



IBM Software Group

Mainframe Strategy and Direction – Improving Total Cost of Ownership

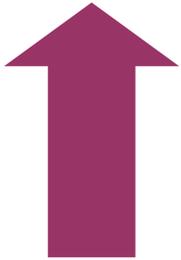
***Dot Alexander, Vice President Americas
System z Software Sales***



@business on demand.

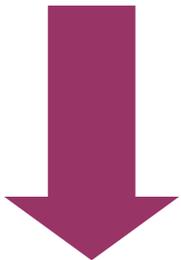
The New Face of z/OS

Simplifying and Modernizing the Mainframe for the New Generation of IT Professionals



Fill the pipeline with new talent:

- IBM Academic Initiative is reaching out to colleges and universities
- Emerging Country Mainframe Growth Initiatives
- WebSphere z/OS Application ISV Porting Initiative



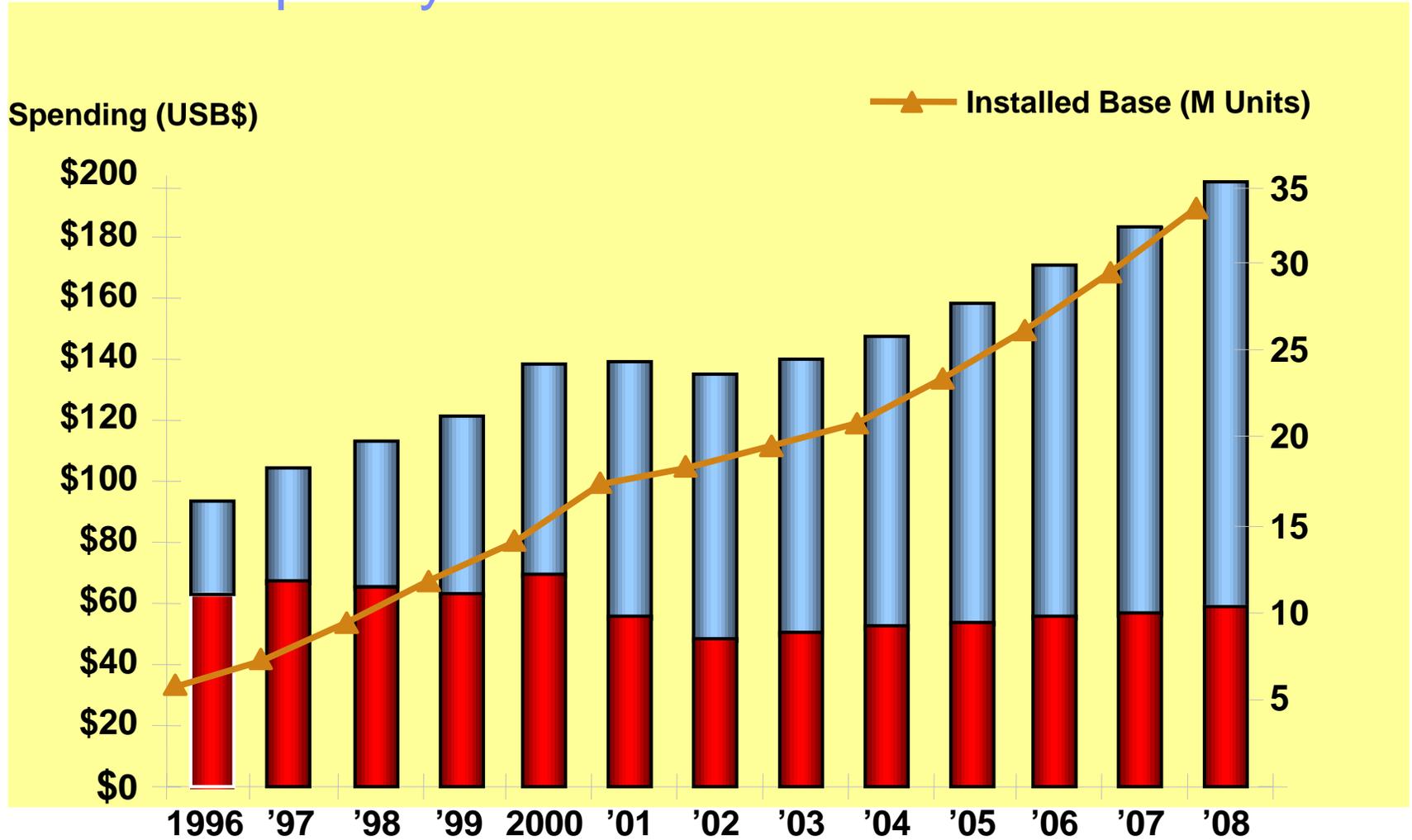
Reduce **z/OS complexity**; make it easier to develop experts:

- Eliminate, automate, and simplify complex tasks
- Modernize the “face” of z/OS
 - Maintain current “faces” for experienced users
- Leverage cross-platform management solutions from IBM

* All statements regarding IBM future direction and intent are subject to change or withdrawal without notice, and represent goals and objectives only.



Cost of Complexity



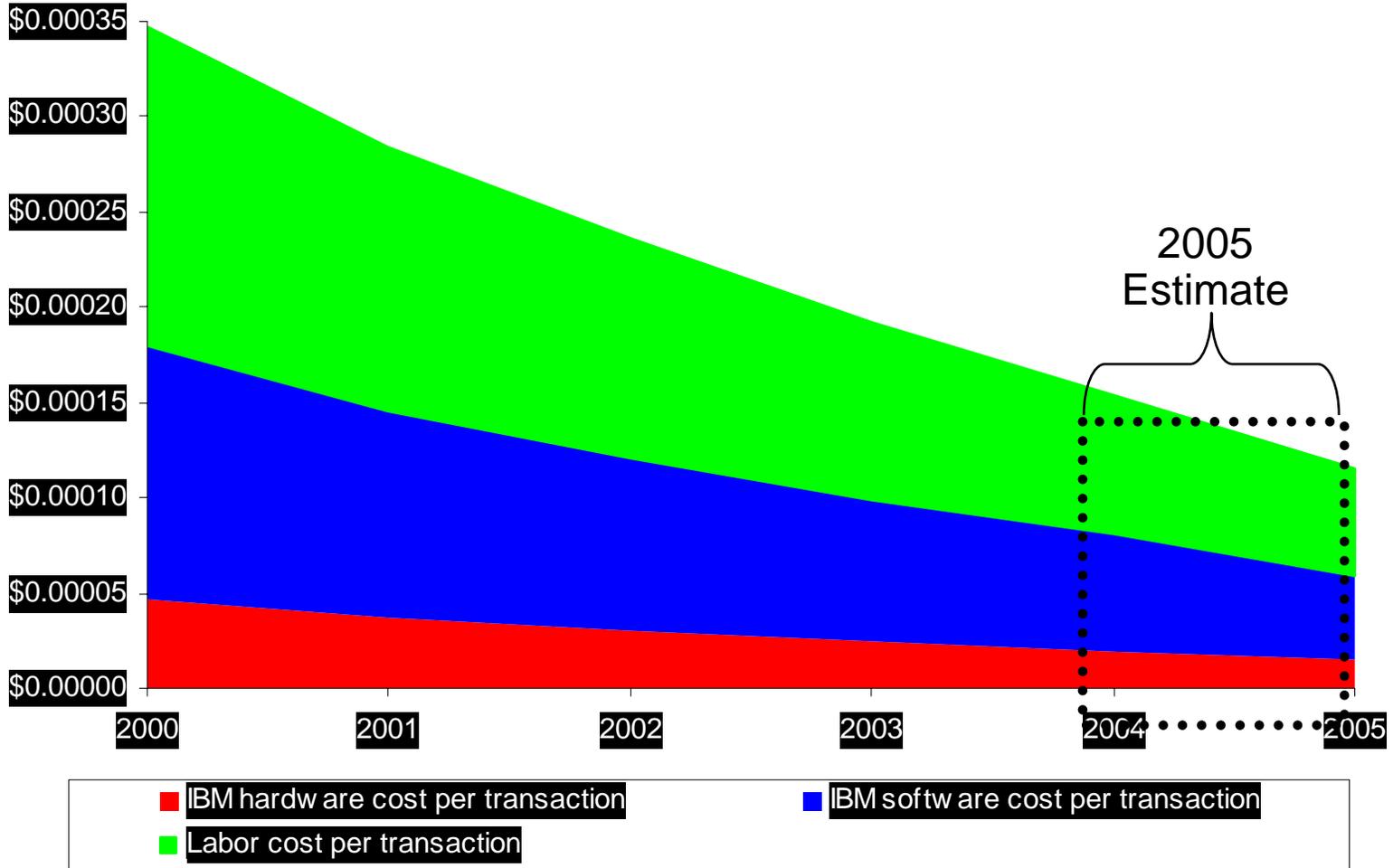
New server spending (USM\$) 3% CAGR

Cost of mgmt. & admin. 10% CAGR



Mainframe hardware, software & labor costs have decreased 17.3% per year

Decrease in average price per transaction YTY for the last 5 years



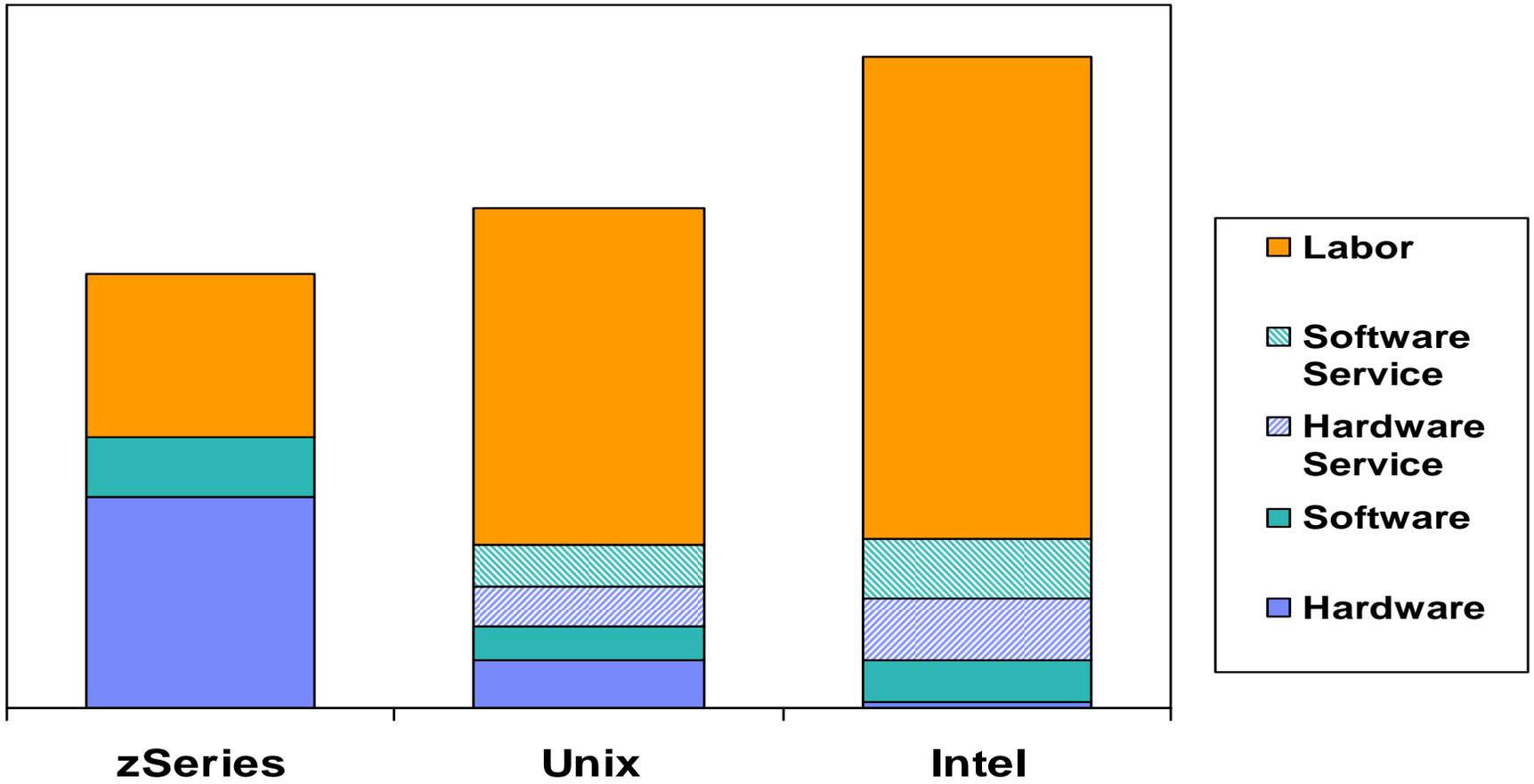
Source: zProject Office



The Total Cost of Ownership View

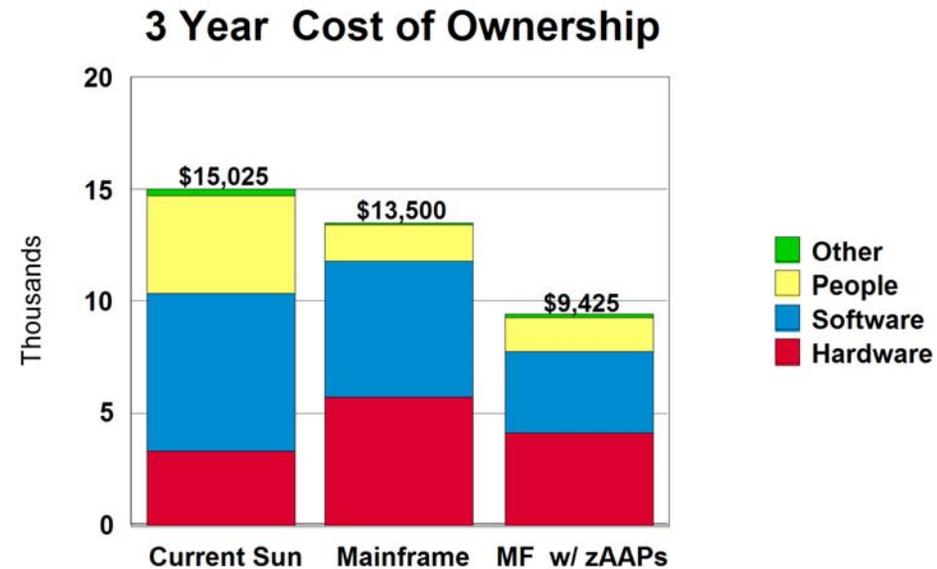
Total cost over 4 Years

Distributed servers have higher service, monitoring and support costs – and cost more to develop and implement!

