IBM Systems and Technology Group University 2005

Selling Outside the Box: Leveraging IBM's Capabilities to Drive More Sales Session # CB40

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ON DEMAND BUSINESS™

Today we are going talk about:

- **What clients are looking for from an IT Partner**
- **What's going on in today's business climate**
- **What makes IBM different from its competitors**
- **What's changing in IBM to support our customer's needs**

The problem:

Today, more and more customers are looking to do business with a someone who can provide a complete -- versus piecemeal -- business solution, across the “value chain.”

The solution:

Customers today look to you to guide them in transforming their businesses through integration.
You must deliver what they expect, “value” for the dollars they expend on information technology.
To do that you must enhance your customers’:

Market reach,
Strategy execution,
Competitive advantage,
Supplier & customer loyalty,
Stock valuation

Today's session will answer the question, how can cross selling help me close the business?

Educate your customer, offer proven solutions at multiple entry points -- solutions from across IBM and deliver unique differentiators.

What's on the minds of 450 of the world's leading CEOs

CEO needs

- **Revenue growth** with cost containment
- Key competency: **responsiveness**
- Critical success factor: enable effectiveness of **people**

Source: CEO Study of 456 WW CEOs IBM Corporation 2004

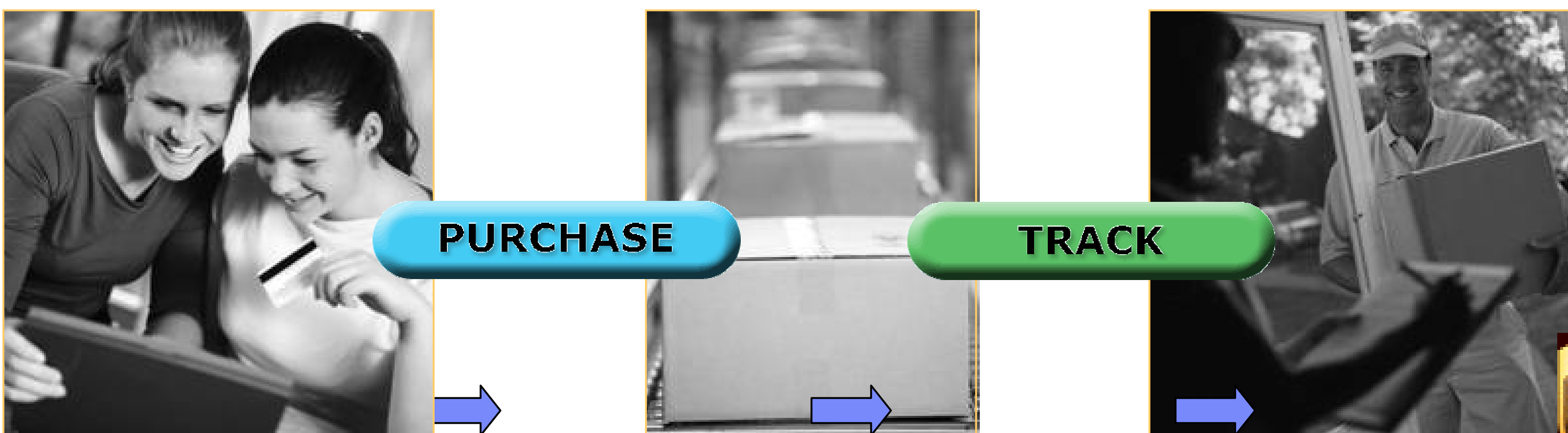
CIO challenges

- Aligning IT and business goals to **grow revenue** and contain costs
- Building **responsiveness and agility** into the organization through IT
- How can IT help **enable people** and teams to be more effective

Source: Operating Environment Market Drivers Study, IBM Corporation 2004

On Demand Business is all about answering these three challenges

An On Demand Business is an enterprise whose business processes—integrated end-to-end across the company and with key partners, suppliers and customers—can respond with flexibility and speed to customer demand, market opportunity or external threat.



e-commerce

… multiple companies, seamless process

On Demand Business …

Grows faster

- **Bekins increased revenue by $75M through integration with business partners to serve a new market**
- **PineBank increased customer traffic by 300 percent and revenues by $8M**

Spends less to run the business

- **Kookmin Bank should save $250 million from reduction of duplicate processes**
- **Volkswagen +20% productivity**

Increases customer satisfaction with greater responsiveness

- **State of CA reduced erroneous taxpayer contacts by 55%**
- **Charles Schwab reduces time to calculate a portfolio analysis from 10 minutes down to 15 seconds**

Key changes to improve the success of IT projects

Before on demand		On demand business
Technology first	How you approach the problem is different	Business first
Monolithic; Resources	What is necessary is different	Modular; Services
Silos	How you architect the solution is different	"Integration points"
Difficult and costly to change	What is possible is different	Flexibility

"People now see that IT isn't some sort of odd appendage that needs to be managed elsewhere; IT needs to be part of the business decisions of the overall company."

—Theresa Lanowitz, Gartner Inc. (eADT, May 2004)

The opportunity:

Cross IBM solution selling opportunity is projected to be a US$666 billion market in 2005.

Including Infrastructure Solutions will help drive more revenue

...furthermore, end users indicated a willingness to pay up to a 10% premium for hardware included as part of a total solution sale.

Source: J.S. Waxman, The Economics of the U.S. Hardware Distribution Channels: End-User Survey Report, An IDC Multiclient Study

Solutions can only deliver a higher return on sales if companies understand key differences and bring them to market in an appropriate way:

