

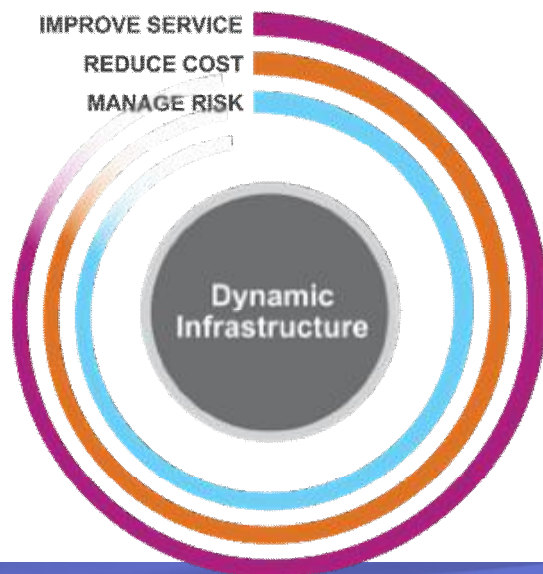
System z - Strategy and Directions “Leveraging technology for new workloads”

Mark Anzani, VP, Chief Technology Officer, System z



Discussion Topics

- § State of the System z business
- § System z in a more dynamic world
- § What's ahead for System z



The State of the System z Business and ecosystem

System z: The right technology...

45 years of innovation and change



IBM System z

The world's most powerful enterprise computing platform

- Improved price/performance
- 100s of Capacity choices for the right size server
- Business Resilience
- LOW COST OF OWNERSHIP**
- Leadership capabilities with IBM Systems software



Just in Time Capacity

- Permanent capacity for non-disruptive growth
- Temporary capacity for fluctuating workloads
- Interim capacity for continued operation
- Policy based automation capabilities
- Offerings can be replenished dynamically



Secure and Resilient

- Mitigate the risk of security breaches
- Dedicated cryptographic processors
- Industry leadership capabilities and certification



World-Class Virtualization

- Large scale consolidation for savings of up to 80% in total cost of ownership compared to distributed platforms
- Deploy servers, networks, and solutions fast
- Support for multiple operating systems
- Dynamically optimize resources according to business priorities

The Mainframe Charter: Continuing the Commitment

2003:
Mainframe charter announced

- Innovation
- Value
- Community

Value Delivered:
MIPs growth of >20% CAGR fuelled by

- Generation to generation price / performance gains
- Unique value of specialty engines
- Ability to reduce energy costs by up to 80%

Innovation that matters:
System z10™

- Breakthrough performance
- Massive Scale and capacity
- Investment Protection
- Just-in-time Capacity
- Unprecedented resiliency and security

A Vibrant Community:

- Academic Initiative includes >600 colleges and more than 50,000 students
- Linux on System z matures with >2,900 applications
- Total applications now > 6,000 from > 1,600 ISVs
- Comprehensive middleware
- IBM Destination z, hub of the community

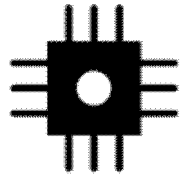
2009:
Continuing the commitment

- 7 New Solution Editions
- Lower HW pricing for Linux
- zFutures Roadmap
 - Smart Analytics Optimizer
- New ISVs

System z in a more dynamic world

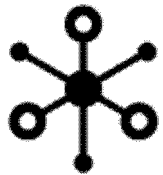
Consider how our world is changing:

Our world is becoming more...



INSTRUMENTED

- § **30 billion** embedded RFID tags by 2010
- § **1/2 of all sensors** in transportation, facilities and production equipment are smart sensors



INTERCONNECTED

- § **1/3 of the world's population** on the Web by 2011
- § **4B mobile subscribers** globally at the end of 2008
- § **37K cyber attacks** in the US in 2007; 158% increase since 2006

