CONTENDING WITH LEGACY

HOW BADLY DO LEGACY SYSTEMS AFFECT MIDDLE EASTERN BUSINESSES, AND WHAT CAN BE DONE TO SOLVE THE PROBLEMS ASSOCIATED WITH THEM?

BY TOM PAYE

C IOs are forever being told that they need make their IT operations more agile, and better able to respond to changes in the market. However, that's easier said than done when you've got a legacy architecture to contend with. On the flipside of that, we've often told that the Middle East is a 'greenfield' region, with few organisations having legacy systems to contend with. How badly do legacy architectures affect Middle Eastern businesses, and what can be done to solve the problems associated with legacy?

Well, according to the experts, large organisations in this region actually have less to worry about in terms of legacy, as opposed to large organisations in more developed markets. Indeed, going against the logical thinking, it is actually the large enterprises of the Middle East that are the most agile, while small to medium-sized businesses struggle with legacy.

"Larger Middle East organisations are on the cutting edge of the latest technology, and it is often the small and medium-sized enterprises (SMEs) that face legacy IT systems," explains SavithaBhaskar, COO of Condo Protego.

"Due to budgetary restrictions, and not facing as many regulatory or compliance requirements, Middle East SMEs are at the highest risk of continuing to use legacy IT systems. CIOs at organisations both large and small must work with the C-suite to explain the risks of legacy IT systems, and present the business case for deploying a gradual, phased-in approach to replace legacy IT systems with the latest architecture."

The point is echoed by Monzer Tohme, country manager for the Middle East at Infor, who says that there are still a sizable number of small to mid-market organisations in the region that are using either in-house, legacy developed applications or multi-national legacy ERP solutions. And the general consensus is that this has become something of a problem for these organisations.

"Legacy applications were built in a different time, often to serve a single purpose, and rarely meet the criteria necessary to help an organisation for the long-term. Organisations that use these platforms are plagued with failures, maintenance issues, inappropriate functionality, lack of documentation and poor performance," Tohme explains.

"These systems are inordinately expensive to maintain, inflexible when it comes to adapting to changing business needs, brittle and lack techniques or technology to fix legacy IS problems."

Bhaskar adds: "Legacy IT systems often generate silos of information, which pose challenges for IT operations and administration, and may cause day-to-day storage, backup, and security operations to no longer be compatible. As a result, Middle East CIOs face a significant business case for replacing legacy IT systems – reducing cost and complexity, and lowering the risks across quality of performance, data loss, and network security."

If we take it as granted that legacy systems pose something of a problem or IT operations, then, how can CIOs go about dealing with those problems?

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SAVITHABHASKAR, COO OF CONDO PROTEGO

THE PROBLEMS WITH LEGACY

According to Monzer Tohme, country manager for the Middle East at Infor, there are a number of key challenges that legacy systems might create. He says that the following points should be considered when dealing with legacy:

- Limited functionality limits innovation and growth
- Compliance and regulatory concerns abound
- Maintenance and staffing costs are high and growing
- Many are band-aided together and guarantee business silos
- Purely data-driven architecture prohibits access to business content and KPIs with no web access or mobile devices support

THE ROAD FORWARD

According to Anis Al Tell, chief commercial officer at eHost-ingDataFort (eHDF), CIOs in the Middle East take various approaches to dealing with legacy. For example, while it may be fair to say that most IT managers would rather not have to contend with a legacy problem, upgrading may not be justifiable from a business point of view. Others, meanwhile, are able to make a business case, but some of those CIOs might have to upgrade piece by piece.

"Middle Eastern CIOs, like their counterparts world over, now have to carefully weigh the business needs of their organisation and navigate a path that would yield the best value to their business and have the least operational impacts and overall costs. Many CIOs take a cautious approach, but quite a few are also taking a drastic approach, which could either be fork-lifting or staying with legacy IT which is not necessarily the most efficient or effective," he explains.

That might be the case when it comes to hardware infrastructures, but often the problems with legacy are most keenly felt when it comes to older versions of ERP software. Again, there are a number of ways to handle these problems, according to Infor's Tohme.

"Often CIOs would use custom development to bridge the gap between what a legacy system/application can deliver and the business requirements of modern users," he says. "Screen scrapers is one method used where the intent is to deliver web access on the current legacy platform. Another option is legacy wrapping. This technique constructs callable APIs around traditional transactions, offering an integration point with newer applications."

Naturally, though, these options amount to simply accepting legacy as a day-to-day challenge, and dealing with it accordingly. To actually solve the problems associate with legacy, organisations need to take much more proactive steps.

According to eHDF's Al Tell, there are several options that

Tohme: There are a number of options for contending with Legacy.

organisations should consider. Firstly, he advises undertaking internal and external assessments, while adhering to required standards and best practices. Secondly, he says that enterprises should see how feasible it is to stay with the legacy IT systems, or even to stay with some legacy systems but migrate others onto more standard platforms. Thirdly, he advises considering the feasibility of performing a fork-lift upgrade versus making gradual changes. And finally, he strongly advises that companies should reach out to specialists who can guide on and implement the requisite changes.