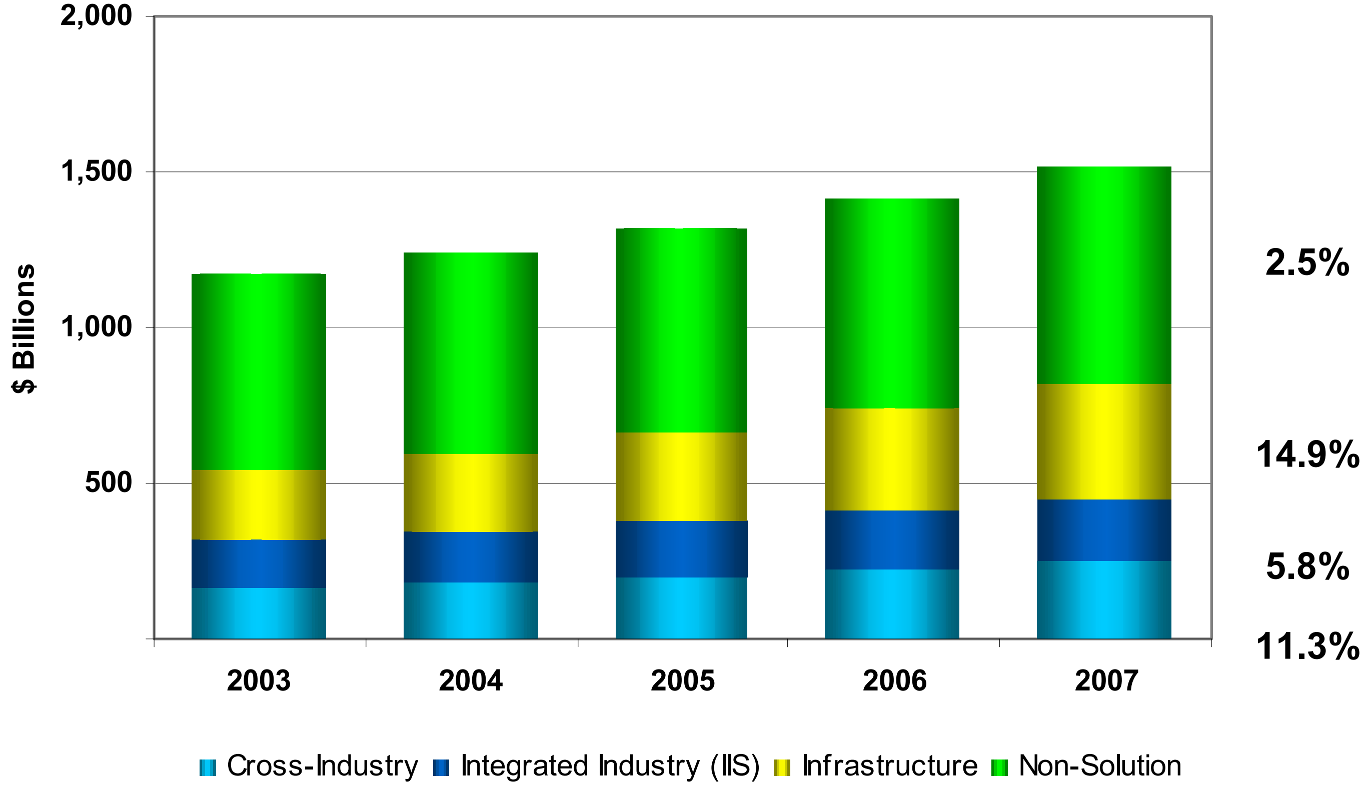
1. Longer sales cycles, team selling, increased skills, tailored incentives
2. Value-based pricing rather than cost-plus pricing
3. Realignment of the entire organization
4. Solution providers -- and their business partners -- need to achieve excellence across an array of products and combine those products in economical and efficient ways.

Source: J.E. Johansson, C. Krishnamurthy, and H.E. Schlissberg. *"Solving the Solutions Problem"*, The McKinsey Quarterly, 2003, #3

McKinsey cites ***IBM's success in strategic outsourcing*** as a solution providing the highest level of integration and customization

The worldwide solutions market is estimated at $594 Billion in 2004 (64% of total IT market), and is expected to grow at 11.4% from 2004 to 2007

The total IT market is growing at 6.9% during the same period



Source: SMV 1H04

IBM's Opportunity for Market Share Gain is in Both Products and Solutions

IBM's 2004 product revenue

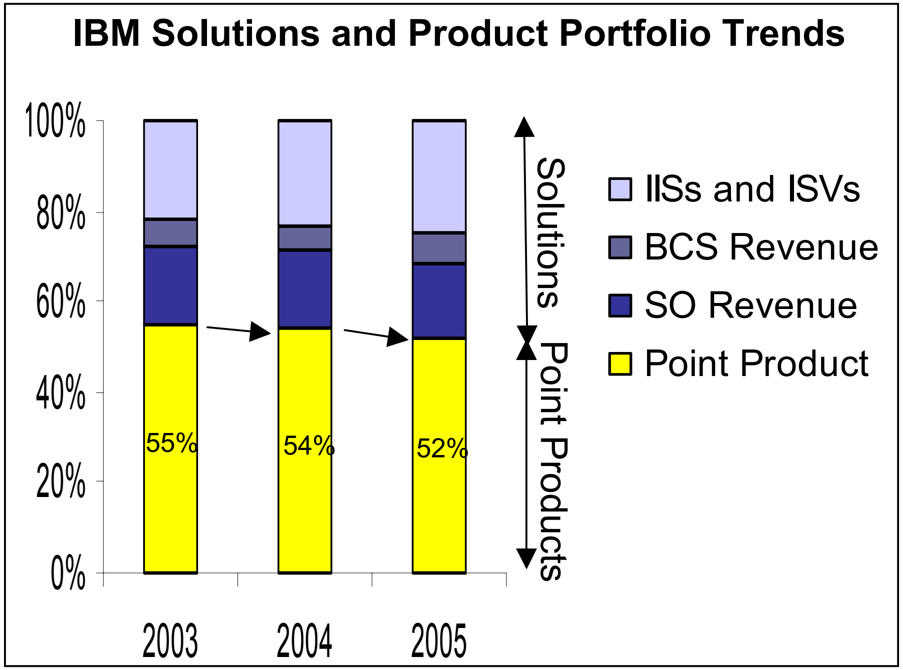
- Growing at 4%, faster than the market for a 0.7 ppts. market share gain
- Product opportunity is growing at a compounded rate of 1% from 2003-07

