

IBM CORPORATION
Competing / migration from CA / SAR
Moderator: Michelle Christiansen
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Operator: Good day everyone and welcome to today's IBM Conference Call. Today's call is being recorded. At this time for opening remarks and introductions, I'd like to turn the conference over to Ms. Michelle Christiansen. Please go ahead ma'am.

Michelle Christiansen: Good morning everyone. Welcome to our education today on Replacement and Migration Strategies for SAR-CA. If you have not already done so, please you will find the presentation on our Intranet site. It is posted there with links to it and various formats. Please take the time to grab the presentation there. We will also have the transcript and the sound files available for you later.

So as we begin now - joining me for today's call by the way is Penny Howland. Penny will be assisting us in understanding how IBM can help customers migrate from a CA environment to an IBM On-Demand environment.

Okay so if we begin with the presentation, I started the presentation this morning with reminding everybody on how we should be competing. I think the most important thing to point out is that common sense is the key skill that you need to have in a competitive

situation.

You need to simply know your customers, the industry you're going after here, the application and the pain that the customer are experiencing. You need to take the time to walk through and really listen and document what the customer's telling you.

That means that you need to start from Day 1 trying to make sure that you are not positioned as column fodder, that you are actually involved in this sales situation and experiencing with the customer in many cases and trying to understand with them their pain that they're trying to go through.

Take the time to get to the end users. Talk to the end users. How are they using this application? That kind of thing. And of course as you go forward in your sales cycle, any presentation you do, any demo you do, any discussion you do has to be tailored specifically to that customer.

So these are just your basic common sense competitive situations that you have here. And I wanted to review that specifically when we talk about replacing SAR and in many cases, it is still a competitive situation. You're not just competing about with, directly with CA, computer associates, you're also competing with other vendors out there and I'll talk about some of those who are also going after this space here.

You need to understand and remember that in order for the customer to drive forward in this situation even though they might have identified the pain, they need to know what a compelling event is for them. And in many cases it might be up to you to find the compelling event, make the compelling event, create it, get, you know, whatever you need

to do to convince the customer that there is a compelling event for them to move forward to replace for example their existing system or to make a decision to move forward with On-Demand.

Don't of course forget all the financial and business justifications and in a CA-SAR replace, those are extremely helpful and we'll discuss some of those as we go forward today in our presentation.

And the last but not least is in order for you to be successful you have to spend the time to know the strength of the On-Demand solution. You need to spend less time worrying about your competitors' strengths but more time on yours so that you can position your strength, in many cases those will be the Achilles' Heel of SAR and the SAR solution.

So this morning we're focusing on SAR and CA but you can take this page and you can apply it to any of our competitors that we deal with in any of their solutions. If you don't know our strengths, you will not be able to move the sales forward and talk and position yourself I guess specifically with the customer.

So let's go to the next slide. I have two slides here that talk about the On-Demand strength. I'm not going to spend a lot of time on them but I wanted to include them in the presentation for completeness here. We talk about scalability. We talk about database options. We talk about the data types, our flexibility with platforms, lots of references.

And by the way, reference selling should be one of the things that you're doing every time you're talking with a customer. Every other sentence out of your mouth should be referencing a customer you know about or a customer you've read about on our

reference site. Take the time to know our strengths, which of course includes our install base.

Okay now as you look at these strengths here some of them are very technical and some of them sound like pure practical common sense. When I do a competitive analysis, I get many calls from the field asking me do you know about product XYZ? And many times I've never heard of that product before.

So I'll start reviewing from their Web site to get brochures, reading other newspaper articles or magazine articles on it, looking for anything I can specific to the product or the corporation.

Of course I'm looking for their references, their install base, their financial stability, where they've come from, what kind of product they might be. But more importantly, I'm looking for a couple key things. And as you move forward within our presentation, I'll specifically pull out those key bullets that I'm looking at and those are of course our strength and I'm particular interested in knowing my strengths to see if they are just as strong.

So if we look at our strengths here, database options, data types, scalability, platform flexibility, lots of customers, a very high customer stat and then of course the rest of these are nice bells and whistles like the graphical index served and all the various other options we have if you go to the next page now.

National language support. That of course is very key for our international customers. It might not be so key to our U.S. based customers. But it's something you

should point out and make sure the customer understands that if they do merge or do go out and acquire other businesses they have that capability.

So these two charts here, if they're the only thing that you spend time learning about On-Demand then they should help you more so than a lot of the other technical presentations we have out there. Just picking up these strengths and being able to communicate to these and working with your IT specialist to make sure that he or she can discuss these items here. Okay? So let's move on.

Specifically with CA and SAR, historically when you looked at the industry that we have within the On-Demand report distribution and report management environment here, we're looking at two different kinds of products.

So I'm now moved forward to the COLD ERM versus report distribution charts. And these are what I call the two – from a historical perspective, the two original solutions that we see our competitors and ourselves in.

Archive solutions themselves were divided up into these two, one of them being I created my solution to be a report distribution solution. So when I design my product, I had report distribution in mind. I'll come back to that.

