

# z Systems Software Sales Enablement on OpenSource

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Global Systems Middleware Competitive Sales



# Topics covered

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- Competitive Team
- Understanding Open Source
- IBM's "*Competitive*" Response
- Extending to LinuxONE and Linux on Z



# IBM Middleware Competitive Wiki



- Application Platform
- IT Service Management
- Integration
- Smarter Process
- Digital Experience



# Worldwide IBM Middleware Competitive Sales Team

[https://ibm.biz/comp\\_wiki](https://ibm.biz/comp_wiki)



**John Donaldson**  
Sales Leader  
All competitors



**Michael Love**  
SAP  
BPM, Integration



**John Pawlikowski**  
SAP, TIBCO, webMethods  
Integration & BPM



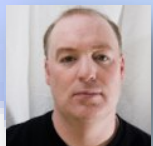
**Roman Kharkovski**  
Oracle, Open Source  
Application Platform,  
Integration



**Aleksandr Nartovich**  
Mobile, Mule, Open Source  
Mobile, Integration



**Mark Swinson**  
All Competitors  
(Europe)



**Eric Berg**  
Oracle, SoftwareAG, MS  
Application Platform,  
Integration, BPM



**Aali Qureshi**  
All competitors  
BPM & ODM



**Asheesh Khaneja**  
All competitors  
(Asia Pacific, GCG)



**Cesar Saavedra**  
Oracle, TIBCO  
Application Platform &  
Integration, BPM



**Krishna Kilambi**  
SAP, Oracle  
(USA)



**Brent Jensen**  
IT Service Management  
Competitors

**Blog** [whyWebSphere.com](http://whyWebSphere.com)



**Bartosz Chrabski**  
ALM/CLM  
Competitors



# Why WebSphere? Blog

*Collection of ideas and resources on WebSphere and IBM competitive position in the marketplace*

- ✓ Lightweight Java servers and developer view on the App Server (update)
- ✓ Application auto-scaling in the BlueMix vs. OpenShift
- ✓ Build a Better Process with IBM BPM
- ✓ WebSphere Liberty auto scaling
- ✓ WebSphere eXtreme Scale – a better choice than Infinispan
- ✓ WAS vs. JBoss vs. WebLogic vs. Tomcat
- ✓ Beware of exaggerated and misleading integration claims to IBM products
  - the case of SOA Software and Solace Systems
- ✓ Open Source Plus Strategy
- ✓ IBM Integration Bus Patterns
- ✓ WebSphere eXtreme Scale is better than OSS and Oracle
- ✓ White paper: IBM MQ 7.5 versus Apache ActiveMQ5.9
- ✓ IBM Integration Bus (IIB) vs leading Open Source ESB
- ✓ Failover demos of IBM MQ and ApacheMQ

**Blog**

**whyWebSphere.com**

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# Open source has an important long term market presence

## Fostering technology innovation



**September 2012:** IBM orchestrates the launch of The OpenStack Foundation boasting \$10 million in funding and 5,600 members changing the dynamics of the Cloud ecosystem



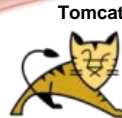
150+ interconnected OSS Projects

**In the era of a Smarter Planet, IBM will continue to leverage open source ecosystems ....**

**In the era of e-business...**

IBM leverages the **nascent open source** software movement...

