IBM Software



Business Analytics Forum 2010 See The Future Of Decision Making

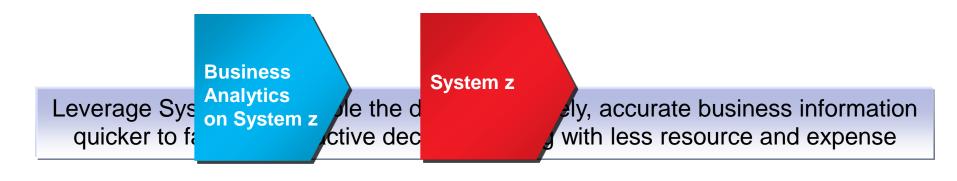
November 3-5, 2010 Gold Coast – QLD – Australia

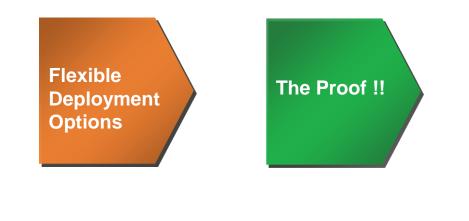
Leverage System z for Business Analytics



Nick Lancuba APAC SWAT Team – BI + Tiger Team Z Cognos Software

Agenda







Shifting Market Dynamics

- Business Analytics: Strategic Asset/Mission Critical
 - Broader, more intense users
 - High availability & performance expectations
 - Access to more data
- Troubled economy
 - Do more with less business & IT
 - Economies of scale/consolidation
- Corporate regulatory compliance driving security
- Environmental concerns



IBM: 2009 CIO survey results

CIOs select their ten most important visionary plan elements

- 3/4 of CIOs anticipate moving to a strongly centralized, shared infrastructure to improve economies of scale
- 83% say Business Intelligence & Analytics is their top focus area

Business Analyticsall parts of the business need it!





Business Analytics....lots of users with different needs!

BUSINESS MANAGER

Fast access to relevant information to make better operational decisions

LINE MANAGER

Real-time monitoring to continuously adjust operations activities EXECUTIVE

At-a-glance view of financial and operational performance



FINANCIAL & BUSINESS ANALYST

Free to explore and analyze, and assemble insight for others

EMPLOYEES

Receive scheduled, personalized content and subscribe to most relevant for their role

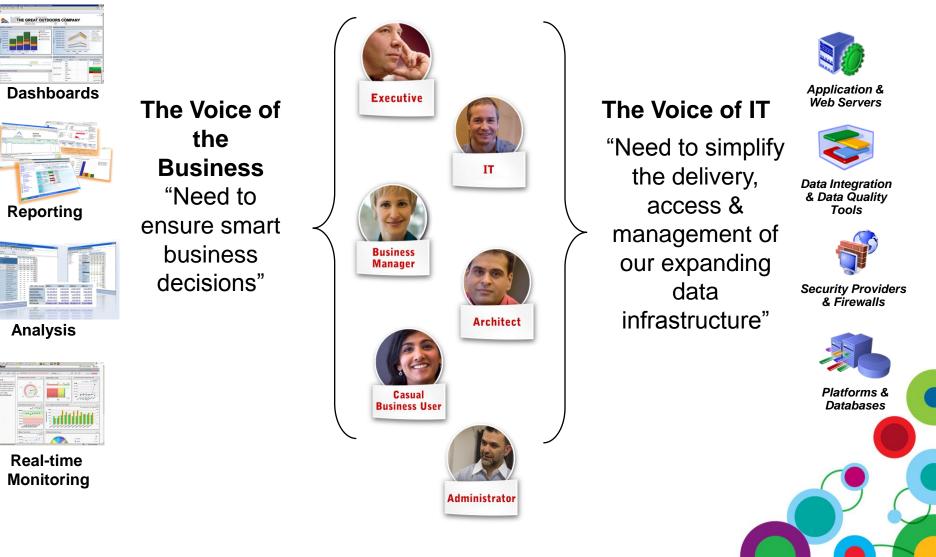
CUSTOMER & PARTNERS

Secure access to information over the web with no training

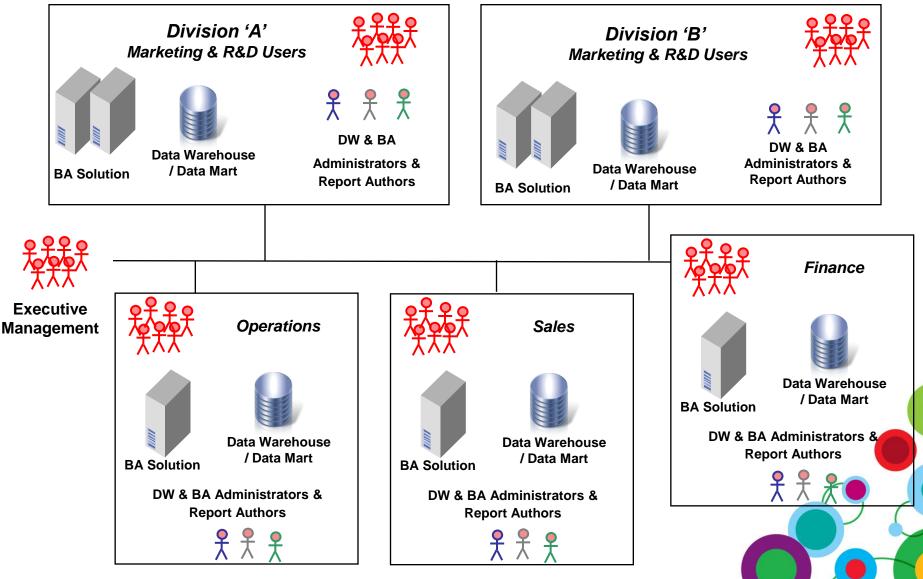
A full range of capabilities is needed for optimized decisions



Business AnalyticsFew are Satisfied Today!



