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IT Im Wandel: Itanium und Integrity Im Rechenzentrum

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Agenda

The Business Case

Integrity and Itanium Market Momentum

Key Enablers

Voice Of The Customer

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The Business Case

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Herausforderungen – Ein Überblick

Markt	**Unternehmen**	**IT**
Konjunktur und Wachstum	Wettbewerber	Systemkomplexität
Geschäftsdynamik	Kosten/Effizienz	Verfügbarkeit
Regulierungen	Informationszugriff	Sicherheit
Politische Situation	Führung/Zustimmung	Neue Applikationen
Umweltprobleme	Massenware	Konvergenz
Globalisierung	Kontinuität	Business Continuity
Ressourcenverfüg-barkeit	Flexibilität	Netzzugriffe
Sozialverantwortung	Interessengruppen	Ausbildung/Ressourcen
	Outsourcing	Integration
	Kundenbindung	Offshoring
	Konsolidierung/M&A	

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IT und Business Synchronisierung

Business

Informations- und
Kommunikationstechnologien

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3

Business Goals

Q. Prioritize the following business goals as they relate to your organisation in 2005 by allocating 100 points among them. The more points you allocate, the more important the business goal.

8.6% — Speed time to market
9.1% — Increase market share
30.3% — Increase customer satisfaction
30.8% — Reduce costs
20.4% — Increase revenue

n = 204

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Source: IDC's Dynamic IT Survey, January 2005

➤**Focus is again on growth**
 ➤Top and bottom line goals are usually at odds with each other, particularly increasing customer satisfaction.
➤**Still seeking temporary competitive advantages**
 ➤**Responsiveness to customers**
 ➤**Time to market**
➤**Technology plays a more important role in future business initiatives**
 ➤New products
 ➤New markets
 ➤New constituents
 ➤Regulatory requirements

Business Priorities by Vertical

Healthcare:
Electronic Medical Records (EMR)
Banking:
Commodity → Relationship
Financial Services:
Electronic Trading, Algorithmic Trading, Automated Trading and Straight Through Processing
Health Insurance:
Medical Treatment Information and Physician Satisfaction Ratings
Retail:
Real-time Inventories
Telecommunications:
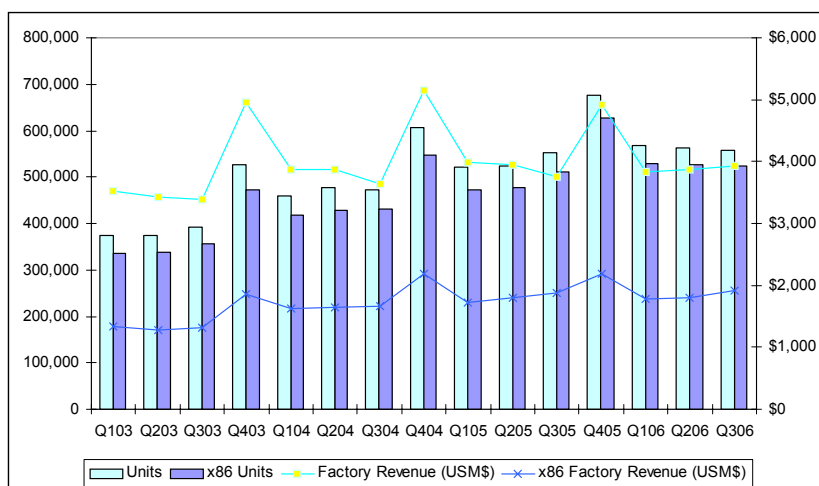*Rich Content, Personalised User Experience*
Transportation:
Real-time Tracking via RFID

Business priorities differ by industry, but have common goals for better information

➤ Cross-selling Opportunities

➤ Better Decision Making

➤ Improve Customer Satisfaction

➤ Greater Numbers of Users and Transactions

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EMEA Server Market Overview

Legend: Units | x86 Units | Factory Revenue (USM$) | x86 Factory Revenue (USM$)

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Infrastructure: More Is Better?

