Drive Operation Effectiveness and Efficiency

Joao Perez, Vice President, Tivoli Software

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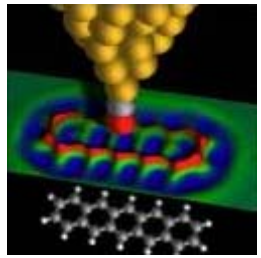
As the world gets smarter…

Traffic systems

Oil Fields

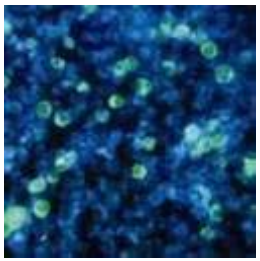
Food systems



Healthcare

Energy grids

Retail



Water supplies

Supply chains

Weather forecasts

Countries

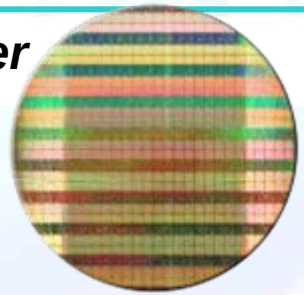
Regions

Cities

…demands on the infrastructure will grow.

Technology is Driving Change and Creating Opportunity

Transistors per human:[1]
2001: 60 million
2010: One billion



Global cellular service:[2]
2007: 3.3 billion connections
64% of users are in emerging markets
2010 (Q1): 4 billion connections

Smart Sensors:[5]
"…**nearly half of all sensors** used for critical measurements across transportation, facilities & production equipment are now smart sensors."

RFID Tags:[3]
Nearly 4 trillion RFID events transmitted each day

Cyber Attacks:[4]
2007: *37k on US government / private sector*
158% increase in cyber attacks since 2006

Sources: 1) IBM Global Technology Outlook 2) GSM Association 3) Nilson Report 2007 4) US Department of Homeland Security 5) ARC Advisory Group

But Systems and Infrastructure are Reaching a Breaking Point

Inefficient Systems

70 cents per dollar
spent on maintenance

45% traffic circling looking for parking in NYC

Outdated Processes

$40B annual loss
due to supply chain inefficiencies

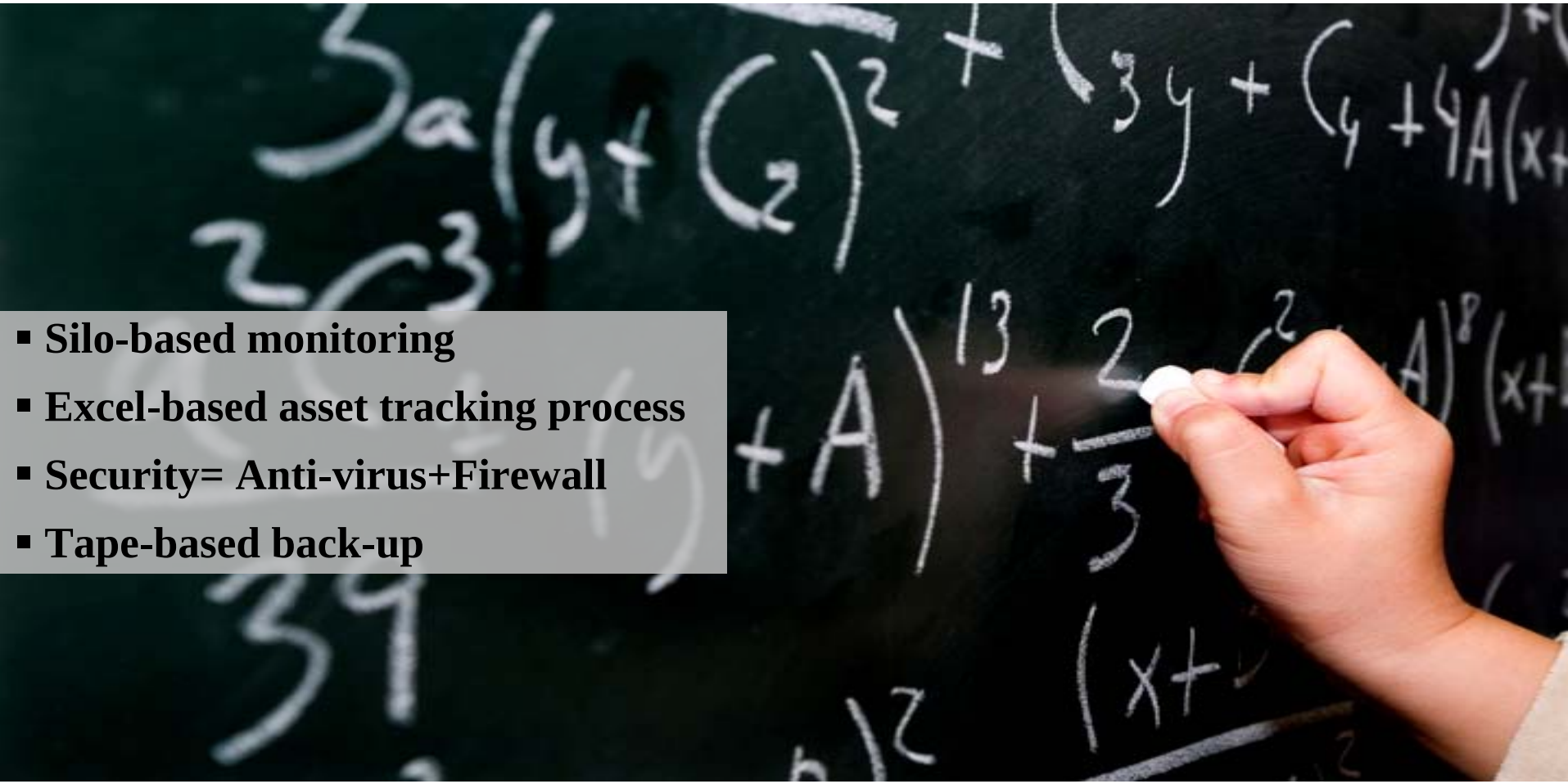
$11.5 billion worth of produce is wasted in India because of outdated post-harvest infrastructure

