IBM Gets Feisty — Mobilizes Analytics for Oracle Battle

By Merv Adrian, IT Market Strategies

In July 2009, IBM announced the Smart Analytics System 7600, a workload-optimized, pre-integrated bundle of hardware and software targeted at the business analytics market. Included in that package are an IBM POWER 550 running AIX plus InfoSphere Warehouse Enterprise Edition, and Cognos 8 Business Intelligence. In the year since, IBM's cadence around workload optimization has continued with software updates, the closing of the SPSS acquisition, and messaging about marketing, sales and partner programs to carry this key strategic thrust forward.

As the second quarter of 2010 began, IBM's Systems and Technology Group (STG) rolled another set of assets into place, announcing new workload-optimized systems for IBM's System x (x86) and System z (mainframe) platforms, an aggressive campaign targeted at Oracle migration, and a $500 million war chest for financing Sun Microsystems partners who want to resell Big Blue's systems. However, the event was thin by comparison to earlier ones; the Services and Research teams now mobilized into the field to provide leading-edge implementations for customers were missing. And while the availability of Smart Analytics Systems for System z, System x and POWER-based operating environments (zOS, Linux, and AIX) grows the prospect audience, little new functionality to extend the design was in evidence. Software bundled into the offerings is the bare minimum, and many key components remain "optional," which suggests that not only costs but deployment and integration efforts will be higher when they are included.

IBM clearly has a multi-front battle in its plans. From the outset of the Business Analytics and Optimization (BAO) organization's formation under Ambuj Goyal, then in SWG, it was clear that IBM was marshaling assets for maximum impact. Leveraging its vertical integration across hardware and software is one key weapon, and Goyal's promotion from his software role to general manager of STG's Development and Manufacturing team reinforces that theme. He kicked off this event at IBM's Almaden Research Lab, where Ted Codd did much of the early theoretical work on the RDBMS model that dominates today's database market.

Goyal laid out the aspirations of the campaign, then handed the microphone to his successor, Arvind Krishna, now general manager, Information Management in SWG, to introduce the two new Smart Systems offerings that begin to deliver on the vision laid out last year.
IBM rolled out the Smart Analytics System 9600 atop System z and the 5600 for System x. Like the POWER-based 7600, the systems integrate server hardware, storage, and software, including DB2, InfoSphere Warehouse and Cognos analytics software. (On the z, Cognos runs on Linux; the native z implementation has just entered beta.) These key pieces are pre-integrated by IBM and sold together and can be rapidly functional on customer premises as a result, resulting in lower acquisition and operation costs. Advanced workload

management, modular storage and health-check services make for a powerful value proposition.

However, the slide headline: "EVERYTHING you need for Business Analytics" [emphasis IBM's] was belied by the number of elements that are optional. The 9600 comes with hardware-assisted data compression and advanced encryption, and boasts online database reorg for migrating DB2 table spaces to the appropriate drive tier, in addition to online backup. Server and disks both have "call-home" features to help ensure that failures are averted before they happen. So IBM has taken a good step in the right direction, outpacing competitive offerings with its integration efforts. But on the software side, "DB2 Connect, InfoSphere Information Server and Replication Server, and Tivoli OMEGAMON for DB2 are all optional, even though it's hard to populate and optimize a warehouse without them, and SPSS was not mentioned at all.

Taking On Oracle
In keeping with the hardware-led message, much was made of the full-system performance profiles, focusing on messages like "50% less floor space," "70-90% lower energy consumption" and "90% server utilization." IBM took Oracle on pointedly here, showing direct benchmark comparisons demonstrating the ability to use fewer cores to achieve better SAP-on-DB2 results. A customer panel drove this home; the IBM partnership with SAP was cited as a key factor in customers' decision to switch from Oracle. (The customer names, although shared with the analysts, are under non-disclosure due to legal conventions.) One, with 8,000 users, closely compared SAP's own MaxDB, Oracle and DB2, and picked IBM based on cost and performance. The others agreed, and cited IBM's tools for SAP-DB2 as improving administration. All cited the stability and ease of the migration effort itself. Two said they achieved 40-50% savings on storage alone due to data compression with DB2.

