



# The 2025 State of Legacy Software Modernization Report

What Legacy Systems Are Costing Businesses  
(And How to Break Free)





# Table of Contents

Executive Summary	3
Legacy Systems: The Backbone of “Modern” Businesses	4
Inside IT: Who Owns the Problems (and the Solution)?	6
Painpoints: What Legacy Systems Are Costing Teams	9
The Challenge: Why Modernization Gets Delayed	12
Modernization Priorities: What IT Teams Actually Want	15
Stop Waiting for a Crisis	18
What’s Next: 5 Practical Steps to Start Modernizing	19
About the Survey	20
About Saritasa	22





# Executive Summary

*Modernization is a step toward digital transformation, cloud technologies, and AI integration.*

## Legacy software remains deeply entrenched in enterprise operations, and it's becoming a growing liability.

A 2025 nationwide survey conducted by Researchscape on behalf of Saritasa found that **62% of U.S. organizations still rely on legacy systems**. The study surveyed over 500 IT professionals across industries, including software, finance, manufacturing, healthcare, and government, representing companies of all sizes, from small teams to large enterprises with over 1,000 employees.

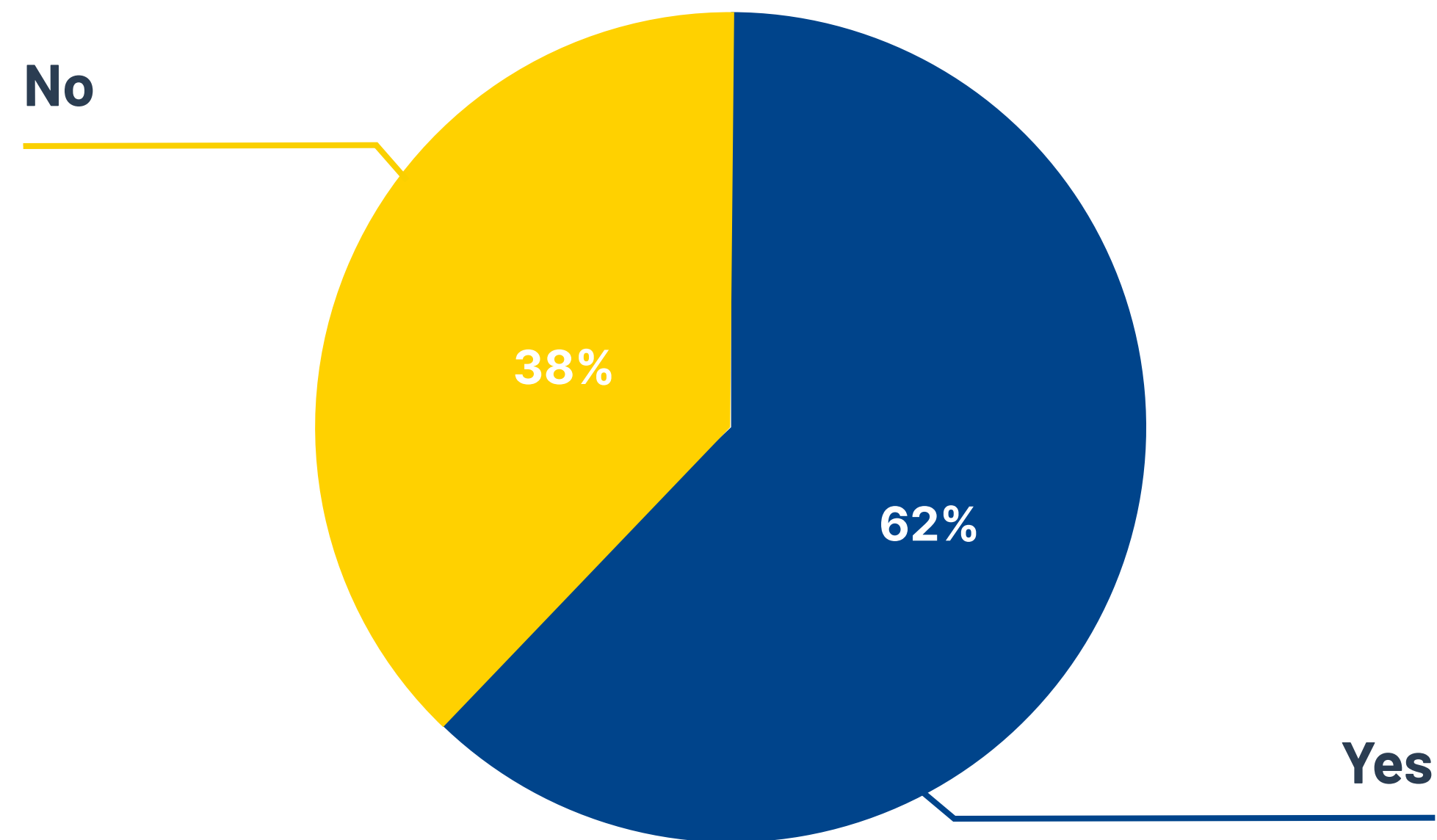
For most companies, these outdated platforms are maintained internally by already-stretched IT teams. And while the challenges of legacy tech are widely felt, modernization efforts remain stalled. The top barriers are a dangerous mix of complacency ("the system still works"), budget constraints, and fear of disrupting business operations.

Still, many organizations recognize the need to evolve. Among those exploring modernization, the top priorities include **improved performance (48%), cloud-based or remote access (45%), and greater scalability (44%)** – clear indicators of a shift toward more agile, future-ready infrastructure.

Modernizing legacy systems isn't just about replacing outdated tools. It's about building a foundation for what's next, whether that's **digital transformation, cloud adoption, or AI integration**. This report explores what's holding teams back, what forward-looking organizations prioritize, and how leaders can build a smarter path toward modernization. Because when the tools catch up to the vision, teams can truly start building something better.

# Legacy Systems: The Backbone of “Modern” Businesses

Does your organization currently use any legacy software systems?



