PCTY2010

Pulse Comes to You

Optimizing the World's Infrastructure

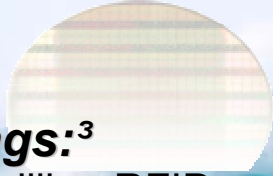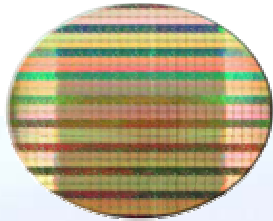**DELHI:** 6th July '10 | **MUMBAI:** 9th July '10

Integrated Service Management

Managing the World's Infrastructure in a Smarter Planet

Technology is Driving Change and Creating Opportunity

Transistors per human:[1]
2001: 60 million
2010: One billion

RFID Tags:[3]
Nearly 4 trillion RFID events transmitted each day

Global cellular service:[2]
2007: 3.3 billion connections
64% of users are in emerging markets
2010 (Q1): 4 billion connections

Smart Sensors:[5]
"…**nearly half of all sensors** used for critical measurements across transportation, facilities & production equipment are now smart sensors."

Cyber Attacks:[4]
2007: 37k on US government / private sector
158% increase in cyber attacks since 2006

But Systems and Infrastructure are Reaching a Breaking Point

Inefficient Systems

70 cents per dollar
spent on maintenance

45% traffic circling looking for parking in NYC

Outdated Processes

$40B annual loss
due to supply chain inefficiencies
*$11.5 billion worth of produce is wasted in India because of outdated post-harvest infrastructure*

Wasted Resources

85% idle
computing capacity

2.9 billion gallons
of gasoline wasted annually due to congested roadways

Yet the approach for managing this complexity remains the same

- Silo-based monitoring
- Excel-based asset tracking process
- Security= Anti-virus+Firewall
- Tape-based back-up
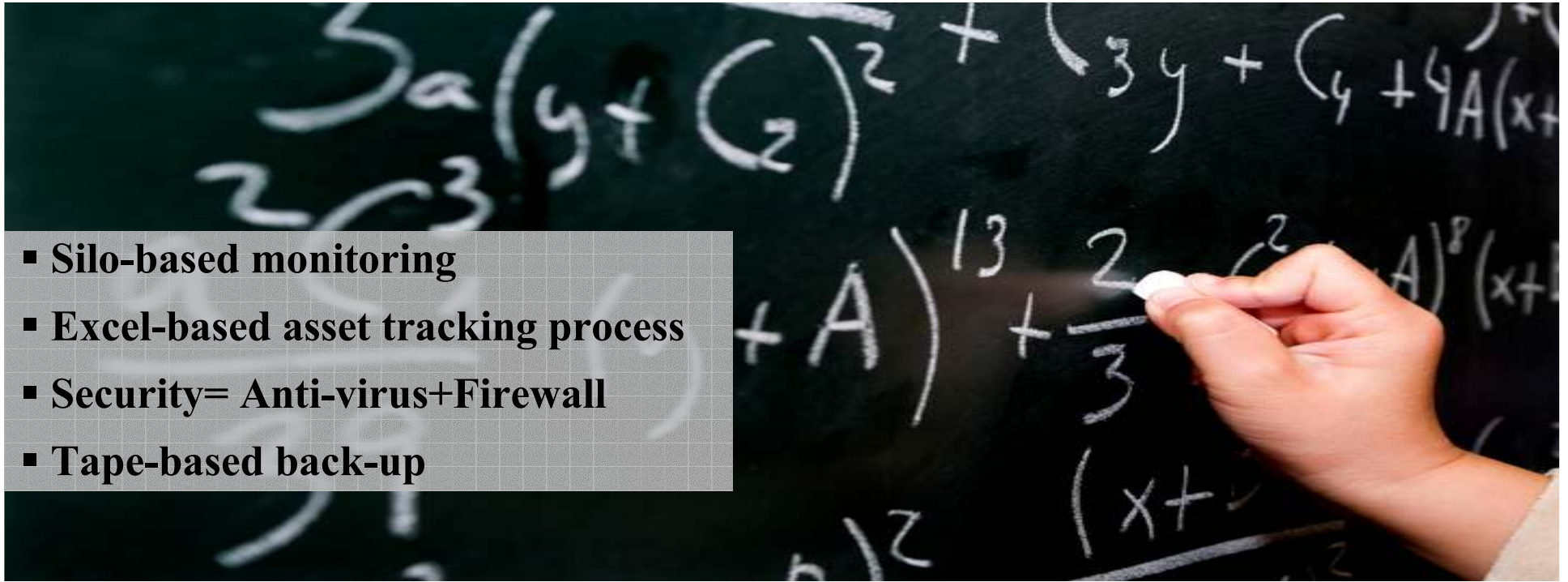
The need for efficiency and superior service from IT Operations is more critical then ever.

