The Modern Mainframe – At the Heart of Your Business

The New Mainframe - At the Heart of Your Business Operations

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What is a Mainframe?

- A computer system designed to run many commercial workloads, at high levels of utilization, without stopping

The Mainframe...

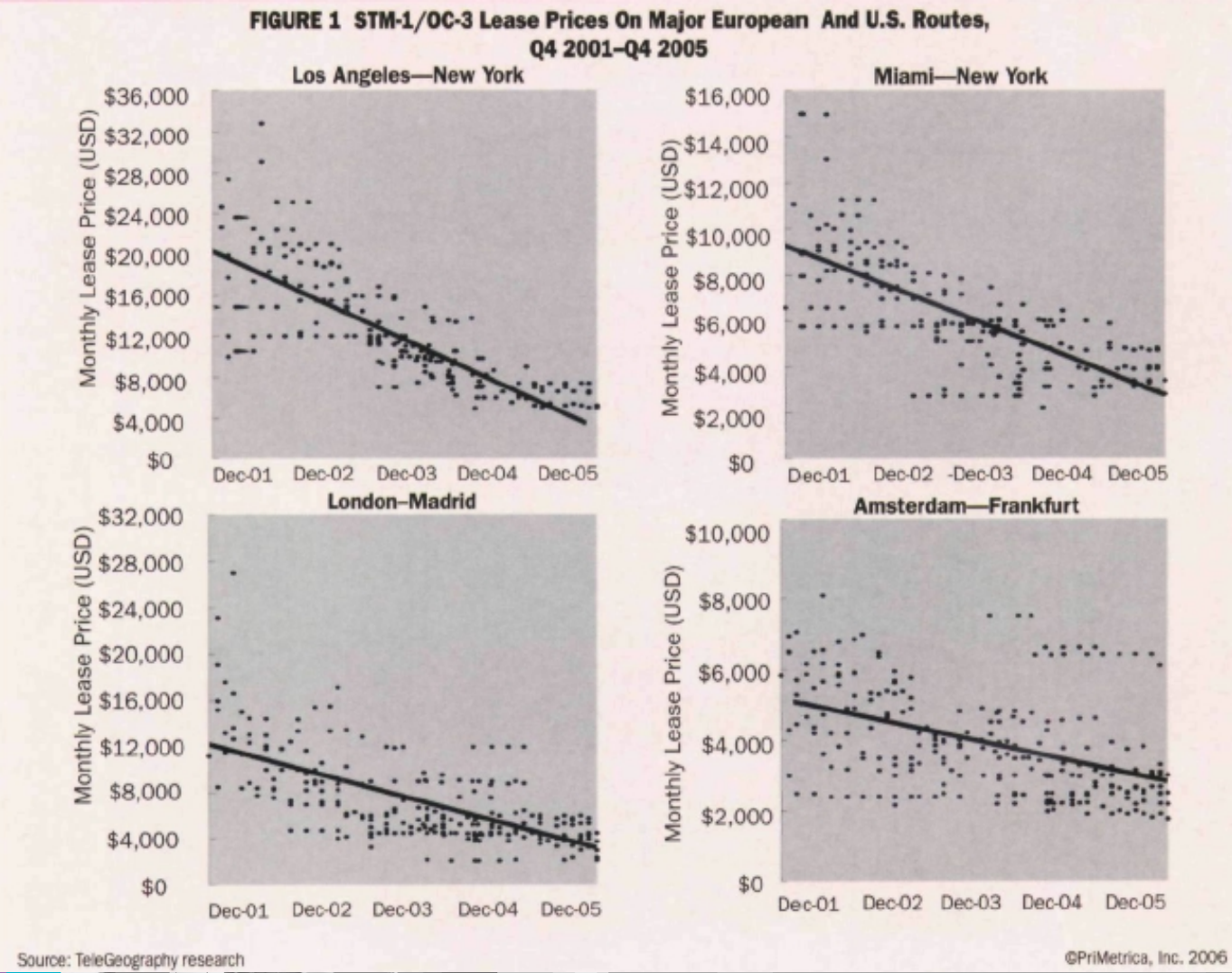
- Delivers value for core commercial workloads
- Designed to maximize workload throughput
- Tight control yields reliability, recovery, and high utilization
- Minimize staffing requirements by running a lot of work in one place
- Delivers tremendous TCO when fully loaded

Shifting Trends Favor the Mainframe Again

- Continuous availability is even more important in the web world
- Security and compliance are top of mind
- Server sprawl has driven up the cost of labor
- Cost of power is increasing
- TCO pressure is driving customers to consolidate workloads on virtualized platforms
- Growing use of Linux
- Network economics favor consolidation once again
- The mainframe is at the center of SOA
- IBM has delivered dramatic mainframe price reductions

It's time to take a fresh look at the mainframe!