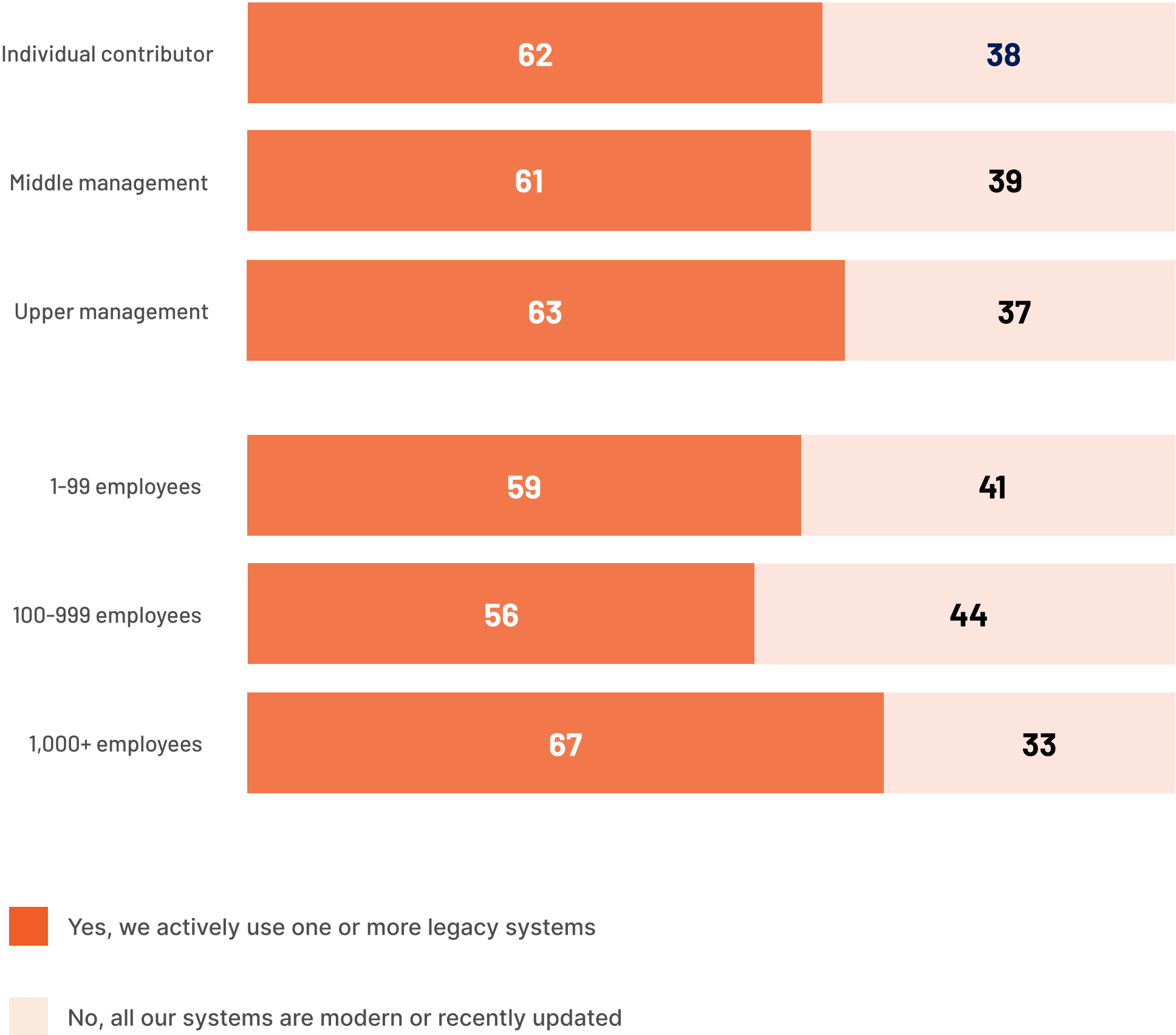
Despite all the buzz around digital transformation, legacy software remains a core part of most organizations' day-to-day operations. According to our 2025 survey of 504 U.S. IT professionals, **62% of respondents confirmed that their company still uses at least one legacy system.**

These systems are defined not just by age, but by their challenges: outdated architectures, limited integration capabilities, and increasing maintenance demands. Yet they remain deeply embedded in business-critical functions, from financial reporting and supply chain management to internal CRMs and custom applications.

Base: 484 (96% of respondents)



Does your organization currently use any legacy software systems?



Notably, legacy system usage is not just a small-business issue. Our data reflects organizations of all sizes:

- 47% of respondents work at companies with 1,000+ employees
- 38% at mid-sized companies (100–999 employees)
- 15% at small businesses (under 100 employees)

This widespread reliance on aging technology suggests a broader pattern: legacy software is the infrastructure many companies still depend on. Replacing these systems isn’t a quick fix for industries with regulatory or operational complexity. It requires a long-term transformation.

And while some teams are actively working toward modernization, many continue to defer action, opting to maintain the systems they know, even as the risks grow.

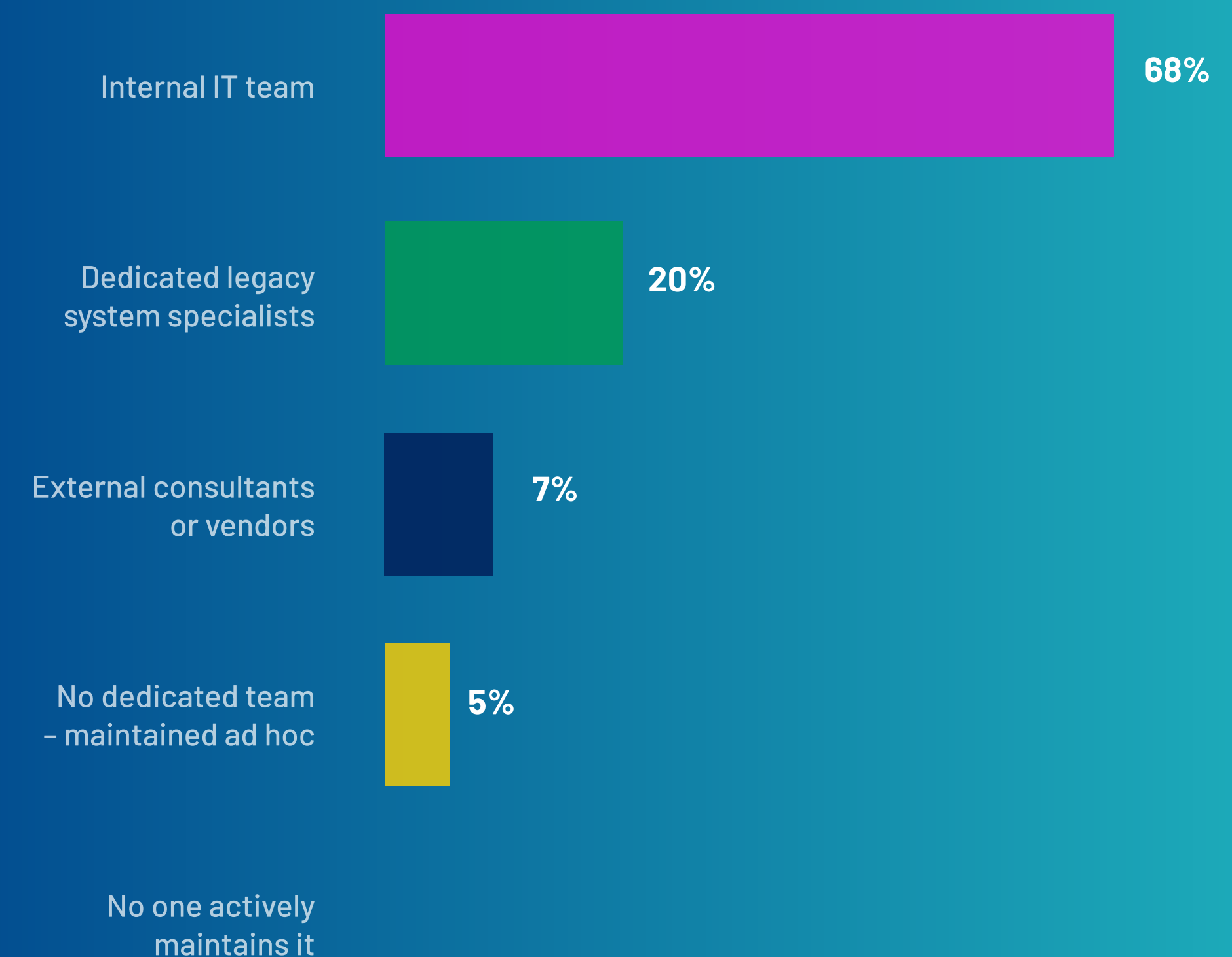


# Inside IT: Who Owns the Problems (and the Solution)?

Legacy systems aren't just a technical burden, they're a human one. According to the survey, **68% of organizations rely on their internal IT team to maintain legacy software**. In comparison, only 20% have dedicated legacy system specialists, and just 7% outsource to external vendors or consultants.

That means most modernization efforts (or the lack thereof) rest squarely on the shoulders of already overstretched in-house staff.

