



IBM Systems and Technology Group University 2005

On Demand: Winning Against HP and Sun

Course #: CB12

Peter Loeb, WW Competitive Sales Leader
Bryan Norton, Americas Competitive Sales



Goals of Presentation

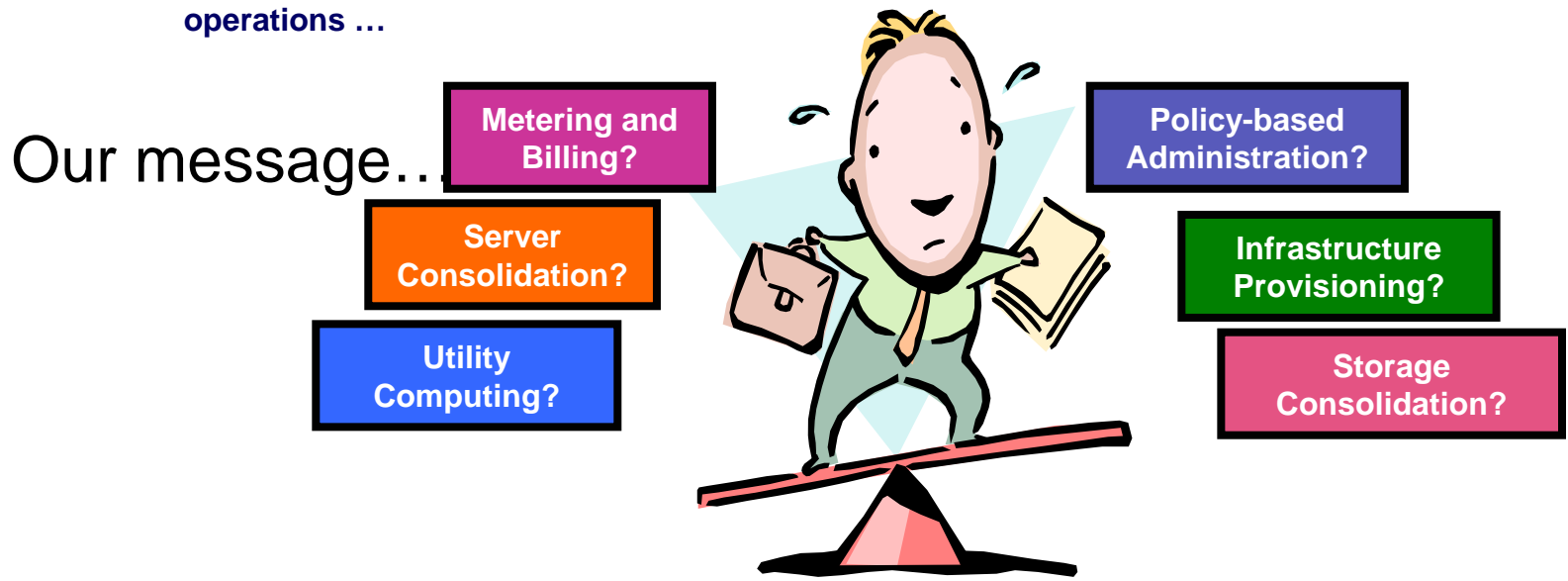
1. Understand the “gap” between our message and the customer’s reality
2. Understand the On Demand Opportunity
3. Convey that On Demand is alive and well
4. Customer appetites for On Demand: what they really will/want to buy
5. Relate attributes of current HW to On Demand: foundation technologies
6. Teach Sales to stay “above the box,” especially in the Intel space where we must differentiate

The Great Divide ... Vision versus Reality

Open *Integrated*
On Demand is simply helping the customer better utilize and optimize their IT infrastructure so it can adjust to the peaks and valleys of everyday business!!
Virtualized *Operating Environment* *Autonomous*

... an approachable, adaptive, integrated and reliable infrastructure delivering on demand services for on demand business operations ...

The Great IT Dilemma... Where do I start?



Solving Customer Pain *STILL* Means Delivering Balance

Primary Objective: Deploy and Maintain the Applications and Processes that drive Business Advantage



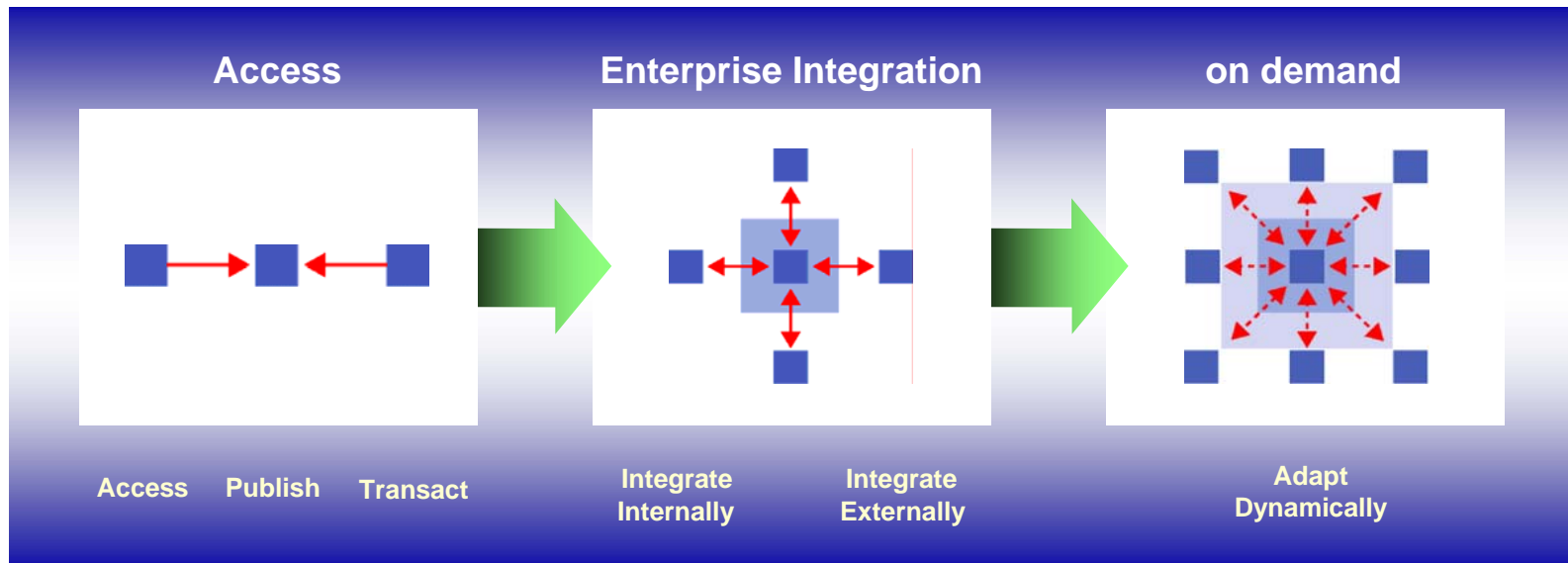
Aggressive SLA's including Security and Disaster Recovery

Lowest Total Cost of Ownership or Cost of Usage

BALANCING TOOLS

- Enterprise RAS Systems and Components
- Utility Computing--pricing /services
- Flexible Asset acquisition, use, disposal
- Autonomic Management, Provisioning, Orchestration

What characterizes On Demand?



❑ Focused –

- ❑ Customer issues
- ❑ Industry knowledge
- ❑ Company core competency

❑ Variable -

- ❑ Cost structures
- ❑ Infrastructure choices

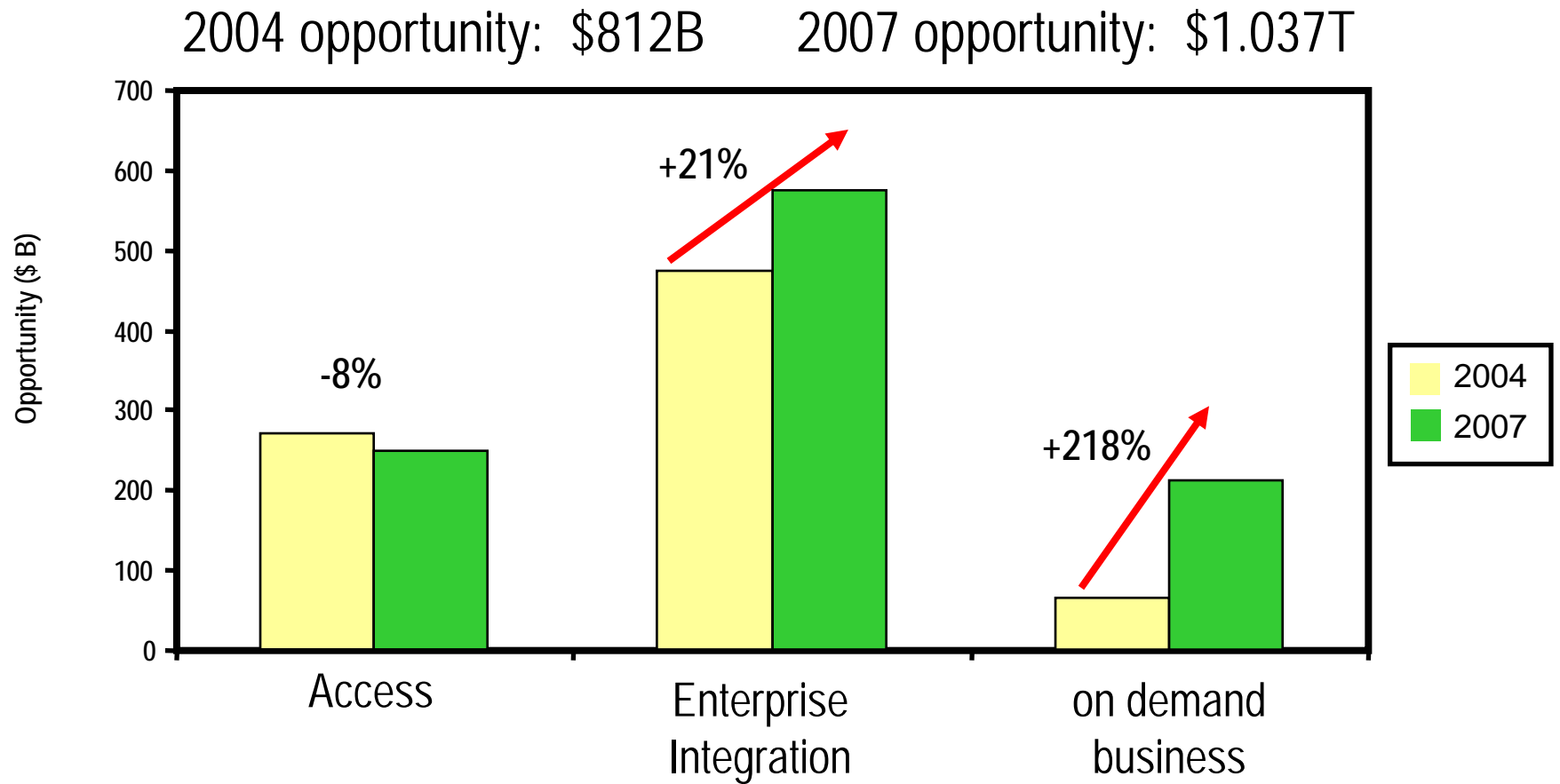
❑ Resilient –

- ❑ Planning for unplanned events
- ❑ Security

❑ Responsive –

- ❑ To your client's customer – scalability, performance, availability - QOS
- ❑ Delivering new capabilities

On Demand Growth = Your Opportunity (Obligation)

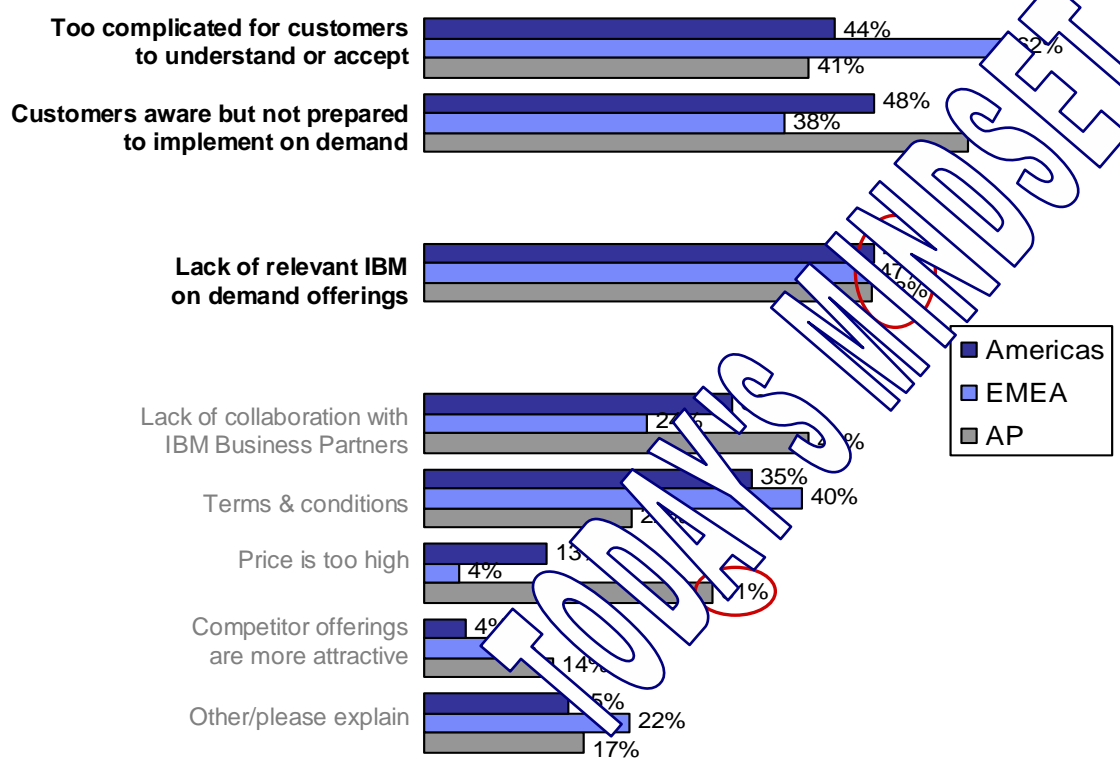


Leading and Winning in *on demand* are NOT optional.....Sam J Palmisano

Source: e-business Adoption Tracking Study, 4Q03

On demand challenges: Limited acceptance, need more relevant offerings

□ Sales leaders indicate that customers are not ready to accept on demand. When specifically asked about offerings, almost half cite insufficient relevant offerings. Price and competitive offerings are not currently identified as obstacles except in AP where 31% of sales leaders mention it as a main obstacle.



