

BusinessConnect and SolutionsConnect

It's time to make bold moves.

Steps to Cloud Nine

The Cloud Transformation Journey

Martin Stubbs-Race, IBM Cloud Business Advisor
Steve Godbee, IBM ANZ CIO

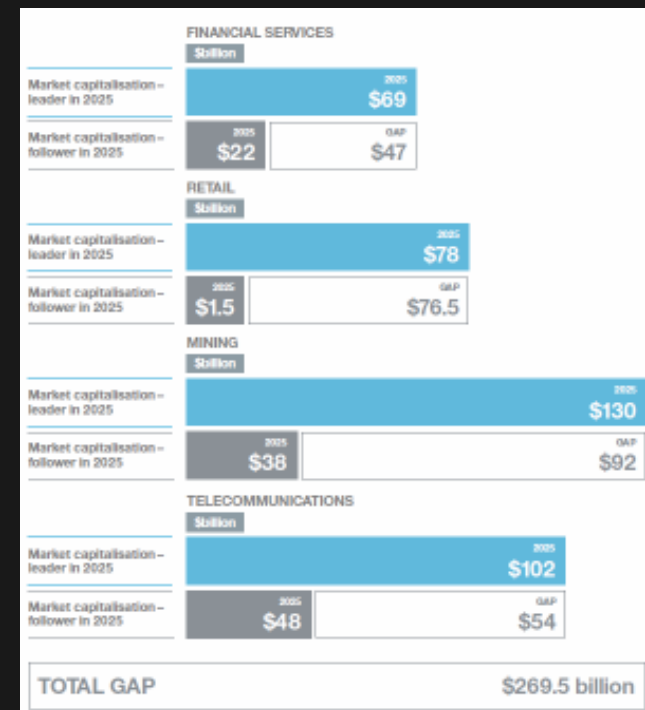


© 2014 IBM Corporation

The Cloud Transformation Journey



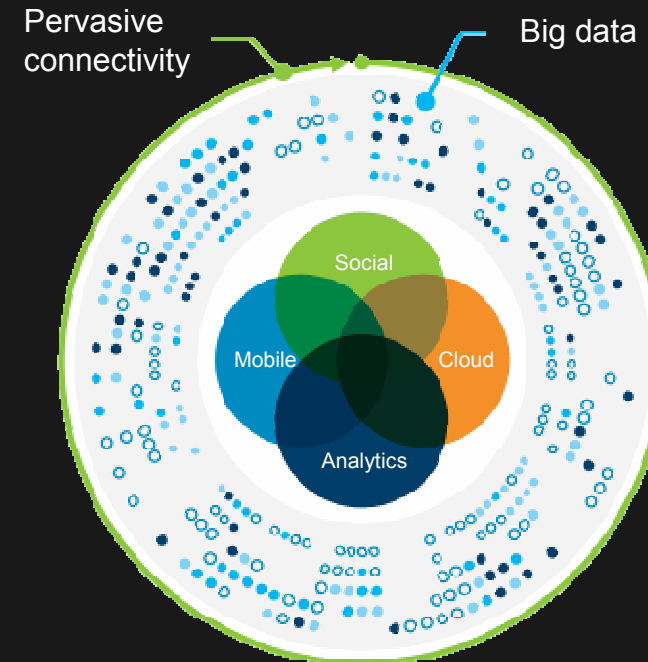
Differences in market capitalisation for sample leaders and followers by 2025.