The other option is when I design my product, I had the ability to do computer output to laser disk, we call that the COLD, or enterprise report management, ERM. So that's the new term for COLD. So you went from a COLD to I guess a germ like that but anyhow it's now an ERM.

So when you look at the competitive products out there and you look at SAR and CA for example and you say to yourself, where did SAR and CA, what is it? Well it was designed as a report distribution solution.

If you now go to the next chart, you'll see that there are other vendors out there. Their sole goal in life when they developed their products was to provide the ability to first bundle and push the print to a printer. And these are some of the products, Mobius for example. In some countries you'll see it as storage tech. (Bibridge), that's a Japanese product, very strong competitive product for us there.

We have our CA dispatch ((inaudible)) but the entire CA family really. And then you have your RSD and your BMC. They've kind of merged and evolved into various things.

But these products themselves, their sole goal in life when the company came out with them many years ago so they are old, they have a large install base and the install base around these products is specific to in many cases when they first bought it to handling print in a bundled bursting getting it to a printer environment.

So you need to think that in your mind. That's what these four products – that's historically where they came from. That was their niche.

Okay just to complete the discussion, I've brought forward some of the other competitive products that play in the COLD or the ERM. But they were designed specifically to be a COLD product, to provide online viewing of documents, reports, anything going to a laser disk or a optical disk or storing it for a long time. A little bit different flavor of the solution you can here than what you would be doing with print distribution.

These are the products that we see that were developed to do those kinds of things. Some of them are stronger than others. I'm not going to go through all of these but we can take them on another education session. But I wanted to make you aware of that that's where these players fit. That's their niche. That's where they started and that's where their strengths are.

And On-Demand by the way, it fits into this COLD solution here. That's where we would have been classified. If you went back one chart to the report distribution solution, we would put in here our MDS solution. That's where it was designed to play with specifically in the report distribution.

From an IBM perspective and from an industry perspective, we see these two solutions merging into one. So you see your report distribution vendors like SAR or CA, excuse me, and like Mobius extending their solution from a report distribution solution to compete in the COLD area. So they added on various features and functionalities in order for them to compete there.

If you look at the COLD vendors, you see them including IBM, ourselves, extending our portfolio to compete in the report distribution area. So just to position this and give you understanding and this should also help you when you look at the various vendors to understand what their architecture is and why their architecture is that way.

Okay, so let's get back to our report distribution solutions here. Talking about the architecture and what you have specifically for those four solutions but more specifically for SAR and CA.

If you look at the architecture, you'll see that in a report distribution environment, they will be linear VSAM structured datasets. The reports themselves will be stored that way. They will gather those and have these dataset but they'll be managing that way.

They're going to leverage the internal catalogue structures. So every time they create a dataset there'll be a new catalogue entry. Every time they index something in that dataset, one index creates another catalogue entry.

So for any index data file that they put into their system, they will end up with a data catalogue entry for the dataset itself and a catalogue entry for every index. And then if they extend it to include a folder, they'll end up with one for the folder.

So let's just use an example of taking one report. It gets loaded every day, this report, a nice long linear ledger report okay. And on that ledger report, we would like to pick up the date, the account number and well it's a ledger report so let's think, you know, maybe a branch number or something like this.

So we end up with or a bank name or something so we end up with three indexes. Of course we would like to be able to folder this because we would like to have multiple kinds of reports to be able to search across without having to do various unique gyrations of the report.

So we end up with a folder as an entry as well and then we would like to store the data files so we end up with five catalogue entries. Three for the index, one for the folder and one for the data file itself. That's five catalogue entries for that one data file that we're

going to archive.

So every day for that one print report, for that one print report every day, they would have five catalogue entries that they're doing.

Now envision as you're going through this cycle the amount of catalogue entries and very quickly you start to see what we call (creep), catalogue (creep) and the ability to manage these catalogue entries. And it's kind of like the more you have, the harder it gets to manage and the harder it gets to create the batch jobs to be able to fit it into the time frame, to be able to update the catalogue because when you update the catalogues, you have to have a quiet system.

And before you know it, you end up with some extremely tight time frames to get your catalogue entries updated and trying to squeeze all of this in. And it just becomes a nightmare for customers with large volumes of data and trying to manage these catalogue entries.

So wanted to point that out to you. That's an extremely important point to understand. When you go into a sale where you're competing against a report distribution vendor, one of the vendors that historically designed the system to be a report distribution like CA, one of the things that you're going to see there is the discussion of a relational database like DB2 versus a VSAM structured linear catalogue environment there.

Many customers do not understand the benefits that a relational database brings versus the management they have to do around a VSAM structured file system here.

So they start to get this catalogue entry (creep), all of that around there. And by the way, think about the scenario that we had there with only the three indexes, the one data file and the one folder. It's very common for us to work with customers that want to have more indexes than that. So you start to see very a complex environment just to manage those entries there. Batch jobs become more complex, the whole works there.

So very important for you to understand that the report distribution environment is VSAM linear structured okay. It's very efficient to handle print output from a print distribution perspective but not from a long-term archive where you want to also provide print distribution.