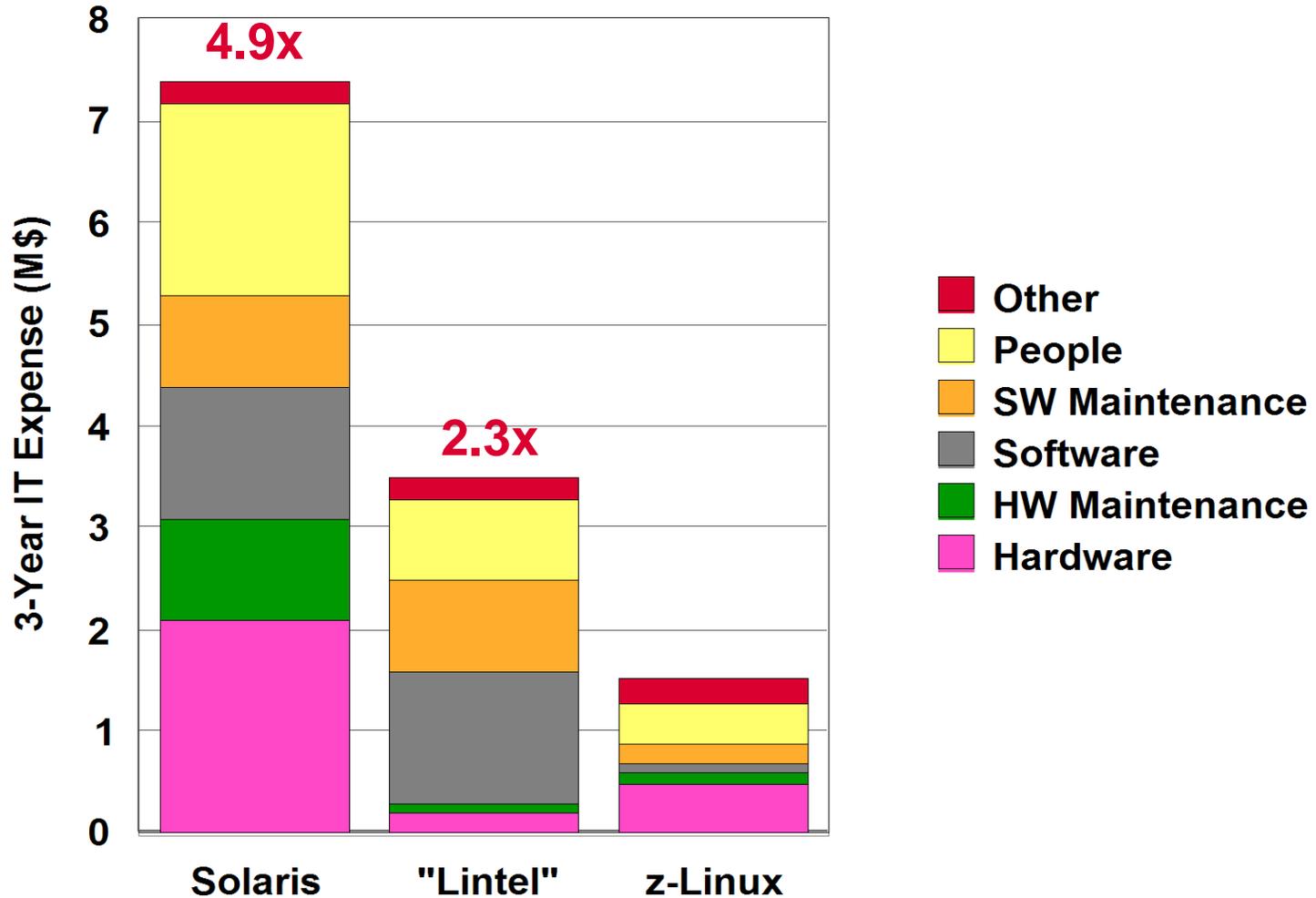


People costs are often hidden in distributed implementations

- In a recent typical study, a customer thought they only had 24 UNIX servers
 - ▶ But these were just the PRODUCTION servers
 - ▶ In addition they had 49 servers for Development, Test and Disaster Recovery
- They needed 44 people to support these servers and \$7M software
 - ▶ Running at only 20% utilization
- A comparable zSeries implementation would have required just 20 servers
 - ▶ Requiring 16 people to support
 - ▶ Using \$6M software (over 3 years)
- They thought the Solaris environment was 1/5 the cost of the mainframe...
...but in fact the **zSeries TCO was 37% less**



Web Trading Application Costs



Sun 3-year cost ~ 4.9 x z-Linux
Lintel/Windows 3-year cost ~ 2.3 x z-Linux



Types of DB2 for z/OS Workloads That May Benefit from zIIP

1 - ERP or CRM application serving*

- For applications, running on z/OS, UNIX, Linux, Intel, or Linux on System z, that access DB2 for z/OS V8 on a System z9 109, via DRDA over a TCP/IP connection DB2 gives z/OS the necessary information to have portions of these SQL requests directed to the zIIP



2 - Data warehousing applications*

- Requests that utilize DB2 for z/OS V8 star schema parallel queries may have portions of these SQL requests directed to the zIIP when DB2 gives z/OS the necessary information

3 - Some DB2 for z/OS V8 utilities*

- A portion of DB2 utility functions used to maintain index maintenance structures (example LOAD, REORG, and REBUILD INDEX) typically run during batch, can be redirected to zIIP.

* The zIIP is designed so that a program can work with z/OS to have all or a portion of it's Service Request Block (SRB) enclave work directed to the zIIP. The above types of DB2 V8 work are those executing in SRB enclaves, portions of which can be sent to the zIIP.

z/OS 1.8 Trends and Directions

Scale

- Up to 4 TB real storage in single z/OS image
- Increased serialization support for DB2, middleware

Performance

- Better device management
- Improved z/OS USS performance

Optimization

- Improved WLM management for zAAP workloads
- Better management of batch workloads in a Sysplex

Availability

- Improved Sysplex & GDPS recovery times

Application Integration

- Optimized to consolidate distributed applications on z/OS
- Optimized set of SML parsing services for middleware



Security

- Improved RACF interoperability across platforms
- Key encryption enhancements

Networking

- Autonomics for monitoring and recovering IP in a sysplex
- New facilities for configuring IPv6

Ease of Use

- Health Checker integrated into z/OS Management Console
- Improved hardware configuration diagnosis

Enterprise-wide Management

- Enterprise workload management enhancements
- A new version of the Common Information Model (CIM)

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IBM Virtualization Engine – Complete Portfolio



IBM Virtualization Engine

Virtual Access

Programmatic access

Virtual view

VE Console



IBM TotalStorage Productivity Center

Virtual Management

Workload & performance managers
Resource management, modeling, mapping



Enterprise workload management

Workload virtualization



Resource management



Resource dependency & mapping

Virtual Resources

Resource virtualizers
Partitioning, virtual machines, I/O, networks, VTS

IBM Server & Storage Systems



System z9 zSeries

TotalStorage



xSeries



BladeCenter



pSeries



OpenPower

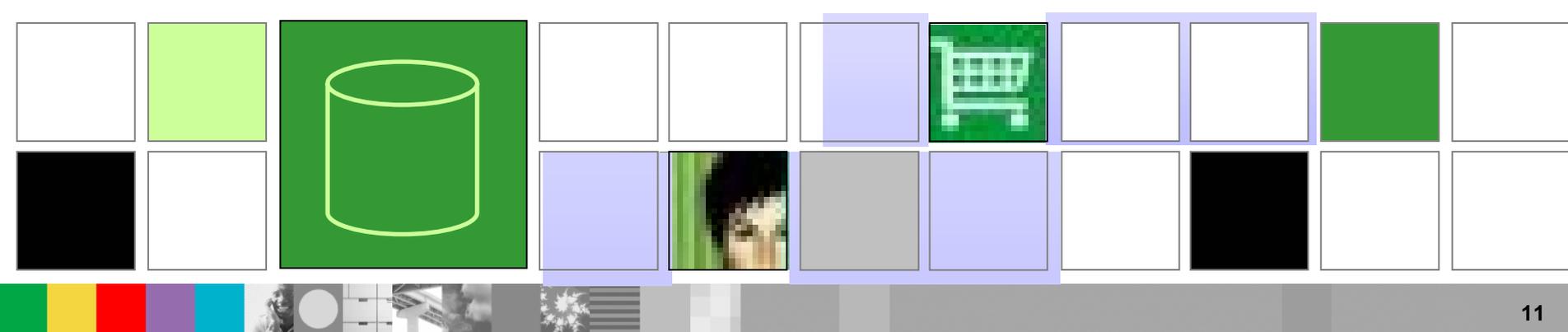
iSeries

Virtualization Planning Tools



DB2 9 for z/OS – Addressing corporate data goals

- Improved IT Infrastructure In Support of Compliance Efforts
 - ▶ Trusted security context
 - ▶ Database roles
 - ▶ Auditing capabilities
 - ▶ Encryption improved
- Simplify development and porting
 - ▶ Many SQL improvements that simplify porting
 - ▶ Native SQL stored procedures
 - ▶ Default databases and tables paces
 - ▶ Automatic unique indexes to support primary keys
- Decrease Complexity and Cost
 - ▶ Fast table replacement
 - ▶ Partition by growth
 - ▶ Table append
 - ▶ Volume-based COPY/RECOVER
 - ▶ Optimization Service Center
- Evolve Your Environment & SOA
 - ▶ Integrated XML
 - ▶ WebSphere integration



CICS Directions

CICS provides technologies for an On Demand world

- ✓ Application Transformation
- ✓ Integration
- ✓ Operational Efficiency

CICS ensures lasting value of applications in modern Enterprise solutions

1/02

CICS TS V2.2

- Support for EJB'S
- JDBC/SQLJ Access to DB2 Data
- JCICS access to VSAM data
- ECI over TCP/IP
- Integrated Translator for COBOL & PL/I

EJB support

12/03

CICS TS V2.3

- Performance improvements for Java programs
- Addition of CICS Web Support to the JCICS classes
- Interactive debugging for COBOL and Java applications
- SOAP for CICS
- Performance improvements in CICS-DB2® attachment

High Performance JAVA

03/05

CICS TS V3.1

- Web Services capabilities to extend apps to SOA
- Support for industry leading SSL protocol
- Optimised CICS data exchange capabilities
- New interfaces for Enterprise Management
- Leverage WD4Z for application tranformation and integration.
- Enhanced C/C++ programs performance

Web Services

next 24 Months

CICS TS V3.n

- CICS-to-CICS connectivity with an IP network
- Enhance Web Services capabilities
- Higher application parsing efficiency
- Extend Web Services support for COBOL data types
- Enterprise wide workload management
- Remove capacity restraints relating to data sources

SOA



Is re-writing COBOL logic appropriate?

■ Significant business intelligence exists in legacy

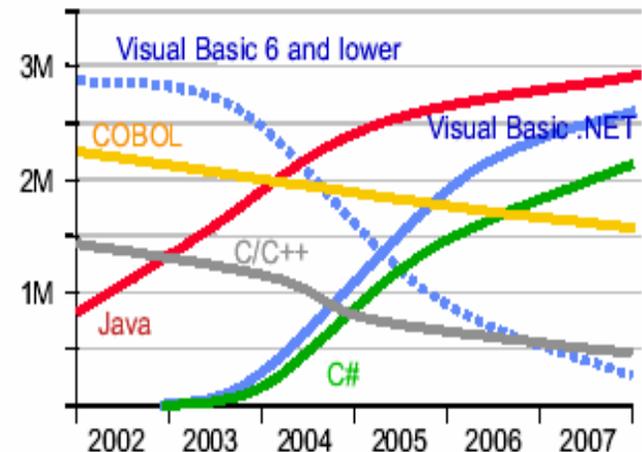
- ▶ "200 Billion lines of COBOL code in existence" *eWeek*
- ▶ "5 Billion lines of COBOL code added yearly" *Bill Ulrich, TSG Inc.*
- ▶ "Between 850K and 1.3 Million COBOL developers" *IDC*
- ▶ "Majority of customer data still on mainframes" *Computerworld*
- ▶ "Replacement costs \$20 Trillion" *eWeek*

■ Rewriting - is it an option.....

