



# Delivering a private cloud and cloud-based services

9/20/11 Toronto, Canada

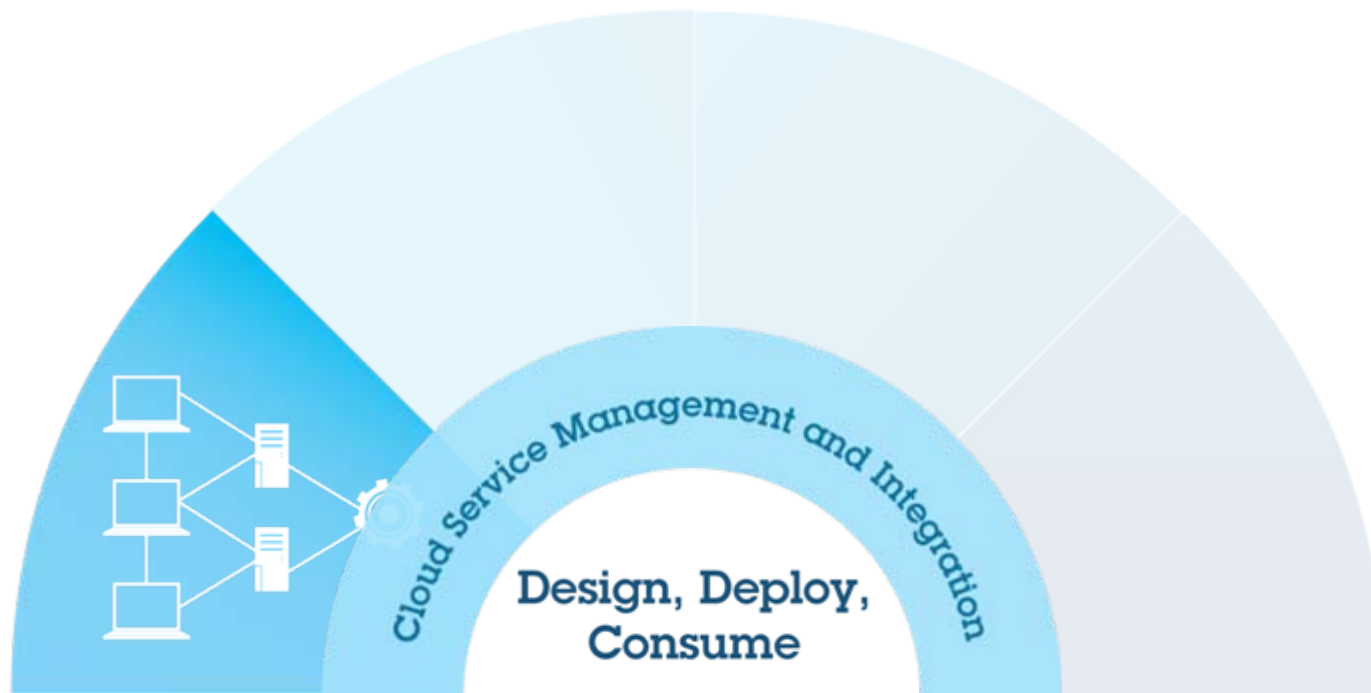
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## Cloud Enabled Data Center

Integrated service management, automation, provisioning,  
and self service





## Consequences of Lack of Action on Cloud

- Pressure from IT's internal customers to deploy services quicker and at lower costs as Cloud moves into the mainstream
  - One UK Bank had a LOB deploy a Public Cloud offering from Google without consultation with the IT dept...
- Without Cloud type offerings deployed, the businesses' competition will be quicker to react when launching new applications or systems, leading to loss of 1<sup>st</sup> mover advantage.
- Without an internal scalable, elastic, easily provisioned, simply charged-back infrastructure the case for either outsourcing or Cloud increases
- Cloud computing offers the promise of starting new businesses relatively easier, without the high burden of IT capital expenditure of the past. This opens up many industries to new breeds of "IT asset light" competitors.

# Why deploy clouds on larger, scale-up servers like System z?



## Higher Utilization

- Up to 100% CPU utilization
- “Shared everything” architecture
- Host thousands of mixed workloads



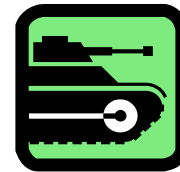
## Increased Productivity

- Efficient, rapid provisioning
- Superior workload management
- Fewer parts to manage



## More Efficient Data Center

- Less power and cooling
- Less floor space
- Fewer parts to manage



## Greater Reliability, Availability

- Built-in hardware redundancy
- Decades of RAS innovation
- Capacity and Backup on Demand



# System z has had Cloud Computing capability supplying business flexibility for years

System z supplies all components necessary to deliver cloud today

## Workload Management

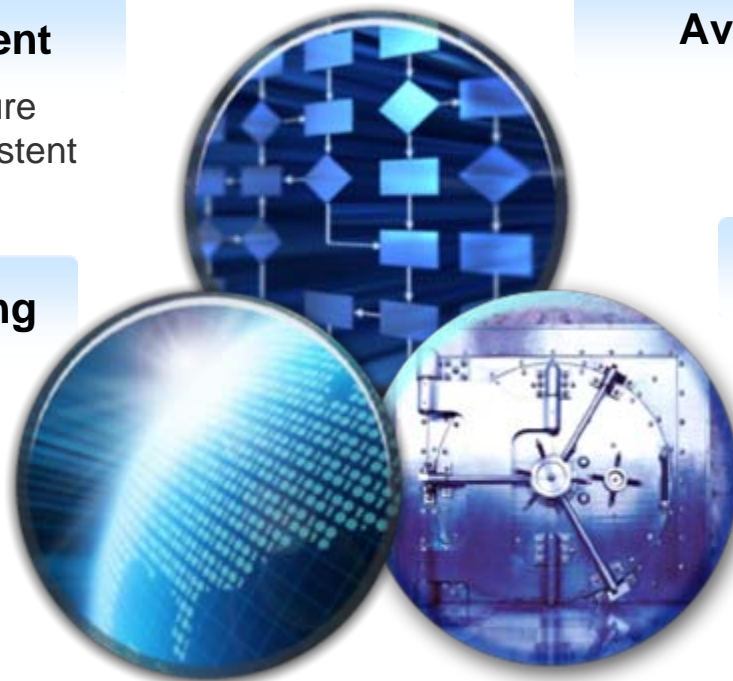
Manage cloud infrastructure capacity requirements consistent with business policies

## Transaction Processing

Support integration of cloud with mission critical OLTP applications

## Scalability

Scale vertically with z/OS and LPAR and horizontally with Linux on System z and z/VM coupled with Workload Manager



## Availability and Provisioning

Automation for deploying Virtual Machines and recovery applications including DR

## Security and Compliance

System z Security provides fine grained controls with hardware encryption and isolation

## Auditing and Metrics

Workload based accounting and metering to support capacity planning and chargeback to LOB



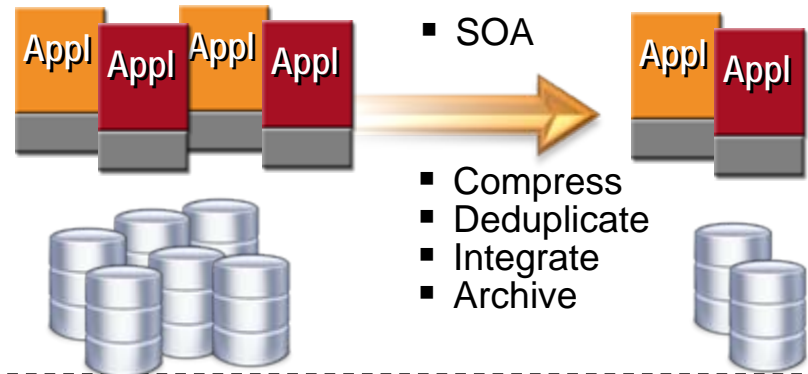
# Strategies to Reduce Costs and Improve Value

