

IBM z Systems

IBM Eagle Team – IT Economics Practice

No-Charge Studies to Help Your Business

IBM Eagle Team - IT Economics Practice

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IBM

IT Economics Studies

Use a **business case** to make a **technically** and **financially based IT decision**



Cloud Assessment

Perform a Health Check to find the right private, public or hybrid cloud solution
Examine workload size and activity, SLA and provisioning requirements, and instance costs



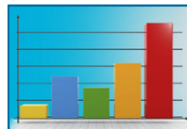
Analytics Assessment

Determine the most cost-effective infrastructure for analytics solutions
Exploit platform attributes and efficient storage solutions for Analytics and Big Data



Mobile Assessment

Mitigate high-volume, low-value mobile transaction costs
Evaluate the effects of throughput, response time and other KPIs in mobile topologies



Workload Placement Assessment

Consolidate, offload, and place new workloads on alternative platforms
Exploit and compare platform attributes to optimize workload performance and costs



Chargeback Analysis

Align chargeback policies to actual IT costs
Identify and overcome chargeback policies that drive adverse IT decisions



IT Best Practice Benchmarking

Compare actual IT environment with best practices in the IT industry
Improve forecast and actual spend

Available at **no-charge** to IBM clients and Business Partners

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www.ibm.com/iteconomics
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How Can an IT Economics Study Help?

An IT Economics study is a **business case** for your enterprise

- Built with your **information** and **costs**
- Specifically **tailored to your enterprise**
- Shows **your return on investment**
- Allows you to make a **financially based IT decision**

Do you...

- Want to do more with cloud?
- Need to simplify your IT environment?
- Want to grow your business but need to decide where to host the applications?
- Have more than 50 x86, HP-UX or Sun servers running Oracle or Weblogic?

Are you...

- Deploying workloads on Linux x86?
- Evaluating the best platform for Big Data?
- Running out of datacenter space?
- Using more than three platforms?
- Looking to reduce IT spend?

These are some **common scenarios** from which clients have **benefited** from an **IT Economics study**.

Use an **IT Economics study** to **build a business case** for your IT strategy

Five Steps for an IT Economics Study

An **IT Economics study** can be completed in a few weeks with minimal effort on your part. Studies involve these five steps:

1. **Request a Study** - Ask your IBM Client Representative, business partner or contact the IBM Eagle Team at eagletco@us.ibm.com.
2. **Decide a Workshop Date** - An IBM Eagle consultant coordinates a date to hold an on-site workshop with you. This is typically a two hour meeting.
3. **On-site Workshop** - The IBM Eagle consultant will explain the methodologies, capture your objectives for the study, gather information about your IT environment, and share best and worst practices.
4. **Data Analysis** - Depending on the scope of the study, your IBM Eagle consultant may request additional data after the workshop. Analysis and report preparation (performed off-site) are usually complete in three to four weeks.
5. **On-site Study Presentation** - The IBM Eagle consultant will present findings, provide recommendations and answer questions.

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IT Economics Study for Global SW & Services Provider

Business Problem Increase Time to Delivery for New Markets

Client

A MEA based global services provider with growing geographical demands used a traditional Capex IT model to serve thousands of clients world wide. Planning, procurement and deployment of x86 servers for new and variable demand took time.

Benefit

Savings of ~**\$17.7M** over ten years for one set of workloads by moving to a cloud infrastructure. SoftLayer functionality and pricing structure improved time to delivery and lowered total cost of ownership.

	Traditional Datacenter	Softlayer	Delta	% TCO Reduction
Infrastructure	\$49,819,631	\$40,546,320	-\$9,273,310	
Platform	\$12,001,219	\$8,828,686	-\$3,172,533	
Software	\$0	\$0	\$0	
Operations	\$6,600,000	\$1,320,000	-\$5,280,000	
Migration	\$0	\$0	\$0	
TCO	\$68,420,850	\$50,695,006	-\$17,725,844	-26%

