What is Technology Debt and How to Overcome It

For many people technology debt may be a new term. Technology debt is defined as a software problem that may lead to hidden costs, substantial technology failures in the future or eroding productivity that may not be evident until it is very costly to fix.

Technology debt is rarely a one issue problem and can be caused by doing multiple things wrong over a long period of time: postponing upgrades to your technology; no strategic plan; inadequate financial and employee resources dedicated to technology; and an organization's ability to make decisions on a technology change.
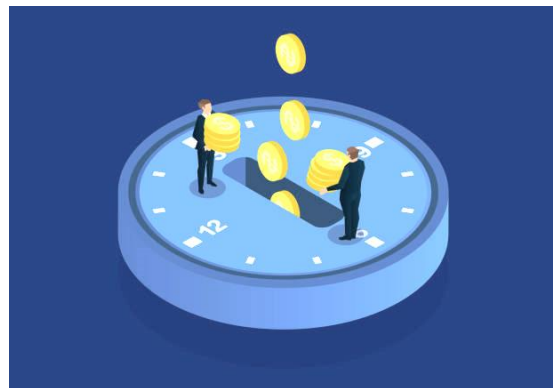
Types of Technology Debt:

➢ **Intentional:** This type of technology debt occurs when a company is trying to move quickly on an IT project. A choice is being made to accept some sort of deficient performance, instability, or unsatisfied user experience. This is a very risky approach to technology debt, but because it is known while occurring, company leaders can track and plan on how to remedy it when it is appropriate.

➢ **Unintentional:** This form of technological debt occurs when there is a lack of IT expertise. This can result in sloppy work or the inability to resolve a complex IT problem. In addition, when company leaders decide to change deadlines, cut corners, or not fully test new products, unintended technology debt is the result.

Impact of Technology Debt on your Business:

Outdated technology and technology debt will only hurt your organization. It is important to recognize your debt and develop a plan.

➢ Dissatisfied users: Technology debt usually results in a poor user experience and a lack of satisfaction which can decrease the productivity of an employee. These can increase expenses and decrease revenues, which will eventually hurt the bottom line. Using updated software that is faster and eliminates redundant tasks can increase employee productivity. Many employees may choose to work from home, but this may be difficult with current IT infrastructure. If company leaders fail to see these benefits of upgraded software, it may be hard to attract new employees and retain current employees.

➢ Longer time to complete tasks: Older hardware and software environments tend to work slower which will increase the processing time to complete tasks.

➢ Data Inconsistences: Working with older technology can mean resorting to excel spreadsheets which increases duplicate entry. This can create two sets of the same data which can create confusion within an organization.

➢ Competition: If your company isn't willing to make a jump to a new technology, you may be falling behind your competitors.

When a car needs an oil change, it is a minor, regular expense for every car owner. If you try to postpone your oil change, it could cause damage to your engine in the long run. This is saving you money and time in the present but will end up costing you more in the future. This same analogy applies to your technology. Staying up to date on your upgrades is important to keep your system running smoothly. However, just doing a regular oil change isn't enough forever, eventually you will need a new car with better up-to-date features (better gas mileage, newer safety features, lower cost of ownership). The same is true for your technology. You will need to take a look into the future to determine when it is time to upgrade from your client server software to a cloud-based solution.

How to Reduce Technology Debt with a New ERP (Enterprise Resource Planning) System:

Managing technology debt is a complex problem; the longer it sits, the more complex it becomes. Undertaking this type of debt without a plan can spiral out of control. Some best practices to help keep this process under control are as follows:

Avoid sudden schedule changes: Technology debt becomes easier to manage when there are schedules that can be followed in the workplace.

Reward maintenance work: Big software changes can be fun and exciting, but companies cannot forget about the smaller updates they make. Everyday people work hard to maintain and ensure that current products are working, and these updates cannot be ignored.

Set quality standards: Define what standards your company wishes to have and stick to them. If these are not stated clearly, it may be difficult to have employees meet them on a regular basis.

Track technology debt: If you cannot see technology debt, you will not know what to fix. Find a good system to monitor and track systems throughout the company.

Implementing a new ERP system such as Acumatica is a fantastic way to start eliminating the technology debt you may be facing. Acumatica's future proof cloud platform allows users to tailor the platform to fit their specific needs. Users can automate several items throughout the system to help reduce manual errors and eliminate risk. Acumatica's semi-annual updates allow users to stay current with the new features, not slipping into a technology debt. Users of Acumatica can work every day to maintain updates in Acumatica and stay on top of schedules and Integrations of the system.

Acumatica has industry editions and specific modules that can be a way to help eliminate technology debt at your company. Specific industry editions such as manufacturing, construction, distribution, retail-commerce, or general business allow companies specific access to Acumatica modules and dashboards for that industry. This can help combat technology debt by giving users access to specific functionality and value for their company.

Taking the next steps to eliminate technology debt:

When you think of the word "debt" you may consider it a dreadful thing, however in the case of technology debt, when the right people manage the problem, it can be a useful tool to push the development of a company forward.

If your company is ready to take the next steps and see how Acumatica can eliminate your company's technology debt, contact us. Acumatica's General Business edition is a great first step to moving toward a new and innovative technology.

To learn more about Acumatica and to see the product in action, request a free demo – visit us online!

Polaris Business Solutions would love to help you find the right ERP system to suit your ever-changing needs. You can find more helpful information about Acumatica and Polaris at www.polaris-business.com/business-solutions/Acumatica/Asphalt