30-50 OSS Projects



...and **becomes the market leader** in SOA implementations and the world's largest software company

20-30 independent OSS Projects



**November 2001** – IBM rallies 150 influential vendors and the development community around a new tools environment with a \$40 Million software donation disrupting the leadership of the software development ecosystem

Linux



**September 1999:** IBM capitalizes on an untapped market trend and begins participating in the community development of Linux with a \$60M annual investment



Apache

**June 1998** – IBM enters into an engineering agreement with The Apache Group for development of the open-source Apache HTTP server software eventually becoming the leader of the new Application Server market

[z System Software Enablement](#)

# Different roles have different perspectives

*(only IBM can meet them all)*



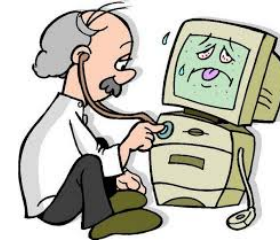
## Software Developer



Wants easily accessed, productive tools

- Easy to access and download
- Fast installation
- Productive development
- Leading edge

## IT Operations



Wants reliable, production-ready commercial products

- ▶ Powerful administration
- ▶ Reliable and mature
- ▶ High performance
- ▶ Strong product support

## Line of Business Executive



- ▶ Shortened project cycles
- ▶ Flexible deployment
- ▶ Security

Wants speed, flexibility, and security

## CIO



- ▶ Low cost
- ▶ Staffing needs
- ▶ Compliance
- ▶ Security

Wants the lowest cost solution that does the job





# Commercialized OSS vendors – *selling tactics*

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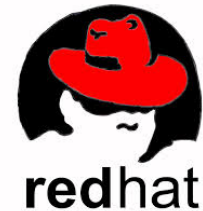
- Developer First Strategy
  - Foot in the door with Developers
  - Establish developer evangelists who take their message to the enterprise
  - Development to Production
  - Very effective use of digital and social channels
- Focus on low costs, speed, and ‘Good Enough’ capabilities
  - Easy access anywhere, anytime
  - Focus is actually on acquisition costs not real TCO
  - Position commercial SW as “bloated” and “very heavy”
- Extend initial single product offerings to platforms
  - Red Hat with JBoss AS, now EAPv6 is a full platform
  - MuleSoft with ESB, now Anypoint full integration platform



# What Are OSS vendors saying about IBM?



- IBM has “expensive commercial products & license costs”
- IBM is “complex and hard-to-use”
- IBM has a “large number of disjointed and unintegrated products”
- IBM products offer “more than you need”
- IBM has “Many different licensing models to keep track of”
- IBM products are not open to the open source ecosystem - hard to make it work with Spring, maven, and other popular OSS frameworks, tools and projects
- IBM licensing does not scale for large companies and especially not for extra large internet companies (this is why facebook, google, etc. all use OSS and not commercial software)
- IBM products are harder to maintain and fix - no source available, hence can't fix it myself
- How can I trust it if I do not see the source? Some governments (China, Russia, etc.) are suspicious of the software if they can not see the source



