

Data Management Strategy & Overview



Francesco Coccimiglio
WW Data Management Channel Sales
(416) 693-9589
Francesco Coccimiglio/Markham/IBMCA
fcoccimi@ca.ibm.com



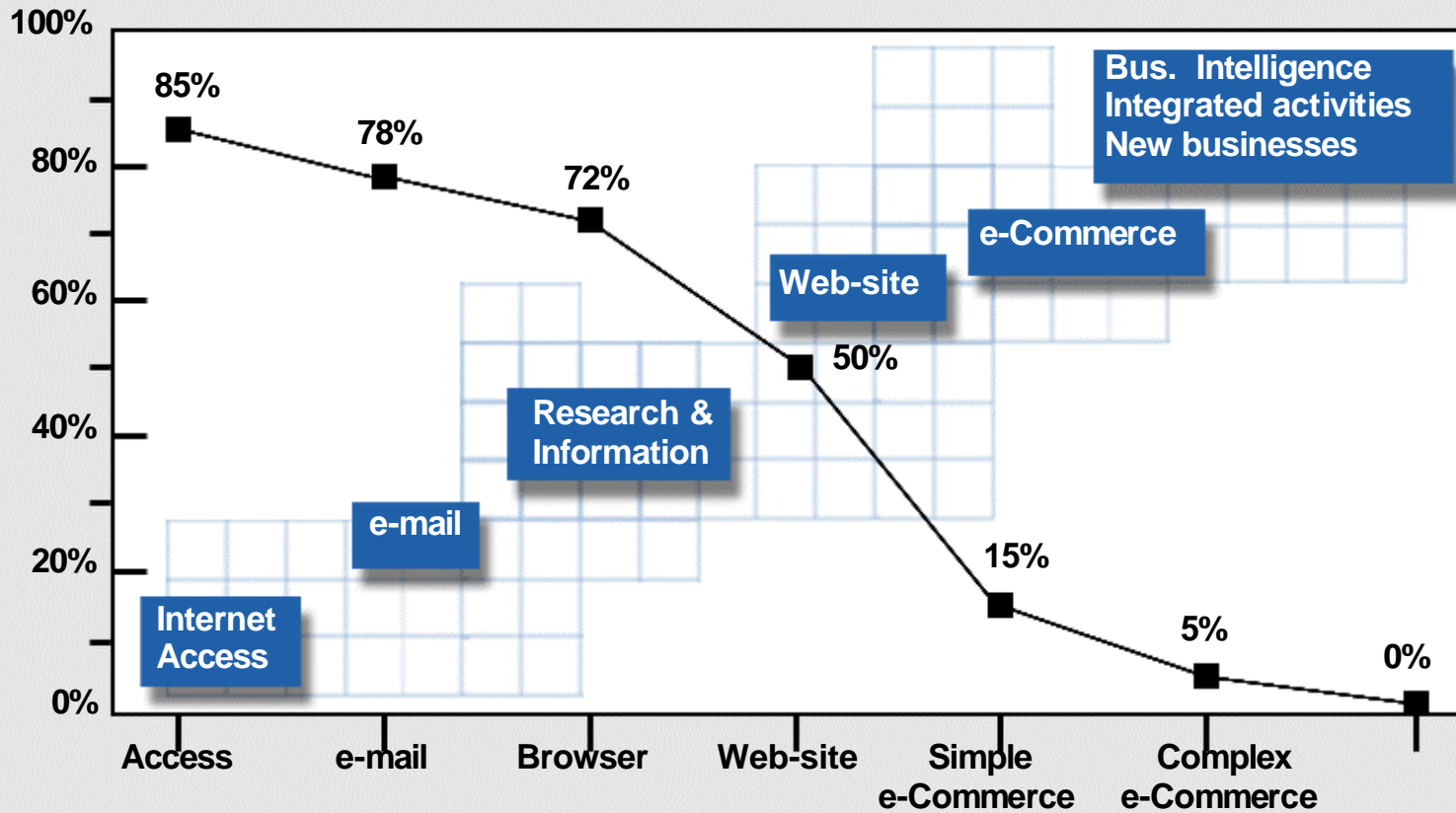
Agenda

- Data Management & e-business strategy.
- Data Management Value Proposition:
 - Why DB2?
 - Competition
 - Focus on DB2 Solutions
- IBM DB2 Mid-Market Customer References.

Session Objectives

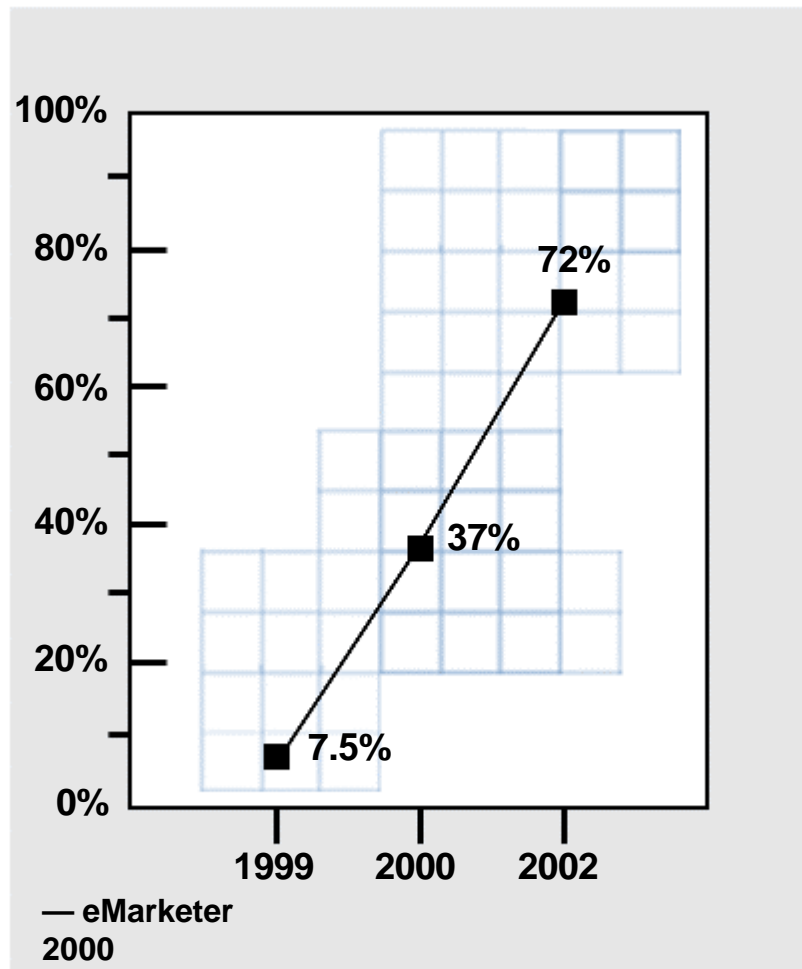
1. Understand DM Strategy & GMB Value Proposition.
2. Learn about Competition to IBM DB2.
3. Learn how to identify DM GMB opportunities.
4. Selling Data Management to GMB Customers.

e-business Adoption in SMB



— Gartner Group & Arthur Anderson

SMB using e-Commerce



e-business Wish List for SMB



**Solution
Needs**

Business Needs

Acquire and retain customers
Enhance market competitiveness
Increase sales and productivity
Reduce costs
Maximize return on investment

Supplier Needs

. . . Software is the Key to Meeting Business Needs

or Customers:

IBM has the highest impact e-business software based solutions.

IBM e-infrastructure software portfolio: robust, scaleable, multi-platform.

IBM is the partner to do business with ... outstanding value proposition.

