

zEnterprise and z/VSE Features, Functions, and Software Pricing

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Virtualization Engine

Notes:

Performance is in Internal Throughput Rate (ITR) ratio based on measurements and projections using standard IBM benchmarks in a controlled environment. The actual throughput that any user will experience will vary depending upon considerations such as the amount of multiprogramming in the user's job stream, the I/O configuration, the storage configuration, and the workload processed. Therefore, no assurance can be given that an individual user will achieve throughput improvements equivalent to the performance ratios stated here.

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Agenda



- zEnterprise
 - z196, z114
 - 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 zEnterprise
 - 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

- § 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 50 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:

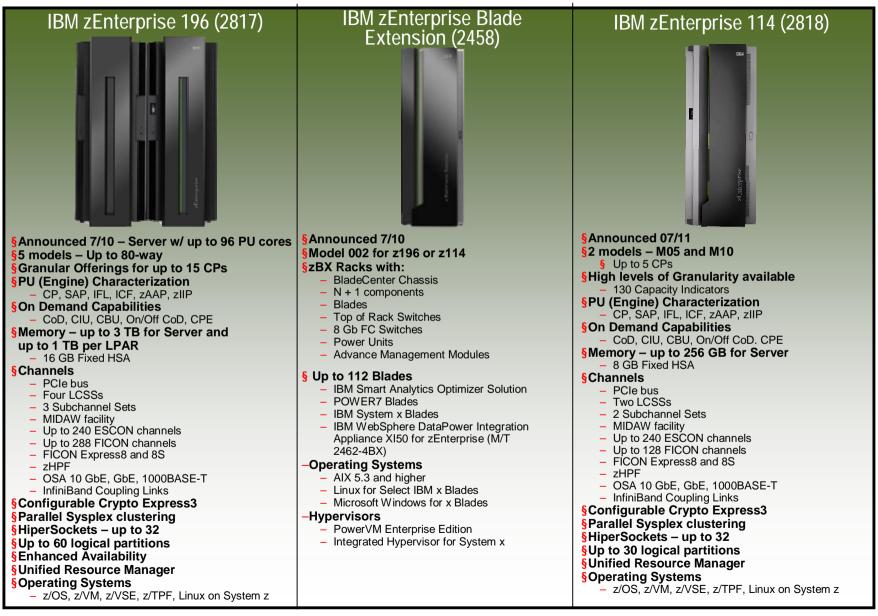
IBM zEnterprise

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



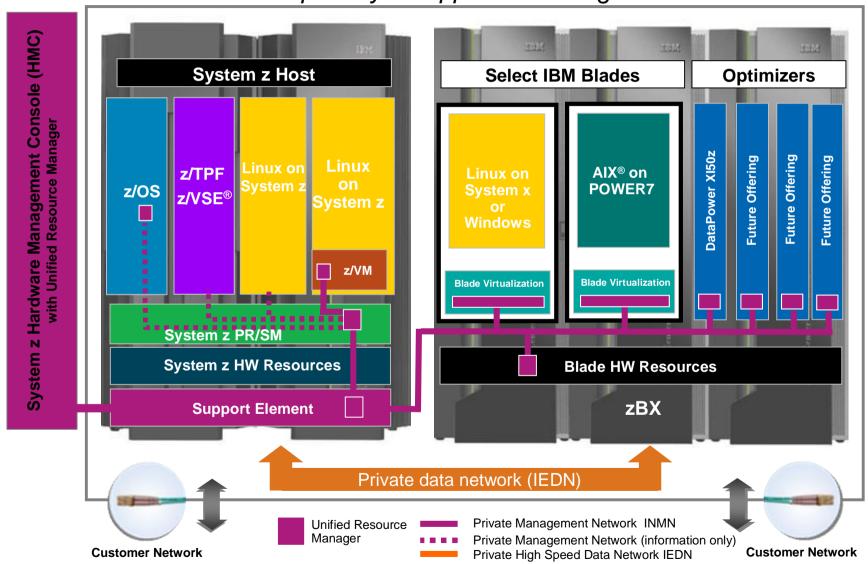
IBM zEnterprise Family





Putting zEnterprise System to the Task

Use the smarter solution to improve your application design





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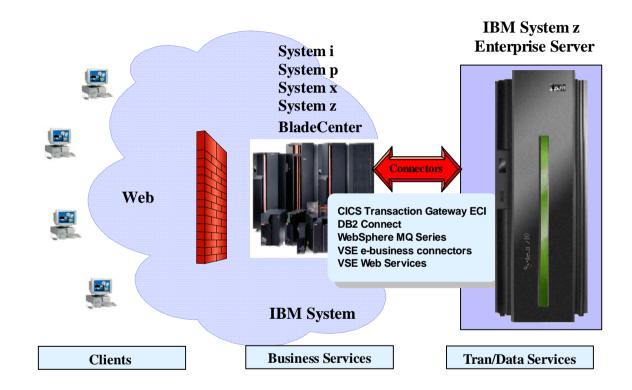
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z/VSE Strategy - Invented in Year 2000