Difficulties are consistent with early adopter stage of market life cycle:

- Limited acceptance
- Limited offerings
- Limited competition

AMR Research sees awareness building - but slow adoption.

"While the vision seems pretty sound, there's a lot of maturity that has to happen."

Sales leaders see a slow market and a lack of offerings.

"Very conceptual but not tangible."

"Everything in IBM is now on demand - no focus."

"Each deal is a roll your own."

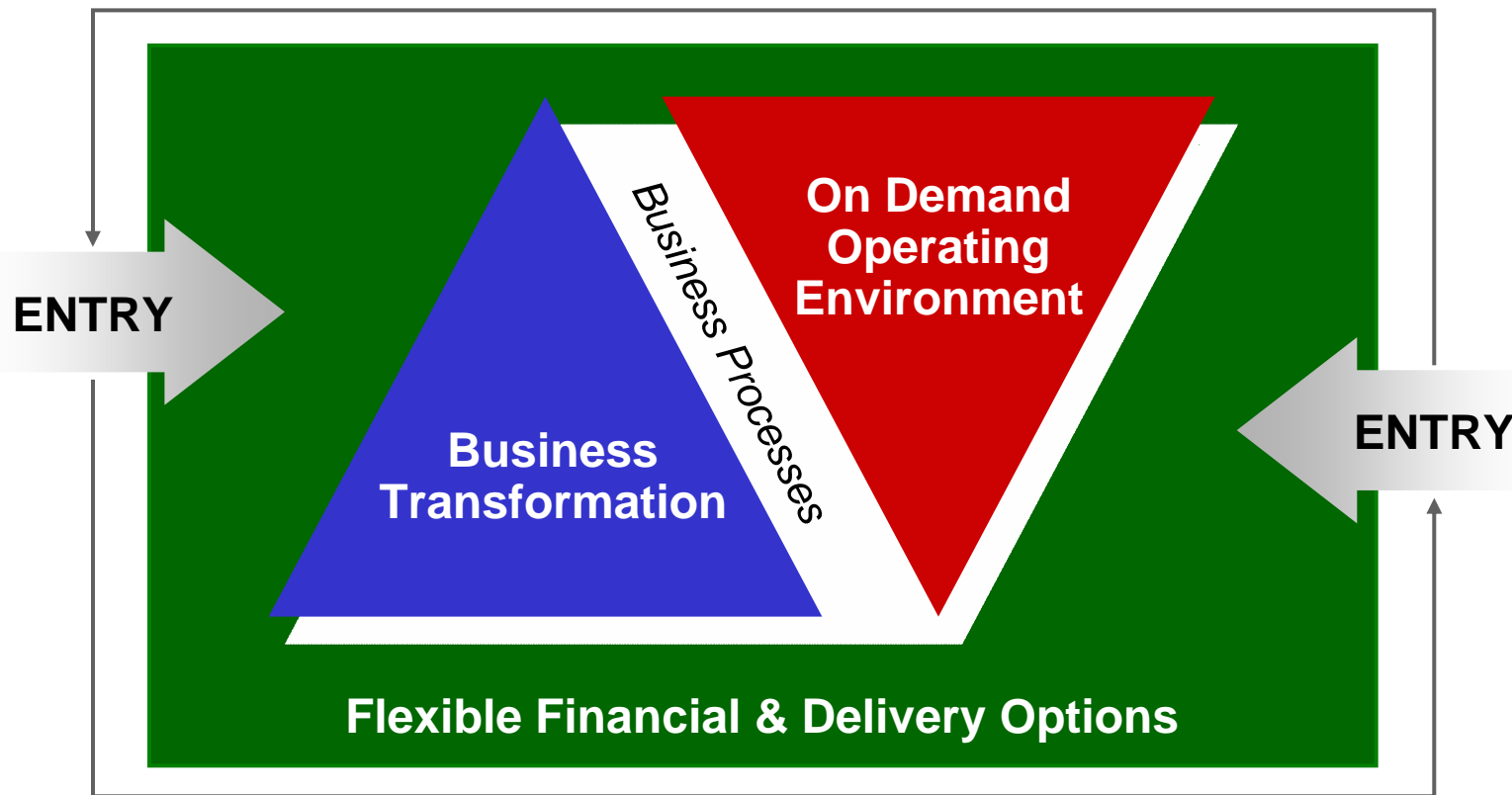
"Customer doesn't think On Demand"

	Too complicated	Cust. not prepared	Lack of relevant offerings	Lack collaboration with BPs	Terms & Conditions	High Price	Competitor offerings	Other
Systems n=160	49%	48%	48%	33%	32%	16%	9%	18%
S&D n=279	41%	61%	44%	18%	38%	12%	8%	21%

Q4. When selling on demand, what are the main obstacles to your success? [Select top three] (n=160)

The Essentials of an On Demand Breakthrough

Where you start depends on *YOUR* organization's priorities.



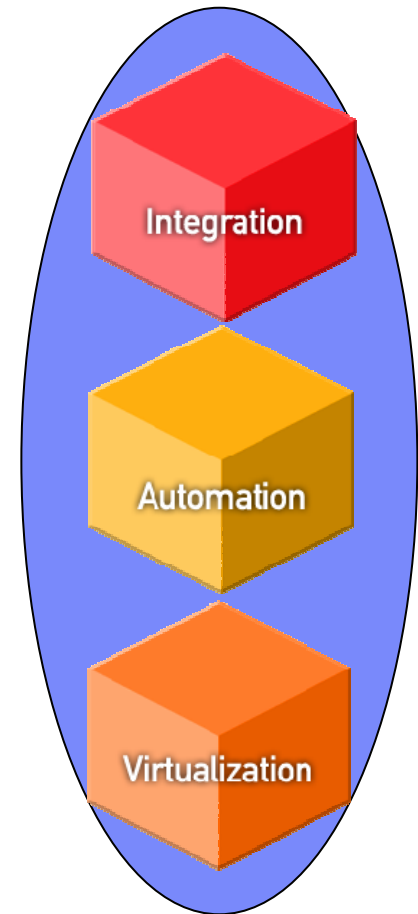
Increasing flexibility is the key — business models, processes, infrastructure, plus financing and delivery

The Journey ... Customer View

- 1. Monitor all resources and define big matrix of what goes where to be able to increase utilization from 15-25% to 40% in a consistent way while maintaining integrity and flexibility**
- 2. Consolidate server and storage resources**
- 3. Virtualize the resulting environment**
- 4. Provision the environment**
- 5. Orchestrate the environment**

Our Offerings: Filling the Vision

- **Partitioning, virtualization capabilities**
- **Autonomics across all STG products**
- **Linux-based services (clusters) and servers**
- **Workload monitoring, balancing and management**
- **E-business-enabling web application environment**
- **OO/CoD, across z, i, p series, BladeCenter**
- **OIO infrastructure financing to reduce TCO/TCU**
- **TCO proof-points and implementation methodologies**
- **Resource Consolidation practices and methodologies**
- **SO, ITS and BCS services/technologies**



Business Transformation

Operating Environment

Business Processes

IBM Virtualization Engine™ Offerings

IBM Integrated & Tested

IBM Virtualization Engine Suite for Servers

Delivered as a suite

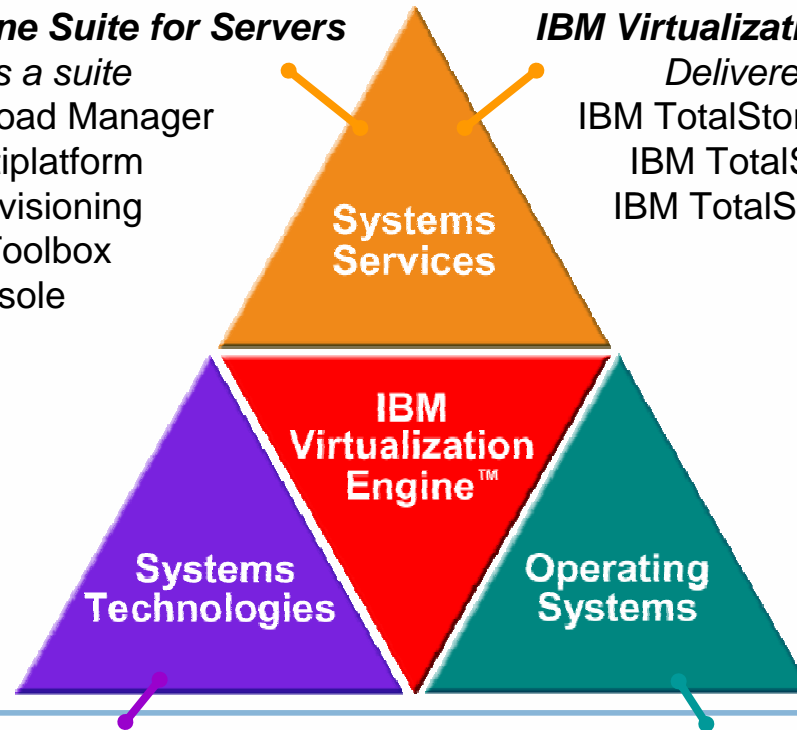
- Enterprise Workload Manager
- Director Multiplatform
- Systems provisioning
- IBM Grid Toolbox
- VE Console

IBM Virtualization Engine Suite for Storage*

Delivered as separate products

- IBM TotalStorage SAN Volume Controller
- IBM TotalStorage SAN File System
- IBM TotalStorage Productivity Center

* TotalStorage elements are part of IBM TotalStorage Open Software Family

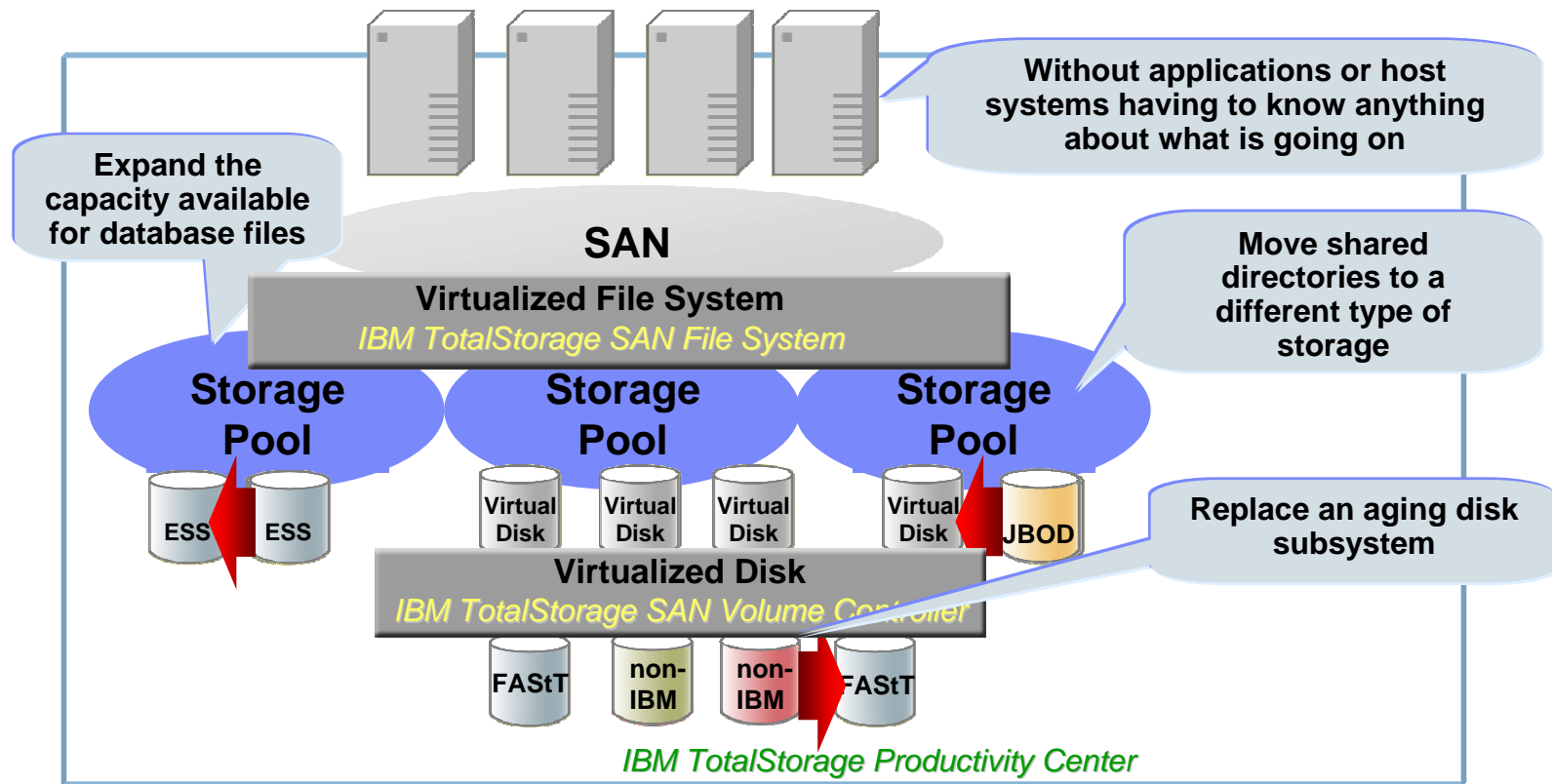


IBM Virtualization Engine System Technologies

- Dynamic LPAR , Virtual I/O Server
- Integrated shared infrastructure for Blades
- Intelligent Resource Director (IRD)
- zSeries Application Assist Processor (zAAP)
- Clustering
- VLANs / Hipersockets / Virtual Ethernet
- Multi-node Load Balancing
- Virtual Disks in ESS & FASTT

