





Platform Matters –

Simplifying the complexity and driving down Enterprise IT costs with IBM zEnterprise System...





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The Global CEO Study 2010 is the fourth biennial CEO study, building on our insights and findings over the last 6 years...

2004 Your Turn!

Key Findings

- Revenue growth is the number one priority
- Responsiveness is a new key competence
- Improving internal capabilities is a first step toward growth

2006 Innovation

Key Findings

- Business model innovation matters
- External collaboration is indispensable
- Innovation must be orchestrated from the top

2008 Enterprise of the Future

Key Findings

- · Hungry for change
- Demanding customers as opportunity to differentiate
- Extensive business model innovations
- Moving towards global business designs

2010 Capitalizing on Complexity

Key Findings

- Rapid escalation of complexity creates need to
- Embody creative leadership
- Reinvent customer relationships
- Build operating dexterity

456 CEO Interviews



765 CEO Interviews



1,130 CEO Interviews



1,541 CEO Interviews





Smarter Planet – Initiatives – Dynamic Infrastructure

IBM's smarter planet vision

Four major IBM initiatives

Dynamic Infrastructure

Dynamic Infrastructure

New Intelligence

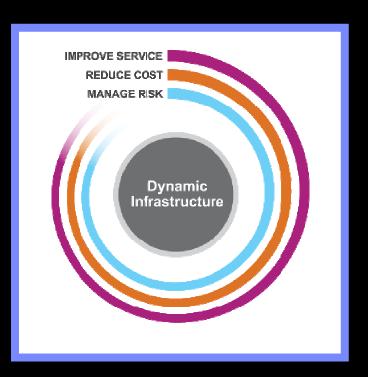
Green & Beyond

Smart Work

let's build a smarter planet

The world has become flatter and smaller.

Now it must become smarter.



Delivers superior business and IT services with agility and speed

Service Management

Management

Virtualization & Consolidation

> Information Management

> > Energy Efficiency

> > > Security



System z innovations for a dynamic infrastructure

... System z delivers extreme business value through industry leading security, availability, scalability, flexibility, virtualization and ease of system management capabilities





IBM System z Mainframe Server

IMPROVE SERVICE

- Dynamic, policy based, and automated SOA infrastructure
- Adapt and respond quickly to changing business imperatives



REDUCE COST

Industry-leading virtualization, energy efficiency, and scale



MANAGE RISK

- Secures your business, reduces risk, builds trust and confidence
- Superior qualities of service allows clients to run their businesses reliably

5 \$\text{11/26/2010}\$ \$\tilde{\cong}\$ 2010 IBM Corporation



IBM System z mainframe – just a fact...

IBM officials said a wide gap remains between the capabilities of mainframes and those of systems running Unix. For instance, unlike with Linux or Unix systems, the risk of someone cracking into a mainframe system "is almost zero," said Ravi Arimilli, an IBM fellow and chief architect of the IBM Systems Group.

Unix will eventually close the gap with improved security, availability and virtualization, said Arimilli. "When will that crossover happen? I don't think it's anytime soon," he said, estimating that it would be at least a decade.

Source: ComputerWorld July 19, 2004 There has always been the need for higher level of sophistication as more sophisticated customers want to use our products and functions and capabilities in very different ways.

And this is very clearly true even in the rest of the industry. And that's the reason why people want to be a mainframe, knowing full well when they claim, "I am an alternative mainframe," what they are talking about was the mainframe of some time ago, and the new mainframe has gone further ahead.

Source: IBM Inside Story Jan 2006



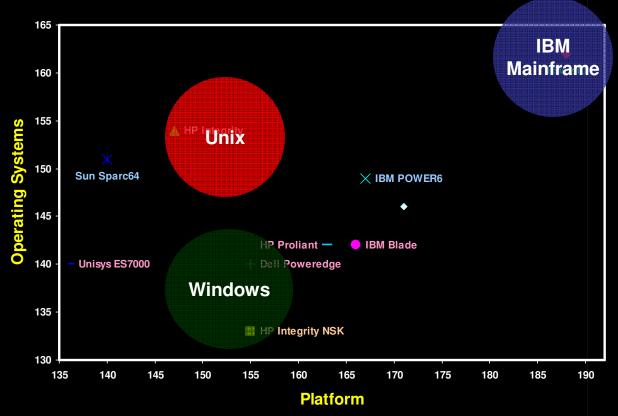
Gururaj Rao (IBM Fellow) STG Chief Engineer





System z has distinguished itself as the leading enterprise server in the industry for decades...