Over the Next 12 Years the Digital Economy will become the Economy

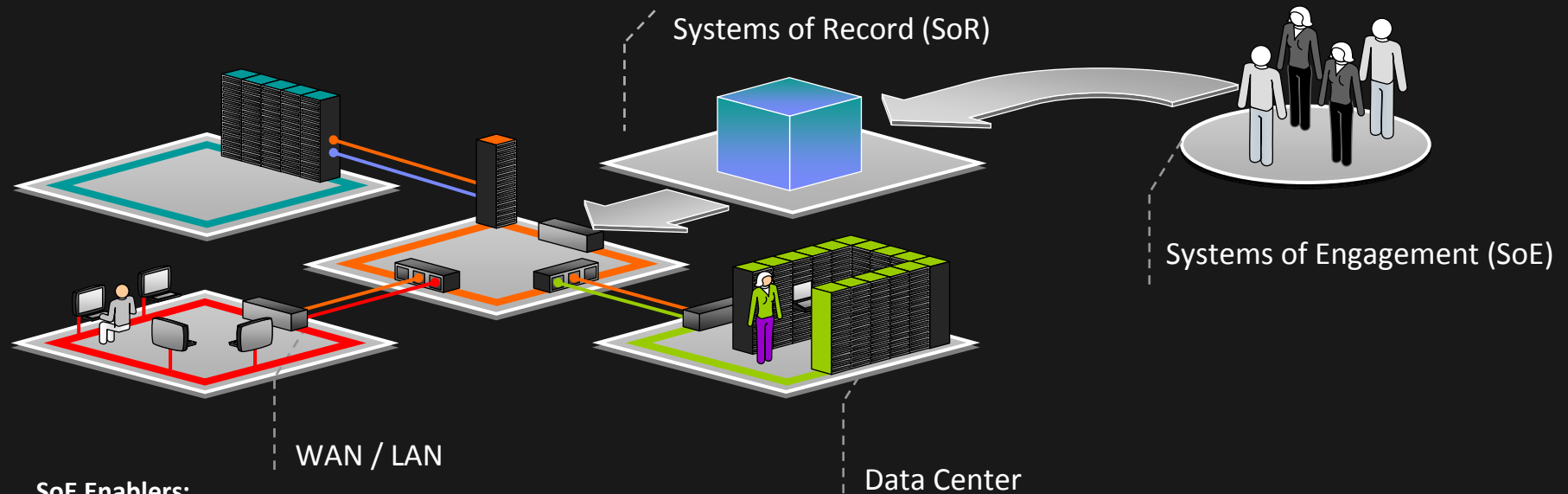
-  **Customers become more connected**
 -  **Consumers and employees will demand more**
 -  **Organisations will get flatter and more agile**
 -  **Enterprises will make faster, more-data-base decisions**
 -  **Enterprises will face more sources of competition**
- Underpinned by a heavy reliance on digital**

Digital transformation forces



Moving to a New World

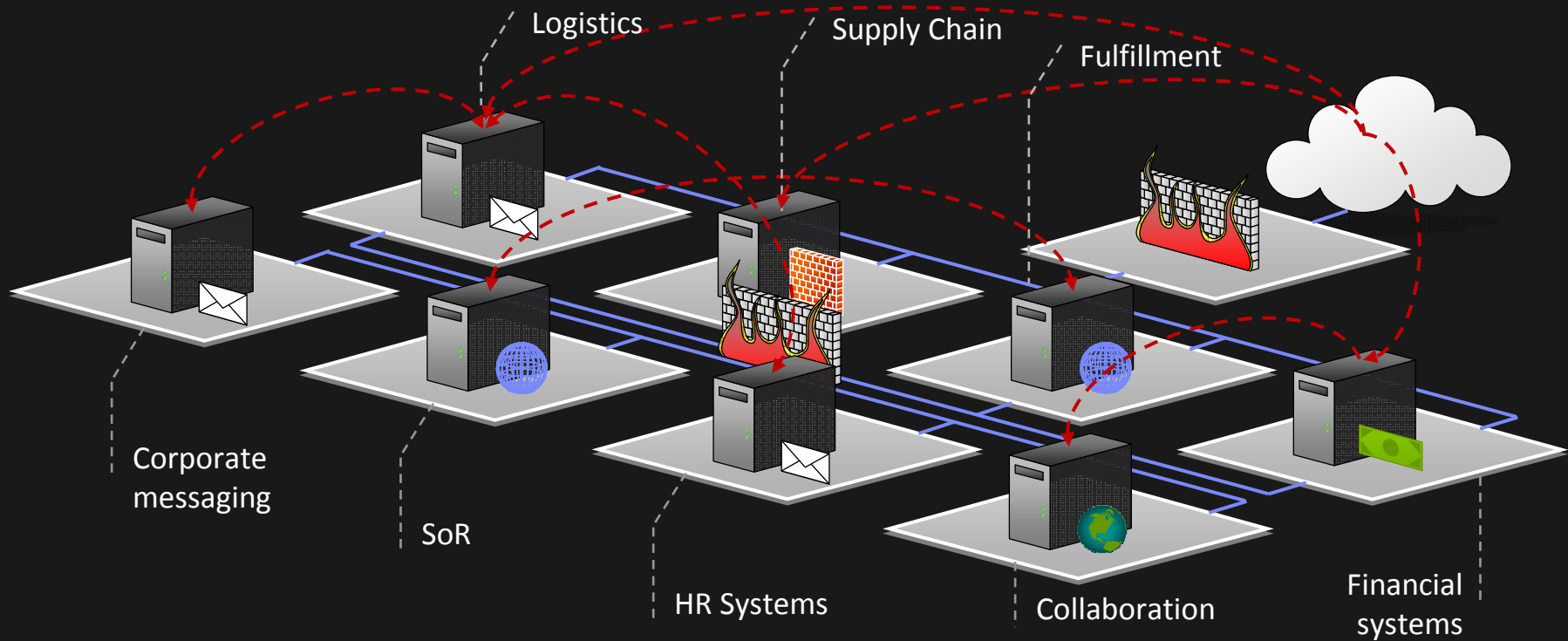
Systems of Engagement are delivering user-centric services into the enterprise