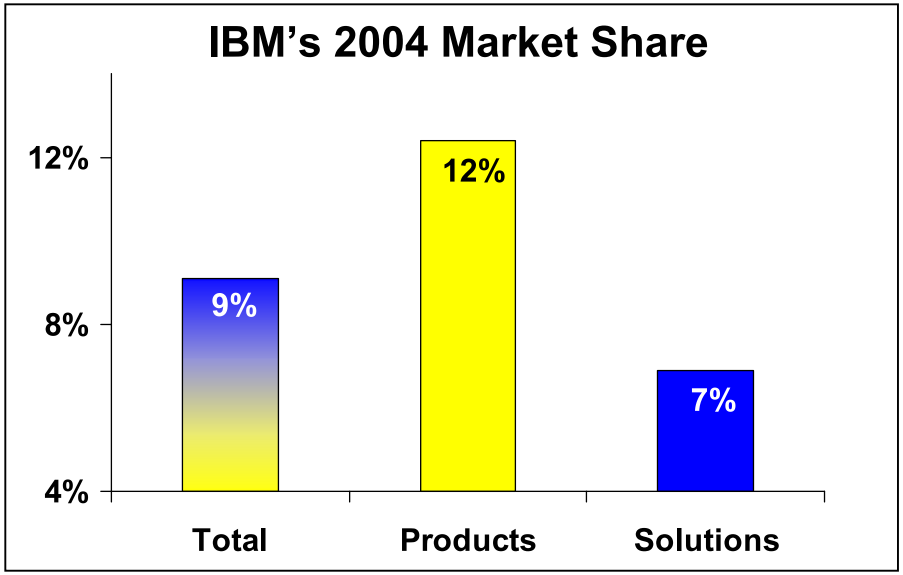
IBM's 2004 solutions revenue

- Growing at 10%, approximately the same as the market opportunity, resulting in no market share gain for the solutions portion of the business

IBM growth opportunity

- For each 1 point of solutions share gain, IBM revenue increases $6B





Source: IBM Strategy & MI and Solutions Market View 1H2004

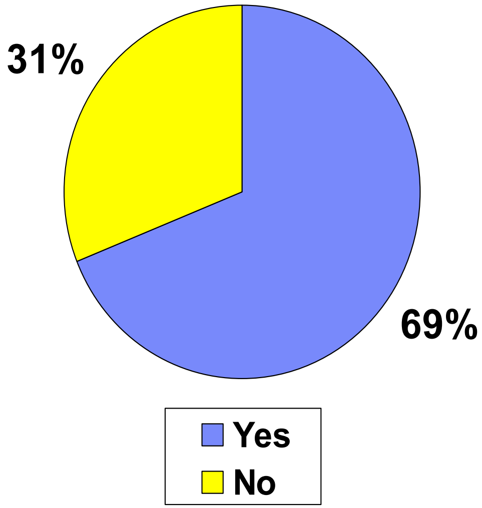
Customers Say 2/3 of their IT Purchases are Solutions

IT solution is defined as a combination of technology (hardware and/or software) and one or more IT services (Consulting, Development, Integration, Management, etc.) applied to address a specific business problem.....IDC

By Customer

IDC's Emerging Channels Study

Q: *"Based on IDC's definition of solutions, does your organization acquire IT solutions?"*

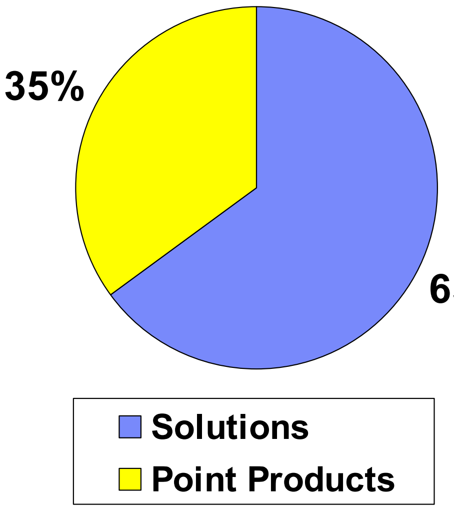


Source: IDC 2002 Multiclient Study "Emerging Channels, Emerging Customers"

By Product

IDC's Emerging Channels Study

Q: *"What % of these [XXX] products do you consider to be part of an integrated solution and what % do you consider to be independent pieces of technology?"*

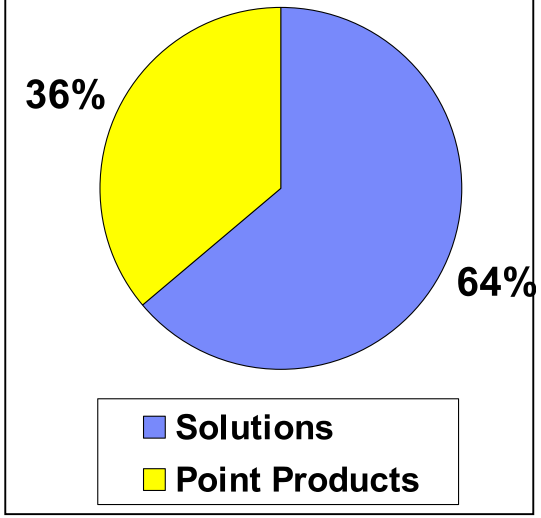


Source: IDC 2002 Multiclient Study "Emerging Channels, Emerging Customers"

By IT Spend

IBM's Opportunity Estimates

Q: *What percentage of total IT dollars will be spent on Solutions vs. Point Products?*



