

The IT strategy decisions driven by business strategy, decisions and the business areas need to understand and follow where they invest their money in the IT area. Large companies need to give focus on their cost components related to their information technology and applications. Business growths is supported by their IT and hundreds or thousands of applications. The companies are under considerable pressure to be competitive with the IT technologies following regulatory compliance and to reduce the IT costs and focus on the business strategies, requirements and needs. Top level management needs to focus more on their information strategy and the information applications they need to manage. A structured and transparent application landscape supports not only the current business, but it also enables faster business growth for the future as well. Application rationalization supports the cost reduction goals in the IT areas and allocates the resources to different areas within organization. Another important management area is the risk management for companies. Application portfolio management and information technology risk management are important elements of the corporate strategies. Many different guidance and principles gives support for the organizations how they can define, assess and measure, and manage the business and IT risks of the enterprises. Structuring and organizing the applications related to the various risks supports secure business and information operations within a company. The focus of my research is to find the connection points between application portfolio management and information risk management. The result of my research is to present the importance of integrating different management areas in the IT field. The daily and effective operative cooperation between IT risk management and application management areas will ensure more transparent and safety operations within organizations. Implementing a risk ranking framework into application portfolio management will be defined as application portfolio risk. Using a risk ranking framework, risk scorecards or composite metrics can support the organization to understand and categorize their security risks which are associated with their applications. This can be a good baseline during analysing step of the application categorization.