EQUANTIIS

Legacy Systems: Escape Your Technical Debt with a Transformational Journey

Speed or perfection.

This is a choice your IT teams have to make for every project they deliver.

Time is rarely on a developer's side; no code they write will be perfect. As you begin to scale and add new systems and processes onto your legacy systems, the imperfections start to compound.

Organisations need to take a new approach to make sure innovation and scaling can continue with a competitive advantage.

Do you have legacy systems?

Legacy systems are outdated hardware and software that are still in use by an organisation. They exist to perform processes and functions from solutions created in the past but are used today. Legacy systems and legacy software usually can no longer be upgraded and often lead to inefficiencies as an organisation grows and the needs of customers changes. Yet because they perform a crucial function, legacy systems can remain essential to operations.

There are heavy consequences to using legacy software:

Security:

Legacy systems are often vulnerable, relying on outdated technologies and security protocols. In 2020 the average total cost of a data breach was $3.86 million.

Efficiency:

Relying on outdated technology reduces your ability to innovate. Your long-term profitability and competitiveness can be severely impacted. A legacy system can be up to 50% less efficient than a modern process.

Maintenance and Support:

Maintenance costs for legacy systems can heavily impact budgets. As technology becomes obsolete, the availability of experts to support the processes become scarcer. Application modernisation can reduce costs by 74%.

£2.3billion

The amount spent per year by the UK Government maintaining and operating legacy systems, some of which are over 30 years old.

£4.7billion

The entire UK Government budget for IT across all departments.

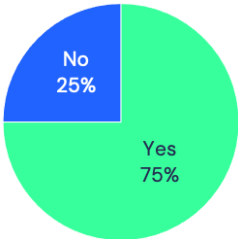
Modernising your journey

When you think about transforming the technology within your organisation, you must begin with a strategy that accelerates your growth.

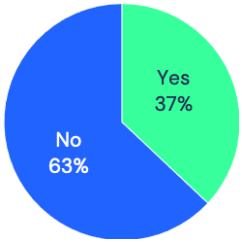
Your operating models must broaden to think beyond your people, processes and technology. You must begin to think about your services, capabilities, structure, governance and leadership.

We surveyed 165 leaders in our 'Digital Leader' survey:

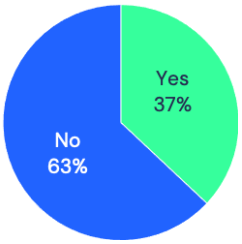
Is the IT department leading your digital transformation?



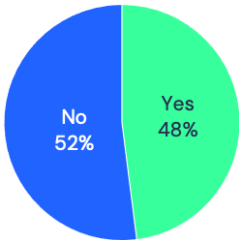
Do you have a clear, actionable vision for change?



Does your organisation have a Transformation strategy?



Is IT represented at the Board Level?



With 75% of digital transformations led by IT Departments but only 48% of Boards having an IT-led representative, a cultural shift needs to occur. A modernisation journey cannot successfully begin if the purpose and goal are not understood at key levels of the organisation.

Without developing your digital thinking, you risk deepening technical debt by adding more systems rather than architecting a better, long-term solution.

Technology underpins everything that you do; it needs to be considered and represented in all strategic decisions.

7 out of 10 Digital Transformations Fail

This is a sobering fact for any organisation looking to modernise its operations. But most digital transformations are only transformational in their name.

With IT under-represented at key strategic levels, digital initiatives often begin with a limited scope, led by IT Teams sitting in the middle of a corporate structure. They fail to consider the overarching business goals and do not look at the journey as a whole.

The way we think about digital transformation needs to change. A digital transformation is not a single project; it is an ongoing change to how you operate. You must create an incremental roadmap based on your strategic priorities and continuously strive to upgrade legacy technologies holding you back and innovate with new technologies that can be scaled and grow alongside your organisation.

How to begin a successful transformation

Start with a goal

Your approach to incremental transformation should be goal orientated. Technology can do wonderful things, but bringing a tool into our ecosystem without considering the purpose can often lead to implementing a technology that doesn't solve your needs.

When goals are confusing or lack clarity, projects fail.

Engage with all levels of your people

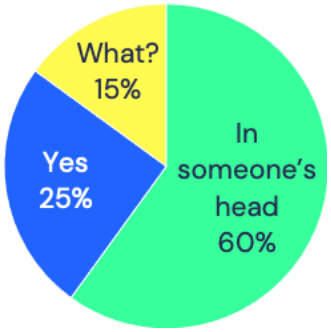
Without engaging all of your stakeholders, you risk implementing solutions that are ineffective or poorly received.

Many organisations will implement a new technology designed to create better data to build further improvements. Still, they find employees will fail to adopt the technology, instead continuing to use legacy systems or even produce more efficient workarounds. You have to take the time to understand the impact of any change and provide all of the features necessary to make your people more effective.

You must also incorporate a culture change to ensure your people are willing to accept new ways of working. Without the buy-in of your employees, your technology may hinder your progress.

Tackling Technical Debt as part of your digitisation

Have your business processes been documented?



Technical debt begins to grow as your IT teams develop a process that works and moves on to the next business challenge.

Technical debt is inescapable, but there are some processes you need to implement to make sure that debt is reduced over time and doesn't lead you into inefficiencies once again in the future.