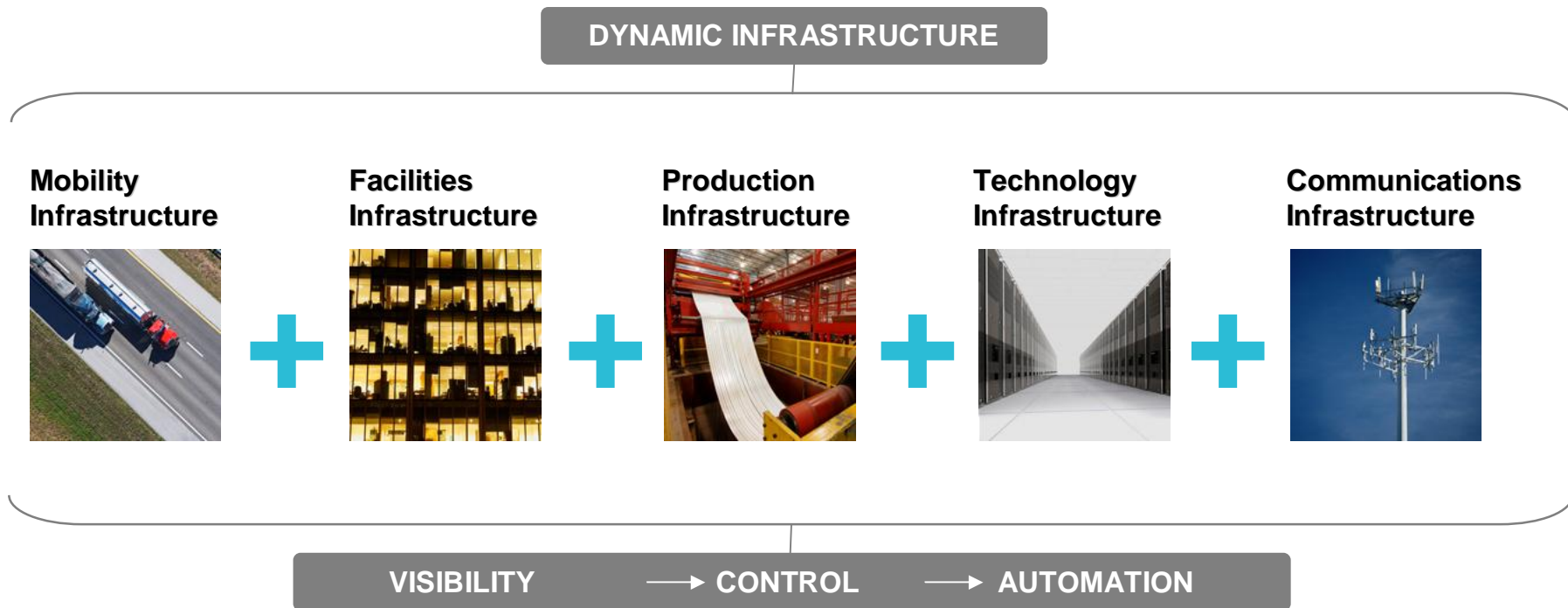


INTELLIGENT

- § **15 petabytes of new information** generated every day (8x more than the information in all U.S. libraries)
- § **64B credit card transactions/annum; up 35%**

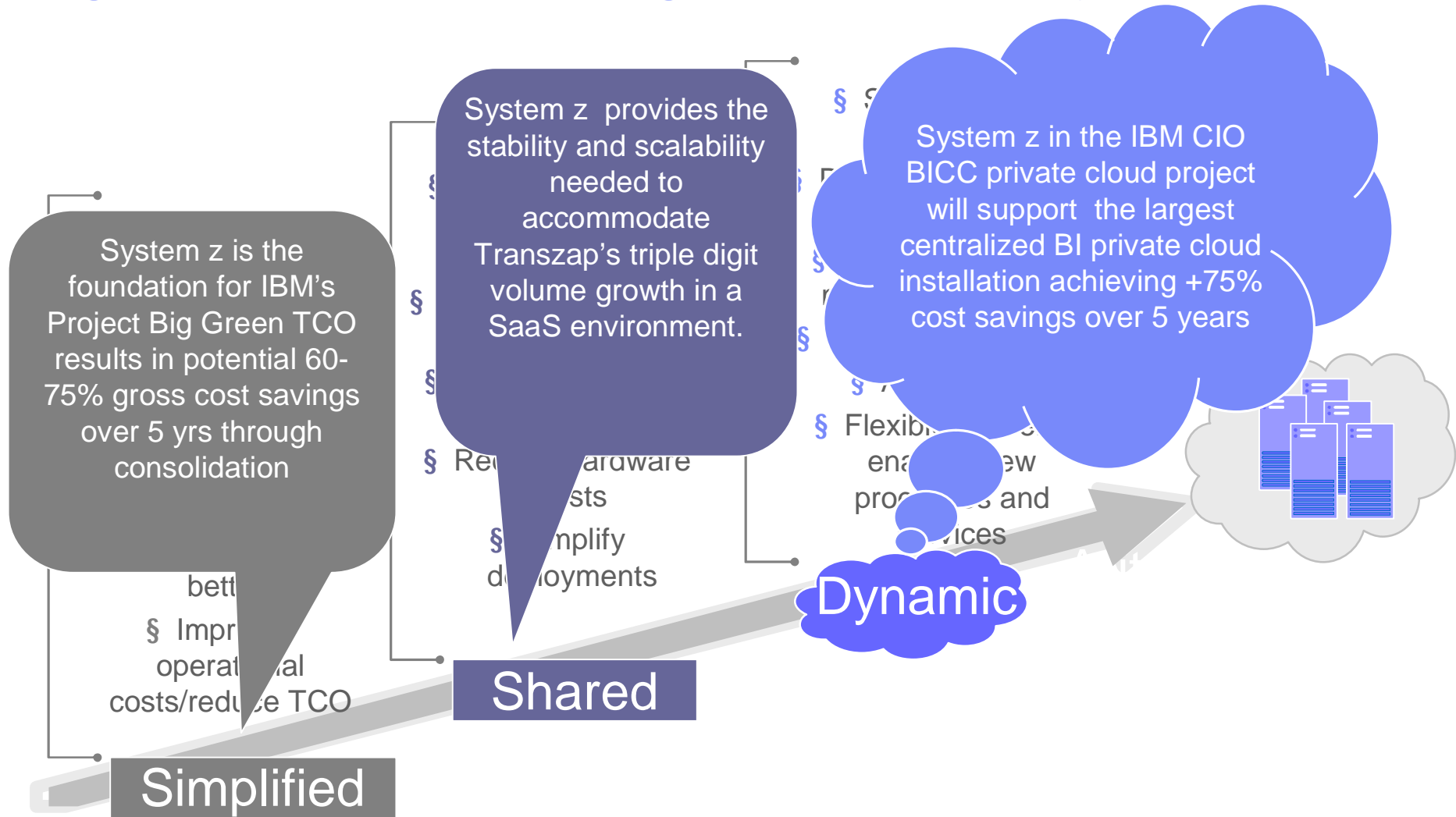
A Dynamic Infrastructure...

