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The State of IT Modernization 2025

Progress Without Disruption

Table of Contents

Introduction.....	3
Key findings.....	4
Insight 1: The cost of standing still is high, but teams are stuck in maintenance mode	5
Insight 2: Hybrid is how teams move forward without disruption	7
Insight 3: The engine behind innovation? Application modernization.....	8
Insight 4: Modernization moves faster with the right partners and frameworks	10
Conclusion: Progress starts with the right foundation	12
Methodology	12
About Ensono.....	13

Who we surveyed

500

Full-time IT decision-makers and line-of-business leaders

By country

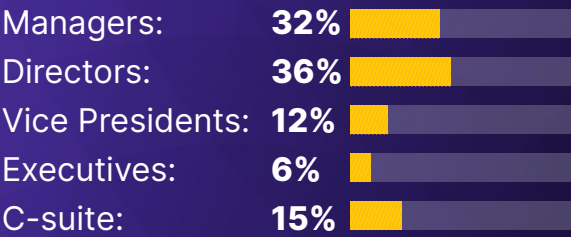


United States
250 respondents



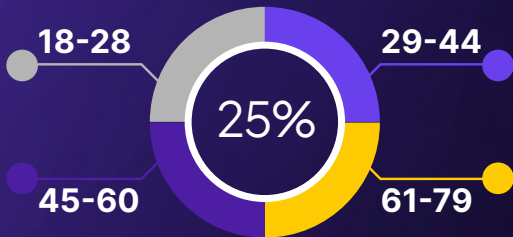
United Kingdom
250 respondents

By Job Level



By Age

Even distribution across age groups:



Introduction

The pressure to modernize IT infrastructure and applications is stronger than ever. But the reality of aging systems and deeply embedded technical debt makes progress far from straightforward.

To understand how enterprise IT teams are navigating these dynamics in 2025, Ensono surveyed 500 full-time IT decision-makers and line-of-business leaders across the U.S. and U.K.

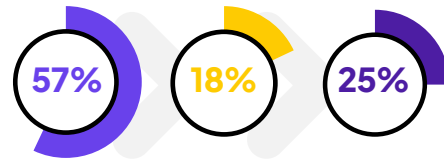
The findings reveal a clear trend: Rather than ripping and replacing, many organizations are modernizing incrementally by building bridges between legacy infrastructure and newer platforms. This approach allows them to evolve critical systems without disrupting the business.

Despite persistent roadblocks like network complexity, resource constraints, and competing internal priorities, IT leaders are making meaningful progress. By prioritizing strategic initiatives and collaborating with trusted partners who specialize in architecting and orchestrating sophisticated IT environments, they're finding ways to modernize without disruption—unlocking new capabilities that drive value across the business.

Key findings

1 in 2

1 in 2 respondents (49%) reported that actual legacy maintenance costs exceeded their planned costs in the last year.



57% of respondents say their IT team spends most of their time maintaining day-to-day operations. Another 18% say their team focuses primarily on reducing technical debt, and 25% say innovation is their team's focus.



21%



58%

21% of organizations are ahead of the curve and leveraging modernization for competitive advantage—and 58% are making solid progress.

9 in 10

9 in 10 respondents report at least one talent gap hindering their modernization efforts—most commonly in cloud architecture and migration expertise (27%).



27%

95%

95% of organizations are working with at least one third-party partner to modernize.



38% of respondents say stronger hybrid IT management tools would most accelerate their modernization, tied with 38% who point to the need for more skilled in-house talent.

The cost of standing still is high, but teams are stuck in maintenance mode

Years of patchwork fixes, aging systems, and rushed development have left many organizations trapped under the weight of technical debt. Today, many IT teams are too busy keeping legacy systems afloat to focus on forward-looking innovation.

When asked what's driving modernization in the year ahead, respondents cited escalating risk, rising costs, and growing pressure to move faster, signaling a largely reactive stance [Fig. 1].

Risk stands out as the top motivator, with nearly half of respondents citing increased vulnerabilities and downtime as the main reason for investing in modernization.