<u>alias</u>

- § 3-tier Strategy
- **§** Hybrid Strategy
- § Connector Strategy
- § Migration Strategy
- § Coexistence Strategy
- § Linux Surround Strategy
- § PIE Strategy





- **Protect** existing VSE investments
- Integrate using middleware and VSE connectors
- **Extend** with another platform to access new applications & solutions



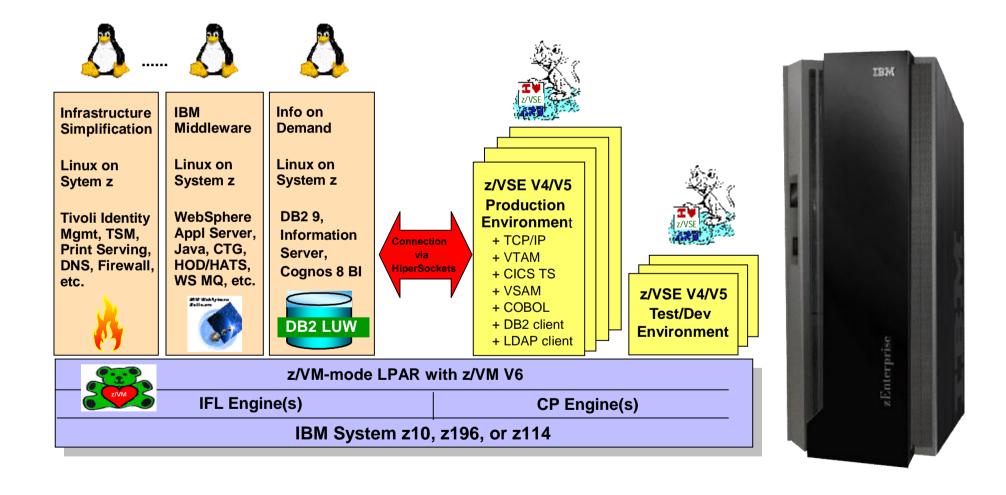
z/VSE Strategy w/ Linux on System z

Hybrid Environment leveraging z/VSE, z/VM, and Linux on System z

Protect existing VSE investments

Integrate using middleware and VSE connectors

Extend with Linux on IBM System z technology & solutions



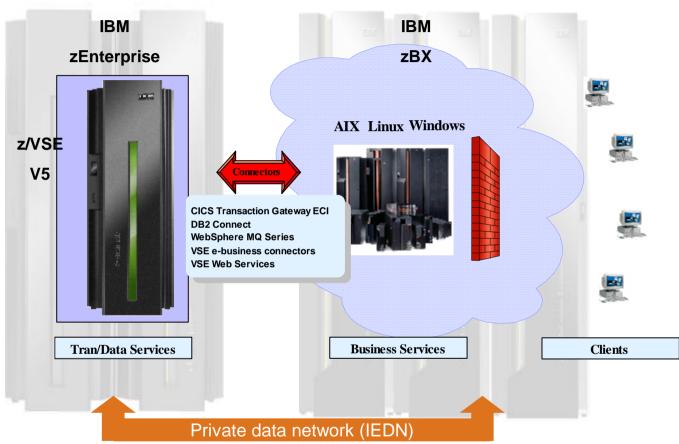


z/VSE V5 Strategy with zEnterprise - More options, highly integrated

Natural evolvement into zEnterprise

alias

- § 3-tier Strategy
- § Hybrid Strategy
- § Connector Strategy
- § Migration Strategy
- § Coexistence Strategy
- § Linux Surround Strategy
- § PIE Strategy





- **Protect** existing z/VSE investments
- Integrate using middleware and z/VSE connectors
- **Extend** with zBX or with Linux on z to access new applications & solutions