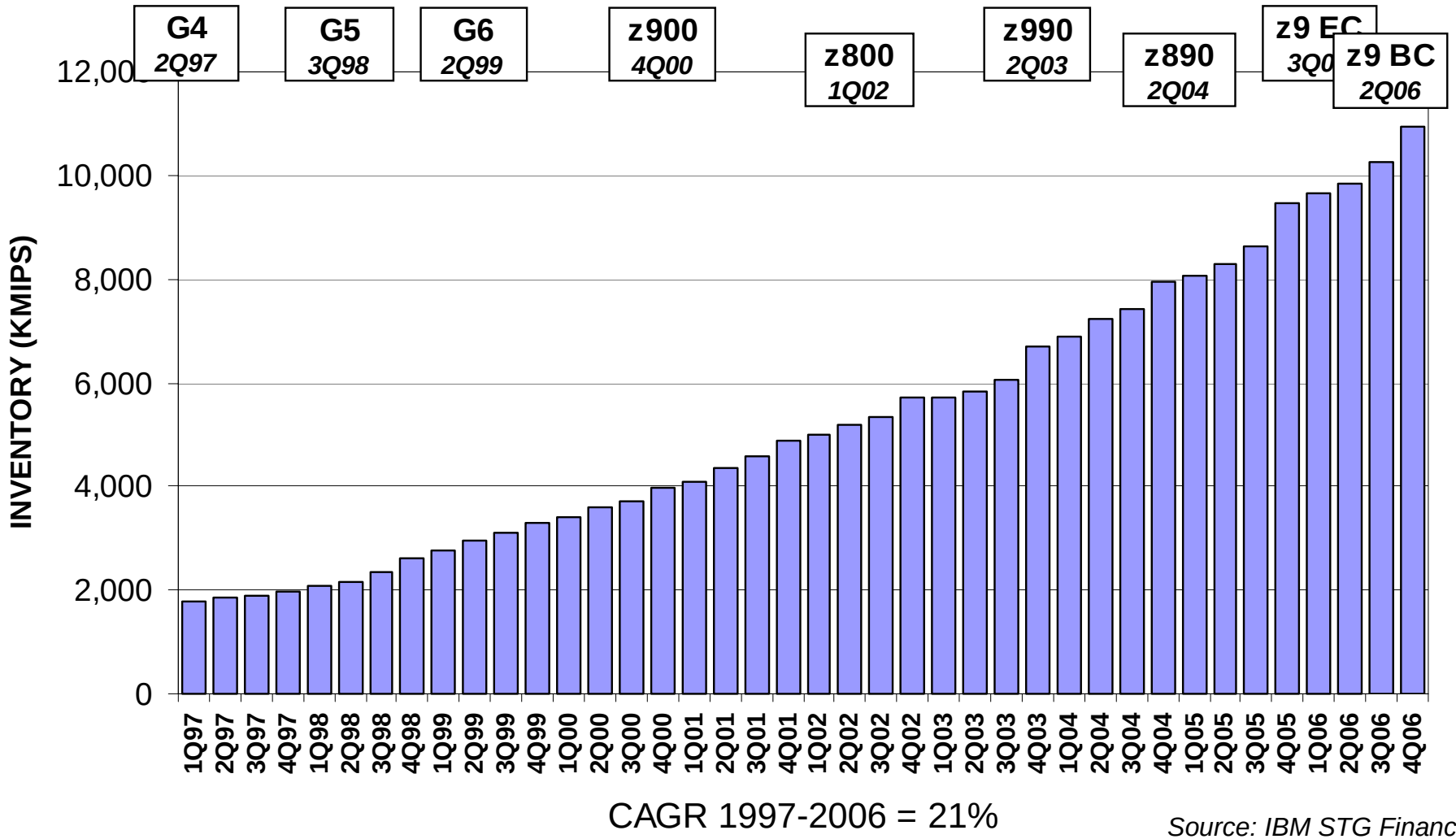
Decreasing Price of Bandwidth Favors Geographic Server Consolidation



