

Legacy Modernization with the Micro Focus

Mark Schroeder interviews Derek
Britton



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technologies

Derek Britton

Derek is an honours graduate in Computer Science from De Montfort University in 1991, Derek's career path has enabled him to establish himself as an accomplished IT Go-To-Market practitioner. Derek Britton has worked in a variety of Programme Management, Software Engineering and Product Management positions in the IT industry over the last two decades. Derek was Senior Director of Product Management at Micro Focus until February 2009, when he moved to the Micro Focus Professional Services organization, where he now works in the Programme Management Office.

[Micro Focus](#) is the global leader in Modernization. We provide low-cost, low-risk and high-return alternatives to application rewrites and package purchases. We enable our customers to both transform the Enterprise Applications running their businesses, and also to continuously improve them, delivering massive cost savings and consistent efficiency and productivity improvements through enhancing user interfaces and streamlining software development processes. Micro Focus transforms the software assets that run your business.

Mark Schroeder:

How much of the old system do you need to save when you start planning?

Derek Britton:

The basic question is where do you stand today? Where is your business? And what you need to do because of it? The economy is shrinking if the organization is struggling, you're IT is also gonna be suffering too. In the case of the gravity of that situation will dictate very very clearly what your strategy needs to look like. And it's probably a bank saving money.

Mark Schroeder:

Right. So, the first part you have to do in the whole modernization process is determine where you at right now.

Derek Britton:

Yeah, determine the level of risk that you're facing and also look at the books today. Not look at IT, just look at your books and say where the spend is going, what's it going. You consider that 80% of the IT expenditure in just lights on business. Not pushing forward, not innovating, not doing anything new, just keep the thing running. And you know, that's fairly constant as the statistics across the industry, no matter what size, no matter what vertical.

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So, if being 4 to 5 bucks are being spent in keeping the lights on, you know if you need to save money. Traumatized, you know that could potentially hurt you, so you have to take a high, you gonna be very very clever about your investment.

Mark Schroeder:

And when you're looking at your system and trying to decide how to move over or modernize, why don't you just start over and development new system versus looking some other options?

Derek Britton:

It's very easy and natural reaction to think about throwing old stuff away. In the blaming of design, of the system, or technical choices, or even a previous incumbent for the horrible cost that you face. But think about the cost of any overhaul or any rewrite or replacement, that's a significant investments. And think about where I can get it, that's actually improve operations significantly. What we actually doing is moving pretty fast to stand still. You know, actually getting a net game, you just have to replace old with new. So, that introduce risk. I'm afraid it does because how do you know the new system is going to do everything the old one did. And of course the uses will be affected. Will they be delighted? It's unlikely that the old be throwing a party because of

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the change. It's unlikely but the replacement is gonna do anything profoundly variable to your business. And for sure, the cost will definitely be significant. So, you're investing massively in the hope that maybe some return down line better in the future again. Of course the option to doing nothing also exists. So, we have to be clear on that. But in this DNH, it is acceptable for your organization to bury tail in the sand and say "no, we'll save this problem tomorrow".

Mark Schroeder:

In order to make your IT organization pay off and be successful for your company, what are the real options that you can look at?

Derek Britton:

Well, there are number of options that you need to consider. And making IT pays is as it would suggest. It's all about looking at getting the most instant return on your investment. I thought previously at banks the inherent cost of certain options, the inherent cost of re-writing and replacing. The CIS challenge I think is to find the change programs that we yield an instant return and really need to move in terms of cost and value. So, the start point is the acceptance that there are already tremendous value in the systems you already owned. And from that start point, that's way you can get some enlighten thinking going forward. These are systems that often times that are built over decades to support other business RAMs. And as such, they possess the intellectual

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property or the uniqueness, unique to that organization, that is also highly valued. A challenges has one look like goodness, has one look like value, unexploited. While taking away the unnecessary cost redundancy bottom rest sort in efficiencies that in a frankly, day by day are complain the bank by your uses or whatever it may be. And we believe that the only true source of true survival systems is the systems themselves. So, by taking the view of what those systems cover, what they contain, what they do for you. Getting a true picture of what needs to happen will start to emerge. So, no matter what your strategy, task one is, is really to look at what's there. Look at what you currently owned, what you currently preside over and look at the spring value today. And that will help you focus on what you want to take forward into the future. So, I would look at it like this, if you don't know where you are, how do you know how to best get where you're going. And that's one philosophy we're going to suggest here.

