

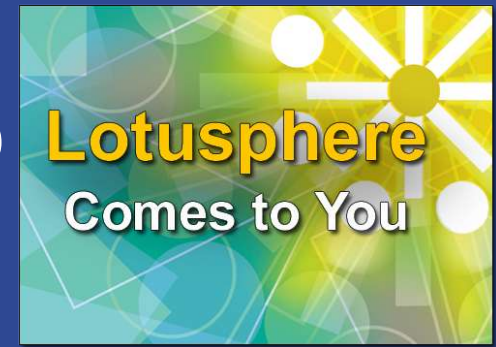


# LotuspHERE

Comes to You



# How Do I Reduce My Desktop Costs By 50%...and Improve Business Value...in Two to Three Years?



Rob Anderson

Rob\_Anderson@uk.ibm.com

Software Licensing Consultant, IBM UKISA Competitive Team



# Agenda

## **Business and Market Trends**

**Microsoft's Market Approach**

**IBM's Market Approach**

**How IBM Can Help...**



# The Current IT Climate

To what extent will each of the following CIO actions be a priority for you in 2006, 2009?

	Ranking	
	2006	2009
▪ Delivering projects that enable business growth	1	1
▪ Building business skills in the IS organisation	2	4
▪ Consolidating the IS organisation and operations	3	13
▪ Linking business and IT strategies and plans	4	2
▪ Improving IT governance	5	10
▪ Demonstrating the business value of IT	6	6
▪ Applying metrics to the IS organisation and IT services	7	11
▪ Improving the quality of IS service delivery	8	8
▪ Attracting, developing and retaining IS personnel	9	3
▪ Flexible technology infrastructure	10	7

Source: Gartner EXP Survey EMEA (541 CIOs)

# IT Issue No. 5

To what extent will each of the following CIO actions be a priority for you in 2006, 2009?

	Ranking	
	2006	2009
Delivering projects that enable business growth	1	1
Building business skills in the IS organisation	2	4
Consolidating the IS organisation and operations	3	13
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- Asset management solutions
- Simplification
- Standardization
- Regulatory Compliance



## IT Governance

Tuesday 25 July 2006 | £2.95 | www.computerweekly.com

# ComputerWeekly

Working for IT professionals

### CIO Index demonstrates growing licence management burden

## CIOs slam increasing licence complexity

**Christian Amesley**  
christian.amesley@cw.com

IT chiefs are struggling with the complexity of software licensing contracts, and they see little evidence of suppliers becoming more accommodating, or licences offering better value, than three years ago.

The findings, from Computer Weekly's quarterly CIO Index survey of top UK IT management, show that software licensing is creating new headaches for IT chiefs as they look to make savings and reduce complexity across the enterprise.

More than 50% of IT directors said they were spending more management time on software licence issues than three years ago. Sixty per cent said suppliers were becoming less accommodating to user needs, and 59% said value for money had not improved since 2003.

IT directors contacted by Computer Weekly said they wanted suppliers to take steps to rationalise their software licensing contracts and improve their transparency.

Many said the proliferation of licensing models raised the potential for getting more suitable arrangements but, in practice, it made it more difficult to compare like with like and ensure value for money.

There was also dispute that licensing complexity was being used to squeeze existing customers.

David Morris, head of IT at international property consultancy King Sturge, said more products and more complex licence arrangements were making it increasingly difficult for IT chiefs to maintain the correct licensing position.

Michael Pincher, IT director at Crossrail, went further, saying, "Suppliers see organisations that use their software as cash cows. Licensing consultants Bill Monk said the concerns were justified. "The rules from the major software suppliers are getting more complicated. For big firms, it is reaching the point where they need a Microsoft specialist and an Oracle specialist just to say, 'This is what we are licensed for' with some authority."

Nick Kalliperas, director for markets at IT suppliers body Intellect, said CIOs should address their specific concerns directly to suppliers. "When licensing concerns arise we encourage active and open dialogue between the customer and the supplier. As an industry, we are always open to customers raising any concerns they have and working constructively with them," he said.

