



IBM System i™

System i – Trends & Directions

Billund, September 6 2006

Christian Keller

Vice President, System i Northeast Europe

i want stress-free IT.

i want control.

*i want an **i**.*

The IBM Charter for System i5 Innovation

Investing in the future of System i Clients, ISVs and IBM Business Partners



■ Solutions

- Broaden and enhance the portfolio of industry-specific solutions
- Support a broad range of applications and tools



■ Innovation

- Build on the \$1B investment over the past two years
- Secure leadership as the most complete solution for simplifying IT



■ Partnership

- Provide skills and expertise to facilitate on demand solutions
- Stimulate partner teaming that encourages investment in skills
- Launch of Academia Network

ibm.com/series/charter

Promoting Solutions Innovation

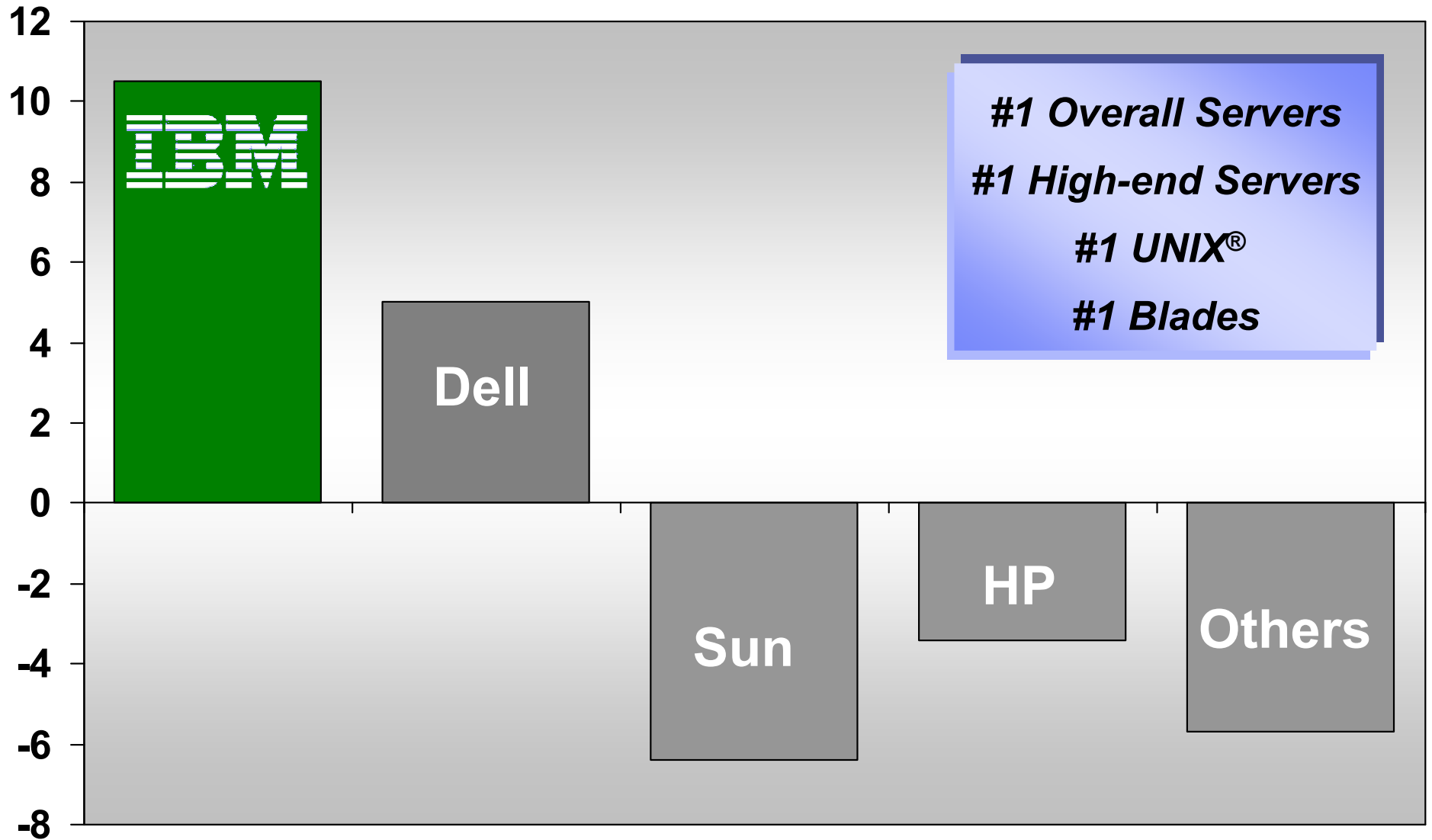
Application Innovation	Tools Innovation	System i5 Innovation
<ul style="list-style-type: none">▪ 2,300+ new and enhanced System i applications▪ 600 new/enhanced i5/OS applications	<ul style="list-style-type: none">▪ 266+ ServerProven tools products on the roadmap▪ 144 new tools vendors	<ul style="list-style-type: none">▪ 1,360 ISVs in PartnerWorld Industry Networks program▪ 45 ISVs on System i advisory board
Accelerate Deployment	Extend Capabilities	Redefine Solutions