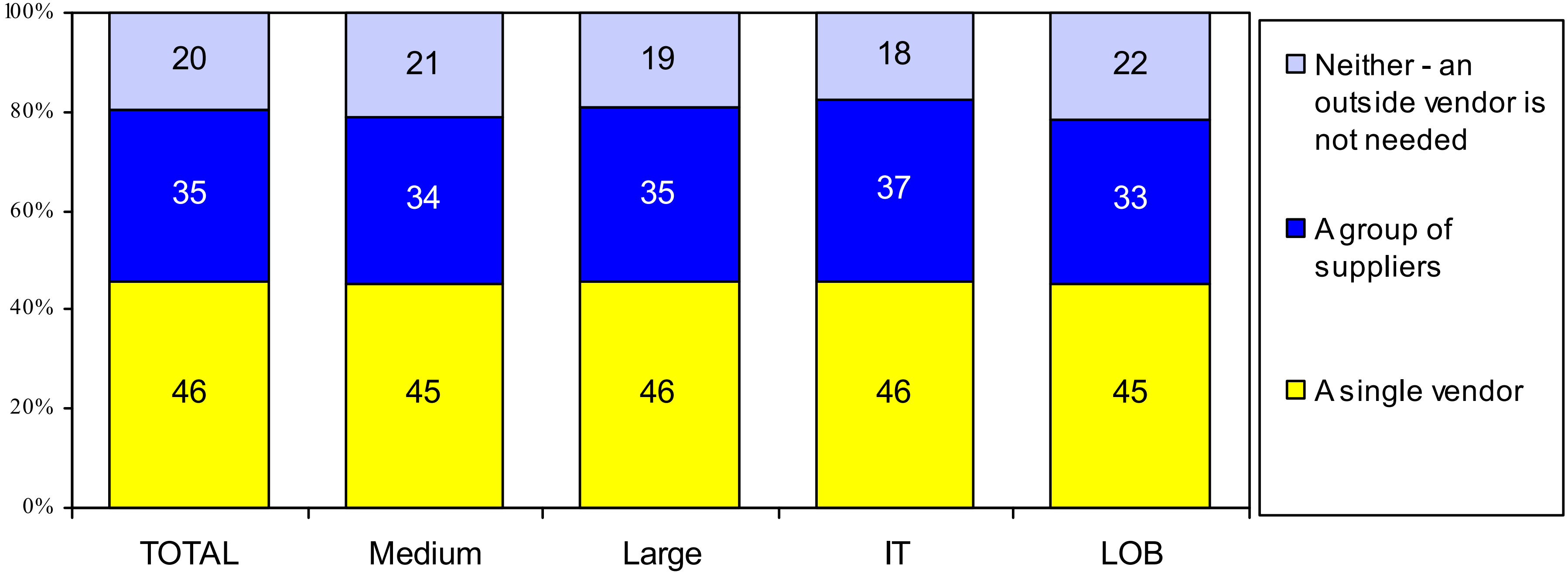
Source: IBM SMV1H04 – Total Market View

When possible, clients prefer to acquire On Demand Business solutions from a single supplier.

Only 20% of decision makers say that an outside vendor is not needed to become on demand.

Forty-six percent (46%) prefer a single vendor with a wide range of capabilities vs. a group of suppliers, working together to provide a range of capabilities.

Still, over a third of decision makers say they would prefer a group of suppliers.



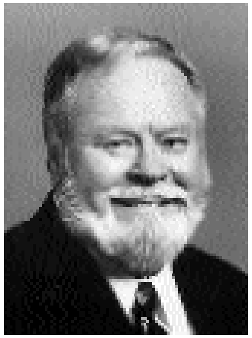
Suppose you wanted to become an on demand business, to whom would you prefer to turn for help?

Base: Total = 1012; Medium = 484; Large = 528; IT = 617; LOB = 395

The customer profile:

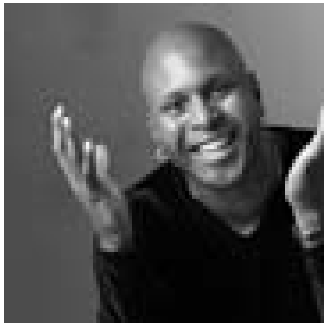
Defining specific customer segments that you can target more selectively ... and better yet, win new business!

Customer segmentation yields 5 Business Profiles



Conservatives

Fast Followers



Solution Buyers

Self-Integrators

Technology Innovators

Three appear to be the most attractive for cross-selling:

- **Fast Follower companies**
- **Solution Buyer companies**
- **Technology Innovator companies**

These segments have 5 buyer types

Change Leaders: Typically a CEO, this buyer's objectives are stockholder value and customer intimacy and care

Business Process Leaders: Most often a functional head or CFO, this buyer aims to improve quality and respond to competition

Super CIOs: Most frequently a senior vice president or CIO, this buyer seeks IT value and financial efficiency; he/she straddles business and IT executive segments in terms of attitudes and needs

Information Strategists: Generally the CIO, he/she is trying to foster external collaboration, a knowledge organization and internal teaming

IT Process Leaders: Typically an IT manager, this individual seeks to cut costs, gain value from IT and improve quality

Top 20 Buying Criteria for Servers

		TOP BOX SCORES					RANKING				
		e-Size		Geography			e-Size		Geography		
Buying Criteria	Total	SME	LE	AG	EM	AP	SME	LE	AG	EM	AP
System reliability	84%	84%	86%	91%	84%	72%	1	1	1	1	1
Compatibility w.existing systems	73%	73%	75%	78%	70%	67%	2	3	3	2	2
System performance/speed	73%	72%	78%	79%	70%	66%	3	2	2	2	3
Scalability/upgrades	67%	66%	71%	77%	53%	62%	4	5	4	6	5
Hardware warranty	67%	66%	73%	72%	63%	63%	4	4	8	4	4
Ease of access to support personnel	66%	66%	69%	76%	57%	57%	4	6	5	5	7
Quality and ease of hardware installations	63%	63%	66%	72%	53%	58%	7	7	8	6	6
Overall ease of doing business	60%	60%	60%	74%	47%	47%	8	10	6	9	9
Solution will reduce total cost over time	60%	59%	63%	72%	41%	56%	9	8	8	13	8
Ease of getting information	59%	59%	59%	73%	46%	47%	9	11	7	11	9
Skills	57%	56%	62%	67%	49%	46%	11	9	11	8	11
Technical support tools (web, links, etc.)	55%	55%	58%	66%	46%	46%	12	12	12	11	11
Advanced disaster recover solutions	51%	51%	52%	59%	47%	42%	13	14	14	9	16
Available from preferred source	49%	48%	54%	63%	35%	37%	14	13	13	17	19
Security solutions	46%	46%	48%	52%	38%	44%	15	19	19	16	14
Vendor keeps us informed of status	45%	44%	49%	54%	34%	39%	16	16	16	19	18
20% lower price	45%	44%	47%	48%	39%	44%	16	21	23	15	14
Robust system management software	44%	43%	49%	47%	35%	46%	18	16	25	17	11
Pre-sales support for skill requirements	44%	43%	47%	51%	41%	35%	18	21	20	13	24
Recognizable brand name	43%	42%	52%	54%	32%	36%	21	14	16	22	22

Source: 2004 NDB (Needs Database) refresh. Sample base of 2400 respondents in 12 countries, 19 industries and 3 e-sizes. Server and storage decision makers.

