
IBM looks to System z and Cognos 8 BI for its own large-scale business intelligence deployment

Larry Yarter
STSM & Chief Architect
IBM BICC

Rebecca Wormleighton
Cognos Software, IBM
Product Marketing Manager



IBM Cloud Computing

**Cloud Computing
with System z**

IBM Blue Insight

IBM's Large-scale BI Private Cloud

Enabling more users to make better, faster decisions...

1. What, Why & How
- Feb 9th, 2010

2. Architecture, Challenges & Best Practises Review
A Look at New Opportunities
- June 2010

3. Results – Validate the Business Case
- Nov 2010

IBM Blue Insight

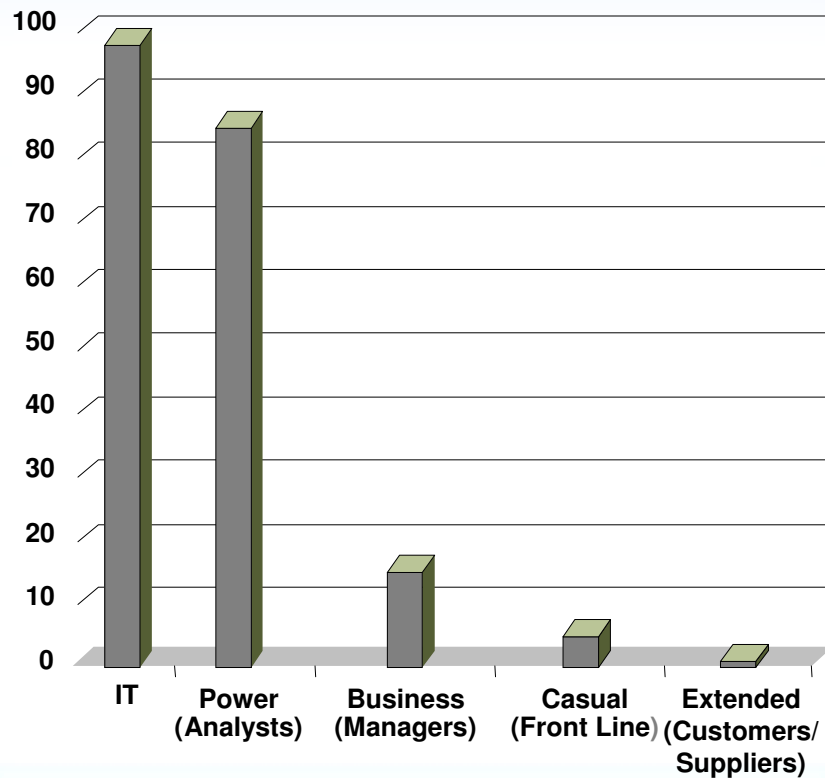
Enabling more users to make better, faster decisions...

- Look at what drove IBM to consider a BI private cloud deployment model
- The business case that validated IBM's decision to move forward with a BI private cloud deployment model
- The IBM execution plan

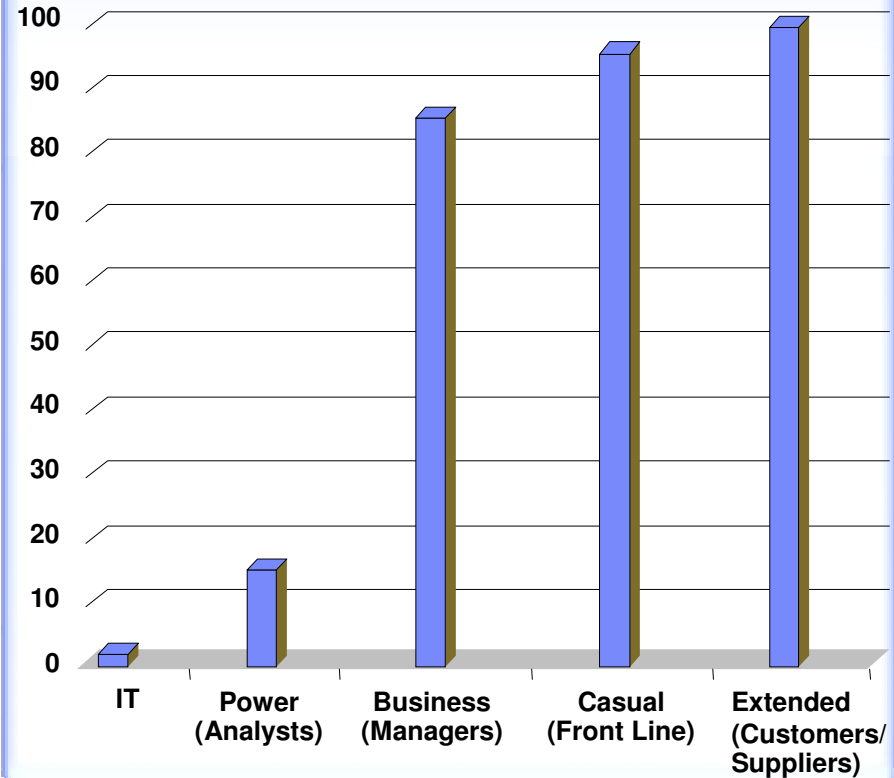
Usage Patterns for Business Intelligence are Shifting

Business intelligence is needed across and beyond the enterprise

Who is using business intelligence tools today?



Who can get most value out of business insights?



