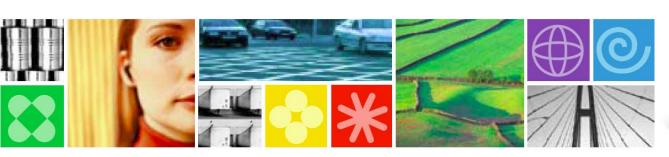


# **Build a smarter foundation** for future investments

Rational Enterprise Modernization Solutions for System z







# Agenda

- 08:40 09:40 Build a smarter foundation for future investments
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# Businesses are facing an unparalleled rate of change

Manage business transformations

Differentiate products

React to market shifts

Deliver real customer innovation

Seize business opportunities

Execute with reduced risk and cost Achieve precision in desired business outcomes Enable business flexibility

Exploit globalization

Manage regulatory mandates



Successful businesses will be those that effectively deliver innovation while controlling cost & risk





# Yet, many businesses are challenged to deliver innovation

80%

and bold moves.1

CEOs <u>anticipate</u> turbulent change

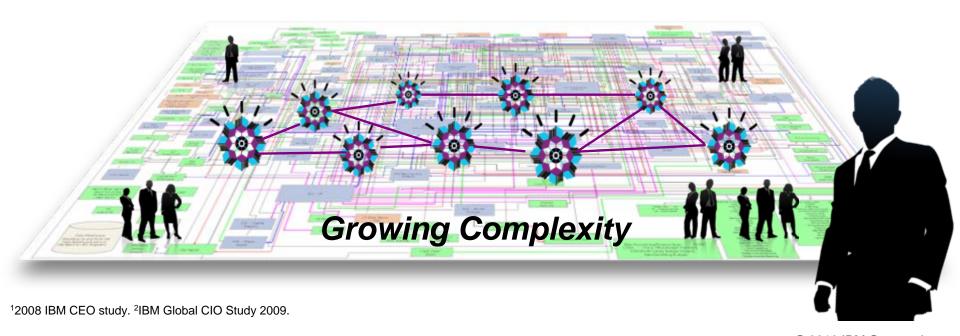
64%

of CIOs work with senior business executives to drive innovation.<sup>2</sup>



**3**x

increase in the gap between leaders' need and their ability to <u>deliver</u> it.<sup>1</sup>





# A focus on achieving greater value from software investments

Managing change by aligning investments with business priorities

**Delivering quality** solutions through improved governance and risk management

Seize business opportunities

**Execute with** reduced risk and cost

Achieve precision in desired business outcomes

Making better decisions based on accurate information and consensus across stakeholders





Which is dependent on revolutionizing the economics of maintaining and leveraging existing applications





# Four key challenges have emerged

### IT Challenges

### **Applications**

- Higher maintenance costs
- Lost application knowledge
- Architectural complexity
- Poor quality and performance

### **People**

- Skills lock-in
- Plethora of new technologies
- Unattractive, low productivity tools
- Steep learning curve

#### **Teams**

- Poor communication
- Incompatible tools and processes
- Weak project oversight
- Lack of traceability across lifecycle

#### Infrastructure

- Expensive hardware upgrades
- Huge up front investments

 Development access on production mainframe Software licensing costs



"We don't understand the effort, risk and impact of modernizing our legacy software portfolio."



"Our architecture has evolved to be too complex and convoluted – we need to be flexible and agile."



"Our skills gap just seems to keep growing. How do we stay current with all the language and technology changes?"

