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4070 IBM STG SmarterComputing Launch Large Format Multimedia Announcement Presentation – As Produced Transcript

Dr. Colin Parris
General Manager, IBM Power Systems

Nigel Fortlage
Vice President and Chief Information Officer, GHY International

Lori Beer
Executive Vice President, Specialty Businesses & Information Technology, WellPoint, Inc.

Laura Guio
Vice President and Business Line Executive, IBM Storage

Colin Parris: Thank you for tuning into our webcast today. We are here to announce major enhancements to IBM Systems and Storage portfolio.

I will be joined today by some of our clients, Nigel Fortlage of GHY and Lori Beer of WellPoint as well as Laura Guio, our IBM Storage Vice President and Business Line Executive. But first, let me provide some context and some of the insights that I have gained from talking with clients in different industries around the world.

Today, we are in the midst of a technology shift driving growth and innovation. Cloud, analytics, social, business, and mobile aren't simply remaking computing, they are remaking business.

One billion smartphones and 1.2 billion mobile employees are expected by 2014. This new era represents an opportunity for organizations to reshape the value they deliver but cost, complexity and risk stand in the way.

So how can companies make sure that their IT infrastructure is ready now for what's next? At IBM, we believe there is an answer; we call it Smarter Computing, the IT infrastructure that enables the opportunities presented by a Smarter Planet.

It is a strategy that leverages Cloud to speed time to market and improve efficiency. It unlocks the power of big data to deliver more actionable insights and it helps secure critical information to reduce risk and help companies enhance their compliance.

Now let's take a look at some examples of clients that are transforming their businesses by embracing Smarter Computing. The City of Honolulu wanted to improve citizen involvement and boost the efficiency of its operations but first, it needed to increase government transparency by providing useful timely data.

Honolulu deployed a custom Cloud of IBM servers, storage and software that reduced applicant deployment time from one week to just a few hours. This solution also lowered licensing cost and helped them create a more efficient property tax appraisal system.

Another great example is Daimler FleetBoard. They worked with IBM to integrate their logistics applications with mobile devices in commercial vehicles.

A complete data profile for each vehicle is transmitted to the data center. Daimler FleetBoard solution helped logistics companies reduce fuel consumption by 5% to 10%, and new data analytics improves their decision making.

These are just two examples of how IT is playing an increasingly critical role in driving business growth and innovation. Businesses are not only transforming their client experience with new big data applications but they are also integrating them with their existing co-applications.

And it's not just large enterprises that need to manage this mix of transactional and new compute-intensive workloads; businesses of all sizes need systems that can drive business growth to innovation and efficiency. They all need to draw insights from data and ensure more secure infrastructure.

Approximately 70% of the average IT budget is devoted to operations and maintenance so it's no surprise that large companies are focused on IT optimization. They need to drive cost through virtualization and Cloud applications.

But for mid-size companies efficiency is also about keeping it simple. They need to avoid complexity and better leverage their limited skills resources.

Organizations that use business analytics are two times more likely to outperform their industry peers. For large enterprises, this means deriving insights from data across multiple lines of business.

For mid-size companies this means differentiating their client experience from that of larger competitors. With the high cost of security incidences, large enterprises need much better risk management while controlling cost of compliance.

Mid-size companies must deal with the security challenges associated with rapid growth and they both face potentially devastating business disruptions from security incidences. So as you can see, Cloud, data and security are key to making your IT infrastructure ready now for what's next.

I would now like to focus on the exciting announcements for our Power Systems family. Over the past 10 years, Power's led the industries to continuous product innovation.

We have consistently delivered superior Power Processor and Systems Software technology. Power has been at the forefront of both technical and commercial computing applications.

Power is at the heart of many of today's top supercomputers. Power has fueled the breakthroughs in the science of the human genome with Blue Gene.

Power is even onboard the Mars Rovers. Power processors also helped IBM Watson outperform human beings on the American quiz show Jeopardy.

Watson is now advancing the science of Text Analytics and Natural Language Processing for industries like health care, finance and customer service. And we have a new Watson Solution Lab where we are jointly engaged with clients and development partners to evolve Watson's technology.

Later, we will hear from WellPoint about their experience with analytics solutions in the health care industry based on Watson's technology and Power Systems. Now last October, we introduced new Enterprise Power Systems.