Gartner



Platform

- Single system availability
- Planned downtime
- Disaster tolerance recovery
- Hardware protection and security
- Hardware electrical isolation
- Virtual machines (hypervisors LPAR)
- Mixed workload OS hosting
- Mixed workload OS management
- Server management tools

Operating Systems

- Failover clustering
- Workload management
- Capacity demand
- OS manageability
- OS Workload Management
- 3rd party tool support
- L3 Engineering services
- · High availability services

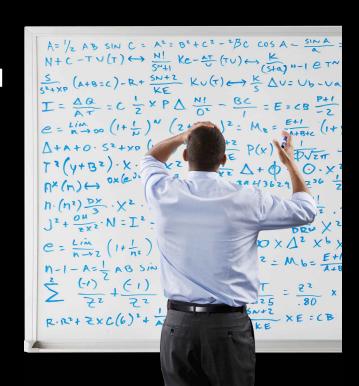
Source: The Gartner Server Evaluation Model (SEM) Release 6 – December 2009



Some people advocate "one size fits all" server approach...

but today's enterprise computing environments are multi-platform for good reasons. They are optimized to run different production workloads:-

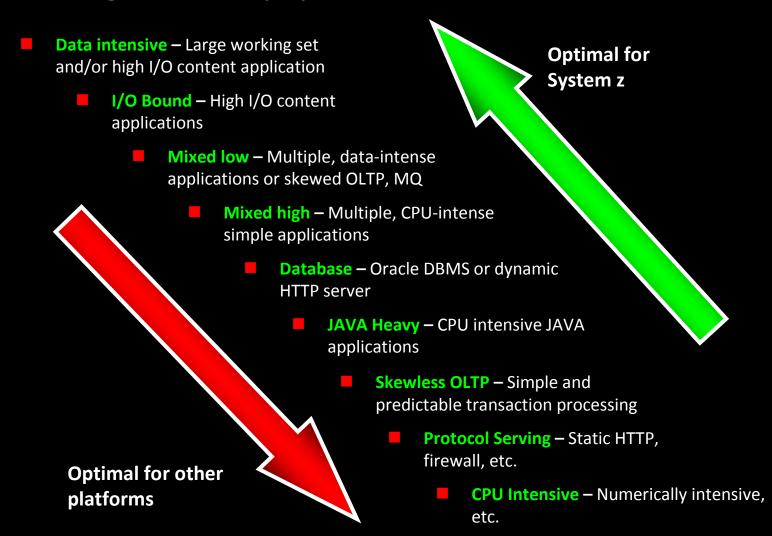
- Database and Transaction Processing
- Business Analytics
- Web-based Interactions
- Enterprise Applications (such as ERP)
- The myriad of x86 Applications.



These Solutions are optimally deployed on multi-tier, heterogeneous server infrastructures ...



Application Performance Characteristics – what fits on which platform? Workload performance varies by application and can be best served by different platforms or the right mix of multiple platforms.





IBM vision is to develop a platform that delivers unbeatable workload-optimized platform for enterprise applications...

Re-write the rulebook and set new standards for business-centric IT with IBM System z, to be the world's premier workload-optimized platform for enterprise applications.



Our Vision:

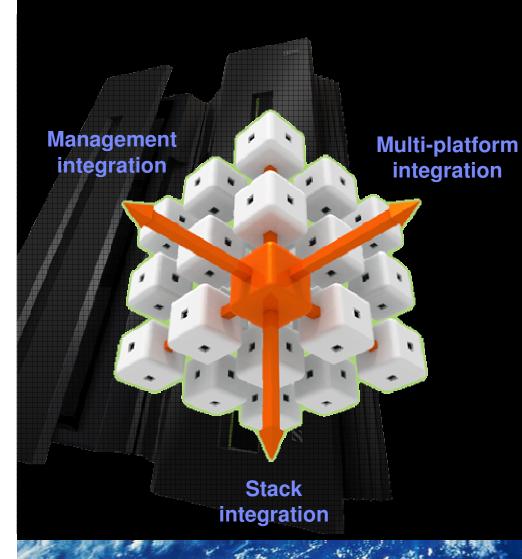
Deliver the best of all worlds, Mainframe, UNIX, x86 and single function processors, integrated in a single system for ultimate flexibility and simplicity to optimize service, risk and cost across multiple heterogeneous workloads.



Introducing... IBM zEnterprise System The defining standard and a new dimension in computing...



Announcing IBM zEnterprise System – the world's premier workload-optimized "System of Systems"...



- A "System of Systems", integrating IBM's leading technologies to dramatically improve productivity of today's multi-architecture data centers and tomorrow's private clouds.
- The world's fastest and most scalable enterprise system with unrivalled reliability, security, and manageability.
- The industry's most efficient platform for large scale data center simplification and consolidation.



Brief investment background of IBM zEnterprise System...