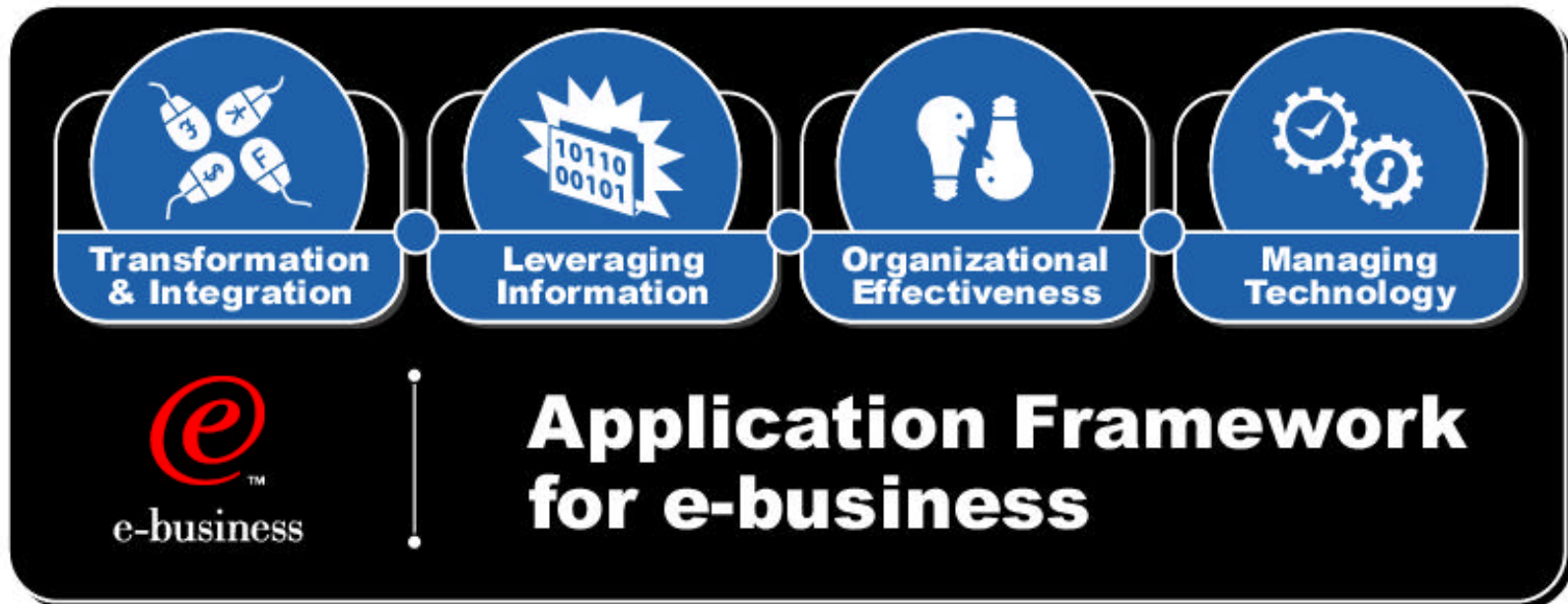
GMB opportunity is huge and growing.

IBM software is a "drag engine".

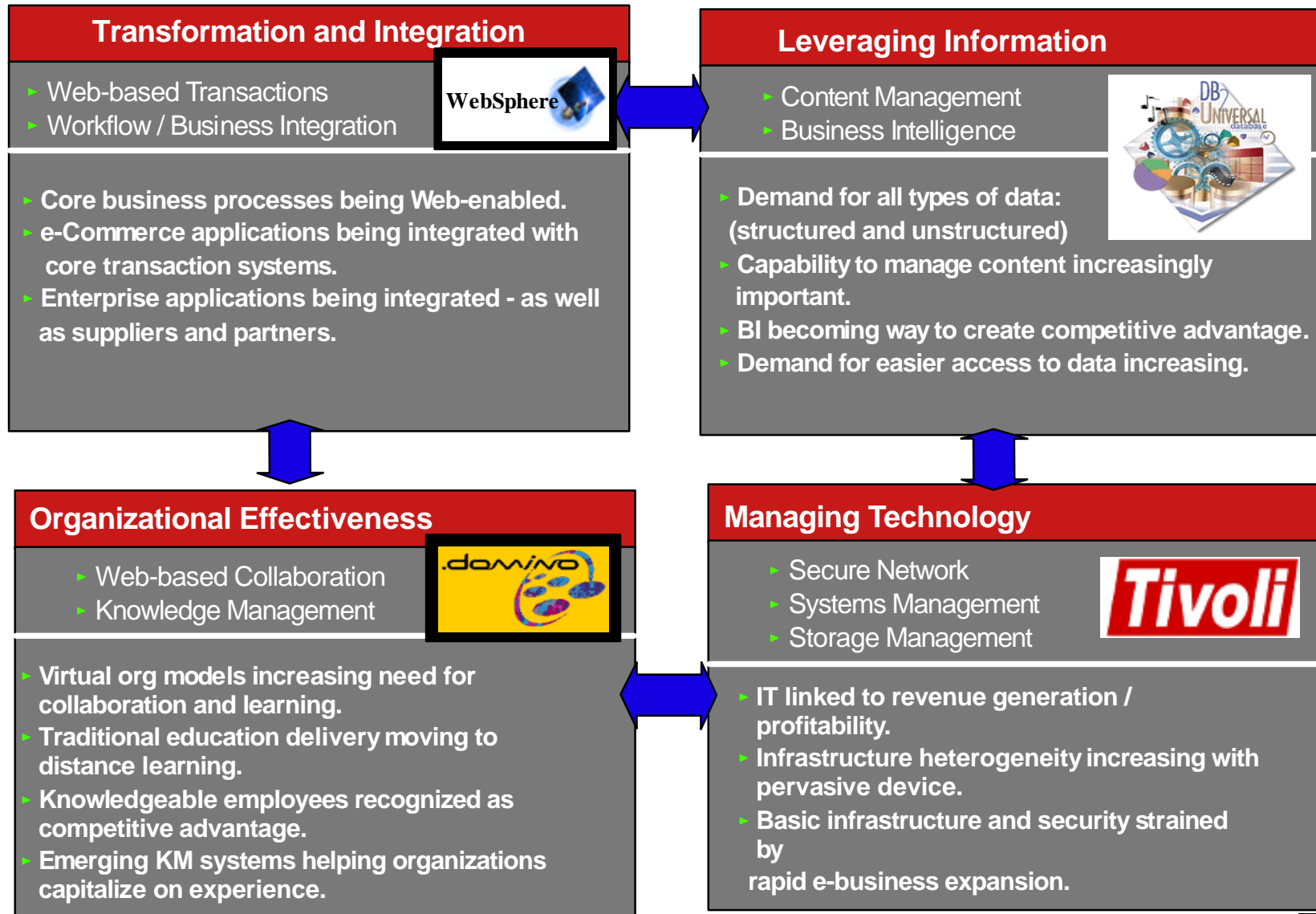
(\$1 of SW = \$5+ of HW, Services).

Key Software Segments

Four key segments:



Key Software Segments - Application Framework for e-business

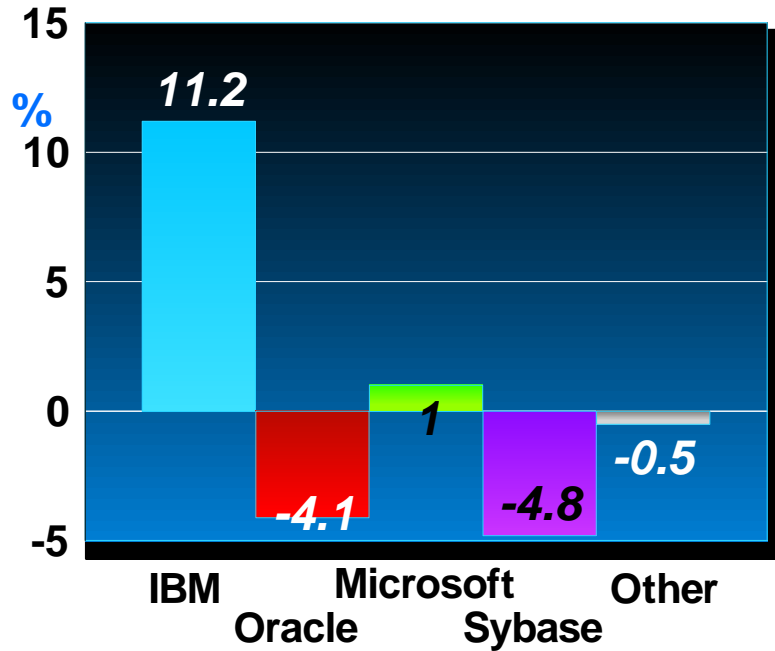


Why DB2?