## Who is primarily responsible for maintaining your organization's legacy system?



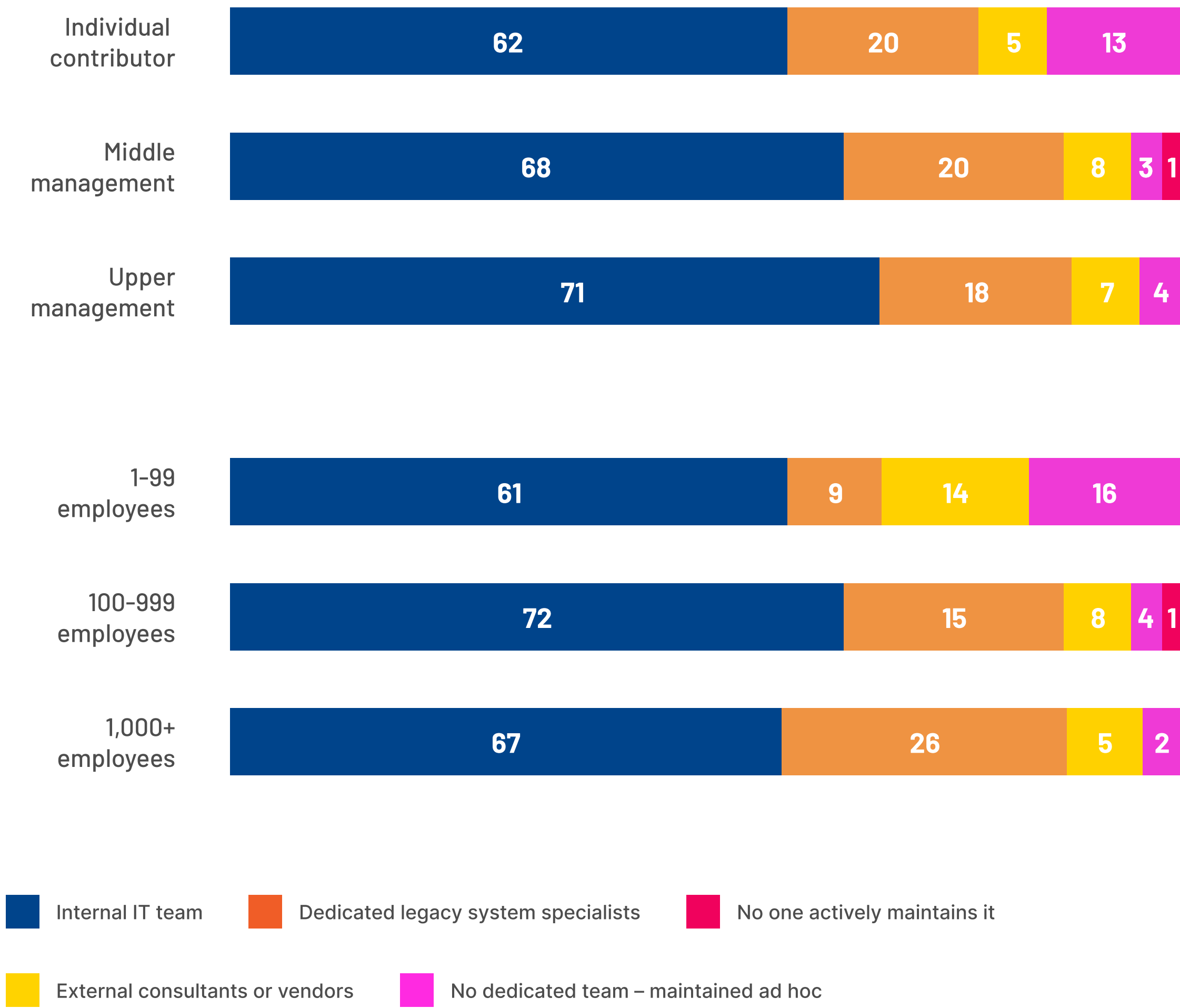


This holds true when we break down by company size. Smaller companies are much more likely to maintain their systems “ad hoc” with no dedicated team (16%).

As you climb the corporate ladder, higher-level managers defer management of legacy systems to their internal teams (71% for upper management versus 62% for IC), while internal contributors (IC) say their systems have no dedicated teams at higher rates (13% for ICs versus 4% for upper management).



Who is primarily responsible for maintaining your organization’s legacy system?







This disconnect suggests management believes their internal teams handle these systems, while IT teams struggle to keep up.

At the same time, these IT teams are expected to support newer initiatives: cloud integrations, security upgrades, mobile access, and AI adoption. Juggling modern innovation and legacy upkeep isn't just inefficient, it's unsustainable.

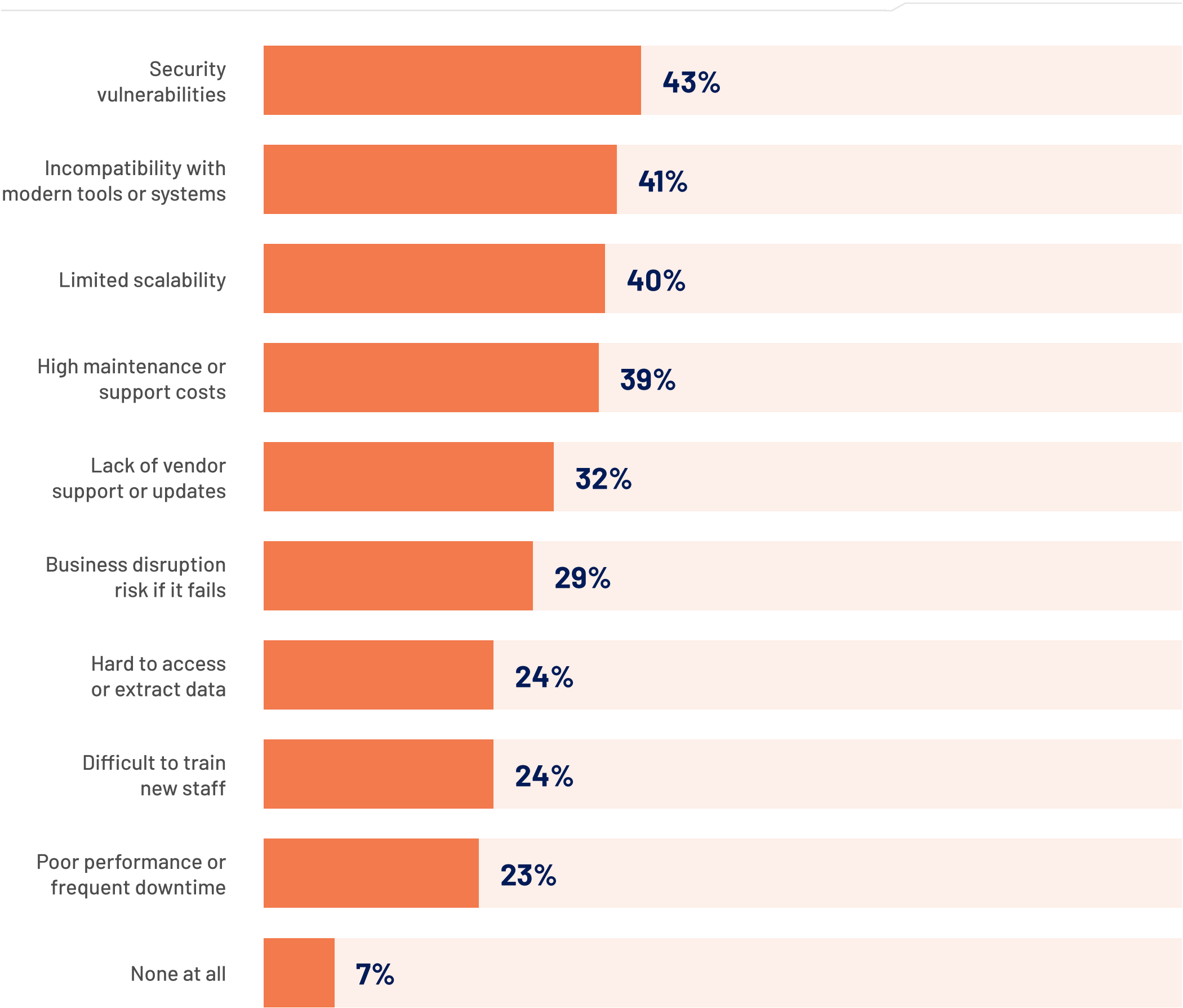
The path forward will require more than new tools. It will demand alignment between IT teams and executive decision-makers and a shared understanding that maintaining the status quo comes with its own long-term cost.