The new IBM zEnterprise system – the ultimate workload optimized system – was developed at a cost of \$1.5 billion in R&D. More than 5,000 IBMers worked more than three years totaling more than 31 million person hours in a 24-hour development process across 18 IBM labs worldwide. Nearly 40 IBM Fellows and IBM Distinguished Engineers led this process.

IBM has been collaborating with clients to prepare for this day

IBM worked closely with a team of 30 customers on the design and development the zEnterprise System. Those companies had a combined annual revenue of more than \$1.5 trillion in 2009.



Jeffrey A. Frey received the top IBM technical innovator award (IBM Fellow) on 25th May 2010...

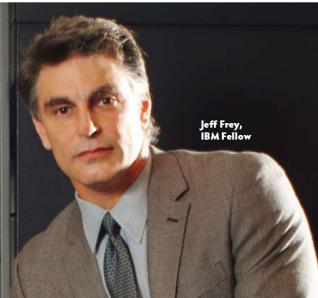




THE MAKING

of BNS new

MAINFRAME/
BLADE HYBRID





zEnterprise is designed

to run all workloads at

the most optimal level

IBM zEnterprise is designed to address today's most critical workloads of all type at the most optimum level...

- Data intensive Large working set and/or high I/O content application
 - I/O Bound High I/O content applications
 - Mixed low Multiple, data-intense applications or skewed OLTP, MQ
 - Mixed high Multiple, CPU-intense simple applications
 - Database Oracle DBMS or dynamic HTTP server
 - JAVA Heavy CPU intensive JAVA applications
 - Skewless OLTP Simple and predictable transaction processing
 - Protocol Serving Static HTTP, firewall, etc.
 - CPU Intensive Numerically intensive, etc.

Optimal for other platforms

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IBM zEnterprise System – Best-in-class systems & software technologies

A "System of Systems" that unifies IT for predictable service delivery



IBM zEnterprise 196 (z196)

- Optimized to host large-scale database, transaction, and mission-critical applications
- The most efficient platform for large-scale Linux consolidation
- Capable of massive scale-up
- New easy-to-use z/OS V1.12

zEnterprise Unified Resource Manager (URM)

- Unifies management of resources, extending IBM System z qualities of service end-to-end across workloads
- Provides platform, hardware and workload management

zEnterprise BladeCenter Extension (zBX)

- Selected IBM POWER7 blades and IBM System x Blades* for tens of thousands of AIX and Linux applications
- High-performance optimizers and appliances to accelerate time to insight and reduce cost
- Dedicated high-performance private network

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IBM zEnterprise System Technology... (video presentation)



IBM zEnterprise 196: The heart of the new machine The industry's fastest and most scalable enterprise system

Dramatic improvement over IBM System z10™:

For Linux

Up to

60%

Improvement in performance

for 35%

For z/OS

Up to

40%

Improvement in performance

with **60%**

With no increase in energy consumption

And even better performance with new software

- 5.2 GHz superscalar processor
- Up to 96 Cores, 1 to 80 configurable for client use
- Up to 3 TB RAIM memory

