


Legacy System Modernization

-  Imperatives
-  Challenges
-  Approach
-  Case Studies
-  Considerations



PA TechCon

May 4, 2017



DEFINING LEGACY MODERNIZATION – WHAT IS IT?



The *VERY OLD*

- Assembler
- 8086
- Natural
- Old COBOL
- Hierarchical Database



The *RECENT OLD*

- Newer COBOL
- PowerBuilder
- Network Database
- Client Server



NEW... but getting OLD

- New COBOL
- COM+ & VB
- EJB Java
- Web HTML
- C
- Relational Databases



THE WORLD KEEPS ON SPINNING...

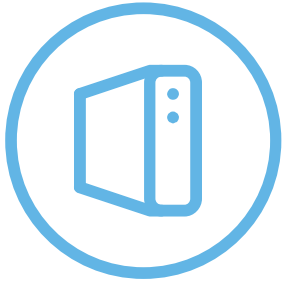


WHAT ARE THE IMPERATIVES – WHY AND WHY NOW?





SIGNIFICANT INVESTMENTS IN LEGACY TECHNOLOGY



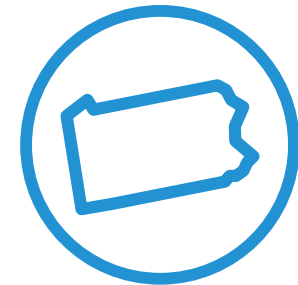
Mainframe & COBOL

- \$2 Trillion dollars
- 300 Billion+ lines of code
- 100 Million added each year
- 85% of global business transactions



Non-Mainframe Legacy investment

- 100 Billion lines of code
- 20 Million added each year



PA Specific Stat

- 494 mission critical applications out of 2100 applications defined as "declined", "obsolete, or "hardware >9 years"
- 78% of the inventory "do not have a modernization plan"



THE MORE MONEY YOU PUT INTO OLD, THE LESS YOU HAVE FOR NEW



DEMANDS ON IT BEYOND SUPPORTING LEGACY SYSTEMS



BUSINESS OF IT

IT organizations must balance driving efficiencies within their own operations against enabling the business



DIGITAL

Quickly evolving digital capabilities are enabling unprecedented engagement with customers, suppliers, and other key stakeholders



CORE RENAISSANCE

Leveraging existing core systems at the heart of the business to form strategic foundations, driving growth and modernization



CLOUD

Cloud capabilities are redefining the speed, capacity, and reach of infrastructure, functions, services, and products



ANALYTICS

Harnessing standard & non-standard information in analytics offers tremendous insights for faster, more effective decision making

Cyber Security



WE NEED TO MODERNIZE, BUT IT COMES WITH SOME CHALLENGES

Challenges





MULTIPLE INCREMENTAL APPROACHES TO LEGACY SYSTEM MODERNIZATION



Approach

Legacy
System
Modernization

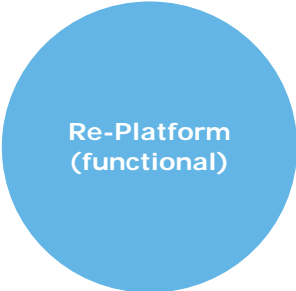


MULTIPLE INCREMENTAL APPROACHES TO LEGACY SYSTEM MODERNIZATION



Approach

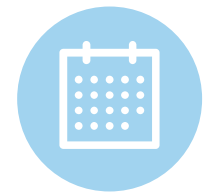
- Business Driven
- End to End Functionality
- Point to Point Integration



**Legacy
System
Modernization**

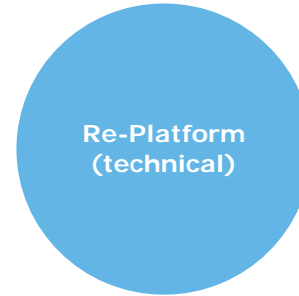
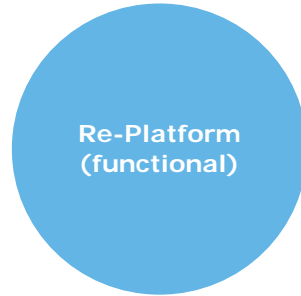


