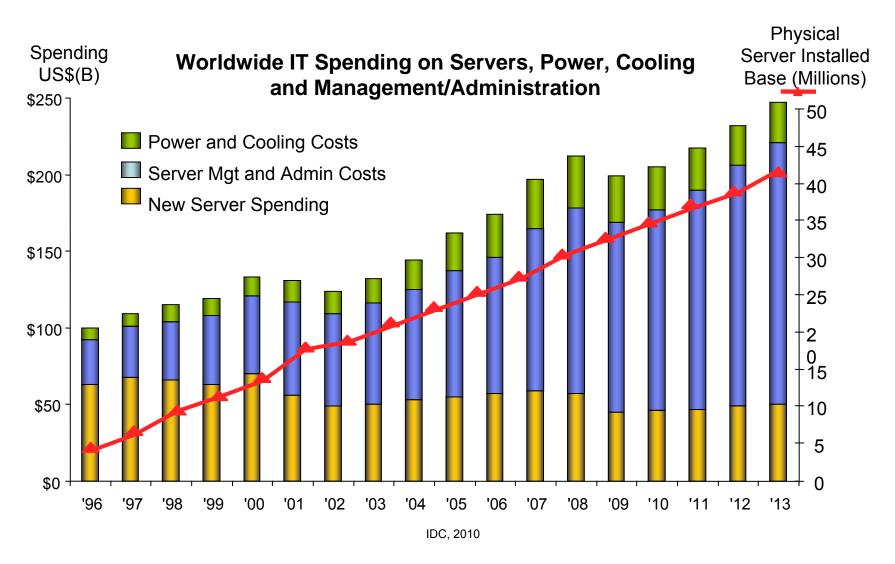
zEnterprise – The Ideal Platform For Smarter Computing

Improving Service Delivery With Private Cloud Computing

IT Labor Costs Continue To Increase



Deliver Services Via Cloud To Reduce Labor Costs

- Self-service requests
 - User request services via a web portal
- Fast provisioning
 - Automated provisioning/de-provisioning of resources as needed
- Elastic capability
 - Resource can be elastically provisioned to quickly scale out and rapidly released to quickly scale in
- Low cost pay as you go
 - Users pay for what they use

Businesses Have Concerns About Public Clouds

- Lack of Reliability
 - Examples of public cloud outages
 - -April 2011, Amazon, 2 days,
 - -April 2011, Azure, 6 hours
 - -Jan 2011, Salesforce, 1 hour
 - -May 2010, Amazon, 4 outages in 1 week
 - -April 2010, Azure, 40 mins
 - -June 2009, Amazon, 5 hours
 - -March 2009, Azure, 22 hours
 - -July 2008, Amazon, 5 hours 45 mins
 - -Aprll 2008, Amazon, 3 hours
 - -Feb 2008, Amazon 2 hours; Salesforce.com, 1 day
- Lack of Security/Compliance
 - Isolation of applications and data, data encryption/segregation
 - Compliance with laws and regulations
- Limited Archiving
 - Network performance and amount of data involved are limiting factors

Amazon's Trouble Raises Cloud Computing Doubts

April 22,2011 Computerworld

As technical problems interrupted computer services provided by <u>Amazon</u> for a second day on Friday, industry analysts said the troubles would prompt many companies to reconsider relying on remote computers beyond their control.

Transform And Improve Service Delivery With A Private Cloud Instead

- "Private" because it is only used by enterprise employees
- Offers same capabilities as a public cloud
 - Virtualization platform with elastic scalability
 - Support for instant provisioning of service
 - Self-service portal to request service
 - Metering and billing capability to support pay as you go model
- But with advantages over a public cloud
 - Multiple architectures
 - Control of security, data protection, availability, and workload management policies
 - Lower cost!

What Technology is Needed for a Private Cloud?

Improve Service Delivery With A Private Cloud On zEnterprise And Reduce Costs

Virtualization Platform

Entry Cloud

Advanced Cloud

System z Solution Edition for Cloud Computing

Self-service
Automated provisioning
Resource monitoring
Metering and billing

zEnterprise Cloud Starter Edition

Automated provisioning Resource monitoring

Enterprise Linux Server
Solution Edition for
Enterprise Linux

BladeCenter Extension (zBX)

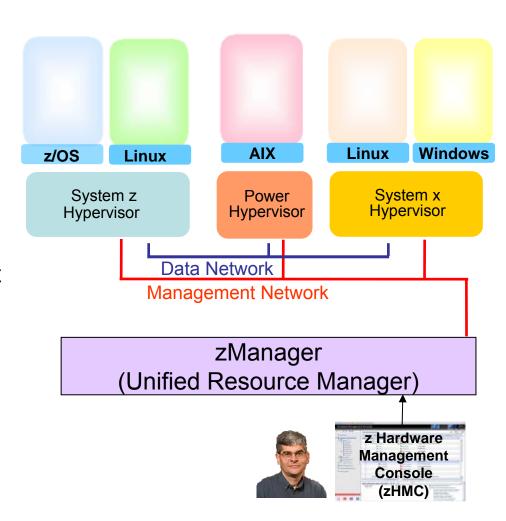
Unified Resource Manager (zManager)