 Over 100 new instructions

 1.5 MB L2 Cache per core,

 24 MB L3 Cache per

processor chip

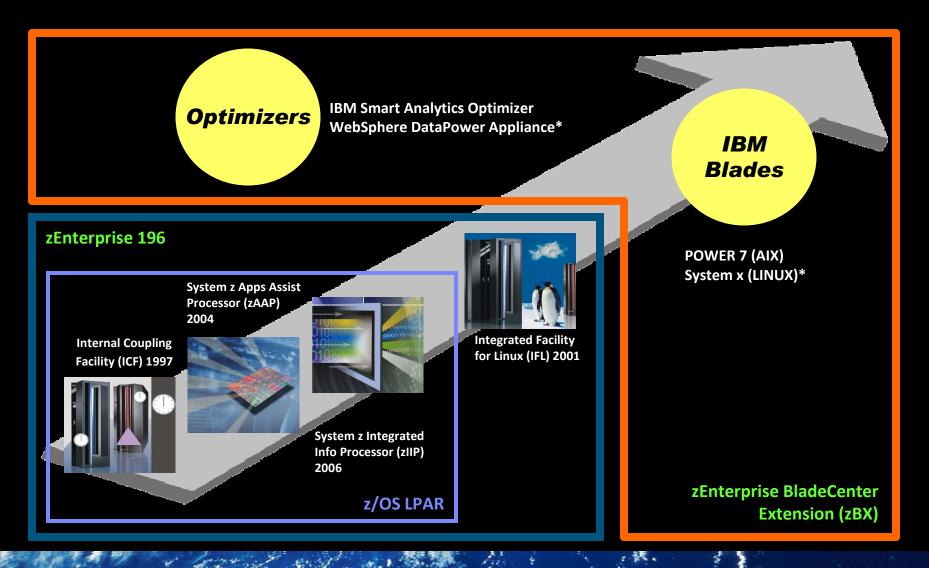
enhancements
Optional water

Cryptographic

Optional water cooling

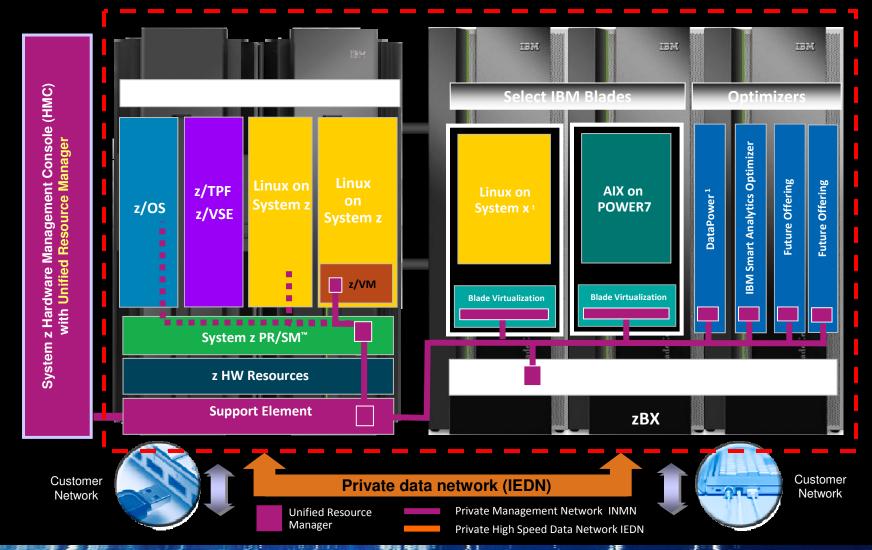


The evolution of System z Specialty Engines...

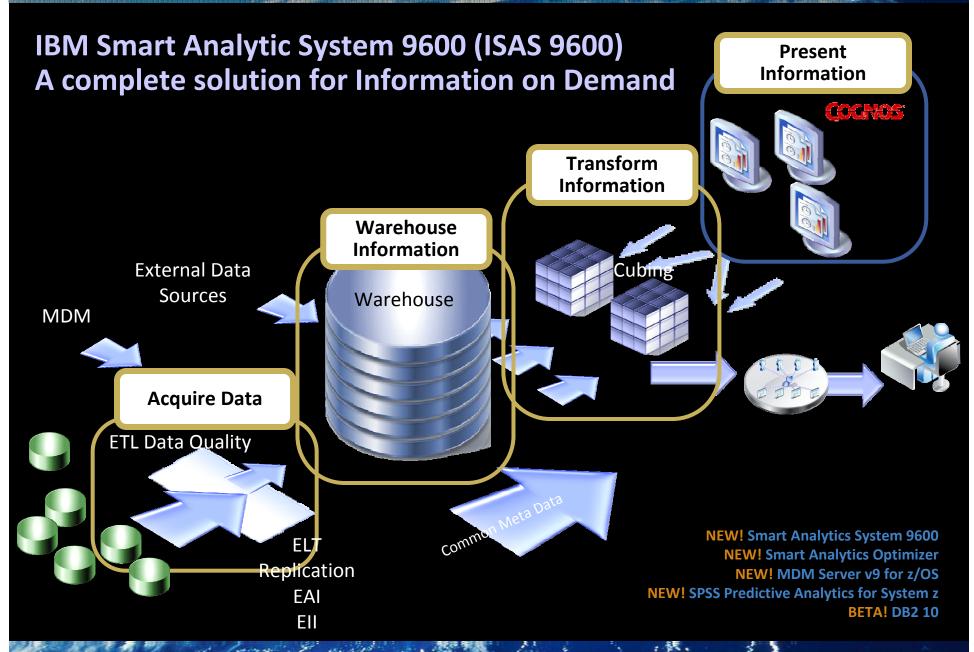




Putting zEnterprise System to the task Use the smarter solution to improve your application design

