

Breaking the Shackles of Legacy

The Inevitability of Modernizing Applications and Platforms



How much are you overpaying for legacy systems?

Did you know?

The relative performance of an IT asset declines by

22% in year three, by **33%** in year four, and a massive **59%** in year seven.



There are two kinds of costs associated with legacy – the apparent(surface) and the hidden costs.

- Running, upgrading, licensing, and maintaining suboptimal systems is expensive. According to Consortium for IT Software Quality (CISQ), accumulated software Technical Debt (TD) has grown to **~\$1.52 trillion**.
- According to a McKinsey survey, **30%** of CIOs believe that more than **20%** of their technical budget ostensibly dedicated to new products is diverted to resolving issues related to tech debt.
- The **2023** State of Data Engineering Survey, states that legacy approaches to data access control are a roadblock to success and **46%** of respondents believe that their organization's current data access control policies make it difficult for people to do their jobs.

Why Apparent costs?

- ▶ Tech debt costs compound in time
- ▶ High maintenance and upgrade costs
- ▶ No room for innovation or flexibility
- ▶ Scaling up is impossible
- ▶ Licensing fees increase year on year
- ▶ Vendors do not support legacy after some time
- ▶ Highly susceptible to data breaches
- ▶ Legacy systems are a roadblock to growth

Why Hidden costs?

- ▶ Working on legacy code is demoralizing
- ▶ Results in employee burnout
- ▶ Increased frequency of downtimes
- ▶ High costs of labor
- ▶ Causes Skill/Talent dependency



Risks and Challenges of Retaining Legacy

- ▶ Increased operational costs
- ▶ Security vulnerabilities
- ▶ System incompatibility
- ▶ Lack of competitive ability
- ▶ Productivity issues
- ▶ Fewer skilled people
- ▶ Incompatible with new technologies
- ▶ Poor customer/user experience

5 Things to consider while Modernizing Legacy

Ensure compatibility with other systems

Ensure integration and compliance needs are met

Should be able to scale as per need

Security needs must be met.

Must ensure a better user experience



Benefits of Modernization

- ▶ Competitive Advantage
- ▶ Risk Reduction
- ▶ Leverage Business Intelligence
- ▶ Drop in Business Costs
- ▶ Productivity and Efficiency Enhancement
- ▶ Richer Customer Experience
- ▶ Higher Revenue Generation
- ▶ Greater operational efficiency
- ▶ Resilience



The 6 tools that aid legacy modernization

- ▶ Cloud
- ▶ Microservices and containerization
- ▶ Open-source software like Kubernetes
- ▶ Artificial Intelligence and Machine Learning
- ▶ Robotic Process Automation (RPA)
- ▶ Low code/No code

Don't let legacy applications drag you down!

Magic FinServ's Advisory and Services relies on the **Three Pillar Approach to Modernization**

1

Architecture transformation

Finding the right architectural framework, identifying the gaps, leveraging cloud, APIs, automation, and AI and ML.

Technology transformation

Choosing the right model, DevOps and Shift Left Approach, last-mile process automation, technologies such as containerization, serverless, microservices for greater gains.

2

3

Organization Structure Transformation

Breaking down silos that exist between development, QA, and testing.

For more, connect with us today: mail@magicfinserv.com

Sources

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