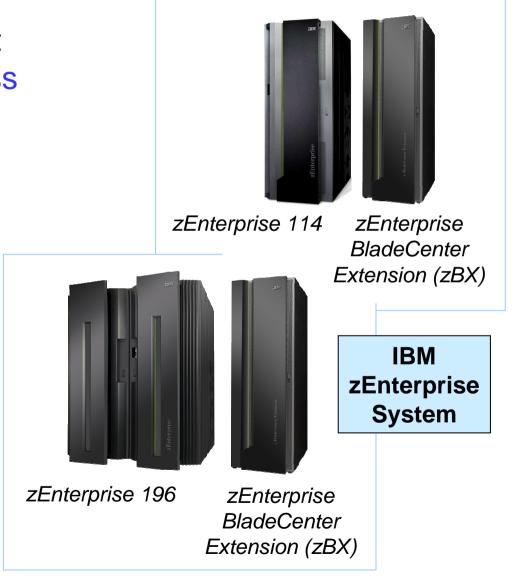
zEnterprise – The Ideal Platform For Smarter Computing

A Closer Look At The Value Of zEnterprise

zEnterprise Value

- zEnterprise is STILL best for handling core business workloads
- zEnterprise is more than a mainframe – it's a complete multiarchitecture platform
- zEnterprise continues

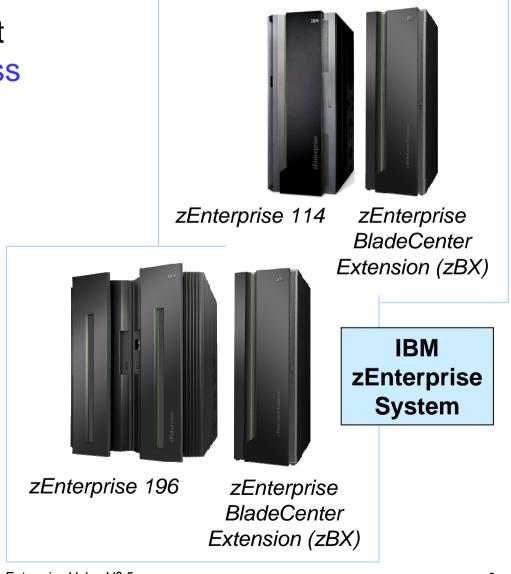
 a tradition of unmatched
 reliability and superior
 qualities of service



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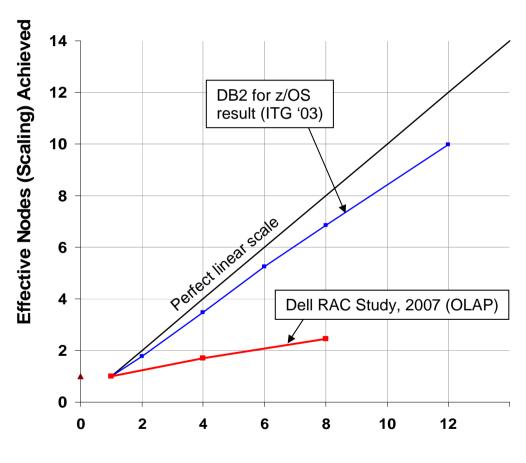
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System z Is Uniquely Architected To Support Very Large Scalability Rates

- More processors, memory and cache than other enterprise servers
- I/O offloaded to dedicated processors for extreme efficiency
- Up to 32 can be clustered in a parallel sysplex
- Result:
 - Potential sysplex scale to over 1,300 BIPS
 - Near-linear
 - Optimized for heavy I/O workloads

Example of near-linear scalability:



Member Nodes In Cluster

System z Is Ideal For High Transaction Workloads And Databases

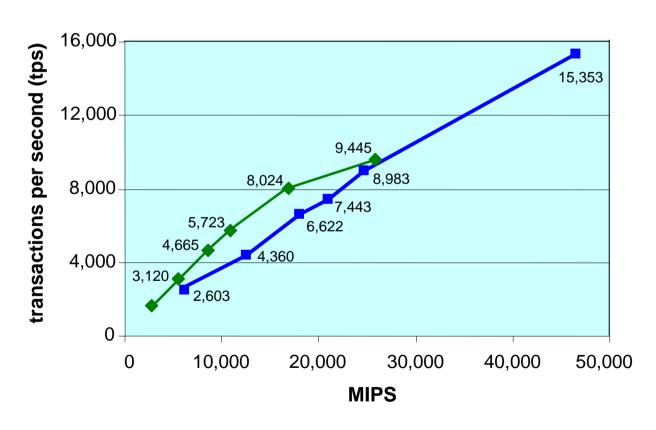
Kookmin Bank

- ▶ IBM System z and DB2
- ► TCS BaNCS
- ▶ 15.353 Transactions/second
- ▶ 50 Million Accounts
- ▶ IBM benchmark for customer
- ▶ DB2 V9, CICS 3.1, z/OS V1.8

Bank of China¹

- ► IBM System z and DB2
- ► TCS BaNCS
- ▶ 9,445² Transactions/second
- ▶ 380 Million Accounts
- ▶ IBM benchmark for customer

System z and BaNCS Online Banking Benchmarks



¹Source: http://www.enterprisenetworksandservers.com/monthly/art.php?2976 and InfoSizing FNS BANCS Scalability on IBM System z – Report Date: September 20, 2006 Standard benchmark configuration reached 8,024 tps, a modified prototype reached 9,445 tps

z/OS Beats The Best HP Benchmark

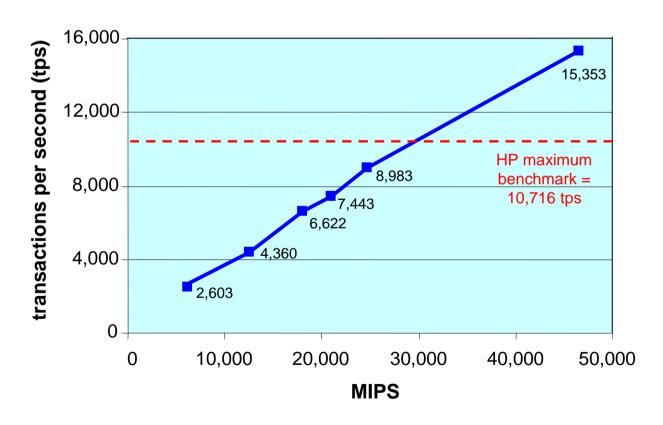
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- ▶ IBM benchmark for customer
- ▶ DB2 V9, CICS 3.1, z/OS V1.8

