



TenStep Supplemental Paper

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Determine the Value of Your Application Enhancements

Do you wonder why your company has so many people working on your legacy applications? Has your General Ledger or Accounts Receivable application been running faithfully for years, yet still have many hours of your support staff dedicated to them? If all those hours are being used to actually keep the application up and running, it might be a candidate for retirement or replacement. What's probably happening instead is that a large portion of the time is going toward enhancements.

Enhancements are requests made by the business users to add or modify functionality in an existing application. Think of your business application as a house. If a window is broken, or the water heater explodes, of course you fix or replace it. This is the equivalent of true support work – keeping the application working and stable. But how many people build a house and then make no upgrades over the years? Enhancements are the like installing better carpet, adding wallpaper and building an additional room. One key difference between enhancements and support work is that enhancements are discretionary. They can be scheduled and prioritized.

Some organizations have a support staff that only deals with fixing applications that are broken. Most companies, however, have a support staff that does true support, as well as enhancements to legacy applications. This usually makes sense. An application may need to change to meet the evolving needs of the business. Unless you have a specific enhancement staff, the most efficient way to make these changes is through the support staff. Since they work with the applications and the business users every day, they can develop and deploy enhancements faster than an outside team.

Get Your Hands Around the Cost of Enhancements

Now, back to the cost issue. The problem with enhancements is that many of them are small and result in only marginal business value. If you add up the cost of all the enhancement work that you perform, what overall business value is being achieved? There is some for sure. But, are you selling more products than you did before? Are your operating costs substantially reduced? Are your customers happier or more loyal?

Enhancements need to be identified and forced through some type of prioritization or filtering process to ensure that only the high value ones are worked on. Think of the house again. Do you really need to repaint the kitchen now, or can it wait another year? You would like a hot tub, but can you afford it now, and will you use it often enough to justify the cost? Is building the three-car garage more important than putting the money in your retirement account? That's the problem with an organization that spends too much money on enhancements. It's not that enhancements have no value at all. However, much of the staff and money spent on these incremental changes can usually be better spent on new projects that add capabilities and bring high-value returns to the business.



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Questions to Ask

Start asking questions about enhancements, such as

- Who does the work?
- Are enhancements tracked separately from support time?
- How are enhancements requested?
- How are enhancements prioritized?
- What value do they provide?

Once the hidden costs of enhancements and processes used to manage them are better understood, decisions can be made as to how many resources and dollars your company can afford to apply toward these application modifications.

Summary

- Enhancements are changes to existing applications that add new capabilities or functionality.
- In many shops, the cost of enhancements is blended into the cost of true application support. This puts the enhancements under the radar screen and can help them escape scrutiny at budget time.
- When it's all said and done, many enhancements provide only marginal benefit to one part of the business.
- Forcing enhancements through a prioritization process, or filter, will ensure that only the high-value requests are worked on. Squeezing the low value requests out will free up people and dollars to work on the high-value projects that will really have a positive impact on the business.