## Optimize the Overall IT Environment

Consolidate Hardware Infrastructure



Eliminate Redundant Software and Data



Improve Service Delivery

### Integrated Service Management



Visibility



Control



Automation

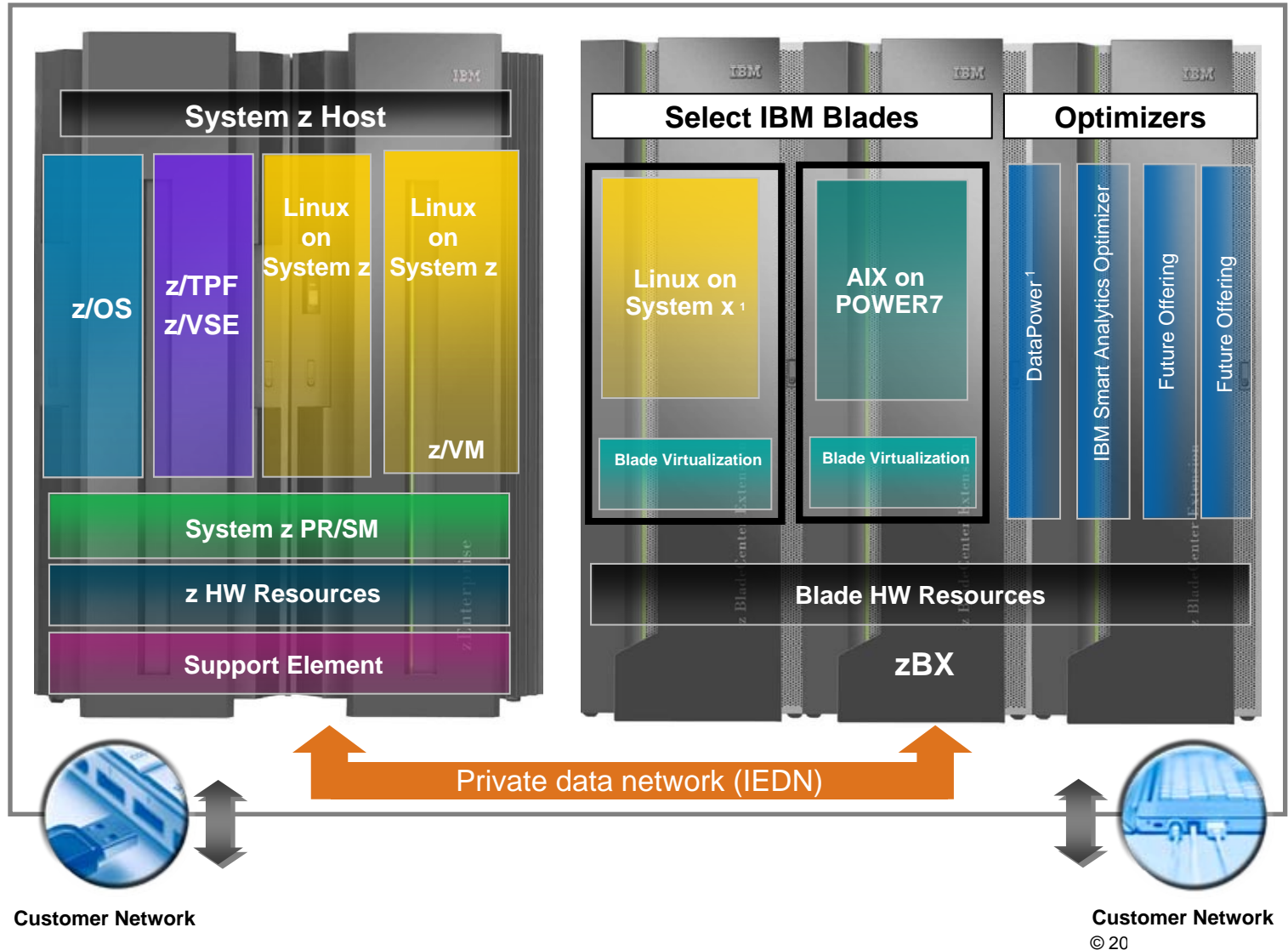


Cloud Computing



# Putting zEnterprise System to the task

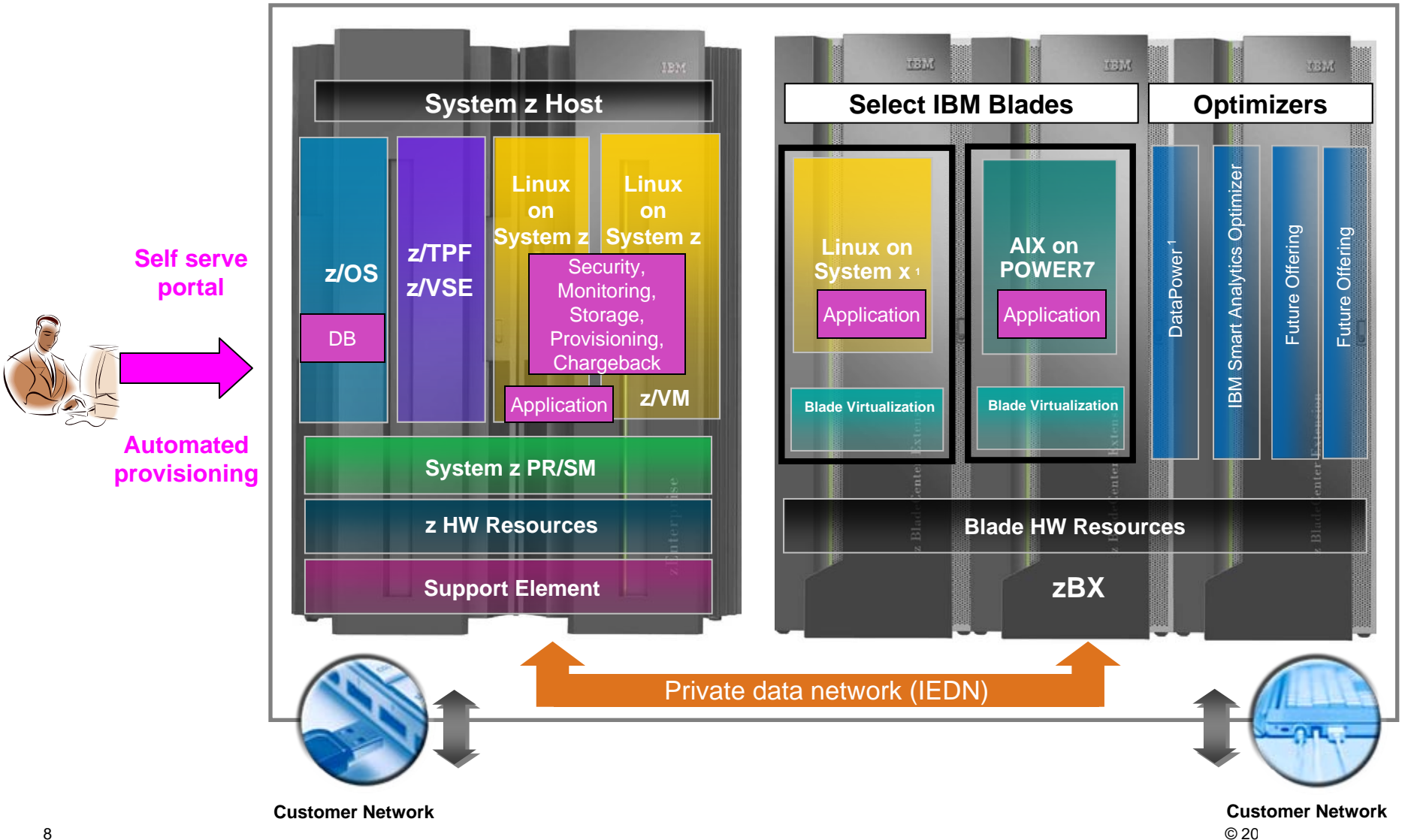
*Optimized environment for critical workloads*





