

IT modernization: Speed innovation, improve security, reduce costs

Market research uncovers current IT challenges and benefits of a modern IT approach that integrates APIs, managed file transfer, and content collaboration



Look inside for insights, recommendations, and next steps 

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Axway AMPLIFY™



Research scope and methodology





What are IT decision makers thinking?

If you could start from scratch and build your ideal IT infrastructure, would you use what you have today? Of course not. Just ask any disruptive newcomer that was “born digital.”

With the option to take a holistic approach to integration and engagement right out of the gate, digital disruptors have the agility to innovate, iterate, and bring new products and services to market much faster than their “traditional” predecessors. And, they can do it at less cost with more security.

This is why senior IT decision makers inherently know it’s time to update their infrastructures with modern technologies that bridge the gap between old and new. The question is, what are the barriers to moving forward and how do they intend to overcome them?

To find answers, we commissioned independent technology market research firm Vanson Bourne. They surveyed 500 senior IT decision leaders to learn what they are thinking about questions like:

- How closely is IT modernization linked to a successful digital transformation journey?
- What are the key reasons for modernizing and what are the barriers to doing so?
- What impact do integration and engagement technologies have on IT modernization efforts?
- How can new approaches to integration and engagement speed innovation and improve security for the evolving digital business?

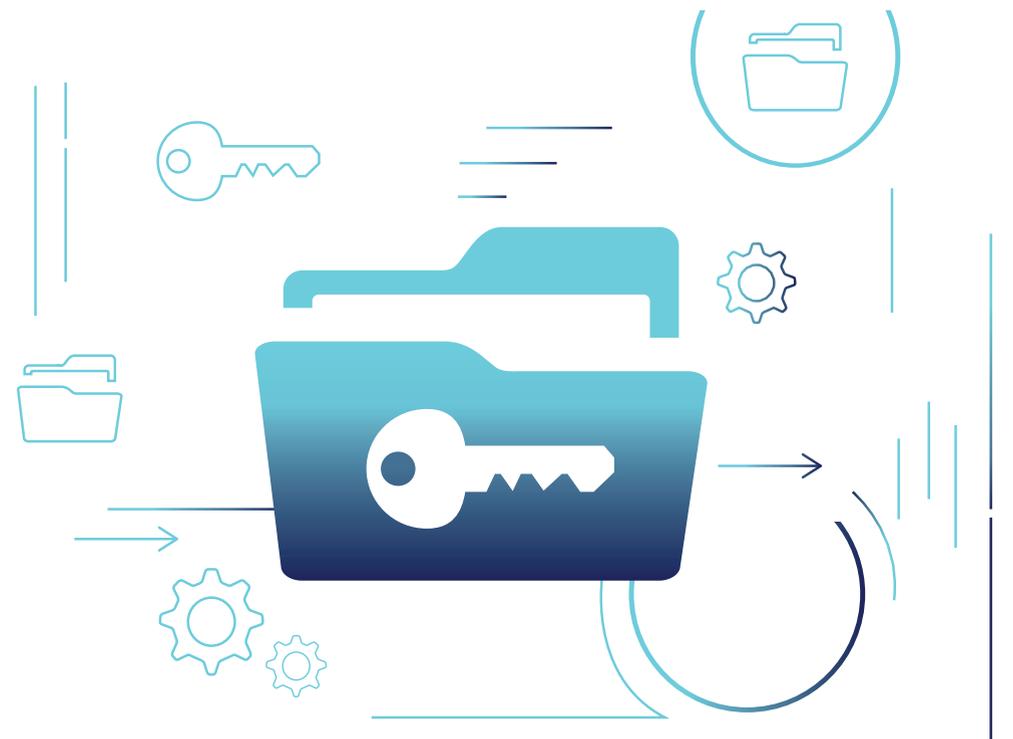
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Research highlights: 5 key findings

Across countries and industries, common themes emerged around the barriers and benefits of modernizing IT infrastructure to support the new applications, digital experiences, and business models required to remain relevant and competitive in the digital age.