*Juggling innovation and legacy upkeep isn't just inefficient, it's unsustainable.*



# Painpoints: What Legacy Systems Are Costing Teams

What challenges does your legacy software system present?



Base: 299 (59% of respondents)

Legacy systems may still function, but they’re far from frictionless. According to the survey, IT professionals identified various challenges caused by outdated software. These issues go beyond mere inconvenience—they **directly impact productivity, security, and the ability to adapt to change.**

The top pain points reported include:

- Slow performance
- Limited remote access or mobility
- Inability to integrate with modern tools
- Security vulnerabilities
- Lack of scalability or flexibility





# What challenges does your legacy software system present?

	Categorized: Title/Level			Categorized: Headcount		
%	Individual contributor	Middle management	Upper management	1-99 employees	100-999 employees	1,000+ employees
Business disruption risk if it fails	35	29	26	36	26	29
Difficult to train new staff	29	25	21	36	19	25
Hard to access or extract data	21	23	28	23	22	26
High maintenance or support costs	27	37	50	27	41	41
Incompatibility with modern tools or systems	46	39	44	30	39	46
Lack of vendor support or updates	29	36	25	25	28	37
Limited scalability	42	38	42	48	40	37
Poor performance or frequent downtime	17	26	20	25	25	21
Security vulnerabilities	44	42	44	43	42	43
Other (please specify)	2	0	0	0	1	0
None at all	6	8	6	7	10	6
Base	n=48	n=171	n=80	n=44	n=105	n=150



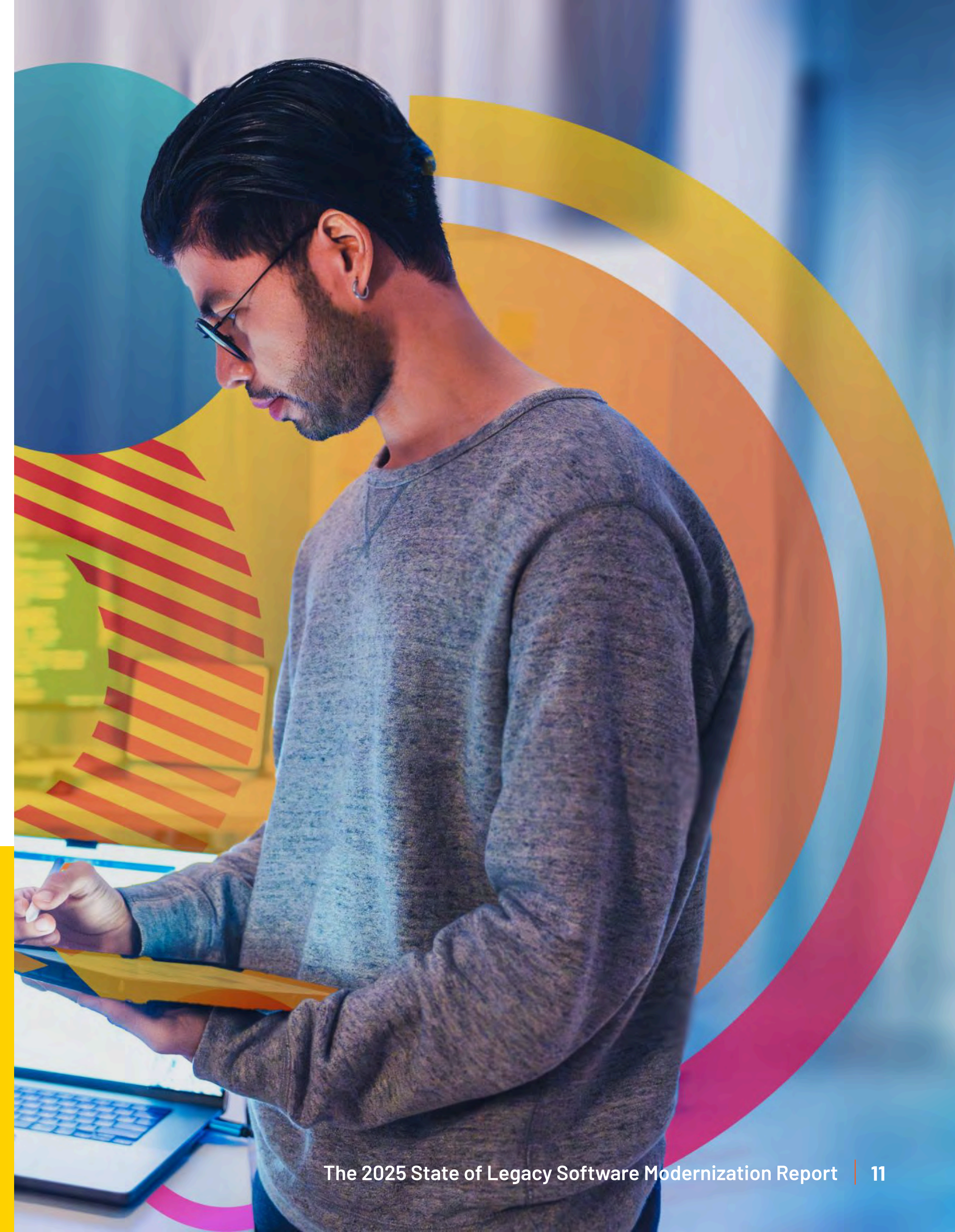
Taken together, these challenges paint a clear picture: **legacy systems create technical debt that compounds over time.** They slow down operations, frustrate users, and increase reliance on manual workarounds that drain time and resources.

Perhaps most concerning is the security risk. Many older systems lack modern protections and are no longer supported with regular updates or patches. That leaves organizations exposed to data breaches, compliance issues, and downtime—any of which can carry significant financial and reputational costs.

Legacy software can also be a major blocker for teams trying to implement AI, automation, or cloud-based tools. Without proper APIs or integration support, new technologies can't be fully leveraged, stalling digital transformation efforts.

