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From friction to flow

Three strategic shifts to scaling secure, AI-led modernization

Get started

Getting future-ready starts with clearing bottlenecks

It's time for full-scale shifts

Across industries, organizations are investing heavily in modernizing existing systems, building AI-powered capabilities and harnessing the power of the cloud. From unlocking speed and scalability to lowering costs and bolstering efficiency, the benefits are too compelling to ignore. Yet many transformation efforts are stalling, limiting the full realization of value from AI investment.

Of Global 2000 companies, 85% doubt their current technology can support the next wave of innovation.* Meanwhile, legacy systems absorb up to 80% of IT budgets,* making it difficult to build the contextual, enterprise-grade foundations that modern AI demands —and that your competitive position depends on.

While outdated technology plays a key part, in many cases, the real bottlenecks sit in systems designed to govern and control change.

Architecture reviews, risk and security approvals, compliance checks and fragmented delivery models were created for a slower pace of change. They often struggle to scale in times of rapid transformation.

The result is a paradox: as organizations invest in modernization, their speed of delivery fails to keep up. In many cases, it can even fall behind.

Fortunately, three strategic shifts can unblock bottlenecks and put AI-led transformation within reach.

Read this guide to discover each shift, and to explore practical steps for moving transformation forward with momentum, clarity and confidence.

How were technology budgets distributed by organizations in recent years?*

61% on maintaining existing systems

19% on modernizing existing systems

7% on migrating, developing or implementing new systems

5% on experimenting with new technologies

*Cognizant research, 2025: AI's two-year timeline: The path to meeting the legacy modernization mandate.

What's really slowing delivery?

Barriers that hinder transformation

01

Skill gaps and complexity

Often, established estates depend on niche platforms or skills. As experienced engineers retire and incoming talent specializes in AI, cloud and modern development languages, the pool of legacy expertise is shrinking.

Over time, system complexity compounds risk, constrains change and pulls focus from the strategic foundations the business needs to stay competitive.

02

Lack of agility and flexibility

Friction can happen when a pricing update takes months due to cross-system coordination, or a regulatory update requires manual reconciliation across disconnected systems.

Needing to rebuild integrations from scratch to launch a new product or having to harmonize data across multiple sources can also stall progress. For businesses, this means competitors could beat them to market.

03

Plans that miss the mark

Many organizations set out to modernize with good intentions, but run into trouble when they treat the process as a one-time initiative rather than an evolving capability.

Without a well-defined strategy, effort is placed on technical activity instead of business outcomes, resulting in longer timelines, unclear value and environments that struggle to adapt. This pattern is consistent: only 18% of executives expect to retire even half of their technical debt by 2030.*

Fast and steady wins the race

We have identified three shifts to help you build the foundation your business needs to transform faster, operate smarter and scale enterprise AI. For each, we outline the practical steps to take and the outcomes to look out for.

*Cognizant research, 2025: AI's two-year timeline: The path to meeting the legacy modernization mandate.

01: Reduce structural friction

First, remove the drag. This means lowering cost, complexity and change risk, while establishing visibility.



Assess your portfolio:

Remove guesswork by taking stock of your environment. Identify what is essential, redundant, risk-heavy or blocking progress. Use intelligent tooling to get answers in days, not months.



Retire redundant systems:

Decommission the capabilities you no longer need to reduce unnecessary operating costs.



Simplify integrations:

Replace inflexible, one-off systems in favor of scalable and reliable frameworks.



Standardize cloud environments:

Reduce fragmentation across platforms to improve portability and resilience.



Map system and data dependencies:

Surface hidden interdependencies using automated mapping and create a clear, traceable path to your target architecture.



Identify skill gaps:

Look out for reliance on scarce legacy expertise before it becomes a future problem.

Signs you're making progress with structural streamlining:

You're spending less on maintaining existing tech

Total application count has gone down

Deployment environments are standardized

Integration complexity has reduced

You're seeing clear system and data ownership

There's less reliance on scarce legacy skills



Cognizant's AI-led approach to transformation, built on Microsoft Azure, uses intelligent tooling to automate discovery, map dependencies and accelerate portfolio rationalization. Together, we give teams the visibility and velocity to remove structural drag and build a clean foundation for what comes next.