Multi-architecture virtual environment

Elasticity

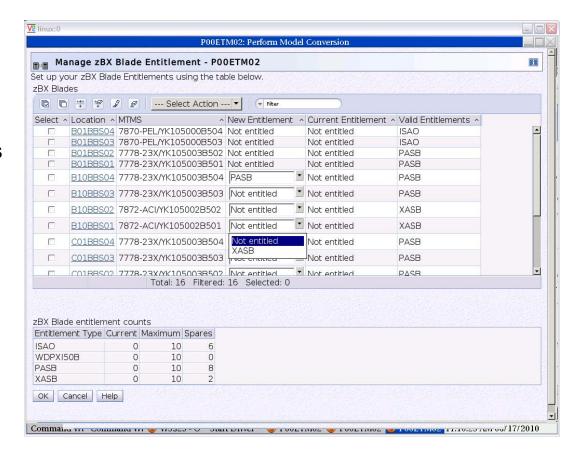
zEnterprise Provides An Optimized Virtualized Platform

- Multi-architecture virtual environments enable a broad range of workloads
- Elastic Scalability
 - Add processors to z114 / z196 while running
 - zManager provides consistent structured management for all virtual environments
 - Add and configure a blade quickly
 - Create virtual machines and networks quickly



zManager Minimizes Time And Labor For Hypervisor And Network Setup

- Read the entitlements for blades
- Auto-discover and inventory for all elements
 - No need to install and configure libraries or sensors
- Automatic setup and configuration of the hypervisor
- Two internal networks all physically setup out-of-thebox in zBX
 - Pre-configured private and physically isolated internal management network
 - Private and secure data network



Hypervisor Setup And Configuration Lab Test – Do-It-Yourself vs. zManager

DIY Tasks (per Blade)	Elapsed Time	Labor Time
Initial communication setup & education	6 min 26 sec	6 min 26 sec
Boot VIOS disc & install (creates LPAR for VIOS automatically)	37 min 59 sec	36 min
Configure VIOS networking	2 min 49 sec	2 min 49 sec
Create new storage pool for LPARs	35 sec	35 sec
Install VIOS service fixpacks	61 min 5 sec	20 sec
TOTAL TIME	1 hr 48 min 52 sec	46 min 10 sec

zManager Tasks (per Blade)	Elapsed Time	Labor Time
Add entitlement for a blade	90 min	92 sec
TOTAL TIME	1 hr 30 min	1 min 32 sec
	·	97% reduction

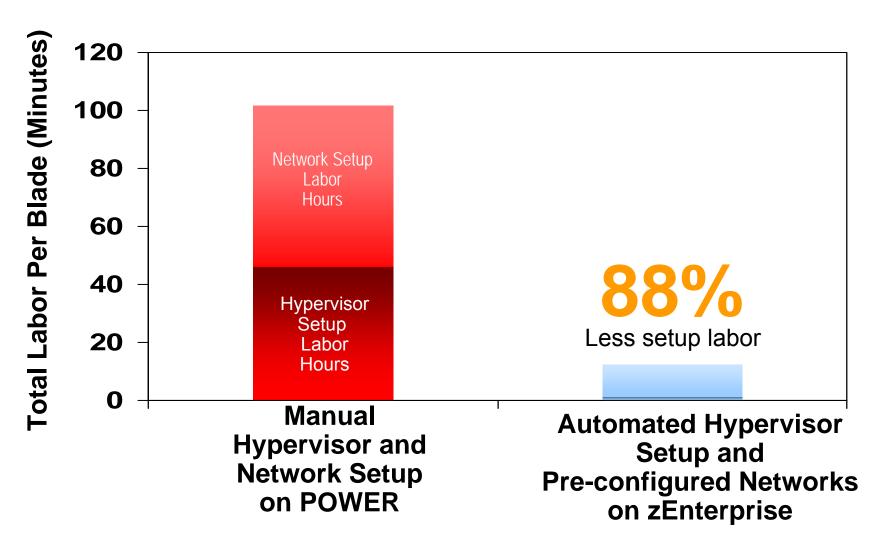
in labor time

Network Setup And Configuration Lab Test – Do-It-Yourself vs. zManager

Do-It-Yourself Tasks (for two BladeCenters)	Elapsed/Labor Time
Planning (includes time to go over docs, etc)	5 hrs
Cabling	2 hrs
AMM Configuration	2 hrs
Logical Configuration (L2)	8 hrs
Blades network configuration	4 hrs
Testing	2 hrs
Documenting the configuration	3 hrs
TOTAL TIME	26 hrs

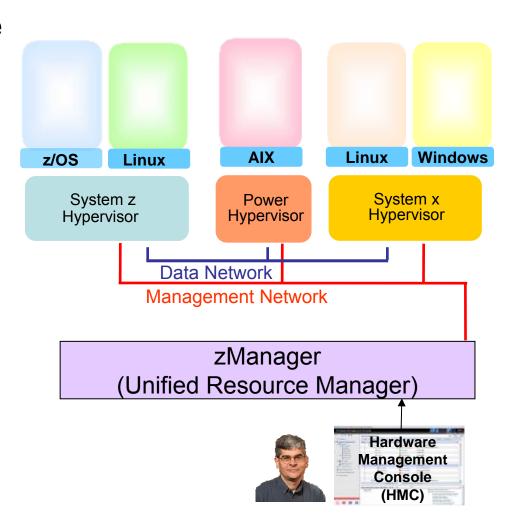
zManager Tasks (for two BladeCenters)	Elapsed/Labor Time
Planning	3 hrs
Cabling (pre-cabled in zBX)	0 hrs
AMM Configuration (done in zBX)	0 hrs
Logical configuration (L2)	30 mins
Blades network configuration	1 hr 30 mins
Testing (pre-tested)	0 hrs
Documenting the configuration (all part of zManager)	0 hrs
TOTAL TIME	5 hrs 81% reduction in labor time

