

gart.

The Hidden Cost of Legacy Systems

Your legacy systems are silently draining resources, blocking innovation, and putting your business at risk.

It's time to transform.

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MARKET REALITY

The Modernization Imperative

80%

IT Budget Waste

Spent on maintaining outdated systems instead of innovation

3.4x

Cost Overruns

Banks overpay for legacy support vs. initial budgets

\$229B

Insurance Investment

Expected spending on modernization by 2029 in the US alone

The pace of digital transformation is accelerating. Companies that fail to modernize risk becoming obsolete as competitors leverage AI, cloud-native architectures, and real-time data processing.

The Real Pain Points

What's Holding You Back

- High maintenance costs consuming resources
- Security vulnerabilities and constant patching
- Employees losing 3+ hours daily to slow systems
- Expensive licensing for outdated software
- Inability to innovate or scale quickly



 CRITICAL RISK

Vendor Lock-In: The \$500K Trap

"We had to pay them like \$500k for them to extract OUR data and send to us"

Data Extraction Fees

Vendors charge exorbitant fees to release your own data when switching systems

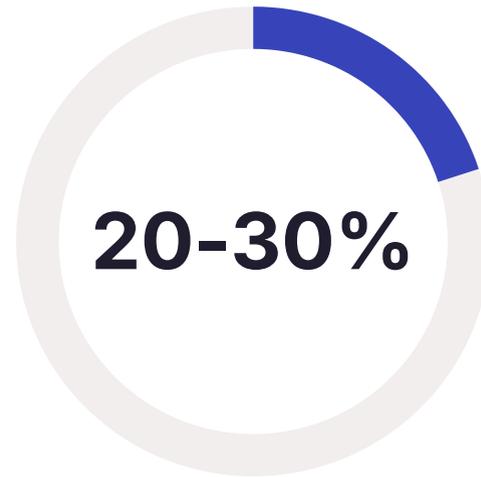
Limited Flexibility

Outdated systems trap you in costly, inflexible vendor relationships

Migration Complexity

Legacy architectures make switching providers technically challenging and expensive

The Underutilization Problem



Software Utilization

Most companies use only a fraction of what they pay for

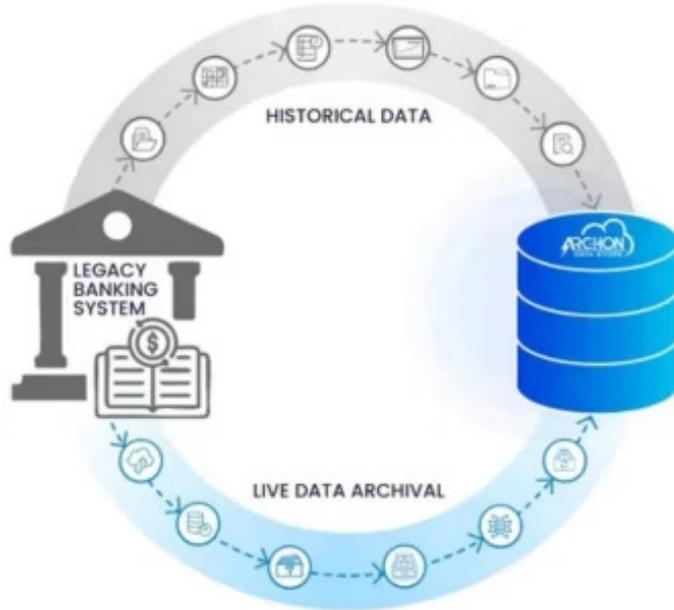
Organizations are paying for comprehensive software suites but leveraging only a small percentage of features. This inefficiency compounds the already high costs of legacy system maintenance.

Banking & Financial Services

Core Challenges

- **Mainframe Dependency:** COBOL developers retiring, skills shortage
- **Slow Transactions:** Unable to process real-time payments
- **Compliance Risks:** Difficulty implementing Open Banking/PSD2

Banks overpay 3.4x for legacy support compared to initial budgets, while fintech startups release features daily.