Wasted Resources

85% idle
computing capacity

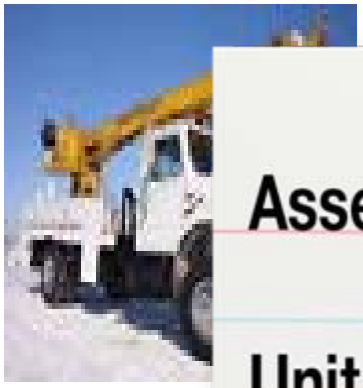
2.9 billion gallons
of gasoline wasted annually due to congested roadways

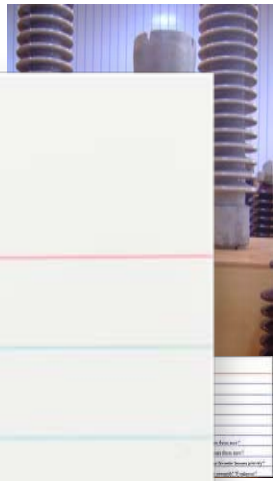
Yet the approach for managing this complexity remains the same



- **Silo-based monitoring**
- **Excel-based asset tracking process**
- **Security= Anti-virus+Firewall**
- **Tape-based back-up**

YOU CANNOT BE SERIOUS!





Asset: turbine bucket

Unit cost: $5000

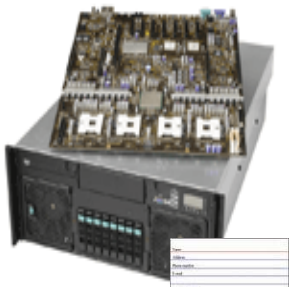
 # in system: 703

Total asset value: $3,515,000

Maintenance: yes - 4,000 & 24,000 fired hours

Tracking System: Microsoft Excel

OVER 1,500,000 Assets



OVER $90,000,000 CapEx

Smarter software for a Smarter Planet

YOU
CANNOT
BE SERIOUS!

Integrated Service Management
Smarter Software

Knows & acts

Turn information into insight

Adapts

Increase agility

Connects

Connect & collaborate

Delivers

Enable business service and product innovation

Optimizes

Drive enterprise operations effectiveness and efficiency

Protects

Manage risk, security, and compliance

The need for efficiency and superior service from IT Operations is more critical then ever.

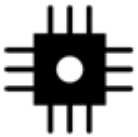
How can I improve the customers' experience with our business services?

How can I improve the productivity of IT Operations staff?

How do I manage a virtualized datacenter

How can I simplify the number of tools used to manage IT Operations?

INTEGRATED SERVICE MANAGEMENT



INSTRUMENTED

INTERCONNECTED

INTELLIGENT

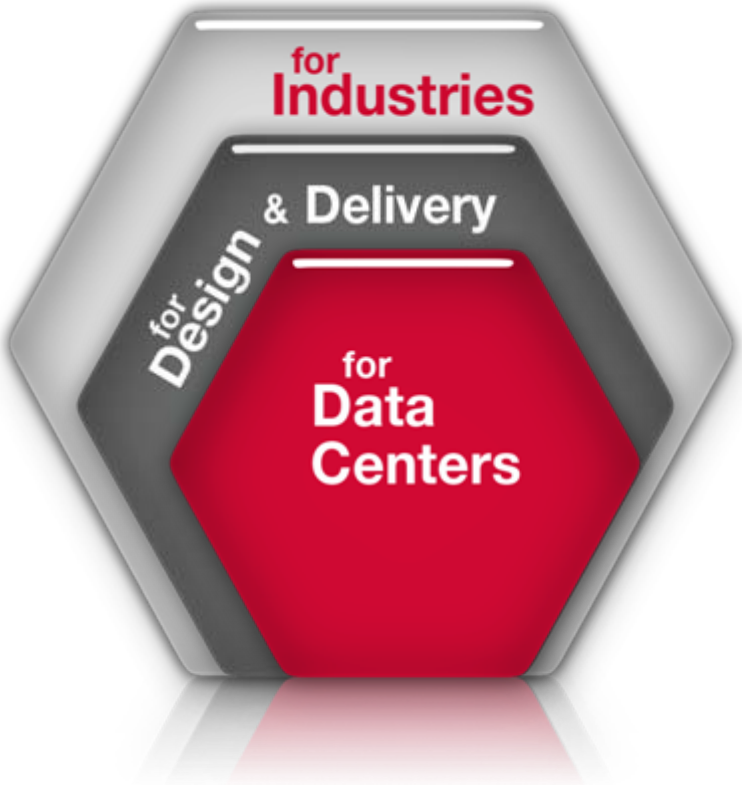
Integrated Service Management enables delivery of innovative services by providing Visibility. Control. Automation.™ across business infrastructure.