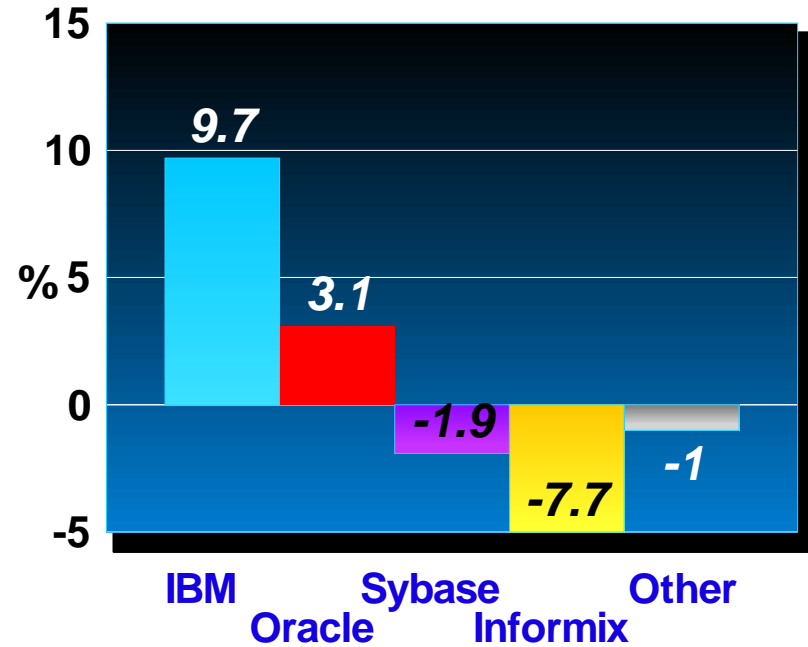
- Market Leadership
- Global Enterprise Scalability
- Industry-Leading Performance
- Environment Integration
- Support Excellence
- Value: Lower Cost of Ownership

Data Management Market Share

NT Market Share Growth '97 - '00



UNIX Market Share Growth '97 - '00



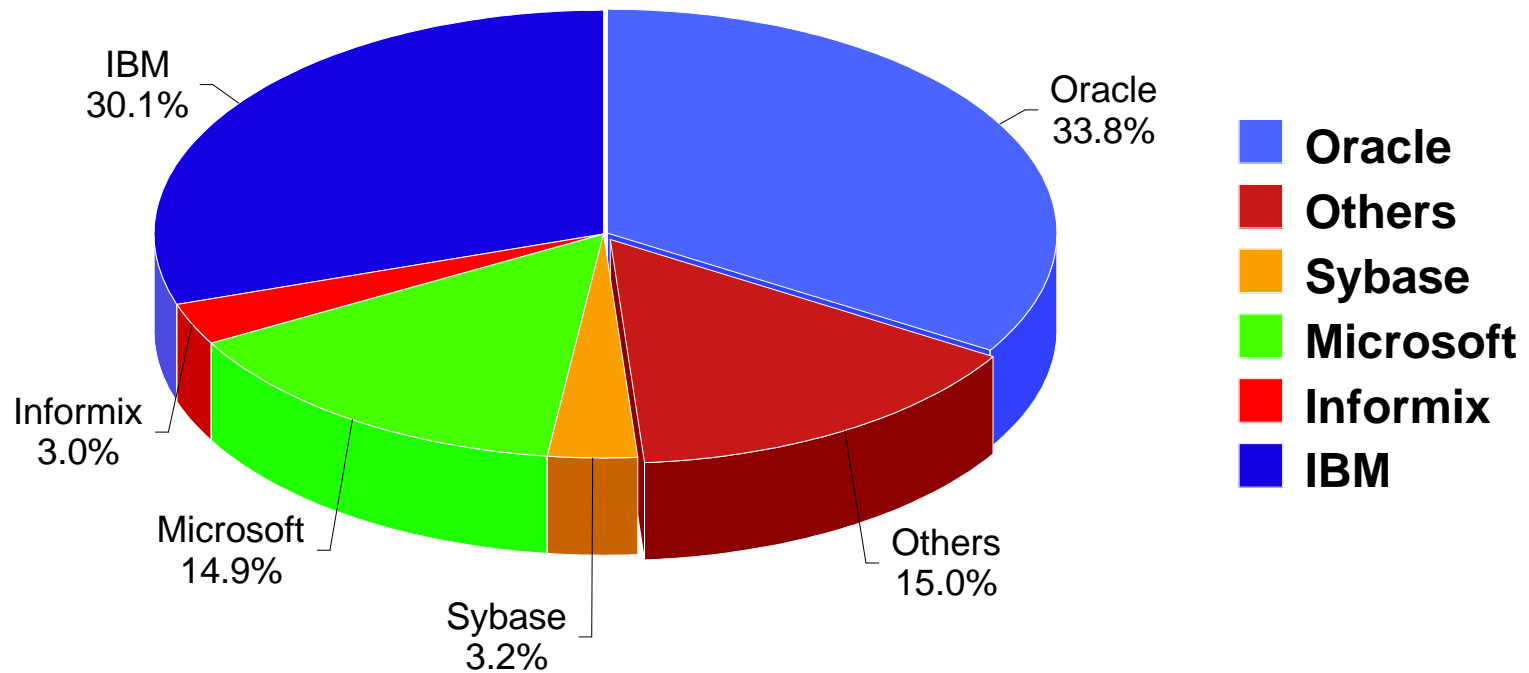
◆ 62% Rev.Growth vs. 34% Industry Rate
 ◆ 2x Oracle

◆ 61% Rev.Growth vs. 17% Industry Rate
 ◆ 3x Oracle

Source: Dataquest, May 2001



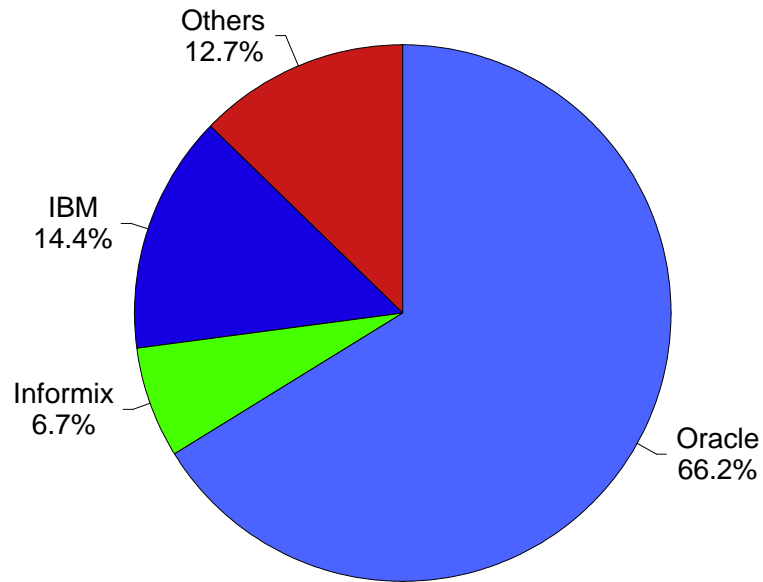
Worldwide DBMS New License Revenue Market Share Estimates for 2000



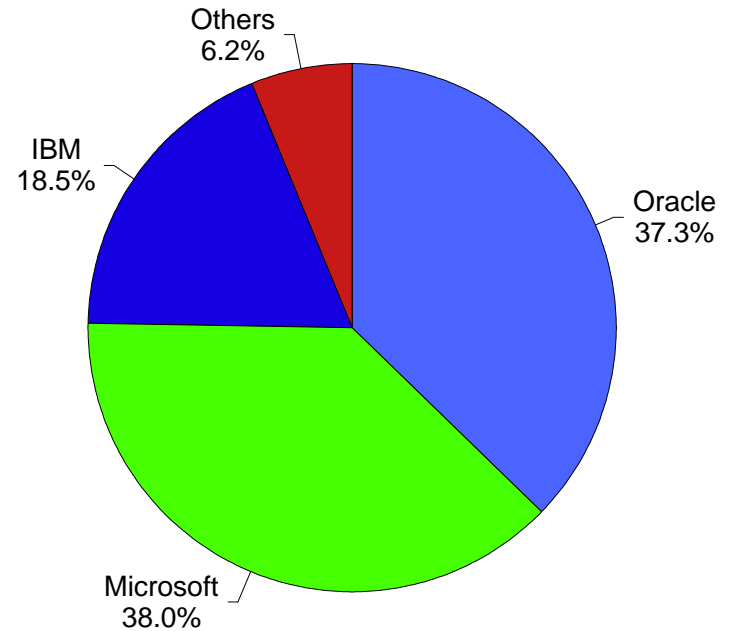
Source: Gartner Dataquest (May 2001)