We delivered POWER7+ Processor and System Software Technology with the new Power 770 and 780, and we enhanced the Power 795 Systems. These Enterprise servers continued Power Systems' leadership as the ultimate engine for compute-intensive workloads.

We have also added POWER7+ to our most popular IBM Flex System's 260 Compute Nodes that are part of our new expert integrated systems portfolio. But with the explosive growth of data and growing importance of analytics, more and more business applications need the compute-intensive performance and the large chip cache of POWER7+.

So today, I am very pleased to announce that IBM is continuing its commitment to deliver product innovations to businesses of all sizes. We are announcing a new Power 760 Server designed for consolidated and virtualized workloads, as well as an enhanced range of Power Express and PowerLinux Servers.

We have designed these new POWER7+ Systems to address three key challenges our customers tell us they are facing today. First, they need to improve efficiency to focus more on business growth.

POWER7+ is designed to further leverage the dynamic efficiency capabilities of PowerVM virtualization for Cloud. With PowerVM, you get double the number of PowerVM virtual machines per core.

This helps improve utilization and system efficiency while maintaining server levels of vital business applications. Our POWER7 servers also feature new Dynamic Platform Optimizer capability.

This capability automatically optimizes the performance of virtual machines across the system. Now many organizations need actionable insights in real-time.

So we have optimized the POWER7+ Systems for use with high performance solid-state disk. With our software group team, we have also optimized Cognos and SPSS for these POWER7+ Systems.

This truly makes Power the engine for faster insights. Finally, our clients want to make it easier and less expensive to comply with a growing number of industry and government regulations, especially those around data and virtualized workload security.
So our new systems can utilize the policy-based templates in our PowerSC software to help cut the cost of compliance. Let's take a look at one of the companies using Power Systems for their UNIX-based ERP workloads.

Beijing based China Railway Materials Commercial Corporation is a large enterprise that supplies and supports the country's vast rail network. China Railway relies on SAP enterprise software to run all of its business divisions but x86 server sprawl was dragging down the performance and productivity while driving up energy and management costs.

So this is why China Railway consolidated 10 x86 servers and two Unix servers on to just three Power 750 servers running AIX. They used PowerHA to ensure continuous data access and PowerVM to optimize virtual resources.

Now as a result of this, they moved to an Infrastructure as a Service model that has reduced their time to market by 50%. They also cut cost for equipment and systems management by 1/3rd.

Now today, we are announcing two servers, the Power 750 and the Power 760 that are designed to support scalable workload consolidation. Now these servers are optimized for clients that run a highly variable mix of application and database workloads.

They are well-suited for running transaction processing, database and analytics workloads all on the same machine. So clients using the 750 and the 760 Cloud features will benefit strongly from the Dynamic Platform Optimizer.

The new Power 750 can easily handle consolidated and virtualized workload demands of mid-size businesses providing high performance with reduced energy and software

cost. With POWER7+, the new high speed I/O capability and the double memory capability, the new Power 750 delivers the performance boost of about 20% on most workloads when compared to the previous POWER7 model.
Our new Power 760 is specifically designed to expand seamlessly as businesses grow. It features Capacity Upgrade on Demand for up to 48 POWER7 cores.

Consolidated two-tiered database and application server workloads like SAP Sales and Distribution are ideally suited for the Power 760. We expect to see strong performance benefits from the combination of the POWER7+, the new high speed I/O options and the four times memory capacity.

Now let's take a look at clients that run the applications on IBM i integrated operating environments. C.H. Briggs is the leading US provider of specialty building materials.

They wanted to differentiate themselves from their competition by providing a better customer experience. Using Power 720 with IBM i, they combined new client engagement data with traditional ERP data.

The result was unprecedented insights into their customer behaviors and preferences. This solution also decreased their server footprint by 50%.

In fact, the savings they realized in maintenance and software cost practically covered the cost of the upgrade. Our new Power Express Servers, like the Power 720 and 740, are perfect for helping mid-size businesses drive business growth and efficiency.

They have low entry cost and very flexible configuration options. They feature POWER7+, expandable I/O and support for solid-state disk.

Because you can run more virtual machines per core, you can also create small test and development partitions without the cost of operating a separate server. So the new Power 720 and 740 solution editions are packaged with either IBM i or AIX for simple deployment of popular ISV applications like SAP, Lawson and Infor.