# Putting zEnterprise System to the task - Example

Use the smarter solution to improve your application design





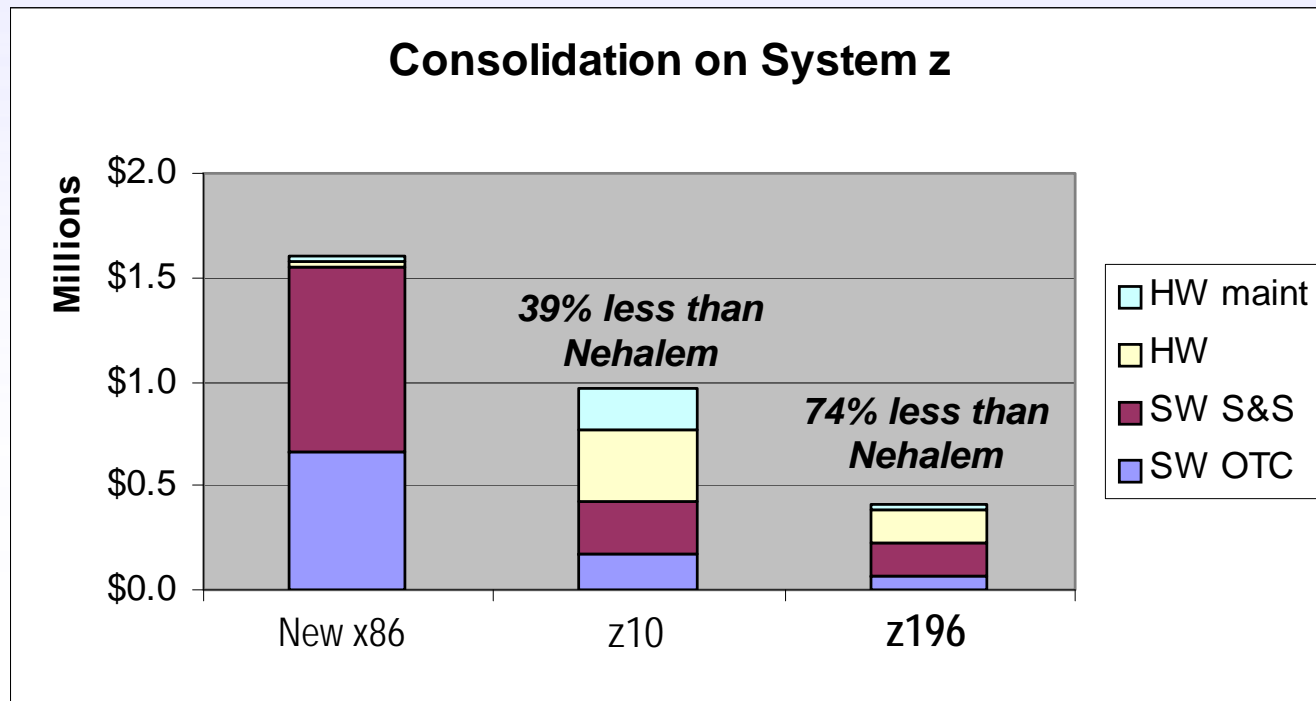


# The Most Efficient Platform for Large Scale Consolidation

## Linux on z196

- **Lower acquisition costs of hardware and software vs distributed servers\***
- **Less than \$1.00 per day per virtual server (TCA)\***
- **Reduce floor space by up to 90% compared to distributed servers\***
- **Reduce energy consumption by up to 80% compared to distributed servers\***

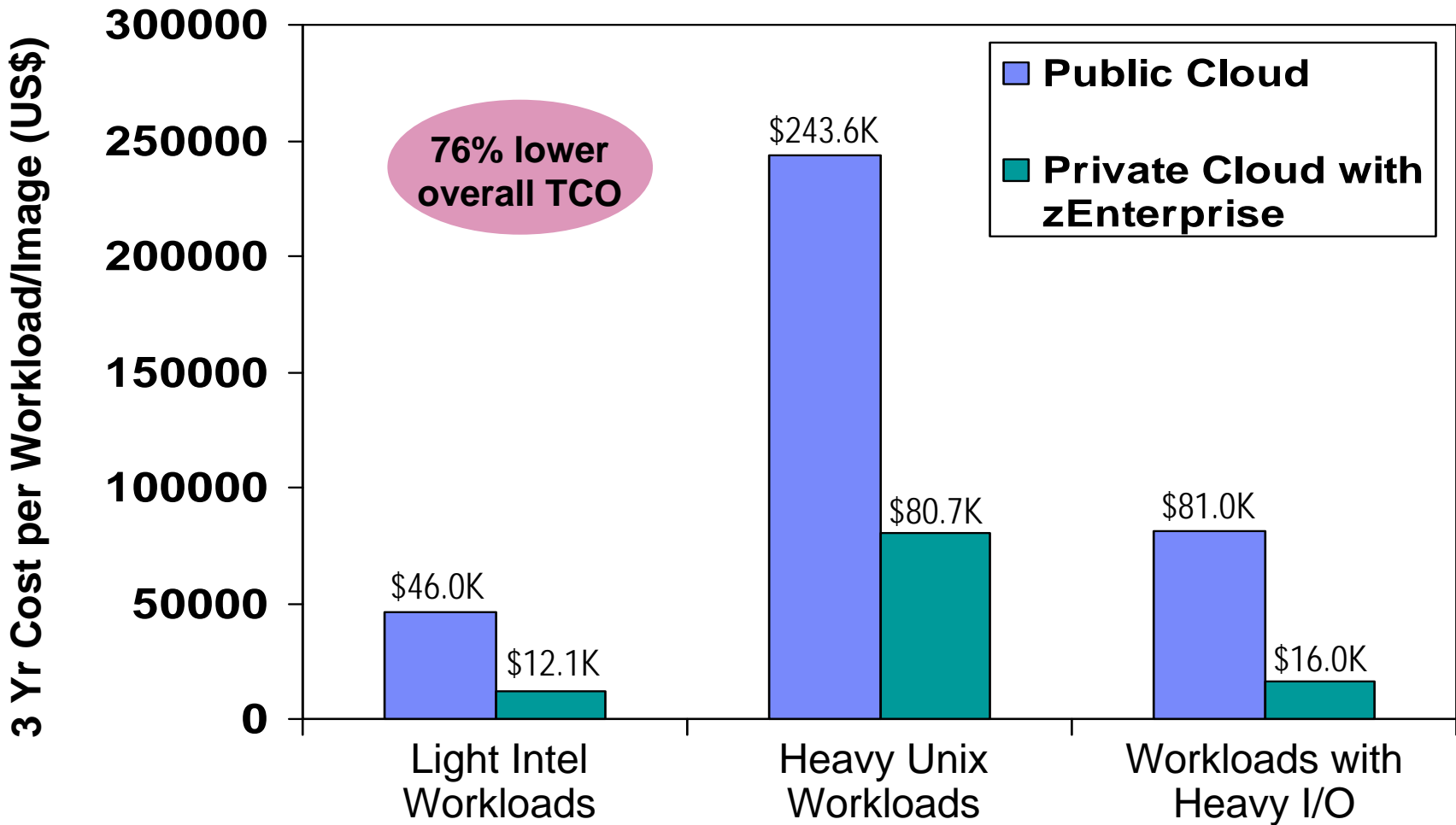
**Consolidate 40 Oracle server cores onto 2 Linux cores on zEnterprise**



\* Distributed server comparison is based on IBM cost modeling of Linux on zEnterprise vs. alternative distributed servers. Given there are multiple factors in this analysis such as utilization rates, application type, local pricing, etc., savings may vary by user.



