



Future Ready Applications: The Modern Legacy

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What's Your Legacy?

Once upon a time, we associated the word “**legacy**” with a strong, proud heritage. Today, however, the term is negatively perceived. Feds see legacy applications as outdated, inefficient, and difficult to fix.

Perhaps they should take another look. Like an old house with a rock-solid foundation, not all legacy applications must be bulldozed to make room for the next generation. The right **application modernization strategy** can uncover unrealized potential in your app portfolio – turning it from a burden to a boon.

In the “Future Ready Applications” report, MeriTalk surveyed **150 Federal IT managers** to find out how application modernization can breathe new life into legacy apps and deliver much-needed efficiency and security.



- **An overwhelming majority of Feds agree it's time to modernize:**
 - **92%** of Federal IT managers say it is urgent for their agency to modernize legacy applications
 - The driving factors include security issues (**42%**), time required to manage/maintain systems (**36%**), inflexibility (**31%**), and integration issues (**31%**)
- **Many agencies need to establish a strategy:**
 - Despite the urgent need for modernization, just half of agencies (**53%**) have a formal application modernization strategy
 - Just over **one in four** (28%) have developed a business case around renewing or replacing existing applications
- **Feds are well positioned to rebuild and rebrand legacy applications:**
 - On average, Feds estimate **55%** of their current legacy applications could be successfully modernized (including remediating, renewing, or re-platforming)
 - **66%** of Federal IT managers say application modernization efforts at their agency will increase in the next 18 months

- When Federal IT managers are asked how they would describe the legacy applications at their agency, we hear two stories:

Negative:

“They are causing serious issues with integration and security”

“Limited and under requirements constraints to meet today's challenges”

“Poorly supported”

“In dire need of replacement”



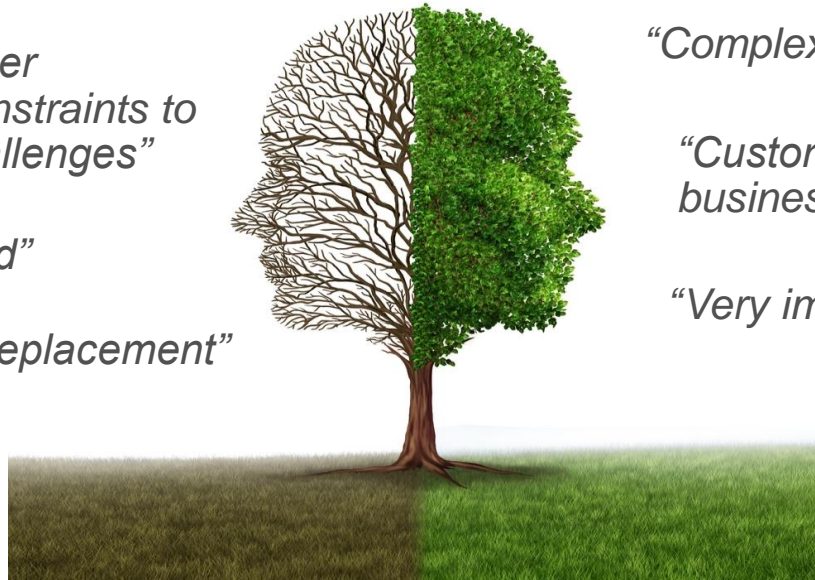
Positive:

“Backbone of the infrastructure”

“Complex and robust”

“Custom built for a unique business environment”

“Very important”



Take Away: Liability or Lifeline?

- Federal IT managers believe nearly **half** of their current portfolios are legacy applications in need of modernization – and **92%** say the need to modernize is urgent. Some of the biggest driving factors:*

- #1** Security issues (42%)
- #2** Too much time required to manage/maintain systems (36%)
- #3** Inflexibility (31%) and integration issues (31%)
- #4** Hinders innovation (30%)
- #5** Difficulty finding staff with experience managing/maintaining legacy systems (29%)



Take Away: Major Renovations Needed

- Legacy applications are having trouble keeping up with needs now, and it is only going to get more difficult in the future

Mission Story



- Just **48%** of Federal IT managers say their legacy applications are completely capable of delivering on today's agency mission
- Significantly fewer, **32%**, say they'll be able to deliver five years from now

Business Story



- **37%** say their legacy applications are completely capable of keeping up with their agency's current business needs
- **31%** say they'll be able to deliver five years from now