One customer involved in a major construction project, announced that it "did our migration on a gas-powered generator." (In fact, they had no power for POWER – sorry – couldn't resist).The company finished its Oracle-to-DB2 migration a day earlier than planned (similar stories were heard from the others) and achieved across-the-board performance gains. One cited an "18% performance improvement out of the box." IDC's Carl Olofson and I discussed some of the technical reasons for this, and Carl cited the fact that "IBM substantially rewrote their buffer and lock management in DB2 LUW, and now they are reaping the rewards."

Much was made of the simplicity of software migration from Oracle to DB2, which substantially contradicts conventional migration wisdom, and another set of panelists went into details of this. A demo station featured the technical details for those of us wanting a deeper dive, and an IBM engineer and I discussed some of the extensive additions IBM made to the Enterprise DB software it licensed last year. Weblogic to WebSphere migration was also discussed, and IBM appears to be ramping up a strong competitive effort here, as well; I expect to hear more about this next month at IBM's IMPACT show. Licensing issues are also a key factor— multi-core systems have a huge impact on database licensing costs, and several customers cited the fact that IBM's

licensing was far less costly than Oracle's as a key factor in their migration decision.

Putting the Ecosystem to Work
It's easy to be critical, as I am above, of the pace and breadth of IBM's bundling of hardware, software, services and research efforts into its competitive offerings. But it is still a formidable undertaking, in an organization as large and complex as IBM. The progress has been steady and measured. On another front, IBM has been investing in the marketing and sales efforts to support these solutions. Literally dozens of pieces of collateral were made available to analysts on USB disks, demonstrating that sales training and price list changes have been underway for months. And then there is the partner network. It's a crown jewel for IBM, and new programs, incentives, and support systems are being made available to drive these offerings into the market.

Field numbers and readiness count for a great deal in a global business. IBM announced that it is earmarking $500 million to entice Sun Business Partners to resell IBM systems. It's easy to underestimate the importance of this, but it's a huge play. "The gloves are off," Forrester's John Rymer tweeted, and he's absolutely right. It's a strong response to Oracle's decision to take the largest (over 4000) Sun accounts in-house recently; clearly IBM hopes to capitalize on the disaffection this will create. IBM's investment is double the size of the recent HP-Microsoft joint agreement. It ought to buy a lot of points of presence for IBM in the year or two ahead. IBM also said it will make tools like its profit optimizer application and working capital options available to Sun partners.

Wrapping it Up
IBM also announced the new pureScale Application System, combining POWER7-based servers with WebSphere Application Server and DB2 pureScale software to target transactional workloads. "Scale-up, Scale-out and Scale-within" is the message here. The platform can scale from 8 to 8,192 cores, an astonishing range, deployed in a flexible form factor that will allow customers to start small and grow. Clearly IBM is ceding nothing to the opposition.

Solid-state disk (SSD) technology was another option on these new systems, as it is for Teradata, Oracle and others, confirming that SSD's steadily dropping price is making it increasingly attractive as a design point for performance optimization.

Clearly, this is the beginning of the transformation to a battle based on full-stack offerings, and the customer wins if vendors compete on ease. The battle raises intriguing challenges for both vendors' partners. For example, Oracle will certainly optimize its own stack first, but its partnering muscles will need training; IBM has been partnering with all comers far longer in more spaces.

Who's left out of the full stack story IBM is painting about what makes a true strategic partner? HP: no software across most of the stack. Microsoft: no hardware and minimal services. For Oracle, even with Sun hardware and an increasing services presence, controlling it all will be a big challenge. An even bigger challenge: extending its services expertise to take advantage of most, if

not all, potential opportunities. Field and partner training are key. The battles are not really started yet; only the first skirmishes have been seen, but all the vendors are moving their resources into position. 2010 will see pitched battles, especially as we move into the fourth quarter, for key account ownership. It's a great year for the buyer.

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