- 1** “Old” IT systems are holding businesses back
- 2** APIs are essential, but challenging
- 3** File transfer is critical, but outdated
- 4** Content collaboration is under-delivering
- 5** Modernizing IT is a must



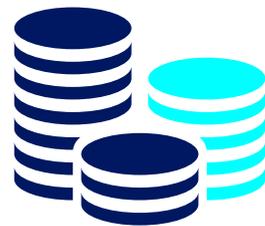
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1

“Old” IT is holding businesses back



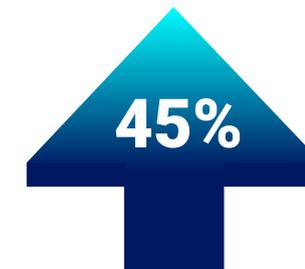
92% say legacy and conventional systems can keep an organization from achieving its digital business goals



On average more than **1/3** of annual IT budget goes to legacy systems

only 0.4% consider their organization to be fully modernized in all aspects of IT, although most have started the journey

For the largest organizations, the number is **upwards of**



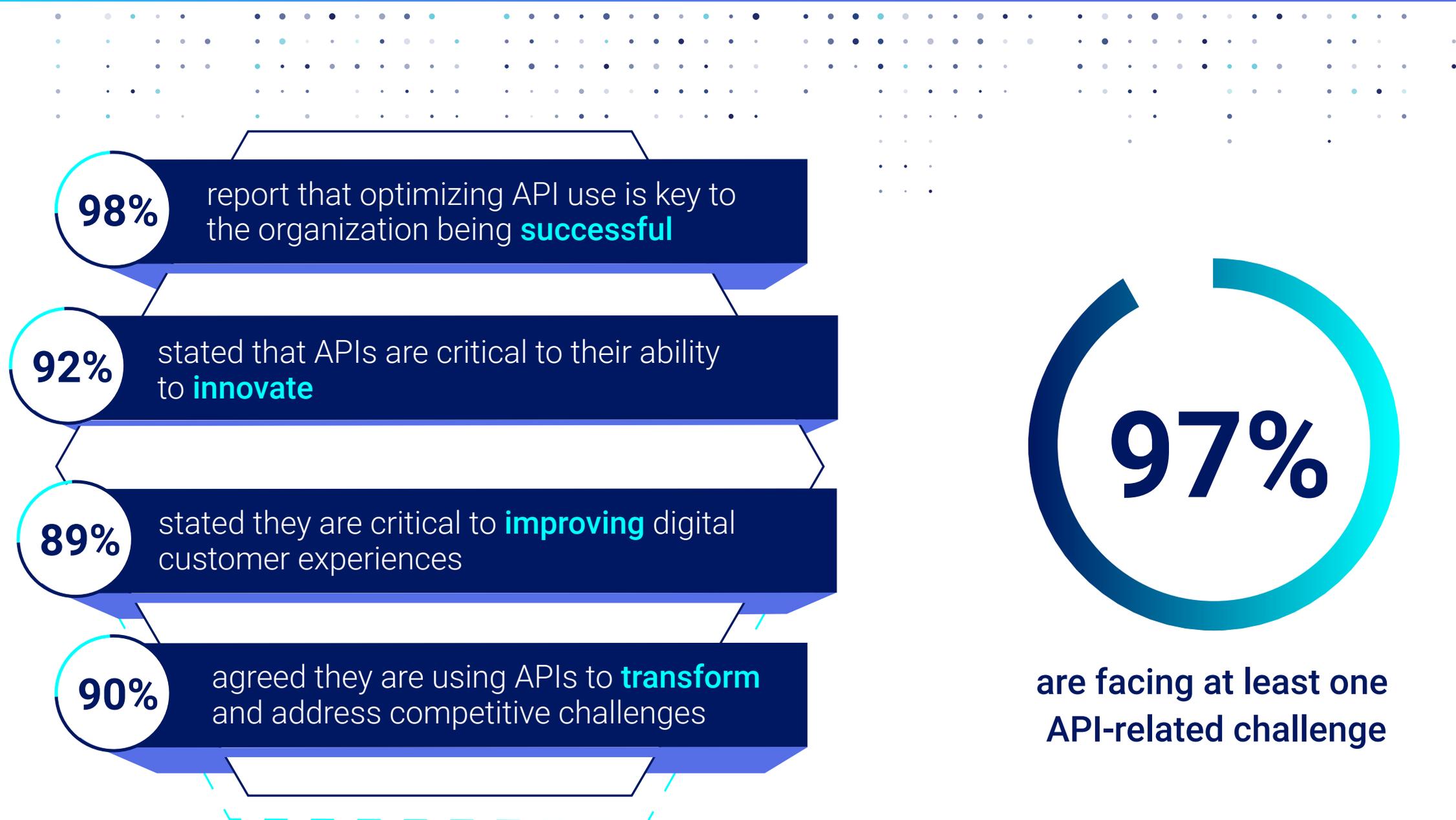
3 out of 4 believe their organizations need to spend more on IT modernization efforts to keep pace with business and market demands



believe there would be negative impacts to the business if they are not successful in modernizing their IT infrastructure