Today's Traditional Business Analytics Infrastructure ...a Distributed approach



Challenges

Business Analytics

- Too many BA tools
- Disparate tools lack functionality
- Users need access to more data and different kinds of data (transactional & historical)
- Infrastructure costs are a barrier to entry
- System performance and availability not meeting expectation
- Information quality/security is in question
- Takes too long to deploy, access, and grow BA

Data Management

- Delay in accessing transactional data
- Queries taking too long to execute
- Difficult to manage expanding data sources and servers
- Server capacity not being maximized
- Data quality in question
- Minimal control over data access
- Increased risk as data is transferred from system to system
- Non-existent or inadequate disaster recovery plan due too high cost
- No economies of scale

The hidden costs of disappointed customers....

- Disappointment = Reduced Usage =
- Underutilization of software investment &
- Unattained Business Advantages

IBM System z...the platform for the future

"you cannot think seriously about your longerterm IT architecture without thinking equally seriously about what today's mainframe environment has to offer"



<u>CIO Magazine: Mainframe computing is</u> <u>set for a rebirth – September 29, 2009</u>

Customers Selected z to Meet These Critical Business Needs



System z: The Right Infrastructure Choice for Business Analytics & Data Warehousing

Gives all decision makers complete, consistent, timely and relevant information

- Fast access to transactional data to facilitate Operational BA
- Reduces data latency
- Provides a single version of the truth
- Offers SQL access to non relational source data

Reduces IT cost and complexity

- Centralizes resources / Minimizes data movement/duplication
 - Reduces hardware, software and facilities
 - Maximizes server capacity
 - Offers greater economies of scale

Ensures SLA are met with high user satisfaction and ROI

- Unmatched system performance, reliability and security
- High availability (99.999% uptime)
- Accelerates performance for complex queries

Simplifies deployment and growth of BA implementations

- Reduces time, resource and cost of starting/expanding BA investment
 - Automates and facilitates self-service provisioning
- Pre-integrated end to end DW and BA solution on a single platform

Business Analytics OPTIONS

IBM Cognos Business Intelligence for Linux on System z IBM Cognos Now! for Linux on System z IBM SPSS for Linux on System z



Ţ.

IBM Business Analytics on System z Meeting the needs of the Business and IT



Real-time or historical; operational or strategic



Guided or self-service access and exploration...



Foresight using <u>Statistical</u>, Content, and Predictive Analytics...

Ö



Just in Time Fast Time Capacity









Reduced Cost

Security & Governance







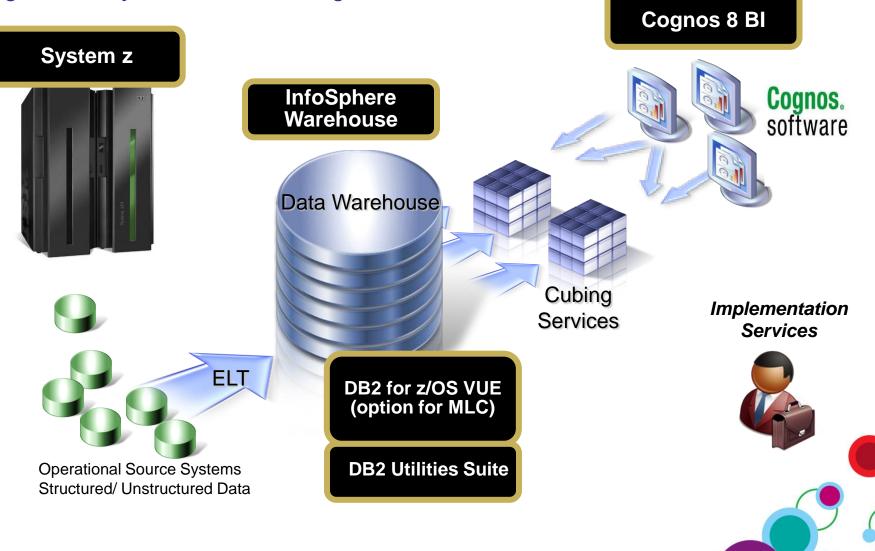
X

Flexible Deployment Options



Smart Analytics System 9600

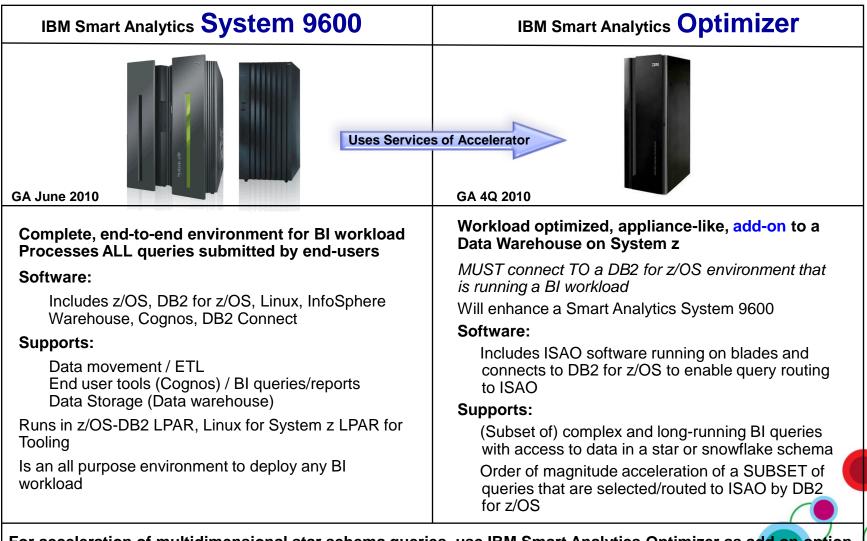
High Value Dynamic Warehousing



Comparing the Smart Analytics offerings in System z:

