

# 6 factors to determine the right candidates for legacy modernization



## Where are you in your legacy modernization journey?

Still in the beginning stages?  
You are not alone.

**24%** say that their company is just starting its modernization journey or hasn't begun.<sup>1</sup>

## What is needed for a successful legacy modernization strategy?

A more focused approach, not just *how* but *what* to modernize.

## How legacy are your legacy systems?

Age has nothing to do with the need to modernize.

The focus of legacy modernization has to be on legacy systems that hold your business back.

## What is a legacy system?

Outdated hardware, software, or even process.

Here are 6 factors to determine the right candidates for legacy modernization:

### 1 Strategic alignment

- You need systems that support your business goals.
- A legacy system that supports your business may be inefficient because of just a few components.
- Modernizing those components would be a practical, cost-effective option.
- What if a system doesn't align with new business goals?
- Retiring the system is ideal.

### 2 Business value

- Measure the business value generated from your current legacy systems, including revenue and intangible benefits.
- Compare the value the system is producing to what it could be generating.
- Consider upgrading systems that would produce the biggest gains in business value.

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<sup>1</sup> <https://newsroom.ibm.com/2021-01-04-IBM-Study-Majority-of-Surveyed-Companies-are-Not-Prepared-for-IT-Needs-of-the-Future-Say-U-S-and-U-K-Tech-Leaders>

### 3 Total cost of ownership (TCO)

- In general, legacy systems cost more than their modern counterparts.
- Find the TCO of your legacy systems, factoring in licensing costs, costs incurred through delays and disruptions, and maintenance costs, to name a few.
- Low TCO? You can put it on the back burner.
- Spending more on maintenance than innovation? Modernize.

### 4 Expertise and training

- Workers skilled in legacy systems are reaching retirement age.
- These systems will need to be modernized eventually, and technical debt will grow.
- Complicated UIs can hinder productivity and increase training costs.
- Consider modernizing only the UI if the backend is capable of supporting your business needs.

“ \_\_\_\_\_  
The average age of a COBOL programmer is **58**, and roughly **10%** are retiring each year.<sup>2</sup>  
\_\_\_\_\_ ”

### 5 Security and compliance

“ **56%** of IT decision-makers said delaying application modernization resulted in failure to meet compliance requirements.”<sup>3</sup>

- A legacy system is often called that because the vendor no longer supports it.
- This leads to no new updates or security patches.
- These legacy systems need to be modernized to prevent security breaches and non-compliance penalties.

“ \_\_\_\_\_  
The cost of a data breach rises by **47%** to an estimated **\$1.225m** in enterprises that still deploy outdated technology.<sup>4</sup>  
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<sup>2</sup> <https://techchannel.com/Enterprise/10/2019/closing-cobol-programming-skills-gap>

<sup>3</sup> <https://www.rackspace.com/en-sg/newsroom/new-global-rackspace-technology-survey-findings-reveal-covid-19-pandemic-has-been-ultimate>

<sup>4</sup> <https://www.kaspersky.com/blog/it-security-economics-2020-part-2/>

## 6 Business agility

- Most legacy systems don't enable the agility needed to keep a competitive advantage.
- Modern systems are innately flexible and easier to maintain.
- They can future-proof your business by supporting your business growth and enabling you to react quickly to market demands.

“**9 out of 10** IT decision-makers claim legacy systems are preventing them from harnessing the digital technologies they need to grow and become more efficient.”<sup>5</sup>

### Determine just how legacy your legacy systems really are.

Divide them up into three categories:

- Modern systems
- Legacy systems that can remain as is
- Legacy systems in need of immediate modernization

Review your technology estate and evaluate—and modernize—on a continuous basis.

Reach out to us at [sales@relevantz.com](mailto:sales@relevantz.com) to learn more about our business-centric modernization strategies and how Relevantz can help uplift your legacy systems.

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<sup>5</sup> <https://www.computerweekly.com/news/4500248467/Legacy-systems-holding-back-90-per-cent-of-businesses>