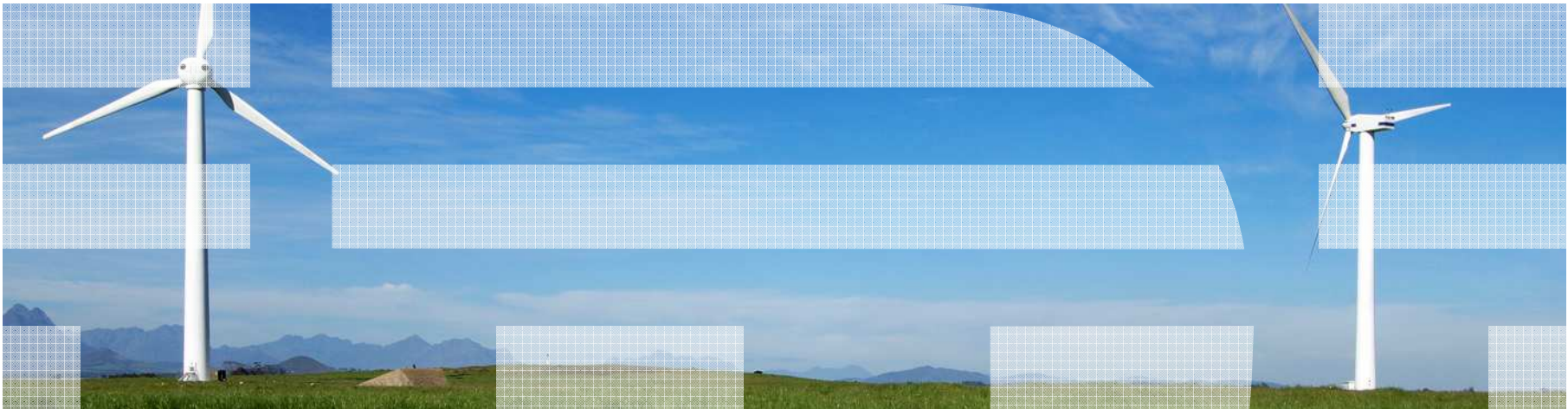


TSM Family Capacity Pricing Special Bid Offering



For IBM and IBM Business Partner Use Only

Agenda

- TSM Family Capacity Pricing Special Bid Offering overview
- IBM Direct Rep - how to order
- IBM Business Partner – how to order
- How to measure capacity for per TB charge
- The Competitive Landscape
- FAQ – Important information, please read

TSM Family Capacity Pricing Special Bid Offering overview

- A special bid offering for the TSM Family of products (including FastBack) based on capacity is available
- A tiered per terabyte capacity based PID has been created
- PID number: 5724-Z12
 - This is not the previous special bid that was available which required a PVU count in order to derive a capacity price
- One PID
 - Includes:
 - TSM EE
 - TSM for SAN
 - TSM for Mail
 - TSM for Databases
 - TSM for ERP
 - TSM FastBack
 - TSM FastBack for Exchange
 - Install as many of these components as you like, with out charge
 - Pay on a per Terabyte basis for data within TSM primary storage pools and FastBack repository

TSM and FastBack are measured on 'Back End' Terabytes

- There are primarily two ways that TB's are measured for capacity charging in the data protection market
 - Front End TB
 - Back End TB

- **Front End TB**
 - Defined as the total aggregate amount of data on Clients or Devices on which the backup client / agent is installed or for which the backup client or agent is used to provide backup functionality. Data is measured as the current largest aggregate full (or synthetic full) backup performed.
 - This is 'source' data.
 - It **does not** benefit from deduplication,
 - It does not include file versions/copies
 - Used by Symantec for their NetBackup Platform per Terabyte Licensing Program

- **Back End TB**
 - Defined as the aggregate amount of the size of the backup data stored and managed by the backup server.
 - This is 'target' data.
 - It **does** benefit from deduplication.(TSM deduplication only)
 - It includes multiple point-in-time versions that are stored and managed by the backup server
 - It does not include DR copies (Copy Storage Pools)
 - Used by TSM Family Capacity pricing special bid offering and EMC Avamar

