

Strategies to raise the ROI of IT and make innovations real

White Paper

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Lotus software



Turning smarter collaboration into a strategic asset using IBM Client for Smart Work.

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Creating opportunities through collaboration

CIOs are being counted on to deliver IT innovation to respond to accelerating and evolving business challenges. The goal is to expand business impact and make innovations real while raising the return on investment (ROI) of IT. One of the most cost-effective ways to spur innovation and change is to tap employees and even customers for ideas, empowering people to work more effectively together. Establishing a work environment that encourages smarter collaboration is a key to success.

IBM Client for Smart Work software is an open, security-rich, and cost-effective Microsoft® desktop alternative. It brings together smarter collaboration capabilities, with a choice of access clients including netbooks and delivery models such as in-premise, appliance and cloud—on a Linux® operating system. The supporting liberate-migrate-virtualize strategy can help your company optimize cost structures by removing costs from the IT infrastructure to free up precious funds.

The benefits of IBM Client for Smart Work software fall into four main categories:

- *Expanding business impact by integrating collaboration with your business processes*
- *Raising the ROI of IT by lowering the total cost of ownership (TCO) by up to 50 percent through reduced software license costs and reduced hardware and operational costs*

- **Providing a comprehensive collaboration work environment** by bringing together Web 2.0 and unified communication and collaboration capabilities
- **Offering flexibility and choice** by accessing people, information and applications using a variety of clients, including netbooks, and interacting using the right delivery model (in-premise, appliance or cloud) on a Linux desktop operating system

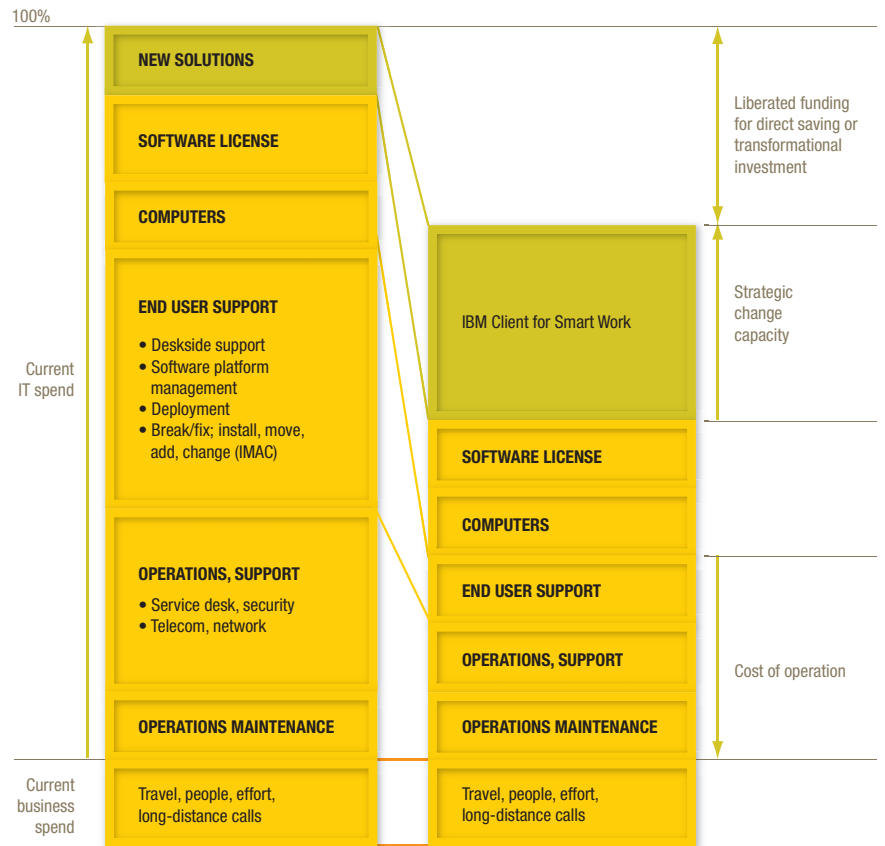


Figure 1. A liberate-migrate-optimize strategy can help organizations stretch the use of IT funds farther.

What is IBM Client for Smart Work software?

