Change and Complexity Create Opportunity

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Agenda

- Businesses putting renewed focus on growth, innovation and customers
- Complexity and change dominate global markets
- Intelligent interactions change the game
- Integrated service management, automation and integrated lifecycles required
- Essential guidance for exploiting change and emerging opportunities

The "New Normal"

Shifting Business Goals Impact Technology Goals

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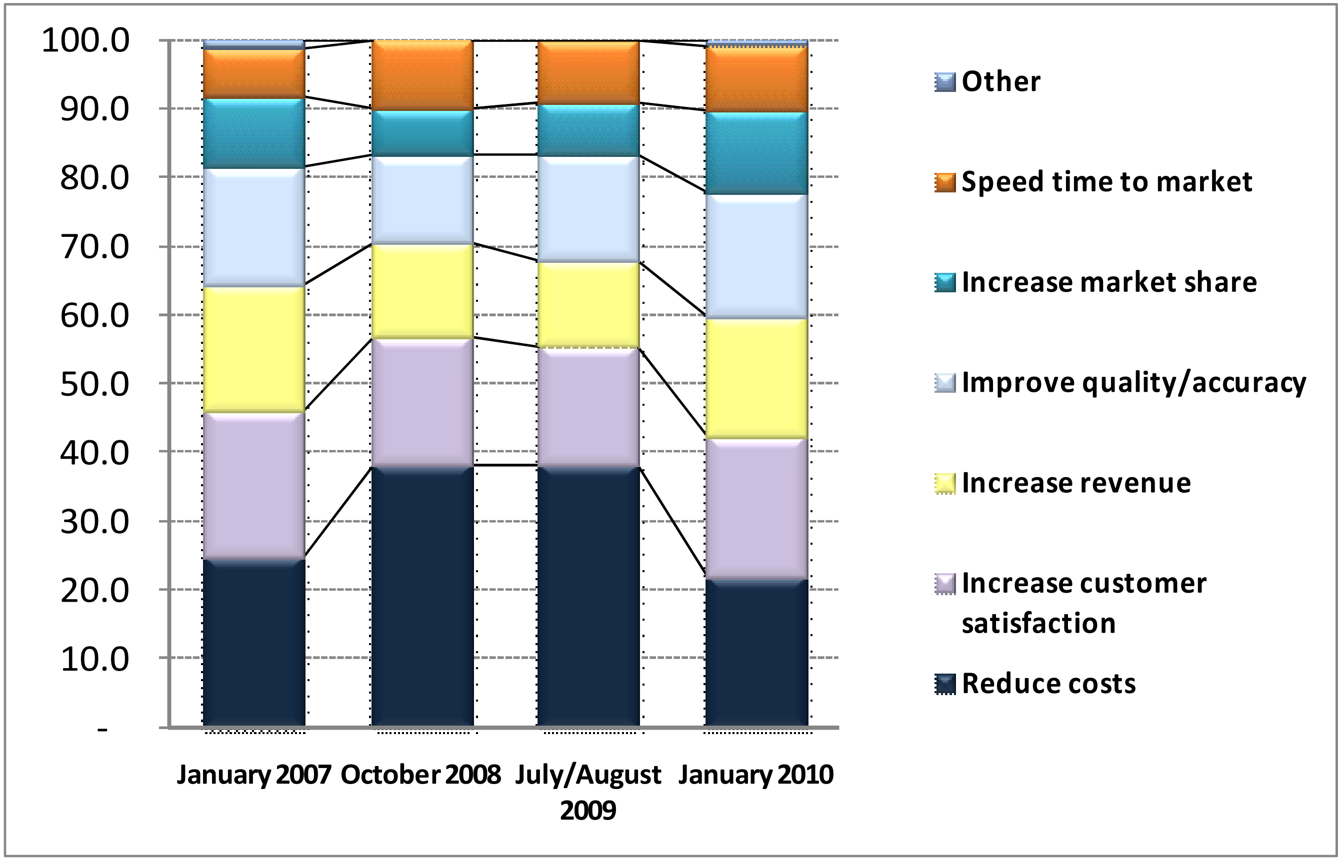
Q. Prioritize the following business goals as they relate to your organization by allocating 100 points among them. The more points you allocate, the more important the business goal.



Business priorities are quickly returning to pre-recession status

Refocus on "doing the right thing", not the least expensive

- **For customers**
- **For shareholders**
- **For competitive advantage**

Efficiency still matters, but not if it impacts business performance

- **Availability**
- **Flexibility**

Source: IDC Server Virtualization MCS 2007, 2008, 2009; IDC Datacenter and Cloud Survey 2010

The Leading Business Themes
Asia/Pacific

LoB

Q. Please select the most important initiative to your organization, in terms of helping IT achieve its organizational goals in 2010?