IBM System z Economy of Scale

▪ Near-linear scalability	up to 900,000+ concurrent users
▪ “Mean Time Between Failure”	measured in decades versus months
▪ ¼ network equipment costs	virtual versus physical
▪ 1/25th floor space	400 sq. ft. versus 10,000 sq. ft
▪ 1/20 energy requirement	$32/day versus $600/day
▪ 1/5 the administration	< 5 people versus > 25 people
▪ Highest average resource utilization	> 70% versus < 15%
▪ Highest concurrent workload	hundreds of applications versus few

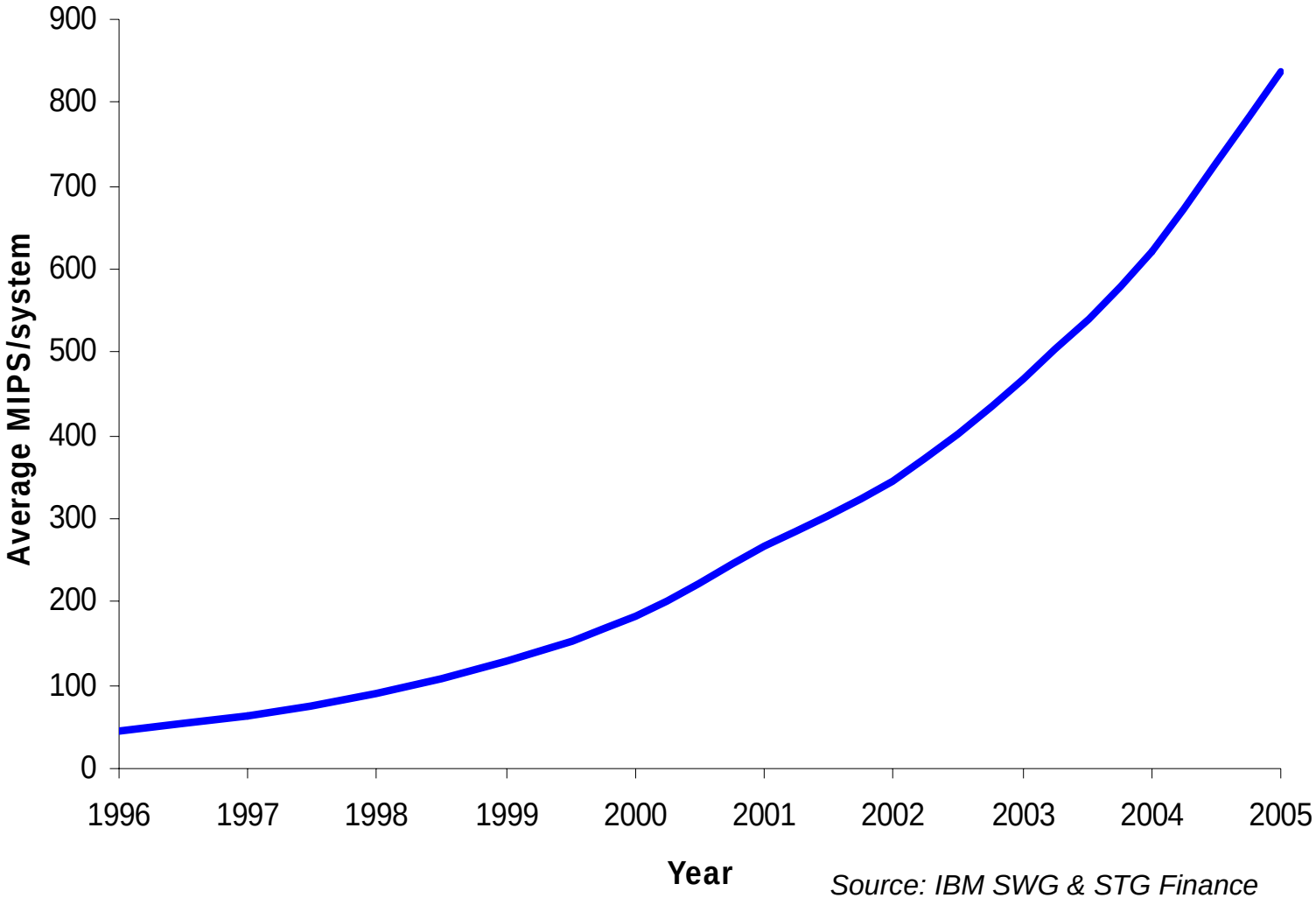
Customers Are Installing More MIPS



CAGR 1997-2006 = 21%

Source: IBM STG Finance

Average Size of Mainframe Systems WW is Increasing



Source: IBM SWG & STG Finance

System z Today

- 490 of IBM's top 500 customers use CICS
- Over 95% of Fortune 1000 companies use IMS
