The IBM Enterprise Linux Server – A solution to your IT challenges

Identifying todays IT challenges

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Agenda

Identifying todays IT challenges

The right solution: The IBM Enterprise Linux Server

Use cases: Why customers have chosen the IBM Enterprise Linux Server

Going beyond today: Extending the platform for cloud, mobile and analytics

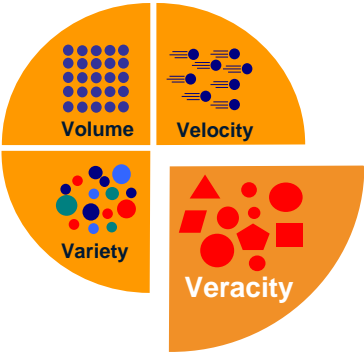Next steps: Where do you go from here?

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Businesses have to keep abreast of today's challenges to remain competitive…

Ever increasing speed of business

Huge volumes of data

Volume

Velocity

Variety

Veracity

Access points from anyone, anywhere, anytime

Faster time to market

…with a relentless focus on reducing costs!

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Many businesses struggle to position themselves
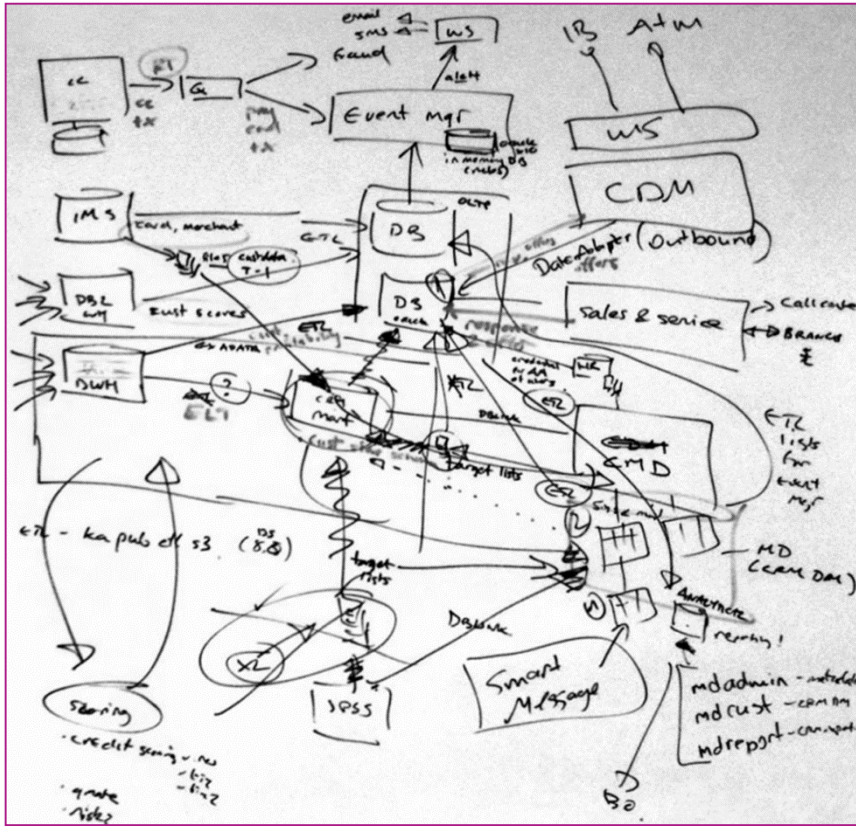
Volumes of data
More data is good – but it impacts storage, processing, replication, accuracy and exchange

Latency
Response times are too slow, information is not readily or easily available

Architectural complexity
Large amounts of underutilized resources creates management headaches

Unsustainable Costs
Most businesses struggle to maintain status quo

Constant security threats
Risk has never been higher, new threats occur every second

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Amount of data is growing exponentially…