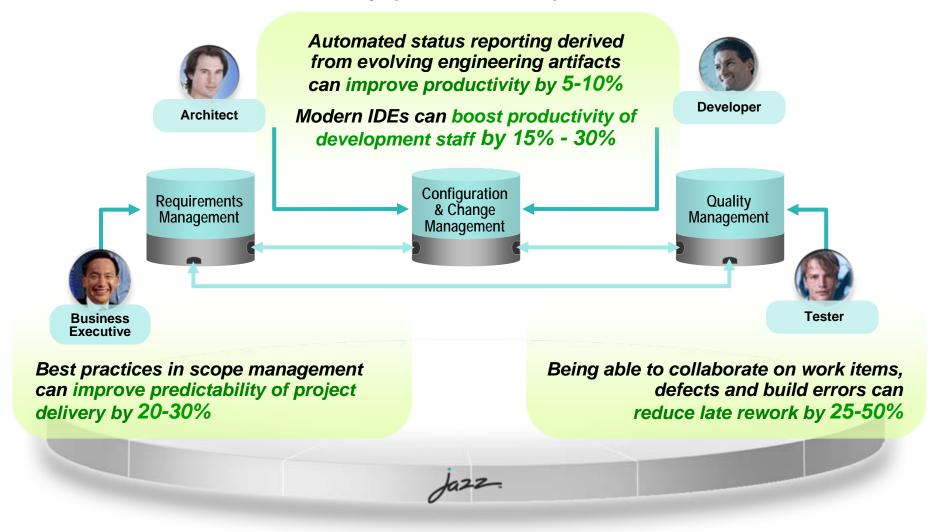
"Our teams working on different platforms are struggling to communicate. How do we collaborate in the context of our work?"







# A unified software delivery platform improves effectiveness



Ask IBM to come to your site to discuss your needs - and how to make this a reality for your organization





# Modernization can help cut cost while maximizing ROI

### Return on Benefits customer are seeking from modernization investments **Immediate** Reduce cost of developing and maintaining existing legacy applications Better respond to and align with business needs Reduce the use of manual maintenance processes Reduce the complexity of the application portfolio Near Term Better leverage of less expensive programming skills Remove dependency on "difficult-to-train-and-retain" skills • Make applications more flexible and reusable to better support business requirements Remove constraints of design and technology Rational. software • Make applications easier and faster to change Long Term

Source: IBM Business Application Modernization Research Survey, November 2008.



# IBM Rational Enterprise modernization solutions



- Increase flexibility by revitalizing existing application portfolio
- Boost productivity and accelerate innovation with modern skills
- Maximize business agility by bridging organizational silos
- Defer capital expense by optimizing application infrastructure

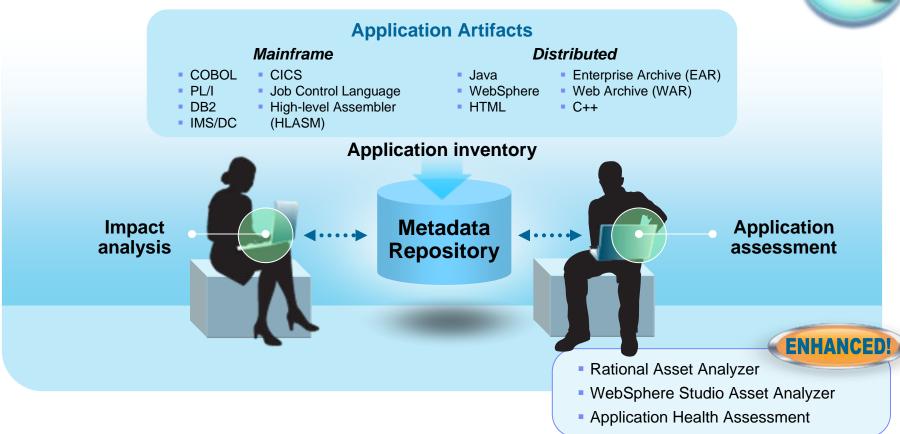




# Business intelligence for applications

Restore lost application knowledge via technical analysis





- Reduce risk by quickly determining the full impact of proposed changes
- ✓ Lower maintenance costs by eliminating dead code
- Optimal project planning, focused testing and faster development

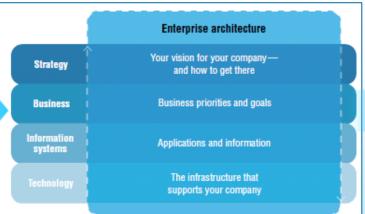


# Enterprise architecture and portfolio management

Make enterprise IT planning actionable and traceable









- **ENHANCED!**
- Rational System Architect
- Rational Focal Point
- Rational Insight
- Understanding of current application infrastructure, prioritization of cost-cutting and consolidation candidates
- Impact analysis of portfolio decisions
- Central oversight of business and IT architectures, risks and investment management