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2 APIs are essential, but challenging



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3

File transfer is critical, but outdated



are not completely confident that their current Managed File Transfer (MFT) infrastructure can empower the business to innovate and deliver new products and services to market faster

37% is the average percentage of business-critical process that involve file transfer/exchange

91% expect file transfer/exchanges to become even more important over time

92% believe an API-first approach to MFT could benefit business users and partners

98% expect to see benefits from modern MFT, such as improved security, easier management of file transfers, and improved compliance

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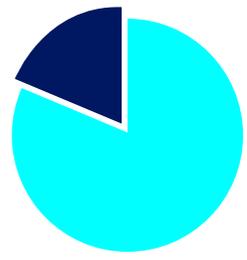
4

Content collaboration is under-delivering

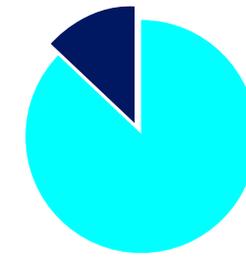


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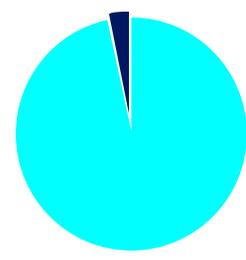
5 Modernizing IT is a must



85% see the need to **improve integration and alignment** of APIs, MFT, and enterprise file sharing/content collaboration



93% stated their organization would be **more efficient** with modern approaches to APIs, MFT, and enterprise content collaboration and file sharing



99% expect to realize **ROI benefits** from IT modernization efforts

88% believe the result is likely to **break down barriers** in existing IT infrastructure to connect all data points seamlessly

90% believe they could more **effectively protect** customer information, stay compliant, and respond to security threats

95% expect to **accelerate** digital transformation

94% expect to become a **more innovative** organization

81% expect to deliver new product/services to market **faster**

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What does the research tell us?

Senior IT decision makers recognize the barriers and benefits of a modern IT approach that integrates APIs, managed file transfer, and content collaboration.



IT modernization is easier said than done



APIs are the catalyst for a successful modern IT experience



A modern API-enabled approach MFT is mission critical



File sharing and collaboration should be consistent and secure



Failure is not an option



Overview



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Modernizing IT



IT modernization is easier said than done

While nearly all senior IT decision makers understand the critical importance of IT modernization, very few (.4%) have actually gotten it done. As a result, many digital business goals remain out of reach.

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Key Findings

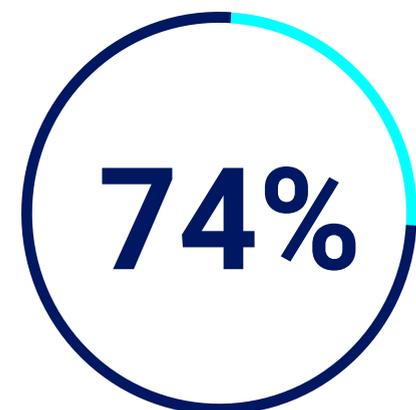
A majority of senior IT decision makers (59%) are discovering that IT modernization is **harder than originally anticipated**, with the largest organizations (70%) finding it the most difficult.

The top 3 challenges to IT modernization efforts are:

01 Risk of disrupting the business

02 The time it would take to modernize

03 Legacy infrastructure is too difficult to update or replace



of senior IT decision makers recognize that if they are not successful in modernizing IT infrastructure, the **business could be impacted** by:

- Higher operating costs
- Slower development of new products/services
- Difficulty meeting regulatory compliance and security requirements

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Key Learnings



- Large organizations with more complex and/or interrelated IT systems are at **higher risk of lagging behind**.
- IT is lacking the automated migration/modernization tools and or skills to effectively take on the modernization project without negatively impacting the business.
- Although they face considerable challenges, IT leaders are committed to modernizing their infrastructures, with 79% expecting to **spend more over the next 3 years**.
- They also believe that IT modernization efforts will be most successful when considered in terms of the whole organization rather than small isolated parts, suggesting they see it as a **continuous journey with incremental strategic milestones along the way**.