¢)

(ac)



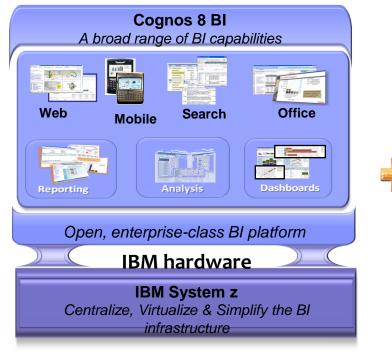
For acceleration of multidimensional star schema queries, use IBM Smart Analytics Optimizer as add on option

The Smart Analytics Cloud solution offering

	Creates	That delivers
Smart Analytics Cloud	A private cloud within the enterprise	A solution for delivering business intelligence to the entire organization

The solution components ...

IBM software



IBM Services

- Phase 1: Create awareness of, a strategy for and a governance foundation for BI across the organization
- Phase 2: Preparation for the Smart Analytics Cloud
- Phase 3: Install the base cloud, integrate into the corporate enterprise and test the cloud use cases
- Phase 4: Educate the enterprise for on-going success with the Smart Analytics Cloud

Geared towards large BI customers who are focused on supporting a large multi-tenant (or cross lines of business) install base of users.

Why Cloud ????

- The proliferation of BI and Analytic tools and deployments around the enterprise often resulting in multiple tools and tens (if not more) overall deployments
- Ability to support and comply with corporate and regulatory standards when no two BI deployments look exactly alike
- Rising costs as each instance requires ongoing operations costs plus initial start-up costs which include hardware, set-up costs, software, etc.
- The need for a cohesive BI/Analytics strategy for the corporation.
- Utilization of skilled workers is ineffective when there are many deployments requiring ongoing operations and support
- BI Cloud works hand in hand with the enterprise centralization initiatives

S N

Value Proposition for Cloud ????

- Centralization enables a core concentrated BI service that is standardized across the lines of business and user install base without removing the LOB control to own and manage their own end to end BI solution
- A concentrated service strategy for BI supports simpler enforcement of corporate and regulatory standards, including security and boarding processes
- A subscription model, based on user chargebacks enables departmental budgets to stretch farther and cover more users
- Reduced costs overall with greater operational efficiency and a centralized service strategy based on economies of scale
- More efficient utilization of the BI skilled workforce with a centralized service strategy

IBM's Large-scale BI Private Cloud What, Why & How



© 2009 IBM Corporation

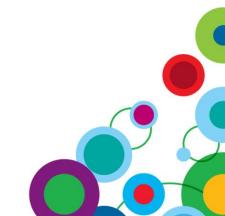
Ö



IBM WW Blue Insight Scope

Service delivery scope is business domain agnostic...

- Who is using *Blue Insight*
 - Sales Commissions
 - Sales Management
 - Sales Operations
 - Supply chain Fulfillment, Procurement
 - Finance Expense, revenue
 - Brand/Unit reporting
 - Channel reporting Direct, Business Partner, Web
- How many users does *Blue Insight* support
 - 2009 72K users (exceeded 2009 objective of 55k)
 - 2010 projection is 120K users
 - 2011 projection is 200K users (Steady state)





Introducing IBM's *Blue Insight*

In the spotlight



Our commitment to informed decision making led us to consider private cloud delivery of Cognos via System *z*, which is the enabling foundation that makes possible **+\$20M savings over 5 years**.

-IBM CIO Office

Blue Insight enables IBM to deliver business intelligence (BI) with greater efficiency across the enterprise

- Establishes a corporate strategy for service delivery of BI
- Reduces the time and cost to deliver BI to new divisions and departments
- Maintains current departmental business processes, corporate security and compliance
- Maximizes departmental budgets by subscribing to standard services
- Private cloud solution implementation offers economies of scale and flexibility

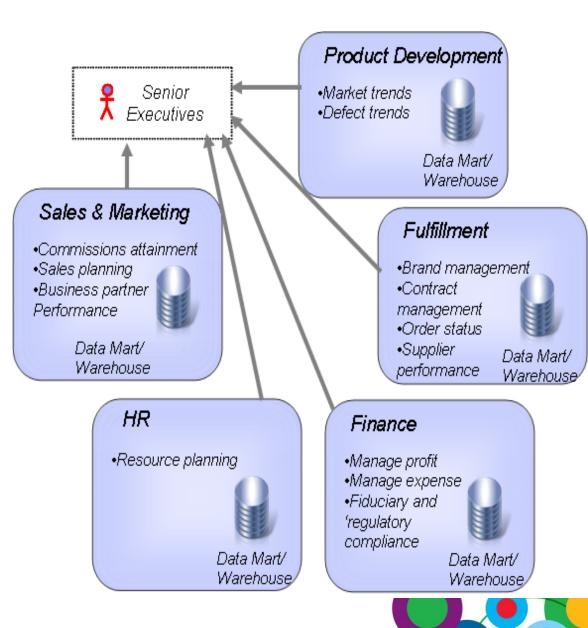
Customer results:

- Consolidating +20 multiproduct, departmental BI deployments to Cognos 8 BI on System z
- Deploying a private cloud to support +200,000 named users across our global workforce
- Realizing value from +60 data sources across IBM

