Enterprise modernization

An interview with Saleem Padani
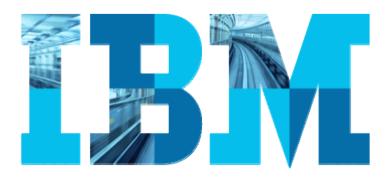
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Podcast transcript

Eric Green: Hello and welcome to a new podcast series from IBM software that explores the challenges IT managers and business professionals are facing today. I'm Eric Green and I'll be talking with a range of experts to discover new perspectives, approaches and examples that can help meet these challenges and introduce you to the capabilities of smarter software from IBM. So let's get started.

Welcome back to our next episode on enterprise modernization. Today I'm joined by Saleem Padani, who is Go To Market Manager for IBM Enterprise Modernization software. Saleem, thanks for joining us today.

Saleem Padani: Thanks Eric.

Eric Green: So can you start by giving our listeners your definition of enterprise modernization?

Saleem Padani: Definitely. When you think about enterprise modernization, quite often you get overwhelmed and really anticipate a risk almost like you are facing perhaps a complicated quadruple bypass, you know? But in reality, the best approach for enterprise modernization is one of incremental improvement, you know like you exercise daily and watching what you eat. So really what I'm trying to say here is the idea behind enterprise modernization is really not new, it is really quite simple. From a business perspective, this is all about improving IT efficiency by driving down the overall cost of innovation.

And as we see in today's businesses, it's all about speed and time to market, right? So we're all challenged every day to, you know, do new things and do it faster, better, cheaper, and yet still be able to create a competitive differentiation for our business.

So the goal here is to help businesses find ways to free up more of their resources from their daily operational work, and really redirect them towards building more modern and innovative solutions. And by doing that, what you'll be able to do is deliver new products and services for your businesses much faster. You'll be able to drive growth, increase revenue, and even save money. You know? In a recently completed 2011 CIO study that I just went through the other day, you know, highlighted that businesses now are expecting their CIOs to concentrate about half of their effort on streamlining and simplifying technology to enhance their organizational effectiveness.

So therefore, you know, another key goal here from an IT perspective is to, you know, streamline the overall business process of software and systems delivery. And what we mean by that is to establish an IT environment that is integrated, collaborative and optimized, and that is able to support your continuing customer and business needs. Again, the end result is to help IT lower the overall cost of ownership and help you deliver a greater return on investments from the software, assets, skills and infrastructure you already own.

Eric Green: Excellent. Well thanks for setting those parameters. So with that in mind, what are some of the key challenges that enterprise modernization helps to access?

Saleem Padani: So what we have done, Eric, is grouped enterprise modernization challenges in four key areas. And I will just quickly give our listeners a brief overview of each, if you bear with me. First is really around the application. It is really about the growing complexity around the portfolio of application and software assets across your organization.
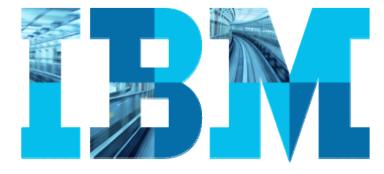
The issue is that most organizations are now spending up to 70 to 80% of their annual budgets on just, you know, as we call it 'keeping the lights on' or doing maintenance work. And the challenge, really, here is to figure out the best way to ensure that these resources, including IT are employed to maximize the business value of these assets, while still being able to manage the risk and impact of change to these systems.

The second core issue is really about the people or the skills that are required to build and maintain these assets or applications. Now this challenge is really all about widening the gap between the developers, whose skills are perhaps bound to a specific set of technology, platform or language. A good example of that would be developers, let's see, on traditional Cobol or RPG systems versus the developers who are more accustomed to building modern web, Java or CC++ based applications. So what has resulted as a process is now that most of the IT shops have a plethora of tools, technologies and standards that vary from project to project and department to department. So this is not only creating a skills lock-in, or the skill silos, but it just really impacts your ability to move your resources around, but it also significantly increased the administration overhead, not to mention the licensing cost of keeping all of these tools and technologies current and working together all the time.

And to compound this issue further, you know, beyond the developer, now you're impacting each team within the IT organization, which is our third issue. And this lack of teaming is adding more risk and cost to the projects because these teams really don't have any automated way to communicate and collaborate on the project they're working on. So it's even a bigger challenge from a management point of view as they try to understand, track and report progress on these projects.

And the last challenge that we highlight enterprise modernization is all about infrastructure. It is all about how to best improve the efficiency of the IT infrastructure that you already have. It is really about eliminating
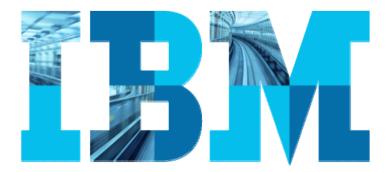
the server sprawl or finding efficient ways to improve your application performance without incurring additional hardware upgrade charges. Or, it could be also finding a more affordable way to develop and test your core business applications such as the mainframe applications without impacting the production systems. So that really kind of summarizes four key areas that our enterprise modernization solution is going to address.

Eric Green: So with that in mind, a concern often heard from organizations is that modernization costs too much, or it takes too long to realize any business value. What are your thoughts on that?