"LEGACY APPLICATIONS WERE BUILT IN A DIFFERENT TIME, OFTEN TO SERVE A SINGLE PURPOSE, AND RARELY MEET THE CRITERIA NECESSARY TO HELP AN ORGANISATION FOR THE LONG-TERM. ORGANISATIONS THAT USE THESE PLATFORMS ARE PLAGUED WITH FAILURES, MAINTENANCE ISSUES, INAPPROPRIATE FUNCTIONALITY, LACK OF DOCUMENTATION AND POOR PERFORMANCE."

MONZER TOHME, COUNTRY MANAGER FOR THE MIDDLE EAST AT INFOR

Of course, the temptation could be to simply 'rip out and replace', if the legacy systems are that dated and are causing serious business headaches. However, very few organisations do this, and Al Tell explains there's a decent reason behind this.

"Ripping out legacy technology and starting with new technology may sound like a complete cure, however CIOs need to avoid symptomatic treatment of their problems and undertake a more thorough assessment of their needs in sync with their business requirements. Following a well thought-out assessment and strategy will yield better and more sustainable results and should be more efficient and cost effective," he says.

Tohme agrees that the rip-out-and-replace route may not be the best, but he also adds that, with IT budgets shrinking amid the global economic uncertainty, there are no easy formulas. That said, he explains that, when it comes to software at least, the cloud could provide some answers.

"I have seen many organisations that made the change from legacy systems to modern and cloud technologies in very short time. This was driven by management commitment to transform

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the business to be more agile to respond to new business challenges," he says.
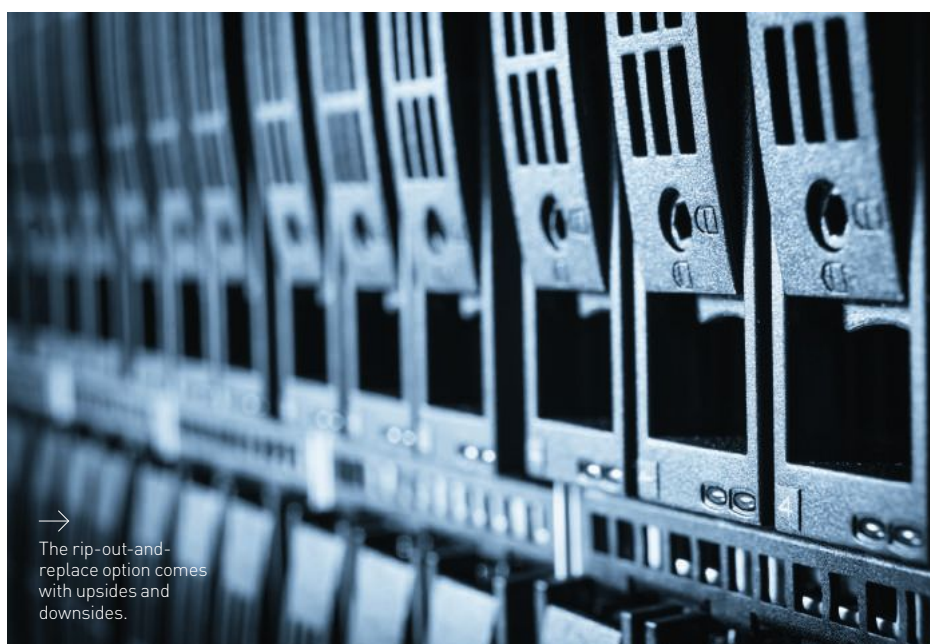
THE BENEFITS

All of this said, some organisations struggle with making a business case for upgrading their legacy systems. And while the organisations admit to seeing challenges with their legacy systems, if they are managing the day-to-day problems, it can be a struggle to convince the company's management of the need to upgrade. However, according to Tohme, there are a number of benefits that IT managers can put forward to the business heads.

For one thing, he says that an upgraded system can result in increased business user productivity and morale. He also cites decreased costs and increased efficiency as a key benefit. What's more, he says that modernised technology that

$\rightarrow$ The rip-out-and-replace option comes with upsides and downsides.

goes beyond limited core business functionalities can harness business knowledge and processes for the whole enterprise. That sort of set-up, he says, can lead to a leaner organisation resilient to market conditions, and improved service to customers and employees.

"Regardless of the challenges, [the] modernisation of legacy systems is crucial for organisations spending too much on trying to reap business value from their obsoleted information systems. Driving the requirement for modification is the industry's shift toward brand-new Internet-based platforms, such as cloud offerings and vertical-built applications," he says.

Indeed, while admitting that some organisations have managed to contend well with their legacy systems, eHDF's Al Tell says that the need for doing away with legacy is pressing for many businesses in the Middle East.

"There are a large variety of challenges with legacy systems and even a few advantages. Most legacy systems surviving today are more commonly found in the banking, healthcare, retail, public, and telecom sectors. These systems have proven to be comparatively stable and reliable, and have been fine-tuned for purpose over the years and are considered more secure and also proprietary," he says.

However, there are definite obstacles including, but not limited to, the very high cost of support and maintenance; proprietary and un-open for modernisation to support new demanded features and capabilities; lack of resources to support them; documentation, complexity, compliance and regulatory concerns, and more. If organisations do not adapt to change, they risk losing business advantage and hence IT organisations face a daunting challenge." ∎