Mark Schroeder:

So, that's the first step, is figuring out where you are now. Then, ones you sort to have an idea, what are the choices you have to go forward with?

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Derek Britton:

Ok, according to have mentioned a couple of them. Well, I want just to reiterate so that absolutely clear. I think there are really four choices. I'm gonna start probably with the one that you can describe the most readily, that is doing nothing. Now is the time to do nothing. Now is the time to be proactive, get ahead of the way, and figure out how you gonna solve a really major operational challenge that you have today. Solve it, ones in for all. Be an economy and your share holders or your business owners and demand that you're able to think about why. So, let us talk about the three possibilities. Any organization of any major system, you know, any overhaul requires significant change. And each of these three are significant changes. The first one is, let us talk about replacing the system in its entirety. It maybe the laxed system is unofficial package, it maybe home-grown. But either way you can replace it with a fresh package but pro-post to replicate or supersede the functionality that your old system had. There are number of potential obstacles to that. And the big question is, do you know what this new package is actually going to do and perhaps more worryingly and less clearly define, do you know what your current package does in terms of its functionality. You may thinking now but can you actually list all the functions it provides and can you perform the gap analysis between old and new so that you'll satisfy with what the new system will do what you need. I'm afraid to say, 80% of the time, yes it's fine. But that remaining 20% of functionality that you've missed that you've overlooked, that's where the cost lies and to tell or to write or spoke updates to any new package is a hugely costly exercise.

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And the organizations who really built the success on being a packages that they need to be tailored by consultants ones they've been implemented. Similarly, the three write option presents the challenges. Probably, the best way to articulate the challenges is to talk about the chaos report which is also by the SanDisk group which talk about a number of rewrite projects that's arrived late over budget or just add failures, never delivered. And the statistics is staggeringly high. What I am basically is, you know, at any given point however many projects are running up to half of them are never going to be delivered or never going to achieve their business goal. And so, rewrite doesn't exactly feel anyone with confidence. You're introducing fatty risk into business when like I said earlier, extensively you're actually not getting any value, and you're just replacing system with another one. So, the fourth option is the concept of re-install, the concept of re-platforming so that you're taking the system to a new environment and taking the cost add of the environment as part of that move. So, you're not replacing, you're not re-writing, you're not reaping anything odds, all you're doing is eradicating the cost burden of the existing infrastructure. And it's simple as that. The basic premise is very very simple thing to do. Our technology allows that to happen but importantly, the concept is very a straightforward one. Take your existing system and move it to a place where it's cheaper to run.

Mark Schroeder:

So, you're talking about basically using your same system and then having a new way to run it and the new front end basically to, is that correct?

Derek Britton:

It's not just the new front-end Mark but you can move, you may will looking at replacing the front end because you have the option to do so. But more importantly the math and this is where the cost really lie. The physical production environment of your new existing system where it's running today on a high end server environment such as a main frame, that's why it costs you, your annual cost, your annual software cost, your annual hardware cost if different from a lease, that's where all of your IT expenditure goes, that's the big bank items. And what I am basically saying various, you don't need that infrastructure. You don't need a main frame to run a main frame application and you can run that application on the pc on your desk where halfly run many main frame applications. We're able to say that because many vendors in the market and Micro Focus provides capability and technology align to take main frame applications largely untouched, unrandom in a distributed environment. It's actually the production system that you're re-hosting, not just the front end.

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Mark Schroeder:

So now, in the whole process of moving from one, your old system to a newer system, how does rationalization fit in to that, in your process?