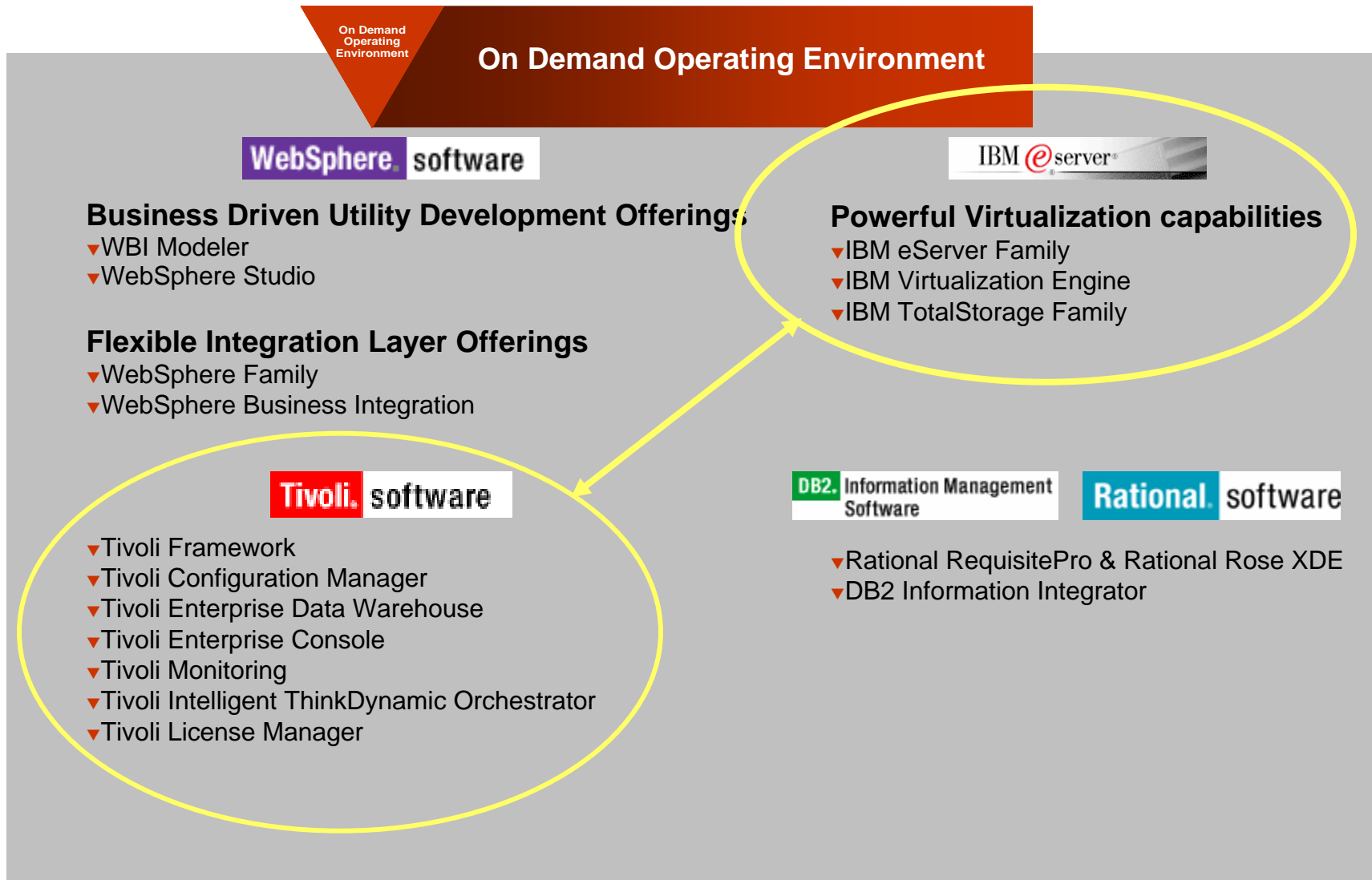
On Demand Storage Environment

More seamless infrastructure changes possible

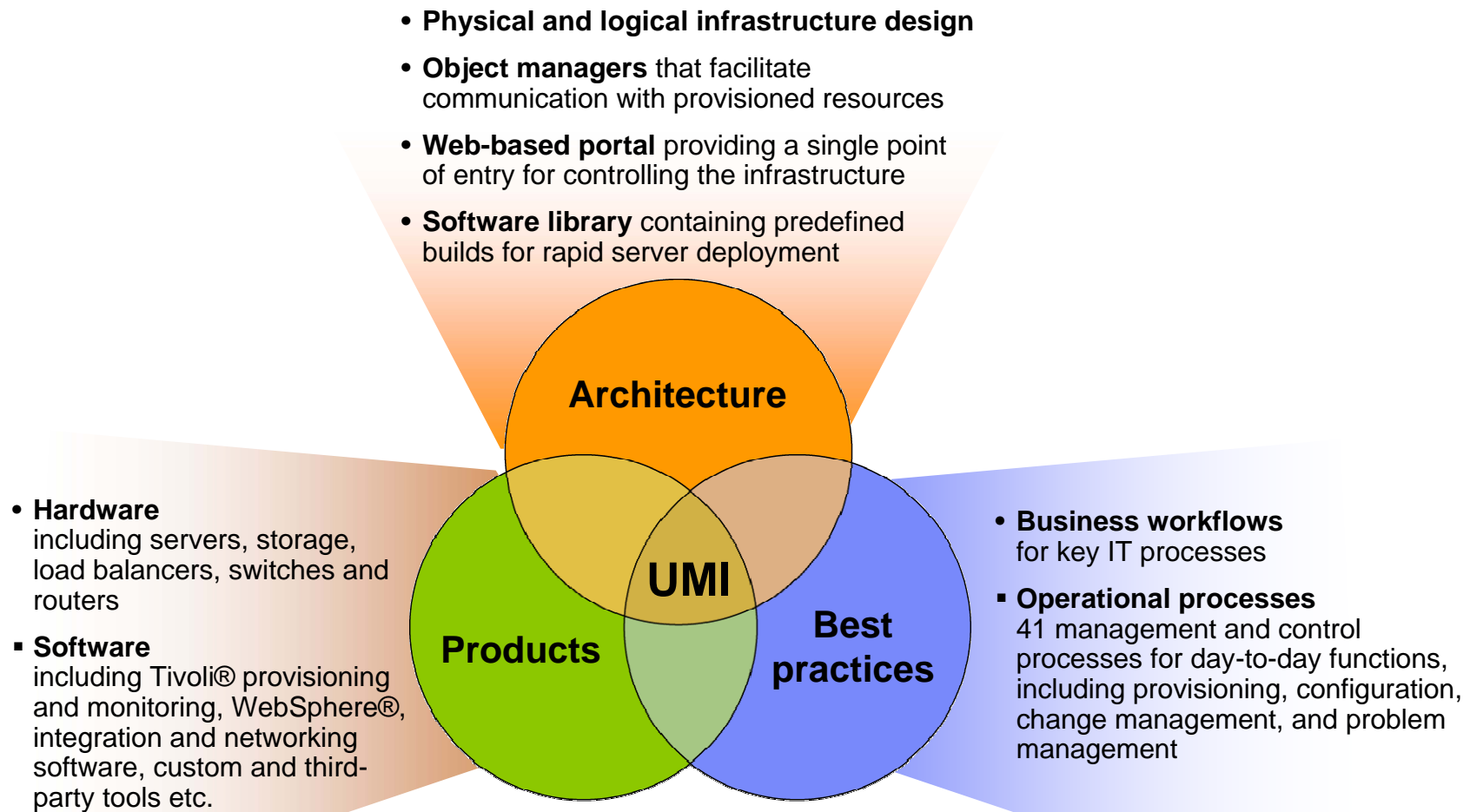


- This can enable* {
- *Improved Application Availability*
 - *Optimized Storage Resource Utilization*
 - *Enhanced Storage Personnel Productivity*

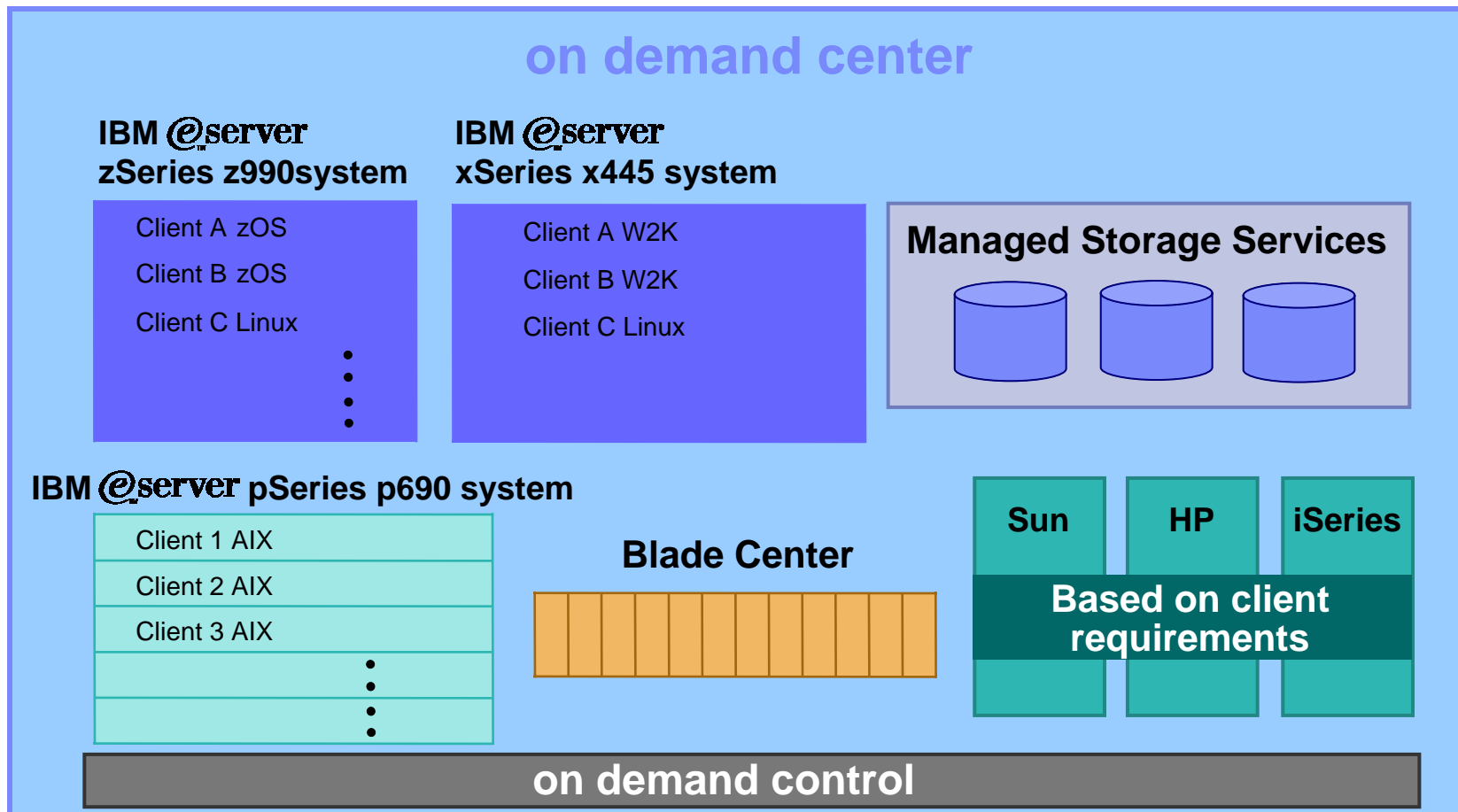
Clients can leverage leading solutions from the Tivoli, WebSphere, Rational and eServer product lines to construct internal utility capabilities



UMI consists of hardware, software, architectures and best practices that underlie a 'utility' IT infrastructure



Flexible Demand Option can support multiple client workloads with secure partitioning in a standard environment



- **Highly secure multi-client environments**
- **Optimum cost efficiency**
- **Automated environment**

Our Competitors Talk a Good Game ...