The Nim See Seng Leasing Group in Thailand is typical of many clients that are using Power Systems for their web applications. This group has 0an aggressive plan to grow its businesses across Thailand but it needed greater IT efficiency and capacity for its web ERP applications in order to meet its business goals.

They chose the IBM Power 710 Express Server to run the application. NSS now has a scalable, flexible, and powerful solution to accommodate its nationwide expansion.

Since deployment the company has opened 30 new branches and increased its customer contacts by 30%. The Power 710 and 730 have always been great for web and application servers that require industrial-strength virtualization and workload optimized performance.

Today, they are even better with the addition of POWER7+ and PowerVM technology that will add the virtualization efficiency of up to 20 virtual machines per core. While

your specific results will vary by application workload, our testing has shown up to 30% performance improvement with the new Power 710 and 730 servers when compared to their previous models.

Now many of our Power System clients today are choosing Linux for the flexibility and low cost of open source applications. Car servicing and repair company Kwik-Fit Europe for example, wanted to boost the performance of their core databases to serve an increasing volume of requests from across their businesses.

They selected the PowerLinux Servers as the backbone of their IT infrastructure. It now handles almost all of their vital customer data.

This enables them to respond to queries from their online stores three times faster and to support their business growth. With this announcement on new PowerLinux 7R1 and 7R2 servers also feature the POWER7+ technology in robust, reliable and energy efficient servers optimized for Linux workloads at a very competitive price.

Now in addition to these new PowerLinux Servers we are also introducing the IBM solution for WebSphere mobile development. That's a new fast flexible application server for developing and running web and mobile applications.

Of course, our commitment to continuous innovation is not just about leading technology and systems capabilities; it is also about delivering systems with an exceptional client experience throughout the business solution lifecycle. That experience might start with an application or infrastructure assessment to help you with architectural design choices.

It could be leveraging the proven methodologies and expertise of our Migration Factory to accelerate moving a critical workload from x86 commodity servers or other UNIX systems. Or it could be having your developers cooperate with our Workload Center of Competency to optimize a new application.

It is also about having the peace of mind that comes from having access to the expertise of our business partners and our IBM Service and Support teams. Now let me give you just a few highlights on a broad range of Systems and Storage announcement that IBM is making today.

We are adding to our IBM PureSystem family of expert integrated systems. New higher performance Power-based models and entry x86-based models of the IBM PureApplication Systems are introduced.

They are designed for deploying applications quickly on a Cloud-ready platform. We are introducing a new PureData System for Analytics that improves performance for complex analytics and has a greater data capacity per rack.

We are also announcing new PureFlex and Flex System managed Service Provider editions, specifically designed to address the fast growing MSP segment. For our System z servers, we are announcing a new version of the IBM DB2 Analytics Accelerator.

This analytics accelerator offers fast and predictable response times on unpredictable query workloads. And within our System x family, we are announcing a new iDataPlex model.

It is ideal for analytics, imaging and simulation workloads that require significant computational power. Now let's hear from some of our clients.

Nigel Fortlage from GHY International will explain how his company leverages Power Systems to dramatically increase efficiency and to improve their customer experience. Then we will see how Power Systems and IBM Watson Analytics are helping WellPoint, America's leading health benefits company, to improve patient care.

But first, let me welcome Nigel Fortlage from GHY International. Nigel.

Nigel Fortlage: Thank you, Colin. GHY International is a mix-size company in the customs brokerage and international trade consultancy services industry.

We are primarily focused on the North American market for companies that buy and sell goods internationally. We are headquartered in Winnipeg, Manitoba and employ 120 associates at five locations across Canada and United States.

Our business is all about creating a seamless customer experience, connecting our company associates with our customers and insuring that we are managing their trade effectively. We manage the movement of information for physical goods that are moving between Canada and United States and also goods coming into Canada and United States from anywhere in the world.

The glue that holds all these complex processes together is technology. The technology helps us integrate all the pieces so they flow seamlessly between all the partners.

And that's where I fit in. In my role as Vice President and Chief Information Officer for the company, I am responsible for insuring that we deliver the most robust and flexible infrastructure that can respond to the needs of the business while balancing cost and resources.

As our company grew, we had to find a way to differentiate ourselves and focus on driving real business growth while containing IT cost and staffing requirements. In essence, we needed to find a way to do more with less, and that meant simplifying our IT infrastructure.