Learn more: http://www.ibm.com/systems/z/solutions/cloud/smart.html

Evaluation of IBMs Historic BI Environment

- Segmented investments in BI tooling and infrastructure
 - Budget distribution based on operational process, relegated BI investments selection to affordability
- Silo'd metric development
 - Redundant and possibly competing
- Lack of tooling standardization
 - Multiple 3rd party vendors
 - Inflexible BI staffing
- Limited visibility to the total cost of business intelligence costs for the enterprise
 - Top down budget distribution
- Organizational reluctance to a centralized service
 - "Been there before" reaction
 - Fear of loss of autonomy to react to local business drivers



Ś

IBM Business Issues

- Need to move at "business speed"
 - Adopters need to be able to react to changing business needs in real time
- Predisposition to maintaining control and autonomy over business metric delivery solutions
 - Reluctance to relegate responsibility for unit level BI KPIs and solutions that deliver status
 - Need to tailor information to specific consumer needs
- Investment decisions are made based on budget
- Business distracted with operational support for tooling, reducing focus on business problems

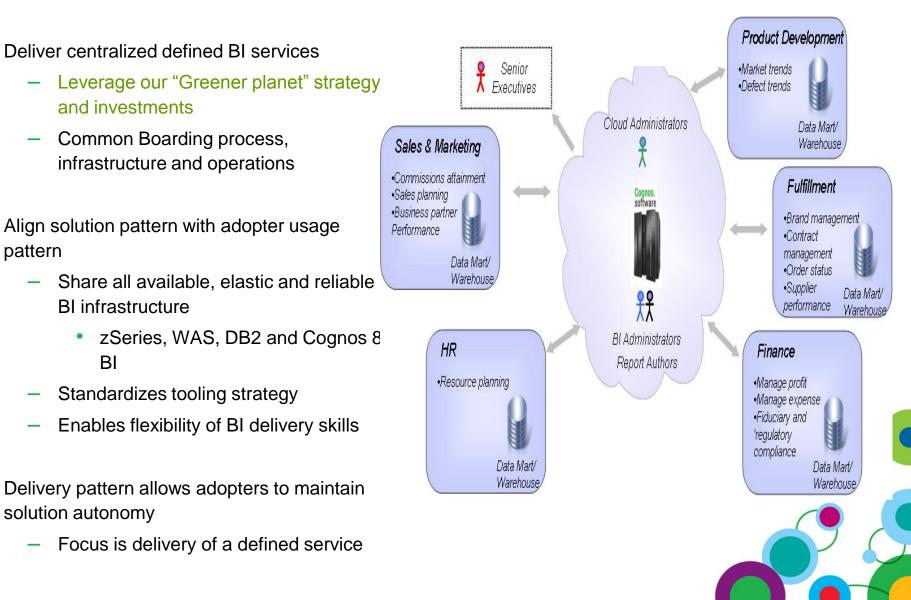
IBM IT Issues

- Lack of BI/Analytics strategy
 - Drove independent evaluation and investment decisions in BI tooling
 - No common SW and HW standards
- Fractured BI skill pools
 - Different BI tooling did not lend itself to workforce flexibility
- High infrastructure costs
 - Decentralized Infrastructure and SW costs increased initiative costs
 - Reduced the number of initiatives that could be funded
 - Server utilization was poor
- Long deployment times
 - Each deployment required HW acquisition and SW installation
- Inability to share content between distributed BI deployments
 - Drove duplication of efforts
 - Conflicting content
 - Questions regarding trusted metrics and data source usage



IBMs Strategic Response

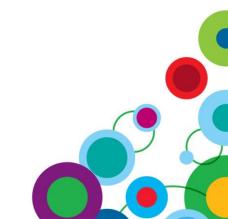
pattern



S. Mei

Expected Business Value & Soft Savings

- Controlling infrastructure deployments and centralization
 - Avoid investment in a projected 35-50 BI installations
- Common governance
 - Data / BI governance can be implemented consistently for all adopters
 - Legal and regulatory issues are solved centrally
 - Process certifications are simplified
- Maximize content sharing
 - Sharing of data source modeling
 - Reuse of report content



Customer Successes System z for your Cognos 8 Bl



Cognos 8 BI on System z – Customer Successes

- IBM FMS Team
 - Internal deployment of Cognos on System z by GBS team
 - Migration from Brio to Cognos in 4 months
 - In Production supporting up to 47000 users on System z10
- Numius Business Partner
 - Proof of concept migration from HP+Oracle+Win+Cognos to System z+ DB2z+Cognos

