zEnterprise – The Ideal Platform For Smarter Computing

Improving Service Delivery With Private Cloud Computing

What Users Like About Cloud Computing

- Self-service requests
 - User request services via a web portal
- Instant provisioning
 - Automated provisioning/de-provisioning of resources as needed
- Elastic capability
 - Resource can be elastically provisioned to quickly scale out and rapidly released to quickly scale in
- Low cost pay as you go
 - Users pay for what they use

But Businesses Have Concerns About Public Clouds

- Lack of Reliability
 - Examples of public cloud outages
 - -April 2011, Amazon, 2 days,
 - -April 2011, Azure, 6 hours
 - -Jan 2011, Salesforce, 1 hour
 - -May 2010, Amazon, 4 outages in 1 week
 - -April 2010, Azure, 40 mins
 - -June 2009, Amazon, 5 hours
 - -March 2009, Azure, 22 hours
 - -July 2008, Amazon, 5 hours 45 mins
 - -Aprll 2008, Amazon, 3 hours
 - -Feb 2008, Amazon 2 hours; Salesforce.com, 1 day
- Lack of Security/Compliance
 - Isolation of applications and data, data encryption/segregation
 - Compliance with laws and regulations
- Limited Archiving
 - Network performance and amount of data involved are limiting factors

Amazon's Trouble Raises Cloud Computing Doubts

April 22,2011 Computerworld

As technical problems interrupted computer services provided by <u>Amazon</u> for a second day on Friday, industry analysts said the troubles would prompt many companies to reconsider relying on remote computers beyond their control.

Deliver Service via Private Clouds

- "Private" because it is only used by enterprise employees and can be more reliable and secure
- Virtualization platform with elastic scalability
- Self-service portal to request service
- Support for instant provisioning of service
- Metering and billing capability to support pay as you go model

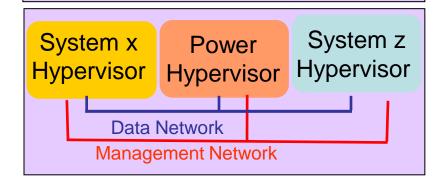
What Technology is Needed for a Private Cloud?

zEnterprise Is An Ideal Platform For Private Clouds

- Virtualized Platform
 - Multi architecture environments
 - Elastic scalability
- System z Solution Edition for Cloud Computing
 - Self service portal and service request processing
 - Instant provisioning
 - Metering and billing to support pay as you go
- Unified Resource Manager (zManager)
 - Workload management via service class levels
 - General management support for virtualized environment
- Delivers lowest cost per workload

System z Solution Edition for Cloud Computing

Unified Resource Manager (zManager)





zEnterprise Provides An Optimized Virtualized Platform

- Multi architecture environments enable a broad range of workloads
- Elastic Scalability
 - Add processors to z196 while running
 - Slide in a blade in a zBX and Unified Resource Manager (zManager) automates hypervisor and network setup to reduce manual time

Optimized and Secure Virtualization Platform

Unified Resource Manager (zManager)

System x
Hypervisor

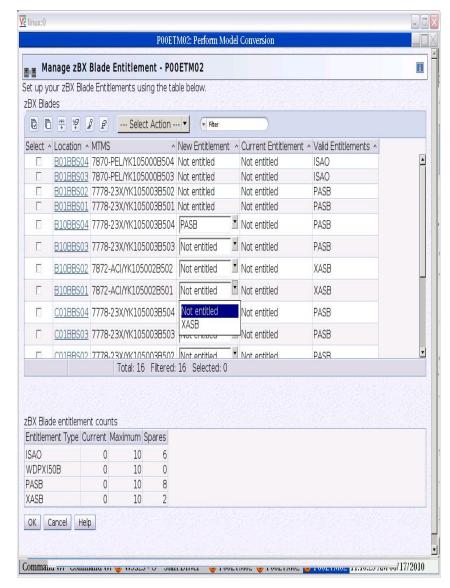
Data Network

Management Network



Minimizes Labor Associated With Hypervisor And Network Setup For Blade

- zManager reads the entitlements for blades
- Auto-discover and inventory for all elements
 - No need to install and configure libraries or sensors
- Automatic setup and configuration of the hypervisor
- Two internal networks all physically setup out-of-the-box in zBX
 - Pre-configured private and physically isolated internal management network
 - Private and secure data network



