Taming the Digital Dragon: Fostering Innovation on the mainframe to Enhance Customer Engagement

Twickenham Stadium, London, Box 3070
5th November 2014, 2:00 PM - 4:00 PM

the Executive Event at Business Connect for IBM mainframe customers

BusinessConnect 2014.

Presentation highlights of

Turning the tide on IT Legacy Spend. Delivering “Just in time” projects to build sustainable revenue growth

(Innes Read - IBM Project Office for Total Cost of Ownership)

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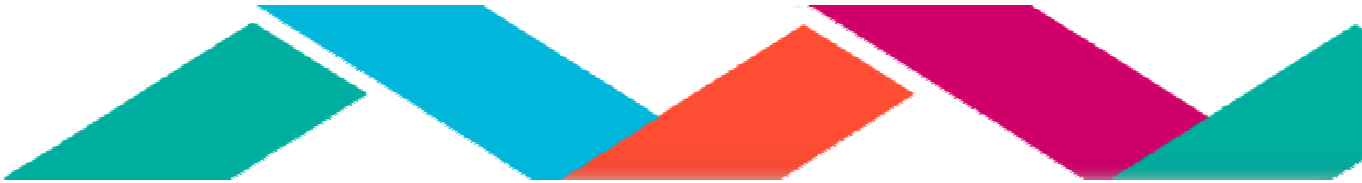
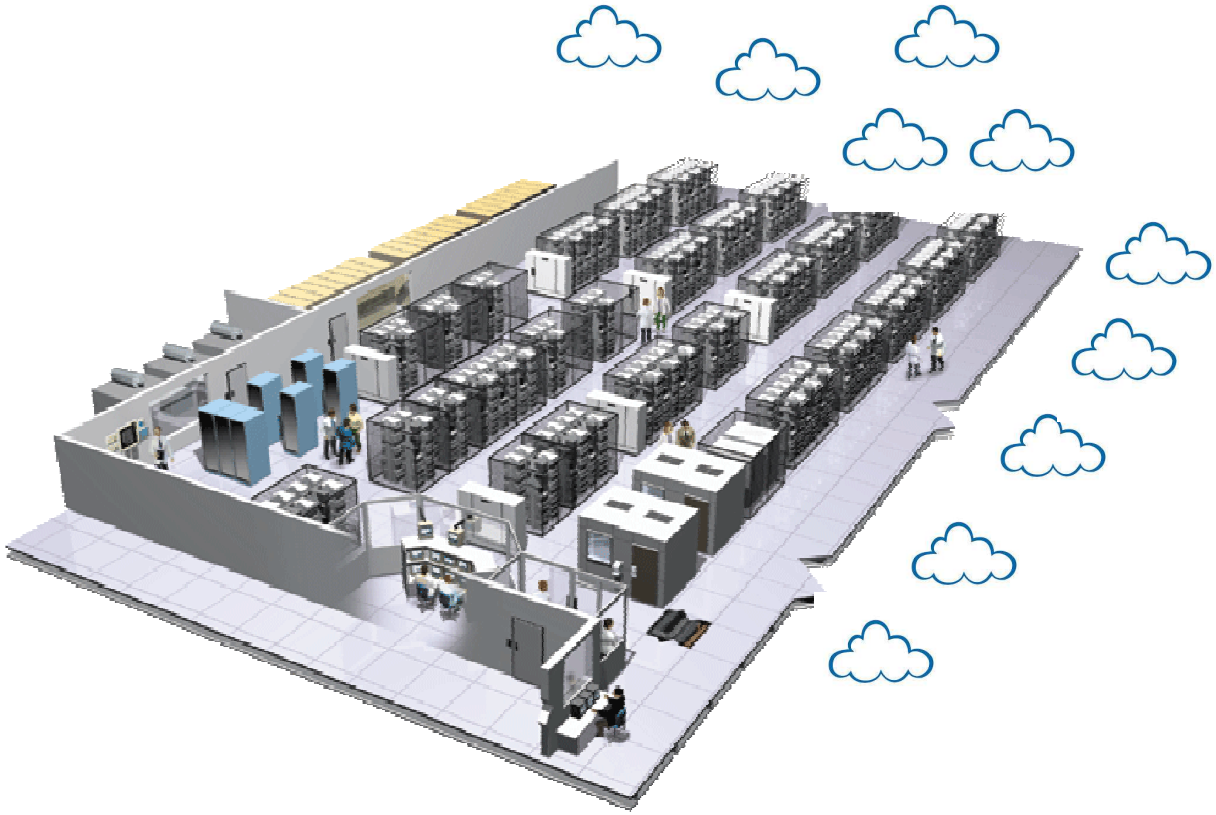


A Typical Scale Out Mixed Environment Today



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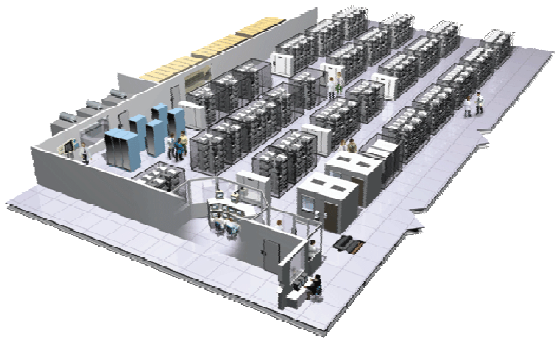
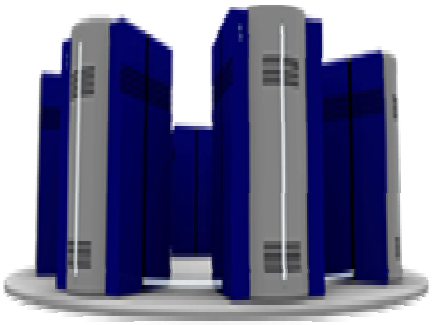
Economics Are Driving IT To A New Model