MULTIPLE INCREMENTAL APPROACHES TO LEGACY SYSTEM MODERNIZATION



Approach

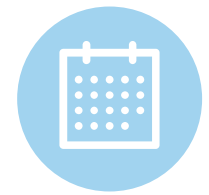
- Business Driven
- End to End Functionality
- Point to Point Integration



- Product or Tool Driven
- Multiple Lines of Business
- Drive Licensing and Platform Deals

**Legacy
System
Modernization**

MULTIPLE INCREMENTAL APPROACHES TO LEGACY SYSTEM MODERNIZATION



Approach

- Business Driven
- End to End Functionality
- Point to Point Integration

Re-Platform
(functional)

- Product or Tool Driven
- Multiple Lines of Business
- Drive Licensing and Platform Deals

Re-Platform
(technical)

Legacy
System
Modernization

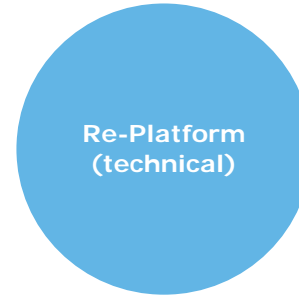
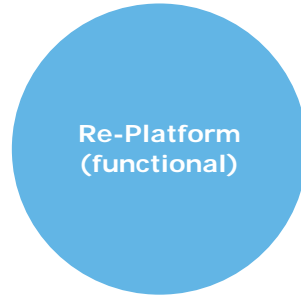
Revitalize

- Limited Changes
- Slower Pace
- Mix of technical and business impact



MULTIPLE INCREMENTAL APPROACHES TO LEGACY SYSTEM MODERNIZATION

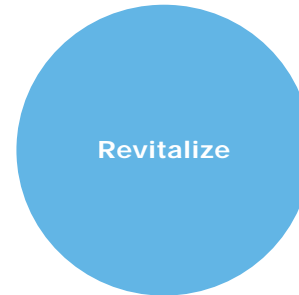
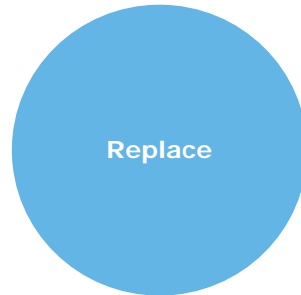
- Business Driven
- End to End Functionality
- Point to Point Integration



- Product or Tool Driven
- Multiple Lines of Business
- Drive Licensing and Platform Deals

Legacy System Modernization

- Full Replacement
- Multi Year – Multi Release Phases
- Full Scale BPR and Transformation



- Limited Changes
- Slower Pace
- Mix of technical and business impact



GOVERNANCE

Approach

Agile Based Project Delivery

Application Lifecycle Management (ALM)

- Business Driven
- End to End Functionality
- Point to Point Integration

Re-Platform
(functional)

- Product or Tool Driven
- Multiple Lines of Business
- Drive Licensing and Platform Deals

Re-Platform
(technical)

Legacy
System
Modernization

- Full Replacement
- Multi Year – Multi Release Phases
- Full Scale BPR and Transformation

Replace

- Limited Changes
- Slower Pace
- Mix of technical and business impact

Revitalize

PLATFORM

DATABASE

CYBER-
SECURITY

ANALYTICS

TOOLS



GOVERNANCE

Agile Based Project Delivery

Application Lifecycle Management (ALM)

- Business Driven
- End to End Functionality
- Point to Point Integration

- Product or Tool Driven
- Multiple Lines of Business
- Drive Licensing and Platform Deals

GOVERNANCE

INCREMENTAL

HIGH VALUE

CONTINUOUS

LOW-RISK

USER IMPACT

- Full Replacement
- Multi Year – Multi Release Phases
- Full Scale BPR and Transformation

