



IBM Software Group

Enhance Your IT Compliance

IBM Tivoli Software Asset Management

Tivoli software



ON DEMAND BUSINESS™

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Agenda

- Tivoli's IT Service Management Strategy
 - ▶ Key component: Software Asset Management

- The IBM Tivoli SAM Product / Marketing Roadmap
 - ▶ IBM Tivoli License Compliance Manager for z/OS
 - ▶ IBM Tivoli License Compliance Manager
 - ▶ IBM Tivoli Contract Compliance Manager

- Customer Successes



IT Organizations Are Under Tremendous Pressure

Challenges are coming from many fronts:

- **Change:** Market demands, workloads, service levels
- **Compliance:** Regulations, security, audit capabilities
- **Complexity:** Heterogeneous resources, organizational silos, composite applications
- **Cost:** Management and administration



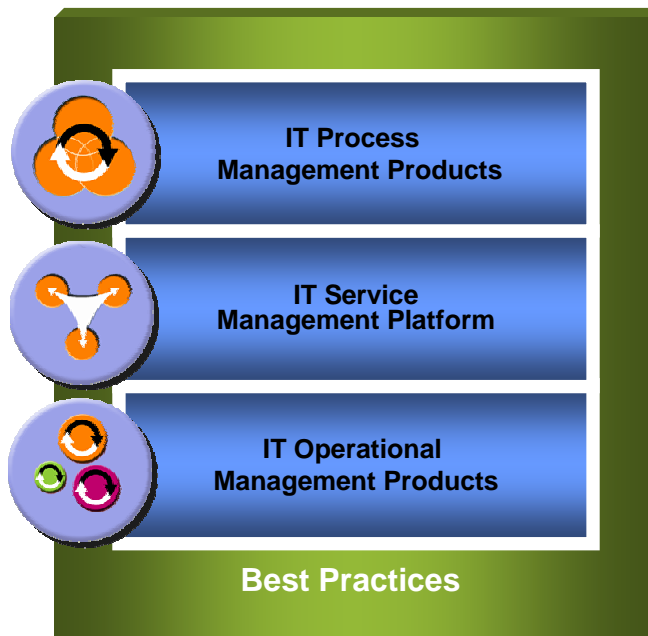
“What matters is how satisfied customers are, how costs are being saved on the supplier side, and how to allow for more creativity and added value at all levels of the organization. “

--Erik Brynjolfsson, Director of the Center for eBusiness at MIT



A Comprehensive Suite of Solutions Available Today

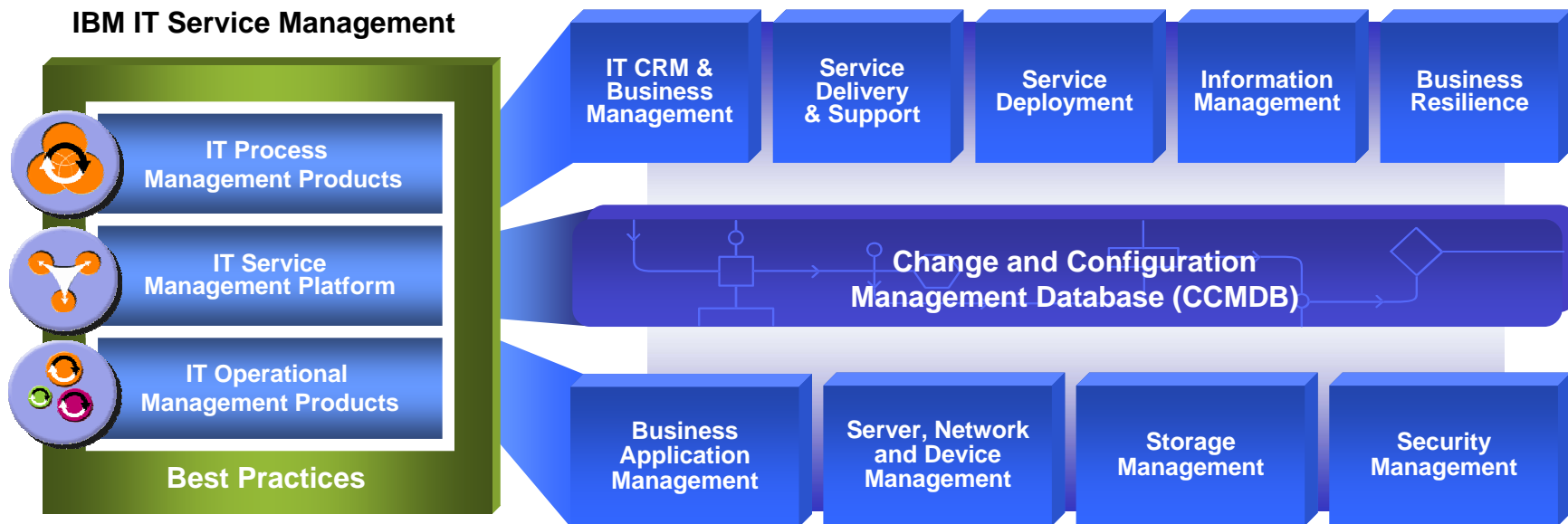
IBM IT Service Management



- Built on SOA, as well as manages and secures SOA environments
- Open, standards-based and federated Change and Configuration Management Database (CCMDB)
- Proven technology for integrating 'Process to Product' – including third-party vendors
- Based on self-managing autonomic technologies and best practices such as ITIL and eTOM

IBM IT Service Management – Innovation that Matters

– *A better way to manage the business of IT*



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- Proven technology for integrating ‘Process to Product’ – including third-party vendors
- Based on self-managing autonomic technologies and best practices such as ITIL and eTOM
- Built on SOA, and can manage and secure SOA environments

What is Software Asset Management (SAM)?