Saleem Padani: Definitely, I think this is one of the common misconceptions that still persists out there. When we talk to customers, they think of modernization in terms of being very risky and requiring a lot of time and resources. And worse yet, some of them think that they actually have to rewrite or rip and replace their entire set of applications to realize any true value from their investment. No, certainly that is not the case. A good analogy that I can give you is perhaps if you own a home and you have a leaky roof or perhaps if you need a new heating or cooling unit, you're not going to go and replace the foundation of your house. So what I'm trying to say here is that is really critical that customers are able to identify the right set of problems, and then apply the appropriate solutions to help address it. And the recent advancements in the software development tooling, technologies and best practices is really now allowing organizations to take a more pragmatic and incremental and continuous approach to modernizations versus otherwise high risk alternatives.

A case in point, you know, customers already know that the cost and risk inherent in any application rewrite or rip and replace, are unacceptable alternatives in today's economic environment.
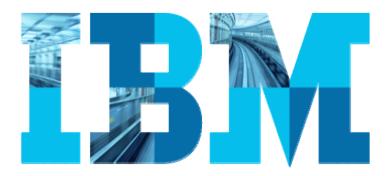
Eric Green: So our listeners tend to find sort of concrete examples really helpful. What benefits are your customers realizing from enterprise modernization? Can you share some of those examples?

Saleem Padani: Definitely. I think we have a lot of customer examples out on our web, but I'll share with you a couple of examples of our more recent success stories. _____ IT business is now leveraging, you know, one of our tools called Rational Asset Analyzer to understand the impact and cost of the changes to their IT systems. A process that would normally take them 30 to 40 days for a person to complete, it can now be completed in just 8 days. That's really helping them deliver code changes much quicker and reducing their application backlog.

Another customer of ours called Trustmark Financial, they needed to have their customers access real-time data for their accounts through the web. They already had most of these applications running on mainframes, so rewriting these complex applications would certainly be a risky undertaking, would be slower and a lot more expensive. So they turned to one of our premier IDE called Rational Developer for System Z to wrap some of their mainframe transactions as web services. And really they did that without rewriting any of the underlying program logic. They are now able to leverage their original investment and they avoided the cost and time and risk by reusing the applications they already had.

You know, one thing that I would highlight here which I forgot is that one of the key differentiators of our IBM enterprise modernization solution is that our tools really support a wide range of languages, technologies and platforms. You know, whether you are traditional Cobol or PL1 developer or you are a RPG developer or perhaps maybe a Java or CC++ developer, you now have the ability with our solutions to leverage a common set of integrated development environments. And these are truly multi-platform in nature as they span operating systems
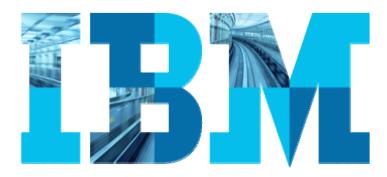
such as ZOS, Z Enterprise, Linux on System Z, AIX, IBMI, Linux on Power and even Linux on System X environments.

Another example that I could share that comes to my mind is Unicredit Group. You know, it's one of the largest financial services organizations in Europe. They are leveraging tools such as Rational Team Concert and Rational Developer for System Z and Power Systems to integrate their entire development teams that are spread across distributed power systems and mainframe development. And they are able to realize almost a 15% increase in development efficiency and a 10% increase in testing efficiency.

Eric Green: Let's talk a little bit about smarter computing. How can customers leverage enterprise modernization capabilities to achieve the smarter computing advantages that we keep hearing about from IBM?

Saleem Padani: Definitely, this is one of our newest initiatives that was just announced this year. Modern computing is really all about transforming IT to deliver breakthrough economics and support innovation. It is really an architecture exercise where you carefully review applications and place them on the right hardware to maximize both the application and hardware performance, and still be able to minimize your overall cost. So what, in essence, smarter computing offers you is a fit-for-purpose exercise. If your applications require a high amount of IO, or a lot of read-write access due to the disc, then mainframe's fast processors can run above 90% of capacity and is the best answer. So think of that as a transaction processing as a great example for that. And if your application workloads are compute-intensive, then a relatively less expensive and very high performing power servers will be the best answer. And if the workloads are even lighter in their requirements, then perhaps an X86 or a System X would be the most efficient solution.

And really coupled with the hardware flexibility that we have, our latest compilers for ZOX and AIX and Linux on Power Systems are also now optimized to leverage these architectural and process improvements. So in summary, what I could say is that our enterprise modernization solutions are helping customers, really enabling them to reach modern computing architecture capabilities and realize the savings when applications are placed on the right hardware, faster and easier. And you can really do that, you know, start doing that by categorizing the thousands of applications that most firms run, and migrate them over time and the hardware decisions for those applications must be made. So what we advocate here is that running applications on Linux where possible, and Linux makes them more portable so that you shift them if and when required. So, you know, what I would say towards the end for our listeners, you know, who just tuned into this podcast, is that enterprise modernization really offers an excellent way for customers to start laying the groundwork to achieve their smarter computing objectives.

Eric Green: Well on that note, it seems that we're out of time for today's podcast, but Saleem, thanks so much for your time.

Saleem Padani: It was my pleasure, Eric. Thanks for having me.

Eric Green: Thanks for listening. Please do visit IBM.com/software to connect with our experts, continue the conversation, and to learn more about smarter software from IBM. Let's build a smarter planet.

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