So let's take a look at the next item on the chart here. Primarily these systems were DASD strengths meaning they, you know, everything resided on DASD and then as they historically move forward here, they would have extended their solution to handle like a secondary storage of VSAM defined tape or a – that's about all you can have in VSAM. And just leveraging what DFSMS has to offer there.

And when you do that kind of environment, you load the report out and it gets put out into a dataset and then that dataset gets migrated and when I want to do something with it, I have to bring it back into memory and I have to then try to handle this large report.

So some of the vendors of course provided capabilities to say let's only bring 4k, 4000 bytes back at a time, you know, so they did a lot of creative development work around utilizing VSAM here to provide the migration strategy.

But there are no other vendors that are using OAM to our knowledge and leveraging

what OAM in the operating platform provides for us which is the capability to manage these large volumes of data as objects and retrieve only the piece of the object that we need versus setting up some pretty (clugy) code to just go get a piece of the object.

So let's think about it from a report distribution perspective. If I put a print file out there and I want to print just one page or I want to go get a piece of that report, well then I'm going to go out and have to retrieve the entire print file, manipulate that print file and do some pretty dorky things with it just to get that one page.

So remember that the secondary storage, leveraging of OAM. That's one of our strengths. You don't see the others doing that.

Thirty-two 70 viewing. Remember these products again historically were not online viewing. It was let's get that print data into a bundle. Let's push it out to that printer and let's get so the print operator doesn't have to stand there with his ruler and slice the paper off.

So as technology evolved here and requirements came in, these vendors said, Oh well they want to see these bundles and they want to look at these reports online, you know, before they may be printed or once it's been – once the report has been stored off on VSAM, they want to take a look at it. Okay.

So they provided a 3270 viewing capability. Of course most of these vendors have now extended their viewing capability to provide a WYSIWYG or a graphical user interface via a PC interface. But many, in fact I would say probably 90% of your CA customers that are using SAR are 3270 base and it is when you talk to the end users, you'll find out very

quickly that it is (clugy). It is very difficult for them to manipulate through. They have to memorize the report names.

There are, you know, report ID's that are affiliated with a report so the learning curve to begin to retrieve the print data and use it for something is a lot longer because they have to actually know the report ID. They can't just search on a item of any sort. They actually have to have some sort of report ID and go in and look through that kind of interface.

So it's important to point out 3270 viewing that evolved into some graphical interfaces of some sort, most of them again may be emulating a 3270 view but still on a PC. You still see that quite a bit. Very (clugy) viewing.

Even in a graphical environment. They might be converting the views to images to handle them as we see Mobius does. But in this RCA environment, most of the end users are using their 3270 viewing and some customers we work with, the end users themselves throw up their hands and say I can't find anything. So they set up power users.

So within a group of a call center, they might have ten people that their sole goal in life is to retrieve items for the call center because the individual members in the call center literally cannot find the data that they're looking for.

So extremely important to spend time with the end users understanding their daily life in using the SAR product. Do they even use it? Because the IT department might be telling you, Oh we've got 30,000 end users and everything is hunky dory. And then when you go out to the end users you find out, yes there's 30,000 people out there but there's

really only ten or 20 that are using it because the others can't figure it out.

So that's extremely important. Get to the end users, understand how they're using the views, if they're actually retrieving it, can they figure it out and then of course take some time to show them our interface. If you get that opportunity, that's even better.

All right. I mentioned no foldering concepts here. Because it is a linear VSAM structured file system that we're looking at here, in reality it really isn't a foldering concept. Most of the customers we've talked to when, you know, they're dealing with one report ID and they're searching through those reports then they go out for the next report. And they're iterations of the report. You know, a daily report, monthly report, yearly report, that kind of thing.

And you don't really see them going in saying I want to look at all the annual reports. In order for them to do that foldering concept of course that requires another entry in the catalogue. And what we understand from many of the customers that move forward on some of these solutions is once they actually purchase the solution and get it up and running, they very quickly realize that they have catalogue (creep) and adding a folder entry here with every report just increases the catalogue and maybe we don't need it so we'll just use report ID.

And so you'll see that scenario again although they will market and, you know, have a sales discussion on foldering, in reality it doesn't get implemented.

So that's extremely important to understand how the foldering concept relates back to the linear VSAM structure and the limitations that you have within that structure.

Okay, national language support. Again, it's very limited. In many cases, Unicode for example is just non-existent which means that if they are providing an online view and you go to various code page workstations and you're trying to view things in another country because in another country of course you presume that the workstations going to have another code page, you'll end up with some funky characters on the screen.

This may be, you know, a non-issue because the customer is U.S. based and they're only English and that kind of thing. So but for what it's worth, you need to bring that forward and make the customer aware and understand in an Internet environment having a Unicode enabled product will be a strength as they go forward.

Okay and the last bullet I have here is typically no compression options and what I mean by that is a software compression. Many of these products leverage a hardware compression so they'll get some compression. Maybe two to one. Maybe 1.3 to one, you know, under the two to one range but they might get something. And they're just leveraging the compression options that the hardware provides in the mainframe.