IT Service Management

IT Asset Management

Physical

Operational

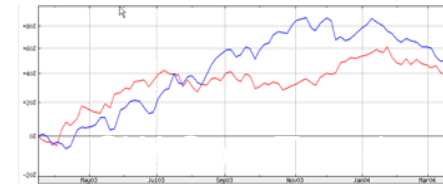
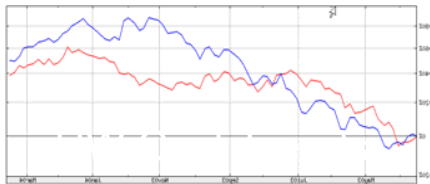
Financial

Hardware

Software

Contracts

Software Asset Management



“Enterprises that begin an asset management program experience up to a 30% reduction in costs the first year.. and continue savings of 5-10% for the next 5 years” – Gartner



IT Operational Management Products

IBM IT Service Management



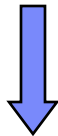
Tivoli Product Portfolio Available TODAY!

Business Application Management	Server, Network & Device Management	Storage Management	Security Management
<p>Products include:</p> <ul style="list-style-type: none"> • Tivoli Composite Application Management • Tivoli Business Systems Manager • Tivoli Intelligent Orchestrator • Tivoli Service Level Advisor • Tivoli License Compliance Manager • Tivoli License Compliance Manager of z/OS • Tivoli Contract Compliance Manager 	<p>Products include:</p> <ul style="list-style-type: none"> • Tivoli Enterprise Console • Tivoli Monitoring • Tivoli OMEGAMON • Tivoli NetView • Tivoli Remote Control • Tivoli Systems Automation • Tivoli Workload Scheduler • Tivoli Provisioning Manager • Tivoli Configuration Manager • Tivoli Decision Support for z/OS 	<p>Products include:</p> <ul style="list-style-type: none"> • Tivoli Storage Manager • Tivoli Continuous Data Protection for Files • TotalStorage Productivity Center 	<p>Products include:</p> <ul style="list-style-type: none"> • Tivoli Access Manager • Tivoli Identity Manager • Tivoli Federated Identity Manager • Tivoli Directory Server • Tivoli Directory Integrator • Security Compliance Manager

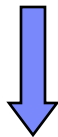
IBM Tivoli's Unique End-to-End Approach

Align IT Software Spending with Business Priorities

What software do I have?



What software assets are in use?
Is this different then what was purchased?



How much does each software asset cost now and in the near future?

Tivoli's Unique Capability

Auto-discovery of software assets

Tivoli License Compliance Manager for z/OS
Tivoli License Manager

Use monitoring: measurement of software use activity trends

Tivoli License Compliance Manager for z/OS
Tivoli License Manager
Tivoli Contract Compliance Manager

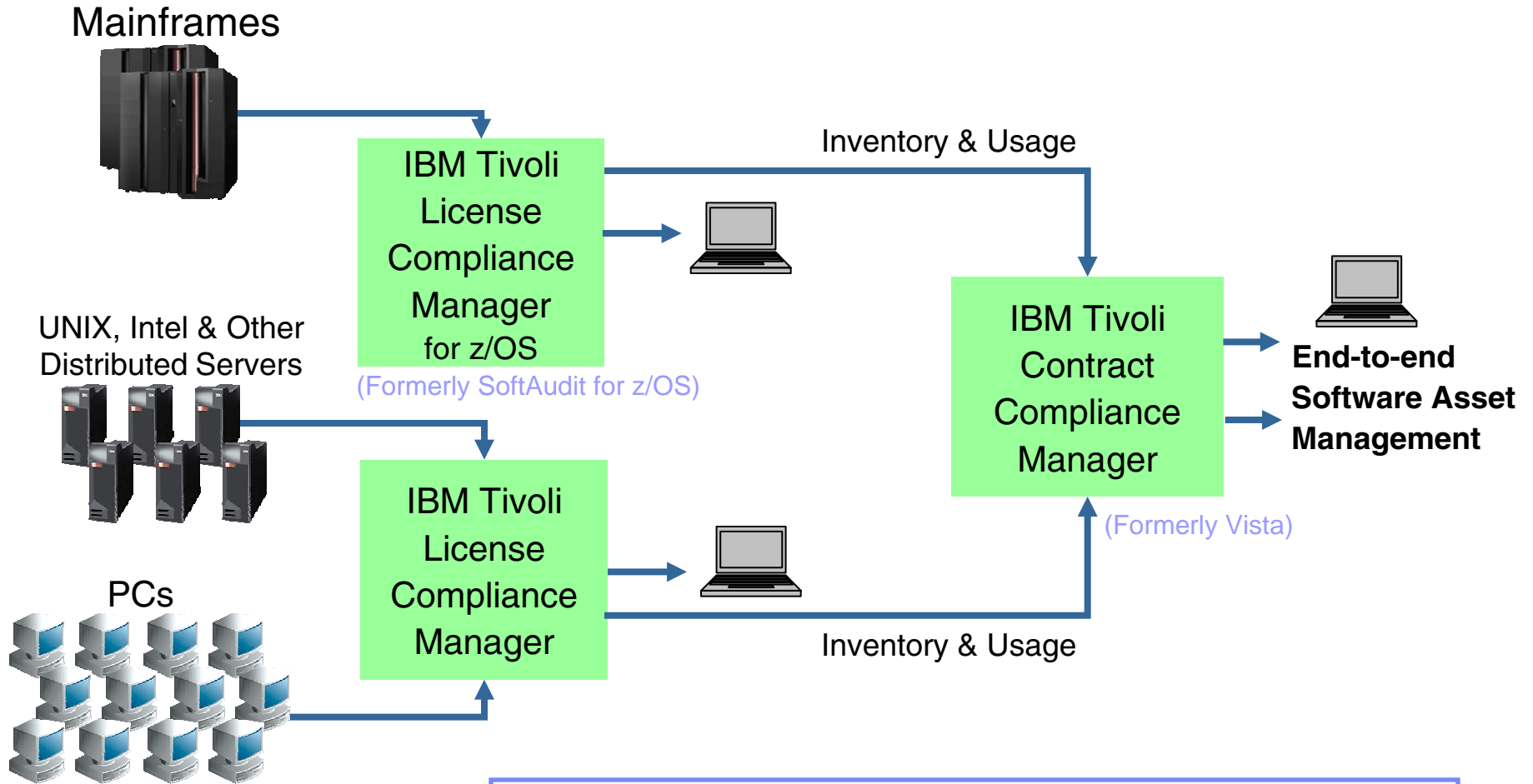
Contract management: compare use activity to corresponding contracts

