

Application Assessment Guide

As your application portfolio “landlord,” your job is knowing which tenants earn their keep, which have become liabilities, and which need to be evicted. This guide gives you a framework to evaluate each tenant so you can visualize your path to cost savings and reduced risk exposure.

STEP 1: Gather Your Data

APPLICATION

What You Need	Details
Licenses & Users	• How many licenses do you have? _____ • How many active users? _____
Contract Information	• What is the pricing model (per user, per site, transaction)? _____ • When will the contract renew? _____ • Note any exit provisions or auto-renewal clauses.
Annual Costs	• What is the annual subscription/licensing cost? _____ • What are the annual costs of upgrades, running reports, additional support, or training? _____ • How many FTEs are required to support this application? _____ • Is there specific hardware needed to support this application? _____ • Which department funds this application? _____
Hosting and Infrastructure	• Is the application hosted on-prem, private cloud, or vendor-hosted? _____ • Does the application come with any storage fees from the vendor or are there Cloud Ops or Infrastructure dedicated to managing the application? _____
Data Sensitivity	• Does the application contain PHI, financial data, or other regulated information? _____

STEP 2: Collect Feedback on Business and Technical Fit

Every application has two questions to answer: does it support the business well (business fit), and is it built and operated well (technical fit)? Survey your application owners and end user to get the qualitative insights to determine the fit scores.

BUSINESS FIT

Score each statement from 1 (strongly disagree) to 4 (strongly agree).

The application performs the core functions it was originally selected for

☐	☐	☐	☐
1	2	3	4

The application aligns with strategic goals, priorities, or KPIs

☐	☐	☐	☐
1	2	3	4

The application is easy to navigate and user interface is intuitive

☐	☐	☐	☐
1	2	3	4

The application has minimal unused features

☐	☐	☐	☐
1	2	3	4

The application has innovative features that will be critical for our workflows

☐	☐	☐	☐
1	2	3	4

The functionality is not duplicated with another application

☐	☐	☐	☐
1	2	3	4

End users would actively choose this application again today

☐	☐	☐	☐
1	2	3	4

Total Score

For each respondent, add up their answers across all questions (strongly disagree = 1, disagree = 2, agree = 3, strongly agree = 4). Then average those totals across all respondents to get the application's total business fit score.

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TECHNICAL FIT

Score each statement from 1 (strongly disagree) to 4 (strongly agree).

