Bring Your Legacy Systems Along the Digital Transformation Journey

Why Mastering Data Holds the Key to Modernizing Business

A Business-first Approach to Transformation

The digital economy has changed the demands of the modern CIO. These IT leaders must consider business impact and outcomes, in addition to implementing, monitoring and maintaining IT infrastructure. In other words, they must employ a Business-first approach to everything they do, including their reliance on legacy systems.

CIOs and executives, for the most part, recognize this. According to Gartner, two-thirds of all business leaders think that their companies must accelerate their digital journey to remain competitive. The new breed of CIO believes they must view enterprise systems, applications and data in the broader context of the business, and in doing so, the need for replacing legacy systems becomes that much greater. In fact, supplanting these systems puts companies in a better position to boost profitability, reduce operational costs and ultimately improve the bottom line.

The advantages to replacing legacy systems include:

- **Increased revenue**: improve sales, reduce returns and optimize omnichannel experiences
- **Improved efficiency**: eliminate duplicate data, remove error-prone processes
- **Accelerated time-to-value**: onboard new products and streamline the product lifecycle
- **Enhanced collaboration**: remove departmental barriers and easily connect with partners
- **Reduced risk**: ensure compliance with laws, regulations and industry standards

Key Benefits

- Increase business profitability
- Enhance operational efficiency
- Increase IT agility/mitigate risk
- Reduce supply chain complexity and cost
- Support global business requirements

The Cost of Legacy Systems

A typical legacy system, based on out-of-date technologies, creates inefficiencies for CIOs and leaders in charge of managing these systems. Rigid development and delivery requirements, lack of functionality, complicated and costly upgrades and difficult-to-manage programs make the life of the CIO more difficult than ever.

While most legacy systems were designed to bring automation, they weren't designed with flexibility and usability. They tracked materials, product lifecycle management, work orders, inventory and service delivery, yet by today's measure miss a tremendous opportunity for simultaneously integrating and improving front-office activities such as sales, marketing, e-commerce, documentation and support.

Modernizing the Enterprise

Streamlining operations across the enterprise, including manufacturing, distribution, retail finance, and supply chain, enables companies to align technology with business objectives and treat data as a strategic asset. It empowers business users to enter data once, make it available anywhere for anyone who needs it and ensures accuracy and trust along the way. Integrating systems through data builds and reveals departmental relationships. In addition, it helps automate operations–from the frontend to backend–to create an efficient enterprise.

Businesses understand the implications of interactions and interdependencies, such as the effects of onboarding a new product, which may include data for the company's website, physical stores, as well as suppliers and partners. By centralizing the management and distribution of critical data for each of these stakeholders—and understanding how that data is published, shared and used—businesses enhance data management, governance and quality, and ultimately decision-making.

The Key: Mastering Your Legacy Data

In the modern global economy, data is the most important asset that organizations must exploit to the fullest to meet both the needs of the business as well as the expectations of customers. The key to the digital transformation—and replacing legacy systems—is to master the data that is vital to your IT ecosystem.

By mastering common data—such as product, customer, supplier, location, assets and more—you can improve all of your systems because you supply a single, authoritative source of information available throughout the organization as well as customers, partners and consumers at large. Instead of attempting to merge multiple systems at once, you can improve marketing, assets, manufacturing and other information to achieve your business goals. You replace antiquated processes for collecting, managing and distributing information, removing data redundancy, lack of standards and poor quality in the process.

Legacy System Challenges

- Poor data quality and lack of trust
- Disparate product, customer, supplier and other data across business units
- Increased regulatory, compliance and reporting demands across data domains
- Failure to develop initiatives that require cross-departmental integration
- Costly infrastructure and the risk of system failure
- Maintenance and upgrades

Market Trends Requiring Modernization

- Digitizing, interconnecting and streamlining processes
- Personalized experiences
- Data-driven campaigns
- Tailored product offerings
- Subscription-based services
- Supply chain automation

Mastering Critical Data Improves Multiple Systems

- E-commerce
- Point of sale
- ERP
- CRM
- Warehouse management system
- Inventory management system
- Marketing automation

A Phased-Approach to Transformation

But how do you begin to master your data and inevitably replace legacy systems? Many businesses today deploy a phased approach, using a scalable platform that integrates views of products, customers, suppliers, assets, locations and other data. Often, these companies chose a master data management (MDM) platform, because it performs core data responsibilities that include managing, centralizing, organizing, synchronizing and enriching data with scalability.

Using a phased, platform approach enables organizations to drive true digital transformation, and it gives business leaders much-needed flexibility and configurability. They can reduce the risk of inaccurate or incomplete data, which improves data quality and end user satisfaction, while simultaneously upgrading systems across the organization over time.

What You Can Do with a Scalable Platform

- Eliminate silos and consolidate data
- Improve data quality, consistency and reliability
- Discover, create and manage data relationships
- Enhance data governance and stewardship
- Optimize IT processes and data delivery
- Improve visibility, analytics and insight

Learn more about how to digitally transform your organization:
email **info@stibosystems.com** or visit **stibosystems.com**.

About Stibo Systems

Stibo Systems believes the future of business requires a Digital Business Core™ of operational data that is continuously shaped and delivered to produce superior business outcomes. Stibo Systems is the driving force behind hundreds of forward-thinking companies around the world who have unlocked the full value of their information; empowering business users to act with confidence in their data, adapt quickly to changing market conditions and go beyond to anticipate what's next. Stibo Systems is a privately held subsidiary of the Stibo A/S group, originally founded in 1794. Its corporate headquarters is located in Aarhus, Denmark.