2012 IBM System z Technical University

Enabling the infrastructure for smarter computing

z/VSE on zEnterprise Features, Functions, Software Pricing

zDG02

Klaus Goebel, kgoebel@de.ibm.com



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Agenda

IBM zEnterprise

- z196, z114, zEC12
- zBX
- zManager

§ z/VSE Strategy and how it relates to zEnterprise

- Hybrid
- PIE

§ z/VSE Exploitation of zEnterprise

- z/VSE V5.1
- z/VSE V4.3

§ Pricing Strategy on z114

- Hardware Pricing
- Software Pricing
- § Wrap-up





IBM zEnterprise System - Best in Class Systems and Software Technologies: A system of systems that unifies IT for predictable service delivery



Unified management for a smarter system: **zEnterprise Unified Resource Manager**

- The world's fastest and most scalable system: IBM zEnterprise[™] 196 IBM zEnterprise[™] 114 IBM zEnterprise[™] EC12
- § Ideal for large-scale data and transaction serving and mission critical applications
- § Most efficient platform for large-scale Linux[®] consolidation
- § Leveraging a large portfolio of z/OS[®], z/VSE[™], and Linux on System z applications
- § Capable of massive scale up, 26 MIPS to more than 70 BIPS

- § Part of the IBM System Director family, provides platform, hardware and workload management
- § Unifies management of resources, extending IBM System z[®] qualities of service across the infrastructure

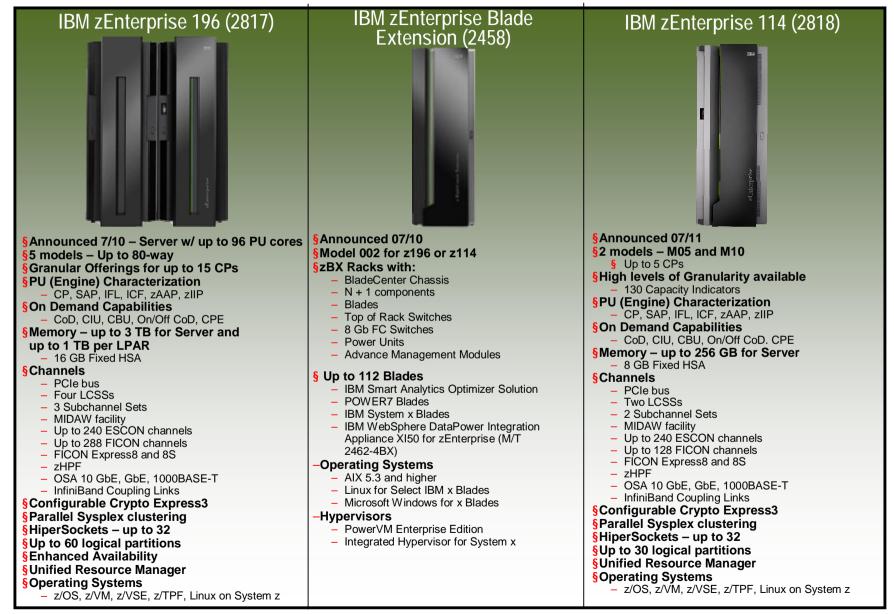


Scale out to a trillion instructions per second: IBM zEnterprise BladeCenter® Extension (zBX)

- § Selected IBM POWER7[™] blades and IBM System x[®] Blades for tens of thousands of AIX[®], Linux, and Windows applications
- § High performance optimizers and appliances to accelerate time to insight and reduce cost
- § Dedicated high performance private network



IBM zEnterprise Family



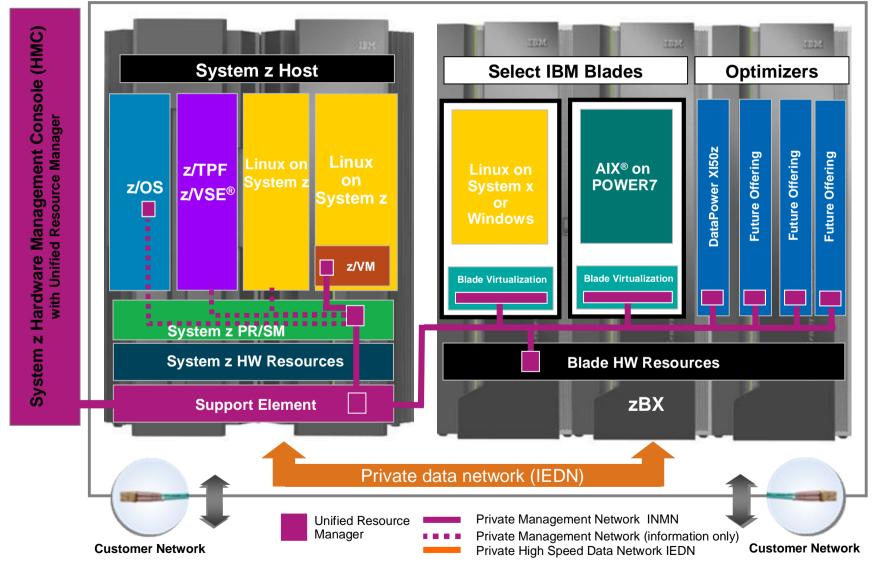
IBM zEnterprise EC12 – new since September 2012





Putting zEnterprise System to the Task

Use the smarter solution to improve your application design





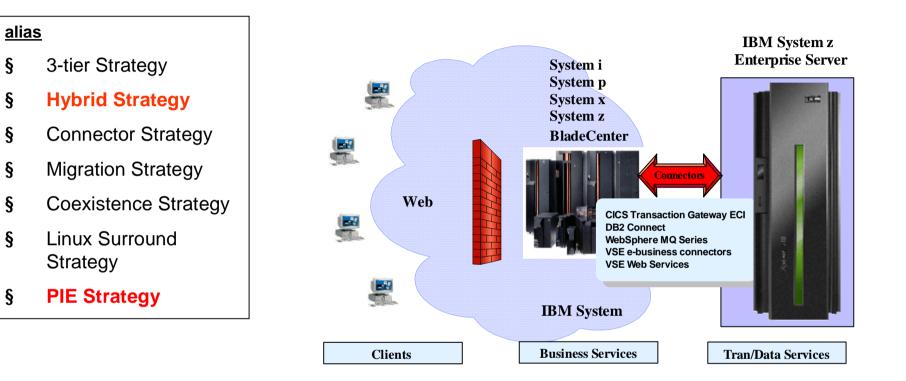
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z/VSE Strategy - Invented in Year 2000





