THE VALUE OF IBM TIVOLI SOFTWARE

Today's systems and network management needs go beyond traditional availability and performance monitoring solutions. Customers need business management information related to mission-critical business systems, helping to prioritize operations and support activities, and planning for the future in an intelligent way. The solutions need to be scalable and work end-to-end — from IBM z/OS™ and IBM OS/390® mainframes to various other distributed systems.

Tivoli Performance & Availability (P&A) software

In order for business management to be viable, base performance and availability information must be collected. IBM has been investing in performance and availability tools for decades. It has been said that IBM actually invented the solution area when the first multiprocess computers were launched in the '70s. Today, IBM Tivoli® software delivers proactive analysis components that can automatically correct known problems, using industry best practices, as well as measure and manage to committed service levels.

Tivoli Configuration & Operations (C&O) software

One of the first systems management applications a customer with a distributed information technology (IT) environment should consider is software distribution, followed by an inventory application and possibly remote control of the machines in their network. When the customer starts using z/OS or OS/390 mainframes or server farms for production workloads, the customer will need a workload scheduler application to help manage them.

Tivoli software SMB opportunity

The need for customers to reduce cost, gain automated control of e-business IT infrastructure and improve productivity through efficient change, configuration management and job scheduling is no longer a requirement just for large firms, as once was the case. In this world of e-business, even the smallest companies are being held to high standards. Both customers and employees expect 24x7 uptime. The market opportunity for performance and availability as well as for configuration and operations solutions in the small- to medium-size business (SMB) space is stable and growing.

Tivoli PACO channel investments

- Margin protection. Tivoli software recommends that IBM Business Partners become certified in order to sell Tivoli Performance & Availability and Configuration & Operations (PACO) software solutions. This can elevate your "value add" to your customers while helping protect profit margins, especially since much of your profit may come from the implementation of Tivoli software products.
- Service opportunity. Tivoli technology management software is easy to understand (which helps you sell), but complex enough that your customers will need you beyond the sale. The opportunity to sell consultative, implementation and integration services is another way you might be able to add value to your customers and build your Tivoli-related revenue.
- Cross-sell and up-sell opportunities. Tivoli Software has a close integration with other IBM software products and a relentless focus on development helps to ensure that you will have continued cross-sell and up-sell opportunities within your customer set.

Tivoli software value

Tivoli software is well established in the systems management market among large and small enterprises. And the Tivoli name remains strong among current customers. The IBM brand provides positive lift to Tivoli software in both company and product attributes.

IBM

Tivoli® software

Making the investment

This year, Tivoli® software from IBM will rely on IBM Business Partners more than ever before. With IBM Business Partners playing a critical role in the overall go-to-market plan for Tivoli software, you will have access to significant resources designed to help you maximize your success.

Marketing

Because IBM is committed to helping IBM Business Partners close business deals and deliver profitable engagements, we are investing a significant amount of money in Tivoli software marketing programs. When you work with IBM, you can leverage the mind share IBM has created around Tivoli software and e-business, and you can use IBM technical sales support to help you gain a competitive advantage when selling your own services. The following resources are designed to help IBM Business Partners expedite the sales cycle and close new deals for selected products:

Lead generation strategies include telemarketing support, Direct Marketing support, and trade show assistance.

Executive Assessment is a consulting tool to help you get in the door and quickly gather the information you need from a prospect to devise a high-level solution, build a business case and present a winning proposal.

Seminar solutions are fully scripted sales presentations that you can customize and deliver face-to-face to key prospects.

Practice Accelerator is a deal-based, hands-on technical mentoring offering available to qualified IBM Business Partners. The program provides a customized workshop on technical sales issues, coupled with actual hands-on mentoring from Tivoli software solutions experts, to help IBM Business Partners close business agreements rapidly.

Field resources

As an IBM Business Partner, you'll be working with several organizations and contacts. The best places to start are with local IBM and Tivoli field representatives. To determine who your local IBM sales representative is, contact our Business Partner Membership Center at bps_line@uk.ibm.com

IBM Business Partner investments

Education and certification: IBM recognizes that the key to profitable service engagements is repeatability. We offer a variety of classes to help your technical resources become skilled on the products and solutions that comprise IBM Tivoli PACO solutions. Employees on your IT teams can become certified by completing a series of technical courses and by passing appropriate exams. Tivoli software certification tells your customer that the technical resources you send to work on their projects are well trained, which can deliver additional value.