¢ M

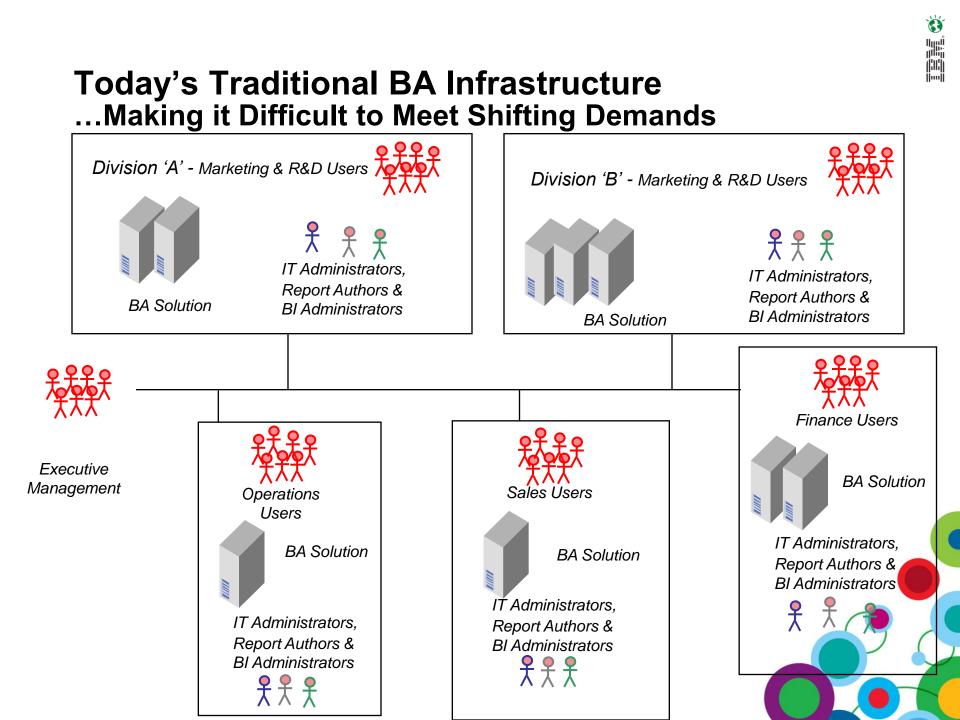
30

- Significant performance gain 1 report to 400+ reports
- Customer success webcast delivered + IOD presentation
- Blueinsight
 - Internal Cognos@IBM project
 - 60+data sources, federated to System z
 - 20 LOBs consolidated and hosted
 - Target support for 200,000 users
- Miami Dade County
 - Existing Cognos customer redeployed existing apps from Unix to System z in 6 weeks
 - With NEW capability, Go!Dashboard, Go!Mobile, Federation
 - In Full Production to 3000 users
- Key Customer Value Points:
 - Utilize spare IFL capacity virtualization/consolidation value
 - Speed to deployment/value and simplicity of migration
 - Enterprise BI Service delivery platform standardized service offering capability with security, process compliance and predictive scalability

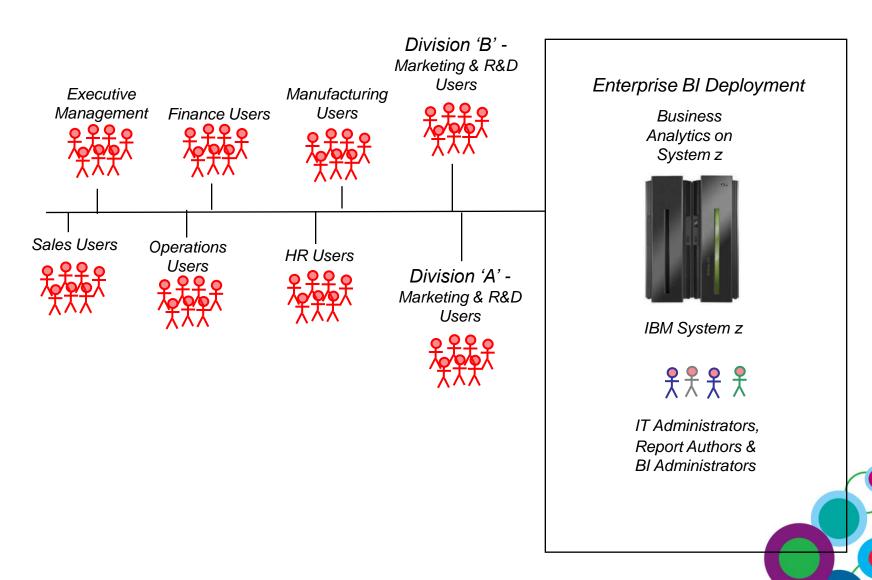


Business Analytics Infrastructure Considerations

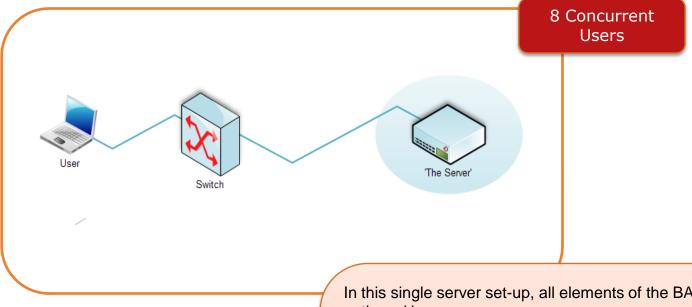




But what if YOU had Another Option? IBM Business Analytics on System z



Typical Set-up



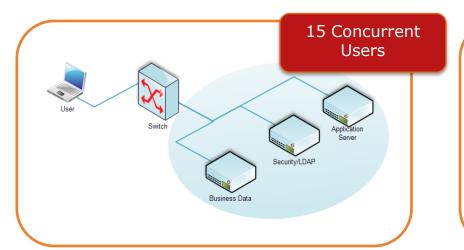
In this single server set-up, all elements of the BA environment are gathered in one server.

Competition for resources is fierce and productivity collapses in multi-user mode due to this competition.

Additionally, you have created a massive single point of failure.



Moving Ahead

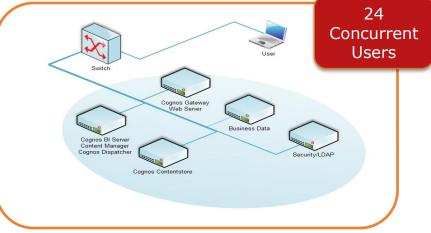


In this realistic starter set-up, **the Cognos 8 BI application layer is seperated from the business data** (e.g. Data warehouse or operational sources) and from the security layer.