Protect existing VSE investments

Integrate using middleware and VSE connectors

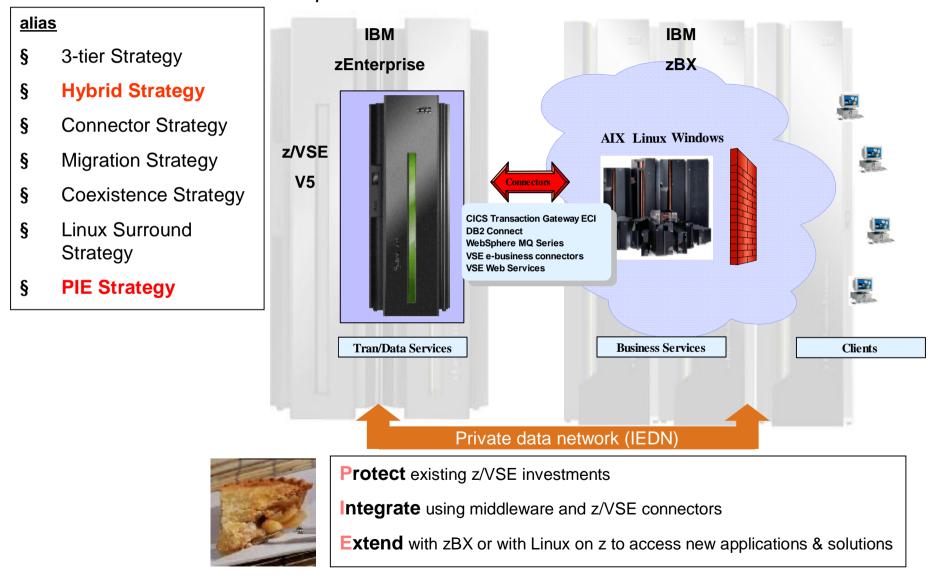
Extend with another platform to access new applications & solutions



z/VSE Strategy w/ Linux on System zProtect existing VSE investmentsHybrid Environment leveraging
z/VSE, z/VM, and Linux on System zIntegrate using middleware and VSE connectors
Extend with Linux on IBM System z technology & solutions

IBM Infrastructure IBM Info on Simplification **Middleware** Demand Linux on Linux on Linux on System z Sytem z System z z/VSE V4/V5 Production WebSphere DB2 9, **Tivoli Identity** Environment Mgmt, TSM, Appl Server, Information + TCP/IP Connection Print Serving, Java, CTG, Server, via + VTAM DNS, Firewall, HOD/HATS, Cognos 8 Bl **HiperSockets** + CICS TS WS MQ, etc. etc. + VSAM z/VSE V4/V5 + COBOL Test/Dev **DB2 LUW** + DB2 client Environment + LDAP client z/VM-mode LPAR with z/VM V6 IFL Engine(s) **CP Engine(s)** IBM System z10, IBM zEnterprise 196, 114, EC12

z/VSE V5 Strategy with zEnterprise - More options, highly integrated Natural evolvement into zEnterprise

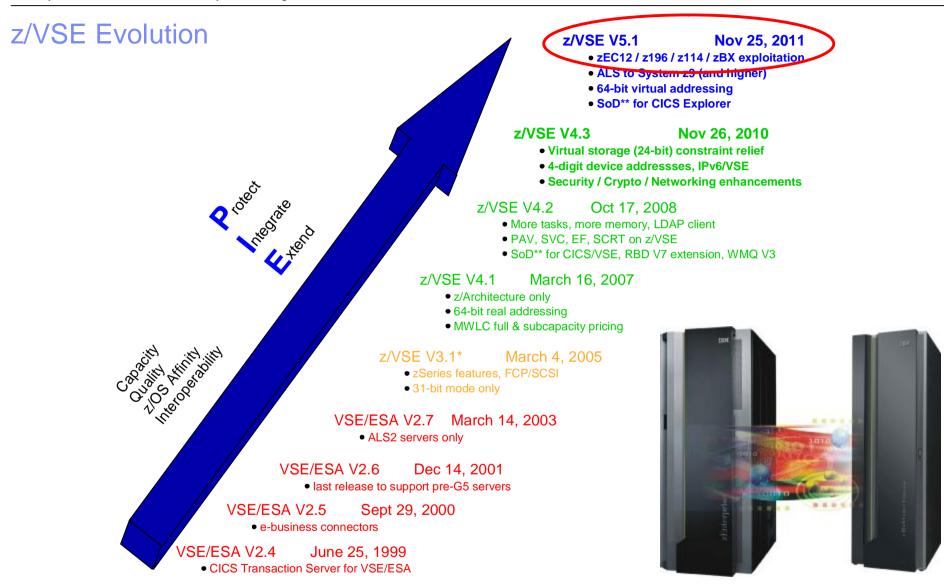




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*) z/VSE V3 can operate in 31-bit mode only. It does not implement z/Architecture and specifically does not implement 64-bit mode capabilities. z/VSE V3 is designed to support selected features of IBM System z hardware.