HP:

- Adaptive Enterprise
- Focus is provisioning
- High Mindshare
- Leverage position in WINTEL market

Sun:

- N1 Grid
- Focus is provisioning
- Technology focus
- Leverage position in UNIX market

BUT THEY ARE SERIOUS CHALLENGES!!

Both HP & Sun have strong messages around the 'On Demand' theme – and they are telling it to customers !

Being first at the customer improves your win chance and lets you set the scene for others to follow !

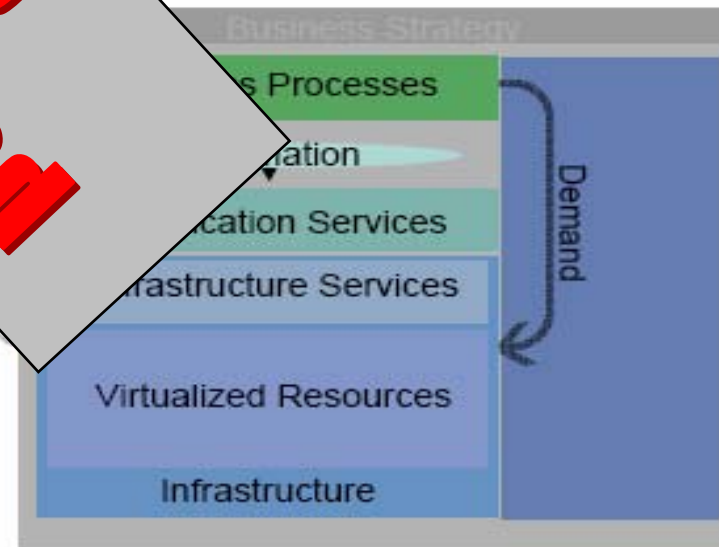
HP's Approach: Adaptive Enterprise

HP's definition from their WEB: 'An Adaptive Enterprise isn't something you buy. It's something you build. It's... industry-leading solutions, services and products from HP and our... help you move quickly to turn challenge into opportunity. It's constr... ment flexible to deliver what you really need – simplicity, ag... ing your IT-related costs, maximizing... risk.'

Canceled

HP's Design template:

- simplication
- standardization
- modularity
- integration



Darwin Reference Architecture

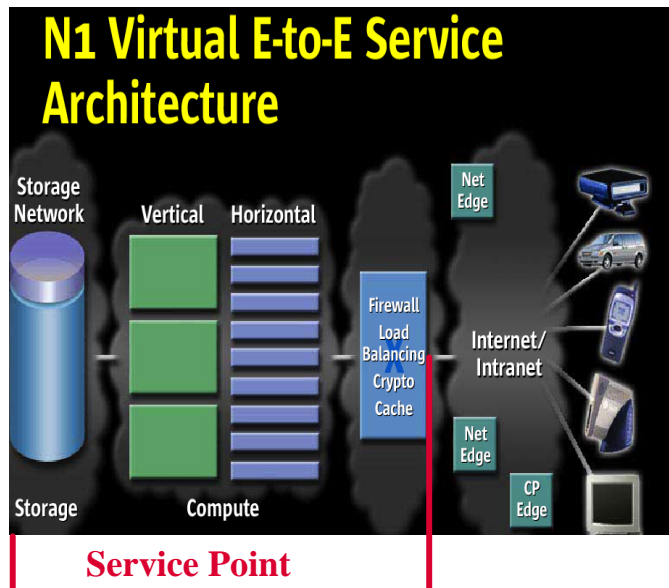
The Threat from HP—IBM VIEW

- HP deliver a simple message: HP = Industry Standards = low-cost, building on their position in the WINTEL-space
 - *IBM is complex, proprietary and high-cost*
- Itanium is 64bit industry standard
 - *POWER is proprietary*
- Itanium is one platform for Windows, HP-UX, Linux and OpenVMS
 - *IBM = pSeries, iSeries, xSeries, zSeries, eServer, what to choose?*
- UDC gave the impression that HP was ahead of IBM on Delivering on the vision
 - *IBM = no products, but lots of expensive services*
- HP's Virtual Server Environment is fully integrated virtualization solution
 - *IBM only has soft-partitions and WLM*
- HP can Partner
 - *IBM competes with Microsoft, Oracle, Bea + SI's*

**Remember: Marketing is all about PERCEPTION, not FACTS
HP is strong at marketing !**

Sun's Approach: N1 GRID—IBM VIEW

From Sun's web: 'N1 Grid solutions simplify IT operations by helping you manage your data center as if it were a single system. Leveraging virtualization and automation technologies, N1 Grid decreases repetitive provisioning tasks; and provides tools to take operational efficiency to new heights.' ...and...
 ' By bringing control and automation into the data center, N1 Grid can help lower TCO and improve your productivity, service delivery, and corporate agility for a critical competitive edge.'



The components:

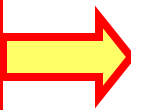
- SW for provisioning & mgmt
- JAVA
- Sun servers
- Solaris
- Containers
- \$/cpu cycle pricing

N1 Grid: *n* Computers Operating as 1

The Threat from Sun—IBM VIEW

- Despite current issues, still a major force in the UNIX market
- Settlement with Microsoft opens new market opportunities
- JAVA is a powerful weapon for expanding platform support
- Still viewed as a technology leader.
- Strong presence in key markets, specifically financial services and telecommunications.
- Extremely loyal customer base, strong relationship to ‘techies’.
- Very Strong ISV community
- Not afraid to change the “rules of the game” when competing to avoid straight up technology comparisons (e.g. performance, reliability, service and support).
- Masters at marketing “futures” to freeze the server market
- Looks to create market trends, willing to change, willing to aggressively discount to maintain – and win – footprint.
- The ‘\$/CPU model’ is partner friendly/partner-deliverable

**So What Do
We Have?**



Design Centers for e-business On Demand

- Thought Leadership
- Inviting customers who
 - Have advanced e-business plans and strategies
 - Need help with technology selection/integration
 - Have a leading-edge project with unique challenges
 - Are potential references for IBM
- Equipped with IBM and selected non-IBM equipment
- Worldwide Design Centers
 - Poughkeepsie, NY; Montpellier, France; Makuhari, Japan; Silicon Valley, CA
- Links cross-IBM skills
 - (Servers, Software, Storage, Services, Networking)



For more information visit:
www.ibm.com/server/design_center
or email at: design@us.ibm.com

The On Demand Sales Project Office – (odSPO)

Objective: To provide value to sellers in closing on demand opportunities

- Direct support to sellers with inhibitors to closing on demand deals
- Connecting teams to problem solvers
- “Phone home” when business-as-usual is not getting the job done
- Learn what is not working and fix it

Issue Types:

- on demand **Speaker** Requirements
- **Terms** and Conditions Issues
- **Product** Capability Issues
- **Executive** Engagement Requirements
- **Consulting** Support Requirements
- **Services** Support Requirements
- **Technical** Engagement Requirements
- **Information** Discovery Issues

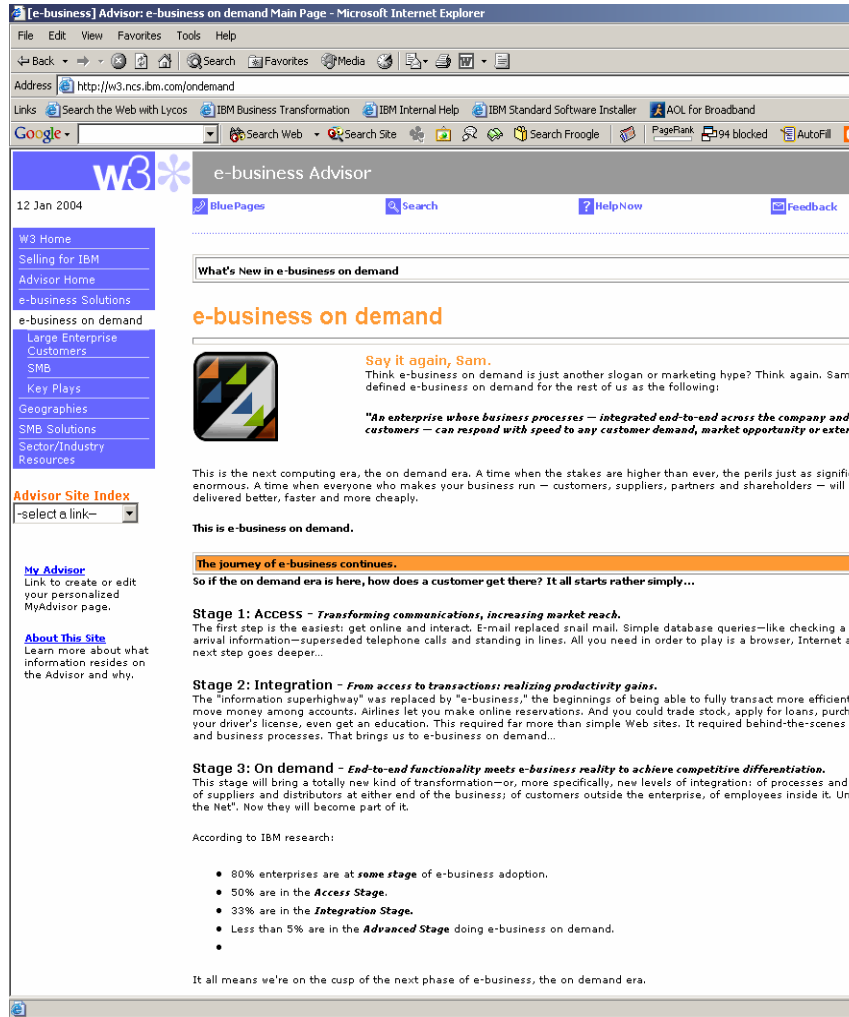
Contact information:

e-mail: odsales@us.ibm.com (Notes Shortname: ondemandsales)

phone: 914-642-5004 or tie-224-5004 (phonemail call-back number)



e-business Advisor and PartnerWorld: Your On Demand Resources

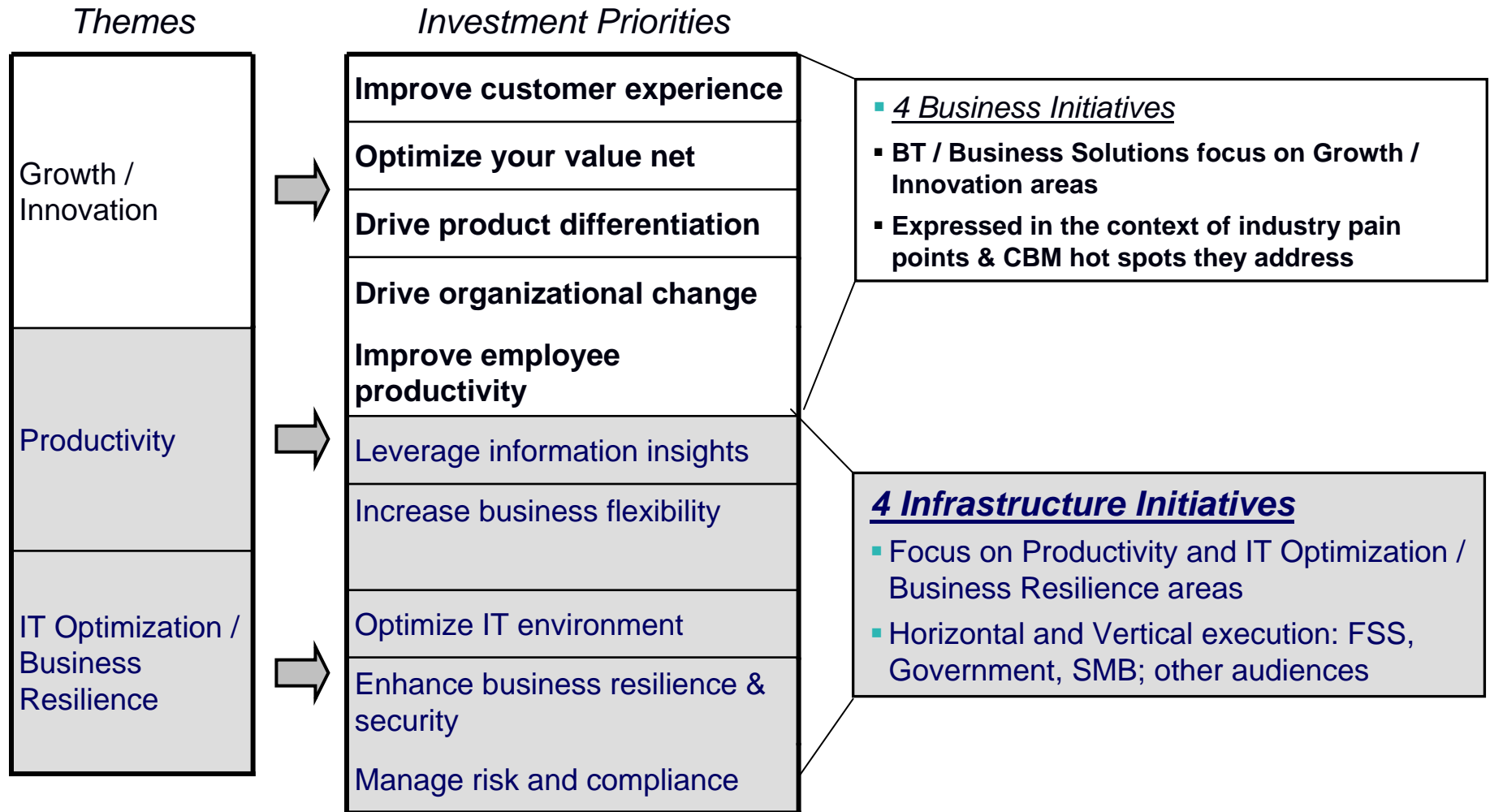


- 297 Customer References
- 8 Core Presentations
- The On Demand overview whitepaper
- The On Demand Operating Environment whitepaper
- The Operating Environment Architecture paper
- 16 “How-to’s” to get started
- Assessments and Offerings detail
- Customer brochures, Executive Briefs, Redpapers, Redbooks, Q&A’s and Education classes & webcasts...much more!