It is an open, security-rich and integrated collaborative work environment that can be customized based on your role and associated structured and ad hoc business processes. It offers an optimized workspace with collaboration in context embedded in business processes based on a Service Oriented Architecture. It packages IBM Lotus® Symphony™ software, an alternative to Microsoft Office software, with IBM LotusLive™ components such as IBM LotusLive iNotes®, IBM LotusLive Connections and IBM LotusLive Engage software on a Linux desktop operating system. Optional capabilities include virtual Linux desktops for identified user segments using Virtual Bridges VERDE software. The in-premise option packages IBM Lotus Notes®, IBM Lotus Domino® and Lotus Symphony software. The appliance option offers IBM Lotus Foundations™ software. You could add other capabilities such as analytics, dashboards, scorecards, portals, social networks and modeling tools. Client choices include netbook, laptop, desktop and other mobile devices. This solution package is available through IBM Business Partners.

So what is smart about this? Let us apply the IBM three-I test to this client middleware:

- *It is instrumented because you can embed collaboration in the business process, based on a service-oriented architecture (SOA).*
- *It is intelligent because it offers a contextual, adaptive, role-based, server-managed and patterns-driven work environment that empowers people to become strategic sensors to the organization.*
- *It is interconnected given the power of community-oriented inter-enterprise collaboration achieved by making rich and deep connections across partners, customers and employees. This results in an exceptional alignment of people with the extended organization.*

Highlights

“IBM has helped more than 600 clients free up a total of US\$3.5 billion since 2006.”

Optimize using the liberate-migrate-virtualize strategy

IT organizations adopting IBM Client for Smart Work software can execute a liberate-migrate-virtualize strategy that is designed to help businesses optimize software license, hardware and IT operational costs, to raise the ROI of IT.

- **Liberate**—*Adopt a procurement strategy that saves significant costs compared to Microsoft Enterprise Agreement licensing.*
- **Migrate**—*Move users from high-cost office productivity applications to IBM Client for Smart Work software. A variety of tools for application development and migration are available.*
- **Virtualize**—*Lower operational costs by deploying virtual Linux desktops for identified segments of users.*

Liberate

If you are considering renewing or signing a Microsoft Enterprise Agreement, consider adopting the project liberate procurement strategy first. The strategy can help you learn how to buy what you need versus buying into a bundling of products that users may not fully utilize. The process can help you liberate budget dollars to fund other projects or initiatives, potentially helping you free up 40 percent or more of the cost of your enterprise agreement.

“With Lotus Symphony, we don’t have to pay for Microsoft Office software. Most importantly, Lotus Foundations software is simple to use and easy to maintain. It eliminates the expense of having a full-time IT expert on staff.”

— Jose Lopez Gonzalez, CEO, Lopez y Cortina

“Our strategy is to focus on Linux software first and foremost, taking a practical and pragmatic approach. For us, the Linux environment is the right choice for very focused applications and is more cost-effective than Microsoft software.”

— Gianluca Giovannetti, CIO and director of organization, Gruppo Amadori

Migrate

The migrate strategy introduces additional software license and infrastructure cost savings by finding lower-cost alternatives to existing assets. The extent of software license cost savings varies widely, depending on the extent of migrations and whether you choose to migrate select applications or full software stacks and operating systems.

Options for migration could include:

- *Microsoft Office to IBM Lotus Symphony software.*
- *Microsoft Outlook and Microsoft Exchange to IBM Lotus Notes and Domino software or LotusLive software components.*
- *Microsoft Windows® SharePoint Services to IBM Lotus Quickr™ software.*
- *Microsoft Office SharePoint Server to IBM WebSphere® Portal or IBM Lotus Domino software.*
- *Microsoft Windows to Linux operating system.*

IBM customers in an array of industries have benefited from migration. For example, Gruppo Amadori, a wholesale food distributor, lowered the TCO of its IT environment by nearly half by moving from Microsoft Outlook, Microsoft Exchange, Microsoft Office and Microsoft Windows software to IBM Client for Smart Work software powered by the Red Hat Enterprise Linux operating system. Others include CSS Corp, Ericpol Telecom, Constructora San Jose and Pioneer Petroleum. Sagem Communications, ATCA, DotRiver, Radboud University and Gestion Integral Aguas Costa de Huelva SpA adopted the Ubuntu Linux desktop operating system.