Business Intelligence (BI) trends in 2009

BI remains top CIO priority

BI investment set to grow despite economic climate

- IT budgets will come under increased scrutiny, especially if the economic down turn continues

But expect leaner and meaner BI practices

- Move from a piece meal departmental deployment to across the wider enterprise
- Do more sophisticated types of BI with less money and IT staff

BI standardization

A way of reducing costs and maximizing the potential of existing skill sets and technologies

Shift towards pervasive BI

BI goes mainstream

- Mission Critical
- Continued transition towards operational BI**
- Enabling more users, increases deployment
- Self-sufficiency - shifting power to the users**

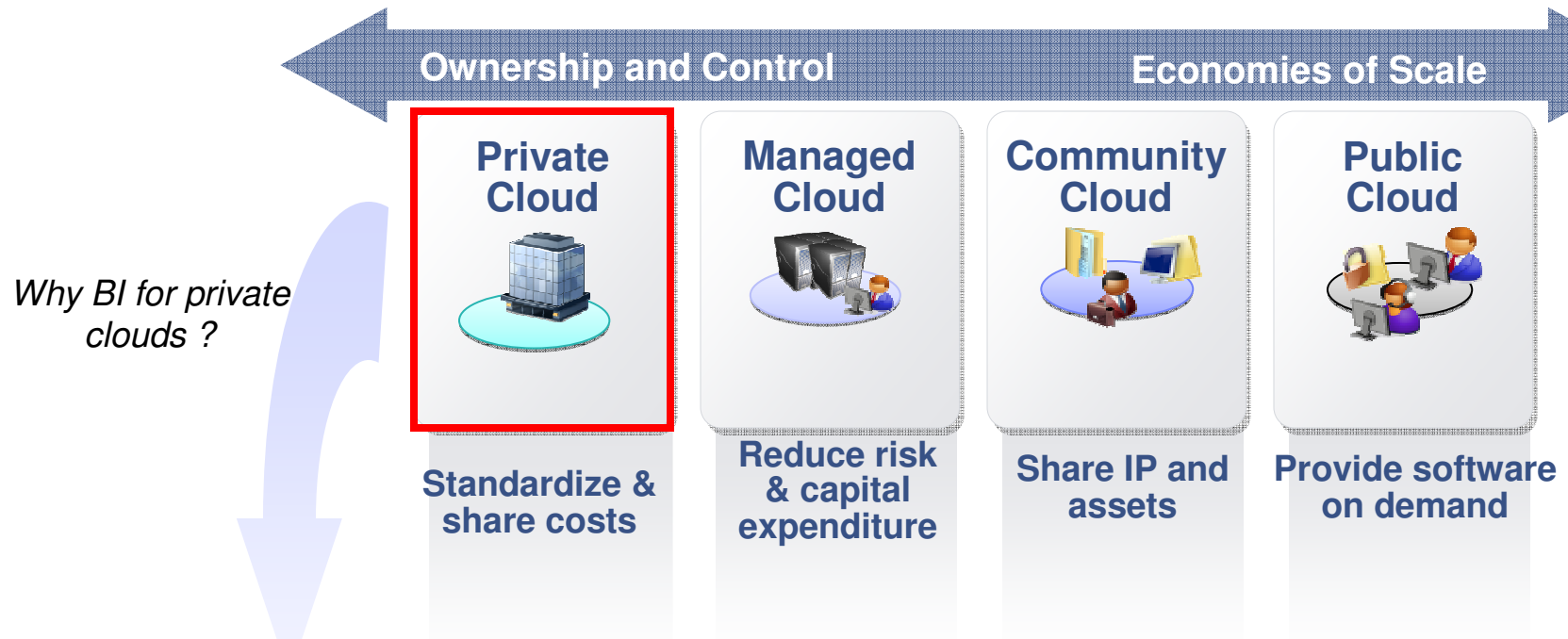
Competency center

Competency center deployments will rise

Attaining level of BI maturity is key to success

* Ovum – BI –PM user trends to look for in 2009 by Madan Sheina & Helena Schwenk

Analytic opportunities for cloud computing deployments



- BI is recognized as a strategic asset, but organizations struggle to manage it
- Delivering BI to the various departments is growing very complex
- BI infrastructure can become cost prohibitive to build and/or grow
- The ability to maintain corporate control is difficult, yet required
- Many businesses have no established corporate BI strategy or best practices

Introducing IBM's *Blue Insight*

In the spotlight



*Our commitment to informed decision making led us to consider private cloud delivery of Cognos via System z, which is the enabling foundation that makes possible **+\$20M savings over 5 years.***

-IBM CIO Office

Blue Insight enables IBM to deliver business intelligence (BI) with greater efficiency across the enterprise

- Establishes a corporate strategy for service delivery of BI
- Reduces the time and cost to deliver BI to new divisions and departments
- Maintains current departmental business processes, corporate security and compliance
- Maximizes departmental budgets by subscribing to standard services
- Private cloud solution implementation offers economies of scale and flexibility

Customer results:

- Consolidating +20 multi-product, departmental BI deployments to Cognos 8 BI on System z
- Deploying a private cloud to support +200,000 named users across our global workforce
- Realizing value from +60 data sources across IBM

Learn more: <http://www.ibm.com/systems/z/solutions/cloud/smart.html>

IBM Blue Insight

Enabling more users to make better, faster decisions...

