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BUSINESSES CAN EXPECT 14% REVENUE BOOST FROM MODERNIZING IT SYSTEMS

Avanade report highlights benefits to the bottom line, including more than 13% reduction to business operation costs

SEATTLE – March 28, 2017: Research from Avanade reveals that businesses which take steps to modernize their IT in today's digital world can expect to increase revenues by an average of 14%. [Click to Tweet]. In addition, updating and enhancing IT systems and approaches can reduce the cost of business operations by over 13%.

The study focused on investigating how closely IT modernization is linked to the success of large organizations' digital transformation journeys, the key reasons for modernizing and the barriers to doing so, and resulted in these key findings:

- **Conventional IT systems are not fit for purpose** with 65% of senior IT decision makers believing the typical systems and approaches to IT in use today are not adequate to address the emerging digital business requirements. [Click to Tweet].
- **Modernized IT systems and two approaches are needed** with 93% of senior IT decision makers agreeing that both a predictable approach to optimize core systems and an exploratory approach to innovate the business are both needed simultaneously. [Click to Tweet]. Appropriately, more than half of all respondents already expect to implement robotic process (56%), intelligent (61%) or cognitive (59%) automation technologies (including AI) in the next three years.
- **A cloud-first approach is necessary for a hybrid world** with 87% of respondents indicating their organization is planning to implement vendor-provided cloud stacks, such as Microsoft Azure Stack, to integrate their on-premises data center with public cloud. [Click to Tweet]. However, almost half are still running the majority of their custom applications on-premises.
- **IT benefits alone will not be enough to justify the business case for modernizing** with 93% of senior IT decision makers believing that business ROI benefits must be included alongside IT benefits to justify the need for modernization. [Click to Tweet]. Eighty seven percent of respondents are convinced that their organization's executives don't fully appreciate the potential ROI of IT modernization projects.

- **Vendor expertise is key to embracing new technologies, processes and approaches** with senior IT decision-makers recognising the value of getting support from outside expertise [Click to Tweet], most notably in modern software engineering (84%) and cloud migration (81%).

"There is clear consensus that modern software engineering approaches and process automation technologies are key to addressing emerging digital business requirements, and promise huge rewards for businesses equipped to harness their full potential," says Tyson Hartman, Global Platforms, Services and Offerings Executive at Avanade. "It's an exciting time for IT decision makers who can champion modernization, articulate the business value and put in place the right skills to implement successfully."

Find out more about Avanade's recommendations as outlined in the full report:
- **Make a clear business case for IT modernization**, demonstrating the outcomes of increased business productivity, faster time to market and business growth.
- **Modernize to empower two distinct approaches to IT** that are required to drive and empower digital transformation.
- **Invest in a cloud strategy that works for your business** in order to effectively capitalize on your IT modernization approach.
- **Look for the right partner** that has deep technical expertise in the areas you need, business and industry understanding, tools and methodologies.

About the research
In February 2017 Avanade commissioned Vanson Bourne to conduct in-depth research among 800 senior decision-makers from the US, Canada, UK, Germany, Italy, Brazil, Japan and Australia. These respondents came from businesses with between 500 and 5,000+ employees, with revenues ranging between $500m to $10b.

About Avanade
Avanade is the leading provider of innovative digital and cloud services, business solutions and design-led experiences delivered through the power of people and the Microsoft ecosystem. Our professionals bring bold, fresh thinking combined with technology, business and industry expertise to help fuel transformation and growth for our clients and their customers. Avanade has 30,000 digitally connected people across 24 countries, bringing clients the best thinking through a collaborative culture that honors diversity and reflects the communities in which we operate. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at www.avanade.com.

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