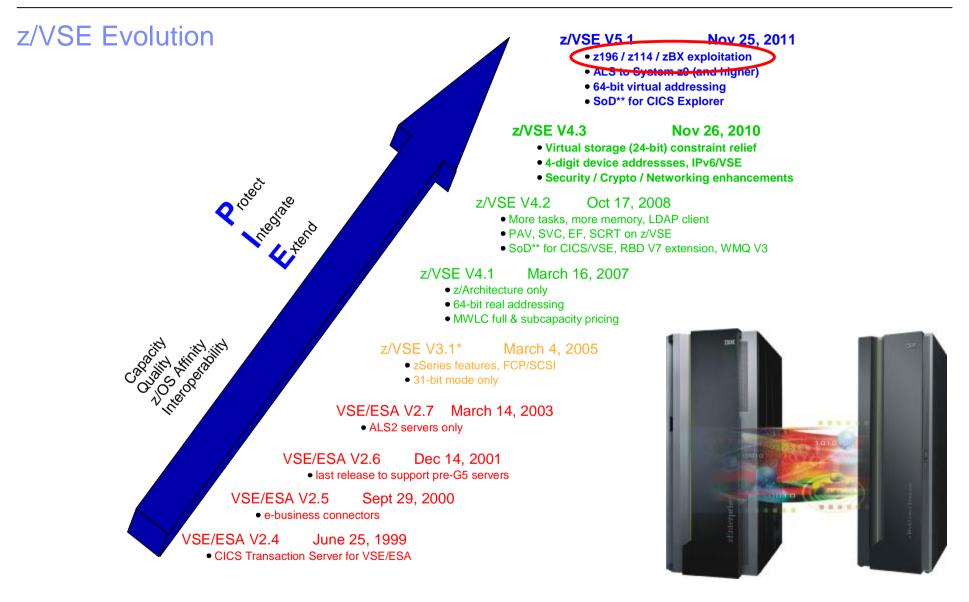
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^{*)} z/VSE V3 can operate in 31-bit mode only. It does not implement z/Architecture and specifically does not implement 64-bit mode capabilities. z/VSE V3 is designed to support selected features of IBM System z hardware.

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



z/VSE Support for IBM zEnterprise - Overview

§ 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 (exclusively on z196 only)

- 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)