Hypervisor Setup And Configuration Lab Test Do-It-Yourself vs. zManager

DIY Tasks (per Blade)	Elapsed Time	Labor Time
Initial communication setup & education	6 min 26 sec	6 min 26 sec
Boot VIOS disc & install (creates LPAR for VIOS automatically)	37 min 59 sec	36 min
Configure VIOS networking	2 min 49 sec	2 min 49 sec
Create new storage pool for LPARs	35 sec	35 sec
Install VIOS service fixpacks	61 min 5 sec	20 sec
TOTAL TIME	1 hr 48 min 52 sec	46 min 10 sec

zManager Tasks (per Blade)	Elapsed Time	Labor Time
Add entitlement for a blade	90 min	92 sec
TOTAL TIME	1 hr 30 min	1 min 32 sec

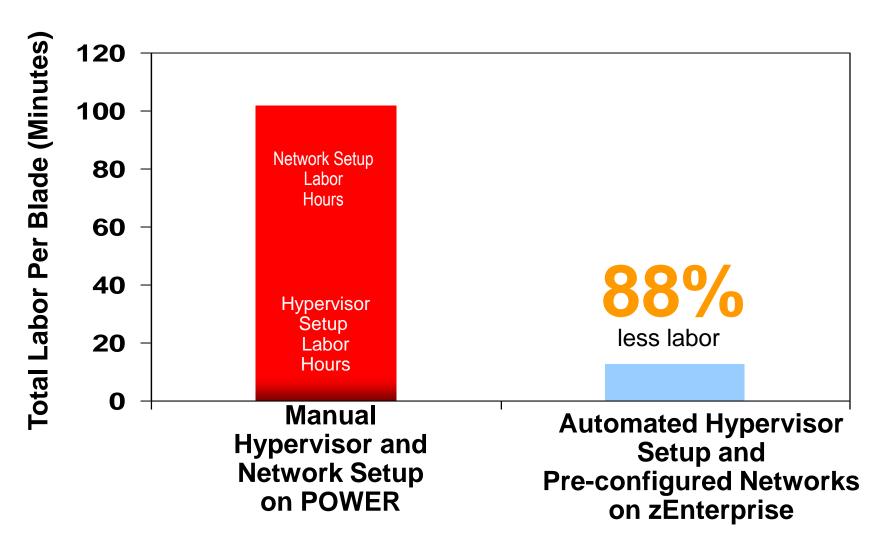
97% reduction in labor time

Network Setup And Configuration Lab Test Do-It-Yourself vs. zManager

Do-It-Yourself Tasks (for two BladeCenters)	Elapsed/Labor Time
Planning (includes time to go over docs, etc)	5 hrs
Cabling	2 hrs
AMM Configuration	2 hrs
Logical Configuration (L2)	8 hrs
Blades network configuration	4 hrs
Testing	2 hrs
Documenting the configuration	3 hrs
TOTAL TIME	26 hrs

zManager Tasks (for two BladeCenters)	Elapsed/Labor Time
Planning	3 hrs
Cabling (pre-cabled in zBX)	0 hrs
AMM Configuration (done in zBX)	0 hrs
Logical configuration (L2)	30 mins
Blades network configuration	1 hr 30 mins
Testing (pre-tested)	0 hrs
Documenting the configuration (all part of zManager)	0 hrs
TOTAL TIME	5 hrs 81% reduction in labor times

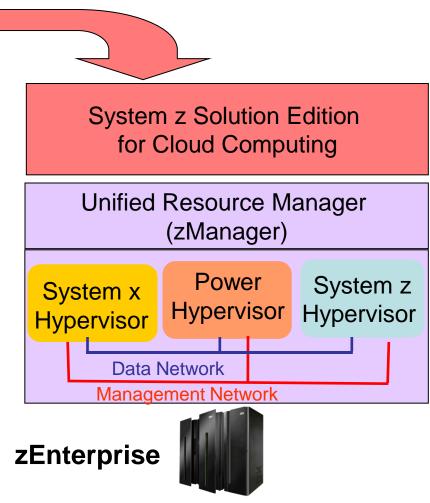
Benefits Of Automated Hypervisor Setup And Pre-configured Network On Labor