Case study

Etex migrated its large SAP workloads to Microsoft Azure with zero downtime, creating a unified intelligence platform. This improved scalability, performance, resilience, and operational efficiency, while reducing infrastructure costs and enabling quicker provisioning for critical systems.

Learn more

02: Establish product-centric delivery

The aim here is to improve the pace, resilience and reliability of technology and teams to help ensure that evolution is continuous.



Assign clear accountability:

Organize domain or product ownership for responsibility over outcomes—not just deliverables.



Create cross-functional teams:

Unite engineering, operations, security and business knowledge in persistent, stable units.



Embed data ownership within business units:

Treat data as a managed product and valuable asset, not a byproduct of systems.



Automate governance controls:

Move from manual oversight to embedded compliance. Automated guardrails, audit trails and DevSecOps integration ensure governance scales with your modernization program.



Implement platform engineering support:

Empower teams with reusable infrastructure, pre-integrated tooling and automated pipelines, so they can move faster with less risk and manual effort.



Align funding to long-term product outcomes:

Choose sustained investment models over one-time capital allocations.

Signs you're making progress with product-centric delivery:

It takes less time to introduce new features

The frequency of releases goes up

You see a lower change failure rate

Deployment stability improves

There's accountability for product performance

Reuse of components and services rises



As your business moves toward product-centric delivery, Cognizant in partnership with Microsoft help embed security and governance in your development and deployment lifecycle. From AI-assisted code generation with Cognizant's Flowsource to automated compliance with Microsoft Azure DevSecOps, we help enable faster, safer releases.

Case study

Oxford University Press migrated two-thirds of its workloads to Microsoft Azure and decommissioned 978 legacy servers, modernizing its IT estate on a secure, scalable platform. The transformation was enabled by strong governance, executive sponsorship, and a structured, flexible delivery model that ensured consistent, on-time execution.

Learn more

03: Build intelligence from existing systems

Here, the objective is to empower AI to drive value using the context trapped inside your legacy systems, from business rules to institutional knowledge. This shift ensures modernization decisions are grounded in insight, and that investments are built on the richest possible foundation.



Surface valuable insights:

High-value data embedded in existing systems can enhance analytics and personalization, driving smarter decision-making.



Protect key differentiators:

Your critical business rules and operational logic should be preserved and protected, even in times of change.



Align with your strategy:

Investment in transformation should be based on strategic priorities and measurable outcomes, such as revenue growth or cost reduction.



Combine legacy knowledge with new solutions:

Use historical context alongside modern AI and data platforms to strengthen insights and customization.



Tie transformation to outcomes:

Ensure your initiatives support your financial and risk objectives.

Signs you're making progress with data and insights:

Product innovation cycles become quicker

Customer satisfaction metrics improve

There's a reduction in cost-to-serve

You see enhanced resilience performance

Modernization initiatives and impact are clearly linked



Cognizant's deep data engineering expertise helps organizations unlock the context needed for smarter decisions and measurable outcomes. Microsoft Azure provides a scalable, secure platform to integrate historical data with modern analytics and AI services. Together, they enable advanced insights, personalization, and intelligent automation with built-in governance and compliance.

Case study

A leading global convenience store chain transformed its systems by migrating over 16TB of data to Microsoft Azure, achieving zero downtime. This reduced infrastructure and licensing costs by 40% and unlocked advanced analytics for smarter sales and supply chain decisions.

Learn more

Your 90-day reset

Create a foundation for lasting change

Starting is often the hardest part. But the tools and frameworks available today make the process much easier. The first 90 days are about gaining rapid clarity and demonstrating early value before scaling. This is where the foundation for enterprise AI is laid.

The most effective initiatives combine clear strategy with strong accountability. As you go along, committing to careful measurement will keep you heading in the right direction.

Track metrics, such as the time it takes to launch new features or respond to regulatory changes, as well as the frequency of your deployments and your change failure rate. It is also important to keep an eye on financial performance and customer-impact indicators.

Get it right, and you can transform while maintaining governance, reliability and control.

Six steps for getting started

01 Align your plan to your business direction by defining key markets, required capabilities and your roadmap.

02 Assess your existing estate and readiness. Use automated discovery and dependency mapping to profile your application landscape, data flows, technical debt and skills gaps.