➢ Over Provision For Peak Performance
➢ One Server , One Application
➢ Getting Less Done Per Server
➢ Datacentres Have Become Swollen With Under-utilised Servers

➢ For Every Dollar Spent On Server Hardware, We Spent Seven Dollars On Support
➢ Power & Cooling For 100 Servers Will Be About $40,000 Per Year
➢ 15-20 Servers Per Admin For Distributed Computing

100
% Of
Utilization

% Of Time 100

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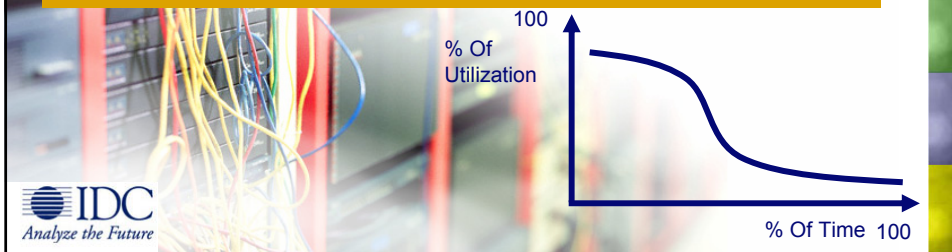
Risk and Control – Emerging Factors

▪ Risk - business continuity

▪ Risk – insecure systems

▪ Risk - regulatory requirements

▪ Risk – monopoly suppliers

▪ Risk – reliance on third parties

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Itanium Market Momentum

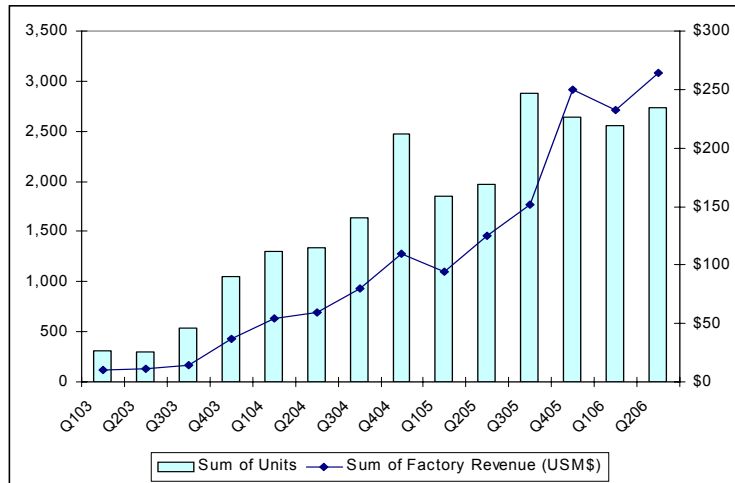## - It Is A 'Glocal' Story!

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Key Indicators

➢The Itanium market continues to grow in EMEA: 39% unit growth and 103% revenue growth in Q206

➢Intel's and HP's continued investment in Integrity is expressed in its leadership with 94% of all units shipped and 83% of revenues generated in Q206

➢Germany the No 1 or 2 in the Integrity Market

➢Increasing end user focus on midrange and high-end Itanium

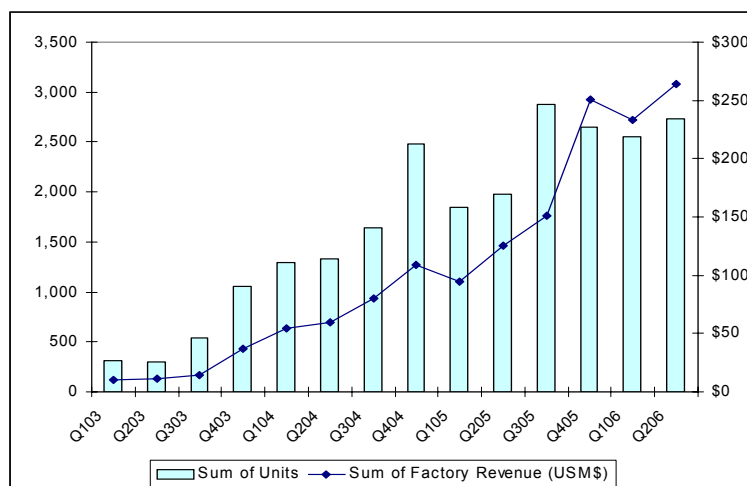➢Itanium is getting firmly entrenched in the datacentre

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EMEA Itanium Server Market, Q103-Q206

Source: IDC Q206 Quarterly Server Tracker, August 2006

Germany Itanium Server Market, Q103-Q206

Source: IDC Q206 Quarterly Server Tracker, August 2006

WW Factory Revenue by Processor Brand

Factory Revenue ($M)

Source: IDC Q206 Quarterly Server Tracker, August 2006

SPARC Includes: SPARC I, SPARC II, SPARC III, SPARC IV, SPARC 64 and SPARC 64 V, UltraSPARC T1
POWER Includes: Power RS64 II, Power RS64 III, Power RS64 III, Power 3, Power 4, Power 5, and PowerPC