Tivoli Contract Compliance Manager

All three questions must be answered to align IT spending with Business Goals



Tivoli End to End Software Asset Management



Only IBM Tivoli delivers the three essential sets of integrated information required for effective Software Asset Management across all significant environments.

Value Realized By Effective SAM

Compliance Risk Reduction

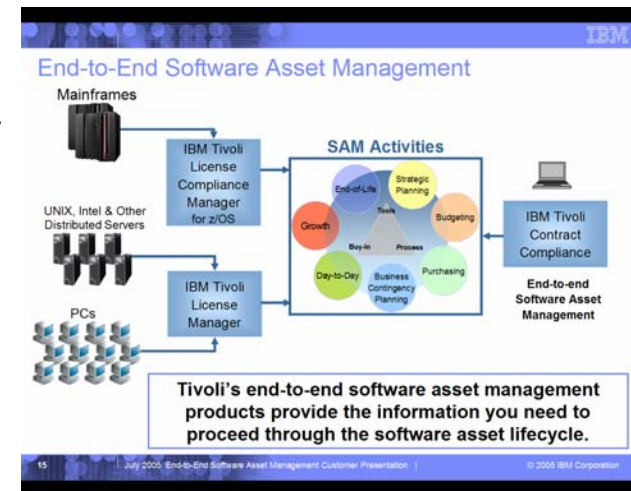
- ▶ Software vendor license compliance audits
- ▶ World Wide impact of Sarbanes-Oxley Act Section 404

Software Cost Management

- ▶ Identification and reduction of no and low use software
- ▶ Efficient server consolidations
- ▶ Optimize software and hardware capacity upgrades
- ▶ Strong vendor contract negotiation leverage
- ▶ Reduced software fees through competitive replacement
- ▶ Improve operational performance and reduce maintenance costs
- ▶ Invoice validation
- ▶ Effective charge-back
- ▶ Disaster recovery and business continuation

Opportunity Creation

- ▶ Software dollars can be redeployed to fund new software acquisitions and projects that return business value



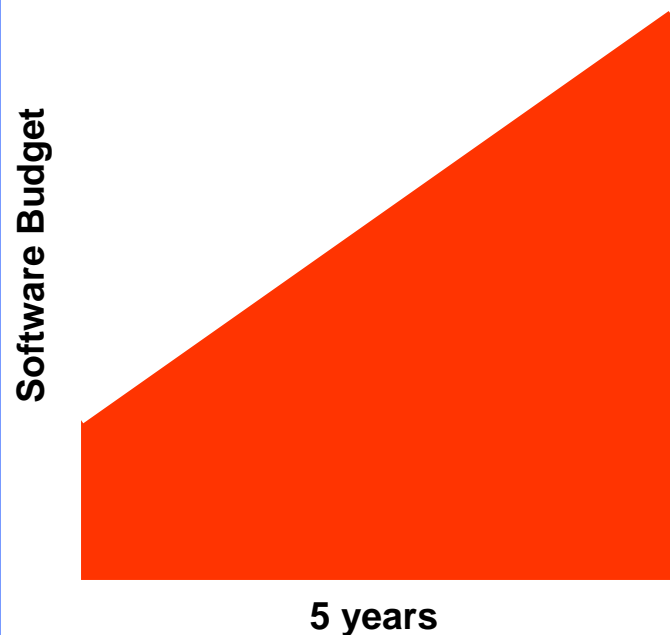
Software Asset Management Value

Large International Insurance Company

Before

Uncontrolled Budgets

- “Over a period of 5 years, our Software budget had tripled.”



After

Cost Management

- “With the help of License Compliance Manager for z/OS reports we're now better able to control software costs.”
- “Over the past 3 years we have been able to drive down mainframe fully loaded costs/MIP by more than 60%.”