State Bank of India

- **▶** HP Superdome
- ► TCS BaNCS
- ▶ 10,716 Transactions/second
- > 500 Million Accounts
- Largest banking benchmark performance claimed by HP

System z and BaNCS Online Banking Benchmarks

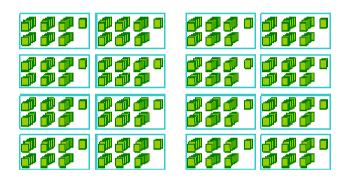


Source: http://www.enterprisenetworksandservers.com/monthly/art.php?2976 and InfoSizing FNS BANCS Scalability on IBM System z – Report Date: September 20, 2006 Standard benchmark configuration reached 8,024 tps, a modified prototype reached 9,445 tps

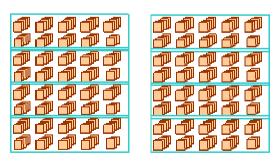
SOURCE:**Clement Report; http://h20195.www2.hp.com/v2/GetPDF.aspx/4AA1-4027ENW.pdf Feb 2010

Compare Processors Needed To Achieve Same Throughput (10,716 tps)

BaNCS Application Servers: 16x HP Superdome (16ch/32co)



BaNCS Database Servers: 8x HP Superdome (24ch/48co)



Oracle on HP-UX

49 Processors (41 GPs + 8 zIIPs) 38,270 MIPS



896 processors 3,668,608 Performance Units

TCS BaNCS 1x z196-741

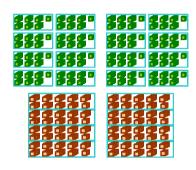


DB2 on z/OS

NOTE:

Updated to current z196 from original benchmark.
Benchmarks configurations were for production only. To cover DEV/QA capacity, 100% capacity was added to distributed server configuration, and 25% MIPS were added to System z for a total of 38,270 MIPS.

Compare The 5-Year Platform Acquisition Costs



HP-UX, Oracle

HP Superdome Servers

Total (5yr TCO) **\$195M**

Hardware	\$113,215,984
Software	\$78,185,950
Networking	\$948,000
Space	\$1,061,710
Energy	\$1,522,488

Scalability Not Demonstrated Energy (kWh) 3,045K per yr



z/OS, DB2

IBM z196



Total (5yr TCO)

\$99M

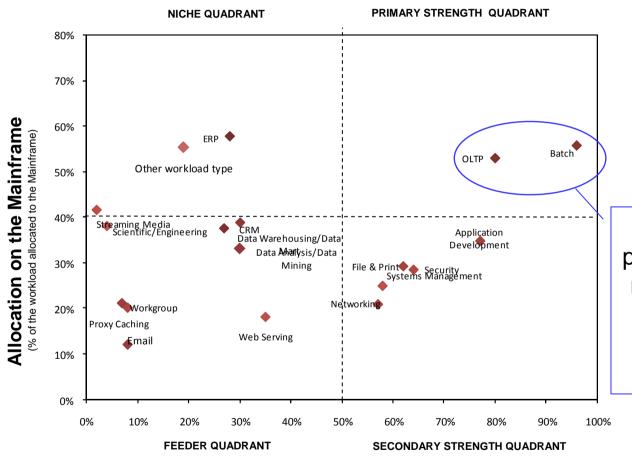
Hardware	\$54,159,840
Software	\$44,277,400
Networking	\$39,500
Space	\$78,067
Energy	\$131,400

Excellent Scalability Energy (kWh) 263K per yr

Note: Cost of platform infrastructure for production. Cost of packaged application software not included. List prices used.

Batch And OLTP Are Prime Workloads For System z

Incidence of workload on the Mainframe vs. allocation on the Mainframe



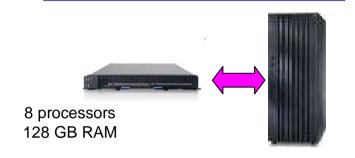
High incidence plus high allocation means OLTP and Batch are core mainframe workloads

Incidence on the Mainframe

(% of Mainframe clients running the workload on their Mainframe)

System z Is Optimized For Batch Processing And Heavy I/O Workloads

Power PS701 + DS8300



zEnterprise + DS8300

8 processors 256 GB RAM

SORT Job: Sort a 3 GB transaction file – Repetitions: 300

Sorting Total Elapsed 6,900 secs Concurrency 20 Bytes Per Sec 280 MB Sorting Total Elapsed 860 secs Concurrency 45 Bytes Per Sec 2.25 GB

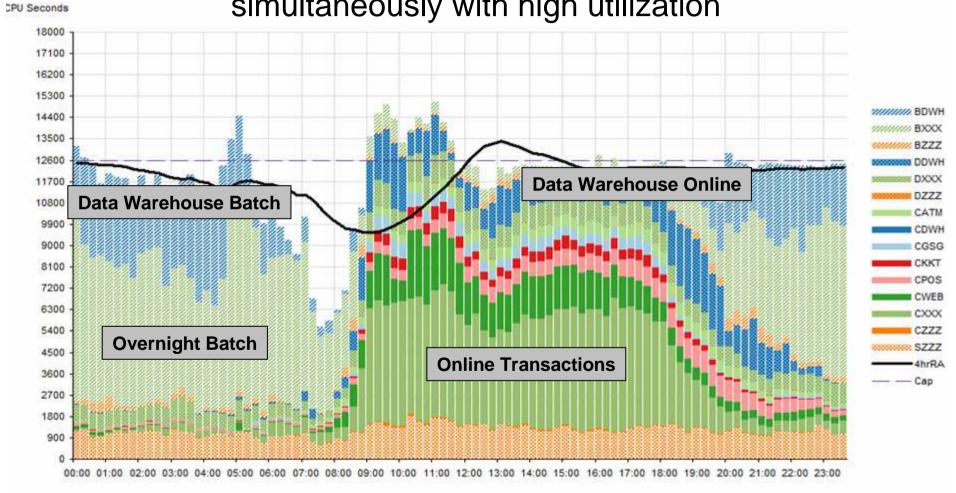
MERGE Job: Merge 30 sorted files into a 90 GB master file – Repetitions: 10