IBM System i Initiative for Innovation

ISVs Support System i

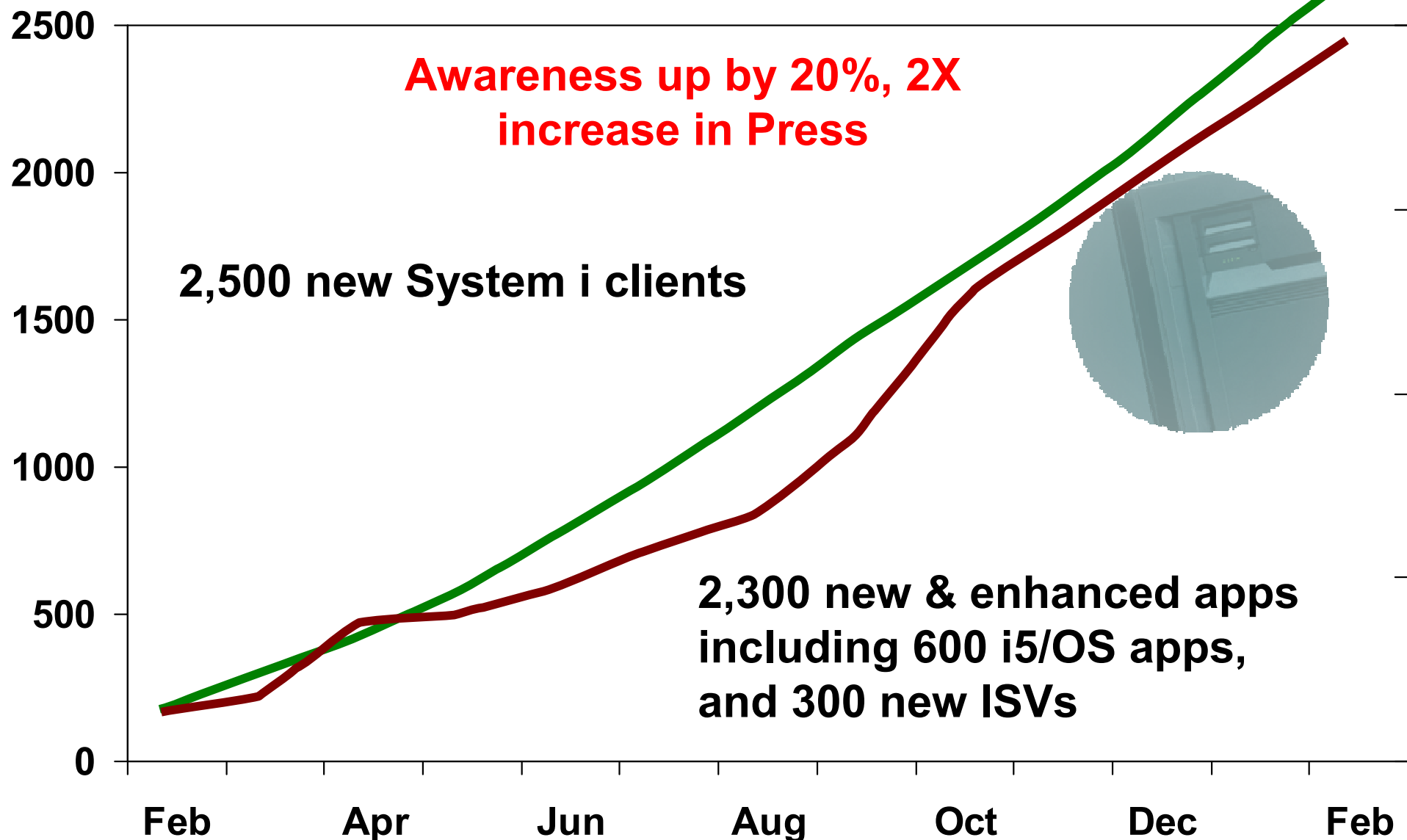


Five-Year Share Change



Source: IDC FY2005-Q4 Quarterly Server Tracker

System i Momentum



Sample of European System i Successes in 2006

... **T** ... **Systems** · Business flexibility



Recent New Account Success Stories



Jimmy Choo, UK,

- Exceptional overall business case versus Wintel: System I based solution to consolidate a Windows workload into System I
- Value edition bundled in HW/SW & Services
- BP Quattro and ISV Intentia
- Compelling TCO comparison outperformed competitive platforms

The shoe designer and retailer had old servers, no longer on maintenance and looking to expand their ERP system. The customer was considering migrating to Wintel.



Soda Club, Germany, - NEW Customer for I

- 2 x i520 (1 x backup)
- Dell takeout
- Worked with ALCO (BP) to offer System i based solution and brainAS ERP ISV
- System i TCO significantly better than DELL
- Total solution approach

The manufacturer of home soda makers had problems for his fast growing business by the down time on existing Dell Servers.



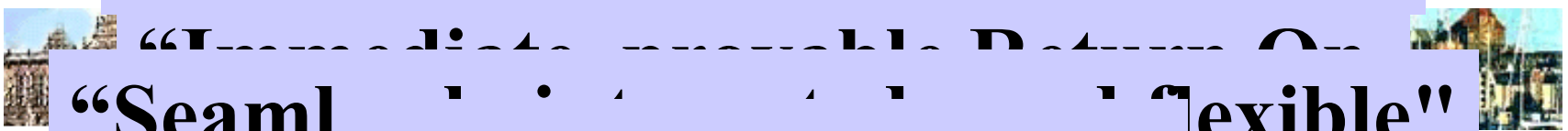
"...legendary reliability and security..."
"Savings of \$130,000 a year"



"When was the last time you heard"



"Our total IT costs are under 1%"



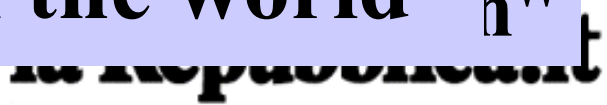
"Seamless" "flexible"
"The i is here to stay"

"Our total spending on IT is down to 1.1%"



"System i pays back huge dividends"

"The most reliable platform in the world"



Analysts Embrace Rejuvenated IBM System i

“IBM has solved the issue of platform viability – now its all down to software.

(Ian Brown, [Gartner](#))

“IBM (eServer iSeries) rejoins the IT mainstream..

..it is now simply incorrect to classify (iSeries) as a closed ‘proprietary-interfaces-only’ system.” (Peter Thorne, Dan Roberts, [Cambashi](#))

“IBM has evolved (*the system*)... into an Open Systems Consolidation server”

“IBM has solved the cost equation by integrating Linux with OS/400 ..to allow you the time to manage your enterprise, not your technology. This solution would appear to be a winner for infrastructure simplification”

(David Reine, [Clipper Group](#))

“ an attractive consolidation platform for organizations that wish to lower their total costs “

(Jean Bozman – [IDC](#))



IBM System i™

Product Positioning and Highlights

i want stress-free IT.