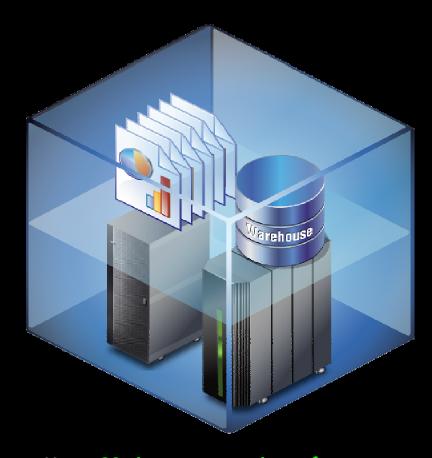






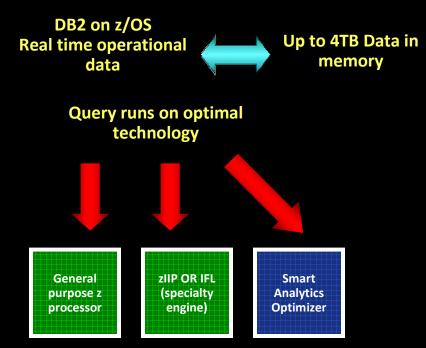


An example of workload-optimized systems (Stack Integration) – IBM Smart Analytics Optimizer (ISAO)



Up to 80x improvement in performance then z10 for predictable and accelerated business insight

An integrated business intelligence solution to deliver accelerated and accurate business insight





Comprehensive IBM Software leveraging the strengths of zEnterprise

$\mathbf{H} = \mathbf{K} \mathbf{N}$	l Software

Strong information management platform built for business workloads Visibility, control, security, and automation from System z across your business Application infrastructure, connectivity and dynamic business processes

Application Development Tools and Software Delivery Platform

Productivity and Collaboration

DB2, IMS, FileNet, InfoSphere Warehouse, InfoSphere MDM Server, Cognos, SPSS, Optim IBM Service Management on System z, TSAM, System Automation and NetView® for z/OS, TWSz, OMEGAMON WAS, CICS, BPM, WMQ, ESB, DataPower, ILOG, Lombardi

Compilers (C/C++, PL/I, COBOL), RDz, RTCz

Portal, Connections, Notes Domino, Sametime

- NEW! Smart Analytics
 System 9600
- NEW! Smart Analytics
 Optimizer
- NEW! SPSS Predictive
 Analytics for System z
- NEW! IMS 11, IMS Enterprise Suite 1.1
- BETA! DB2 10
- BETA! InfoSphere MDM Server 9 for z/OS
- BETA! Cognos 8 BI for z/OS

- NEW! Tivoli Security for zEnterprise
- NEW! Tivoli Access Manager Family
- NEW! Tivoli zSecure Manager for RACF z/VM
- NEW! Tivoli Application Management for zEnterprise
- NEW! Tivoli Application Resilience for zEnterprise
- NEW! Tivoli Asset and Financial Management for zEnterprise

- NEW! WebSphere
 Application Server Feature
 Pack for Dynamic Scripting
- NEW! CICS Deployment Assistance for z/OS
- ENHANCED! Business
 Monitor for z/OS

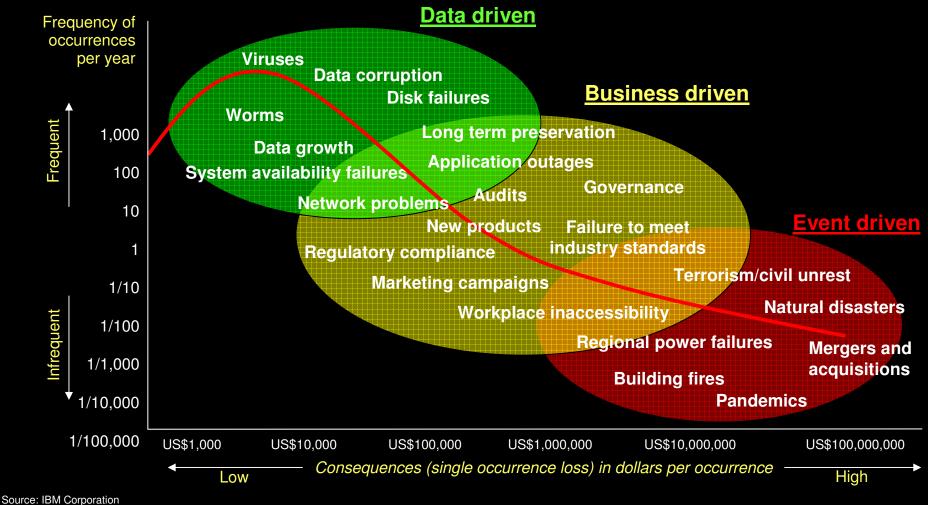
- NEW! Rational Developer for System z Unit Test
- NEW! z/OS XL C/C++
- NEW! Enterprise PL/I for z/OS
- NEW! Eclipse EGL Development Tools project