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Security is the #1 challenge across the board

Whether it's APIs, file transfer/exchange, or file sharing/content collaboration, senior IT decision makers agree that security is the most challenging issue for current infrastructure.

They also agree that IT modernization can help them:

- Address security shortcomings
- Simplify compliance with existing regulations and adapt more quickly to new ones
- Better protect customers' personal information
- Respond faster to new cyber threats



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Modernizing API management



APIs are the catalyst for a successful modern IT experience

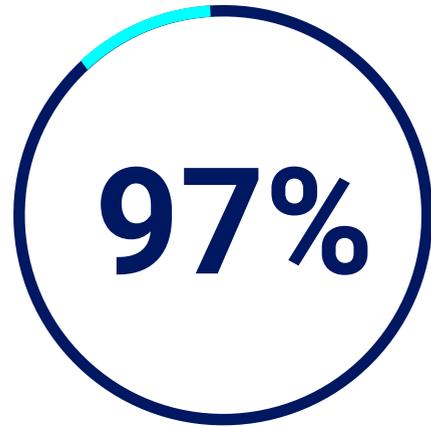
Over the past 10 years, web-based APIs and API management have grown dramatically in use and importance. The research shows most senior IT decision makers (**98%**) see **APIs as critical to future success.**



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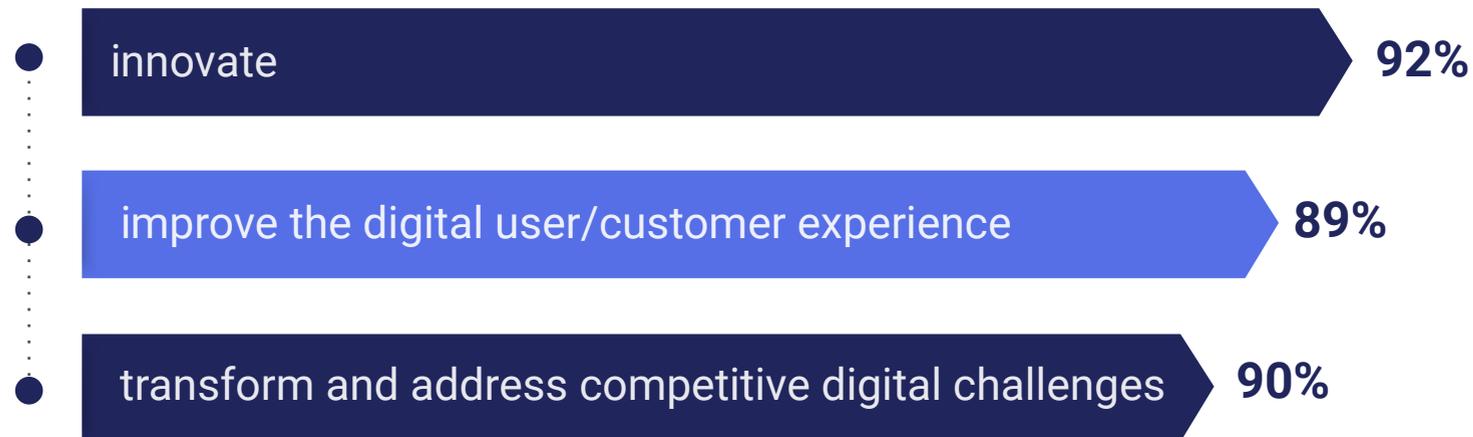
Key Findings



of respondents **are facing API-related challenges** including:

- Security
- Designing for ease of use and accessibility
- Managing technical performance of the APIs

Senior IT decision makers agree that APIs are critical to their organization's ability to:



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Key Learnings



- An **API-first strategy should be the cornerstone of any IT modernization project**, especially if it is related to the integration foundation of the organization.
- Investing in **API development and management** will help organizations:
 - > Increase the speed of their businesses digital transformation
 - > Develop new products/services faster
 - > Improve operational efficiency
 - > Make better use of data
 - > Create a better user/customer experience