CIO

Cost savings

Business process optimization and automation

Attract new customers | Better response to a new market landscape

Better response to a new market landscape | Attract new & maintain talent

Gain competitive share of wallet

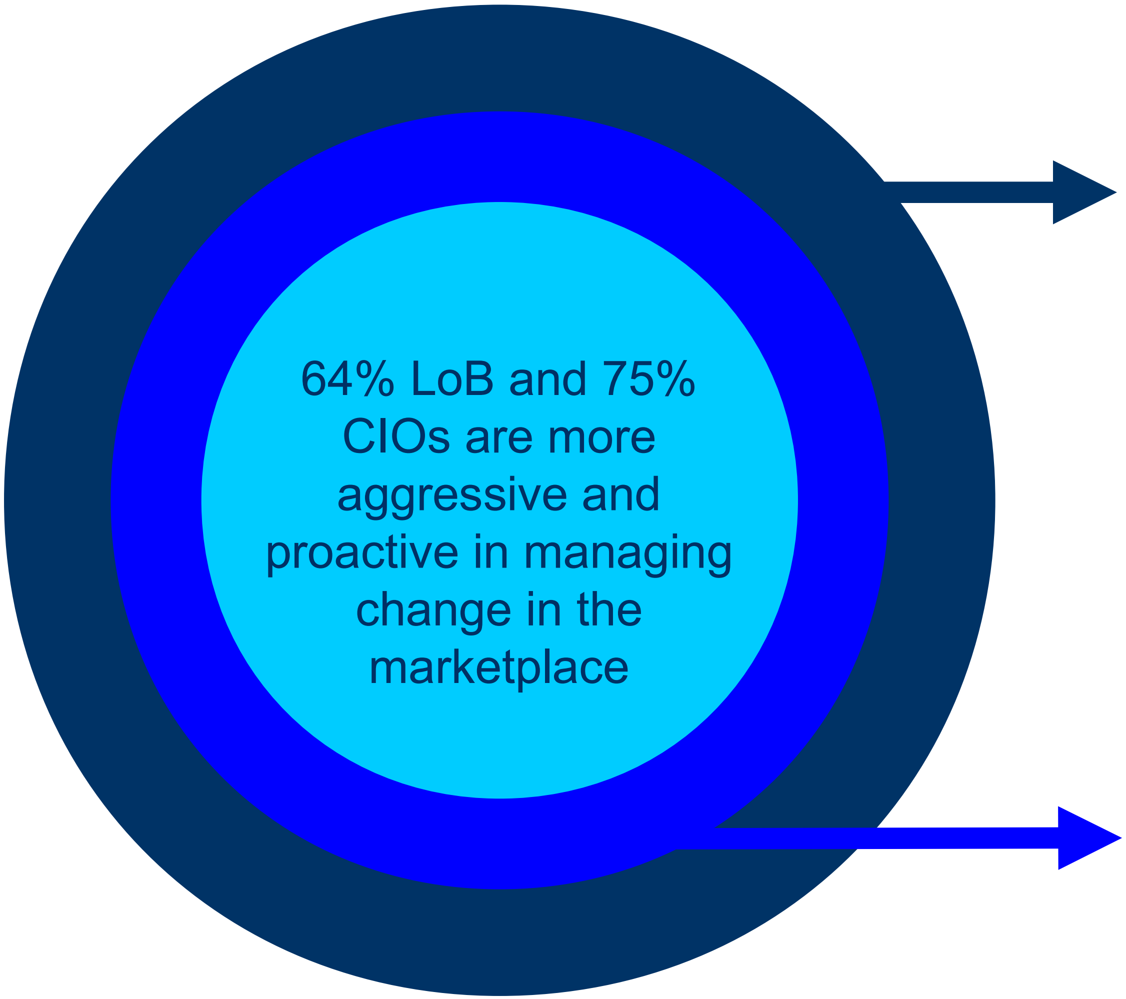
Attract new & maintain talent | Attract new customers

Expand footprint | Keep your customers & increase loyalty

Partner effectively

Source: IDC AP Recovery Watch Program – CxO Polls, November 30, 2009; N=520 CIO/646 LoB

Managing Change in Asia/Pacific
Beyond this Fiscal Year



39% of CIOs create a contingency plan to allow their organizations to scale up quickly in a recovery without the need for major CAPEX investments; Having a flexible arrangement is a critical part of this ops management initiative

>63% are planning for the longer term (the next 3-5 years)