- Look at what drove IBM to consider a BI private cloud deployment model
- The business case that validated IBM's decision to move forward with a BI private cloud deployment model
- The IBM execution plan

Smarter planet: Thinking and acting in new ways to make our systems more efficient, productive and responsive

“Our resources are limited”
I need efficiency



“Data is exploding and it’s in silos”
I need Insight



“My infrastructure is inflexible and costly”
I need to respond quickly

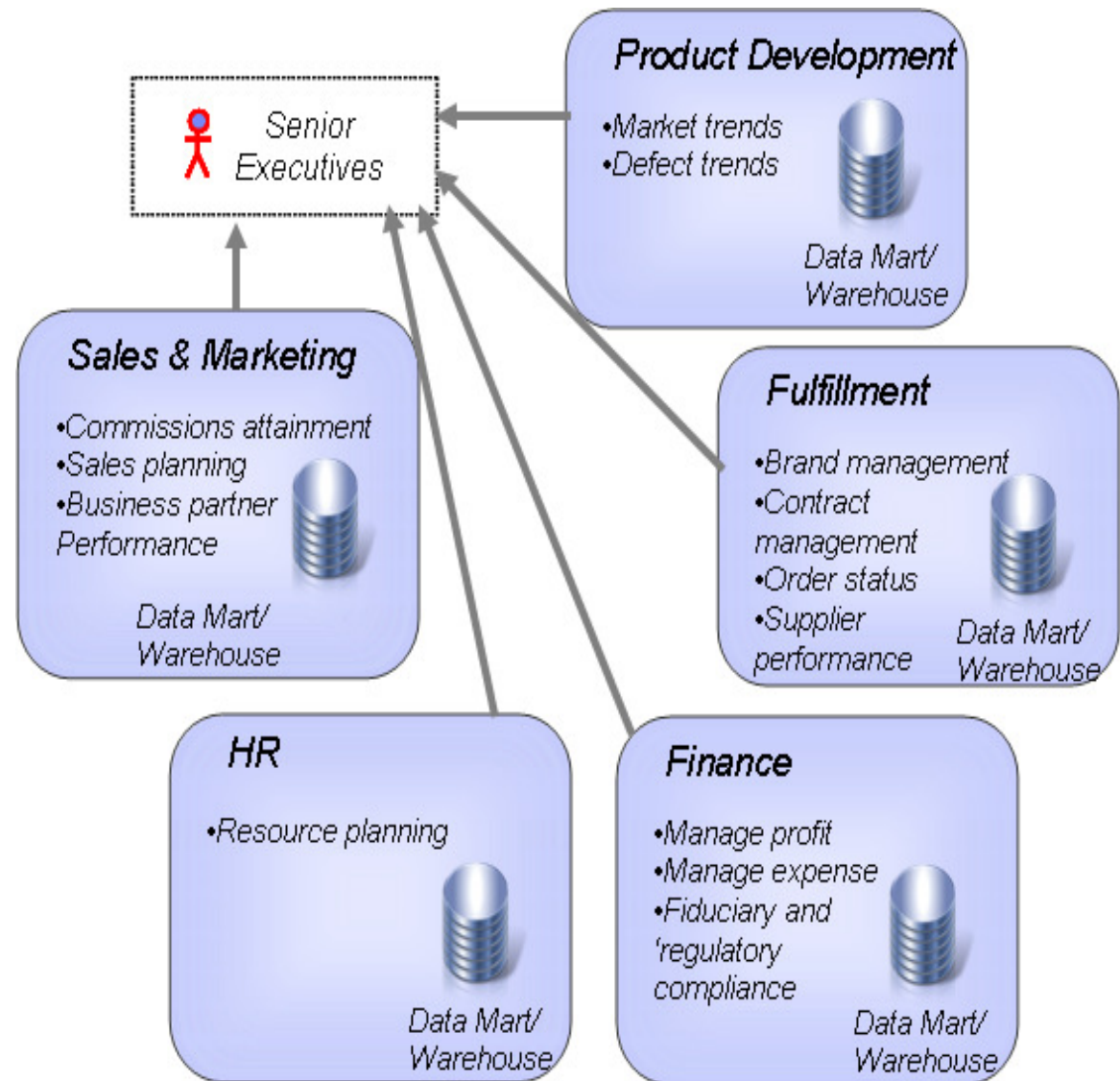


“New business & process demands”
I need to work smart



Evaluation of IBM's Historic BI Environment

- Segmented investments in BI tooling and infrastructure
 - Budget distribution based on operational process, relegated BI investments selection to affordability
- Silo'd metric development
 - Redundant and possibly competing
- Lack of tooling standardization
 - Multiple 3rd party vendors
 - Inflexible BI staffing
- Limited visibility to the total cost of business intelligence costs for the enterprise
 - Top down budget distribution
- Organizational reluctance to a centralized service
 - “Been there before” reaction
 - Fear of loss of autonomy to react to local business drivers



IBM Business Issues

- Need to move at “business speed”
 - Adopters need to be able to react to changing business needs in real time
- Predisposition to maintaining control and autonomy over business metric delivery solutions
 - Reluctance to relegate responsibility for unit level BI KPIs and solutions that deliver status
 - Need to tailor information to specific consumer needs
- Investment decisions are made based on budget
- Business distracted with operational support for tooling, reducing focus on business problems

IT Issues

- Lack of BI/Analytics strategy
 - Drove independent evaluation and investment decisions in BI tooling
 - No common SW and HW standards

