

EXECUTIVE SUMMARY:

The Business Value of IT Modernization with Kyndryl



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BUSINESS VALUE HIGHLIGHTS

334%

three-year ROI

\$750,900higher revenue per
modernized application**36%**lower IT
infrastructure costs**10 months**

to payback

18%higher productivity, impacted
line of business users**60%**more IT infrastructure staff
time for innovation**29%**increase in modernization
team productivity**54%**faster to execute
business change

Modernizing IT systems is typically on the wish list for CIOs, but implementing modernization initiatives often falls short due to conflicting priorities, high costs, and perceived risks.

Many organizations discovered that their IT estates failed to meet their digital transformation aspirations over the past decade, yet committed technology budgets had precluded investments in much-needed modernization initiatives. Organizations can only delay modernization for so long, and many are initiating strategic investments to reduce IT operating costs due to legacy tech debt, prepare for greater use of AI across the business to enhance digital initiatives, launch new applications requiring greater system performance, improve security and resiliency, and meet digital sovereignty and industry compliance objectives.

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Many organizations that have successfully embarked on strategic modernization programs of their IT infrastructure and applications have learned that thoughtful, proven, data-driven, and AI-enabled transition methodologies, which the right services partner can offer, can address the risks. They have also learned that the business value arising from effective modernization far outweighs the costs.

IDC conducted in-depth interviews with organizations using Kyndryl services to carry out and support IT modernization initiatives. Interviewed organizations, representing varied industry verticals, reported significant benefits from leveraging Kyndryl's consulting, infrastructure, and modernization expertise to efficiently and effectively modernize business-critical applications and systems. By completing migrations faster and more efficiently, they can leverage the benefits of modernization, such as improved agility and performance.

On average, IDC calculates that study participants will realize \$41.37 million in annual benefits from their hybrid IT modernization initiatives with Kyndryl in the following areas:

- **Accelerating modernization initiatives**, thus requiring fewer resources and reducing the time to realize value through modernization benefits
- **Improving IT and developer productivity** by having a more modern, agile infrastructure that supports more seamless development activities
- **Enhancing system reliability and security**, with fewer outages, faster recovery times, and improved application functionality, ensuring higher employee productivity
- **Driving better business results** by having the required infrastructure and services to meet customer needs and demand
- **Realizing infrastructure cost savings and efficiencies** from optimized design, resource rightsizing, and reduced reliance on less efficient legacy systems

[Read the full white paper](#)