LANINGHAM: This is an IBM Rational podcast. I'm Scott Laningham. Joining me is George Farr from Rational who is also the worldwide product line manager for System i tools and compilers. He joins us to talk about IBM Rational solutions for i5OS application development. George, welcome to the podcast.

FARR: Thanks, Scott.

LANINGHAM: Now, we should say IBM is announcing some major enhancements and changes in the packaging of key i5OS compilers and development tools. What is the importance of this announcement, and why should listeners take notice?

FARR: Yes, Scott, we're actually very excited about the announcement we're just about to make on January 29th. IBM is announcing a major new operating system in i5OS for Version 6, Release 1 of System i.

And this is going to enable IBM to take the first major step to make i5OS available on the blades technology that many, many of our customers heard of. And therefore, this would enable our customers to consolidate their POWER, Intel and i5OS systems and in turn, help them reduce overall maintenance needs, provide savings on space, energy and reduce the overall cost of ownership.

This really falls in place as Rational is also making a major announcement in the area of application development tools and languages since the inception of AS/400 that we are trying to ship as part of i5OS on Version 6, Release 1.

These new, the new tool...the new and enhanced tools will definitely empower our existing RPG and COBOL developers to modernize and extend i5OS applications towards SOA technology as well as Web technologies.

Just to net it out for you, Scott, we are making the following main changes. We are unbundling WebSphere Development Studio. We are also introducing two exciting new products, and the first one called Rational Developer for System i -- or in short, we refer to it as RDI. And the second one is Rational Developer for System i for SOA construction. Again, in short, we refer to it as RDI SOA.

In addition, in the area of HATS, WDHT and Web Facing to make it easy for our customers who are actually combining all of that into a single offering in a new product called Host Access Transformation Services for 5250 Application (HATS).

In addition, on top of all of that, we are also announcing a standalone version of RDB, Rational Business Developer, which can be installed without requiring any purchase any

more of RAD or RSA or any other Rational IDE. I must add
that RBD contains EGL which is our newest business language
for System i on Version 6, Release 1.

LANINGHAM: And George, pulling it up to more of a
conceptual level, I'm wondering if you might talk a bit
about the key themes in this announcement.

FARR: Yes, so let me just spend, give you a couple of
things here. Because of the way these tools were packaged
and bundled, that created many challenges, not only for IBM,
but for our customers. Our customers face many challenges;
I've heard that in and out as I go around the world talking
to customers.

So one of the challenges is bundling all the compilers and
development tools in a single offering we were really in a
way penalizing our existing customers with unnecessary
features.

We have put everything in one bundle, whether it's
compilers, tools, and so that wasn't, wasn't the right thing
to do and customers complained about that. Many customers
wanted only the tools and in some cases not the compilers.
In other cases, some specific compilers.

We also heard from some of these customers that, you know,

WDSC as rich in function as it is, it has too many features and therefore, sometimes startup time because of those features took a little bit of time. Other customers came up to us and said, you know what? I don't want heritage compilers, I just want to concentrate on your strategic compilers such as ILE RPG or ILE COBOL.

On the other hand, some other customers who were stuck with RPG3 just wanted the RPG3 compiler. And the feeling and perception was that IBM is charging us so much money for these products and giving us so many products and in many cases we don't need them.

So to address all these points, we actually decided to take the steps we have taken in Version 6, Release 1 for the System i, as well as version 7.1.

So to summarize and go back to your original question -- what are the themes -- let me summarize the themes in pointing out three of them.

The first one in the area of packaging. We have really done a major packaging and unbundling in this Version 6, Release 1 that we've never done before in the life of AS/400 or System i or the iSeries.

The major enhancements in changing the packaging of the

i5/OS compilers and development tools: the changes in
packaging are the results of extensive analysis both within
IBM and with input from our customers. So that's really the
area of packaging.

The second area in terms of a theme I like to mention is
investment in our AD products and tools. Our ultimate goal
is to ensure that we help our System i customers protect and
grow their investment in applications running on i5/OS and
ensuring we can support them in the future.

Our packaging I must add it will help better direct our
resources and investment in those specific areas in the
future.

And the third theme is modernization which we are taking
very seriously and so are our customers. Our customers
demand from us help in the modernization areas, in the area
of Web enablement, and in helping them clean up some of the
existing code they have so they can move forward into SOA
and be part of all that new technology.

LANINGHAM: So George, talk a little bit more about some of
the actual changes customers will see and maybe the benefits
that they're going to see from that as well.

FARR: Okay, the major changes, Scott, I can divide in

kind of two different parts. The first part is the server side of things; the second part is the workstation side of things.

On the server side, what we've done is we've taken WDS which originally contained all the compilers and the tools -- host tools, server tools, as well as workstation tools -- and we unbundled things. So in the area of compilers on server side, what customers would see is WDS subdivided into three different features: the first one is the heritage compilers; the second one is ILE compilers; and the third one is ADTS, or more customers are familiar with you know SEU, PDM, SDA, RLU, this is all part of ADTS. And specifically, customers would have to order these different features for their work.