Automated Hypervisor Setup And Pre-configured Network Enable Fast Platform Scale Up



Manage Virtual Servers With zManager

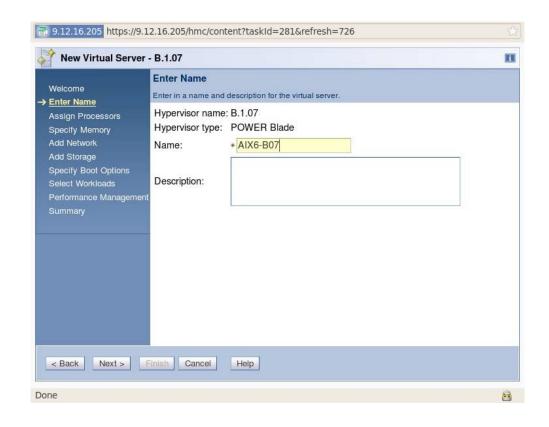
- From one console, create virtual machines in z/VM and in zBX hypervisors
- Start / stop / delete virtual machines under zManager control
- Create virtual networks
- Monitor resource usage
 - CPU, Memory, Power consumption



DEMO: Create Virtual Server With zManager

Create virtual server on a Power blade

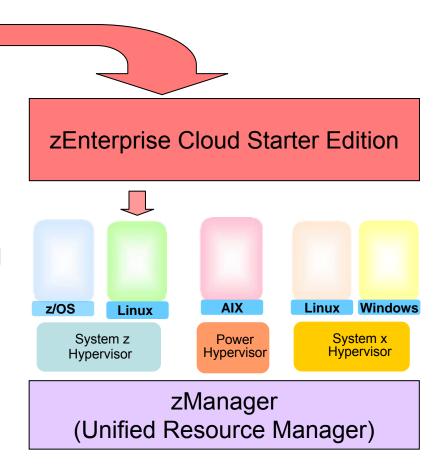
- Enter name for virtual server
- Assign number of virtual processors
- Specify memory
- Add network device
- Add storage device
- Specify boot option
- Select workload



zEnterprise Cloud Starter Edition

Adds package of software and services for automated provisioning and monitoring

- IBM Tivoli software (runs on Linux on System z)
 - Automated provisioning
 - Tivoli Provisioning Manager (TPM)
 - Monitoring
 - Tivoli OMEGAMON XE on z/VM and Linux
- IBM Lab Services
 - Planning, installation, configuring, testing services



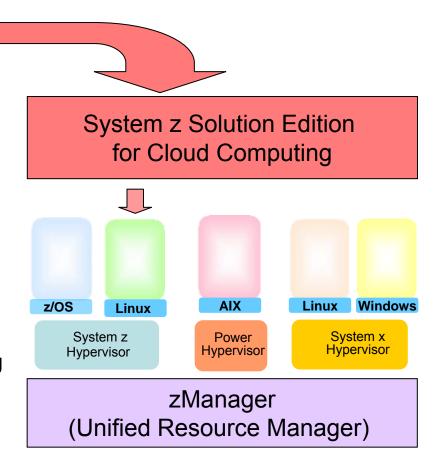
Automated Provisioning With Tivoli Provisioning Manager (TPM)

- Automates provisioning of virtual servers via cloning from images or installing and configuring software
- Tasks automated through automation workflows
 - Pre-built workflows describe provisioning steps
 - Automatic workflow execution with verification at each step
 - Automation Package Developer allows customization for data center best practices and procedures
- Virtual image repository allows customers to centralize and standardize on provisioning materials
 - Images, application packages, configuration properties

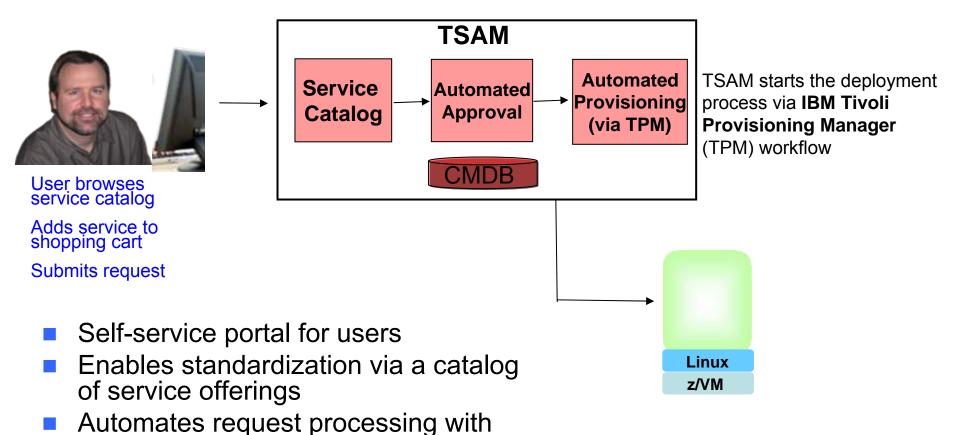
IBM System z Solution Edition For Cloud Computing