Return on investment

The decision to invest in selling IBM Tivoli® Performance & Availability and Configuration & Operations (PACO) software solutions is an important one. You are in business to make money — we know that. You can stay ahead of your competition by making smart investments; you seek superior returns without undue exposure to risk. And you are always on the lookout for important technological developments and market trends so that you can jump on them before your competitors do.

An Example of a Typical deal
A typical deal for IBM Tivoli Monitoring and Tivoli Enterprise Console, or Tivoli Workload Scheduler is $90K. $60K for the Tivoli software and $30K in services. There may also be some hardware required that may increase revenue. Deal size grows rapidly based on the complexity of the customer requirements, often exceeding $100K in Tivoli software alone. Tivoli software tends to be an annuity, driving incremental software and services sales into your existing customer base. A typical project cycle is three to four months from qualification to close and three to six weeks install and implementation of one application or system.

Projected ramp time for new IBM Business Partners selling IBM Tivoli software
Sign contract and start preparations right now. Estimate three months to gain implementation competency per product.

Training path:
* 10 days classroom training per technical rep for enterprise classification
* Two day sales training on site or in seminar per sales rep, including test
* One-to-two month sales and tech mentoring on valid opportunities with Tivoli software

Total estimated costs for IBM Business Partner to be PACO-enabled:
* $5K per Technical Rep
* There is no charge for sales training at scheduled Tivoli 201 PACO classes

IBM Business Partner success story
Company profile: Provider of enterprise network and systems management e-business solutions
Total revenue: $15M to $25M, prior to partnership with IBM
Size: 25 to 50+ employees, 2+ technical and 5+ sales resources focused on SMB market

IBM Tivoli Monitoring for X + Tivoli Enterprise Console®	$500,000 in SW revenue
Related server hardware	$200,000 in HW from servers
Related services	$500,000 in services
Total	$1,200,000

"The opportunity and desire in the market is to have an e-business infrastructure that provides a positive business impact to the company, their suppliers and the customers they serve. The IBM Tivoli solutions provide robust, secure and valuable offerings that are profitable for the business partner and their clients — including the world-class support and recognition of IBM as a bonus." —VP of Sales

Selling IBM Tivoli PACO solutions

IBM Tivoli® Performance & Availability and Configuration & Operations software solutions are often referred to by its acronym, PACO. Sometimes it is divided into the two entities, P&A, which stands for performance and availability and C&O, which stands for configuration and operations.

We understand that your company's success can depend on the success of your customers. This means you will want to make investments that provide superior financial returns for you and at the same time position your customers for growth. The Tivoli software PACO portfolio of products are highly integrated with each other as well as with other IBM products, like IBM WebSphere® software and IBM DB2 Universal Database®, and with other software market leaders, like SAP and PeopleSoft, which can make additional cross selling and service engagements a natural extension of your PACO sales. This can help to increase your revenue opportunity and long-term profitability.

Marketplace opportunity

The Performance & Availability (P&A) overall management software market is forecast to grow from US$3.3 billion in 2001 to US$6 billion in 2006, according to IDC. This represents a compound growth rate of 12.7 percent.
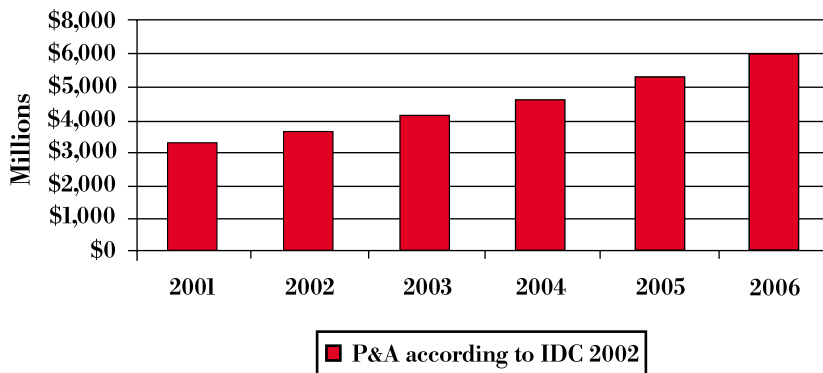
The Configuration & Operations (C&O) products market is about US$6 billion worldwide, according to IBM. This market is expected to grow at an annual rate of more than 6 percent over the next four years.
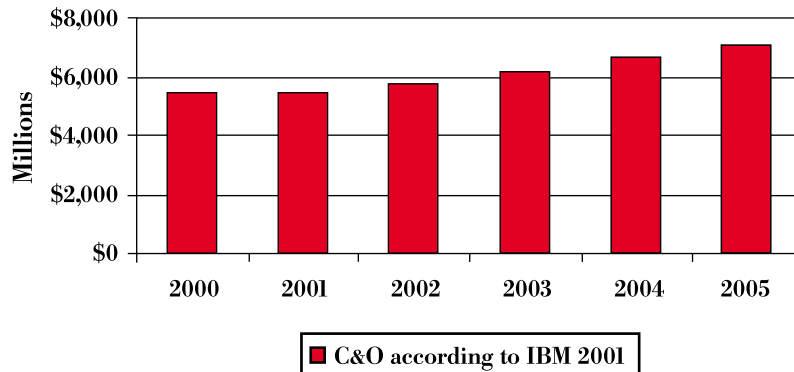
A recent study by Meridian Technology Marketing shows that, for every dollar spent on IBM software, customers spend $11 on Business Partner services, $6 on IBM and other hardware, and $3 on Business Partner or other software. A whopping 80 percent of IBM Business Partners report that their IBM software business grew an average of 64 percent since 1998.