Derek Britton:

Well, it's important things to introduce to this day because what we suggested there is one of the options of modernization is about rehosting. And of course that's very very strong candidate. The thing that we want to introduce here, at this stage, it may be the first thing you need to do, ones you'd understood what the systems are doing for you is to look a small selectively at those individual applications that those individual systems and decide which is that you need to take forward. Decide on what you need to rationalize by which we mean, what's fit the purpose, what's giving you the best bang for your buck. But what conversely needs to be considered as alternative and process or what we look at as possible candidate for retirement. Not all systems are as it good for each other and all other applications acceptable to be taken forward to your brave new world. So, what we're saying here, before you re-host everything, before you take everything done to a new environment, before you consider a new scale migration, let us look keenly and an insightfully on what the systems doing for you today. And maybe look actually, you know, rationalizing, filtering down the events of infrastructure that you want to take forward and that's really no more than that.

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Mark Schroeder:

So now, you're sort of decided, you need to do something, you think re-hosting might be a good option in order some other options out there, what are the different options that you can look up for your modernization of your application?

Derek Britton:

And I think, this is where the ladder really hits the road. This is where the key decision point is reached. And it's important to go back to first principle which is why we in this position in the first place. Why we looking to make these changes? What forces us to think this way? And really for us, it's a case of, what why the business' challenges that we were facing, why did the bull get together and say that we need to cut cost so we need to do something different. And that shapes your view on the world and that gives you, usually a guiding like tool to what you preferred modernization option will be. And really, there are two clear options. You are the one to be able to perform or undertake a traumatic, what we call a transformation or improvement. So, in some big bang quick win exercise that will machete the unnecessary cost style of your business is quickly as possible aligned to move forward and innovate in to the future. Or you are able to align yourself a more considered evolutionary approach that we will call continuous evolution which is like a program antique view of incremental changes that each is valid to the

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business as you move forward. And I think in about the two sides of the same coin, you do want to move forward quickly. The fundamental question is, how much money can you put up straight away to invest in those changes and how much money you need to save instantly. And so, it's really a question of operating budget. It's really a question of the emphasis and the size of the change that you want to make and what steps . So, that's the question you need to ask yourself.

Mark Schroeder:

So, as you do your transformation or evolution of your system, where does the user experience fit in? I mean, you want to make sure your users are comfortable with the system.

Derek Britton:

That's right, absolutely. And they are often forgotten in big system changes and I think it's a mistake not to have the user group as one of the key stake holders in the decision making process. And we would always conscience that. So, the question about the user experience is really another thing that may shape your modernization approach. And so, we're talking here about, you know, question marking whether the evolution you want to take forward is about people or is it about processes. And again, your existing so do challenges, your operational challenges may shadow like exactly, you know, what the causes of your challenges maybe. So, let us take a look at that. So, many

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problems manifest themselves in the eyes of the user community first. So, there are not system dying times. They are not necessarily performance bench marks that you're running. These things that are just rank for users are witnessing and before your system rise up. So, for operational processes, maybe user interfaces. Maybe just different applications presenting themselves differently to different users which make them difficult to use. And they all create the opportunity for era and for the like. I mean a question to many of us put on hold in the call center where the operator clicks furiously, you know, you can hear them bushing them on the desk on the other hand of the phone to access some unrelated functions that you asked them to find. The sad fact of life is disimprovement is easily implemented, in most cases. And the opportunity for improvement is vast, provided that you are able to take the right perspectives and the right view on changing other user experience. We have a customer called Wills Fagough and took this approach and process a third more claims per day. Thanks that it took less than a month to implement. And you know, for the company that size, a third claims processes a day is a very well commendation to the bottom line. So, by looking really of the user experience the same, so how can we make their lives easier? We can align technology to really improve the way they work and make significant improvement as part of the evolution.

Mark Schroeder:

The user is so important and often, like you said, they are left out. And it's the IT people setting up there and making decisions on what is needed. Does it always work if you do that?

Derek Britton:

It doesn't work well, you're right.

Mark Schroeder:

You're starting on a project now, can you explain to me how the analysis maybe different or what are the items you're trying to analyze in a modernization project?