VISIBILITY

CONTROL

AUTOMATION

INTEGRATED SERVICE MANAGEMENT



- Service architectures tailored by industry
- Service lifecycle management
- Service dashboards
- Unified management of service requests and incidents
- Asset management
- Automated management.

IBM Tivoli leads Service Management

Delivering service management excellence through leadership, execution and innovation.

Gartner Market Share Leader

- #1 Overall ITOM category (8th consecutive year)
- #1 Availability and Performance
- #1 Event, Fault and Log Management
- #1 Network Management
- #1 Web Access Management
- #1 Security Information & Event Management
- #1 HSM and Archive Software

Gartner Magic Quadrant Leadership

- EAM for Power Generation - Leader
- EAM for Energy Distribution Utility - Leader
- EAM for Manufacturing - Leader
- User Provisioning – Leader
- Web Access Management – Leader
- SOA Governance - Leader

OSS Observer

- #1 Service Assurance
- #1 Event Management
- #1 Performance Management

IDC Marketshare

- #1 Overall in Systems / Network Management
- #1 in Overall Performance and Availability Management
- #1 Performance Management
- #1 Event Automation
- #1 Network Management
- #1 Archiving
- #1 Identity and Access Management
- #1 Security and Vulnerability Management
- #1 Enterprise Asset Management

Forrester Waves

- IT Asset Lifecycle Management (our 1st inclusion!)
- Identity and Access Management

ARC

- #1 in EAM Worldwide and in North America
- #1 in EAM Software Revenues and Service Revenues
- #1 in EAM for Oil & Gas, Pharmaceutical & Biotech, Automotive, Logistics,
- #1 in Government, and independent Maintenance Service Providers

Integrated Service Management Solves Customer Problems

Only IBM delivers quantifiable benefits whatever the challenge

Harley Davidson

- Globally integrated its IT Management Operation
- Recorded savings of $25 million over 5 years
- 201% Return on Investment

Vale, World's 2nd Largest Mining Company

- Leveraging IBM to achieve Pro-active maintenance for 1.2 Million assets at 52 sites
- Support real-time data collection from legacy to RFID interfaces

European Insurance Provider- Leveraged IBM Security to

- Reduce administrative costs by 40%
- Eliminate 1500 obsolete user accounts within 3 months of deployment

Bharti Airtel

- Secured Sign-on Framework
- 20 ID's per user reduced to one single-sign-on
- User account provisioning time reduced from 2 days to < 1 hour