SoE Enablers:

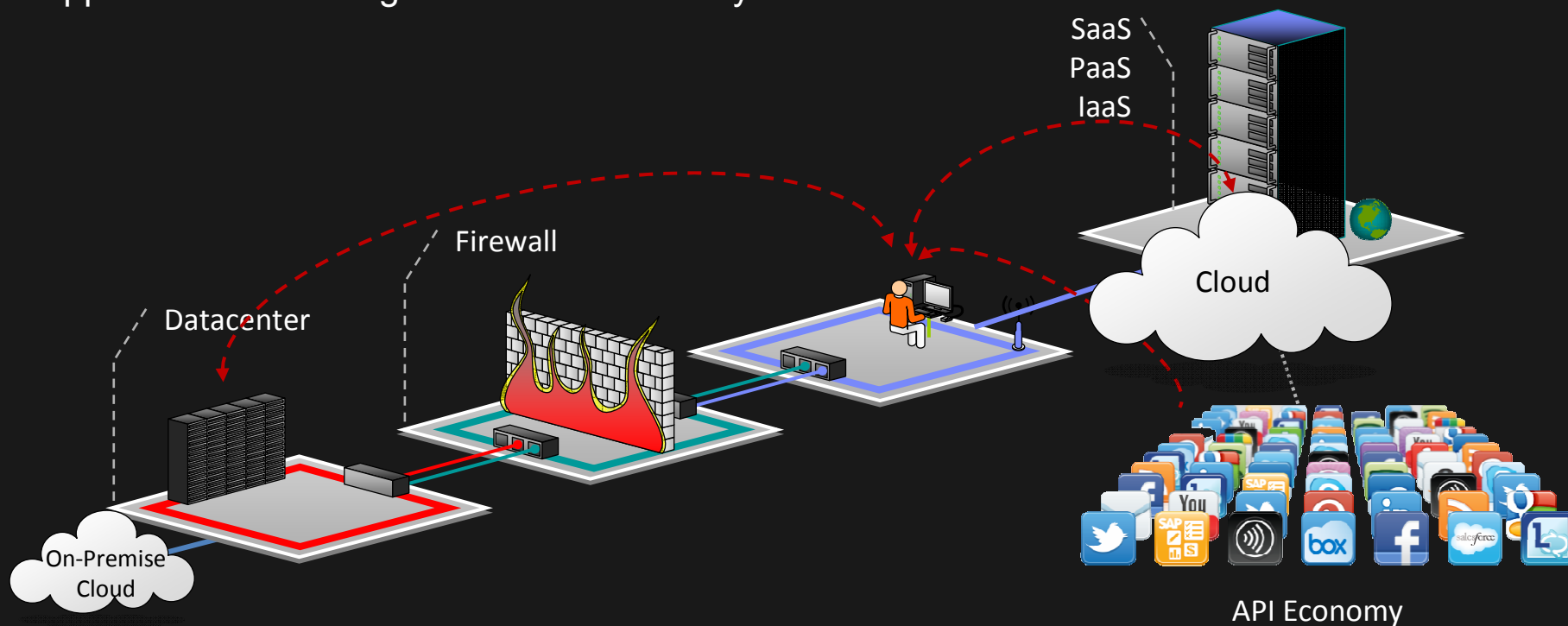
- **Social** drives agility
- **Mobile** enables a 24x7 connected, engaged workforce
- **Analytics** enable data-driven insights for faster, smarter decision making
- **Cloud** enables ubiquitous access to resources and applications, and workload flexibility

But the Reality is we Have Legacy Apps to Deal With...



