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Eliminating technical debt: How Flexera drives efficiency, security and cost savings

What's the true cost of tech debt?

Tech debt goes beyond monetary expenses, exposing organizations to security vulnerabilities, reduced productivity and operational bottlenecks. A McKinsey study highlighted it could be as much as 40 percent of a company's tech value. It's essential to consider these multifaceted costs when dealing with outdated technology.

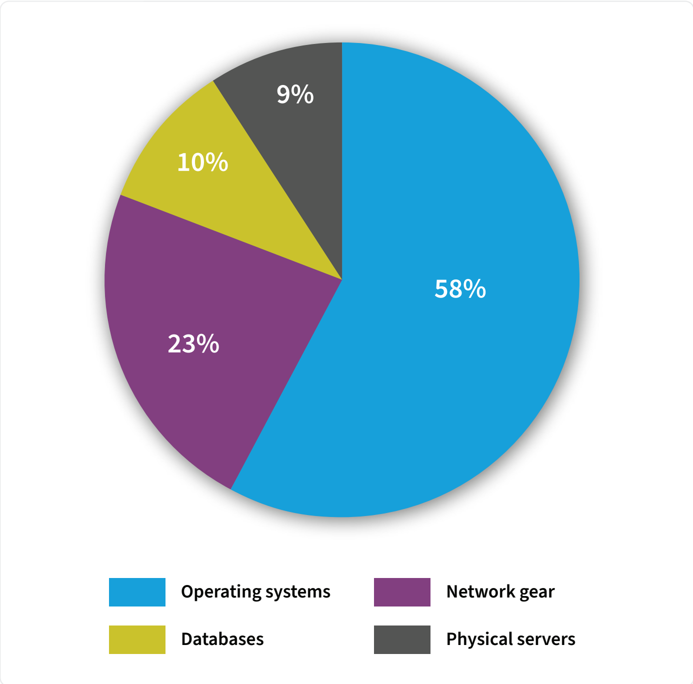
Unveiling the challenges of technical debt

Beyond financial implications, reliance on outdated software and hardware introduces security risks and hampers productivity. Slow, cumbersome systems lead to inefficiencies, impacting operational effectiveness. This complex challenge requires a comprehensive approach that addresses both security and productivity concerns.

How obsolescence triggers a chain of risks

Technology obsolescence triggers a chain reaction of operational risks. Aging tech becomes less compatible with newer systems, causing IT bottlenecks and potential failures. This leads to significant downtime and financial losses. In sectors like healthcare, retail and finance, failing to update critical systems can have severe consequences. Staying vigilant about obsolescence is crucial to mitigate these risks effectively.

Typical technical debt sprawl



Not all technical debt is created equal

The chart above illustrates typical tech debt across large organizations. When monitoring obsolescence, it's important to delve into categories. Consider an organization having 20 percent obsolescence, as shown above. Examine specific databases and systems—not all tech debt carries equal risk. Evaluate various ties to these critical production systems:

- **Healthcare:** Electronic health record systems used for patient data management and clinical decision making

- **Retail:** Supply chain management system used for tracking and managing inventory levels, purchase orders and vendor relationships
- **Manufacturing:** Computer numerical control machines used for precision manufacturing and quality control
- **Financial services:** Trading systems used for real-time financial data processing and analysis
- **Transportation:** Air traffic control systems used for managing and tracking flights, ensuring safety and efficiency
- **Energy:** Supervisory control and data acquisition systems used for monitoring and controlling power generation, transmission and distribution
- **Telecommunications:** Network operations centers used for monitoring and maintaining network infrastructure, ensuring uninterrupted service to customers

Using obsolete systems for production poses risks, mainly security vulnerabilities due to unsupported software. Obsolete systems lack security updates, risking data breaches, reputation damage and financial losses. Aim for obsolescence below ten percent, with some industries mandating three percent or less. Constantly monitor, set goals and report to tech leadership monthly.

Neglecting tech debt and obsolescence can lead to severe consequences: financial losses, breaches and reduced productivity. Prioritize monitoring and removal, invest in modern technology and stay competitive in the digital landscape.

Contact us today and gain an understanding of your outdated, inefficient and vulnerable resources

At Flexera, we understand the importance of reliable data. That's why we offer a free analysis of your IT estate with IT Visibility, with a specific focus on tech debt and obsolescence. This complimentary analysis provides you with a comprehensive view of your IT landscape, helping you govern and control asset risk, meet regulatory requirements and increase productivity.

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