

Tivoli software

IBM

e business software

Tivoli Spring Launch Enhanced Value-Based Pricing for the Tivoli Portfolio Consolidation

David Harakal, IBM Tivoli Pricing

April 2002

David Harakal/Austin/IBM

dharakal@us.ibm.com

IBM Software Group



Topics to cover

- Portfolio Consolidation Goals and results
- Timeline
- Enhancements to Value-Based Pricing
- Migrations
- Pillar-specific packaging & pricing models
- Channel-specific information

Note: Presentation does not address MLC-based offerings



Customer Goals

■ For customers

- Fewer decisions required
- More flexible licensing
- Better leverage of Passport Advantage



Launch Highlights

- **60% Fewer Offerings**
 - Consolidation, NOT abandonment
- **Per Processor** pricing for servers
 - Price per processor varies by offering
 - Consistent with the SWG Strategy
 - TMP conversions not required for most products
- *Dramatically simpler pricing* for Storage
- Steeper Passport Advantage discount slope

Change Summary

Value-Based Pricing	Enhanced Value-Based Pricing
3 Server Tiers	Servers priced per processor
Differentiate RISC & Intel servers	No distributed processor differentiation
Tivoli Management Points	Processors, clients, etc.
Virtually no price breaks for smaller customers	All customers see reasonable price breaks
No client/server details for maintenance renewals	Renewals include processor, client, network node, etc.



What's **NOT** Changing?

- Environment-managed licensing model
- Licensing is product specific
- Maintenance included with the license

Impact and Timing of Portfolio Consolidation

	Current Offerings	Strategic Offerings	% Reduction
P&A	41	18	56%
C&O	17	5	71%
Security	13	6	54%
Storage	<u>17</u>	<u>9</u>	47%
Total	88	38	57%

Pre-April 2002	88
April	47
June	41
September	38

NOTE: Products consolidated, NOT abandoned



Product Families

C&O

Configuration Management
Workload Scheduling
Remote Control

P&A

Business Impact Management
Event Correlation &
Automation
Monitoring

Security

Access Management
Risk Management
Identity Management
Privacy Management

Storage

Storage Management
Storage Resource Mgmt (3Q)

Timeline

- 9th April – **Launch** - Orders for new offerings accepted
- 9th May – New or additional licenses for prior offerings no longer available
 - 23rd May for Storage
 - Products consolidated into new offerings, **not abandoned**
 - No more licenses available for 5697-xxx, 5698-xxx, and prior Passport offerings
- July 1 - Prior support offerings modified
 - Existing support for 5697-xxx and 5698-xxx terms modified to PA Maintenance terms and relative price levels



Tivoli Pricing History

June 1996 - Tivoli announces Tivoli-Flex pricing

- First implementation of the environment-managed concept
- 5697-xxx PID numbers with bundled support
- Single server price - only scalability was client vs. server

February 2000 - Tivoli Value-Based Pricing announced

- 5698-xxx PID numbers, added Tivoli Select Support
- Introduced 3-tiered server model for better scalability
- Reinforced and extended the environment-managed licensing model

September 2001 - Tivoli joins Passport Advantage

- Very Shallow discount slopes
- Maintained pricing parity with non-PA offerings
- Channel partners enabled to resell PA Maintenance

April 2002 - Tivoli Portfolio Consolidation

- Simplify the portfolio by consolidating similar products
- Reset pricing where needed to bring street prices in line with published PA pricing, including moving to a steeper PA discount slope

Tivoli software

IBM

 e-business software

Enhanced Value-Based Pricing

IBM Software Group



Tivoli's Environment-Managed Pricing model

- Environment managed model is a **Tivoli differentiator**.
- **In competitor's models**, pricing depends on architecture.
- With Tivoli, **only systems in the environment managed require licenses**.
 - Applies to most products

Pricing metrics for Enhanced Value-Based Pricing

- **Servers**
 - **Managed processors** (Most products)
 - **Executing (Managing) processors** - (NetView, Switch Analyzer)
 - **MSUs** (via Tivoli Management Points - TBSM for z/OS, Access Mgr for Bus. Integration, Workload Scheduler, NPM and NPM/IP)
- **Clients managed**
- **Network Nodes managed** (NetView, Risk Manager)
- **Active ports managed** (Switch Analyzer)
- **Registered users** (Scalable-Usage model for Identity Manager and Access Manager for e-Business)

Note: Production and test environments require licensing.