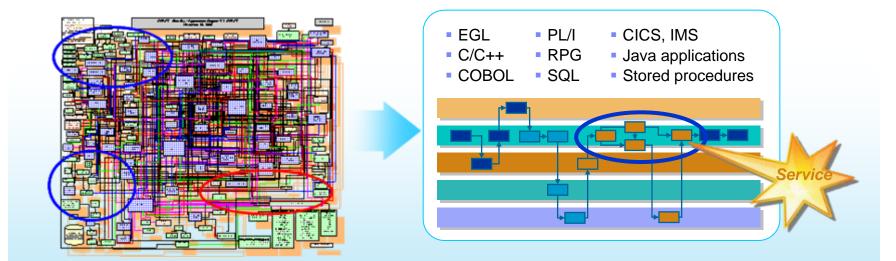


# SOA tools for all platforms and languages

Use powerful tools to quickly begin SOA evolution by harvesting and repurposing proven assets



**ENHANCED!** 



- Extend ROI by reusing prior investments
- Reduce risk and costs by leveraging robust applications
- ✓ Speed time to market with faster development cycles

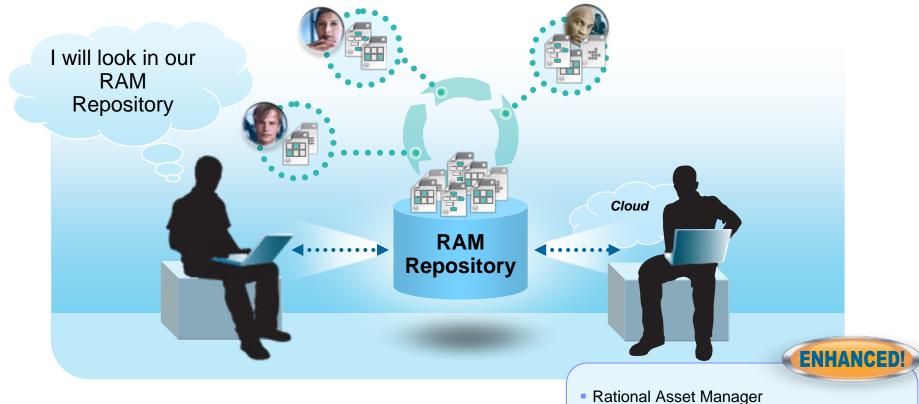
- Rational Developer for System z
- Rational Application Developer
- Rational Business Developer
- Host Access Transformation Services



### Asset reuse and management

Instill proactive asset management of all IT artifacts into the organization's processes and culture by deploying a reuse infrastructure





- Increase asset reuse and development efficiency
- ✓ Speed project timelines and drive innovation
- ✓ Accelerate service delivery and improve overall governance

WebSphere Service Registry and Repository



### User interface modernization

Deploy the ideal UI for your application, from quickly creating a modern Web UI out of an existing green screen application to customizing a highly interactive, graphical Web 2.0 UI





- NEW!
- Rational EGL Community Edition
- Rational Host Access Transformation Services
- Rational Developer for System z

- ✓ Greater customer satisfaction
- ✓ Lower employee training costs
- Fewer errors from more modern and compelling UIs

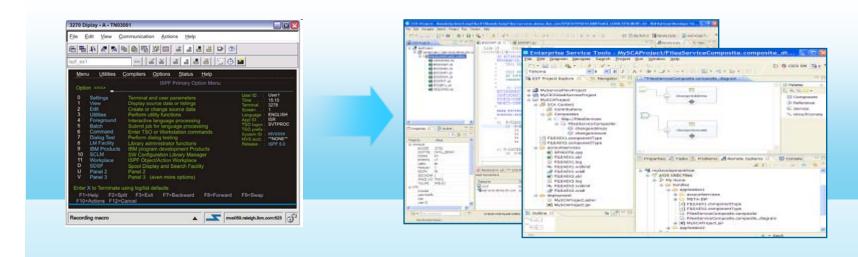




# Modern application development for all platforms

Upgrade to modern Eclipse-based tools to develop and maintain enterprise applications spanning multiple platforms and languages