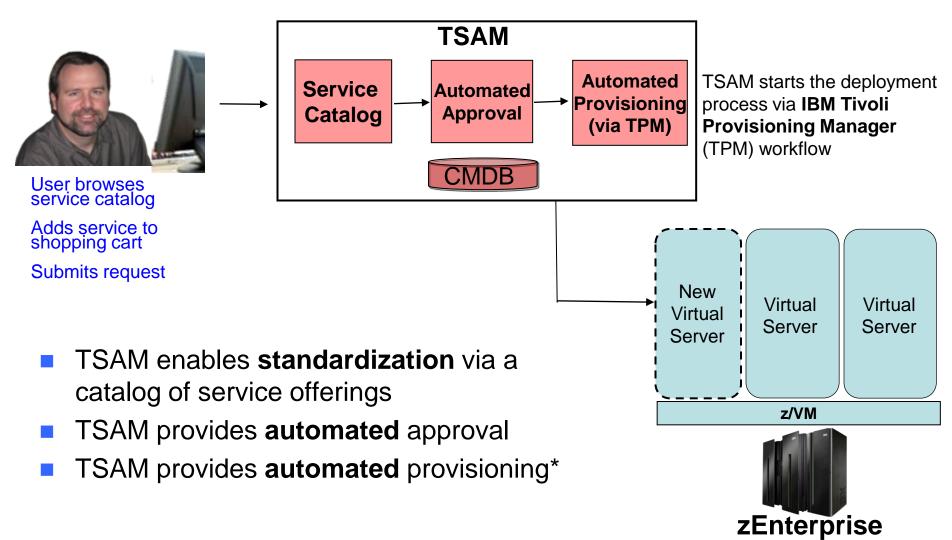
IBM System z Solution Edition For Cloud Computing

Adds package of software and services for self-service provisioning, chargeback and monitoring

- IBM Tivoli software (runs on zLinux)
 - Self-service provisioning
 - Tivoli Service Automation Manager (TSAM)
 - Chargeback
 - Tivoli Usage and Accounting Manager (TUAM)
 - Monitoring
 - Tivoli OMEGAMON XE on z/VM and Linux
- IBM Lab Services
 - Planning, installation, configuring, testing services
 - Significant package discounts



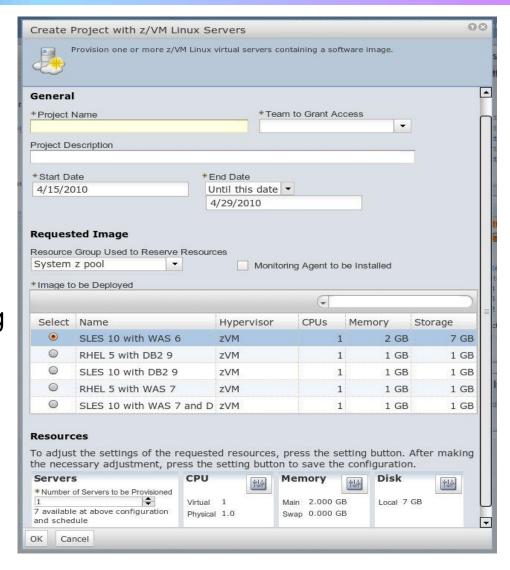
Self-Service Provisioning With Tivoli Service Automation Manager (TSAM)*



^{*} Can be used for provisioning under z/VM on zEnterprise. Use zManager and Tivoli Provisioning Manager to provision software stack on zBX for zEnterprise

DEMO: Self-Service Provisioning With IBM Tivoli Service Automation Manager (TSAM)

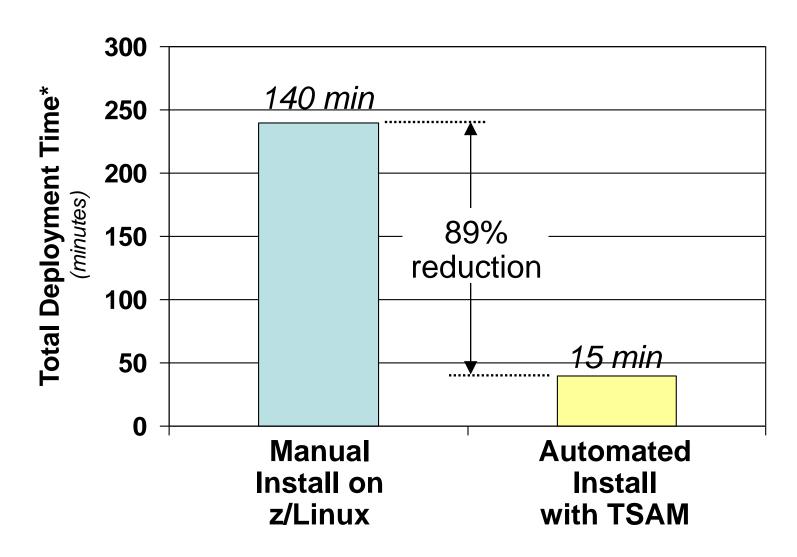
- Submit a request to add a new virtual machine (VM) under z/VM to an existing project
- VM created with a complete software stack (zLinux, WebSphere, customer application and Tivoli Monitoring agent) installed
- Requester is notified via email when the request is completed