Merging Total Elapsed 7,920 secs Concurrency 10 Bytes Per Sec 244 MB Merging Total Elapsed 1,218 secs Concurrency 10 Bytes Per Sec 1.58 GB

Batch window reduced by 89% on zEnterprise

System z Platform Easily Handles Workload Peaks

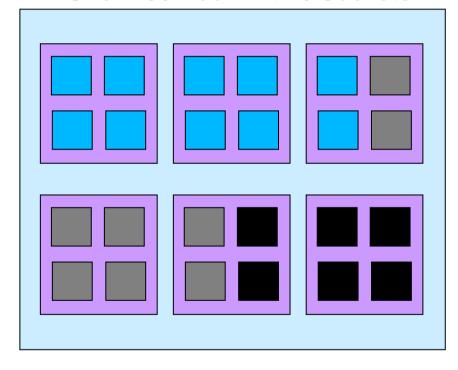
Example: Core banking workloads running simultaneously with high utilization



System z Capacity On Demand Provides Elasticity To Handle Unexpected Peaks

- On/Off Capacity on Demand (On/Off CoD)
 - Flexible, easy, nondisruptive temporary additional capacity
 - Self-managed
 - Total flexibility within number of books installed
- Can be automated

One z196 Book with 6 Sockets



- Active processors pay full price
- Inactive processors (On/Off CoD) pay only 2% of full price
- Dark processors (unused) no charge

Customer Data Shows Most Mainframe Workloads Are Already Best Fit

- IBM Eagle Team performs total cost of ownership (TCO) studies for customers
- With over 225 customers evaluated, Eagle Team has shown System z offers better TCO than a distributed alternative... with very few exceptions
- Contact Craig Bender (csbender@us.ibm.com)



Moving Large Scale Transaction Processing Off z/OS Rarely Reduces Cost

4 HP Proliant DL 980 G7 servers



256 cores total

Hardware	\$1,594,801
Software	\$80,617,966
Labor (additional)	\$8,250,000
Power and cooling	\$43,756
Space	\$79,385
Disaster Recovery	\$4,210,728
Migration Labor	\$24,000,000
Parallel Mainframe costs	\$31,474,052
Total (5yr TCO)	\$150,270,688

System z Sysplex



2760 MIPS

Hardware	\$1,408,185
Software	\$49,687,845
Labor	Baseline
Power and cooling	\$31,339
Space	\$79,385
Disaster recovery	\$1,250,000
Total (5yr TCO)	\$52,456,754

65% less

Data Shows Mainframe-Biased Businesses **Have Reduced Costs**

IT cost of goods per industry:

		А	vg IT Cost of					
Industry	Measure		Goods		MF Biased	S	Server Biased	%Improve
Airlines	Per Passenger Mile	\$	0.007	\$	0.0061	\$	0.0076	-20%
Automotive	Per Vehicle	\$	333	\$	275	\$	370	-26%
Chemicals	Per Patent	\$	57,717	\$	55,800	\$	59,552	-6%
Consulting	Per Consultant	\$	53,060	\$	48,900	\$	62,344	-22%
Hospitals	Per Bed per Day	\$	64.30	\$	54.4000	\$	71.7000	-24%
Railroads	Per Ton Mile	\$	0.0014	\$	0.0012	\$	0.0018	-29%
Retail	Per Store (Door)	\$	494,818	\$	421,346	\$	560,300	-25%
Web Sites	Per Search	\$	0.042	\$	0.046	\$	0.041	12%
Trucking	Per Road Mile	\$	0.177	\$	0.1550	\$	0.1940	-20%
Armed Service	Per Person	\$	8,036.00	\$	6,871.00	\$	9,839	-30%
Utilities	Per MegaWatt Hour	\$	2.63	\$	2.21	\$	2.94	-25%
Oil & Gas	Per Barrel of Oil	\$	2.10	\$	1.78	\$	2.32	-23%
From Rubin Worldwide analysis of Gartner Research customer data and costs								

Compared to average platform costs for all industries, mainframe-biased businesses spent 14% less, and distributed-biased businesses spent 33% more

Now With zEnterprise, System z Is Better Than Ever

zEnterprise 196 continues a tradition of mainframe innovation



z10 Enterprise Class



zEnterprise 196 (z196)

Clock speed

Sockets per MCM

Total processors

Total Memory

Performance**

Total Capacity*

Power

4.4 GHz

5

5.2 GHz

6

77 (64 configurable)

ilgurable

96 (80 configurable) 3TB

1.5 TB

1,202 MIPS

30,657 MIPS

920 MIPS

52,286 MIPS

1,800 W per MCM

1,800 W per MCM

Based on LSPR ratings for fully configured system

^{**} Single process performance MCM = Multi-chip module

Introducing zEnterprise 114

zEnterprise 114 is uniquely designed for mid-range customers



z10 Business Class



zEnterprise 114 (z114)

Clock	speed
-------	-------

Total Processors

Total Memory

Performance**

Total Capacity*

3.5 GHz

10 (0 spare)

256 GB

673 MIPS

2,760 MIPS

3.8 GHz

M05: 5 (0 spare) M10:10 (2 spare)