**Computer Weekly kicks off licensing debate**

Computer Weekly is this week turning the spotlight on the issue of software licensing.

The purchase of effective software at an economic price is a matter of necessity, not choice, for most companies.

Industry trends such as systems virtualisation and the development of 'thin' hardware such as multicore processors are making traditional licensing models unsustainable. At the same time, software suppliers' understandable desire for predictable income streams has put pressure on users to move from perpetual to renewable licences.

These developments make it more difficult to ensure transparency in software contracts and have added to the complexity of administration.

On this and other pages, Computer Weekly examines the issues and trends, as well as looking at practical strategies to get the best deal on your software licence.

There is also your usual mix of news, comments and opinion on the full spectrum of IT issues.

Have your say on software licensing. e-mail: [computerweekly@cw.com](mailto:computerweekly@cw.com)

**Computer Weekly THE LICENSING DEBATE INSIDE**

Concerns over contract transparency 10  
Thin clients with new complexity 12  
Who are the winners in lean computing? 14  
Disrupting virtual licensing practices 16  
New technologies add to licence headaches 18  
How to avoid nasty contract surprises 22  
Licensing for today's world 24  
New buyers can fix their mistakes 26

# IT Issue No. 3

To what extent will each of the following CIO actions be a priority for you in 2006, 2009?

	Ranking	
	2006	2009
• Delivering projects that enable business growth	1	1
• Building business skills in the IS organisation	2	4
• <b>Consolidating the IS organisation and operations</b>	<b>3</b>	<b>13</b>
• Linking business and IT strategies and plans	4	2
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Source: Gartner EXP Survey EMEA (541 CIOs)

## Cost Reduction



- Hardware consolidation
- Simplification
- Virtualization
- Optimize legacy infrastructure

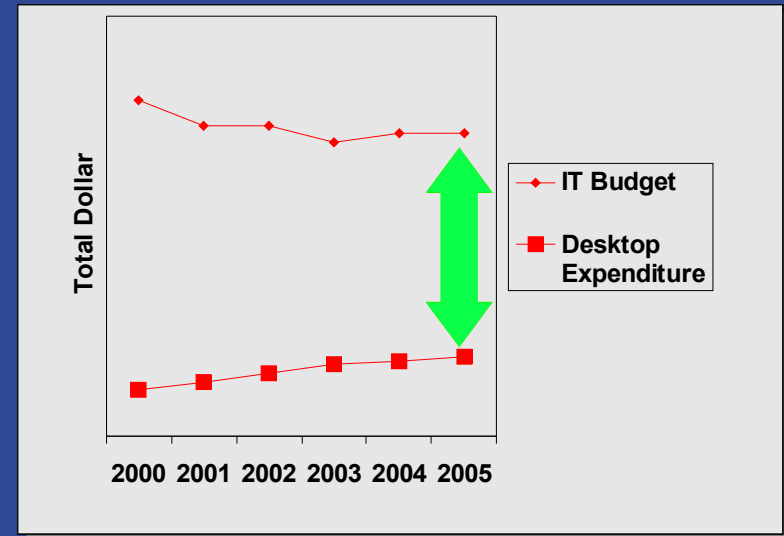
# IT Issue No. 1

To what extent will each of the following CIO actions be a priority for you in 2006, 2009?

	Ranking	
	2006	2009
• Delivering projects that enable business growth	1	1
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## Business Project Delivery



- Does IT Matter? – Nicholas Carr
- Innovation
- Competitive edge
- Redistribution of budget

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**How IBM Can Help...**





# The Pressures facing Steve Ballmer & Microsoft ...

## Open Standards



**Government can't ignore open source any longer**

Shadow chancellor George Osborne says that using open-source products in government doesn't necessarily mean excluding Microsoft

*The shadow chancellor's speech was delivered at the Royal Society of Arts on Thursday 8 March.*

We are all here this morning because we share a common belief: we believe in the power of technology — in its ability to help transform society for the better by giving individuals more freedom, more choice and ultimately more power. At heart we are technology optimists.