03 Establish governance, ownership and delivery structures early so the teams responsible for architecture, security and oversight can support change as it scales.

04 Launch a focused, high-impact initiative by modernizing one area of your business first, that you know will drive clear value. Use this as an example to demonstrate delivery capability and build organizational confidence.

05 Establish long-term ownership by assigning product-level accountability for modernized components.

06 Define business-aligned metrics, tracking time-to-market, release frequency, customer satisfaction and operational uptime.

Break down barriers to transformation

Cognizant, in partnership with Microsoft

To move forward, most businesses must navigate layers of complexity. These can include fragmented data, overlapping estates and delivery models that vary by business unit. Flexibility is often hindered by regulatory and security constraints, skills gaps, competing priorities and strict budgets.

Overcoming these challenges requires coordinated change. As an AI builder for the enterprise, Cognizant helps create the context-infused platforms, intelligent systems and full-stack capabilities that turn AI's potential into reality. Deep domain expertise and trusted technology partnerships ensure programs are de-risked and built to last.

Working with Microsoft, we support your journey far beyond implementation to reduce structural friction and enable faster and more reliable delivery, stronger resilience and regulatory posture and better outcomes from your investments.

Building the future of AI

With 500+ clients modernized and 10,000+ dedicated mainframe professionals globally, Cognizant brings proven scale to every engagement by tailoring context-driven platforms, agentic journeys and tools to your enterprise. Our platforms, Flowsource for engineering, Skygrade for cloud modernization and Neuro AI for operations, are pre-integrated and ready to accelerate outcomes.



Cognizant's modernization framework combines proprietary platforms built on Microsoft Azure, to deliver a secure, scalable foundation for enterprises. Designed for building and governing next-generation AI applications.

This delivers:



Automated discovery and dependency-aware migration using Microsoft Azure Migrate and Microsoft Azure Copilot



Secure-by-design infrastructure with built-in governance, compliance and DevSecOps integration



End-to-end application modernization support through GitHub Copilot and Microsoft Azure developer services



Standardized cloud environments and automated landing zones aligned to the Cloud Adoption Framework

78%

faster time to respond and execute business changes with Microsoft Azure[1]

344%

three-year ROI from migrating and modernizing to Azure[2]

Up to 5x faster delivery

through Cognizant's modernization approach[3]

30-50%

reduction in OpEx

realized through intelligent automation and platform engineering with Cognizant[3]

1. IDC, cited in Cognizant and Microsoft Azure co-branded materials, 2025.
2. IDC, cited in Cognizant and Microsoft Azure co-branded materials, 2025.
3. Cognizant, Unlock innovation with AI-led legacy modernization, February 2026.

Reinvent with intent

Let intelligence and purpose lead the way

Transformation is more than a systems upgrade

Modernization should no longer be seen as a one-off rip and replace. It's an ongoing capability, one that requires organizations to evolve not only their technology, but the operating models that govern how change is achieved and enterprise AI is built.

Achieving this requires three critical shifts: reducing structural friction, establishing product-centric delivery and unlocking context from existing systems to power your AI ambitions. Together, these shifts build the foundation from which enterprise AI can be deployed with purpose, not just potential.

Cognizant, in partnership with Microsoft, can help you operationalize these shifts and achieve meaningful outcomes. From evolution roadmaps and governance frameworks to secure cloud platforms and future-ready architecture, our partnership and expertise can move your transformation forward with confidence.

> "In a world where technology evolves faster than ever, our real challenge is governing the pace of change. Lasting transformation comes from involving your people early, solving bottlenecks together, and modernizing both systems and the way you work—one step at a time.
>
> **Cliff Almond,**
> Head of Technology & Consulting, EMEA, Cognizant

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Momentum starts here.

Don’t let legacy systems hold you back. Explore our AI-led modernization resources, case studies and research.

Get in touch to start the conversation:

Get in touch

These insights are brought to you by:
Mike Turner, VP, Software and Platform Engineering, Cognizant
Cliff Almond, Head of Technology & Consulting, EMEA, Cognizant
Phil Basford, Head of Data & Intelligence, EMEA, Cognizant
Ollie O’Donoghue, Head of Research, EMEA, Cognizant
Renato Guimaraes, Security Partner Development Manager, Global SI, Microsoft