Relational DBMS: 2000 Market share

UNIX

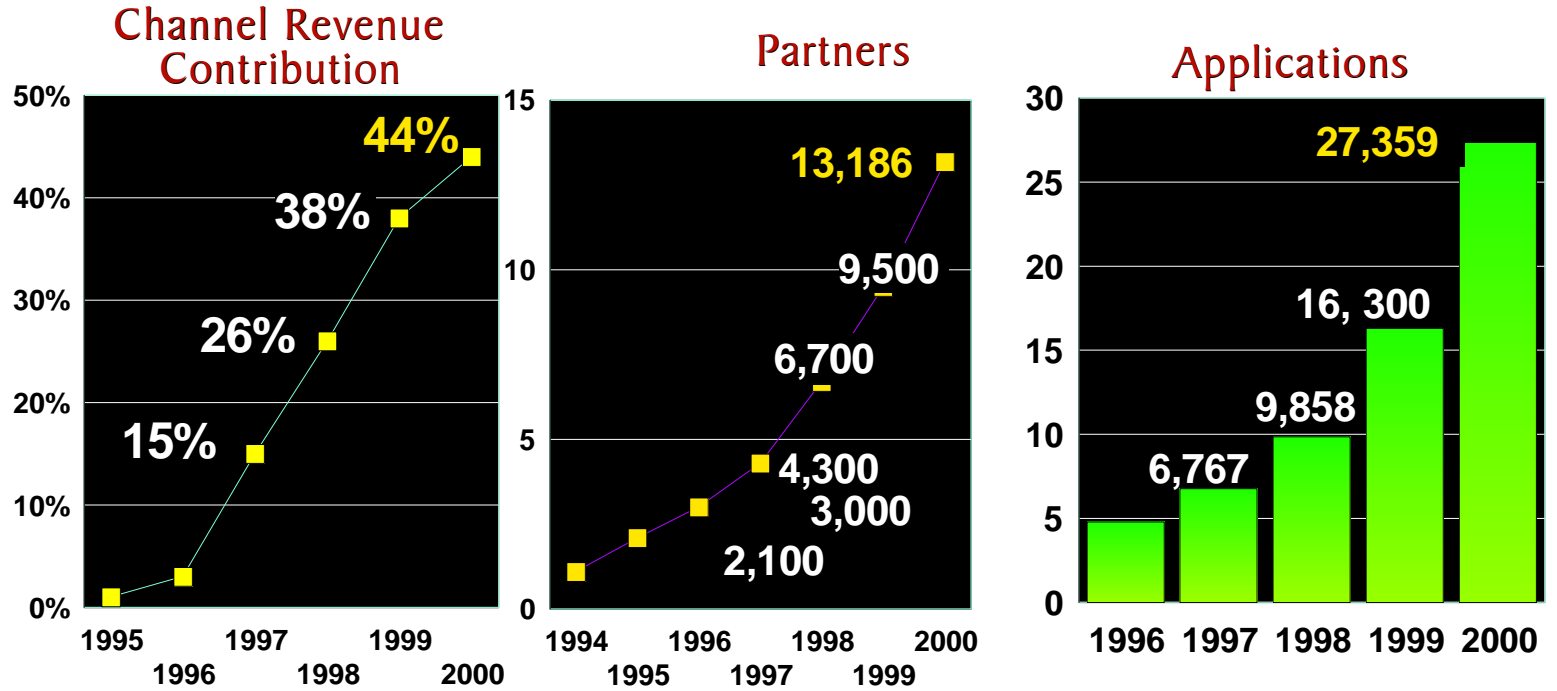


NT



Source: Gartner Dataquest (May 2001)

Explosive Growth in Partnerships



- **Strategic Commitment to DB2**
 - Development platform
 - Internal deployment platform
- **Wide-ranging IBM support**
 - IBM Software
 - IBM Global Services
 - IBM Servers
 - Joint Marketing and Sales



Industry Recognition



2000 Codie Award
Enterprise Software
DB2 Universal Database
Software & Info. Ind. Assoc. (SIIA)



2000 Winner
Database Software
Best Product/pricing
Best Support , Best Partnership
September 2000



AD Trends
2000 Innovator Awards
Data Warehousing
Winner: Bank of Montreal
DB2 Universal Database
Intelligent Miner
April 2000



Imaging & Doc. Solutions
Best of AIIM 2000
IBM Content Manager
April 2000



Show Favorite Award;
Database Category,
DB2 Universal Database
February 2000



2000 Winner
eWeek Analyst Choice
DB2 Universal Database
Top Flight Database
August 2000

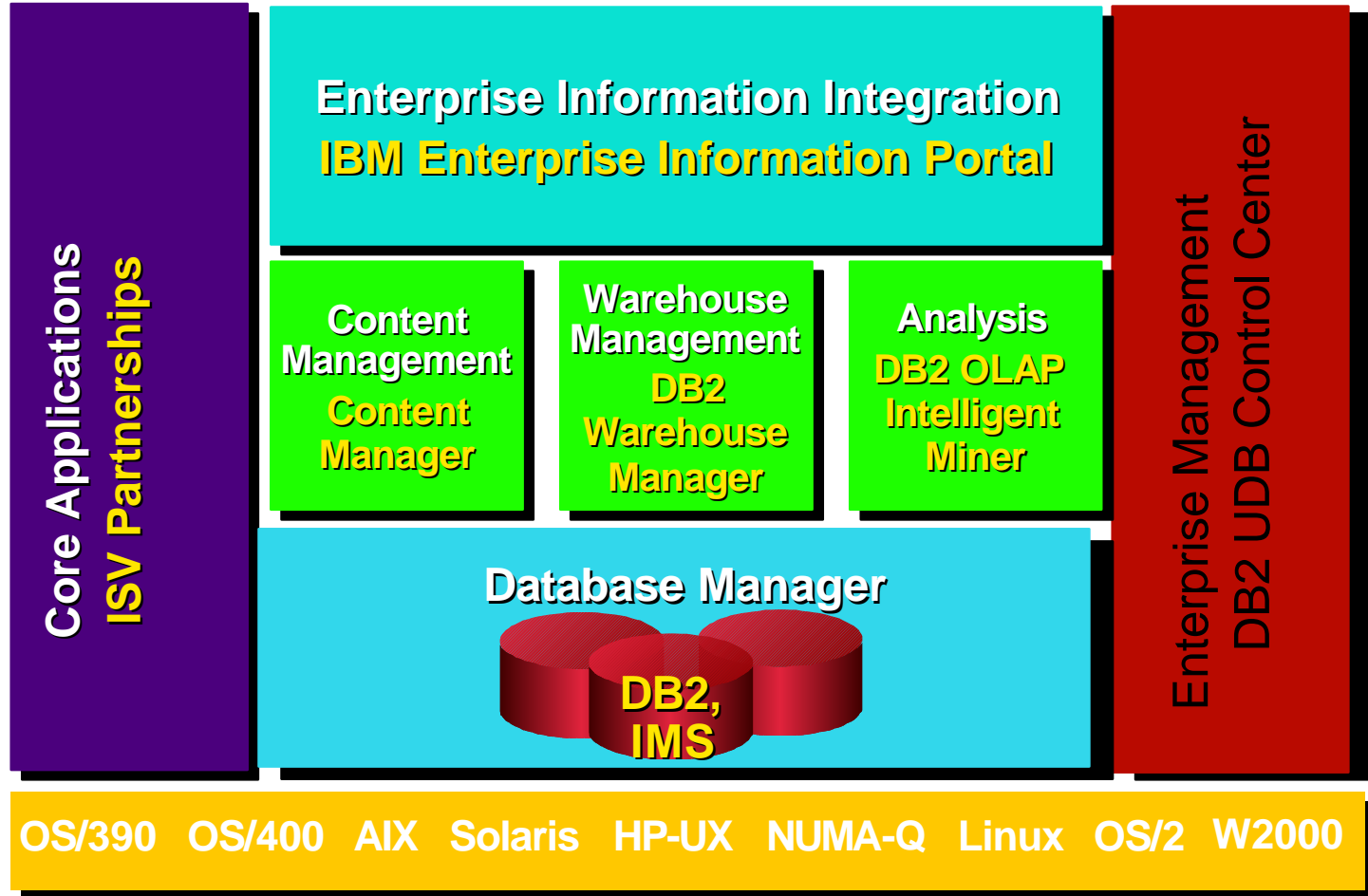


2000 Winner
Database and Datastore
Readers Award
DM review Top 100
September 2000



Bank of Montreal & IBM
Best Data Warehouse
August 2000

Data Management Portfolio



IBM DB2 Family

Hosts

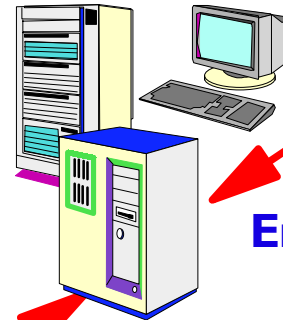
- DB2 UDB for OS/390
- DB2 for VSE & VM
- DB2 UDB for AS/400