Adds package of software and services for self-service provisioning, metering, billing and monitoring

- IBM Tivoli software (runs on Linux on System z)
 - Self-service provisioning
 - Tivoli Service Automation Manager (TSAM)
 - TSAM integrates with IBM Workload Deployer appliance to automate provisioning of WebSphere environment
 - Metering and billing
 - Tivoli Usage and Accounting Manager (TUAM)
 - Monitoring
 - Tivoli OMEGAMON XE on z/VM and Linux
- IBM Lab Services
 - Planning, installation, configuring, testing services
 - Significant package discounts



Self-Service Provisioning With Tivoli Service Automation Manager (TSAM)



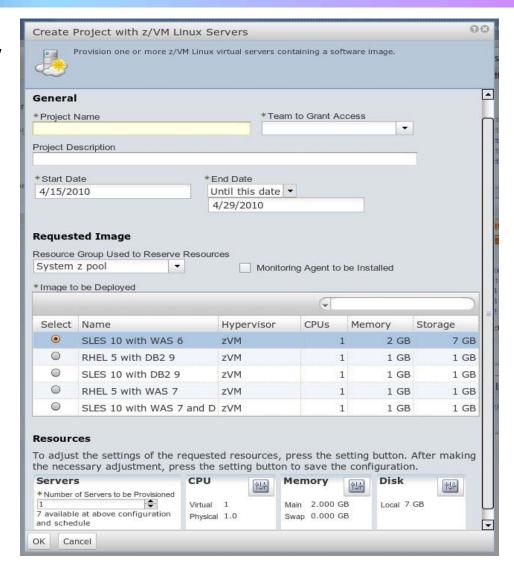
03 - Improving Service Delivery With Private Cloud Computing

pre-defined workflows

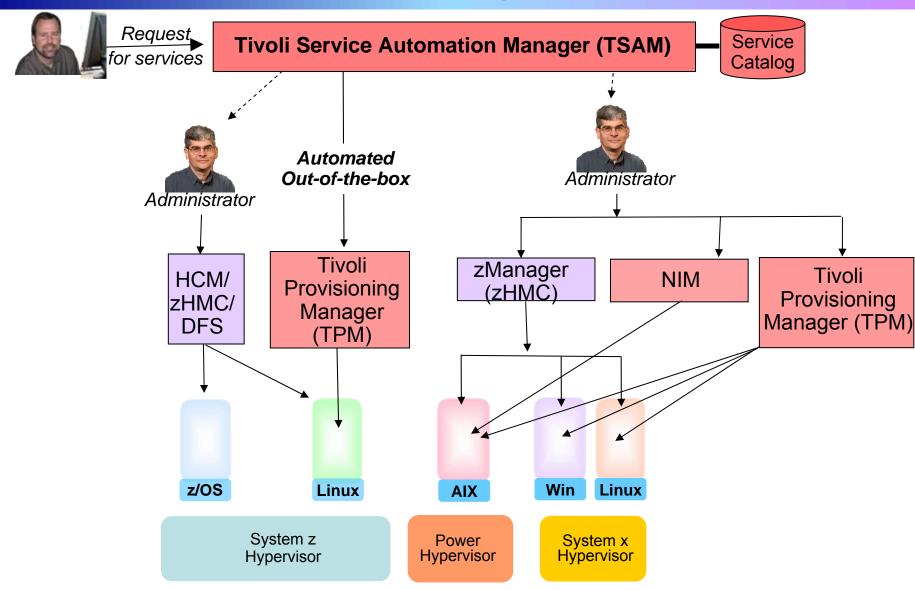
Fast provisioning of virtual servers

DEMO: Self-Service Provisioning With IBM Tivoli Service Automation Manager (TSAM)

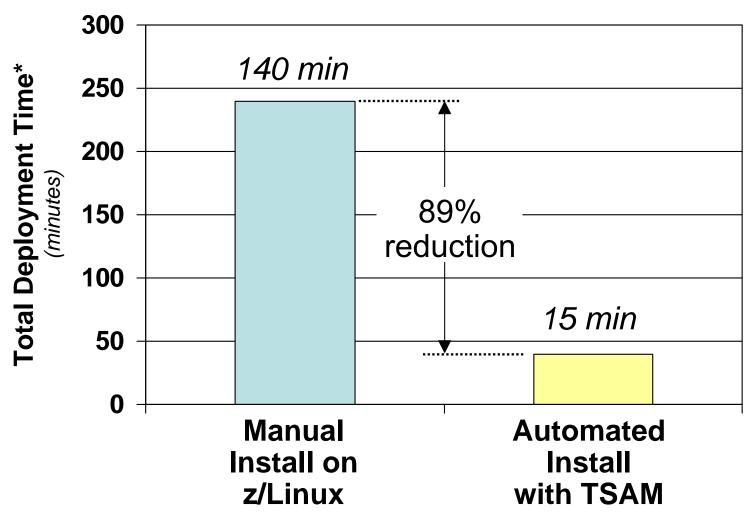
- Submit a request to add a new virtual machine (VM) under z/VM to an existing project
- VM created with a complete software stack (zLinux, WebSphere, customer application and Tivoli Monitoring agent) installed
- Requester is notified via email when the request is completed