M05: 128 GB M10: 256 GB

782 MIPS

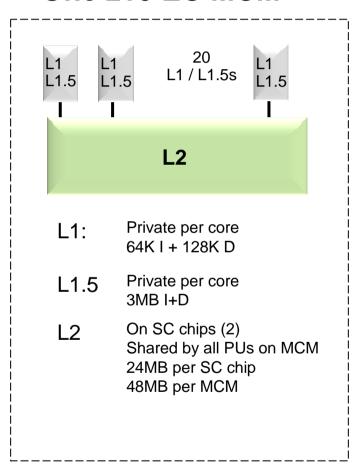
3,139 MIPS

[•] Based on LSPR ratings for fully configured system

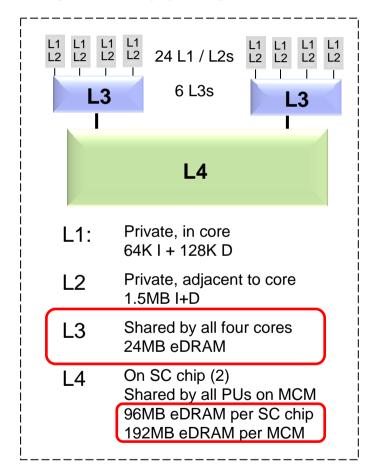
^{**} Single process performance

z196 Also Has 2.4x More On-Chip Cache As z10 EC

One z10 EC MCM



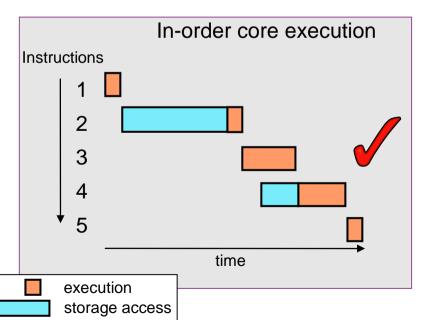
One z196 MCM

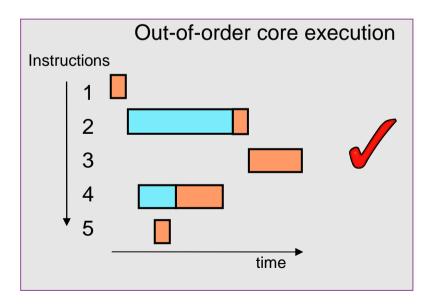


More cache leads to reduced latency times

z114 And z196 Add Out-Of-Order Processing

- Superscalar architecture enhancements:
 - Decodes up to 3 instructions per cycle (up from 2 on z10)
 - Executes up to 5 instructions per cycle (up from 2 on z10)
- >100 new instructions added
 - In particular, Instruction Cracking and Register Renaming which enable Out-of-Order (OOO) instruction execution
- Reduces instruction wait times, and benefits compute-intensive apps





How Does This Add Up? z196 Significantly Outperforms z10 EC

	Performance Ratio (z196 : z10 EC)
LSPR with z/OS V1R11	
z196 708 and z10 708*	1.37
z196 780 and z10 764**	1.64
CPO Banking Benchmark	
CICS – 3270 version	1.37
WAS on z/OS	1.32
WAS on Linux on System z	1.47
CPO COBOL Benchmark	
z/OS V1R11 Enterprise COBOL 4.1	1.41

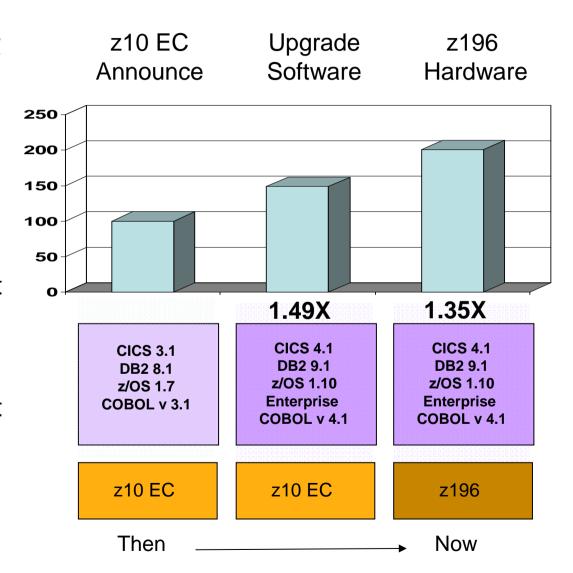
^{*} Customer average for z10 EC CEC is 9 GP processors

^{**} Each as fully-configured systems

CICS/DB2 Optimizations For z/OS – From Then To Now

Continued investment to optimize key software for z/OS environment

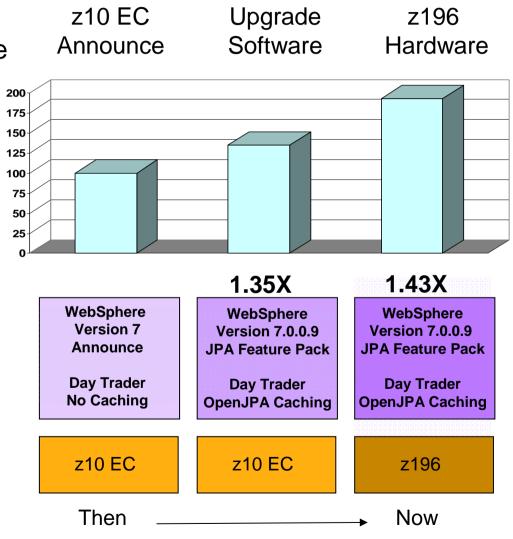
- Upgrade CICS/DB2 stack produces 1.49 times performance improvement on same z10 hardware
- Move to z196 hardware produces 1.35 times performance improvement
- From then to now 2.01 times performance improvement



WebSphere Optimizations For z/OS – From Then To Now

Continued investment to optimize WebSphere software for z/OS environment

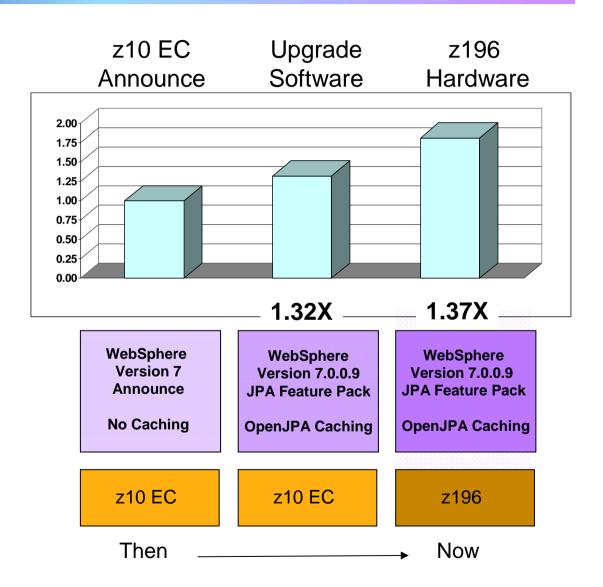
- 1.35 times performance improvement for JPA 2.0 applications that exploit the OpenJPA caching facilities available in the WebSphere Version 7 JPA Feature Pack.
- Move to z196 hardware produces 1.43 times performance improvement
- From then to now 1.93 times performance improvement