# Private Cloud On zEnterprise Reduces Costs

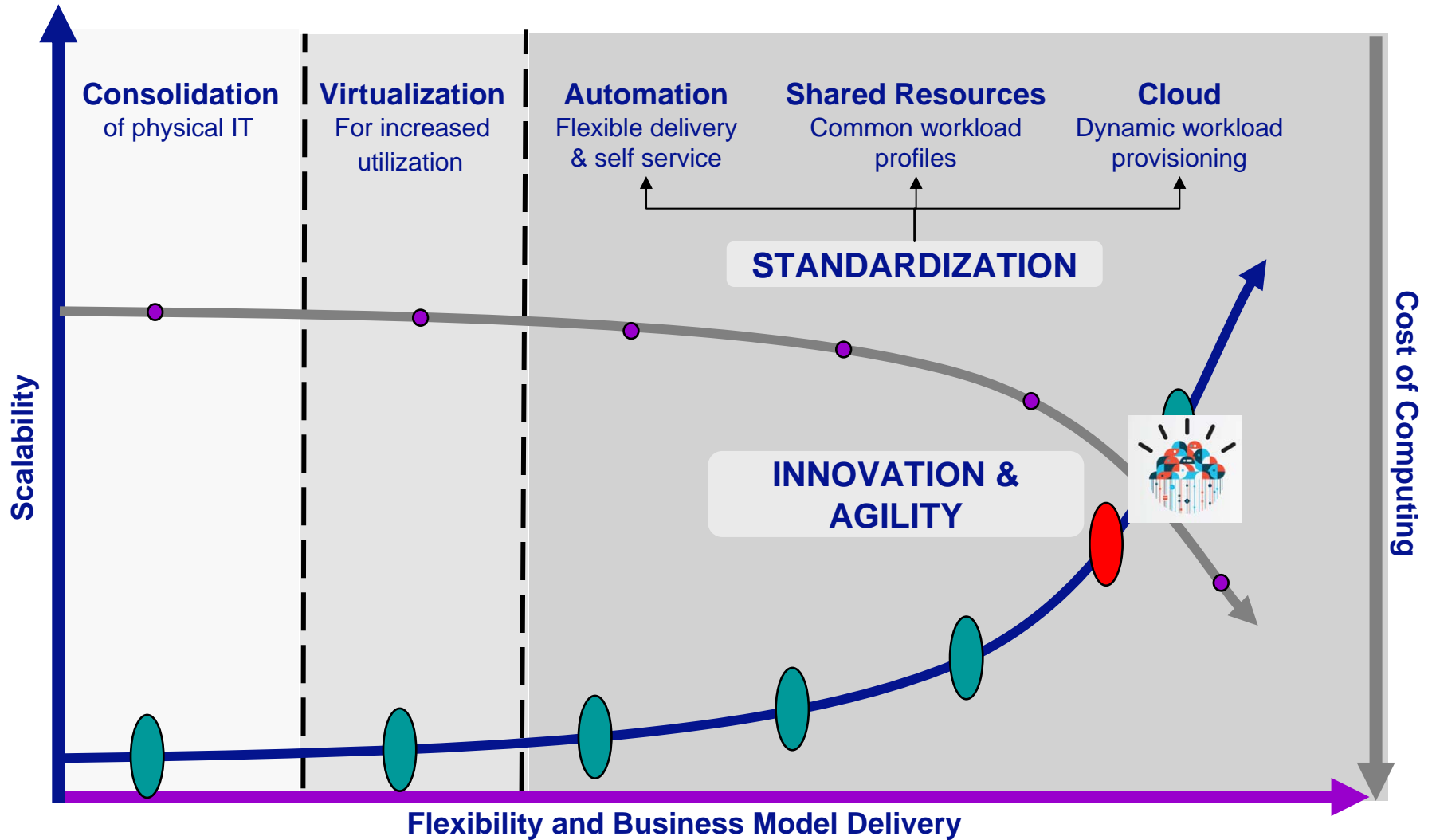


Source: IBM internal study. zEnterprise configurations needed to support the three workload types were derived from IBM benchmarks. Public cloud sizing needed to support the three workload types was calculated based on compute capacity of public cloud services. 3 yr TCO for public cloud based on pricing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



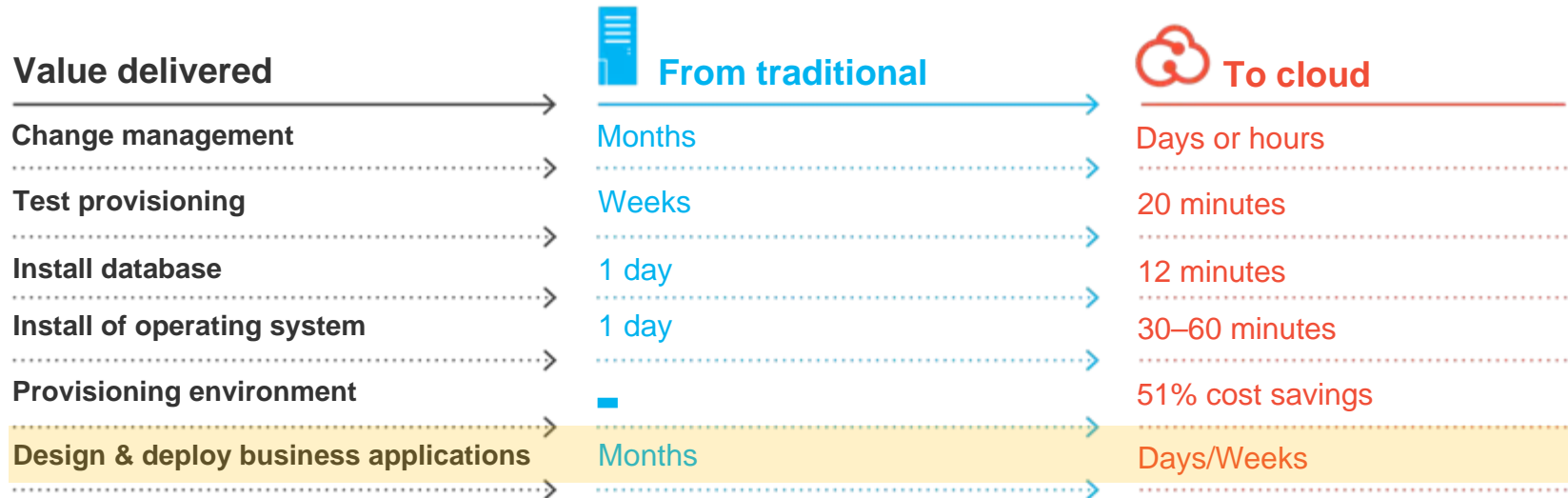
# Obtaining the full benefits of cloud

*Movement to standardized infrastructure is driving greater automation and optimization*





# Cloud computing services from IBM are delivering measurable results and addressing IT infrastructure challenges



Improve IT delivery speed and agility

Deliver IT without boundaries

Create new business value



## However, Cloud is not without its challenges...

*After all, IT has been trying to automate service delivery from the start...*

...design a secure & resilient cloud infrastructure?

...ensure effective release across DevOps?

...design cloud-ready applications?

**How do you...**

...enable self-service in the cloud?

...ensure cloud service quality is maintained?

### *Bottom Line:*

- Virtualization good starting point but not sufficient
- x86 Server Virtualization has not been the nirvana it was promised to be:
  - VM Stall - Still hundreds of server OS images to manage
  - VM sprawl – Hundreds of VM's deployed as it is easy to deploy a VM
- Requires intelligent platform and QOS that z provides

**Cloud Requires**

- ✓ Full **service lifecycle management**, not just provisioning of resources
- ✓ Seamless collaboration & workflow **across Service Design and Service Operations.**
- ✓ Interoperability of infrastructure, tools & delivery models as **automated system.**



# Integrated Service Management delivers the value of Cloud

- Maximize utilization from automating and deploying workloads in a cloud
- Achieve greater efficiency with standardized, simplified resource allocation and monitoring
- Increase availability based on analytics for improved customer satisfaction
- Operate workloads securely across Enterprise Businesses
- Improve ROI with tracking and billing based on workload usage



*Discovery*



*Monitoring*



*Security*



*Provisioning*



*Accounting*



# IBM's Cloud Service Delivery Platform gives organizations the Visibility, Control, Automation™ needed for cloud...



## VISIBILITY



**Visibility:** Track cloud service levels & performance, and predict cloud problems before clients are impacted.



## CONTROL

Total Cost by Service

	Units	Rate	Charge
Wire Transfer	16,000.00	0.000000	17,760.00
<b>Total International Banking Charges</b>			<b>17,760.00</b>
ATM Transaction	61,012.00	0.027920	1,693.01
Credit Card Transaction	60,000.00	0.000000	20,700.00
Electronic Deposits	11,000.00	0.000000	36,000.00
Online Electronic Payments	35,000.00	0.000000	11,000.00
Telephone Transactions	0.000.00	0.000000	28,300.00
<b>Total Global Consumer Charges</b>			<b>106,713.01</b>
Checks and Collections	30,200.00	0.000000	14,000.00
Source Data - Branch Deposits	7,400.00	1.940000	14,344.00
<b>Total Cash Management Charges</b>			<b>28,344.00</b>
Commercial Loans	0.000.00	0.000000	20,000.00
mortgages	7,800.00	1.000000	7,800.00
<b>Total Loan and Credit Charges</b>			<b>27,800.00</b>
Advances	0.000.00	0.000000	1,000.00
<b>Total Issuance Charges</b>			<b>1,000.00</b>
<b>Total for AA - Northern California Branch Operations</b>			<b>196,256.41</b>

**Control:** Manage compliance and costs through effective cloud policy enforcement and service reporting.



## AUTOMATION



**Automation:** Enable user self service while improving productivity and time to market for cloud services.



# Driving cloud ROI using advanced cloud management capabilities

## Cloud Management

Advanced



Basic

<p>Predictive Analytics Tracking Cloud Services Business Service Mgt.</p>	<p>Security</p>	<p>Dynamic Workload Mgt. Deployment Patterns Agile Operation</p>
<p>Monitor in real-time</p>	<p>Discovery Chargeback Service catalog</p>	<p>Provisioning Self Service</p>