Insurance Industry Transformation

Siloed Data

Impossible to get a complete customer view (Customer 360)

High TCO

Legacy data centers consume up to 80% of IT budget

Manual Underwriting

Heavy manual work due to lack of external data integration

US insurance companies **are expected to spend \$132.86 billion in 2024 on modernizing legacy systems, growing to \$229.07 billion by 2029.** Large insurers face transformation costs exceeding \$5 million with projects taking 12-18 months.

Healthcare & Life Sciences



Interoperability Issues

Difficulty exchanging data between clinics and registries



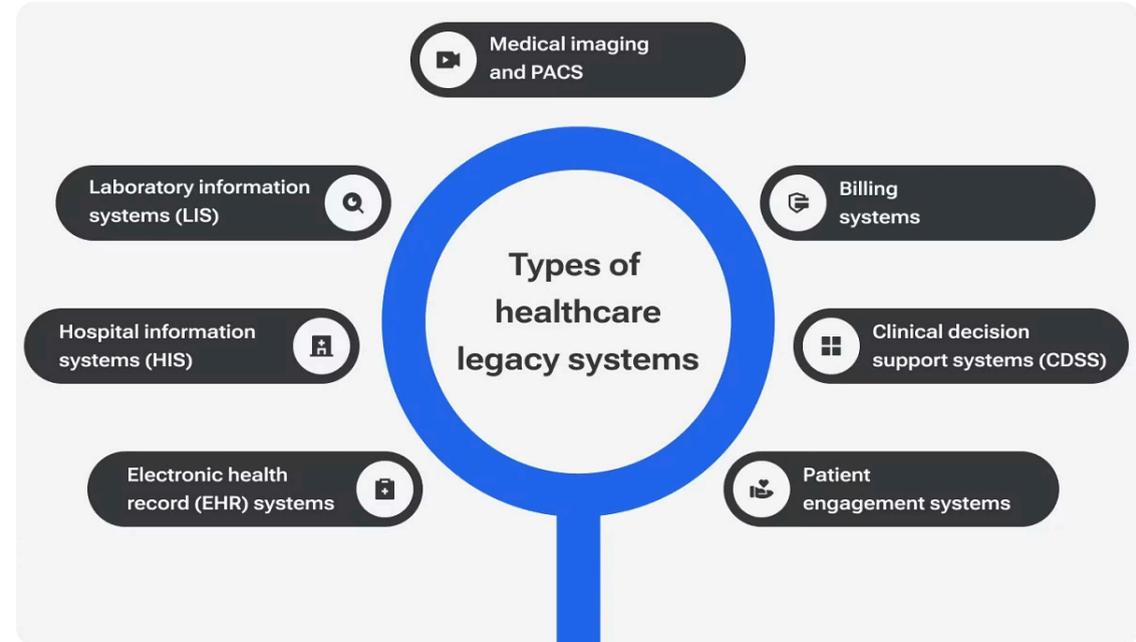
Security Gaps

Legacy software vulnerable to ransomware attacks



Patient Experience

Cannot integrate with wearables and telemedicine



Logistics & Supply Chain

Critical Pain Points

- **No Real-Time Visibility**

Outdated EDI protocols prevent real-time cargo tracking

- **Monolithic Constraints**

Systems crash during peak loads like Black Friday

- **Hardware Lock-In**

Dependency on specific legacy scanner and sensor models

Retail Application Modernization



ERP Systems

Legacy SAP ECC and Oracle platforms with long batch processing times and inflexible data models



OMS/WMS

Decades-old systems in COBOL or early Java lacking API support and real-time tracking



eCommerce Platforms

Monolithic systems like Magento 1.x with slow release cycles and scalability issues



EDI Systems

Batch-based file uploads with frequent failures and limited visibility



CHAPTER BREAK

The Cost of Delay

Every day you wait to modernize, the gap between you and your competitors widens.