- ▶ How long will it take? (lose strategic benefit)
- ▶ Who will do it?
(Who has the business knowledge?)
- ▶ Can you certify accuracy of your business model?
- ▶ How much will it cost?
- ▶ Risk?
- ▶ Longer path lengths

Developers

From an estimated worldwide market size of 7 million "professional" developers



M = million

Gartner

Flexible IT requires Service-Oriented Architecture (SOA) tools from IBM

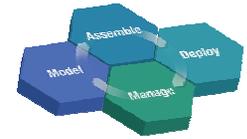
Branham Group has done the analysis vs MS .NET!

“IBM Tools are more productive for building robust server side applications”

- | | |
|---|------------------------|
| ▪ Model key components of the app | IBM 2.4x faster |
| ▪ Build Web Services from scratch | IBM 2.1x faster |
| ▪ Build Web Services from existing code | IBM 2.6x faster |
| ▪ Build a portlet | IBM 2.2x faster |
| ▪ Build a portlet & attach to core systems | IBM 3.2x faster |



Flexible Options for a z SOA Environment



Business Process

WebSphere Process Server

Designing, automating and managing composite applications and operational business processes

Built on WebSphere ESB

ESB

WebSphere ESB

Provides Web Services connectivity and data transformation

Built on WebSphere Application Server

WebSphere Message Broker

An advanced Enterprise Service Bus. Provides universal connectivity and data transformation

Built on WebSphere MQ

Lifecycle Tools

WebSphere Application Server

CICS

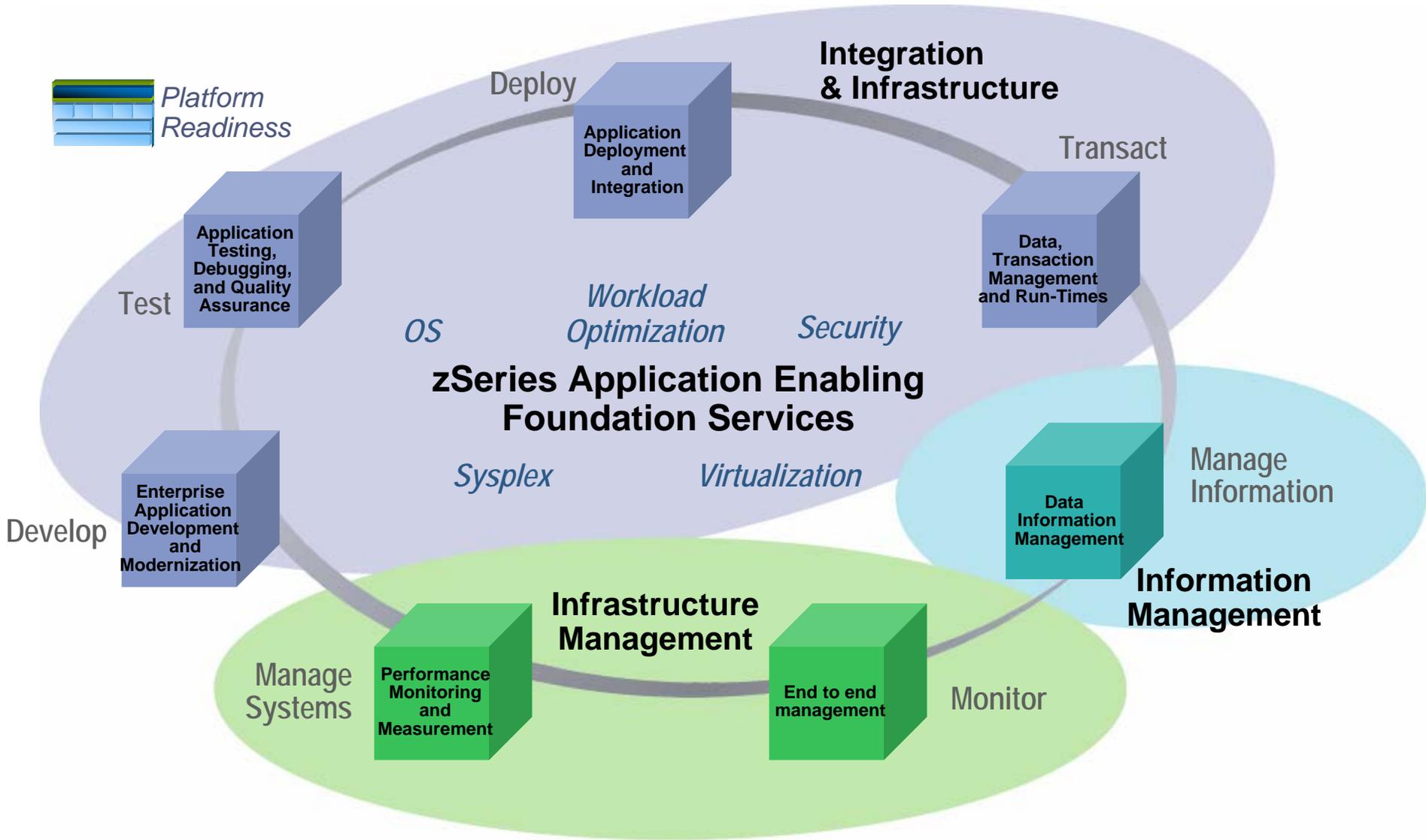
IMS

WebSphere MQ

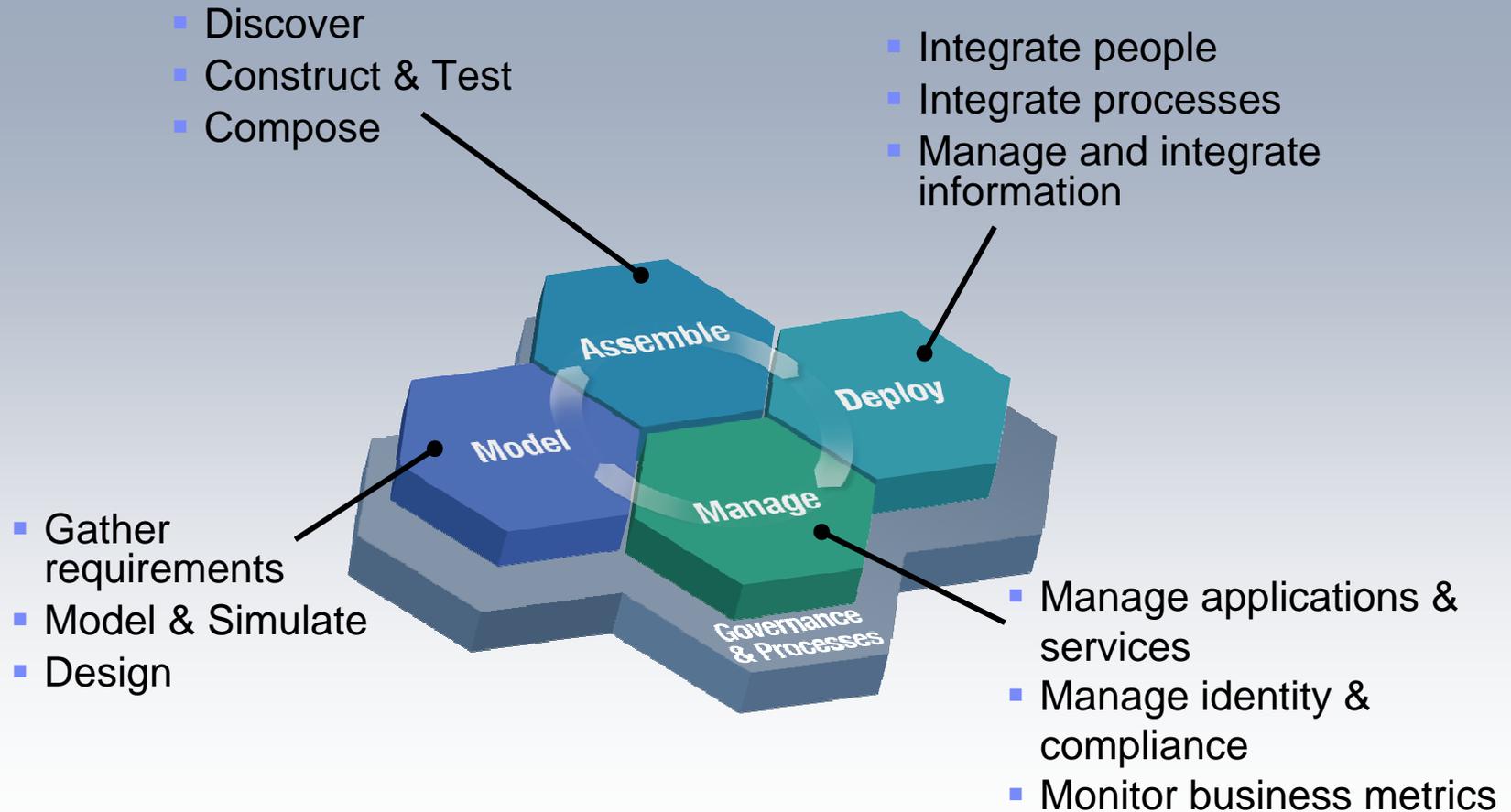
Increased capabilities / automation



zSeries Integrated Tools Portfolio

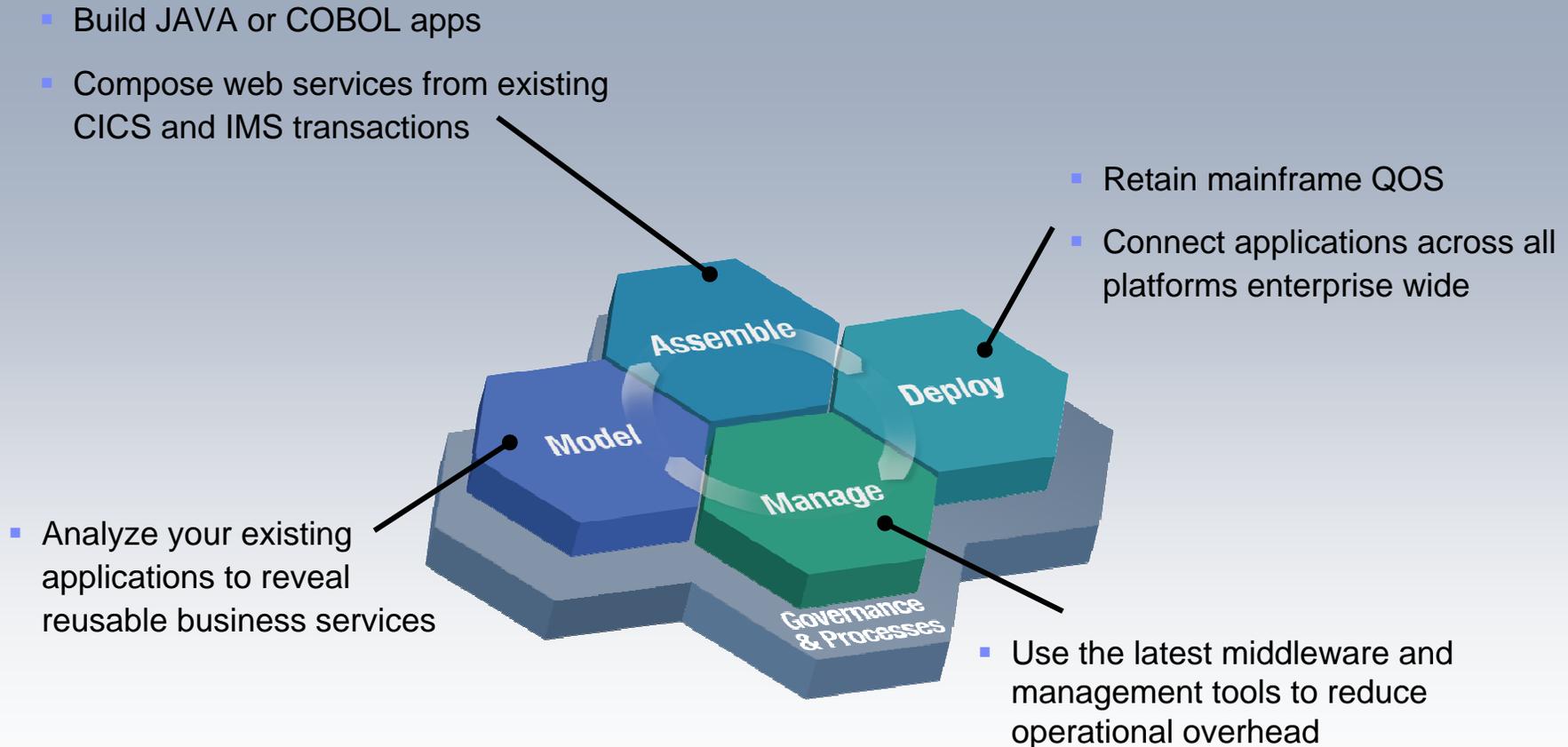


The SOA Lifecycle



Maximize re-use and avoid the cost and risk of new application development projects.

The SOA Lifecycle



Maximize re-use and avoid the cost and risk of new application development projects.