Now in our newest performance document that we have with Version 7, we're seeing 24 to 1, 22 to 1 on greenbar reports which is what SAR and CA which it would be archiving, you know, in a SAR replace here. So compression here is extremely important from our perspective.

You will never and this is important for you to understand so you don't go down that path and get yourself sort of caught in the corner, you will never be able to beat on a ((inaudible)) or CPU speed and performance a VSAM structured system here.

VSAM is extremely fast in the lookups especially if they have their master catalogue correct and they've done their work properly. The systems programmers are skilled and they know what they're doing.

So from a ((inaudible)) and CPU utilization, we're going to be a little bit heavier. And why is that? That's because we're leveraging a database. We're leveraging DB2 and the overhead affiliated with leveraging a database is going to give us a little bit more performance.

So as long as you accept that and understand that and can talk to the strength of what a database gives you versus what the linear structured environment gives you, I think that you will be well positioned.

Now let's then talk about so maybe they have to purchase, you know, two ((inaudible)) more or whatever the scenario is here as we go through looking at the volumes. And that's important to work with your IT specialist to understand the volumes that calculate the ((inaudible)) and know up front that you might - you probably will not be able to beat the competition on the CPU utilization or ((inaudible)) here.

So I'm not saying that we're nasty at it or that we're really bad or we're a dog. Absolutely not. I'm just saying that if it comes to issue and they want to do a heads on heads competition on it, you're not going to beat it and that's just simply the architecture of the environment from that perspective.

Now where you are going to beat the competition is the DASD amount. The

amount of DASD and the cost of DASD is where you're going to beat them. Twenty four to one compression, leverage that, calculate the return on the investment over seven years, two years, know what the DASD costs are. That's where you'll beat the competition because they are not compressing anything.

So although they're going to use fewer ((inaudible)) and by the way if they don't keep their catalogue entries clean, they may eventually use more ((inaudible)) than you but the point being from a performance retrieval perspective and load perspective because we leverage the database and all the good things it gives us, we leverage of course a few more ((inaudible)) there. So I wanted to point that out to you.

Okay, so a report distribution solution fundamentally provides the first inter bundling of the reports. They then have the opportunity to route these reports to printers for printing. That's what these solutions were designed for.

Within On-Demand itself we have extended our COLD solution. It was designed to be a COLD solution. We leverage a database. We're not a VSAM linear file structure. Very important.

If the customer doesn't ask you, are you VSAM linear, make sure that you go around the room and ask all the technical people in your sales meeting, do you all understand that we leverage DB2?

I've been in many situations now where we might have said it ten times and it just happened the other day and it wasn't until somebody in the back of the room said, Do you use VSAM linear datasets? And I said, No, we leverage DB2. We do not use VSAM. So

it's important. It's very important to point out.

Okay, so back to CA and SAR. I'm going to turn it over now to Penny Howland. She's going to talk a little bit about the products that we support from a migration perspective and what IBM can do to help you in a migration scenario.

Now I'm working with a few customers right now that have offered to come forward with some screen captures of the SAR interface. And so we're going to extend this education. There'll be a Part 2 coming probably in about two or three weeks here where we'll go drill in specifically to some of the user interface options that CA has and get back to what the end user's experience and kind of take another deep, deep down look at that.

But from a first cut for you as you go out look at what is a CA environment look like? You should go back to the chart that I'm talking about here. That is the architecture that I've outlined here. You will see this structure.

The primarily DASDE, the VSAM structure, the 3270, report ID's that are used and, you know, Unicode nonexistent and your compression. Those are the bullets you should hone in on from your business justification and laying out your ROI. Okay? And in many cases, the compression itself is going to help them justify moving over to our solution.

Okay now one other thing I should point out, everybody says, I hear that the customers hate CA and want to move off of CA. Obviously we hear that almost every time so that can be a justification in itself just the fact that they're tired of dealing with a company that doesn't provide them the support they need.

So don't forget to leverage the traditional IBM competitive strength, our support, our infrastructure, the fact that they can, you know, that kind of thing. We may be big and we may be complex but those are strengths for us.

Okay so Penny with that I'm going to hand it over to you on the migration project overview.

Penny Howland: Thank you Michelle. Before I get started I just want to let everyone understand what my role within the On-Demand team is.

I am the migration architect for On-Demand migration opportunities. So my job is to organize and strategize a complete replacement solution for the On-Demand opportunities that you have in the field. Customers that want to get away from their current support management products and move to On-Demand.

So the more I know about a customer, the better I can help you in your presentation so that they are customized for that particular customer's needs and expectations.

Migrations are not difficult but they're very, very detailed and that's where the expertise of the On-Demand migration team can help you out. With every conversion we do, we gain more experience and more knowledge of the competitive products. And the more I understand the customer's environment, I can hone in and help you touch the areas that the customer is most concerned about and has the most fear about in a migration.