Tivoli software Performance & Availability and Configuration & Operations (PACO) portfolio

Performance & Availability (P&A) strategy

Tivoli® software from IBM addresses the market for P&A management using a simple three-layer approach that matches key customer needs. The layers represent customer maturity in managing infrastructure technology. In early maturity (for example, a customer has invested in his first "server farm"), the customer is expected to begin to feel the availability and performance pains of an overstressed information technology (IT) environment. To help resolve these issues, the customer will need help in management through auto discovery of critical resources and automated problem resolution. Therefore, the entry level of products is typically a monitoring and systems applications manager.

Business Impact Management
Event Correlation and Automation
Monitor Systems and Applications

The next phase of maturity involves managing across systems (for example, the customer has invested in a few UNIX® servers or a small mainframe for high-performance applications). In this investment scenario, a customer will need to understand cross-domain interdependencies and identify and solve problems quickly. The customer will have the need to eliminate potential points of failure and automate the cure. To address this customer's needs, we offer event correlation and automation.

Finally, the most mature customer (large companies with a well-functioning IT infrastructure) will want to manage for business success. They want to proactively manage service levels, view how business processes span the physical environment, analyze cross-domain historical data and predict future service-level mandates. For this highly sophisticated group of customers, Tivoli software offers business impact management.

Where to sell P&A products

The P&A products offer excellent solutions for companies in all stages described above. They may be particularly enticing for customers who need to actively measure and manage to committed service levels from a central control point across heterogeneous Web, distributed and host environments. Companies that started with a simple single operation systems environment (like Microsoft® Windows NT® or Windows® 2000), but outgrew its capabilities and added UNIX or mainframe systems as their business increased, may be ideal targets for Tivoli software P&A solutions, including:

- Companies with an existing need to manage a complex mix of distributed systems platforms, like Windows, UNIX, personal digital assistants (PDAs), and wireless devices across multiple locations

- Companies who need to manage to committed service levels

- Companies who are looking to save money on the total cost of software for performance and availability

- Companies with many different platform-specific systems management products already in place and that want to simplify and consolidate their systems management tools

Tivoli software Performance & Availability and Configuration & Operations (PACO) portfolio

Selling P&A products

The selling proposition for P&A products may be strongest where the overall business value and returns are highlighted rather than comparing individual product technologies or features. A business-value-led approach will help you engage at the appropriate level in the organization and can help maximize both value to the customer and value of the sale. If a customer is already planning on installing, for instance, a customer relationship management (CRM) system, the business value of ensuring that this system will be up and running is easier to calculate than trying to calculate the return on investment (ROI) of replacing one monitoring application with another.

Tivoli software P&A solutions:

Monitor Systems and Applications
- ✓ Auto-discovery of resources
- ✓ Automated problem resolution
- ✓ Response time analysis

Monitoring Products
- ✓ Distributed Monitoring
- ✓ DM Web Management
- ✓ DM Middleware Management
- ✓ End User Experience Management

Business Impact Management
- ✓ Manage for business success
- ✓ Proactive management
- ✓ Management of service levels
- ✓ Cross-domain historical analysis

Event Correlation and Automation
- ✓ Understand cross-domain interdependencies
- ✓ Identify and solve problems quickly
- ✓ Eliminate potential points of failure
- ✓ Automated cure