How can I improve the customers' experience with our business services?

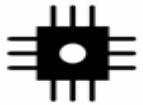**How can I improve the productivity of IT Operations staff?**

How do I manage a virtualized datacenter

How can I simplify the number of tools used to manage IT Operations?

INTEGRATED SERVICE MANAGEMENT

INSTRUMENTED

INTERCONNECTED

INTELLIGENT

Integrated Service Management enables delivery of innovative services by providing Visibility. Control. Automation.™ across business infrastructure.

VISIBILITY

CONTROL

AUTOMATION

INTEGRATED SERVICE MANAGEMENT

for
Industries

& Delivery

for
Design

for
**Data
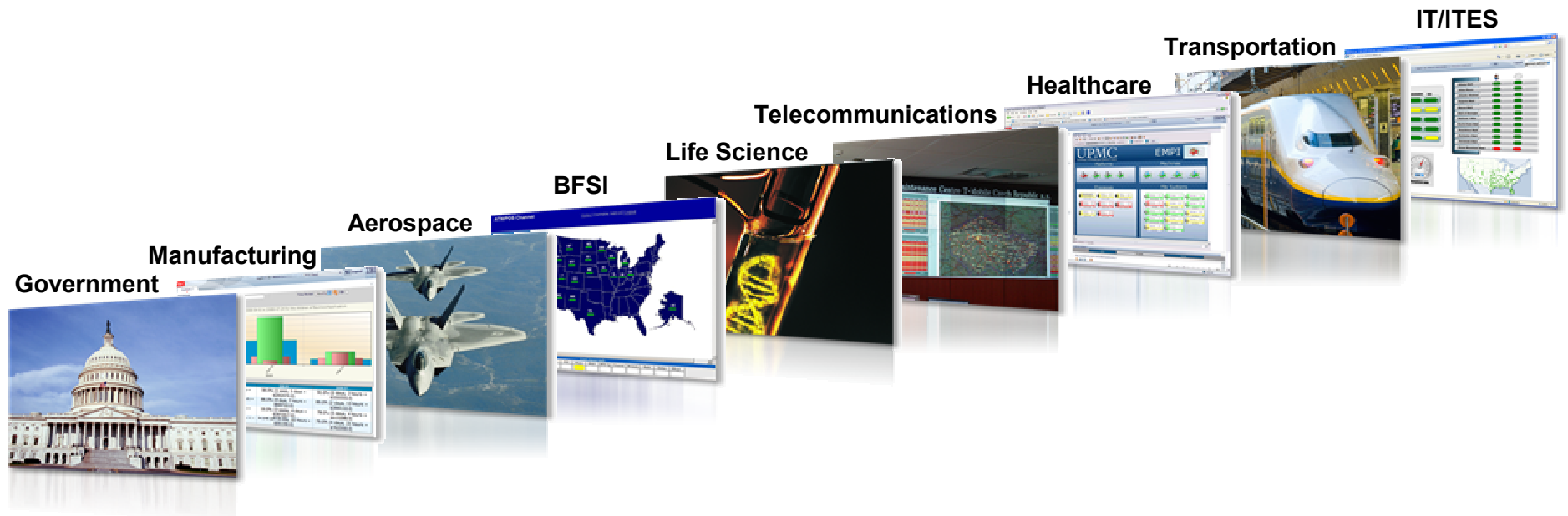Centers**
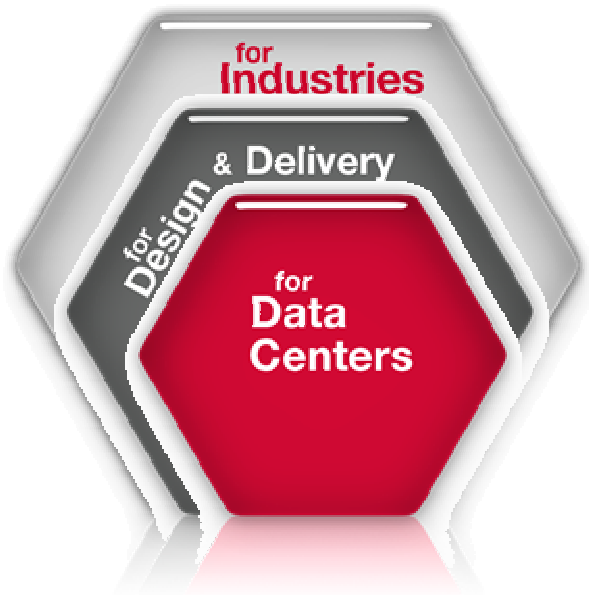
- 🔴 **Service architectures tailored by industry**
- 🔴 **Service lifecycle management**
- 🔴 **Service dashboards**
- 🔴 **Unified management of service requests and incidents**
- 🔴 **Asset management**
- 🔴 **Automated management**