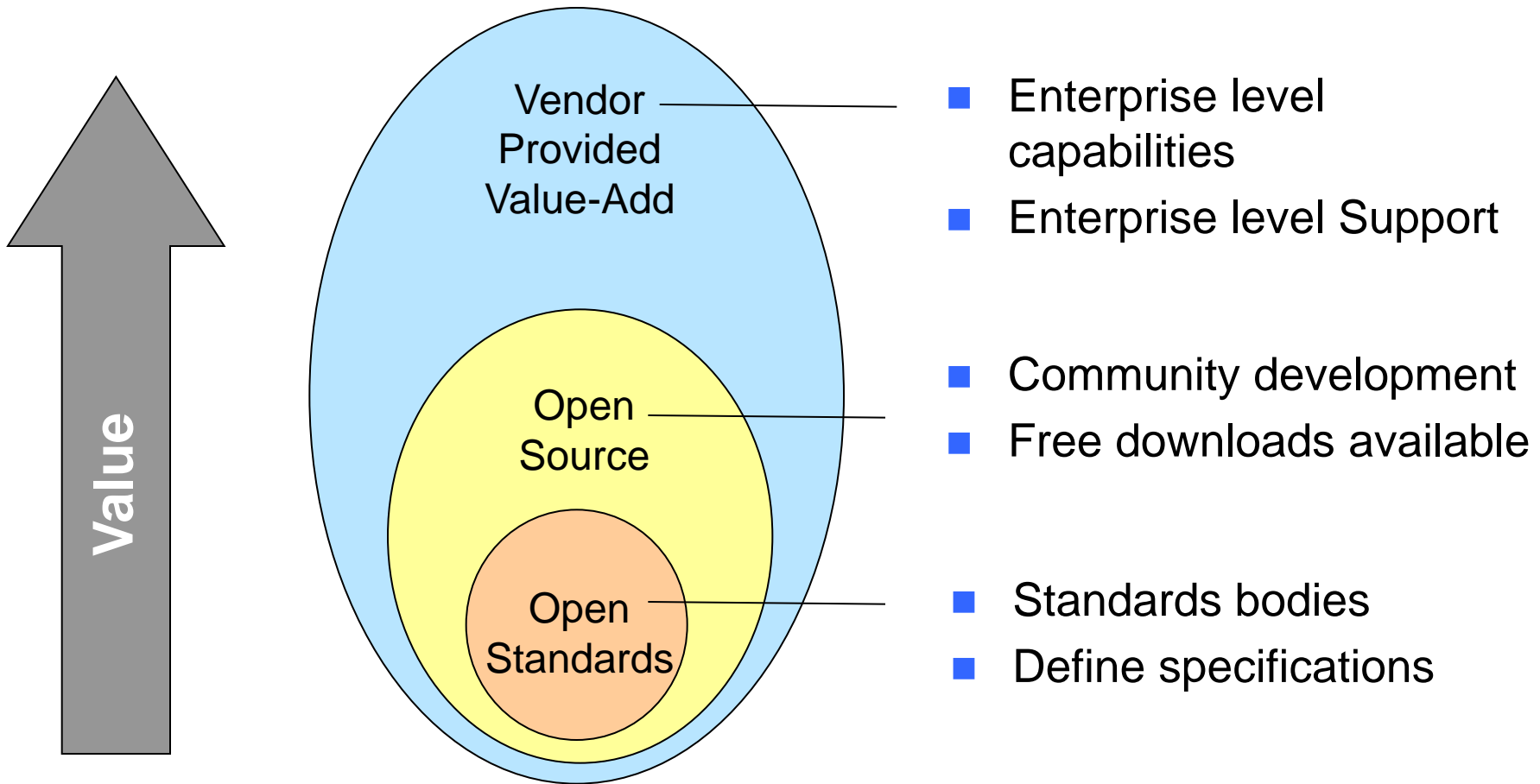
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# IBM does not compete with Open Source, we compete with commercialized *Open Source products*



# IBM embraces Open Source and invests to foster innovation



# IBM contributions to Open Source extending over 15 years



## 1999 - 2001

- IBM forms Linux Technology Center
- Leads Apache projects Xerces (XML4J), Xalan, SOAP
- Creates OSI-approved IBM Public License
- Strategic participation in Mozilla
- IBM becomes founding member of OSDL
- Founder of Eclipse.org and Eclipse Consortium
- Creates internal bazaar using OSS methodology



## 2002 - 2003

- Linux contributions to scalability (8-way+), reliability (stress testing, defect mgmt, doc)
- Leads Apache projects: Web Services (WSIF and WSIL), Pluto (Portlet API) and WSRP4J (Remote Portal)
- Leads Eclipse projects GEF (editing), EMF (modeling), XSD (XML Schema), Hyades (testing), Visual Editor, AspectJ, Equinox rich client
- Globus Toolkit contributions for OGSA, OGSF



## 2004 - 2006

- IBM and Novell/SUSE achieve security milestone (EAL4+ and COE compliance)
- Eclipse Foundation, Inc. becomes independent - IBM contributes UML2, Voice Tools, Aperi, COSMOS, Ajax Toolkit Framework
- Globus Toolkit 4 is WS-I compliant
- Pledged 500 patents to open source
- Partner with Zend PHP
- IBM enhances Apache partnership
  - Contributes Derby database
  - Contributes voice recognition
  - Supports Geronimo J2EE project
  - Acquires Gluecode for skills
- IBM contributes accessibility code to Firefox