Within Cognos 8 BI, different functions (e.g. the Web server, Content Store – Metadata management, Report services, Log services,...) still compete for resources and lead to suboptimal performance.

The Application(+web) server layer is a point of failure. No measures have been taken to reduce vulnerability.

This set-up is very wide spread.



In order to resolve competition between important functions, the Webserver functionality gets a dedicated server, as well as the Metadata database (Cognos 8 Bl Contentstore).

Access to the Metadata database does not compete with access to the Business data.

The Cognos 8 BI Application server can now focus on its core business, which is producing report output.

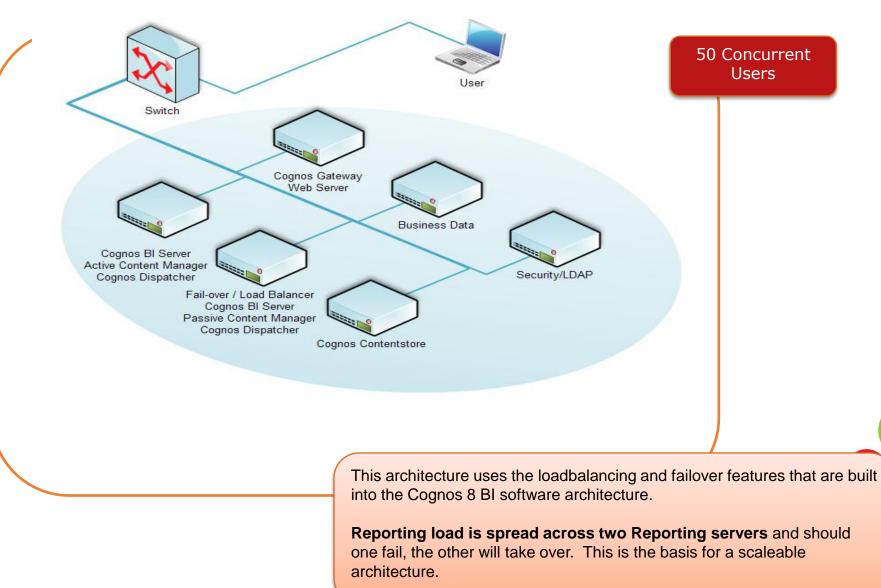
This should be the basic architecture.

Still, this architecture does not provide any failover or load balancing functionality whatsoever.

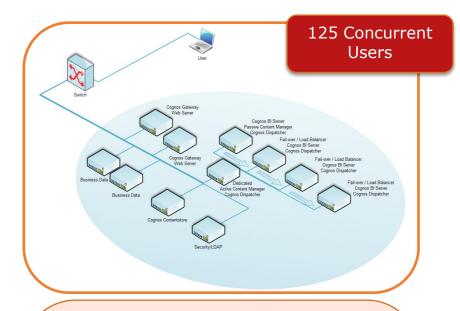
Slide 35

4 november 2010

Recommended Core Architecture



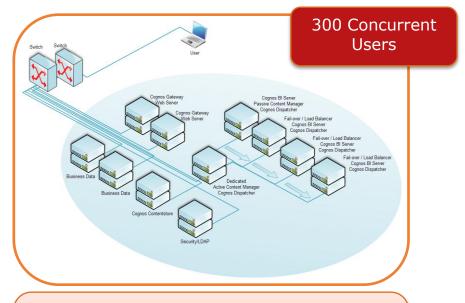
Introducing Focus and Redundancy



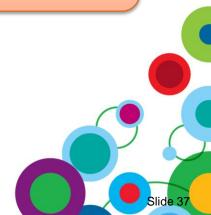
A further degree of "specialisation" is introduced at the Cognos 8 BI level by **dedicating a server to the dispatching of all requests to a farm of Cognos 8 BI application servers**, freeing even more capacity for the Cognos 8 BI Report servers to focus on their core business.

Within such a farm of application servers, workload can be routed to clusters of servers depending on the type of workload (e.g. OLAP) or the security role membership of the active user.

Still the environment is not a high-availability environment.



Redundancy is introduced throughout the environment to achieve high-availability.

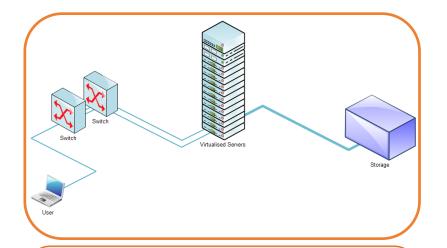




Slide 38

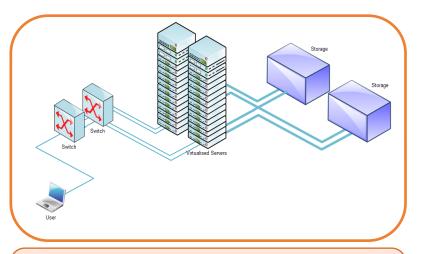
4 november 2010

Virtualizing and Resolving Failure Points



The distributed environment is **consolidated in a virtualized set-up** with high performance storage arrays.

The virtual host as well as the storage create potential failure points.



To **resolve failure points**, the virtual host **infrastructure as well as the storage are duplicated**.