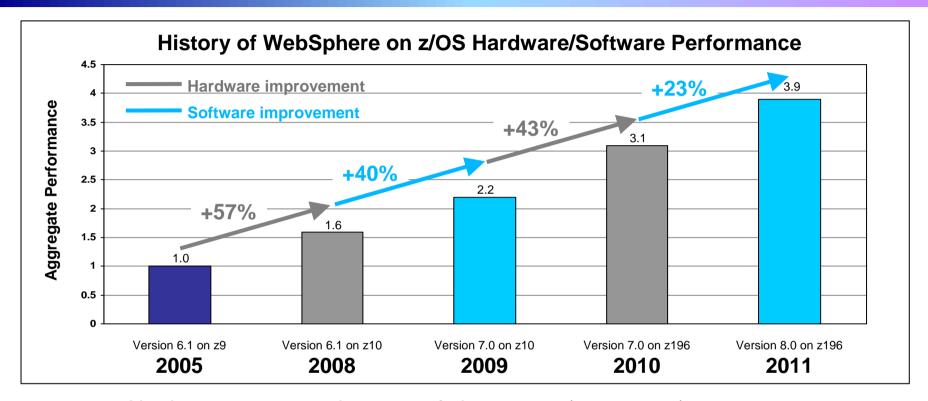
WebSphere Optimizations For Linux

Similar results are achieved for WebSphere software in a Linux for System z environment

- 1.32 times performance improvement for JPA 2.0 applications that exploit the OpenJPA Caching facilities available in the WebSphere Version 7 JPA Feature Pack.
- Move to z196 hardware produces 1.37 times performance improvement
- Combined hardware and software - 1.81 times performance improvement



Continual HW And SW Innovations Yield Continuous Performance Improvements



- Hardware component increase of about 2.25x (1.57 x 1.43)
- Software component increase of about 1.72x (1.40 x 1.23)
- Aggregate performance improvement of almost 4x from WAS V6.1 on a z9 to WAS V8.0 on a z196
- Similar improvements have been measured for CICS, DB2, and IMS

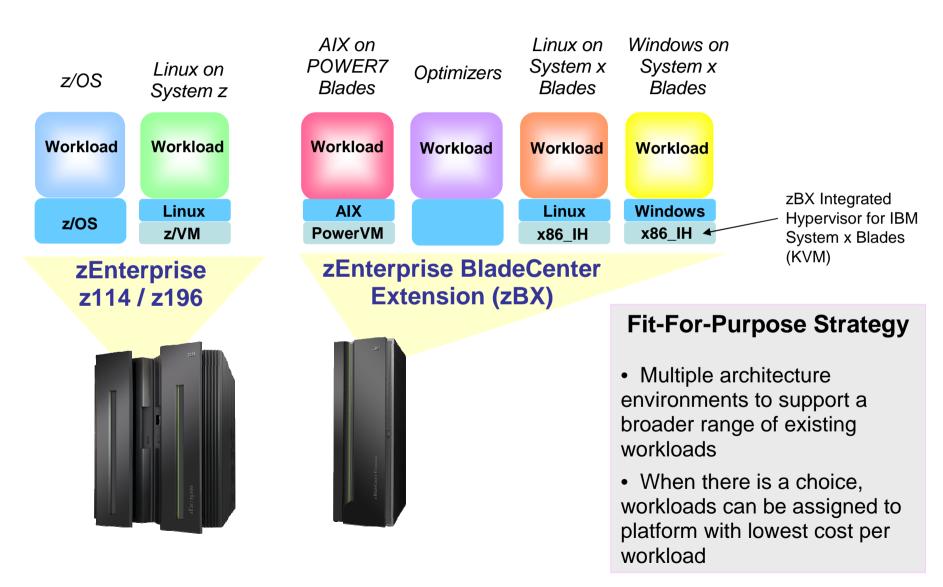
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zEnterprise Has Different Environments For Different Workload Requirements



zEnterprise BladeCenter Extension (zBX) Adds New Platforms To System z

- zBX ordered and installed as one fully built and tested System z "part"
 - Includes all necessary components
 switches, chassis, power, and cabling
 - Blades and optimizers purchased separately
- Built from standard IBM Certified Components
- Full redundancy insures highest reliability
- System z product support for problem reporting, hardware and firmware updates



One zBX rack:

- Up to 14 single-width blades per chassis
- Up to 2 chassis per rack



One fully loaded zBX is:

- 4 racks
- 112 blades*

Selected IBM blades supported:

- IBM POWER7 blades
- IBM System x blades
- Specialty Optimizer
- Most can be mixed

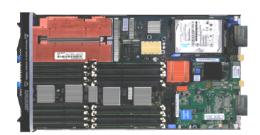


^{*} Blade capacity per rack varies with blade type. Max number of blades per zBX is as follows: 112 Power blades, 28 x blades, 28 DataPower blades, 56 ISAO blades. Power, x and DP blades can be mixed in same chassis, ISAO blades require own chassis, but can share a rack.

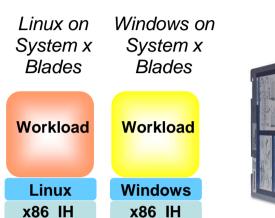
zBX-supported POWER And System x Application Server Blades

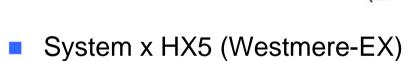
AIX on POWER7 Blades





- POWER7 PS701 Express
 - Single-width, 1ch/8co, 3.0 GHz
 - Up to 4 threads per core
 - AIX OS 5.3 or greater
 - PowerVM





- Single-width, 2ch/16 co, 2.13 GHz
 - Up to 2 threads per core
- Windows and Linux
- KVM-based integrated hypervisor

Blades Run Distributed Software Available Through Passport Advantage



Cognos BI Content Manager DB2 UDB

Document Manager

Filenet Informix

Information Integration Information Server

InfoSphere

MDM

OmniFind

OpenPages

Optim SPSS

...

