Beyond strategy: Managing and modernizing technology for lasting value

Why intent isn't enough - and how rethinking technology management can turn setbacks into sustained success.

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Introduction

In today's fast-paced digital landscape, both managing and modernizing the technology ecosystem is a critical strategic requirement. Modernization opens new avenues for growth and innovation, but it is strong operations and effective management that ensure these opportunities are sustained and translated into long-term value. Despite this recognition, many organizations struggle to turn intent into meaningful progress.

This executive summary, part of our ongoing series exploring digital and AI readiness, focuses on a critical driver of transformation: managing and modernizing technology. It highlights the strategic importance of this dual approach and the tangible business impact it can deliver.

Insight one:
Why managing and modernizing matters

Business success today is closely tied to how effectively organizations manage and modernize their technology ecosystems. Our surveyed senior decision-makers recognize this, with 56% saying it is one of the most critical factors for their organization's future, underscoring its role as a strategic priority. Yet recognition alone hasn't translated into readiness. Around six in ten (61%) admit they lack a fully developed and optimized strategy, leaving many without clear long-term direction – forced into reactive decisions rather than executing against a cohesive roadmap.

Part of the issue lies in the root causes behind this gap. Many organizations still approach modernization and management as separate activities, with day-to-day operations treated as "run" functions outside the modernization agenda. Outdated ways of working and siloed approaches make it difficult to align management and modernization as complementary, evolutionary processes. Without rethinking how operations and management fit into the picture, strategies remain abstract and disconnected from execution.

The way modernization is financed adds another layer of complexity. Traditionally, it has been viewed through the lens of capital expenditure (CapEx) - major, one-off investments in new systems or infrastructure. While this approach remains valid, it can also limit agility. An alternative path lies in operational expenditure (OpEx), where modernization is achieved by evolving day-to-day operations. This shift reframes operations not as routine maintenance, but as an active driver of strategic change.

By addressing these root causes – and combining CapEx investments with OpEx – organizations can reduce reliance on costly one-off projects, unlock greater efficiency and ensure progress is sustained over the long term.

Insight two:
From strategy to execution: Why returns fall short

Many organizations are seeing the impact of not having an organization-wide strategy for managing and modernizing their technology ecosystem, with 44% reporting losses compared to 39% who saw gains. Two-thirds (66%) of senior decision-makers also believe their current approach requires either a complete overhaul or significant changes - underlining both the scale and urgency of the challenge.

But strategy on its own is not enough. Even when a clear plan is in place, it can be difficult to operationalize it effectively. Too often, strategies remain at the planning level while day-to-day management and operations are left unchanged. This implementation gap can be a significant point of failure, limiting the ability to turn ambition into measurable progress.

AI is a clear example of this challenge. While many organizations have ambitious AI strategies, the way AI is implemented often determines the outcomes. Scattered initiatives or "AI confetti" rarely deliver meaningful returns; what matters is embedding AI systematically across the value chain, aligning it with operations and addressing related factors such as cost, security and governance. Without this level of orchestration, even well-funded AI efforts can struggle to generate sustainable ROI.

When it comes to modernization more broadly, the challenge often lies less in whether it is prioritized and more in how it is executed. Fragmented implementation, weak orchestration and treating operations as separate from the modernization journey can all limit impact. Without embedding modernization into everyday practices - with operations positioned as an active driver rather than a "run" function - organizations may continue to see returns fall short of expectations.

Bridging this gap means moving beyond strategy alone to focus on implementation through operations. Only then can organizations shift from short-term setbacks to realizing the sustained business value that modernization should deliver.