Self-Service Provisioning For zEnterprise



TSAM Automated Provisioning Is Fast

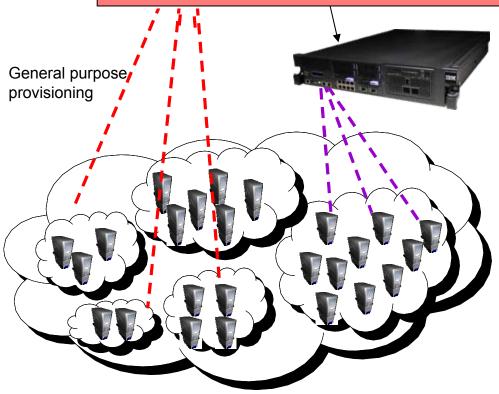


^{*} Excluding network transmission time

Tivoli Service Automation Manager Integrates With IBM Workload Deployer



Tivoli Service Automation Manager (TSAM)

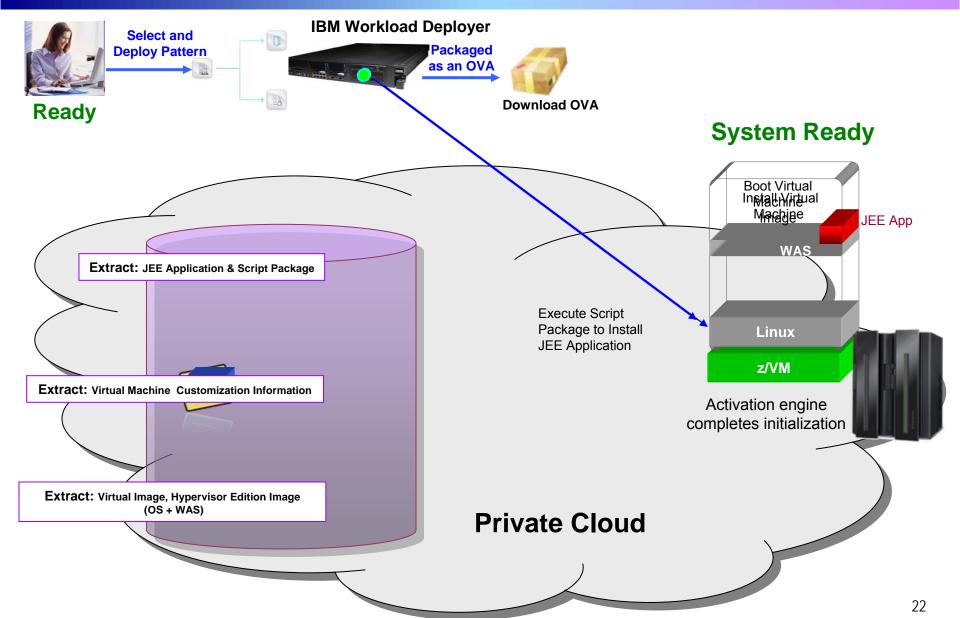


IBM Workload Deployer*

- Appliance pre-loaded with standardized WebSphere Application Server Hypervisor Edition and patterns
- Self-service automated provisioning of WebSphere environment onto z/VM on z196

*Can be used for deploying under z/VM on z196

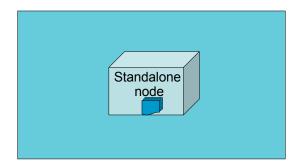
Example Of How It Works - Use Standardized Image For Automated Deployment



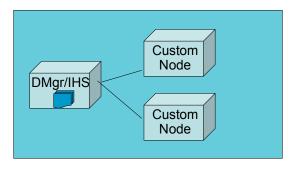
IBM Workload Deployer Deploys Preloaded Virtual System Patterns

A Virtual System Pattern is one or more virtual images and script packages to satisfy a certain deployment topology

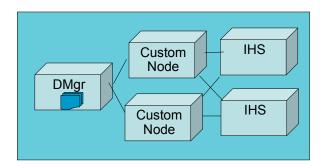
Single Server



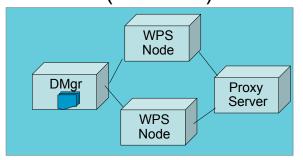
WebSphere cluster (dev)



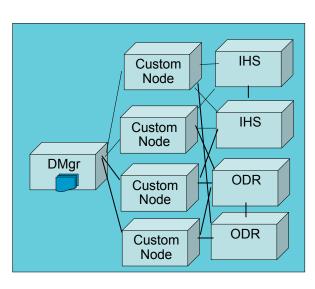
WebSphere cluster



WebSphere Process Server (Scalable)



WebSphere Advanced
Cluster

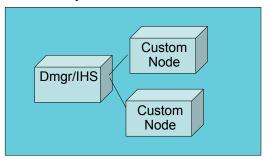


Advanced Options for messaging, session persistence, and global security available