In short, **the longer legacy systems remain in place, the more they cost.**

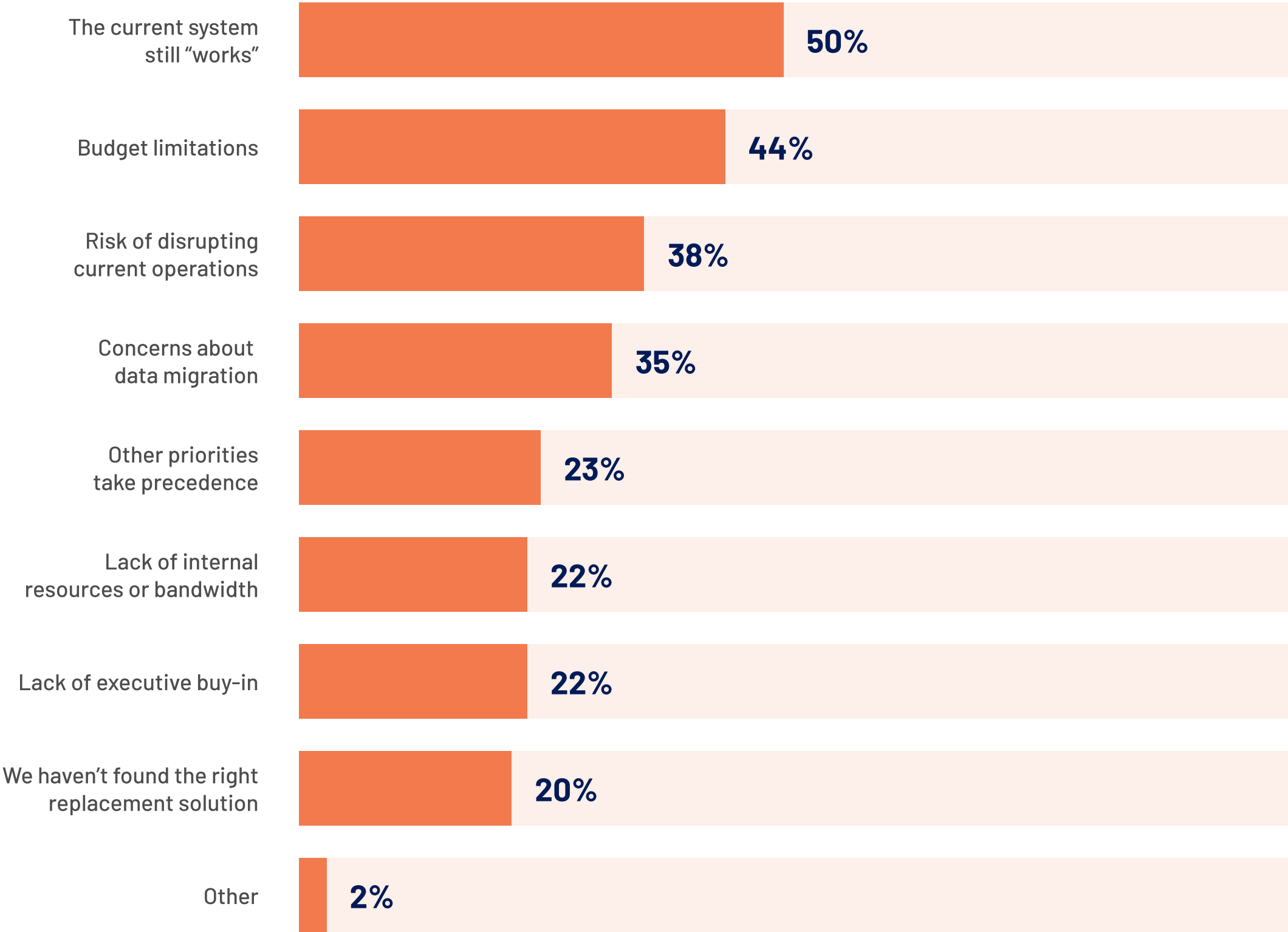
*Legacy systems create technical debt that compounds over time.*





# The Challenge: Why Modernization Gets Delayed

What factors are preventing your organization from updating or replacing the legacy system?



Base: 299 (59% of respondents)  
Note: Respondents could select multiple options.

If the drawbacks of legacy software are so well known, why aren't more companies modernizing? The answer, according to IT professionals, is a mix of inertia, resource constraints, and risk aversion.

Among organizations still using legacy systems, **the top reason for holding off on modernization is simple: "The system still works."** Half of the respondents (50%) cited this as their primary rationale. In other words, if it's not actively breaking, it's not being replaced.

**But that status quo mindset is compounded by more tangible concerns:**

- **44% said budget limitations are preventing them from modernizing**
- **38% fear disrupting current operations**
- **Other concerns included lack of internal expertise, the complexity of migration, and integration challenges with newer systems**



What factors are preventing your organization from updating or replacing the legacy system?

	Categorized: Title/Level			Categorized: Headcount		
%	Individual contributor	Middle management	Upper management	1-99 employees	100-999 employees	1,000+ employees
Budget limitations	40	47	39	45	37	48
Concerns about data migration	25	34	45	25	36	38
Lack of executive buy-in	21	19	29	41	16	21
Lack of internal resources or bandwidth	25	17	30	27	17	23
Other priorities take precedence	40	24	11	23	16	28
Risk of disrupting current operations	38	37	41	32	41	39
The current system still “works”	52	53	42	55	51	47
We haven’t found the right replacement solution	21	22	16	14	19	23
Other (please specify)	4	1	2	5	3	1
Base	n=48	n=171	n=80	n=44	n=105	n=150





*Until the risks of staying put outweigh the perceived risks of modernizing, many companies will continue to delay, even as the cost of waiting quietly grows.*

These concerns aren't unfounded. Legacy systems are often deeply embedded into mission-critical workflows. Replacing or even upgrading them requires careful planning, cross-functional alignment, and significant investment—not just in software, but in change management.

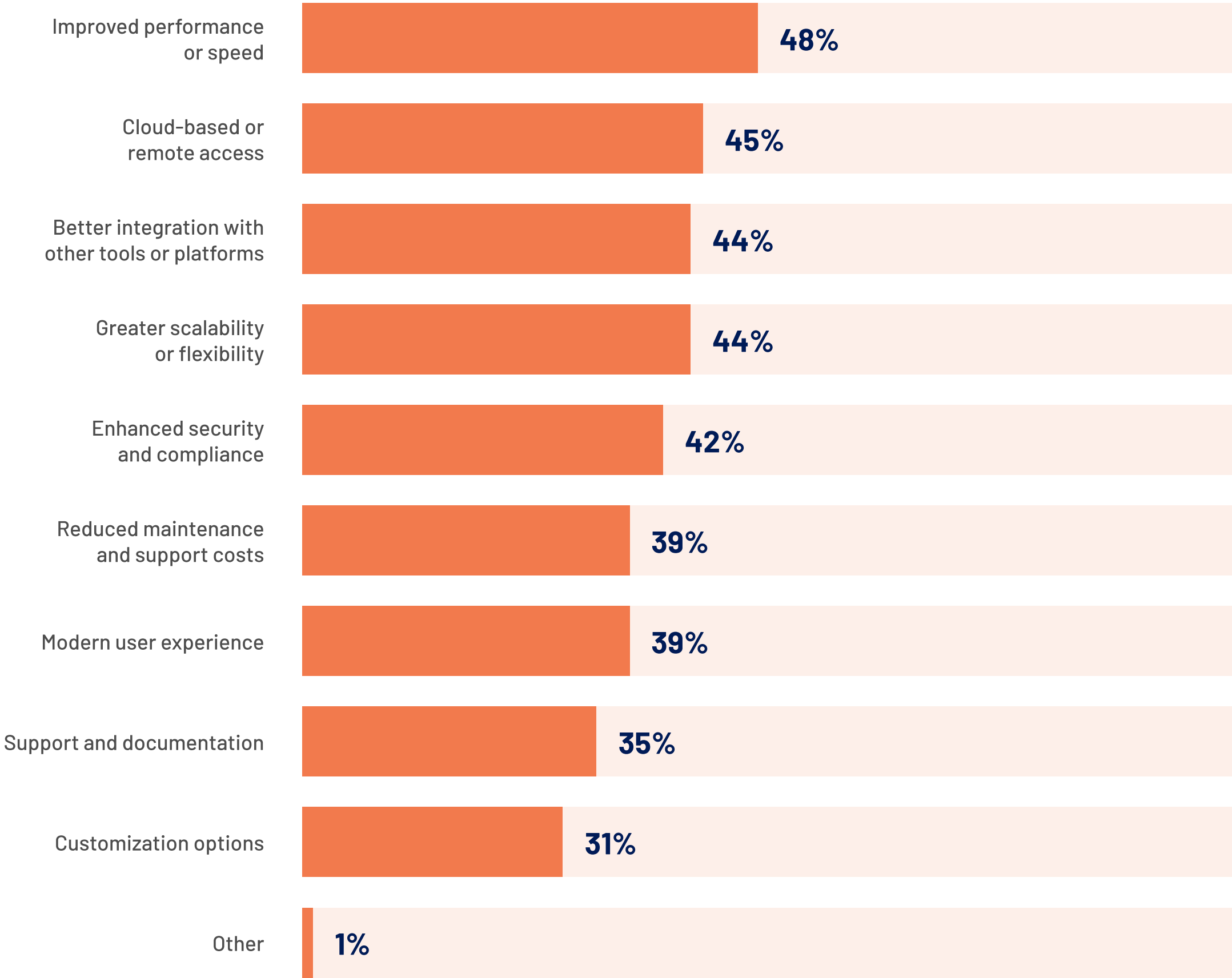
In many organizations, IT teams are being asked to both keep the old systems running and push innovation forward, without the headcount or resources to do both well. That leaves modernization projects perpetually “on the roadmap,” but rarely in motion.