How to price servers

- **Distributed versus z-Series server licensing**
 - "zrev", "Host Edition" and "for z-Series" indicate pricing for the host component of an end-to-end solution
 - "zrev" part numbers are priced the same on host and distributed, and the processor licenses are interchangeable
 - Products with "Host Edition" or "for z-Series" are priced per MSU
 - For z-Series offerings, a no-charge Custom Build Registration part number enables CBPDO, ServerPac and other media deliverables
- **Pricing is for the hardware platform, not the OS**
 - LINUX on z-Series is priced per MSU for products with an MSU pricing metric on the host
 - LINUX on distributed servers is priced per installed processor

How per-processor works for servers (continued)

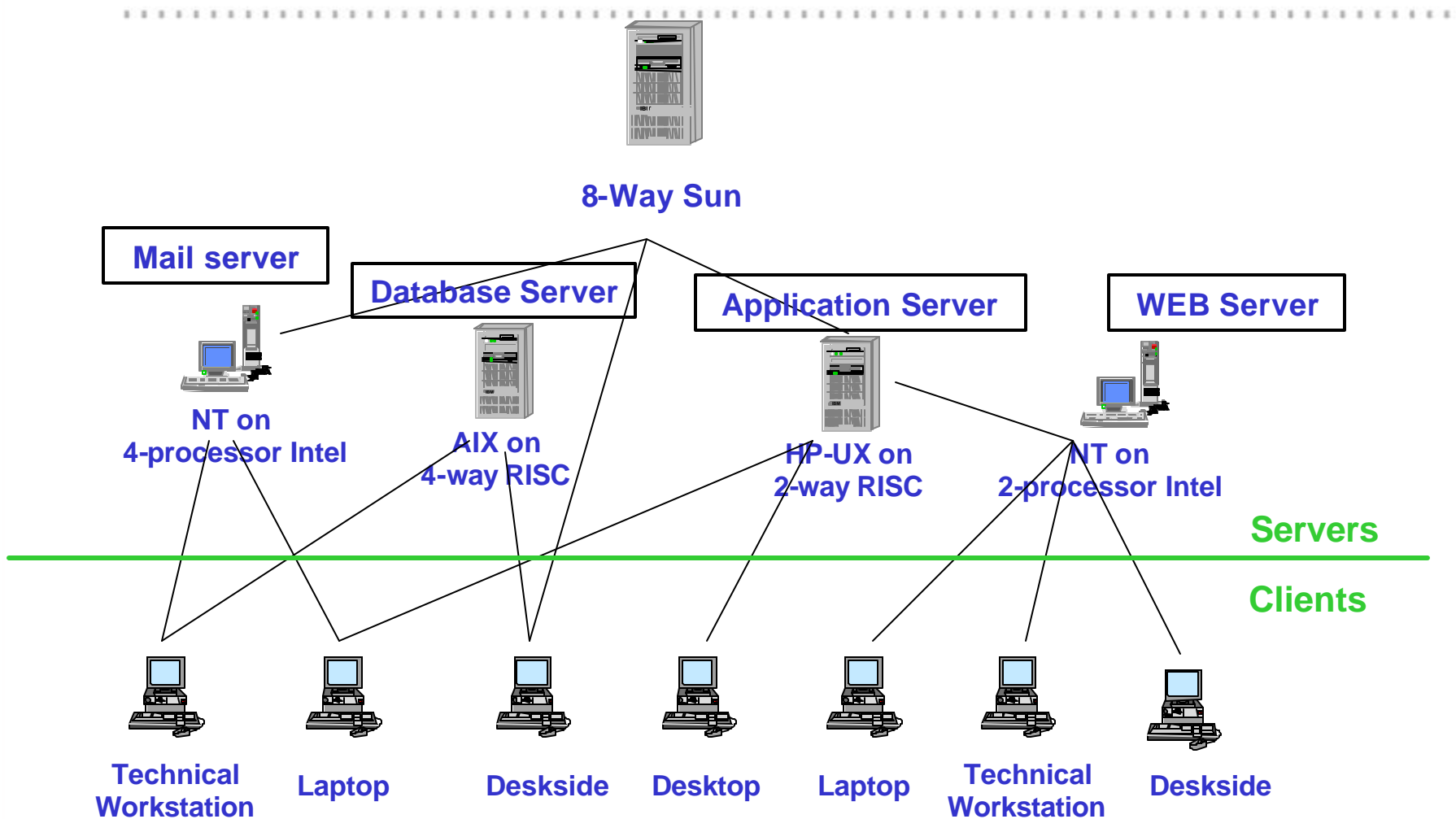
- ✓ Physical partitions – price per processor or per MSU *in the physical partition*
 - IFL on the host
 - SP, Ultra 10K, HP SuperDome