## 2007 - today

- IBM leads Open AJAX initiative and announces partnership with the Dojo Foundation
- Leads Apache Tuscany project
- Contributes code for security management to Eclipse Higgins
- IBM contributes to Apache Lucene project and announces OmniFind Yahoo! Edition
- IBM joins OpenOffice.org
- IBM joins Open Health Tools, moving code for medical record management from Eclipse OHF
- Contributes Open Services for ALM – Jazz REST Services samples
- IBM creates ODF Toolkit Union
- Contributes Lotus Notes/Domino app templates to OpenNTF.org
- Incubates Apache Wink (JAX-RS)

More than 1000 IBM developers involved in OSS projects

IBM leads 80+ OSS projects

IBM contributes to 150+ OSS projects





# IBM delivers innovation and flexibility

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Leverages 100+  
Open Source Packages



## IBM SmartCloud

Leverages 70+  
Open Source  
Packages



Hundreds of Open Source  
packages

## WebSphere Application Server V8.5.5

Liberty Leverages 100+  
Open Source  
Packages



## Big Insights

Leverages 40+  
Open Source  
Packages

# IBM's Open Source Plus



## Open for Innovation at

<http://www-01.ibm.com/software/websphere/openplus/>

*IBM ups the benefits of open source with Open Source Plus*

### Go beyond "good enough" IBM Open Source Plus delivers:

- *Performance and scale*
- *High availability*
- *Security and integrity*
- *Integration with front-end/back-end systems*
- *Access to experts and single point of support*
- *Total cost of ownership*

### Your Peers

Companies are already seeing the benefits of IBM Open Source Plus.

- [Topdanmark](#) Transaction integrity across the enterprise
- [Aviarc Global, Ltd. \(636KB\)](#) Up and running in under 15 minutes
- [Cincom Systems \(717KB\)](#) 20% faster time to market
- [FJA-US \(628KB\)](#) 20% lower development time and cost
- [Dataskill \(149KB\)](#) IBM Bluemix Liberty for Java Improves productivity by 30%

### Listen up!

[Webcast: WebSphere MQ vs. Open Source](#)

[Webcast: Preventing the HeartBleed Bug](#)

[Webcast: Build on your Mobile Open Source Strategy with IBM Worklight](#)

[Webcast: Make applications responsive and easier to scale: Introducing IBM MQ Light](#)

# Responding to “OSS has a lower cost” perception

## TCO vs TCA



- OSS vendors focus on the TCA or total cost of acquisition, which is \$0, ignoring the real total cost of the SW lifecycle
- Some OSS vendors like Red Hat charge more for S&S than the comparable IBM product
- All OSS vendors do not account for the commonly ‘hidden’ costs of long term operational and life cycle management;
  - Application design and development costs
  - Cost of integration with other systems
  - Quality, user acceptance and other testing costs
  - Deployment cost
  - Operational support cost (day to day operations)
  - Application enhancements and bug fixes cost
  - Downtime costs (planned and unplanned)
  - Performance costs
  - Hardware and networking costs
  - Upgrades cost
  - SLA penalties
  - Replacement costs

***OSS is like getting a Free Puppy***



# Examples supporting IBM's Middleware TCO advantage



- Reduction in support costs (Legacy server environment)
- IT operational savings - reduced support incidents
- End user operational savings - application availability
- IT development team savings

## Migration of the JBoss production system to WebSphere Application Server yielded 42% ROI and payback of 1.4 years

- Improved administration
  - Greater application performance
  - Higher application availability
  - Reduced support costs
  - Improved development productivity



Forrester Research  
MAKING LEADERS SUCCESSFUL EVERY DAY

## IBM Information Bus had significant scalability and throughput advantages over the open source ESB alternative.

- › Use of the IBM Information Bus solution would reduce testing effort and time.
- › Selecting the open source ESB significantly increased business risk.
- › Open source solutions remain a viable part of the organization's IT strategy, for use in the right situations.