enables visibility, control, and automation across all business and IT assets



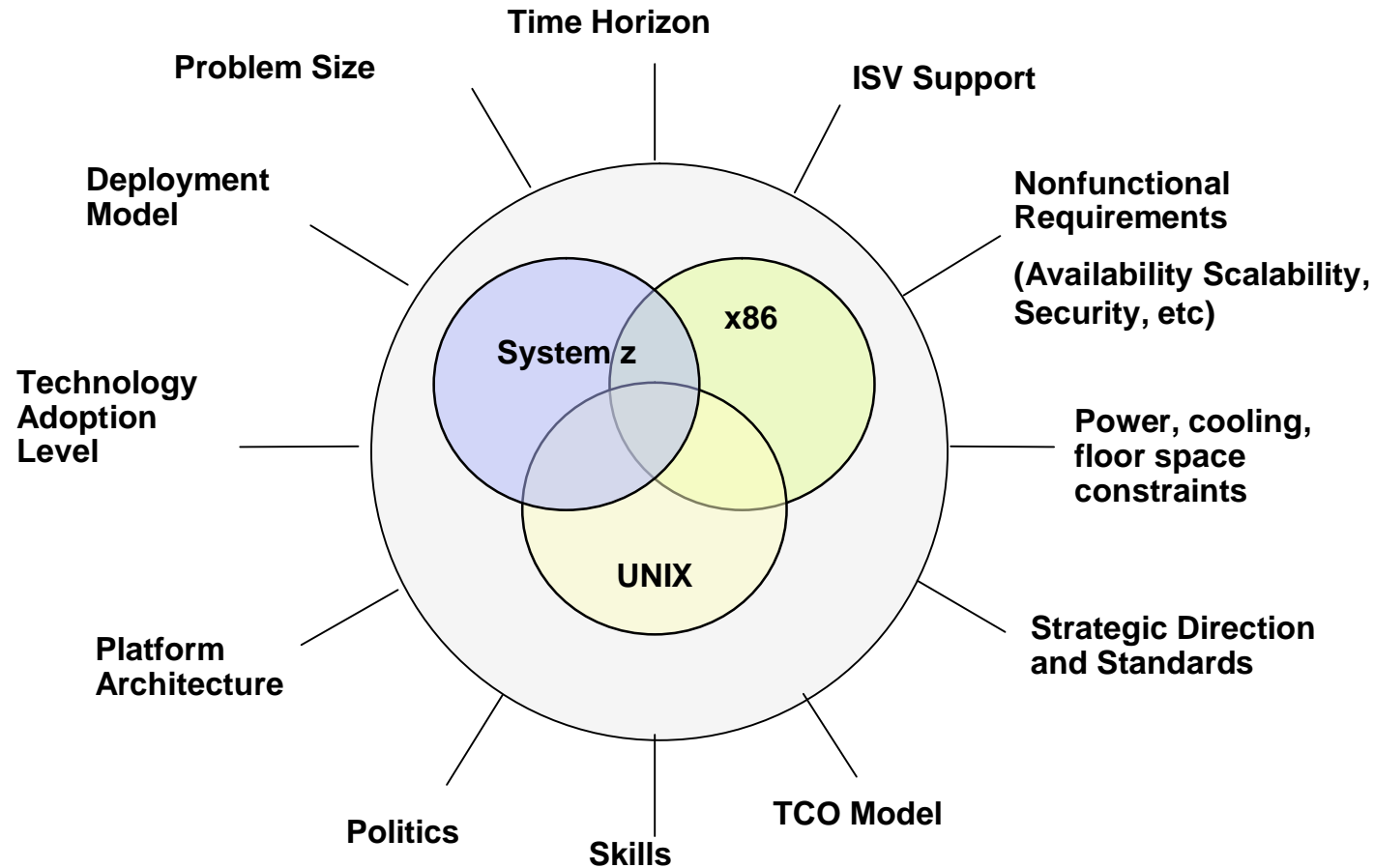
....converged management to deliver smarter business outcomes

The IT transformation roadmap for the enterprise to get to cloud computing is paved for System z



Platform choice – Fit for purpose

Many factors influence a platform selection, making it difficult to present a simple selection matrix



Some factors are specific to each business, others are common to all and can be generalized

Application Performance Characteristics – what fits on which platform?

Workload performance varies by application and can be best served by different platforms or the right mix of multiple platforms

10. **CPU Intensive** – e.g. numerically intensive, etc.

9. **Protocol Serving** – e.g. static HTTP, firewall, etc.

8. **Skewless OLTP** – e.g. simple and predictable transaction processing

7. **Java Heavy** – e.g. CPU intensive JAVA applications

6. **Java Light** – e.g. data intensive java applications

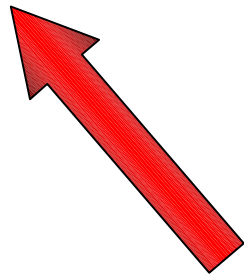
5. **Database** – e.g. Oracle DBMS or dynamic HTTP server

4. **Mixed High** – e.g. multiple, CPU-intense simple applications

3. **Mixed Low** – e.g. multiple, data-intense applications or skewed OLTP, MQ

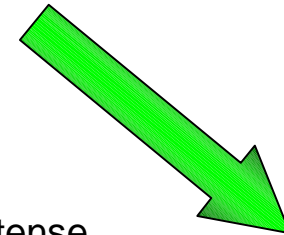
2. **I/O Bound** – e.g. high I/O content applications

1. **Data Intensive** – large working set and/or high I/O content applications



Optimal for other platforms

Optimal for System z



So, what is the right platform for a dynamic infrastructure?