Manual Deployment Steps For WAS Clustered Environment

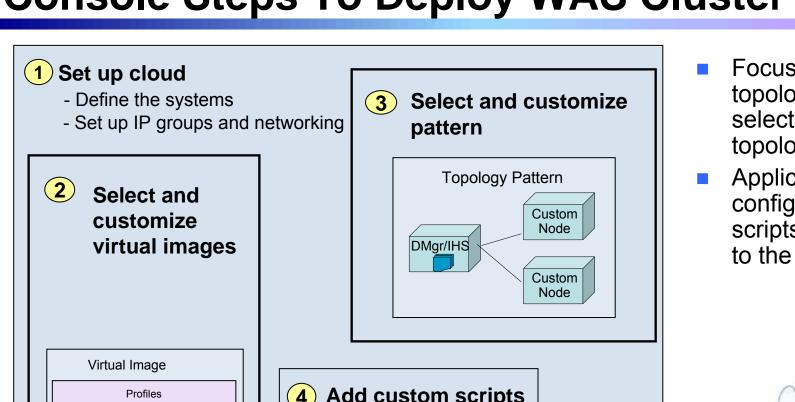
WebSphere cluster

- Create 3 virtual servers and install software
 - 1 WebSphere deployment manager/IBM HTTP Server
 - 2 WebSphere Nodes
- 2. Use the WAS Update Installer to install the required iFixs
- 3. Configure the HTTP Server
- 4. Create WebSphere Cluster with 2 members
- 5. Configure Session replication on servers to support Failover
- 6. Deploy the Application to the WebSphere Cluster

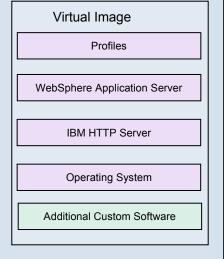


All of these steps are done automatically with IBM Workload Deployer

Console Steps To Deploy WAS Cluster Pattern

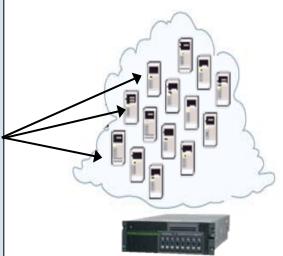


- Focus on the topology client selects the topology pattern
- Application and configuration scripts are added to the pattern





5 Deploy to the cloud



Pay-As-You-Go Chargeback With Tivoli Usage And Accounting Manager (TUAM)

Who is consuming which IT Resources? What is the cost of the IT Resources? How to calculate costs for different users

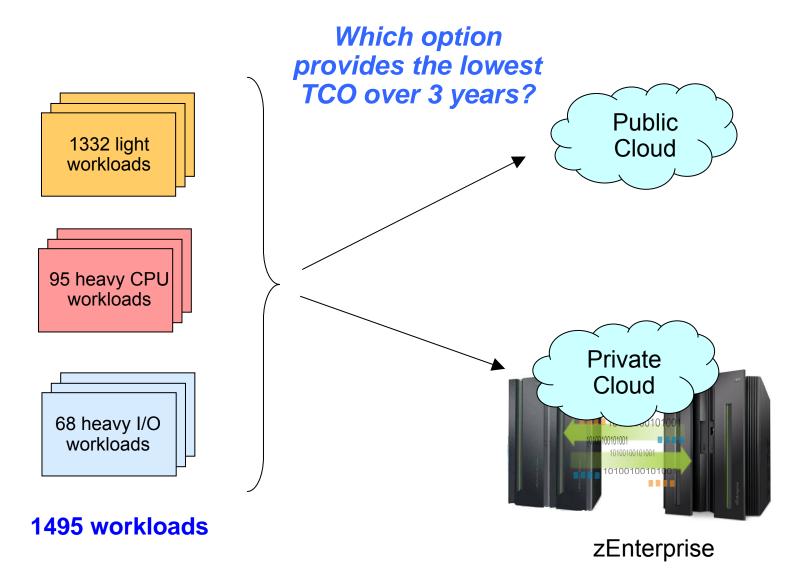
Tivoli Service Automation Manager (TSAM) and data collectors provide resource usage statistics

Costing engine to assign costs to resource usage

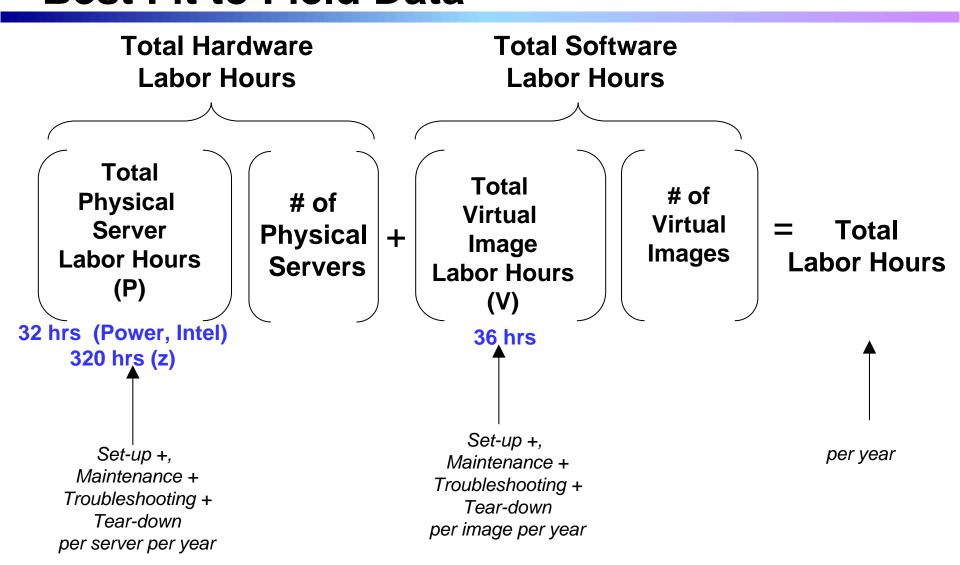
Reporting engine to provide invoices and reports