Integrated Service Management- Across Industries

Service Delivery and Process Automation

Network and Service Assurance

Login
Password ········
Reme
Security, Risk and Compliance Management

Cloud Computing

Service Availability and Performance Management

System

Storage Management

Asset Management

Energy Management

9

Tivoli is Service Management

IBM Tivoli leads Service Management
Delivering service management excellence through leadership, execution and innovation.

Gartner Market Share Leader
- #1 Overall ITOM category (8th consecutive year)
- #1 Availability and Performance
- #1 Event, Fault and Log Management
- #1 Network Management
- #1 Security Information & Event Management
- #1 HSM and Archive Software

Gartner Magic Quadrant Leadership
- EAM for Power Generation - Leader
- EAM for Energy Distribution Utility - Leader
- EAM for Manufacturing - Leader
- User Provisioning – Leader
- Web Access Management - Leader

OSS Observer
- #1 Service Assurance
- #1 Event Management
- #1 Performance Management

IDC Marketshare
- #1 Overall in Systems / Network Management
- #1 in Overall Performance and Availability Management
- #1 Performance Management
- #1 Event Automation
- #1 Network Management / Archiving
- #1 Identity and Access Management
- #1 Security and Vulnerability Management
- #1 Enterprise Asset Management

Forrester Waves
- IT Asset Lifecycle Management (our 1st inclusion!)
- Identity and Access Management

ARC
- #1 in EAM Worldwide and in North America
- #1 in EAM Software Revenues and Service Revenues
- #1 in EAM for Oil & Gas, Automotive, Logistics,
- #1 in Government & independent Maintenance Service Providers

Integrated Service Management Solves Customer Problems
Only IBM delivers quantifiable benefits whatever the challenge

Harley Davidson

▪ Globally integrated its IT Management Operation

▪ Recorded savings of $25 million over 5 years

▪ 201% Return on Investment

Vale, World's 2nd Largest Mining Company

▪ Leveraging IBM to achieve Pro-active maintenance for 1.2 Million assets at 52 sites

▪ Support real-time data collection from legacy to RFID interfaces

Swiss Re, leading global re-insurer
Leveraged IBM Integrated Service Management to

