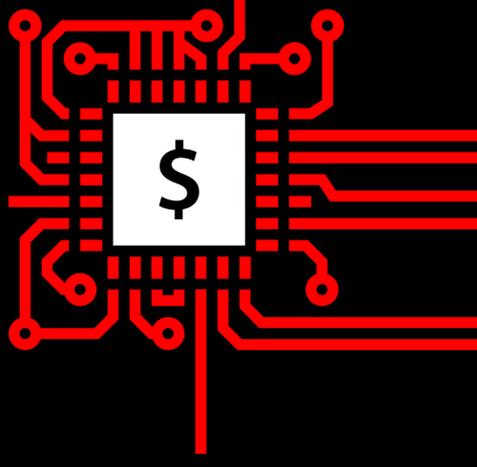


Is technology debt bankrupting your competitiveness in a digital world?

As digital companies continue to push the frontiers of innovation and performance, traditional players who do not confront the full scope of their technology debt risk getting left behind.



The true cost of technology debt:

Legacy environments carry both an operating cost and a cost of change that becomes prohibitive as technology debt continues to pile up. Unmanaged debt will increase organizational costs and reduce agility over time.

In addition to the pure principal, interest and liability costs of technology debt, the opportunity cost can inhibit strategic investments and product innovation for established players.

Technology Debt = Principal: Cost of remediating code/applications/architecture/infrastructure.

+

Interest: Incremental IT costs for adjusted/new processes, interfaces, maintenance or additional people.

+

Liability: Additional business costs from outages, breaches or corrupt data.

+

Opportunity Cost: Benefits that could be achieved with new products and features, and opportunities hindered by system inflexibilities or inefficiencies.

The interplay of old and new:



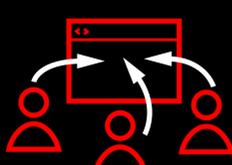
85% of executives believe that legacy hinders their ability to move to a more digital model.



A typical IT budget may allocate up to 90% on maintaining the current state versus just 10% on innovating and developing new capabilities.

Take a step back and build a plan

Plan strategically across all platforms, processes and people by addressing some basic but critical questions to get a complete view of tech debt:



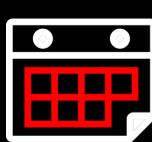
How do we segregate our IT and product portfolio based on customer experience?



How do we address older technology architectures and processes creating unnecessary drag on the balance sheet?



What market services can we adopt, buy or build?



What current decisions will we need to revisit in six months, one year or beyond?

Four key steps to begin the shift

Take these steps and associated behavioral changes to help shift the enterprise from debt-laden to technology savvy:



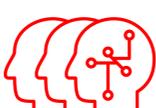
Shift from a buy-and-hold mentality to an asset-light, pay-as-you-go model.



Maintain digital relevance through parallel plays. 91% of executives say some legacy components can be used to support digital objectives.



Adopt a "good debt, bad debt" approach, and begin making payments on the most critical technology debts.



Realign tech debt ownership across the C-suite and redefine the CIO role.