- Fractured BI skill pools
 - Different BI tooling did not lend itself to workforce flexibility

- High infrastructure costs
 - Decentralized Infrastructure and SW costs increased initiative costs
 - Reduced the number of initiatives that could be funded
 - Server utilization was poor

- Long deployment times
 - Each deployment required HW acquisition and SW installation

- Inability to share content between distributed BI deployments
 - Drove duplication of efforts
 - Conflicting content
 - Questions regarding trusted metrics and data source usage

Situational Factors of IBMs Analysis

- 83% of CIOs polled indicated that BI investment was a part of their strategic agenda
- Organic BI growth in IBM's historically silo'd BI delivery model was significantly increasing costs
 - Server based BI solution would drive increases in BI infrastructure costs
- Cloud PaaS achieves maturity & BI tooling technical capabilities improve in a “share all” environment
 - Improves time to value for adopters, cost efficiency for HW/SW and achieves operational reliability and repeatability
- IBM acquires Cognos November 2007
 - IBM is presented with a significant opportunity to standardize BI delivery across the enterprise

IBM Blue Insight

Enabling more users to make better, faster decisions...

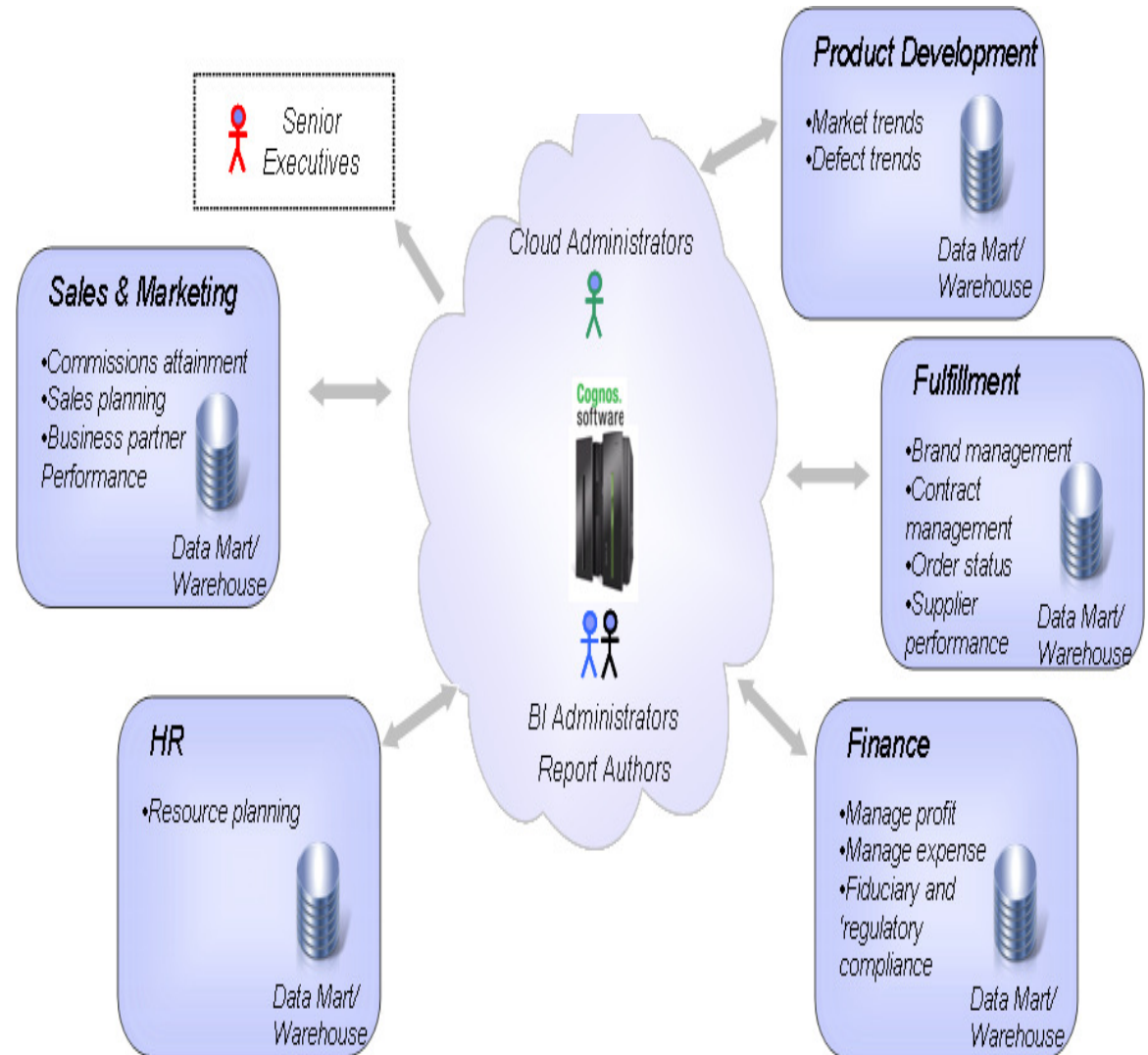
- Look at what drove IBM to consider a BI private cloud deployment model
- The business case that validated IBM's decision to move forward with a BI private cloud deployment model
- The IBM execution plan

IBMs Strategic Response

- Deliver centralized defined BI services
 - Leverage our “Greener planet” strategy and investments
 - Common Boarding process, infrastructure and operations

- Align solution pattern with adopter usage pattern
 - Share all available, elastic and reliable BI infrastructure
 - zSeries, WAS, DB2 and Cognos 8 BI
 - Standardizes tooling strategy
 - Enables flexibility of BI delivery skills

- Delivery pattern allows adopters to maintain solution autonomy
 - Focus is delivery of a defined service



What exactly is *Blue Insight*?

