IBM

Why is System z Software Important?

"11 in 30"
A quick guide to the importance of z to IBM Software Sellers

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Established value of the z platform – Architected from the ground up

Reliability, Availability & Serviceability	**Hub for SOA**
Ultra High Throughput	**Hub for Data**
Infinite Scalability	**Virtualization & Flexibility**
Automated Management	**Open Standards**
Built-in Security	

Steve Mills on CNBC

For our clients, the System z platform is important today for flexibility to manage growth and complexity in a cost effective manner.
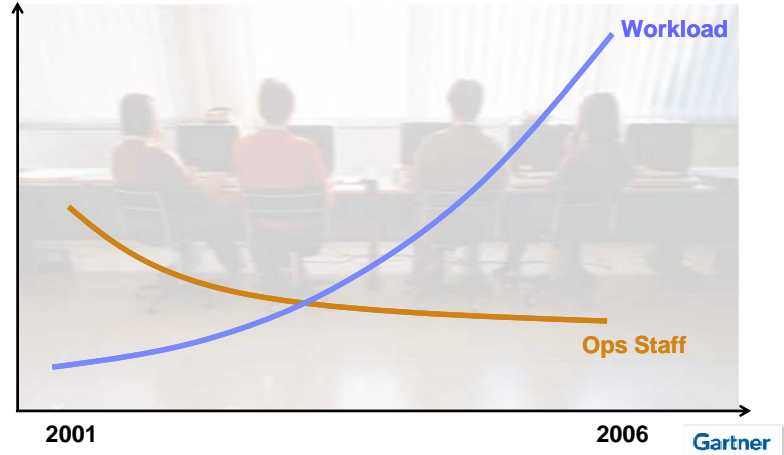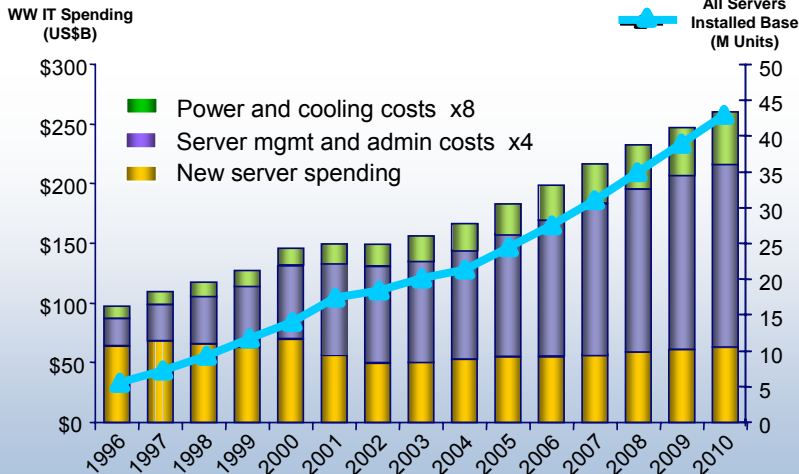
New HW / SW spending

15 years ago

Today

Cost of management & administration

Source: Tony Picardi, IDC
Economist.com: Make it simple. October 28th, 2004
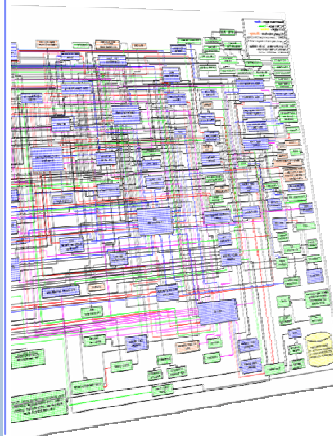From The Economist print edition

System z Managing Growth and Complexity

Workload

Ops Staff

2001   2006

Gartner

Worldwide IT Spending on Server, Power and Cooling, and Management / Administration

WW IT Spending (US$B)

All Servers Installed Base (M Units)

- ■ Power and cooling costs x8
- ■ Server mgmt and admin costs x4
- ■ New server spending

$300 — 50
$250 — 45
        40
$200 — 35
        30
$150 — 25
        20
$100 — 15
$50 — 10
        5
$0 — 0

1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

Source: IDC, Virtualization 2.0: The Next Phase in Customer Adoption, Doc #204904, Dec 2006
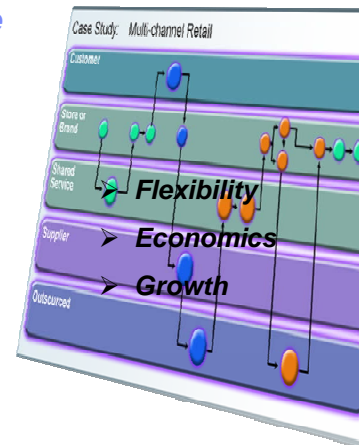
Customers want to improve this....

... to run their business like this.