Cost Management has lead to growth

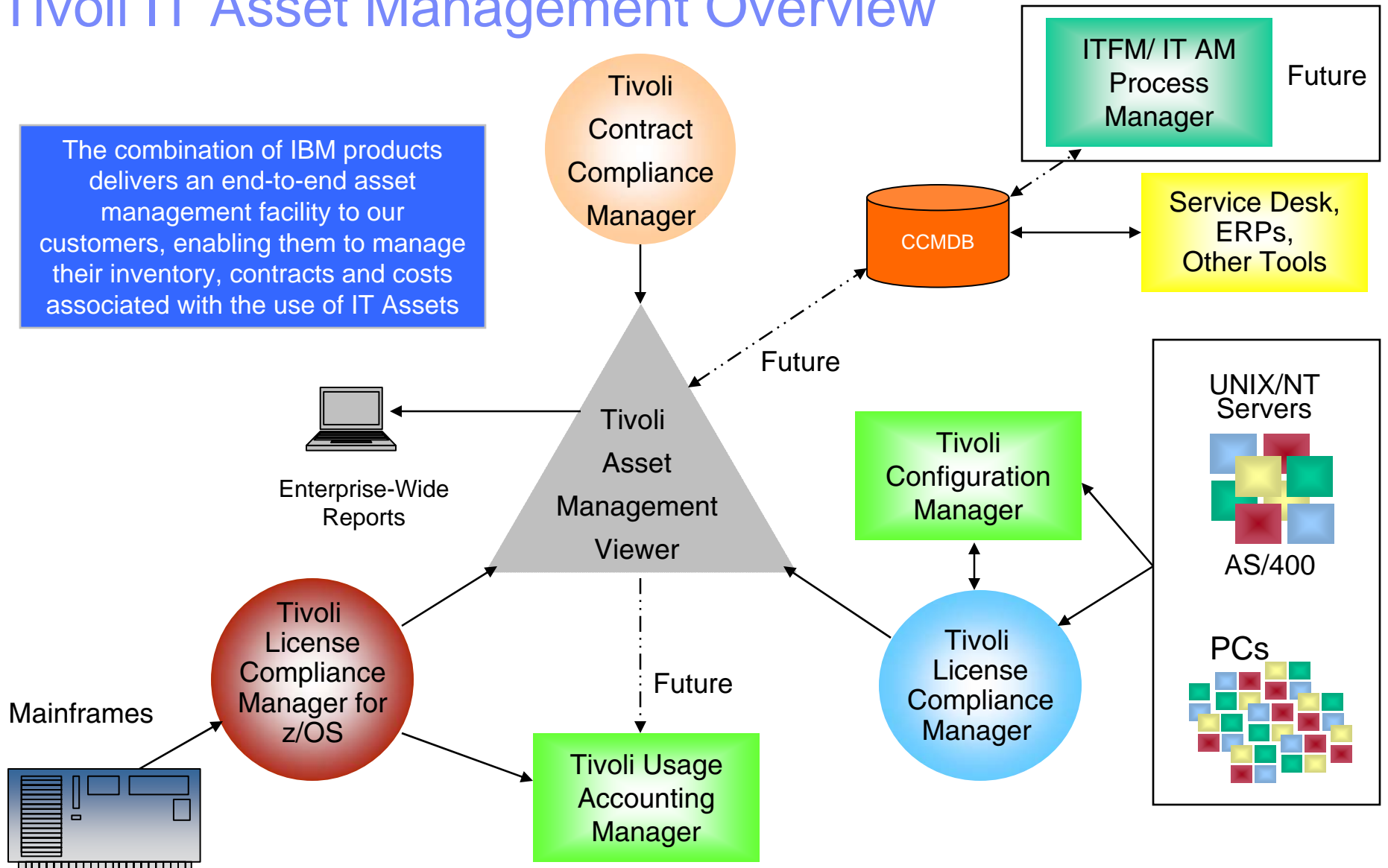
- “We've been able to keep software cost increases to a minimum while overall workload and capacity has more than doubled over the past several years.”