The SOA Lifecycle

WebSphere Integration Developer*
 WebSphere Developer for zSeries
 Enterprise COBOL and PL/I Compilers
 Problem Determination Tools

Process:

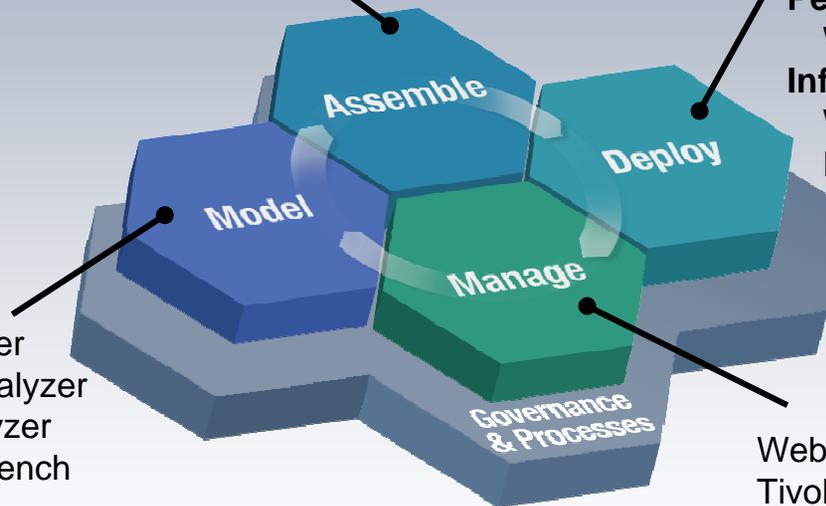
WebSphere Message Broker for z/OS
 WebSphere Extended Deployment
 CICS Transaction Gateway

People:

WebSphere Portal for z/OS

Information:

WebSphere Information Integrator
 DataStage TX



WebSphere Business Modeler
 WebSphere Studio Asset Analyzer
 CICS Interdependency Analyzer
 Asset Transformation Workbench

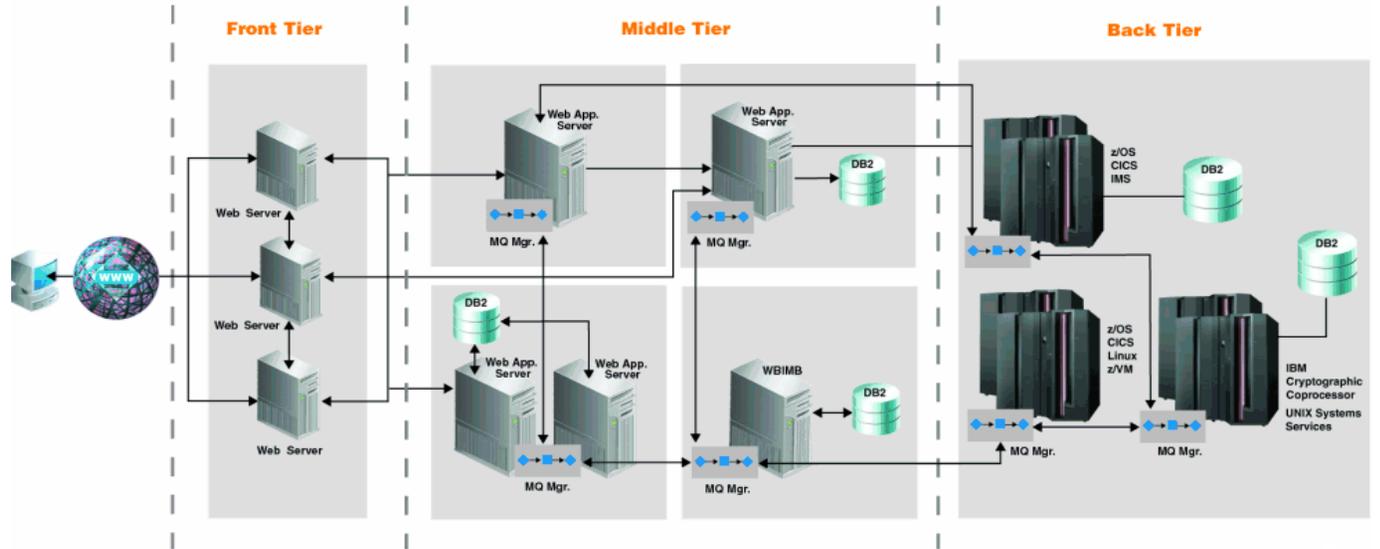
WebSphere Business Monitor
 Tivoli® Composite Application Manager
 Tivoli Federated Identity Manager
 CICS Operations Tools

Maximize re-use and avoid the cost and risk of new application development projects.

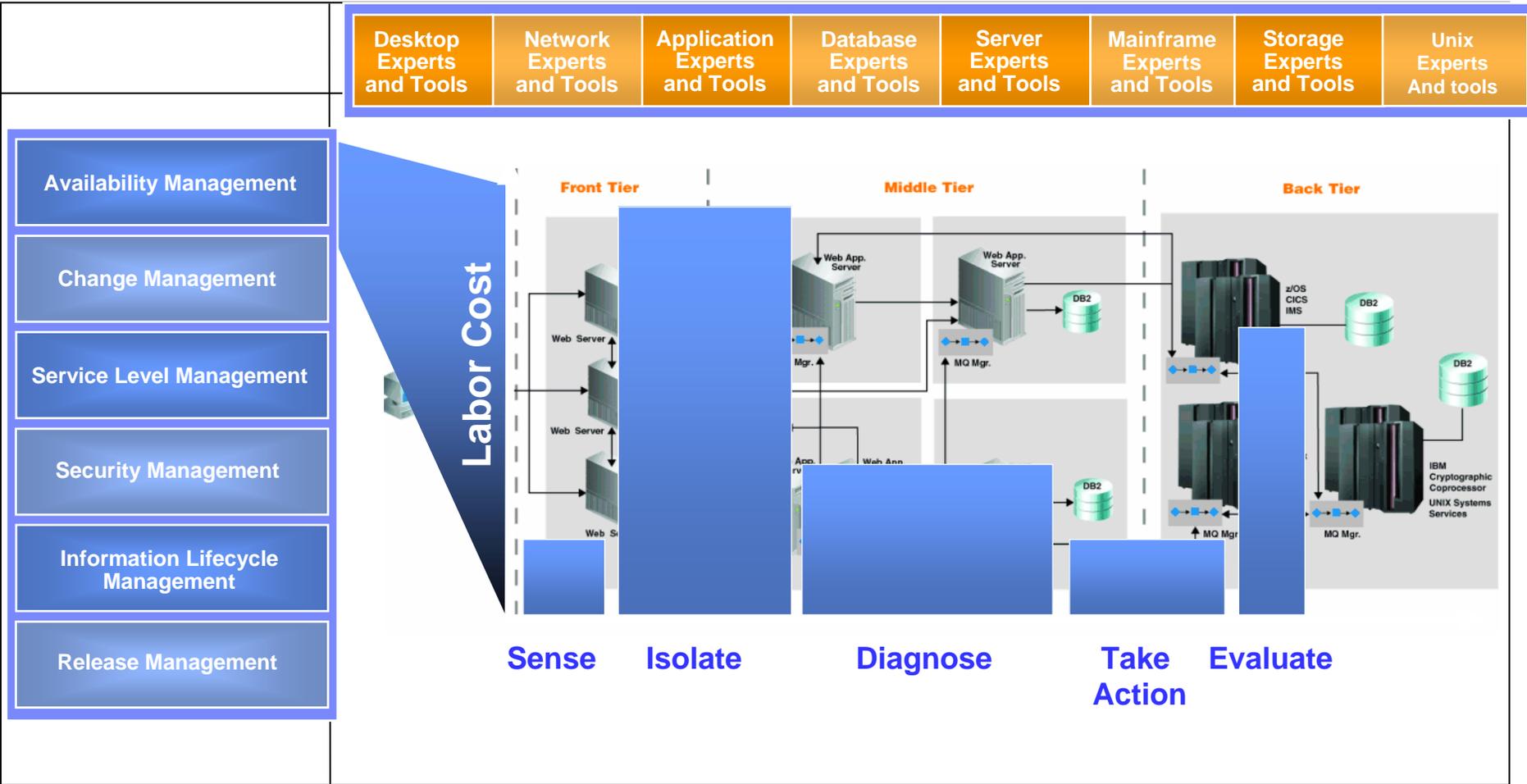
Architectural Complexity Exposes Organizational Complexity

Desktop Experts and Tools	Network Experts and Tools	Application Experts and Tools	Database Experts and Tools	Server Experts and Tools	Mainframe Experts and Tools	Storage Experts and Tools	Unix Experts And tools
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- Availability Management
- Change Management
- Service Level Management
- Security Management
- Information Lifecycle Management
- Release Management



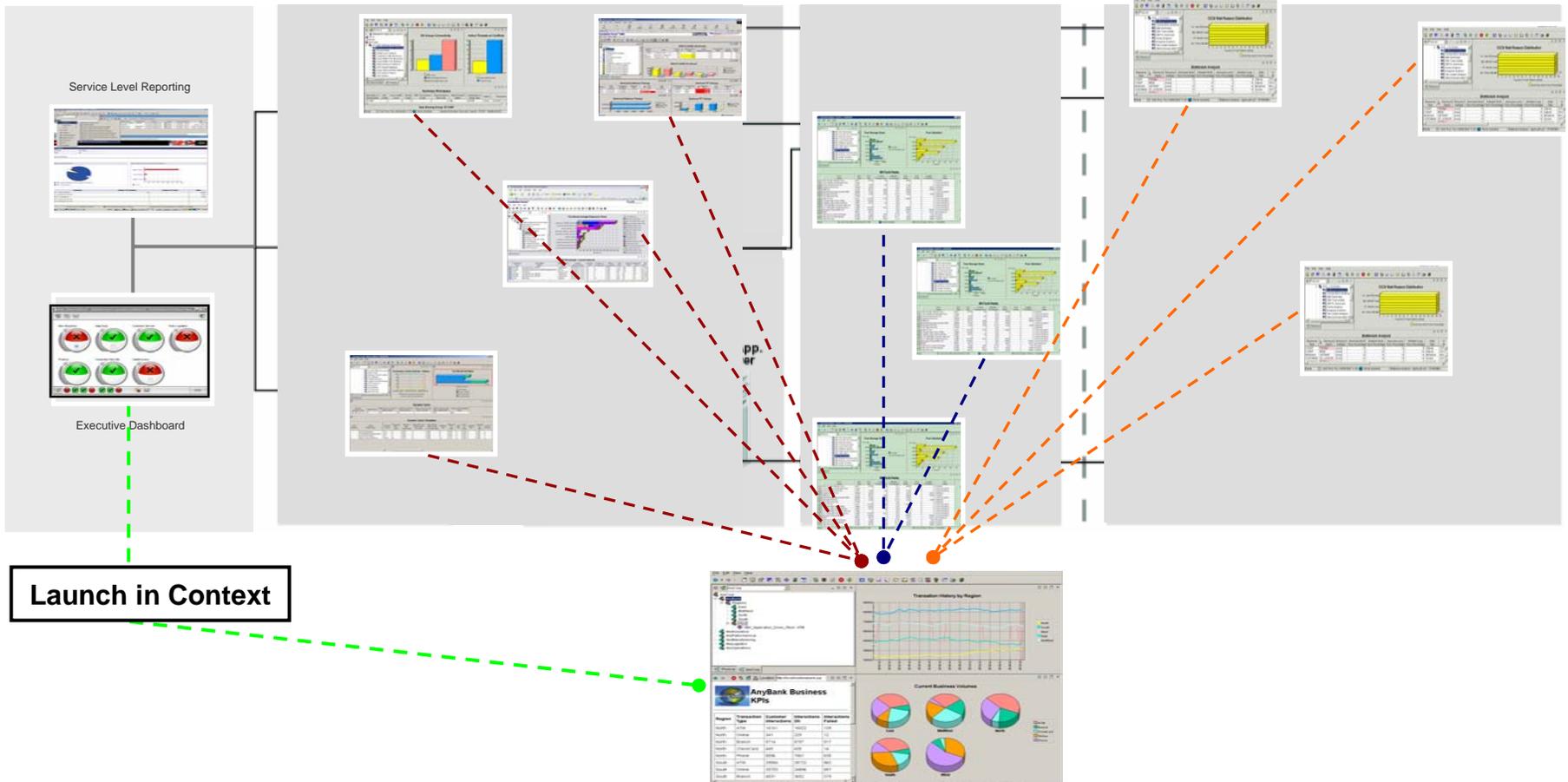
Architectural Complexity Exposes Organizational Complexity



Tivoli Enterprise Portal – 2006 is all about Integration

A Dynamic Role-based Workspace for Integrating IT Operations Silos – One portal to monitor the overall health of the infrastructure

Business Services Distributed Resources J2EE Transactions Mainframe Resources



Launch in Context

Tivoli Enterprise Portal – 2006 is all about Integration

A Dynamic Role-based Workspace for Integrating IT Operations Silos – One portal to monitor the overall health of the infrastructure

Business Services Distributed Resources J2EE Transactions Mainframe Resources

The screenshot displays a central dashboard for 'AnyCorp' with several key components:

- Service Level Reporting:** A small window in the top left showing a line graph.
- Executive Dashboard:** A window in the bottom left with six circular gauges.
- Navigation Tree:** A tree view on the left side listing regions (East, MidWest, North, South, West) and various services like 'AnyBank', 'AnyInsurance', etc.
- Transaction History by Region:** A large line chart showing transaction counts over time for different regions.
- AnyBank Business KPIs:** A table summarizing key performance indicators across regions and transaction types.
- Current Business Volumes:** Five 3D pie charts showing the distribution of business volumes across different channels (ATM, Branch, CheckCard, Online, Phone) for each region.