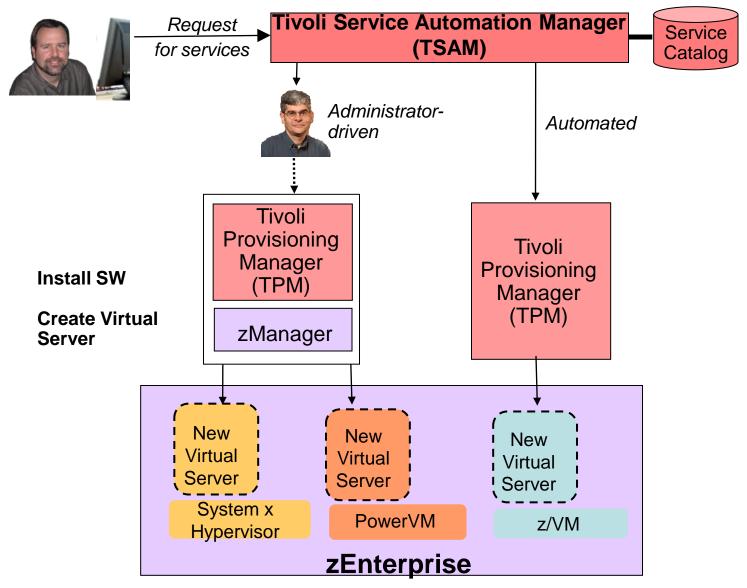
Respond Quickly By Provisioning With Tivoli Provisioning Manager (TPM)

- Virtual image repository allows customers to centralize and standardize on provisioning materials
 - Images, application packages, configuration properties
- Automates provisioning of virtual machines via cloning from images
- Automates the tasks of installing and configuring software environments on cloned images
- Tasks automated through automation workflows
 - Pre-built workflows describe provisioning steps
 - Automation Package Developer allows customization for data center best practices and procedures
 - Automatic workflow execution with verification at each step

Benefit Of Automated, Self Provisioning On Labor Costs

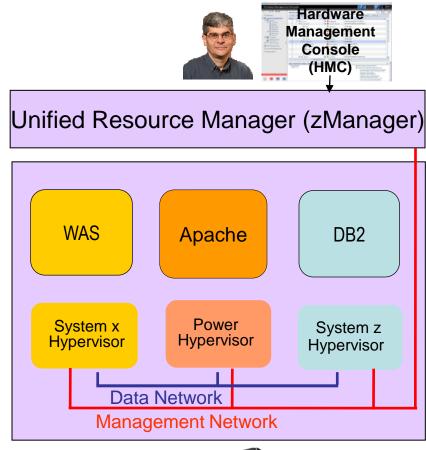


Summary: Self-Service Provisioning For zEnterprise



Manage Virtual Servers With zManager

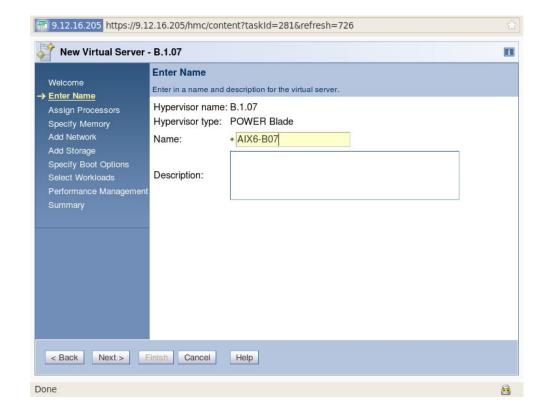
- Create virtual machines across all hypervisors from one console
- Create virtual networks
- Start / stop/ delete virtual servers
- Monitor resource usage
 - CPU, Memory, Power consumption





DEMO: Create Virtual Server With zManager

- Create virtual server on a Power blade
 - Enter name for virtual server
 - Assign number of virtual processors
 - Specify memory
 - Add network device
 - Add storage device
 - Specify boot option
 - Select workload