Forrester Research  
MAKING LEADERS SUCCESSFUL EVERY DAY



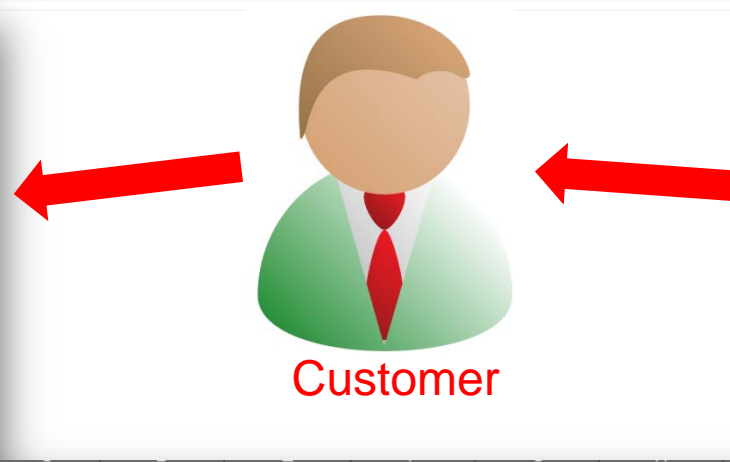
- ✓ White paper: IBM WebSphere MQ 7.5 versus Apache ActiveMQ5.9
- ✓ IBM Integration Bus (IIB) vs leading Open Source ESB
- ✓ Why Topdanmark chose WebSphere Application Server over JBoss
- ✓ Right sizing your application server environment with WAS Liberty
- ✓ Failover demos of WebSphere MQ and ApacheMQ

# Example of IBM's TCO workshop



### Interview Questions

Customer Info	
Customer name	<CUSTOMER_NAME>
Select deployment scenario:	Medium
Configuration type ->	Medium
Applications	
Number of J2EE applications	10 <- This informa
Number of new applications developed per year	4 <- number of s
Number of re-deployments per year per application	6 <- how many n
Number of datasources per application	2 <- upgrades of
Number of JMS topics/queues per application	3 <- how many J
Number of other integration points	0 <- how many J



IBM WebSphere® Application Server V7  
vs.  
JBoss® Enterprise Application Platform V5  
TCO Analysis

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**summa**  
Technology & Business