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Modernizing managed file transfer



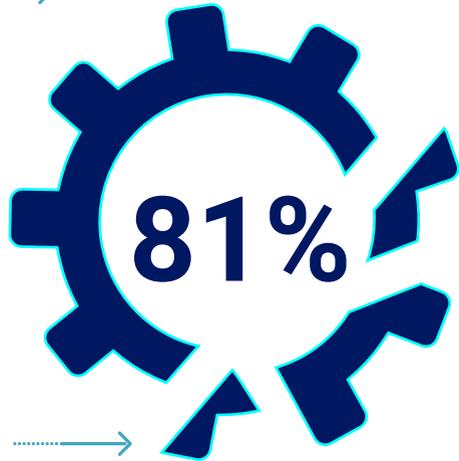
A modern API-enabled approach to MFT is mission critical

Nine out of ten (**91%**) expect Managed File Transfer (MFT) to become **increasingly important** in the years to come, yet very few have complete confidence in their organization's current MFT infrastructure.

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Key Findings



stated they **are not completely confident** their current MFT infrastructure can empower the business to innovate and deliver new products and services to the market more quickly.

On average, **around two-fifths** (37%) of all business-critical processes rely on file transfers/exchanges today.



Senior IT decision makers are nearly unanimous (92%) in their belief that **a modernized API-enabled MFT approach can benefit users and partners** with self-service onboarding and self-management as keys for their future success.

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Key Learnings



- MFT supports **revenue-bearing business services** (payments, claims, orders, enrollments, loan and credit origination, e-submission for new pharmaceuticals/drugs).
- Higher volume and more partners are increasing operating costs, suggesting that current MFT infrastructure is impeding the business.
- With investment in an API-first approach to MFT, the majority expect to realize improvements in overall **security, governance, and compliance** as well as better **management, visibility and reporting** on file transfers.

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Modernizing content collaboration



File sharing and collaboration should be consistent and secure

Most (96%) senior IT decision makers understand the importance of file sharing and content collaboration, with over a fifth (22%) stating that it's essential to their organization's success. But only a minority (20%) are completely satisfied with their current solution.

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Key Findings

Even though many organizations are providing two or more file sharing/content collaboration solutions, **83% report that employees continue to use email instead** – consuming storage, increasing file sprawl, and reducing efficiency.



91% say it is very important that their file sharing/collaboration solution provide the option to store files **both on-premises and in the cloud.**



Senior IT decision makers have noted **challenges** with their current solutions including:

- Securely sharing files internally and externally with partners and suppliers
- Replacing legacy file shares/home directories
- Complying with regional regulations and data sovereignty rules

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Key Learnings



- Dissatisfaction goes beyond IT, as employees are not adopting current IT-sanctioned solutions.
- Regardless of where the data is stored, the **user experience should be the same.**
- Multiple solutions, email attachments, and files stored in unauthorized locations are among the many challenges senior IT decision makers are facing.

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Failure is not an option



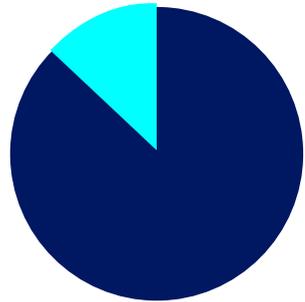
Modernizing IT is imperative

Senior IT decision makers clearly see the need to improve integrations of APIs, MFT, and content collaboration. A great majority (88%) believe success will require a holistic approach that addresses the needs of the entire organization. Nearly all (98%) believe it would negatively impact the business if they fail.

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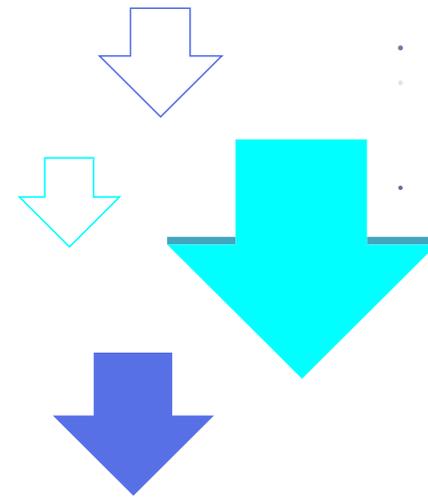


93% believe their organizations would be more efficient with a modernized IT approach, estimating it could lower annual operating costs by 12.5%.