Migrations are also not turnkey activity. We have to have customer input and we

have to have customer time for testing to make sure that we've given the customer and conversion utilities the results that they're expecting.

But again, as we do more and more of these, we gain more and more experience and we're better at identifying the obstacles at the beginning of a project, preparing a customer for those and making sure they're part of our project plan from the beginning so that the customer understands, yes we have differences between the two products, the one we're coming from, the one we're going to, but IBM has done this before and they have a plan to take us from our existing product into On-Demand with as little pain as possible.

So please use my services as much as you can. I have two documents that you can use as part of your selling solution. If everyone doesn't have them then we'll make sure that you do but I believe Michelle has posted them on the Web site.

The first document is the On-Demand questionnaire and it's a list of 80 or so questions that will give us a high scope, a high level view of the scope of the project. And it's also a selling tool for you because a customer will look at those questions and see that we're asking detailed questions about the product that they have now.

So that should instill in them some confidence that we understand the competitive products and we know the right questions to ask to make sure that we can move them to On-Demand.

The other document is a migration assistance services offering document and in general terms it describes the services that we offer in a migration. It describes the approach that we take to migrations and what they can expect to see as deliverables from

us during a migration.

The most important thing to understand from migration work is that I can never give you a ballpark figure for how many hours and how much money a conversion will take. It varies so much from customer to customer that it's impossible. If I gave you a range it would be from, you know, \$50,000 to \$500,000 and that's not anything that is, you know, reassuring or what a customer's looking for.

But to be able to scope the effort and come down to an exact number of hours and an exact price for the migration, we do a migration assessment. We go on site for two to three days and we live for the customer and we discover what they're doing today in their environment, what they need to make sure that they can do under On-Demand, if there are differences between function, we discuss those during those two days, three days on site and we make the customer understand that we can help them get from Point A to Point B.

I've had several sales reps want to know if that's really necessary, if the questionnaire is enough information that I could scope the project and it is not. I'll be glad to talk to any customer about the migration assessment. Those that I have talked to if they were hesitant about committing to the fee for a migration assessment, after our talk, they perfectly understood why it was necessary and that it was a benefit to them as well as to IBM.

Within the migration team, we're growing all the time because we've got more and more opportunities but we do have resource constraints just like most groups do. So we have to be able to scope these migrations so that we can plan accordingly and we are not overlapping too many projects because we want to of course do a good job with these

projects.

So from our side, it's a protection but then the customer also sees that from their side they're going to get up front a migration report that's going to tell them that this is their environment as it is today. This is what they're going to have, as function and capability within On-Demand and these are the steps that it's going to take to move them from one product to another.

It'll identify of course the financial issues, how many service hours this migration project will take and what that equates to and a dollar amount. But it also tells them the customer resources that are going to be required so they can schedule their resources accordingly off that.

So the assessment is very important. It's mandatory. It's the only way that you will get a price for a migration. But I think that, you know, if we work together and the customer understands how valuable it is, it will not be an obstacle in your sales. It will be an advantage.

Okay, as we go through the presentation now, you can see that on Page 11, I have the supported On-Demand platforms. Right now of course we're still doing On-Demand Version 2 migrations, those that have begun in the past before Version 7 was available. We do have some of those still in progress.

Of course we expect to have Version 7 migrations in the future. Any new customer that you walk into of course you want to take the Version 7, not Version 2.

We have one migration that has started with Version 7 and then we also have recently had some opportunities for AIX Version 7 migrations. We have some customers that are seeing that now that we share a common code base and they're going to get like functionality from the mainframe product that they saw in their AIX solution and they have growth to support the move from AIX Version 7 to OS/390 Version 7, we'll be getting into more of those opportunities too.

On the next page under supported report management products is just a list of the other competitive vendor products that we have been approached to do migrations about or that we know customers have that out there in the field and those are the ones that you should be targeting.

Also I want you to understand that we will take any competitive product into consideration for migration. We'll do an assessment for any product that you find a customer has and I think we would be successful in converting.

But these are the most common products that you'll see out of the field and the ones that you can almost guarantee that there's a way that you can move them to On-Demand.

Now you can see the first five bullets are all IBM products and we have completed an Image Plus migration to Version 2. We've also completed an RMDS migration and we have several of those, a couple of those in progress now.

And of course we'd like to see RMDS move to On-Demand. It gives the customer a lot of benefits and they don't lose any of the benefits that RMDS brings to the table.

RMDS is not receiving new enhancements to their product base but of course it does provide the traditional print distribution that customers needed. So customers that are using RMDS should be targets to be moved to On-Demand.

The next set of bullets can describe the computer associates products and as they're listed there, this is really how the computer associates products have evolved over time.

Bundle is probably the oldest product that I am aware of within the suite of report distribution products that they have. And we find very few Bundle customers out there but just because it's Bundle, you should really think of it as a SAR okay.

I mean there are very few differences, some structure but the main functionality is the same and we'll move them to On-Demand just like we would a later version of a CA product.

But after Bundle we saw customers moving from Bundle to Dispatch and so that you hear quite a lot. And you also still hear customers refer to SAR as Dispatch.