Of course, technological change isn't always easy to deal with, because it so often disrupts the established way of doing things. Just look at how digital networks have completely rewritten the rules of production and distribution. Shelf space, airtime, room on the pages of a newspaper — these used to determine which artists got their records played, what TV shows we watched and which elite opinions appeared in print.

## Security flaws



**Microsoft Skips Patch Release, Leaves Nine Outstanding Bugs**

For the first time since September 2005, Microsoft skips a monthly Patch Tuesday release.

By Sharon Gaudin  
InformationWeek  
March 8, 2007 04:50 PM

With nine outstanding software bugs, Microsoft announced on Thursday afternoon that it won't be releasing any patches this month.

It's the first time the company hasn't gone through with its monthly Patch Tuesday release since September 2005. The security update was scheduled to be released Tuesday, March 13.

## Cost reduction agendas

## computing

### The key technology items on the agenda for 2007

Computing previews the big issues for this year  
 Bryan Glick, Computing 04 Jan 2007

Did you think 2006 was hectic and busy? Well, 2007 will only bring more of the same.

Technology is firmly back on the boardroom agenda, and chief executives are turning to their IT managers for innovations that can drive growth, profits and competitiveness, or deliver improved public services or customer satisfaction.

There is every reason for IT managers to be confident as we enter the new year.

There are plenty of technologies around that can support IT-enabled change, and the opportunity is still there to introduce them before your rivals.

If you are forward-thinking, quick to act, and willing to lead change through the use of business technology, this could be your year.

On the following pages, we present Computing's preview of the important technology issues that we expect to dominate in 2007.

John Suffolk, government CIO

The trends that will gather pace in 2007 are: standardisation and dramatic cost reduction on desktop, server and network infrastructure, building on technologies such as IP and virtualisation; delivering value to customers by combining an organisation's unique values with other organisations' technical and business components, using maturing technologies such as the internet, SOA and web 2.0; And there will be a growth of self-empowering professional leadership groups building common policies and alignment between them.

## On-line applications



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December 29, 2006 11:00 PM

**Why I Killed Office Live**

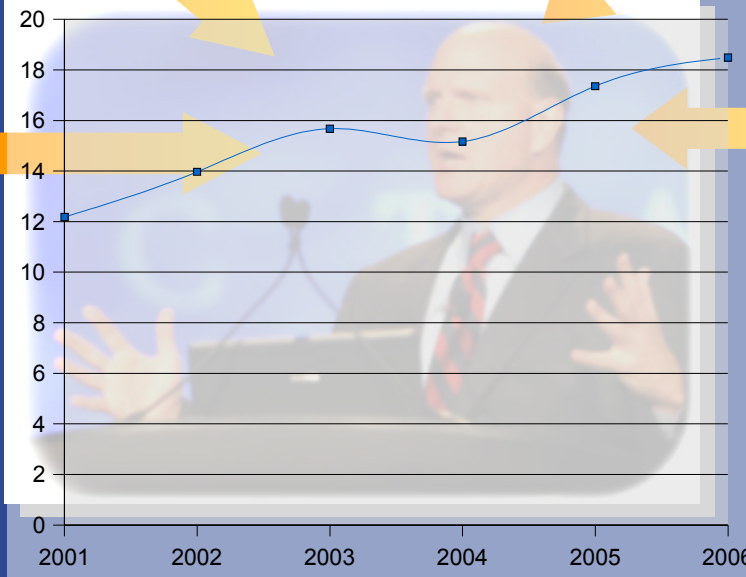
Some people might call it murder in the first degree, but I acted in self-defense.