**) All statements regarding IBM's plans, directions, and intent are subject to change or withdrawal without notice.

z/VSE Support for IBM zEnterprise EC12 (zEC12)

§ z/VSE Release Support

- z/VSE supports the zEC12 with z/VSE V4.2, V4.3 and V5.1
 - No PTFs are required to run z/VSE on zEC12
 - For IOCP, EREP and HLASM PTFs, see PSP (subset 2827/ZVSE of 2827DEVICE)

§ Configurable Crypto Express4s – new with zEC12

- z/VSE toleration PTF required to use Crypto Express4s
 - Toleration PTF (DY47414) will be provided for z/VSE V5.1 only
- Crypto Express4s supported with existing z/VSE cryptographic functionality
 - Supported modes: (CCA) coprocessor and accelerator
 - PKCS #11 (EP11) coprocessor not supported

§ OSA-Express4s 1000BASE-T – new with zEC12

- No z/VSE PTF required
- 1000BASE-T supported with existing z/VSE functionality

§ SCRT – Subcapacity Pricing – z/VSE 4.2 requires DY47111 (same as for z196, z114)

§ z/VSE Releases with EoS

- See z/VSE home page





Overview of z/VSE Support for IBM zEnterprise 196 / 114

§ zEnterprise compatibility

– z114 and z196 are supported by z/VSE V4.2, z/VSE V4.3, and z/VSE V5.1 Refer to z/VSE Preventive Service Planning (PSP) buckets

- z/VSE PTFs are required for subcapacity pricing customers and QVS (Query Virtual Server)

§ zEnterprise exploitation

- z196 exploitation

 Static power save mode for use with SCRT (exclusive to the high-end zEnterprise, ie. z196 and zEC12)

- z114 and z196 exploitation

- Fast Path to Linux on System z in a z/VM-mode LPAR (also available on z10 BC/EC)
- z/VSE z/VM IP Assist (VIA) (exclusively on zEnterprise)
- Fast Path to Linux on System z in an LPAR environment (exclusively on zEnterprise)Dynamic add of logical CPs
- (also available on z10 BC/EC)
- Large page (1 MB frames) support for data spaces (also available on z10 BC/EC)
- Dynamic add / remove of cryptographic processors (also available on z10 BC/EC)
- Crypto Adjunct Processor (AP) Queue interrupt facility (also available on z10 BC/EC)
- 4096-bit RSA key support with configurable Crypto Express3 (also available on z10 BC/EC)

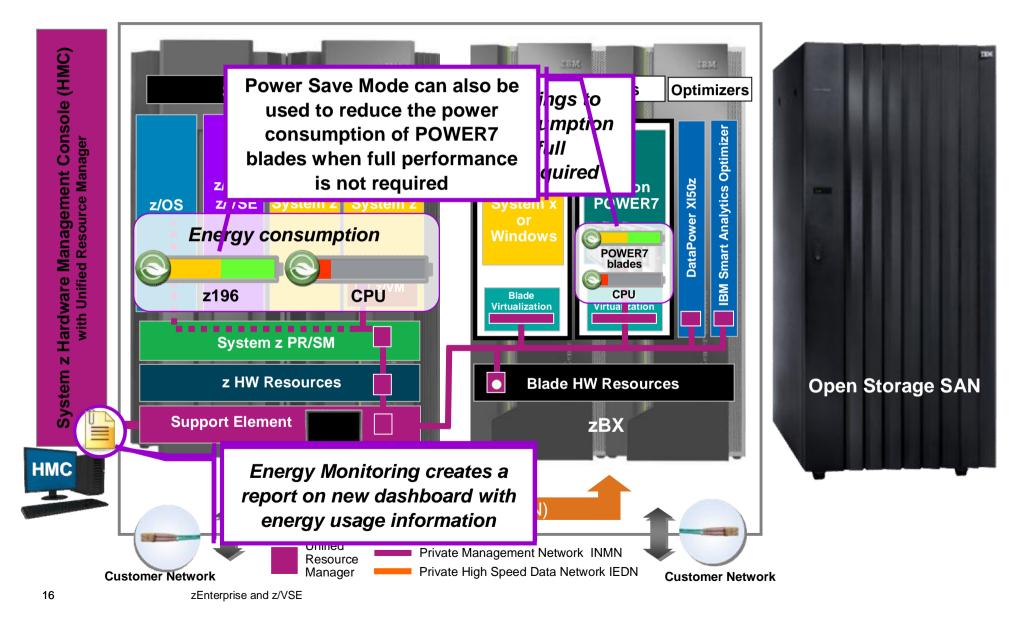
– zBX environment

- z/VSE V5 provides native Intra Ensemble Data Network (IEDN) support
- z/VSE V4 can participate in an IEDN data network using z/VM's V6 VSWITCH support



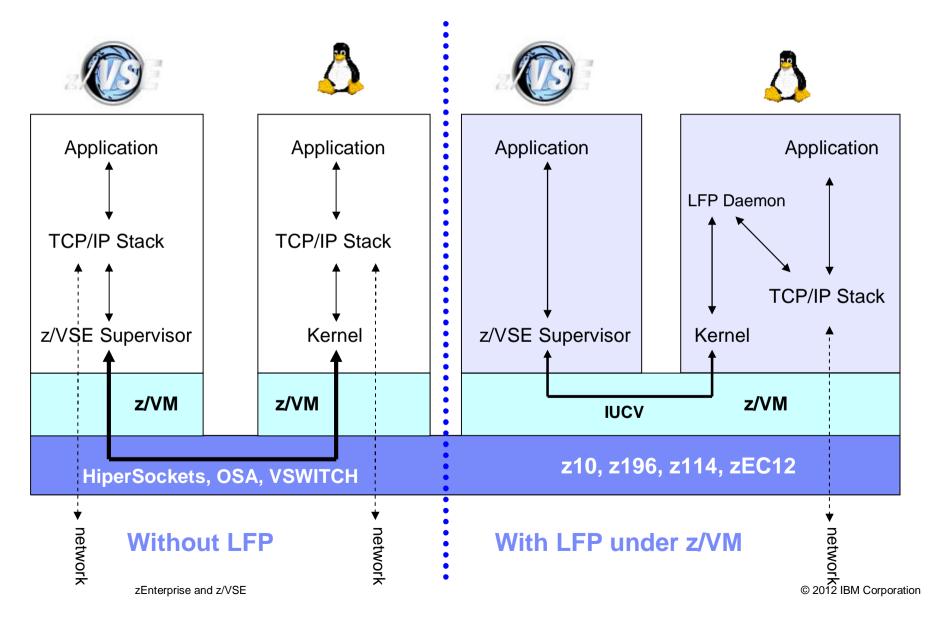


Static Power Save Mode - Supported by z/VSE 4.2 + 4.3 + 5.1 Energy Management on z196 and zEC12