- ✓ Virtual/Logical partitions – price per processor or per MSU *for the entire system*
 - No LPAR pricing
 - z/OS, MVS, etc - No workload pricing for Enhanced Value-Based Pricing offerings
 - Regatta, Ultra 15K Firebird - price to the whole system
 - Tivoli will assess SWG model for virtual partitions for distributed servers when announced

LINUX on z-Series servers

System		MSUs	Processors
IFL	7060	20	1
	9672-G5	20	1
	9672-G6	30	1
	2064	35	1
z800	004	108	4
	003	84	3
	002	60	2
	0A2	44	2
	001	32	1
	0C1	25	1
	0B1	20	1
	0A1	13	1
	0E1	7	1

Environment Managed model example



Environment-Managed Model – generic example

- Server processors managed

- Total – 20

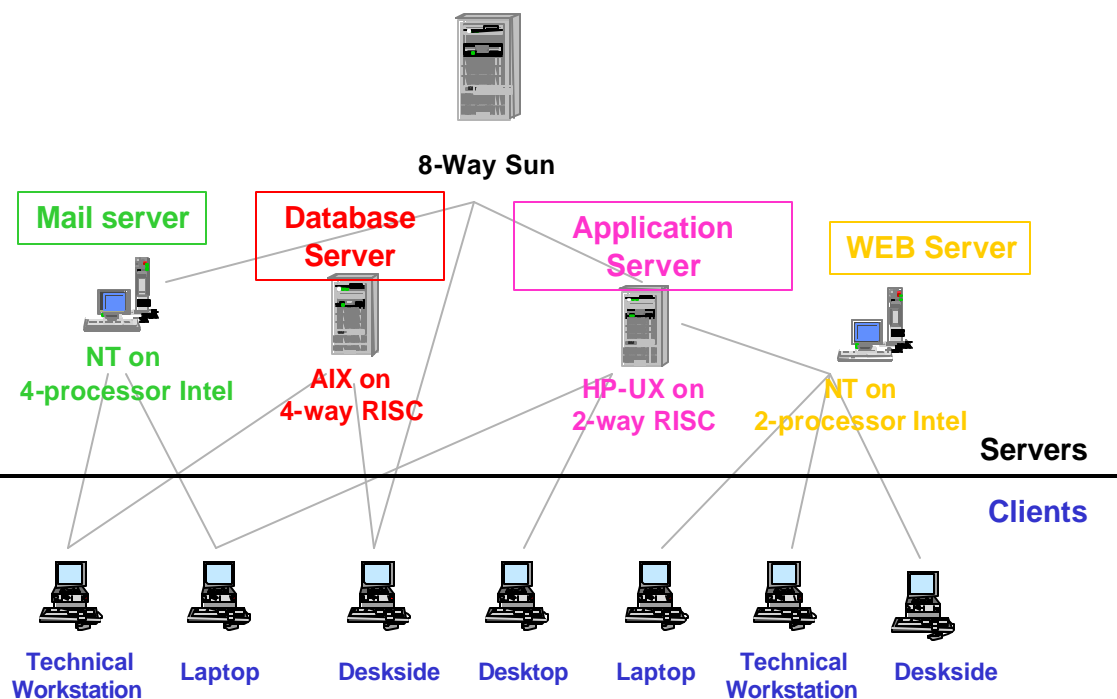
- Mail/Messaging & Collaboration – 4

- Databases – 4

- Applications – 2

- Web Servers - 2

- Clients – 7 (includes technical workstations)



What happens when a customer adds processors?