TSM Family Capacity Pricing Special Bid Offering

Product Structure and Pricing

| Unannounced Special Bid Offering | Included Products | Base List (BL) Price | | | | | | | | | | | | | | | | |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|------------------------|---------|------------------------|---------|------------------------|----------|------------------------|-----------|------------------------|-------|------------------------|
| IBM Tivoli Storage Manager Capacity (5724-Z12) | TSM Extended Edition | Starts at \$6,000 per TB (1 st 100TB's) | | | | | | | | | | | | | | | | |
| | TSM FastBack | Decreasing price per TB | | | | | | | | | | | | | | | | |
| | TSM FastBack for Exchange | SW License + S&S 12 Mo | | | | | | | | | | | | | | | | |
| | TSM for Databases | <table><tr><th>TB</th><th>Price</th></tr><tr><td>1-100</td><td>\$6,000</td></tr><tr><td>101-250</td><td>\$5,400 (10% discount)</td></tr><tr><td>251-500</td><td>\$4,800 (20% discount)</td></tr><tr><td>501-750</td><td>\$3,600 (40% discount)</td></tr><tr><td>751-1250</td><td>\$3,000 (50% discount)</td></tr><tr><td>1251-2000</td><td>\$2,400 (60% discount)</td></tr><tr><td>2001+</td><td>\$1,800 (70% discount)</td></tr></table> | TB | Price | 1-100 | \$6,000 | 101-250 | \$5,400 (10% discount) | 251-500 | \$4,800 (20% discount) | 501-750 | \$3,600 (40% discount) | 751-1250 | \$3,000 (50% discount) | 1251-2000 | \$2,400 (60% discount) | 2001+ | \$1,800 (70% discount) |
| | TB | Price | | | | | | | | | | | | | | | | |
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| | 501-750 | \$3,600 (40% discount) | | | | | | | | | | | | | | | | |
| | 751-1250 | \$3,000 (50% discount) | | | | | | | | | | | | | | | | |
| 1251-2000 | \$2,400 (60% discount) | | | | | | | | | | | | | | | | | |
| 2001+ | \$1,800 (70% discount) | | | | | | | | | | | | | | | | | |
| TSM for Mail | SW S&S Renewal 12 Mo | | | | | | | | | | | | | | | | | |
| TSM for ERP | <table><tr><td>1-100</td><td>\$1,200</td></tr><tr><td>101-250</td><td>\$1,080</td></tr><tr><td>251-500</td><td>\$960</td></tr><tr><td>501-750</td><td>\$720</td></tr><tr><td>751-1250</td><td>\$600</td></tr><tr><td>1251-2000</td><td>\$480</td></tr><tr><td>2001+</td><td>\$360</td></tr></table> | 1-100 | \$1,200 | 101-250 | \$1,080 | 251-500 | \$960 | 501-750 | \$720 | 751-1250 | \$600 | 1251-2000 | \$480 | 2001+ | \$360 | | | |
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| 751-1250 | \$600 | | | | | | | | | | | | | | | | | |
| 1251-2000 | \$480 | | | | | | | | | | | | | | | | | |
| 2001+ | \$360 | | | | | | | | | | | | | | | | | |
| TSM for SAN | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |

- One PID includes both TSM and FastBack products
- Can install as many of these products as needed for the environment without charge
- Per TB capacity charge is for data stored within TSM **primary** pools and Fastback repositories
- No per TB charge for TSM copy pool data

IBM Direct Rep - How to Order

- The part number for the special bid offering are restricted – not viewable in the ordering system
- A designated focal point in each GEO has been named and you should contact them to obtain the part numbers to order the special bid offering:
 - NA Ron Broucek/Chicago/IBM (rjbrouc@us.ibm.com)
 - LA David Ruiz N/Mexico/IBM (daruiz@mx1.ibm.com)
 - NE Thomas Kovsted/Denmark/IBM (KOVSTED@dk.ibm.com)
 - SW Bart Claeys/Belguim/IBM (bart_claeys@be.ibm.com)
 - CE Jean-Michel Doudot/Switzerland/IBM (Jean-Michel_Doudot@ch.ibm.com)
 - JN Shoko Takase/Japan/IBM (STAKASE@jp.ibm.com)
 - AP Aldrin S D'souza/India/IBM (daldrin@in.ibm.com)
- Once you have the part numbers, process the bid as you would a 'normal' special bid
- There will be a template to fill out to capture customer deal and environment information, this needs to be attached to the special bid
 - The GEO focal point will provide you the template
- The bid will go to WW pricing for approval