- DB2 for System z is in 25 of the top 25 worldwide banks, 23 of the top 25 US retailers, 9 of the top 10 global life/health insurance providers
- IMS and CICS systems execute over 80 billion transactions a day
- System z increased market share 14 points while Sun, HP, and others fell over past 5 years
- 60% of System z revenue is driven by new workloads (Java, Linux, Database, SOA)

The New Mainframe – Getting Better All the Time

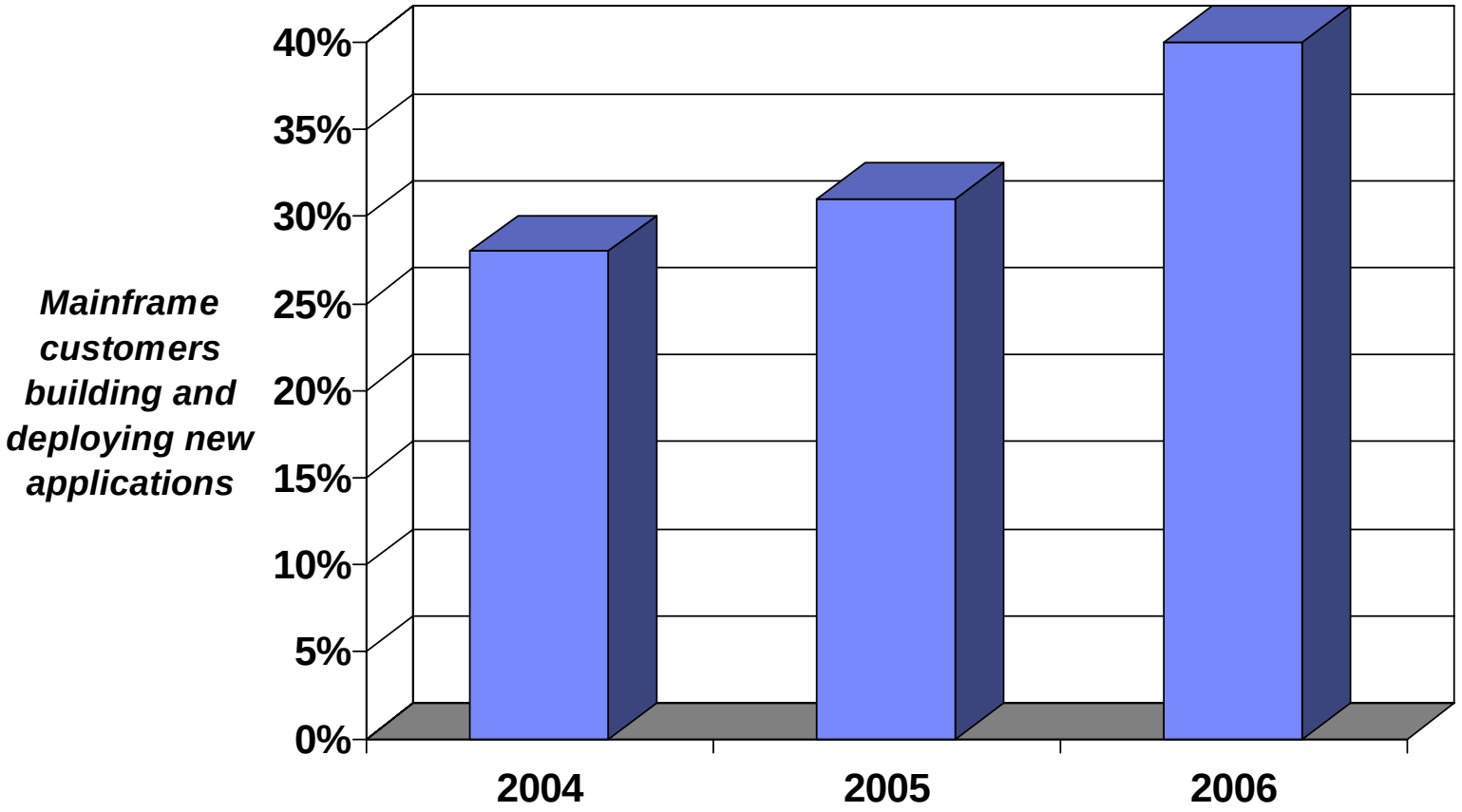
- Platform for Service Oriented Architecture
- Modern Application Development Tools
- Data integration built on rock-solid technology
- A new generation of system management tools
- Best Qualities of Service
- The industry benchmark for Secure computing
- Industry-leading Disaster Recovery capabilities
- The lowest Cost of Ownership through centralized computing