1.8 ZB
(or 1.8 trillion GB)
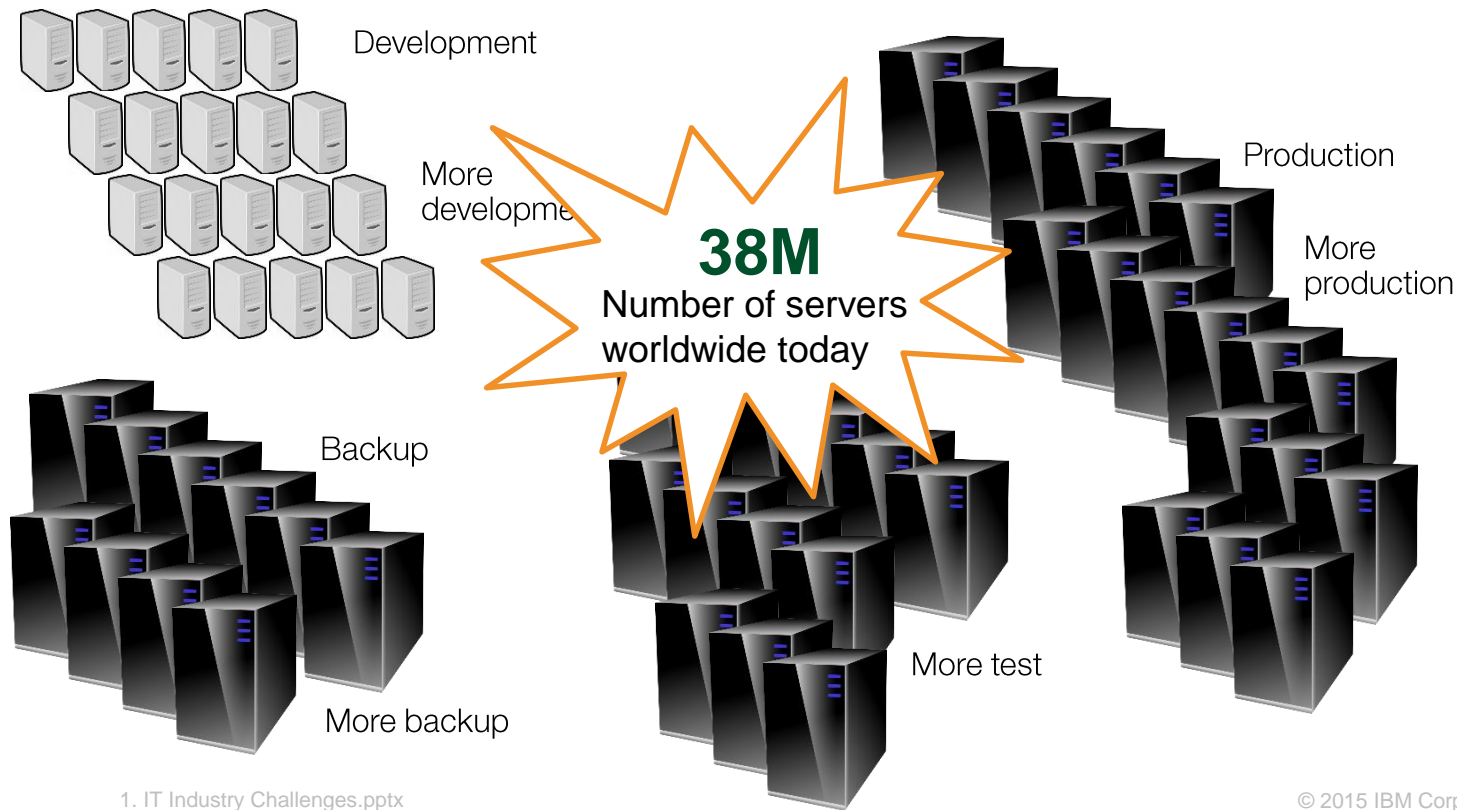Amount of data
in the "digital universe" today

Amount of data is
expected to double every: **1.2 years**

… to about **35 ZB** by 2020

85% of all hardware purchases is for
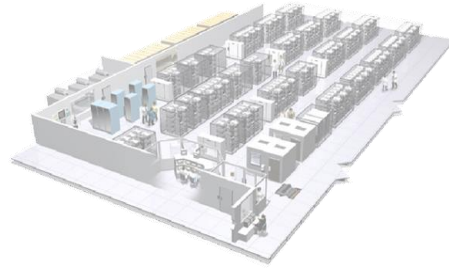storage and management of data

