1a Start: Opening Panel 0:09

- This demonstration describes software asset cost and compliance challenges and how IBM can help you manage those assets across your mainframe and distributed environments.
- As today's IT software infrastructures grow more complex, several factors make it difficult for IT departments to meet business expectations these factors include:
    - Soaring software costs.
    - Shifting business needs, which then reverberate throughout the IT infrastructure.
    - IT project cancellations due to budget overruns.
    - And vulnerability to government and vendor software compliance violations.
    - To alleviate the pain, IBM offers an end-to-end software asset management solution to help you meet these challenges and align software spending with business expectations.

1b Without an IBM Software Asset Management Solution Panel 1:00

- In today's cost control environment, organizations must control their budget expenses.
- In this scenario, the organization's approved annual budget (excluding new projects), includes a 5 percent increase over the previous year.

1c: Q1 Panel 1:18

- In the first quarter, actual expenses met expectations and appeared to be on target within the full year budget.

1d Q2 Panel 1:25

- In the second quarter, the business dealt with unexpected projects that led to unplanned software expenses.

1e Q3 Panel 1:33

- In the third quarter, the organization purchased additional mainframe, server and PC computing capacity earlier than expected because of increased demand for those resources.
- This hardware capacity increase helped push related software expenses over budget.

1f Q4 Panel 1:49

- In the fourth quarter, auditors found software running on hardware that was not included in related contracts. Vendors required the organization to pay back license and maintenance fees, pushing the company further over budget.

2a Key Problem Panel 2:03

- IT doesn't have the information to gain control over the key drivers of software cost increases.

2b Required Detail for Software Costs Analysis …Panel 2;12

- To address this software cost problem, organizations must determine which software is being used cost effectively and which is underused.

2c Address Software Costs…Sub-Panel 2:23

    - Incremental increases enclosed in the red box show expenses associated with unused and underused software incurred because of the hardware capacity increase in the third quarter.

3a Three Key Steps to Alleviating…Panel 2:37
- To manage your software assets effectively, you'll need to follow three important steps. Step one; conduct an inventory of your software assets. Because this task remains nearly impossible to accomplish manually, you'll need a discovery tool that automatically scans your software environment.

3b 2:56
  o Step two, identify related software use patterns. Which users and departments tap each application and instance of software? And when and how often do they use that software?

3c 3:09
  o Step three, compare software inventory and use patterns with existing contracts. Without comparing the contract information to the use patterns, it is impossible to tell whether software assets are being used cost effectively.
  o With these three key questions answered you now have actionable information to manage software costs by identifying:
    - Unused software which can be uninstalled to generate immediate savings;

3d 3:38
    - Underutilized software whose users can be:
      o Migrated to other similar products or
      o Charged directly for their cost or
      o Contracts can be re-negotiated.

3e 3:48
    - Software use that aligns with the terms and conditions of the contract
      • These products are aligned with the established business objectives of the organization. No action needs to be taken here.

3f 4:00
    - Out-of-compliance software. In this case, the use is greater than the terms and conditions of the software contract.
      • In these situations, organizations can take several possible steps to realign the software product's deployment or purchase additional use rights.

4a Step 1 Screen Shot Animation 4:20
- IBM Tivoli Software Asset Management solutions help you manage software asset costs and help you ensure compliance across your mainframe and distributed environments. IBM Tivoli software asset management solutions help you discover thousands of applications from hundreds of vendors across your mainframe, distributed and PC environments.
- A partial list of vendors is displayed on the left. Details about a selected vendor are shown in the center and right panels.

4b Step 2 Screen Shot Animation 4:52
- Second step: identify software use patterns
- In this scenario, we have selected software vendor Computer Associates. The left panel shows a partial list of installed CA products. The middle panel tells you where CA products are installed and related use activity.

4c Step 3 Screen Shot Animation – No Use Activity 5:12
- Third step: compare software inventory and use patterns to existing contracts,
- In this scenario, the middle panel shows CA products installed in LPARs that have no use activity.
- The contract termination date shown on the far right notes that the CA ELA expires relatively soon.

4d Step 3 Screen Shot Animation – Underused Software 5:35
- In this step 3 scenario, the middle panel shows 96 instances of MS-SQL Server installed.
- The right panel reveals contracts for 150 Microsoft SQL Server installations.
- With 54 superfluous licenses, the organization could easily eliminate 40 seats. At $3,500 per seat, that's a savings of $140,000, with 14 seats still available for expansion.

4e Step 3 Screen Shot Animation – Out of Compliance 6:05
- In this scenario, the middle panel shows installation, use activity and related LPAR use for CA products (with no related contract).
- The products outlined in red have use activity, thus creating a potential compliance problem.
- The organization can now investigate to determine why the products were used in these LPARs for the specified time period. Based on this research, the company can
    - Uninstall the CA products and shift the workload to properly licensed machines or LPARs
    - Purchase additional use rights
    - Or modify procedures to prevent similar problems in the future

4f: Step 3 Screen Shot Animation – Out of Compliance 6:45
- In this final step 3 scenario, the middle panel shows 944 instances of MS Office running within the organization.
- The right panel indicates a Microsoft seats agreement for 900 copies.
- At $399 per copy, the company potentially owes Microsoft a minimum of $17,556 for running 44 unauthorized copies.

6a Required Detail for Software Cost Analysis Panel 7:14
- To address the issues of software costs and compliance, organizations need to have a detailed understanding of their software use.
- This includes software used cost effectively and…
- Software that is dramatically underused.

6b With an IBM Tivoli Software Asset Management Solution Panel 7:31
- If this organization had implemented IBM's end-to-end Software Asset Management solutions in the first quarter it could have:
    - Reduced unnecessary software costs
    - Reduced contract compliance exposure
    - Improved the alignment of software expenditures with business needs

6c 7:49
    - And had addition funds available for new projects!!!

6d IBM Tivoli End-to-End SAM Panel 7:56
- IBM Tivoli End-to-End SAM solutions include the following:
    - For software inventory and use activity:

- IBM Tivoli License Compliance Manager for z/OS (for mainframe)
- IBM Tivoli License Manager (for UNIX, Windows, other distributed servers and PCs)
  - o For contracts and financials:
    - IBM Tivoli Contract Compliance Manager (for management of all your IT contracts)
  - o IBM Tivoli Software Asset Management solutions provide you the information necessary to conduct Software Asset Management activities that can reduce your software expenses and contract compliance risk -- and free funds for new projects.

- For more information contact your IBM Software Group sales representative or visit www.ibm.com/tivoli

The results and potential benefits described in this demonstration are provided for illustrative purposes only. Results obtained are dependent on a variety of factors, and your actual results may vary significantly from those described.