So even though a customer may have installed Dispatch ten years ago and they installed SAR in express delivery five years ago, they may still refer to the product as Dispatch. That's fine. I mean it all is the same functionality of print distribution.

The latest two versions of the CA products are SAR express delivery, which now is called view and deliver. Again if a customer's running CA view and deliver often, you will

hear them refer to it as SAR express delivery. It's just the terminology, the name at convention that they had grown accustomed to when they started with the CA products.

So that's how they've evolved. The latest product that CA offers is CA view for archiving and online viewing and CA deliver for print distribution.

Then you have New Dimensions (Control D), which now is owned by BMC. We have not done a controlled deconversion. We have an opportunity that we hope materializes because we want to of course say that we have done a (Control D).

(Control D) is a very complicated administrative product. All definitions are based on a (tree) logic and I think that, you know, one of the selling points for going from (Control D) to On-Demand is that. In it administration gets much easier, much more simplified.

(Control D) is so flexible in how they will let definitions be entered that after a certain point in time, customers really have no idea what they have. We actually began a assessment of a (Control D) migration a couple of years ago and we found out that there was probably I don't know 30% of the definitions were not even used and they were obsolete because customers couldn't figure out how to update an existing definition.

So they would just quit using that one and start, you know, with a brand new definition. So that's a selling point even administration.

Now we get into Mobius and (Infopack) and their products are ViewDirect and write direct. ViewDirect for online viewing and write direct for tape archival. A selling point that I hear within Mobius customers is that they will write directly to tape. They will archive a

report directly to tape.

And of course we do this but it's not something that I think we highlight a lot and that we emphasize. It's one of those things that if we consider a course, we do that.

We will archive directly to DASD and transition to tape or we'll archive directly to tape. But that may be something that you want to emphasize if you're talking to Mobius customers because they actually have a separate name for the function of writing directly and archiving directly to tape.

Software engineering of America's (Savers) product is a JCL archiving product. We have within On-Demand our (spool vac) offering that is now part of the Version 7 base. And this is something that is an easy migration. It involves one definition and changing a class, you know, within your ((inaudible)) system to make sure that we're archiving from the class that customers direct or JCL to.

So this is something that we never see as a migration project in and of itself but it often accompanies another migration. If we're doing a CA view and deliver migration, they may not necessarily put their JCL in view and deliver, only their reports.

And then we find they have (Savers) also running where they archive their JCL. And we'll always try to bring up the fact that, Hey we can take you to one report management product where you can have a repository of your reports and of your JCL altogether.

And then we also will entertain doing an assessment and a migration for a

customer developed report management system. We did a conversion at the Boeing Company last year migrating their (OMSP) product to On-Demand. (OMSP) was a custom written, internally written product that they had put together to archive reports and do print distribution. They had written it over 20 years and it did everything you can imagine.

Their customers are engineers and those engineers, they create reports that they don't have the traditional programming background and they may not have understood carriage control and line feeds and (AFP) versus line data and Xerox (metacode) and all of that.

They did have a program that somebody gave them that would produce Xerox (metacode) data or it would product an (AFP) report but they didn't know how to play by the rules if you will.

So the IT team within Boeing wrote a internal report management product that took care of all of those issues behind the scenes. So it was quite a challenge to move them from a 20-year-old custom written program within their system but we were successful in doing it and they were very happy and they now are engaging us to move their RMDS reports to On-Demand.

So please consider all of those products that you see on this list as opportunities that you could go after for migrations to On-Demand plus any other that you don't see, we'll always do an assessment for anything you find.

Michelle Christiansen: Penny, we have maybe five minutes left before we have to entertain some questions here. So I'm not ((inaudible)) with your slides as you go forward

here.

Penny Howland: Okay. I'll just skip briefly through these. The next foil that you see is really just dividing the Version 2 and Version 7 work. Of course we're hoping to see more and more Version 7 work ahead of us.

I think the next screens I won't go through as many but just so that you understand that we have a tried and true experienced migration approach that you can take to your customers.

This is not something that we haven't done before. It's something that we have done before and we have tools already developed to take it to a customer but we will go in learning that customer's expectations and needs and customize those tools for that customer because we want to ease the pain and we want to take the fear out of a migration as much as possible.

One thing on Page 15 where I list the numbered items on a migration approach, I guess the Number 1 thing that I want everyone to understand and really should be on this list is that a migration does not include the installation and implementation of the On-Demand software. That's a separate project.

So the customer's decided to go with On-Demand and we have an implementation team that has come on site and helped them go through the installation of On-Demand, helped them work three reports from start to finish and now they're ready to move their enterprise documents from their existing report management product to On-Demand and that's where my team comes in.

So these are the steps after, you know, step one really should be after On-Demand is completely installed and tested then we'll follow through with the remaining steps. And that migration assessment is very important.

Page 16 you see a little bit of what I've talked about with a migration assessment, \$6500 plus travel and living and just keep in mind if I can help discuss the benefits and the advantages of an assessment with your customer to please include me.