Provided by Tivoli Usage and Accounting Manager*

Public vs. Private Cloud: Which Option Costs Less For Delivering Mixed Workloads?



A High-Level View of the Labor Model – Best Fit to Field Data

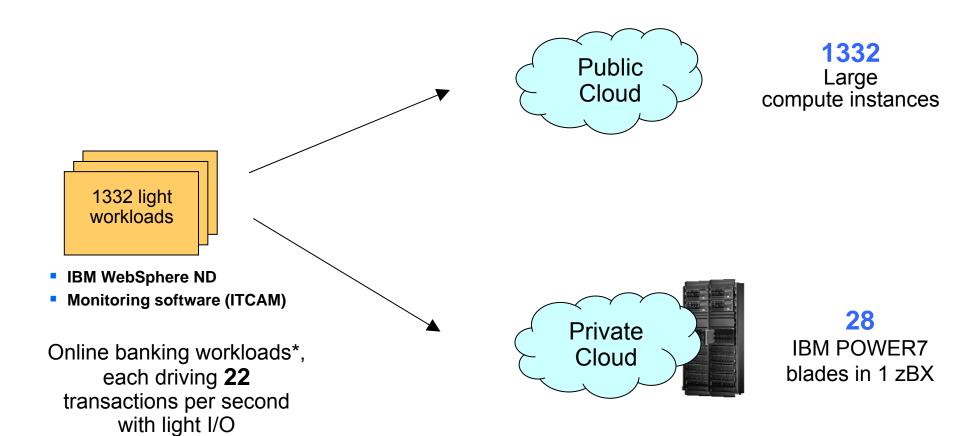


Values best fit to collected field data

Variability In Image Usage Allows For Reduction In The Number Of Servers Required

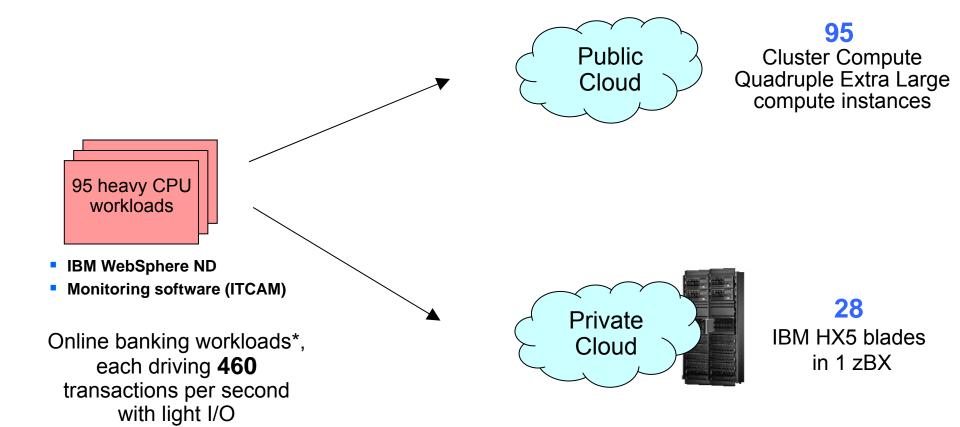
- Consolidation ratios based on benchmark data assume "always on" operation
- On average, not all workloads are active all the time
- Amazon EC2 public cloud recognizes this by running with an "oversold" factor of 1.7
 - Assumes each server can support 1.7 times the indicated capacity of virtual machines
- This means we don't need as many servers as the benchmarks indicate