“Today, we have Java developers and [Microsoft] .NET developers working side by side in the portal environment. Both groups can access the same Java classes and JavaServer™ Faces objects to deliver Java deployments. Most importantly, Mainsoft Portal Edition software has given us the flexibility to rapidly design and implement the system without worrying about the language in which the components are written.”

— Alex Libis, information and data security manager, Opal Future Technologies

Other clients that have lowered their TCO through migration to IBM Client for Smart Work software components include Continental AG, Coca-Cola Company, HSBC, ABB, BASF, Blue Cross Blue Shield, Fidelity Investments, Hyundai, Liberty Mutual, Linde Group, MassMutual, Nationwide, State Bank of India and The Hartford.

Upgrading to the latest version of a Lotus Notes and Domino server can be another way to potentially lower your TCO by up to 30 percent through CPU/input output (IO) bandwidth savings (up to 50 percent) and storage improvements (20 to 50 percent savings). Moreover, if you are currently using Microsoft Exchange 2003 software, then you may know about the Microsoft guidance to wait for Microsoft Exchange 2010 software to be released. The same applies to Microsoft Office, Microsoft Office SharePoint Server and Microsoft Windows software. Staying on the current version or moving to the IBM alternatives can help further reduce TCO through hardware cost avoidance. Simply migrating from a Microsoft Windows server to the Linux operating system can also help reduce TCO by up to 40 percent.²

In addition to the options mentioned above, small businesses as well as retail organizations can benefit from migrating to simple, fast and cost-effective IBM Smart Business solutions and the Microsoft Windows Small Business Server alternative provided by IBM Lotus Foundations Start software. The IBM Lotus Foundations product led more than 1,000 Microsoft business partners to become IBM Business Partners in just the first half of 2009.³

Third-party migration and virtualization tools

Migration and virtualization tools provided by IBM Business Partners provide a wide range of choices, including the following:

- **Mainsoft**—Continue development in Microsoft .NET while surfacing Microsoft .NET applications on IBM WebSphere Portal, IBM WebSphere Application Server or IBM Lotus Expeditor software. You can also surface Microsoft SharePoint content through a Lotus Notes sidebar and WebSphere Portal portlets.
- **Diamond Edge**—Migrate (automate up to 90 percent) Microsoft Visual Basic and Microsoft Access applications to Java™ technology.
- **SCAI, Indellient**—Assess and move Microsoft Office content to OpenDocument Format.
- **Virtual Bridges**—Access and manage Linux operating system-based virtual desktops from a server on the Cloud.

Virtualize

Virtualization strategies, which can span client (desktop) technology as well as servers, can help you control costs by reducing hardware, space and energy usage. Desktop virtualization demands fewer computing resources than localized desktops, so you can save money by refurbishing or extending the life of your laptop and desktop computers instead of replacing them every few years. You can also implement thin hardware client alternatives. The operational cost savings come from lowering desk-side PC support costs, security measures and user administration, power and cooling, help desk, desktop engineering, network engineering and support, security engineering and software

distribution staff. Operational cost reductions of up to 50 percent are possible using the open virtual client based on IBM Client for Smart Work software running on the Ubuntu Linux platform with desktop virtualization capabilities provided by Virtual Bridges, or by moving to the IBM Smart Business Desktop Cloud as well as IBM End User Support Services – self enablement portal and IBM Help Desk Services provided by IBM Global Technology Services. In addition to cost savings, desktop virtualization can also deliver green benefits by reducing energy consumption.³

The liberate-migrate-virtualize strategy in action: a TCO savings scenario

Now that we've looked at each individual piece of the liberate-migrate-virtualize strategy, let's look at a big-picture example for how the strategy helps control costs. Take a company with 5,000 users who has a Microsoft Enterprise Agreement with Enterprise Desktop up for renewal.

Ten percent, or 500, of the company's users are advanced Microsoft Office software users who need to continue using the software on the Microsoft Windows platform. The remaining 4,500 people only need productivity applications occasionally and don't require advanced features. These "everyday" users can be migrated to Lotus Symphony software and the Linux operating system—in other words, they can move to IBM Client for Smart Work software.