New Mainframe Ecosystem Initiatives

- ISV program for System z
  - Free technical support and use of System z for porting
  - Go to market support
  - Via IBM's Partner World Industry Network

- IBM academic initiative for mainframes
  - 250 colleges and universities, 300 professors
  - 20,000 new skills by 2010

Momentum for New Mainframe Applications is Building



Source: Evans Data Corp, Enterprise Development Survey, Winter 2005

When to Use a Mainframe

- Use a mainframe
  - To consolidate mature business workload into a structured, cost contained environment
- Use a distributed system
  - To run individual applications, which are new, or subject to change in a less controlled environment

The Value of Distributed Computing

- Rapid Application Development and Deployment
- Separation from Core business processes
  - Flexibility without impacting core business stability
- Focused and controlled investment for special purpose applications
  - Compute intensive, deep analytics
- Designed for high performance at low cost in a single application environments

Mainframe or Distributed – or Both

- Distributed Computing does not replace Mainframe Computing
- Side-effects of improper application of Distributed Computing
  - Proliferation of Servers
  - Spiraling Labor Costs
  - Difficult Security Environment
  - Data and process synchronization challenges
- These side-effects are causing a re-evaluation of the distributed computing model

Meet On Demand Insurance (ODI)

We need to transform from a regional insurance company to a global insurance company

We need to work better with brokers, underwriters, and customers

We need to increase revenue and improve profits

On Demand Insurance CEO

On Demand Insurance – I/T Challenges

Our business direction will require significant new solutions

Should I use distributed solutions or do more with my mainframe?

On Demand Insurance
CIO

How ODI Can Leverage New Mainframe Capabilities

IBM has incredible new capabilities in the mainframe environment

- Integrated SOA (Service Oriented Architecture) support
- New Data Integration capabilities
- New Software Development Tools
- New Easy-to-use Operations and Systems Management Tools
- Lower cost replacements for third party tools

All of these capabilities are built on the most trusted computing environment in the industry

IBM

On Demand Insurance

On Demand Insurance CEO

Agenda

Introduction	9:00 – 9:30
Unlock the Value of Mainframe Assets using SOA	9:30 – 10:15
Productive Tools for Application Development	10:15 – 10:45
BREAK (15 minutes)	10:45 – 11:00
Information on Demand	11:00 – 11:45
The New Face of Mainframe Security	11:45 – 12:15
LUNCH (1 Hour)	12:15 – 13:15
The Mainframe Design Point – Fundamentally Better	13:15 – 14:00
The New Face of Mainframe Operations	14:00 – 14:30
BREAK (15 Minutes)	14:30 – 14:45
Keeping Your Business Running When Disaster Strikes	14:45 – 15:00
Consolidate and Save with Mainframe Linux	15:00 – 15:25
When the Mainframe Really Is the Lowest Cost Platform	15:25 – 16:00
CLOSE	16:00