Deploying Light Workloads



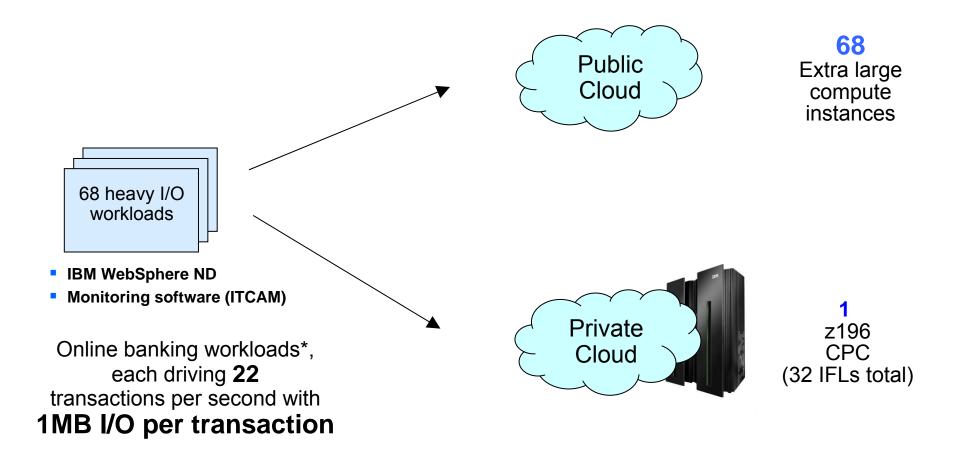
^{*} CPO on-line banking benchmark

Deploying Heavy CPU Workloads With Light I/O



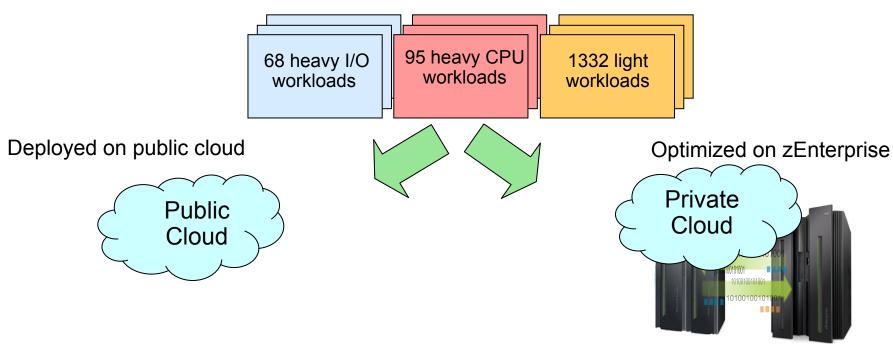
^{*} CPO on-line banking benchmark

Deploying Light Workloads With Heavy I/O



^{*} CPO on-line banking benchmark

Compare Cost Of Acquisition For 3 Years



1495 Compute Instances

\$77.2M (3yr TCA)

zEnterprise32 IFL's, 28 Intel blades, 28 Power blades
704 cores

\$22.6M (3yr TCA)

71% less

Server configurations are based on consolidation ratios derived from IBM internal studies. Prices are in US currency and will vary by country

Compare Labor Costs For 3 Years

68 heavy I/O workloads 95 heavy CPU 1332 light workloads Optimized on zEnterprise

Deployed on public cloud



42,086 labor hours/yr **20.23** administrators

\$9.7M

3 years @ \$159,600/yr

31 146 Jahor hours/vr

31,146 labor hours/yr **14.97** administrators

Private

Cloud

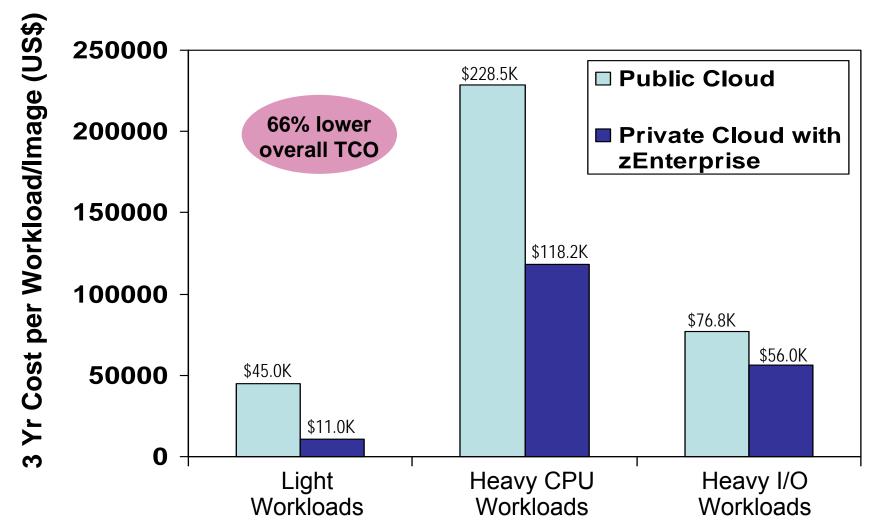
\$7.2M

3 years @ \$159,600/yr

26% less

Server configurations are based on consolidation ratios derived from IBM internal studies. Prices are in US currency and will vary by country

Private Cloud On zEnterprise Dramatically Reduces Costs



Source: IBM internal study. zEnterprise configurations needed to support the three workload types were derived from IBM benchmarks. Public cloud sizing needed to support the three workload types was calculated based on compute capacity of public cloud services. 3 yr TCO for public cloud based on pricing info available by the service provider. 3 yr TCO for zEnterprise includes hardware acquisition, maintenance, software acquisition, S&S and labor. US pricing and will vary by country.

What Users Get With zEnterprise Private Cloud

- Self-service requests
 - User request services via a web portal
- Fast provisioning
 - Automated provisioning/de-provisioning of resources as needed
- Elastic capability
 - Resource can be elastically provisioned to quickly scale out and rapidly released to quickly scale in
- Low cost pay as you go
 - Users pay for what they use
 - Business saves a lot of money