IBM Business Partner - How to Order

- The part number for the special bid offering are restricted – not viewable in the ordering system
- A designated focal point in each Geo has been named and partners should contact them to obtain the part numbers to order the special bid offering:
 - NA Ron Broucek/Chicago/IBM (rjbrouc@us.ibm.com)
 - LA David Ruiz N/Mexico/IBM (daruiz@mx1.ibm.com)
 - NE Thomas Kovsted/Denmark/IBM (KOVSTED@dk.ibm.com)
 - SW Bart Claeys/Belguim/IBM (bart_claeys@be.ibm.com)
 - CE Jean-Michel Doudot/Switzerland/IBM (Jean-Michel_Doudot@ch.ibm.com)
 - JN Shoko Takase/Japan/IBM (STAKASE@jp.ibm.com)
 - AP Aldrin S D'souza/India/IBM (daldrin@in.ibm.com)
- The Geo focal point will work with the Tivoli Channels team to create the special bid
 - AP GMT – Tivoli Storage Leader for respective GMT works with Channels to create special bid)
- The Tivoli Channel rep will work with the partner to fill in the required template that needs to be attached to the special bid
- The Tivoli Channel rep point will process the bid and get an approved quote
- The bid will go to WW pricing for approval
- The Tivoli Channel rep gives the special bid number to the partner
- The partner may now bid against this approved SQO quote using BP eOrdering Tool

Determining Tiered Capacity Charge for TSM

- Determining the capacity that requires entitlement is one simple step

```
select sum( o.logical_mb ) as entitled_occ_mb from occupancy o,  
stgpools s where o.stgpool_name=s.stgpool_name and  
s.pooltype='PRIMARY'
```

Example Select and output :

```
tsm: SRV1>select sum( occupancy.logical_mb ) as entitled_mb from  
occupancy, stgpools where  
occupancy.stgpool_name=stgpools.stgpool_name and  
stgpools.pooltype='PRIMARY'
```

| ENTITLED_MB |
|-------------|
| 61582471.99 |

- The select statement will return a MB number, divide by 1024² to convert to TB and round up the nearest TB
- In this example its 58.72 rounded to 59TB
- This is TB capacity that requires entitlement for this TSM Server
- Do this for TSM server in the environment sum the results for all TSM servers.

Determining Tiered Capacity Charge for TSM FastBack **Deduplicated Storage pool**

FastBack Server 6.1.0.1 - XPRESS-RESTORE/admin (Super user)

File Tools Help

Tivoli Storage Manager FastBack

For each FastBack Server non deduplicated repository use the FastBack Manager User Interface: do the following:

Configuration Snapshots Monitor Recovery

Oren-Desktop

- General Configuration
 - Storage Pool
 - IBM-935EF7E8DDC
 - PSReady-Min
 - Repository Pool**
 - Users and Groups
 - Client Groups
 - Job Schedules
 - Policies
 - Pending Jobs
 - FastBack Server Log
 - FastBack status

| Location/Label | Type | File System | Capacity | Free Capacity |
|---------------------------------------|-------------------|-------------|-----------|---------------|
| D:\dedupeRep\ (on OREN-DESKTOP@FX-... | Dedupe Repository | FOLDER | 121.92 GB | 121.75 GB |

Step 1
Click on Repository Pool

Perform these steps for each FastBack server that has deduplicated storage pools. For non deduplicated storage pools follow steps on next slide. Sum the results of non deduplicated pools and deduplicated pools for all FastBack Servers in the environment