The application aligns with future growth goals

☐☐☐☐

1 2 3 4

The application does not require extensive customization

☐☐☐☐

1 2 3 4

The application aligns with technical architecture and skills

☐☐☐☐

1 2 3 4

The application does not require specialized staff to support it

☐☐☐☐

1 2 3 4

The application can scale to meet the business needs

☐☐☐☐

1 2 3 4

The application interfaces easily with other tools and systems

☐☐☐☐

1 2 3 4

The application has minimal downtime

☐☐☐☐

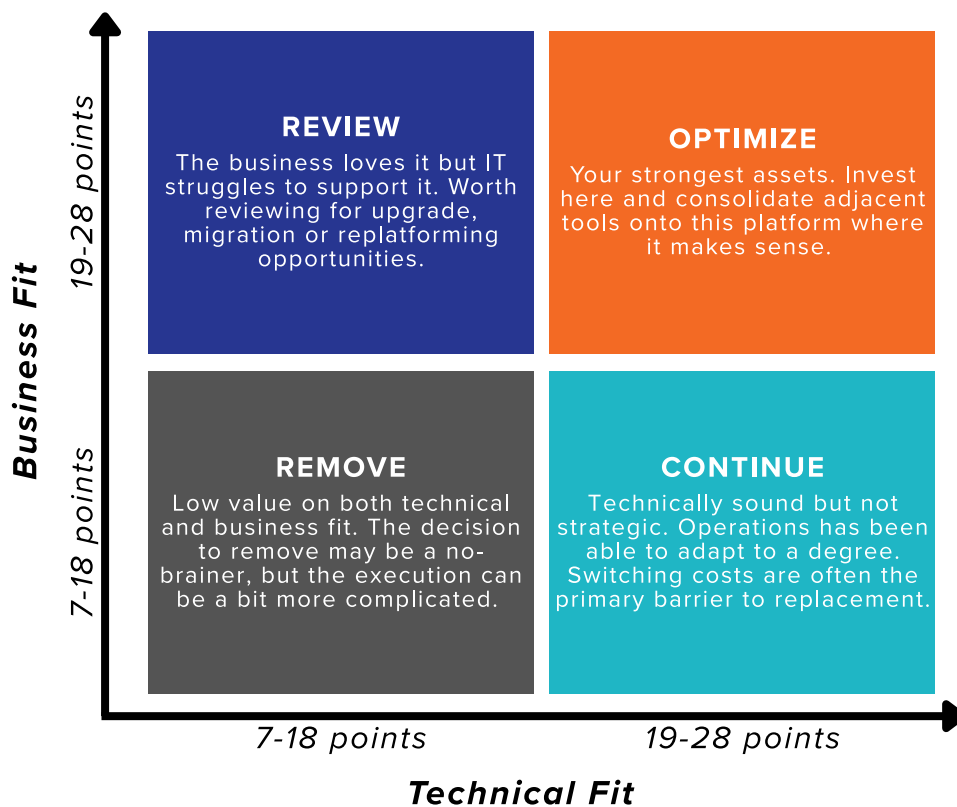
1 2 3 4

Total Score

For each respondent, add up their answers across all questions (strongly disagree = 1, disagree = 2, agree = 3, strongly agree = 4). Then average those totals across all respondents to get the application's total technical fit score.

STEP 3: Determine Disposition-Based Business and Technical Fit

Based on the technical and business fit scores, determine the baseline disposition using the below matrix.



STEP 4: Factor in Risk

Application risk can show up in obvious places (downtime, breaches) and quiet ones (vendor buyout, an expiring contract, a single person who knows how the application works). Consider the following to evaluate risk, especially for those that fall in the Review or Remove categories.

- ☐ Is the application supported by the vendor?
- ☐ Is the application on the most recent version?
- ☐ Has the application passed an internal security audit? When was the most recent audit?
- ☒ Are redundancies in place to support continuity of operations?
- ☒ Is the vendor responsive to contract needs or application issues?
- ☒ Do the vendor releases often have issues?
- ☒ Are there any known cybersecurity vulnerabilities or open audit findings tied to this application?

STEP 5: Update Application Disposition and Decide Next Steps

Your matrix placement and risk analysis point to one of three paths. Each path has its own version of the cost question and its own next move.

OPTIMIZE

CONTINUE

If this is a strong-fit application, look outward for savings.

The cost question here isn't whether to keep the application. It's whether you're paying for redundant tools that do the same thing. Run a duplication check across your portfolio: which other applications overlap with this one's functionality? Can you consolidate licenses, retire adjacent point solutions, or renegotiate based on expanded use?

REVIEW

This may be a gray area, so invest in your analysis.

This is where most application rationalization work actually happens. The application is valuable to the business but painful for IT. Consider the following questions: What's the user impact and adoption risk of replacing this application? Is there an existing tool that could absorb the use case? If you replace this application, what capabilities might go missing and how do you cover them? What retention obligations apply, and how will you meet them in the new state?

REMOVE

Low-fit applications may be a quick win, as long as you have an exit strategy.

Shutting down an application is the most direct savings you can make. The annual total cost of ownership becomes Year 1 savings. But before you start switching things off, think at the portfolio level:

- *Sequencing:* Which retirements unlock the most savings the fastest? Which share infrastructure or contracts that could be retired together? Which have renewal dates that create natural timelines?
- *Gaps:* If users still need occasional access to historical data, what's your plan?
- *Data:* What retention obligations apply, and where will the data live after the application is gone? This is where many decommissioning projects stall.

STEP 6: Assess Cost Opportunity

Total cost of ownership is more than just a licensing fee. Calculate the true annual cost by including both hard dollar expenses and indirect costs.

Category	What to Include	Annual \$
Subscription and maintenance	License fees, support fees, etc.	\$_____
FTE support	Internal admins, developers, analysts, report writers	\$_____
Infrastructure	Hardware, hosting, storage, network, power, facilities	\$_____
Adjacent spend	Training, consulting, integration work, custom report development	\$_____
Year 1 Total Cost of Ownership	Add up all the above costs	\$_____

The Cost of Doing Nothing

Legacy applications don't get cheaper. License fees may rise, infrastructure ages, specialized FTEs get harder to retain, and data volumes grow. Use your total cost of ownership (TCO) as the base, then add a realistic escalator each year.

	Year 1	Year 2	Year 3	Year 4	Year 5
Annual TCO From above table	\$_____	\$_____	\$_____	\$_____	\$_____
+ Cost Escalators License increases (3%/yr), aging infrastructure adjustment, etc.		\$_____	\$_____	\$_____	\$_____
Projected annual cost (TCO + escalators)	\$_____	\$_____	\$_____	\$_____	\$_____



STEP 7: Repeat for Your Entire Application Portfolio

One application down. The rest of your portfolio is waiting, including applications you may not realize are still running.

Rationalizing at scale isn't a linear extension of this exercise. Sequencing, dependencies, and data decisions compound at the moment you go portfolio-wide. The right partner makes the difference between a stalled initiative and a defensive roadmap.

Whether you're ready to decommission the application in this exercise or are looking for broader application rationalization support, MediQuant is here to help. **Book time with our team to get started at EvictTheSystem.com.**

Let's get started

