



BT Group Moves from Mainframes to the Cloud with Kyndryl, Targets £17M Annual Savings

January 31, 2023

Innovative plans will see mainframe applications transformed and migrated to cloud by extending its partnership with Kyndryl

LONDON, January 31, 2023—BT Group's Digital Unit today announces it is working with Kyndryl on a cutting-edge program to move a number of the Group's mainframe applications which service its legacy copper business and consumer broadband products to the cloud.

The unique and complex project will see the Digital unit move critical legacy applications that cannot be shut down in the short term to the cloud, allowing it to operate its copper broadband infrastructure in a modern way. The ten-year partnership, which draws on Kyndryl's hyperscaler capabilities and partner ecosystem, will allow BT Group to reduce mainframe operating costs and energy consumption by 70%, leading to savings worth more than £17m a year by 2026.

"We like thinking out of the box to solve complex problems – like how to move off mainframes given the prohibitive increase in legacy infrastructure cost – without rewriting decades-old applications," explains Harmeen Mehta, Chief Digital and Innovation Officer at BT Group. "With that mindset, working with Kyndryl, we figured out how to turn legacy mainframes into modern digital apps and run them at a fraction of the cost."

Kyndryl, which currently runs BT Group's mainframe estate, extends its partnership with BT to deliver the transformation project by 2026, accelerating the drive to reduce cost and open up data insights within these key applications. As part of the project, some applications are being "retired" (contributing to the Group's target to get to fewer than 500 strategic systems by 2027, simplifying its technology estate), "refactored" (redeveloped into BT Group's existing strategic systems and architecture) or rehosted (repackaged to operate in a cloud environment).

In moving to the cloud, the applications will become more "digital" with application programming interface (API) and micro-services capabilities developed to help integrate the value of data across wider BT Group systems and drive innovation through automation, while lowering costs. Applications will be hooked into BT Group's service management platform, and support its ["AIOps" self-healing IT estate model](#), reducing the risk of downtime and accelerating and automating fixes. It will enhance other applications' ability to call on data and capabilities within the mainframe applications, giving rise to more seamless customer experiences, supporting customers with the migration to modern fibre services as the legacy copper networks are retired in the years ahead.

"It's exciting to be partnering with BT Group on such an ambitious and critical programme. Migrating from mainframes to cloud extends the usefulness and lifespan of these applications in a modern, micro-services led, cloud-centric way and helps unlock intelligent data insights. We're excited to draw on our deep knowledge, ecosystem of partners and community of industry leading experts to help deliver this transformation," comments Petra Goude, Global Practice Leader, Core Enterprise & zCloud, Kyndryl.

About Kyndryl

Kyndryl (NYSE: KD) is the world's largest IT infrastructure services provider serving thousands of enterprise customers in more than 60 countries. The company designs, builds, manages and modernizes the complex, mission-critical information systems that the world depends on every day. For more information, visit www.kyndryl.com.

About BT

BT Group is the UK's leading provider of fixed and mobile telecommunications and related secure digital products, solutions and services. We also provide managed telecommunications, security and network and IT infrastructure services to customers across 180 countries.

BT Group consists of three customer-facing units: Consumer serves individuals and families in the UK; BT Business* covers companies and public services in the UK and internationally; Openreach is an independently governed, wholly owned subsidiary wholesaling fixed access infrastructure services to its customers – over 650 communication providers across the UK.

British Telecommunications plc is a wholly owned subsidiary of BT Group plc and encompasses virtually all businesses and assets of the BT Group. BT Group plc is listed on the London Stock Exchange.

For more information, visit www.bt.com/about

**BT Business was formed on 1 January 2023 from the combination of the former Enterprise and Global units. It will commence reporting as a single unit from 1 April 2023, with pro forma reporting information to be produced ahead of BT Group's Q1 FY24 results.*