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Legacy Modernization + Decision Management

One of the greatest challenges facing modern-day IT groups is supporting existing business requirements while simultaneously responding to new business needs. Unfortunately however, research tells us that more than 60% of IT budgets are spent maintaining existing systems.

Couple this with the fact that now more than ever, businesses need to respond quickly to changes in the market, and it is easy to see how the disparity in budget allocation is hampering the ability of companies to be successful. Budget reallocation is certainly not plausible. Hence, to quickly and effectively respond to market changes companies must find ways to make it happen with less. IT executives have been aware of this problem for years, yet not until recently did approaches, tools and technologies come together to make solutions a reality.

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An information technology strategy firm

Introduction

Legacy systems have long been considered the DNA of a company's competitive advantage, yet they are frequently considered one of the greatest barriers to agility. Legacy systems do what they were designed to do – run quietly in the background isolated from the rest of the enterprise, storing data, orchestrating processes and implementing strategic logic. However, their once coveted position has become problematic as companies race to embrace new ways to enable a level of agility necessary to compete.

In this article we will not focus on the various challenges associated with agility and legacy systems. Instead we will focus on one of the most promising combinations of approaches and technologies to overcome these challenges – legacy modernization and decision management.

Legacy modernization defined

Legacy modernization has been a pivotal initiative for many companies to address the challenges of agility, flexibility and efficiency. A key driver for legacy modernization is the integration of core systems with other enterprise assets, allowing the sharing of data, business processes and business logic.

Legacy modernization is a broad description of two critical tasks – modernization and transformation. Despite the fact that both are critical to unlock legacy systems and harness their value within the enterprise, many initiatives do not include the “transformation” tasks necessary to achieve lasting success. As this may seem unclear, let us first define modernization and transformation outside of the context of leveraging and extending core systems.

Modernization

Independent of an IT context, when we think of modernization activities we think in terms of updating, revising, renewing or renovating. We modernize buildings, standards or even thoughts, improving them to a state that is current or compliant with today's requirements. Given this understanding it is easier to think of “modernizing” from an IT perspective: we modernize IT assets to a state that is compliant with today's information technology requirements.

Transformation

Also independent of an IT context, when we think of transformation activities we think in terms of changing, altering or converting. We transform land, texts or even our bodies, ultimately creating a state that is improved or enhanced. Given this understanding it is easier to think of “transforming” from an IT perspective: we transform IT assets to a state in which they are more effective and efficient than their previous implementation.

Why efforts fail

To understand why legacy modernization efforts fail, one key is to understand the scope of the initiative. IT is an obvious focal point for legacy modernization efforts. There are many IT-based options for modernizing legacy applications including service-enablement, re-implementation in more modern architectures and languages, or migrating to more current, robust and integration-friendly platforms. However, IT-based modernization initiatives do not necessarily enable an organization to more quickly respond to market changes. Key business logic still remains buried in original or

Why efforts fail

re-factored source code, re-creating the necessity for IT to remain involved in its maintenance.

This is not meant to devalue the benefit of modernization initiatives. For many companies modernization of legacy systems is critical to success. However, within the context of this discussion, unlocking legacy systems to integrate with the rest of the enterprise should only be one part of the legacy modernization initiative. More is needed. To achieve maximum modernization success we must expand our focus to the business. We must modernize and transform the way the business leverages IT assets for conducting day-to-day activities. Therefore, modernization and transformation should be more than just an IT initiative. It should be a *business* initiative.

Why transformation is critical

Consider the example of a legacy modernization effort that includes re-architecting key business logic in a more modern implementation such as Java. The benefits to IT are clear: more integration options, more available resources, lower costs and less time to change. However, even with a well-executed legacy modernization effort, without a focus on business transformation, the agility-hampering business-to-IT dependency remains intact. When the market necessitates a change to the business, IT must still be involved to change the strategic business logic in systems and applications. Albeit in a more modern implementation, the same barriers to efficient and agile market response still exist.

Achieving agility through legacy modernization requires transforming the way the business manages IT-based strategic assets. Hence, transformation requirements prompt important questions such as:

- How can we free IT from the budget-consuming maintenance tasks of IT-based strategic assets?
- How can we enable the business to manage and make changes to strategic business policies?
- How can we respond to market changes more efficiently?
- How can we drive more value from the IT function?
- How can we improve market differentiation and sustainable competitive advantage?

Decision Management provides a compelling answer.

Legacy Modernization + DM

Just as SOA is an enabler of legacy modernization, Decision Management is an enabler of the critical transformation tasks of the modernization initiative. Decision Management offers proven and robust solutions for transforming the way businesses manage and leverage IT-based strategic assets.

Tools and technologies include legacy application profilers that enable business policy mining, and Business Rule Management System (BRMS) technologies that enable management and deployment of strategic decision services within the enterprise application architecture.

As a legacy modernization component, Decision Management greatly reduces the time to change and increases the ability of an enterprise to respond to market changes. It increases enterprise agility to a level not attainable through modernization alone.

For many legacy modernization initiatives there is not much differentiation between the modernization and transformation tasks. However, although the tasks may not be distinctly described, the level of dedication to both is relatively easy to discern, and greatly influences the level of success.

Consider the example of a legacy modernization effort at a healthcare company. The overall goals of the effort were:

- Gradually migrate strategic business assets from their COBOL mainframe applications to a more modern implementation.
- Free IT from budget-consuming maintenance tasks of strategic business policies.
- Empower business users to make changes to strategic IT-based assets to better respond to market changes.
- Share data within the enterprise more effectively.

A focus on modernization led to a robust service-based implementation using SOA. This enabled the company to lay the foundation for gradually migrating components of mainframe-based programs to a modernized implementation. However to empower business users and free IT resources, the company needed to focus on transforming the *business*.

Decision Management enabled the company to profile and extract business policies from the COBOL applications and re-implement them as business rules in decision services. Business users were empowered to maintain the rules, effectively freeing IT from the maintenance responsibilities.

The key point to this example is this: just because you modernize doesn't necessarily mean you transform. The jagged history of legacy modernization efforts proves this well. If an enterprise is to become more agile, more responsive, more connected and more consistent, modernizing tools and technologies are only part of the solution. An effective modernization initiative must include tools and technologies that enable transformation of the business as well.

Technology Blue works with companies to establish grass-roots fundamentals for legacy modernization initiatives. We blueprint the effort and create a roadmap that generates manageable, measurable and repeatable outcomes.

Our results are quantifiable:

- Reduced IT maintenance costs
- Faster time to market with new products and processes
- Increased agility when responding to market changes and opportunities
- Higher strategic value of IT to the business
- Lower risk

Contact Technology Blue to learn more about Legacy Modernization and Decision Management.

Technology Blue helps bring about meaningful change and lasting success through a broad range of outsourcing services covering:

- Strategy
- Application
- Infrastructure
- Management

Why outsource to Technology Blue?

- Enhance core capabilities in key areas
- Leverage expertise to increase innovation
- Liberate resources to focus on core competencies
- Improve service quality
- Reduce costs
- Speed time to market
- Increase business performance
- Maximize profitability
- Solidify competitive advantage

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About Technology Blue

Technology Blue is an information technology strategy firm based in Pittsburgh, Pennsylvania.

With a strong commitment to deliver value through innovative approaches, tools and technologies, Technology Blue partners with its clients to help them transform and modernize to achieve greater competitive advantage. Its home page is www.technologyblue.com.