Transparency

You need to create a culture where developers and teams are open about their technical debt. Visualise what is missing and what bugs were skipped in the process to launch the solution. Keeping a visualisation brings the debt to the front of the teams' minds, and it also creates a record for newer employees taking over work they were not involved in.

Pay back your debt quickly

Technical debt is best paid quickly. We recommend allocating 15% of your resources to fixing bugs and refactoring your code for each incremental transformational project. In this way, you will continually upgrade and improve your technology without risking its functionality.

Fix or replace legacy systems

Organising your past debt is a necessary process. You must first begin to understand what can be fixed and what must be phased out. Create a strategy to phase out technology that is no longer serving you or your customers.

Tackling Technical Debt as part of your digitisation

Standardise your process

Develop a process that is easily followed, ensuring that your teams will consistently approach their experiments and new developments with the idea that technical debt must always be worked on.

Remember, you are never done

No transformation project is ever finished. As demands on your operations change, the technology that works perfectly today may not be suitable for tomorrow.

The steps to your digital strategy

Plan

- Define the problem
- Agree a budget

Strategy

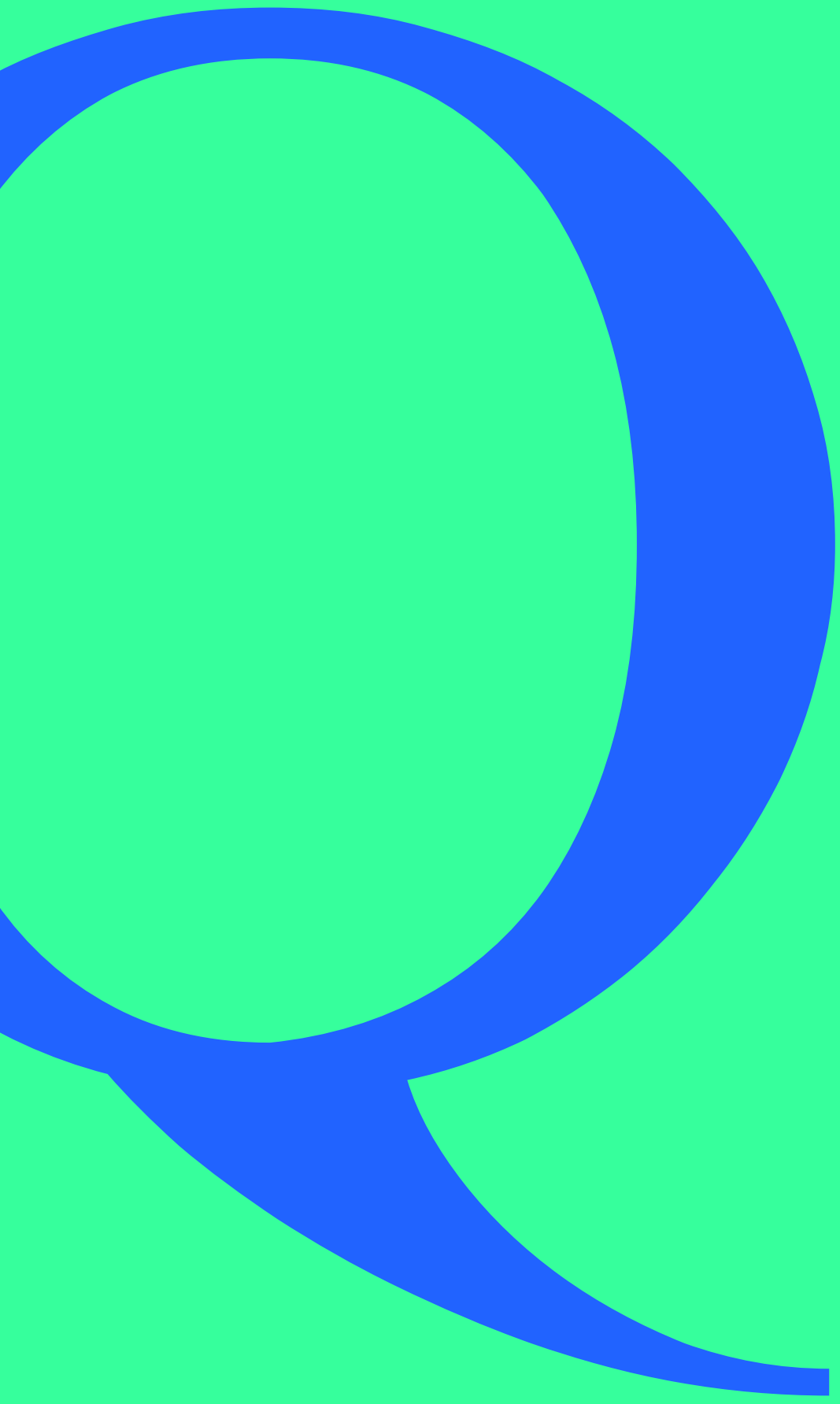
- Vision and scoping
- System identification
- Experience mapping
- Business Processes
- Requirements gathering
- Resourcing
- Integrations
- Procurement
- Business Case

Implement

- Appoint a partner
- Data
- Governance
- Process Engineering
- Build System
- Cary out UAT
- Train staff and customers
- Communications plan

Improve

- Training
- Change management
- Benefits realisation
- Repay technical debt
- Continuously refine



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