Transformational technology delivery matched with process and solution delivery model changes

- **Common BI “appliance like” service for delivering Business Intelligence to IBM**
 - Common extensible infrastructure (HW & SW)
 - Common operational support
 - Common management of Cognos 8 BI *licensing* and Level 3 *support*
 - *Transformational technology delivery matched with process and solution delivery model changes*

- **Common service definition and boarding process**
 - Defined BI tooling service scope (Reports, Adhoc, cubing, pervasive, etc)
 - Defined standard security and LDAP management
 - Common operational processes

- **Business intelligence experts to assist adopters**
 - BICC - (Business Intelligence Center of Competence)
 - Consultants available to assist in solution definition and consumption of service

- ***BI service to adopters building business solutions***

IBM WW Blue Insight Scope

Service delivery scope is business domain agnostic...

- Who is using *Blue Insight*
 - Sales Commissions
 - Sales Management
 - Sales Operations
 - Supply chain – Fulfillment, Procurement
 - Finance – Expense, revenue
 - Brand/Unit reporting
 - Channel reporting – Direct, Business Partner, Web

- How many users does *Blue Insight* support
 - 2009 – 72K users (exceeded 2009 objective of 55k)
 - 2010 projection is 120K users
 - 2011 projection is 200K users (Steady state)

Initial Business case

– > \$25M Savings over 5 years...



▪ Business case categorization

- Infrastructure
- Operations
- Skill efficiency

| | | |
|--|---|---|
| Z10 Infrastructure | Common service definition | Web 2.0 Boarding application |
| Shared peripheral infrastructure | Common security | Automated choreography & administration |
| Shared middleware | Common promotion process | Predictive planning |
| Shared Cognos V8 | Common operations process | Automated provisioning |
| 60% <ul style="list-style-type: none"> ▪ HW Consolidations ▪ SW Costs ▪ 3rd Party vendor savings | 35% <ul style="list-style-type: none"> ▪ Operations efficiency ▪ Development efficiency ▪ Improved time to value | 5% <ul style="list-style-type: none"> ▪ Adopter administration <p>* - Future focus</p> |



Expected Business Value & Soft Savings

- Controlling infrastructure deployments and centralization
 - Avoid investment in a projected 35-50 BI installations

- Common governance
 - Data / BI governance can be implemented consistently for all adopters
 - Legal and regulatory issues are solved centrally
 - Process certifications are simplified

- Maximize content sharing
 - Sharing of data source modeling
 - Reuse of report content

- Expanded use of BI
 - Reduced cost of entry increases number of groups able to leverage BI

IBM Blue Insight

Enabling more users to make better, faster decisions...

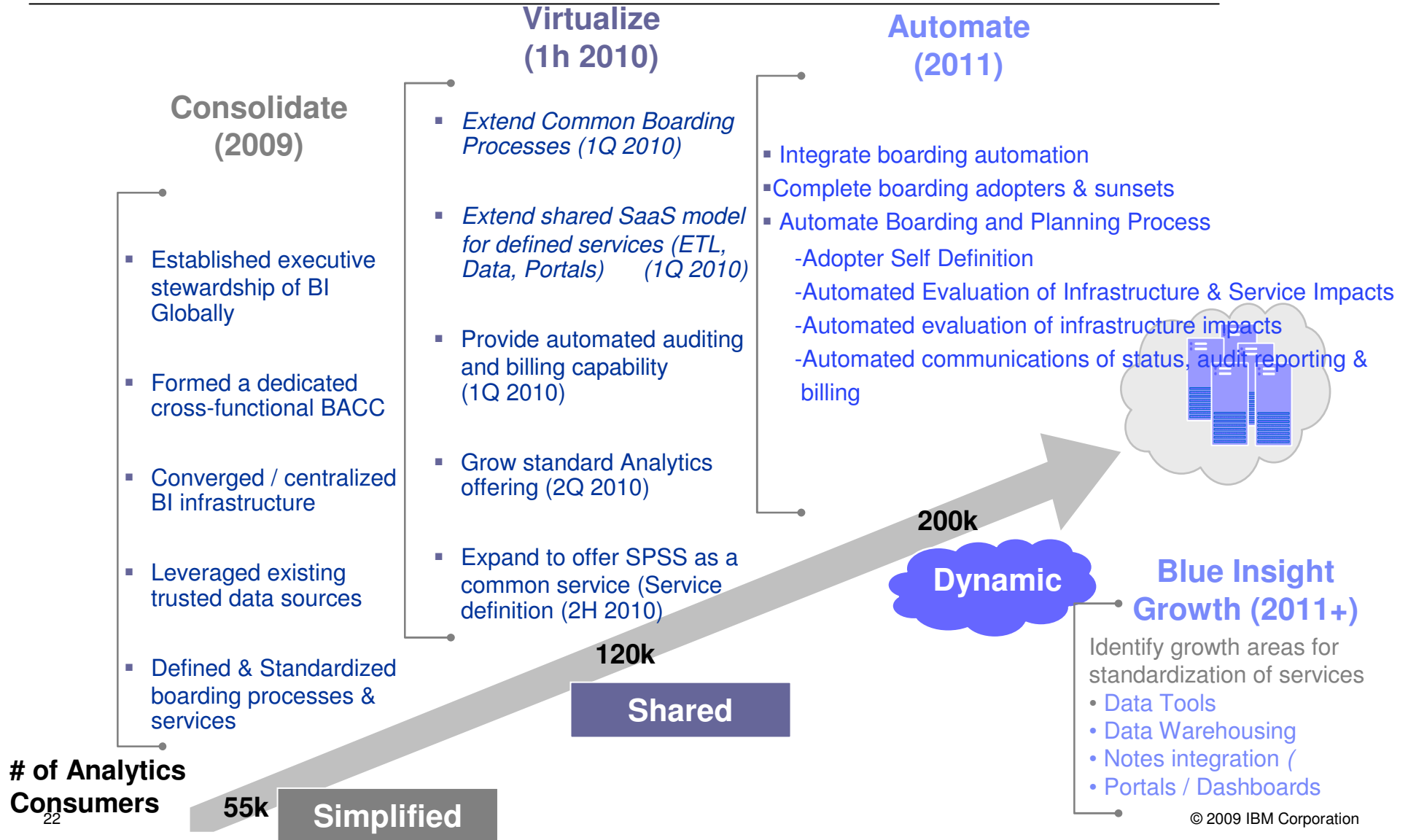
- Look at what drove IBM to consider a BI private cloud deployment model
- The business case that validated IBM's decision to move forward with a BI private cloud deployment model
- The IBM execution plan