- Example (independent from prior slide)
 - Customer has 20 (twenty) 2-way servers to manage
 - Adds 2 processors to each server 1½ years later
- Transaction 1 – Acquire 40 processor entitlements
- 1st anniversary – Renew maintenance for 40 entitlements
- Transaction 2 – Acquire additional 40 processor entitlements
- 2nd Anniversary – Renew maintenance for all 80 processor entitlements

Tivoli software



 e-business software

Migrations

IBM Software Group



Migration Principles

- **KEEP THE CUSTOMER WHOLE!**
- Customers current on support/maintenance will receive new code when available
- Customers with one component will have access to all of the components of the replacement offering
- Customers are limited to the use set out in their current (pre-migration) licensing until licenses are migrated.
- Non-PA standard support reset to Passport Advantage terms and price levels



Migration Principles (Continued)

- Entitlements > deployed
 - Example: Customer has 10% more TMPs entitled than deployed
 - In migration, customer would be entitled to migrate to 10% more processors, clients, etc. than deployed
 - If customer chooses to migrate to just what is deployed, growth would require additional purchases
- ELAs
 - The fundamental is that we honor our contracts
 - Customers who are entitled to a fixed price for additional purchases will receive that price under the new metrics via special bid
 - ELAs can NOT be **extended** under any models other than the Enhanced Value-Based Pricing models.

Migration Aid – Processor estimates

Average Number of Processors per Server	
All Servers	2.8
WinTel	2.3
RISC/UNIX*	3.6
Value-Based Pricing Tiers	
Tier 1	2.0
Tier 2	3.3
Tier 3*	41.2

* Systems >64 processors excluded

Tivoli software

IBM

e business software

Pillar Specifics

Performance & Availability
Configuration & Operations
End-to-End

IBM Software Group

Before and After Packaging

Monitor Systems and Applications	
Tivoli Distributed Monitoring Tivoli Web Component Manager	IBM Tivoli Monitoring
Tivoli Manager for DB2 / UDB Tivoli Manager for Informix Tivoli Manager for Oracle Tivoli Manager for Sybase * Tivoli Manager for MS SQL * Tivoli Management Solution for MS SQL *	- for Databases (later in 2002)
Tivoli Manager for SAP R/3 Tivoli Manager for Siebel	- for Applications (later in 2002)
Tivoli Mgmt Solution for MS Exchange * Tivoli Manager for MS Exchange * Tivoli Manager for Notes/Domino Tivoli Management Solution for Domino	- for Messaging & Collaboration (later in 2002)
Tivoli Manager for MQSeries Integrator Tivoli Manager for MQSeries	- for Business Integration (later in 2002)
Tivoli Manager for WebSphere Appl Server	- for Web Infrastructure (later in 2002)
New Offering-3Q	- for Security & Edge Services (later in 2002)
New Offering-3Q	- for Content & Personalization (later in 2002)
Tivoli Application Performance Manager Tivoli Web Services Manager	- for Transaction Performance

* Note: SQL, Exchange and Sybase available under the new pricing model in April

Products available April 9th (P&A) & Pricing Models

	Distributed Servers	Host Svrs	Other	Notes
Monitor Systems & Applications				
IBM Tivoli Monitoring	Managed			
IBM Tivoli Monitoring Active Directory Option	Managed			
IBM Tivoli Manager for MS SQL	Managed			
IBM Tivoli Management Solution for MS SQL	Managed			
IBM Tivoli Manager for Sybase	Managed			
IBM Tivoli Manager for MS Exchange	Managed			
IBM Tivoli Management Solution for MS Exchange	Managed			
IBM Tivoli Monitoring for Transaction Performance	Managed			2 Processors per STI Player
Tivoli Manager for DB2 / UDB			TMPs (no change)	
Tivoli Manager for Informix			TMPs (no change)	
Tivoli Manager for Oracle			TMPs (no change)	
Tivoli Manager for SAP R/3			TMPs (no change)	
Tivoli Manager for Siebel			TMPs (no change)	
Tivoli Management Solution for Domino			TMPs (no change)	
Tivoli Manager for MQSeries Integrator			TMPs (no change)	
Tivoli Manager for MQSeries			TMPs (no change)	
Tivoli Manager for Websphere Appl Server			TMPs (no change)	