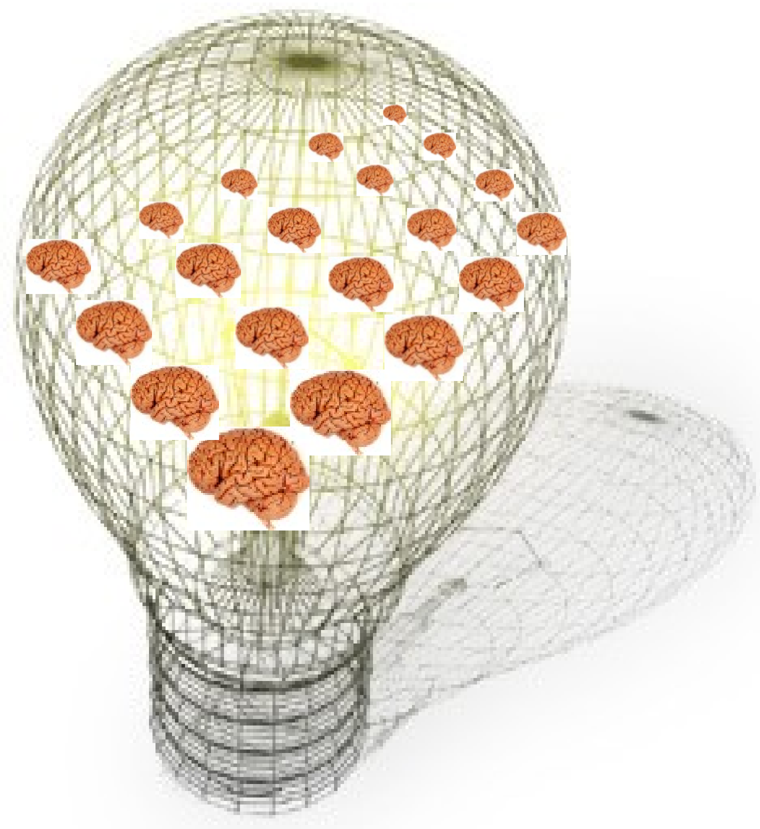
Recovery and Transformation

Key Market Transformations

- Telecom – fiber, 3G/4G wireless, converged IP delivery, new distribution models
- IT – market expansion through disruptive Cloud model, driving re-architecture of vendor models, offerings, identities
- Ascendance of mobile devices – and apps – challenging primacy of the PC
- Shift of customer “design point” toward SMB/consumer, emerging markets

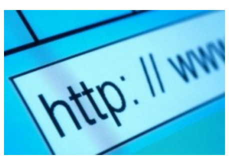
"Socialytic" Apps Emerge

- Fundamental transformation in business applications
- Fusing social/collaboration software and analytics to business logic/workflow and data
  - Marketing/merchandising, Reputation monitoring, Fraud detection, People-centric search, and BI
- Treat to traditional apps – transforms development and operations lifecycles



2010: Intelligent Economy Emerging

1 billion mobile Internet users; 500,000 mobile phone apps

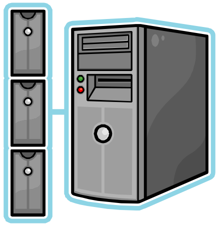


700 million social networkers

630 million laptops; 80 million netbooks

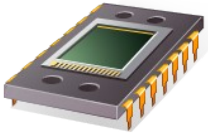
1.2 billion mobile phones; 220 million smart phones