And in the second area which is the workstation area, we have introduced two different products: Rational Developer for System i, as well as...which is RDI that I mentioned earlier, as well as RDI SOA. And those products will be separate products, have their own PIDs and will be ordered separately.

LANINGHAM: So why don't we talk a bit about what's new in these compilers and tools. Could you do some of that for us?

FARR: Oh absolutely. The ILE, you know, on the

server side we've done major investment as we did in the
past many releases in the area of RPG or ILE RPG since RPG
is used by more than 90 percent of our customers. I'll give
you an example of some of the enhancements in ILE RPG.

We have the highlights of those, those enhancements on the
RPG compiler are things like multi threading for RPG. And
the reason we, we wanted to do this in the area of multi
threading and in the area of SOA and modernization, if
people want to turn their RPG, existing RPG applications
into services, you want your language to be multi threaded.

So it's an application that's being called millions of time
through the Web, it has to be, you know, thread safe if you
like.

Other things like local file support and a major new
keywords in the language, all these enhancements in ILE RPG
have been introduced again, to enable RPG to participate in
the Web environment and SOA.

In the area of the workstation tools, we've got a couple of
things. One, RDI. RDI is created to do a single, you know,
edit compile debug for RPG and COBOL programmers. Many of
the functions that we had in WDSCAE, the Advanced Edition,
have been incorporated in RDI, things like application
diagrams, screen designer.

We added to RDI additional enablement and that is, that's
really the purpose of RDI SOA if you like. We have added in
addition to what I just talked about for edit compile debug
RBD as a separate product was introduced in RDI SOA. And
RBD includes a language familiar to some of our customers
and that language is AGL. We introduced RDI as a way for
people to get onto the Web and create, you know, SOA
applications and so on.

LANINGHAM: George, briefly, could you just describe EGL
for those who don't know what you're talking about?

FARR: EGL is our newest business language for System
i. it was created to help our customers accelerate
modernization and reuse over existing RPG assets toward Web
and SOA.

EGL is simply, provides platform independent language and is
highly productive and can quickly be adoptable by existing
RPG developers. It's a very simple, if you compare EGL to
RPG from a language scripting perspective, it's a very
procedural language just like RPG and COBOL and very easy to
understand.

LANINGHAM: Now, I'm wondering, George, if you could talk
about, you know, there's a perception out there maybe among

some customers that everything for System i has been free from IBM and now that is changing. What about that perception?

FARR: Scott, nothing has been free. You know, the reason the perception existed is the fact that, you know, we rolled out sometimes with hardware bundles WDS so people didn't really, possibly didn't pay attention to the fact that they're paying [peer] price for WDS. And also, you know, whether it rolled in as part of the hardware, as well as part of the maintenance agreement.

In our change that we've done, I should add that some customers may really see no change at all in what they pay. Others may see some changes in the price, but the customers who see those price changes in fact it will help them more in their optimization to the usage of the tool -- which tool they should or should not use -- and the fact now that they can pick and choose those tools, they can better optimize on what they buy or don't buy.

In our strategy and in our kind of deep investigations on the prices and so on, we made sure that we put our prices as fair prices to all our customers. And the end result we wanted to have a win/win situation for IBM and for our customers.

LANINGHAM: Now I heard you say WDS is now unbundled into three separate components. And does that mean that customers will now have to pay for each one separately, and would IBM continue to enhance them in the future? What about that?

FARR: Yes, you will be paying or it looks like you're paying now for the old product compilers and tools. However, we will not be enhancing those products. The new enhancements will go into our strategic products.

Our kind of stabilized products and that is OPM compilers in EDTS, if anything the revenue we get out of that will allow IBM to continue maintaining those products release over release. And that is in the area of support and service.

LANINGHAM: Now, you told us about WDS and the three features and also about the two new Rational products in RDI and RDI SOA. What about existing development tools such as WebSphere Development Studio Client and the Advanced Edition version. What about that?

FARR: Excellent question, Scott. Yes, WDSC and WDSCAE like I said earlier, the perception was that we're giving customers everything in one lump. So our take at it is, you know, introduce RDI and RDI SOA add, you know, different features, different functions to what customers

need.

In RDI, customers have told us that WDC is too big and we're giving them things that they don't want. So in that area, we kind of given customers RDI. You can call RDI kind of the live version of WDSC. This is because it gives the customers the pure functionality of edit compile debug.

But in addition to WDSC, it contains many new features, features that I mentioned earlier that used to be in WDSCAE now we moved them in RDI. New features that our development team just finished in terms of application development, application diagram, screen designer, all kinds of extra enhancements that have been now going into RDI.

So in the area of WDSCAE that product itself was too huge because of the fact that we were also embedding RAD or Rational Application Developer in it.

So what we've done here, we introduced a new product called RDI that will be doing the edit compile debug for all our existing customers. We introduced RDI SOA at a much lower price point than WDSCAE and that was another kind of pain point for our customers. So now we fixed that. And RDI SOA will solve our customers' need for Web enablement, SOA and modernization.