Worldwide Itanium Server Market, Q103-Q206

% of Factory Revenue ($M)

Source: IDC Q206 Quarterly Server Tracker, August 2006

Worldwide Itanium Server Market, Q103-Q206

Factory Revenue ($M)

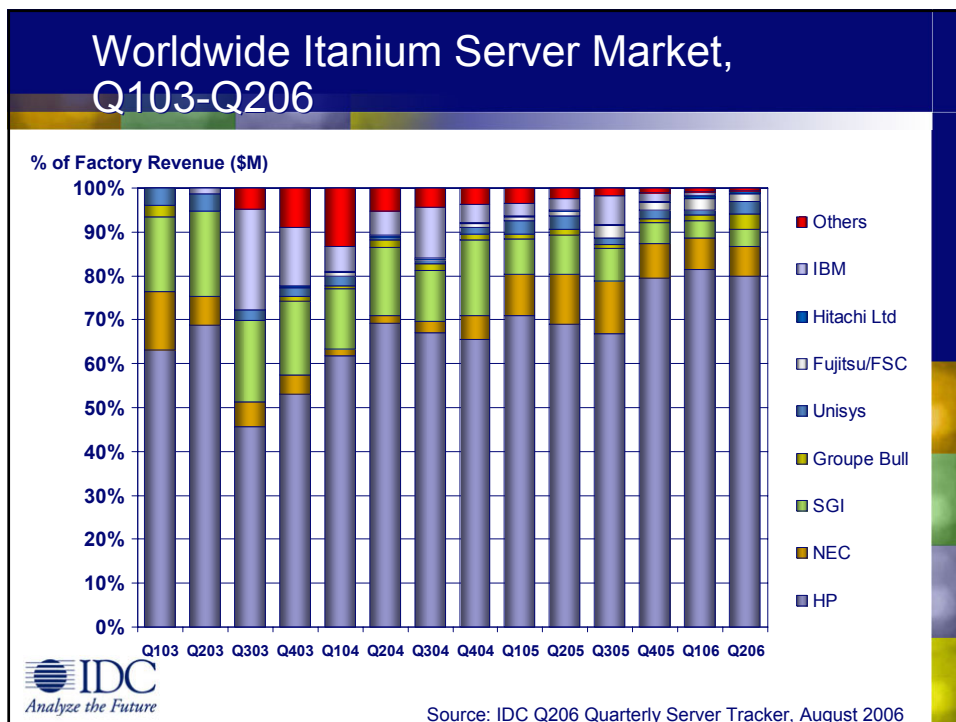Legend: Others, IBM, Hitachi Ltd, Fujitsu/FSC, Unisys, Groupe Bull, SGI, NEC, HP

Source: IDC Q206 Quarterly Server Tracker, August 2006

Worldwide Itanium Server Market, Q103-Q106

% of Factory Revenue ($M)

