

# Modernizing Your Mainframe Environment While Operating Efficiently

## Introduction

If you are like most leaders running complex IT organizations, your success is tied to supporting the organization's goals: revenue growth, increased profitability, and attaining larger market share.

IT's alignment with these goals is imperative...How to do it all? Divide and conquer!

To be successful in delivering both operational excellence and transformation to achieve revenue-producing results, you need a strategy that entails both maintaining the existing applications and cost effectively, while deploying new business applications faster, utilizing the cloud.

As your existing support team slowly retires – now is the time to utilize their knowledge to build applications that are more business driven.

Senior IT management have come to expect savings, while providing a reliable, cost-effective, and secure infrastructure to support the business- critical applications. Transformation of these applications and the way business is run requires a clear approach, beginning with a comprehensive assessment, which can lead to a successful modernization project in transforming these legacy platforms.

Here we include 5 Key areas of consideration that involves both the operate side (“keeping the wheels on the bus”), and the modernize side (Hybrid, Public, Private Cloud), along with **OUR OFFER** to you:

1. Operating Efficiently While Modernizing Applications
2. The 9 Essentials for Successful Mainframe Modernization
3. Sourcing Mainframe IT Support
4. Blueprint for a Successful Transformation
5. Best Practices for Working in Tandem – Current Operations and Future State



*“Our goal is helping you achieve ongoing success. We are proud of our reputation in good standing within the industry, and that we have never lost a client due to poor service or high costs, while we consistently earn 100% client satisfaction.”*

John M. Lalli, Chief Operating Officer

## 1. Operating Efficiently While Modernizing Applications

Modernizing legacy applications is no small undertaking; that is why the solution you select – emulation, porting, rewriting or replacing (off-the-shelf applications) – must be based on an in-depth analysis of current-state functionality of these legacy applications, plus a thorough understanding of how these systems align with your future state goals and serving your business needs.

With most IT organizations moving to a cloud environment, often the decision to “do something” with a legacy environment is made let’s get off the mainframe.

And the first step is to conduct a thorough assessment of your systems, processes, and applications:

- How will I know if all the functionality of my current applications will be captured?
- Can a mainframe environment be modernized without moving to a server platform?
- What are the differences in costs and resources that exist between emulation, porting and rewriting applications?
- What are the options for modernizing CICS systems?
- Are code converters viable options for a re-write solution?
- What are the options with mainframe code such as DLY-280 and QuikJob?
- What should be done with scheduling software when applications are ported to a server platform?
- Are there effective Code converters for Assembler?
- What are my options regarding VSAM files and how are VSAM files handled on a server platform?

## 2. The 9 Essentials for Successful Mainframe Modernization

Why not shift the risk for delivering and managing IT to the Solution Provider, with agreed upon service levels?

Begin by assessing a variety of elements tied to IT – department resources, processes, and functional responsibilities – and establishing process around them.

- IT Resources – skills, years of service, responsibilities/functions, reporting structures
- Software environment – TCO
- Roles and functions – business analysts and responsibilities
- Workflow – internal/external processes
- Data transfer – documentation
- Operations – interfacing with the solution provider – the “handshake”
- Customer service – functions and processes
- Production Support – processes
- Production and Testing – environments

## Learn from our Best Practices FAQs for Legacy Modernization

1. What are the options for modernization or transformation of my Mainframe applications?
2. What are the differences in terms of costs and effort between Emulation, Porting, and Re-writing applications?
3. How to evaluate the best options for CICS, ISV, Assembler, COBOL, scheduling software, VSAM files?

### 3. Sourcing Mainframe IT Support

Established companies are increasingly challenged to find cost-efficient ways to manage, maintain or modernize older IT environments and better align with strategic business goals.

Sourcing IT support for legacy applications running on mainframe and mid-range platforms is gaining popularity among CIOs. The reasons are compelling:

- **Loss of legacy system skillsets and business rules knowledge due to attrition** – While many organizations continue to rely on these legacy systems for supporting their critical processes, and while the rate of decommissioning is slower than was predicted, the market is not keeping up with the demand for workers having the requisite skills to keep them running.
- **Shrinking labor pool** – Less than 20% of universities offer legacy IT skills such as COBOL as part of their core curriculum, and that number is shrinking. Students are not keen on taking courses that most think are “uncool” and “outdated.”
- **Skyrocketing cost of ownership** – there should be a lower cost of delivery for specific levels of expert service. And beyond just lower costs, you should be assured that the application knowledge and required skills to maintain your legacy applications portfolio, is preserved.
- **Evolving, disruptive, enabling technologies** – new technology comes online almost daily, making companies of all sizes more efficient and agile. Sourcing solutions allow companies to focus on modernizing while keeping critical legacy applications running.
- **Shrinking share of IT budgets** – Due to volatile and uncontrollable market conditions, such as a slowing economy and tight budgets, the decommissioning rate for legacy systems has not been as quick as had been predicted.