At an estimated annual cost of **$44B**

Source: IDC, IBM

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Typically, businesses address the IT challenge by adding more servers to their data centers

Development

More developme

Production

38M
Number of servers
worldwide today

More
production

Backup

More test

More backup

Source: IDC

1. IT Industry Challenges.pptx

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Sprawling server farms leads to new challenges
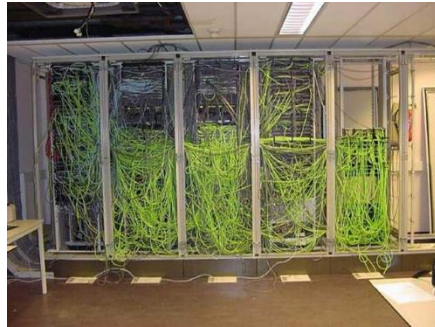
Data center space is at a premium…

Rapidly increasing demands on power and cooling…

- The Industry has seen a **10%** annual increase in power consumption over the past five years

High maintenance network cabling…

Example: Insurance company with 292 servers had 31 switches and over 600 cables…

3560E-24TD	8
3560E-24PD	17
3560E-12D	6
50 R UTP Cable	584
10GB Eth. Fiber Cable	60

Source: IDC, IBM

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Sprawling server farms leads to new challenges

Steep software license costs…

Example: International bank…

…over 200 physical cores in distributed servers

Software license costs consumed **43%** of total IT budget* of $24M

Poor price/performance ratios…

85% Of data center compute cycles are idle

15% Of servers run 24/7 without being actively used on a daily basis

* Based on 5 year TCO study, costs included software, hardware, labor, networking, space, energy, and DR

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More servers means more vulnerability

The average corporate IT infrastructure is cyber-attacked nearly 60,000 times every day

$70,000

Average cost per security incursion on x86 platforms

3x

Incursion cost increase over the past 2 years

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New driving forces are affecting business transformations

" *Most C-level executives say the three key trends…*

Big Data and Analytics

Mobile Computing

Cloud and new delivery platforms

are strategic priorities at their companies. "

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Digital business is an unprecedented convergence…

In 2020, we will have **7B people and businesses, and over 30B devices**, all connected to the internet…

People, businesses, and things are **interacting, communicating, transacting, and even negotiating** with each other

The lines between the physical world and the digital world are **blurring**…

… causing a **disruption** of existing business models…

Physical

Digital

People

Things

Business

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Cloud computing is being driven by two things…

- **A crisis in the data center…**
  - Proliferation of servers
    - Increased labor requirements
    - Lack of agility
  - Costs through the roof!
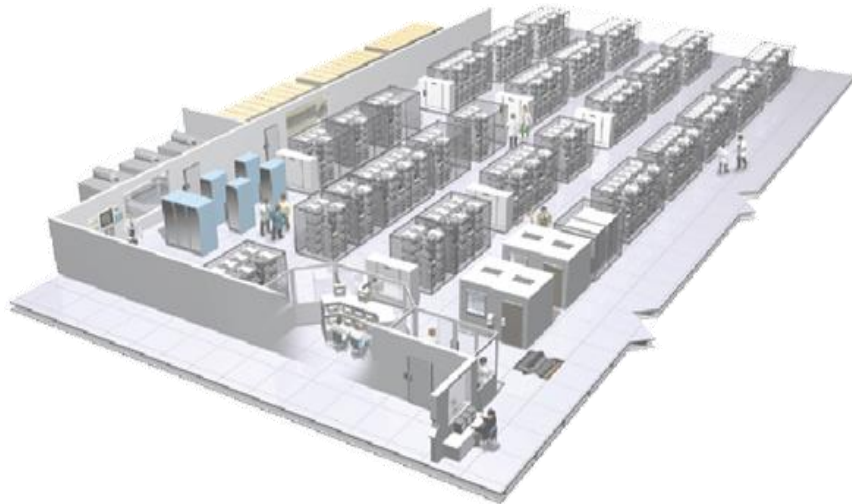
- **The new demands of digital business!**
  - New applications
  - New uses and usage patterns
  - New and different demands from clients

