

Digital Services

Understanding the impact of technical debt

In the age of technology saturation and digital-first, companies are beginning to feel the impact of rapid digital transformation. In many cases, the impact is positive and seen in improved efficiency and productivity. However, there are still negative impacts to digitization that must be tackled head-on, such as the rapid accrual of technical debt.

Technical debt is what happens after making software development or implementation decisions that prioritize speed over quality. Much like financial debt, technical debt requires paying off, but it can be much more complicated and time consuming than making monthly “payments.”

The infographic below highlights some of the most notable ways technical debt can impact an organization.



500M+

applications and services will be developed and deployed using cloud in 2023¹



58%

of organizations don't have a strategy to tackle technical debt²



78% of organizations

have accrued more technical debt than ever before as a result of the pandemic and rapid digitalization³



69%

of companies admit that technical debt has caused their digital transformation initiatives to slow down⁴



70% of CIOs report feeling daunted by post-COVID 19 technical debt⁵



23% of developers'

daily work time is wasted due to technical debt⁶



52%

of developers believe their biggest productivity hindrance is the maintenance of legacy systems and technical debt⁷



The average technical debt for cloud management is about 23%⁸



76% of developers

report the negative impact of technical debt on their morale⁹

Strategically planning for technical debt can be the difference between playing catch-up and innovating for the future.

Footnotes

1. "IDC FutureScape Outlines the Impact 'Digital Supremacy' Will Have on Enterprise Transformation and the IT Industry." Business Wire. October 29, 2019. <https://www.businesswire.com/news/home/20191029005144/en/IDC-FutureScape-Outlines-the-Impact-Digital-Supremacy-Will-Have-on-Enterprise-Transformation-and-the-IT-Industry>.
2. "78% of organizations have accrued more technical debt during the pandemic, says new Software AG Research." Software AG News Center. January 19, 2022. https://newscenter.softwareag.com/en/news-stories/press-releases/2022/0119_technical-debt-reality-check.html.
3. "78% of organizations have accrued more technical debt during the pandemic, says new Software AG Research." Software AG News Center. January 19, 2022. https://newscenter.softwareag.com/en/news-stories/press-releases/2022/0119_technical-debt-reality-check.html.
4. "78% of organizations have accrued more technical debt during the pandemic, says new Software AG Research." Software AG News Center. January 19, 2022. https://newscenter.softwareag.com/en/news-stories/press-releases/2022/0119_technical-debt-reality-check.html.
5. Villars, Rick, et al. 2020. "IDC FutureScape: Worldwide IT Industry 2021 Predictions." IDC: The Premier Global Market Intelligence Company, IDC Corporate. October 2020. <https://www.idc.com/getdoc.jsp?containerId=US46942020>.
6. Besker, Terese, Bosch, Jan, Martini, Antonio. "Technical Debt Cripples Software Developer Productivity - A longitudinal study on developers' daily software development work." ResearchGate. May 2018. https://www.researchgate.net/publication/325790190_Technical_Debt_Cripples_Software_Developer_Productivity_-_A_longitudinal_study_on_developers'_daily_software_development_work.
7. "The Developer Coefficient." Stripe. September 2018. <https://stripe.com/files/reports/the-developer-coefficient.pdf>.
8. "Flexera 2022 State of the Cloud Report." Flexera. 2022. <https://path.flexera.com/cm/report-state-of-the-#page=1>.
9. "The Developer Coefficient." Stripe. September 2018. <https://stripe.com/files/reports/the-developer-coefficient.pdf>.

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