Flexibility aligned with business demand

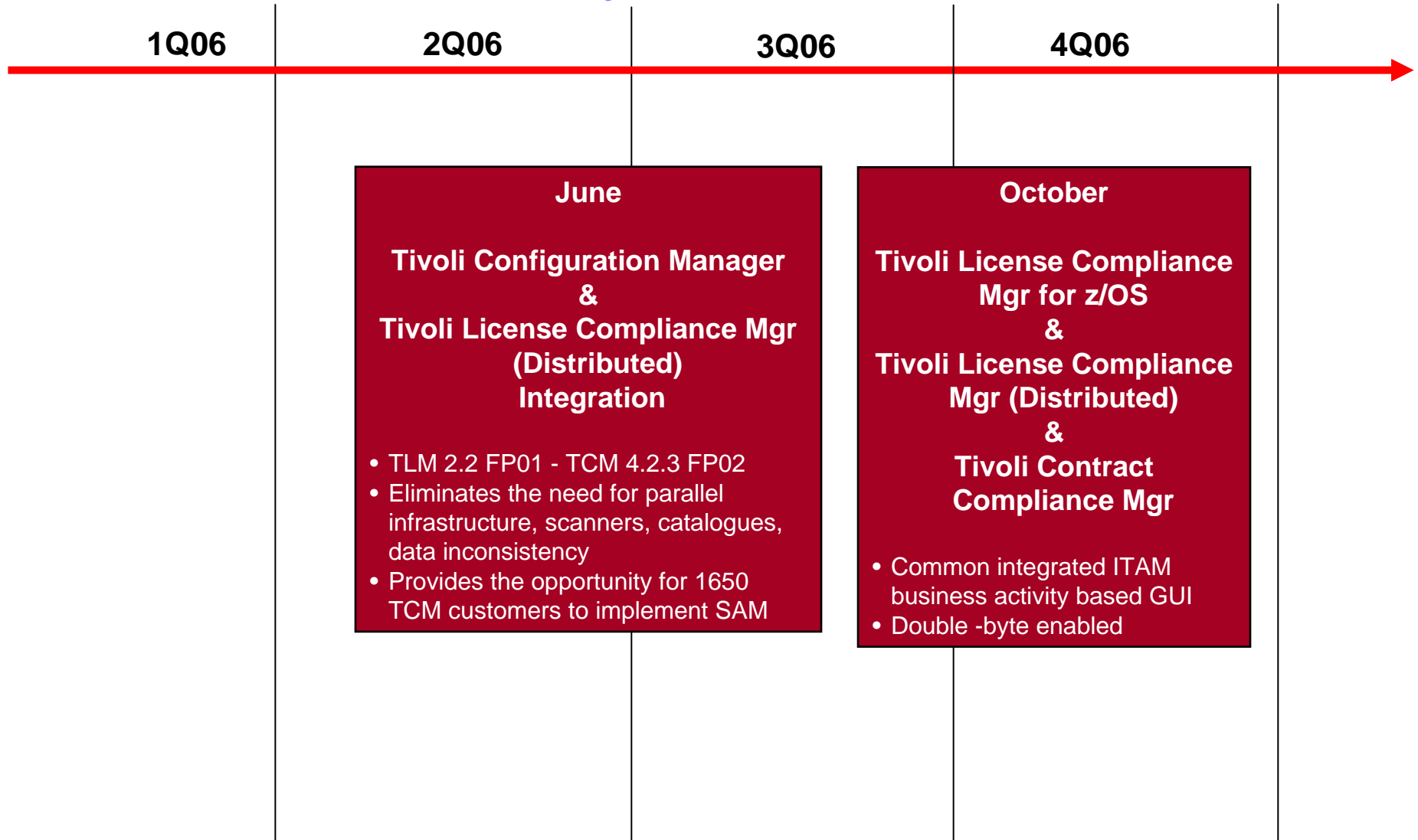
- “We're able to negotiate more flexible agreements with features that (as an example) can allow us to possibly pick up new products and discard obsolete or low usage products.”

Tivoli IT Asset Management Overview

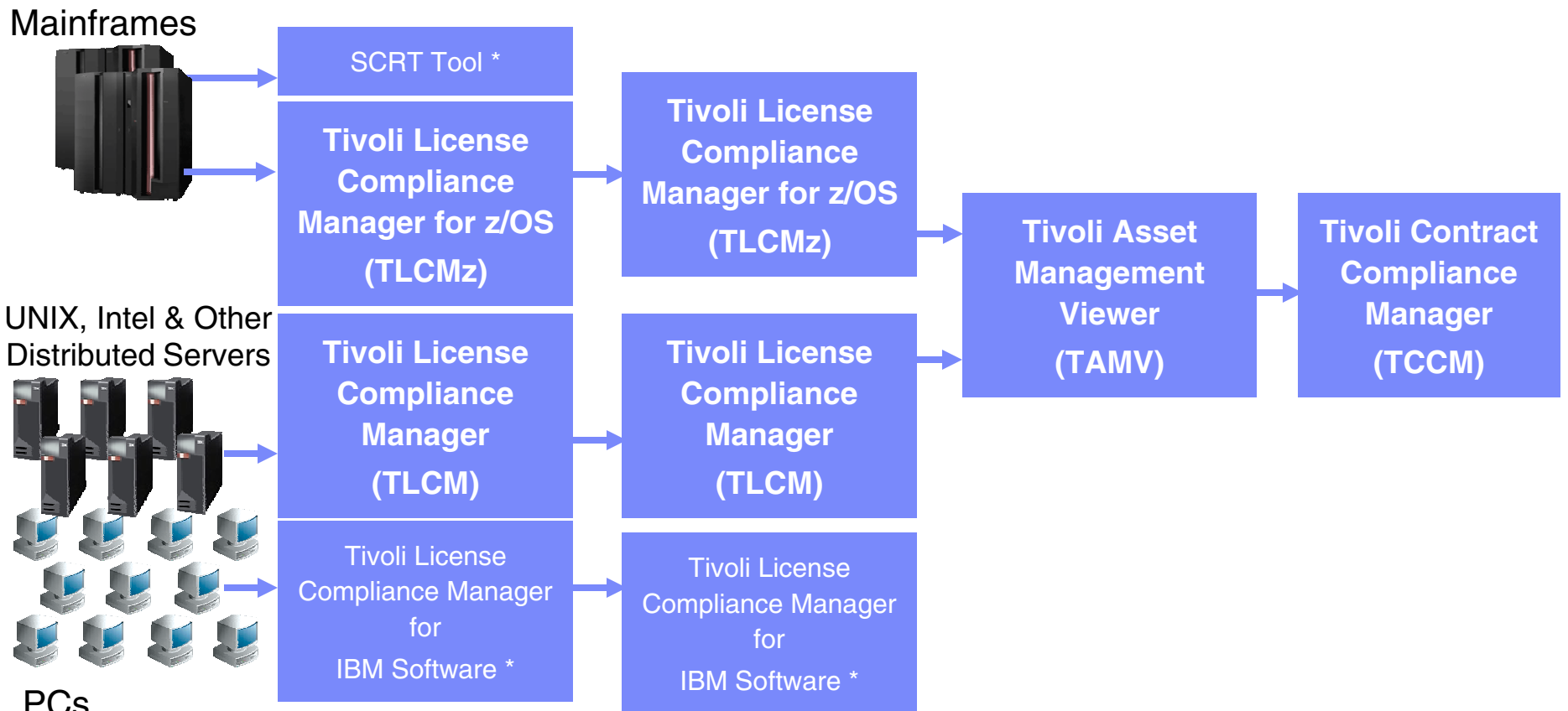
The combination of IBM products delivers an end-to-end asset management facility to our customers, enabling them to manage their inventory, contracts and costs associated with the use of IT Assets