IBM's Execution Plan

6 Month Duration During Program Definition

| | |
|--|---|
| Proposal creation for executive sponsor | 3-4 weeks Scope, key stakeholders identified, objectives defined |
| Build business case | 8 weeks Current portfolio analysis - capture infrastructure, operations and development costs Project new investment costs Project hard savings in HW/SW and personnel |
| Build Centralized BI environment | 8 weeks |
| Build BICC team | 3-4 weeks establish core team, fill team roles 8-9 weeks |
| Establish boarding process for defined service | 8 weeks Define service based on portfolio analysis, define boarding process and BICC roles, content promotion process, DOUs |
| Establish communications plans | 3-4 weeks Continuous role, merged with boarding coordinator |
| Establish Education plans for adopters | 3-4 weeks Provide education plans and collateral for adopters |

IBMs Transformation and Deployment Plans for Blue Insight



Summary of Lessons Learned To Date

- Executive sponsor with political collateral is critical to establish the strategy
- Socialization of key stakeholders is critical and should start early
- Make it clear that common service <> take away key personnel and solution autonomy
- Define your service and insure your IT team sticks to that scope, don't slip into solution delivery
- Make is clear to adopters what the process is to board
- Make is clear to adopters the level of service that is available
- Focus on operational excellence
- Cost reduction is achievable
- Reduced time to value is achievable
- Pattern of BI service delivery is repeatable for other common services

Introducing the Smart Analytics Cloud

A private cloud optimized for analytic services in large enterprises

Defined as ...

To create...

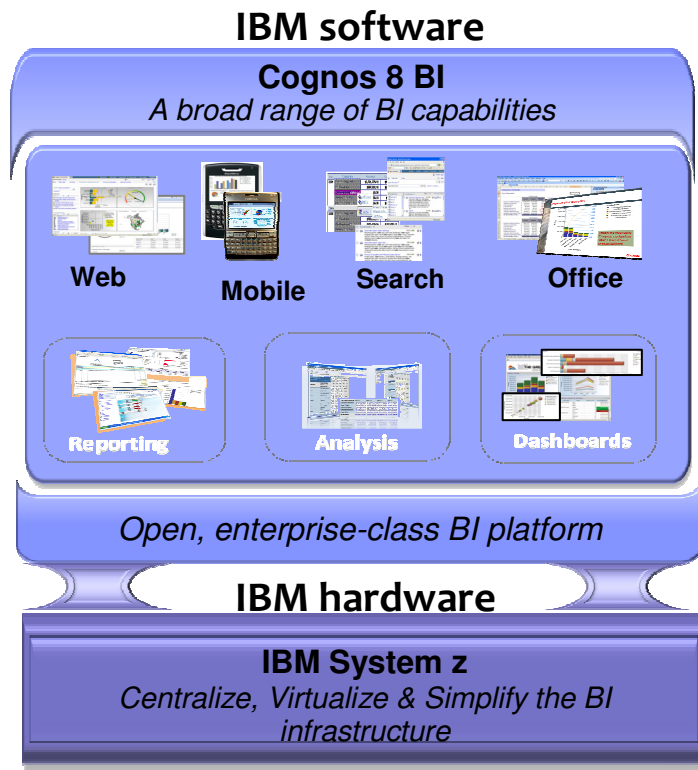
That delivers ...