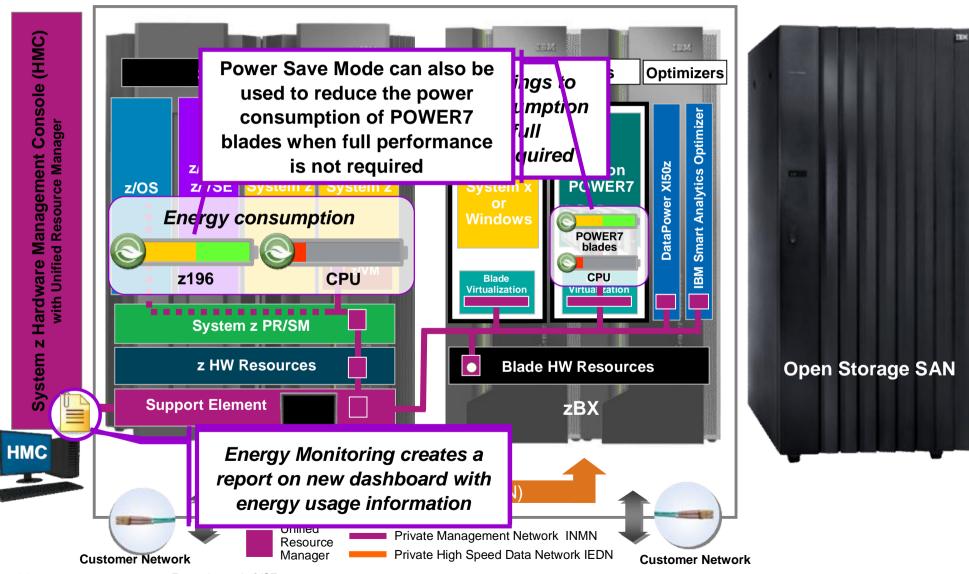
zBX environment

- 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

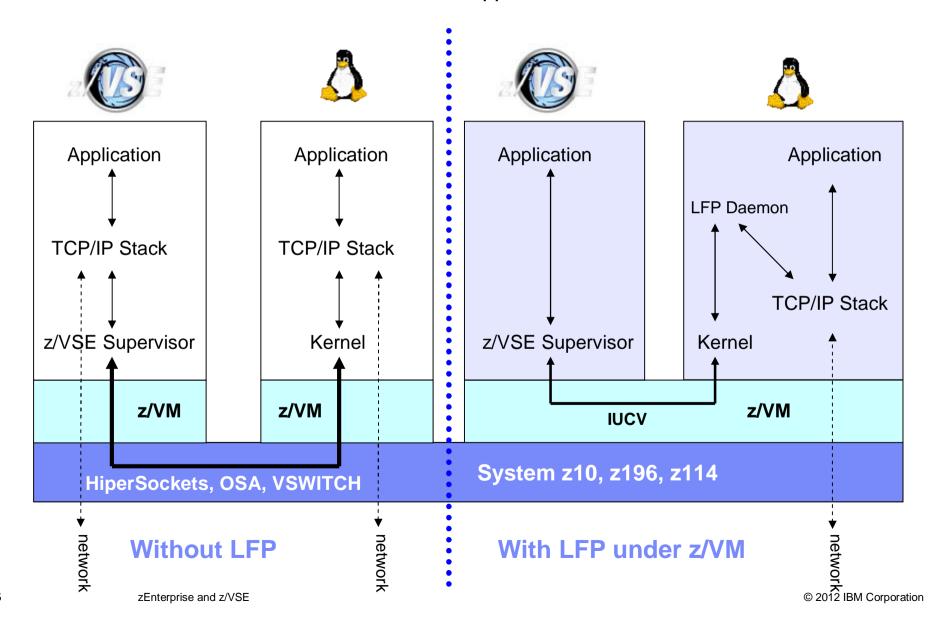
Energy Management on z196





Linux Fast Path in a z/VM environment – Supported by z/VSE 4.3 + 5.1

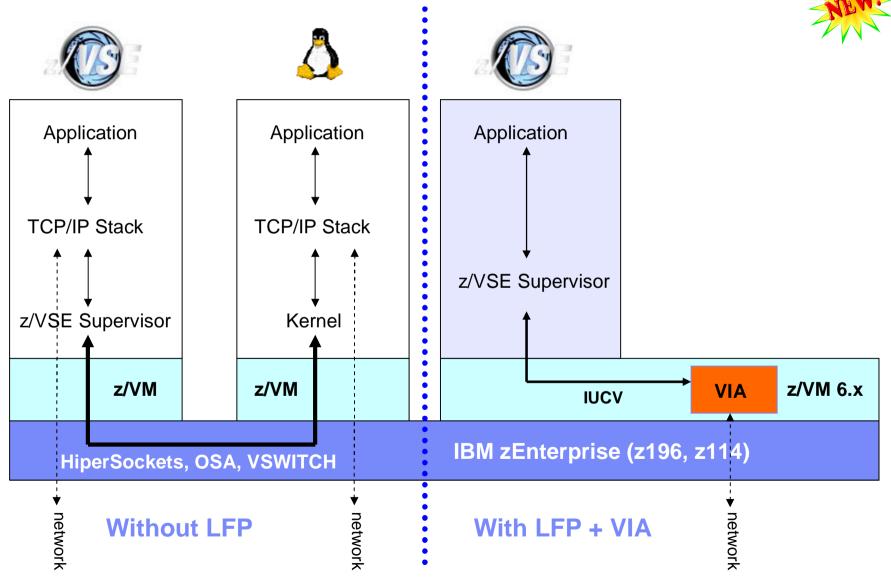
Faster communication between z/VSE and Linux applications





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

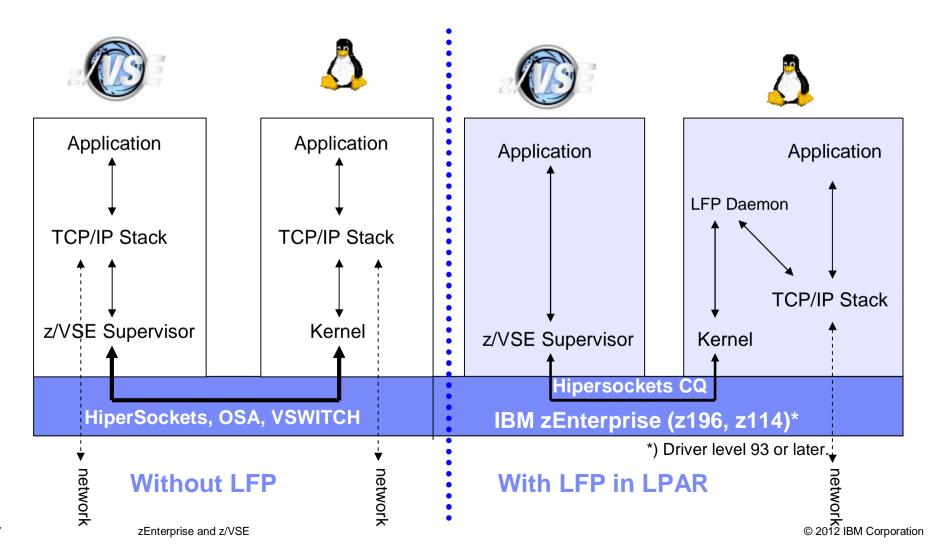




Linux Fast Path in an LPAR environment – Supported by z/VSE 5.1 + PTFs

Faster communication between z/VSE and Linux applications

à Exploits the HiperSockets Completion Queue support of IBM zEnterprise (z196, z114)