ITAM / SAM Products Key Event Timeline



IBM End-to-End Software Asset Management Roadmap



* Required for specific IBM product sub-capacity Licenses

License Metrics: Scope and Capacity

- Scopes
 - ▶ Enterprise
 - ▶ Site
 - ▶ Hardware Systems
 - ▶ Named Users
 - ▶ LPAR Names
- Capacity Metrics
 - ▶ Concurrent users
 - ▶ Processors
 - ▶ Seats/ Installed instances
 - ▶ MSUs
 - ▶ MIPS
 - ▶ Value units

Inventory

**Use
Activity**

**License
Metrics**

**Contracts &
Financials**

Linked information necessary to manage software compliance and cost management



Benefits from SAM Activities

I have it

I use it

I'm contracted for it

✓ Invoice validation, leverage contract negotiations

I have it

I use it

I'm contracted for it

✓ Verify license compliance

I have it

I use it

I'm contracted for it

✓ Eliminate unnecessary licenses

I have it

I use it

I'm contracted for it

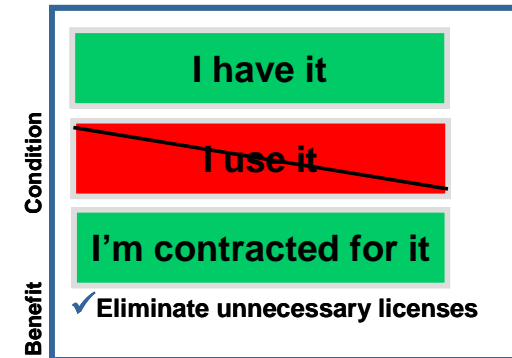
✓ Cancel maintenance or Verify install process



Success Stories

A Global Oil Producer

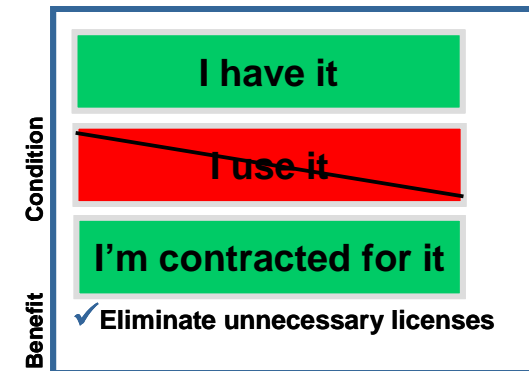
- “In the first year we identified 76 products that were seldom or never used and could be eliminated. We saved \$1.25MM in software license and maintenance costs.”
- “We had a modeling product that cost \$144,000 per year but was used by only one application to produce a weekly service station sales report. Converting that application to a PC spreadsheet eliminated the service station sales report.”
- “We also identified products that were licensed on multiple CPUs, but were only required on one. We have been able to eliminate approximately 200 licenses.”



SAM Success Stories



European Patent Office

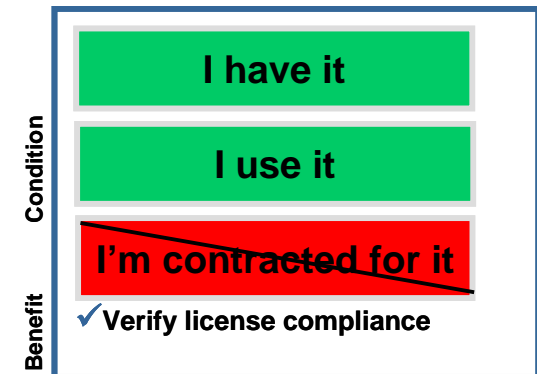


- The European Patent Office and IBM Global Services - Integrated Technology Services worked together to implement the Tivoli License Manager software.
- The Tivoli License Manager software monitors usage of approximately 6,000 to 7,000 applications. The applications include Microsoft Internet Explorer, Adobe Acrobat, IBM Lotus Domino, Microsoft Visio and Microsoft SQL server software.
- With information obtained through the Tivoli License Manager software, EPO executives expect to reduce related software costs by being better positioned to negotiate new software contracts, plan for future software deployments and match resources with demand. The EPO believes that it will only need to achieve a few percentage points of savings to realize a full return on investment for the new Tivoli software solution.

Success Stories

A Large Financial Organization

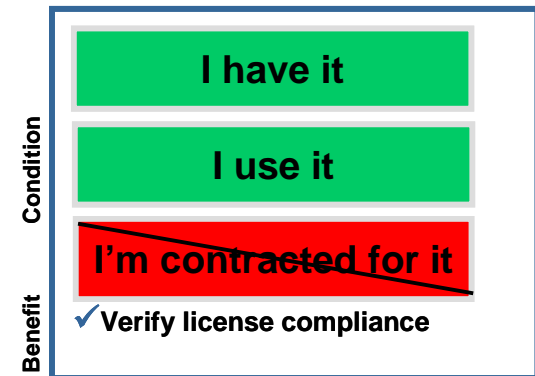
- “Over nine years ago, the organization set up a data repository containing information on contractual obligations, purchase dates, renewal dates and maintenance agreements related to mainframe software. We use a repository to monitor compliance with vendor contracts.”