October 27, 2010

### Total Cost of Ownership Summary

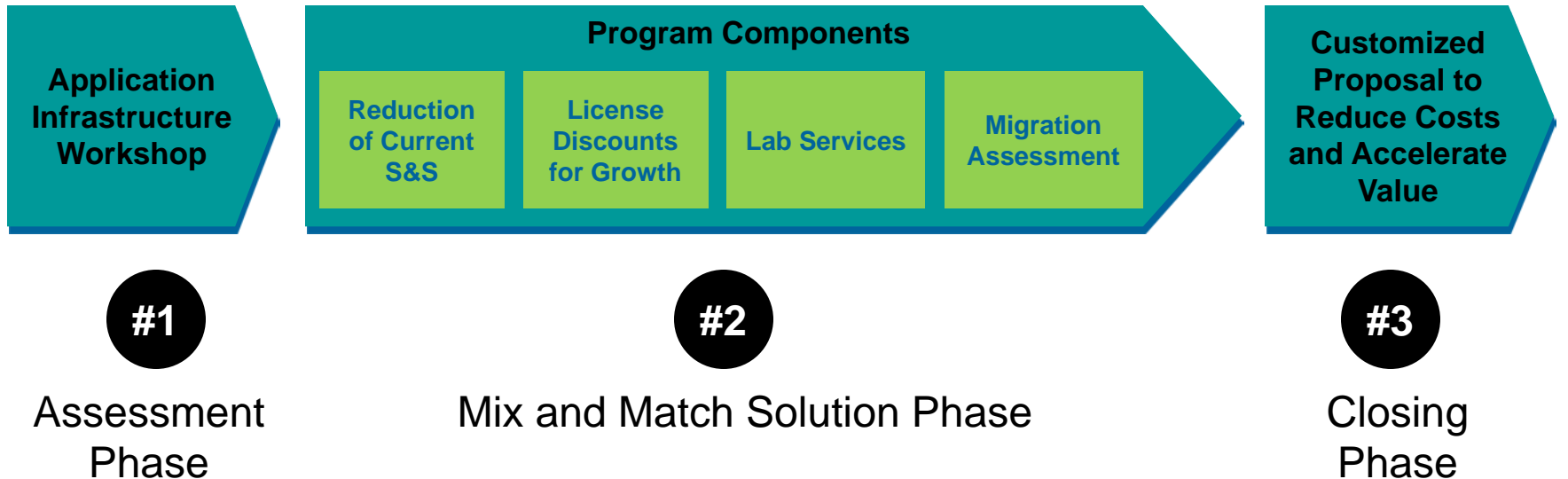
	Yearly Cumulative TCO									
	year 0		year 1 cumulating		year 2 cumulating		year 3 cumulating		Total	
	IBM	RedHat	IBM	RedHat	IBM	RedHat	IBM	RedHat	IBM	RedHat
Acquisition - Software	\$ 443,079	\$ -	\$ 525,616	\$ -	\$ 525,616	\$ -	\$ 525,616	\$ -	\$ 590,772	\$ -
Acquisition - Hardware	\$ 283,509	\$ 398,340	\$ 316,863	\$ 415,017	\$ 316,863	\$ 431,694	\$ 316,863	\$ 431,694	\$ 333,540	\$ 448,371
Maintenance/Support - Software	\$ 17,666	\$ 63,623	\$ 126,027	\$ 132,478	\$ 250,895	\$ 202,178	\$ 375,763	\$ 271,877	\$ 501,670	\$ 346,809
Maintenance/Support - Hardware	\$ 51,032	\$ 71,701	\$ 108,067	\$ 146,404	\$ 165,102	\$ 224,109	\$ 222,138	\$ 301,814	\$ 282,175	\$ 382,521
Relative Risk and Downtime	\$ -	\$ 96,663	\$ -	\$ 198,159	\$ -	\$ 304,729	\$ -	\$ 416,628	\$ -	\$ 534,122
Software Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Training	\$ 9,375	\$ 26,306	\$ 18,750	\$ 52,611	\$ 28,125	\$ 78,917	\$ 37,500	\$ 105,222	\$ 46,875	\$ 131,528
Application management	\$ 46,246	\$ 165,490	\$ 106,107	\$ 354,228	\$ 178,262	\$ 571,583	\$ 261,326	\$ 811,015	\$ 357,733	\$ 1,082,649
Infrastructure management	\$ 61,301	\$ 109,118	\$ 131,145	\$ 225,320	\$ 200,960	\$ 346,918	\$ 270,775	\$ 468,516	\$ 344,935	\$ 595,622
<b>Total TCO</b>	<b>\$ 912,209</b>	<b>\$ 931,240</b>	<b>\$ 1,332,575</b>	<b>\$ 1,524,217</b>	<b>\$ 1,665,824</b>	<b>\$ 2,160,127</b>	<b>\$ 2,009,981</b>	<b>\$ 2,806,767</b>	<b>\$ 2,457,701</b>	<b>\$ 3,521,622</b>
Difference with IBM	\$ -	\$ 19,031	\$ -	\$ 191,643	\$ -	\$ 494,304	\$ -	\$ 796,787	\$ -	\$ 1,063,921
% as compared to IBM	100%	102%	100%	114%	100%	130%	100%	140%	100%	143%