Solution

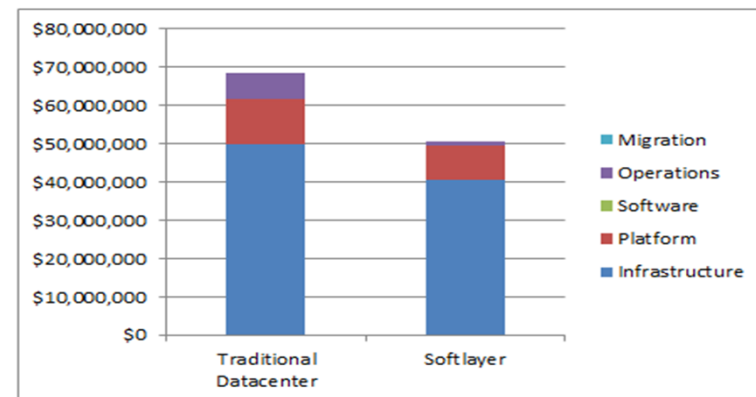
Use Opex cloud model

- Enables rapid growth into new markets
- Quickly provisions workloads when needed
- Avoids pre-provisioning costs

SoftLayer capabilities met the client's functional requirements and lowered its TCO.

Significant savings resulted from:

- decreased infrastructure usage
- lower HW, OS, middleware costs
- no technology upgrade costs
- operational efficiencies



IT Economics Study for North American Financial Services Company

Business Problem

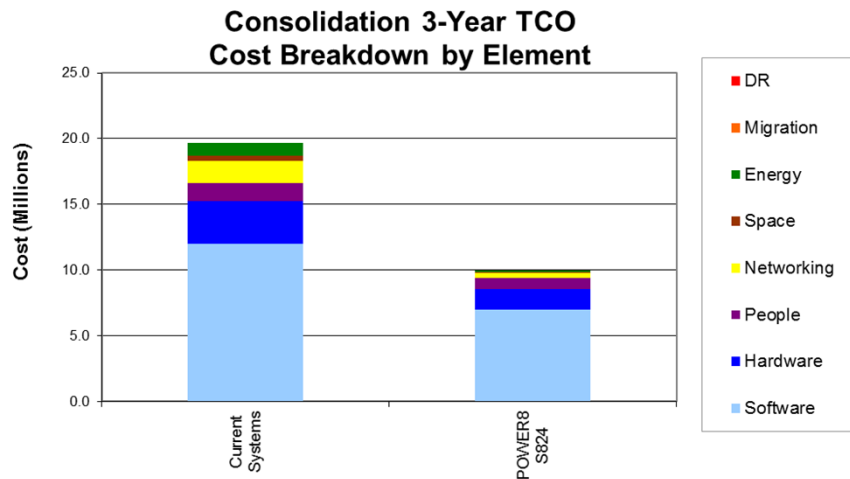
Server refresh required to replace older hardware

Client

A North American Financial Services Company had aging equipment in three locations. The client was reluctant to refresh its hardware due to presumed increases in operating costs.

Benefit

Savings of **\$9.74M** or **51% reduction** over current Power Systems environment.



Solution

Move AIX and Linux workloads from 73 POWER7 servers to 16 POWER8 servers to exploit core usage efficiencies. Cost reduction drivers were fewer servers, cores, SW licensing and energy.

Power System S824



	Current Total	POWER8 S824	Reduction with S824
Servers	73	16	78%
Cores	811	384	53%
Weighted Oracle Cores *	724	230	68%
PVUs	89,620	38,400	57%
Power (KW)	187	14	92%

* **Note:** Oracle Core reduction results in 494 unused Oracle Cores. These banked cores can be used to avoid future new Oracle purchases

IT Economics Study for Egyptian Bank

Business Problem

Reduce Oracle licensing costs

Client

A large Egyptian bank wanted to reduce Oracle licensing costs and sought a comparison of Oracle on Intel servers and Linux on System z.

Benefit

Savings of **\$11.7M** over five years resulting from **one IFL** to **22 distributed core** ratio for Oracle and other software licensing. Higher than industry standard costs for floor space was another significant factor.

Solution

Consolidate Oracle workloads on System z IFLs.