Cloud Offers A New Way To Bring In User-Centric, SoE Services

A Cloud Operating Environment allows us to construct apps from APIs ... regardless of where they reside



IBM's Transformation: An Ongoing Journey

- Keep company together & **stabilize business**
- Move to **integrated solutions**
- Dramatic **growth in services**

Gerstner
('93 thru 2002)



- Focus on open technologies and **high value solutions**
- Become the premier **Globally Integrated Enterprise**
- Move to **Values-based culture**

Palmisano ('03 thru 2011)



- Delivering **signature IBM client experience** with an engaged workforce
- Building a **Smarter enterprise** with data, cloud and systems of engagement
- Making **IBM essential** to clients, partners, investors and communities

Rometty
('12 to present)



1993



2003

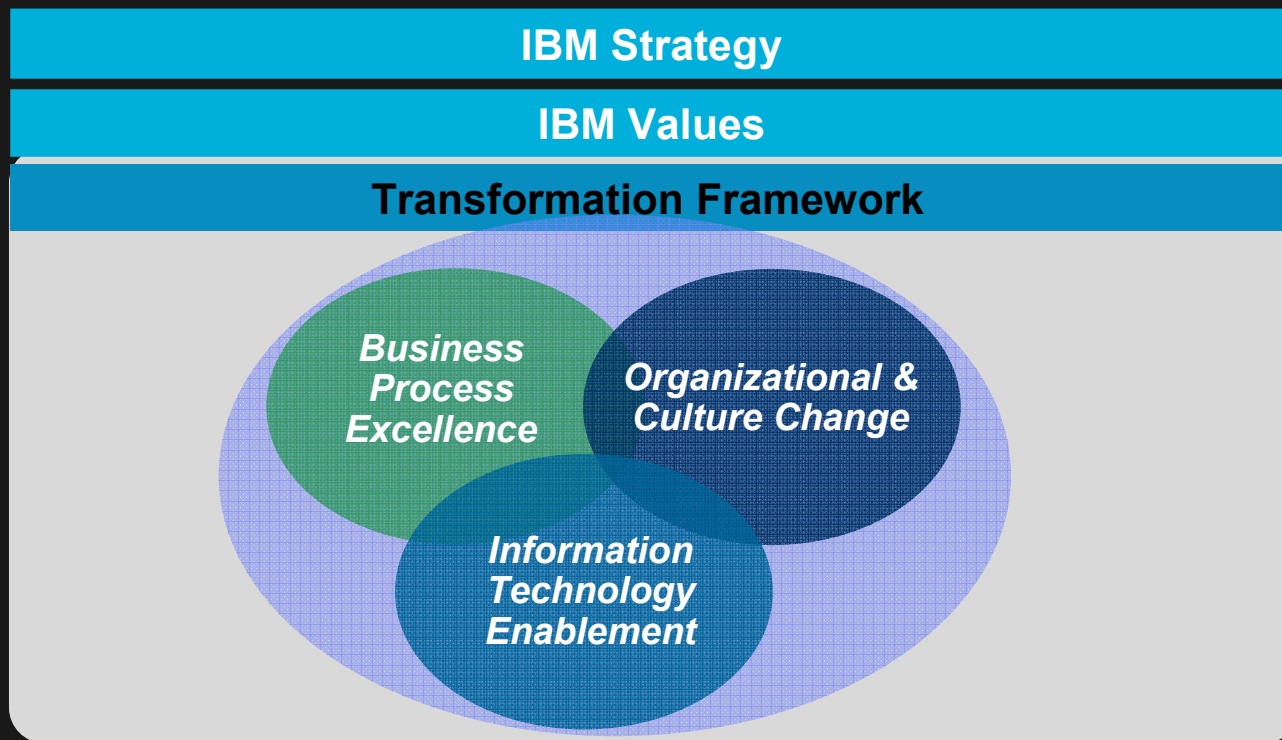


2012



Watson

IBM's approach to transformation



5 Principles of Smarter Transformation



Create a movement



Build a platform for continuous improvement



Pursue growth as well as productivity



Apply technology for smarter transformation



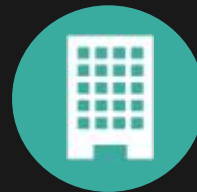
Establish an enterprise change capability