Pay-As-You-Go Chargeback With Tivoli Usage And Accounting Manager (TUAM)

Who is consuming which IT Resources? What is the cost of the IT Resources? How to calculate costs for different users

Tivoli Service Automation Manager (TSAM) and data collectors provide resource usage statistics

Costing engine to assign costs to resource usage

Reporting engine to provide invoices and reports

Provided by Tivoli Usage and Accounting Manager*

Workload Management With zManager

- Workload is a grouping of the virtual servers supporting a cloud service and the Workload provides a "management view" of these virtual servers
- Provides a set of user interface functions related to Workload
 - Define a Workload
 - Associate virtual servers with a Workload
 - Define performance goals for a Workload
- zManager can dynamically adjust CPU resources across virtual servers on a particular hypervisor to achieve their performance goals
 - No need to overprovision CPU resources
- Track transaction performance end-to-end and isolate bottlenecks

Example: Define Performance Goals

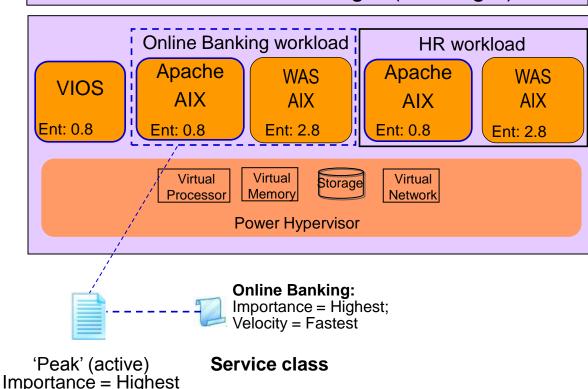
Hardware Management Console (HMC)





- Name workload (e.g. Online banking workload)
- 2. Select virtual servers to group under workload
- 3. Create performance policies
- 4. Create service classes for the policy; define importance, velocity and classification rules for each service class

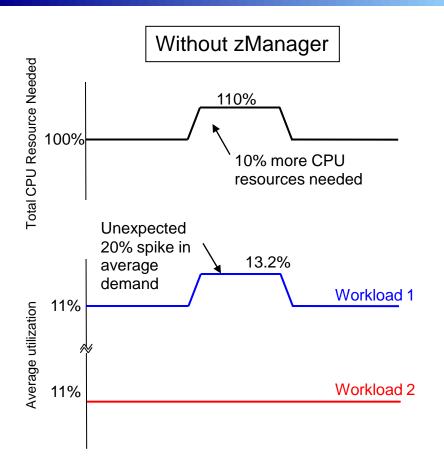
Unified Resource Manager (zManager)

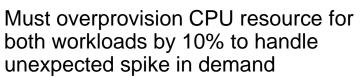


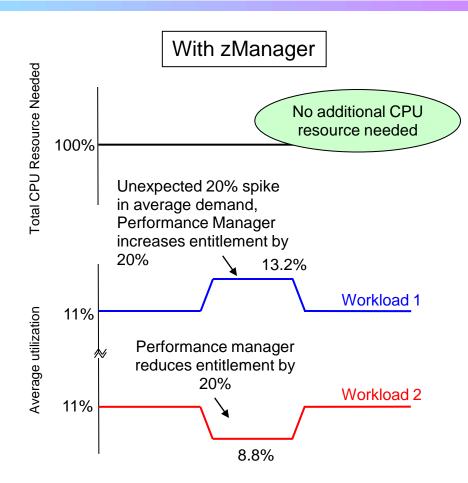
Dynamic Adjustment Of CPU Resources With zManager

- zManager collects performance data (wait/running ratio, utilization) for each virtual server
 - ► Historical data used to change CPU entitlements of workloads
- If service class is not meeting its goal, zManager adjusts entitled processor capacity of virtual servers as appropriate
 - ► For z/VM guests
 - Adjust CPU allocation across guests with relative CPU shares
 - For p blades
 - Raise processor entitled capacity to give virtual servers more CPU resources that are missing their goals
 - Resources adjusted are done among virtual servers under the same hypervisor