System z is a unique hub for SOA

➢ *Reuse*

➢ *Integration*

➢ *Flexibility*

➢ *Qualities of Service*

➢ *Proximity of Data*

Case Study: Multi-channel Retail

Customer
Store or Brand
Shared Service
Supplier
Outsourced

Flexibility

➢ *Economics*

➢ *Growth*

System z

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System z software drives the solutions for the future to run on z.

- ## Information On Demand - transforming data into trusted information in business context

  - **DB2 for z/OS** - Reduce cost and complexity in the IT infrastructure, simplify compliance, and leverage core assets.
  - **Data Management Tools** - Tools for managing utilities, performance, recovery and information integration.
  - **IBM Information Server** - Profile, cleanse and integrate information to drive greater insight at lower cost.
  - **IMS** - Enable powerful information integration, management, and scalability of critical applications and data.

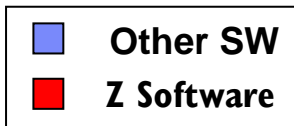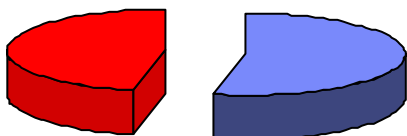**System z software drives the solutions for the future to run on z.**

- **Service Oriented Architecture** - flexibility through integration, business process management and re-use of core IT assets and applications.

  - **CICS Transaction Server & WebSphere** – Creating an application and transaction infrastructure to deliver high-volume transaction processing for customers mission-critical applications

  - **WebSphere Enterprise Service Bus, MQ, Message Broker** – Provide application Integration, which is the engine that drives business end-to-end.

  - **Rational** – Enterprise Modernization to incrementally evolve core IT systems towards modern architectures and technologies

  - **Lotus & WebSphere Portal** - provides a composite application, framework and the advanced tooling needed to build flexible, SOA-based solutions

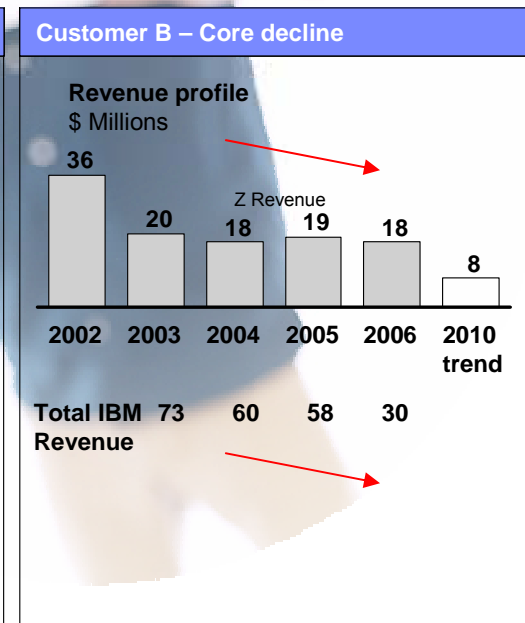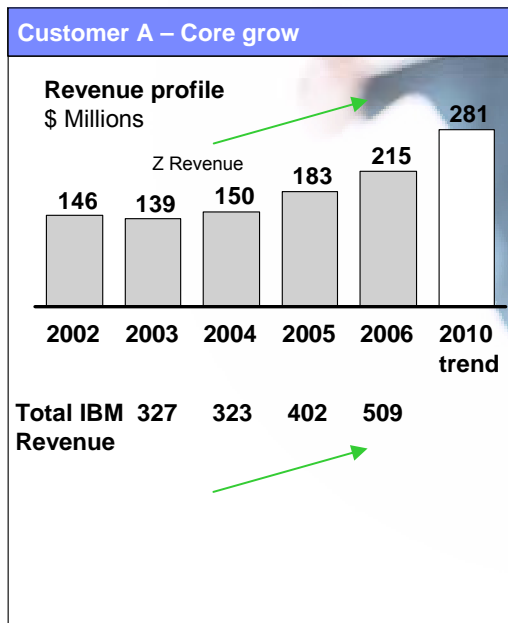# System z software drives the solutions for the future to run on z.

- **IT Service Management** - Delivering visibility, control and automation to help an IT staff to manage the infrastructure more efficiently and effectively.

  - **Tivoli Monitoring** - Availability and performance management solutions allow you to monitor and manage through a single, customizable workspace portal for an end-to-end view.

  - **Tivoli Business Application Management** - visualize the health of business services and service level agreements.

  - **Tivoli Security Products** - automated identity management and security event management.

  - **Tivoli System Automation for z/OS** - helps to ensure the availability of critical business systems and processes.

As an IBM software seller the growth of z helps you attain your objectives.

