



# Mainframe Modernization Survey Report 2025

Industry focus: Energy & Utilities

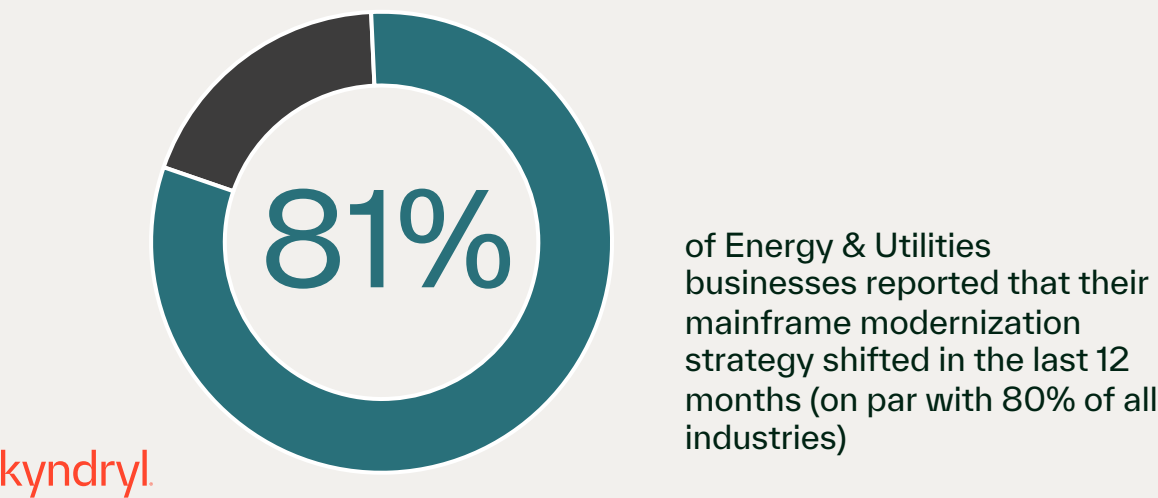


# How Energy & Utilities companies are approaching mainframe modernization in 2025

Modernizing IT environments has never been more challenging – or more urgent.

In 2025, Kyndryl commissioned Coleman Parkes Research to undertake the third annual global survey of 500 senior leaders at enterprises that make use of mainframes. The research found that while the mainframe continues to offer businesses a reliable, secure, and high-performance platform for their core operations, enterprises are dynamically adapting mainframe modernization strategies in response to changing market opportunities.

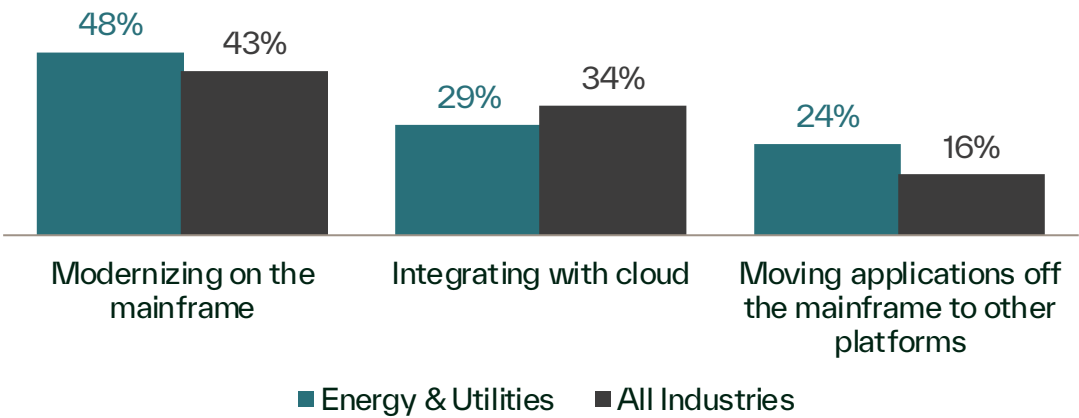
The evolving capabilities of the mainframe allow it to remain central to IT strategies. Organizations continue to accelerate and steer their evolution, opening up a wealth of new possibilities.