Step 2
Hover your cursor over this icon

Step 3
The amount of data that requires entitlement is the data reported as "Data size on disk"

Data logical size: 149.2
Data size on disk: 108.07
Data deduplication ratio: 1:1.38

Received Client information Repository status: 1% used Data deduplication ratio: 1:1.38 4:45:33 PM

Determining Tiered Capacity Charge for TSM FastBack **Non Deduplicated Storage pool**

| Location/Label | Type | File System | Capacity | Free Capacity |
|---------------------------|------------|-------------|-----------|---------------|
| J:\Repo\ (on KUNGFU@WO... | Repository | FOLDER | 148.98 GB | 39.88 GB |
| k:\ (on KUNGFU@WORKGR... | Repository | FOLDER | 149.42 GB | 15.98 GB |
| e:\ (on KUNGFU@WORKGR... | Repository | FOLDER | 51.18 GB | 2.49 GB |
| l:\ (on KUNGFU@WORKGRO... | Repository | FOLDER | 149.42 GB | 134.9 GB |
| g:\ (on KUNGFU@WORKGR... | Repository | FOLDER | 102.37 GB | 47.01 GB |
| m:\ (on KUNGFU@WORKGR... | Repository | FOLDER | 319.74 GB | 266.69 GB |
| f:\ (on KUNGFU@WORKGRO... | Repository | FOLDER | 102.37 GB | 1.47 GB |

For Each FastBack Server use the FastBack Manager User Interface:

- Click on Repository Pool
- You will see the repository volumes that make up the pool in the right hand window
- For each repository volume subtract the “Free Capacity” Column from the “Capacity” Column
- This gives you the amount of space occupied in the repository by backup data
- Do this for each FastBack Server in the environment and sum the resulting occupied space numbers – this is the number of TB that require licensing on per tiered TB for non deduplicated storage pools.

The Competitive Landscape - Competitor models and Prices

▪ Symantec: Front End TB

| Offering | Included Products | Price |
|----------------------|----------------------------------------------------------|-------------------|
| NetBackup Platform | All NBU products except MSEO, DLO, PureDisk and RealTime | \$12,500 per FETB |
| Deduplication Add-on | PureDisk | \$2,500 per FETB |
| RealTime Add-on | RealTime | \$5,000 per FETB |

- No tiers
- Deduplication is an extra charge on top of the initial per TB price
- CDP capability is an extra charge on top of the initial per TB price
- Customer gets **no cost savings by using deduplication**, capacity is measured on the front end prior to deduplication

Sample guidance on discounting

| TOTAL TB | 1-25 | 25-50 | 50-100 | 100-250 | 250-500 | 500-750 | 750-1,000 | >1,000 |
|-------------------------------------------------------|------------------------|-------|--------|---------|---------|---------|-----------|--------|
| Additional Discount to apply to Rewards Band E Price* | 0% | 11.5% | 19% | 31% | 38.5% | 42% | 46% | 50% |
| Target Discount Off List Price (Net Discount) | Use Rewards Price List | 42.5% | 47.5% | 55% | 60% | 62.5% | 65% | 67.5% |

The Competitive Landscape - Competitor models and Prices

▪ Avamar: Back End TB

- Avamar is available as software using a terabyte pricing model or as the Data Store appliance.
- Software:
 - Avamar 1TB Increment Capacity License - \$14,450*
 - Avamar Virtual Edition - 500GB Capacity License – \$6,800*
 - Avamar Virtual Edition – 1 TB Capacity License - \$13,600*
 - Avamar Virtual Edition – 2 TB Capacity License- \$27,200*
- Data Storage Appliance
 - Avamar Data Store (Gen3) - 1TB Storage Node - \$13,000*
 - Avamar Data Store (Gen3) - 2TB Storage Node – \$21,000*
 - Avamar Data Store (Gen3) – 3.3TB Storage Node - \$26,000*
 - Avamar Data Store (Gen3) - LG RAM Accelerator Node (Field Install) - \$14,000*
 - Avamar Data Store (Gen3) - Utility Node - \$11,000*
 - Avamar Data Store (Gen3) - Cube Switch 2U - \$4,100*
 - Avamar Data Store - 18 Node 40U Titan Rack with Base Single Phase Power - \$3,200*
 - Accessories
 - Avamar Data Store - Open File Solution for Windows NT, Windows 2000 Clients - \$100
 - PROMO: DATA PROTECTION ADVISOR 1TB AVAMAR CAPACITY - \$796**