Security is the most challenging issue for current IT infrastructure



say legacy and conventional systems can **keep the organization from achieving its digital business goals**



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Key Learnings



- IT modernization is about more than saving money. 88% expect it to also **break down existing barriers and connect all data points** seamlessly.
- Senior IT leaders also have great confidence that a modern IT infrastructure can help them successfully:



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Key Learnings



- Senior IT leaders expect modern and user-friendly API, MFT, and content collaboration to help them:



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Recommendations

The research clearly illustrates that senior IT decision makers need to think beyond technology silos. IT modernization should span systems, data, and people across the enterprise and beyond, seeking to integrate APIs, managed file transfer, and content collaboration in support of digital business initiatives.

Tap into your natural resources with APIs

Legacy systems that contain valuable data and content are your unique natural resources. You need APIs to securely unlock, extend, and connect them to new cloud, mobile, and IoT applications that open the door to innovative, competitive, and differentiating offerings.

Empower people with self-service and collaboration

Modernizing IT systems for the sake of having the latest technology is clearly not the goal. Your approach should empower people, so they can drive business growth and deliver products/services to market faster, all while providing the simplicity and convenience they expect.

Secure everything

As regulations and cyberthreats increase and evolve, make sure you have policy-based security in place to protect your data, your reputation, and your revenues.

Invest in a hybrid integration approach that works for you

A holistic approach to modernization — especially integration and engagement — is key to future success. Attempting to “roll your own” platform can be incredibly complex, take years to complete, and consume significant IT resources and budget. Look for a technology partner that can provide a hybrid integration platform that works for you.

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Next steps: Score some quick wins

IT modernization is not about a total shift to the cloud or a radical rip-and-replace. It's about continuous incremental improvements. Here are three project ideas that can deliver big benefits in a short amount of time and subsidize modern infrastructure that can be deployed elsewhere in the future.

Simplify partner onboarding

Modernizing your supply chain or business ecosystem is essential to remaining competitive. More partners, enabled faster, means lower costs and faster time to value.

To score a quick win, build an API that simplifies onboarding for an important partner type. Then introduce your API along with sample code that makes it easy for partners to adopt and use.

Give developers self-service MFT

Making it easy for developers to access your MFT services lets them create new digital experiences and services faster.

To score a quick win, start by empowering one business unit or department with API-enabled MFT-as-a-Service that lets them integrate your data without having to get the core MFT team involved.

Create a digital workplace

Secure content collaboration and file sharing enables users to be productive and connected on any device.

To score a quick win, identify a group (like executives, field service reps, marketers, or sales) that needs a true digital workplace, and give them a solution that is as easy and convenient as the consumer cloud services they're already using.

Read our eBook, **3 quick-win IT modernization projects you should focus on this year**, to get started.

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AMPLIFY is a hybrid integration platform that provides the critical capabilities to build, deploy, and govern end-to-end collaboration, integration, and APIs at ecosystem scale, quicker and safer than ever before.



AMPLIFY API Management

Build and orchestrate modern APIs that free data from legacy systems to create new digital processes and experiences

Learn 10 ways to modernize your API strategy

GET THE WHITE PAPER

axway.com/10-API-best-practices



AMPLIFY Managed File Transfer

Empower developers and lines of business with API-enabled shared services that lower costs and improve efficiency

Learn about MFT as a service

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AMPLIFY Content Collaboration

Drive the digital workplace with a secure, intuitive, and seamless way for enterprise users to be productive and connected on any device

Follow these 7 guidelines when choosing a solution

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Research scope and methodology

On behalf of Axway, independent technology market research firm Vanson Bourne interviewed 500 senior IT decision makers from May to June 2018.

The organizations had an average of \$11.68 billion USD in annual revenue, over 90% had more than 1,000 employees, and represented a range of private and public sectors.

Country	Number of interviews
U.S.	200
France	100
Germany	100
U.K.	100

The interviews were conducted using an online survey. Selections were made using a thorough multi-level screening process to ensure only suitable candidates were given the opportunity to participate. Unless otherwise noted, the results mentioned are based on the total sample.

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