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

- 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 11401 READY
FB 0011 1J0251 AP 1 ENABLED SUCCESSFULLY.
```





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 REOUEST OUEUE 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 .....:
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						

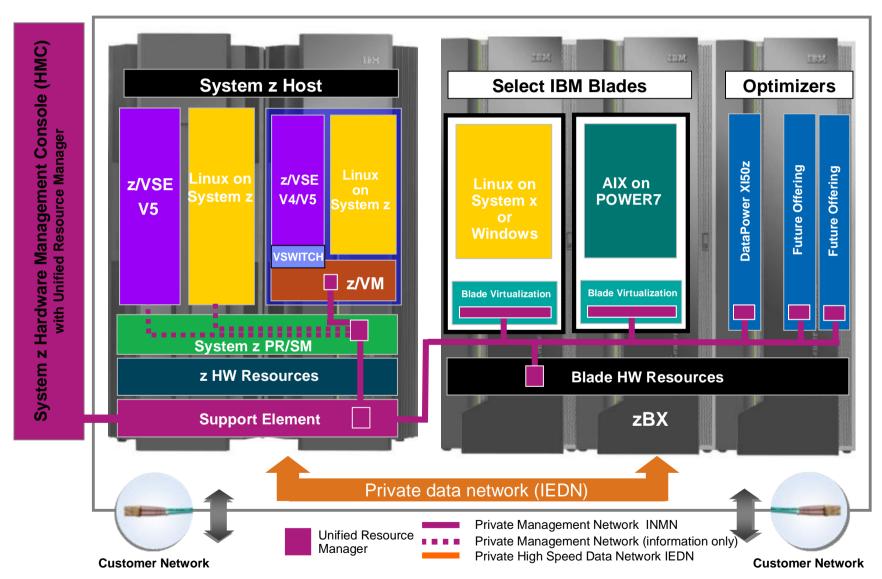
§ z/VSE Crypto Express 3 exploitation in coprocessor mode (CEX3C)

- 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

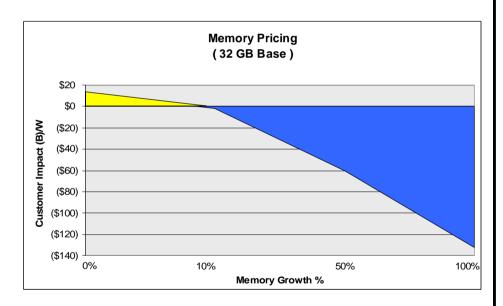
Source: Clipper Group Report TCG2011024LI



Memory and IFL Pricing on z114

Aligning with industry practice

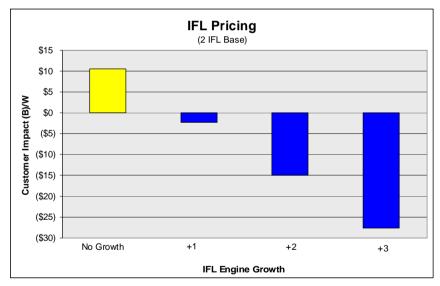
- Reduce memory price from \$6k/GB and \$2,25k/GB for new workload on z10 BC to \$1,5k/GB for all workloads on z114
- Customers "repurchase" memory on upgrade at 50% (\$750/GB Street Price) of purchase price



 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

	IF	L	zIIP/z	AAP	ICF			
	z114 z196		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.

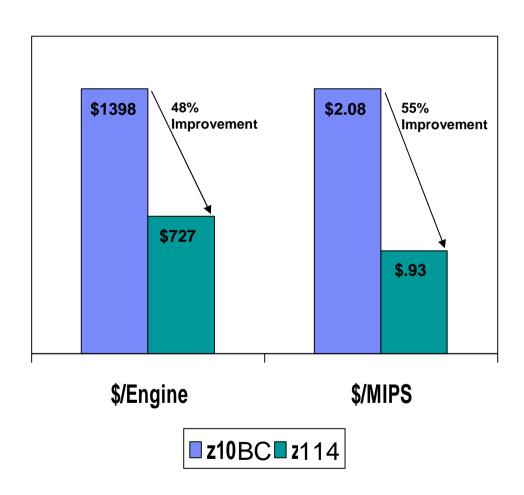
Note 1: First 8 GB free or up to 16 GB carry forward free.

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

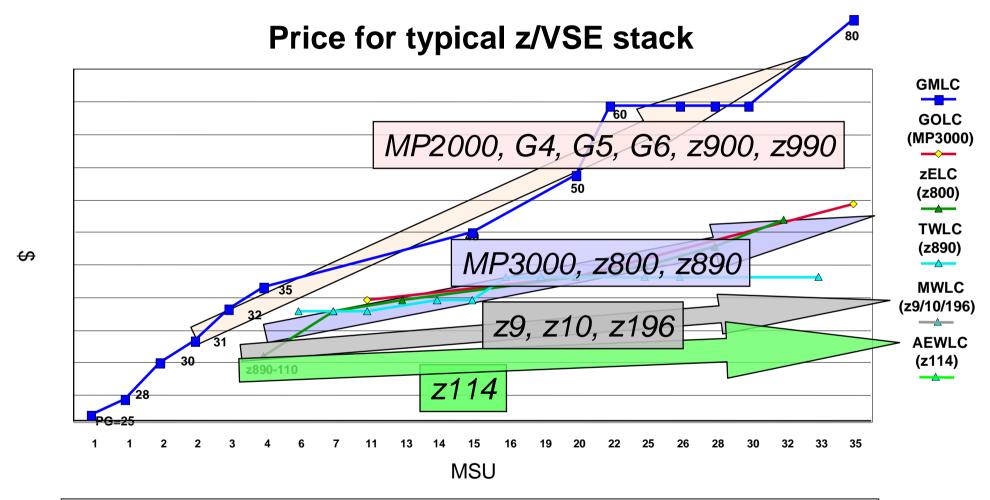
§ z114 strategy is to deliver price performance:

- Via greater engine size
- Via list price reduction

^{*} All prices are US prices, will vary by GEO.