Golden Rule: A Dynamic infrastructure is heterogeneous

§ A “one size fits all solution” will be sub-optimized

§ **Optimized infrastructures**

- Multiple technologies
- Best “fit for purpose”
- Appropriate cost and service

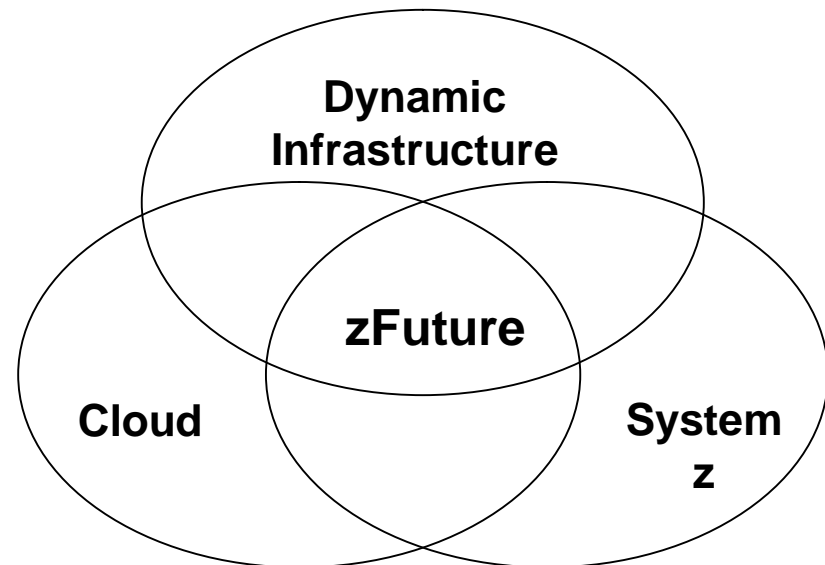
§ **Technology requirements**

- Highly virtualized
- Integrated management
- End to End control of applications

§ **Cloud computing is a model for a Dynamic Infrastructure**

§ **The next generation System z is an intersection point of:**

- The leading enterprise computing platform
- Cloud services
- Capabilities for a dynamic infrastructure



The road ahead for Dynamic Infrastructure with System z

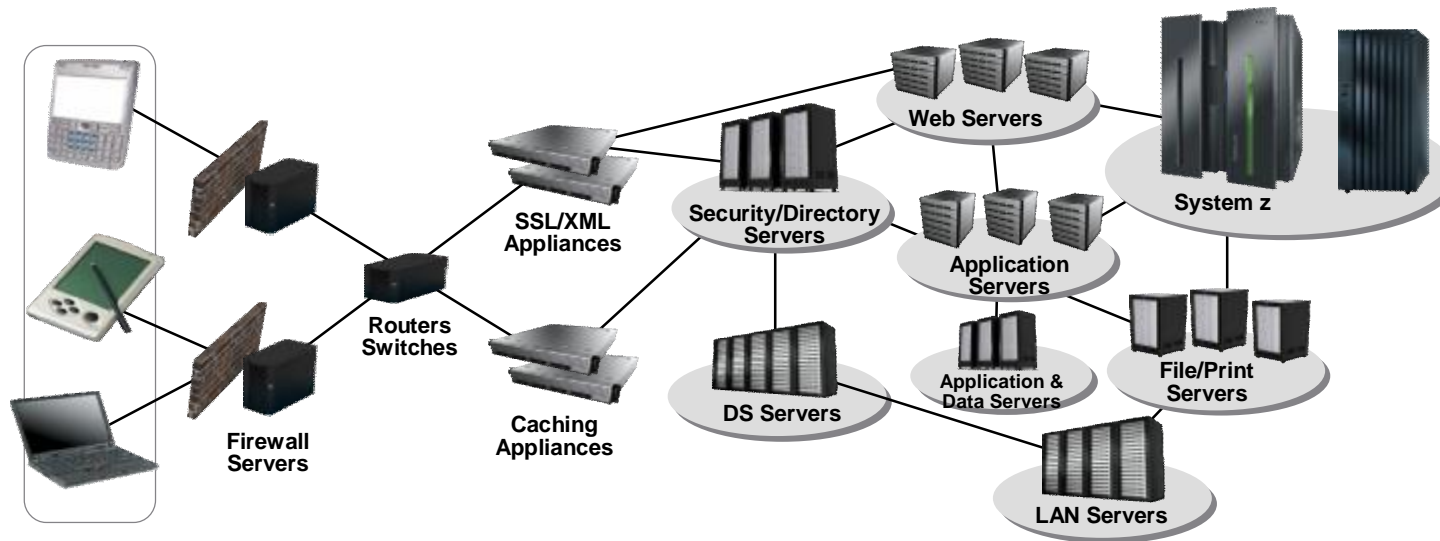
Our goal is to extend mainframe qualities to heterogeneous platforms within a Dynamic Infrastructure to Support Critical Applications



- § End-to-End Systems Management
- § Policy based Automation Across the Applications Stack
- § Mainframe Security
- § Application Resiliency
- § Consolidated Disaster Recovery
- § Improved Economies of Scale and Efficiency

Trends and Directions

The IT model is shifting ... real-time event-driven workloads, richer content, and modular technologies alter the composition of systems and how systems are deployed and managed