Until the risks of staying put outweigh the perceived risks of modernizing, many companies will continue to delay, even as the cost of waiting quietly grows.



# Modernization Priorities: What IT Teams Actually Want

If you were to modernize your legacy system, which of the following would be most important?



Base: 299 (59% of respondents)

Note: Respondents could select multiple options.

For teams ready to move beyond legacy systems, modernization isn't just about swapping old tech for new. It's about enabling performance, flexibility, and growth.

When asked what mattered most in a modernization effort, IT professionals pointed to three clear priorities:

- Improved performance and speed (48%)
- Cloud-based or remote access (45%)
- Greater scalability and flexibility (44%)







If you were to modernize your legacy system, which of the following would be most important?

	Categorized: Title/Level			Categorized: Headcount		
%	Individual contributor	Middle management	Upper management	1-99 employees	100-999 employees	1,000+ employees
Improved performance or speed	52	44	55	41	45	53
Better integration with other tools or platforms	58	38	48	34	36	52
Enhanced security and compliance	50	41	41	34	50	39
Reduced maintenance and support costs	52	36	36	30	43	39
Greater scalability or flexibility	40	44	46	41	43	46
Cloud-based or remote access	46	46	45	50	50	41
Modern user experience (UX/UI)	40	38	41	39	33	43
Support and documentation	42	31	40	39	31	37
Customization options	25	35	25	25	31	32
Other (please specify)	2	1	0	0	2	0
Base	n=48	n=171	n=80	n=44	n=105	n=150



These priorities reflect the realities of modern work: distributed teams, hybrid environments, and the need to scale infrastructure quickly and securely. IT leaders aren't chasing trends. They're looking for tools that align with business agility, employee productivity, and long-term growth.

Other notable goals include:

- **Enhanced security features**
- **Better integration with modern systems and APIs**
- **Reduced maintenance burden on internal teams**

These aren't just technical upgrades, they're strategic enablers. Whether preparing for AI adoption, improving cross-platform collaboration, or simply reducing operational drag, IT teams seek solutions that create momentum, not just maintenance.

*Modernization is not about replacing what's broken.  
It's about building infrastructure that moves with the  
business.*





# Stop Waiting for a Crisis

*Modernization doesn't have to mean ripping everything out and starting over.*

Legacy systems may have been built to last, but they weren't built for today. In a world defined by speed, security, and constant change, "good enough" is no longer a justification for staying stuck in the past.

This report makes one thing clear: **IT leaders know where the friction is.** They know their legacy platforms are slowing down performance, limiting remote access, increasing security risks, and preventing them from adopting transformative technologies like AI. The barriers to modernization are real, but so are the costs of standing still.

Modernization doesn't have to mean ripping everything out and starting over. For many organizations, the path forward starts with a strategic roadmap: auditing systems, identifying quick wins, aligning stakeholders, and choosing the right partners to support a phased, future-ready transformation.

The key is alignment between IT teams, leadership, and long-term business goals. Modernization that is treated as a continuous process, not a one-time overhaul, becomes far more manageable and far more impactful.

In other words, **don't wait for a crisis: start planning now.**





**At Saritasa**, we believe better is always possible. And that belief starts with helping organizations move from maintenance mode to momentum by modernizing the tools that power their work.

## What's Next: 5 Practical Steps to Start Modernizing

- 1 Audit your existing systems.**  
Identify which legacy platforms are business-critical, high-risk, and which can be phased out or replaced. Look for bottlenecks, security gaps, and integration limitations.
- 2 Prioritize by impact and risk.**  
Focus first on systems that are causing the most pain, like those slowing down performance, limiting access, or blocking other tech initiatives. Low-risk, high-reward updates are ideal starting points.
- 3 Align stakeholders early.**  
To build internal support, involve both technical and non-technical stakeholders. Modernization is just as much a business initiative as it is a tech project.
- 4 Consider hybrid approaches.**  
You don't have to rebuild everything at once. Use APIs, middleware, or microservices to bridge old systems with new tools and gain value faster without disrupting core operations.
- 5 Bring in the right expertise.**  
Whether it's a short-term architecture assessment or a full roadmap, working with experienced partners can help reduce risk, accelerate progress, and ensure scalability.