- √ 50%-80%¹ reduction in host CPU usage with workstation syntax checking
- √ 15% or more improvement in developer productivity¹
- Tools with which to attract new talent

- ENHANCED!
- Rational Developer for System z
- Rational Application Developer
- Rational Business Developer

<sup>1</sup> Aggregation of results from a productivity study conducted by IBM System z customers

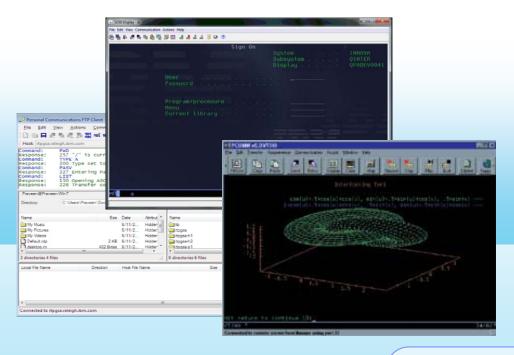




# Host connectivity solutions

Provides the flexibility to access host applications in ways that your workforce demands





- ENHANCED!
- Rational Host Access Client Package
- Rational Host Integration Solution

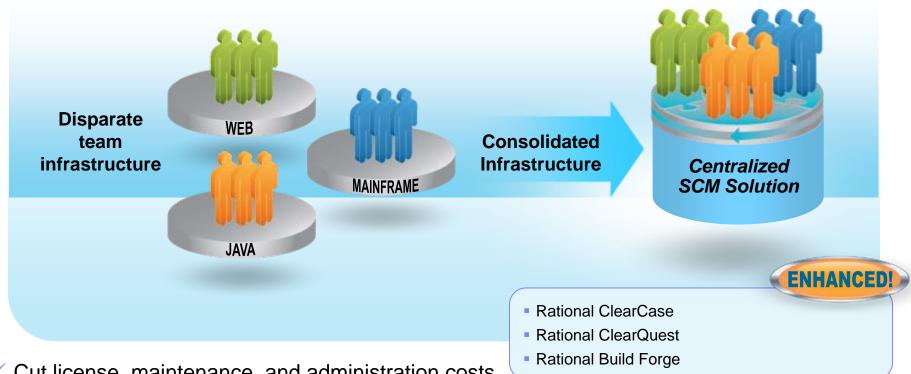
- Improve end user productivity
- Reduce costs through centralized deployment, maintenance, and administration
- Provide multiple security options for host access



### Consolidated team infrastructure

Standardize, consolidate and simplify the team infrastructure for multi-platform projects including source code management, problem tracking, and build





- Cut license, maintenance, and administration costs
- ✓ Improve software release coordination
- Speed development cycles and increase team productivity
- Provide holistic view of the entire multi-platform development effort



# Collaborative application lifecycle management

Deploy new team infrastructure that supports collaboration in context across all platforms and geographies, real-time, automated monitoring of project health, and built-in development workflows





- ✓ Improve communication across disparate IT teams
- Detect and accelerate resolution of defects early
- Make Informed decisions
- Make software development more automated, transparent and predictable



# Advanced compiler technology

Exploit new advanced optimization technology in C/C++, Java, COBOL, PL/I and Fortran compilers

