INTERVIEW WITH LOGAN SCOTT

Lindsey Green: Hello and welcome to the Biztech Report's Internet Radio. Hi, I'm Lindsey Green and today we present the next installment in our IT Solutions Series, Doing More With Less, sponsored by IBM. In today's report, we once again discuss the challenges IT managers are facing and explore the latest trends and approaches being used by leading edge organizations around the world to accomplish organizational objectives. Here to bring us another discussion on how organizations in today's economy are doing more with less is Biztech Report's editorial director, Lane Cooper.

Lane Cooper: Thank you, Lindsey. The issue of green infrastructure development or energy efficiency strategies is growing in importance across all industries in North America, Europe and beyond. One of the big questions on the minds, particularly of IT managers, is how do you link these efforts to become more energy efficient with broader strategic enterprise IT initiatives. We're lucky today to have Logan Scott, a marketing manager for IBM's Green Infrastructure Initiative at IBM. Logan, thanks for joining us today.

Logan Scott: Thank you, I'm glad to be here.

Lane Cooper: Logan, this issue gets so much press. It's one of those issues that has a lot of broad consumer interest. But can you help us understand sort of where there's areas of consensus where people understand the issues and maybe some of the areas where it's not so clear, and where there may be some misconceptions when it comes to rolling out a green infrastructure initiative.

Logan Scott: Sure that's a great question. I think some of the things that people definitely understand are where they're facing constraints today, a lot of our clients and in IBM ourselves, , we're running out of space in our data centers, or we couldn't get the power we needed to meet our projected needs, or in some locations, , the utility couldn't provide some of the power into the building that we needed. And then the infrastructure that we have in place to cool our IT environment, , in our data centers was at its limit and, , a lot of clients face major capital upgrades that they have to do and it's a big problem that you can very clearly see.

The other piece of it is that we know that energy demands for IT are growing. It's becoming an ever-increasing proportion of our overall operational budget, and it's really grown at a rate that's not

sustainable. So those are things I think people understand very well

I think some of the misunderstandings or the misconceptions out there. , sometimes clients will understand that going green for, , the environmental responsibility aspects and they'll realize the importance of that. But they might underestimate that there could be very compelling economic benefits, opportunities to reduce your overall costs, your energy costs, defer and avoid capital expenses. And then I think a lot of times, people might look at going green as being associated with some type of compromise or a sacrifice, but if you really do it correctly, you can actually improve your performance, your availability, as well as your energy efficiency.

Lane Cooper: That's interesting, Logan. Are there best practices or a consensus on things that people should do, similar to what we've seen for example with services oriented architecture, or the [inaudible] initiatives? Are there best practices or procedures that people can go through to sort of ensure that they have successful energy efficiency or green infrastructure initiatives integrated into their enterprise IT strategy?

Logan Scott: Yeah. That's a very important area. So the first thing you want to do is look at your overall corporate objectives, and define your corporation's green strategy and make sure that it's something that can be, , measurable and can be validated by outside third parties. Then you want to look for ways to align the IT strategy with that corporate green strategy. And things you want to look at in IT are - it's really helpful to look at it maybe in three broad areas, the data center facility itself, then the IT environmental, and then in this area of energy management.

And what I mean by that is, on the data center facility side, one place you might want to start is with an energy efficiency assessment. And you go in and benchmark how your data center is performing today. You can rate it, and as far as its energy efficiency overall, and look for some opportunities to improve the energy efficiency. And there could be – what we find many times is that there's very quick hit type benefits just to re-arrange how the equipment's set up, to ensure that the cooling environment is set up correctly. There's a lot of small things just to improve airflow and the thermal characteristics of the data center that can really deliver enormous benefits. You know, you might even be able to turn off some of the crack units and get big cost savings

from things like that. But that's kind of the easy stuff that you can do up front. And a lot of clients have started to do that already.

The other thing you can look at on the data center side is just rationalizing your overall corporate data center strategy and there could be an opportunity where you can consolidate data centers. And that could be an area of major savings. I know there was one particular bank that we worked with recently in China, actually, that did a major data center consolidation, , saving over 100 million dollars a year. So that can be an area that you can drive a lot of efficiency as well major cost savings. And then if you do need to retrofit or build out new data center capacity, there's very efficient modular designs that you could take advantage of. So you're building something that's going to scale for the future and deliver the optimal efficiency today. So that's the data center side.

On the IT side, one area that you can really look at and get some very quick benefits, usually these are projects that can deliver a pretty aggressive return on investment, is to look at some of your older server environments and some of the applications that lend themselves to virtualization and consolidation. So you can really improve your IT utilization and your overall energy efficiency that way. And that's one of the bigger levers that we have for improving overall energy efficiency is just increasing that utilization rate on the equipment and, virtualization obviously is a major tool for doing that.