## About the Survey

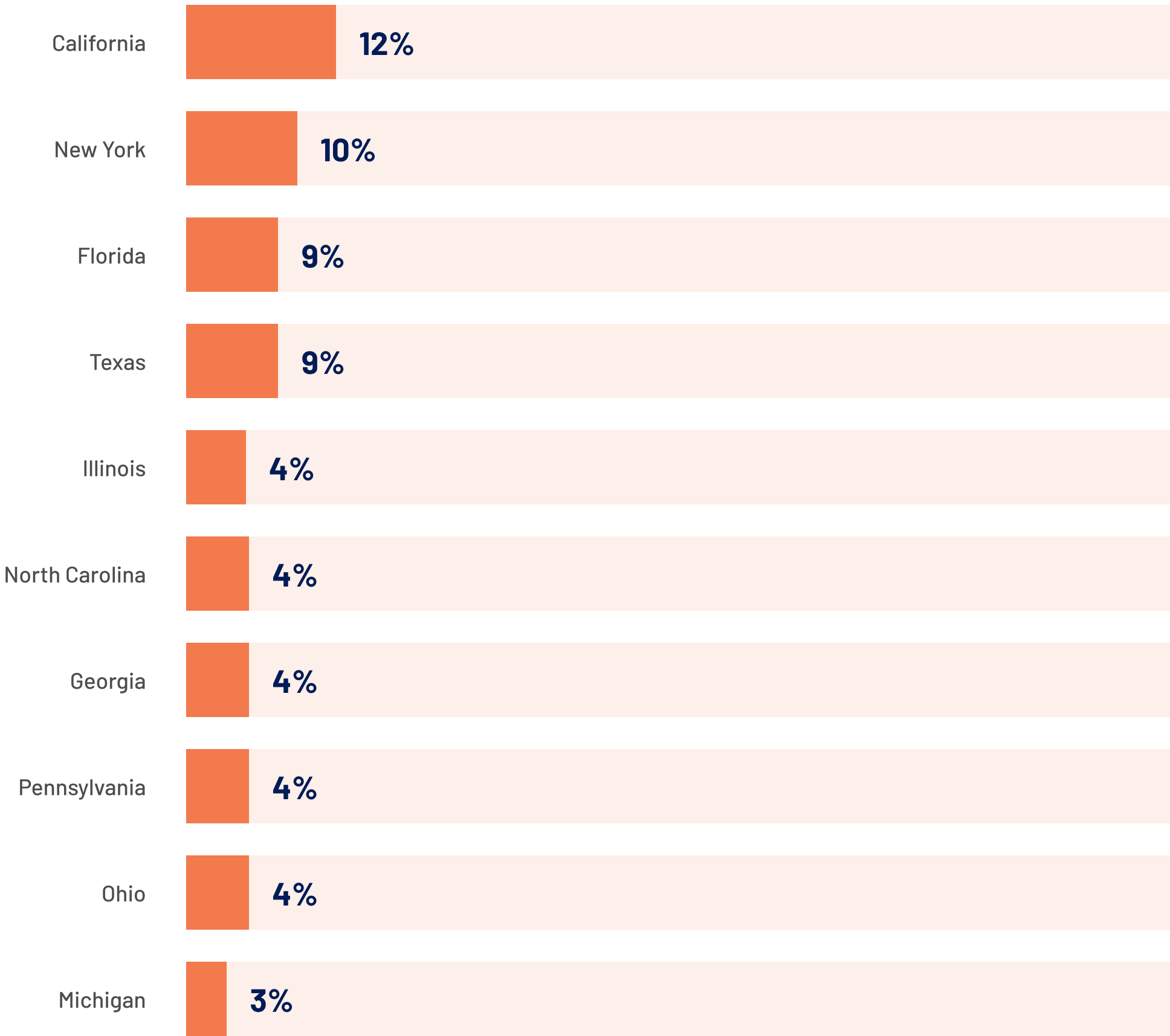
This report is based on original research conducted by Researchscape International on behalf of Saritasa. The online survey was fielded from May 27 to 28, 2025, and gathered responses from 504 U.S.-based IT professionals.

Respondents represented a wide range of industries—including software/technology, finance, healthcare, manufacturing, and government — and company sizes, from small businesses to enterprises with over 1,000 employees. All participants work in IT roles, including individual contributors, middle management, and senior leadership.





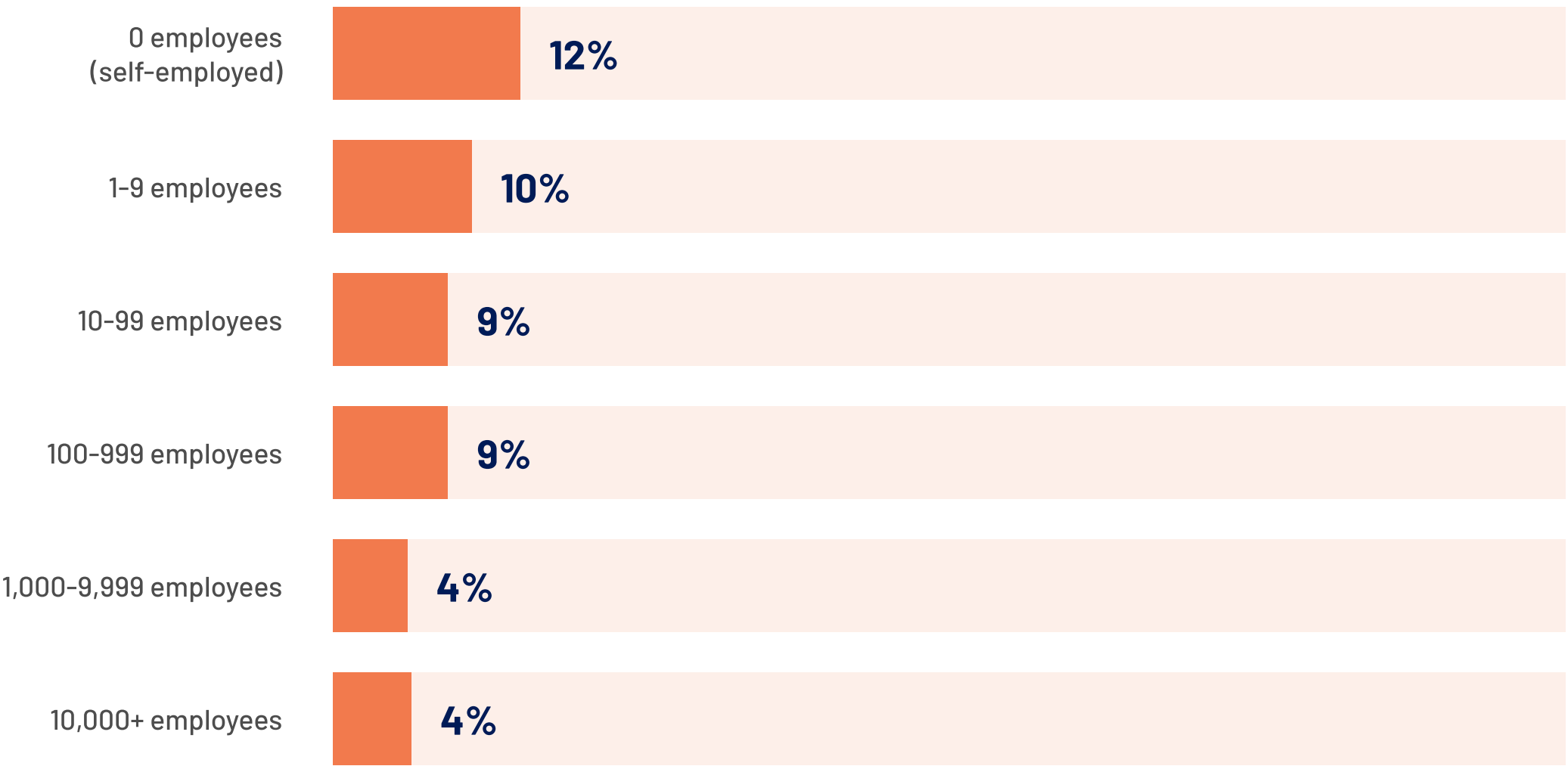
Which state, district, or territory do you live in?



Base: 503 (>99% of respondents) Showing only the top 10 most selected options.