| Volume level | Discount |
|--------------|----------|
| 1 TB | 33.0% |
| 2 – 3 TB | 36.0% |
| 4 – 5 TB | 38.0% |
| 6 – 7 TB | 38.5% |
| 8 – 9 TB | 39.0% |
| 10 – 15 TB | 40.0% |



- No tiers
- High price per TB

- Discounting guidance found in a partner guide clearly demonstrates Avamar is for a small environment , no discounting schedule above 15TB

Competitive Pricing Comparison

| | New license cost at base list price | | | | | | | | |
|-----------------------------|-------------------------------------|------|-------|-------|-------|--------|--------|--------|--------|
| Front End TB | 5TB | 25TB | 50TB | 150TB | 350TB | 600TB | 900TB | 1500TB | 2500TB |
| Back End TB | 13TB | 66TB | 132TB | 396TB | 924TB | 1584TB | 2375TB | 3959TB | 6599TB |
| TSM Family Capacity | 91K | 462K | 901K | 2.4M | 4.7M | 6.7M | 8.7M | 12M | 17.6M |
| Symantec NetBackup capacity | 100K | 500K | 787K | 1.8M | 3.5M | 5.4M | 7.6M | 11.6M | 18M |
| EMC Avamar | 116K | 577K | 1.1M | NA | NA | NA | NA | NA | NA |

• Symantec Prices include \$12,500 per TB for backup of data, \$2500 per TB for deduplication and \$5,000 per TB for CDP capability – Symantec discounts rates were applied to all TB.

• Avamar was calculated on Back end TB number

• For this example 1 Front end TB = 2.64 Back end TB

- Assumptions

- Every Front end TB is comprised of:

- Number of full Database back copies retained**

- Filesystem daily rate of change:

- Number of versions of files kept:

- % of file data kept in TSM deduplicated Storage Pools

- Deduplication Ratio

- Database data goes directly to tape

600GB filesystem data 400GB database data

1 current and 3 copies

7%

14

25%

2:1

No deduplication on DB backups

Frequently Asked Questions

FAQ

- Q I am working with a potential new customer. They do not have a TSM environment. I know how much data is on the systems they intend to backup, but how do I size this out for the TSM capacity special bid so that we entitle them for the right number of back end TB?
- A. The amount of data on the systems they intend to backup is what is referred to as a front end TB. For example, I have a system , it has as 1TB drive , I know over the course of the next year, that drive will fill up, so I would entitle them for 1 TB for that system. One drawback to this approach is that if you use deduplication or celint compression on the data , there is not a cost benefit in terms of per TB pricing passed on to the customer. A Back end TB, used by the TSM Family Special bid offering is a measure of data after it is backed up and under management by TSM, within a TSM primary storage pool. When it is in a primary storage pool, it may be deduplicated – resulting in a cost saving. The cost savings is applicable only to deduplication of data performed in a TSM enabled deduplication pool – for devices that use deduplication there is not a cost savings. There will also be data growth on this managed data due to versioning. Determining the right number of TB to entitle for a new TSM customer using the TSM Capacity special bid will require a sizing using various factors. :
- What is the rate of change of the filesystems in the environment?
 - How many versions of files does the customer intend to keep?
 - How frequently are databases backed up?
 - How much of the data I backup will be stored in TSM deduplicated storage pools?
- ❖ As a rule of thumb, for every front end TB you will need to entitle the customer for 3 to 6 TB to account for versioning , this number may be reduced by the use of deduplication.
- ❖ If you know the number of front end TB in the customer's environment , at a minimum you should entitle them for 3 times the number of front end TB