Application Management
- ✓ Web Infrastructure
- ✓ Process and Transaction
- ✓ Data Management
- ✓ Applications
- ✓ Content Personalization
- ✓ Security & Edge Services
- ✓ Mail & Collaboration

Tivoli software P&A product listing	
Monitoring:	IBM Tivoli Monitoring IBM Tivoli Monitoring for Databases IBM Tivoli Monitoring for Applications IBM Tivoli Monitoring for Messaging and Collaboration IBM Tivoli Monitoring for Business Integration IBM Tivoli Monitoring for Web Infrastructure IBM Tivoli Monitoring for Content and Personalization IBM Tivoli Monitoring for Security and Edge Services
Application performance:	IBM Tivoli Monitoring for Transaction Performance
Event management:	IBM Tivoli Enterprise Console®
Network management:	IBM Tivoli NetView® IBM Tivoli NetView for z/OS™
Network performance:	IBM Tivoli for TCP/IP Performance IBM Tivoli Performance Monitor
Line of business management:	IBM Tivoli Business Systems Manager
Service level management:	IBM Tivoli Service Level Advisor
Web service management:	IBM Tivoli Web Site Analyzer
Decision support:	Tivoli Decision Support Tivoli Decision Support for OS/390® Tivoli Decision Support for OS/390 Accounting Workstation IBM Tivoli Information Management for z/OS IBM Tivoli Web Access for Information Management for z/O

Tivoli software Performance & Availability and Configuration & Operations (PACO) portfolio

Configuration & Operations (C&O) strategy

IBM Tivoli® software C&O products can help customers reduce cost, gain automated control of e-business information technology (IT) infrastructure and improve productivity by enabling them to increase system control and production capacity. It can also benefit customers that need to extend the scope of centralized workload management and help reduce the need for workload management skills at remote locations.

In addition we anticipate a need for provisioning software. For the purposes of this discussion, we define provision as the act of providing. The IBM Tivoli solution can offer IT resources based on end-user identities, needs and system policies and can integrate provisioning into business process workflow. This IBM Tivoli solution can:

- Provide the right software and data to the right places at the right time
- Remotely deploy, update, track and manage IT assets
- Extend management solutions to pervasive computing devices

Where to sell C&O products

C&O products help solve the problems of how to distribute, inventory and remotely control software from a central point across a heterogeneous operating system environment. It also allows application tasks for both host and distributed environments to be scheduled from a single console. The set of C&O products may be particularly attractive to the following organizations:

- Companies that started with a simple single operation systems environment (like Microsoft® Windows NT® or Windows® 2000), but have now outgrown its capabilities and added UNIX® or mainframe systems as business has increased
- Companies with an existing need to manage a complex mix of distributed systems platforms—like Windows, UNIX, personal digital assistants (PDAs) and wireless devices—across multiple locations
- Companies with pressure on "batch windows" (for example, extended retail sales days)
- Companies with different scheduling products on the host and in the distributed environment
- Companies looking to save money on the total cost of software for configuration or operations management

How to sell C&O products

The selling proposition for C&O may be strongest where the overall business value and returns are highlighted rather than comparing individual product technologies or features. A business-value-led approach will help you engage at the appropriate level in the organization and can help maximize both value to the customer and the value of the sale. If a customer is already planning on installing, for instance, a SAP system, the business value of helping to ensure this system will be up-to-date with the latest software fixes and batch-run information is easier to calculate than trying to calculate the return on investment (ROI) of replacing one software distribution application with another.

Tivoli software C&O product listing	
Workload scheduling:	IBM Tivoli Workload Scheduler
Configuration management:	IBM Tivoli Configuration Manager
Remote control:	IBM Tivoli Remote Control
Data movement:	IBM Tivoli Data Exchange

Unique differentiators in the IBM Tivoli PACO portfolio

As an IBM Business Partner looking to develop an IBM Tivoli® Performance & Availability and Configuration & Operations (PACO) practice, a critical component to the success of the solution will be the differentiators that set you apart from your competitors. The core products of your solution must be flexible, scalable and have the breadth to meet the needs of a diverse customer base. IBM Tivoli PACO solutions can provide the technological differentiators to help you do just that.