On Demand Initiatives: Business and Infrastructure Focus

<http://w3.ncs.ibm.com:81/ebod/11>

Selection based on customer needs & spending priorities, market opportunity & growth, and IBM capabilities



Optimize IT Environment Client Scenario – Sample Selling Situation 2

Seller Resource Guide

✓ = Lead
✓ = Support

Large Enterprise/Aligned Account
SMB-Focus/Named-Competitive Account

	BCS Partner	eSM	SSR	CSM	CUE	
	BCS TE	eTM	SSR	TSSL	TM	Business Partner
IT Optimization Solution Framing Services Click here to access IT Optimization sales support materials Scorpion IT Infrastructure Studies Click here for Scorpion offering overview		✓		✓		
Innovation Workshop for Virtualization Click here to access to Innovation Workshops Sweetspot doc ITS on demand Engagement Portfolio (includes Infrastructure Services Readiness Engagements, Infrastructure Services Architecture and Design and IBM Accelerators for Services Management) Click here for ITS Infrastructure Services main page IBM Universal Management infrastructure Click here for UMI solution overview Click here for UMI Beginners Guide IBM Virtual Server Services Click here for VSS sales aids IBM Strategic Outsourcing - Flexible Support Option Click here for offering information and brochures				✓		
IBM Services and Products supporting ITIL best practices Click here for ITIL main page			✓	✓		✓
IBM Virtualization Engine Click here for resource kit		✓				
IBM Tivoli Intelligent Orchestrator Click here to access the learning roadmap IBM Tivoli Provisioning Manager Click here to access the learning roadmap IBM Tivoli Configuration Manager Click here to access the learning roadmap IBM Tivoli Storage Resource Manager Click here for the web page and sales kit	✓		✓			✓
IBM TotalStorage SAN Volume Controller Click here to access the sales kit		✓	✓			✓
IBM Flexible Capacity Financing Click here for FCF solution overview IBM Open Infrastructure Offering (OIO) Click here for the OIO sales kit		✓	✓	✓	✓	

Sales Resource Example



Optimize IT Environment Client Scenario: Lead Offerings

		Contacts - Americas <i>(click name to email)</i>
Client Usage Scenario	Fuel growth by managing costs through better utilization of IT assets	
Assessments	<ul style="list-style-type: none"> ▪ IT Optimization - Solution Framing Services ▪ Innovation Workshop for Virtualization ▪ Scorpion Study ▪ IBM Technology Assessment and Consulting Services – server consolidation study ▪ Infrastructure Services Readiness Engagements for Utility Computing Management Services ▪ 12-step Virtualization Assessment 	<ul style="list-style-type: none"> ▪ Charles Woods ▪ Mike O'Mara / Jack Santoni ▪ Maddy Marlin / Chris Smit ▪ Moonish Badaloo ▪ Gil Long ▪ Evan Salop - verify
Focus Products & Services	<ul style="list-style-type: none"> ▪ IBM Tivoli Intelligent Orchestrator ▪ IBM Tivoli Provisioning Manager ▪ IBM Tivoli Configuration Manager ▪ IBM Tivoli System Automation ▪ IBM TotalStorage Productivity Engine ▪ IBM Tivoli Storage Resource Manager ▪ IBM TotalStorage SAN Volume Controller ▪ IBM Rational Robot with Rational Test Manager ▪ IBM Virtualization Engine ▪ IBM eServer zSeries 990 ▪ IBM eServer i5/p5 ▪ IBM BladeCenter ▪ IBM Accelerator for Service Management - for orchestration and provisioning ▪ IBM Universal Management Infrastructure ▪ IBM Performance Management Testing and Scalability Services ▪ IBM Products and Services Supporting ITIL (IT Infrastructure Library) ▪ IBM Open Infrastructure Offering ▪ IBM Flexible Capacity Financing 	<ul style="list-style-type: none"> ▪ Daniel P Bolger / Tom Cashman ▪ Daniel P Bolger / Tom Cashman ▪ Daniel P Bolger ▪ Daniel P Bolger ▪ John Dubois ▪ John Dubois ▪ John Oldham ▪ Leonard R Callejo ▪ Barbara Korte ▪ Local eSM / eTM ▪ Local eSM / eTM ▪ Local eSM / eTM ▪ Mike O'Mara / Jack Santoni ▪ Howard Smallowitz / Jack Santoni ▪ Cal Brostrom / Jenna Bucher-Brown ▪ Dan Bolger / Bill Powell ▪ Mark Carioto ▪ Mark Carioto
Solutions	<ul style="list-style-type: none"> ▪ IBM Grid Offering for Analytics Acceleration: Risk and Compliance (FSS) ▪ IBM Strategic Outsourcing – flexible support option ▪ IBM Virtual Server Services ▪ Test Environment Optimization 	<ul style="list-style-type: none"> ▪ Paul J Brown ▪ Mary Ann Ryan ▪ Ravi Shankar ▪ Jenna-Bucher-Brown

Sales Resource Example



Optimize IT Environment Client Scenario

Fuel growth by managing costs through better utilization of IT assets

▪ Customers want to get the most of any investment. Before investing in additional resources they need to be sure their current environment is as efficient as possible. Excess capacity exists, but not where and when needed to respond to business needs. Businesses often over-provision on a per application basis or silo basis. Manual processes for managing and allocating all these diverse resources has serious impact on IT staff productivity.

Value Proposition

For:	CIOs, IT Managers
Who need:	To control their cost of ownership and maximize resource utilization in order to optimize IT investments with business objectives,
IBM provides:	<p>Business benefits include:</p> <ul style="list-style-type: none"> – improved resource utilization, systems management and flexibility to balance usage with fluctuations in demand, achieved through the application of automation, virtualization and provisioning solutions. – IT resources aligned with business objectives, achieved through consolidation, simplification and improved systems management – flexibility in how to acquire, scale and manage the environment by our customers <p>We do this by providing a wide range of solutions that apply infrastructure assessments from IBM Global Services; server consolidation; automation, provisioning and virtualization solutions on industry-leading IBM eServer and Total Storage hardware; and e-business hosting, out-tasking or outsourcing alternatives.</p>
Unlike:	HP (on demand head-on), Accenture (IT Services), Opsware and Veritas (provisioning and orchestration software), Sun (servers, orchestration and provisioning), EDS (outsourcing) and a variety of niche providers who do not control the full end-to-end process from assessment through implementation.
IBM Differentiators:	<ul style="list-style-type: none"> – IBM has the most advanced, dynamic virtualization and autonomic capabilities. – Leverages the intellectual assets of IBM research applied to REAL business problems brought to us by our clients – With the addition of over 2000 consultants from BCS, we combine industry-leading expertise with excellence in IT best practices. – More than 38,000 infrastructure services practitioners worldwide – IBM's financial stability, giving us market resources to stay ahead of competitors like Sun and EDS – IBM has been a pioneer and leader for more than 20 years in developing and applying ITIL best practices. A visible example are the ITIL Accelerators, which include customized code, user procedures, measurements, reports, training and administration aids. – IBM's Universal Management Infrastructure, which combines SW, architecture and best practices, and its recent expansion worldwide to 11 sites, is recognized by analysts as a superior on demand offering to those of competitors such as HP, which recently announced the disbanding of its hardware-intensive Utility Data Center. – Creative financing options to allow businesses to implement on demand solutions as needed with less risk

Sales Resource Example

CROSS-SELLING PROGRAMS

What They Offer as Bundles, Coupled Packages HW, SW, Services, Financing

- Multi-pronged approach will create pull via 3 key Activities: Hard Bundles, Soft Bundles and Co-Selling
- Attractive packaging to address customer preferences for buying solutions
- Joint Initiative from STG/SWG** to drive more opportunities and revenue and promote teamwork between HW and SW sellers
- To motivate HW and SW sellers to work together to offer customers IBM solutions to meet customer needs

Goals

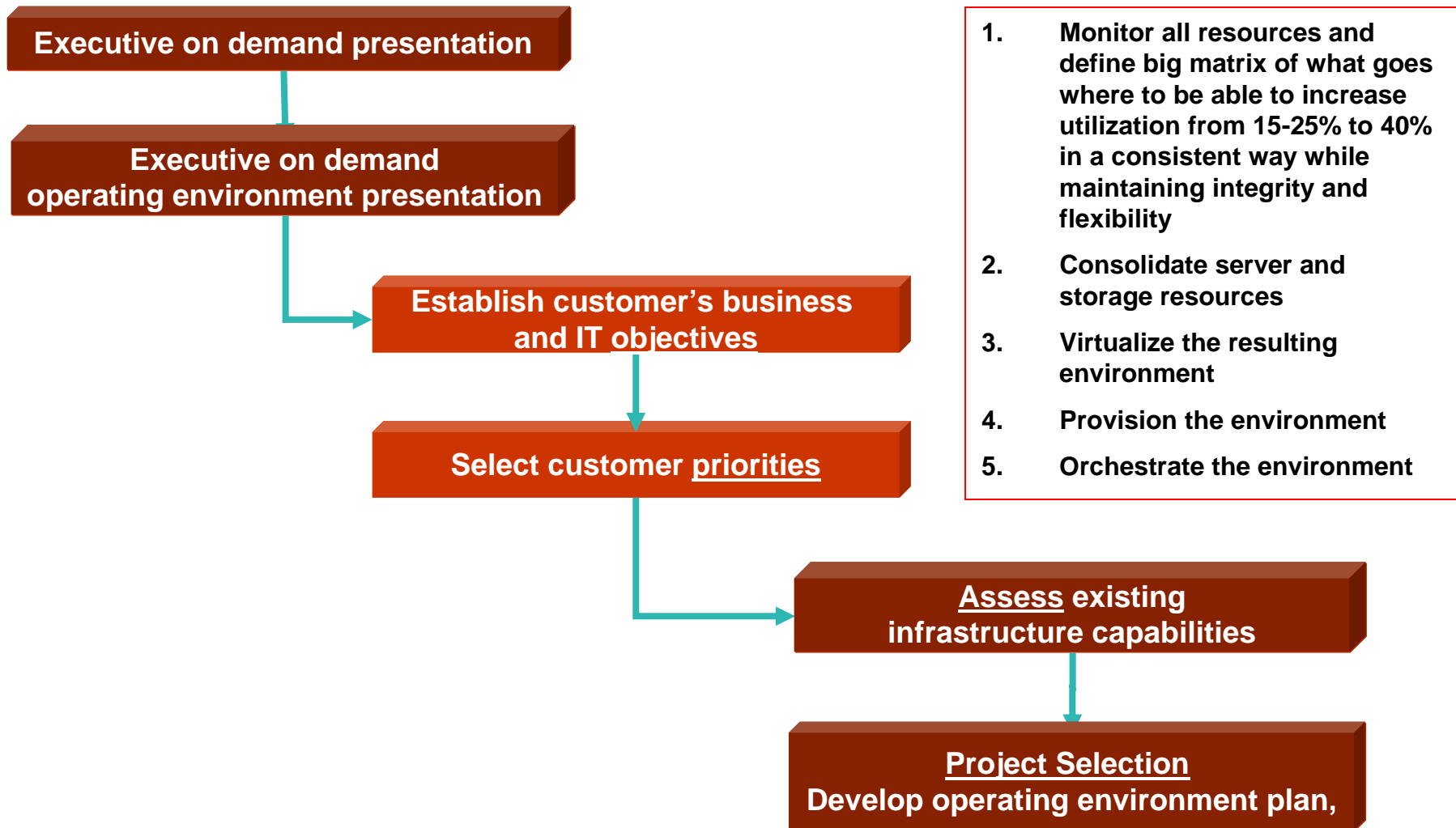
- Increase HW sales and SW Sales** by creating new opportunities
- Increase STG and SWG clothing rates significantly
- Increased 2004/2005 Revenue, **more competitive and white space engagements**
- Incentives** pay you for working together, Co-Selling can help increase your Pipeline, Bundles increase the Value of Solution to Customers

<http://w3-3.ibm.com/software/sales/salesite.nsf/salestools/Synchronicity>

The Most Common Inhibitors to On Demand Sales!

- Getting trapped by a narrow definition of “on demand”
- Failure to understand IBM’s own On Demand capabilities and offerings
- Failure to build a plan - - or execute one
- Not showing a simple starting point, path, destination
- Relying on *point* solutions to counter a competitor’s point solution
- Promising more than you can deliver
- Believing that this is about the technology
- Listen, listen, listen to the customer - - but NO might be the right answer!!!
 - **i.e. the Variable = Cheaper dilemma**

Selling e-Business On Demand ... Where to Start



Ask the Right Questions ...