A box labeled 'Launch in Context' is connected by a dashed green line to the Executive Dashboard. A dashed orange line points from the Transaction History chart to a smaller inset window on the right.

Everything at your Fingertips

z/OS Management

IBM Tivoli Monitoring v6.1

OMEGAMON XE for z/OS v3.1.0

OMEGAMON XE for DB2 PE, DB2 PM v3.1.0

OMEGAMON XE for CICS on z/OS v3.1.0

OMEGAMON XE for IMS on z/OS v3.1.0

OMEGAMON XE for MF Networks v3.1.0

Customers



WBIMB
MQ Mgr.

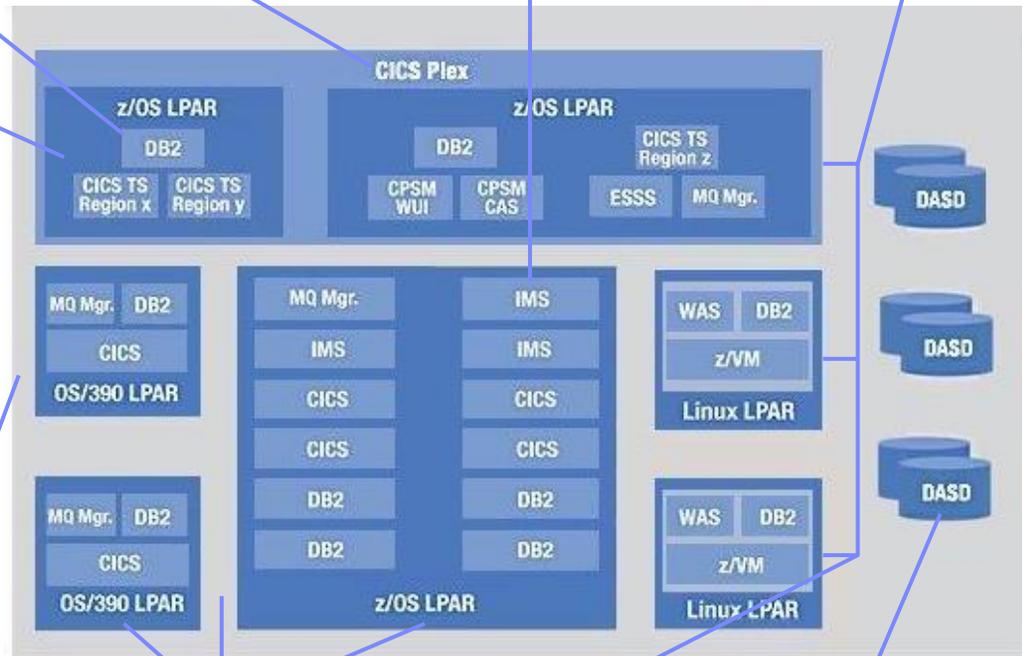
Web Server

Web App Server
MQ Mgr.

Tivoli. software



UNIX



Tivoli Enterprise Console v3.9

System Automation for Multiplatform v2.1

System Automation for z/OS 3.1

TBSM v3.1

NetView on z/OS v5.2

OMEGAMON XE for Storage on z/OS v3.1.0

Integrated End to End Support for Heterogeneous Environments

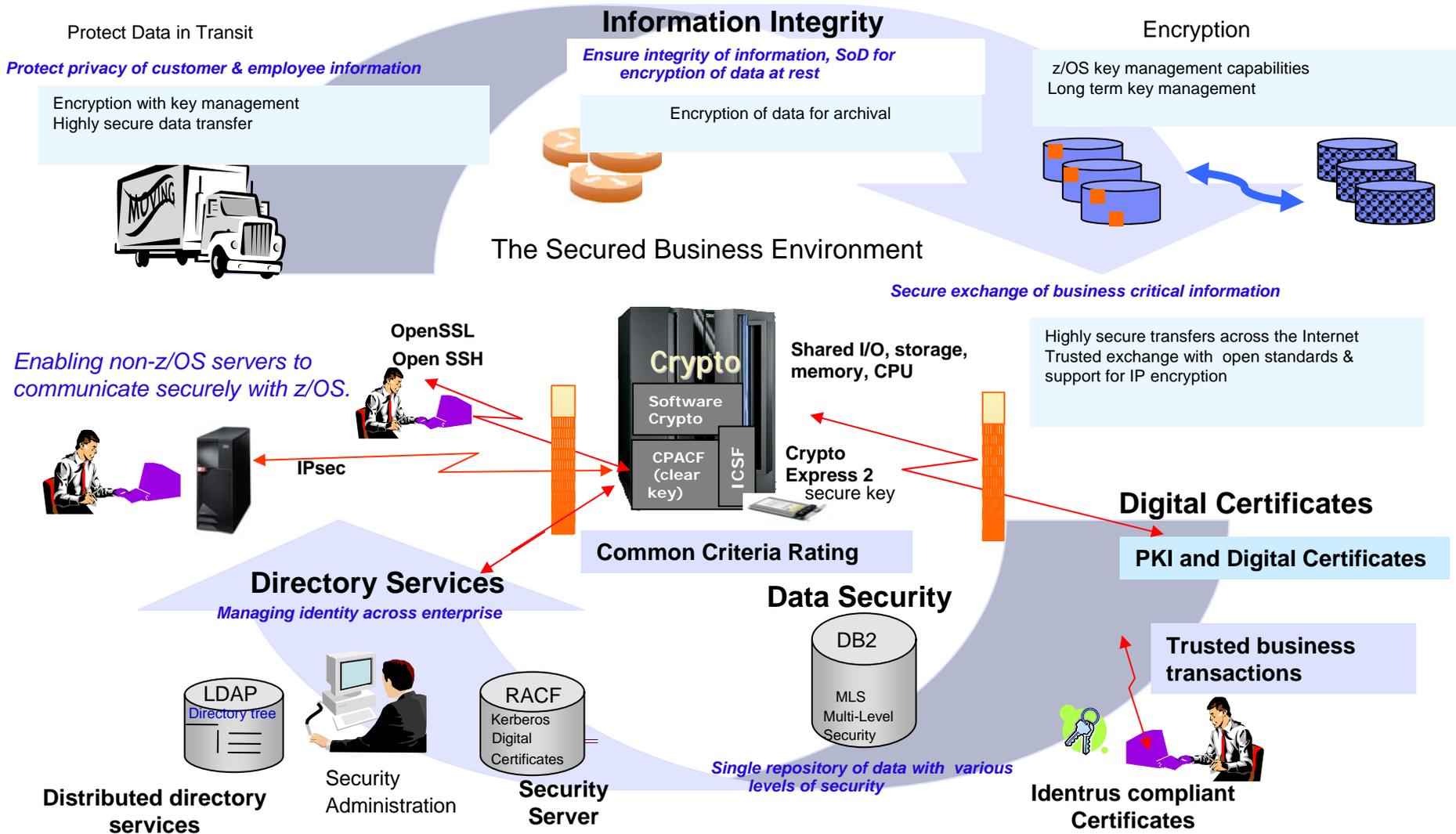
Available with ITM 6.1, Omegamon & ITCAM management

IBM Tivoli monitoring spans the breadth of your IT environment and provides fast time to value because it's so easy to deploy!

Platforms	Databases	Applications	Business Integration	Web Infrastructure	Messaging & Collaboration	Best Practice Library
Unix	DB2 (Z & Distributed)	SAP MySAP	CICS	WebSphere (Z & Distributed)	Lotus Domino	 Agent-less Adapter URL, SNMP, File, Socket, UDB.... Agent Quick attach API
 Windows Cluster(s)	Oracle	.NET (full suite of MS apps)	Web Services	IIS		
Linux	SQL	 Citrix	IMS	iPlanet	Exchange	40+ Custom Packages available for modification
 z/OS	Sybase		Siebel	WebSphere MQ		
VMWare	Informix	Tuxedo	WebSphere MQ Integrator	WebLogic		



System z9 Security helps provide system and data integrity – End to End



Tivoli End-to-End Software Asset Management

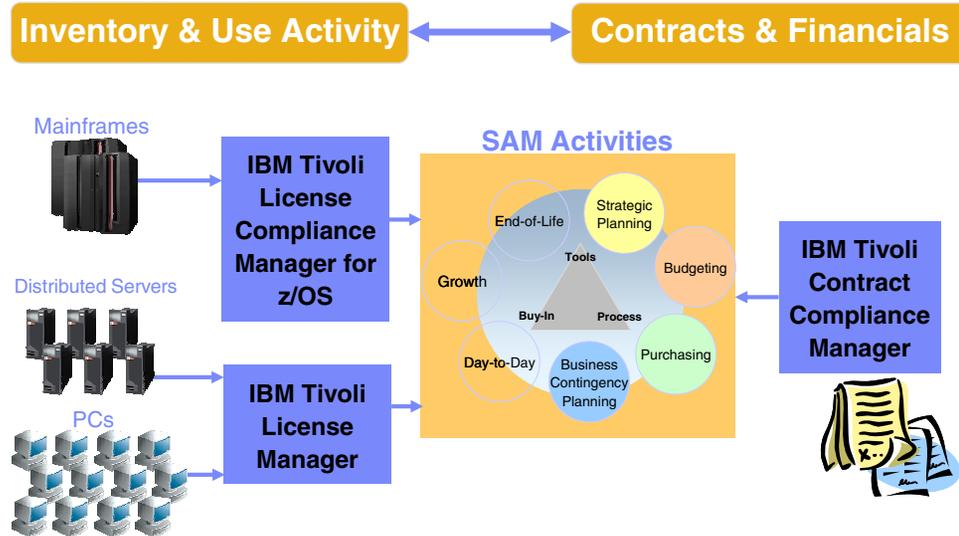
Business Issues

- Software costs are difficult to “control”
- Potential for unexpected expensive software contract compliance audit penalties
- Hard to find key “software product use activity” information needed for effective software asset management
- Difficult to shift software spending to align with business needs

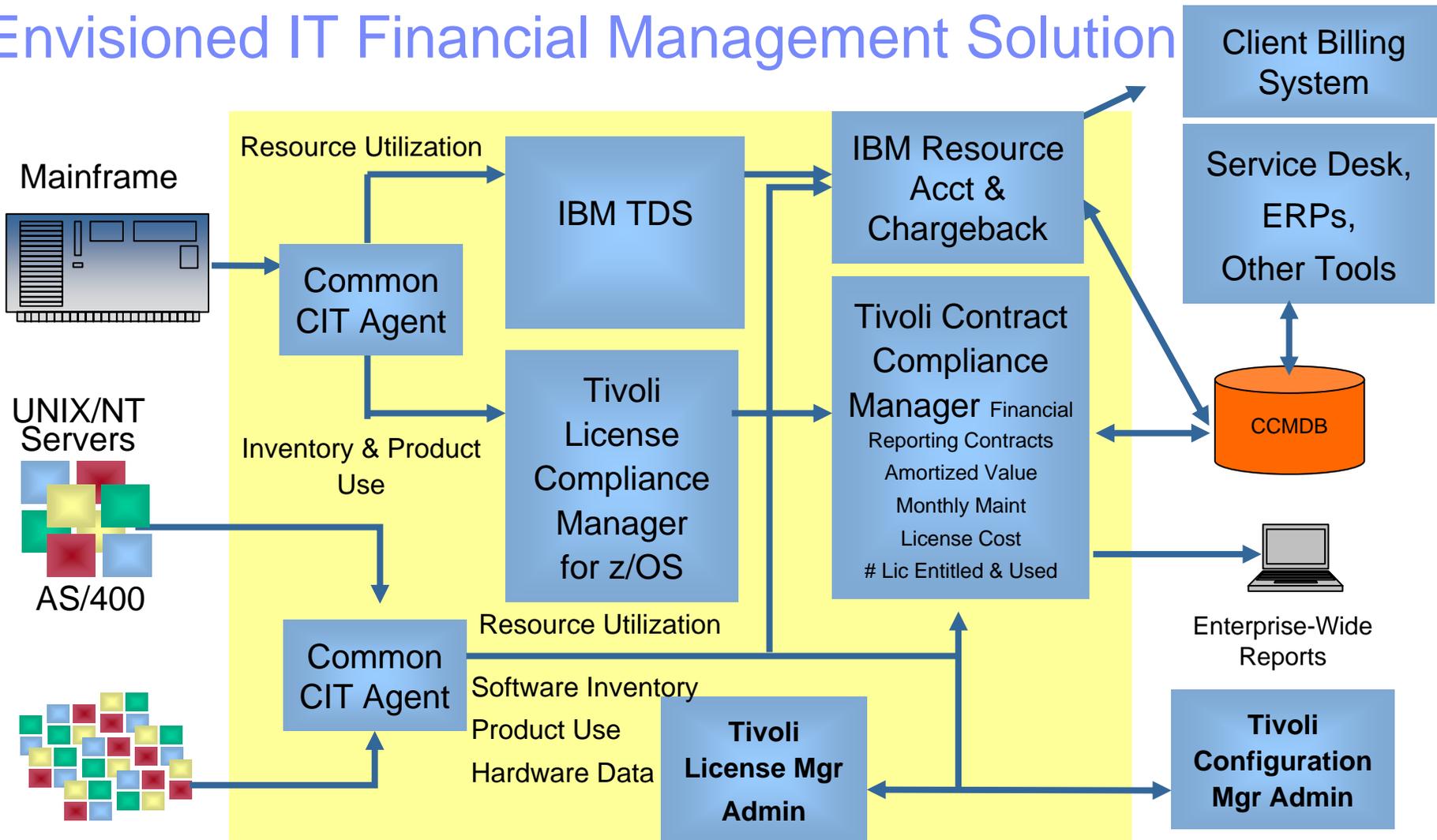
Business Value

- Tivoli end-to-end software asset management solutions help you control software costs and contract compliance exposure to free up funds for priority projects
- Helps organizations demonstrate adherence to stringent accounting standards (Sarbanes-Oxley)

IBM Tivoli License Compliance Manager for z/OS
 IBM Tivoli License Manager
 IBM Tivoli Contract Compliance Manager



Envisioned IT Financial Management Solution



The combination of IBM products delivers an end-to-end IT financial management facility to our customers, enabling them to manage their inventory, contracts and costs associated with the use of IT assets and then allocating resource utilization for chargeback.