Clearly we are not alone in cross-selling

Value nets threaten IBM's On Demand Business strategy

Value nets: alliances between technology partners who jointly target customers

A **limited number of value nets** pose a significant threat to IBM

Value nets form and behave differently depending on customers they target: **Large Enterprise** vs. **Medium Business**

All commentary on this page is based upon IBM's view

Competition

All commentary on this page is based upon IBM's view

	Strengths	Vulnerabilities	IBM's Opportunity
hp invent	▪ Strong server position ▪ Large OpenView install base	▪ Fragmented middleware ▪ Partner dependency ▪ Lacks full range of services offerings	▪ Undermine HP's heavy dependency on partners to provide end-to-end business solutions
Microsoft	▪ Brand awareness, market penetration ▪ .NET framework ▪ Financial resources and partnerships	▪ Lacks end-to-end services value proposition ▪ Lacks credible enterprise applications and infrastructure ▪ Continuing security woes	▪ Lacks breadth and depth in enterprise offerings, no discernible utility computing or on-demand strategy
Sun microsystems	▪ Large Solaris installed customer base ▪ Extensive partner network that can be leveraged to sell N1 Grid	▪ Weak on management tools ▪ Services revenue is rising while product sales are dropping ▪ Has not demonstrated that N1 Grid technologies can manage multi-vendor environments	▪ Users view N1 Grid as "all vision, no product" ▪ Sun's integration story is weak and depends on partners
EMC² where information lives	▪ #1 market share in Storage Mgmt (IDC) ▪ Reputation for high levels of customer service	▪ Partner dependency and viewed as a hardware company ▪ Largest VMware partners are also EMC storage competitors	▪ EMC's provisioning capability, even with VMware, still does not match IBM Tivoli's capability
accenture	▪ Business process transformation ▪ Emphasis on methodologies ▪ Alliance network with over 100 partners, notably Microsoft and HP	▪ Overemphasis on methodology ▪ Complex network of alliances suggests they cannot do it themselves	▪ Contrast IBM single vendor solution with network of solutions provided by Accenture, e.g., Business Transformation Outsourcing paired with HP's UDC offering

SWG improves the case for STG

All commentary on this page is based upon IBM's view

On Demand Business Infrastructure	eserver	hp invent	DELL	Sun microsystems
IBM STG ONLY				
Virtualization	Advantaged	Competitive	Marginal	Marginal
IT Optimization	Advantaged	Advantaged	Non-Competitive	Marginal
Systems Management	Advantaged	Advantaged	Marginal	Competitive
Resilience, Security, Risk/Compliance	Marginal	Advantaged	Non-Competitive	Competitive
IBM STG and SWG COMBINED				
Virtualization	Leadership	Competitive	Marginal	Marginal
IT Optimization	Leadership	Advantaged	Non-Competitive	Marginal
Systems Management	Leadership	Advantaged	Marginal	Competitive
Resilience, Security, Risk/Compliance	Leadership	Advantaged	Non-Competitive	Competitive

Why we're going to succeed:

We have the products.

The power is in the packaging.

So, what makes IBM different

- **SWG leadership**
- **Services leadership**
- **Technology leadership**
- **Partners**

The whole is greater than the sum of the parts!

Everyone wins when we team across IBM

STG : *"I sponsored the SDDC assessment : I felt that it would help me close the proposal to upgrade to zOS Freeway at SDDC. It indeed helped me sign for **$2.7M hardware** in December when the customer realized the short-term impact and long-term benefit of such a move, which represents a significant gain in direct operational support."* **Bernard Scalabre, eSM, STG**

Tivoli software

SWG : *"The Autonomic Computing assessment helped me refresh the relationship with SDDC: In an ongoing fight with one of our competitors (Candle), the assessment strengthened our ability to automate manual operations and opened the door for new propositions in Storage Management and Enterprise Identity management. I did proposals in these areas and signed for **$400k in December"*** **Alain Pradoux, Sales Rep Tivoli SO&CSI, IBM Software Group**

Tivoli software
WebSphere software
DB2 Information Management Software

SWG : *"One of the first initiatives which came out of the Autonomic Computing Assessment was solving a basic problem that we had: Software upgrades, from zOS to WebSphere and DB2. SDDC was able to clearly see the benefits of upgrading to the latest versions which are full of new autonomic features needed to improve their autonomic maturity level and on demand state."* **Marie-Helene Genieyz, West Region, IBM Software Group**

- **B of A Video**

Why was Team IBM successful?

- ☑ Team IBM engaged in consultative discussions with Bank of America.
- ☑ Developed a clear plan of action and measurable results with Component Business Modeling, followed by On Demand assessment.
- ☑ Proved the short-term solutions first – then developed the long-term roadmap with full autonomic approach
- ☑ Strong support from Bank of America management.

In 2005, STG and ITS have teamed together to enable you to achieve the growth initiatives in each brand

STG growth initiative	Brand	on demand oe Scenario	IGS opportunity	STG opportunity
Business Continuity	TotalStorage and zSeries	Ensure I/S runs w/o degradation	$84M	$128M
Consolidation	TotalStorage, z, p, i, xSeries	Manage costs through better IT utilization	$29.8M	$ 23M
Virtualization	TotalStorage, z, p, i, xSeries	Improve flexibility by +/- IT capacity	$15.5M	$ 27.5M
Applications	z, i, xSeries	Scale quickly & cost effectively	$7.8M	$ 3.8M
High volume server	pSeries	Quickly deploy std. apps & systems	$1.2M	$ 1.0M

Opportunity totals: $138M for IGS;
$184M for STG

Key services have been identified and sales kits created to make selling easier and value more compelling

Product line	Services identified
TotalStorage	GDPS, GDPS HyperSwap (1Q05), eRCMF implementation, Server and Storage consolidation, Systems Management
zSeries	Server and Storage consolidation, IT optimization, Migration services
	Legacy Application Transformation
	Linux SupportLine/Subscription
pSeries	Linux SupportLine/Subscription, Customer Set Up Svcs, Implementation Services for p5 and LPAR, Jump Start Svcs
	Resilient Business and Infrastructure Analysis, Migration services
iSeries	Legacy Application Transformation
	Microsoft Exchange services, Migration services
	Implementation Svcs for i5 and LPAR, UPS, Linux SupportLine/Subscription, Education Pack
xSeries	Linux SupportLine/Subscription, JumpStart Services (Dec 2004), Linux Implementation Svcs
	Legacy Application Transformation

What's in it for our sales teams and our clients?

Selling infrastructure services with hardware, software and other services

- **Makes our sales reps heroes with their clients for providing a *complete solution***
- **Lets them provide clients with valued technical help**
  - Smart planning and smooth implementation
  - Education and training
  - High-performing, efficient operations
  - Faster, greater return on IT investment
- **Helps them win more business, drive more revenue**
  - Add value to the IBM solution that our competition can't
  - Sell additional hardware and software
  - Boost customer satisfaction and repeat business
- ***Puts more money in their pockets***

More than $3 million in 2004 sales incentives!

Learn more about Integrated Technology Services

We're the industry's leading technology integrator.