*Businesses are rethinking how they engage, how they provide services, and how they conduct business*

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Numerous studies show how businesses gain competitive advantage by using analytics

#1 Rank CIOs give to analytics for contributing to an organization's competitiveness[1]

54% Number of CxOs who say customers influence them to a *large* extent[5]
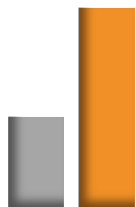
Organizations that embrace analytics are more than **2x** more likely to outperform their peers[2]

Financial outperformers are **64%** more likely to use analytics to evaluate talent supply and demand on an ongoing basis[3]

Enterprises that apply advanced analytics have **33%** more revenue growth and **12x** more profit growth[4]

[1] IBM CIO Study 2009
[2] IBM IBV/MIT Sloan Management Review Study 2011
[3] IBM CHRO Study 2010
[4] IBM CFO Study 2010
[5] IBM Institute of Business Value, "The Customer-Activated Enterprise"

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Use of mobile devices for business is *soaring*...

Department Stores
Cyber Monday

Sales ▲17.92%

Transaction Metrics	Cyber Monday 2014	Cyber Monday 2014 vs. 2013
Items per Order	3.25	2.20%
Average Order Value	$146.07	-9.74%
Conversion Rate	5.05%	3.48%
New Visitor Conversion Rate	3.91%	3.17%
Shopping Cart Sessions	16.41%	0.86%
Shopping Cart Conversion Rate	30.51%	3.95%
Shopping Cart Abandonment Rate	69.49%	-1.64%

Cyber Monday
U.S. Retail, Performance by Device/Platform

IBM Digital Analytics Benchmark

■ Smartphone ■ Tablet ■ Desktop

	Smartphone	Tablet	Desktop
% of Traffic	28.50%	12.45%	58.62%
% of Sales	9.08%	12.85%	77.99%

2013: "Mobile Shopping Soars: Mobile traffic grew to 31.7% of all online traffic, increasing by 45% over 2012. Mobile sales were also strong, exceeding 17% of total online sales, an increase of 55.4% year-over -year."**
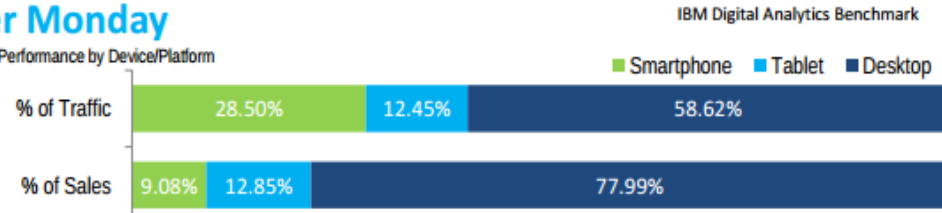
2014: "Cyber Monday Becomes Mobile Monday: Cyber Monday mobile traffic accounted for 41.2% of all online traffic, up 30.1% over 2013. Mobile sales were also strong, reaching 22% of total Cyber Monday online sales, an increase of 27.6% year-over-year."*

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2. The mainframe and mobile computing

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Are your IT costs out of control??

Are you ready to face the challenges of digital business?

What's the right solution?

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