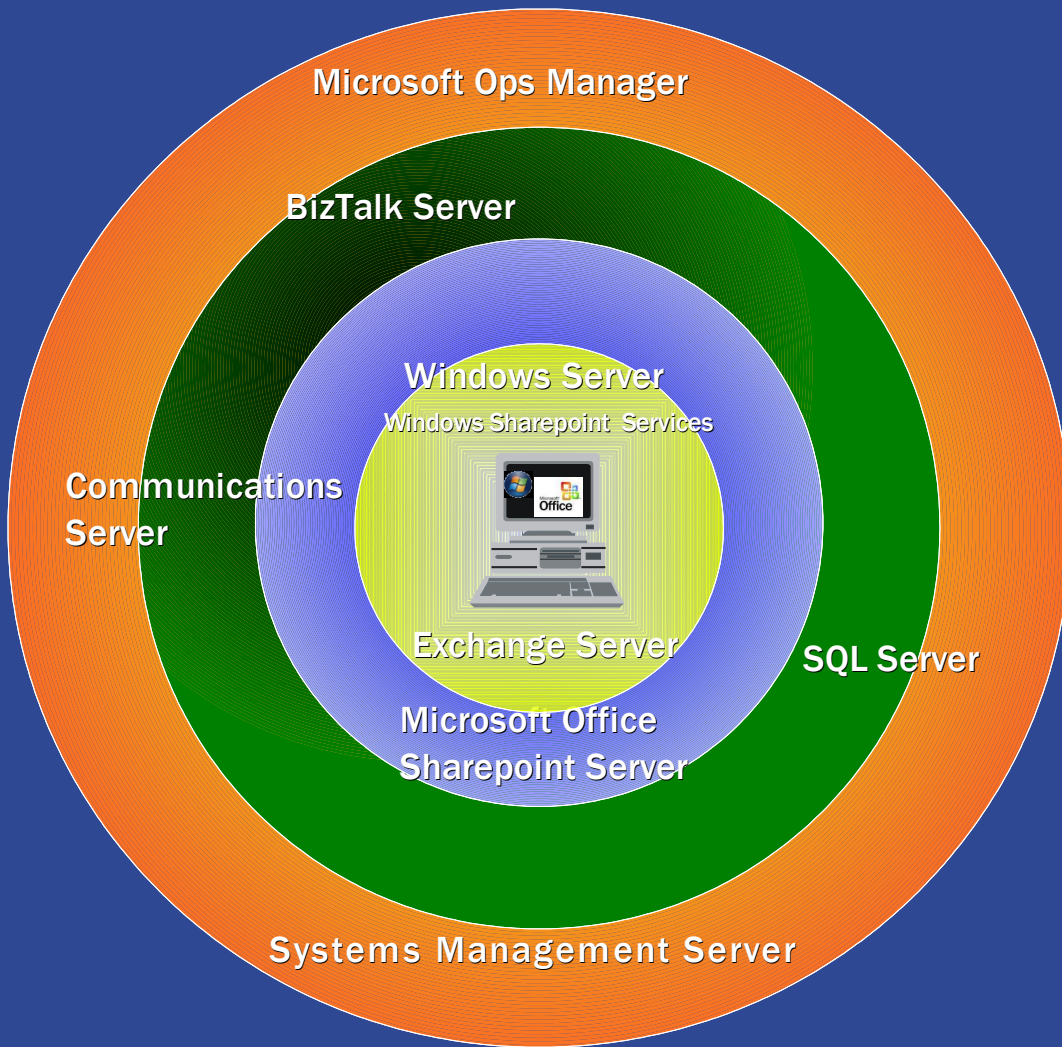
My story begins about five weeks ago, when I began testing Office Live Premium. Microsoft gave me a comp account, which I planned to use for a couple of months solely for testing purposes (the site consisted of hand-drawn business). The Premium hosting normally costs \$39.95 a month.

But I had little opportunity to truly use the account, other than to set up domain hosting and do some basic design, using Microsoft's built-in tools. I had wanted to give SharePoint Designer a go, as Office Live is really hosted SharePoint Server in action. Today, I put Office Live out of its misery—even though my own suffering lasted for some time afterward—by canceling the account. In my 12 years of having domains, I never had as much frustration and difficulty with a Web host as Microsoft's Office Live.