▪ Improved scalability, flexibility by consolidating 40 change processes into 1

▪ Support regulatory compliance

Bharti Airtel

▪ Secured Sign-on Framework

▪ 20 ID's per user reduced to one single-sign-on

▪ User account provisioning time reduced from 2 days to < 1 hour

According to **IDC**, client using network management tools

▪Realize annual benefit of $24 million per year

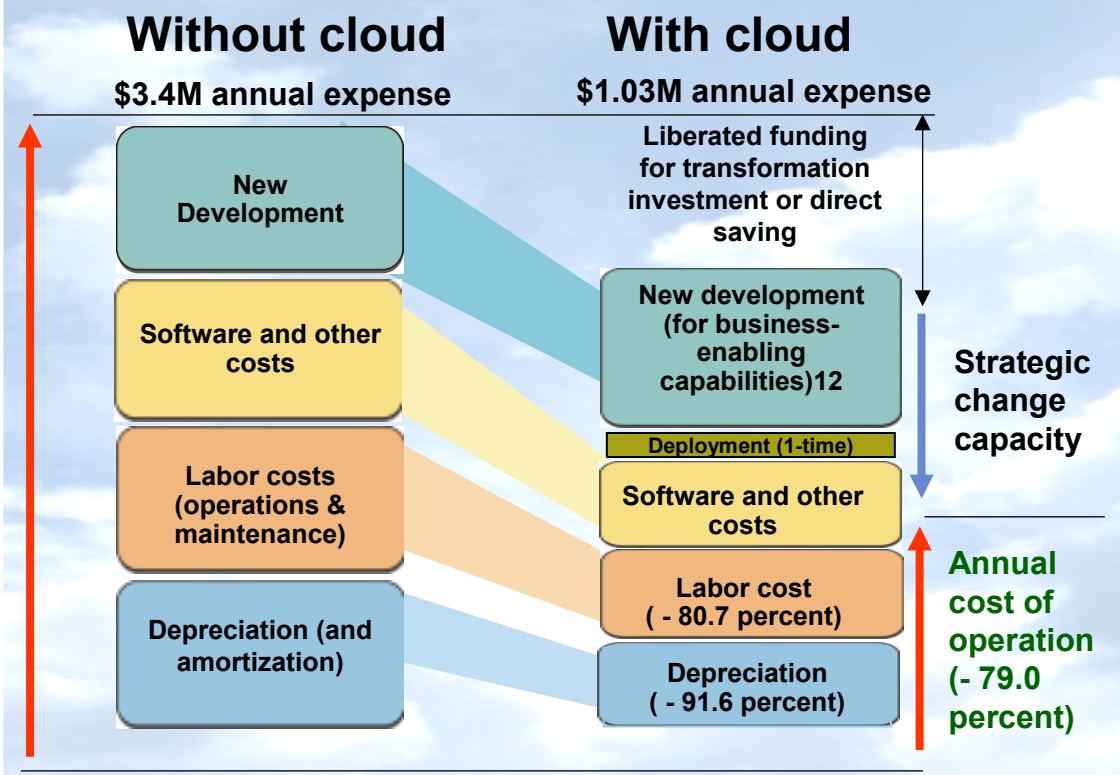▪Reduced capital expenditures by 1.3 million annually

IBM Toronto Labs, through automation

▪ Reduced provisioning processes from 25 to 5

▪Freed-up 7 person-years of developers' time

▪Recorded 305% return on its initial investment

IBM's internal adoption of Cloud

Without cloud — $3.4M annual expense
With cloud — $1.03M annual expense

New Development
Software and other costs
Labor costs (operations & maintenance)
Depreciation (and amortization)

Liberated funding for transformation investment or direct saving
New development (for business-enabling capabilities)12
Deployment (1-time)
Software and other costs
Labor cost (- 80.7 percent)
Depreciation (- 91.6 percent)

Strategic change capacity
Annual cost of operation (- 79.0 percent)

Note: 5-year depreciation period with 5 percent discount rate

Reducing expenses and driving innovation at IBM

Business challenge:
- Reduce operational expenses and capital investment
- Deliver end-user services with elastic scaling

Smarter Software Helped:
- Reduce labor expenses by 81%
- Capital depreciation savings of 92%
- On-demand self-service
- Ubiquitous network access
- Location independent resource pooling
- Pay per use pricing model