- #1 global provider of network consulting and integration services*
- Largest integrator of Cisco products worldwide+
- Largest Linux services provider worldwide+
- Leading high availability and storage services provider+
- Best in class for technical support**
- Leader in outsourced technical support and help desk services**
- Top IT training services provider worldwide***
- More than 75 years providing technology support services and education+
- More than 38,000 skilled professionals in 164 countries+
- $9.1 billion in signings; 250,000 deals a year+

For more information and key contacts,
visit the Integrated Technology Services global intranet site at:
http://w3.ibm.com/services/itsglobal

**IDC, Worldwide and U.S. Network Consulting and Integration Services 2004 Vendor Analysis: Top 10 Market Leaders for 2003, November 2004*

***Gartner, Magic Quadrant for North American Help Desk Outsourcing, 2004, December 2004*

****Gartner, Magic Quadrant for e-Learning Content 2004, October 2004; IDC, Worldwide IT Training Providers 2003 Market Analysis, August 2004*

+http://w3-03.ibm.com/services/news_pubs/features/2003/0911_its_profile.html

SOSWOS: SELL OUR STUFF WITH OUR STUFF SOSWOS *Plus*

IGS + STG + SWG = more

Selling with Synchronicity -

The Relation That Exists When Things Occur At The Same Time

Why: Objectives and Benefits

- Increase HW and SW Sales by creating new opportunities and revenue potential
- STG and SWG clothing rates will increase significantly as Co-Selling becomes ingrained
- Opportunity to lock out competitors by offering a single, compelling and competitive option

How: Selling Together & Delivering Complete Solutions

- Co-Selling process will generate cross brand OI
- SWG adding 57 sellers to help you find opportunities
- Creation and delivery of joint offers

Make more money

- STG: over 2290 HW deals identified $ 227M
- Clothing rate up to 45% from 32%

- SWG: over 2614 SW deals for $ 214M
- Clothing rate up to 33% from 24%

http://w3-3.ibm.com/software/sales/salesite.nsf/salestools/synchronicity

Call to Action

Goals

- Continue to Enhance STG/SWG Teamwork
- Increase STG/SWG Pipeline by $500 million in 2005
- Win Against the Competition
- Clothe our own deals and Close More Revenue for IBM!

Actions

- Clothe 2005 Pipeline using Co-Selling tools
- Sell the STW / SWG Bundles
- Work with CUEs to ingrain new Co-Selling Processes

Rewards

- Incentives for Co-Selling & Clothing
  - Example: Top Clothing Contest: Earn Up to $8,000
- Incentives for Joint Offers
  - Example: Bundles Bonus: Earn up to $2,000

http://w3-3.ibm.com/software/sales/salesite.nsf/salestools/synchronicity

IBM Server Proven

A CUSTOMER LOYALTY REBATE PROGRAM !

IBM Customers can receive a Rebate of up to $150,000 *

For a combined purchase of an eligible new IBM eServer and an eligible new IBM Software Solution

- ***iSeries*** **+ IBM SW = up to $128,000 Rebate**
- ***pSeries*** **+ IBM SW = up to $ 5,000 Rebate**
- ***xSeries*** **+ IBM SW = up to $ 5,000 Rebate**
- ***zSeries*** **+ IBM SW = up to $150,000 Rebate**
  - New zSeries Software not previously installed

DB2 SPECIAL PROMOTION:

- **xSeries + IBM DB2 Universal Database Enterprise Server Edition = up to $65,000 Rebate**
- **All Rebates will be equal to the lesser of either the Invoice price of the IBM Software Solution acquired or based upon the eligible Server acquired**

WebSphere. Tivoli. DB2. Lotus. Rational.

IBM Server Proven

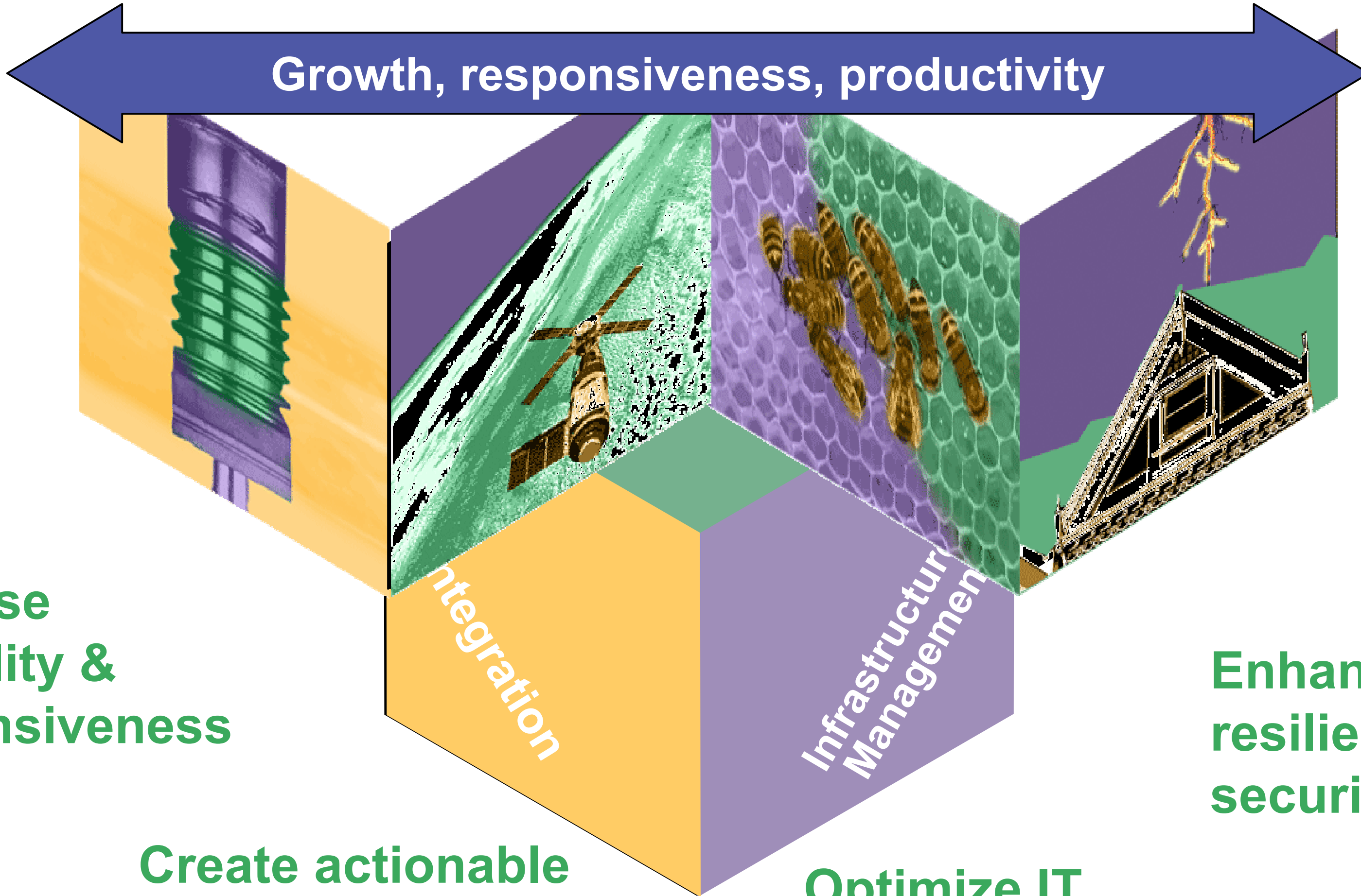
*** iSeries, pSeries, xSeries, zSeries and DB2 Special Promotion Rebates Available in US, Canada & Caribbean North only***