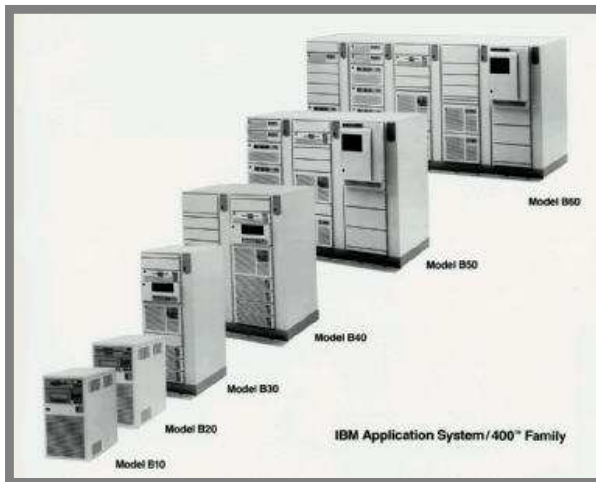
i want control.

*i want an **i**.*

Simplify your IT.

System i Expands on a Rich Heritage

AS/400 1988 to 2000



- *Runs thousands of the worlds' most popular business applications*
- *Built-in security*
- *Simple management*
- *Legendary reliability*

iSeries 2000 to 2006



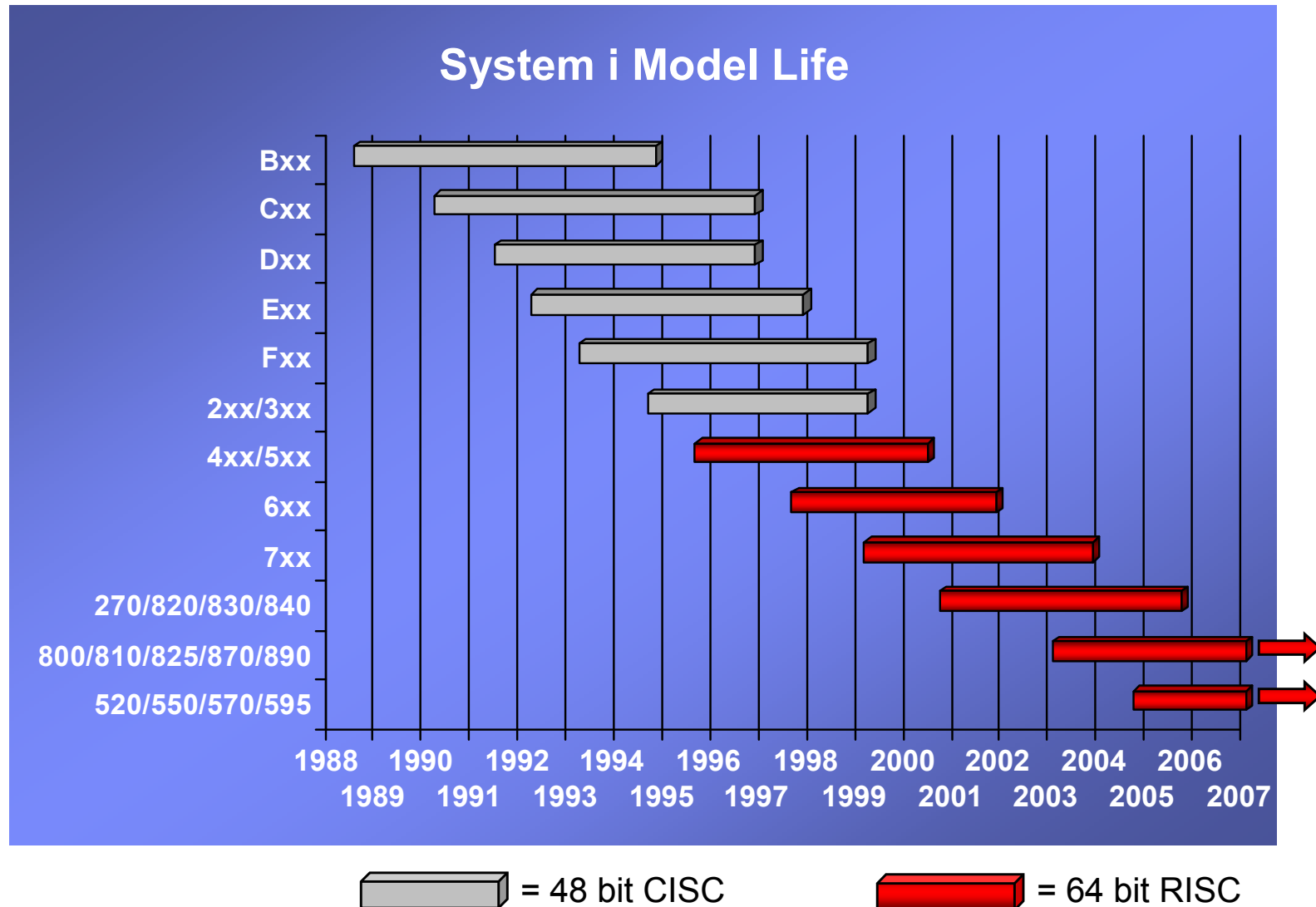
- *All of AS/400 **PLUS***
- *Embraces open standards*
- *Includes WebSphere, Java support*
- *Runs Linux, Unix and Windows in addition to i5/OS*
- *Adds Capacity on Demand*

System i 2006 and beyond



- *All of AS/400 & iSeries **PLUS***
- *Excellent consolidation platform*
- *Enhanced security and intrusion detection*
- *Supports Service-Oriented Architecture (SOA), PHP, IP Telephony*
- ***Best of IBM in one box***

A Product of Continuous Innovation



The IBM Systems family

Innovative, proven technology providing platform choice to match unique business needs



System z™

The flagship for IBM Systems innovation and the heart of a highly secure, resilient and integrated infrastructure.



BladeCenter®

Simplify data center complexity.



System i™

Install faster, maintain easier.

IBM Systems



System x™

Innovation comes standard.



System Storage™

Connected. Protected. Complete.



System p™

Get the power to do more, spend less.