## FINDING 1

Businesses are embracing a surprisingly nimble approach to their modernization strategy

### HOW STRATEGIES HAVE CHANGED



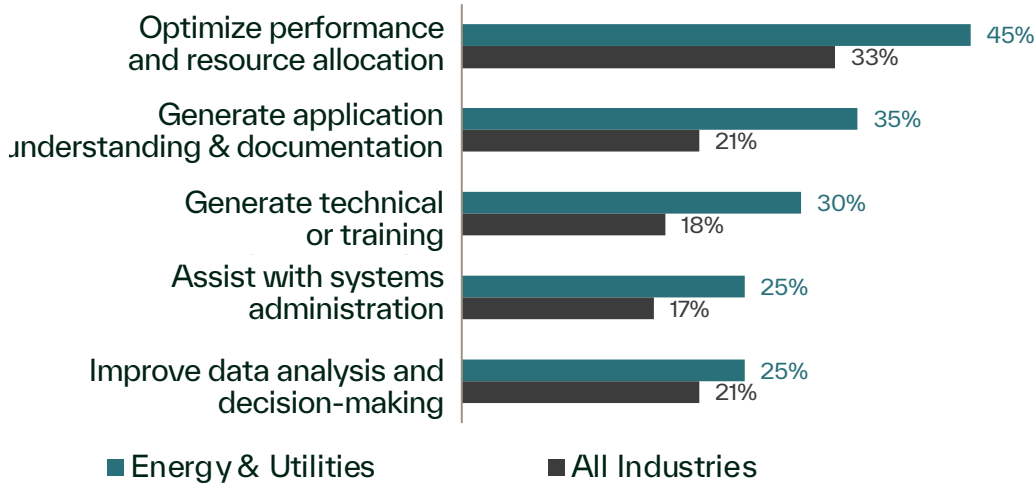
### ANNUAL EXPECTED SAVINGS FROM MODERNIZATION PROJECTS (ENERGY & UTILITIES ONLY)



FINDING 2

Deployment of AI and generative AI on the mainframe starts to pay off

TOP AI MAINFRAME USE CASES



\$68 million

Estimated revenue projected over the next three years from AI/gen AI initiatives (vs. \$44 million for all industries)

\$36 million

Projected savings (labor, operational, business) over the next three years from AI/gen AI initiatives (vs. \$29 million for all industries)

FINDING 3

The majority of businesses are increasing usage of the mainframe, despite respondents reporting a decline in the platform’s importance to overall strategy

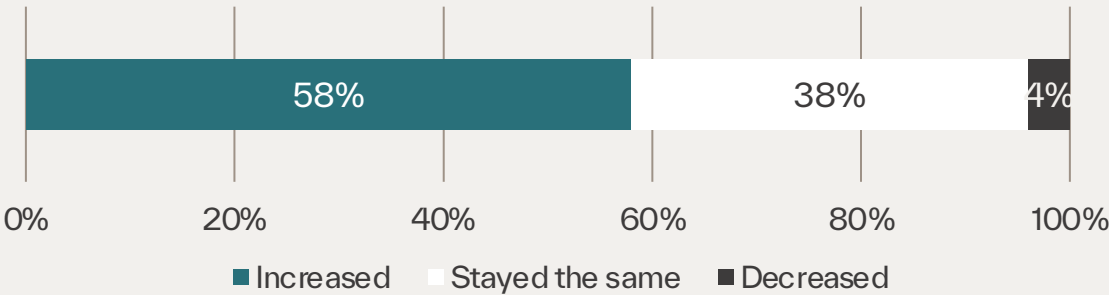
73%

of Energy & Utilities organizations say mainframe is very or extremely important to their strategy and operations (vs. with 78% across all industries)

WHY ENERGY & UTILITIES BUSINESSES ARE KEEPING WORKLOADS ON THE MAINFRAME

- 1. Business criticality of the data (46%)
- 2. Privacy and data protection concerns (38%)
- 3. Access to AI technologies (35%)
- 4. Information security concerns (27%)
- 5. Availability is better on the mainframe (27%)
- 6. Reliability of the mainframe (27%)

MAINFRAME USE: LAST 12 MONTHS (ENERGY & UTILITIES ONLY)