Architectural Summary

Core Architecture

- One server for Cognos, one for data source, one for LDAP (3+)
- Multiple specialized servers each Cognos component (web, report server, content manager, content store) on its own server, another for data source, another for LDAP (6+)
- No failover capability

Load balancing/failover

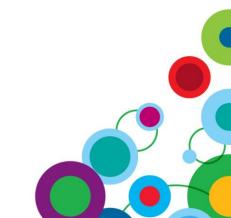
- One additional server to share report server load and be standby content manager (7+)
- Automatic failover done by Cognos, data servers continue to a point of failure

High Availability

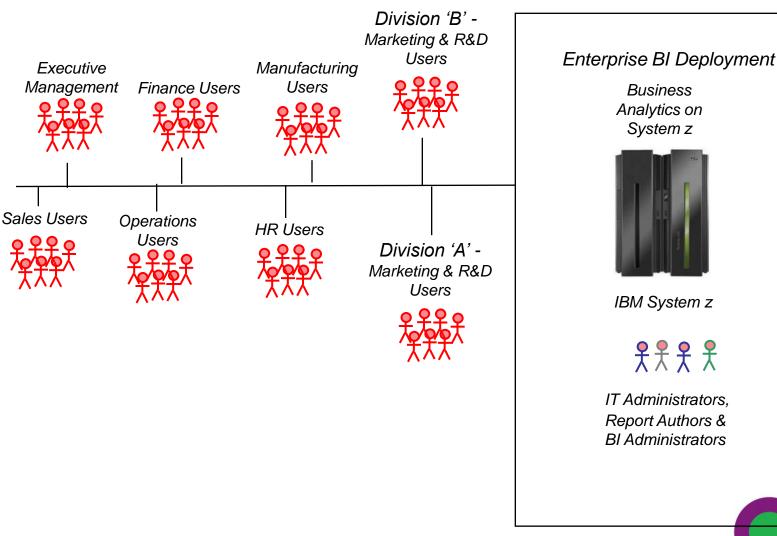
- Additional redundant hardware for critical components (14+)
- Cost/benefit tradeoffs
 - Server sprawl and associated costs
 - Consolidation through virtualizaton

Continuous Availability

All components are duplicated, perhaps a different site



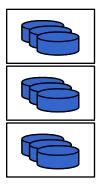
YOUR Other Option! IBM Business Analytics on System z



à

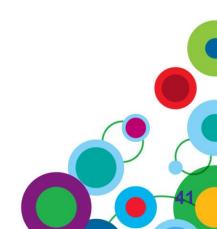
Comparison

- Distributed over multiple servers
- An easy sell but ...



- How consistent are extracts, transformations, integrations and summarizations?
- Redundancy of data magnified
- Security concerns over physically moving data
- Analytic results between groups are inconsistent
- Generally must create physical data marts

- Consolidated
- Is a sound foundation upon which to build future DSS needs
- Data acquisition and delivery is consistent an documented
- Maintains historical integrity
- Provides full data lineage meta data
- Stable, consistent data values and calculations
- Can create physical or (less costly) virtual data marts



Distributed Costs

vs Centralisation

- Cost of running additional workload on distributed servers goes up nearly linearly
 - Labor !!!! Admin staff costs increase in proportion to number of servers
 - New workload requires additional servers
 - Cost of additional servers / software licenses are nearly linear
 - Electrical and air conditioning costs also increasing
- Need to rethink scale out strategies in terms of cost per unit

- Cost of running additional workload on mainframe generally goes down as total workload grows
 - Labor costs remain roughly same as workload grows
 - Mainframe pricing policies designed to favor additional workload
 - Lower software costs per transaction as workload grows
 - Lower electrical and air conditioning consumption than server farms
- Mainframes running high workloads are very cost efficient platform

Conclusion

Reducing cost and complexity in BI infrastructure is mandatory today

 Consolidation efforts to System z expand its usage from transactional processing to DW/BI

Leverage your investment in System z:

- Mainframe still THE standard for mission-critical apps and BI now is mission- critical
- New technology and price points make System z a cost-effective option (Cognos and SPSS for BI)
- Data integration (ETL, quality processing, etc.) easie same platform as most operational data
 - Reduce data latency, redundancy and complexity



Conclusion - continued

Maximize utilization of mainframe

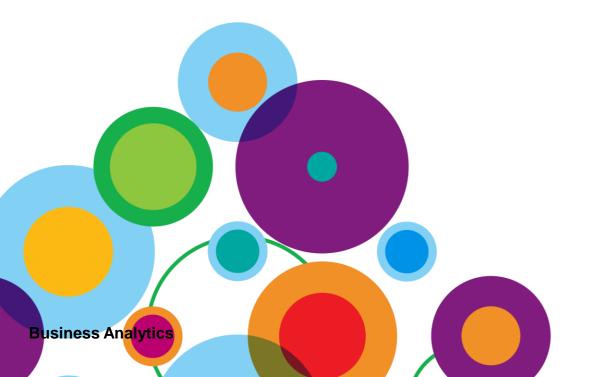
- They can be used at 90+% utilization, 24 hours by 7 days
- Reverse trend and consolidate BI workload onto System z think about virtual data marts

Minimize other costs

- Minimize software tool costs
- Minimize power costs
- Minimize outages and security breaches
- Minimize labor costs

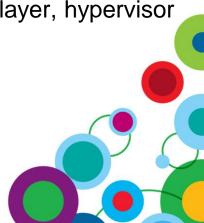


The Proof? Examining the 5 Yr TCO for Business Analytics on System z



Measuring Total Cost of Ownership Standard Hard Costs

- **Power:** powering and cooling the servers
- Floor Space: floor space consumed by the servers
- Server acquisition
- Server Maintenance: after warranty
- Connectivity acquisition: network ports or SAN ports and cables
- Connectivity maintenance: network ports, SAN ports and cables (after warranty)
- Software licenses: the cost to acquire software licenses
- Software maintenance: cost to maintain (support & subscription) software
- Network Administration: bandwidth placed on physical network for each case
- System Admin: the cost of people administering the hardware layer, hypervisor layer and operating system layer



