



10 Shocking Ways

LEGACY ERP SYSTEMS

are

holding you back

**eBook by**  
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# Introduction

In a world where technology advances so quickly, why are there still so many companies using outdated legacy Enterprise Resource Planning (ERP) software systems to manage their business operations? Why don't they simply switch to an updated and efficient management solution?

There are many reasons why executives hold off upgrading their legacy systems. Fear can be considered as one of the biggest reasons. Sometimes, just saying the words "software implementation" to a group of business executives can cause sudden panic, stress and reluctance. This is mostly due to a sense of fear of:

- high [upgrade] costs
- company interruption
- employee disruption
- employee resistance to the new system
- and most of all, overall company **change**

**Change**  
**is**  
*inevitable*

It's no secret that many changes are known to be associated with full ERP software implementations; changes to business processes and procedures and changes to system features and functionalities. However, change is inevitable, especially when it is driven by the demands of the modern global economy. Legacy systems are often times a roadblock to growing companies working towards global engagement, visibility, efficiency and integration.

Finding the right Software Provider and System will allow executives to let go of those fears and collaboratively work together to ensure a smooth ERP implementation. After all, everyone has a common goal during this project: to bring efficiency and improvements to the company in question.

Fortunately, SaaS (Software as a Service) and cloud computing have made software implementations and upgrades much easier and quicker than they have been in past years. Minimal implementation costs, monthly subscription fees and free upgrades - can't get better than that for an ERP Management Suite!

Here's a look at 10 ways your legacy ERP Software System is truly holding you back...

# *10 ways your Legacy ERP System is holding you back*

## **1. Expensive to maintain**

It's estimated that each year "public and private sector organizations devote around 70% of their average IT budget to legacy software maintenance" (InformationWeek, 2014). That really does add up! Many business owners seem to believe that just because their legacy system is paid for, it is essentially "free" or costing them nothing at this point in time. This couldn't be farther from the truth. Many executives don't realize how much the company is spending on maintaining these systems on an annual basis or even by simply keeping an entire in-house team of senior Information Technology (IT) experts on staff with the sole purpose of maintaining their legacy system.



## **2. Limited Functionality**

It's no secret that companies with legacy systems are limited in their functionalities and flexibility. Back when they were originally implemented, these systems were using cutting-edge technology. Today, however, business requirements, consumer demands and technologies are continuously evolving, where legacy systems cannot keep up.

They have now become a roadblock to many companies during a time of growth. By sticking with these outdated systems, the only way to work around new industry or business challenges would be to invest more money to make tweaks to the system, put patches on issues (or "band-aids") or customize separate systems or add-ons to make the system work for their current needs. All of this just makes the already inefficient system MORE inefficient and MORE complex. Companies are pouring more money into an outdated system. A company's best option would be to implement a system that can easily adapt to new challenges, remain flexible and upgradeable at no cost in order to constantly stay up-to-date and efficient.

### 3. Limited Access

Extracting business content is often very difficult with legacy systems. The only way to sometimes access and extract business content (to then be further analyzed for trends and insights) would be to look over pages and pages of reports. The system itself is still capable of storing business data, but it was not developed to accommodate or integrate with newer add-ons like the latest Business Intelligence solutions on the market. The time it takes for those business executives to look over their weekly or monthly reports, their competitors, with new software systems, could have found new opportunities days or weeks before, with the use of their Business Intelligence solution. Being able to access the right data to find insights and opportunities at the right time is a big deal and a real game changer. Legacy systems are often not able to do this and leave companies chasing after missed opportunities.

### 4. Outmoded programming languages

Most of these legacy systems were written in outdated languages, that most students today are not learning in school anymore. The developers that do know these languages, the ones that developed the legacy systems and that have been maintaining them throughout the years, are baby boomers and many of them are close to retirement. This is bad news for all those companies relying on these programmers to maintain their systems. It will be nearly impossible to find new IT experts that have the right skill sets for their needs, which will then leave business executives with no choice other than to re-assess their legacy software.

### 5. Lengthy reaction time to address business changes

As mentioned earlier, due to a legacy system's inflexibility and limited functionality, when a change needs to be done to the system, due to a new business requirement, custom work is required, which takes a ton of time and effort from the IT team (which then adds up to high costs). Sometimes waiting days or weeks is not acceptable for a required business change.



## 6. Difficult to manage programs

After many years of using the same system and with many custom changes and patchwork done to it, some or most of its programs have become overly complicated and extremely difficult to manage by just any IT professional. It takes a senior programmer, experienced and knowledgeable in that specific legacy system, to be able to manage it. Even then, it's still complex and time consuming to manage.

## 7. Lack of support from original Vendor



In many cases, vendors are not even supporting previous versions of their own software. For smaller businesses, this makes maintaining their legacy system very difficult as they now have to find an IT Provider, with the right skill set, to agree to maintain their outdated system. For larger organizations, they'll rely on their internal IT department, but as mentioned earlier, once their senior programmers retire, they'll be left to only hire developers without the right knowledge and skill set required to manage their system.

## 8. Costly version upgrades

In many cases, especially when companies are dealing with the big software players, simply upgrading from one software version to another is quite costly. This is of course one of the reasons why companies choose to stick with their outdated version. Nowadays, companies going with SaaS (Software as a Service) models get the advantage of upgrading their system at NO cost, simply by being on a software license subscription.

## 9. User dissatisfaction

On top of all of these software risks, users may also be dissatisfied with using the outdated system. Many users are used to handling the latest technologies, as they may have the latest cellphones, laptops, tablets and perhaps expect the same at work. With legacy systems, they may be constantly bombarded with issues or roadblocks when trying to complete a task or are so preoccupied with manual data entry that it takes time away from more important duties. All of this can cause frustrations and make employees unhappy with using the management system.

## 10. High Risk

Working with a legacy system is a risk; this is without a doubt. All of the above risks are only part of the problem. Of course, it's never an easy task to simply upgrade a legacy system or even go with a new ERP provider. However, at a point in time, it will be necessary. It's best to start doing the necessary research and prep work today so your company will be ready for an up-to-date system tomorrow.



So, if you're a Business Owner and are tired of your Legacy Software Management System but are hesitant to make the change to an up-to-date ERP system 'as a Service', deployed in the cloud, remember this top 10 list & contact us! We'll share easy guidelines to get your company ready for a new system implementation.

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