Deciding on a course of action for maintaining your legacy applications is not easy, nor is making the decision to source your IT support for these older systems. But when you consider costly migrations as the alternative, and you experience the onset of dwindling skillsets, that decision might not be as difficult to make.

The flexible selective managed services model is fast becoming the solution-of-choice for CIOs at companies of all sizes. Choosing an experienced provider, you can trust to best manage the transition of services and transfer of business knowledge, and who ultimately mitigates or eliminates any risk involved in the shift, requires insight and an in-depth assessment of your processes and environment.

## Mainframe Hosting Assessment

Our no-cost IT Business Value Assessment for mainframe hosting and managed services provides a streamlined approach to understand how much cost savings can be attained from a selective outsourcing engagement, for supporting your legacy systems.

We offer this no-cost assessment to:

- Validate your budget choices, especially related to supporting legacy systems
- Provide considerations to decrease your operating and capital expenses
- Examine your history, current environment, existing and future requirements

The results can help you re-deploy savings into much-needed projects to drive your business forward!



## 4. Blueprint for a Successful Transformation

How to solve the shrinking labor pool...and Skyrocketing cost of ownership?

Rapidly evolving business models, exploding amounts of data and the continuing emergence of new, more efficient – but disruptive – technologies are forcing companies to continually recalibrate their strategic direction. CIOs are striving to align IT with corporate goals, and many are asking themselves where their mainframe and legacy applications fit in these paradigms.

*“Shrinking labor pool...and skyrocketing cost of ownership”*

## Challenges for Legacy IT

Incorporating legacy applications into our agile IT environment isn't easy. Every company has a particular relationship with older applications and hardware – many still rely on the data and business rules attached to them. As is the case for many companies, the solution is to keep the environment in a steady state, or the answer may be to adapt existing applications to new platforms. In either scenario, the reasons to modernize are compelling.

- A shrinking piece of the IT budget
- An acute shortage of the skillsets that are leaving the workplace and not being replaced
- A potentially crippling loss of institutional knowledge

## Sourcing and/or Modernizing War-Horse Applications

A primary option is to adopt new technologies while retaining legacy applications and software – in the interim or for the long-term.

To ensure success in transitioning any legacy systems, it is critical to conduct a thorough assessment of the current environment, processes, and associated business rules.

## Added Value

- More efficient and cost-effective processes to replace the old ones
- A shift of the risk in delivering and managing your IT to your solution provider
- Scalability based on demand

## Sourcing for More-than-Equal-to Service Levels

Sourcing your legacy applications should result in a lower cost of ownership and service levels than you expect. Choosing the right provider should deliver more.



## 5. Best Practices for Working in Tandem – Current Operations and Future State

**Best practices for organizations to consider when focusing on improving the run IT layer are:**

- Divide the run IT operations and sourcing teams into parallel operate and modernize teams
- Move to an outsourced, outcome-based managed-services delivery model for run and operate services
- Plan, employ or train for competencies and roles for operate and modernize run IT teams
- Develop Key Performance Indicators (KPIs) and incentivize each run team to ensure success.

### **To Begin:**

Identify the highest impact operational areas that can benefit from new service offerings and technologies

- To reduce operating cost,
- To reduce asset ownership,
- To automate and enhance IT services.

### **Success Criteria:**

- Subject matter experts are a finite resource with a variety of other commitments...
- Sometimes they are not accessible at the time needed...leaving the inquiry uncompleted.
- Gaining timely access to experts with the experience to recommend and implement viable options is essential.
- Exposure to great ideas is important – implementation to only those ideas that support your goals is critical.
- Half of IT organizations are overwhelmed by business stakeholders' requests and are unable to fulfill the demand due to lack of resources and competencies
- A majority of organizations are faced with streamlining legacy/mission critical applications and consider this necessary to develop and running more dynamic systems.
- Expectation: Reduce operating costs, reduce asset ownership, automate and enhance IT services to achieve business outcomes.
- Move the risk of operational delivery to your service provider(s)
- Meet or exceed all service levels to achieve 100% client satisfaction.

*“Each one of the references said that Blue Hill always does more than what they said they will...and this has proven true.”*

VP/CIO, Transportation and Logistics Company



## Our Offer to You

Schedule an appointment today to speak directly with our Chief Technology Officer, who will take the time to understand your environment, for both infrastructure and applications support, to include:

- Hardware and software commitments
- Network and security requirements
- Staffing and support
- Disaster Recovery and Business Continuity
- Risks associated with current operating practices
- Contractual obligations
- Business goals
- Timing

## Our Commitment to You

For commercial and government clients invested in business-critical Mainframe systems who need to reduce and find more predictability in operating costs needed to maintain their environments, while also de-risking the realities of retiring workforce, Blue Hill Data Services® offers proven mainframe stewardship and modernization via personalized solutions and action plans designed to impact short-term needs and build more transparency into long-term planning.

For our clients, this means greater flexibility in both contracts and solutions, service levels that are equal-to-or-better-than what they currently have, and significantly increased confidence that their mainframe environments are cost-optimized and operationally healthy for as long as they need them to be.

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