Before and After Packaging (Cont'd)

Current Offerings

New Offerings

Event Correlation & Automation	
Tivoli Enterprise Console	IBM Tivoli Enterprise Console
Tivoli NetView (Distributed)	IBM Tivoli NetView
New Product	IBM Tivoli Switch Analyzer
Netview Perform Monitor for TCP/IP	IBM Tivoli Netview for TCP/IP Performance
Netview Performance Monitor	IBM Tivoli Netview Performance Monitor
Business Impact Management	
New Product	IBM Tivoli Service Level Advisor
Tivoli Bus Sys Mgr	IBM Tivoli Business Systems Manager for zOS
New Offering	IBM Tivoli Business Systems Manager
Tivoli Web Services Analyzer* IBM WebSphere Site Analyzer	IBM Tivoli Web Site Analyzer
Tivoli Decision Support	Tivoli Decision Support (not repriced)
Server Performance Prediction Guide	Server Performance Prediction Guide (not repriced)
Crystal Reports	Crystal Reports (not repriced)

Pricing Models

	Distributed Servers	Host Svrs	Other	Notes
Event Correlation & Automation				
IBM Tivoli Enterprise Console	Managed			MOQ 125 Processors, 250 Processors for non-IBM
IBM Tivoli Netview	Managing		N'work Nodes	
IBM Tivoli Switch Analyzer	Managing		Switch/Router Ports	
IBM Tivoli Netview for TCP/IP Performance		MSUs (TMPs)		
IBM Tivoli Netview Performance Monitor		MSUs (TMPs)		
Business Impact Management				
IBM Tivoli Business Systems Manager	Managed			MOQ 125 Processors
IBM Tivoli Business Systems Manager for z/OS		MSUs (TMPs)		
IBM Tivoli Service Level Advisor	Managed			
IBM Tivoli Web Site Analyzer	Managed			
Tivoli Decision Support			TMPs (no change)	
Server Performance Prediction Guide			TMPs (no change)	
Crystal Reports			TMPs (no change)	

Before and After Packaging – C&O

Current Offerings	New Offerings
Tivoli Workload Scheduling / OPC	IBM Tivoli Workload Scheduler
Tivoli Workload Scheduler for Oracle Tivoli Workload Scheduler for PeopleSoft Tivoli Workload Scheduler for SAP R3 Tivoli Wkld Scheduler for non-Tivoli *	IBM Tivoli Workload Scheduler for Applications
Tivoli Software Distribution Tivoli Software Distribution for LINUX Tivoli Inventory	IBM Tivoli Configuration Manager
Tivoli Remote Control	IBM Tivoli Remote Control

Pricing Models

	Distributed Servers	Host Svrs	Other	Other
IBM Tivoli Workload Scheduler	Managed	MSUs (TMPs)		
IBM Tivoli Workload Scheduler for Applications	Managed			
IBM Tivoli Configuration Manager	Managed		Clients, etc.	Includes non-client devices
IBM Tivoli Remote Control	Managed		Clients	
Tivoli Self Service Terminal Manager			TMPs (no change)	
Tivoli Point of Sale Manager			TMPs (no change)	
Workspace on Demand			TMPs (no change)	
Tivoli Data Exchange			TMPs (no change)	

Additional notes

- **Monitoring "PACs" pre-req IBM Tivoli Monitoring**
 - E.g., a database server would require licenses for IBM Tivoli Monitoring **AND** IBM Tivoli Monitoring for Databases
 - Monitoring for <software> is per server, not per server per PAC
- **TBSM**
 - Separate S/390 (per MSU) and distributed products (per processor)
 - No separately chargeable features
- **Scheduler for Applications**
 - Pre-req IBM Tivoli Workload Scheduler for the servers in the environment for licensing and deployment

Tivoli software

IBM

 e-business software

Pillar Specifics

Security

IBM Software Group

Before and After Packaging

Current Offerings	New Offerings
Tivoli Intrusion Manager	IBM Tivoli Intrusion Manager
Tivoli Risk Manager	IBM Tivoli Risk Manager
Tivoli Identity Director Tivoli User Administration	IBM Tivoli Identity Manager
Access Management	
Tivoli Policy Director Tivoli Policy Dir-App Svrs	IBM Tivoli Access Manager for e-business
Tivoli Policy Dir for MQSeries	IBM Tivoli Access Manager for Business Integration
Policy Director - PDOS Tivoli Security Management	IBM Tivoli Access Manager for Operating Systems