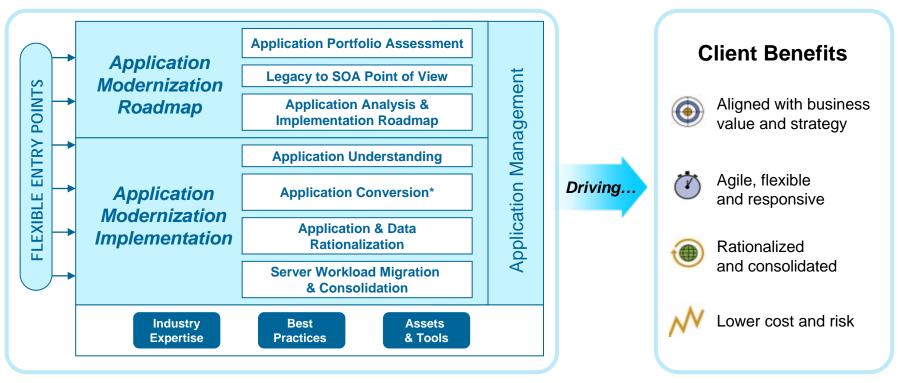




- ✓ Lower capital outlays by increasing capacity on existing hardware
- ✓ Improve performance of application suite
- Reduce CPU cycles and maximize ROI



## IBM's Business Application Modernization services



- \* SOA enablement available
- Improve ability to respond and change more quickly and efficiently
- ✓ Flexible reuse and connectivity of core application assets
- Lower support costs by reducing duplicate application components
- Reduce integration complexity and resolving skills and maintenance hot-spots



# Reduce application maintenance costs through measured and continuous process improvement

Empower teams to measure, manage, and incrementally improve their software delivery capability

- MCIF is a phased approach that helps teams
  - Adopt an incremental, measured approach to improve application maintenance efficiency
  - Focus on the core practices that matter most
  - Accelerate adoption through out-of-the-box assets
  - Articulate capability improvements in terms of business value
  - Support any method optimized for Agile practices







### What's new?

- Application Analysis and Architecture
  - Rational System Architect 11.3.1
  - Rational Asset Analyzer 5.5.1
- Application Development
  - Rational Developer for System z 7.6
  - Problem Determination Tools 10.1
  - System z Solution Edition for Application Development
  - Enterprise COBOL 4.2
  - Enterprise PL/I 3.9
  - z/OS XL C/C++ 1.11
  - Rational Host Access Client Package 7.0
- Application Lifecycle Management
  - Rational Team Concert for System z 2.0
  - Rational Asset Manager 7.2
  - Rational Automation Framework for WebSphere 7.1.1.2
- Services offerings

22

- Rational Application Health Assessment
- IBM's Business Application Modernization services



Delivering greater value from your investments in software









Register by February 26 and Save.

# Innovate2010

The Rational Software Conference

June 6-10 Orlando, Florida

Let's build a smarter planet.



The premier software and product delivery event of the year!

#### **Top 5 Innovative Reasons to Attend**

- 1. Learn how to reduce your application maintenance costs!
- 2. Over 350 Sessions with focus on IT, systems, security, customer stories and much more
- New Solution Tracks: Agile, Cloud Computing, Jazz and Systems Development
- 4. 20+ hands-on technical workshops
- 5. Participate in the Innovation Jam and be there to hear the exciting results
- 6. Networking & innovating with 4,000 peers!

You do so much more than just build, deliver, and manage. You innovate. And since software is the invisible thread that speeds innovation and helps us design and build the smarter products and services we need to build a smarter planet, then you deserve a revamped, upgraded, 2.0 conference. One that sparks and celebrates innovation. Get ready for...

Innovate2010 The Rational Software Conference Register now and save — June 6–10, Orlando

The premier software and product delivery event. A smarter conference. For a smarter planet. The place to expand and deepen skills you need to keep innovating...

- Software and product development, delivery, and management
- How to seize business opportunities... execute with reduced risk and cost... and achieve precision in desired business outcomes
- And better ways to collaborate, automate, and report

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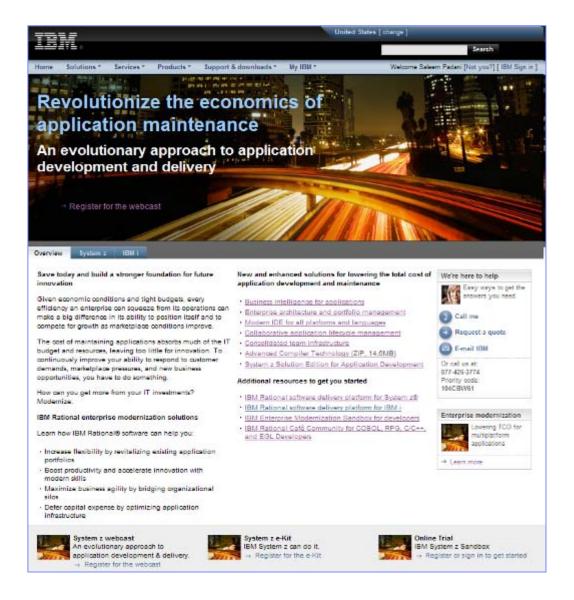
# **Case Studies**