According to **IDC**, client using IBM's network management tools

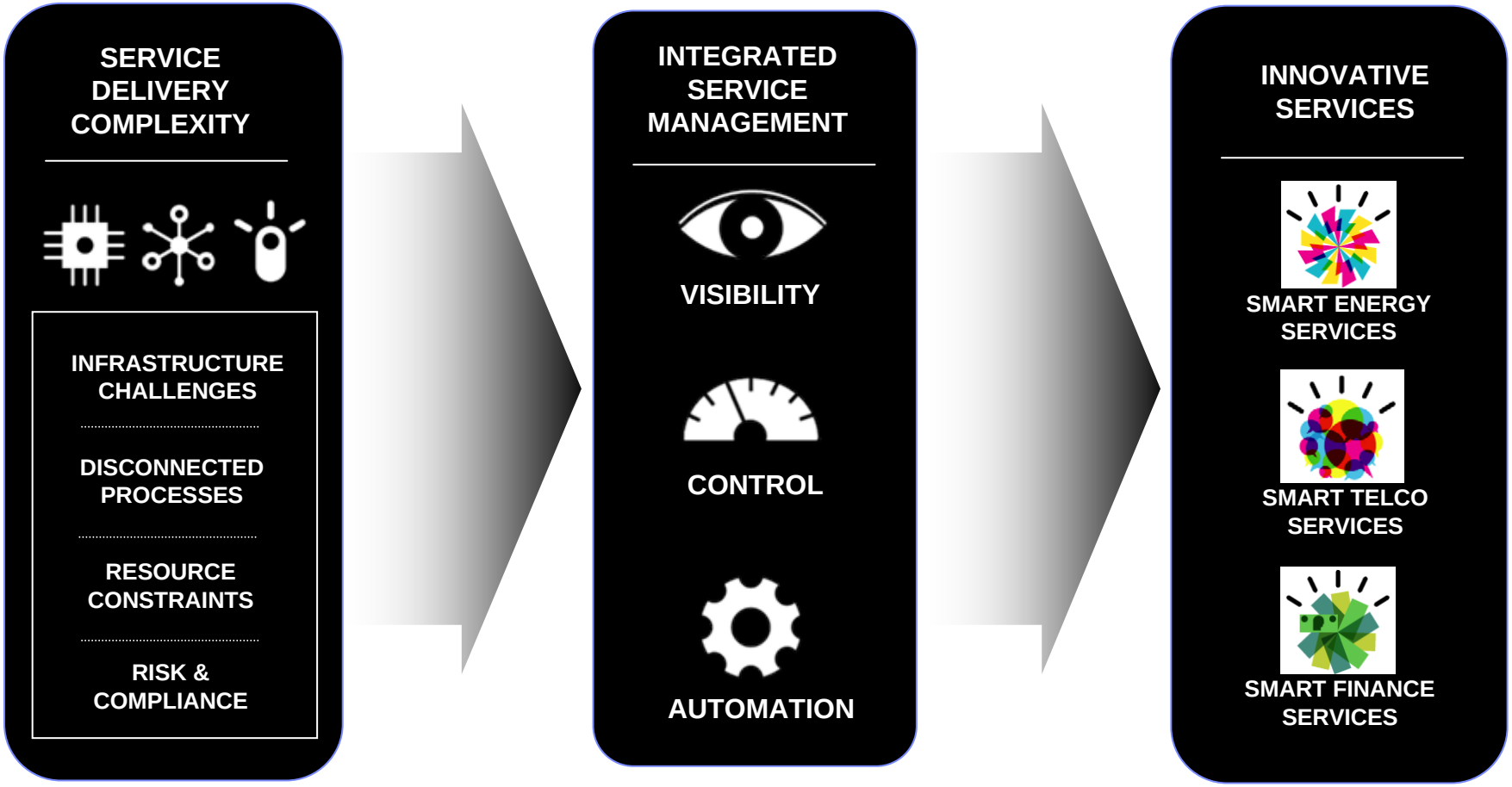
- Realize annual benefit of $24 million per year
- Reduced capital expenditures by 1.3 million annually

IBM Toronto Labs, through automation

- Reduced provisioning processes from 25 to 5
- Freed-up 7 person-years of developers' time
- Recorded 305% return on its initial investment