**DB2 Connect
Data Joiner
Data Propagator**

Enterprise

- OS/2,
- Win NT, Win2000
- AIX, HP-UX, Solaris
- Linux, NUMA-Q



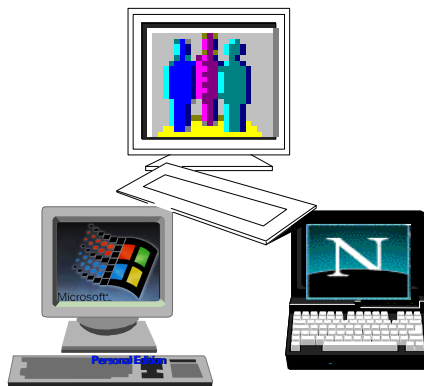
Everyplace

- PalmOS
- Win CE
- EPOC-32
- Neutrino



Satellite

- Win 95, 98
- Win NT
- Win 2000



Personal

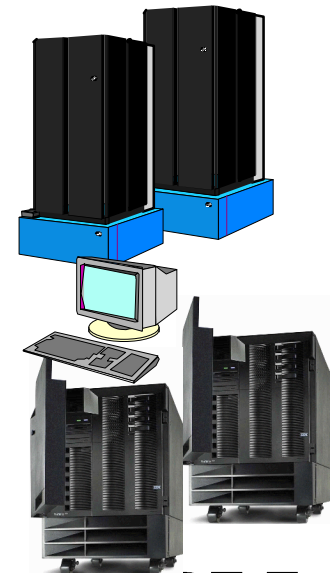
- OS/2
- Win 95, 98
- Win NT
- Win 2000
- Linux