Public cloud spending $23 B



50 million servers, half virtual

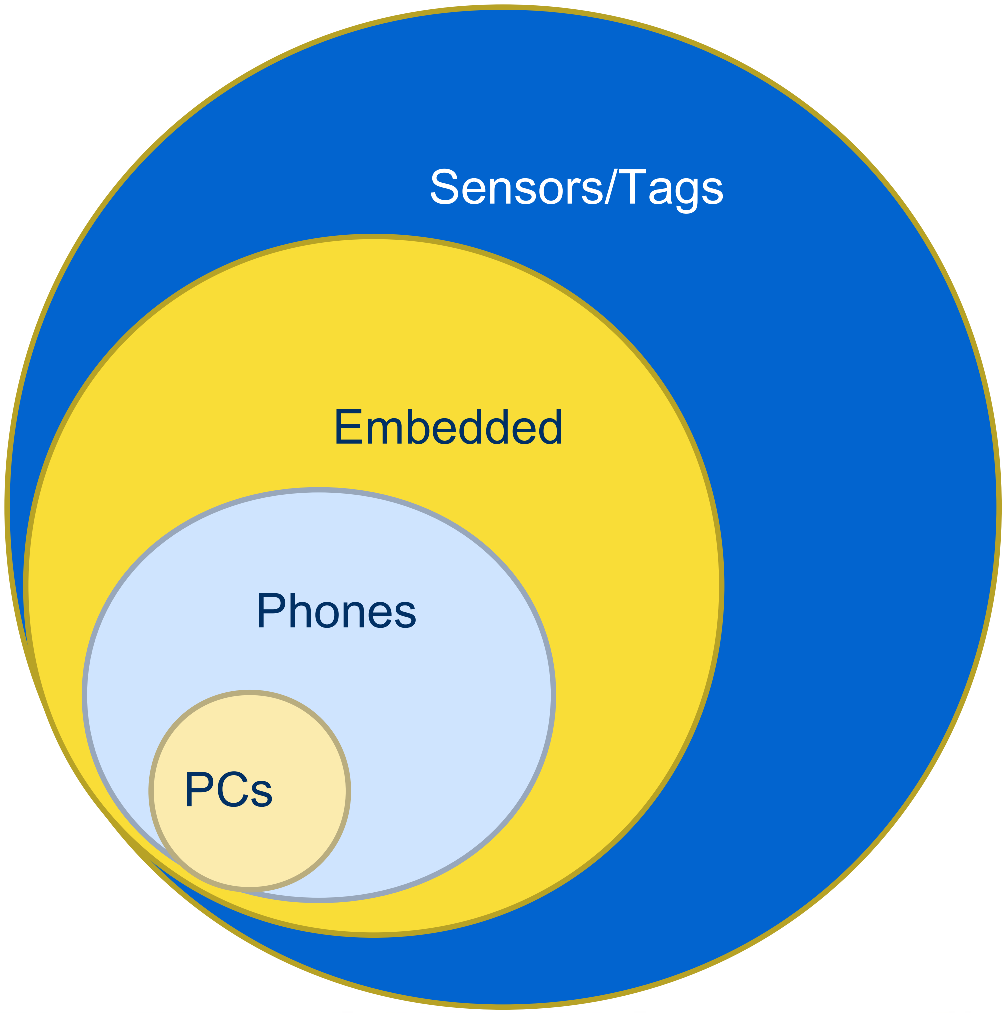
20 million smart meters in US



7 billion communicating devices in place – 5 billion of these are NOT computers

By 2020 – Intelligent Everything

Billions of Connected Devices by 2020



1.3 T tags/sensors

25+ billion embedded

2.6 billion phones

1.9 billion PCs

450 B interactions/day

Emerging Markets Lead Recovery

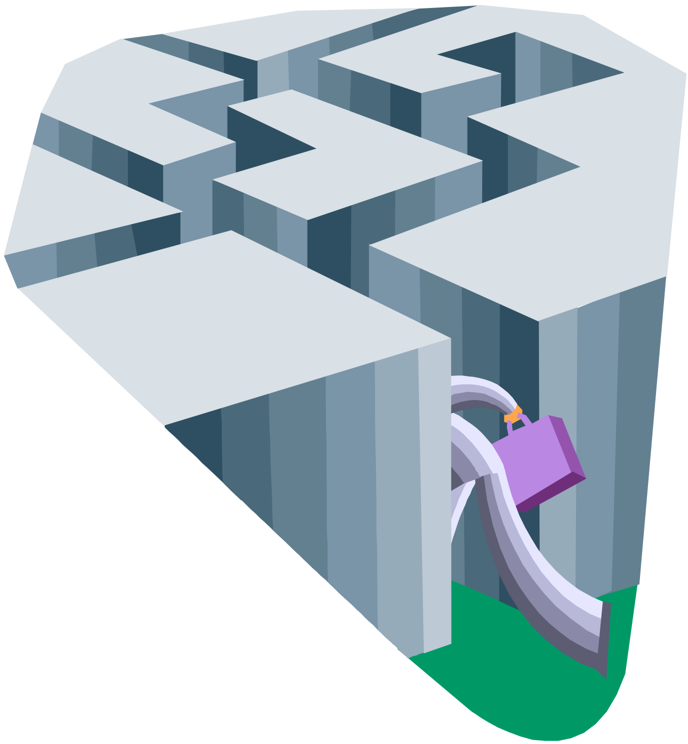
IDC Analyze the Future

More than half of IT growth in 2010 will come from emerging markets

- China (9%), India (13%), Brazil (8%), and Russia (8%)
- In contrast: U.S. (3%), W. Europe (1%), Japan (-1%)
- By year end, BRIC = 10%+ of global IT spending, all emerging markets = 21%
- Malaysian IT spend is expected to grow at 10.3% in 2010

Strategies for Coping with Complexity and Exploiting Opportunities

- Transform information overload into digital assets
- Integrate business and IT service management
- Optimize resources and performance
- Invest in automation and best practices