IBM System i

System i solutions provide reliable and secure ways to simplify your IT so you can invest the savings in business innovation.



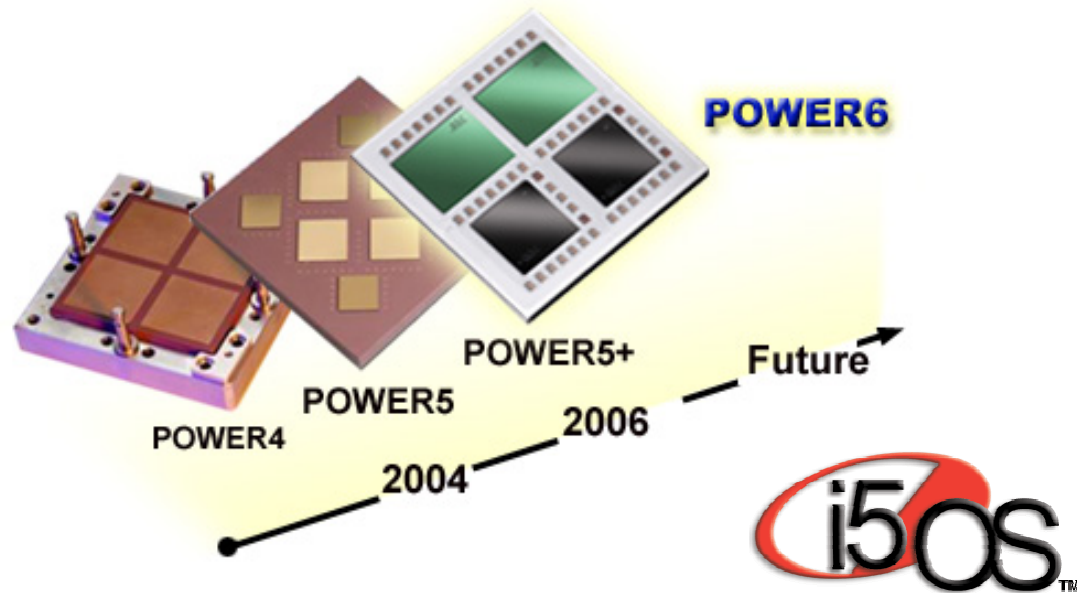
“Today... System i5 should be viewed as a consolidation platform that can replace multiple Linux and Windows servers with a single server running i5/OS. When five boxes turn into one, support and maintenance costs go down. The technologist in me does not get really excited by that alone, but the entrepreneur does.”

Ismael Ghalimi, CEO, Intalio.

“15 years ago, firms were spending 75% of their IT budget on new hardware and software and 25% on fixing the systems that they already had. Now that ratio has been reversed—70-80% of IT spending goes on fixing things rather than buying new systems. This year alone IT complexity will cost firms worldwide some \$750 billion”

Tony Picardi, IDC

IBM System i and i5/OS V5R4



	520	550	570	595
Processor and Max CPW	1, 1-2 way 1.9 GHz POWER5+ 7,100	1-4 way 1.9 GHz POWER5+ 14,000	2-16 way 2.2 GHz POWER5+ 58,500	8-64 way 1.9 GHz POWER5 184,000
i5/OS Release	V5R3 & V5R4	V5R3 & V5R4	V5R3 & V5R4	V5R3 & V5R4

i5/OS – Integrated and Optimized for Business

- **DB2 Universal Database for System i**
- **Multiple file systems – structured and unstructured data**
- **e-business and network infrastructure**
 - WebSphere Application Server – Express
 - Web server (powered by Apache) and related Internet protocols
 - Broad range of communications protocols and security methods
- **Comprehensive Security**
- **Systems management**
 - Work management
 - Clustering
 - Performance tools
- **Online transaction processing**
- **Windows® & Linux file and print sharing**
- **Printing functions and services**