The need to manage operational risks and ensure business continuity often comes at the expense of forward-looking initiatives. Case in point: More than half of respondents (57%) say their IT teams spend most of their time maintaining day-to-day operations, 18% on reducing technical debt, and just 25% on innovation.

Among respondents whose IT teams spend the most time on maintenance or debt reduction, 86% agree that innovation is frequently delayed due to budget constraints—a clear sign that legacy complexity continues to stall progress.

Nearly half (49%) of all respondents said the actual cost of maintaining legacy systems was higher than expected over the past year, underscoring the growing financial strain of aging infrastructure.

Together, these burdens are creating significant headwinds for modernization. When asked what's stalling modernization efforts, respondents pointed to deeply entrenched challenges like technical debt and legacy complexity (35%), along with hybrid IT complexity (35%) [Fig. 2].

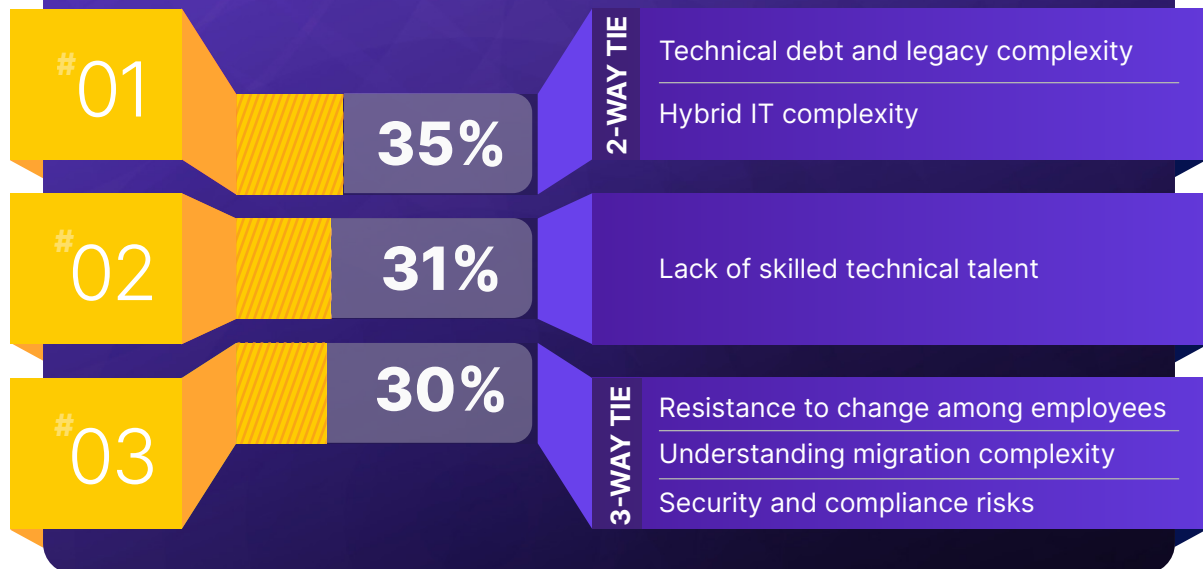
[Fig. 1]. ensono®

Top factors prompting organizations to invest in IT modernization



[Fig. 2] ensono

Top factors prompting organizations to invest in IT modernization



Key takeaway

IT leaders understand the urgency of modernization, but many are stuck in a cycle where legacy infrastructure consumes time, budget, and strategic focus. Breaking that cycle requires intention and the right resources and support to move beyond reactive fixes.

VPs: The outlier perspective

Across job levels, risk emerged as the No. 1 driver of modernization—except for VPs, who pointed to their struggle to release new features and products at the pace the business demands.

This emphasis reflects their unique position within the organization: Many VPs are close enough to understand business needs, but often removed from addressing the financial and operational impacts and day-to-day risks resulting from legacy infrastructure complexity. VPs stood out from respondents in other roles across several key areas, often showing a distinct perspective on modernization challenges and progress:

This disconnect raises an important question: Is VP-level optimism a reflection of real momentum, or an indicator of distance from frontline modernization challenges?

Talent gaps: 72% of VPs said talent shortages hinder modernization efforts. While significant, this is lower than the 91% of managers, 93% of directors, 93% of executives, and 96% of C-suite leaders who said the same.