Lotus. software

Connections

Domino

Forms

ActiveInsight

Quickr

Web Content Manager

Workflow

Mashup Center

Sametime

...

No MIPS or MSU rating for zBX software

WebSphere. software

Application Workload

Modeler

Communications Server

Decision Server

MQSeries

Process Integration Server

Application Server

BI Server

Business Integration

Commerce

ESB

Lombardi

Portlet Fa

Portlet Factory
Translation Server

Voice Server

. . .

Rational. software

Team Concert

Requirements Composer

Asset Manager

BuildForge

ClearCase

AppScan

Quality Manager Functional Test

Performance Test

...

Other

Unica

Systems Director Sterling

...

Tivoli, software

Directory Server

Maximo

Performance Analyzer

Composite Application Manager

Identity and Access Assurance

Access manager

Asset Manager

Change and Configuration Manager

Compliance Insight Manager

Directory Integrator

Federated Identity Manager

Identity and Access Manager

License Compliance Manager

Monitoring

Netcool

OMEGAMON

Provisioning

Security Compliance Manager Service Automation Manager

Systems Automation

Workload Scheduler

. . .

zBX Optimizers Are Built-For-Purpose

- Delivered as Blades for use in zBX
- Fully-integrated, fully-contained
 each targeted for specific
 workload functions
 - Pre-packaged, self-contained units including hardware, software, memory, etc.
- Designed for integration with and management by zEnterprise
- Optimizer available today:
 - **▶ IBM WebSphere DataPower XI50 for zEnterprise**



But what is so unique about putting a BladeCenter next to a mainframe?



CIO

There's more to this than meets the eye!

The Unified Resource Manager – also called zManager – is the "secret sauce".

It provides extensive management of resources and workloads across all zEnterprise platforms!

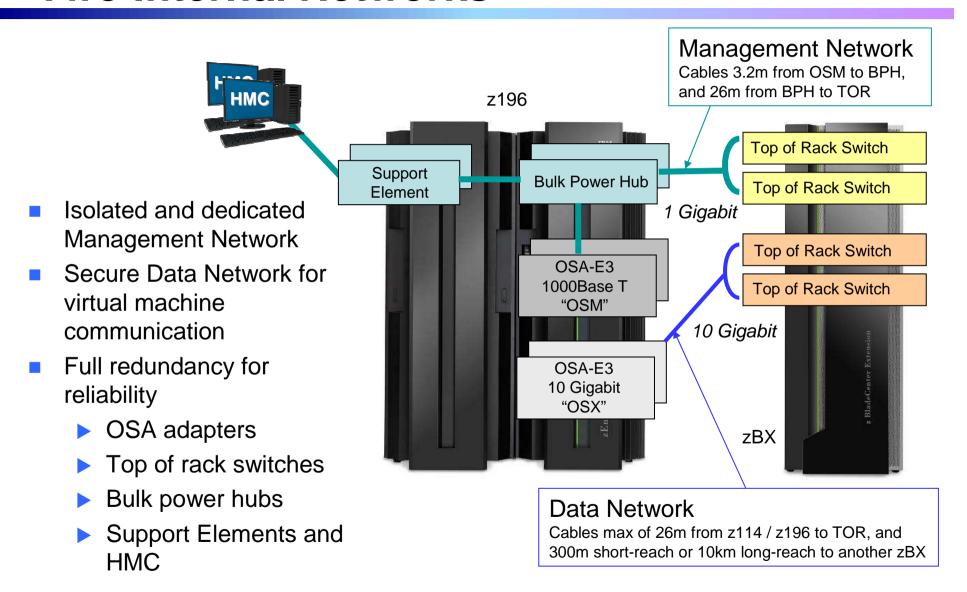


IBM

zManager Provides Platform And Resource Management Across zEnterprise Environments

Process	Typical Distributed Management Practices	zManager	
Asset Management	Discover assets with ad hoc methodsManual entitlement management	Automated discovery and management of entitlement assets	
Deployment Management	Manually configure hypervisor and build networks	Automated deployment of hypervisor and attachment to integrated networks	
Security Management	 Different ways to manage administrator access 	 Centralized, fine-grained administrator access management 	
Change Management	■ No visibility into impact of changes	Track dependencies for change impact	
Capacity and Performance Management	 No end-to-end transaction monitoring Manually adjust CPU resources to meet changing workload demands 	 End-to-end transaction monitoring to isolate issues Automatic CPU resource adjustments to meet changing workload demands 	

z114 / z196 And zBX Are Connected Via Two Internal Networks

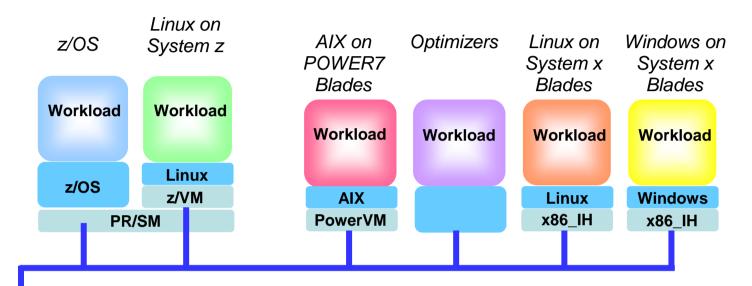


zEnterprise Network Simplification And Security

- "Network in a box" limits vulnerability to security breaches
 - Fully integrated concealed networks
 - No external switches or routers necessary IBM-only equipment
 - Fully tested, pre-installed and pre-configured
 - Can reduce latency and the number of "hops"
- Security
 - Management Network:
 - Tightly restricted to zManager use only
 - Data Network:
 - Accessible only by authorized virtual machines
 - Logical security via virtualization
 - zManager includes strict "role-based" access control
 - No need for additional encryption or firewall