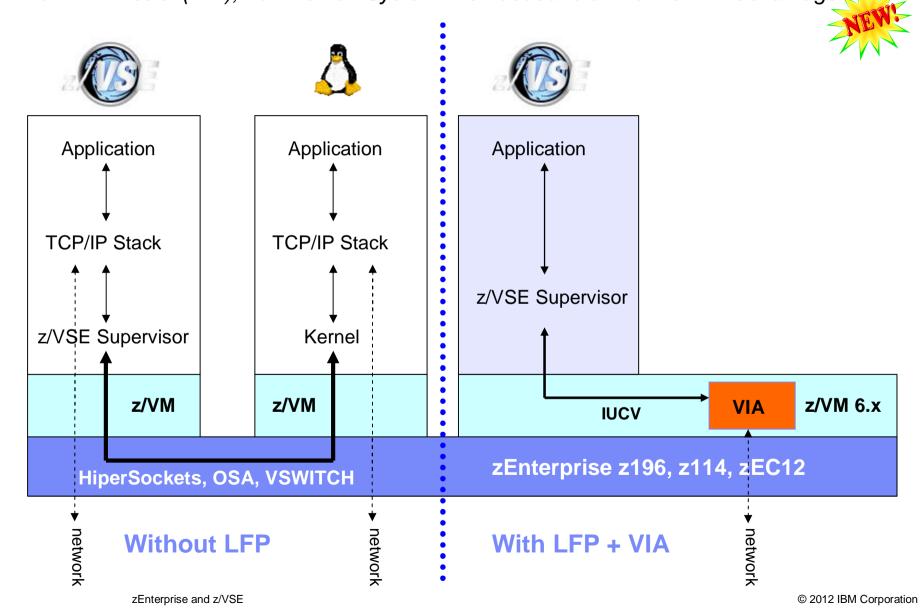
Linux Fast Path in a z/VM environment - Supported by z/VSE 4.3 + 5.1 Faster communication between z/VSE and Linux applications



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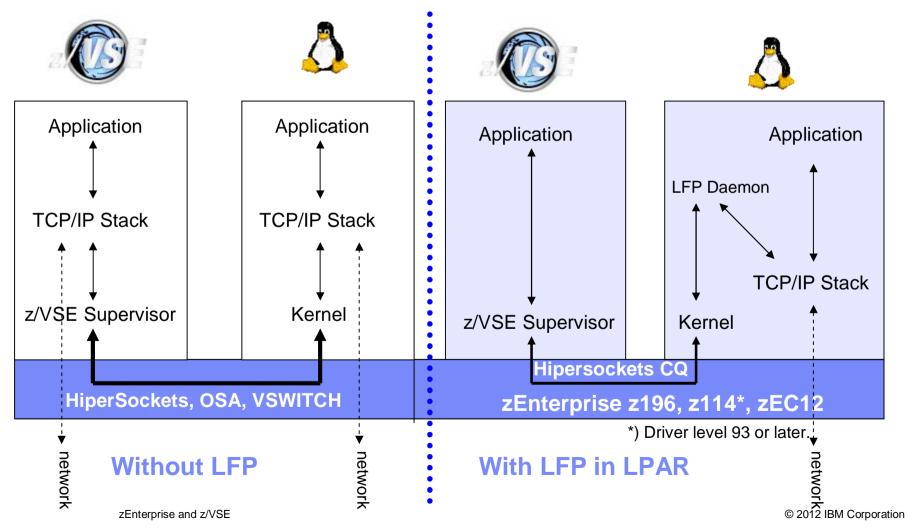


z/VSE z/VM IP Assist (VIA) - Supported by z/VSE 5.1 with z/VM 6.x With z/VM IP Assist (VIA), no Linux on System z is needed to utilize the LFP advantage





à Exploits the HiperSockets Completion Queue support of IBM zEnterprise





Dynamic Add of CPs and Large Pages - Supported by z/VSE 4.3 + 5.1

§ Dynamic add of logical CPs*

- Ability to dynamically add logical CPs without preplanning
- Allows adding central processors (CPs) to LPAR without re-IPL of the z/VSE system
- Clients can increase (and decrease) the capacity of their z/VSE system dependent on workload needs

§ Large page (1 megabyte page) support for data spaces*

- Better exploitation of large processor storage
- Might result in better performance for long-running applications
- Transparent to applications



*) Not available in a z/VM guest environment



Dynamic Add / Remove of Crypto Engines - Supported by z/VSE 4.3 + 5.1

§ System z10, z196, z114, zEC12

- Add / Remove of an AP (Crypto card) without having to reactivate the LPAR
- Dynamically adding an AP to an LPAR for the first time
- Dynamically adding an AP to an existing LPAR already using crypto
- Dynamically removing an AP from an LPAR when it is no longer needed
- Dynamically changing the AP queue number

msg FB,data=apadd ap=1
AR 0015 1I40I READY
FB 0011 1J025I AP 1 ENABLED SUCCESSFULLY.





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Crypto AP-Queue Interrupt Facility - Supported by z/VSE 4.3 + 5.1

§ Crypto Adjunct Processor (AP) Queue Interrupt Facility

- Exploitation of the z10 and zEnterprise functionality
- Reduced CPU consumption and elapsed job time dependent on workload
- New AP Interrupt commands provided by the z/VSE crypto device driver
- AP-Queue status displayed via the crypto STATUS command:

msg FB, data=status=cr AR 0015 11401 READY FB 0011 BST223I CURRENT STATUS OF THE SECURITY TRANSACTION SERVER: FB 0011 ADJUNCT PROCESSOR CRYPTO SUBTASK STATUS: FB 0011 AP CRYPTO SUBTASK STARTED : YES FB 0011 MAX REQUEST QUEUE SIZE : 1 FB 0011 MAX PENDING QUEUE SIZE 1 TOTAL NO. OF AP REQUESTS : 40065 FB 0011 FB 0011 NO. OF POSTED CALLERS : 40065 FB 0011 AP-QUEUE INTERRUPTS AVAILABLE : YES FB 0011 AP-QUEUE INTERRUPTS STATUS : DISABLED FB 0011 AP CRYPTO POLLING TIME (1/300 SEC).. : 0 FB 0011 AP CRYPTO WAIT ON BUSY (1/300 SEC).. : 75 FB 0011 AP CRYPTO RETRY COUNT : 5 FB 0011 AP CRYPTO TRACE LEVEL - 3 FB 0011 TOTAL NO. OF WAITS ON BUSY : 0