Measuring Total Cost of Ownership Additional Incremental Costs

X

- Technology Refresh Requirements
 - On average the standard practice within the IT world is to do a technology refresh every 3 years (36 months) in an effort to realize:
 - Operational cost savings,
 - Avoid incremental data center capital spending, and
 - Gain capacity to support growing, business-critical BI needs
- High Availability Considerations
 - Equipment acquisition: the cost of the equipment acquired to provide for disaster recovery capabilities
 - Equipment operation: the cost of operating the acquired disaster recovery equipment
- Growth Considerations
 - Meeting the needs of tomorrow....
 - Building an infrastructure which will scale to meet the growing demands as the business users usage grows
 - Building an infrastructure which will accommodate a growing BI users population
 - Anticipated Average Growth Rate over 5 yrs
 - Year 2 50%
 - Year 3 50%
 - Year 4 20%
 - Year 5 10%

Cognos BI TCO/TCO Study Deployed on System z vs x86

- Product Focus: IBM Cognos 8 BI
- Objective: Explored the TCO of choosing an x86 based infrastructure vs System z for a Cognos 8 BI deployment

• Scenarios studied:

- Multiple deployment sizes (100, 1,000, 10,000, 20,000, 50,000)
- For each size of deployment sizes we then evaluated:
 - The TCO of a standard deployment based on Cognos 8 BI best practices
 - + High availability
 - + Technology Refresh.
 - + Scalability
- Explored all the acquisition, management and maintenance costs for a Cognos 8 BI infrastructure over 5 years were included
 - All 1st year costs included the acquisition costs of the hardware.

The Results

- Average savings over 5 years of choosing System z: 36%
- Total cost of acquisition is the same across both platforms
- System Administration cost savings with System z is equal to the TCO over 5 years for Cognos 8 BI for Linux on System z
- x86 infrastructure does not offer the any volume discounts from a facilities/administrative perspective
- High availability is approximately 50% cheaper with System z
- Existing System z customers only stand to further reduce there TCO.

Learn more: <u>ibm.com/software/systemz/telecon/15jun</u>

Cognos 8 BI for Linux on System zPerformance Testing

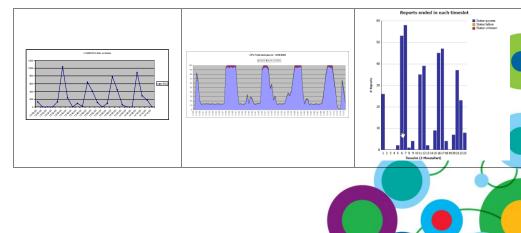
• Customer provided the need:

- Processes operational and financial data for 10.000 other companies and exchanges info with 250 B2B partners.
- Faced with performance & stability issues and could not expand it's BI any further.
- IBM Provided the Test Infrastructure:
 - Cognos 8 BI v3 and Websphere set-up on a zLinux and a DB2 instance on z/OS.
- Numius Provided the Expertise:
 - Ported existing application from the distributed to System z:
 - Cognos 8 Bl
 - Oracle on HP-UX to DB2 on z/OS
 - MS-SQL on Wintel to DB2 on zLinux)
 - MS-IIS on Wintel to WebSphere on zLinux).
- Cognos Provided the Flexibility:
 - Cognos 8 BI open to Operating Systems and Database Systems, no redevelopment was required

The Results

Cognos 8 BI for Linux on System z

- By adhering to our best practises could support more users and deliver faster performance.
- There was no change in functionality at the Cognos 8 BI level, so no impact whatsoever for the end-user.
- Not one report timed out, not one user was rejected. Even when the system slowed down, it remained stable.
- No redesign was needed to achieve his objective of reaching out to a large community.





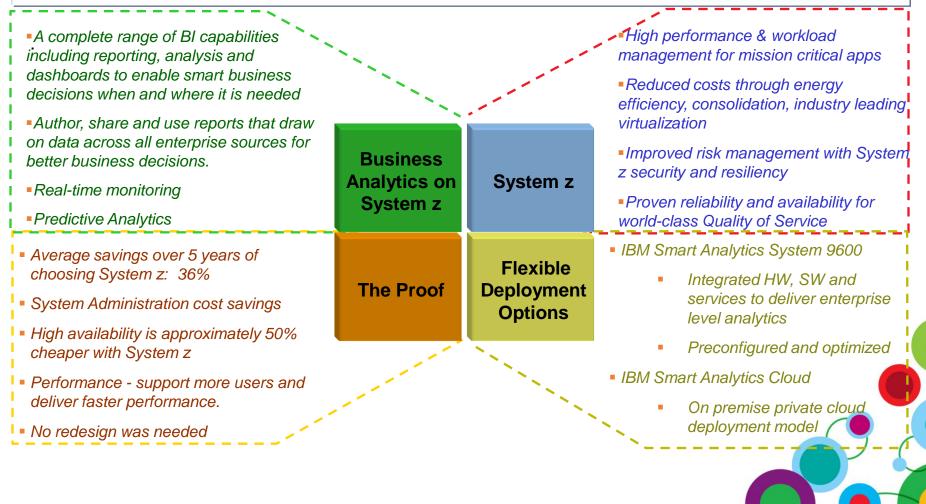
Wrap up



IBM Business Analytics and Data Warehousing on System z Value Creation for the Enterprise

Leverage System z to enable the delivery of timely, accurate business information quicker to facilitate proactive decision making with less resource and expense

DC)





WIN an Apple[®] iPad

Please remember to complete your session evaluation online at the Communication Station or point your Smart Phone browser to:

www.spss.com/goldcoast



For a chance to win an Apple[®] iPad