SAM Success Stories



Tata Consultancy Services



- The leading computing systems integrator company in India.
- TCS faced challenges related to employees' compliance with corporate software licensing policies, software distribution and asset management, and server monitoring and maintenance. To satisfy requirements for becoming listed on India's stock exchange, TCS had to ensure compliance with national standards related to controls for enterprise software licenses.
- To manage employee behavior and gain better control over software and similar assets, the company established an enterprise system management program. Company goals were to collect complete asset inventory across the entire organization and comply with regulations related to licensing.

Success Stories

A Large Insurance Group

- “Based on our knowledge of usage through our mainframe SAM product we are able to re-negotiate contracts with several of our largest vendors and maneuver the distribution of their products on our systems to become better aligned with our end users needs while also reducing costs.”
- “Now we have enough information to drive LPAR pricing, and in the future vendors will have to step up to that requirement or face replacement. We are better able to negotiate software contracts from a position of strength and make demands of vendors that we might otherwise back away from. When you have confidence in your resource allocations you are not as easily persuaded into wasteful agreements.”



Success Stories

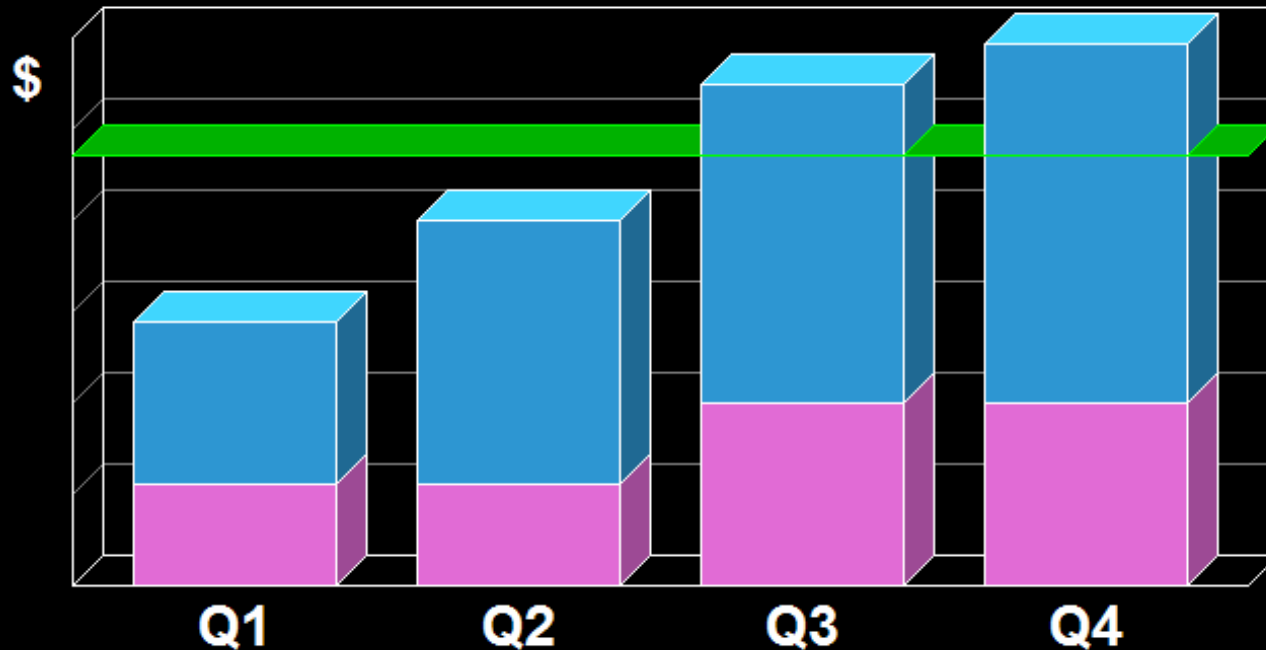


A Fortune 500 Manufacturer




- To give some insight to how effective the mainframe SAM product has been for us, consider our experience:
 - ▶ “We started with 635 MIPS, 150 program products, and software expenses that were a little over \$7,000,000; the software cost per MIP was around \$11,000.”
 - ▶ “Four years latter we have ~ 1,100 MIPS, 65 program products, and software expenses around \$4,400,000. Today our software cost per MIP is around \$4,000.”

