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Analyzing the Economic Benefits of Modernizing With AWS

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Read the full report [HERE](#).

Abstract: TechTarget's Enterprise Strategy Group studied the economic impact of using AWS Modernization Pathways to modernize applications and IT infrastructure. The resulting document, the Economic Value Validation linked above, is based on interviews with current AWS customers in different states of their modernization journey, extensive Enterprise Strategy Group research, and the creation of a financial model projecting the savings and benefits across sample companies of multiple sizes.

Challenges for Enterprises

Most organizations understand the benefit of modernizing their applications and infrastructure. However, the process of modernization is too often beyond the budget and skill set of many IT organizations.¹ Additionally, with 60% of organizations having generative AI tools in production and another 26% planning to incorporate the technology in the next 12 months,² the pressures to modernize are increasing. Enterprise Strategy Group interviewed organizations to understand their reasons for modernizing, the process of using AWS Modernization Pathways, and the benefits those organizations realized by modernizing. Additionally, we studied existing Enterprise Strategy Group research to gain clarity on challenges that spur enterprises to undertake the modernization process. We found the following issues to be consistent across most organizations:

- Inconstiency across applications and IT resources across the enterprise.
- High costs of creating and maintaining applications and IT assets.
- Too many resources spent on below-the-line tasks.
- Expectations of developers to be experts in too many areas.
- Low quality of data insights.

Understanding Modernization

Modernization is not a product; it is a change in IT systems, best practices, and overall strategy to integrate the capabilities of emerging technologies into operations. The AWS approach to modernization provides pathways consisting of multiple tools, products, and sets of guidance to help organizations shift as much or as little of their operations as they like in order to be more forward-looking.

The Solution – Modernizing With AWS

The AWS approach to modernization provides pathways that are structured strategies resulting in applications and infrastructure that increase agility, accelerate time to value, improve performance, enhance security, optimize costs, lower TCO, and reduce the impact of technical debt.

¹ Source: Enterprise Strategy Group Complete Survey Results, [Generative AI in IT Operations: Fueling the Next Wave of Modernization](#), April 2024.

² Ibid.

Each of the six AWS modernization pathways consists of strategies and approaches to guide customers through the three phases of modernization:

1. **Assess.** Determine the business, functional, technical, and financial value of an IT asset.
2. **Mobilize.** Develop workstreams that prepare the organization for migration.
3. **Migrate and modernize.** Relocate, re-platform, or refactor assets to align them with organizational goals.

Economic Validation Highlights

Enterprise Strategy Group analyzed the economic benefits of modernizing with AWS by conducting in-depth interviews with AWS customers in multiple industries and different phases of their modernization journey, analyzing existing studies, research, and case studies to create an economic model that projects the impact of modernizing with AWS. We found multiple benefits that are achievable by most organizations that modernize with AWS, including:

- **Increased business agility.** By accelerating time to market of applications by 48%, increasing application performance by 70%, improving the quality of management insights into IT usage and assets, and increasing developer satisfaction, organizations that modernize with AWS have better alignment between business needs and IT capabilities.
- **Enhanced security.** Enterprise Strategy Group found that organizations that modernize with AWS reported lower risks of breach, increased effectiveness of their security teams, and improved business uptime and resiliency.
- **Improved financials.** Interviewed customers reported that development hours were cut by 30%, support costs were cut by 36%, and infrastructure administration costs lowered by 21% in a modernized environment. We also found a better resource utilization rate that improved efficiency and dramatically cut unused capacity. Additionally, customers reported improved revenue growth and a reduction in technical debt after modernizing with AWS.

“Since we modernized with AWS, we are able to take concepts from ideas into available products in half the time it took in the past.”

AWS Partner Spotlight: Effectual

Effectual’s experienced team of experts on AWS utilizes a proprietary Cloud Success delivery model to enable high-value results and positive business outcomes through the effective use of cloud technology. Effectual has earned seven AWS competencies, and its employees hold over 300 individual AWS certifications.

Adopting a cohesive cloud strategy is not just about technology; it’s about aligning an organization’s future with its strategic business objectives. It forces organizations to think objectively and plan their approach to modernization, ensuring long-term success.

As a partner for digital transformation, Effectual focuses on uncovering the key business outcomes that define success for its customers. Frequently, these outcomes are centered around digital innovation, business intelligence, data security, and cost optimization. By migrating and modernizing critical business workloads, enterprises can free up technical resources, secure a first-mover advantage, and accelerate their businesses into the future.

Effectual’s services are not bound by the stage of customer’s cloud adoption journey. Whether it’s preparing to migrate for the first time, modernizing existing cloud-based workloads, or seeking to offload cloud management, Effectual helps organizations realize the transformative potential of the cloud.

Note: Content in the above Partner Spotlight section was provided by Effectual and edited for clarity by Enterprise Strategy Group. Enterprise Strategy Group has not necessarily been briefed by the featured partner and readers should perform their own research into the partner’s offerings and capabilities.

Conclusion

Modernization has clear benefits, but it can be a daunting task. Enterprise Strategy Group studied the AWS approach to modernization to understand the impact of its six distinct modernization pathways. We found that customers who used AWS Modernization Pathways were able to increase their agility, enhance their security, and improve their financials. We also were able to verify that benefits were achievable early in the process of modernization.

Enterprise Strategy Group recommends that organizations considering modernization of their applications and infrastructure explore how the AWS Modernization Pathway approach can help transform their business.

For more information on Effectual, click [HERE](#).

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TechTarget's Enterprise Strategy Group provides focused and actionable market intelligence, demand-side research, analyst advisory services, GTM strategy guidance, solution validations, and custom content supporting enterprise technology buying and selling.

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