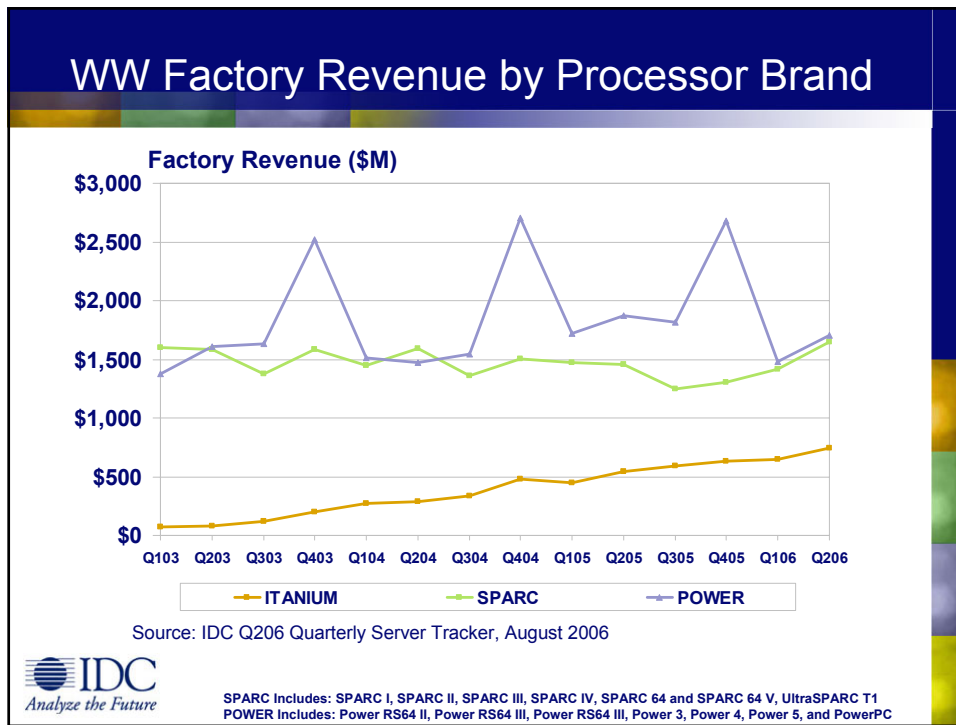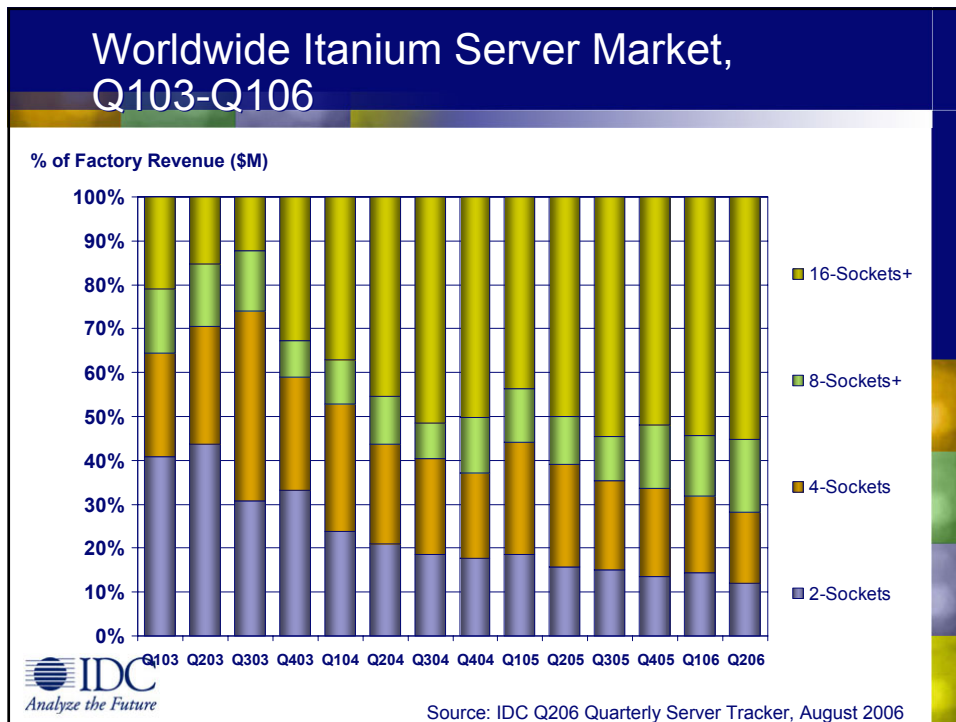