Workgroup

- OS/2
- Win NT
- Win 2000
- Linux
- AIX
- Solaris
- HP-UX

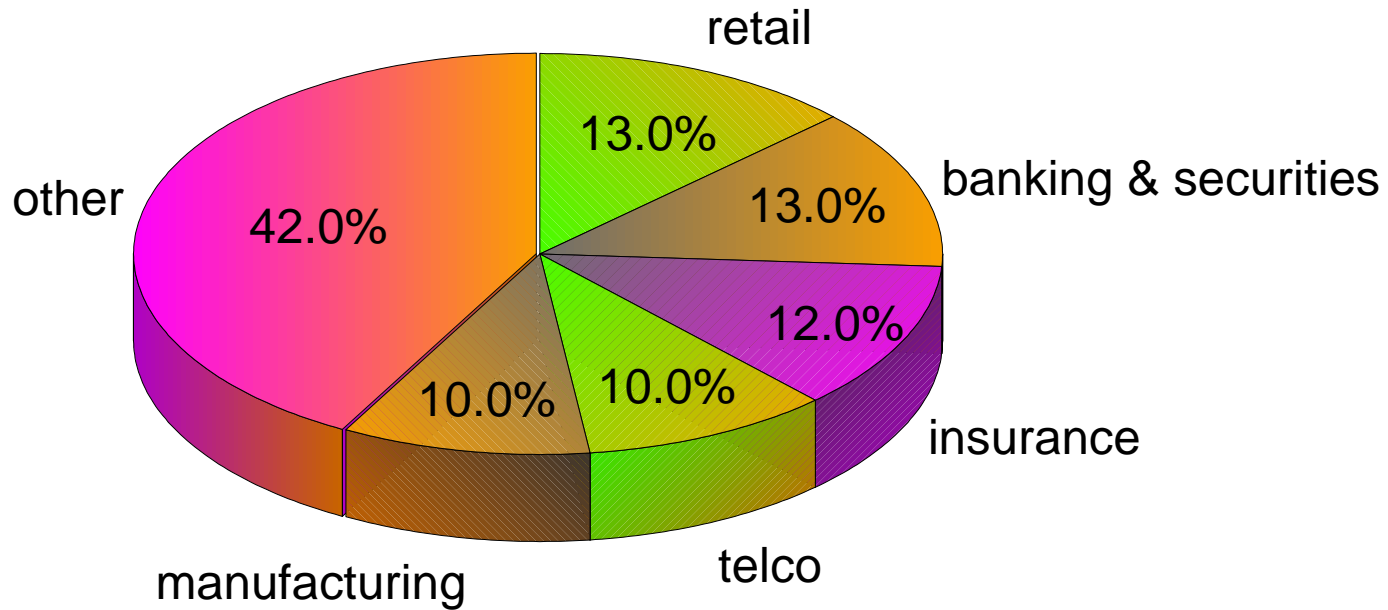
Enterprise - Extended

- AIX
- Solaris
- Win NT
- Win 2000
- HP-UX
- NUMA-Q



Data Management - - What is the solution

BI Opportunity by 2002 as seen by Palo Alto Management Group



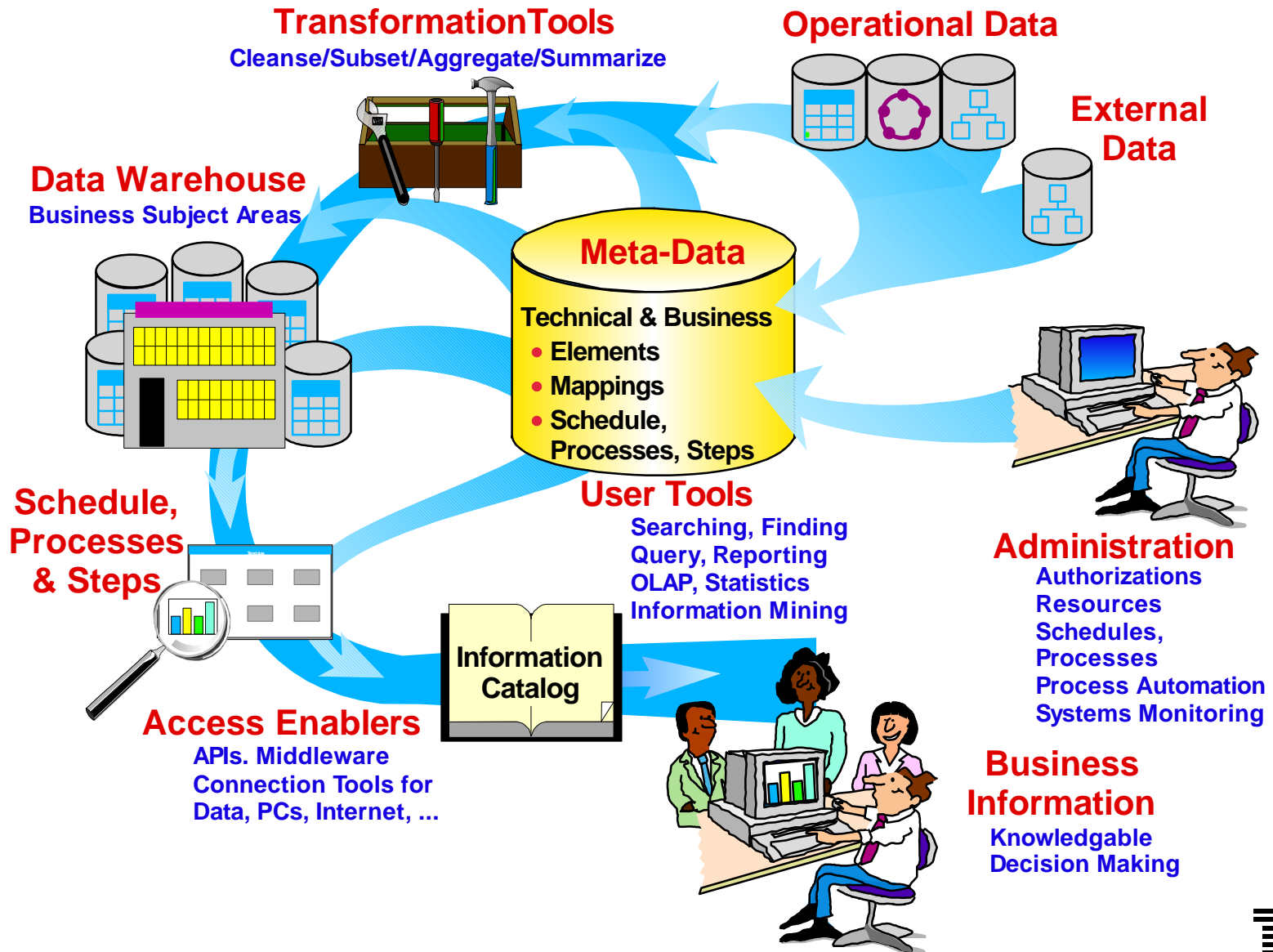
'other' into which IBM has sold OLAP

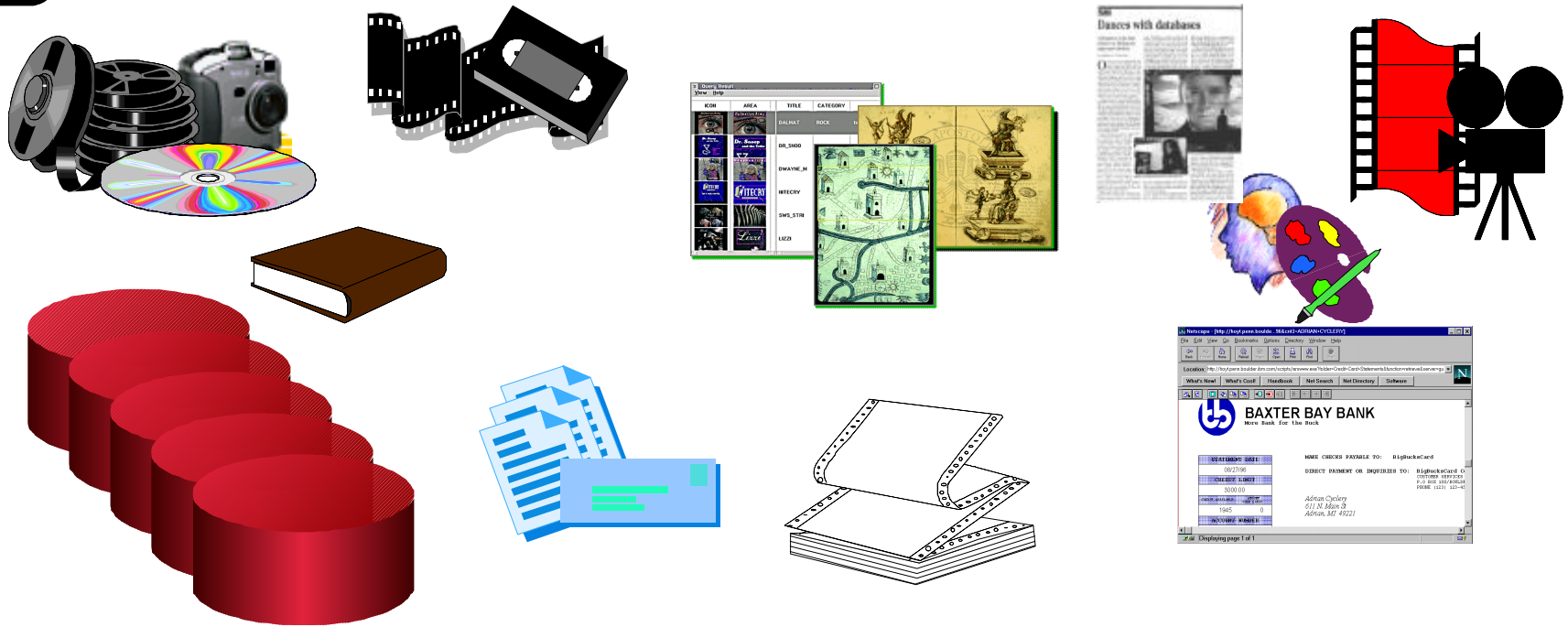
- automotive
- healthcare
- utilities
- transportation
- government

\$113 Billion Opportunity

according to World Research

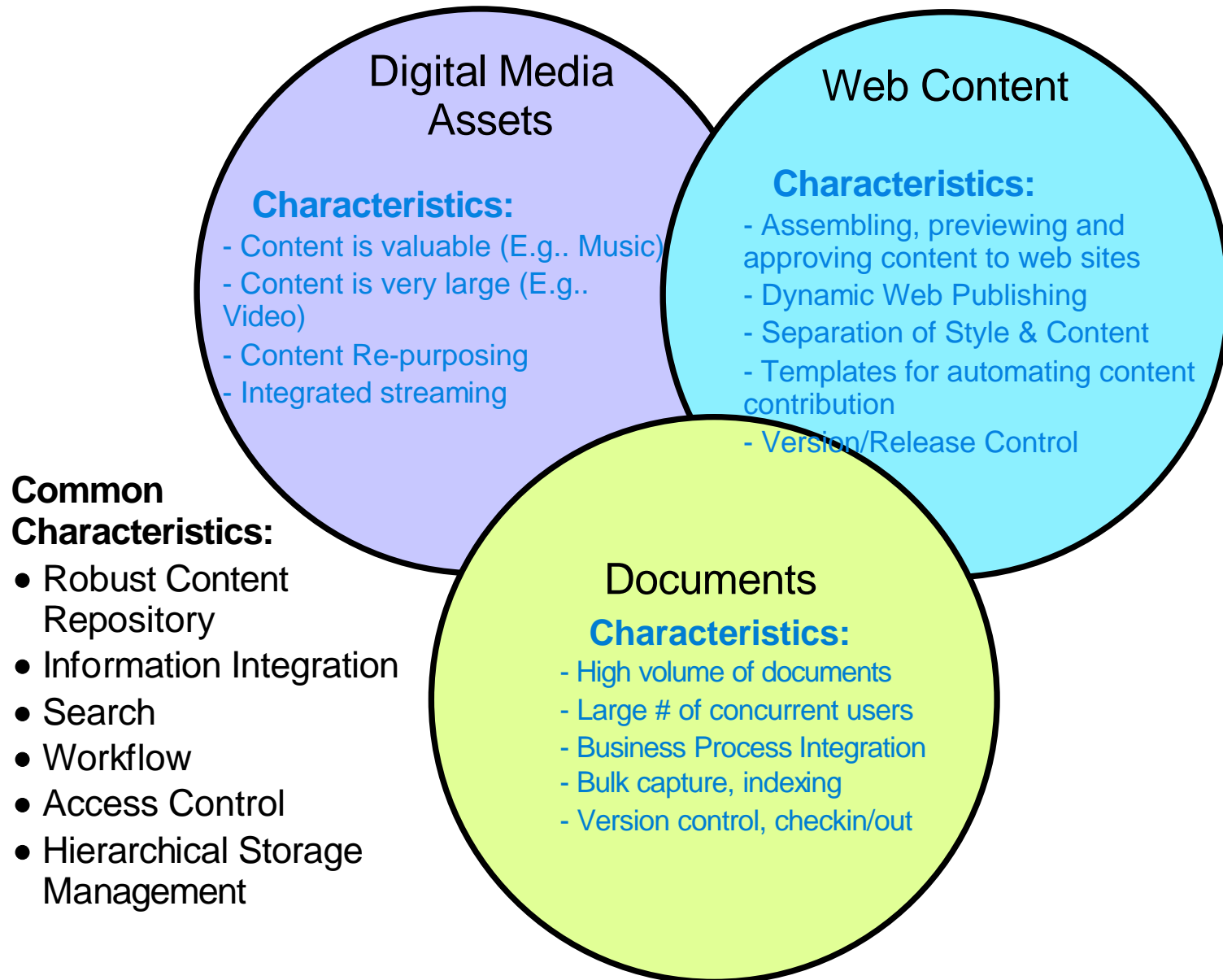
Data To Information To Business Knowledge...





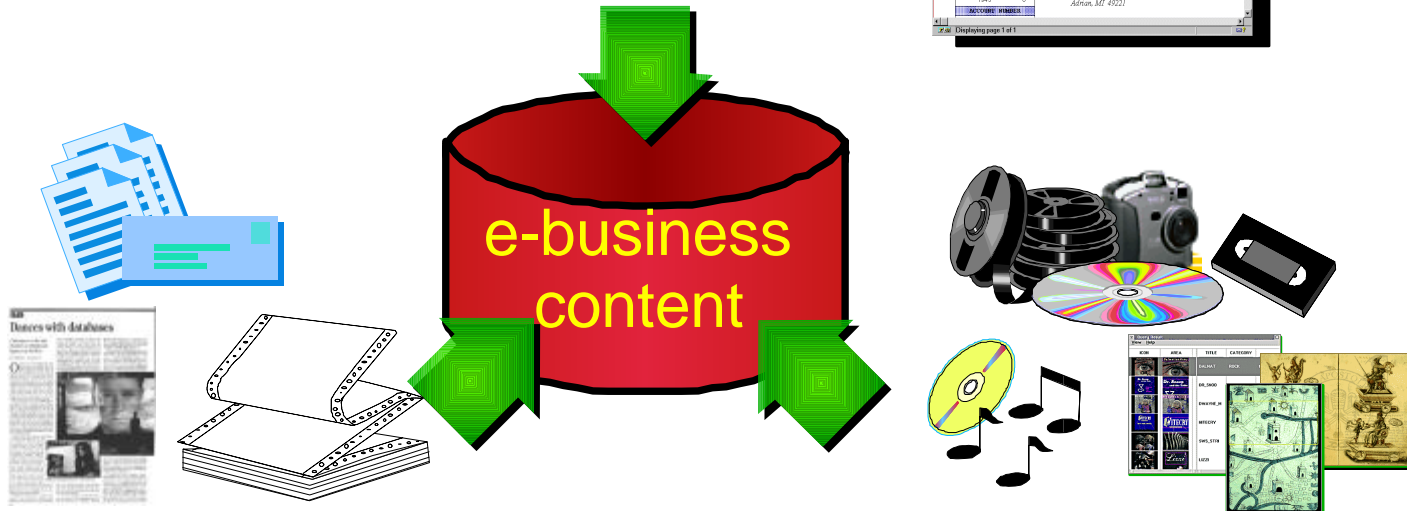
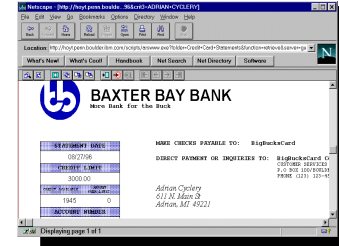
***Content such as supporting documents
and rich media are a big part of
conducting business***