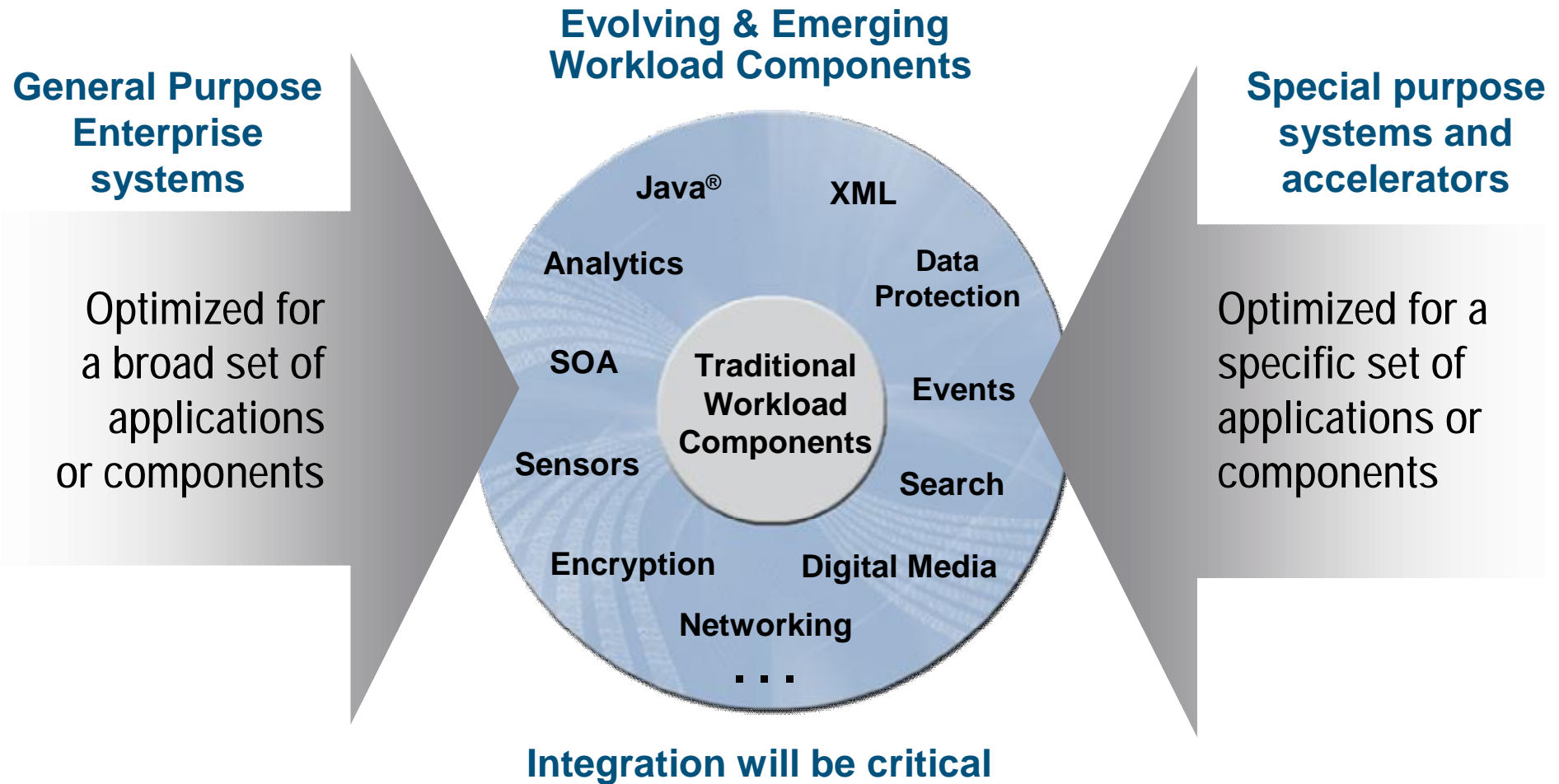


- § Application software and middleware is becoming more platform agnostic
- § Real-time, event-driven processing is driving the opportunity for specialized acceleration & offload engines
- § Multi-core/thread designs are becoming key drivers for system performance

- § **Platform Virtualization Capabilities** are improving the efficiency of single purpose workload images
- § **Platform management software for Virtualization** is emerging aimed at reducing cost and complexity and providing transparent quality of service to software hosted in the virtual image of today's compute-intensive applications

Emerging applications . . . with hybrid transactions

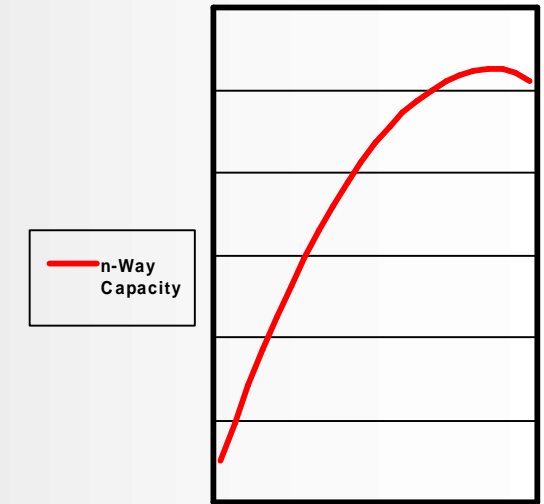
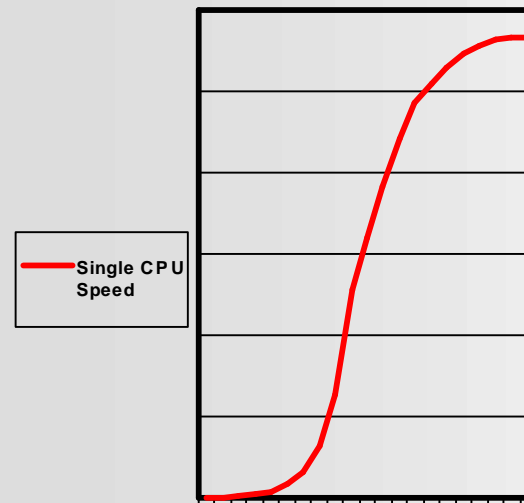
Future objectives include complete application integration in an optimal fashion



Both General and Special Purpose capabilities needed because of increasing transaction variability