Mills' Quota

- Other SW
- Z Software

- **z SW is important for IBM and SWG**
  - zSoftware drives significant revenue
  - Applications on zSoftware drives significant hardware revenue
  - Made plan for past 6 years
- **z SW is important for you:**
  - $$$
  - Significant Competitive edge in the marketplace today
- **z SW is important for your customer**
  - Highest quality of service in the industry - Performance, Scalability, Security, and Resiliency
  - Lowest TCO in most cases

Customer A – Core grow

Revenue profile
$ Millions

Z Revenue

	2002	2003	2004	2005	2006	2010 trend
Z Revenue	146	139	150	183	215	281

	2002	2003	2004	2005
Total IBM Revenue	327	323	402	509

Customer B – Core decline

Revenue profile
$ Millions

Z Revenue

	2002	2003	2004	2005	2006	2010 trend
Z Revenue	36	20	18	19	18	8

	2002	2003	2004	2005
Total IBM Revenue	73	60	58	30

System z customer growth drives IBM growth
- The way that System z sales go is the way that overall IBM sales go in a given account

The key plays of z Software are the starting point for identifying opportunities.

Application-Driven New Workloads	Information-Driven New Workloads
• System z as a Connectivity Hub • Web Services Governance • SOA Gateway for System z • Operations Optimization	• Information Server for Linux on System z • Leveraging System z for Data Warehousing • Optimized SAP Applications • Data Governance • Operational Business Intelligence (future)
Enterprise IT Management	Application Development & Delivery
• Consolidating Workloads • IT Financial Management • Scheduling & Automation • Storage Management • Security • Application Performance	• Application Development Tools for Modernizing Mainframe Applications • Problem Determination Tools for z/OS

System z

Understanding the misconceptions about z will allow more doors to open for you and for IBM.

Too expensive?
- z HW, SW & labor costs decreasing 17.3% per year

- Mainframes deliver economies of scale, especially as the workload grows

- z delivers higher utilization, lower overheads and the lowest total cost-per-user of any platform.
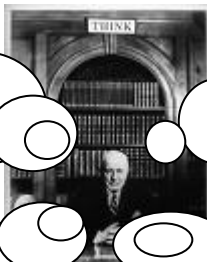
Too rigid and inflexible?
- SOA
  - Quick reuse of existing applications
  - Common code base for new applications
  - IBM mainframe customers are ahead of other groups in SOA

- Linux running on z

Lack of skills?
- IBM will train 20K new University students on the mainframe by 2010
  - 407 schools registered over 47,000 students
  - 20 Courses+ & Mastery Exam Certification
  - zCommunity – Local roundtables with Client / School / ISV

No platform growth?
- 95% of the Fortune 1000 enterprises use IMS
- 25 of the world's top 25 Banks, 23 of the 25 top US Retailers, and 9 out of the 10 of the world's largest insurance companies run DB2 on System z
- 490 of IBM's top 500 customers run CICS
- IBM's CICS handles more than 30 billion transactions a day….**more than the # of page hits on the internet!**

THINK

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"So What are some Good Questions to Ask?"
System z Software

- "Do you have existing applications and data that you need to provide greater access to in order to grow your business?"

- "Can you easily shift application servers to run your most important work or respond to unexpected spikes in demand?"

- "Do you spend too much time architecting high availability into your infrastructure? Would you like to simplify your approach to resiliency and high availability?"

- "Have your costs to maintain point-to-point connections between applications grown to a disproportionate amount of your overall budget?"

- "How much could you leverage your existing investment in business applications and data to meet new business opportunities? How much could you save by doing so?"

- "Do you have problems keeping up with the skills needed to meet all your application interfaces?"

- "Would you like to standardize on an integration strategy and infrastructure throughout your company?"

- "Do you currently own have a large number of UNIX and Linux applications running in a Distributed environment?
  - ► "Do you have unaffordable costs for server management and administration of Distributed servers?"
  - ► "Do you have cost (or availability) issues related to power or cooling for Distributed servers?"
  - ► "Do you have floor space issues in your Datacenter?"
  - ► "Are you moving applications to, or putting new applications on, Linux?"

- Do you need to establish better control of critical business information currently distributed in multiple systems across your company - to improve data quality, security, flexibility and auditability?

System z….Call to Action

- ### *Learn more about z*
  - ► *z Software*
    https://w3.webahead.ibm.com/w3ki/display/zazz/Welcome+to+MyzSpace
  - ► *Z Hardware*
    http://www-03.ibm.com/systems/z/
  - ► *IBM Academic Initiatives*
    http://www-304.ibm.com/jct09002c/university/scholars/products/zseries/
  - ► *Success stories*
    http://www-03.ibm.com/systems/z/solutions/

- ### *Ask the questions to your customers*
  - ► *Use previous page as a launching point to investigate the issues of*
    - *Flexibility and SOA*
    - *Total Costs, especially power, cooling and server management and admin*
    - *Leveraging data as business assets*

- ### *Engage the local z sellers*
  - ► *New England & Upstate NY z Software Sales Manager*
    - *Kevin Conley   781-795-4949   kconley@us.ibm.com*
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    - *Ed Gallant   617-729-3209   egallan@us.ibm.com*
    - *Sam Burke   603-487-5501   samburke@us.ibm.com*
    - *Scott Arnold   860-275-5664   sarnold@us.ibm.com*

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