Economy of scale
Squeeze out cost
Resource sharing
Structured management

Bifurcation of service delivery



Data Center



Scale Out
Mixed Environment

Off-premise cloud resources
Less structured management

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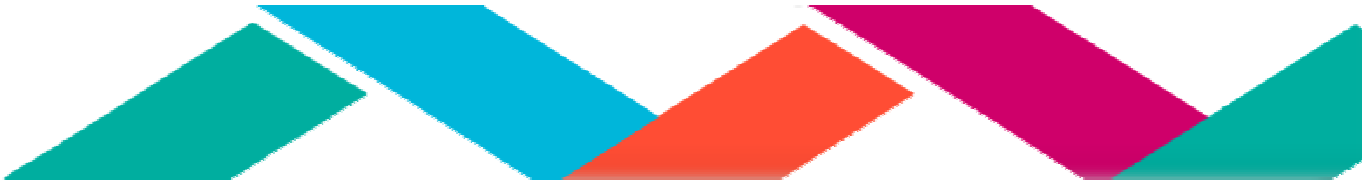
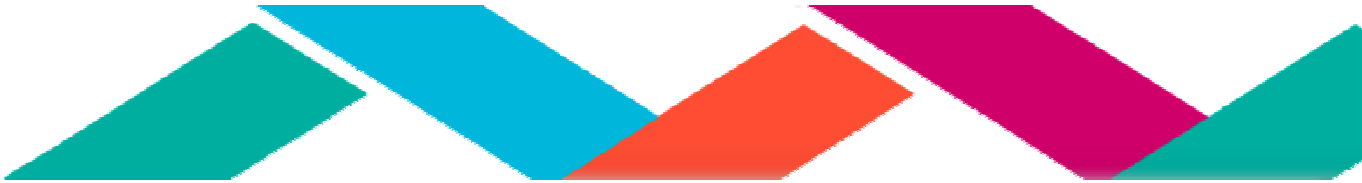
For Existing IT Legacy, Private Cloud Is Normally Best For Cost Efficiency

- Where lowest cost is of primary importance, on-premises (private) cloud is best for most workloads
  - Exploit total control over environment, accept longer timelines for provisioning and technology roll
- For new workloads requiring fast deployment with potential for staged cost, off-premises cloud (public or hybrid) becomes an option
  - Irregular or very large spikes in capacity requirements may also work but note that software costs (which dominate TCO) may be driven by peaks anyway



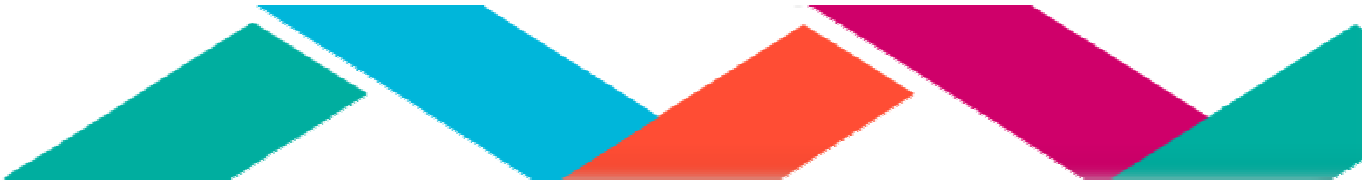
Doing Private Cloud Right Requires Scale

- Statistics tells us that maximising the number of workloads will drive up the stability of the aggregate and enable higher utilisation safely
  - This is NOT a function of hardware or software, simply maths!
- Extracting maximum utilisation from the provisioned resources is the generic goal of cloud – you paid 100%, now use as much as possible
- The important element here is the size of the individual container relative to the size of the individual workloads
  - So a rack of blades is still a collection of small containers, it cannot be magically transformed into a larger collective to be efficiently shared



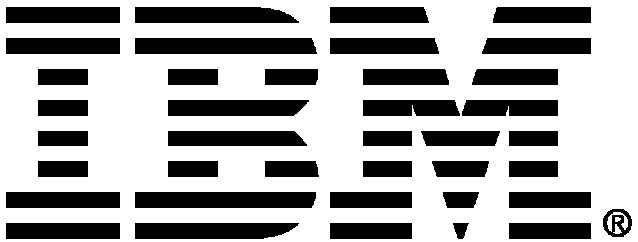
The Mainframe Also Delivers Cost And Other Technical Benefits

- The total cores required is dramatically less which reduces software costs to more than offset the increased hardware acquisition cost
- Huge physical space, cooling and electrical power consolidation is possible – not usually associated with large cost impacts but may be important for other reasons
- The number of security and management touch points are dramatically reduced with a consolidated mainframe deployment
- Failover and/or disaster recovery for all applications are straightforward and easily automated
- Many customers achieve periodic technology refresh for all applications over a weekend with just a little pre-planning



Conclusions

- Controlling legacy IT spend is best achieved using enterprise server consolidation, on premise with private cloud
  - In many cases that will also be the lowest cost way to satisfy LOB demands for faster, easier or transient deployment of workloads
- However overall IT is moving towards a hybrid cloud model where certain workloads move into public cloud services
  - Either because central IT fails to provide the necessary private solutions
  - Or because specific workloads run best and cheapest in the public cloud



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