Types of Business Content



e-Business Content Management

Web Content Management



Integrated Document Management

Rich Media Management

"...content management market is expected to exceed \$10B by 2004. Companies are beginning to demand greater management capabilities for a wide variety of digital formats..." META Group March, 2000

The Competition

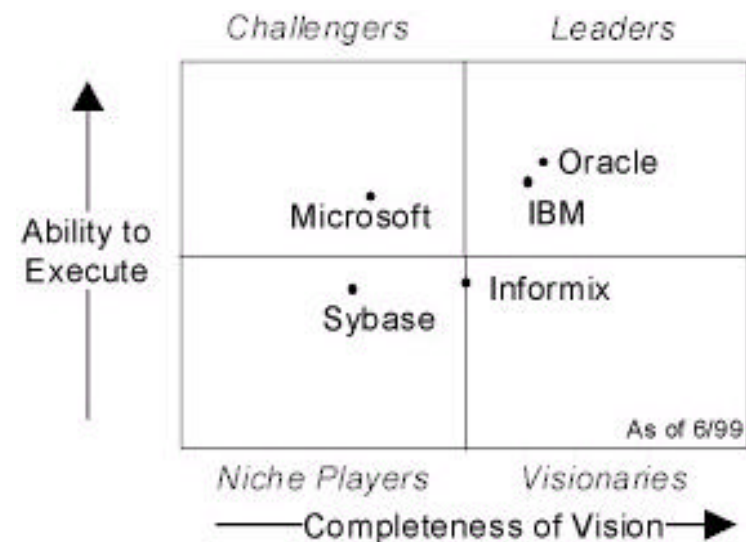
Competitive Landscape

- The "Big Three":
 - IBM
 - Microsoft
 - Oracle

- Data Warehousing:
 - NCR/Teradata

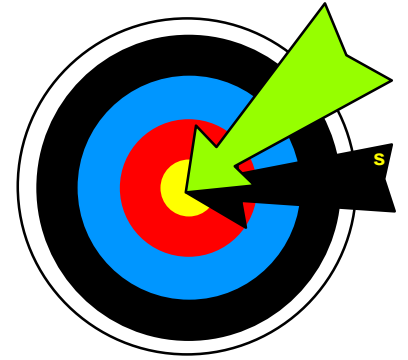
- Others to Watch:
 - Sybase
 - Informix -- Now ours!

Enterprise DBMS Vendor Magic Quadrant



► Source: Gartner Group

Target: ORACLE



- For first DB2 footprint, go after new applications
 - no migration difficulties to manage
 - then, sell our migration offerings for existing applications
- Go after Oracle-installed accounts -- they are NOT invincible
 - Sell the financial advantages - (TCO)
 - Demonstrate integrity & establish trust
 - Execute quickly and flawlessly
 - Stay focused after the sale
- When our team engages, we win most of the time against Oracle

Lower Total Cost of Ownership

Scenario 1 - DB2 Workgroup Edition 7.2 vs. Oracle 9i Standard Edition

Solution: Departmental server with mixed workload

Hardware: IBM eServer xSeries 250 (4x700MHz Intel based server)

Users: 125 Named Users (assume 50 concurrent users)

	DB2 Workgroup Edition	Oracle 9i Standard Edition
License	\$13,200	\$37,500*
Support & Upgrade for 5 years	\$14,880	\$41,250
Total 5 Year Cost	\$28,080	\$78,750
Advantage	2.8 Times Cheaper	

*i per user pricing would have only been \$20,000

**i power unit pricing would have only been \$42,000

Lower Total Cost of Ownership

Scenario 2 - DB2 Enterprise Edition 7.2 vs. Oracle 9i Enterprise Edition

in Solution: Enterprise Transaction server (exactly like the one used the TPC-C benchmark Oracle is so fond of)

Hardware: IBM eServer pSeries 680 (24x600MHz RISC)

	DB2 Enterprise Edition	Oracle 9i Edition
License	\$480,000	\$960,000
Support & Upgrade for 5 years	\$492,000	\$1,056,000
Total 5 Year Cost	\$972,000	\$2,016,000
Advantage	2 Times Cheaper	

Key Points to Emphasize DB2 vs. Oracle

- Price and pricing model advantages
 - Lower absolute price, lower maintenance costs
- Database functionality and what's included (i.e. - BI capability)
- IBM's partnerships with best-of-breed ERP and CRM
 - Emphasize difference from Oracle's partnerships with these vendors
 - Integrated best-of-breed is result of partnerships – no need to sacrifice best functionality for less risk and easier management
- IBM's reputation
 - Strategic partner versus adversarial vendor

Target: Microsoft - SQL

“Microsoft SQL Server 2000 Enterprise Edition is the complete database and analysis offering for rapidly delivering the next generation of scalable e-commerce, line-of-business, and data warehousing solutions.”

Benefits include:

- Fully web-enabled:
 - Query, analyze, manipulate web data over the web.
 - Fast full text searches of formatted documents.
 - Click-stream analysis.
- Highly Scalable and Reliable:
 - Grow without limits with enhancements to scalability and
 - reliability.
- Fastest Time to Market:
 - Rapidly build, deploy, manage e-commerce data warehousing
 - solutions.
 - Data mining on data.
 - Decrease development time with T-SQL debugger .
 - Make your own functions and reuse them in different applications.
- Record Benchmarks

Target: Microsoft - SQL: DB2 Response

- Fully web-enabled:
 - DB2 has full support for data retrieval over the Web.
 - Full XML support.
 - DB2 supports XML with the free DB2 XML Extender.
 - DB2 supports full text searches using the DB2 Text Extender with DB2,
 - or the DB2 Net Search Extender that delivers the power of an
 - “in-memory” high-speed search engine.
 - WebSphere Site Analyzer offers click-stream analysis as well as a wide
 - range of other services.
- Highly Scalable and Reliable:
 - Scalability enhancements to SQL Server 2000 are RYO (roll your own).
 - The reliability of this technique is questionable and very expensive. SQL
 - Server has yet to prove true scalability.
 - Limited to Windows environment, DB2 is open standard &
 - cross-platform.

Target: Microsoft - SQL: DB2 Response

- Fastest Time to Market:
 - All DB2 servers come with a “built-in” data warehousing environment, managed by the Data Warehouse Center.
 - DB2 comes with built-in OLAP capability for up to three users with the DB2 OLAP Starter Kit. Furthermore, IBM integrates the industry recognized, “best of breed” Hyperion Essbase engine for OLAP analysis.
 - The OLAP functions in SQL Server 2000 are proprietary as compared to the de facto standard of Hyperion’s solution.
 - DB2 comes with a Java-based tool called the Stored Procedure Builder (SPB). SPB provides an easy-to-use development environment for writing, installing, and testing Java and SQL stored procedures.
 - DB2 allows you to write your own functions (UDFs) and data types (UDTs) and provides casting functions and strong typing support so you can use them in your business. Custom functions and data types can be used across applications.
- Benchmarks:
 - Microsoft's latest results are questionable, but regardless IBM DB2 has plenty of our own benchmarks to show the unquestionable performance of DB2 in any environment.

