

Diveo delivers world-class hosting with IBM and Linux solution.

Overview

■ **Application**

Internet infrastructure and hosting packages for large and medium enterprises in Latin America

■ **Business Benefits**

For Diveo/IBM alliance: projected \$10 million in sales within 12 months; 30% of new customers demanding Linux®; several new customers attracted by IBM and Diveo alliance

For customers: 20% average savings in licensing, maintenance, administration and upgrade costs

■ **Software**

IBM WebSphere® Application Server; IBM WebSphere Commerce Suite; IBM DB2® Universal Database™; IBM MQSeries®; Red Hat Linux

■ **Servers**

IBM@server xSeries™; IBM@server pSeries™

■ **Services**

IBM Global Services



Diveo's successful Internet data centers are attracting new customers in Latin America with an offering of Linux for IBM@server xSeries and pSeries servers.

According to IDC research, Linux had the second-largest share of the market for operating systems in 1999—24.4 percent. IDC also projected that Linux would have the highest rate of growth—28.4 percent—from 1999 to 2004.

One company that pays close attention to forecasts such as these is Washington, D.C.-based Diveo Broadband Networks, Inc. (Diveo). With seven state-of-the-art Internet data centers in Argentina, Brazil, Colombia, Mexico and Miami, Florida, Diveo serves the Latin American market with world-class hosting, colocation and managed services, as well as broadband network connectivity.

“With approximately 30 percent of our new customers asking for the IBM Linux offerings, we expect that Linux will account for a large share of our business. It’s the future of mission-critical applications and application optimization.”

—Flavio Villanustre, Vice President of Operations, Argentina, Diveo

e-business—accelerating the pace of business and the pace of change



Through its alliance with the IBM Net Generation Business group and IBM Business Partners, Diveo can offer a full range of software and services tailored for Linux.

One of the strengths that has enabled this 600-employee company to become Latin America's largest Internet data center network is its ability to offer its customers their choice of server platforms, software packages and service options. In February, 2001, taking advantage of the growth of the Linux operating systems, Diveo began offering its customers the Linux operating system on IBM @server xSeries and pSeries servers, along with IBM software developed for Linux.

But it wasn't only statistics that persuaded Diveo to serve up an IBM and Linux option. Smaller companies had been complaining that using Microsoft® Windows® on non-IBM Intel servers was too expensive. Already serving some of the largest companies in Latin America, such as Nestle, Columbia House and Carlson Wagonlit, Diveo saw an opportunity to augment its customer base with medium-size enterprises. Aside from affordability and reliability, large and medium enterprises sought world-class service so they could save on maintenance costs.

Diveo knew the answer could lie with IBM and Linux. And when the IBM Net Generation Business group learned of Diveo's needs, it recognized an opportunity not only to serve the region's market leader but also to offer IBM products along with Diveo's. Joining forces, IBM and Diveo formed an alliance to co-market the hosting services of Diveo's Internet Data Centers and to provide customers with xSeries and pSeries servers running Red Hat Linux. Through IBM's existing network of Business Partners, the alliance also offers packages including products from the IBM WebSphere software platform for e-business, IBM DB2 Universal Database and IBM Tivoli® performance monitoring and reporting software. Expert technical support is also available through a separate alliance with IBM Global Services. IBM Global Services already helps staff Diveo's Internet Data Centers.

“IBM’s co-marketing presence in the alliance points to the tremendous credibility IBM has in the Linux world.”

—Mark Lineaweaver, Director of Corporate Development, Diveo

According to Mark Lineaweaver, director of corporate development for Diveo, "Linux offers superior reliability, cost savings, software availability and the advantage of a large and growing body of Linux administrators for support. And IBM's co-marketing presence in the alliance points to the tremendous credibility IBM has in the Linux world."

Linux solutions offered by the IBM and Diveo alliance have attracted several new customers in less than six months. According to Flavio Villanustre, Diveo's vice president of operations, Argentina, "Projections for the next 12 months for alliance sales are \$10 million, reflecting the strong demand we anticipate. It's easy to see what companies stand to gain with Linux. We calculate that compared to Windows and UNIX® operating systems on other servers, customers who use the IBM Linux solution save an average of 20 percent on the cost of licensing, maintenance, server and software administration and upgrades."



With solutions based on IBM xSeries and pSeries servers, Diveo can offer affordable Internet solutions to medium-size and large companies alike.

Marketing total infrastructure solutions

To deliver affordable, integrated e-business services to SMEs, Diveo has created an infrastructure based on IBM @server running Linux. For customers wanting a total package of managed services, Diveo offers Web-site usage reporting, storage, caching, load balancing, enhanced network and physical security and server backup. Through IBM Global Services, Diveo also offers 24x7 technical support services from Diveo's Internet Data Centers.

In another initiative undertaken by the alliance, Diveo and IBM client service teams have begun to co-market a human resources application from a major U.S.-based provider on xSeries and pSeries servers for Linux and Windows operating systems.

Comments Lineaweaver, "IBM xSeries and pSeries servers are top-of-the-line servers at very reasonable prices."

Lining up for Linux

For customers that need robust, scalable e-business applications, an IBM Business Partner will deliver a complete solution leveraging IBM software designed for Linux. For high-performance e-commerce solutions, for instance, a solution can include IBM WebSphere Commerce Suite with IBM DB2 Universal Database as a data management solution and IBM WebSphere Application Server as a Java™ servlet engine. IBM MQSeries can be used to integrate e-commerce front ends with backend systems and operations.

One company for which Diveo and IBM have made a critical difference is Cibermatica, an Argentine consulting and systems integration firm whose customers include BMW Latin America, Emergia, Repsol-YPF and the Ford Modeling Agency. According to Rodolfo Klenik, operations director for Cibermatica, "Linux is our operating system of choice, not only for our internal applications and VPN, but also on development platforms for our customers. Linux is a robust, secure and reliable operating system which adapts to Intel platforms and provides the highest performance levels which we can then offer to our customers."

Another satisfied customer is an application service provider (ASP) offering a vertical portal enabling B2B transactions between pharmaceutical distributors and their suppliers and customers. The ASP developed its Web site with PHP along with DB2 Universal Database for Linux on the backend.

Yet another ASP customer providing 3-D visualizations over the Internet uses nine xSeries servers running Linux and WebSphere Application Server to manage transactions and serve as a Java runtime environment. Says Villanustre, "With nine servers, the savings from Linux add up to a significant cost factor for this customer and the reliability of Linux and the xSeries platform provides a critical operating advantage."

Certified to provide the best service

Already an IBM Premier Business Partner, Diveo became an IBM Hosting Advantage Business Partner in June 2001 when it became the first dedicated hosting provider in Latin America to receive the IBM Hosting Advantage approval. This IBM designation attests to the high quality of Diveo's hosting environment and its practices for availability, capacity planning, security, backup and recovery, systems management, disaster recovery and customer support.

"With IBM's approval and support in all areas of our business, we see a great future ahead for IBM and Diveo," says Villanustre. "And with approximately 30 percent of our new customers asking for the IBM Linux offerings, we expect that Linux will account for a large share of our business. It's the future of mission-critical applications and application optimization."

For more information about Diveo, visit:

www.diveo.net

For more information

Please contact your IBM marketing representative or IBM Business Partner.

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