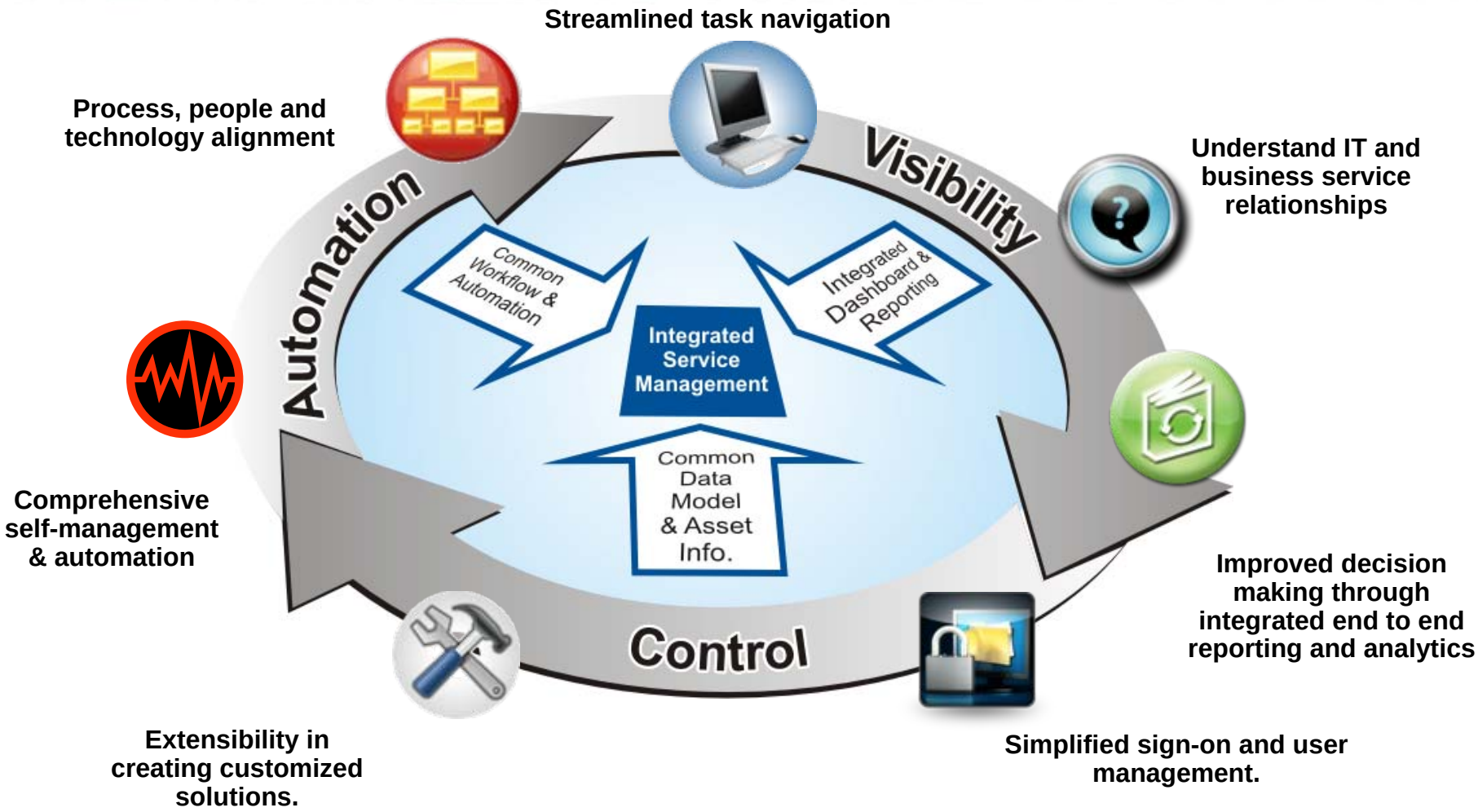
Integrated Service Management

Visibility. Control. Automation.™ for a Smarter Planet



Integrated Service Management

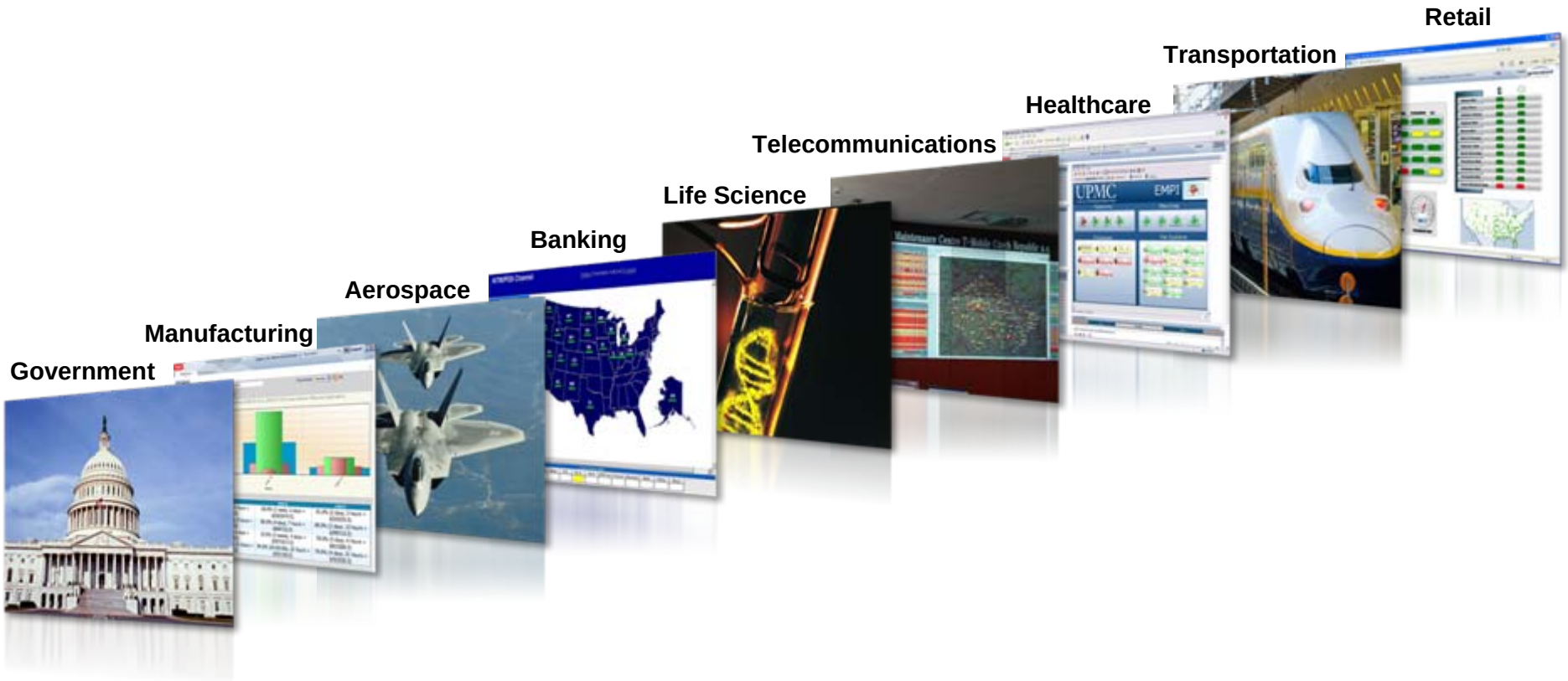
Integration is a key differentiator for us in the marketplace