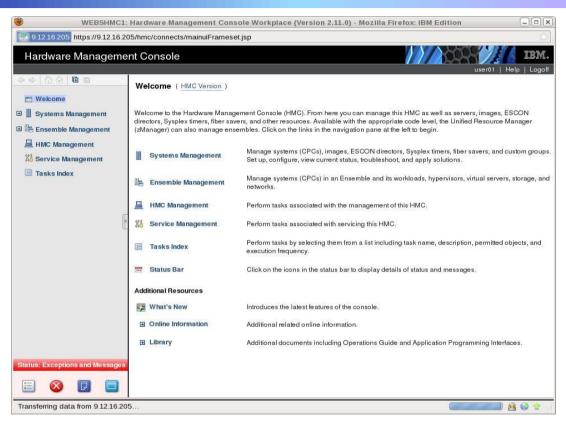
zManager Owns The Private Management Network For Hypervisor Communications





- Dynamically manages resources for better workload management
- Extends mainframe-quality problem detection and reporting across all platforms
- Monitors system-wide energy efficiency

DEMO: Manage Resources And Workloads Using zManager



- zManager uses familiar HMC interface
- View and manage all zEnterprise platforms

zManager Can Drive Down Labor Costs

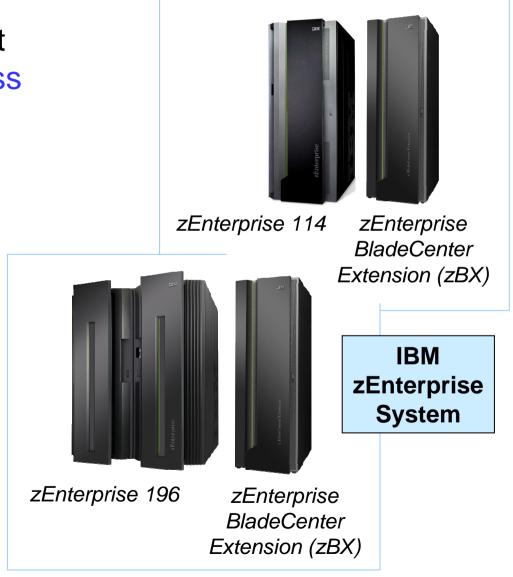
IT Process	zManager	Costs Reduced By*
Asset Management	Automated discovery and management of entitlement	9%
Deployment Management	Automated deployment of hypervisors and virtual networks	33%
Capacity and Performance Management	 Automatic resource adjustments to meet changing workload demands 	52%
Security Management	 Centralized, fine-grained administrator access 	20%
Change Management	 Dependency tracking across platform for change impact 	41%

^{*}Source: IBM Internal study of 92 hybrid workloads

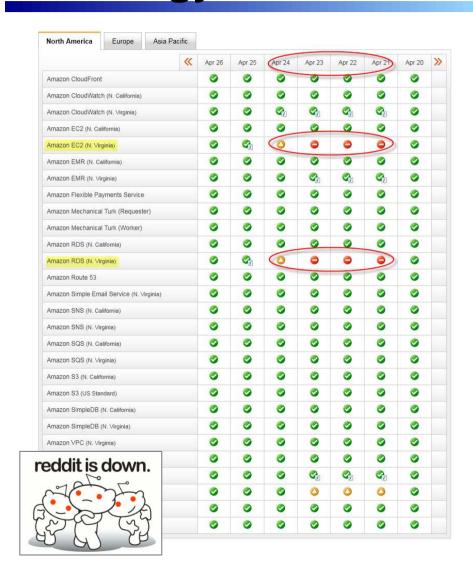
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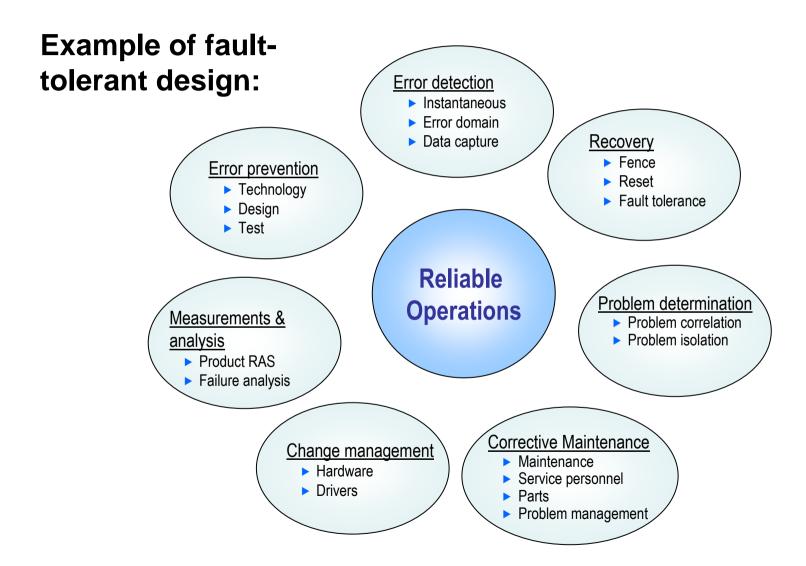
A Complex, Distributed-based Scale Out Strategy Has Its Risks



Amazon public cloud platform suffered a 3+ day outage in April, 2011

- Distributed architecture designed "for durability and availability"
- Yet a complex single point of failure negated the advantage of rapid replacement of failed resources
- Numerous customers suffered significant and unrecoverable data loss

System z Has A History Of Continuous Improvements To Reliability And Serviceability



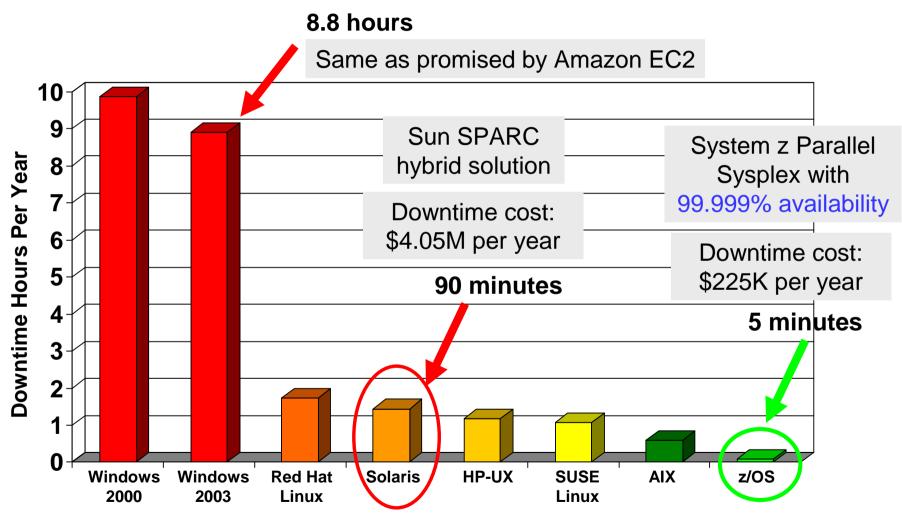
z/OS Can Support Unprecedented Levels Of Availability