And then of course there are the regular deliverables that you get with any project from IBM. We will conduct a planning session so that everybody understands the scope of the project from beginning to end so that we don't have any surprises or at least as few surprises as possible.

Now I won't go through the remaining foils. I think they're pretty self-explanatory. But again, they might be good sales information so that your customer understands that they're in good hands, that they have experienced people looking at their migration and helping them move to On-Demand.

Okay, if anyone has questions, we could open it up now.

Michelle Christiansen: Okay, Amber please.

Operator: Thank you. The question and answer session will be conducted electronically today. To ask a question simply press your star key followed by the digit 1 on your touchtone telephone. Again, that is star 1 at this time if you do have a question or

comment. We'll pause just for a moment to assemble the roster and again, it is star 1.

Our first question is from Lori Tassano in Bay Point, California.

Lori Tassano: Michelle, you said something fleetingly, something about performance documentation? Do we actually have some?

Michelle Christiansen: Yes, we're starting to get some now from the development lab. It is not in a format that we can deliver it to a customer yet but it is an internal working document that I've been working with directly with the lab to get. And we hope within the next week to have something that can be first off the spreadsheet, the sizing tool will be updated through the ICC working with (Lee Ingam) and (Scott Richards) on that.

And then the second one will be a one page or two-page sheet, you know, that performance information sheet that we're all being, would be a customer deliverable.

Lori Tassano: When do you think that will be ready?

Michelle Christiansen: Well, working with the lab right now it's about an 80-page book. So it's going to take some time to pare the book down in the raw numbers and all of that. So we're working as fast as we can but we're hoping, you know, within a month here to have that for a customer.

But there's no reason why we cannot do a sizing or have a discussion with the customer and talk through some of these if they're interested in the zOS performance numbers.

Lori Tassano: And this is just for zOS.

Michelle Christiansen: That's correct.

Lori Tassano: So we still don't have anything for AIX.

Michelle Christiansen: We do have some ideas for AIX. We don't have a document. You know, as we most of our performance numbers we've gotten from customers and I have those emails and I believe they're also in the extreme leverage database there under frequently asked questions or something.

So like we know what Sprint and we know what (Viewpoint) and we know, you know, I think Deutsche Bank is also there as well. They shared their numbers with us.

Lori Tassano: Okay, thank you.

Operator: And once again at this time, if you do have a question or comment to please press star 1. We'll pause for just another moment.

Jack Evans with Jefferson City, Missouri has our next question.

Jack Evans: Thank you. Michelle and Penny thank you very much. This training session I think is very, very helpful. A lot of what you've talked about today has been the initial qualification and preliminary work to identify and qualify and validate opportunities.

As you know when you get into the 390 environment though you very quickly deal with the 390 technical people who can chew you up and spit you out if you don't have a lot of the in depth technical issues ready to address at the level they want to address.

That's where I'm asking, can you all be available to help us when we get to that level because that happens very, very quickly in these 390 accounts?

Michelle Christiansen: Yes, yes, we both can and I also want to point people to a competitive document that we have out on the Web site. Some of the bullets that I addressed in mine talking about the catalog entries and the VSAM, there is about almost a page write up on that out in the competitive reference book or what do you call section there when you go into our Web site and look there Intranet.

But that's a good start. But yes, Jack of course, we are available to work directly with the customers and more importantly, I think we're starting to see IT specialists now with the true MDS skills get on board here and they pick up on this immediately.

Jack Evans: Michelle, this is a question to you and to Penny. Are there other individuals whether they're in the CM sales or ITS community or the lab or even outside of these organizations that you believe have the skills to assist us when we get into these selling situations that are very, very technically based?

Michelle Christiansen: So you'd like me to give you a few names?

Jack Evans: That would be wonderful.

Michelle Christiansen: Okay well obviously within the services team, Penny works with (Vanessa), (Vanessa Stoneseiffer) and (Vanessa) has and as well as (Peggy Boldon) – right go ahead and name your team. And (Ron Luffman).

Penny Howland: The implementation team consists of (Vanessa Stoneseiffer) that is the team lead. Under her is (Peter Fung) who's very helpful with (ASP) data. That's his specialty. (Peggy Boldon) who's been very involved in a lot of the Version 7 installs so she's got some good experience there.

(Larry Bushley) has recently joined our team that's helping on two sides for customized implementation requirements and also for migrations. And then specializing in migrations is myself, (Ron Luffman) who really has been our conversion toolset programmer and (Vickie Jackson) who's recently joined our team.

She was with the (SMPO) migration team and she moved on to (Techline) for a while and now she's joined us. So she brings a lot of good project management skills, which is important in migrations.

Michelle Christiansen: Okay and then from the IT specialists for the Americas, obviously on the East Coast there's (Rudy Richie), (Ed Stoneseiffer) and (Charlie Widde). I would call those the three heavy mainframe people on the East Coast.