Smart Analytics Cloud

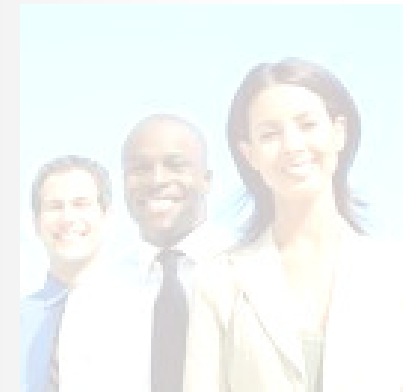
IBM Smart Business - services with industry leading hardware & software

A private cloud computing solution for business intelligence (BI) & analytics

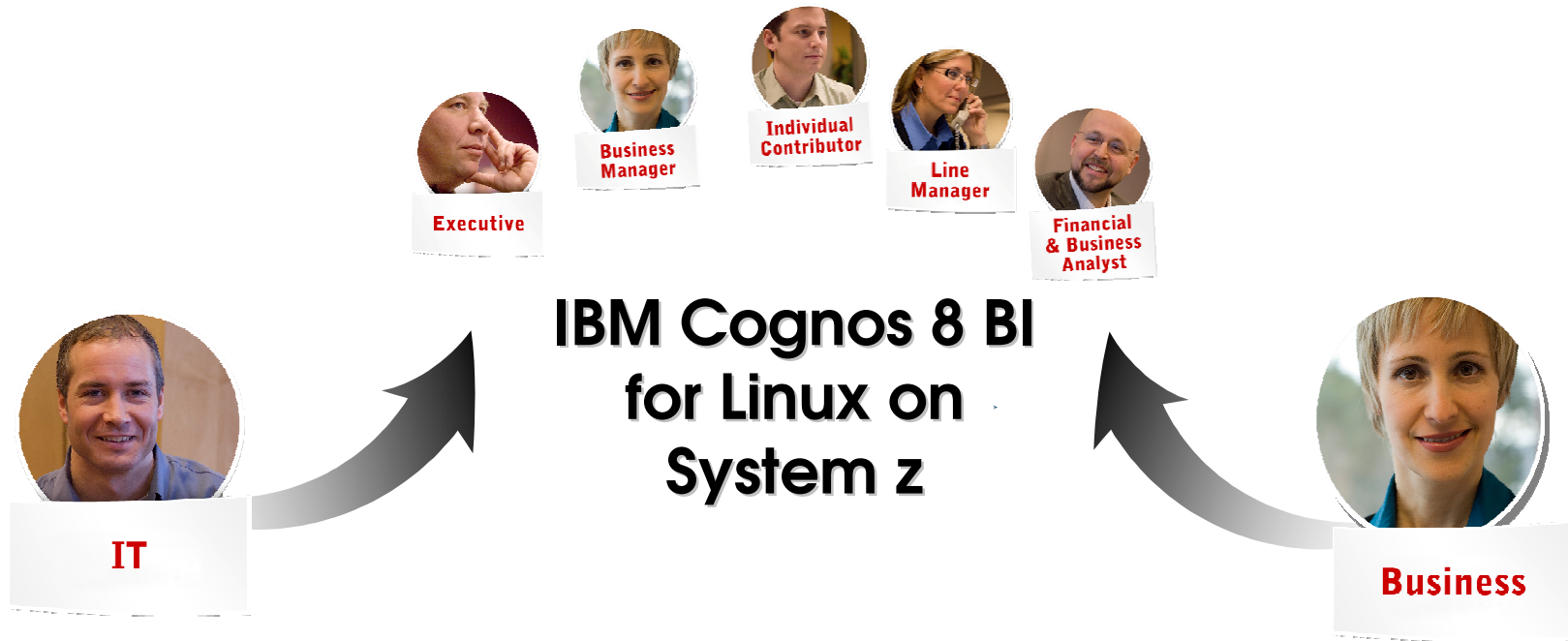
A services solution for delivering business intelligence to the entire organization



IBM Services



- Create awareness of BI and understand the needs for a BI strategy across the organization
- Complete a readiness assessment to define the scope and priorities for the solution
- Deploy Cognos 8 BI for Linux on System z as a private cloud
- Provide the skills for the on going management & expansion of their BI private cloud deployment