- NEW! Lotus Quickr 8.5 for WebSphere Portal
- NEW! Lotus Sametime 8.5.1



Different risks exist – but they all require a single resilience strategy

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



CIO Magazine: Mainframe computing is set for a rebirth – September 29, 2009

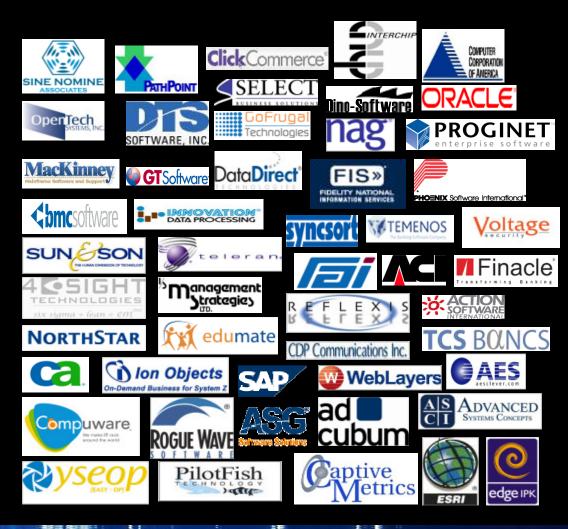
IBM



System z ISV ecosystem provides numerous *Business Applications* to meet client business needs...

Dramatic growth responding to market demand

- * 2009: 142 ISVs added, 900 new applications and tools
- * 1,700 + ISVs developing for our System z Ecosystem
- * 3,500 + applications available for z/OS
- * 3,000 + applications available for Linux on System z
- * 6,300 + applications available for System z

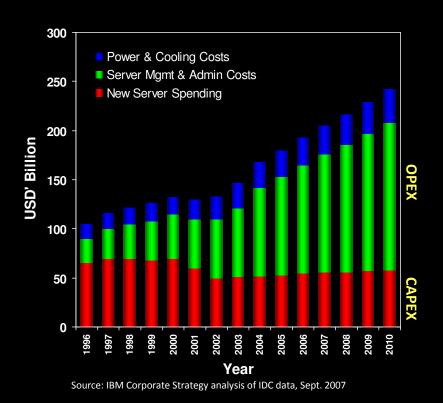


System z10



Reduce cost through consolidation



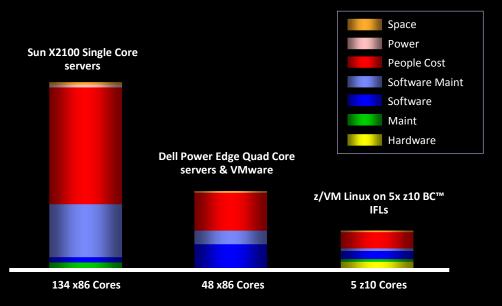


Facility of Life Cycle Cost

For every dollar spent on CAPEX contributes to 3 times of OPEX

Consolidating 134 Linux® servers to 5 IFLs Can save up to 50% over x86 w/ VMware

Oracle DB Workload, 3-Year Total IT Cost



All performance information was determined in a controlled environment.

Actual results may vary.

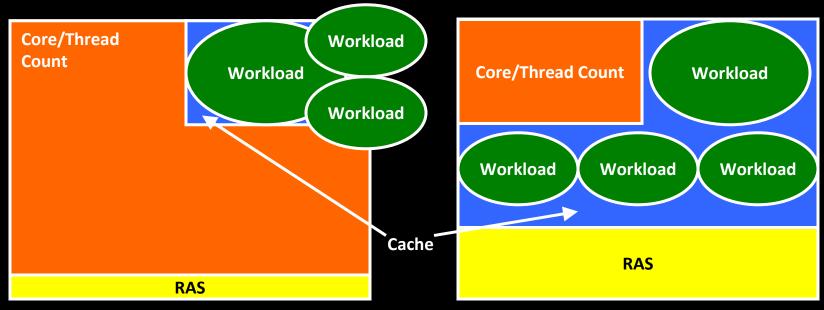
Here's a cool example:

IBM will consolidate 3,900 servers to about 30 System z servers with expected reductions in energy consumption of over 80%