**VISIBILITY**



**CONTROL**



**AUTOMATION**

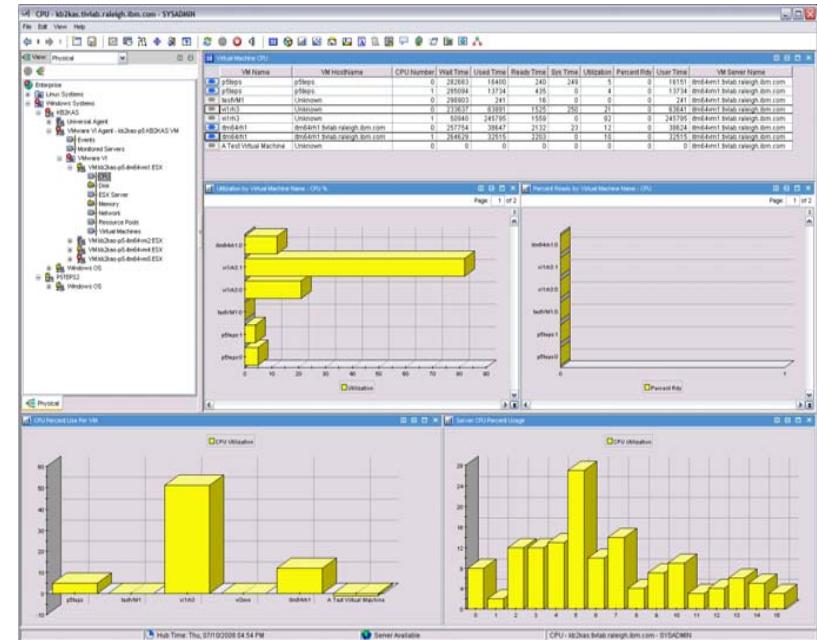




# Visibility to cloud servers through real-time monitoring



- Collect key performance and availability metrics.
  - Application, VM, virtual network, virtual storage I/O and other metrics
- Receive real-time proactive & predictive alerts
  - Side-by-side and historical data to identify problems quickly
- Warehouse data and report on current and future trends
  - Identify resource bottlenecks, plan for future capacity needs, and optimize resource performance





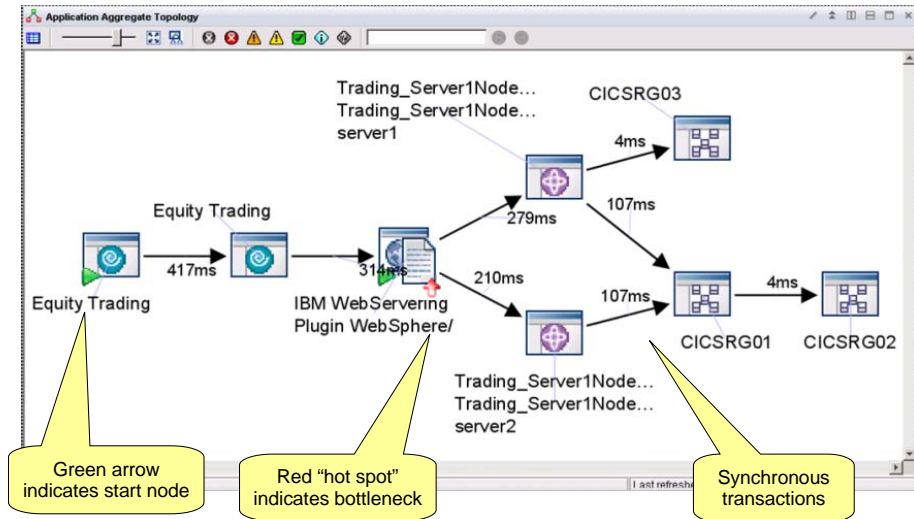
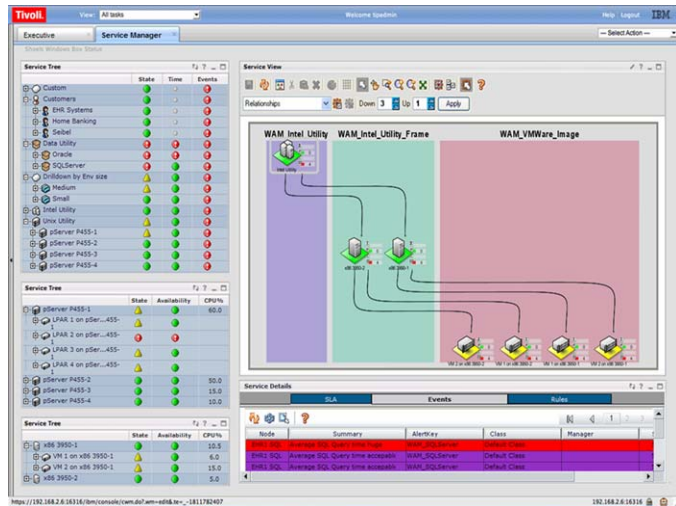
# Visibility at the business level leveraging detailed views



**VISIBILITY  
Advanced**

## Business Service Management

## Detailed transaction view



- Visualize physical & logical partitions and physical & virtual machines
- See service-impacting root cause events for prioritized response

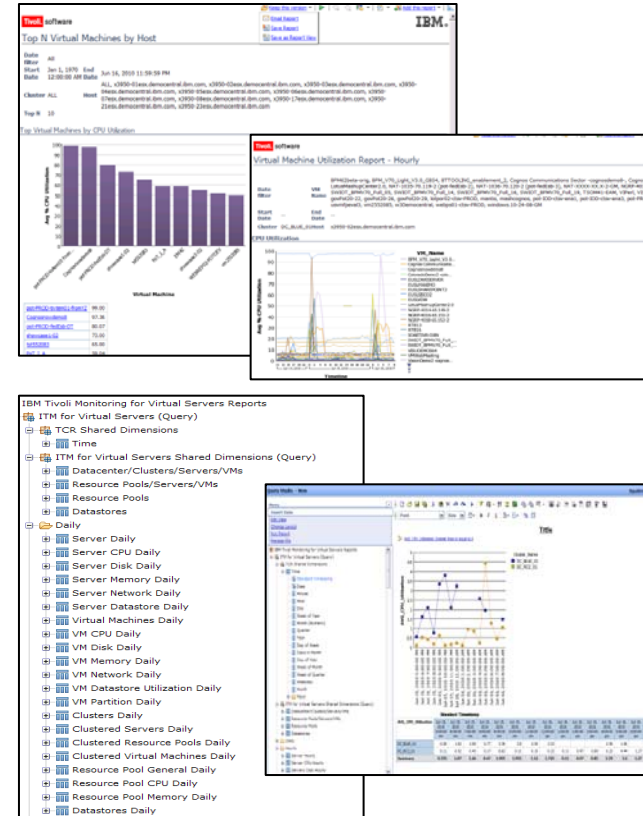
- Agentless tracking for public and hybrid clouds, Linux on System z agent for clouds on z
- Ability to monitor and alert on SOA SLA policies defined in WebSphere
- Integrated response time and tracking



# Visibility through analytics to enable capacity planning and optimization of cloud & virtual environments



- Perform virtual machine right sizing - adjust the allocated computing resources to levels needed for the virtual machine by understanding real usage of computing resources over time
- Determine how many more customers or virtual machines can be serviced with existing resources
- Predict physical and virtual resource capacity bottlenecks
- Performance trending and resource forecasting



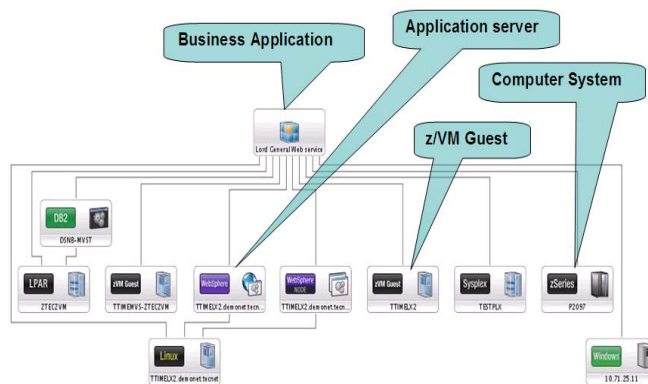


# Control the cloud environment and services



**CONTROL  
Basic**

## Discover



## Service Catalog



## Chargeback



- Understand what you have
- Discovery application relationships/dependencies
- Determine if it is compliant

- Single repository for all cloud services
- Insure delivery of standard services to avoid virtual server sprawl

- Control supply by charging for services
- Determine service rates based on service costs and real usage
- Provide service usage and enable billing



# Control cloud security

- Deploy a security strategy that smoothly integrates into the fabric of the cloud
- Consider... one size does not fit all, different cloud workloads have different risk profiles



## Access and Identity

Need to leverage a combination of extensive internal policies



## Data and Information

Apply data protection to information when possible



## Release Management

Implement strong polices for management of virtual images and software within it's environment



## Security Event Information Management

Provide the functions for security event and information management



## Physical Security

Need to apply security to data centers such as CCTV, 24/7 physical security biometrics, etc.