We needed to provide customers with rapid reliable service and focus on delivering business value instead of focusing our resources on managing the existing IT infrastructure. Above all, we needed to create a seamless customer experience for our customers to track shipments in near real-time and make it easier for them to do business with us.

On the back-end we also needed to collect, track and report on hundreds of thousands of shipments and protect and manage all of that data. At the time, we were running a wide variety of platforms and operating systems which resulted in inefficient and difficult to manage islands of computing.

And as a result, customers would have to log into separate vendor websites with unique ID and passwords to enter their information and track the status of their shipments throughout the North America market. By integrating those systems on to a single IBM Power Systems Server and implementing IBM Systems Management capabilities, we were able to bring all of our IT elements together on to a single platform.

We were also able to move from two separate backup systems to just one, minimizing the expense and simplifying the management of large amounts of data. As a result of this integration, we were able to efficiently automate entire processes from beginning to end, which allowed our IT staff to focus its time on driving business growth as opposed to focusing on day-to-day system maintenance.

In fact, we reduced our IT budget by 14% and reduced time spent on server management by 90%. This is significant savings in both costs and productivity, savings which we redirected to delivering new customer services.

Our new virtualized infrastructure maintains our strategy to keep IT management simple and empower our team to consistently focus on driving business value. Today, customers log on to one website with one ID and password to input their shipping information and track their status in real-time.

Now when I talk about results of our IT transformation, I am often asked why I chose to go with IBM Power Systems. There are several reasons and let me touch on a few.

First, as a mid-size business, we were concerned about the cost and ability to leverage the skills we already had in-house. We discovered that IBM Power Systems was far more cost effective, in fact, 30,000 Canadian less than Intel, and that was just the savings upfront.

Our decision to go with Power has led to a 14% decrease in IT operating costs and significant reduction in the amount of resources needed to manage the system while doubling the number of servers under management. Power provided us with the ability to leverage a variety of operating systems AIX, IBM i and PowerLinux.

This variety of choice allowed us to easily adapt our existing skills to a new and more efficient integrated environment. Second, IBM provides the systems leadership we were looking for in a wide range of virtualization capabilities.

Virtualization is at the heart of our transformation. What it really does for us is allow us to react to the needs of the business.

So, for example, if a new business requirement comes up and we need to choose an application, with our PowerVM virtualization solution, we can choose applications from

so many operating systems. In fact, we have the choice of an entire inventory of over 15,000 business applications.

This variety allows us to respond faster to the business needs as they arise. Overall, our IBM Power Systems solution provides us with the stability, security, scalability and reliability in both the hardware and the software that other vendors could not deliver.

I have never had a more resilient server environment than my IBM Power Systems Server. Lastly, I really want to emphasize the importance of having a vendor that can work with you as a true partner in your business.

IBM has proven that they are deeply invested in our company's success. They helped us develop our strategy while understanding our business objectives and unique company requirements, and then services and support teams to make that strategy a reality.

In the end, our Power solution and the IBM team delivered exactly what we wanted and more. And now, let's hear from WellPoint to talk about their experience with Watson and IBM Power Systems.

Lori Beer: There are a lot of challenges in health care industry. There is lot of information but over 80% to 90% is unstructured.

So part of the challenge is how do we use that information in a meaningful way. The ability of Watson to understand and parse through Natural Language Processing and make those connections to what's relevant is really a key capability.

In the teaching process of Watson for our first implementation, we used over 25,000 training cases. We kind of looked at it as it was the process that Watson went through medical school; now in production, we are able to bring that capability directly to our nurses and doctors.

It allows our nurses to do more productive work; it also benefits the member and the provider. Our goal here has been not only to reduce our administrative burden so that we can use clinicians to the highest level but we are also reducing the administrative burden on the providers that we are partnering with on this solution.

Using Watson at the point of care where a doctor is sitting down with a patient consulting, can actually walk through treatment options, sharing evidence that supports those options and helping provide more information. Watson is actually running in one of IBM's smarter data centers and it's running on a cluster of Power 750s.

What it really brings to us is the ability to scale as we continue to deploy Watson capabilities. It's highly reliable and also has the ability to process through unstructured information at a very rapid pace.

Power Systems are incredibly important to the Watson solution. IBM's been an incredible partner to WellPoint.

We have worked together for a long time through many challenges as we grew as a company, helping us bring the solid infrastructure foundation that we have that we can innovate on top of. We are seeing incredible promise with the work that we have done to date and the production and the pilots that we continue to work on.