Integrated Service Management

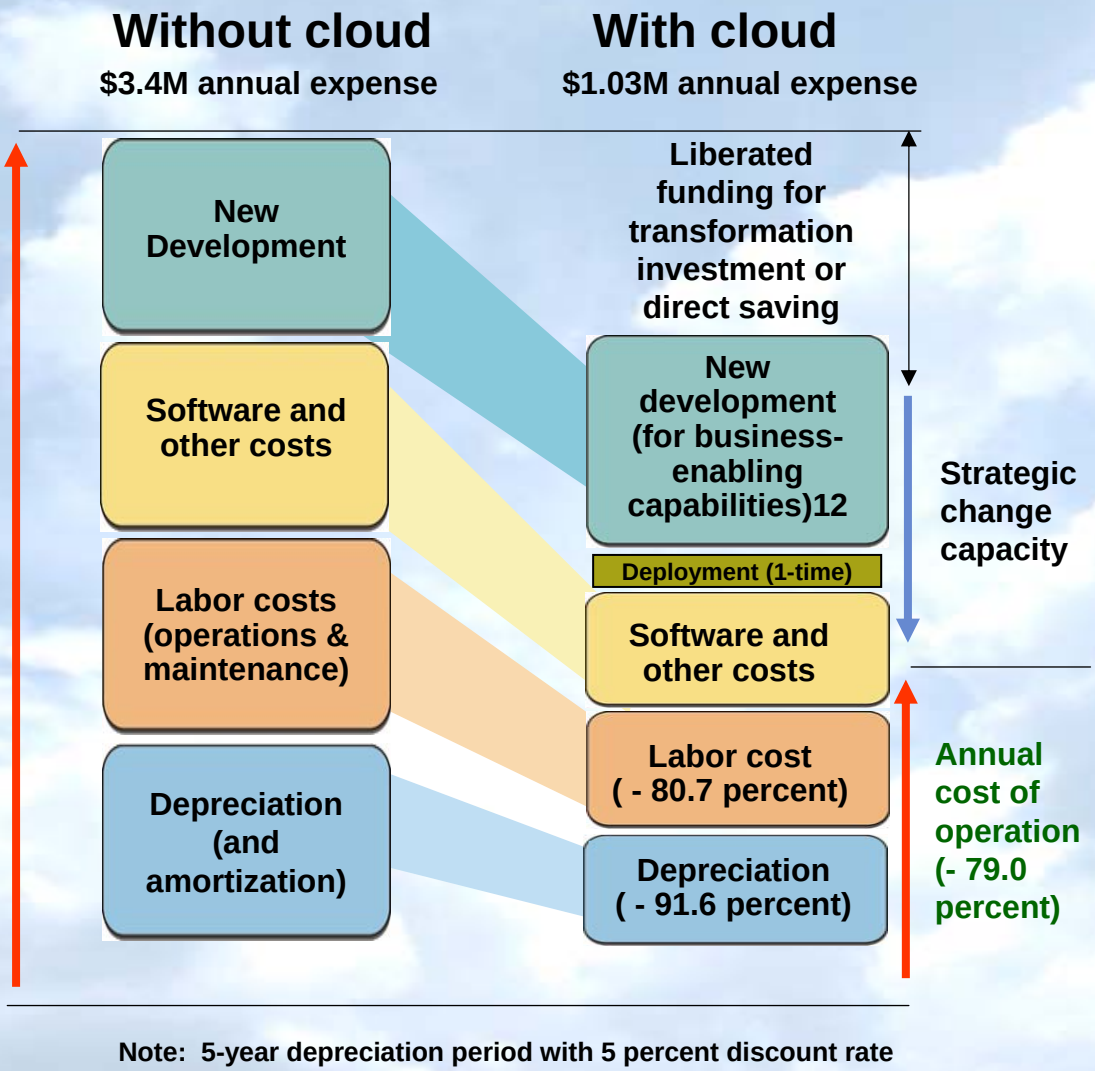
Providing end-to-end Service Visibility

Integrated Service Management- Across Industries



Tivoli is Service Management

IBM's internal adoption of Cloud



Note: 5-year depreciation period with 5 percent discount rate

Reducing expenses and driving innovation at IBM

Business challenge:

- Reduce operational expenses and capital investment
- Deliver end-user services with elastic scaling

Smarter Software Helped:

- Reduce labor expenses by 81%
- Capital depreciation savings of 92%
- On-demand self-service
- Ubiquitous network access
- Location independent resource pooling
- Pay per use pricing model

Increasing revenue and profitability with effective asset management at Rolls Royce

- **Challenges**
  - Reduce cost around operation expenditure
  - Improve the efficiency of the asset
  - Manage and maintain safety of asset and service
  - Better manage and mitigate technical risks

- **Smarter Software Helped**
  - Increase revenue and profitability
  - Savings of $3.5 m p.a. in IT infrastructure costs
  - 60% of aftermarket engines now managed with IBM Maximo

Reducing Software License Cost at KPIT Cummins

Business Challenges

- Reduce software license and IT costs
- Inability to verify license compliance
- Managing unnecessary licenses in a resource constrained environment.