## Threat and Vulnerability Management

Leverage managed services and tolling for best of breed solutions



# Control in cloud will require security to address reliability and compliance

- Enforce security policy compliance and reduce security vulnerabilities
- Centrally manage and protect access to applications, business services, infrastructure, and data across server, storage and network
- Leverage the mainframe as your Enterprise Security Hub for cross-platform security

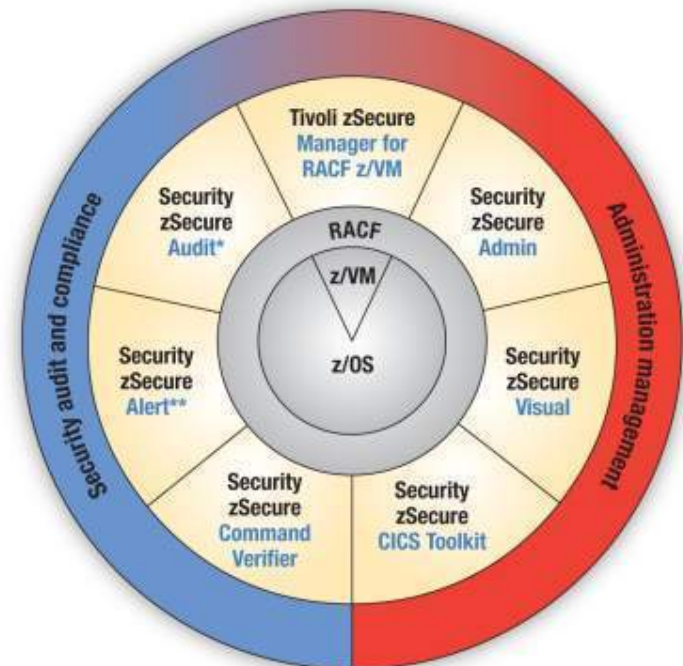
## Comprehensive security control

- Cost-effective security administration, security policy enforcement, automated auditing and compliance to detect threats and reduce risk

## Advanced security key management

- Protect data encrypted on server and storage
- Supports all latest System z centric storage
- Supports all System z hardware crypto

### IBM Security zSecure suite



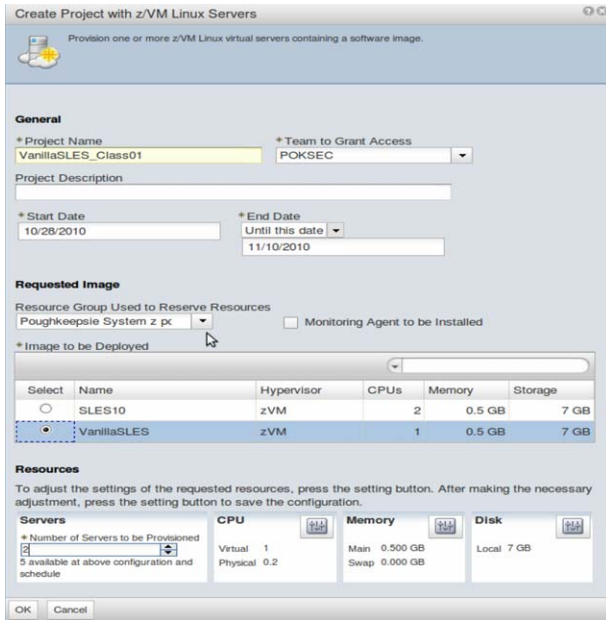
\*Also available for ACF2™ and Top Secret®

\*\*Also available for ACF2

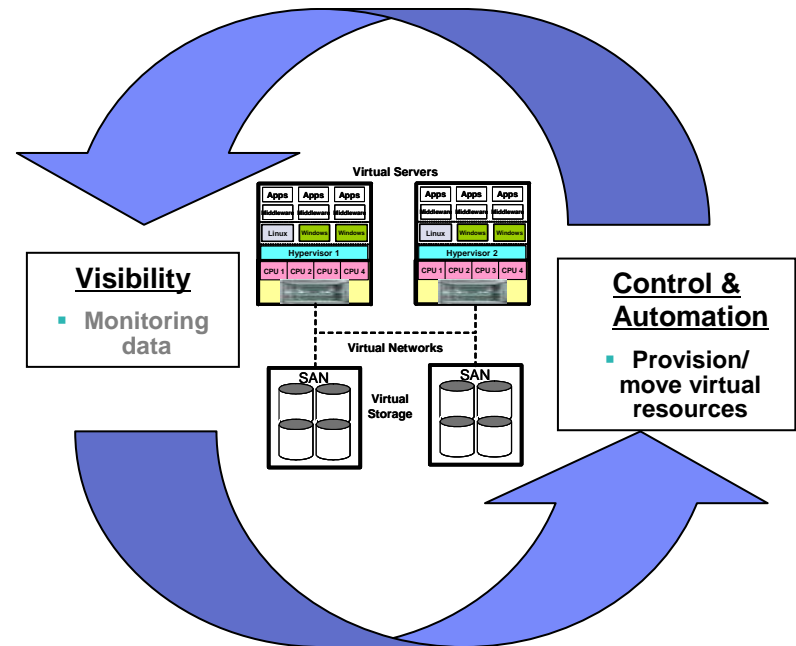


# Automation of service provisioning and enable self service

## Self Serve Portal



## Automated Provisioning



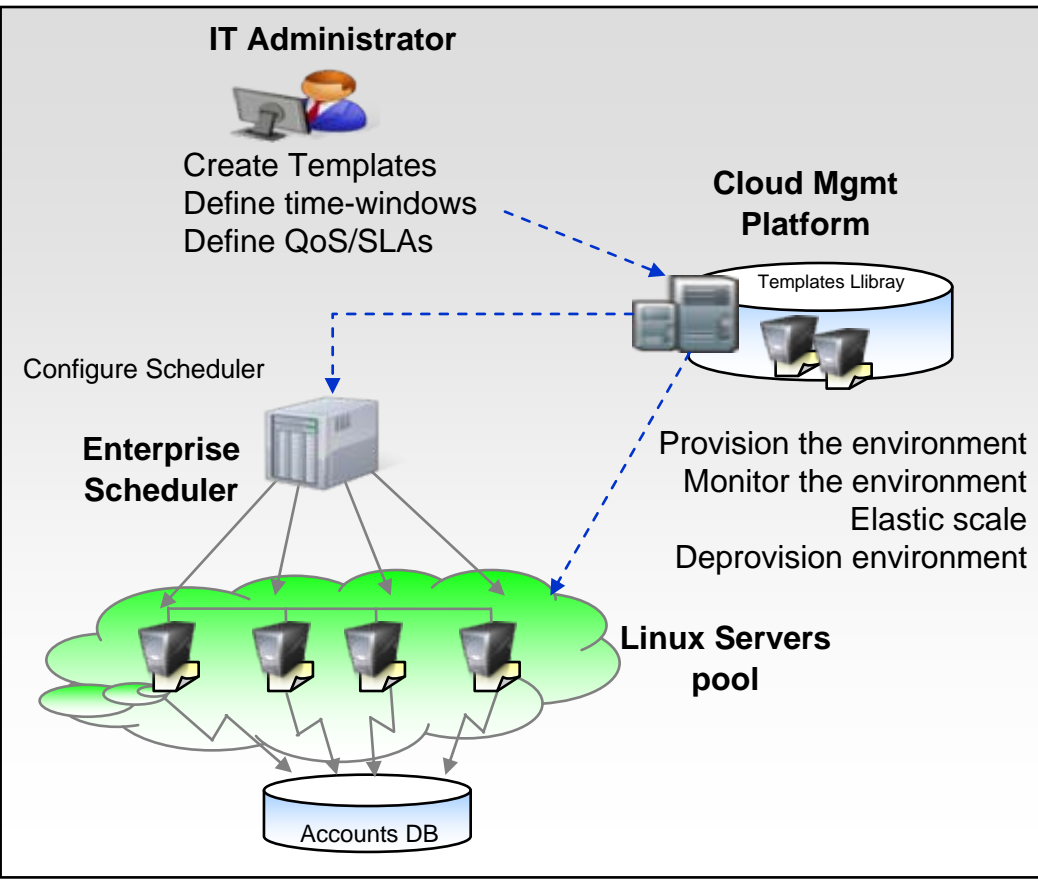
- Self serve web portal allows users to request services from a service catalog
- Automate approval workflows and provide visibility to status
- When service no longer needed de-provision resources and return to pool

- Coordinate and manage virtual resource provisioning from a centralized manager
- Increased HW utilization and decreased energy consumption