# The Right Fit Loyalty Program

*Analysis of your client's Application Infrastructure for current and future needs that will drive new sales*

## IBM Application Infrastructure Thought Leadership





# WebSphere WW Pre-Sales Migration Team

<https://ibm.biz/WASMigrationWinStories>



## Focus Areas

- Competitive application servers
  - OAS, WLS, Open Source
- Competitive ESB's
  - JCAPS, WLI, wMethods, TIBCO, Open Source
- WebSphere version to version upgrades
  - WAS v6, 6.1 and higher to WAS v8.5

## Skill Areas

- Migration SME's with proven methodologies and best practices
- Application Foundation
- Connectivity & Integration
- Business Process Management / ODM

## Engagement Expectations

- Pre-sales engagements through to the actual migration effort, with SME coverage and oversight through to migration completion
- Skill transfer and best practices for new environment support

# Countering Common Objections “Yes, but ...”



Objection	Discussion
<p>Open source is free, commercial licenses are expensive</p>	<p>Yes, open source has no acquisition costs, but when you factor in all lifetime costs and conduct “total cost of ownership” comparisons we often find open source is much more expensive. This cost impact is particularly high in maintaining integrations between software applications.</p> <p>Just like the tip of the iceberg, the license cost is usually only a 10% of the overall TCO. The 90% of the true cost - the complete TCO picture is hidden and is often difficult to comprehend with untrained eye.</p> <p>Yes, and IBM is a big supporter of open source, in fact we contribute and lead many open source initiatives and then add enterprise class capabilities above and beyond the basic open source building blocks.</p>
<p>Open source software is ‘good enough’ for my needs</p>	<p>Yes, this may be the case depending entirely on your needs to day and in the future</p> <p>Projects often seem simple in a development environment, but can get complex quickly in production when you factor in: application management, security, transaction integrity,</p> <p>Yes, that’s why IBM offers variations of products to meet varied needs. WebSphere’s application server Liberty edition for example, provides a ‘built for developer’ footprint with seamless integrity to the Base and Enterprise options.</p>
<p>Open source gives me business flexibility and avoids vendor lock-in</p>	<p>Yes, and we believe that open source and open standards complement each other in avoiding lock-in.</p> <p>However, you can get locked into an OSS project too, e.g. through skills and assets. And with no business relationship with the developers, there is a risk that they will take it in directions that are against your interests, fork or fragment it – or that it might be acquired by a commercial vendor that you didn’t choose (e.g. Hudson/Jenkins; MySQL).</p>
<p>Open source support is available for free on the internet</p>	<p>Yes, some OSS support is available on the internet public forums but it is erratic and not dependable enough to be committing business applications and critical processes.</p> <p>There is also a significant difference between open source support for community editions and the level of depth required in commercial products supporting business critical requirements.</p>
<p>Open source is better quality/higher security because many eyes are examining the code</p>	<p>Yes, open source can often produce very high quality implementations, and that’s one reason we often use it as the basis of our commercial products.</p> <p>However, in reality, for most projects few people are actually looking deeply at the code, and just a handful may be committing changes, while many may be submitting bugs and enhancement requests.</p> <p>That’s what IBM does when we build on open source: we typically have many professional developers committing to the code base.</p>

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# Where we are today on z Systems



## LINUX YOUR WAY

### Distributions



### Hypervisors



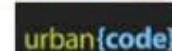
### Languages



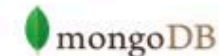
### Runtimes



### Management



### Database



### Analytics



# Ray Jone's Perspective on IBM LinuxONE Systems Addressing Client Requirements



## Differentiated Value Proposition

*"We're not sure Linux on z is better than alternatives."*

- NEW Pay for Use Pricing Model (Elastic Pricing)
- NEW LinuxONE Proof Points
- NEW LinuxONE Solutions
- Competitively Priced LinuxONE Systems