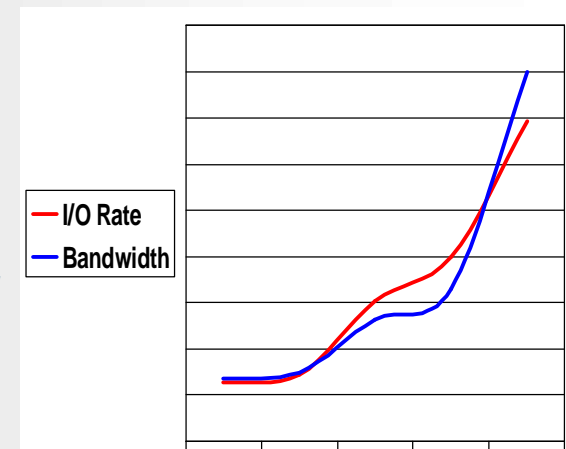
Next: Coping with physical limits

- § The industry is hitting fundamental physical limits:
 - Size
 - Speed of electromagnetic propagation
 - Heat transfer rates
- § Large CPU speed increases are a thing of the past, across the industry
- § Capacity increases will increasingly come from higher n-way, more multithreading, and NUMA optimization
- § Demand for lower latency will drive co-location of hybrid transaction processing elements



"In terms of size [of transistor] you can see that we're approaching the size of atoms which is a fundamental barrier,"

Gordon Moore, April 2005*



So what does this mean for future performance?

- § *Application and workload requirements are not decreasing*
 - § Machine generated code
 - § Speed of delivery of new app function
 - § Low cost code factories

- § *More broad design techniques required to maintain physically consolidated and economic advantages*
 - § Base silicon contribution
 - § Innovative design techniques within hardware and lic
 - § Operating system path length assists
 - § Increased compiler investments
 - § Middleware focus on performance improvements
 - § Appliance / Accelerator / Specialty engine assists

- § *IBM goes from sand up to the application.....*

Capabilities for zFuture platform

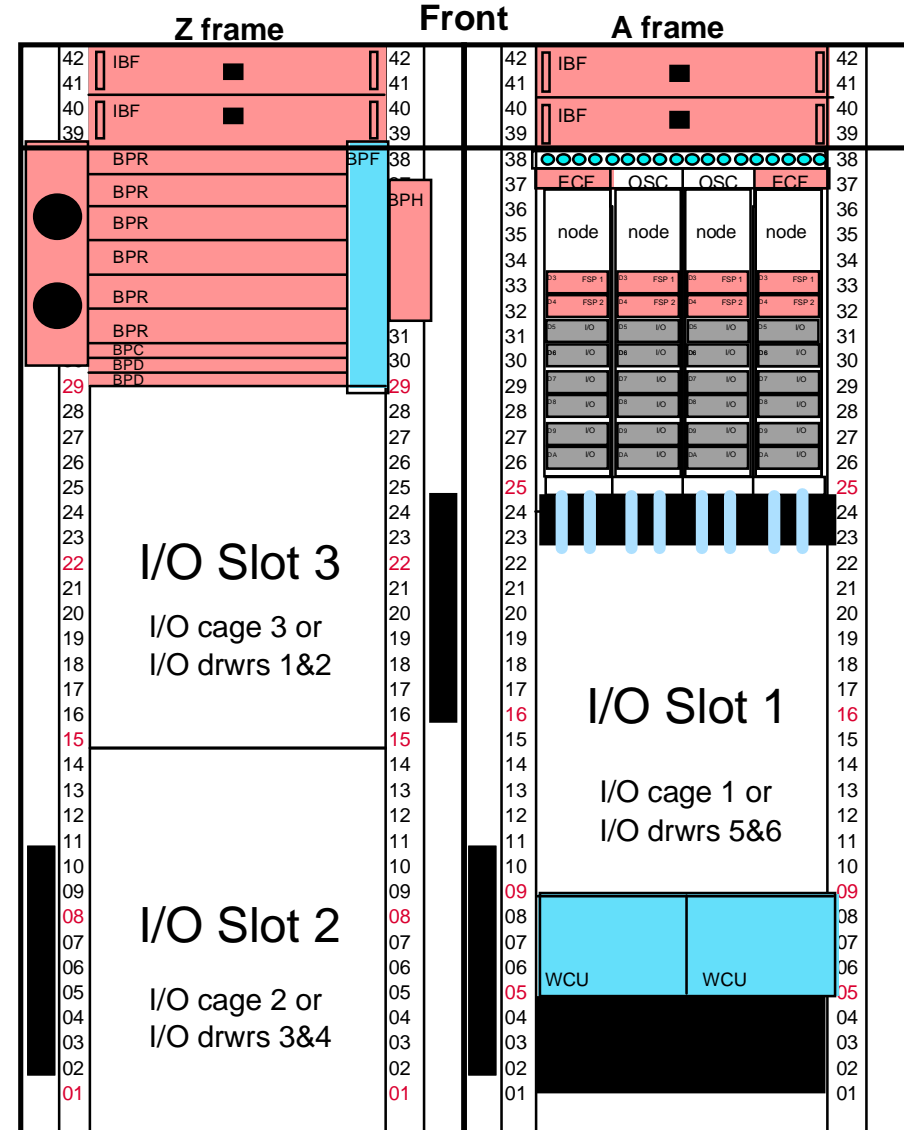
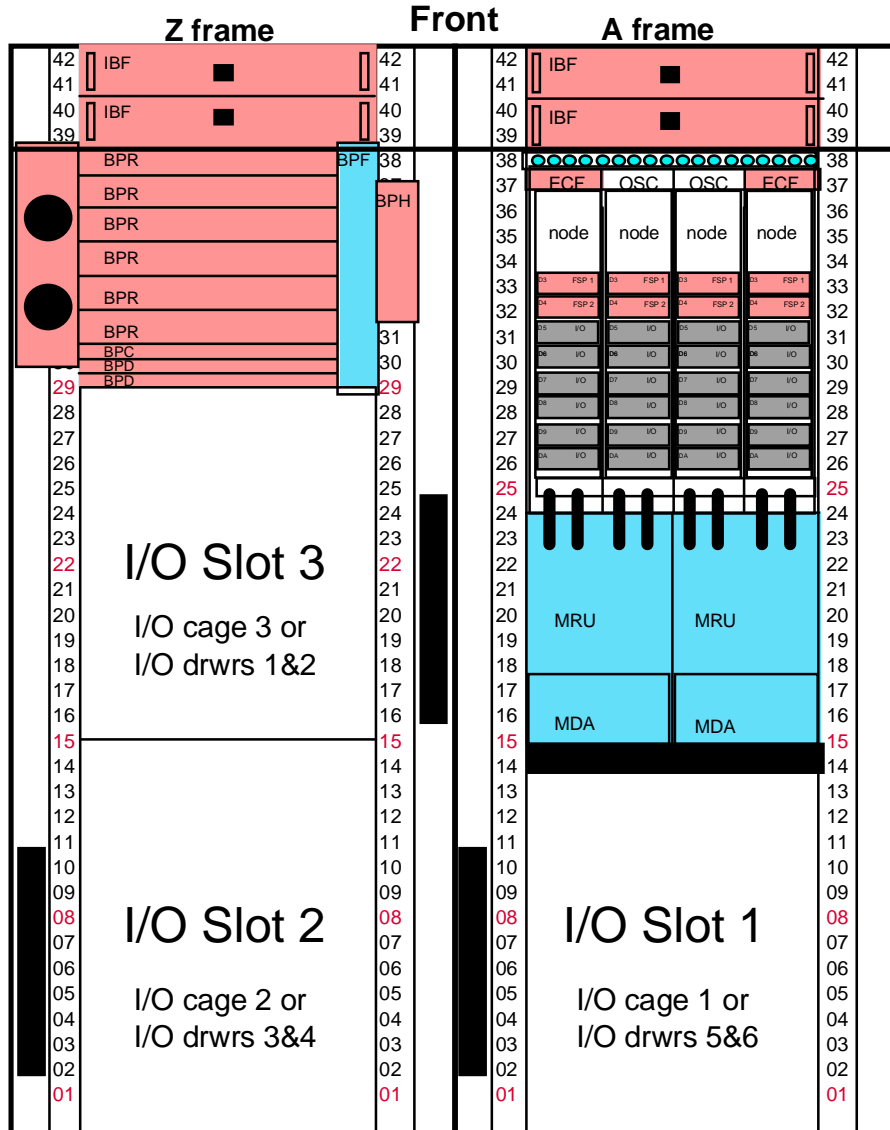
- § Scalability of SMP Capacity
- § Price/performance improvement
- § Energy efficiency
- § Simplification, modernization, and autonomies
- § Resilience
- § Security
- § Virtualization
- § Maintain and extend system z unique value in hardware systems design
- § Innovative building blocks for new workload opportunities