No pricing changes to the following products until later in 2002
Tivoli Privacy Manager Tivoli Global Sign On Tivoli Public Key Infra (inc. Trust Auth) Firewall

Pricing Models

	Distributed Servers	Host Svrs	Other	Notes
IBM Tivoli Risk Manager	Managed		Network Nodes	
IBM Tivoli Intrusion Manager	Managed		Network Nodes	Avail end May
IBM Tivoli Identity Manager Unlimited User Option	Managing		Scalable Usage Model (TMPs)	MOQ 10 Processors
IBM Tivoli Access Manager for e-business Unlimited User Option	Managing		Scalable Usage Model (TMPs)	MOQ 10 Processors
IBM Tivoli Access Manager for Business Integration	Managed	MSUs (TMPs)		
IBM Tivoli Access Manager for Operating Systems	Managed			
Tivoli Privacy Manager			TMPs (no change)	
Tivoli Global Sign On			TMPs (no change)	
Tivoli Public Key Infra (inc. Trust Auth)			TMPs (no change)	
Firewall			TMPs (no change)	

Additional notes

- **Risk Manager**
 - No separately chargeable options
- **Identity Manager / Access Mgr for e-Business**
 - Per-user licensing (scalable usage) **OR** per-processor for the managing (infrastructure) server (10 processor minimum initial order qty)
- **Access Manager products**
 - Products are stand-alone offerings
 - No pre-reqs
- **Access Manager for Operating Systems**
 - Per-processor charge/license applies to UNIX systems - servers and clients



Tivoli software

IBM

 e-business software

Pillar Specifics

Storage

IBM Software Group

Before and After Packaging

Current Offerings

New Offerings

Current Offerings	New Offerings
Tivoli Storage Manager	IBM Tivoli Storage Manager
TSM +Tape Library Sharing +Managed Libraries + SANergy disk-to-disk Space Manager Data Protection for NDMP Disaster Recovery Manager	IBM Tivoli Storage Manager Enterprise Edition
Data Protection for Lotus Domino Data Protection for Exchange	IBM Tivoli Storage Manager for Mail
Data Protection for WebSphere App Svr	IBM Tivoli Storage Mananager for Application Servers
Data Protection for Informix Data Protection for Oracle Data Protection for MS SQL	IBM Tivoli Storage Manager for Databases
Data Protection for SAP R/3	IBM Tivoli Storage Manager for ERP
Data Protection for EMC Symmetrix/Oracle Data Protection for EMC Symmetrix for R/3 Data Protection for IBM ESS for Oracle Data Protection for IBM ESS for R/3 Data Protection for IBM ESS for DB/2	IBM Tivoli Storage Manager for Hardware

No pricing changes to the following products until later in 2002

Tivoli Storage Network Manager
Tivoli SANergy File Sharing

Note: Current TSM customers will receive the base code, and those with SANs, DRM, HSM, or NDMP will receive enterprise edition code. Customers with ONLY the Library feature will be grand fathered into the base offering.

Vendor-Logo Products not changing

BackTrack for Informix
BackTrack for Microsoft
BackTrack for Oracle
BackTrack for Oracle-NT
BackTrack for Oracle-Parallel Svr
BackTrack for Sybase
BackTrack for OBSI Modules
BackTrack-PATROL Recovery Mgr
BackTrack-PATROL DB-Log Master
OTG Disk Extender
TKG Bare Metal Restore
EduTape



What you need to know to configure a bid **TODAY**

- Which servers are managing and which are managed?
- Which servers and clients are backed up over a lan vs. a san?
- Which servers need Disaster Recover? Space Management?
- How many servers are sharing a tape library? How big are they?
- Which database am I going to backup (Informix, Oracle, SQL)? What if I don't know yet?
- Which ESS or EMC boxes am I backing up for which applications?