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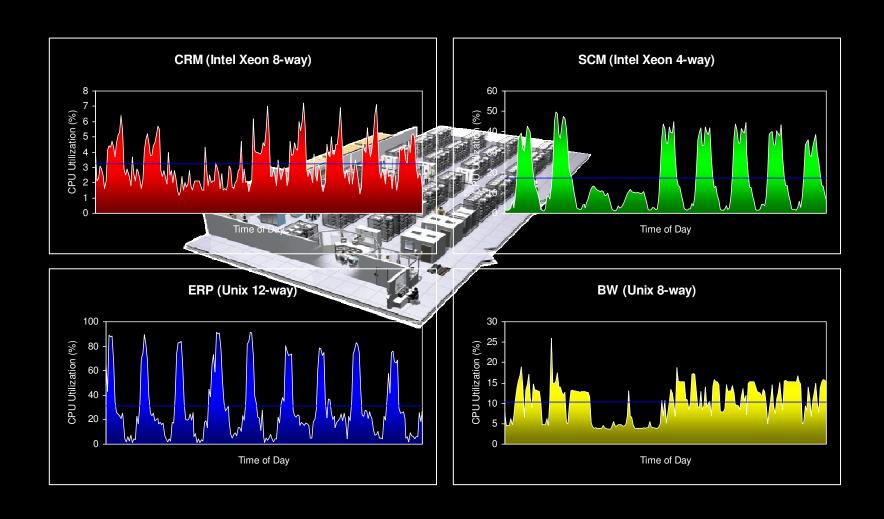
Chip Design Affects Virtualization Capabilities



- Mixed workloads stress cache usage, requiring more context switches
- Working sets may be too large to fit in cache.
- Full processor speed is not realized due to cache misses.
- System z cache is able to contain more working sets
- zEnterprise 5.2 GHz Processor speed is optimized by increased cache efficiency
- Shared caches enable efficient dispatching of mixed-workload tasks with high processor utilization
- Comprehensive Remote Access Service (RAS) design supports putting more workload in a single processor



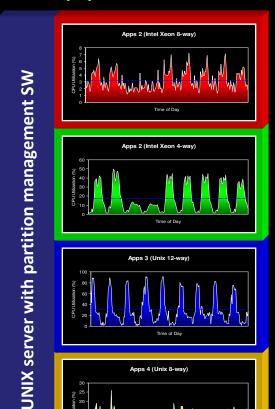
Distributed server farm has lower CPU utilization

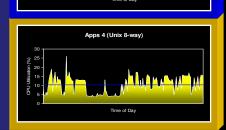


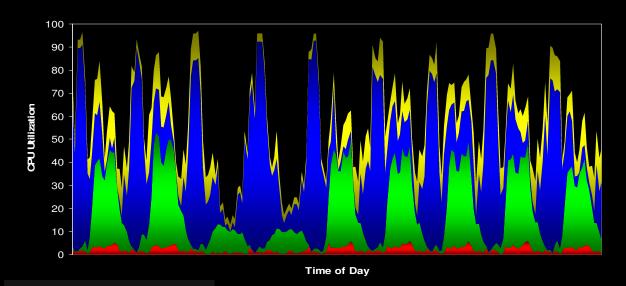


The economics of workload consolidation

Large UNIX server offers physical consolidation







IBM System z mainframe offers:-

- Advanced virtualization and workload management.
- Run multiple images on fewer processors, achieve utilization levels of 85% or more.
- **Lower TCO**
- Lower energy consumption & facility
- Reduce complexity & ease of management



The IBM zEnterprise System

Lowering the cost of distributed workloads through optimal platform selection



Current data center: distributed workloads on a variety of Intel servers, connected to a System z

Option 1: Deploy distributed work on new Intel servers with 3rd Party VM



--OR--

Option 2: Optimize
distributed work on
zEnterprise with Linux on z,
Power7 blades and Intel
blades with Unified
Resource Manager



Simplify, automate, and improve service quality by consolidating on zEnterprise and ...

Lower cost of acquisition by up to 55%* compared to new Intel blades (option 1)

Reduce cost of ownership by up to 56%* compared to current distributed data center

Reduce network complexity (adapters, cables, and switches) by up to 98%* compared to current data center



System z achieves high core-to-core ratios when consolidating from distributed environments

- Demonstrates unique IBM Value Proposition against competitive scale-out solutions
- Real customers, real workloads!

Customer	Distributed Cores	IBM System z10 [™] Cores	Ratio of distributed to z cores*
Nationwide	350	15	23 to 1
Gov. Agency	292	5	58 to 1
Railinc	186	3	62 to 1
ABP	1324	36	36 to 1

^{*} Client results will vary based on each specific customer environment including types of workloads, utilization levels, target consolidation hardware, and other implementation requirements.



Financial Client Consolidates 61 Sun and HP Servers to a System z10 and Saves 96% on Power and Cooling

	From	То
Current hardware infrastructure	Sun and HP servers	z10 EC
Footprints	61	1
Cores/Memory	442 cores / 1440 GB	16 IFLs / 82GB
Avg Utilization	13.3%	40%
Peak Utilization	28.7%	92%
# DBs, size of DB	61	61
Application	Oracle databases	Oracle databases
OS	Sun Solaris	Linux + z/VM
Savings: Power & cooling (Whr) Heat (BTUs/hr)	345,618 Whr 737,030 BTUs/hr	14,766 Whr-96% 39,648 BTUs/hr- 95%

Summary of Benefits:

Software savings, energy requirements reduced, better utilization

Distributed Licenses (One-Time-Charge):-

Distributed Servers: (\$50,000 x 442) x 0.25 factor = \$5,525,000 IBM z10 EC Servers: (\$50,000 x 16) x 1.00 factor = \$800,000

Distributed Annual Maintenance:-

Distributed Servers: 20% of OTC = \$1,105,000 IBM z10 EC Servers: 20% of OTC = \$\$160,000



System z Solution Editions deliver unmatched value & price...