Integrated,
Tested,
Supported

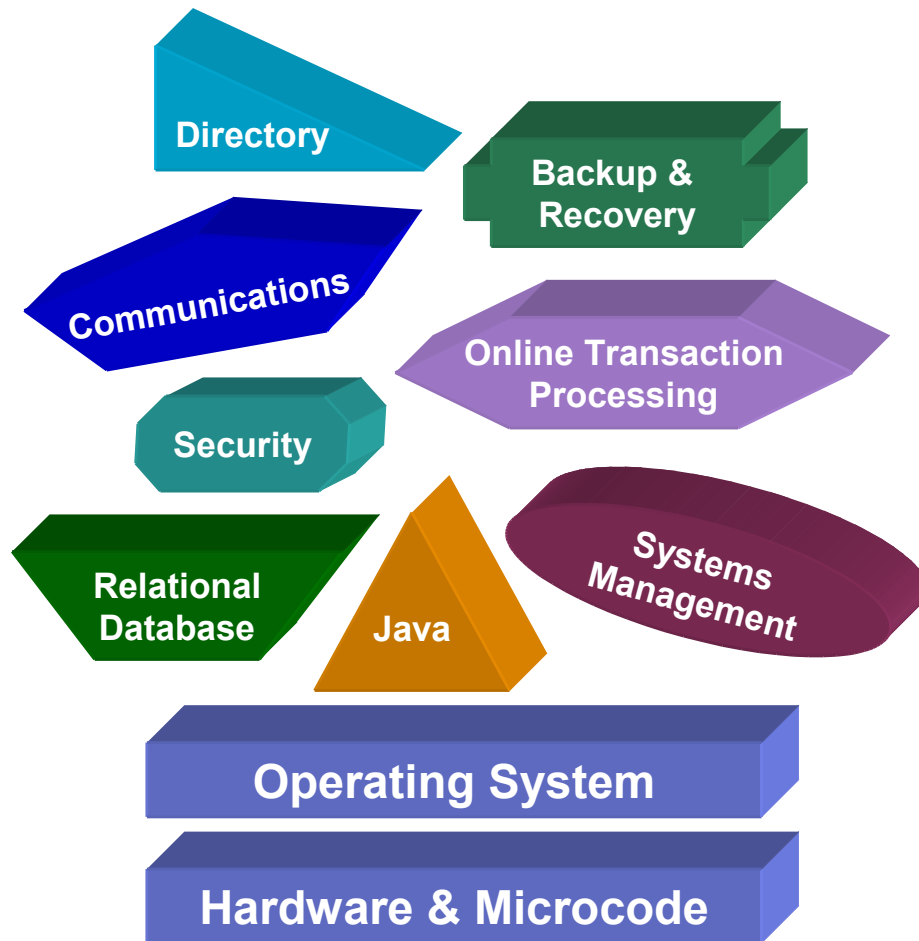


WebSphere software

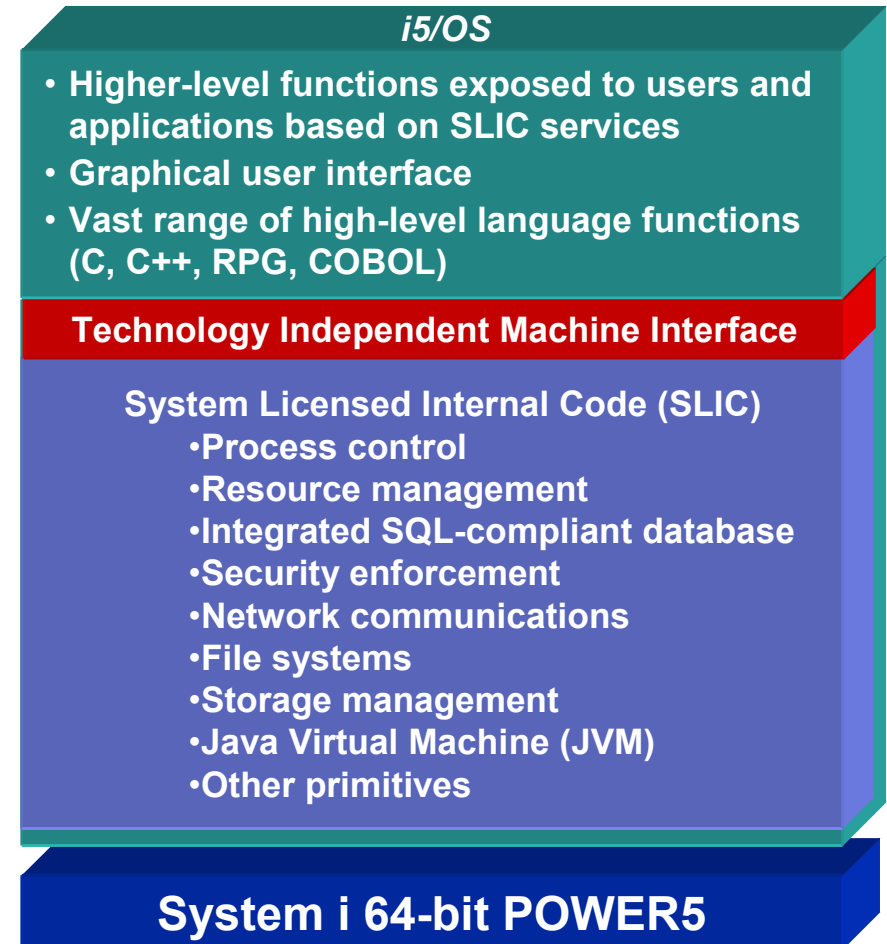
DB2 Information Management
Software

System i & i5/OS – Integrated by Design

Traditional Systems

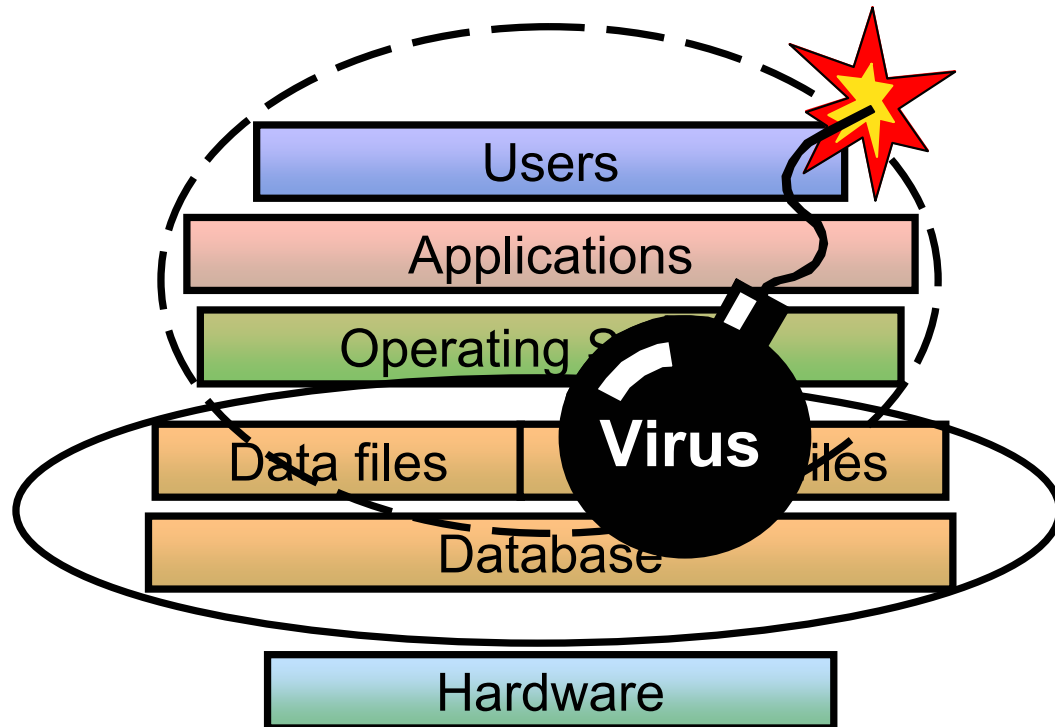


System i



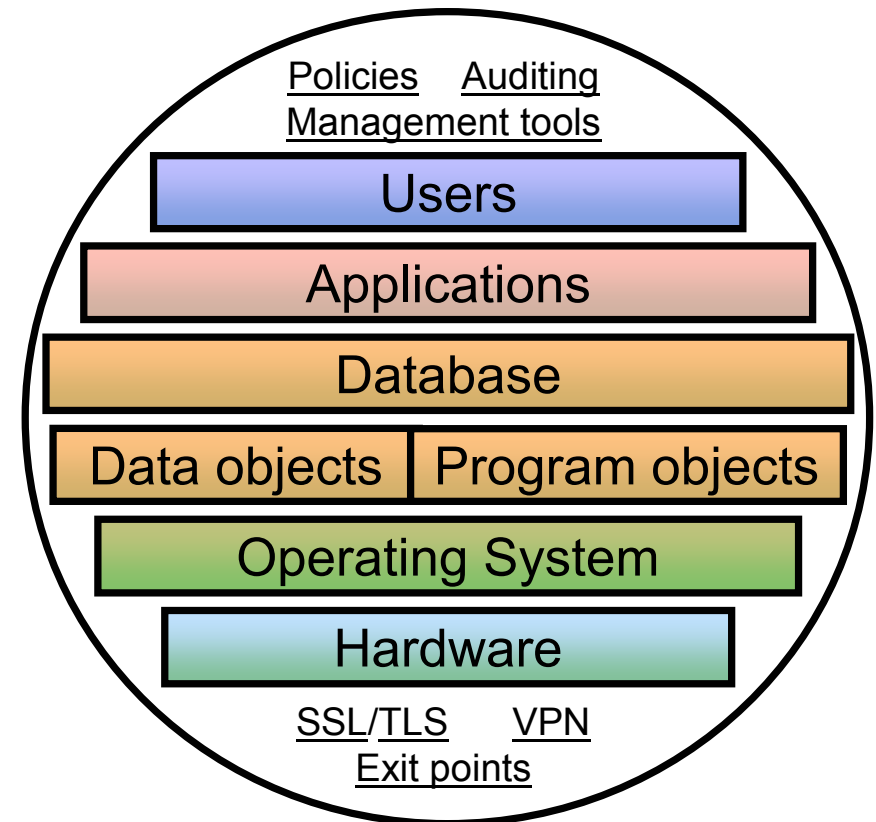
Integrated Security – Less effort, Less cost

Other server environments



- No single implementation covers everything
- Susceptible to viruses and tampering
- Can be difficult and costly to secure

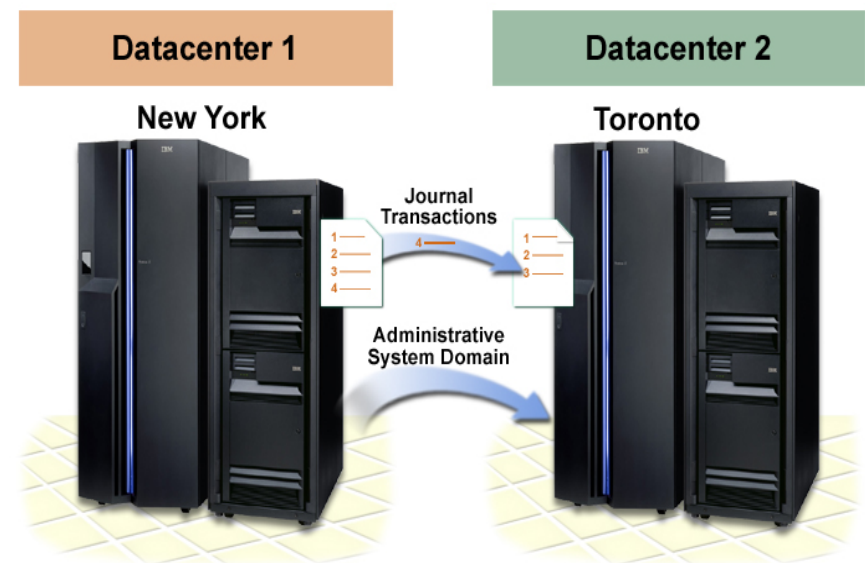
System i & i5/OS



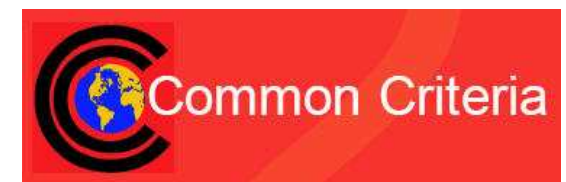
- Single, consistent, system-wide security
- Architecture promotes security and integrity
- Easier, less costly to secure

Security, Compliance & Business Resilience

- **Safeguard data by keeping hackers and viruses out**
 - Hardware storage protection
 - Network intrusion detection
 - Cryptographic key management
- **Promote the highest levels of security, auditing and compliance management**
- **Make outages of any kind, planned or unplanned transparent to business operations**
- **Deliver proven technology, backed by world-class service and support**