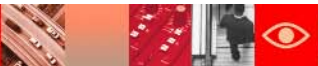


Required Detail for Software Costs Analysis

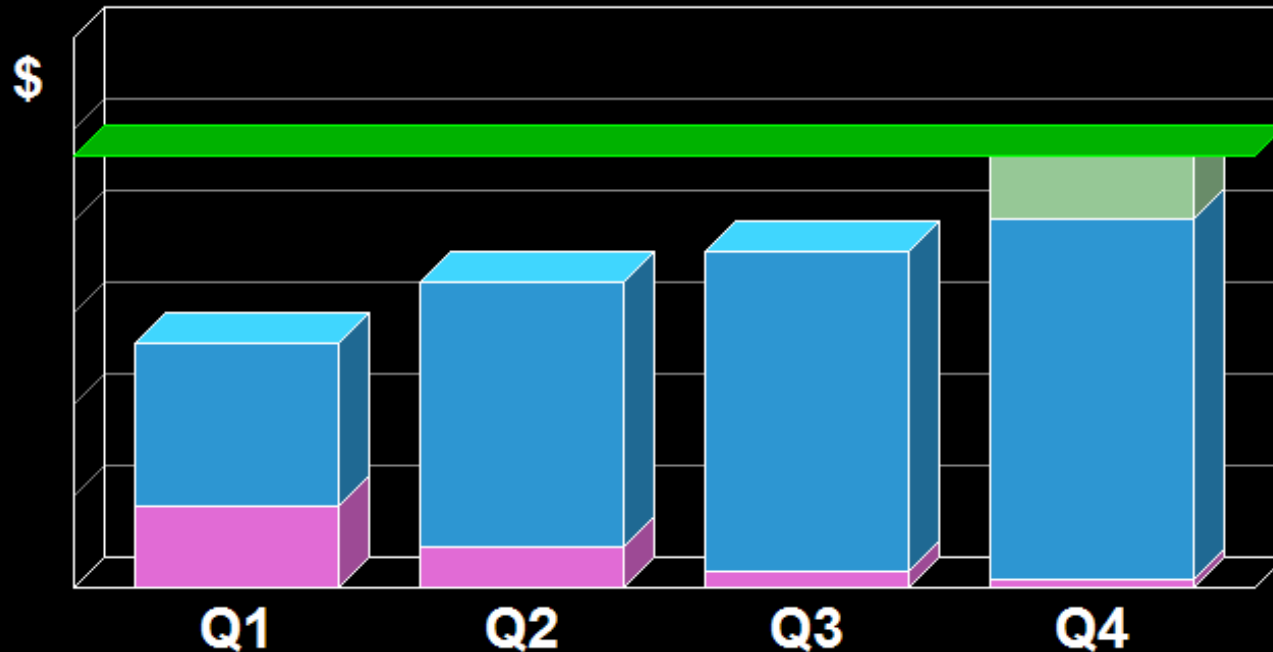


To address the issues related to software costs, businesses require detailed analysis of software use. This includes information on software that is underutilized, as well as software that is being used cost effectively within the terms and conditions of the contract.

-  Approved annual software budget (excluding new projects) 5% over last year
-  Software that is being used cost effectively
-  Software that is dramatically underutilized



With an IBM Tivoli End-to-End Software Asset Management Solution



Extra funds available for new projects

Approved annual software budget (excluding new projects) 5% over last year

Software that is being used cost effectively

Software that is dramatically underutilized



Tivoli End-to-End Software Asset Management

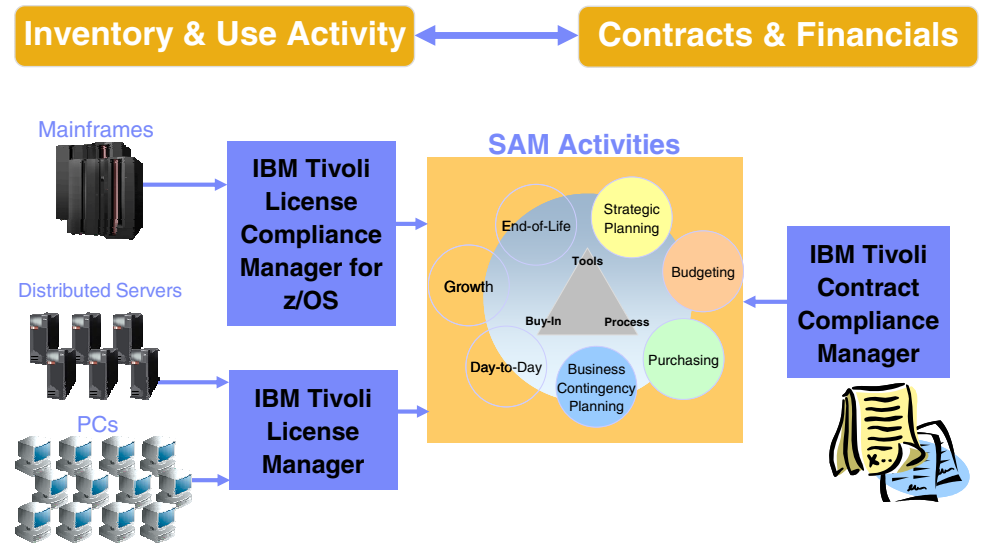
“Enterprises that begin an asset management program experience up to a 30% reduction in costs the first year.. and continue savings of 5-10% for the next 5 years” – Gartner

Business Issues

- Software costs are difficult to “control”
- Potential for unexpected expensive software contract compliance audit penalties
- Hard to find key “software product use activity” information needed for effective software asset management
- Difficult to shift software spending to align with business needs

Business Value

- Tivoli end-to-end software asset management solutions help you control software costs and contract compliance exposure to free up funds for priority projects
- Helps organizations demonstrate adherence to stringent accounting standards (Sarbanes-Oxley)



IBM Tivoli License Compliance Manager for z/OS
 IBM Tivoli License Compliance Manager
 IBM Tivoli Contract Compliance Manager

धन्यवाद

Hindi

多謝

Traditional Chinese

ขอบคุณ

Thai

Спасибо

Russian

Gracias

Spanish

Thank

English

شكراً

Arabic

You

Obrigado

Brazilian Portuguese

Grazie

Italian

多谢

Simplified Chinese

Danke

German

Merci

French

நன்றி

Tamil

ありがとうございました

Japanese

감사합니다

Korean