TMP Calculator today

Family	PID	Product	Metric	Initial Configuration			Client	Device/MSU
				Servers/Network Devices				
				Tier 1	Tier 2	Tier 3	Node/Library	AppSrv/User
4. Storage	5698-TSM	Tivoli Storage Manager (Managing System)	M(Srv/Clt)					
4. Storage	5698-TSM-z	Tivoli Storage Manager (OS/390)	MSU					
4. Storage	5698-TSM	Tivoli Storage Manager (Managed Library)	Library					
4. Storage	5698-TSM	Tivoli Storage Manager (Backed-Up LAN System)	Srv/Clt					
4. Storage	5698-TSM-z	Tivoli Storage Manager (Backed-Up OS/390 System)	MSU					
4. Storage	5698-TSM	Tivoli Storage Manager (Backed-Up SAN Systems)	Srv/Clt					
4. Storage	5698-TSM	Tivoli Storage Manager (Tape Library Sharing Feature)	Srv					
4. Storage	5698-DRM	Tivoli Disaster Recovery Manager	Srv					
4. Storage	5698-DRM-z	Tivoli Disaster Recovery Manager (OS/390)	MSU					
4. Storage	5698-SPM	Tivoli Space Manager	Srv/Clt					
4. Storage	5698-SNM	Tivoli Storage Network Manager	Srv					
4. Storage	5698-SFS-f	Tivoli SANergy File Sharing	Srv					
4. Storage	5698-SFS-h	Tivoli SANergy High Availability	Srv					
4. Storage	5698-EMO	Tivoli Data Protection for EMC Symmetrix for Oracle	Srv					
4. Storage	5698-EMR	Tivoli Data Protection for EMC Symmetrix for SAP R/3	Srv					
4. Storage	5698-ESO	Tivoli Data Protection for IBM ESS for Oracle	Srv					
4. Storage	5698-ESR	Tivoli Data Protection for IBM ESS for SAP R/3	Srv					
4. Storage	5698-DPI	Tivoli Data Protection for Informix	Srv/Clt					
4. Storage	5698-DPD	Tivoli Data Protection for Lotus Domino	Srv/Clt					
4. Storage	5698-DPD-z	Tivoli Data Protection for Lotus Domino (OS/390)	MSU					
4. Storage	5698-DPX	Tivoli Data Protection for Microsoft Exchange	Srv/Clt					
4. Storage	5698-DPS	Tivoli Data Protection for Microsoft SQL	Srv/Clt					
4. Storage	5698-DPA	Tivoli Data Protection for NDMP	Srv					
4. Storage	5698-DPO	Tivoli Data Protection for Oracle	Srv/Clt					
4. Storage	5698-DPR	Tivoli Data Protection for SAP R/3	Srv					
4. Storage	5698-DPR-a	Tivoli Data Protection for SAP R/3 Admin Asst	Srv					

What to know to configure a bid from APRIL

- How many server processors are in the storage network? Clients (technical workstations, desktops, etc.)?
- Do I want to do basic backup/recovery over a lan, or do I need an enterprise offering?
 - Enterprise offering includes Disaster Recovery, San Support, Space Management, & large library support
- How many Database server processors are there?
- How many ESS/EMC server processors are there?

New Pricing Model

	Processors (Host or Distributed, all servers per processor)		Client	Notes
IBM Tivoli Storage Manager	Processor		Client	Per client (e.g., technical wkstns)
IBM Tivoli Storage Manage Enterprise Edition	Processor		Client	Per client (e.g., technical wkstns)
IBM Tivoli Storage Manager for Mail	Processor			
IBM Tivoli Storage Manager for Application Servers	Processor			
IBM Tivoli Storage Manager for Databases	Processor			
IBM Tivoli Storage Manager for Enterprise Resource Planning	Processor			
IBM Tivoli Storage Manager for Hardware	Processor			
Tivoli Storage Network Manager			TMPs (no change)	
Tivoli SANergy File Sharing			TMPs (no change)	

Additional notes:

- **No differentiation between managed and managing servers**
 - All servers in the storage network require licensing – managed and managing
 - S/390 and distributed per-processor pricing the same
- **Separate part numbers for clients**
- **No separately charged components**
 - Base product includes library support for up to 2 drives/40 slots
- Storage Manager or Enterprise Edition are pre-reqs for any of the extensions
- **Trade up part numbers** from TSM to TSM Enterprise
- Can't mix and match TSM and TSM Enterprise