Structured frameworks: VPs were most likely (57%) to describe their approach to evaluating IT modernization as highly structured.

Modernization progress: 53% of VPs say their organization is leading the way in modernization, compared to 9% of managers, 20% of directors, 29% of executives, and 22% of C-suite leaders.

Hybrid is how teams move forward without disruption

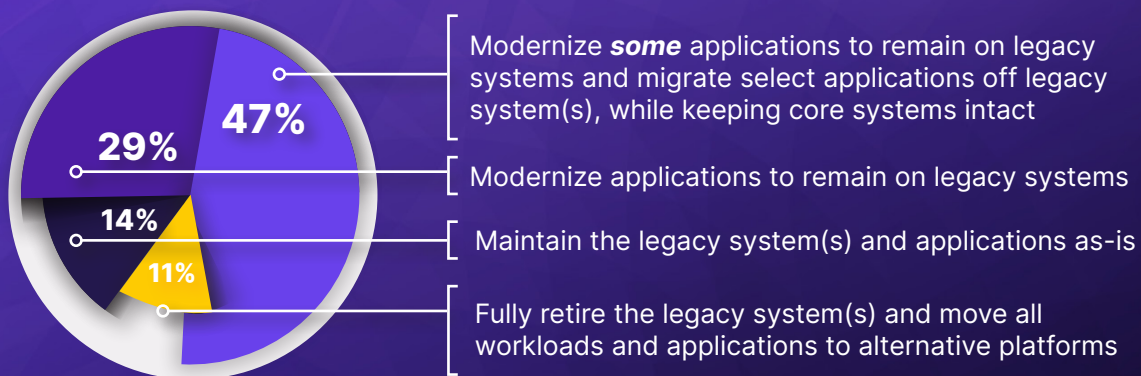
Most respondents (59%) work at organizations operating in hybrid IT environments, where legacy systems still play a central role in day-to-day operations. This is prompting many to modernize alongside these systems rather than eliminate them outright—a strategy that offers flexibility but adds new layers of technological sophistication.

As organizations layer newer tools onto legacy environments, interoperability is emerging as a top priority. Among those modernizing applications that rely on legacy infrastructure, 54% are doing so to integrate legacy workloads with cloud and newer platforms. This emphasis on integration and flexibility signals that hybrid strategies are about enabling innovation, not just preserving the status quo.

Likewise, 35% of all respondents identified better interoperability between cloud and legacy systems as a key modernization goal. To achieve it, 47% are taking a phased approach to modernization. They're updating some applications and migrating others while keeping core systems intact **[Fig. 3]**.

[Fig. 3] ensono

Organizations' plans for legacy systems and applications



Still, balancing cloud-native apps and legacy infrastructure requires tight coordination and purpose-built tools. When asked what would most accelerate their modernization efforts, 38% of respondents cited stronger tools for managing hybrid environments.

Key takeaway

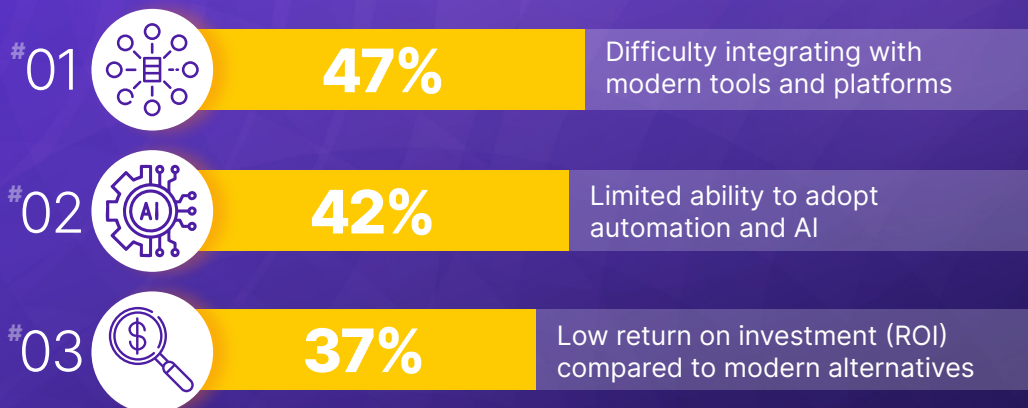
Hybrid IT and a phased approach to modernization allows organizations to update apps and systems incrementally without disrupting core systems. But to succeed, they must invest in purpose-built tools and ensure alignment across IT functions to manage integration, performance, and scalability at every step.