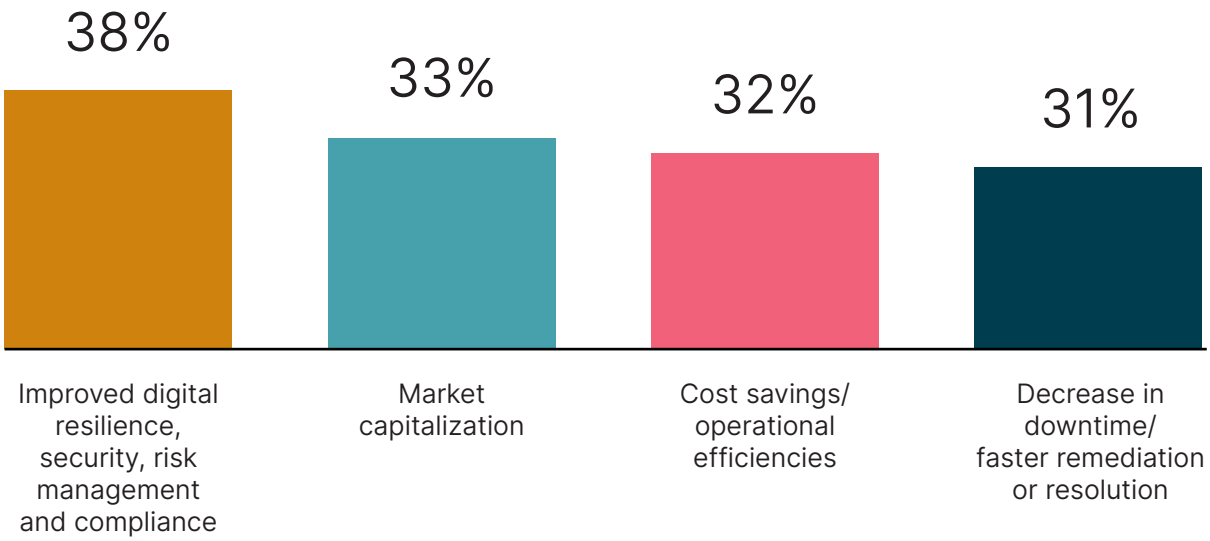
Insight three:
Modernization as a value multiplier

When modernization and management are approached as interconnected and embedded into day-to-day operations, the benefits are clear. Organizations that evolve their technology ecosystems in this way see measurable improvements not only in efficiency, but also in resilience, competitiveness and overall business performance.

These gains go beyond cost reduction. Effective modernization strengthens digital resilience, enhances security and risk management, reduces downtime and accelerates remediation - all of which directly support business continuity and market confidence. At the same time, organizations are better positioned to grow market value, capitalize on opportunities and respond with agility to disruption.

In this sense, modernization is more than a maintenance exercise or a way to cut costs. Done well, it becomes a multiplier of value: improving operational outcomes today while creating the foundations for long-term strategic advantage. With adaptable architectures and a clear vision, organizations can ensure their technology ecosystems deliver sustained impact far into the future.

Greatest value when managing and modernizing technology ecosystems



Conclusion:

Modernization is no longer optional, but meaningful progress requires more than isolated upgrades or tactical fixes. Without a clear, organization-wide strategy that is actively operationalized, efforts to evolve the technology ecosystem often fail to meet expectations.

By treating modernization and management as interconnected and embedding them into everyday operations, organizations can move beyond short-term setbacks to deliver measurable business value. Those that modernize with intent - aligning architecture to business goals and committing to structured execution - are already seeing gains in resilience, efficiency and competitiveness.

The path forward is clear: to unlock lasting value, modernization must be strategic, sustained and purpose-driven - with operations positioned as a central driver of long-term success.

About the research

We spoke to 1,000 senior decision-makers from organizations across five key markets: US (300), Australia (175), Singapore (175), UK (175) and Germany (175). 25% were C-suite executives and 75% were senior executives at Director, VP and 'Head of' levels.

Organizations had an annual global revenue between $500 million to over $50 billion and an average annual IT budget of $390 million. They were from a range of industries, including: Public Sector (excluding Healthcare); Automotive and Manufacturing; Technology and Business Services; Healthcare and Life Sciences; Retail and Consumer Goods; Banking, Financial Services and Insurance; Energy and Utilities; and Travel and Transportation.

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