AEWLC - Advanced Entry Workload License Charge on z114



^{§ &}quot;I just got our April software bill from IBM for the first month on our z9 under z/VSE 4.1 and MWLC. We were paying \$22,965 per month on our z800 under z/VSE 3.1.2. The April bill is for the same software and it is \$12,318: a difference of \$10,647 per month." Mike Moore, IT Manager, Alabama Judical Datacenter, Alabama



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

Savings for a Sample Stack

Visible savings are at a Software Stack level, and may differ for individual products or features.

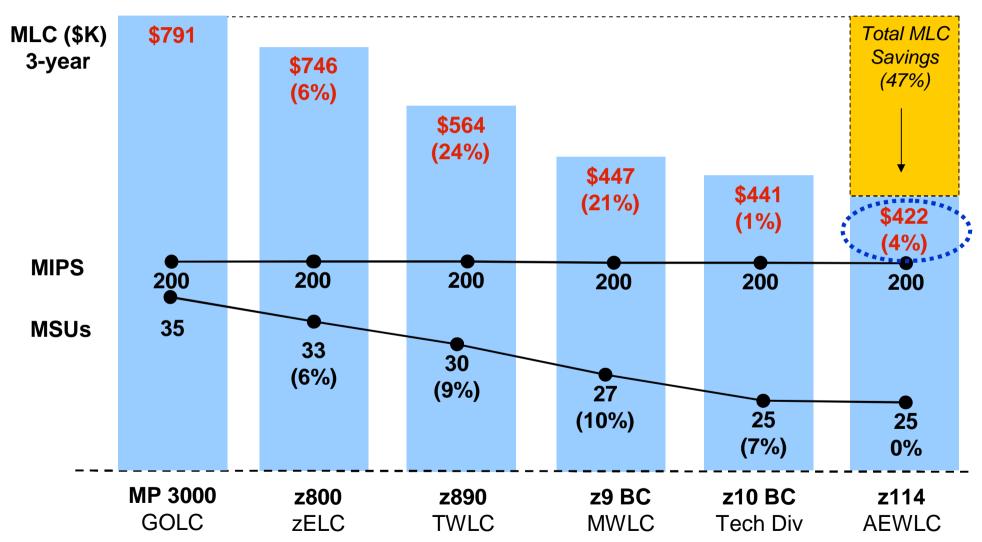
Sample market segment ranges	of z/VSE SW: MWLC on z10BC to AEWLC on z114
(3 msus)	0%
4-17 MSUs	-2%
18-30 MSUs	-4%
31-45 MSUs	-4%
46-87 MSUs	-5%
88+ MSUs	-5%

Majority of z/VSE customers will see savings from 2-4%

	MSUs	MWLC	AEWLC	Savings	MSUs_	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	<u>AEWLC</u>	Savings
z/VSE Central Functions,	20	3,026	2,880	4.82%	50	3,656	3,450	5.63%
CICS TS for VSE/ESA	20	2,610	2,495	4.41%	50	3,150	3,005	4.60%
Stack Total:		5,636	5,375	4.63%		6,806	6,455	5.16%



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

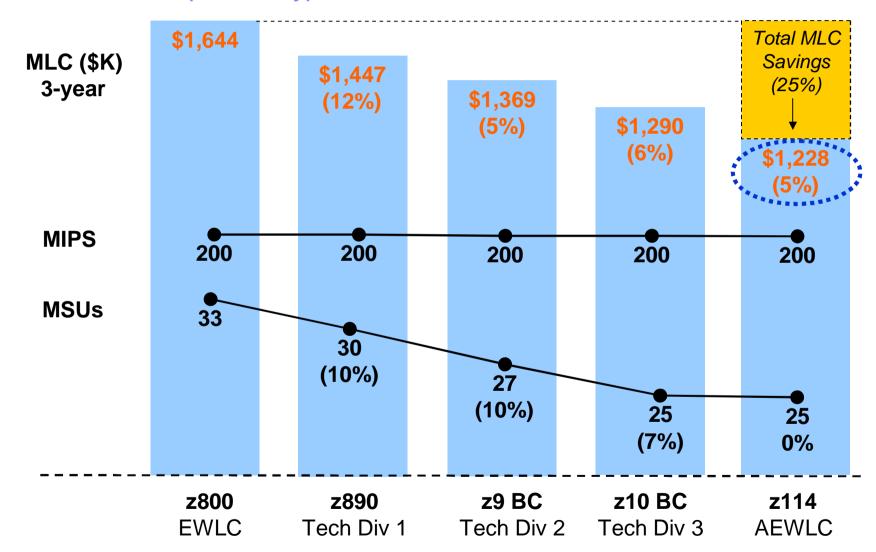


^{*} MLC savings will vary significantly by customer - actual customer configuration must be priced out to be accurate.

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



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