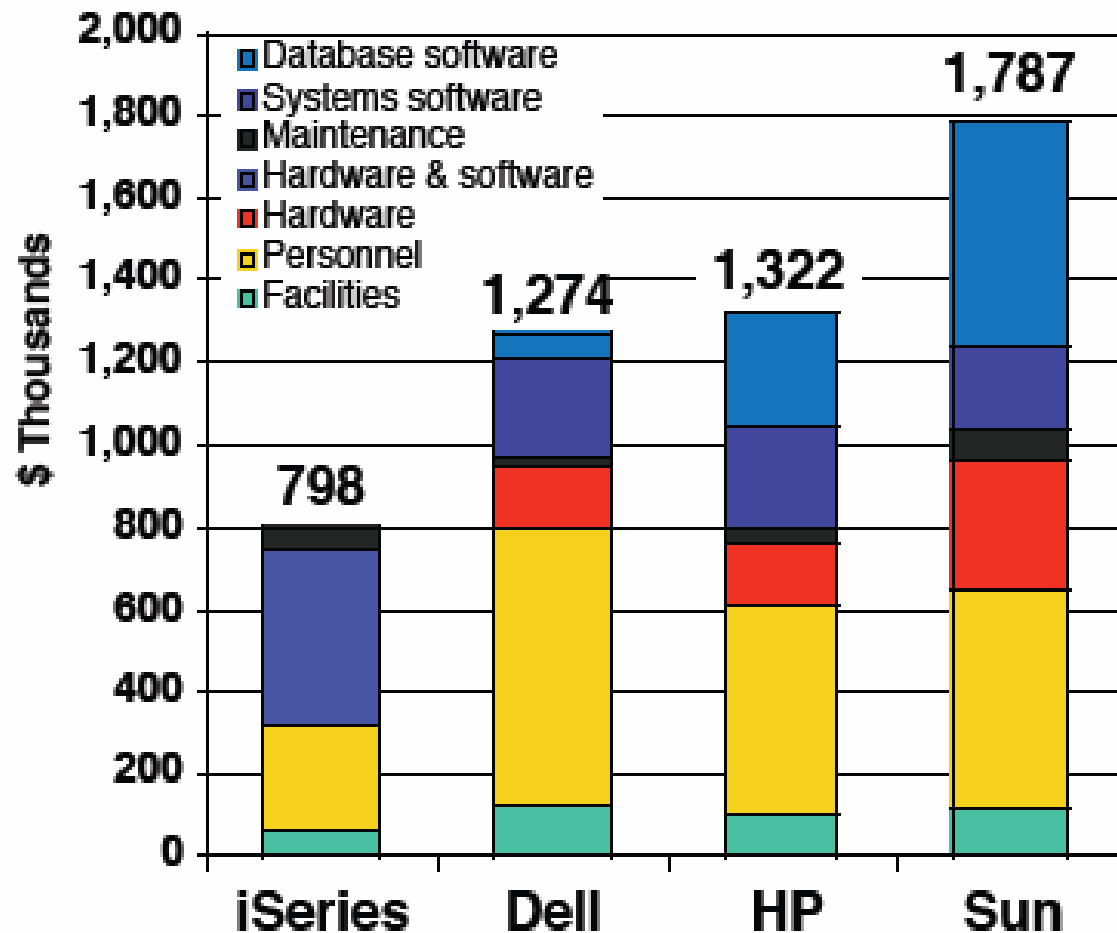


i5OS



3 Year Cost of Ownership

JD Edwards EnterpriseOne



System i is

- 37.8% less than Dell
- 39.7% less than HP
- 55.3% less than Sun

Why?

- Availability
- System performance
- Reduction in complexity
- Increase focus of IT resources on business demands

Source: ITG Status Report, June 2005

Cost/Benefit Case for IBM eServer i5 Servers: JD Edwards EnterpriseOne Solutions

3 Year Cost of Ownership

Comparing JDE World on System i to
Microsoft Business Solutions on Dell

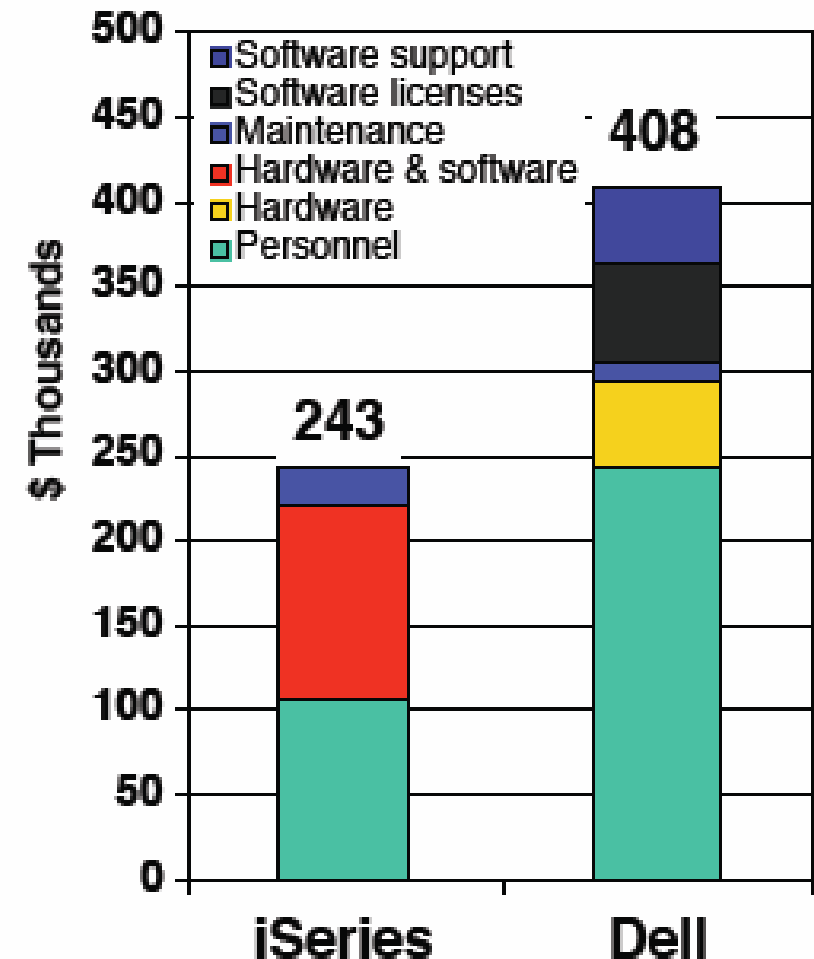
IBM System i is

- 40.4% less than Dell

Why?

- i5 system architecture
 - Diverse applications on a single server
 - Advanced partitioning and virtualization
 - High utilization
 - Virus resistant
- Personnel productivity
- Integrated software

JD Edwards World



Source: ITG Status Report, June 2005

Cost/Benefit Case for IBM eServer i5 Servers: JD Edwards World Solutions

Analyst Report: System i Can Reduce IT Costs:

258% ROI, average monthly downtime reduced from 8.2 hrs to 0.8hrs



- ☑ The investment in the iSeries system began to pay off relatively quickly, with a payback period of just over five months.