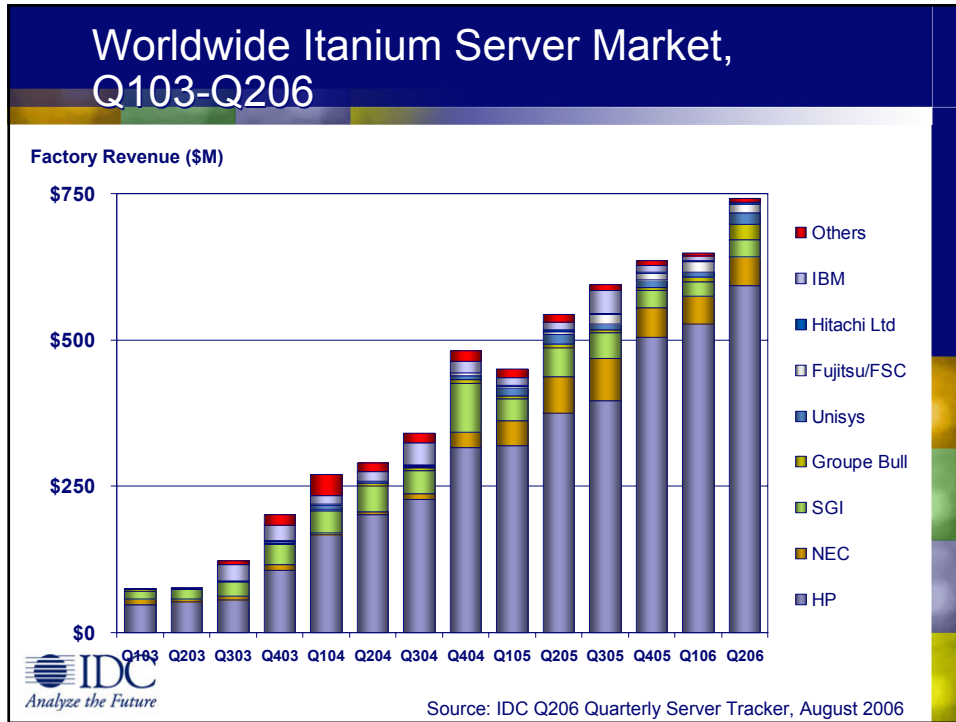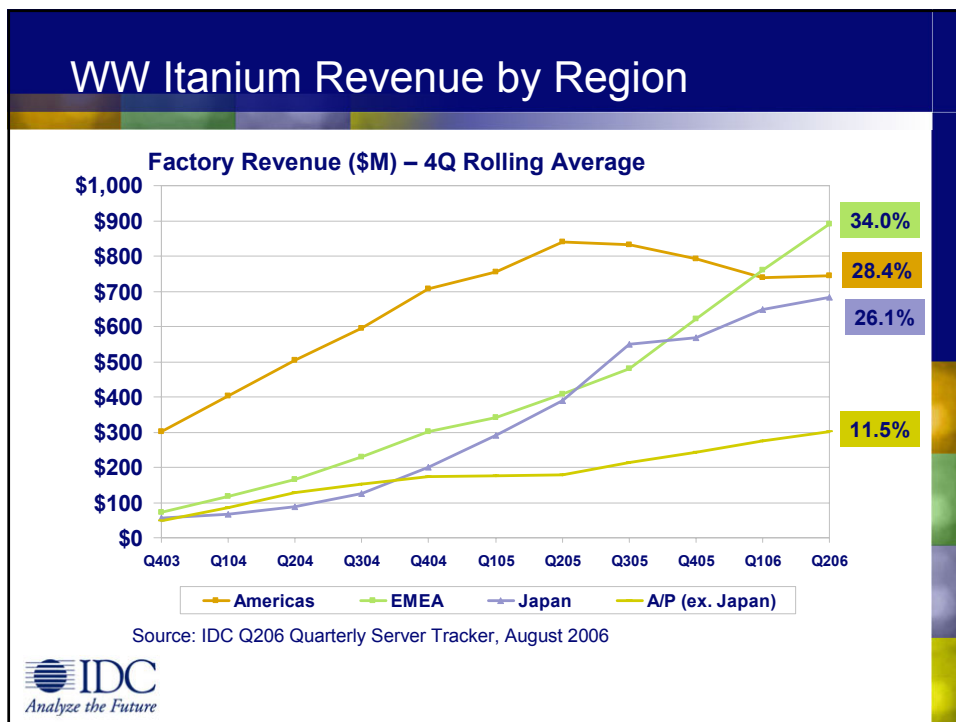

