10, now it's 5, including you) that maintain the application.

Now let's list what you want:

- An application that your users brag about to your top brass.
- An application that is more intuitive and faster to navigate – saving time and money.
- An application that lets your executive self-serve their own dashboard of reports, happily.
- The agility to respond to the needs of the business, without putting the business at risk.
- Less time on maintenance, so you can enjoy more than three rounds of golf per year and fewer than three cold dinners per week. →



Now how do you get your CFO to fund this journey?

- Don't talk about modernization and the merits of .NET, XML, SOA, SaaS, etc.
- Talk cost reduction.
- Talk customer satisfaction.
- Talk market share.
- Talk money!

But wait a second, don't walk into the CFO's office just yet. You need a plan. Here are 4 steps to follow:

### Step 1 – Find the Right Application Modernization Initiative

Don't just listen to the business on a daily basis and be reactive. Instead co-ordinate periodic meetings to challenge current operations and policies. Become pro-active. Brainstorm from several perspectives: business objectives, market share, customer satisfaction, current operations, HR implications, financial risk, product or service innovation and so on. If you're not already doing this, schedule your first monthly/quarterly meeting now... really.

Bring process engineering and technology to each issue/opportunity. Ask "What if?" Work with the business users to focus on inputs and outputs rather than how things are done today.

Picture yourself there. How would operations look? Would you drive more revenue? Open a new market? Be more responsive? Reduce costs? Improve PR? Improve HR?

Picture it from the CFO's perspective. Be realistic, even bordering on pessimistic. How much effort would it take? How long would the benefits take to realize? What could go wrong? If it fails, can you recover? Wouldn't it be better off waiting another year to see if the market changes? CFOs don't want a naïve rose-colored sales pitch.

The right initiative is one that will help the organization further its mission and appears to be clearly justifiable – but more R&D work is needed to draw it out.

### Step 2 – Start Planting Seeds Early

Very few CFOs will approve a significant project the first time they hear of it and no CFO will approve a significant project coming from only one source.

Think of the initiative from the perspective of each department head. Would the initiative be welcomed, dreaded, feared, slowed, stopped or stolen?



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Gain preliminary support from all key areas of the organization by showing 'what's in it for us all'. Be ready to make some reasonable adjustments to garner support. It's like passing a bill through Congress!

Partner with a business sponsor who is willing to support the objective and work with you to get there.

Inform the CFO of your early initiative, what you have done so far and that it looks very promising. However, there is still lots of work to do before you are ready to gain the CFO's valuable perspective and critical assistance. Don't detail your R&D plan too much or too soon, but offer a milestone date by which you expect to be able to present it.

### Step 3 – Do Homework to Justify a Project Scope

Interview business areas needed or impacted to anchor the solution vision. Meanwhile, capture support for the vision and garner willingness to assist in the sale and subsequent project stages. You want to be able to show the CFO that John in manufacturing and Jill in marketing support this vision and will assist you to achieve it. Ideally John and Jill take part in the presentation to the CFO – but don't gang up on the CFO.

Build a preliminary business case, but keep it simple and back it up with figures.

### Step 4 – Gain CFO Support for a Deeper Study / Project Scope / RFP

With the sponsor, co-present the business vision, business case and potential ROI sources.

- Size and timeline the project's estimated effort/costs and benefits/ROI.
- Give an overview of the work done to date and the information that is still needed.
- List the project scope deliverables and identify the project scope team (internal and external).
- Size and timeline the project scope's estimated effort/costs and benefits (for example, decision-support information)
- End by highlighting the desirable future state and how it supports the organization's mission.
- Ask for the green light to proceed with the study and book a first executive/CFO update meeting.

These first steps will get you well on your way to securing the funding for an application modernization project.

In the next article we will cover the follow-on steps such as conducting the project scope, calculating the predicted ROI and how best to run an application modernization project. These steps are different from regular application development projects. ■