Exploit Emerging Digital Assets

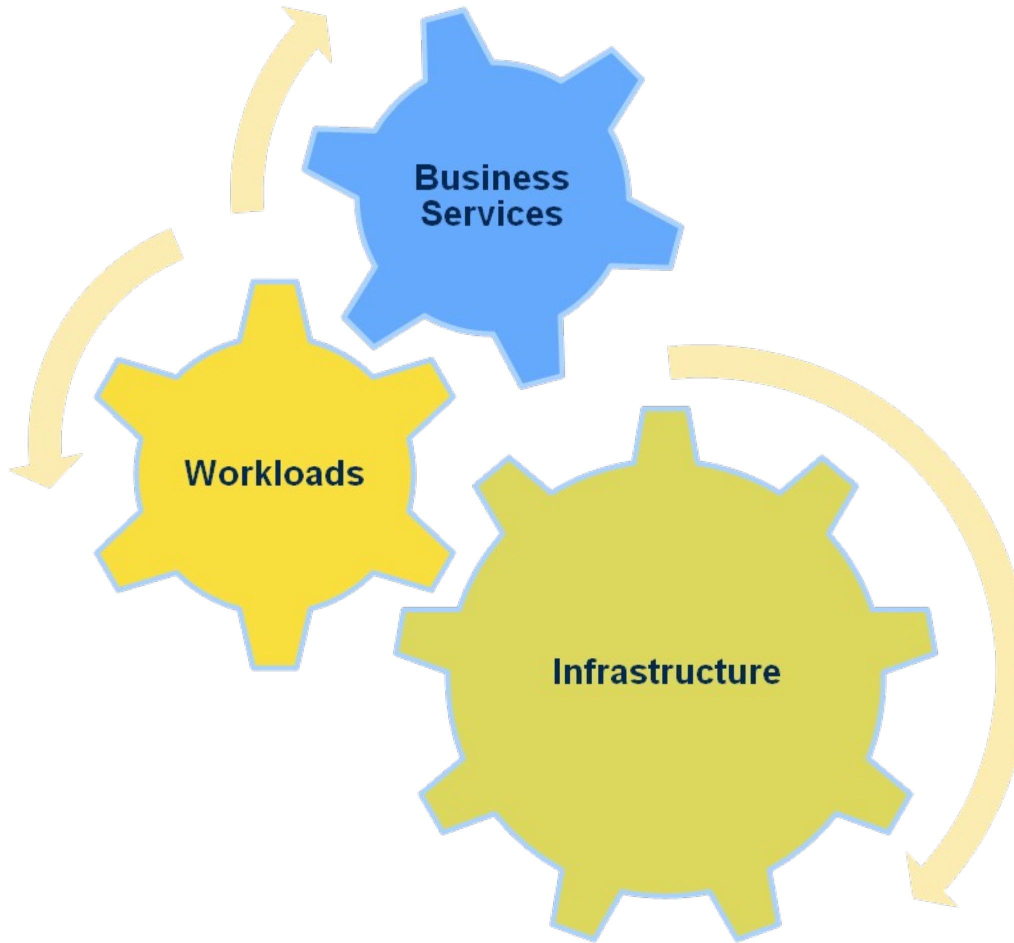
OLD

NEW

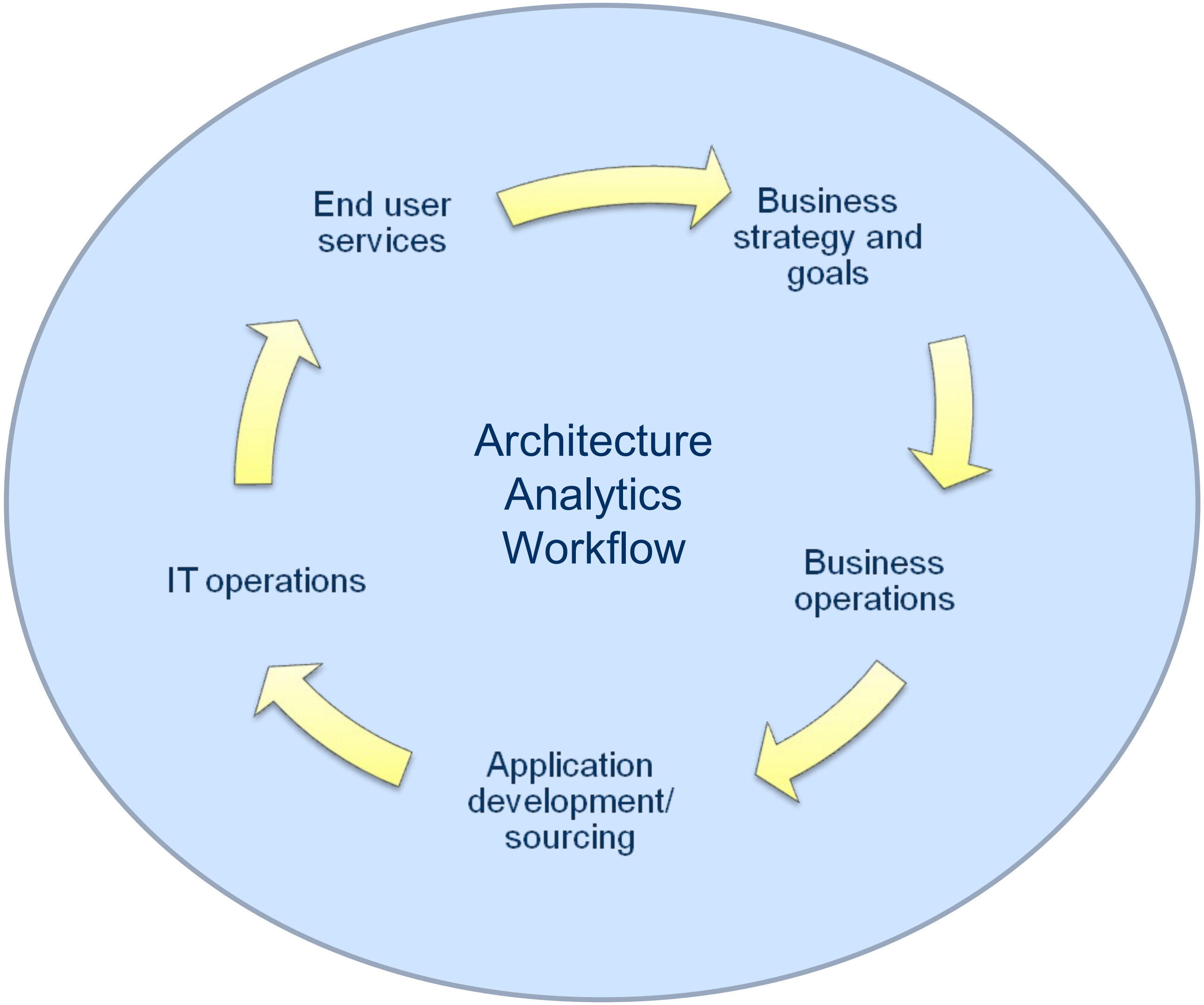
- Shift from a linear, data-processing (compute/storage-centric) paradigm to a dynamic information-centric environment that provides competitive advantage via intelligent analytics