*** iSeries Rebate available in EMEA, Rebates under consideration in AP***

Rebate Offers: http://www-1.ibm.com/servers/eserver/serverproven/

Eligible IBM Software list: http://www.developer.ibm.com/member/adv_products.html

The On Demand Operating Environment drives business value…



Increase flexibility & responsiveness

Create actionable insight from information

Optimize IT infrastructure

Enhance resilience & security

Concrete steps to increase business flexibility

Business-Driven Development

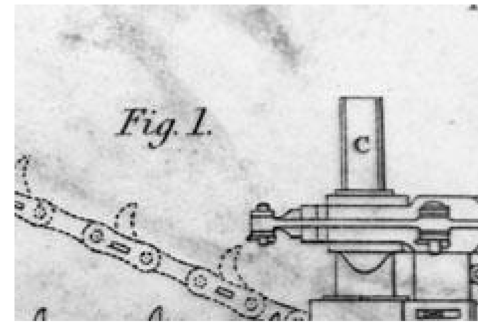
Integration

Infrastructure management

Align

Align business models & processes with strategic objectives

Integrate & Develop



Standardize, automate and integrate business processes and the underlying infrastructure

Extend

Extend & reuse existing IT assets

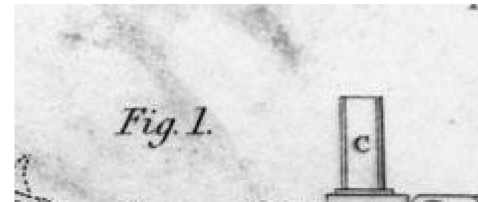
Scale

Scale quickly and cost-effectively to meet business demands

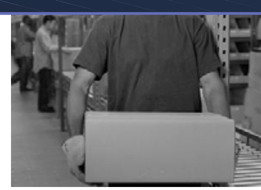
Concrete solutions for increasing business flexibility

Align

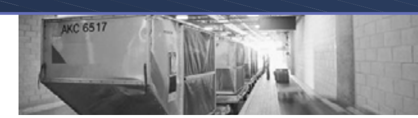
Integrate & Develop



- **Integrate islands of applications, processes and information**
- **Leverage your existing assets**
- **Deep industry and integration expertise, best practices**



- IBM Workplace
- SOA Offerings
- DB2 Information integrator



- WebSphere Application Server
- eServer BladeCenter
- POWER5/OpenPower offerings
- Virtualization Engine

Concrete steps to actionable information insight

Business-Driven Development

Integration

Infrastructure management

Access & collabor...

STAPLES

P... to the rig... ere) to i... rease collaboration across the value chain

Standardize & unify

Develop a unified view of customer information across the business to better target and serve them

Understand & act

- **Instant access to multi-channel sales information**
- **Dynamically query merchandising systems**
- **9 TB capacity data warehouse, with 6 data marts to store operational data for each user community**

Integrate, analyze and leverage information to make better informed business decisions

ON DEMAND BUSINESS

Concrete solutions for information insight

Access & collaborate

Standardize & unify

- Comprehensive information infrastructure
- Integrate data, no matter where it resides
- Leverage, not replace your existing investments
- Provide a holistic business view to people who need it

er

n

Integrator

- DB2 Data Warehouse Edition
- IBM TotalStorage

Concrete steps to optimizing IT infrastructure

Optimize IT Environment

Business-Driven Development

Integration

Infrastructure management

Fuel growth by managing costs thru better utilization of IT assets

Improve flexibility to increase/decrease IT capacity

Quickly deploy std apps & systems to improve interoperability & increase time to value

Introduce & integrate new business applications & IT systems into existing IT infrastructure

Virtualization

Automation

Beyond the enterprise
Within the enterprise
Virtualize unlike resources
Virtualize like resources

Orchestrate with the business
Automate IT processes
Automate best practices, tasks
Monitor transactions

Concrete solutions for optimizing IT infrastructure

Optimize IT Environment

- Lower the cost of your existing infrastructure
- Sense and respond to changes in your business
- Reduce the complexity of managing and adding infrastructure
- Increase efficiency through automated processes

- IBM Virtualization Engine
- IBM BladeCenter

- IBM Application Hosting for SAP
- IBM Accelerators for Services Mgt.
- ITIL accelerators & assessments

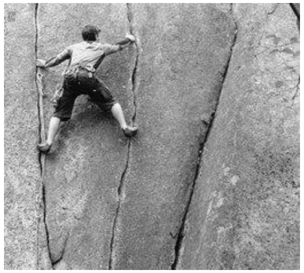
Concrete steps to enhance business resilience and security

Business-Driven Development

Integration

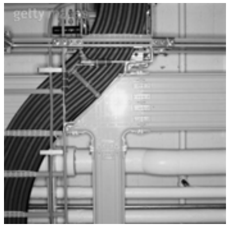
Infrastructure management

Risk Management



Manage Business Risk

Compliance



Introduce new applications / functionality into existing IT infrastructure to address risk & compliance

Security

Assess & address business threats comprehensively

Protect IT infrastructure from threats

Availability

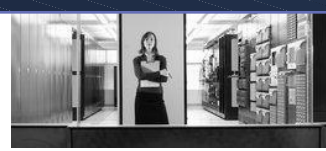
Provide multiple means to ensure IT infrastructure runs without service level degradation