Smarter Software Helped

- Reduce Software Cost & Mitigate Risk
  - Pinpoint under utilized software
  - Avoid over purchasing
  - Mitigate risk and fines due to failed license compliance and audits
- Increased negotiating power with software vendors
- Alignment of software usage with end-user needs

Improving Security and Governance at Bharti

Business Challenges:

- Security Infrastructure not keeping pace with business growth
- Regulatory Compliance
- Controlling access to sensitive data
- Increasing cost of IT help-desk operations

Smarter Software Helped:

- Enhance Enterprise Level Security
  - Uniform Security Policy Management
  - Workflow based ID Lifecycle Management
  - Automated Dormant ID de-activation
- Employee Convenience
  - Single Sign On to multiple applications
  - Enhanced On-boarding experience
  - Self services for password reset
- Operations Automation
  - Automated user-id/password creation
  - User notifications by Email/SMS

Improving Security and Governance at Bharti

	Before	After
Average number of ID's per user	➢ 20	Single Sign On
Time required for password reset or account unlock	➢ 2 hour	10 Minute (Self Services)
New employee's email/user Id creation and delivery to new employee	➢ 24 hour (Automated)	< 1 hour
Time taken for getting account provisioned to each application	➢ 2 Days (Automated)	< 1 hour

Helping Swiss meet Swiss Expectations

SWISS RAILWAYS

- #1 transportation company in Switzerland - 860,000 pax/day
- #1 in network efficiency in the World - ~ 92%

NIGHTMARE: 22nd June, 2005

- The good news
  - Nobody hurt
  - 2 passengers fell in love and got married
- The bad news
  - 199,998 passengers affected
  - 5,000,000 U$ of direct costs incurred
- The ugly news
  - There would have been enough time, to handle the situation correctly but ....

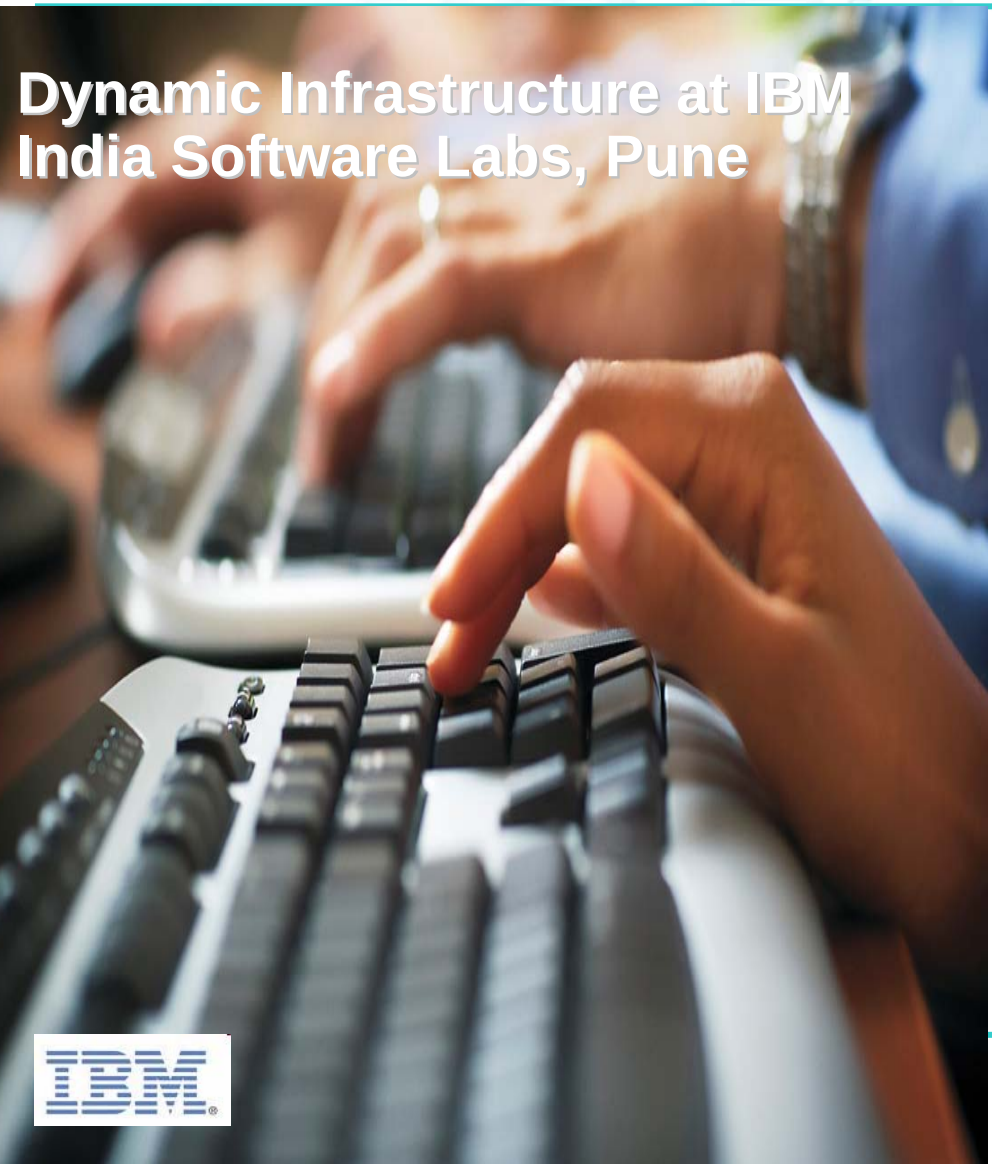
.... there were 18,000 system alarms within 60 minutes