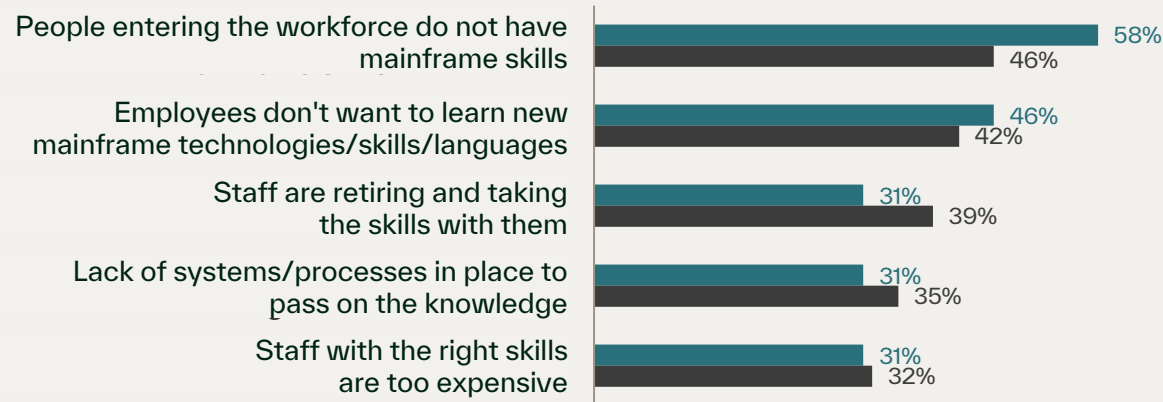


FINDING 4

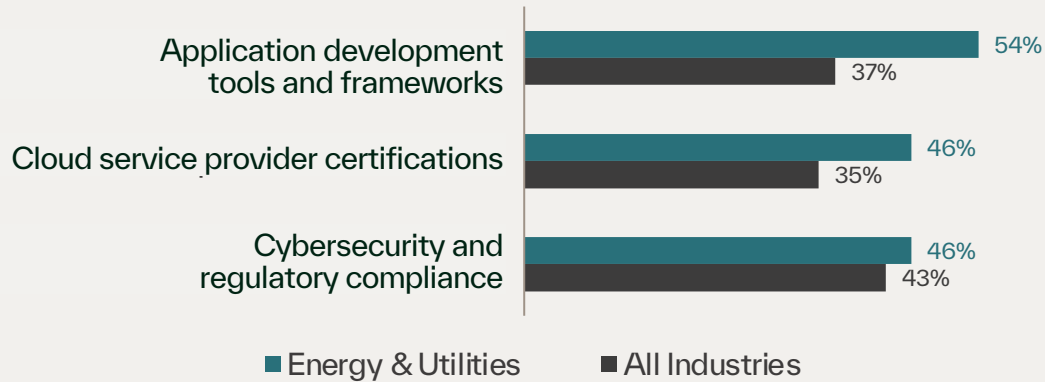
Mainframe modernization requires a multi-skilled organization

65% of Energy & Utilities organizations **struggle to find skilled talent** for mainframe modernization projects (vs. 70% across all industries)

TOP CHALLENGES IN MAINTAINING A SKILLED WORKFORCE



MAIN SKILLS DEVELOPMENT INVESTMENTS



FINDING 5

Regulatory compliance requirements have an outsized influence on modernization plans and strategies, while security remains a top concern

96% of Energy & Utilities organizations say regulatory compliance is influencing their organizations' decision-making regarding mainframe mod (vs. 94% of All Industries)

HOW REGULATORY COMPLIANCE REQUIREMENTS INFLUENCE DECISION-MAKING

- 1. **Accelerating modernization timelines** to meet compliance requirements (40%)
- 2. **Increasing collaboration** between IT, security, and compliance teams (32%)
- 3. **Slowing down** modernization timelines to meet compliance requirements (28%)
- 4. **Re-prioritizing budget** to support regulatory compliance (28%)
- 5. **Increase in compliance focused design** within mainframe modernization projects (28%)
- 6. **Driving investment in robust security** and resiliency measures (28%)

For more information on Kyndryl's work with Energy & Utilities businesses, visit:  
<https://www.kyndryl.com/us/en/industries/utilities>

To read Kyndryl's 2025 Mainframe Modernization Survey Report, scan the QR code





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