All 5,000 users can be moved from Microsoft Outlook and Microsoft Exchange software, Microsoft Windows SharePoint Services, Microsoft Office Communication Server, Microsoft Internet Explorer and Microsoft Office SharePoint Server to IBM Lotus Smarter Collaboration alternatives. The company may choose an in-premise, appliance or cloud delivery model.

In addition to productivity applications, the company has four third-party applications—such as legacy applications dependant on Microsoft Internet Explorer or Microsoft .Net software—that can be migrated over a three-year period with varying complexity. Twenty-five percent of these applications are based on the old Microsoft Visual Basic language that requires migration anyway, with a quarter of the everyday users depending on these applications. Twenty percent of the desktops get refreshed every year. Fifty percent of the everyday users are good candidates for a virtual desktop. Those who are dependent on the Microsoft Windows technology-based applications can initially move to a virtual Microsoft Windows desktop and the rest would use a virtual Linux desktop. Fifty percent of them can work using a thin hardware client while the rest could move to a netbook device running on the Linux platform. Twenty-five percent of the non-virtual desktop users can also move to a netbook device running on the Linux platform. While the liberate strategy is immediate, the migrate and virtualize strategies can be implemented over a period of time based on the desktop refresh cycle. Those who have a Microsoft Enterprise Subscription Agreement will need to consider more rapid migration strategies. So how do all of these changes impact the TCO? We modeled this scenario using the in-premise delivery model using the Smarter Collaboration TCO calculator.⁴

Results indicate that the organization could potentially save around US\$1.3 million in the first year and average around US\$2.7 million in savings per year for the subsequent four years. This calculation considers software license costs, hardware costs and operational costs. It assumes the organization chooses Canonical Ubuntu as the Linux desktop operating system and the Virtual Bridges VERDE desktop virtualization solution.

The organization could also consider several variations to this scenario, including:

- *Performing the liberate step and then adding new capabilities.*
- *Migrating just the productivity editor from Microsoft Office to Lotus Symphony software.*
- *Upgrading to the latest version of Lotus Notes and Domino software (assuming they are already using the software) to lower TCO by around 30 percent.*
- *Opting for LotusLive software components on the cloud rather than in-premise—use a similar TCO calculator.⁵*

Examining IBM Client for Smart Work usage scenarios

Retaining and growing the current customer base is a high priority for businesses in good and difficult economic times. Increasingly, customer retention is about much more than transactions; it's about relationships and the exchange of ideas using Web 2.0 technology. Equally important is enhancing relationships and sharing ideas with business partners. Here are examples of roles of employees in your organization who can benefit from IBM Client for Smart Work software:

- *A business commuter may bike to work, boot up any available computer using IBM Client for Smart Work software on a USB memory stick and then log in to their virtual Linux desktop on the cloud.*
- *Other roles such as jetsetters who are always on the move, home office workers, campus/classroom users, retail employees, healthcare providers, customer service representatives, software developers, small business owners, field sales representatives and consultants can all benefit from using the IBM Client for Smart Work solution.*

Becoming more efficient and productive

Collaboration capabilities are key drivers for enabling responsive business operations and improving productivity. And it's possible to expand collaboration capabilities while leveraging existing Microsoft, SAP and Oracle collaboration and application investments. For example, you could add unified communication and collaboration solutions, social software and/or portal capabilities and associated services, such as those offered by integrated communication services from IBM Global Technology Services.

Cost savings for collaboration range from travel and communication cost avoidance to organizational productivity and efficiency improvements. They can also help to reduce energy consumption and your company's carbon footprint. For example, IBM has used collaboration capabilities to save US\$100 million in travel and US\$16 million per year in reduced telephone usage. The Celina Insurance Group reduced its policy turnaround time from weeks to days with the help of Lotus solutions. And IBM Lotus Sametime® software helped the company reduce phone calls by 40 percent. Hannover Medical School in Germany optimized its treatment processes, reduced waiting time for patients and increased patient security with an automated tracking solution that can gather and record trauma patients' data securely and in real time. And Danone, a dairy product producer, can react more quickly to market changes, using collaboration capabilities interconnected with production processes to make rapid adjustments.