15 www.idc

Infrastructure Simplification and the ROI of Consolidating Windows, Linux, and AIX 5L Applications on IBM eServer iSeries Systems

- ☑ Simplifying the infrastructure with the iSeries system led to improved IT productivity in all areas, including 68% in operations and 52% in server support.

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SITUATION OVERVIEW

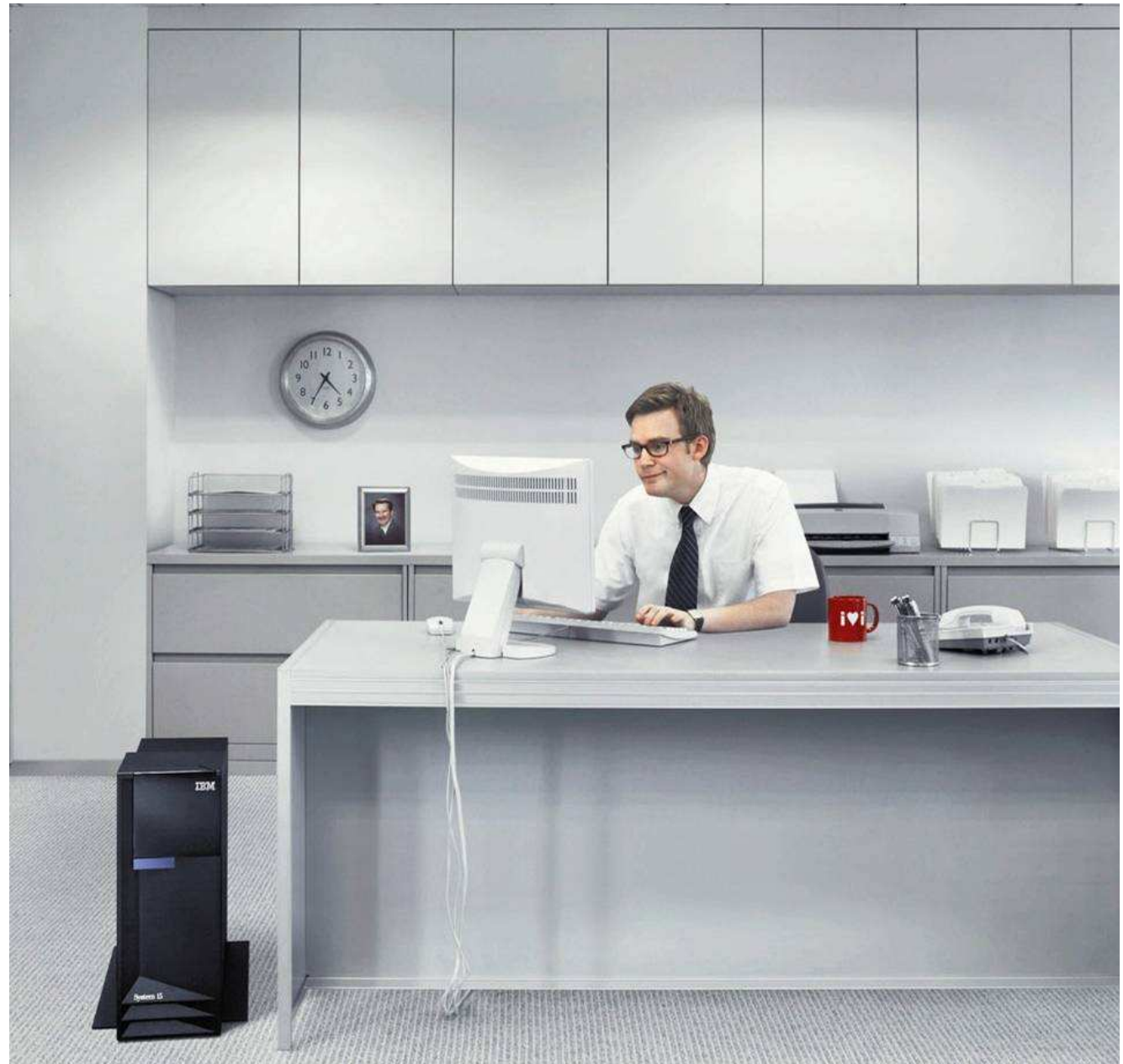
The drastic downsizing and cost-cutting of the past few years have abated in many organizations, and IT spending is once again growing worldwide. But demand for computing resources — and the flexibility to change information technology (IT) infrastructure to meet changing business conditions — continues to strain IT organizations' ability to respond to those changes. Organizations across all types of industries are looking to provide higher levels of service to end users while demonstrating financial return on their investments in computing technology and resources.

TCO Studies – Sources

- *Distributed Servers – Validity, Value and Selection Criteria*; IDC (Copyright 1993)
- *Reversing the Trend of Rising IT Costs*; IDC (Copyright 1998)
- *A TCO Analysis of IBM AS/400 Dedicated Server for Domino versus PC Servers*; IDC (Copyright 1999)
- *Distributed Servers – Validity, Value and Selection Criteria*; IDC (February 2000)
- *Server Cost of Ownership in ERM Customer Sites*; IDC (Copyright 2001)
- *Impact of OS/Platform Selection on the Cost of ERP Implementation, Use and Management*; META Group (July 25, 2002)
- *The ROI of Windows and Linux Server Consolidation on IBM eServer iSeries: Analysis and Case Studies of Small and Medium-sized Businesses*; IDC (July 2003)
- *Cost/Benefit Case for IBM eServer i5 Servers: JD Edwards EnterpriseOne Solutions*; ITG (June 2005)
- *Cost/Benefit Case for IBM eServer i5 Servers: JD Edwards World Solutions*; ITG (June 2005)
- *Cost/Benefit Case for IBM eServer iSeries Systems Deployment in Banking Industry*; ITG (July 2005)
- *Infrastructure Simplification and the ROI of Consolidating Windows, Linux and AIX 5L Applications on iSeries Systems*; IDC (September 2005)
- *Cost/Benefit Case for IBM eServer iSeries Systems Deployment in Wholesale Distribution Industry*; ITG (September 2005)
- *IBM iSeries Initiatives for SAP Deployment*; ITG (December 2005)

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