What to look for in a PACO solution
What do intelligent performance, availability, configuration and operations management solutions look like? The answer differs slightly, based on the unique needs of each organization. Typically, you will need a strategic management solution that lets you say "yes" to the following key questions:

- Is it a comprehensive solution that collects and correlates events from multiple resources?
- Does it have the flexibility to cover your enterprise, including notebooks to the mainframe, across multiple platforms and environments?
- Is it intelligent enough to recognize problems and notify without causing "event storms"?
- Does it provide automatic corrective actions at the system, subsystem and network level?
- Does it proactively determine the impact of information technology (IT) performance on the business?
- Does it help measure and manage service levels?
- Is data stored in a scalable, industry-standard warehouse with out-of-the-box reports?
- Is it intelligent enough, for example, to help save on resource usage by only distributing new and changed files at either a file, byte or block level?
- Can it automatically rebuild systems to the original resource model?
- Does it help increase network efficiency by compressing files to the end points?
- Can it help meet business requirements from file level through policy management?
- Does it support delegation of authority?
- Does it provide a central console, capable of managing your entire enterprise, unbound by corporate infrastructure and NT domains?

Two scenarios
Monitoring
IBM Tivoli Monitoring detects key problems and can take automatic actions across the environment including: hardware, operating system, middleware and application monitors, as well as Web, client/server and host environments. It can usually be installed within a few hours (including prerequisite components) and has integrated "best practices" installed as defaults, as well as a graphical user interface workbench for integration of custom applications. The Web-based health console and the local correlation help to determine root causes and initiate local self-healing simplify system management greatly through early detection of costly problems or reduction in man-hours due to troubleshooting.

Software distribution
Some software delivery applications are labeled "enterprise distribution" products, but are limited primarily to Microsoft® Windows-only environments. While it's true that Windows® is a large part of any enterprise, the businesses of tomorrow need more. UNIX® based operating systems, for example, are growing fast in the enterprise today, and many large companies are considering UNIX-based operating systems for desktop systems. Tivoli software from IBM is ready today with comprehensive solutions that not only support UNIX technology, but many other types of operating systems. Tivoli software opens the door for you to sell products that support IBM OS/390®, IBM OS/400®, Novell and IBM OS/2®, as well as a wide variety of UNIX-type operating systems, including HP/UX, IBM AIX®, Sun Solaris, Sun OS and Linux®.

Customer perspective

When you meet with, and sell to, your customer, it is important to remember that different customer executives have different roles and "pain points." For IBM Tivoli® Performance & Availability and Configuration & Operations (PACO) solutions, it can be valuable to understand what the following players may be looking for:

- **CEO** (Chief Executive Officer)

    Shareholder value and meeting investor expectations

    Profitability and market share
- **CFO** (Chief Financial Officer)

    Meeting investor expectations and earnings per share

    Cost management, return on investment (ROI) and return on assets (ROA)

    Cash flow and timely and accurate reporting

    Profitability
- **CIO** (Chief Information Officer)

    Competitive advantage (exploit technology to gain advantage over competitors in the marketplace)

    Define long-term information technology (IT) strategy

    Exploit information as a key company asset
- **Information Technology Director or other IT management**

    Operation excellence (efficient deployment and management of technology and IT solutions with rapid time-to-value, ability to meet user service level agreements or SLAs, deliver demonstrable ROI and flexibility and scalability for the future)

    Operational resilience (ability to maintain an available IT infrastructure through data and application protection, security, disaster recovery planning and availability of skilled support personnel)

A customer testimonial

The goal for Round Rock Independent School District was to distribute software without having to physically touch each PC and reduce drive time between schools. The school district also wanted to maximize the efficiency of its staff and centrally manage administrative tasks, such as scanning computer systems for hardware and software inventory and resolving IT problems.

The school district turned to Applied Theory a hosting provider. AppliedTheory's office in Austin, Texas, had worked with the district for more than five years on a variety of IT projects. To solve the district's challenges, AppliedTheory recommended IBM Tivoli Software Distribution, IBM Tivoli Inventory and IBM Tivoli Remote Control.
In addition to Tivoli software desktop management solutions, the district also implemented IBM Tivoli NetView® for the monitoring and management of network events, IBM Tivoli Storage Manager for centralized backup of data across the district and IBM Tivoli Disaster Recovery Manager for centralized management and automation of the disaster recovery process.

In an ROI study conducted by AppliedTheory, the company estimated, among other things, that the district could complete 300 software distributions an hour using IBM Tivoli Software Distribution, compared to five installations an hour per installer using manual methods.

"If you can have existing staff be more efficient, then you don't have to grow your staff as quickly," says Ed Zaiontz, Executive Director of Information Services, Round Rock Independent School District. "Without Tivoli software, we would have had to grow the staff at least by half—from six to nine people—to deliver the same type of services that we currently provide.

IBM

Tivoli® software