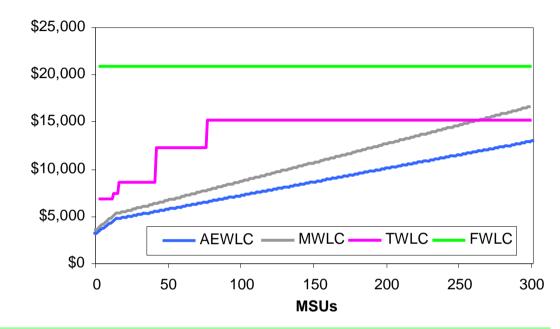
^{*} MLC savings will vary significantly by customer - actual customer configuration must be priced out to be accurate.



Improved TCO through new Pricing Metric and Sub-Capacity Pricing

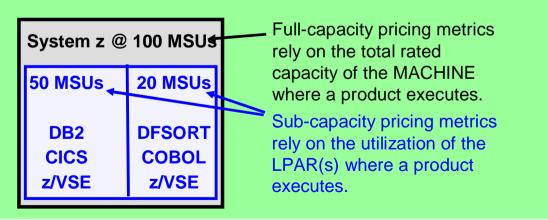
§ z/VSE price/performance through new pricing metric

- 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

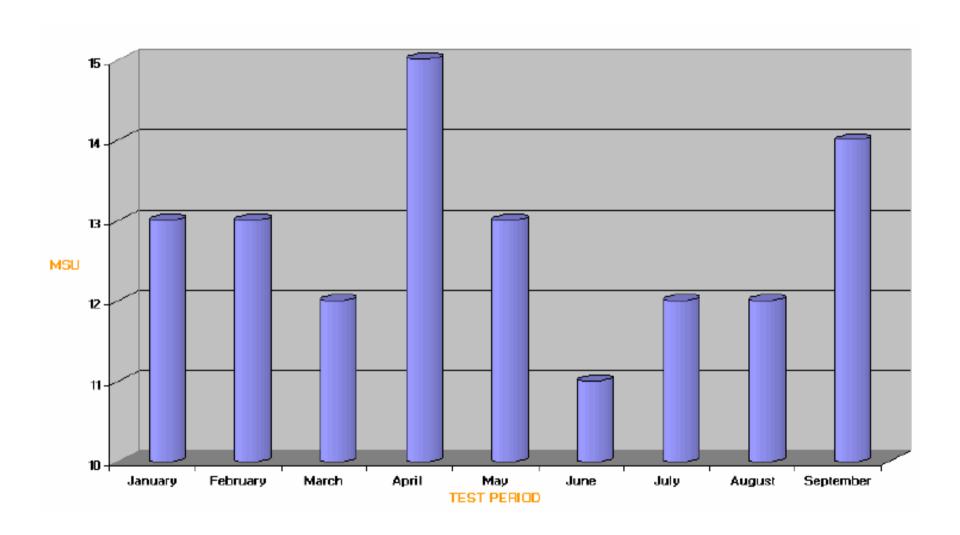
- Some hardware footprint consolidations more attractive now
- Presence of z/VSE V3 or VSE/ESA[™] forces full-capacity pricing



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



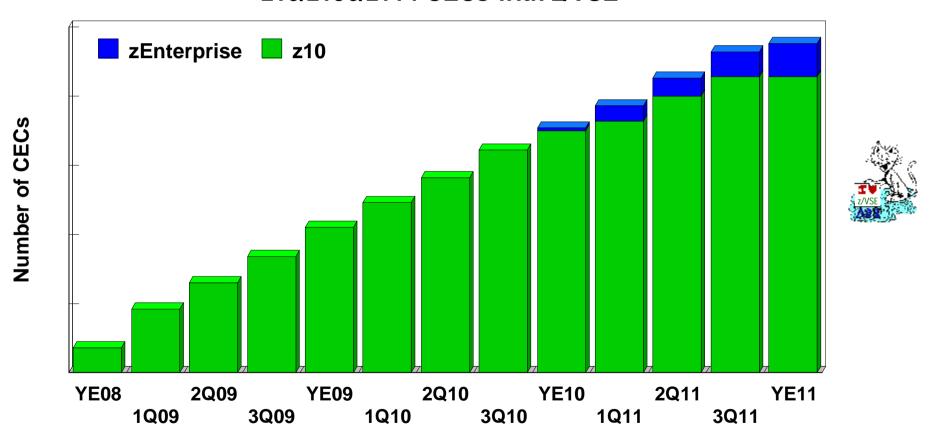
Sub Capacity Reporting Tool: Sample Report





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

z10/z196/z114 CECs with z/VSE





PVU Table

Processor Value Units

PVU Website Link:

click here

http://ibm.com/software/lotus/ 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 196
- 6) z114 refers to IBM zEnterprise 114

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

Processor Technologies												
	Processor Brand			Processor Type								
Processor Vendor	Processor Name	Server model numbers	Maximum - number of sockets per server	One-Cor	ore Dual-Core (2)	Quad-Core (4)	Hexa-Core (6)	Octi-Core (8)	t 16-Core (16)	IFL Engine	Proc. Model Number	PVUs per Core
		770,780,795	> 4			•	•	•			All	120
	POWER7 4	750,755,775 PS704	4				•	•			AII	100
		PS700-703, 710-740	2			•	•	•			All	70
