

# Avoid Becoming Legacy Trapped

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If a business leader is asked about a bottleneck in her company's IT organization, the culprit would most probably be IT is not responsive. The same question will be answered little differently by an IT leader – the issue will be 'the legacy systems'. Organizations know this is a 'same whine' in different bottleneck perspectives.

Today's new systems are bound to become tomorrow's legacy unless a conscious change management process exists to align business and IT along with IT with IT market forces. Some recommendations towards avoiding the legacy trap are:

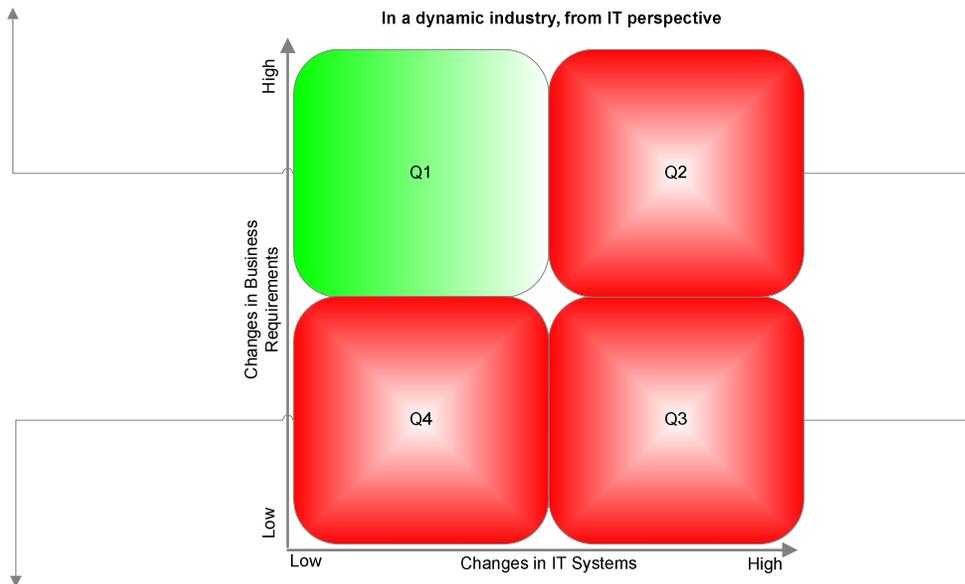
- There is a requirement of conflict management between following two options:
  1. Just because a system is old does not mean it has to be upgraded. Doing so creates unstable systems that require patch fixes and these tend to become legacy.
  2. Also, just because a system is stable does not mean it does not need 'fixing'. Outdated systems bring huge risks of paralyzing specific business activities. A portfolio of systems along with business needs. Market changes like shift in vendor support, licensing costs and terms, better technology and functionality, security and proven process changing technologies e.g., RFID etc. must be analyzed and incorporated in the plans.
- Then there is another conflict that need to be managed: Sometimes there is too much built into the systems, and then there are times when industry evolves without business absorbing the change
  1. Above two points together mean that business must drive IT changes. Bulky IT systems are sometimes not necessary. Once the bulk is built and not utilized, it becomes legacy as soon as it is put in. From that point on, the system keeps getting old as it is not being utilized.
  2. More importantly, business units must have incentives for exposure to alternatives which will create demand for change. At the same time, business must work with and through the IT team in planning and implementing the changes. Sometimes the business requirements come

in late and the quality of IT changes is not great – this creates systems that tend to have legacy components in them.

- A change management process must be carved out to keep abreast with competitor capabilities and to address how to best align with evolving business models of the company.
- Business requirements must be gathered and detailed in an organized manner so that no unnecessary functionality is built in the IT systems.
- Avoiding change may not be the best option in many cases – change is imperative and must be carried out at regular intervals with small-step approach. This does not mean change for the sake of change is good either.
- In a simple 2 X 2 analysis, matrix we can summarize above as follows:

- IT strategy and architecture are aligned with business needs  
 - Identification of two types of changes occurs constantly:  
 1. In response to future business needs (strategic: infrastructure type)  
 2. Or, in response to current business needs (tactical)

- Business strategy may need more robust planning  
 - IT strategy and architecture need to align with business strategy so that:  
 1. Strategic changes can be planned and implemented  
 2. Tactical changes are less risky



- Business changes are absent - business may need exposure to industry dynamics  
 - IT needs to plan/execute updates so future changes are not as risky.  
 Such plans must be in response to:  
 1. Previous outcomes (lessons learned, tactical)  
 2. Future business plans (strategic)

- If IT changes originated for future plans then IT organization is maturing  
 1. These changes will eventually put organization in maturity  
 - Else, there is a reactive IT management which needs to be fixed  
 1. Breaking away from here to a matured state is not in the thought-process

The four quadrants provide an understanding of degree of changes in business and IT.

- Green color quadrant Q1 is where an organization aims to get to. But reaching this state requires a journey: usually an organization will start from Q2/Q4, and

move into Q3, and then land in Q1. Once in Q1, it is easy to lose the position unless continuous IT-Business strategic alignment takes place. (Another white-paper is in works to discuss the journey)

- Lower left quadrant Q3 is also important to note. This is where the IT infrastructure changes (like Cisco did) need to take place in preparation of building robust IT organization. It will be unusual to have low degree of business changes in the assumed dynamic industry – so business may have to look at its strategy. IT must work towards institutionalizing some building-blocks else the organization will possibly stay in this quadrant for ever. (Another white-paper is in works to discuss the vicious cycle)

State	Business Changes	IT Changes	Perspectives
Q1	High	Low	<ul style="list-style-type: none"> <li>• IT has planned architecture in anticipation of ‘future’ business changes</li> <li>• The alignment must continue</li> </ul>
Q2	High	High	<ul style="list-style-type: none"> <li>• Business changes were not anticipated very well, IT has to change in response</li> <li>• Strategic alignment does not exist if the risks of IT changes overweigh business risks</li> </ul>
Q3	Low	High	<ul style="list-style-type: none"> <li>• If the changes are the ones that have been planned to prepare infrastructure for future business needs then it is a healthy journey</li> <li>• Else, reactive IT organization must be re-aligned in multiple respects: ‘broken’</li> <li>• Lower degree of business changes must be assessed with high degree of evolution in the industry</li> </ul>
Q4	Low	Low	<ul style="list-style-type: none"> <li>• Lower degree of business changes must be assessed with high degree in the industry</li> <li>• Either IT is perfect or, IT needs to plan/execute at least some changes so its ready for future</li> </ul>

So, if IT is not in alignment with business or, vice-versa, the organization cannot extract business value out of IT. Even treating IT as a commodity, not the best option, may create negative values for business if IT becomes legacy. Legacy IT systems are creating huge bottlenecks today.

The misalignment between Business-IT that subtly creates the legacy issue must be avoided.