zNext

Air Cooled

Water Cooled



System z I/O Interface Evolution

z9

z10

Future



Extended Link
(CEC to IO Cage)

eSTI
(IBM)



InfiniBand
DDR
(Ind. Std.)



PCI Express
(Ind. Std.)

IO Cage
Backplane

mSTI
(IBM)



mSTI
(IBM)



PCI Express
(Ind. Std.)

Coupling Link

ISC
(IBM)

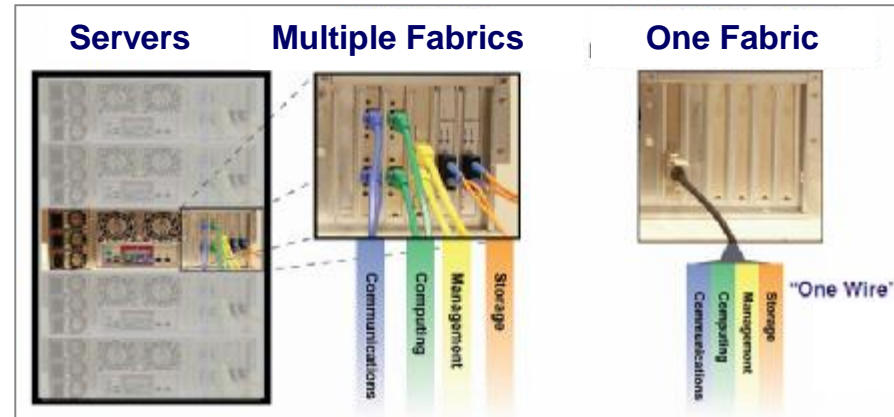


InfiniBand
DDR
(Ind. Std.)



InfiniBand
DDR
(Ind. Std.)