Innovate for a competitive advantage

We all know why innovation is important. The challenge is figuring out how to foster it. Using technology that can create a stronger and more participatory business culture is key. When your people can find, combine, apply and preserve expertise, they are in a better position to innovate. And Web 2.0 technologies provide the capabilities to support these actions. For example, mashups put power in the hands of end users to create situational applications that solve business problems as they come up. Dashboards give executives the information they need at their fingertips to make better decisions, faster. And enterprise social networking establishes a security-rich environment to share knowledge and expertise in profiles, blogs, wikis and other Web 2.0 tools.

In addition to driving progress, innovation within the company also requires nurturing talent and skills through human capital management using the right balance of self-service and automation. CIOs of global organizations like IBM are leveraging smarter collaboration as a strategic asset to address the needs of four generations of employees with diverse needs.

Considerations for making business, process and technology decisions

When it comes to deciding how to implement smarter collaboration as a strategic asset using IBM Client for Smart Work software, in many cases CIOs will need to work closely with line-of-business managers to make business, process and technology decisions. Business and related process decisions span software procurement strategies, travel- and HR-related policies, and telephone and social media usage. They must also consider firewall interaction policies, as well as new workflows, governance and exception handling. You can use industry-specific key performance indicators (KPIs) to make informed decisions.

Technology and architecture decisions span access, migration, integration and delivery models, each of which include layers of choices:

- **Access-related decisions** include rich (*Web browser*) or thin (*thin hardware client*), virtual (*thin hardware client or refurbished laptop/desktop*), netbook devices and other mobile clients.
- **Delivery model decisions** include *in-premise, hosted, appliance and Software as a Service (SaaS) on the cloud technology*. IBM can help you understand how to make these decisions based on *TCO/ROI potential, performance and scalability*.
- **Migration decisions** are governed by the *application stack and the business case*. Strategies include *leveraging impending events and associated opportunity costs*. Desktop refresh cycles, upgraded plans with *Microsoft Windows and Microsoft Office software* or *virtualizing Microsoft Windows desktops before moving them to virtual Linux desktops* are good examples. *User segmentation plays a critical role in choosing the best starting points and implementation roadmap*.
- **Integration decisions** can be made around *current or expanded infrastructure and could benefit from mashup-type end user innovation*. You can also choose various approaches for *integrating collaboration components into relevant business process and associated applications and systems*. For example, you can integrate:
 - *SAP application workflows into the Lotus Notes platform using Alloy™ software by IBM Lotus and SAP.*
 - *Microsoft SharePoint with Lotus Notes or IBM WebSphere Portal software using IBM Lotus Quickr Content Integrator or Mainsoft applications.*
 - *Built-in support for a spectrum of mobile devices, including Research in Motion® (RIM®) BlackBerry®, Apple iPhone and Nokia devices.*
 - *A variety of applications and information sources using the WebSphere Portal portlet catalog.*

Further, you can leverage open-standards-based plug-and-play or API capabilities to do rapid custom integrations. In all cases, you can benefit from integrating with your existing Microsoft and/or open standards/open source based environment.

Next steps

Smarter collaboration as a strategic asset could empower CIOs to win business cases that require IT-driven cost efficiencies and sustainable growth opportunities. IBM Client for Smart Work software is a strategic tool that can help you execute this leadership play. We can start with a senior leadership briefing, assessment engagements and pilots to accelerate time to value.

For more information

To learn more about collaboration solutions from IBM, contact your IBM representative or IBM Business Partner, or visit:

- ibm.com/software/info/liberate
- ibm.com/lotus/openclient
- ibm.com/cio
- ibm.com/software/lotus/offer/roi-calculator.html
- compariv.com/icsw



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¹ "Customer savings varies depending upon product mix, users and other factors. For more information, visit http://www-01.ibm.com/software/info/reducecost/license_optimization.html.

² Savings statistics are based on IBM client experiences.

³ IBM, "200+ Microsoft Partners Per Month Flocking to Sell IBM Lotus Foundations Appliance," June 4, 2009, ibm.com/press/us/en/pressrelease/27655.wss

⁴ Savings statistics are based on IBM client experiences.

⁵ Smarter Collaboration TCO Calculator, <http://www.compariv.com/jsp/ibmccs/dojotcoCalculator.jsp>