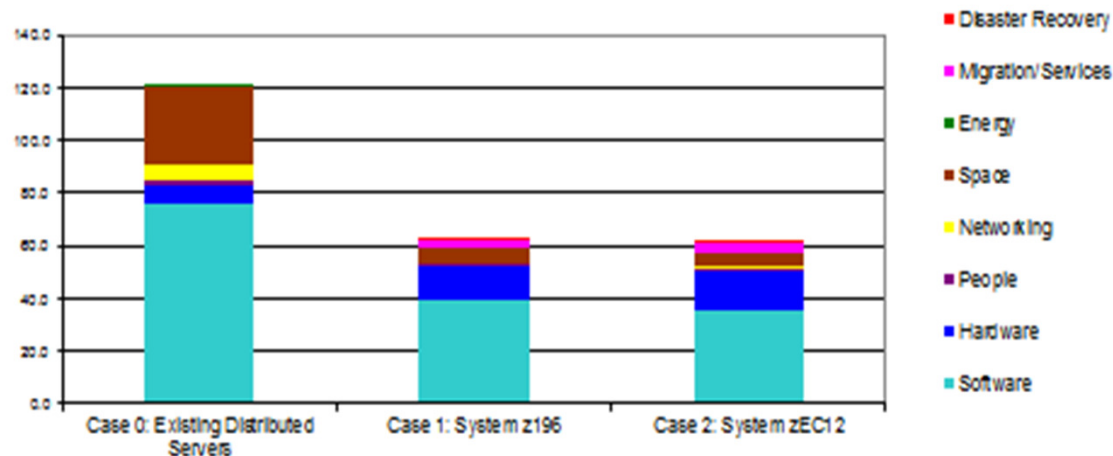
**z196
Enterprise
Server
9 IFLs**

or



**zEC12
Enterprise
Server
7 IFLs**

5 Year TCO: Distributed vs. Mainframe



Analysis found workload consolidation of **31** physical x86 servers with **201 cores** to the z196 or zEC12 IFLs amounted to less than half the cost of staying on the distributed x86 platform.

A business case for a cost effective IT strategy

Overview

Let IBM help you **build a business case** to make financially based IT decisions, based on your needs and information.

When considering cloud, analytics and mobile, which IT infrastructure costs less? The answer depends on your requirements and infrastructure. In a two hour no-charge workshop, an IBM IT Economics consultant will gather information on **IT scenarios of interest to your business** to build a study based on your data and agreed to assumptions. The consultant will **analyze your workloads and platform options**, and will deliver a detailed assessment in three to four weeks. IBM IT Economics studies examine which options can offer the **best financial (TCO) and technical fit** for your workloads based on these elements:

- IT Cost Line Items: Hardware, software, labor, network, storage and facilities
- Environments: Production, development, test, batch, high availability, disaster recovery, business resiliency and analytics
- Time: Growth, migration, upgrades, parallel costs during migration, and net present value
- Non-Functional Requirements: Reliability, Availability, Serviceability and Security

Benefits

- **Cost Reduction through Consolidation:** Improve efficiency and reduce costs by consolidation of server resources with as little as a few dozen servers
- **Chargeback:** Analysis of how actual costs of the datacenter are allocated to different server platforms and the methods of charging those costs back to the lines of business (both good and bad practices)
- **Fit for Purpose:** Customized methodology that determines the best placement of workloads weighing many factors such as TCO, Skills, ISV support

Outcomes

- Understanding of **specific IT datacenter focus areas** and the costs of keeping your **current IT infrastructure solution** or the cost (both direct and indirect) of moving to **an alternative solution**
- Information gathered through detailed cost analysis that can be used to **influence future purchasing decisions**
- A detailed assessment based on your customized scenario that explores how to leverage your current IT infrastructure resources and recommendations for **further operating efficiencies**

Client Examples

- **Large Healthcare Company:** Demonstrated cost savings of \$139 million by understanding the value of consolidated scalable servers instead of a distributed server scale-out solution.
- **Large Insurance Company:** Showed consolidation of Power Systems coupled with the use of PureSystems could save over \$7 million/year in OpEx.
- **Mid-sized Insurance Company:** Changed platform strategy after analyzing chargeback issues and properly allocating costs across systems.

Interested in an IBM IT Economics study?

Contact IBM for an IT Economics study at eagletco@us.ibm.com