# Automation for cloud based dynamic workload management

- Dynamically expand resources to meet spikes in demand such as month end processing
- Reduce investments and effort, through simple provisioning and release of workload automation resources
- Simplify the lifecycle management of a “batch-ready” execution environment
- Reduce energy costs

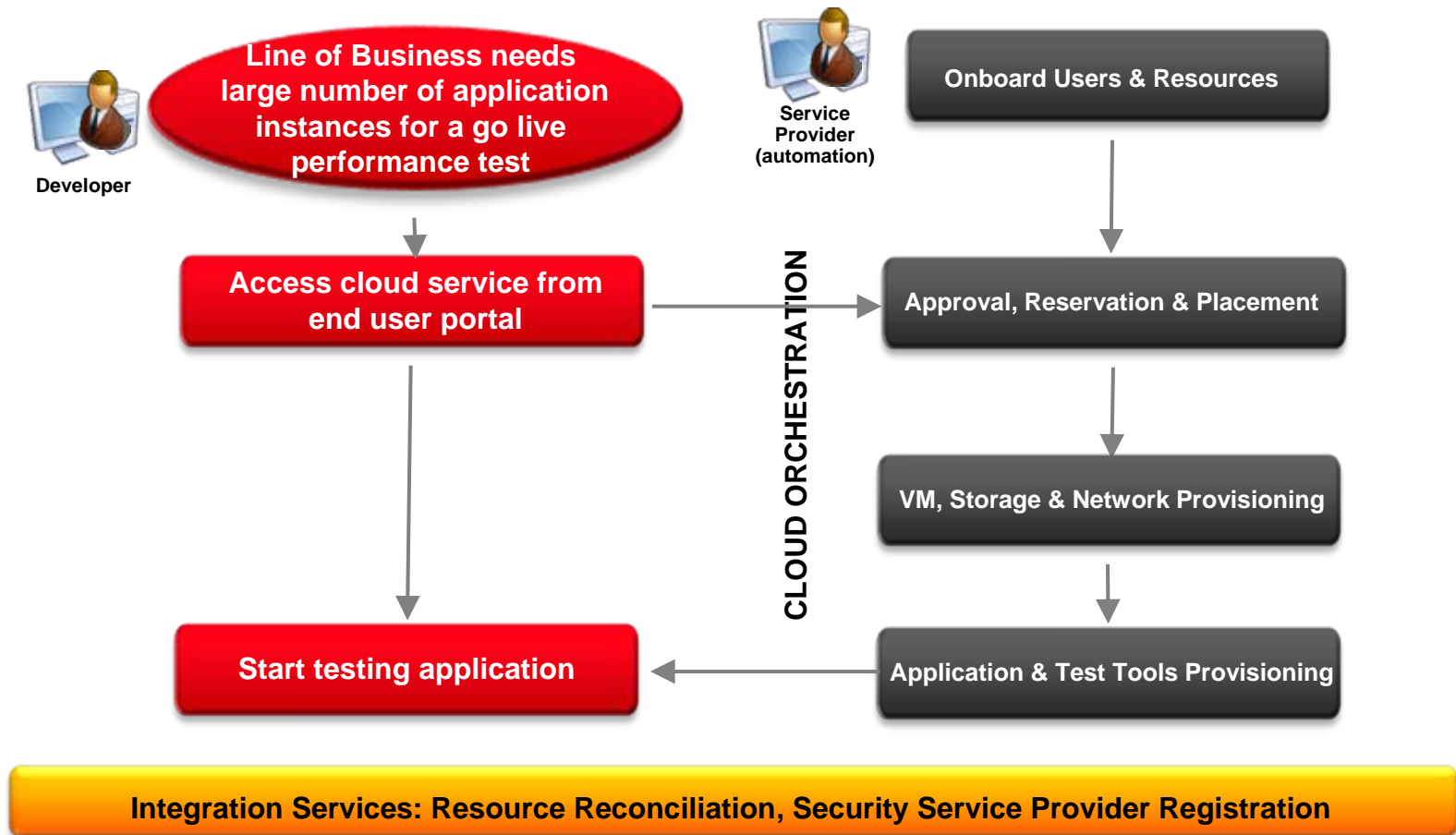






# Automation drives agile operations cloud

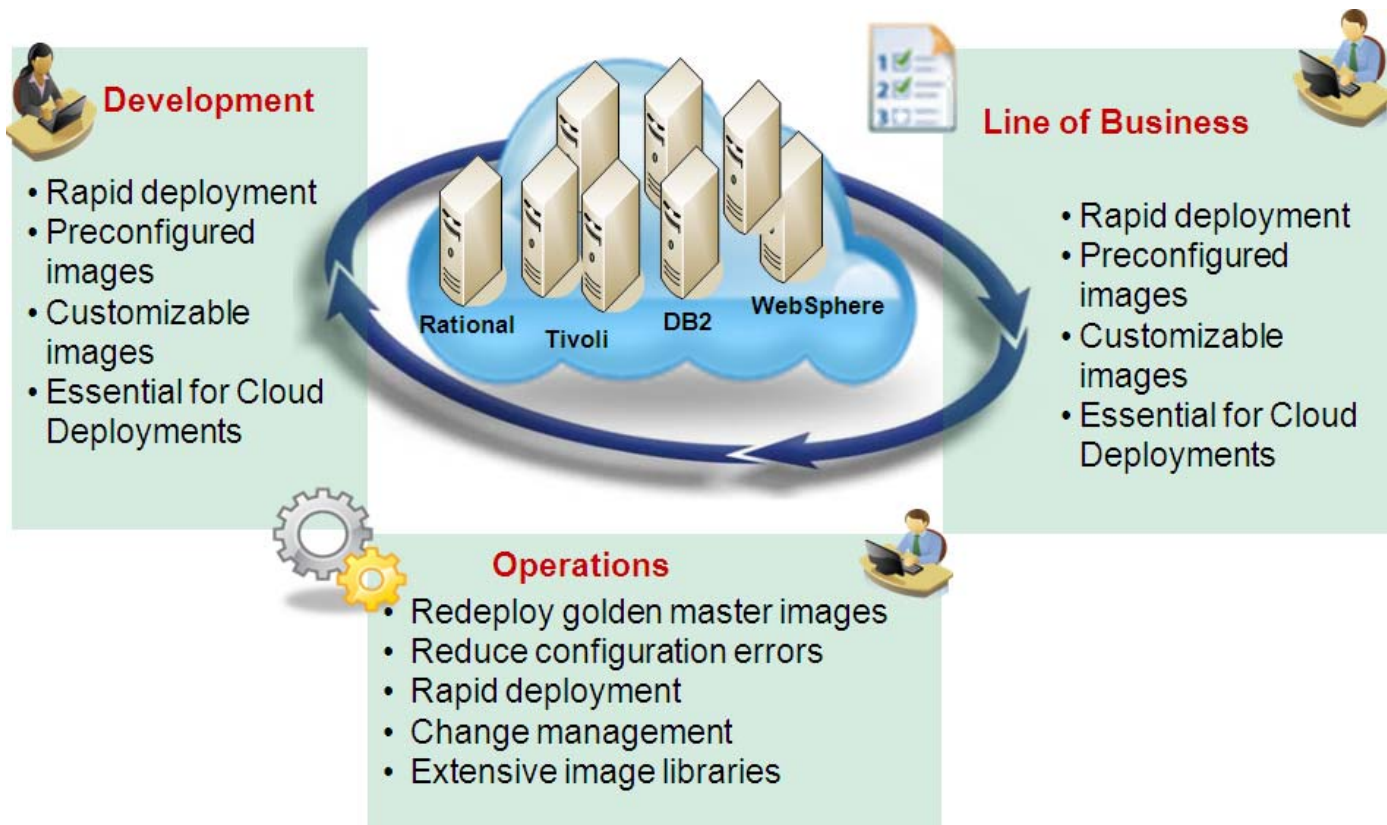
**Use Case:** Rapid and scalable deployment of an application performance test environment for a critical Line of Business Application





