

Modernization today isn't about keeping pace with technology—it's about building a business that can adapt, scale, and innovate faster than ever before.

According to <u>The State of IT Modernization 2025</u> report, IT leaders are rethinking modernization to deliver measurable business outcomes: reducing costs, enabling AI, and accelerating innovation—all without disrupting core operations.

Here are the five rules shaping how they're doing it.

### Make modernization a financial lever—not a technical project



Modernization has moved out of the data center and into the boardroom. IT leaders are reframing it as a financial strategy—reducing maintenance overhead and adopting consumption-based models to convert Capex into predictable Opex. This shift frees capital for innovation and creates headroom for transformation investments.

"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."

# Tackle technical debt before it limits growth



of organizations say technical debt and legacy complexity are stalling modernization progress.

Legacy sprawl has become one of the biggest barriers to transformation — diverting budgets, time, and focus from innovation. Forward-thinking IT leaders are addressing this head-on by simplifying architectures, refactoring critical systems, and adopting modular, cloud-ready platforms that reduce long-term cost and complexity.

"Years of patchwork fixes, aging systems, and rushed development have left many organizations trapped under the weight of technical debt."

# Build for intelligence, not just infrastructure

of organizations ahead of the curve report that Al tools have accelerated their IT modernization efforts.

Al isn't replacing modernization—it's amplifying it. IT leaders are using Aldriven tools to accelerate modernization programs while simultaneously modernizing data and application environments to unlock future Alpotential. The result is a virtuous cycle: modernization enabling Al, and Al accelerating modernization.

"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."

# Bridge the capability gap to sustain modernization

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organizations face critical talent shortages — particularly in cloud architecture and migration, and application modernization. The talent challenge isn't just about headcount—it's about capability. IT leaders are addressing this gap by partnering for deep technical expertise and scalable delivery, ensuring modernization momentum even as internal teams evolve.

"Even with external help, many organizations are still working to establish the internal frameworks needed to sustain long-term progress."

### Partnership is the new competitive advantage

95%

of enterprises now work with trusted partners to accelerate modernization. The most successful organizations aren't spreading accountability across multiple vendors — they're choosing strategic partners who can deliver end-to-end modernization: from advisory and engineering through to managed operations. The result is faster progress, lower risk, and measurable business outcomes.

"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."

## The takeaway

Modernization today isn't just an IT priority—it's a business imperative. The organizations leading the way are using modernization to build financial resilience, fuel faster innovation, and create the agility needed to thrive in a constantly changing landscape.

All data and quotations are sourced from Ensono's The State of IT Modernization 2025 report.

#### **Explore the full findings**

Discover how 500 IT decisionmakers are balancing innovation, cost, and control in <u>The State of IT</u> <u>Modernization 2025</u> report.

Read the full report



Modernization by the numbers: What every IT leader needs to know going into 2026