Database Tools to Address TCO

60%+ of CEOs need to do a better job capturing and understanding information rapidly in order to make swift business decisions

79% of companies have 2+ repositories...
25% have 15 **or more**...

...and **48** disparate financial systems & 2.7 ERP systems in the average \$1B company

- DB2 Change Management Expert

122 Terabytes disk storage in 2005...

37% CGR disk storage growth '96-'07

- DB2 Optimizer Expert



30-50% of design time is copy management

- DB2 Utilities Enhancements
- DB2 Thread Expert

30% of people's time is spent searching for relevant information

- DB2 Optimizer Expert
- OMEGAMON DB2 Performance Expert

40% of IT budgets may be spent on compliance

- DB2 and IMS Expert & IMS Audit Expert
- DB2 Regulatory Compliance Suite

zSeries Center of Excellence Services Offering - zCoE

- Integrated IBM services offering to ensure clients success by improving skills, processes, and practices to support the design, development, deployment and management of solutions in the zSeries environment.

zCoE Services Offering delivers:

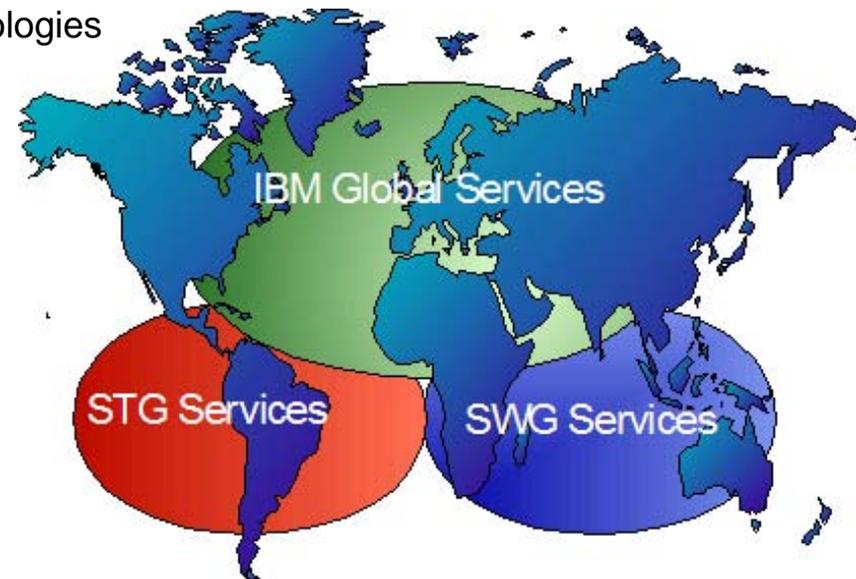
- Assessment of client solutions to help ensure success
- Single point of contact across IBM Brands
- Best Practices across IBM Technologies
- Skills transfer to clients' or partners' design, development and operations staff
- Expertise to ensure successful adoption of new technologies

Offerings include:

- Project Management
- Architectural Design Reviews
- Security Solutions
- Installation and Configuration
- Application Development and Test
- Deployment and Production Operations
- Capacity Planning
- Performance Monitoring and Tuning
- Premium Support

Contact: Brian Senn/Austin/IBM

<http://www.ibm.com/servers/eserver/zseries/about/charter/offerings.html>



Summary

- We are improving TCO on zSeries
- We are investing in and delivering new technologies on z Software and Hardware.
- We are exploiting the Integration of the z System to deliver new Value
- We have affordable and competitive tools to solve customer ISV concerns.
- We are increasing investment in z technical skills.



A Holistic Approach to System Design – System z9 Software

Designed to protect, manage and integrate your on demand environment

Business Integration

- J2EE 1.4 and Web services support
- Simplified deployment and management of WebSphere
- Secure data transfer between over 35 platforms
- zAAP execution for WebSphere Java Workloads
- SOA

System z9 Infrastructure Management

IT Service Management

- End-to-end infrastructure management
- Manage job scheduling resources across the network
- Improvements in
 - Automation
 - Network management
 - Charge back management
 - Parallel Sysplex systems management

Business Resiliency and Security

- Improved access to z/OS configuration files from other platforms
- Security software management
- Connect to identity data in multiple repositories
- Manage software assets

Platform Readiness

- Maximize business value with new versions of the middleware: CICS TS V3, DB2 V8, IMS V9, WebSphere MQ V6, NetView® V5.2
- Exploiting the features of z/OS and z9109

Hannaford, a US supermarket chain, moved to a System z9



Business Challenges

- Differentiate in highly competitive marketplace with world-class supply chain
- Reduce cost of hundreds of servers, improve availability and security

Solution

- Introduce CAO system, consolidate to IBM System z9 and Linux

"Thousands of employees ... now have access to the same, up-to-date data, giving us a competitive advantage." Bill Homa, CIO

Results

- Reduced cost of goods
- Improved sales, service & customer satisfaction
- Increased BP sat
- Significant IT cost reduction

"We are saving hundreds of thousands of dollars by not having computer operators running systems from the z9 down to Microsoft server... we actually have a smaller IT staff now than we did 5 years ago, ... managing probably 10 times the processing power."

Another example



	Servers	Reliability	Utilization	Staff
<p>First move: Implemented distributed computing architecture that became too difficult to monitor, maintain, upgrade and scale</p>	<ul style="list-style-type: none"> ■ 30+ Sun Solaris servers ■ 560+ Intel servers 	Un-acceptable	12%	24 people growing at 30% year
<p>Next move: Consolidated back on the mainframe</p>	z990	Much improved	80% with additional reserve capacity on-demand	Reduced to 8 people

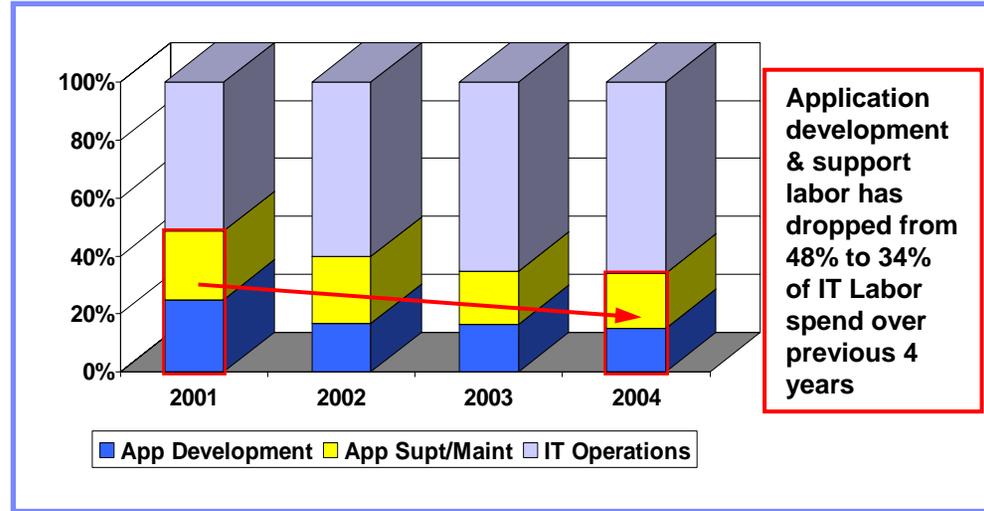
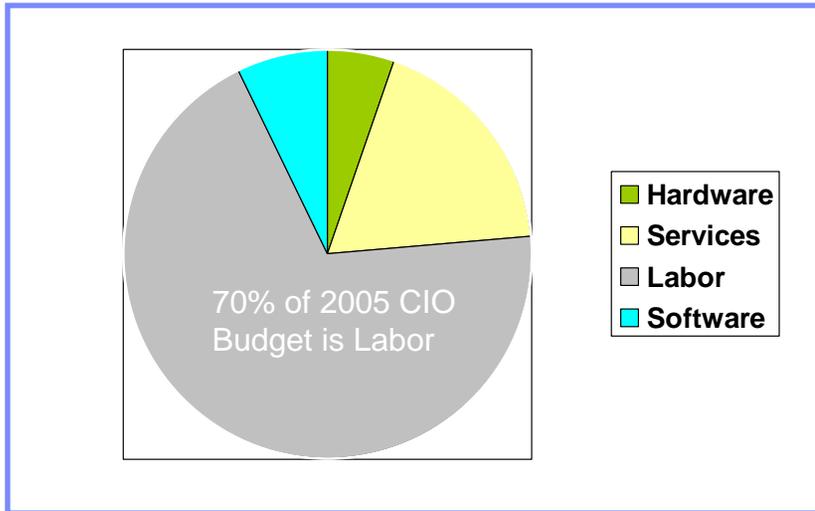
*Under-utilization affects the efficiency of **all** associated costs (not just the hardware but also software and labor)*

TCO factors considerations (often ignored)

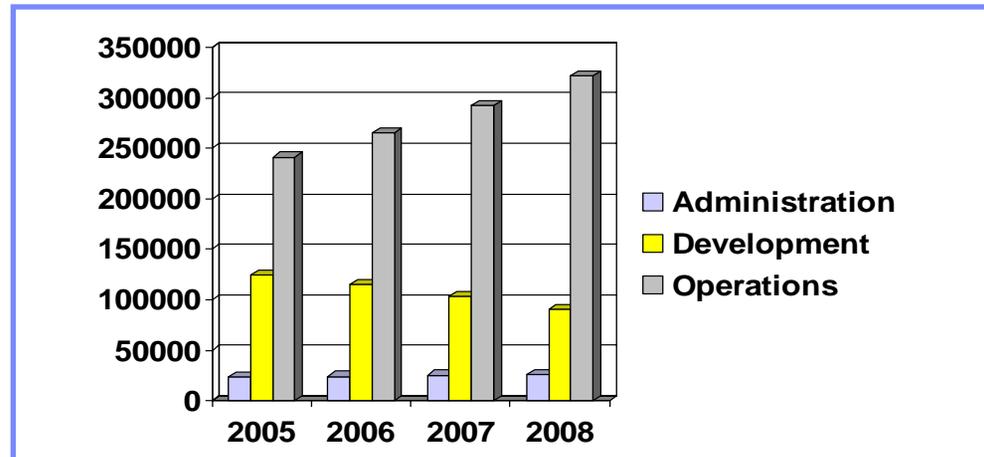
- **Availability**
 - High availability
 - Hours of operation
- **Backup / Restore / Site Recovery**
 - Backup
 - Disaster Scenario
 - Restore
 - Effort for Complete Site Recovery
 - SAN effort
- **Infrastructure Cost**
 - Space
 - Power
 - Network Infrastructure
 - Storage Infrastructure
- **Additional development and implementation**
 - Investment for one platform – reproduction for others
- **Controlling and Accounting**
 - Analyzing the systems
 - Cost
- **Operations Effort**
 - Monitoring, Operating
 - Problem Determination
 - Server Management Tools
 - Integrated Server Management – Enterprise Wide
- **Security**
 - Authentication / Authorization
 - User Administration
 - Data Security
 - Server and OS Security
 - RACF vs. other solutions
- **Deployment and Support**
 - System Programming
 - Keeping consistent OS and SW Level
 - Database Effort
 - Middleware
 - SW Maintenance
 - SW Distribution (across firewall)
 - Application
 - Technology Upgrade
 - System Release change without interrupts
- **Operating Concept**
 - Development of an operating procedure
 - Feasibility of the developed procedure
 - Automation
- **Resource Utilization and Performance**
 - Mixed Workload / Batch
 - Resource Sharing
 - shared nothing vs. shared everything
 - Parallel Sysplex vs. Other Concepts
 - Response Time
 - Performance Management
 - Peak handling / scalability
- **Integration**
 - Integrated Functionality vs. Functionality to be implemented (possibly with 3rd party tools)
 - Balanced System
 - Integration of / into Standards
- **Further Availability Aspects**
 - Planned outages
 - Unplanned outages
 - Automated Take Over
 - Uninterrupted Take Over (especially for DB)
 - Workload Management across physical borders
 - Business continuity
 - Availability effects for other applications / projects
 - End User Service
 - End User Productivity
 - Virtualization
- **Skills and Resources**
 - Personnel Education
 - Availability of Resources