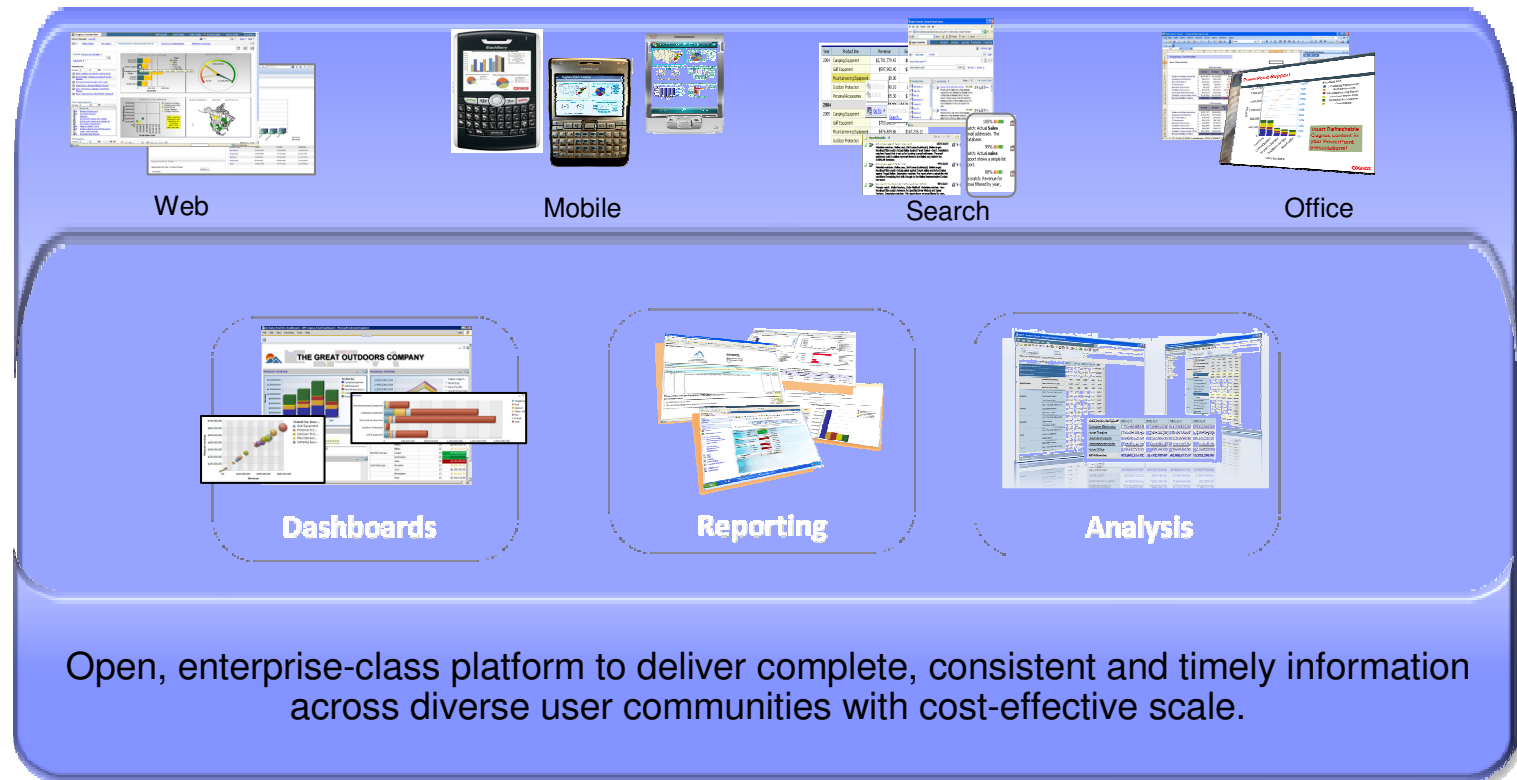


Simplifying the management and maintenance of your enterprise BI infrastructure.

- > Enabling the business to easily and securely accelerate BI user adoption while saving money.
- > Enabling IT to guarantee the quality of service and availability of BI while reducing the time to value and corporate IT costs.

IBM Cognos 8 BI for Linux on System z

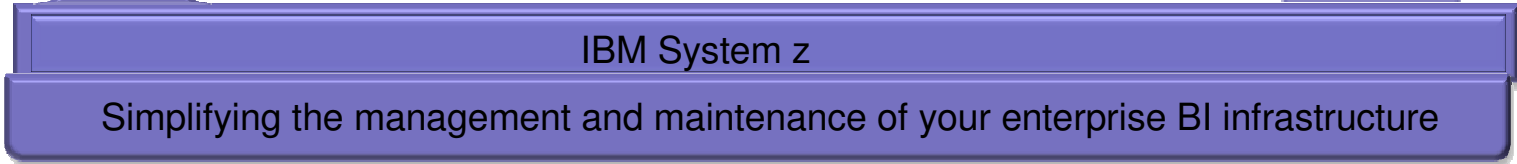
**Broad
Range of BI
Capabilities**



**Open
Enterprise-
class Platform**

Open, enterprise-class platform to deliver complete, consistent and timely information across diverse user communities with cost-effective scale.

**Proven
Partnership
with IBM**



IBM System z

Simplifying the Management and Maintenance of your Enterprise BI Infrastructure

- A significant savings in the:
 - Hardware,
 - Software,
 - Operating and
 - People costs

- Faster time to value:
 - A reduction in the time and speed associated with deploying BI

- Industry leading
 - Scalability,
 - Reliability,
 - Availability and
 - Security

- Simplified and faster access to the data on System z.

IBM Blue Insight

IBM's Large-scale BI Private Cloud

Enabling more users to make better, faster decisions...

1. What, Why & How
- Feb 9th, 2010

2. BI Cloud Architecture, Challenges & Best Practises Review
A Look at New Opportunities
- June 2010

3. Results – Validate the Business Case
- Nov 2010

Q&A

IBM Cloud Computing

**Cloud Computing
with System z**



© Copyright IBM Corporation 2008 All rights reserved. The information contained in these materials is provided for informational purposes only, and is provided AS IS without warranty of any kind, express or implied. IBM shall not be responsible for any damages arising out of the use of, or otherwise related to, these materials. Nothing contained in these materials is intended to, nor shall have the effect of, creating any warranties or representations from IBM or its suppliers or licensors, or altering the terms and conditions of the applicable license agreement governing the use of IBM software. References in these materials to IBM products, programs, or services do not imply that they will be available in all countries in which IBM operates. Product release dates and/or capabilities referenced in these materials may change at any time at IBM's sole discretion based on market opportunities or other factors, and are not intended to be a commitment to future product or feature availability in any way. IBM, the IBM logo, Cognos, the Cognos logo, and other IBM products and services are trademarks of the International Business Machines Corporation, in the United States, other countries or both. Other company, product, or service names may be trademarks or service marks of others.