West and Central, (Bruce Foster) and (David Lewis) have just joined (TC's) team. But to get in and talk to an MDS customer especially UNIX systems services, our leveraging of that and understanding VSAM versus DB2, they're on board. I mean they don't need to go back and learn any of that. That's something you learn from day 1 as an

MDS systems programmer.

And then moving West again, we have (Fred Kenline) is another one. So those are the three mainframe heavy hitters that I think we have from the Central and West perspective. Historically, they joined IBM as MDS systems programmers so those are the names that I'm familiar with and that I've done some training with and those are skill level.

Now outside of that group there, there is a group over in the (SMPO) group and do they still exist Penny or did we bring them into our team?

Penny Howland: No, the (SMPO) migration team for report management products was disbanded and we did not inherit any of the resources, just the work. So except, you know, we do have (Vickie) on our team now.

Michelle Christiansen: Okay, okay, so there were a few names there Jack so I'll go back and dig out those names and we can have those names available if we're going looking for additional skills.

But that's where we're at and then of course there's the lab, the 390 team in the lab as well to leverage those and you would go to (Annette Coffee) for that.

Jack Evans: Thank you.

Operator: And we'll now hear from Lee Ingham at Gaithersburg, Maryland.

Michelle Christiansen: Oh and then Lee of course.

Lee Ingham: Good morning, a couple questions about Version 1. Penny, are you going to be doing any still doing any migrations from Version 1 to Version 7?

Penny Howland: Yes. Now Version 1 to Version 2 migrations, those migrations are generally done within a 48-hour contract assisted by IBM but essentially done by the customer. But there are no utilities to go from Version 1 directly to Version 7 so it would be a two pass process.

So we probably have people on site to help them with the initial Version 1 to Version 2 but going from Version 2 to Version 7 is more detailed. There are more differences between Version 2 and Version 7 as far as architecture than there were between Version 1 and Version 2.

At this point, we're still requiring assessments to go from Version 2 to Version 7.

Lee Ingham: Okay, so for the few customers that are still Version 1, they will have to do this as a two step process, part of which they can do themselves with your assistance and then you have to help them with the Version 2 to Version 7?

Penny Howland: Exactly. And they never have to put Version 2 in production okay? It just would have to go through the process of the DB2 table changes and those kind of issues.

Lee Ingham: Got it, thanks.

Operator: And we'll now hear from Dean Larson in Detroit, Michigan.

Dean Larson: Yes, thank you. Yes I just wanted to thank you Michelle for taking time to update us on this. And also just as a reminder to Jack, I'm sure he's well aware of this but for the benefit of the other people that are listening, you know, we do have IBM content management business partners that do only IBM software like Syscom which has a great deal of mainframe skills.

So once the IBM limited bandwidth is full, we do have other resources in the marketplace that can help us close this business and move forward as well as other technology business partners like Trilicom that does conversion from other systems to only IBM content management portfolio products.

Michelle Christiansen: Yes Dean, thank you. That was a very good comment. I should also point out that I have several calls into (Dick Diefendorfer) to En Technology as well. They are going to be getting involved in the zOS Version 7 implementation group as well and there's some skills there we should leverage as well.

Dean Larson: Right. Yes so if anyone's listening and they want to know who the contacts are on the partner side, feel free to call me at Dean Larson in Motown, 734-459-0550. Thanks Michelle.

Penny Howland: This is Penny. If I could add to that. We have made some early discussions or had some early discussions with Trilicom as a partner that we might utilize on some of our migrations. We're not going down that path and I can discuss those reasons with other people if you'd like.

But I mean basically, we want of course to make sure a customer feels confident that we have experience doing this and at this point to my knowledge, Trilicom's specialty is moving report data from media to media not necessarily converting definitions.

But, you know, please come to any opportunity you've got, please come to my team and we'll make sure that we get all the resources that you need even, you know, from business partners also.

Operator: And we'll take a follow up question from Jack Evans in Jefferson City, Missouri.

Jack Evans: Yes, this is really a question for Dean. Dean, if you could be specific either in today's phone call or a follow up note as to what specific partners have SAR experience or could help with SAR because honestly just to say a partner could do that, that puts reps to trying to go out on a wild goose chase in finding partners. If you could help us, which specific partners there are, that would be really helpful to the reps.

Operator: Anything further Mr. Evans?

Jack Evans: No, thank you.

Operator: Okay and Ms. Christiansen, there are no further questions. I'll turn the conference back over to you for closing or additional remarks ma'am.

Michelle Christiansen: Okay, thank you. So I made the comment earlier that we were looking at another education session in addition to this to go in specifically to some of the

end user requirements. That will be a shorter session but we did want to have that information.

So keep an eye out for a update coming from (Ross) as to it probably will be the second and third week of April, the next couple weeks here getting around Easter and so keep an eye out from (Ross) for a note with that education session.

Also wanted to remind everybody that there is another education session this afternoon here on specific to check capture and check archiving and the IBM solutions around that and also what the terminology is and what your customers will be doing with checks and all of that.

So just an update on that. So go back into your note from (Ross) and he'll have the dial in phone number for that.

And with that, I want to thank everybody for their time today and good selling.
Thank you.

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