Derek Britton:

Yes. Ones we've decided that's our users can be satisfied with a couple of changes as what we've just discussed. We are looking more about, less about the people side, more about the process and how systems are taken to market and how systems are delivered by our organization. And before we sort of trying to focus in any particular area that we want to improve, we need to look again clearly, holistically the overall process, the overall develop life cycle if you will. And analysis is the place to do that. So, if the issue is less about users about systems, it's tempting to jump in with a line in what we need to do. So much of the current

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portfolio is consumed an existing processes. So, it may be dangerous to make too many assumptions before you know the full story. So, we have to take taking stuff, just what you did before you came up with your modernization strategy. Taking an infantry of those systems. Start to build the true picture of your landscape. And Aaron Phil Murphy, the analyst, he called system's code a single source of truth for the application. The only thing that will tell you what the application does is the application itself. And by managing your portfolio in a more detailed examination, a line by line examination, you can identify redundancies, duplication, but also those are systems that you want to continue to invest and support. Those with true value and real potential. Another client, the international bank which is HSBC. They used the concept that we refer to as application portfolio management to move from the point whether it is spending a staggering 90% of their IT expenditure on large on project, just keeping the business running. And only 10% on the base shift. They were able to change that statistics to point where they were innovating 40% of their investments. Just by more effectively managing the systems they are and choosing more selectively the projects they undertook. And the staggering improvement, 300% improvement in innovation. Again, that's a real opportunity that retract new customers in a new market through new products. Remember in financial services, the IT is effectively the product and because it's highly user interface is with the bank. So, that was a significant achievement in a very short space of time.

Mark Schroeder:

Then, after the analysis, obviously we come to the development phase. Are there differences you look at in development of modernization project?

Derek Britton:

Sure. It may will be that the problems that identified clearly within the RAMs of, you know the process of how the systems are built. So, have it develops. We will have the software develop life cycle. Typically, it will follow a standard, practice a standard project management code, discipline. And of course the product in this case is a piece of working or tested software. However, what we do find is that, once again processes are not streamline or smooth as it could be. And some of the tooling used to facilitate these processes is antiquated or not fit for purpose or just doesn't integrate well. So, improvements in the appropriate tooling provide better uni-texting, better quality, even faster compilations can yield in excess of 33% improvements. They are all banks. We have another banking client, Bank of Scotland, here in the UK. They invested in process improvement in the STLC. They were able to gain 30% productivity benefits. And to make that figure more real, they measured it as each coder. So, every single guy in the program of the team was more productive to the tune of 30 days a year. So, that's 6 weeks. So, imagine if everyone could work 6 weeks smarter per year and that's the improvement will realize. And there are number of other clients who yielded much

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the same kind of benefit and that really anti significant benefit on how it building IT.

Mark Schroeder:

And then finally, we come to testing and you mention about new tooling for testing, I'm sure that the modernization project affecting pretty much the whole systems. Somehow, you gonna test that all.

Derek Britton:

Oh, you bet. And there will be no self respecting client would ever go ahead on such, you know, a huge undertaking as a system wide modernization when I'm being clear on what test strategy was going to be. The testing is how you mitigate risk. Testing is how you gain confidence. Testing is how you achieve user acceptance at the end of the day. So, it's absolutely right that we have a clear and well defined testing process that's ready to use and comprehensive. That all said, the testing cycle is often either overlooked or misunderstood in an organization. There are times to turn with a huge typically back end investment of resources concede in testing the systems prior to their life. That's often what we find is the testing process, you know, like they throw how many people they can in testing immediately prior to the release of the system. And that's not necessarily, the smartest way to do it. Many of these processes that are involved with are manual, sporadic, scientific. The test data is inappropriate and perhaps not

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even compliant with security and procedure. So, we believe improvements can be made to more holistic view which starts with requirements. It doesn't stop with the test plan. It starts with understanding the requirements of the change. And the modernization project, obviously, we are talking about fairly, wide ranging set of requirements. And it's our belief that it needs to be managed and controlled right from the word go. So, the project planning phase is where the testing starts because that's where the requirements are truly captured. And in this way, there is a measurable and quantifiable process from start to finish, to support testing. So, what was saying there is that, ones the requirements are defined, they can then effectively use and develop use cases or usage scenarios which then can be developed towards test cases and then automated in a way that you can be fed in to the final back end testing process. And because of the automation and because of the control and the visibility, the end of cycle back log, another huge investment of the back end can be reduced. Because we know what test cases we want to run and can be automated and scientifically controlled and therefore, more productivity in the test cycles, things get done quicker, and the real test cases that will bate to the whole design process are use these for the bases for acceptance testing and uses Synos. And the Synos always too good to be true when we talk about it simplistically. Our figures tell us this is true. List of technologies, the software guides, they save 98% of of the testing method. And it actually improves the quality of the product that they release by using the Micro Focus process. And it really is a straightforward to say that if you define your requirements upfront