# Automation optimizes service delivery through dynamic application pattern deployment

**Use Case:** Rapid development of middleware application patterns with accelerated staging across release environments



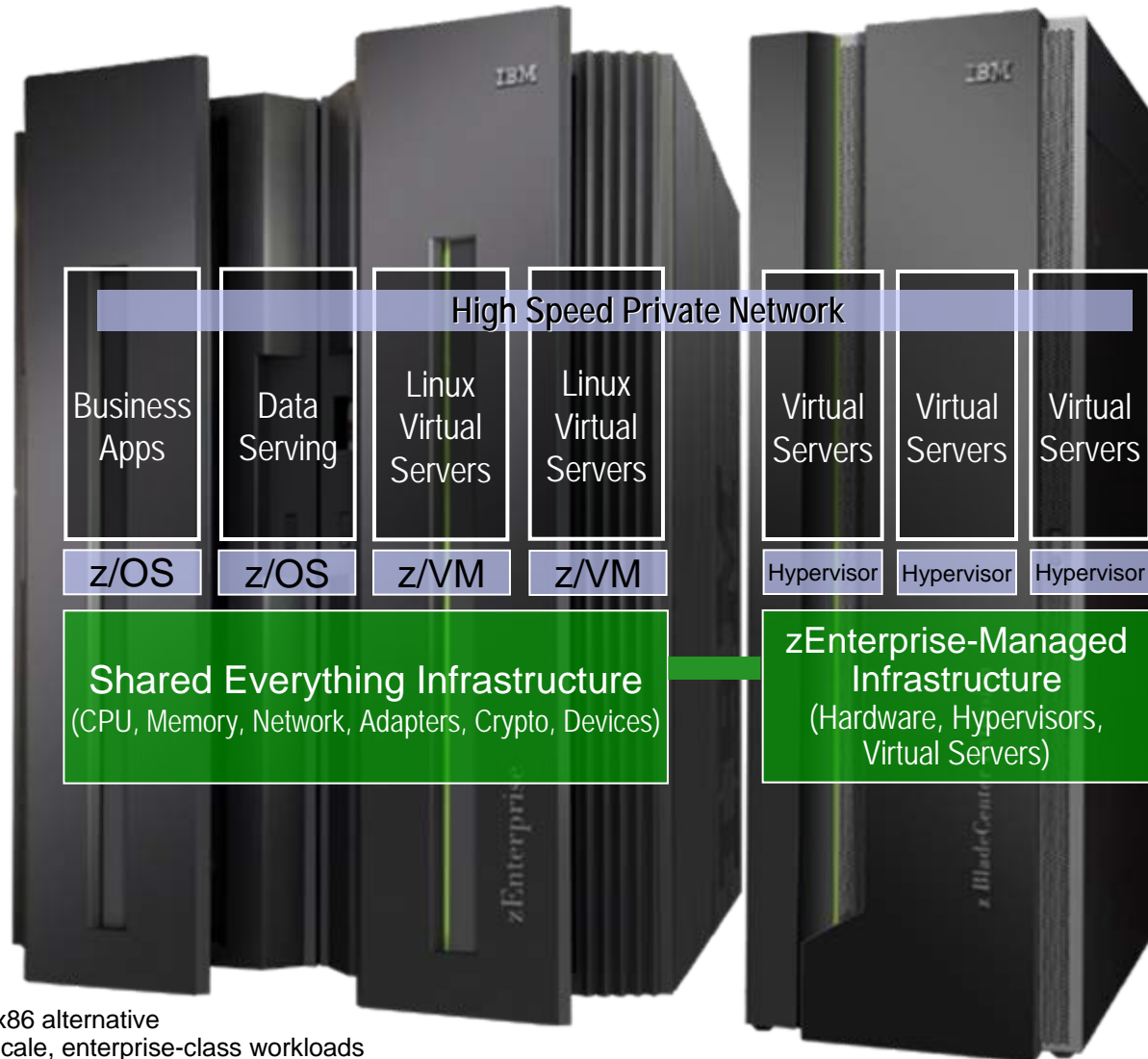
**Optimized workload deployment : Integrated Dev/Ops tools, Dynamic Scalability, Resource Elasticity**



# IBM zEnterprise for IT Optimization, Consolidation, Cloud Computing

The “graduate” level capabilities in Cloud computing

- Consolidate even more with zEnterprise IFLs: up to 60% faster at 33% lower price
- Increase energy savings as you scale, up to 75%<sup>(1)</sup>
- Spend up to 70% less on acquisition costs<sup>(2)</sup> and boost staff productivity by up to 70%<sup>(3)</sup> compared to virtualized x86 alternatives
- Incorporate IBM POWER® and System x technologies for unparalleled levels of workload optimization
- Manage and govern the integrated environment to deliver superior business results at a lower cost



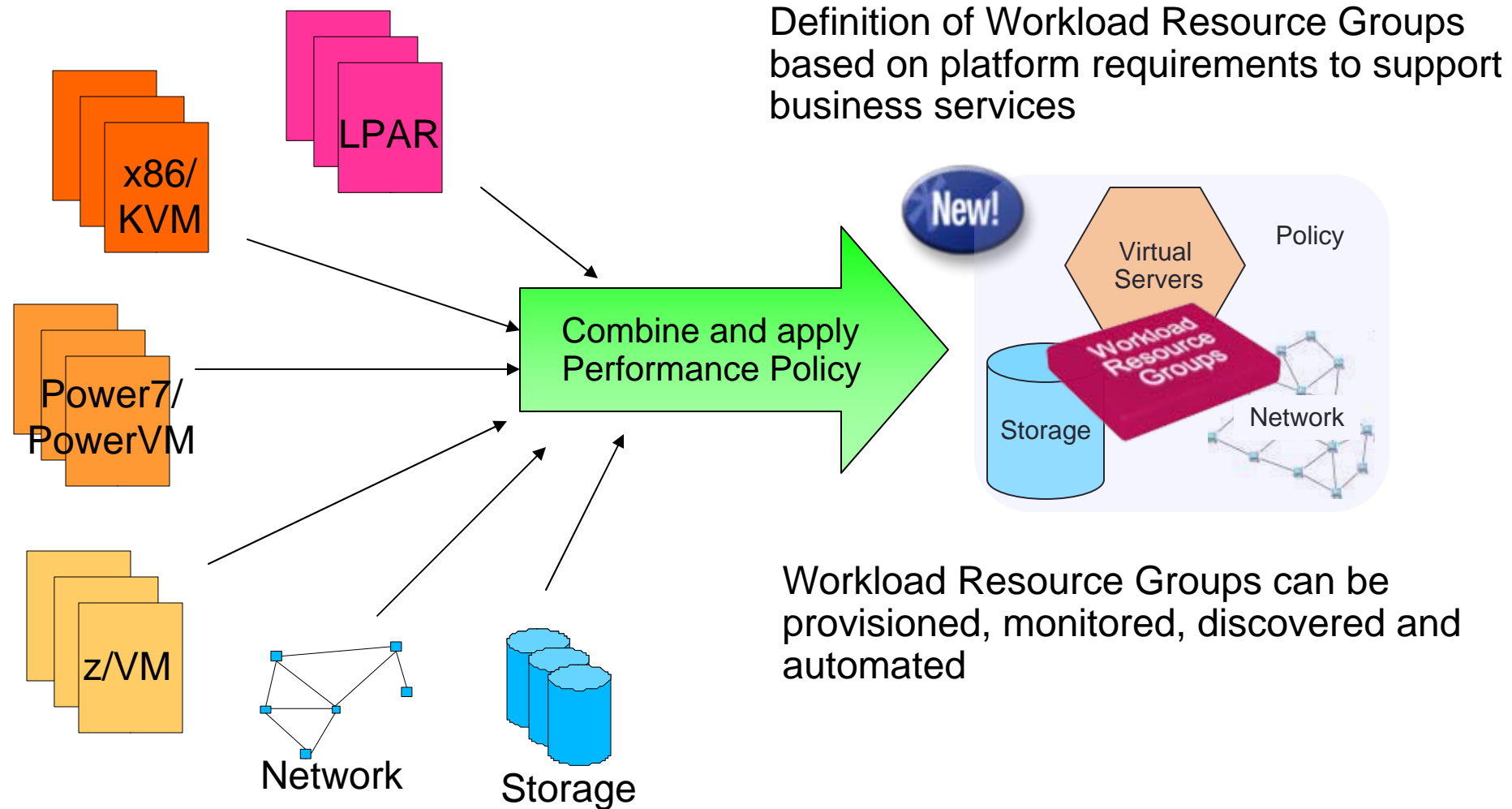
(1) Based on zEnterprise comparison to virtualized x86 alternative

(2) Based on three-year acquisition costs for large-scale, enterprise-class workloads

(3) Based on life-cycle management testing of large-scale virtual server environment conducted by IBM



# Workload Resource Groups moves management to the business level versus resources and components



## IBM can help you assess where you are today, and keep up with where industry is going

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- *Receive ISM for zEnterprise information updates on a regular basis:*
  - [IBM Software Newsletter](#)
  
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  - [Managing cloud deployments on IBM System z](#)
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# QUESTIONS





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