## Microsoft Desktop Products Profit



# Microsoft's 'Integrated Innovation'



Desktop Professional  
Enterprise Agreement



For every desktop in  
the organization

2 x Core CAL  
Suite price

## Enterprise CAL Suite

Exchange Enterprise (Additive)

SharePoint Enterprise (Additive)

Office Live Server (Base)

Office Live Enterprise (Additive)

Windows Rights Management Services

MOM Client OML

ForeFront Security Suite

Core CAL Suite

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# Three steps to reduced desktop costs

## Hardware consolidation & optimization

- Employ virtualization techniques
- Reduced carbon footprint
- Improved management efficiencies

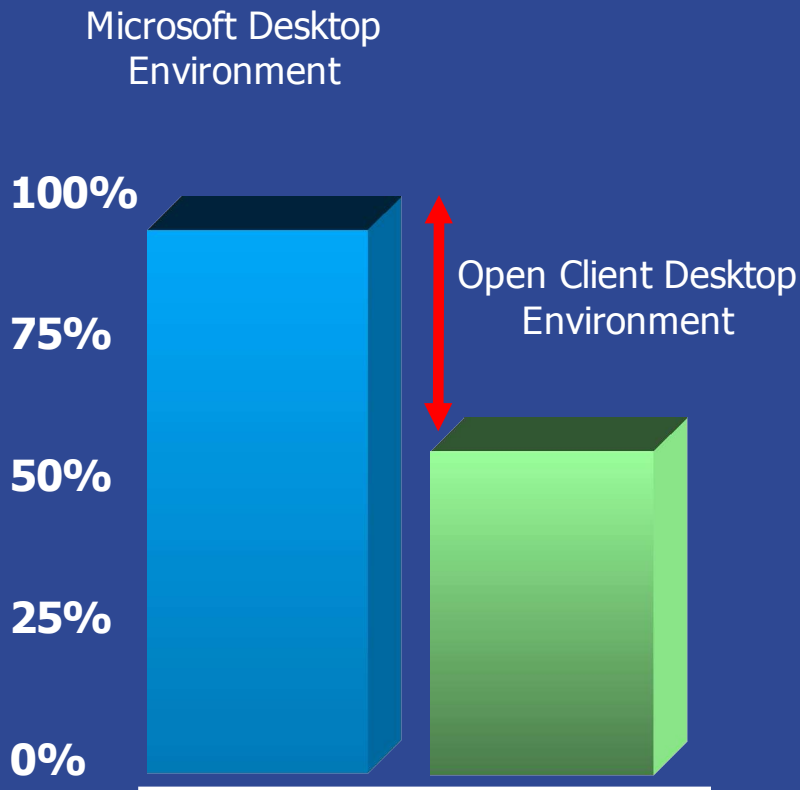
## Procurement Practises & Asset Management Review

- Better compliance
- Reduced 'maverick' spending
- Stronger negotiation position

## Licensing Review

- Match purchases to deployment
- Reduced over-licensing
- Opportunity to redistribute budget
- Trial alternative technologies

# Desktop Costs – Microsoft vs Open Client



Source: "IBM TCO Studies"

## Environment Costs Over 10 year period

### Includes:

- Hardware procurement
- Hardware disposal
- Software Licensing
- Deployment & Patch Management
- Support Costs

**The gap:** budget may be redistributed and applied to solutions for business improvement

# Examples

PSA

SA Govt

IBM

Many more...

YAHOO! FINANCE Welcome, u-pies [Sign Out, My Account] Finance Home -

HOME INVESTING NEWS & OPINION NEW PERSONAL FINANCE

Enter Symbol(s)

More than a trade. More for the trader. charles SCHWAB

TechNewsWorld ALL TECH, ALL THE TIME SOFTWARE

March 12, 2007 01:29:55 PM

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South African Government Adopts Open Source Policy

By Chris Maxcer  
Linux Insider  
Part of the ECT News Network  
02/22/07 2:05 PM PT

South Africa announced Thursday its plan to enhance local IT skills. The use of open source software, said Gorden Haff, principal IT advisor at IBM Business Partner Solutions.