IT Infrastructure Trends – Cost

Decrease in Efficiency as IT Spending Shifts to Operations Labor



- 70% of CIO budget is labor
- Operations labor will be 73% of CIO labor budgets by 2008
- at -10% CGR to 2008 Application development will decline
- \$325B in operations labor by 2008



Source: Tivoli Commissioned IDC Study 1Q05

zSeries - The Mainframe for Mixed Commercial & e-business Workloads

- **Near-linear scalability**
- **More secure transactions**
- **"Mean Time Between Failure"**
- **1/4 network equipment costs**
- **1/25th Floor Space**
- **1/20 energy requirement**
- **1/5 the administration**
- **Highest average resource utilization**

up to 900,000+ concurrent users
>6000 SSL/sec vs. <200 SSL/sec
measured in decades vs. months

Virtual versus Physical

400 Sq. Ft vs. 10,000 Sq. Ft

\$32/day vs. \$600/day

< 5 people vs. > 25 people

>70% vs.. <15%



November 14, 2005

Power-Hungry Computers Put Data Centers in Bind

- Today's servers draw too much electricity and generate too much heat
 - ▶ E.g. 3,800 watts per square foot in 2005 from 250 watts per square foot in 1992
 - ▶ Also the "tiniest new circuitry leaks current when switched off"
- If planners miscalculate, servers overheat, damaging circuitry or causing shutdowns
 - ▶ "Power-related problems in 2005 will cause 4 of the 20 major failures, up from 2 of 20 last year"
- Outcomes:
 - ▶ Major reconstructions – digging up parking lots, knocking down walls
 - ▶ 4 - 5 times increase in power utility bills
 - ▶ \$20,000 electrical-system upgrade
 - ▶ \$150,000 air-conditioning upgrade
 - ▶ Room temperatures averaging 92°F → erratic machine behavior
 - ▶ Reducing raised-floor occupancy
 - ▶ Building new facilities
- "The people who buy computers often aren't the people who have to manage them"

Pomona Valley Medical Center:

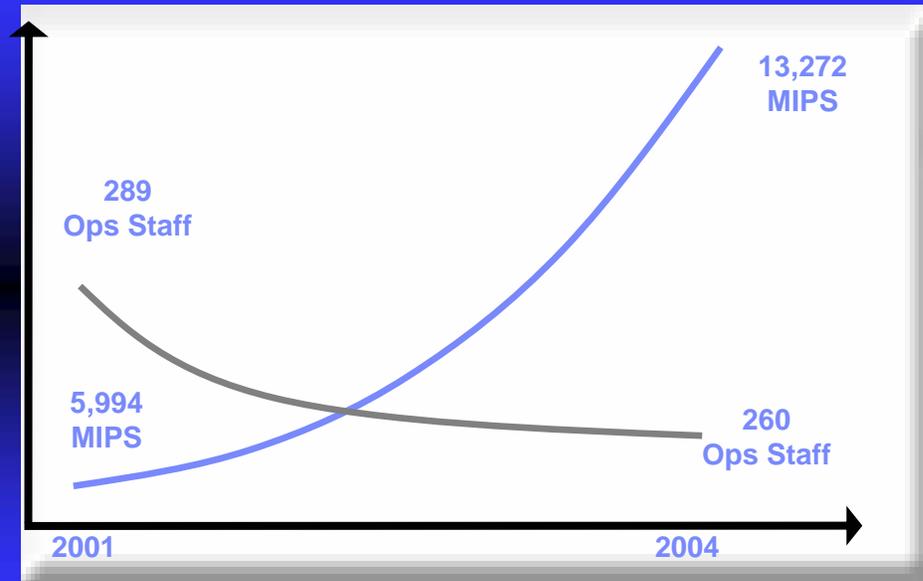
"temporary shutdown of systems serving the hospital's laboratory, \$40,000 in damage to servers and hard drives, and prompted a \$500,000 retrofitting of the cooling system"



Gartner finds that data center staffing levels for z have not significantly changed despite large increase in MIPS

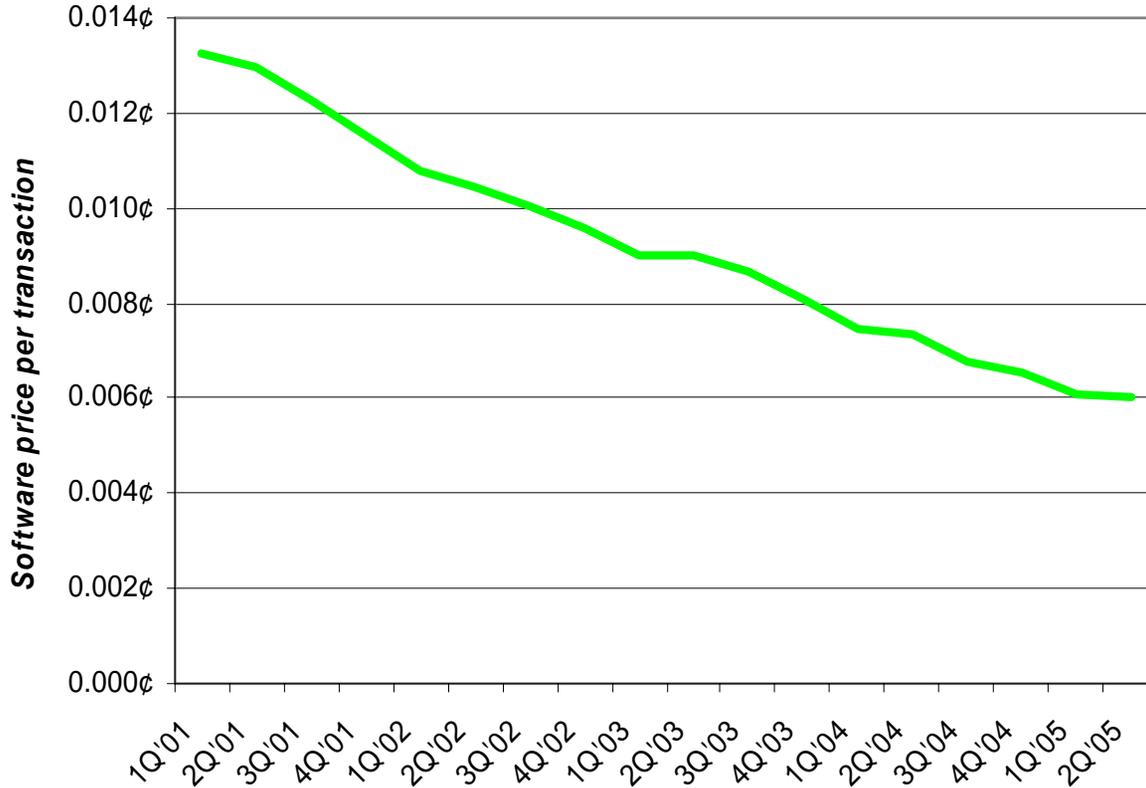
“Since we published our last high-level perspective of the ratio between MIPS and head count in 2001, the largest z/OS installations have more than doubled their ‘MIPS to head count’ ratio.”

L. Mieritz, M. Willis-Fleming – Gartner, 2004



Gartner

Decrease in average zSeries IBM SW price/transaction YTY for the last 54 months



Key factors behind this decrease:

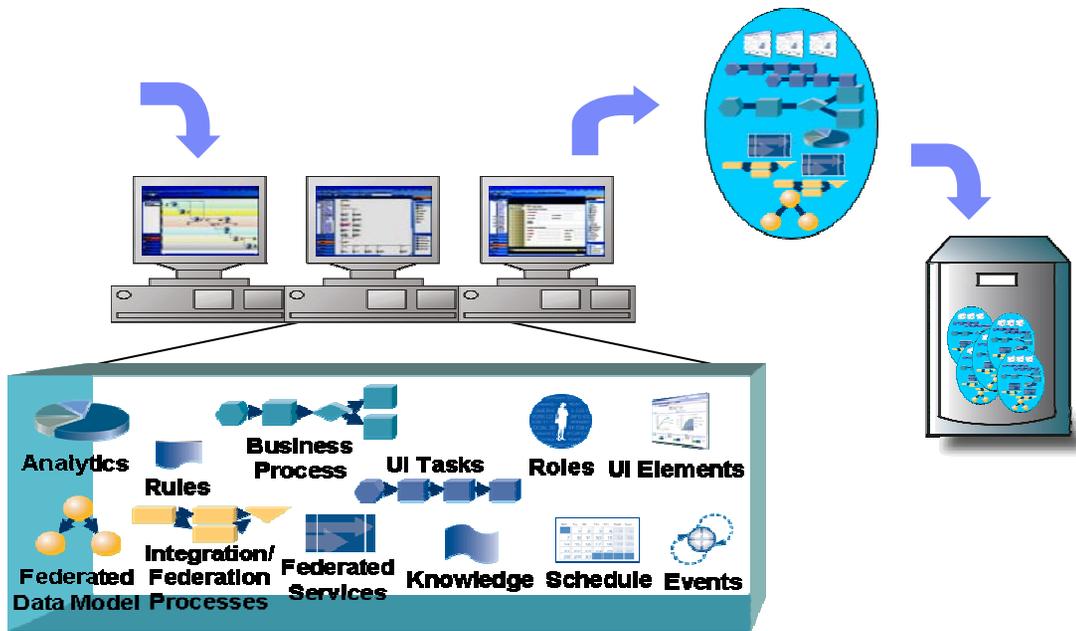
- sub-capacity pricing
- consolidation to fewer, bigger boxes
- improved price slopes and OS pricing
- organic growth allowing move up the software pricing curves
- 'Tech Dividend' for newer zSeries machines
- ZELC & NALC
- specialty engines (zAAPs, IFLs)
- zIIP

Source: IBM SWG Finance
 Data is WW customer revenue only (not IGS)
 Data includes specialty engines
 'Highway conditions .. mileage may vary'

— Inflation-adjusted IBM software price per transaction in cents

Siebel Component Assembly On IBM Mainframe Is

- Open standards based technology
- Built from the ground up to optimize benefits of running natively on IBM Mainframe
- Provides exceptional levels of performance, scalability & reliability



Benefits of zAAP on the Mainframe : Montreal Informatica



Montreal Informatica, Brazil

According Mauricio Alvarenga, Infrastructure Manager of Montreal Informatica, Brazil, Montreal Informatica chose the IBM eServer zSeries for their business opportunity with their customer Fetranspor, because in their words "We could not do it on a platform we were not comfortable with'.

This new application -- currently managing 1.5 million transactions from 600 Smart cards through 11,000+ buses, ferries and subways for the Brazilian employee transportation program-- required scalability, reliability, and security and 'zSeries fit that requirement.' In addition, *Alvarenga adds that the zAAP essentially 'took the financial load off our shoulders' by allowing for a less expensive and more flexible way to handle this new application* which is one of the largest transportation programs of its kind in the world.

Continuing into 2006, Montreal Informatica plans to extend the use of the zAAP for other applications. As Alvarenga notes "Performance has been very good, and with the strength of zSeries security and scalability, Montreal Informatica has the opportunity to anticipate Fetranspor's program growth as well as increasing the services to other and prospective customers.



Benefits of zAAP on the Mainframe: MIB Group Inc

MIB Group Inc., Massachusetts

The IBM eServer zSeries provides high availability and flexibility to support processing demands for MIB's customer-facing applications. Application developers across multiple environments have reliable application development support on only one server and the zSeries hardware provides enough scalability to support the client's growing data needs.

*Leveraging the zAAP feature, the MIB can size and easily adapt server resources to meet the business needs in its production environment. **The zAAP feature also limits resource demands and development costs and supports increased developer productivity. Prior to activating the zAAP feature on its development LPAR, the company experienced approximately 40 peaks - or full central processing unit (CPU) usage - in a two week period. After implementing the zAAP feature, the company experienced only 20 peaks.***

Additionally, all of the features of the zSeries and IBM WebSphere software provide the security to help MIB meet even the tightest regulatory mandates for its sensitive medical data.

The logo for MIB Group Inc. is displayed in a large, bold, black, stylized font. The letters are thick and blocky, with a slight shadow effect. The 'M' and 'I' are connected, and the 'B' is also connected to the 'I'. The logo is positioned on the right side of the slide, partially overlapping a background image of a modern building.