The engine behind innovation? Application modernization

The top challenges driving application modernization tell a clear story. Organizations are struggling to integrate legacy systems with newer tools and platforms (43%), adopt automation and AI (42%), and generate ROI from aging applications (37%) **[Fig. 4]**.

[Fig. 4] ensono

Top 3 challenges driving application modernization



For many, app modernization is also the most practical entry point for unlocking automation, AI-driven innovation, and interoperability across hybrid IT environments. Whether organizations are migrating off legacy infrastructure or not, modernizing applications allows them to move forward within their existing constraints:



Among those modernizing apps while staying on legacy systems, 54% of decision-makers are focused on improving connectivity between legacy workloads and modern platforms. Another 36% aim to enable automation and AI without rearchitecting core systems.



For those updating or migrating select apps to the cloud while keeping core systems intact, 39% say enabling AI and automation is the driving force behind that effort.

These goals reflect the broader business challenges pushing teams to modernize applications in the first place—showing that this move isn't just a tech priority, but a strategic imperative for staying competitive. In practice, this often translates to launching new features to better engage customers, reducing friction in the user journey, strengthening data security to build trust, or even lowering the cost per feature to scale efficiently.

Still, modernizing applications is a heavy lift. As organizations migrate to the cloud, 52% report complexity in refactoring or re-architecting applications—making it a bigger challenge than any other cost, compliance, or performance issue.

AI can't fix what's broken, but it can accelerate what's working

While AI enablement is a major impetus for application modernization, just 39% of respondents say AI tools have helped to accelerate their IT modernization efforts. Another 33% say AI tools introduced new challenges, while 23% report a mixed impact.

The way teams experience AI varies widely by role, region, and readiness:

»» Who's feeling the strain?

Just 23% of managers say AI has accelerated their organization's modernization efforts—far lower than directors (44%), VPs (53%), executives (36%), and C-suite leaders (49%). This gap suggests that those closest to implementation are contending with challenges that senior leaders may not fully see.

»» Who's moving faster?

Among the organizations furthest along in their modernization journey, 60% say AI has been a catalyst—suggesting that AI is most effective once foundational modernization work is already underway.

»» Who's seeing results?

45% of U.K. respondents say AI has accelerated their modernization outcomes, compared to just 32% of U.S. respondents. This could simply be because U.K. organizations are further along on their modernization journeys.

Key takeaway

Hybrid IT and a phased approach to modernization allows organizations to update apps and systems incrementally without disrupting core systems. But to succeed, they must invest in purpose-built tools and ensure alignment across IT functions to manage integration, performance, and scalability at every step.

Modernization moves faster with the right partners and frameworks

Modernization is a team sport—and most organizations can't do it alone.

Across the board, nearly 9 in 10 decision-makers report at least one talent gap hindering their modernization efforts. Most commonly, organizations lack expert roles in cloud architecture and migration (27%), application modernization (19%), and cybersecurity (14%).

To close talent gaps and stay on track, 95% of organizations are turning to third-party partners. The most common partnerships include:



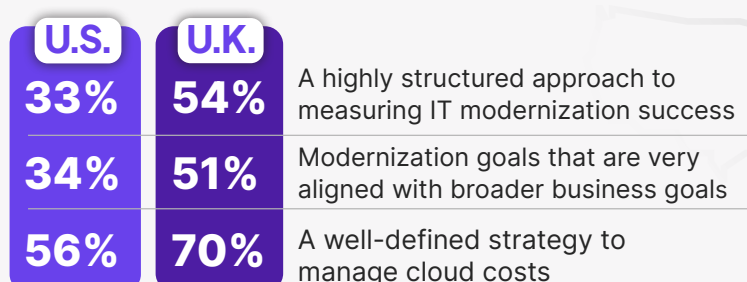
But staffing support is only part of the equation. **Even with external help, many organizations are still working to establish the internal frameworks needed to sustain long-term progress.**

Just 42% of respondents say their IT modernization goals are very aligned with broader business objectives—and 35% say clearer roadmaps and execution strategies would help accelerate their efforts.