Technology: a catalyst for innovation and growth

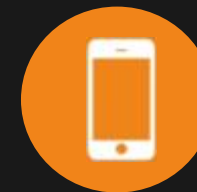
The transformation of IBM's IT Organization Pervasive Consolidation



CIOs
128 to 1

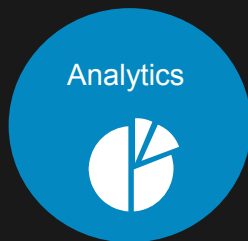


Data Centers
155 to 5



Applications
16000 to 3800

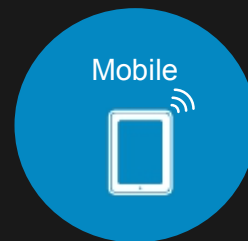
More than **\$1.5B in IT savings** since 2005. Now we're reinvesting these savings in our future.
Using IT not just as a productivity tool, but as a catalyst for innovation and growth



Projecting savings of
\$100M+



Supports
428,000 bloggers
86,000 public comm



Over 185,000
mobile devices









Reduced server
provisioning from 5
days to one hour



Helps contact center
agents answer client
questions

Six initial workloads chosen by the IBM CIO for Cloud

Analytics	Develop/Test	Collaboration	Storage	Prod Support	Self-Service
 <p>Blue Insight</p> <ul style="list-style-type: none"> Standardized BI/analytics capabilities 300K users, 500 ported/ boarded apps Predictive modeling (SPSS) and data mgmt 50K peak reports/day 	 <p>Develop/ Test Cloud</p> <ul style="list-style-type: none"> Server setup from 5 days to 1 hour 95% of new server reqs via this cloud 13,000 VMs provisioned for 2,100 users 	 <p>SmartCloud Meetings</p> <ul style="list-style-type: none"> 85% of web conference minutes > 50M meeting minutes per month 	 <p>Storage Cloud</p> <ul style="list-style-type: none"> File storage cloud used by > 130K users & applications Block storage cloud w/ automated tiering (50% reduction \$/GB) 	 <p>Production Cloud</p> <ul style="list-style-type: none"> Private cloud for lower tier/ departmental applications First apps migrated and operating Refining platform, expanding use on best fit basis 	 <p>Self-Service App Env</p> <ul style="list-style-type: none"> Platform for composite app development and execution Programmer-less app development Example: >200 forms-based internal process apps
SaaS	IaaS	SaaS	IaaS	IaaS	PaaS

The IBM CIO cloud experience

Key lessons learned

- **Cloud adoption comes with benefits and risks**
 - Benefits of Cloud are real, but require careful planning & execution
 - Cloud providers are at various states of readiness and maturity – technologically and otherwise.
 - Security & service levels need to be well understood by IT and the business.
- **Private cloud is a viable first step**
 - Agility is biggest benefit and driver
 - Presents an opportunity to transform internal processes and organization for increased efficiency
- **Think small & targeted**
 - Small steps with tactical/point solutions, not sweeping infrastructure change
 - Application portfolio-led perspective works best
- **Enabling Self Service for IBM'ers creates new work for existing roles and requires new roles to be created**
 - System Integration skills and roles are critical

Cloud readiness assessment – By Workload



Ready for cloud

New growth workloads made possible by cloud

Analytics

Collaborative Care

Healthcare Payments

Infrastructure Storage

Information intensive

Banking & Financial Markets Solutions

Wealth Management

Isolated workloads

Collaboration

Risk Management

Sensitive Data

Highly customized

Mature workloads

Workplace, Mobile, Desktop & Devices

Not yet virtualized 3rd party SW

Pre-production systems

Business Processes

Evaluate: May . . . or may not . . . be ready for Cloud based on their attributes or maturity