TEM

zEnterprise

August 14, 2009

System z Solution Edition Series announced by IBM

(Telecomworldwire Via Acquire Media NewsEdge) IBM (NYSE: IBM) announced on Friday the System z Solution Editions Series – seven integrated hardware, software and services packages

A solution edition is an aggressive pricing / packaging concept for targeted workloads/use cases on IBM System z

- Delivers tangible savings in hardware, comprehensive middleware stack software, services, and storage.
- System z Solution Edition Series Data Warehousing, Enterprise Linux Server, Cloud Computing, SAP, ACI, WebSphere, Security, Chordiant, Termenos, Application Development, and GDPS



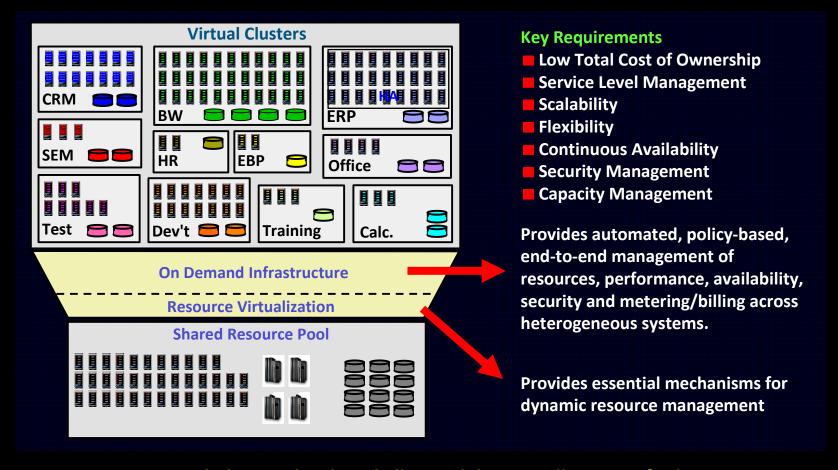
A great tactical choice today:

- Reduce cost, reduce risk and improve service
- A Strategic choice for the future:
 - Re-writing the rulebook to set new standards for business-centric IT

Learn more about solution editions: http://www.ibm.com/systems/z/solutions/editions/



IBM Dynamic Infrastructure for Business Solutions

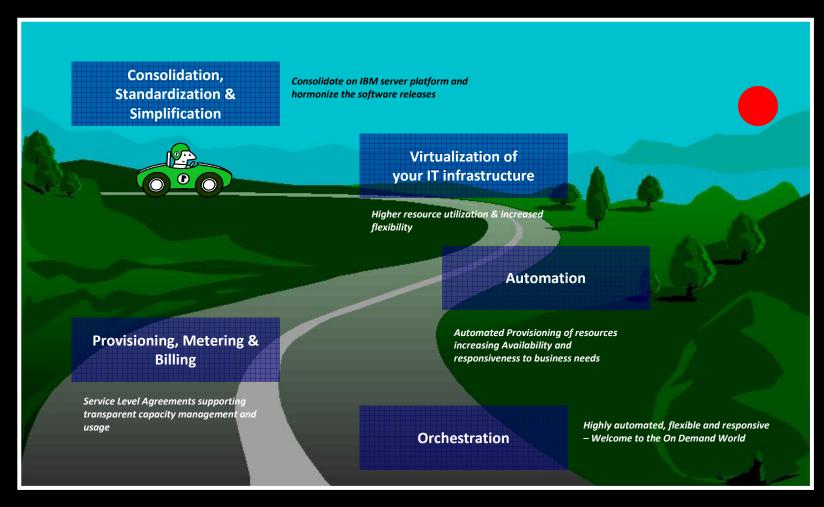


IT resources are pooled, virtualized, and allocated dynamically to satisfy changing business needs – Resources are well utilized, workload priorities are used to control consumption, and consumers pay for what they used.

35 \$\times 11/26/2010 \$\times 2010 IBM Corporation



IBM Dynamic Infrastructure delivers a roadmap for ADB's Smarter Airport Vision and Initiatives...



Demo

Thank you... Please tell us how can we help...