zManager Performance Management Reduces Need To Overprovision CPU Resource



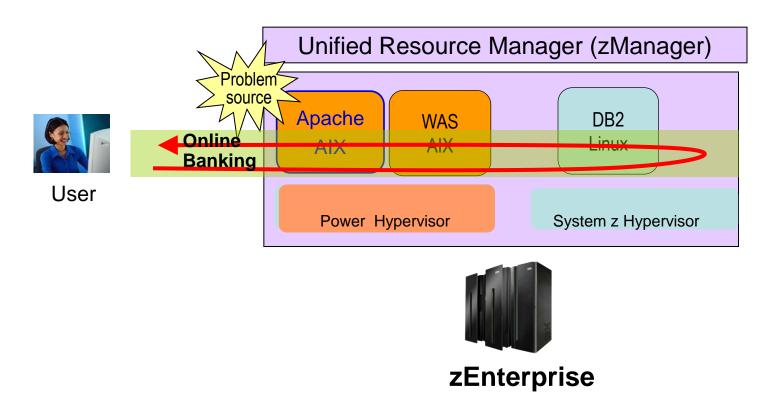




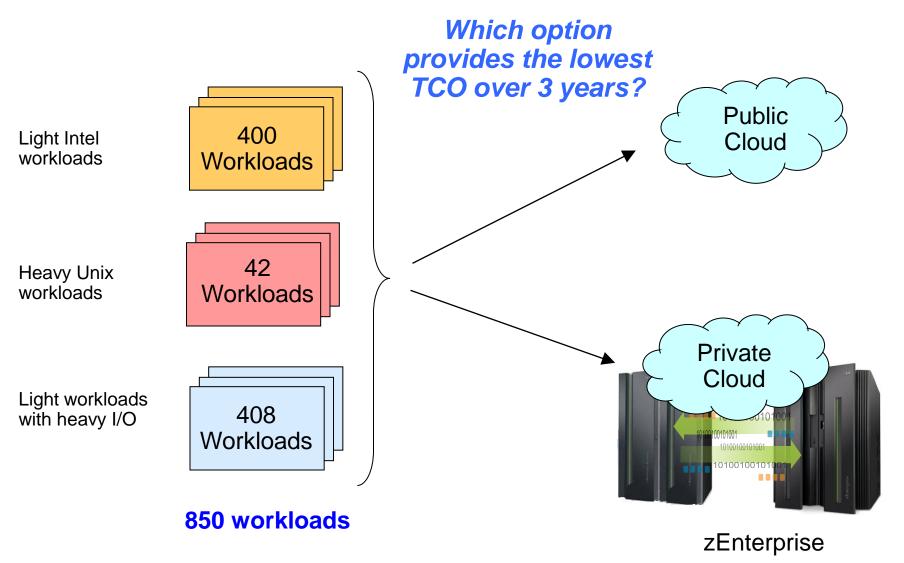
Performance manager enables trading off resource from lower importance workload, avoiding the need to overprovision

Monitor And Manage Transactions Centrally To Reduce Labor Costs

- View topology of workload running on multiple heterogeneous virtual servers and tracks transaction performance end-to-end
- Isolate source of performance problem across web servers, WebSphere and DB2



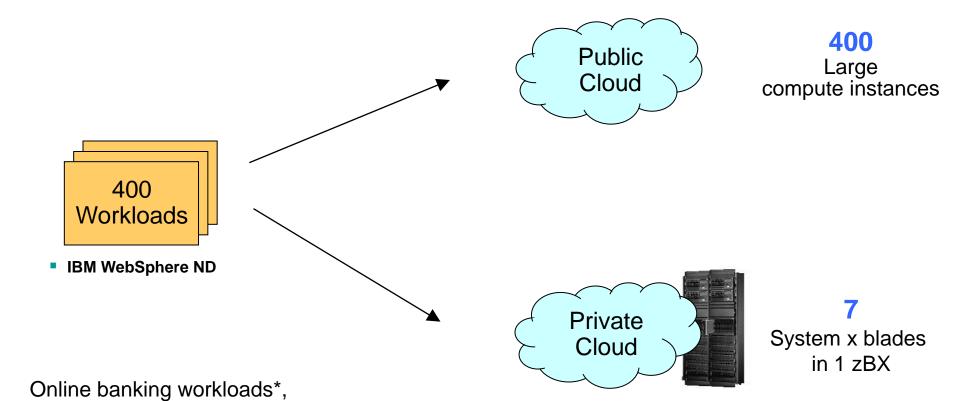
Public vs. Private Cloud: Which Option Costs Less For Delivering Mixed Workloads?



