

BENCHMARK REPORT · ORIGINAL RESEARCH

Legacy Modernization Benchmark2026

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Legacy modernization programs overrun on integration surface — undocumented downstream consumers of the legacy system — rather than on the replacement build itself.

Cost and timeline by modernization approach

The pattern is consistent: the smaller the unit of change, the higher the odds of finishing. Big-bang rewrites do not fail because engineers are slow — they fail because a two-year freeze on product work is politically unsurvivable, and the program gets cancelled at month 14 with nothing shipped.

Median cost, duration, and on-budget completion rate by approach

Approach	Median program cost	Median duration	Finished on budget
Strangler-fig incremental migration	\$620K	11 months	72%
Re-platform (lift, containerize, keep code)	\$240K	5 months	81%
Big-bang rewrite	\$1.4M	22 months	24%
Encapsulate + API façade (no rewrite)	\$150K	3 months	88%

Source: NextGen Coding Company. Free to reproduce with attribution.

Where the budget actually goes

Most vendor quotes price the 24% (code) accurately and hand-wave the other 76%. When a modernization quote comes in far below these ratios, the gap is almost always business-rule discovery and downstream integration — work that reappears as change orders in month six.

Share of total program spend by workstream

Workstream	Share of budget	Commonly underestimated by
Business-rule archaeology and documentation	27%	3-4x
Application code migration	24%	1.2x
Data migration and reconciliation	21%	2x

Workstream	Share of budget	Commonly underestimated by
Integration and downstream consumers	16%	2.5x
Testing, parallel-run, and cutover	12%	2x

Source: NextGen Coding Company. Free to reproduce with attribution.

Top causes of modernization program failure

No parallel-run period (41% of stalled programs) — Teams that cut over without running old and new side by side against production traffic discover the missing business rules from customers instead of from a diff.

Feature freeze during migration (33%) — Product stops shipping, the business loses patience, and the program is defunded before value lands.

Owner of the legacy system left the company (29%) — Tribal knowledge walks out the door. This is why documentation is a deliverable, not a byproduct.

Migration measured in code moved, not traffic moved (26%) — The only metric that correlates with success is the percentage of production traffic served by the new system.

What good looks like: benchmark targets

Targets we hold modernization programs to

Metric	Benchmark target	Typical starting point
First production traffic on new system	Within 60 days	6-9 months
Share of traffic migrated by month 6	40%+	5-10%
Product feature velocity during migration	70%+ of baseline	20-30%
Rollback time for a migrated service	Under 10 minutes	Undefined
Business rules documented before cutover	100% of revenue-affecting paths	Ad hoc

Source: NextGen Coding Company. Free to reproduce with attribution.

Methodology

Figures are drawn from NextGen Coding Company modernization engagements and paid scoping audits for US-based mid-market and enterprise engineering organizations, normalized to 2026 US dollars. Programs are US-onshore delivery with senior engineers; offshore-delivered programs are excluded because labor cost and rework rates are not comparable. Medians are used rather than means because a small number of very large programs skew averages. This report is updated as new engagements close.

Methodology

Post-mortem analysis of legacy modernization programs, coding each by approach, planned versus actual duration, budget variance, and root cause of overrun.

Sample	127 legacy modernization programs
Time period	2023-01/2026-02
Geography	United States
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