The South African government announced Thursday it is ditching proprietary software in favor of open source software. Under the new plan, all new software developed for or by the government will be open source or free; however, the government did say it plans to migrate its existing software to open source.

**Shrink Costs, Expand Skills**

The South African government says this strategy will, among other things, reduce the cost of software. In addition, the government says all the major IT vendors in South Africa will be required to provide training. The South African government didn't reveal a time line, however, it plans to implement the strategy by 2008.

**Free Is Not Enough**

The use of open source solutions has been on the rise within government agencies. The decision to move to open source, however, doesn't mean that open source is the only solution. "It has proven to be difficult to justify big deployments of desktop Linux to desktop Linux," Haff explained.

InformationWeek BUSINESS INNOVATION POWERED BY TECHNOLOGY

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**Workplace Redux: IBM Chases The Corporate Desktop**

The company's Open Client Solution takes another swipe at the desktop dominance of Microsoft's Office suite.

By Paul McDougall  
InformationWeek  
February 12, 2007 03:00 PM

IBM, which claims it's not in the applications business, is once again launching an effort aimed at putting more of its and its partners' software -- and less of Microsoft's -- onto corporate desktops.

The company on Monday launched what it's calling the Open Client Solution, an offering that allows business customers to pick and choose from a set menu of components to create a full desktop suite capable of running atop the Linux or Macintosh OS operating systems, in addition to Microsoft Windows.

The available components include most Lotus Notes and Domino offerings, a word processor based on the Open Document Format, the Firefox Web browser, and the Red Hat Desktop Linux Suite or the Suse Linux Enterprise Desktop.

IBM says any combination of the desktop components offered through the program will be operating system agnostic because of the included Lotus Expediter, which IBM Linux VP Scott Handy calls "client-side middleware" that's based on the Eclipse 3.0 software development platform. "It does for applications what Eclipse did for development tools" in terms of ensuring cross platform compatibility, Handy says.

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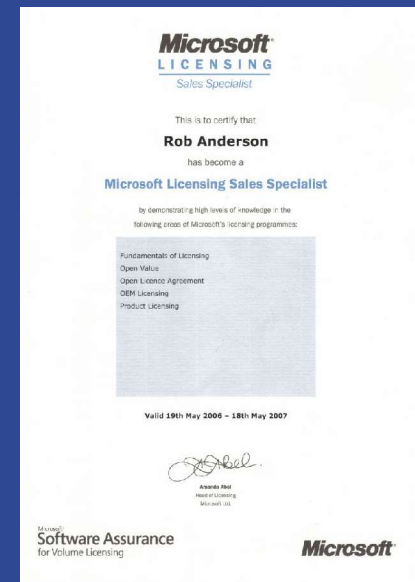
**IBM's Market Approach**

 **How IBM Can Help...**



# How can IBM help me?

- Server Consolidation Studies
- Proof of Concept/Proof of Technology
- MiLAN Engagement
  - **FREE** analysis of desktop licensing environment
  - Review of best practices based on 18 months+ experience
  - Delivered by accredited Microsoft Licensing Sales Experts
  - Applicable to all, but esp. if:
    - On Enterprise Agreement or considering entering into one
    - Contract due for renewal this year
    - On back-version technology
  - Delivers report outlining alternative procurement scenarios
  - Tailored to **your specific** Microsoft deployment plans





# Microsoft Licensing Analysis (MiLAn)

## 1) Gap Analysis

- › Initial inventory of the licenses.
- › Investigate and Document all acquisition channels
- › Map the inventory versus current requirements.

## 2) Historic analysis

- › Create history of MS product deployment in the last 5 years.

## 3) Project your need based on your deployment

- › Estimate deployment of MS products for the next 5 years.
- › Use MS product roadmap from Gartner Group
- › Map your vision to Gartner roadmap

## 4) Scenario Analysis

- › Request various acquisition scenario proposals based on your vision
- › Compare proposals
- › Determine most effective route

# Thank You

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Rob\_Anderson@uk.ibm.com

01707 363217



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