Measuring success is another common sticking point. About half (49%) of respondents say their organization's approach to tracking modernization progress is only somewhat structured. Without clear benchmarks, it's difficult to identify what's working, what's not, and where to focus next.

U.K. outpaces U.S. on modernization

Organizations in the U.K. are twice as likely as their U.S. counterparts to say they're leading the way in modernization—28% vs. 14%. U.K. organizations are also more likely to have the following in place:



While many organizations are still working to clarify how they measure and track modernization progress, decision-makers' overall outlook is largely positive and most believe their teams are headed in the right direction.

In fact, 58% say they're keeping pace with industry standards, and 21% say they're ahead of the curve, using modernization to gain a competitive edge. Just 16% report playing catch-up, saying key areas still need work. And only 4% are struggling to keep up.

For those ahead of the curve, competitive advantage from modernization often takes the form of:

- » Accelerating the launch of new digital products and services
- » Redirecting resources from maintaining legacy systems to fuel innovation
- » Delivering more secure, reliable experiences for customers and stakeholders
- » Reducing risk from technical debt while building a flexible foundation that can adapt to changing business needs and support future growth

[Fig. 5] ensono®

What sets modernization leaders apart?

Among the 21% of respondents who say their organization is ahead of the curve in modernization, five common traits stand out.

	Organizations ahead of the curve:	All surveyed organizations:	Organizations playing catch-up:
Have a well-defined strategy to manage cloud costs	85%	63%	41%
Say AI has accelerated IT modernization	60%	39%	22%
Have a highly structured approach for measuring	72%	44%	23%
Say IT modernization and business goals are very aligned	73%	42%	22%
Work with an IT strategy consultant	54%	49%	35%

Key takeaway

Advancing modernization initiatives requires the right resources, which is only possible when organizations can identify when to close skills gaps with external partners, define success with structured metrics, and align IT goals with business strategy. With a clear roadmap and the right support, organizations can turn modernization into a competitive advantage.

Progress starts with the right foundation

Legacy complexity and skills gaps remain some of the biggest barriers to modernization. But with the right foundation—clear frameworks, business alignment, and strategic support—progress is well within reach.

Ensono helps organizations cut through complexity and master sophisticated IT environments, delivering modernization strategies and execution support that balance agility with stability. Whether you're focused on mainframe and infrastructure services, cloud transformation, or application modernization, you need a partner who can manage the intricacies behind the scenes. That way, you can focus on driving innovation and delivering seamless, secure experiences to your customers.

With deep experience across both legacy and next-gen technologies, Ensono empowers you to move faster, operate smarter, and transform IT from a cost center into a strategic driver of innovation and growth.

Ready to move modernization forward with confidence? [Connect with Ensono today.](#)

Methodology

In May and June 2025, Ensono surveyed 500 full-time IT decision-makers and line-of-business leaders across the U.S. (250N) and U.K. (250N). All respondents were 18 years or older, held a managerial position or above, and worked at organizations generating at least \$500 million in annual revenue.

Respondents represented a mix of job titles, including but not limited to CIO, CTO, VP of Applications, IT Director, and IT Manager, and worked at organizations at various stages of IT modernization. The survey included generational quotas to ensure a balanced distribution of 125 respondents in each age group: 18–28, 29–44, 45–60, and 61–79.



About Ensono

Ensono is an expert technology advisor, innovation partner and managed service provider. As a relentless ally, we specialize in helping enterprise clients transform their organization, innovate new and disruptive technologies, and optimize their IT operations to achieve better business outcomes. Our dedicated team works across hybrid environments with services that span consulting, mainframe and application modernization, public cloud migration, and cloud-native development. With certified experts in Azure and recognized as Microsoft Datacenter Transformation Partner of the Year, Ensono has over 3,800 associates globally and is headquartered in greater Chicago.