in lowering application maintenance costs





### To learn more visit: ibm.com/software/rational/announce/modernization





## A global auto manufacturer

Reduces maintenance costs and improves productivity by recovering lost application knowledge



#### The challenge

- High application maintenance costs are consuming significant IT budgets and resources
- Changes take too long to implement and test

#### **Business** value

- Estimation of the scope and impact of changes in a more rapid fashion
- Application documented based on today's code
- Improved developer productivity
- Reduction in operational and maintenance costs
- Ultimately, move to SOA is supported

#### Solution

- WebSphere Studio Asset Analyzer positioned to perform enterprise asset discovery and impact analysis
- Additional improvements in testing environment were realized as WSAA was used to identify test data for complete coverage

# Think Rational

One of many ways Rational enables a smarter planet.



Customer realized 10% or more productivity and/or cost savings



## World-class communications services provider

Reduces cost of current application portfolio by validating business linkage



### The challenge

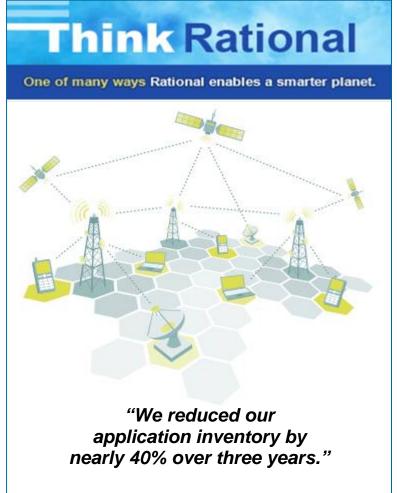
 Global communications services provider was overrun by the cost of maintaining existing application inventory

#### **Business value**

- Attainment of quick ROI, while executing a long-term strategy to deliver broadened corporate-wide application reduction
- Confidence that current investments are aligned with key business strategies

#### **Solution**

 Leveraging IBM software solutions, including Rational System Architect, the communications services provider deployed an enterprise architecture approach to revitalize the effectiveness of its current IT inventory





# Railway company in Spain

Boosts profitability and gains competitive edge by modernizing mainframe applications with SOA



### The challenge

- Siloed LOBs with disparate IT systems led to inflexibility
- Aging capabilities difficult to improve across the business

#### **Business value**

- Evolve IT infrastructure from a heterogeneous environment to a standardized one
- Reduce maintenance costs
- Accelerate time to market

#### Solution

- Combined cross-brand SOA solution, including Rational Application Developer for WebSphere and Rational Developer for System z to align IT more closely to the needs of the business
- The solution enabled the company to leverage existing mainframe applications that provide the requirements for high availability, performance and scalability

# Think Rational

One of many ways Rational enables a smarter planet.



The company saw an increase of 200% in sales, confirming that the new system had enabled them to immediately gain market share.



# A large European financial services institution

Modernized IT development environment to support more flexible, demanding business needs



### The challenge

- Experienced significant business growth
- IT needed to support more flexible and demanding business needs

#### **Business value**

- Improved communications with it's software providers
- Tracking for thousands of unique software assets
- Organization-wide reuse of IT components and services

#### Solution

 Rational software: Rational Asset Manager, Rational Functional Tester, Rational Team Concert Standard



possibilities."