.... and the tools to handle them correctly were missing!

Smarter Software Helped

- Convergence of Service Management and Asset Management layers
- System Alarms from Infrastructure giving pro-active communication to Service View
- Setting Incident Management and Change Management policies

Energy efficiency through monitoring & energy mgmt.



- **Business Challenges**
  - One of the largest IBM product development supporting multiple brands
  - Complex heterogeneous production IT environment that is evolving with the ever-increasing needs of thousands of developers & testers
  - Increasing capital costs & lab proliferation
  - High energy consumption
  - Lack of consistent asset usage tracking
  - Silos of automation with inconsistent reporting

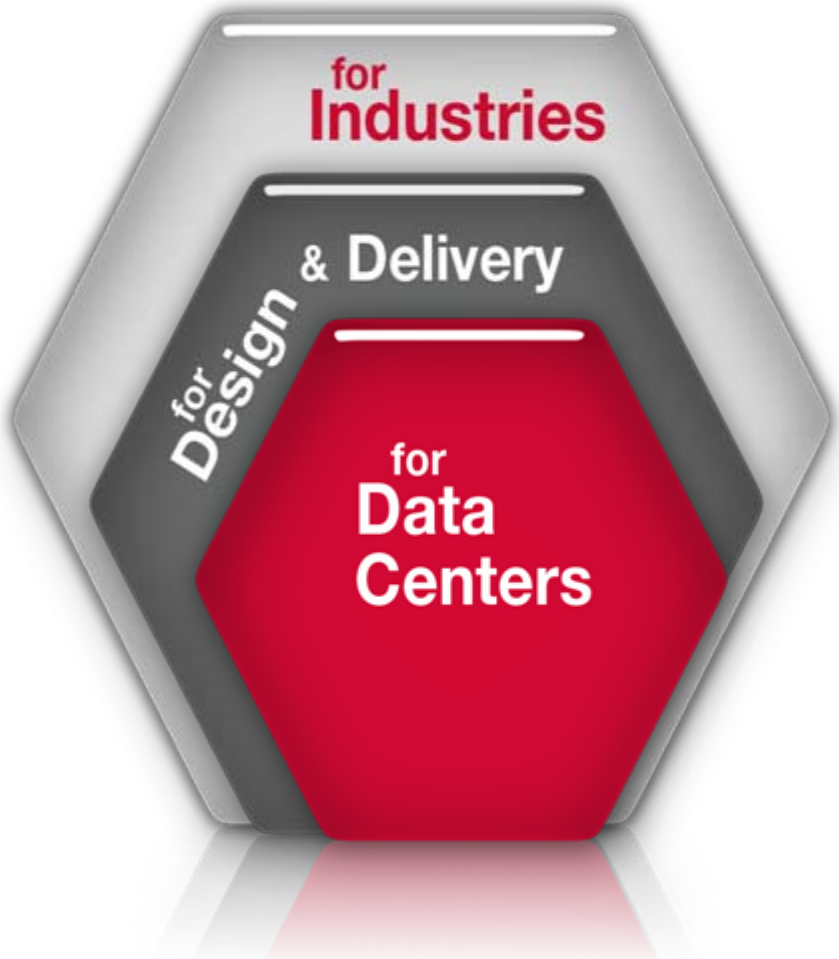
- **Smarter Software Helped**
  - 20% more lab assets discovered through automated discovery
  - Smaller lab footprint with virtualization
  - Energy monitoring for policies to minimize usage
  - Cost savings of 475K with server virtualization
  - Automated monitoring & provisioning
  - Data protection and recovery services

Let us help you solve your Service Management challenges

Next Steps!

1. ***Share your IT priorities***
   - *Tick your priorities on the feedback form*

2. ***Contact your IBM rep***
   - *Get started with an IBM Service Management white-boarding session*



INTEGRATED SERVICE MANAGEMENT

MAKE YOUR MARK!

PCTY2010

Pulse Comes to You

Save the Date!

Pulse2011
February 27 - March 3
Las Vegas, Nevada

Join us for Pulse 2011, Feb. 27th- March 3, Las Vegas
And Pulse Comes to You in July 2010

Thank you!

Joao Perez
Vice President, Worldwide Sales, Tivoli Software

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