Take Away: Running Out of Runway

- **62%** of Federal IT managers say if they do not modernize their legacy applications, mission-critical capabilities will be threatened

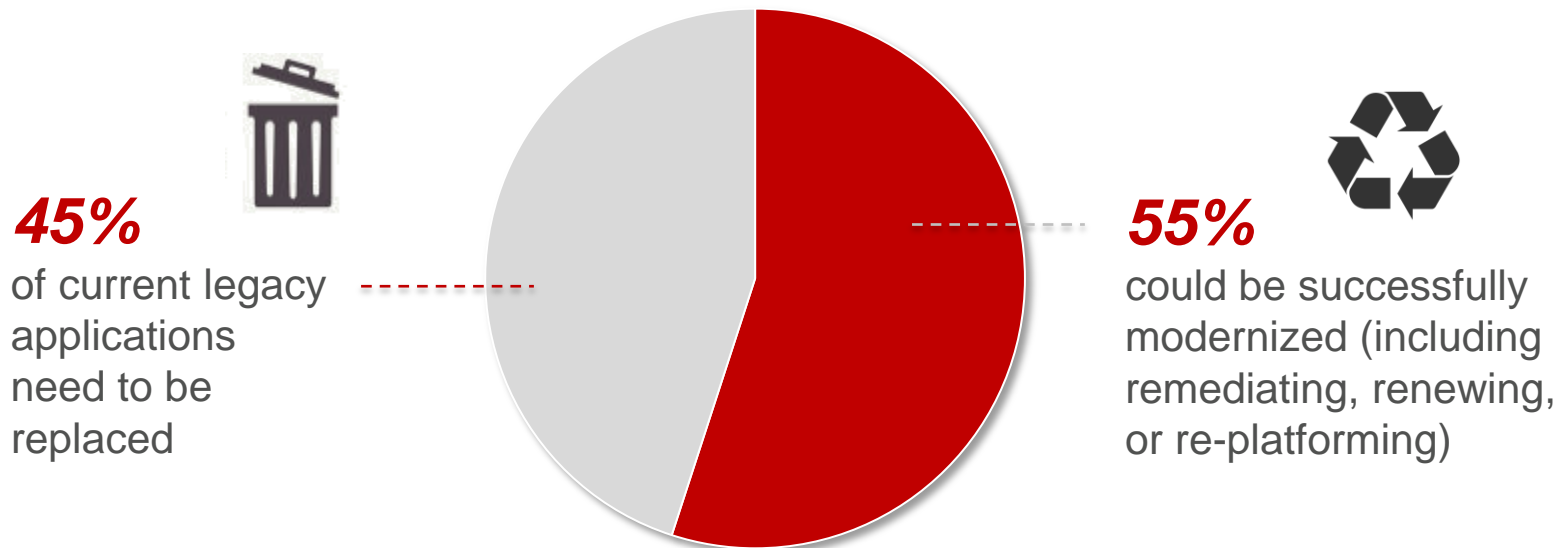
Specific concerns include:*

- **52%** Security breaches
- **47%** Performance issues
- **40%** Increased downtime/service disruptions
- **39%** Failure to deliver on mission

Take Away: Mission on the Line

- Feds see a promising future for their legacy applications – rather than a simple rip and replace

What percentage of your agency's current legacy applications do you believe need to be modernized vs. fully replaced?



Take Away: Most Legacy Apps Have Potential

- Despite the urgent need for modernization, just half of agencies (**53%**) have a formal application modernization strategy in place today

Just over **one in four** (28%) have developed a business case around renewing or replacing existing applications

Limited steps toward modernization included:*

- **37%** Executed a complete inventory and audit of existing applications
- **30%** Developed a roadmap and established program deadlines
- **29%** Established a change management team
- **28%** Appointed a program manager



Take Away: Modernization Readiness Varies from Agency to Agency

- Agencies say they are delaying the process to modernize for a variety of reasons, most often to avoid potential risks