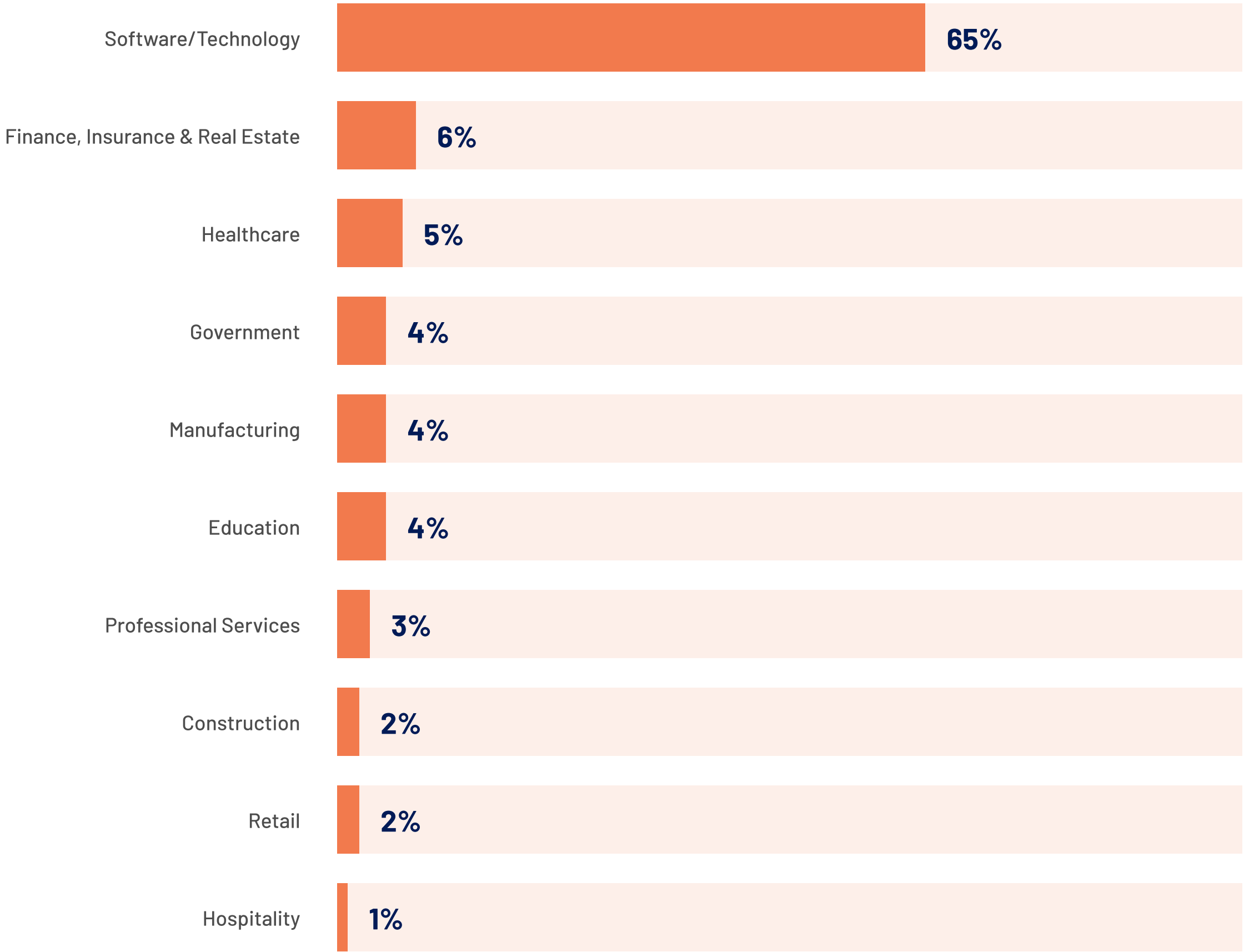


Approximately how many employees work at your organization?



Base: 504 (All respondents)

Which of the following best describes the primary industry of your organization?

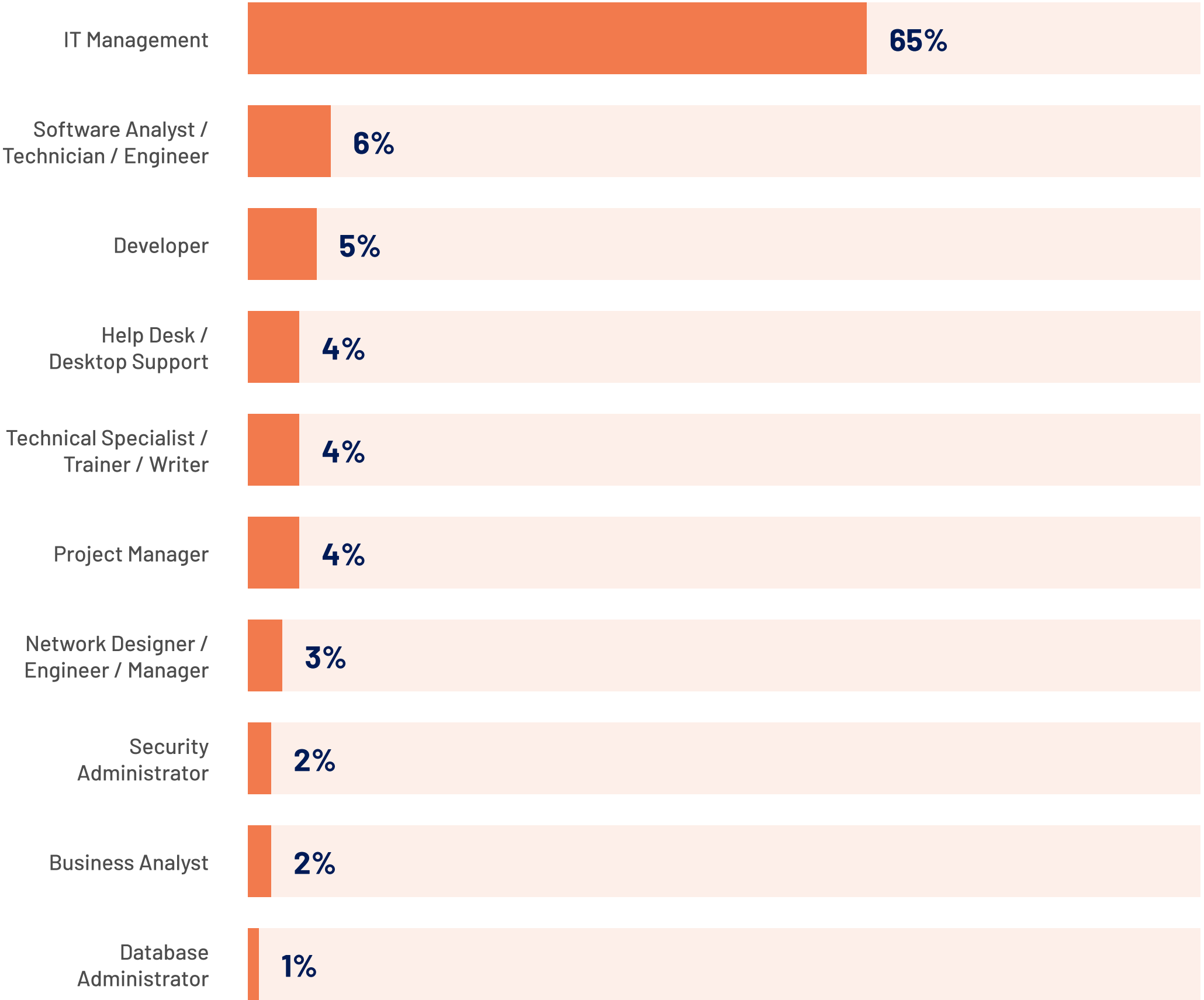


Base: 504 (All respondents) Showing only the top 10 most selected options.

The survey explored the current state of legacy software usage, the challenges teams face in maintaining outdated systems, and the priorities driving modernization efforts.

Results were not weighted and have a margin of error of  $\pm 4.4$  percentage points at the 95% confidence level.

What is your role in technology?



Base: 504 (All respondents) Showing only the top 10 most selected options.





## About Saritasa

Saritasa is a full-service software development company that empowers businesses through technology. For 20 years, we've partnered with organizations across industries to solve complex challenges and bring digital transformation to life.

Our team helps companies modernize outdated infrastructure with scalable, secure, and future-ready solutions, from cloud migration and system integrations to full legacy software rebuilds. We specialize in custom development, mobile and web applications, data architecture, and emerging technologies like AI and AR/VR.

At Saritasa, we believe in building more than software—we believe in building better businesses.

**Because when your tools work better, your people can, too.**



saritasa.com | 1-888-592-2620

Irvine, CA • Tampa, FL • Dallas, TX

Chicago, IL • New York, NY