Target: Microsoft - SQL

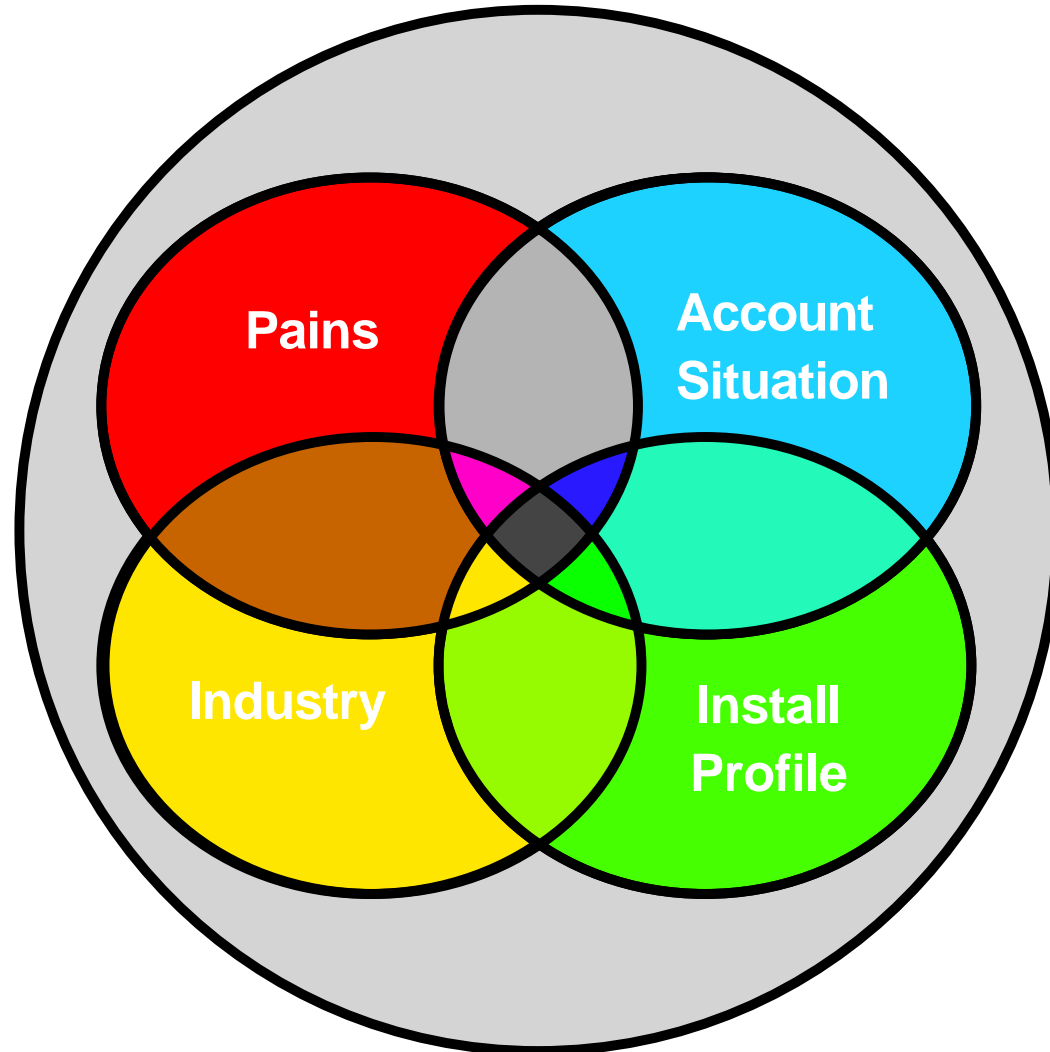
- Proprietary versus open standard/open platform.
- Reliability, Scalability, performance.
- IBM partnerships with best-of-breed ERP and CRM:
- SAP, Siebel, Peoplesoft, Ariba, etc.
- IBM value proposition:
- Mutually beneficial relationship based on trust.
- Breadth of IBM Software, Hardware, & Services offerings.

Data Management Opportunity Areas

- Business Intelligence
 - Data Warehousing, Data Mining, Decision Support
- Content Management
- ERP / CRM
 - Siebel, SAP, PeopleSoft, i2.
 - 80% of customers currently have CRM Projects.
- e-Business
- Pervasive Computing
 - DB2 Everywhere:
 - Palm OS, Microsoft CE, WAP (Wireless Access)



Opportunity Identifiers



Data Management - - Key Opportunity Identifiers

Industry

- ▶ Banking, Finance and Securities
- ▶ Insurance
- ▶ Retail Distribution
- ▶ Manufacturing
- ▶ Telecommunications

Pain

- ▶ Unable to identify business problems in time to solve them
- ▶ Unable to understand who their most profitable customers are or where to find them
- ▶ Difficulty managing documents
- ▶ Unable to control business processes

Account situation

- ▶ Planning to implement CRM
- ▶ Planning to implement Partner Relationship Management
- ▶ Planning to enter world of e-business
- ▶ Buying Web content management system

Install profile

- ▶ DB2 or other database systems
- ▶ AS/400
- ▶ Windows NT
- ▶ Microsoft Exchange
- ▶ Lotus Domino
- ▶ SAP

Data Management: What does it mean to a customer's business?

- What could the solution do for the customer's business?
 - Facilitate fast identification of problems and their solutions with the right information.
 - Spot customer trends.
 - Create customer loyalty.
 - Enhance supplier relationships.
 - Reduce financial risk.
 - Uncover new sales opportunities.
 - Reduce cost of startup.
 - Offer high availability to customer ordering on the Web.
- What is the potential value a customer could expect to receive?
 - Analysis of data which doubles in size every 18 months - 88% of data stored in-house never analyzed for business decision (on-average-source Gartner Group).
 - Ability to make informed decisions based on trends and patterns previously hidden in their data.
 - A way to see 'why' instead of just 'what'.
 - From a transaction interaction with customer/supplier to a lifetime relationship.

Data Management: Where do we start the selling?

- Examples of "Pain" questions:
 - LOB Executive
 - "Are you having difficulty measuring profitability at the transaction or organizational level?"
 - "Are you losing control of your business processes?"
- Marketing Executive
 - "Can you describe the profile of your very best customer and the best way to find such a person?"
 - "Can you look at your business results from multiple perspectives, in detail or summary views?"
- Financial Executive
- "Are your canned reports providing you with all the information you need to explain 'why' business it the way it is?"
- "If you don't like current business results, do you have the tools to truly analyze the data?"

The Customers

IBM Customer Reference: iGO

- **Background:**
 - The nation's largest supplier of batteries and accessories for laptops, cellular phones, & personal digital assistants (PDA's) mainly to the corporate market.
- **Business Need:**
 - Offering customers, via the web, a way to search, order, & purchase any one of 8, 500 items quickly and efficiently.
- **IBM Solution:**
 - IBM DB2 Universal Database & IBM Webshpere Commerce Suite.
Implementation done by IBM BP Web Emporium.
- **Customer Benefits:**
 - 15% increase in web site visits on a monthly basis.
 - Web conversion rates have doubled over the last 6 months.
 - Web site has generated new, qualified leads for the company from new, potential corporate customers.

IBM Customer Reference: Toronto Police Services

- Background:
 - The fifth largest municipal police service in North America, TPS prides itself on its crime management programs, which include community policing, and on its innovative use of technology.
- Business Need:
 - Wanted to integrate crime data from cruiser to court, with officers entering data at the scene of the occurrence and receiving the information where and when they needed it on demand.
- IBM Solution:
 - The solution, called eCOPS (Enterprise Case and Occurrence Processing System), required a robust and scalable database, integrated with mobile installations.
 - IBM DB2 Universal Database, IBM DB2 Universal Database Satellite Edition, IBM WebSphere Application Server, IBM SecureWay
 - Wireless Gateway, IBM MQSeries, IBM VisualAge for Java
- Customer Benefits:
 - U.S.\$2.9 million savings in administrative costs per year;
 - more effective police investigations.

IBM Customer Reference: PharmaCare

- **Background:**
 - PharmaCare provides a full range of pharmacy benefit management services to managed care and large case employer clients throughout the country. These services include email-service pharmacy through PharmaCare Direct, located in Fairfield, Ohio.
- **Business Need:**
 - In order to automate the order fulfillment process, PharmaCare needed to deploy a solution that would integrate front-end Web transactions with its legacy back-end order management systems. PharmaCare sought an e-business solution that would enable it to leverage its existing systems.
- **IBM Solution:**
 - BtoB prescription refill and CRM order tracking system.
 - IBM DB2 Universal Database Enterprise edition for NT, IBM Websphere Application Server.
- **Customer Benefits:**
 - Reduction in costs, and time to place mail-service prescription refill orders.



IBM Customers Say...

"By building on the open architecture and scalability of DB2, we have been able to greatly expand our e-commerce offerings, thus improving our customer service abilities."

Ken Hawk, CEO & Founder, iGO

IBM Customers Say...

“Using the ApplicationFramework for e-business, we ’ve been able to develop an e-business solution that provides us with a scalable platform for creating innovative applications. In doing so, we ’re not only meeting existing challenges but also laying the groundwork for the future.”

Bill Derrig, Senior Vice President
Cost Containment, PharmaCare



IBM Customers Say...

“We can ’t have police officers sitting and watching an hourglass spinning on the screen. DB2 gives us the speed we require to be able to investigate and act quickly.”

Mike Farrar, Inspector, Business
Lead for the eCOPS Project, Toronto
Police Service

Summary

- Informix Acquisition - - July 2nd.
- Focus on developing & selling GMB offerings.
- Beat Oracle/Microsoft
- "Price to Win"
- Team IBM
- Continued use of key business partners.
- Continued strong linkage with all IBM teams.

Questions?

Data Management Intranet Web site:

w3.software.ibm.com/sales/data

Data Management Internet Website:

www.software.ibm.com/data

Data Management Consultant Reports:

http://w3.software.ibm.com/sales/corner/database.html