Focus on Business Service Delivery

- Ability to exploit change and complexity depends on clear goals and business/IT collaboration
- Focus on end-to-end, integrated service management and delivery across business and IT lifecycles



Integrate Across Roles and Silos

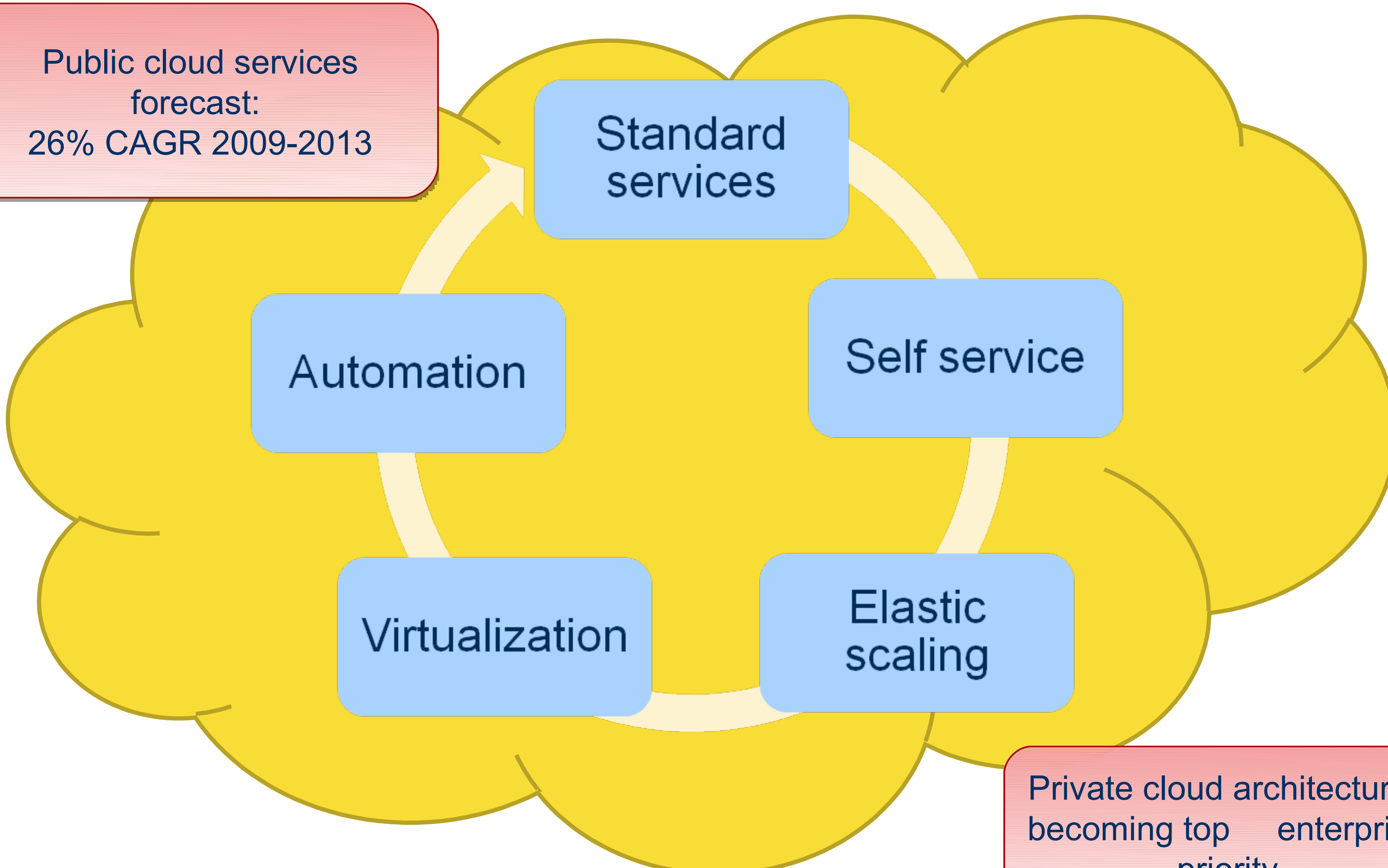


Integration Across Design and Operations Lifecycles

- Pace and scope of business and IT change requires better lifecycle integration
- Public cloud and SaaS options gain interest but complicate operations
- Time to break down the walls
- Focus on business agility