- ***"A good sales consultant is not the one who has all the answers, but the one who asks the right questions!!"***
- There are different reasons why you want to ask a lot of questions:
 - Build credibility with the customer
 - Better understand their business
 - Show interest in their specific problems and challenges
 - Help you remember if other customers you know had similar problems
- Start by asking about their business challenges first
- Then move to more detailed and technical questions
 - Probe to uncover a pain point that you can expand upon (see next page)
 - Reference how other customers solved similar pain
 - Your chance to discuss why IBM technology is different / better
 - Compare our advantages to the competitor you are trying to beat

Find At Least One Pain Point

Possible Pain	Related Questions
IT Administration Nightmare	<ul style="list-style-type: none"> ● How many servers do you have? ● How often do you back them up? ● How big is your staff?
Machines are too tight	<ul style="list-style-type: none"> ● How many users do you have and what's their growth? ● At what time does your peak load happen and why? ● How busy are your servers after the peak load? ● How long does it take to process the close of the month? ● Can your servers easily handle the peak loads? ● What are the Data Base size and growth?
Need to upgrade Their SW	<ul style="list-style-type: none"> ● What applications, versions and releases are your running on your servers? ● Are you planning to add new modules? When?
Reliability Problems	<ul style="list-style-type: none"> ● What is your servers and system reliability? How do you measure them? ● How many outages did you have in the last 3 months and what cause them? ● How long did it take to fix the servers? ● What was the impact to your company's business? ● Can you afford to be off-line for 3 or 4 hours and what would be the impact?
High IT Costs	<ul style="list-style-type: none"> ● How old are your servers? ● Do you think you are spending too much on maintenance? ● Did you know that Database prices are based on the amount of processors? Do you think you are spending too much on the Database?
If you can't find a Pain point, then Create one!	<ul style="list-style-type: none"> ● Have you seen Sun's stock price performance lately? ● Do you know why are they struggling financially? ● Do you know why 6 of their Senior Managers left the company? ● Do you know why HP is moving out of HP-PA technology and into Intel Itanium and how will that affect their installed customers? ● Do you know that HP is making most of their profits out of printers?

Why does IBM win?



WebSphere.

Rational.

Tivoli.

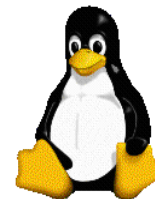
Lotus.

DB2.

PartnerWorld®



Business Partners



IBM Business Consulting Services

Backup Materials

Includes:

- Target Industries and Workloads
- How to spot and deal with a threat from HP/Sun On Demand
- Wisdom from Dilbert ☺
- Using OIO as a Flexible Financial Offering
- Customer Win References/cross-industry
- Where to get help: Sales Resources (education including Business Partners)
- Series products fitting On Demand solutions; p, x, Storage, VE.....
- Solutions examples: Automation, Deep Computing

Target Markets

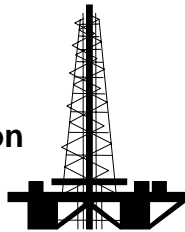


Digital Media:

Increasing productivity for digital content creation and online gaming

Petroleum:

accelerating rate of oil exploration and production



Industrial Sector:

accelerating CAE for Electronics, Automotive, and Aerospace



Government & Higher Ed.:

making scientific research more affordable

Life Sciences:

pharmaceuticals and biotechs accelerating drug discovery and diagnostics



Highly scalable, secure, and resilient infrastructure

Supports compute-intensive workloads and massive data analysis

Achieve operational and financial efficiency with variable cost structure

Financial Services:

optimizing IT infrastructure, risk analysis, portfolio management, and compliance





Soft and Hard Bundles

- Automated Storage Management featuring Tivoli software and xSeries hardware
- Messaging and Collaboration featuring Lotus software and either iSeries or xSeries hardware
- Business Transformation featuring WebSphere software and the zSeries zAAP processor
- SMB Modernization and Integration featuring WebSphere software and eServer i5 520 Express hardware
- DB2 Integrated Cluster environment featuring DB2 software and the 1350 Cluster hardware
- Informatica IBM Dashboard Engine Application featuring DB2 software, xSeries hardware, and Informatica PowerAnalyzer/PowerCenter software

Solution Overview

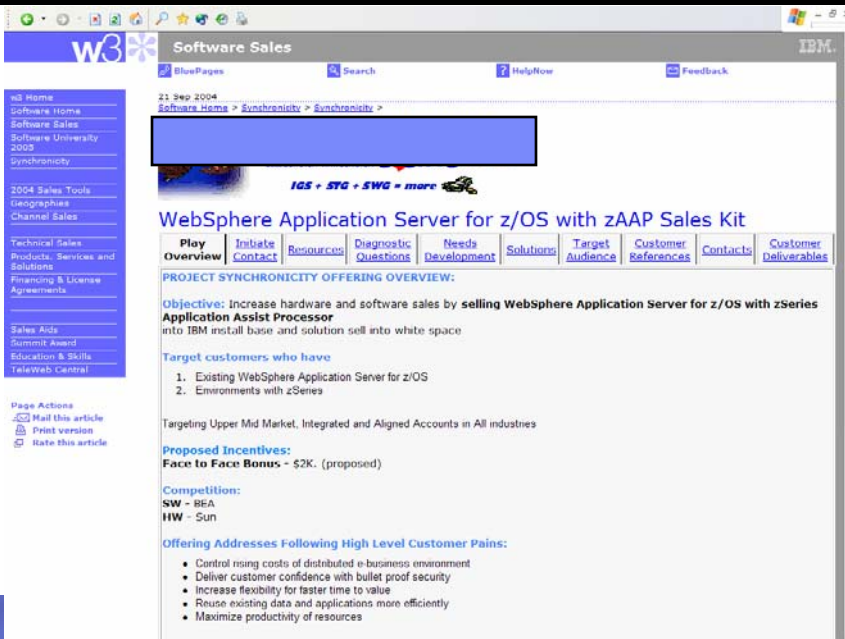
- Background**
 - Of all Linux workloads being deployed, Business Processing and Business Intelligence have the highest growth rate. *
 - Opportunity in mid-market for Business Intelligence is \$3.5B in 2004 (servers, storage, middleware, services). *
 - IDC predicts a surge in mid-market where adoption has been slow in the past due to complexity and price.
- Deep & Narrow Play Objective**
 - Deliver a [redacted] hard bundle, priced to overall IBM economics, that is competitive on time-to-value.
 - Expand share in target SMB segments leveraging Linux popularity in data warehouse workload.
 - Respond to new competitive entrants offering low-cost, data warehouse "appliances"
- Customer Pilots (prospects)**
 - Still being reviewed



Sector: Public, Distribution, Fin. Mkts.
Focus area: Cross-industry apps in SMB
Industries: Fin. Mkts, Banking, Retail, Govt.

- Value proposition**
 - Simplify deployment to accelerate time-to-value
 - Highly competitive price/performance
 - Proven technology from a vendor you can trust
- Solution**
 - Phase 1:** 2/4-way xSeries + DB2 DWE Std. + Informatica (no clustering)
 - Phase 2:** BladeCenter + DB2 DWE Ent. Ed. + TotalStorage + multiple technology partners
 - Cognos, Hyperion, Business Objects, Informatica
- IBM Solutions proposed:
 - Crime Information Data Warehouse
 - Telco Data Warehouse

- Status**
 - Business Design Review approved (DM IPMT)
 - Avnet will be the distributor, will need to educate/enable down stream partners
 - Engineering plan enhancements needed for DWE support for Linux on POWER
 - Phase I announcement in Aug/Sept GA
 - Phase II announcement in Oct/Nov GA



Overview

- Background**
 - Oracle has increased its market share on Linux from 38.7% to 69.1%, largely driven by sales of Oracle RAC in the commodity cluster environment.
- Deep & Narrow Play Objective**
 - Deliver a fully integrated hard bundle, priced to compete with Oracle RAC, to fight incumbency.
 - Capture the addressable database opportunity by targeting customer who are moving from Unix to Linux clusters.
 - Provide a differentiated offering that can be used to penetrate new channels, especially xSeries VARS looking to add middleware infrastructure to their portfolio.
- Customer References**
 - E*Trade Financial, LinkShare, West Interactive, Herzberg Institute

Sector: Cross Industry

- Value proposition**
 - Low-cost, fully integrated database infrastructure solution for commodity Linux cluster environment
 - Time-to-value through pre-integration
 - Easy to configure, procure and deploy
 - Single point of contact for support

- Solution**
 - eServer Cluster 1350 (xSeries) + DB2 UDB + Tivoli System Automation + TotalStorage
 - Preloading of all components before ship
 - Non-IBM Components:
 - Linux (SuSE or Red Hat)

- Status**
 - Currently in market as a soft bundle
 - Working through mechanics on hard bundle with the WWERB
 - Finalizing single part number ordering, enablement plan and go to market
 - Preparing for announcement in early August and GA shortly thereafter

piece is It is NOT a deliverable for your customers

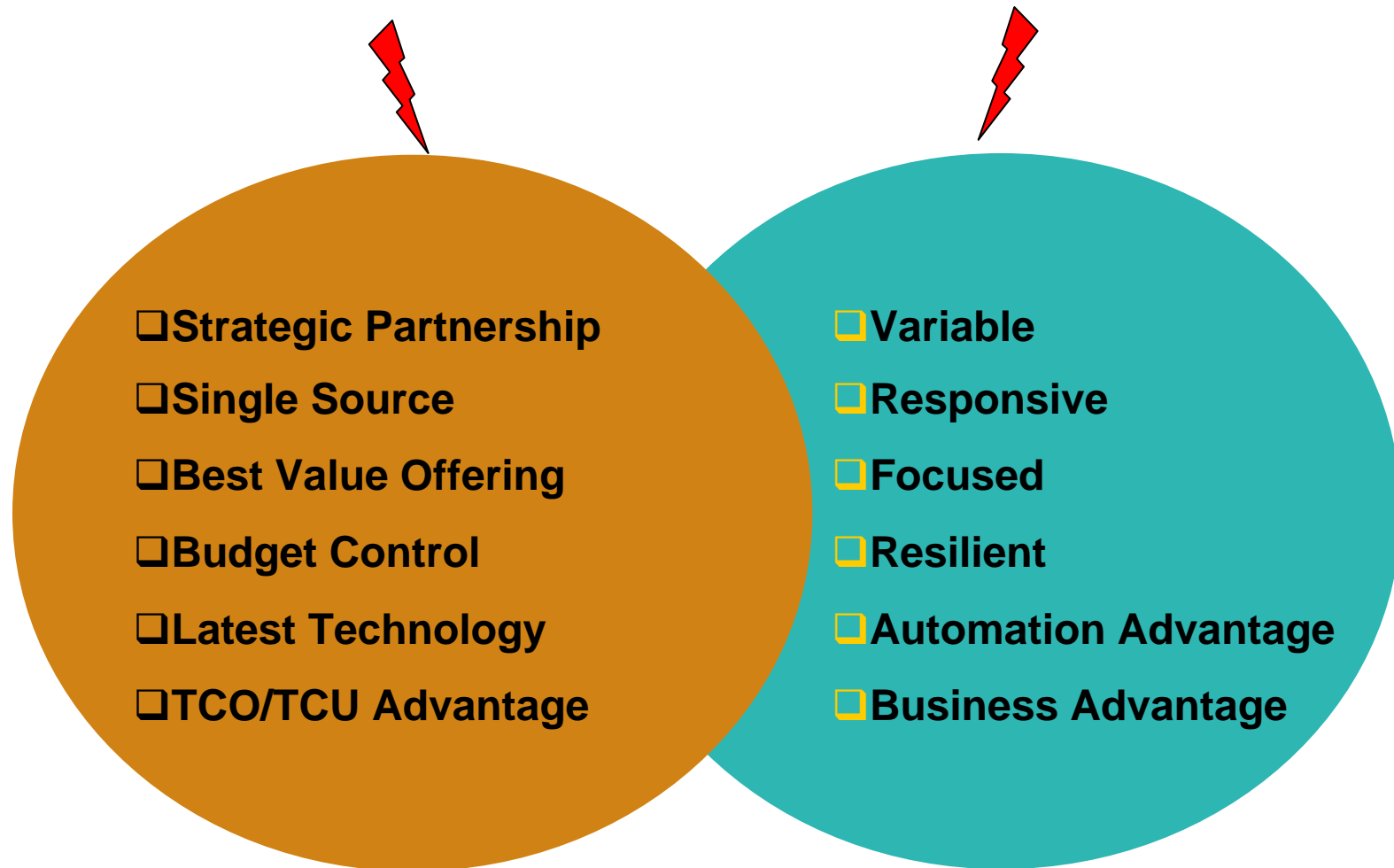
Managing On Demand Threats in Your Accounts