Hidden Costs of Not Modernizing

Productivity Drain

Employees lose 3+ hours daily wrestling with slow, outdated systems. This translates to thousands of lost productive hours annually.

Security Vulnerabilities

Constant patching requirements and high risk of data breaches. Legacy systems are prime targets for cyberattacks.

Missed Opportunities

Inability to innovate, scale, or respond to market changes quickly. Your competitors are moving faster.

Talent Shortage

COBOL and legacy technology experts are retiring. Finding skilled maintainers becomes increasingly expensive and difficult.

The True Financial Impact



Medium-sized businesses spend an average of **\$10,000 annually just maintaining a single legacy IT system.**

For enterprises, this number can reach **\$2.4 million annually across their technology portfolio.**

SOLUTION

Benefits & ROI of Modernization



Reduced Costs

30-50% savings over five years



Increased Productivity

40% boost for employees



Better Security

Modern architectures offer superior resilience



Scalability

Ability to grow and adapt quickly

Modernization Strategies

Rehosting (Lift & Shift)

Move to cloud with minimal changes. Quick wins,
lower initial cost (\$20K-\$200K+)

1

Refactoring

Restructure code for cloud-native benefits.
Maximum long-term value

3

2

Replatforming

Optimize for cloud during migration.
Better performance (\$50K-\$500K+)

4

Rearchitecting

Complete rebuild with microservices.
Full transformation (\$100K-\$5M+)

Our Modernization Approach



Phase 1: Legacy Audit

Comprehensive assessment of your current systems, technical debt analysis, and risk evaluation. Deliverables include detailed roadmap and cost-benefit analysis.



Phase 2: Strategic Planning

Choose the right modernization strategy, prioritize components, and create a phased implementation plan that minimizes business disruption.



Phase 3: Incremental Migration

Using the Strangler Fig pattern, we gradually replace legacy components while maintaining system stability and business continuity.



Phase 4: Optimization & Scale

Fine-tune performance, implement AI-ready infrastructure, and enable your team to innovate rapidly with modern tools.

Why Modernize Now?

AI-Ready Infrastructure

You cannot implement GenAI on 20-year-old monolithic systems. Modernization creates the foundation for AI innovation.

Talent Crisis

COBOL, Delphi, and legacy Java/PHP developers are retiring. System maintenance costs are exceeding rebuild costs.

Cybersecurity

Legacy software is the primary security vulnerability. New standards like DORA in the EU mandate modernization.

Cloud Transformation

The market has moved beyond "Lift & Shift" to cloud-native architectures. Don't get left behind.

Legacy Modernization Assessment

What You Get

01

Technical Deep Dive

Code quality, infrastructure, security analysis

03

Strategic Roadmap

Prioritized modernization backlog

02

Business Alignment

Cost analysis and process interviews

04

Proof of Concept

Prototype of modernized component

Market Growth & Opportunity

15-18% Annual Growth

Legacy modernization market expanding rapidly through 2028



Global Demand

US focuses on scalability, EU on compliance and sovereignty



Cloud-Native Future

Complete departure from monoliths in critical economic sectors



AI Integration

Mass transition to data-driven architectures for AI capabilities



Ready to Get Started?

Don't let legacy systems hold your business back. Every day of delay means lost opportunities, increased costs, and growing security risks.

Our proven modernization approach has helped organizations across banking, insurance, healthcare, and logistics transform their operations while maintaining business continuity.

Next Steps

1. Schedule a free consultation to discuss your challenges
2. Receive a customized assessment proposal
3. Begin your transformation journey with confidence

Transform your legacy system from a liability into a competitive advantage.

Our **€950 audit provides** the clarity and roadmap you need to make confident modernization decisions.

Schedule Discovery Call

30-minute conversation to understand your system and challenges (no commitment required)

Receive Proposal

Customized audit scope and timeline based on your specific needs

Get Your Roadmap

Complete assessment delivered in 2 weeks with actionable recommendations

Email: info@gartsolutions.com

Website: <https://gartsolutions.com>

Calendly: <https://calendly.com/fkomp>

