

# Addressing Technology Debt

## Managing the Unintended Consequences of Regulatory Change

Starting in 2010, buy-side and sell-side firms began engaging in a change agenda that was driven by regulatory triggers. Only the most agile firms were able to implement these changes without accruing worrying levels of technology debt.

### A GreySpark Partners Survey on the State of Technology Debt Found:

€600m

The initial compliance costs associated with the EU's with MiFID II regulations

33%

of survey participants observed significant increase in IT architectural complexity as a result of new regulations

83%

of survey participants that increased their IT costs due to new regulations

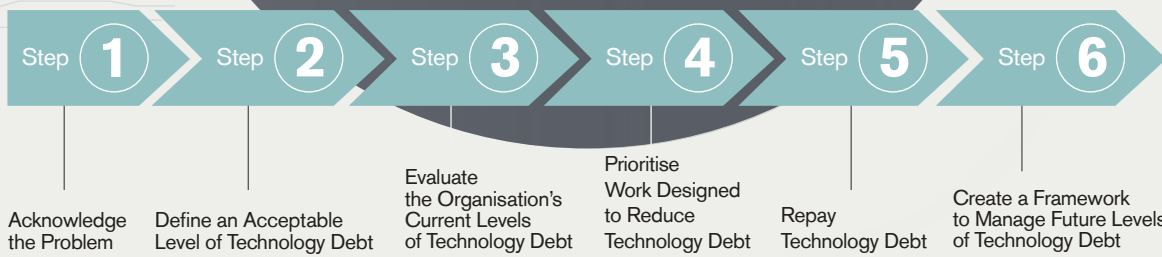
42%

of survey participants that, since 2010, now carry out periodic reviews of their organisation's technology debt

## Technology Debt

Technology debt is an idea created in 1992 for defining a set of financial losses directly or indirectly incurred because of sub-standard programming development, inadequate architecture and the implementation of low-quality technology solutions. In 2015, industry researchers are investigating technology debt as a risk for technology-driven organisations and also as a factor in making change decisions.

## Escaping Technology Debt



GreySpark's report **Addressing Technology Debt** outlines principles on how financial markets organisations can work pro-actively to manage and reduce technology debt. The GreySpark survey of technology debt in 2015 observed that it is created when a series of tactical bolt-ons, or hacks, to existing software platforms are applied. Technology debt is often exacerbated by regulators that fail to articulate or complete the implementation of new rules using a set of unambiguous, quantitative and verifiable requirements.