Optimize Resources and Performance

Public cloud services forecast:
26% CAGR 2009-2013



Private cloud architectures becoming top enterprise priority

Cloud Deployment Models Emerging

IDC
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Hybrid

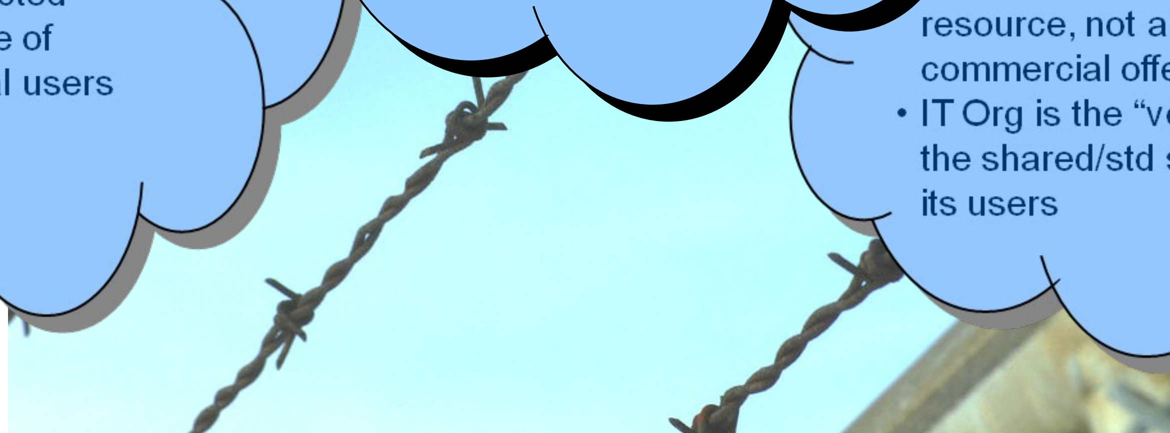
- Enterprise's cloud services portfolio includes *both* private and public cloud services
- Some specific services are delivered through a *combination* of public and private models (e.g., private cloud "bursting to" a public cloud service)

Public

- Designed for a market, not a single enterprise
- Open to a largely unrestricted universe of potential users

Private

d for, and
restricted to, a
gle enterprise (or
tended enterprise)
n internal shared resource, not a commercial offering
- IT Org is the "vendor" of the shared/std service to its users



Ensure that You Have a Clear 'Cloud Roadmap' in Place

High — Readiness Factor — Low

Storage as a Service
- ✓ Backup/Restore Solutions
- ✓ Information archival
- ✓ Data intensive workloads

Established packaged offerings
- ✓ e-mail
- ✓ Collaboration

Batch processing

Pre-production systems
- ✓ Software development
- ✓ Test

Where to Start?

Sensitive data
- ✓ Employee Information
- ✓ Medical Records

3rd party software which:
Does not have a virtualization
r Cloud aware licensing strategy

rgeback or utilization not enabled

Requires Mass Customization
- ✓ High auditability & accountability
- ✓ Subject to Sarbanes-Oxley
- ✓ IFRS
- ✓ JSOX

Focus on Private Clouds

2010 will be a big year for "private clouds"…:

Why?

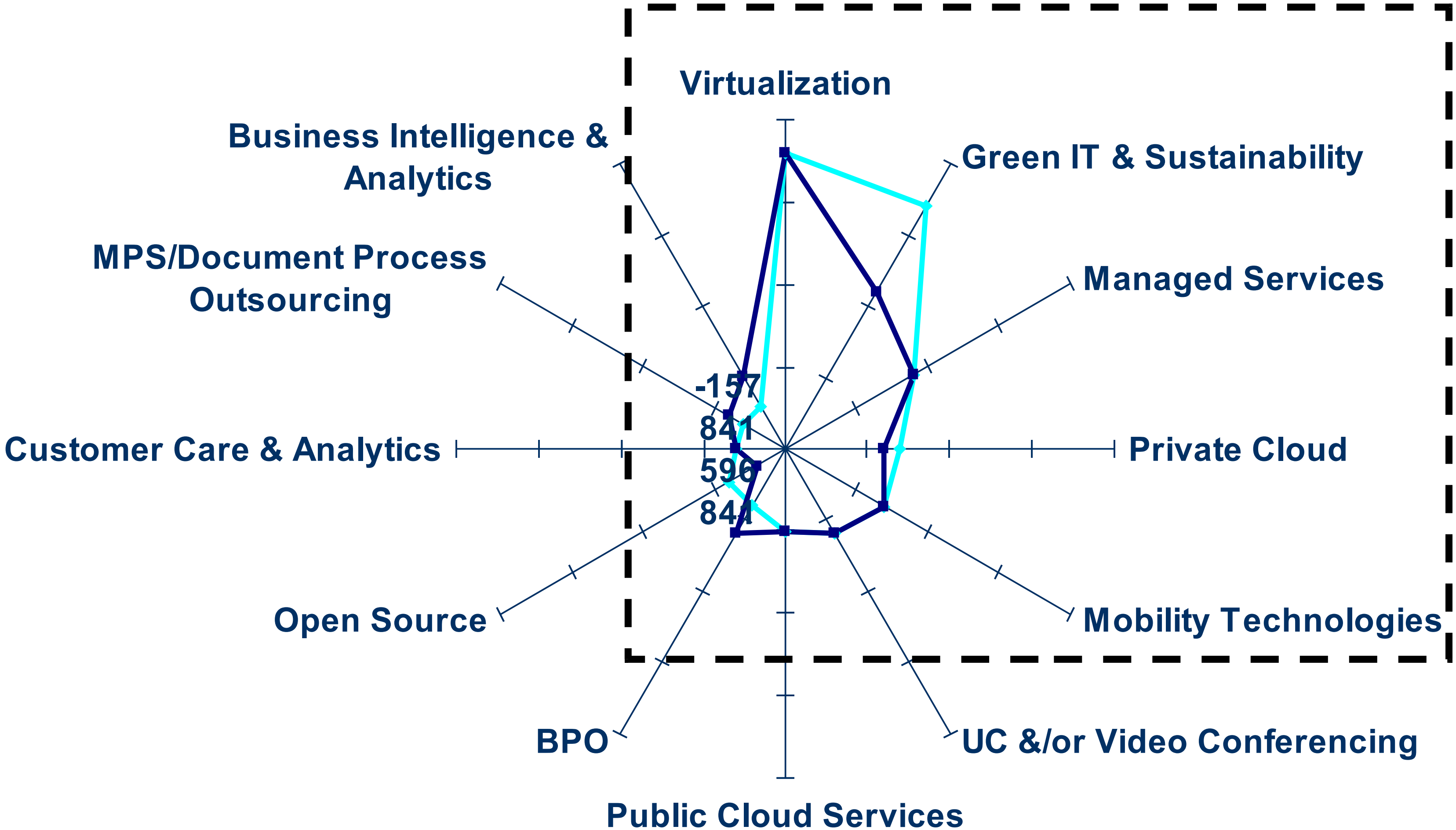
- Continued concerns about public cloud security, availability and performance
- Ongoing drive to maximize return on existing IT assets
- 2010 will be a big year for the announcement of "private cloud" offerings from virtually all major IT suppliers
- Clouds typically package infrastructure, platforms and applications together…
- Private cloud announcements to drive many strategic partnerships, joint ventures and acquisitions/mergers