• • •



4096-bit RSA Key Support w/ Crypto Express3 - Supported by z/VSE 5.1

§ 4096-bit RSA Key Support (previously up to 2048-bit)

- Enhanced SSL network security for AES-128 encryption
- Enhanced data security for DISK and TAPE with Encryption Facility support

Encryption strength equivalent						
Asymmetric key size (bits)	Symmetric key size (bits)					
1024-bit RSA	80					
2048-bit RSA	Triple DES (112)					
3072-bit RSA	AES-128					
4096-bit RSA	n/a					

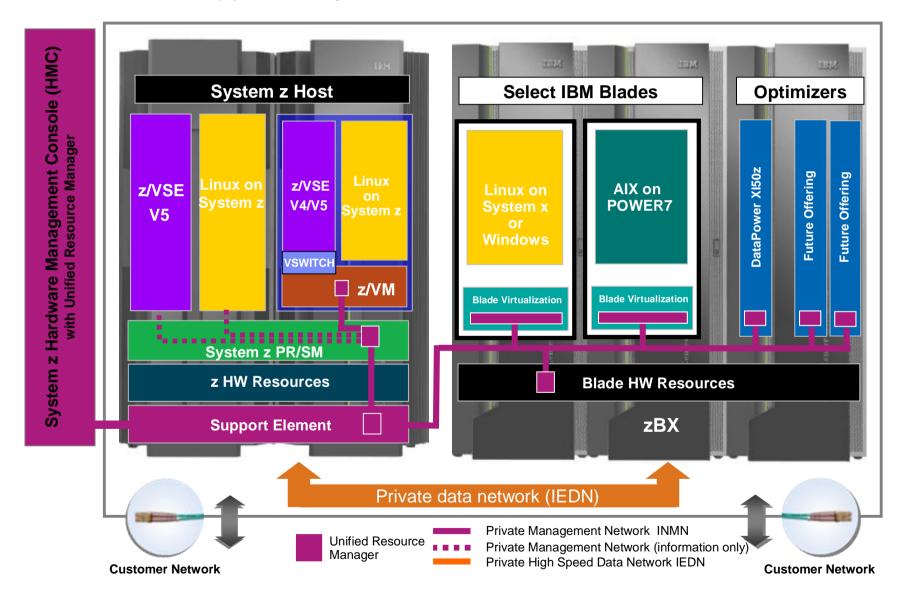
§ z/VSE Crypto Express 3 exploitation in coprocessor mode (CEX3C)

- New z/VSE crypto device driver allows to generate RSA keys directly on the mainframe
- Higher Security by generation of "true random numbers"





IEDN to zBX - Supported by z/VSE 5.1





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z114 Pricing Strategy: Enhance Platform Competitiveness

Our customers are focused on	IBM taking action
Price performance on the stack, pricing linked to increased capability and performance	§ Deliver price performance on Hardware, Software, and Maintenance
	§ Introduce \$75k z114 Hardware Entry Price (down 25% from z10 BC)
	§ z114 Unified Resource Manager priced per connection
TCA and short term ROI and cost savings	§ Memory - Cutting prices by 75% versus z10 BC, and instituting upgrade charge
	§ Specialty Engines - Cutting IFL prices by 27% (zIIP's/zAAP's by 16%) versus z10 BC, and instituting upgrade charge
MLC software savings and unit cost improvement	§ Announcing new metric "Advanced Entry Workload License Charges" (AEWLC)
	§ Providing price performance of up to 18% versus z10 BC for z/OS workloads, and up to 5% versus z10 BC for z/VSE workloads
Competitive pricing for new workloads versus off- platform alternatives	§ Continue Solution Edition strategy to aggressively compete for new workloads & applications
Financial benefit when growing capacity on the platform	§ Providing incremental stack savings for stack capacity growth

Note: Items marked in 'blue' are of relevance to z/VSE, z/VM, and/or Linux on System z.



z114 Pricing compared to z10 BC - IFL, zIIP/zAAP, Memory

Component	Approx. % Increase z114 over z10 BC	z114 Pricing (Street)	z10 BC Pricing (Street)	% Price Reduction (z114 Over z10 BC)	z10 BC Upgrade Costs (\$K)	% Price Performance Improvement
IFL	16% (in MIPS)	\$35K/Eng.	\$47.5K/Eng.	26%	\$5/Eng.	58%
zAAP/zIIP	16% (in MIPS)	\$40K/Eng.	\$47.5K/Eng.	16%	\$6/Eng.	40%
Memory (Traditional Workloads)	3% (in TBs)	\$1.5K/GB	\$6K/GB	75%	\$.75/GB*	N/A
Memory (New Workloads)	3% (in TBs)	\$1.5K/GB	\$2.25K/GB	33%	\$.75/GB*	N/A

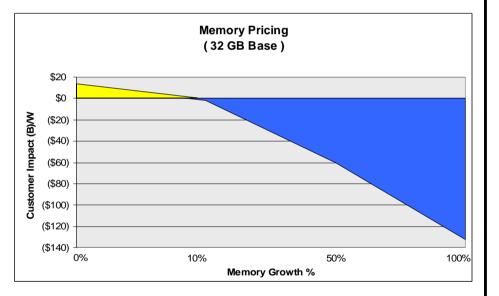
Note (*) – 8GB or 16GB to carry forward free on upgrade, depending on z10 BC memory configuration Source: IBM, with Clipper computations

Source: Clipper Group Report TCG2011024LI



Memory and IFL Pricing on z114 Aligning with industry practice

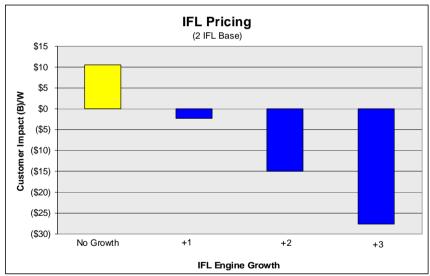
- Reduce memory price from \$6k/GB and \$2,25k/GB for new workload on z10 BC to \$1,5k/GB for all workloads on z114
- Customers "repurchase" memory on upgrade at 50% (\$750/GB Street Price) of purchase price



• A customer with 32 GB of memory on a z10 BC would be better off with the methodology change if memory is increased by 10% when upgrading to z114.