Concrete solutions for enhancing business resilience & security

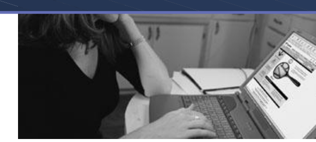
Risk Management

Compliance

- **Holistic view of business resilience across the enterprise**
- **Ensure integrity of the environment while protecting disclosure of customer & employee information**
- **Leverage your existing investments (no rip and replace)**
- **Manage end-to-end security risks and support compliance initiatives**



- IBM Integrated Security Solution for Cisco Networks
- IBM Security Event Management



- HACMP high availability and disaster recovery solution for pSeries® based WebSphere servers

IBM innovation & technologies increase sales

Core Products

IBM eServer

Mainframe Servers

Unix Servers

Midrange Servers

Blade Servers

Intel processor-based Servers

AMD processor-based Servers

Clusters

IBM TotalStorage

Disk Storage

Storage Networking

Tape and Optical Systems

Storage Software

Core Technologies

Operating Systems

Processors

Core on demand Technologies

zArchitecture™

Power ™ Architecture

IBM Virtualization Solutions

eserver™

Enterprise X-Architecture ™

X tended Design Architecture™

Grid Computing

Capacity on Demand

Systems Consolidation

Partitioning

Autonomic Computing

Linux open standards

ON DEMAND BUSINESS™

New STG packaging drives cross brand selling

IBM Virtualization Solutions

Enterprise Systems IBM Virtualization Engine

- **IBM Virtualization Engine – for Systems**
  - Ability to consolidate multiple similar types of servers, even running different OS's, on larger, partitioned types
    - zSeries
      - Dynamic lpar, Virtual I/O, Intelligent Resource Director (IRD), zSeries Application Assist Processor (zAAP), Parallel Sysplex Clustering, Hipersockets, VLANs
    - xSeries & BladeCenter
      - Integrated shared infrastructure for blade servers, IBM Director, VMware, clustering
    - pSeries
      - Clustering, NIM, Micro-partitioning, Dynamic lpar, Virtual Ethernet, Virtual I/O
    - iSeries
      - Clustering, Dynamic lpar, Virtual Ethernet, Virtual I/O, IBM Director Multiplatform

IBM eServer momentum

- ***The market says...***

"Statistical research from Gartner analyst shows that IBM was the No. 1 worldwide server vendor in the second quarter 2004, with revenue representing 30.7 percent of the global market. We should see a lot of sales from IBM in the next couple of quarters, because of the demand for P5-based servers and other technologies -- particularly its virtualization engine that lets users slice and dice each physical processor into as many as 10 "virtual" machines -- start showing up in the sales column. Absolutely, IBM has a leg up here."

TechWeb, IT Utility Pipeline, August 25, 2004

IBM's executive leadership says...

- ***"Anybody who thinks that technology is not an enabler and thinks it's a strategy might fall the way of the dot—comes from a couple of years ago. But truly, technology can be an enabler to get our products to market faster, allow us to collaborate better and have more interactive touch points with our consumers. And that drives brand loyalty and that drives…consumer loyalty."***

IBM CEO Sam Palmisano

Articulate STG and SWG Differentiated Capabilities

Differentiators	IBM eServer, IBM TotalStorage or IBM Software
Hypervisor	Resource Granularity. No affinity between physical resources and physical configuration (boards) enabling dynamic moves of resources. Sun has hardware partitioning only, HP has vPars only HP-UX/PA-RISC. Micro-partitioning: not available on either Sun or HP. The zSeries hipervisor has been available for many years with unique methods to allocate resources.
VLAN	Virtual LANS provide for a memory communication between virtual servers with memory bandwidth using the gigabit ETN protocol (zSeries uses even higher speed and bandwidth, and has for many years) with full security. SUN has a similar function with limitations in bandwidth. Sharing of communication adapters is IBM exclusive.
Virtual I/O	Sharing of I/O interfaces and I/O devices for effective resource utilization especially in a server farm environment or an environment with a combination of test, development and production servers. Sharing of DASD devices and adapters is an IBM exclusive. zSeries can balance resources across partitions by providing direct access from any partition to the shared adaptors.
IBM Grid Toolbox	Simplify the deployment of grids and provides leadership Level 3 technical support
IBM Tivoli Provisioning Manager	The ability (delivered by IBM Tivoli Provisioning Manager) to provision IBM and select non-IBM systems. Does not require a rip 'n' replace of system management and server infrastructure. Allows storage provisioning automation based on workflows. zSeries has existing provisioning functions for the platform.
IBM Enterprise Workload Manager	Automated workload management across provides end-to-end workload management according to business policies, across multiple physical and/or virtual servers, locally placed or distributed, IBM and non-IBM. This is unique in the market.
IBM Director Multiplatform	Broadens scope of industry-leading IBM Director today. Cross-platform hardware management unlike Dell. Provides for an integration of the system platform management functions for a heterogeneous and distributed environment for all IBM platforms as well as non-IBM Intel processor-based platforms.
VE Console	A single point of control for a multiserver and multiplatform and multifunction environment – web and Java-based via portal.
Disk Virtualization	Permits disk level virtualization across EMC, HP, Hitachi and IBM storage to improve utilization and administrator productivity while isolating applications from storage infrastructure changes. Is designed to scale with additional server clusters.
File Virtualization (xSeries and pSeries)	Permits file level virtualization across heterogeneous server (AIX, SUN, Windows, Linux) environments using any SAN-attached storage with policy-based data placement into user-defined storage pools to help optimize storage resource use with business value of data. Only IBM offers both disk and file level virtualization.
Storage Infrastructure management	Storage Infrastructure Management centralizes management of SAN devices, disk, replication, capacity planning, storage usage to eliminate errors and free up administrator time. IBM also offers workflows to activities like space provisioning, saving time. EMC has a competitive offering, except for workflows.

All commentary on this page is based upon IBM's view

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@server

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Offering capability		
Best practices		

IBM Global Services

ON DEMAND BUSINESS

DB2 Data Management Software

Tivoli software

Lotus software

WebSphere software

Rational software

think research
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IBM Global Financing

IBM Design Centers for e-business on demand
IBM @server Technical Support Advantage

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Other useful links
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IBM Systems Group Messaging Architecture
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