- Limited Changes
- Slower Pace
- Mix of technical and business impact

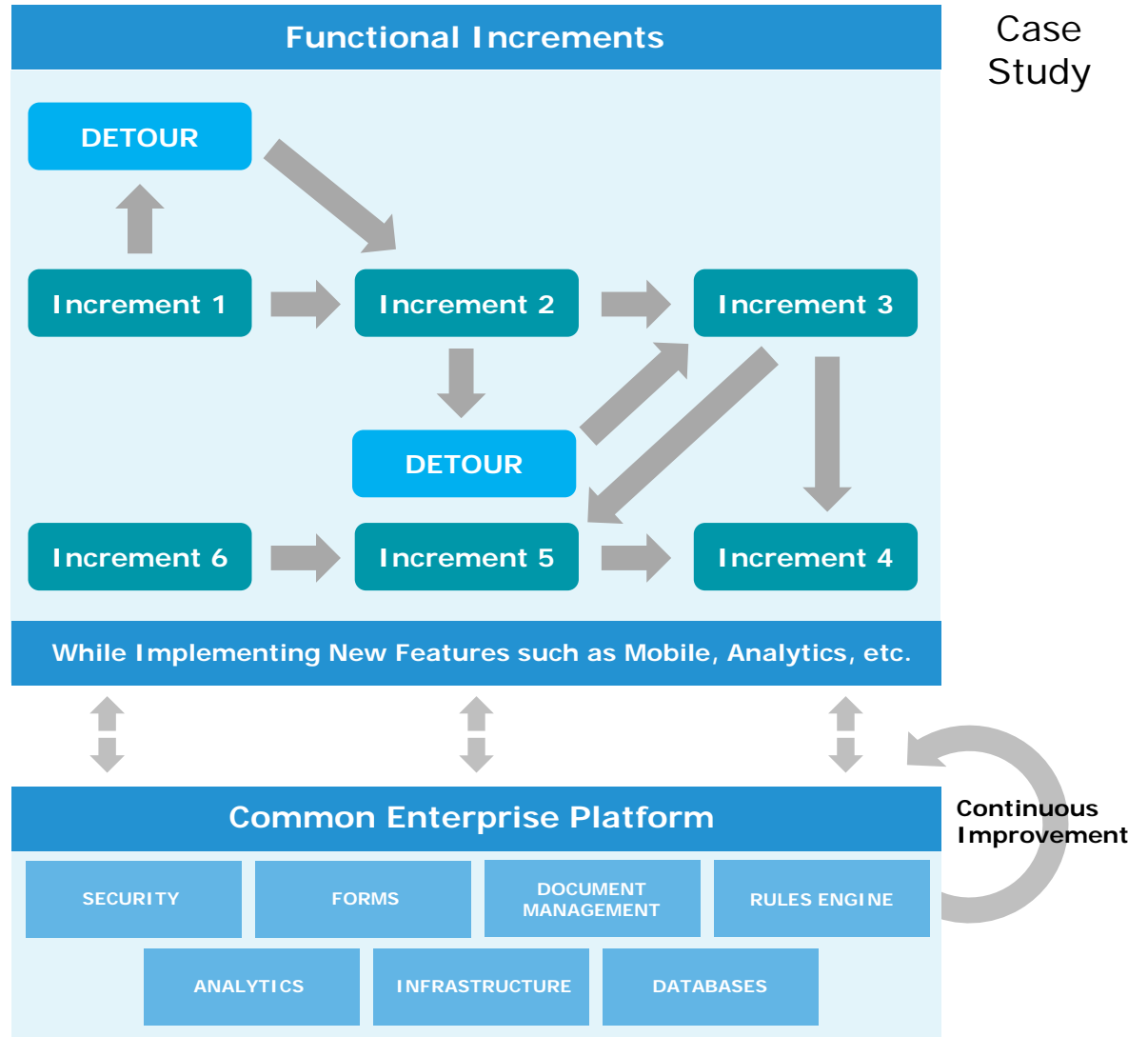
PLATFORM

DATABASE

CYBER-SECURITY

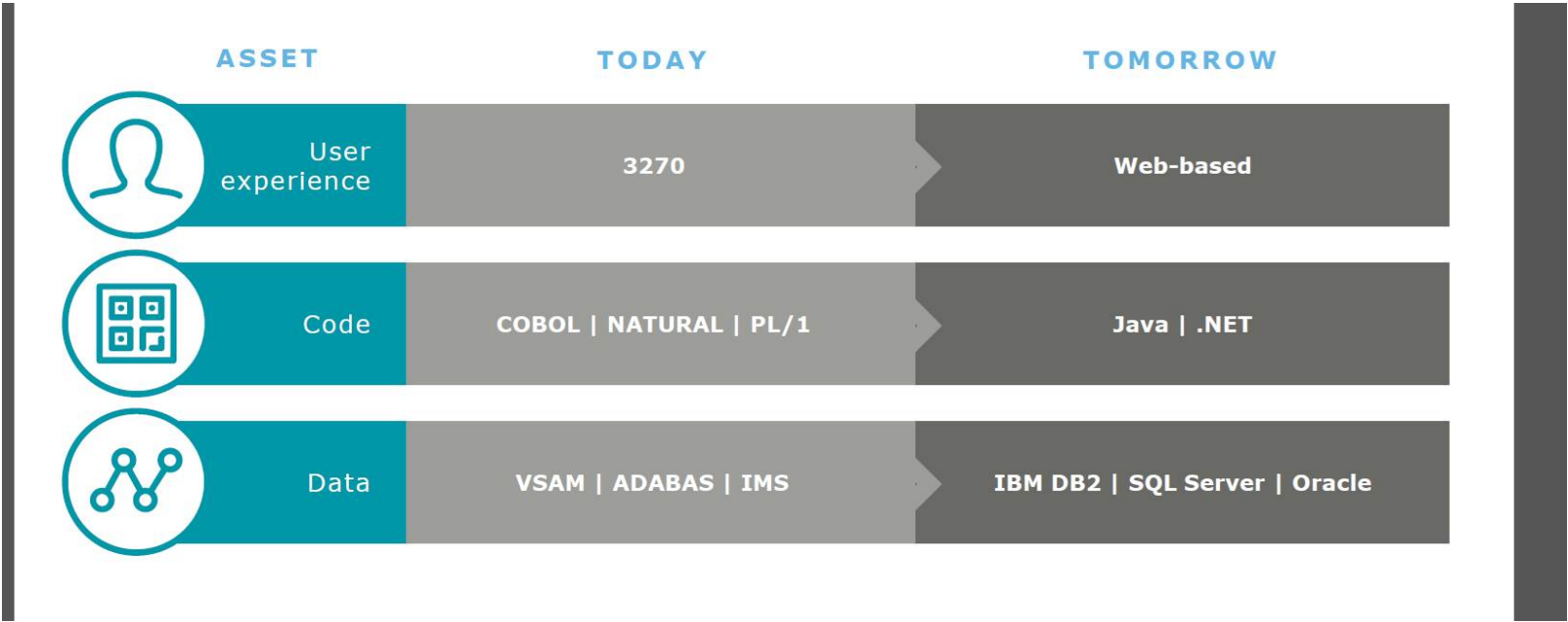
ANALYTICS

TOOLS





CASE STUDY – LARGE STATE GOVERNMENT CLIENT REPLACE WITH REFACTORING





CONSIDERATIONS FOR SUCCESS



Considerations



Culture



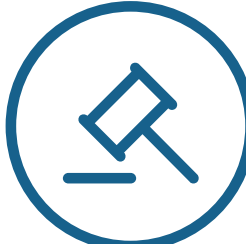
Agility



Talent



Sourcing



Accountability



Official Professional Services Sponsor

Professional Services means audit, tax, consulting, and advisory.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a detailed description of DTTL and its member firms. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.