The other thing is, leveraging the virtualization with the most energy efficient servers and storage hardware that you could find. So performance per watt and make sure that it has all the design attributes that are necessary to ensure that, the equipment itself is as energy efficient as possible.

And then on the storage side, there's a lot of other things you can do. You want to look at ways to implement, , a tiered storage environment where you can optimize, , where the data sits and look at performance versus efficiency criteria. And you can use that to really lower your costs as well as become more green and energy efficient. And also in the storage environment, virtualization is really critical there as well and that's an opportunity I think for a lot of clients to improve their utilization rates on their storage environment.

And the final piece is energy management. That's the ability to measure, control, optimize your energy use. We find that a lot of

our clients today don't have a good understanding of what their energy use is in their IT environment and across their infrastructure. So in IBM we put a strong portfolio of software-based solutions out there where you can actually measure, implement energy monitoring reporting, you can start to manage and control your energy use so you can optimize it across your enterprise.

Lane Cooper: That's interesting. So are there other tools, or what kind of technologies are available to help IT managers sort of begin this voyage of integrating stuff that you know, probably was not on their radar screen, you know, five or six years ago but is now sort of front and center in a way that's being closely watched. I'd imagine in some industries, it's really being watched like a hawk. Are there any tools or technologies that are helping people manage this aspect of their responsibilities?

Logan Scott: Sure, sure. As far as tools go, I left off on energy management before, so there's a lot of solutions that we have, primarily in the Tivoli portfolio, where we can do monitoring for energy management, we can set up energy dashboards, we can do energy tracking for usage in accounting, that you could potentially use for chargeback. So there's ways of actually measuring the energy usage and then integrating into some of your other enterprise applications, even your asset management so you can, , create a more energy aware management capability within your enterprise.

We're also looking to extend that beyond just IT to other aspects of the business infrastructure. So that's an important area, and a good way to get started is to implement management, because what clients really need to do is understand what their energy usage is but also track their improvement over time, so as regulatory compliance becomes more of an issue or to take advantage of incentives that may be available from a utility company or something like that, you do need to demonstrate, , what your usage was before and what it was after, and track your improvements over time and show that you continue to deliver your energy efficiency targets.

Lane Cooper: Do you feel like the IT community is coalescing on this issue, that it's not seen as sort of a bolt-on sort of burden but is seen as something that can actually improve business operations. In other words, is this just something that they have to just comply with, or do you see this as something that people are, at the IT management

level, are seeing as an opportunity to really improve business operations?

Logan Scott: Yeah, I think there's enormous support and momentum behind this now, and a lot of the data that we see and that the industry's reporting on is showing that, you would think maybe with the economic troubles that maybe companies want to put some of this on the back burner, but that is in fact not the case because I think people understand how important this issue of energy efficiency, environmental responsibility is, and they also see the big opportunity for cost savings. And I think clients, , across the board acknowledge that they want to demonstrate environmentally responsible practices to their customers, their shareholders - in their boardroom, they want to make sure that they're on the leading edge in their industry, because they think it's important to their company and to their stakeholders.

Lane Cooper: And as this is sort of the theme of this podcast series, it does directly correlate with doing more with less. You are actually looking for opportunities to reduce the footprint and therefore have in less, in essence, to do and to manage. Am I on the right track there?

Logan Scott: Absolutely. When we talk about energy efficiency, , a lot of times the solutions we'll implement –, we'll focus in on the energy savings, but the bigger picture is that there is really dramatic total cost of ownership savings across the board. You know, and in a lot of cases, you're making the facilities much more efficient, you're also reducing the amount of hardware that your software license charges. , you're reducing the amount of operational management that's required. So there's just big opportunities to save across the board. A lot of documented cases of dramatic total cost of ownership savings. Yeah, you might see 40% energy savings but that might translate as well into 40% overall cost of ownership savings in some cases. So yeah, this is definitely about doing more with less and it's, I think we'll find working with clients, that most of these projects have a very clear financial justification. And you know while there are very clear environmental benefits and broader benefits, there's also a very good financially sound case for doing them.

Lane Cooper: Logan, this is great. I really appreciate your taking the time to chat with us today.

Logan Scott: Okay, thank you very much. It's been my pleasure.

Lane Cooper: So this is yet another in a series of podcasts that explores the different ways that IT managers around the globe can do more with less. To learn about some of the other podcasts and issues that we've been exploring, visit www.ibm.com/itsolutions for more articles and podcasts. For Biztech Reports, this is Lane Cooper. Lindsey, back to you.

Lindsey Green: Thanks Lane. Today's Biztech Report podcast is sponsored by IBM, where the big blue team is working with clients to develop new business designs and technical architectures that enable the flexibility required to compete in today's economy and global landscape. For Biztech Reports, this is Lindsey Green.