		550,560,570, 575,595	All		•						All	120
IBM	POWER6	520, JS12,JS22, JS23,JS43	All		•						All	80
	POWER5, POWER4	All	All		•						All	100
	POWER5 QCM	All	All								All	50
	z196, 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	AII	All								All	100
Intel®	PA-RISC	All	All		•						All	100
	SPARC64 VI, VII	AII	All								All	100
Sun /	UltraSPARC IV	AII	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

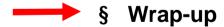
System z

^{*} Requirements as of Publish Date: July 12, 2011



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 - Software Pricing







The IBM zEnterprise System Summary

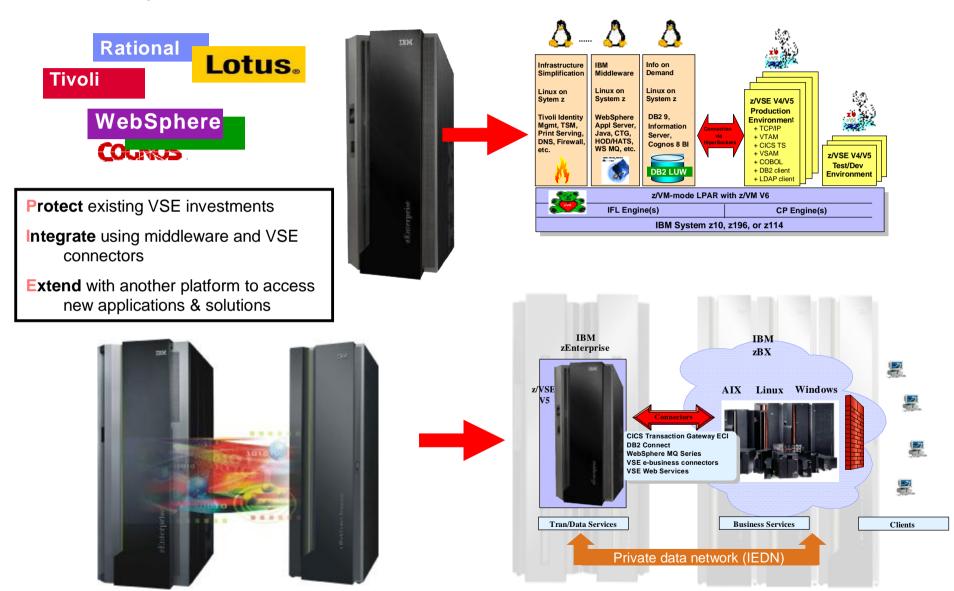
Extending System z strengths to a new dimension

- § Data server for mission-critical data
- § Designed to meet the need of today's heterogeneous data centers
 - Data consolidation
 - Server consolidation
- § Enables a mixed set of workloads to be deployed on best fit technologies
- § Delivers lower acquisition and operating costs than a one size fits all approach
- § Reduces risk by extending the reach of System z qualities of service
- § Improves service through tighter integration for multi-tier workloads
- § Better security control through deduplication, network simplification, and System z platform security can help you meet privacy and audit requirements





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/





Thank You