Feds cite delays are primarily due to:*



42% The risks



34% Failure to execute



20% Overwhelming amount of options

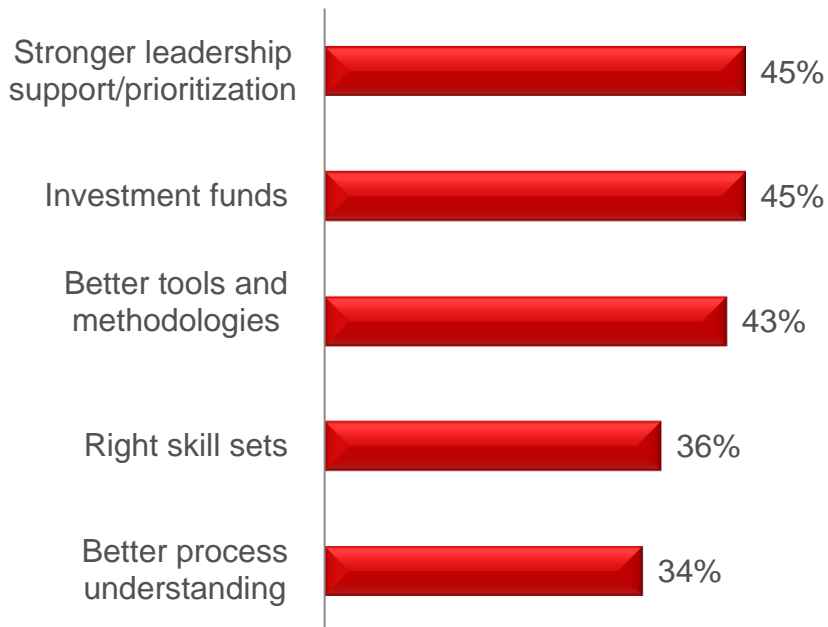


When asked why Feds rely so heavily on legacy applications, Feds cited a *lack of budget* to modernize (45%) and concerns about *disruptions* to mission-critical services (40%)

Take Away: Many are Stuck at Go

- Fed IT managers say prioritizing application modernization and obtaining funding are the keys to accelerating adoption

What would help accelerate application modernization within your agency?*



Today, **just 43%** say their IT department receives clear direction on how to implement application modernization initiatives



Take Away: Agencies Need Modernization Mentors

- Three out of four Federal IT managers (**77%**) say application modernization will improve the end-user experience at their agency

Feds believe application modernization will help their agency by:*



Increasing efficiency
(**51%**)



Increasing security (**47%**)



Improving mission and/or
business effectiveness
(**44%**)

But how do agencies prioritize which apps to modernize?

Top deciding factors include:

- #1** Security risks
- #2** Mission criticality
- #3** Technical adequacy
- #4** Widespread use of application
- #5** TCO

Take Away: Increase Efficiency and Security through Modernization

- Two out of three Federal IT managers (**66%**) say application modernization efforts at their agency will increase in the next 18 months

The most commonly considered solutions include:*

- #1** Re-platforming the existing application (**72%**)
Moving software applications to different technology platforms
- #2** Architecture-driven modernization (**69%**)
Evolving existing applications into a modern architecture the purpose of improvement, modifications, and/or interoperability.
- #3** Remediating the existing application to extend its useful life (**65%**)
Improving the application for needed uses without changing its original architecture

How will Feds measure the success of their efforts?*

- 49%** Security metrics
- 44%** Performance metrics
- 43%** Reliability, maintainability, and availability metrics



Take Away: Plenty of Solutions for the Taking

Start Now:

Begin with an app inventory to understand where you are, and develop a roadmap to get you where you want to go.

Focus on Apps that Need It Most:

Determine which applications are most in need of modernization, prioritizing security needs and mission-critical capabilities.

Embrace the Legacy:

Old does not mean outdated. Many legacy applications have been in place for one reason – they work. Get more value out of your legacy applications by developing a modernization strategy that incorporates the IT case and the business case.



“Just like roads and bridges or any other kind of infrastructure, [app modernization] is an important part of how any agency delivers on its mission, but sadly [it] has been neglected over the years.”
– Tony Scott, Federal CIO

Methodology and Demographics

- MeriTalk, on behalf of **Accenture Federal Services**, conducted an online survey of 150 Federal IT managers familiar with their agency's applications portfolio in September 2015. The report has a margin of error of $\pm 7.97\%$ at a 95% confidence level

IT job titles:	
12%	CIO/CTO/CISO
5%	Deputy CIO/CTO/CISO
32%	IT Director/Supervisor
18%	IT Systems Engineer
3%	Security/Solutions Architect
11%	Data Center Manager or Network Manager
3%	Cyber Security Manager
16%	Other IT Manager

Agency type:	
63%	Federal: Civilian
37%	Federal: DoD or Intel

100% of IT respondents are familiar with the strengths and weaknesses of their agency's applications portfolio



Thank You

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