Variability In Image Usage Allows For Reduction In The Number Of Servers Required

- Consolidation ratios based on benchmark data assume "always on" operation
- On average, not all workloads are active all the time
- Amazon EC2 public cloud recognizes this by running with an "oversold" factor of 1.7
 - Assumes each server can support 1.7 times the indicated capacity of virtual machines
- This means we don't need as many servers as the benchmarks indicate

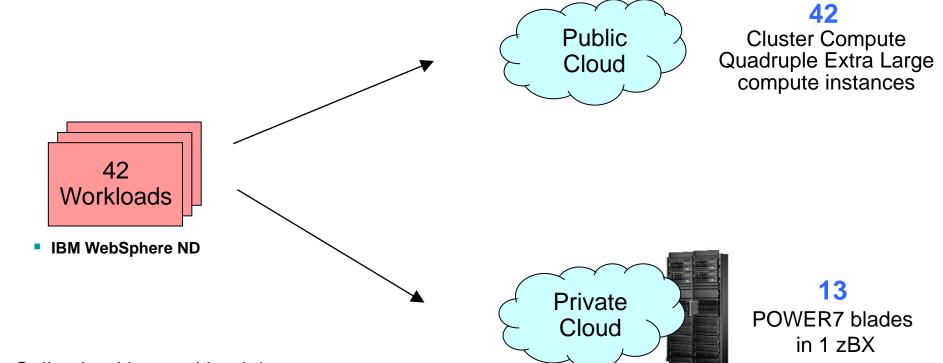
Deploying Light Workloads



each driving **22** transactions per second with light I/O

^{*} CPO on-line banking benchmark

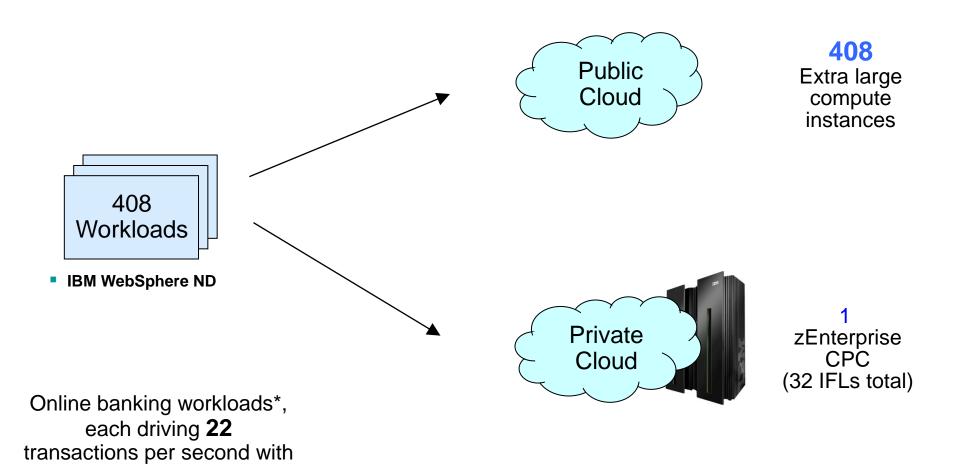
Deploying Heavy Workloads With Light I/O



Online banking workloads*, each driving **460** transactions per second with light I/O

^{*} CPO on-line banking benchmark

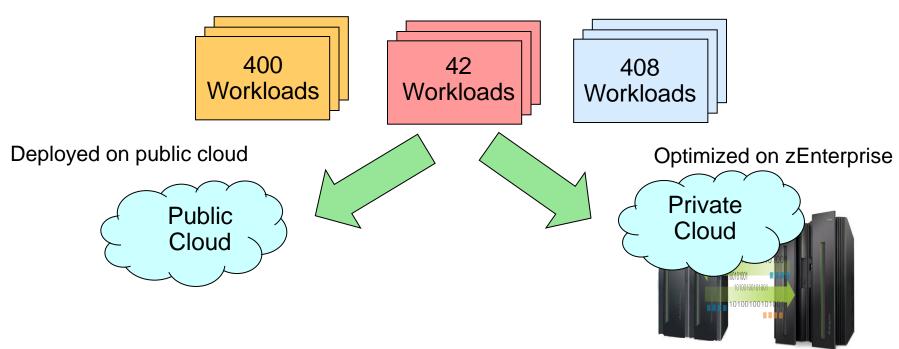
Deploying Light Workloads With Heavy I/O