Fabric Convergence (FCoCEE) à Value Proposition vs. Barriers



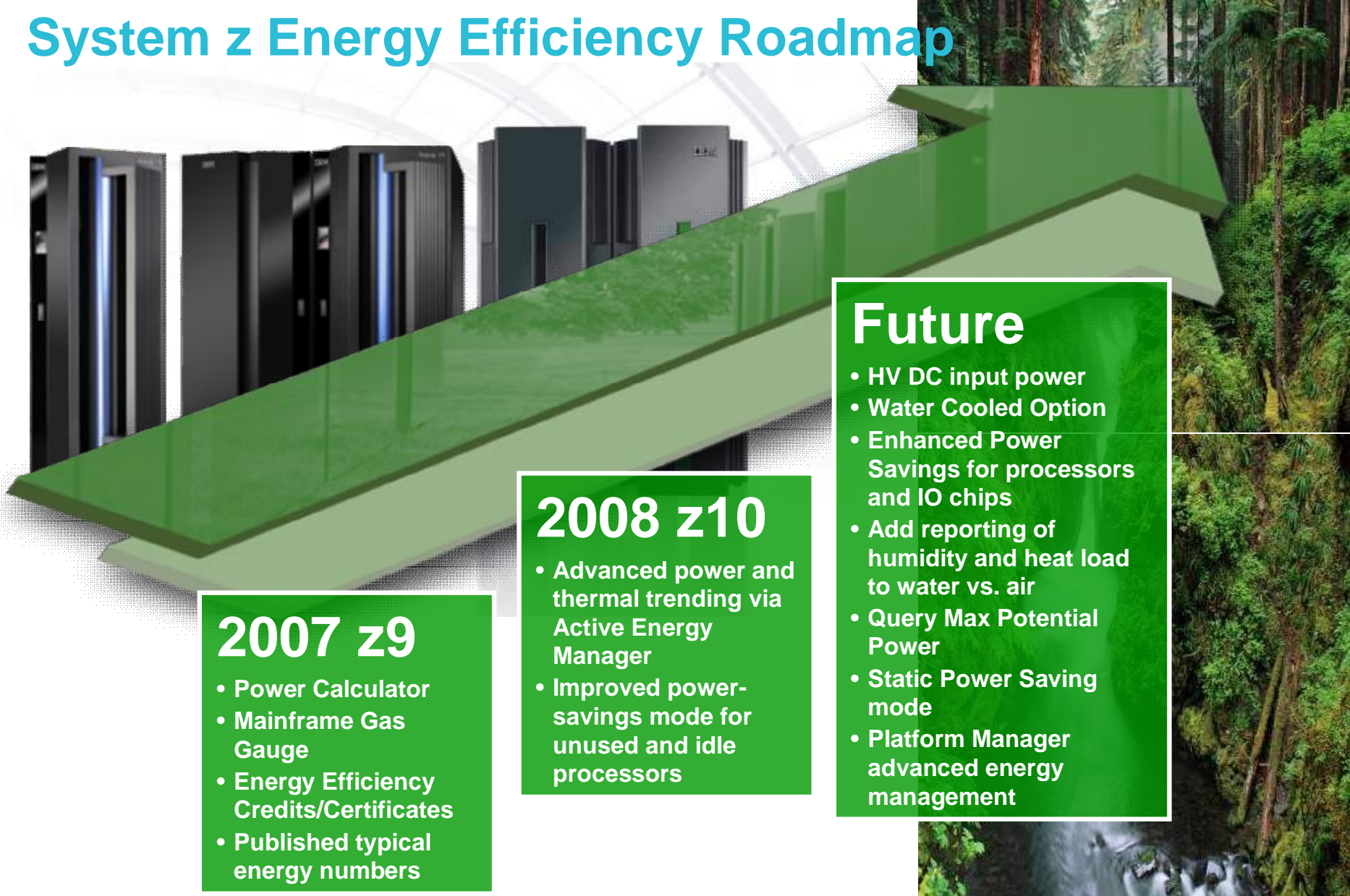
Value Proposition

- § Lower Cost, Lower Power
 - § Less adapters, cables and switches
- § Improved RAS
 - § Reduced failure points, time, misconnections, bumping, ...
- § Simpler Management
 - § Single physical fabric to manage

Barriers

- § Customer organizational
 - § Server, Network, Storage silos
- § Operational management
 - § Quality of service control
 - § Security and access control
- § Maturity
 - § Standards, technology, management
 - § Resiliency and robustness

System z Energy Efficiency Roadmap



2007 z9

- Power Calculator
- Mainframe Gas Gauge
- Energy Efficiency Credits/Certificates
- Published typical energy numbers

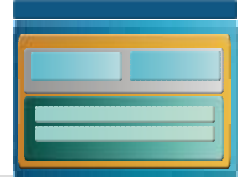
2008 z10

- Advanced power and thermal trending via Active Energy Manager
- Improved power-savings mode for unused and idle processors

Future

- HV DC input power
- Water Cooled Option
- Enhanced Power Savings for processors and IO chips
- Add reporting of humidity and heat load to water vs. air
- Query Max Potential Power
- Static Power Saving mode
- Platform Manager advanced energy management

System z ensemble

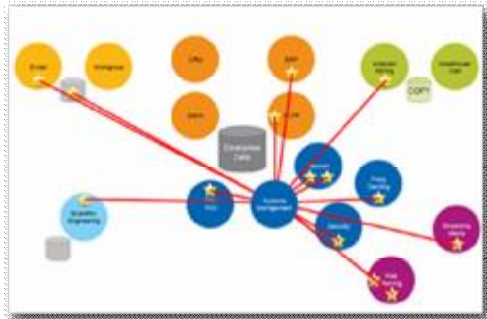


System z Future

System z Mainframe



Integrated Systems Management firmware

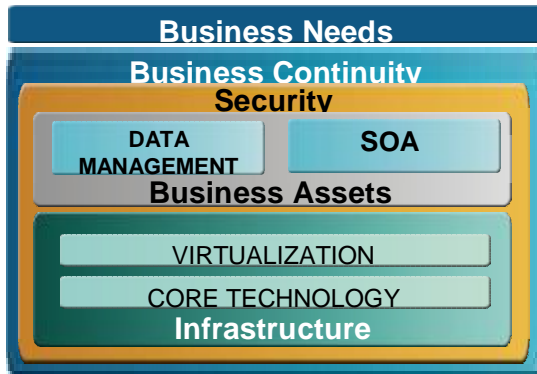


Accelerators

- § Extend and accelerate System z workloads
- § Lower cost per transaction while improving application response time for CPU intensive applications

Application Serving Blades

- § Logical device integration between System z resources and application serving commodity devices
- § Providing competitive price-performance and improved QoS for applications with a close affinity to mainframe data



§ Integrate, monitor, and manage multi-OS resources as a single, logical virtualized system

§ Single WLM, Security, and System Management interface across all resources

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