FAQ

Q. Does my customer get the cost saving benefit of counting deduplicated capacity for this special bid offering?

A. The select statement provided in the section titled *'Determining Tiered Capacity Charge for TSM'* will look at each primary pool and sum up the total data stored in TSM primary storage pools, if the pool is a TSM deduplicated storage pool (meaning TSM deduplication was performed on the data) it will report the deduplicated amount and the customer will realize a cost savings on per TB pricing based on this . For primary pool data where the primary pool is on a device that performs deduplication or compression (such as a deduplicating VTL) TSM only understands the data that it sent to that pool and 'sees' it as the non-deduplicated amount. The customer does not realize a cost savings in terms of special bid per TB pricing on this but does realize the benefit of data reduction (storage savings) from the use of the deduplicating/compressing device.

FAQ

Q. My customer likes the per TB approach to pricing their backup environment. They will be using both TSM and FastBack , is it possible to get a different price per TB for these products?

A. No. The price per TB applies to both TSM primary storage pool data and FastBack repository data. There is no way to get a different price for data in a FastBack repository vs. data in a TSM primary storage pool

Q. Can my customer have a mix of PVU's and TB pricing in their environment ?

A. If the customer buys the TSM Family Capacity special bid offering they are entitled to use the following products and will be charge on a per TB price:

- TSM EE
- TSM for SAN
- TSM for Databases
- TSM for Mail
- TSM for ERP
- TSM FastBack
- TSM FastBack for Exchange

- They may use products not included in this offering such as TSM for Space Management, TSM HSM for Windows, TSM Fastback Bare Machine recovery and TSM for SharePoint, but will need to purchase them at their standard charge metric (PVU's), this may increase the size of the TSM primary storage pool data and / or the Fastback Repository data, impacting their charge on the TSM Family Capacity offering. Where appropriate consideration may be requested during the special bid process to reduce the per TB charge amount to mitigate the cost of these PVU based products so that the customer does not feel they are being 'double' charged.

FAQ

Q. I have a customer that is sending TSM FastBack data to TSM for disaster recovery purposes, how do we deal with this?

A. There are two primary scenarios where FastBack data is backed up to TSM for DR purposes

1. TSM client is used to perform a backup of FastBack repository using FastBack Mount
2. In FastBack 6.1.1 (target GA June 2010) A FastBack Server can replicate data to a TSM server storage pool
 - In both cases the FastBack data will reside in a TSM primary storage pool and a per TB charge will apply to that data as it is measured in the TSM primary storage pool as well as a per TB charge for data in the FastBack repository
 - There is value in having FastBack DR data managed in TSM:
 - Tape support
 - Long term retention
 - Off site protection

Q. Does the special bid for capacity charge for archive data and space management data as well as backup data?

A Yes.

- The Special bid for capacity charges per TB for any data in a TSM primary pool, including Archive and Space management / HSM data.

FAQ

Q. Can I renew an existing PVU customer using the Capacity special bid?

A. The special bid is primarily to drive net new business, however there may be circumstances where it may be appropriate for a renewal of a customer currently on PVU's. please check with your Geo lead on if the special bid might be appropriate for your situation.

Q. If I have worked with my geo lead and gotten approval to use the special bid to renew an existing PVU customer on the capacity special bid , can their renewal bill be lower on the capacity model than on the PVU model?

A. No. For customers in the situation where renewal on capacity would be lower that renewal on PVU we would renew them at their PVU renewal cost and "over entitle" them to TB's

Q. Why isn't TSM FastBack BMR included in the special bid offering?

A. TSM FastBack BMR does not generate data that is stored in the FastBack repository so including it in the offering would allow the customer function that would not generate data, in essence we would be giving away the product for free

Q. My customer has entitlements for TSM they got via AAS, are they eligible for this special bid.

A. No. customers that have entitlement for TSM via AAS and want to move from PVU to TB using this offering are not eligible for this special bid.

FAQ

Q. What TSM and FastBack products are not included in the special bid offering ?

A. The only products included in this special bid are :

- TSM EE
- TSM for SAN
- TSM for Mail
- TSM for Databases
- TSM for ERP
- TSM FastBack
- TSM FastBack for Exchange

No other products are included