Parallel Sysplex architecture designed for 99.999% availability



- Full redundancy yielding no single points of failure
 - All systems can have concurrent access to all critical applications and data
 - Automatic restart and recovery capabilities
- Dynamic workload routing via z/OS Workload Manager and Sysplex Distributor
 - Work flow designed for best response times

Result: zOS Delivers The Highest Availability And The Lowest Downtime Cost



Source: 2007-2008 Global Server Operating Systems Reliability Survey, Yankee Group, March 2008.

Source: IBM Internal Study

Source: Robert Frances Group, 2006 - Cost based on \$2.7M average revenue lost per hour of downtime

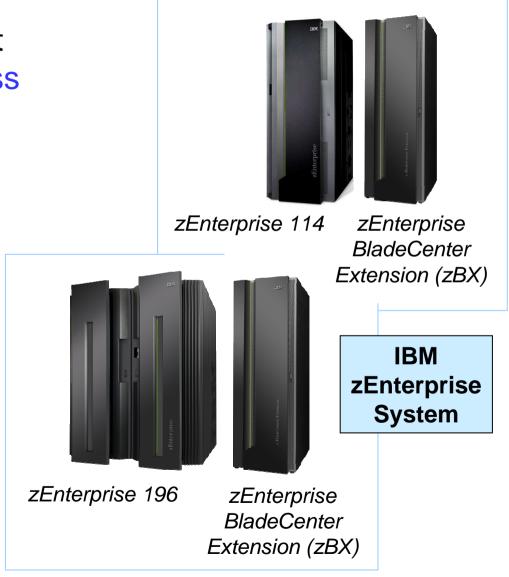
zEnterprise Continues The Strategy Of Constant Improvements In Availability

- RAIM Memory
 - Provides more redundancy to protect against additional failure modes
 - Protects DIMM level components such as ASIC, power regulators, clock, and board
 - Protects memory channel failures such as signal lines, control lines, and drivers/receivers on the MCM
 - More robust than ECC, and more cost effective than 100% memory mirroring
 - No performance penalty
- Hot pluggable I/O drawer technology reduces planned down time
 - Perform maintenance while the system keeps running

zEnterprise Value Is Unsurpassed!

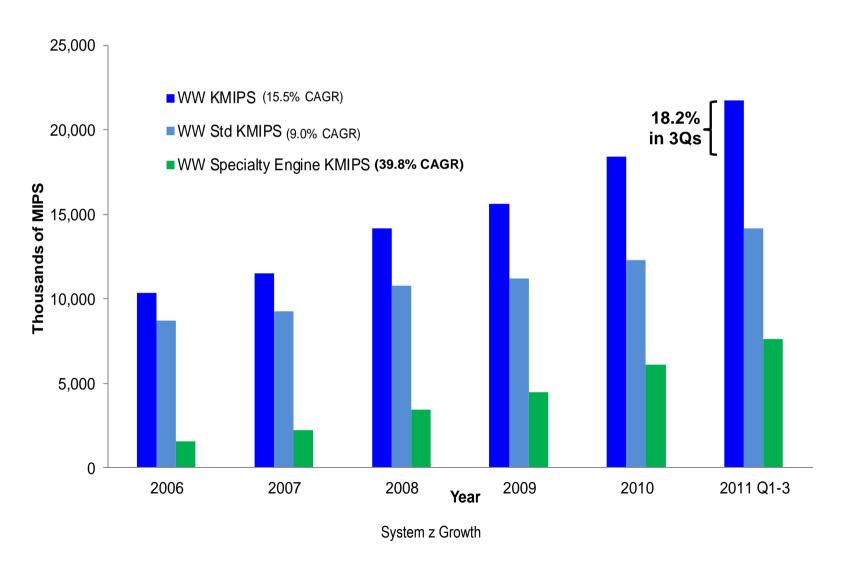
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System z Continues Robust Growth ...

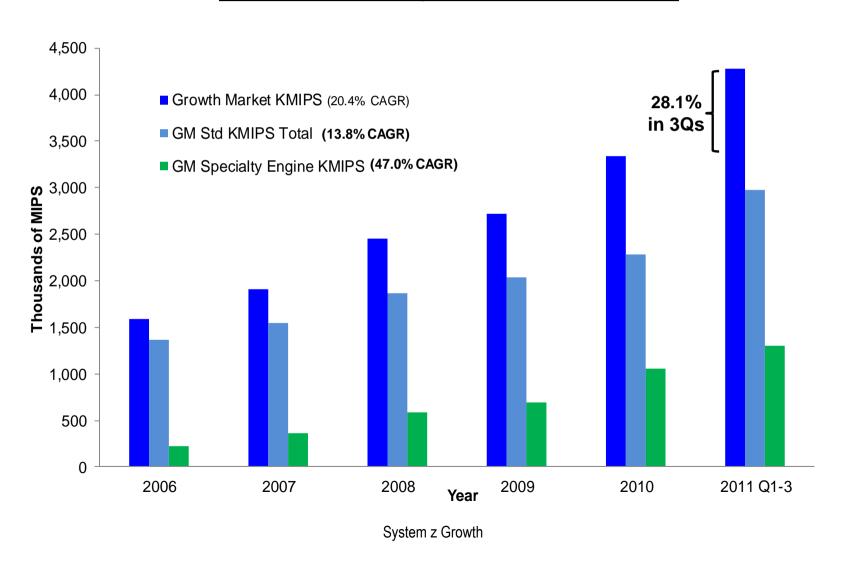
WW System z MIPS Growth



45

Especially In Growth Markets

Growth Market System z MIPS Growth



46