I think there is great promise in health care and how can we really continue to look at these very complex problems. The future is really bright for IBM Watson and WellPoint.

Laura Guio: I would like to thank both GHY and WellPoint for sharing their stories about the business value that they are getting from IBM solutions. I would also like to thank you for taking the time to hear about the great innovation we are delivering for storage including our IBM SmartCloud Storage family of offerings.

This family offers a comprehensive storage infrastructure and management services capabilities delivered through our SmartCloud architecture. The purpose is to help our clients improve storage agility and Cloud functionality.

It can help make big strides to build out a Cloud whether it's a public, private or hybrid Cloud managed on your premises or on ours. We have the solutions to help get you started.

Today, I would like to introduce a new product with the SmartCloud Storage family, IBM SmartCloud Storage Access. SmartCloud Storage Access is an easy to deploy simple to use software solution.

It features a web-based self-service portal for storage provisioning, monitoring and reporting. End users can provision their own storage, request additional capacity while accessing their most current files regardless of their physical location.

SmartCloud Storage Access improves end users' productivity. It provides simple reporting on a per user or per department wide basis.

It enables administrators to monitoring capacity usage automatically. The solution lets administrators view historical data which helps facilitate planning and rebalancing the storage Cloud.

They can also define a storage class in different service profiles and make them available to various departments. This helps them leverage underlying storage infrastructure at an optimum level for uninterrupted service and reduced costs.

By combining SmartCloud Storage Access along with IBM Storwize V7000 Unified or SONAS, enterprises can quickly implement a private Cloud storage service. One of our clients ETH chose SmartCloud Storage Access for its ease of use.

ETH located in Zurich, Switzerland, is a top research facility in Europe with 25000 students and faculty. This university wanted to offer a storage service to students and faculty.

They needed a simple, quick way to provision storage without users worrying where it was located while reducing the management burden for administrators. With this solution, ETH simplified its process considerably.

ETH believes that implementing SmartCloud Storage Access will enable them to add more customer value to their service. They now have a fast and easy way to provision file storage on demand.

Their IT support personnel can create and manage storage request while their storage administrators are free to focus on more productive work. I am also excited to announce performance enhancements to IBM XIV.

XIV is a very effective and efficient storage system for Clouds. XIV now supports 10 gigabit Ethernet and uses improved caching algorithms.

These algorithms increase performance compared to previous models up to 4.5 times for random and 5 times for sequential database workloads. This helps achieve higher response rates in your Cloud environment.

A great example of a client benefitting from IBM XIV is Tallink Group, a leading transportation production in the Baltic region. They are using XIV arrays for a private storage Cloud centralizing the use of applications software for remote end users while reducing administrative overhead.

With XIV, Tallink accomplished a non-disruptive migration and achieved higher performance with lower latency for key business systems, optimized their TCO and realized up to 50% savings on disk utilization. These are just a few of the exciting announcements IBM is making today for storage.

At IBM, we understand that Smarter Computing is a journey. And we have several services and financing options to help you every step of the way.

Our IBM Systems Lab Services consultants specializes in optimization of data center systems and storage solutions. IBM Global Technology Services, the world's largest system integrator and manager of IT infrastructure has outstanding expertise and methodologies to help you design, deploy and manage your infrastructure.

IBM Global Financing helps clients acquire the latest infrastructure solutions through a variety of IT financing options. And finally, I want to mention our global network of IBM business partners.

Clients all over the world depend on the expertise and technical capabilities of our business partners, and I encourage you to reach out to your local business partner to learn more about today's announcement. Thank you for joining us today and for the role that you play in our collective journey toward building a smarter planet.

With the Smarter Computing approach you can leverage an IT infrastructure that drives the business insights and bottom-line needed to thrive in a very competitive and

dynamic environment. IBM remains committed to delivering continuous product innovation through our systems and storage technologies to help you along this journey.

To learn more about today's announcements, local events and how you can get started, go to www.ibm.com/smarter-computing or reach out to your local IBM representative. We also have an upcoming IBM PureSystems announcement.

To hear more, join our webcast on February 12. I encourage you to join the discussion with our network of experts all over the world through social media.

I am continually inspired by their insights as they use technology to change the world we live in. Again, thank you for joining us at this virtual event.