- Reduce per engine street price for an IFL from \$47.5k on z10 BC to \$35k on z114
- Introduce upgrade fee for upgrades from older technology to z114/z196 to make up for the increased performance of new engines

	IFL z114 z196		zIIP/z	AAP	ICF		
			z114 z196		z114	z196	
Upgrade from z10	\$5k	\$17k	\$6k	\$30k	\$20k	\$57k	
Upgrade from z9	\$10.5k \$33k		\$12k	\$60k	\$39k	\$114k	

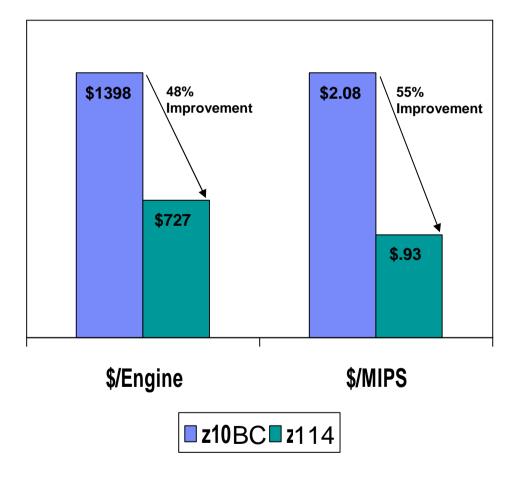


• A customer with 2 IFL's on a z10 BC would be better off with the methodology change if 1 IFL is added when upgrading to z114.

Note 1: First 8 GB free or up to 16 GB carry forward free. Note 2: All prices are US prices, will vary by GEO.



IFL Maintenance Pricing on z114 Deliver significant price performance



§ z10 BC strategy is to deliver price performance

- Via greater engine size
- Via improved delegation

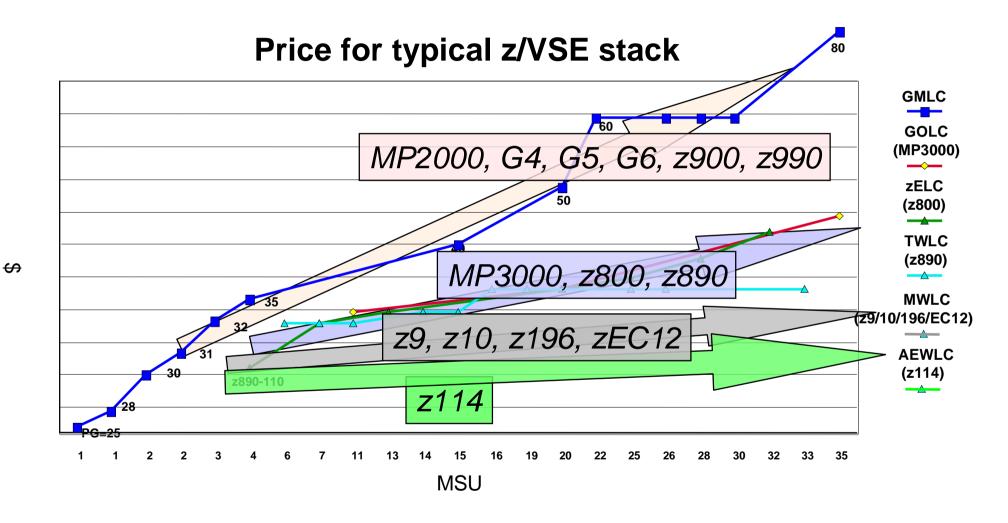
§ z114 strategy is to deliver price performance:

- Via greater engine size
- Via list price reduction

 $^{^{\}ast}$ All prices are US prices, will vary by GEO.



AEWLC – Advanced Entry Workload License Charge on z114



Typical z/VSE stack consists of z/VSE Operating System, LE, CICS TS, VTAM, TCP/IP, DB2

With upgrade from z10 BC, new AEWLC curve may provide MLC price/performance up to 5% for MWLC stacks

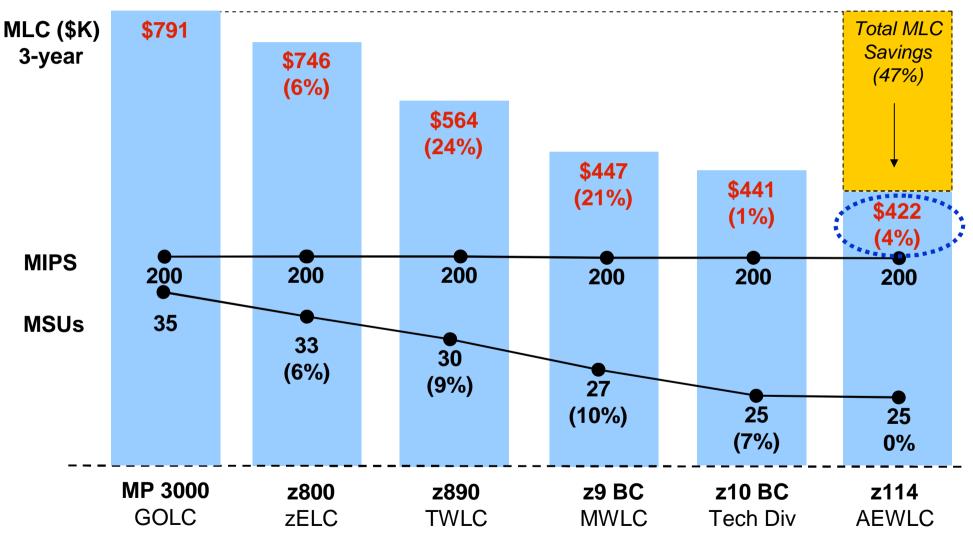
Total MLC savings will vary significantly by customer based on Sub-capacity and specific software stacks, actual customer configuration must be priced out to be accurate