Complex processes & transactions

Batch processing

Disaster Recovery

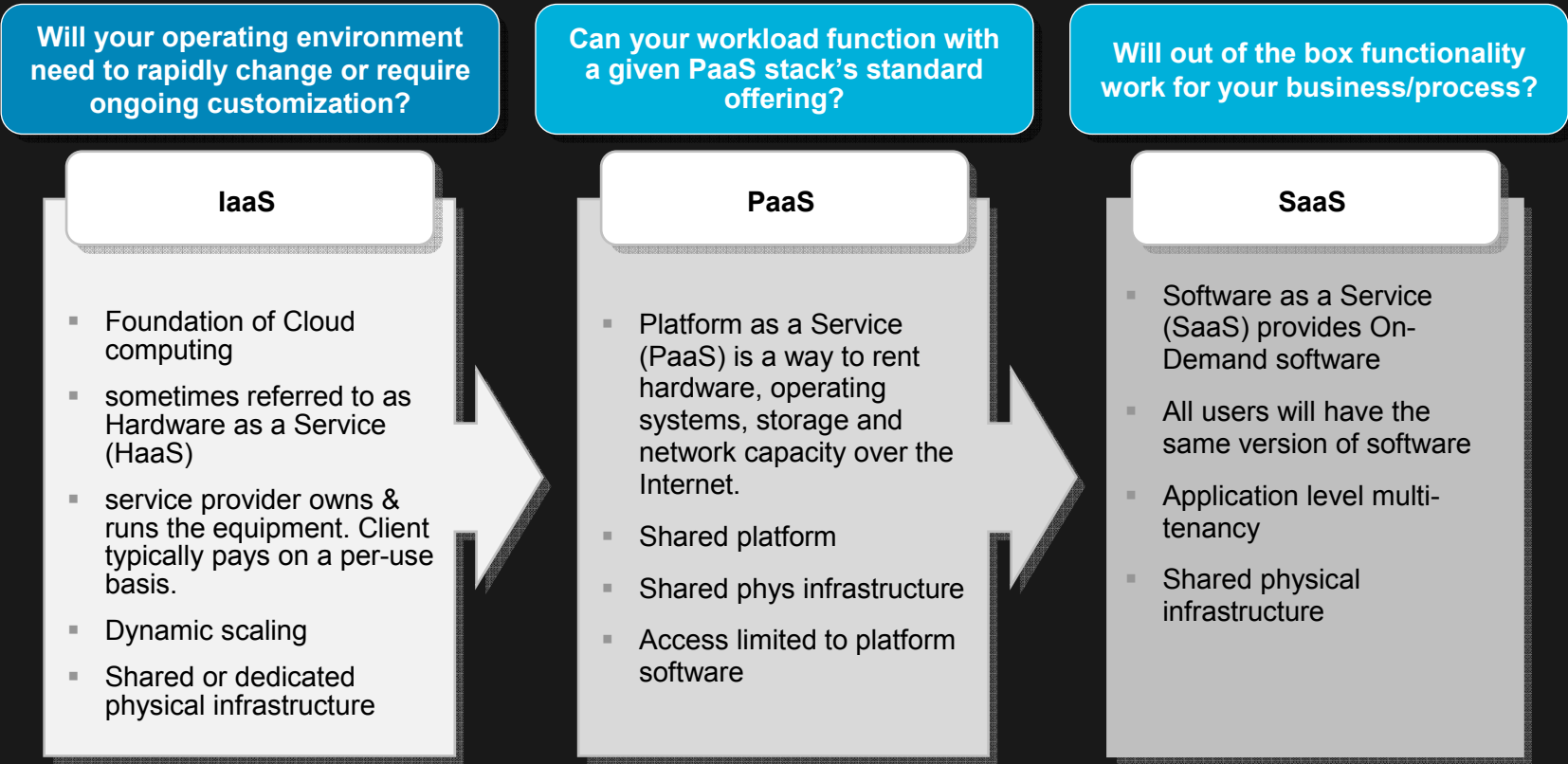
Development & Test

Regulation sensitive

Infrastructure Compute

Identifying the Most Appropriate Cloud Service Model

The Right Cloud for the Right Workload





Where to from here in your cloud journey: Here are some steps to consider:

Business

- Undertake a Cloud Assessment - infrastructure, platform software or combination
- Cloud computing transformation advisory
- Access new capabilities via IBM Marketplace eg. analytics tools, marketing tools, financial tools
- Leverage IBM Marketplace to monetize company value

Developers

- Access PaaS catalogue - Bluemix on SoftLayer
- Access SaaS catalogue - customise Software offerings

IT Operations

- Dev and test
- Storage
- Disaster recovery
- Infrastructure refresh to cloud (eg. to SoftLayer using Racemi)
- Collaboration eg. SmartCloud meetings
- Packaged apps to Cloud (CAPEX to OPEX)
- On-Premise / Off-premise / Hybrid



sgodbee@au1.ibm.com
mstubbsr@au1.ibm.com / [@mstubbsr](#)