CAUTION	Take Action!	Who Should Help?
<p>HP's AE has been presented to CIO, has strong mindshare</p>	<p>Discover the appeal</p> <p>A. Pricing? Use IGF+TCO methods</p> <p>B. Infrastructure? Attack with OD vision</p> <p>C. Autonomics? Team-IBM, Auto. features</p>	<p>A. CUE, Ser Spec, eSAM</p> <p>B. SCON/IGS</p> <p>C. Tivoli Sales, eSM</p>
<p>SuperDome sale is pending, or an RFP has gone out (vs, pSeries)</p>	<p>Discover threat & how serious</p> <p>A. Verify if we are bidding and what</p> <p>B. Determine if UDC is part of the RFP</p> <p>C. If UDC is included, contact UDC SWAT</p>	<p>A. CUE, Ser Spce, eSM</p> <p>B. MD or CUE</p> <p>C. UDC SWAT Team</p>
<p>TCO pain in DataCenter is evident, consolidation is a topic, IBM proposal wanted</p>	<p>Discover the primary TCO driver</p> <p>A. Manage the way customer views TCP pain</p> <p>B. Intro/reinforce SCON, TCO tools & OIO</p> <p>C. Propose IBM cross-brand autonomics/TCO</p>	<p>A. eSM, IGF Spec, CSM</p> <p>B. eSM, IGF Spec, CSM</p> <p>C. Tivoli Sales, eSM, CUE</p>
<p>HP's Utility Pricing is appealing. "Can IBM offer similar capabilities and pricing?"</p>	<p>Determine their grasp of Utility Pricing</p> <p>A. Reference wins (JPMC) in similar industry</p> <p>B. Flank by talking about Total Costs of Usage</p> <p>C. Consider presenting OIO, similar IGF pkgs.</p>	<p>A. IGS, UMI Team, CUE</p> <p>B. IGS, IGF Spec, eSM</p> <p>C. IGS Spec, CUE</p>
<p>Acct discusses re-wiring DataCenter to connect all, your tech. sponsors believe this is a positive move</p>	<p>Verify if large-scale re-wire, real reason why</p> <p>A. Use on demand vision, push Sys. Environmt.</p> <p>B. Confront disruption to SLAs/propose alt.</p> <p>C. Use TerraSpring Mission Critical flaws</p>	<p>A. eSM, CUE, od Evangelist</p> <p>B. eSM, IGS Architect</p> <p>C. eSM, Tivoli Specialist</p>

Managing On Demand Threats in Your Accounts

CAUTION	Take Action!	Who Should Help?
<p>Repeated outsourcing discussions, partners and ISV's are identified</p>	<p>Determine strength of threat, then attack</p> <ul style="list-style-type: none"> A. Are partners ours, theirs or both? B. Meet partners, find out what is being bid C. Disrupt partner, present on demand vision 	<ul style="list-style-type: none"> A. BP Team, SO, CUE B. BP Team, SO, MD C. on demand Evangelist
<p>Multi-TB Storage Farms are considered; you discover EMC and HP storage are favored for "wire-once"</p>	<p>Determine storage consol. requirements</p> <ul style="list-style-type: none"> A. Position on demand storage capabilities B. Cause friction between EMC & HP C. Flank using resource consolidation proposal 	<ul style="list-style-type: none"> A. eSM, Tivoli Sales B. CUE, eSM C. ODOE SWAT TEam
<p>Interest in Business Policy/Rules Based systems increases, you connect with Adaptive Enterprise in acct.</p>	<p>Assess cust. needs vs. Tivoli capabilities</p> <ul style="list-style-type: none"> A. Present on demand vision and products B. Reinforce Autonomic capabilities in ISG prod. C. Deliver SLA guarantees, promote Tivoli SLA 	<ul style="list-style-type: none"> A. on demand Evangelist B. Tivoli Sales, eSM, IGS C. IGS, Tivoli Sales
<p>Rapid deployment of applications becomes priority against customer's business conditions</p>	<p>Determine UDC Acct Traction, Fragment</p> <ul style="list-style-type: none"> A. Verify which apps are most import. now/future B. Use on demand Apps Environment & Tools C. Press customer on required SLAs balanced with TCO requirements 	<ul style="list-style-type: none"> A. CUE, eSM, WebSphere B. on demand Evangelist C. IGS, IGF, eSM

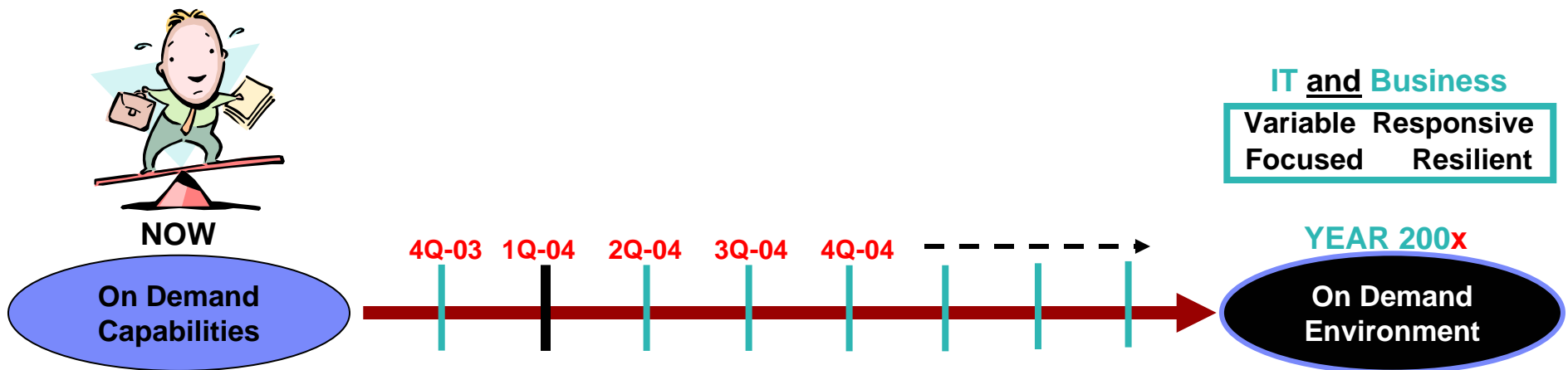
OIO Joins On Demand



Use Savings From OIO to Fund Strategic Infrastructure Leading to eBusiness On Demand Business Capabilities

Selling with IBM's Messages

- Only IBM has “visioned” and engineered toward the entire environment
- **Today** we enable: IT operational balance with strategic support for On Demand
- Sell Today's On Demand features and services within the overall vision
- Make OIO an integral part of every On Demand discussion
- This is an ongoing conversation with customers, not a point event
- Propose to us the type of offerings and solutions that embed IBM On Demand
- Winning in this space guarantees long-term mindshare, footprint, preference



Nothing Succeeds Like Success



- ❑ Need: High performance and low costs to allow its Web site to scale affordably
- ❑ Solution: Hosted Linux Virtual Servers & WebSphere, Pay-as-you-go pricing saved \$150,000



- ❑ Need: Agents wanted to submit & manage business by entering data only once.
- ❑ Solution: WAS plus Rational tools - \$200M increase in premiums over 2 years



- ❑ Need: Faster response when customers call with questions
- ❑ Solution: Grid enabled application on Linux on xSeries provided 94% improvement



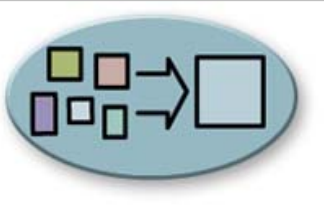
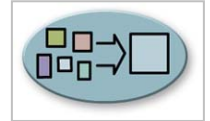
- ❑ Need: Cable Mfg. (Australia) to handle 50% increase in calls with smaller staff
- ❑ Solution: integrated WAS application with DB2 UDB on iSeries saves \$300K/year

See the most recent on demand customer references:

<http://w3.ibm.com/ondemand/customers.html>

<http://www.ibm.com/ondemand>

Storage Simplification status examples



Systems - Homogenous



Storage Administrator
Productivity improved
30%



Increase in workload
throughput by
reducing provisioning
time to 5 mins



Application Availability
improved from 97% to
99.999%



Cut response times by
50% through
consolidation and
utilization



Lowered costs by
recovering 50% of
underutilized storage

References



[Case study](#)
[Presentation chart](#)
[Video](#)



Metro AG

[Case study](#)
[Presentation chart](#)
 Video: Available on request - please contact
 atsultan@us.ibm.com



[Case study](#)
[Presentation chart](#)
 Video Pending



BostonCoach

[Case study](#)
[Reference](#)
 Video Pending



Insurance Council of
 Australia

[Case study](#)
[Reference](#)
 Video Pending



Lat

[Case study](#)
[Reference](#)
[Video](#)



Avnet

[Case study](#)
[Presentation chart](#)
[Video](#)



Threshold Digital Research
 Labs

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Volkswagen AG

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[Video](#)



US

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[Presentation chart](#)
[Video](#)

Sales education

Underlined text indicates hyperlink to resources on w3.ibm.com. Click on link while in screenshow mode to view.

Communicating the on demand strategy

On demand resource guide

Why IBM eServer and TotalStorage are the Right Choice for e-business On Demand

Client examples of on demand at work

e-business on demand assessment tools

on demand Customer Reference database

Applying virtualization to solve client needs

Virtualization engine resource kit

Infrastructure simplification resource guide

Infrastructure management: harnessing automation and virtualization

Autonomic: Helping clients build self-managing infrastructure

IT Optimization: Selling consolidation and infrastructure simplification

Automation: Intelligent orchestration in an on demand environment

Grid: Increase sales with grid computing

Delivering virtualization solutions and offerings to clients

TotalStorage Virtualization software

Cluster Servers

IRD

Partitioning

Business Partner education

Underlined text indicates hyperlink to resources on <http://www.ibm.com/partnerworld/sales/systems/> Click on link while in screenshow mode to view.

Communicating the on demand strategy

On demand resource guide

Why IBM eServer and TotalStorage are the Right Choice for e-business On Demand

Client examples of on demand at work

e-business on demand assessment tools

Applying virtualization to solve client needs

Virtualization engine resource kit

Infrastructure simplification resource guide (includes VE planning assistant)

Infrastructure management: harnessing automation and virtualization

Autonomic: Helping clients build self-managing infrastructure

IT Optimization: Selling consolidation and infrastructure simplification

Automation: Intelligent orchestration in an on demand environment

Delivering virtualization solutions and offerings to clients

TotalStorage Virtualization software

Cluster Servers

IRD

Partitioning

Virtualization Engine: PID #s & Chargeable Component #s

PID# 5724i71:

VIRTUALIZATION ENGINE MANAGEMENT SERVERS V1.1

- CC002960: VIRTUALIZATION ENGINE **EWLM** MULTIPLT FOR MANAGING AIX5L, OS/400 SVRS
- CC002961: VIRTUALIZATION ENGINE **EWLM** MULTIPLT FOR MANAGING SOLARIS, WINDOWS SVRS
- CC002962: VIRTUALIZATION ENGINE **Director Multiplatform**
- CC003026: VIRTUALIZATION ENGINE **Grid Toolbox V3 Multiplatform**

PID# 5724i72:

VIRTUALIZATION ENGINE SERVICES MULTIPLAT V1.1

- CC002964: VIRTUALIZATION ENGINE SERVICES MULTIPLT FOR MANAGING AIX5L, OS/400 SVRS
- CC002965: VIRTUALIZATION ENGINE SERVICES MULTIPLT FOR MANAGING SOLARIS,WINDOWS SVRS
(EWLM + Director MP + Tivoli Provisioning Manager + Grid Toolbox)

On Demand Automation: *Provisioning + Orchestration Solutions*

Target Areas:

- on demand presentation and strategy
- Automation/P&O Solutions opportunity
- Automation/P&O Solutions with Websphere, DB2, Grid, Portals
- Automation/P&O Solutions with Citrix, Siebel, SAP, Cisco, other ISVs
- Automation/P&O Solutions in Test Centers
- Storage Virtualization - Storage Provisioning opportunity
- Virtualization Engine – Provisioning Manager with VE suite
- BladeCenter Provisioning / eServer opportunity
- Competitive Information vs HP, Sun, Opware, Altiris, Blade Logic

Customer needs: server consolidation, server re-utilization, heterogeneous server provisioning, software deployment, patch management, storage capacity provisioning, automation of best practices, SLA management, high availability automation, computing and business capacity on demand

Contacts: Larry Keryc Larry Keryc/Parsippany/IBM 732-926-2656

Pat Donahue Patrick Donahue/Chicago/IBM 512-286-3456

Extreme Leverage: <http://w3-103.ibm.com/software/xl/portal>

Keyword Search: “provisioning” or “orchestration”



On Demand Storage Offerings

Offering Name	Description	Value Prop	Start- Stop Dates	Competition Targeted	Success to Date
1. Standby Capacity on Demand	A llows inactive disk drives to be installed that can be easily activated as business needs require.	Rapid, nondisruptive addition of up to 64 disk drives to DS8000	Upon GA of DS 8000.	EMC, HDS	n/a
2. SAN File System	Non- disruptive virtualization layer for heterogeneous filesystems	File sharing between multiple Windows, Unix and Linux filesystems	Currently available.	SUN, ADIC, Lustre	Several commercial and scientific clients in full deployment
3. SAN Volume Controller	Non- disruptive virtualization layer for heterogeneous block (disk) storage	Insulation layer between applications and physical disk storage, allowing non- disruptive changes to the block storage without affecting the application layer	Currently available	EMC, Veritas, HP	800 licenses as of 4Q04

xSeries On Demand Offerings

Offering Name	Description	Value Prop	Start-Stop Dates	Competition Targeted	Success to Date
1. BladeCenter and xSeries: Standby Capacity on Demand	Special bid - 50% of two BladeCenter chassis or 10% standby capacity for xSeries or blades; standby capacity paid for when activated or w/in 6 months	Flexibility and speedy deployment of scale out capacity; payment tied to usage	Currently available	HP, Dell	

pSeries p5 On Demand Offerings

Offering Name	Description	Value Prop	Start-Stop Dates	Competition Targeted	Success to Date
1. CUoD for Processors	Inactive processors may be activated, minimum number of processors = 1	Rapid, non-disruptive processor activation for p5-550/570/590/595, when needed for planned growth or to quickly react to changing business opportunity, lowers Total Cost of Acquisition, and Total Cost of Ownership	Currently available	HP, Sun	
2. CUoD for Memory	Inactive memory may be activated, minimum 1GB	Rapid, non-disruptive memory activation for p5-570/590/595, when needed for planned growth or to react to changing business opportunity, lowers Total Cost of Acquisition, and Total Cost of Ownership	Currently available	HP, Sun	
3. On/Off Capacity on Demand	Self managed temporary activation of processors and memory for dedicated or shared partitions, charged in processor and memory days (use of 1 processor or 1GB of memory for a 24 hour period), requires contract and report to IBM monthly, billed quarterly after usage	Immediate activation of processors and memory for rapid, non-disruptive reaction to temporary capacity demand on p5-550 (processors only), p5-570/590/595, available when needed, and only for the duration needed, lowers Total Cost of Acquisition, and Total Cost of Ownership	Currently available	HP, Sun	

pSeries p5 On Demand Offerings (continued)