Visible savings are at a Software Stack level, and	Sample market segment ranges	Savings for a Sample Stack of z/VSE SW: MWLC on z10BC to AEWLC on z114	
may differ for individual	(3 msus)	0%	
products or features.	4-17 MSUs	-2%	Majority of z/VSE customers
	18-30 MSUs	-4%	will see savings from 2-4%
	31-45 MSUs	-4%	
	46-87 MSUs	-5%	
	88+ MSUs	-5%	

	<u>MSUs</u>	MWLC	<u>AEWLC</u>	Savings	<u>MSUs</u>	MWLC	<u>AEWLC</u>	Savings
z/VSE Central Functions,	5	2,207	2,187	0.91%	15	2,837	2,717	4.23%
CICS TS for VSE/ESA	5	1,908	1,892	0.84%	15	2,448	2,352	3.92%
Stack Total:		4,115	4,079	0.87%		5,285	5,069	4.09 %
	MSUs	MWLC	AEWLC	Savings	MSUs	MWLC	AEWLC	Savings
z/VSE Central Functions,	MSUs 20	-			MSUs 50			
z/VSE Central Functions, CICS TS for VSE/ESA		3,026	2,880	4.82%			3,450	5.63%



MLC Price Performance across HW Generations for z/VSE * 200 MIPS example for a typical z/VSE stack



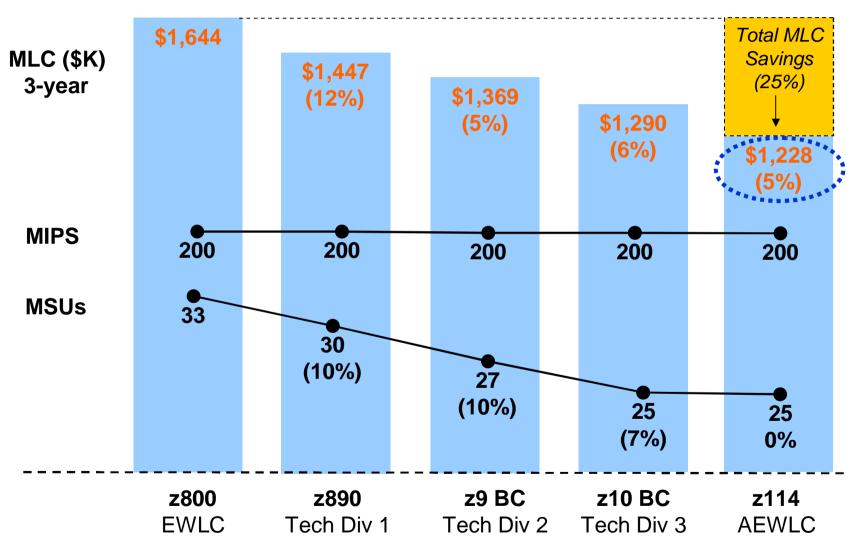
* MLC savings will vary significantly by customer - actual customer configuration must be priced out to be accurate.

* A typical z/VSE stack includes z/VSE CF, CICS TS, VTAM, TCP/IP, DB2, Ditto, Cobol, HLASM

zEnterprise and z/VSE



MLC Price Performance across HW Generations for z/OS * 200 MIPS example for a typical z/OS stack

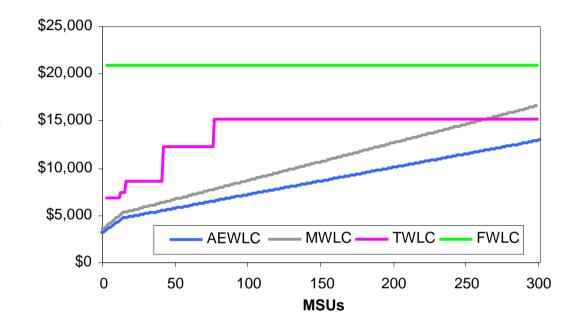


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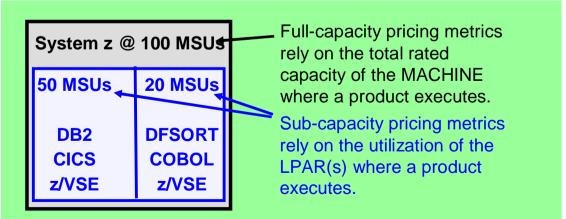


Improved TCO through new Pricing Metric and Sub-Capacity Pricing

- § z/VSE price/performance through new pricing metric
 - Advanced Entry Workload License Charge (AEWLC)
 - AEWLC requires z114 and current z/VSE software (z/VSE V4 or V5)



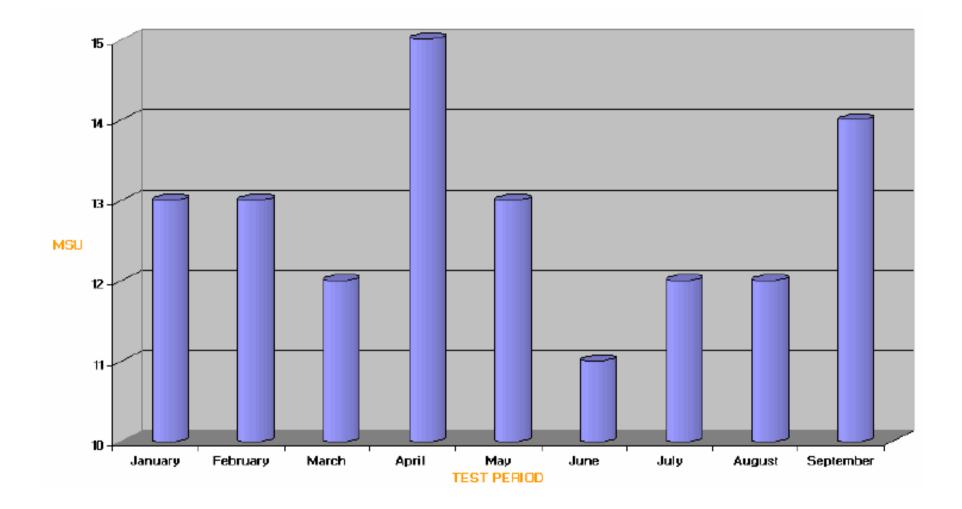
- § Additional price/performance through sub-capacity option
 - Some hardware footprint consolidations more attractive now
 - Presence of z/VSE V3 or VSE/ESA[™] forces full-capacity pricing



(*) z9 BC A01, z10 BC A01, and z114-A01 are priced zELC.

