

The Business Costs of Technical Debt

Software development is rarely sustainable: the average organization wastes 23-42% of their development time due to technical debt.*

This means that an organization might pay for 100 developers, but are only getting the output equivalent of 75 developers.

What's your technical debt baseline?

- **Technical debt is often mistaken** for “bad code in general”. This is a dangerous fallacy that leads to actions that don't have a clear business outcome or aren't urgent.
- Technical debt calculations **have to be based on outcome-oriented metrics**. The amount of Unplanned Work is our recommended measure.
- More than 15% spent on Unplanned Work is a warning sign. **Technical debt is likely to be a significant chunk of that waste.**
- Start by measuring your current level of technical debt. **Use CodeScene's formula* to quantify the costs and potential.**
- Prioritize: an organization cannot act on all potential issues at once, so **priorities are vital**. CodeScene delivers the priorities and visualises the issues.
- By addressing the root causes, an organization can — on average — **increase the development capacity with at least 25%***.

* Check out the research, data, and formulas:

<https://codescene.com/technical-debt/whitepaper/calculate-business-costs-of-technical-debt.pdf>

Trend:
hours spent on product development

