



## **BREAKING THROUGH THE BLOCKERS**

# **Addressing Legacy Challenges Holding Back Digital Change**

# SITUATION: UK PUBLIC SECTOR

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**£2.3B OF £4.7B IS SPENT ON "LEGACY IT"**

REQUIREMENT IS:

- Identify legacy systems
- Demonstrate plans to address
- Find ways to reduce cost

*The single biggest barrier to modernisation identified as legacy systems (cost, resource, operation)*

TRADITIONAL APPROACH TO LEGACY SOFTWARE HOLDS BACK SPEED OF CHANGE:

- Ever increasing cost of annual maintenance
- IT resources consumed by unnecessary upgrades forced by OEM

KILLS BUDGET FOR TRANSFORMATION

**“Legacy Software holds back  
IT TRANSFORMATION”**

**WHY?**

## INSIGHTS

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**We looked at industry web sites, researched the market, asked our customers, peers and contacts**

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This is what they said:

*Annual maintenance costs from the vendors are unsustainable with unpredictable increases every year – this kills our budget for new systems*

*Keeping our legacy software up to date with the latest versions takes time, effort and money away from digital transformation*

## INSIGHTS

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**So is this actually true?**

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**It depends !!**

What are the assumptions behind these views?

- Legacy software always costs more to operate and maintain
- The only way to keep software safe from cyber threat is to be on the latest version
- If I don't upgrade my legacy software it will stop working with my new systems
- My only choice is between vendor maintenance or decommissioning so I am stuck
- There are no skills available to work on old software

## INSIGHTS

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### On the other hand...

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- You own the licenses
- It works – and works well - built for high TP and Data Volumes
- Users are familiar with it
- It generally doesn't break

### So why is it expensive and labour intensive?

Accepted practice is to keep everything current and pay the annual maintenance to the vendor

### Is this always the right policy?



**According to Gartner Group - over the last 10 years the slice of the IT budget available for new projects has barely changed and is still less than 20%**

**If we could reduce the large legacy software “headwind” and free up resources, time and money - would that allow us to invest more on projects delivering faster transformation?**

# WHAT IF WE LOOKED AT A DIFFERENT STRATEGY?

TPSM has been available since 2016 for major enterprise platforms and applications including

**SAP Oracle Siebel**  
**IBM HCL**

TPSM providers allow companies to keep whatever version of their software they choose to use for as long as it delivers value

## TPSM PROVIDERS TYPICALLY..

- Maintain any / all versions of the software
- Provide security services to mitigate cyber threats of legacy versions
- Enable interoperability of the software with new versions of the O/S, database
- Do not restrict support to vendor certified support matrices
- Offer more flexible maintenance and support services and pricing models
- Have large pools of resource skilled in legacy software



# RETAINING LEGACY SOFTWARE IS NOT A LONG-TERM STRATEGY

**BUT.. in the interim - TPSM is a way to question**

- Does all legacy software **have** to be a technical debt burden?
- Could it continue to deliver business value?
- What is the opportunity cost of upgrading?

# EXAMPLE 5-STEP PROCESS:

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# 5

- Assess legacy applications based on current utility Vs impact on digital roadmap – baseline against critical business value delivered
- Decide whether these systems can be “contained” to be stable, secure and interoperable using TPSM
- If under pressure to reduce on prem/data centre footprint – consider a simple low risk stop-gap lift and shift to container / cloud of current versions
- Evaluate trade-off between all new architectures Vs benefits of savings and resource released for key change projects
- Refresh the retirement roadmap based on new revised cost models – de-prioritise TPSM maintained legacy software to the “back of the transformation queue”

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