## Skills and Familiarity

*"We don't have the needed skills to leverage Linux on z."*

- Distributions: Red Hat, SuSE, Ubuntu
- Hypervisors: PR/SM, z/VM, and (NEW) KVM
- LinuxONE Solution Quick Start Services
- NEW Linux MOOCs (Massively Open Online Courses)

## Software and Application Availability

*"The set of software available on this platform is too limited."*

- Languages: Python, Pearl, Cobol, Java, Node.js and many more
- Management: OpenStack, (NEW) Chef, Puppet, Docker and VMware
- Database: Oracle, DB2LUW, (NEW) MariaDB, MongoDB, PostgreSQL
- Analytics: Hadoop/Big Insights, DB2BLU and (NEW) Spark

## Market Relevance and Developer Mindshare

*"Linux on z isn't top of mind for application developers."*

- NEW Open Mainframe Project
- NEW Open Community IP Contributions
- NEW LinuxONE Developer Cloud
- NEW Global Health Challenge IBM Research Project: Lou Gehrig's

# Clients run many workloads on Linux on z Systems



Database deployment



Web application and SOA infrastructure



Real-time insights



... and much more

- [Sparda-Datenverarbeitung eG](#) (DB2, Oracle)
- [EVERTEC](#) (Oracle)
- [L3C LLP](#) (Oracle)
- [Dundee City Council](#) (Oracle)
- [Met Office](#) (Oracle)
- [America First Credit Union](#) (DB2)
- [SinfoniaRx](#) (DB2)

- [BTMU](#)
- [Nationwide](#)
- [Halkbank](#)
- [Renfe](#)
- [Bank New Zealand](#)

- [Sicoob](#)
- [White Cube](#)
- [Bankia](#)
- [Miami-Dade County](#)
- [IBM](#)

- [ABK-Systeme GmbH](#) (MobileFirst)
- [Banca Carige](#) (MobileFirst)
- [German Pension Fund](#) (Content Mgt)
- [BCBS Minnesota](#) (SAP)
- [Baldor](#) (SAP)
- [Porto Alegre](#) (Maximo)
- [City a. County of Honolulu](#) (Maximo)
- [IBM](#) (Connections/Notes)

More cases: [ibm.com/systems/z/os/linux/success/index.html](http://ibm.com/systems/z/os/linux/success/index.html)



# Resources for IBM z Systems Software in an OpenSource Environment



- **Use the link below to better understand when to Compete, where to Complement and where to Upsell with z Systems Software**
  - **We are gathering OpenSource Information from the various Brands and storing them in our z Systems Technical Sales Wiki on the [OpenSource Information Page](#) to gain insight into the following:**
    - Cloud
    - DevOps
    - Application Performance Management
    - IBM Integration Bus
    - MQ
    - MobileFirst Platform
    - WebSphere Application Server
- **Examples of Complementing and Upselling to OpenSource Customers:**
  - **DevOps**
    - Git (integration with RTC, ClearCase)
    - SeleniumIDE (integration with RQM, RIT)
    - Development tools (integration with RTC, CLM)
    - Build - Jenkins / Hudson, Maven (integration with RTC)
  - **Analytics**
    - Customer has DB2 and MongoDB, consider how Mobile Workload Pricing could reduce the cost and eliminate the need to have MongoDB
- **These are some examples of how you can complement OpenSource Solutions, if you have additional use Cases please post comments to the Community Page above.**



## Call To Action

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- Use the [LinuxONE Community](#) to let us know when you are engaging with OpenSource Vendors
  - Provide feedback on which OSS Vendors you are seeing and how you are complementing their capability or directly competing
- Leverage the MW Competitive Team as needed.
- Begin using the [MW Competitive Wiki](#)
- Be aware of the links and information in the [OpenSource Feedback Wiki Page](#)
- [IBM LinuxONE Sales Kit](#)