you can build test cases from that and that will fuel, that will fund your testing process. And no longer do you have to frantically scramble as I think they were using as a turn they were frantically scrambling to get testing done, simply because they didn't know what testing have to be run.

Mark Schroeder:

Ok. Well 98%, that's outstanding achievement.

Derek Britton:

It is quite outstanding. In the RAMs of, you know, actually in the RAMs of feasibility actually. It seems that it good to be true.

Mark Schroeder:

Right.

Derek Britton:

Ask yourself for a question, when I test something, how do I test it. At nine times I attempt, the answer isn't a good one, the answer is usually, well a kind of guess what I'm might need to test. And because I'm not sure, I'll test it again and again and again and again. And actually, you're just duplicating method, that's wholly unnecessary.

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Mark Schroeder:

We have a good chat today talking about, you know, how to decide direction going to modernization project always through how to do analysis and development and testing. What are some of the things that Micro Focus has to help the company with all this stuff?

Derek Britton:

Well, as I think a couple of my answers of intimated Micro Focus release its 6/4 squared in this bate. We believe we are in uniquely position this modernization company we believe. We are better place to modernize and transform the assets that run your business today than any other organization. And I guess a couple of things are worth pointing at. First of all, the number of customer's used. Basically, reinforce our storage through the success the data achieve without technology and you know, to certain suggest that we're definitely on the right track. One customer didn't mention few years, many of the modernization tools, throughout an exact thing migration exercise of A1=true is through the medical supplies people, adults and minor. And the method always add a 70% operating cost saving and that 70% of the entire IT budget was saved using Micro Focus technology which is again almost unfathomably large saving on the bottom line. So, these guys are quite willing to share their experiences with the wider community without prospects and you know, I

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would hope that for those reasons that Micro Focus worth a second look. My second point, is not only how we dedicated to customer success but also dedicated to plying as much as we can back into investment our product and going forward. And I guess the most recent example of plot is that as a result of customer demand, as a result of the growing market. Within the last 12 months, Micro Focus has acquired both the testing division of Conque ware and the entire Holland organization. Both of them were, you know, really strong market place and the testing space. So, through those acquisitions, Micro Focus has effectively, automatically emerge as one of the bending in the testing space. And added to our existing modernization capabilities which are largely speaking on the parallel in the market. We now believe that we are the application modernization and management company for the global 2000. And you know, we look forward in working with all non prospects and customers going forward.

Mark Schroeder:

And I'm sure that you have capability working with large companies as well as small companies and adjusting you products and process to their needs.

Derek Britton:

Absolutely, yes. I mean, I think I have already mentioned this, no such thing as a cookie capsule approach, in terms of what the customers are trying to do. Requirements are shaped by scale, by

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size, by technology footprint, by business requirement and by the general economy as well. So, no matter who you are or where you are or what are you trying to achieve, the breath of installation and the robustness of it, we believe we can still have a large part on your success.

Mark Schroeder:

What's the best way for someone to contact your organization?

Derek Britton:

Well, for no existing Micro Focus customer, please come by to our website www.microfocus.com. You'll see descriptions of many of those solutions that I have touched on this morning. But those have contact information and we have offices in something like 25 countries globally and then we have distributed ourselves where certainly in North America, in Canada, and the whole of Western Europe. And we have local, regional offices and one of our people will get in touch and to take the conversation forward.

Mark Schroeder:

Well, thank you very much for your time today. Is there anything you'd like to say before we've to close and wrap up for the day?

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Derek Britton:

Well, just say thanks for the opportunity to speak today Mark. Thank you very much indeed. And of course if there's any feedback to this interview, then I'm happily to take follow up questions through your websites.

Mark Schroeder:

Alright Derek, I appreciate your time.