Benefits of zAAP on the Mainframe: Farmers Insurance



FARMERS

Gets you back where you belong.®

Farmers Zurich

Farmers online application experiences CICS transaction volumes of up to 45 million per day, supporting approximately 50,000 users

90% of the revenue business is supported by applications running within WAS for z/OS, which also communicates with applications running off-platform

zAAPs reduced the MIPS on a key application from 1200 MIPS to 700 MIPS

- *“Experiences tell us that zSeries is a must, because that is the only platform that can help us deliver all of these qualities. Quality is really, really important, because our customers are dependent upon the availability of these applications and the platform.”*
- *- Claudia Ku, Dir of Tech Services*

A Vision for Advanced Data Serving with System z

System z Enterprise Hub for Mission Critical Data

- ❖ With a strong foundation for transaction processing, built on 40+ years of technology innovation, System z with z/OS and DB2 provides a premiere platform for data serving, today and into the future*
- ❖ Building on industry leading System z integrity and security, IBM is continuing to invest to support customers' Information on Demand needs across a heterogeneous IT infrastructure.*



Today's Capabilities

- Industry leading data integrity and security via multi-level security, encryption and certifications
- Architecturally unique data sharing solution for centralized view of data
- Highest levels of scalability and availability for enterprise class database workloads and enterprise applications
- Comprehensive systems and data management environment



Extension of capabilities*

- New specialty engine with DB2 exploitation to help leverage data for mission critical ERP, CRM, and Data Warehousing workloads
- Enhanced database support for regulatory compliance, open standards, and improved autonomies
- Support for encryption of data at rest (tape subsystem) w/ z/OS key mgmt
- Data protection via technology enhancements to achieve the highest levels of security certifications



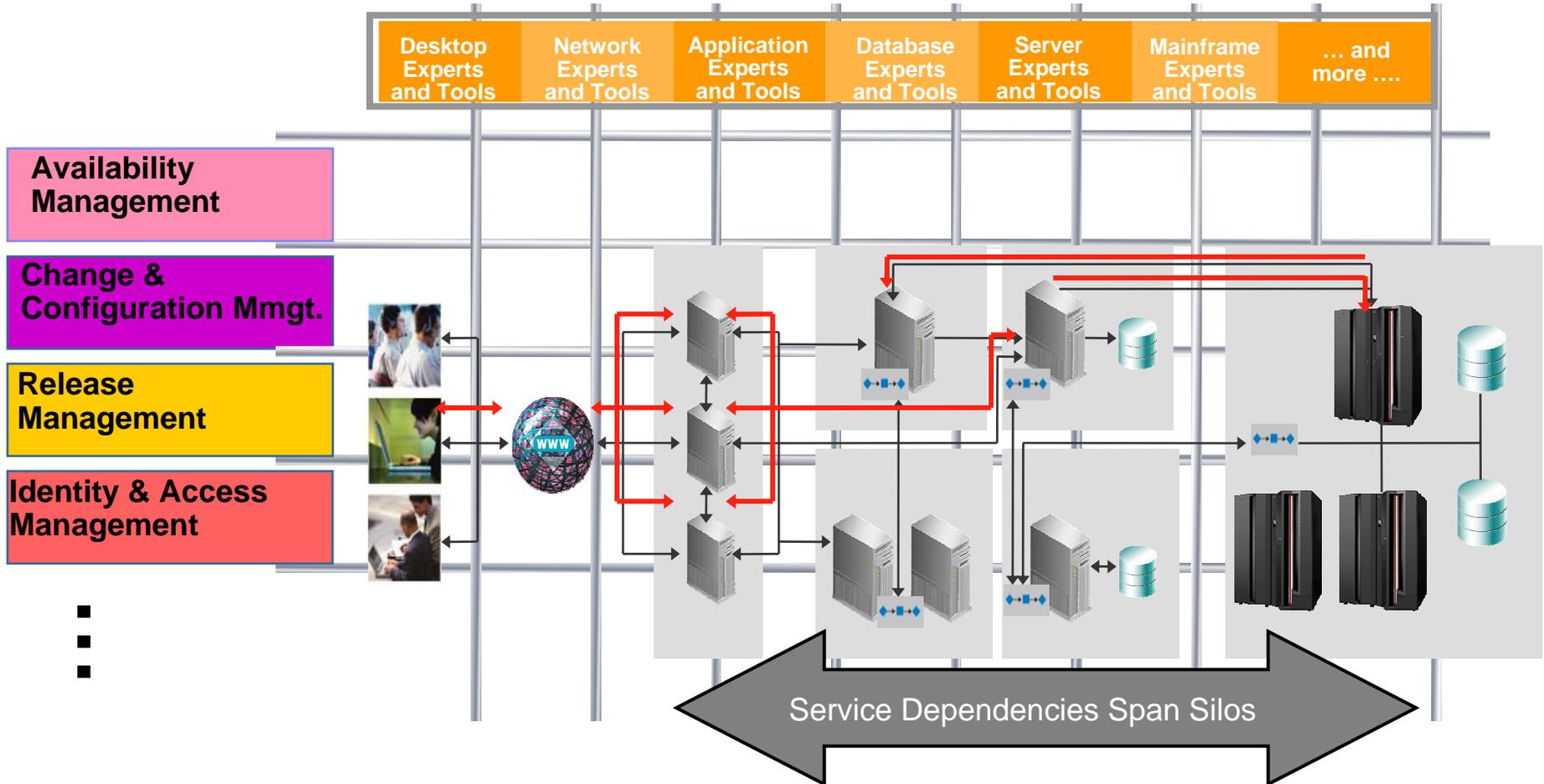
Future direction*

- Continued improved access to data and improved price/performance with additional zIIP exploitation
- DB2 enhancements to reduce the need for z/OS specific skills
- DB2 table scan acceleration via DS8000
- Support for encryption of data at rest (disk subsystem) with z/OS key mgmt
- Extended support to handle larger volumes of data, with improved scalability and continued balanced system design

*All statements regarding IBM's future direction and intent are subject to change or withdrawal without notice, and represent goals and objectives only.

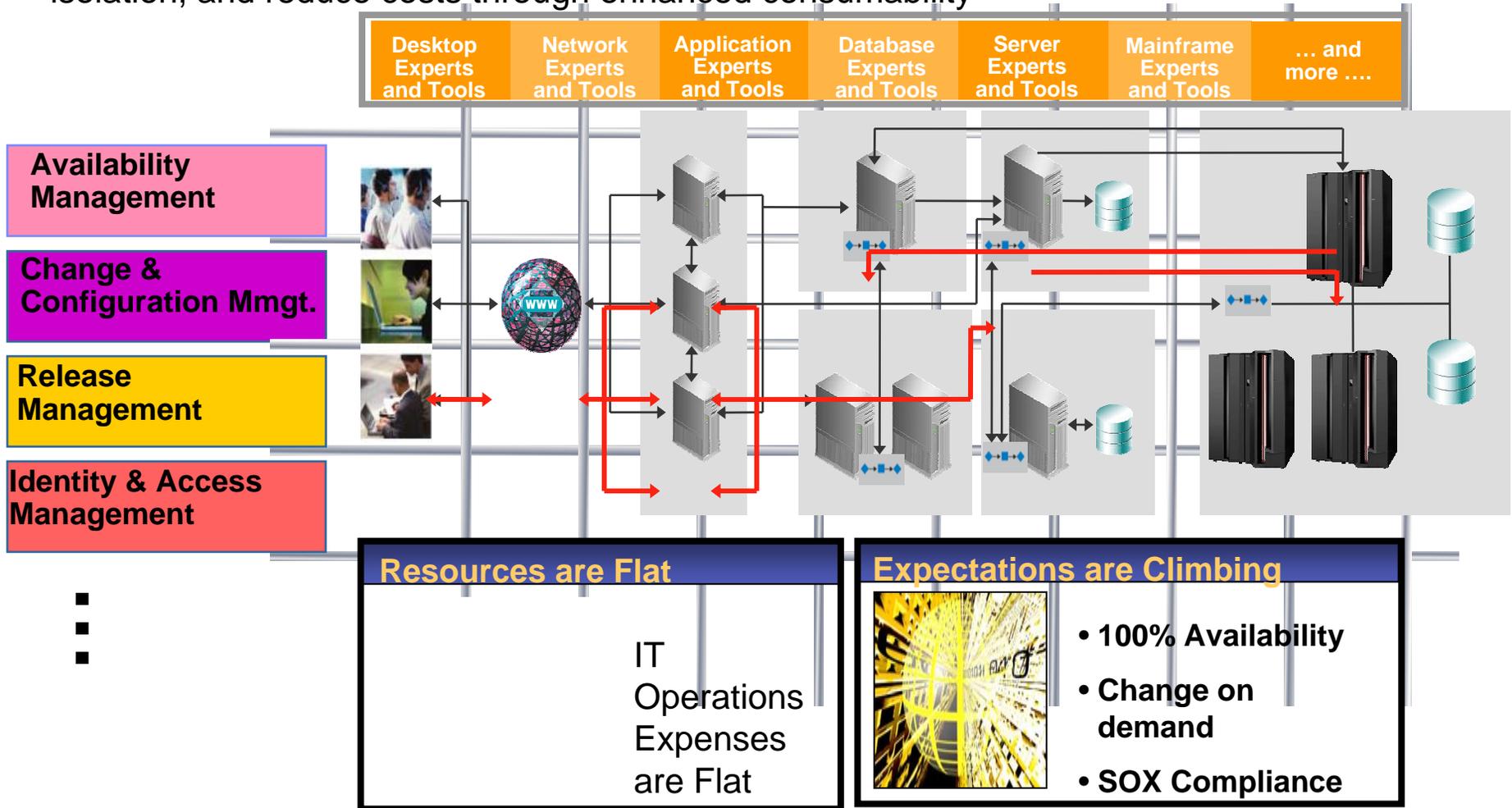
Barriers to success in Availability

Complexity of IT Operations is increasing due to proliferation of SME Silos and widespread adoption of complex Composite Applications



Barriers to success in Availability

Tivoli and Availability Products to the simplify process management, enhance cross domain isolation, and reduce costs through enhanced consumability



-
-
-

Resources are Flat

IT Operations Expenses are Flat

Expectations are Climbing

- 100% Availability
- Change on demand
- SOX Compliance

zSeries Infrastructure Management – Security Management

Complete zSeries security management solution, including administration, integrity auditing, and intrusion detection and management

- **Vanguard Administrator** simplify and enhance RACF security management
- **Vanguard Analyzer** assists with security system snapshots or full-scale zSeries security audits
- **Vanguard Enforcer** manages and enforcing security policy in z/OS and RACF
- **Vanguard Advisor** provides Event Detection, Analysis and Reporting capabilities for the z/OS and RACF
- **Vanguard Security Center** offers browser-based RACF and DB2 security administration on z/OS
- **IBM Tivoli Security Administrator for RACF** provides low cost, rapidly deployable RACF management solution

The image displays three overlapping screenshots from zSeries security management tools:

- Baseline Build Selection:** A terminal window showing a menu of system and installation baselines. The 'System Sensors' list includes All System Baselines, APF, Critical Data Sets, Link List, LPA, and Privileged Users. The 'Installation Sensors' list includes All Installation Baselines, DASD Volumes, Data Sets or Data Set Profiles, General Resource Profiles, Restricted Utilities, and Security Server Groups.
- Program Properties Table Analysis:** A terminal window showing details for a program entry. The entry is 'BPXVCLNY' with a protection key of '08'. A message 'VSA392R' indicates that RACF checking for datasets is bypassed. The explanation states that the entry in the PPT grants the bypass password attribute to the program.
- SYS1: Group Tree - Order by Superior Group:** A graphical interface showing a tree structure of system groups. The tree includes SYS1, DB2, DSN710, EMPLOYEE, EXTERNAL, EZSIGNON, EZIGRP (with sub-groups EZIGRP1, EZIGRP2, EZIGRP3), GID, IMWEB, OMVS, OMVSGRP, SPECIAL, STCGROUP, STCGRP, SYSCTLG, SYSDSN, and VIP. A table on the right lists users and their authorities:

User	User Name	Authority
1	BPX0HIT	USE
2	DB8GRFSH	unknown
3	DSH1WLM1	unknown
4	FTPD	USE
5	IBMUSER	SYSTEM OPERATOR
6	IDUICA2	IAN'S BACKUP ID
7	IDUICA3	IAN DUNCAN 3
8	IDUICA4	IAN
9	IDUICA5	IAN TEST CLONE 5
10	IDUICAN	IAN DUNCAN



Advancing toward goal of 20,000 mainframe educated students in marketplace by 2010

- IBM Academic Initiative
 - ▶ School register & agree to teach or do research on mainframes
 - ▶ IBM provides course material, access to systems (hubs)
 - ▶ IBM assists with connecting customers and schools (co-ops, program curriculum, technical support, and professional instructors)

- 215+ Schools WW (up from 20+ in early '04) & 300+ professors registered

- Mainframe Specific Initiatives
 - ▶ Courses
 - ▶ Recruiting materials
 - ▶ Mainframe hubs
 - ▶ University ambassadors
 - ▶ Customer advisory council
 - ▶ Customer/school relationships
 - ▶ Student/new hire network
 - ▶ zNextGen community
 - ▶ Student mainframe contest
 - ▶ Summer faculty & T3 seminars

More info: www.ibm.com/university/zseries



Simplify z/OS Operations with Tivoli Enterprise Portal

-- New management console integrates tools, data and processes

Tivoli Enterprise Portal

Mainframe

Host and Distributed Infrastructure Management

OMEGAMON XE
NetView for z/OS
SA for z/OS

Composite Application Management

Transaction Tracking, J2EE, SOA

zAAP processors and Cryptographic Coprocessors

CICS TS 3.1

DB2 v8.1



Distributed

UNIX
Windows
Linux
OS/400
DB2, Oracle, Microsoft SQL, Sybase
mySAP, Siebel
HACMP
Microsoft Exchange
Microsoft .NET
Virtual Servers - Citrix, VMWARE ESX

Process Integration

Business Systems Mgmt

Service Support

Service Delivery

End-to-End Management