Offering Name	Description	Value Prop	Start-Stop Dates	Competition Targeted	Success to Date
4. Reserve Capacity on Demand	Activation of processors in the shared processor pool only, requires AIX 5L V5.3 or Linux operating system that supports Micro-Partitions and Advanced POWER Virtualization Feature, Prepaid 30 processor day increments, charged only when capacity in shared processor pool exceeds permanent processor capacity by 1/10 of a processor unit for a 24 hour period	Immediate activation of processors in the shared processor pool for rapid, non-disruptive reaction to temporary capacity demand on p5-550/570/590/595, provides increased throughput for all partitions running in the shared processor pool, available when needed without administrator intervention, predictable costs, lowers Total Cost of Acquisition, and Total Cost of Ownership and reduces IT complexity	Currently available	HP, Sun	
5. Trial Capacity on Demand	Activation of all available inactive processors and memory, requires activation key from IBM web site, use of resources for up to 30 contiguous days, after purchase of a permanent processor activation, additional 30 day trial is available for up to 2 processors and 4 GB of memory.	Provides 30 days of increased capacity for test, benchmark, evaluation, or for a peak capacity requirement. Subsequent trials provide additional capacity interim to permanent resource activation or for peak load requirements.	Currently available	HP, Sun	

pSeries p5 On Demand Offerings (continued)

Offering Name	Description	Value Prop	Start-Stop Dates	Competition Targeted	Success to Date
6. Capacity Backup	Backup platform with instant activation of dormant processors when required	Lowers the cost of acquisition of a backup system, allows for test and qualification of new systems	Statement of Direction for p5 servers		
7. Advanced POWER Virtualization feature of p5 servers	Optional on p5-520/550/570 systems, standard on p5-590/595, provides Micro- Partitioning capability, virtual IO, Partition Load Management	Lowers the Total Cost of Ownership: enables server consolidation to streamline IT operations and organization, reduces the number of IO adaptors required, increases capacity utilization of servers to more effectively and efficiently utilize IT assets Simplifies the IT environment and enables faster response to changes in business and IT requirements: reduces management and administration costs, and enables the automation of resource provisioning across partitions with policy based rules.	Currently available	HP,Sun	

pSeries p5 On Demand Offerings (continued)

Offering Name	Description	Value Prop	Start-Stop Dates	Competition Targeted	Success to Date
<p>8. Daily SW Licenses</p>	<p>For temporary processor activations as an alternative to purchasing a full license of the operating system or IBM middle ware, announced by Software Group for selected IBM middle ware, must have a full license of the product on at least one processor, no warranty or SWMA entitlement for the daily license</p>	<p>Lowers the Total Cost of Ownership by allowing customers to purchase daily license entitlements for only those processor days used, can be ordered after processor days are purchased or charged.</p>	<p>Currently available for selected IBM middle ware. Statement of Direction to make available in 4Q05 for AIX and selected eServer Licensed Program Products.</p>	<p>HP, Sun</p>	

pSeries Power4 On Demand Offerings

Offering Name	Description	Value Prop	Start-Stop Dates	Competition Targeted	Success to Date
1. CUoD for Processors	Inactive processors may be activated, minimum number of processors = 2	Rapid, non-disruptive processor activation for p650/570/590, when needed for planned growth or to quickly react to changing business opportunity, lowers Total Cost of Acquisition, and Total Cost of Ownership	Currently available	HP, Sun	
2. CUoD for Memory	Inactive memory may be activated, minimum 4GB	Rapid, non-disruptive memory activation for p650/670/790, when needed for planned growth or to react to changing business opportunity, lowers Total Cost of Acquisition, and Total Cost of Ownership	Currently available	HP, Sun	
3. On/Off Capacity on Demand	Self managed temporary activation of processors, prepaid in increments of 60 processor days, must activate pairs of processors, charged in processor days (use of 2 processor for a 24 hour period), requires contract and report to IBM monthly.	Immediate activation of processors and memory for rapid, non-disruptive reaction to temporary capacity demand on p650/670/690, available when needed, and only for the duration needed, lowers Total Cost of Acquisition, and Total Cost of Ownership	Currently available	HP, Sun	

pSeries Power4 On Demand Offerings (continued)

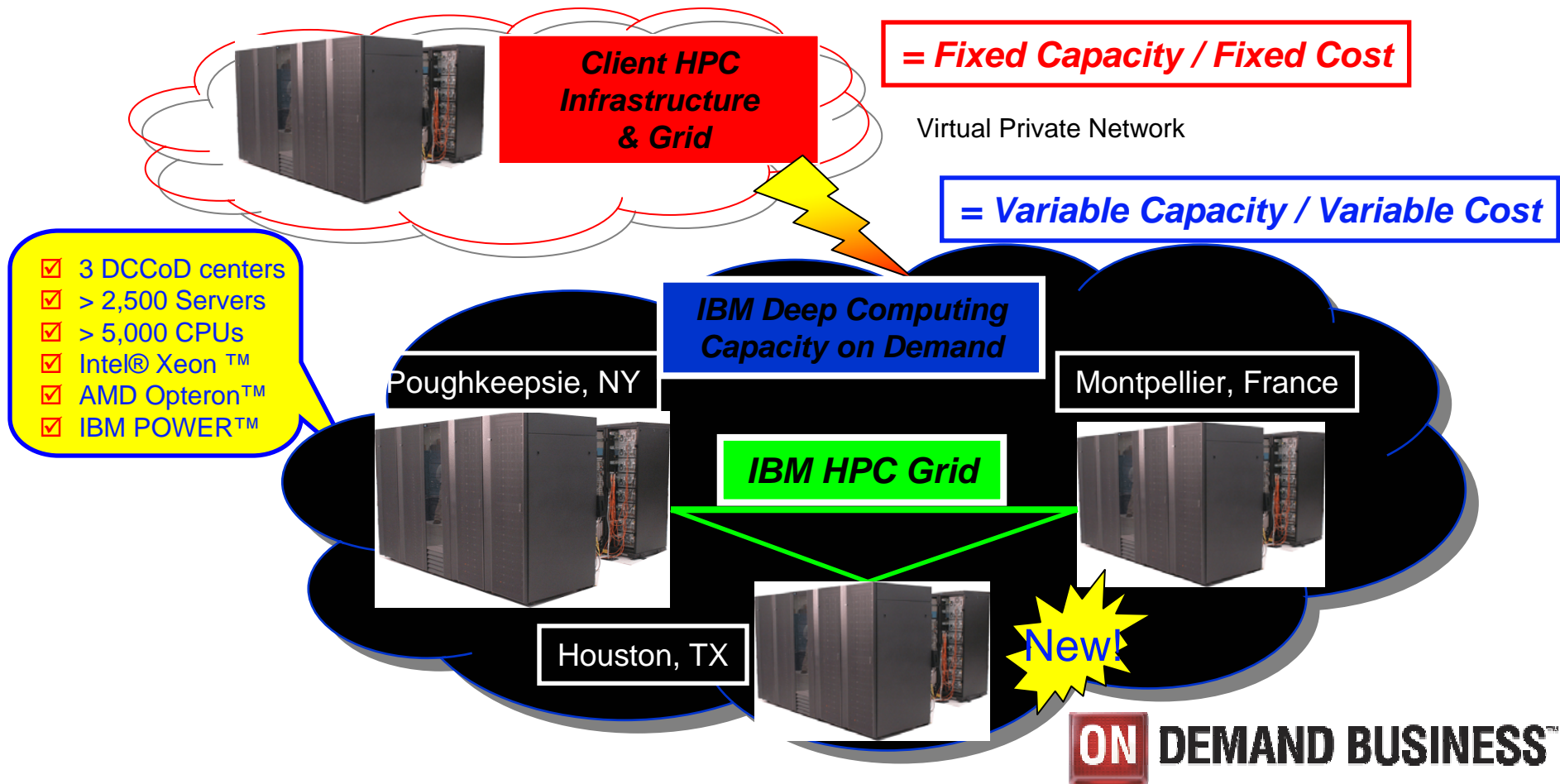
Offering Name	Description	Value Prop	Start-Stop Dates	Competition Targeted	Success to Date
4. Trial Capacity on Demand	Activation of all available inactive processors and memory, initiated from HMC, use of resources for up to 30 contiguous days.	Provides 30 days of increased capacity for test, benchmark, evaluation, or for a peak capacity requirement.	Currently available	HP, Sun	
5. Capacity Backup	Backup system for p690 with 4 active permanent processors and 28 inactive processors, 720 prepaid processor days included, eligible for 30 day trial, no permanent processor activations allowed.	Lowers the cost of acquisition of a backup system, allows for test and qualification of new systems	Currently available	HP, Sun	
6. Partition Load Manager	Provides automatic resource provisioning across partitions for pSeries POWER4 servers based on policy based rules, can have multiple instances to manage multiple servers in the cluster, provides real time resource utilization report for partitions that are managed	Simplifies management of servers by automating the provisioning of resources across dynamic LPARs on POWER4 servers, reduce administration costs and increase efficiency of resource utilization to quickly react to changing IT capacity requirements	Scheduled to announce 4Q 2004		

pSeries Power4 On Demand Offerings (continued)

Offering Name	Description	Value Prop	Start-Stop Dates	Competition Targeted	Success to Date
7. Daily SW Licenses	For temporary processor activations as an alternative to purchasing a full license of the operating system or IBM middle ware, announced by Software Group for selected IBM middle ware, must have a full license of the product on at least one processor, no warranty or SWMA entitlement for the daily license	Lowers the Total Cost of Ownership by allowing customers to purchase daily license entitlements for only those processor days used, can be ordered after processor days are purchased or charged.	Currently available for selected IBM middle ware. Statement of Direction to make available in 4Q05 for AIX and selected eServer Licensed Program Products.		

IBM Deep Computing Capacity on Demand

Secure internet access to supercomputing power enables clients to respond to peak workloads and capture business opportunities that would otherwise be out of reach.

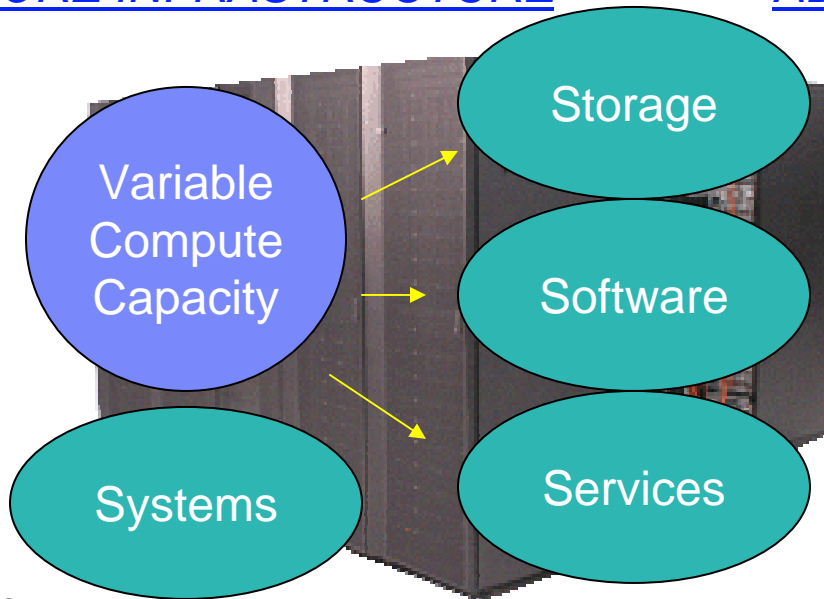


- ☑ 3 DCCoD centers
- ☑ > 2,500 Servers
- ☑ > 5,000 CPUs
- ☑ Intel® Xeon™
- ☑ AMD Opteron™
- ☑ IBM POWER™

IBM Offerings for Deep Computing Capacity on Demand

CORE INFRASTRUCTURE

ADVANCED FEATURES AND SERVICES



- Compute Nodes
 - IBM @server™ Cluster 1350
 - xSeries® Intel® Xeon™ 32-bit technology
 - AMD Opteron™ processor 32/64-bit technology
 - IBM pSeries® POWER4+™ 64-bit technology
- Interconnect: 10/100/Gigabit Ethernet, Infiniband, Myrinet
- Management Node
- Cluster Systems Management (CSM)
- Virtual Private Network (VPN)

- IBM @server Storage Nodes
- IBM TotalStorage® Fiber Channel and SCSI Disk
- IBM General Parallel File System (GPFS)
- Job scheduling and workload management (*)
- Grid-enablement capability (*)
- Advanced monitoring & management
- Software customization & deployment
- Storage/data management (e.g., backup)

BASE SERVICES

- Facility
- Provisioning
- Deployment
- Virtual Private Network
- Security
- Monitoring
- Maintenance
- Help Desk
- IBM Representative