So in summary, we are putting an end of marketing for both WDSC and WDSCAE. But for our existing customers who do have those products, we will continue to support these products. But we, of course, encourage people and customers to move on to RDI and RDI SOA.

LANINGHAM: Okay. Now, I'm sure some would like to know about, you know, the ordering process for both the compilers and the tooling and if that will be different from the way it was with previous releases.

FARR: Let me say a couple of things here. WDS is not going to be any different. WDS will still be ordered over the configurator.

If our customers go through their business partners, also IBM, when they go to the configurator, they'll be able to order the three features I mentioned: heritage compilers, ILE compilers and ADTS. So there is no difference there. They will have to specify the number of users since it is going to be user based.

In the area of RDI and RDI SOA we wanted those products, because they're Rational workstation products, we wanted them available both on the configurator. And the reason we wanted it on the configurator is because our existing customers are used to ordering their products through the

configurator so we did not change that. We added it on the
configurator. The second part is we added both RDI and
RDISOA on that PTA system. So they can order it in both
places.

LANINGHAM: Now what about existing customer software
maintenance agreements. Are those still applicable?

FARR: Man, Scott, you're asking very good questions.
 Yes, absolutely. Or let me change that: Absolutely for our
existing customers.

So from a maintenance agreement, if you are on software
maintenance and in other words you participate in that, you
will have, you will be able to upgrade to Version 6, Release
1. There'll be some maximum number of users you'll be
entitled to, but absolutely, you will be able to upgrade to
heritage compilers, to ADTS as well as ILE. And that's only
for existing compilers.

And I should add a caveat here for our new products in RDI
and RDI SOA, those products have their own software
agreement. So when you purchase RDI and RDI SOA, I
encourage people to buy that extra software maintenance and
that will enable them in the future to get free upgrades or
they'll be entitled to those upgrades as we come up with new
releases in RDI and RDI SOA.

LANINGHAM: Okay, and George, thank you for the compliment,
but I think you have the hard job here answering all these
questions.

[LAUGHTER]

Now, touch on entitlement for existing customers here if you
would who want to upgrade to Version 6, Release 1.

FARR: Okay. So an actually I briefly touched on it
in the previous question, but let me elaborate a bit more
and give you an example.

If you're a customer on a p5, the small machine, and you're
entitled, you have Version 5, Release 4 of the WDS, we're
going to entitle you to all three features. ILE, heritage
and ADTS.

However, you will be entitled up to four active users or
named users for that specific machine. So the only caveat I
mentioned earlier is the fact that we added a limit to the
number of users per entitlement. That changes if you're on
a p10, the number change or a p20, the number change. Okay?

LANINGHAM: Sounds good. Let me ask you a little bit
different question here. I'm wondering, what or whom do you
view as IBM's chief competitor in this compile debug and Web
enablement space. I'd love to hear about that.

FARR: It's going to be a funny answer but our

competition is IBM actually. And let me elaborate on this.

 We've created as part of our bundling WDS, we created great

tools in SEU, PDM, SDA and RLU, they were great for the time

they served.

However, since we kept those tools and that's what we've

bundled them all under ADTS, customers continued to use

them. IS managers continued to encourage the use of them,

because they were given by default in WDS, and never kind of

stepped forward to moving some of the new technologies.

As people are using -- and I get lots of customer

testimonials on this.... As they get using RDI and RDI SOA

and also the predecessor if you like in WDSC, they love the

tool because it offered a lot more new technologies, a lot

more help.

And so when I say IBM was our main competitor, it's ADTS was

the competition to WDSC. Now that we're kind of putting

ADTS at the same playing field as RDI, even in terms of the

price point, now an IS manager will decide, should I use the

old tools or should I use the new tools?

And because of the value that we offer in RDI the decision

is going to be very, very simple. They will move directly

to RDI.

So again, in summary ADTS is the competition to RDI and RDI
SOA. And so now by charging similar, you know, price and
you look at the value, you can determine very fast that RDI
has a lot more value than the old tools.

LANINGHAM: That's helpful, I appreciate that. George, as
a closing question, how does this all tie into the Rational
software delivery platform? And what about the future
roadmap and strategy for these offerings?

FARR: Well, the new offering helps System i customers
modernize and extend their software delivery on System i
basically by leveraging other Rational core products in the
area of architecture, quality and change management.

By repackaging, unbundling and aligning our tools with
Eclipse open technology, open source technology, customers
can modernize these development experiences not only from
IBM but also from our business partners.

As many of our customers know, you know, many of our
business partners are extending their applications into
Eclipse and so they now kind of, you know, our customers can
also take advantage of our business partners' offerings.

Our intention is to further integrate and align these offerings with future enhancements to IBM software delivery platform. We will continue to make strategic investments in ILE compiler, RDi and RDi SOA, I must add.

LANINGHAM: That was Rational's George Farr, worldwide product line manager for System i tools and compilers. George, thanks again for doing this.

FARR: You're welcome, Scott. It's been a pleasure.

LANINGHAM: For more information on this topic, go to ibm.com/rational/modernization. This has been an IBM Rational podcast. I'm Scott Laningham. Thanks for listening.
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