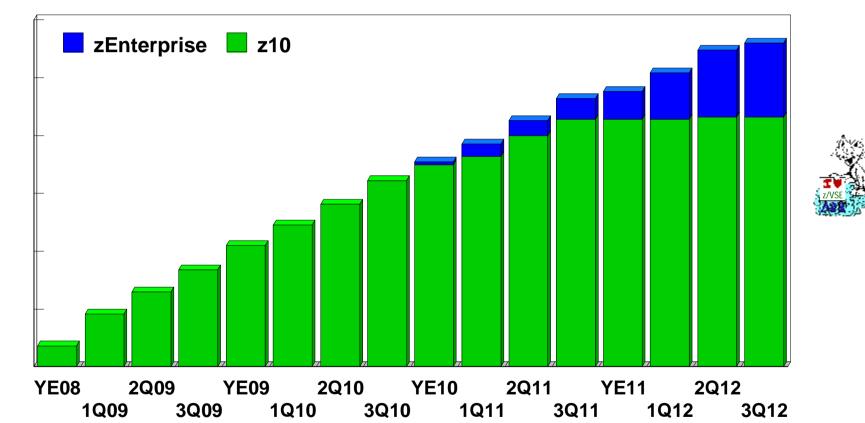


Sub Capacity Reporting Tool: Sample Report





z/VSE Software Pricing continues to drive z10 and zEnterprise Adoption



z10/z196/z114 CECs with z/VSE

Number of CECs



PVU Table Processor Value Units

PVU Website Link: click here

<u>http://ibm.com/software/lotus/</u> passportadvantage/pvu_licen sing_for_customers.html

Notes:

1) Each Integrated Facility for Linux (IFL) or Central Processor (CP) engine is equivalent to 1 processor core.

2) Refers to System z9, eServer zSeries, or System/390 servers.

3) Entitlements required for Power Processor Element (PPE) cores only.

4) The PVU requirement for the POWER7 processor technology is dependent on the maximum possible number of sockets on the server.

5) z196 refers to IBM zEnterprise 1966) z114 refers to IBM zEnterprise 114

	Processor Technologies											
	Proc	Processor Type								1		
			Maximum	Cores per socket					П	Proc.	PVUs	
Processor Vendor	Processor Name	Server model numbers	number of sockets per server	One-Core (1)	Dual-Core (2)	Quad-Core (4)	Hexa-Core (6)	Octi-Core (8)	16-Core (16)	IFL Engine	Model Number	per Core
		770,780,795	> 4								All	120
	POWER7 ⁴	750,755,775 PS704	4				•	•			All	100
		PS700-703, 710-740	2			•	•	•			All	70
		550,560,570, 575,595	All		•						All	120
	POWER6	520, JS12,JS22, JS23,JS43	All		•						All	80
IBM	POWER5, POWER4	All	All		•						All	100
	POWER5 QCM	All	All								All	50
	z196, zEC12 System z10 ^{1,5}	All	All								All	120
	z114, System z9 z990, S/390 ^{1,2,6}	All	All							•	All	100
	PowerPC 970	All	All								All	50
	PowerXCell™, Cell/B.E.™ 8i ³	All	All	•							All	30
HP /	Itanium® 1,2	All	All								All	100
Intel®	PA-RISC	All	All								All	100
	SPARC64 VI, VII	All	All		•						All	100
Sun /	UltraSPARC IV	All	All								All	100
Fujitsu	SPARC T3	All	All								All	70
	UltraSPARC T2	All	All								All	50
	UltraSPARC T1	All	All								All	30
Any	Any single-core	All	All								All	100

PVU Table per Core (section 1 of 2 - RISC and System z)

System z

* Requirements as of Publish Date: July 12, 2011

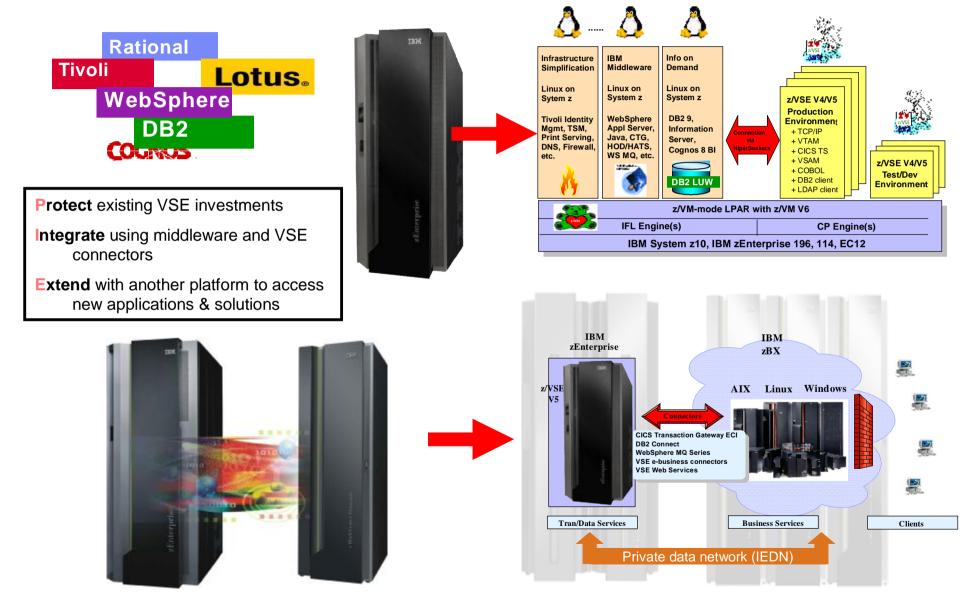


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 - Hybrid
 - PIE
- **§** z/VSE Exploitation of zEnterprise
 - z/VSE V5.1
 - z/VSE V4.3
- **§** Pricing Strategy on z114
 - Hardware Pricing
 - Software Pricing
- § Wrap-up



IBM zEnterprise can do IT all - Think inside the box and/or think zBX !



For more information, please see the z/VSE web site: http://www-03.ibm.com/servers/eserver/zseries/zvse/