### A medium-sized financial services vendor

Modernizes a 20+ year old credit card management application in less than four months



#### The challenge

- Losing customers to competition offerings with Web or Rich UI
- High training costs and time to train new employees
- Replaced with a custom solution which handled 20-25% of the original application with approx \$30M of initial development costs

#### **Business value**

- Low risk solution requiring NO changes to existing applications
- User interface modernization with HATS saves an estimated 90% over custom windows-based solution
- Estimated 75% savings in training time

#### Solution

- Host Access Transformation Services for Multiplatforms 7.1
- WebSphere Application Server ND 6.1
- IBM HTTP Server
- Cisco Load Balancers
- Rational Application Developer



Improving competitive position by cost effective modernization of heritage consumer credit processing platforms.



### **UniCredit**

Improves developer productivity and testing efficiency for mainframe development



#### The challenge

- Modernize its development platform for core financial business software
- Development and testing efficiency for new and existing applications
- Make COBOL development more attractive to younger programmers

#### **Business value**

- Similar development environment for COBOL and Web applications — attractive to younger developers
- Estimated 15% increase in development and 10% increase in testing productivity

#### Solution

 More than 200 developers began using IBM Rational Developer for System z software to develop applications for IBM System z servers with IBM DB2 and IBM Information Management Systems software

# Think Rational

One of many ways Rational enables a smarter planet.



- One of Europe's largest financial services organizations
- 9,000 branch locations
- 40 million customers
- Employing over 170,000 people

"Our team now develops, debugs and tests with more confidence, and it is clear that more and more people here will be using Rational Developer for System z." Almut Geiger, Product Specialist, HVB



## Grocery retailer

Lowers cost of upgrade by transitioning to cost-effective SCM solution



#### The challenge

- A grocery retailer's was faced with steep cost of renewal fees for a third-party Mainframe-based source code management system
- The company sought an end-to-end change and configuration management solution

#### **Business value**

- Significant cost savings with an approximate 6-month return on investment
- Flexible environment allows the retailer to evolve its development process for future growth

#### **Solution**

34

 The retailer deployed both Rational ClearCase software configuration management and Rational ClearQuest change management software on the mainframe

# Think Rational

One of many ways Rational enables a smarter planet.



Grocery retailer lowers cost of upgrade by transitioning to cost-effective IBM Rational configuration and change management.



# Sodifrance SA, an IT services company

Boosts development team productivity, minimizes errors and rework



#### The challenge

 For Sodifrance's many complex mainframe modernization projects, the company's staff often required a disparate tools for each phase, including requirements, change management, agile development process management, builds which increased their development costs and time

#### **Business value**

- Decreases development time by 15-20%
- Improves development quality and minimizes errors and rework

#### Solution

 Sodifrance evaluated IBM Rational Team Concert for System z and Rational Developer for System z software on an IBM System z9 Enterprise Class server running IBM z/OS® 1.10 at IBM's Montpelier zTech center

# Think Rational

One of many ways Rational enables a smarter planet.



- Sodifrance SA is an IT services company
- Provides IT modernization services principally in France and Benelux

"Building an agile development team requires a multiplatform approach. Rational on System z offers a powerful and valuable combination for any company that wants to boost its development team's productivity."

Hugh Smith, Project Manager, Sodifrance



### Progress | DataDirect

### Improves performance and reduces TCO with METAL C

# Optimize Infrastructure

#### The challenge

 Progress | DataDirect needs a solution that can save them time and development resources but also has the capability to fully take advantage of the larger and more powerful instruction set.

#### **Business value**

- Reduce development cost
- Promote code reuse for new System z architectures
- Enable porting of C applications to System z
- Integrates well with applications developed in assembler
- Produces highly optimized code

#### Solution

- Progress | DataDirect chose the Metal C feature of z/OS XL C/C++ to develop applications for their System z customer base.
- They can now concentrate on building compelling software for their customers and leverage IBM compilation technology and METAL C to take advantage of new System z architectural improvements

# Think Rational

One of many ways Rational enables a smarter planet.

Progress. DataDirect.

 Progress | DataDirect is an ISV and a leader in data connectivity and mainframe integration technologies

"We are able to deliver better products, faster, while improving performance and reducing TCO by using METAL C. In the future, we simply will only need to recompile with METAL C to take advantage of new System z architectural improvements. It's a no-brainer"

Greg Willhiot, Chief Software Architect, Progress | DataDirect