The Advantage Technologies

LoB

CIO

Q. What do you think is the Top technology that would benefit your organization over the next 6 to 12 months?

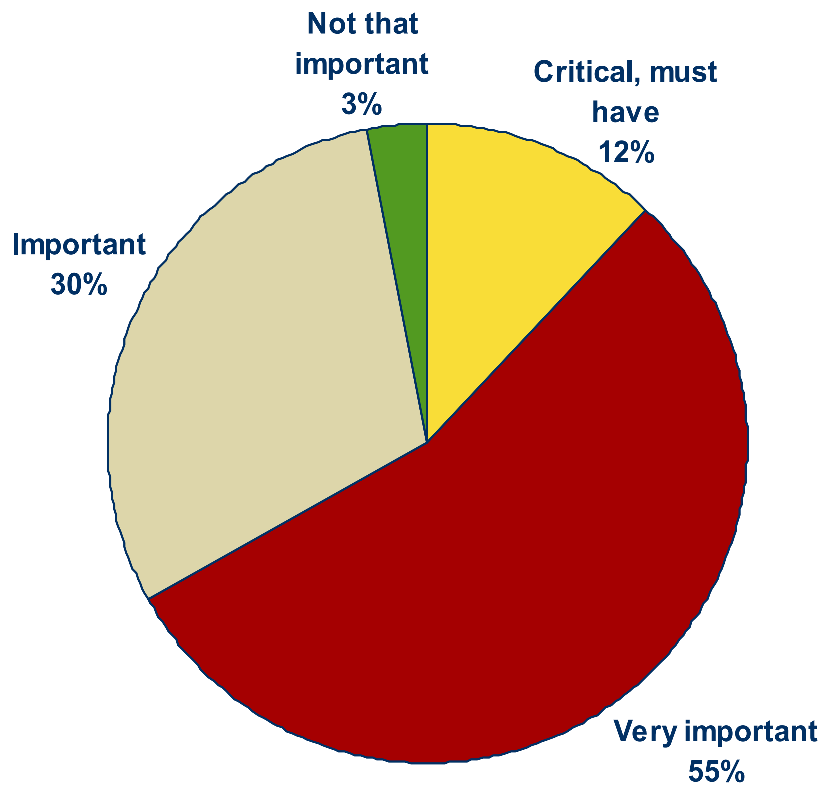


Source: IDC AP Recovery Watch Program – CxO Polls, November 30, 2009; N=510 CIO/630 LoB (Multiple Responses)

Automation & Best Practices Are Critical

What role do you expect automation to play in your virtualization investment?

- Speed and volume of change requires automation
- Automation reduces errors and increases staff productivity
- Workload migration becomes more real time
- Operational economics improve



n=100

Source: IDC's Virtual Infrastructure Management Survey

Essential Guidance

- Exploit business opportunities in the emerging intelligent connected economy
- Optimize across the lifecycle, not the silos
- Integrate, automate and standardize to the greatest extent possible

Questions

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