1MB I/O per transaction

^{*} CPO on-line banking benchmark

Compare Cost Of Acquisition For 3 Years



850 Compute Instances

\$56.2M TCA (3 years)

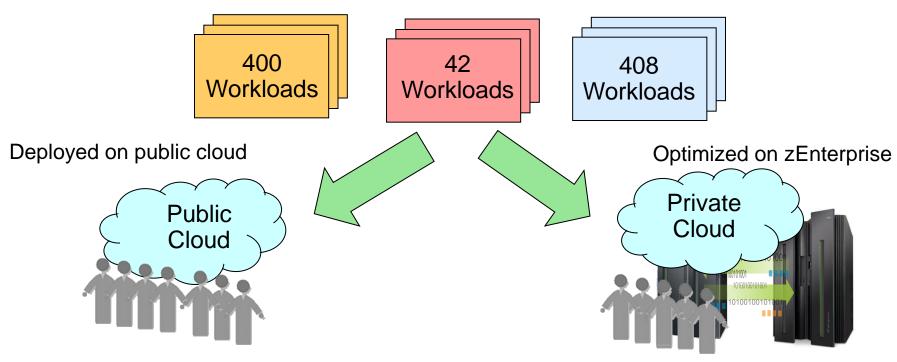
zEnterprise32 IFL's, 7 Intel blades,13 Power blades
192 cores

\$10.8M TCA (3 years)

81% less

Server configurations are based on consolidation ratios derived from IBM internal studies. Prices are in US currency and will vary by country

Compare Labor Costs For 3 Years



23,929 labor hours/yr **11.5** administrators

\$5.51M

3 years @ \$159,600/yr

17,470 labor hours/yr **8.4** administrators

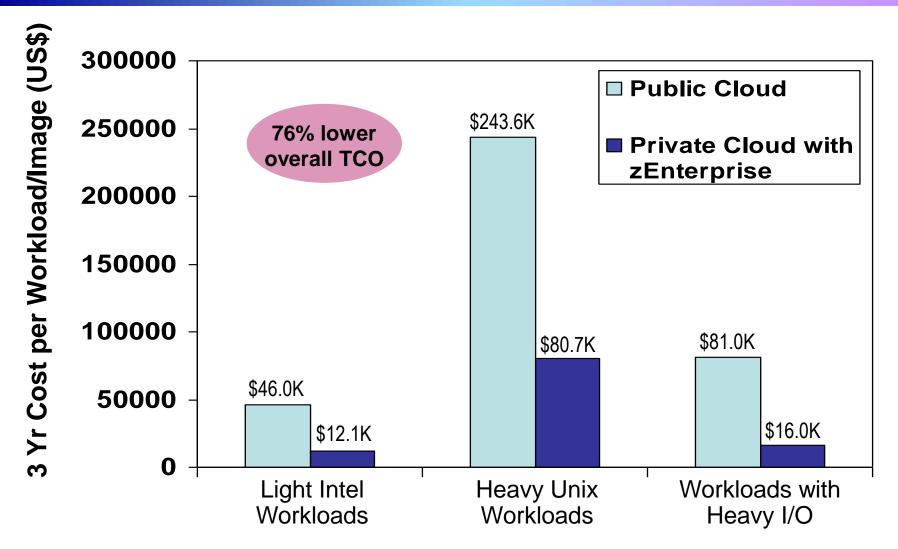
\$4.02M

3 years @ \$159,600/yr

27% less

Server configurations are based on consolidation ratios derived from IBM internal studies. Prices are in US currency and will vary by country

Private Cloud On zEnterprise Dramatically Reduces Costs



Source: IBM internal study. zEnterprise configurations needed to support the three workload types were derived from IBM benchmarks. Public cloud sizing needed to support the three workload types was calculated based on compute capacity of public cloud services. 3 yr TCO for public cloud based on pricing info available by the service provider. 3 yr TCO for zEnterprise includes hardware acquisition, maintenance, software acquisition, S&S and labor. US pricing and will vary by country.

Summary: zEnterprise Is Optimized For Private Cloud Delivery

System z Solution Edition for Cloud Computing

Unified Resource Manager (zManager)

System x Power Hypervisor System z Hypervisor Hypervisor

Data Network

Management Network

Self-service Requests
Automated Provisioning
Pay As-You-Go Chargeback

Workload Management Virtual Platform Management

Optimized Virtualized Platform



Improve Service Delivery and Reduce Costs!