Legend: 16-Sockets+, 8-Sockets+, 4-Sockets, 2-Sockets

Source: IDC Q206 Quarterly Server Tracker, August 2006

Server Workloads by CPU Type, 2005

% of Customer Spending ($M)

Legend:
- Other
- Technical
- Web Infrastructure
- IT Infrastructure
- Application Development
- Collaborative
- Decision Support
- Business Processing

x86: $5.7B — 21.6%
EPIC: $1.2B — 51.1%
RISC: $11.3B — 58.2%
CISC: $4.7B — 71.8%

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Source: Server Workloads 2006, July 2006

WW Itanium Revenue by Region

Factory Revenue ($M) – 4Q Rolling Average

Quarters: Q403, Q104, Q204, Q304, Q404, Q105, Q205, Q305, Q405, Q106, Q206

- Americas — 28.4%
- EMEA — 34.0%
- Japan — 26.1%
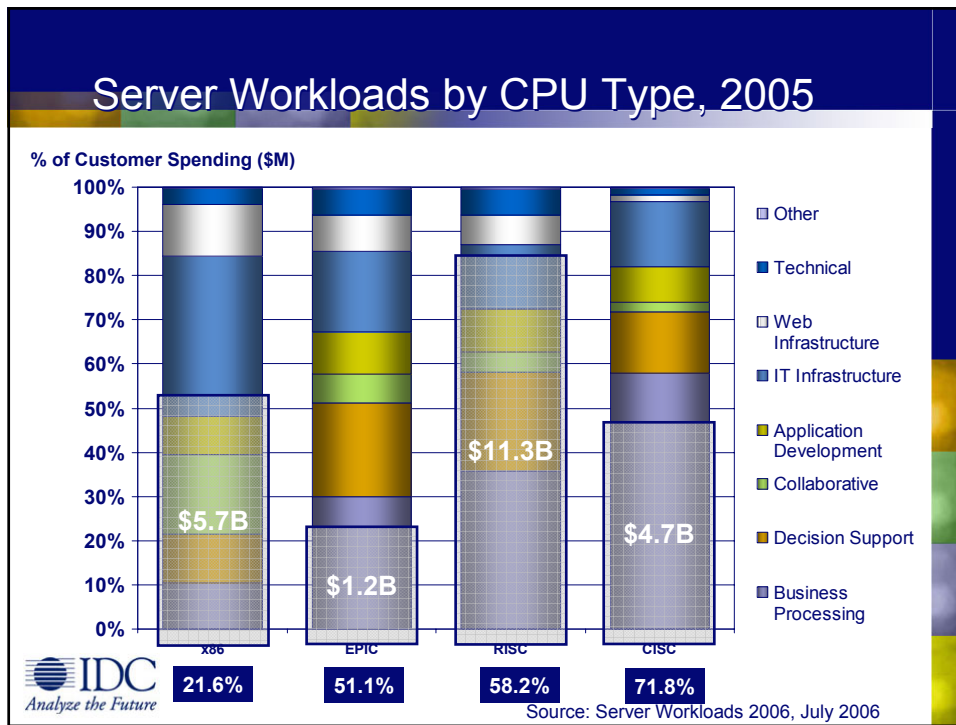- A/P (ex. Japan) — 11.5%

Source: IDC Q206 Quarterly Server Tracker, August 2006

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Key Enablers

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Key Enablers

Standards-based Computing

Delivering on the Promise of Flexibility and Heterogeneity

Virtualisation

Systems Management

Virtualisation is Part of the Journey

- Virtual machines are often purchased as part of a consolidation or migration project
- Virtual machines are almost exclusively attached to networked external storage
- Used within heterogeneous environments
- Over 50% of servers support production level applications – including critical applications
- Once adopted, virtual machines are being very quickly applied to key enterprise applications
- Can be used as a cost containment tool

% Servers Virtualized

Category	Installed Base	Servers Purchased Last 12 Months	Servers Purchased Next 12 Months
Total	22.1%	35.1%	45.2%
Windows	20.7%	33.0%	40.7%
Linux	21.9%	36.2%	42.4%
Unix	25.7%	35.1%	51.1%

N=420

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Virtualisation

Virtualisation Is A Great Vehicle To Improve Operational Efficiencies

- Drive Innovation Back To The Business Unit
- Allow customers To Meet Emerging Compliance Rules
- Meet Business Continuity Requirements

Virtualisation Is A Great Vehicle To Support New and Emerging Business Models Such As Service Oriented Architectures

- Establish New Capacity Planning Models
- Re-think Cost Allocation Models

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Systems Management

- *Common / Single Management Platform and Interface*
- *Automation*
- *Rapid Deployment*
- *Remote Management*
- *Workload Balancing*
- *Support of Virtualised Environments*

  ➤ *Keeps Operational Costs Down*
  ➤ *Increases Flexibility and Agility*
  ➤ *Brings Relevance to All Sizes of Business*

Itanium in the Datacentre

➤ Supplier Choice
  ➤ Standardisation, Roadmaps
➤ ISV Application Availability
➤ Heterogeneous Operating Environments
➤ Mixed Chip Environments
➤ Virtualisation Availability

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Voice Of The Customer

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Customer Examples: Cost Advantage

TABLE 1			
Itanium Customer Experience Comparison – How Does Itanium Best Fit your Company? (Customer Responses)			
Goals	Existing Business and Infrastructure: Challenges and Concerns	Transitioning to Itanium: Key Benefits Perceived by Customers	Customer Advise and Conslusions Impact
Cost-benefit	• Cost effectiveness and price/performance • Consolidation capability • Smaller systems	• Fewer systems make easier monitoring and management for higher level of performance • Saving on licenses, services and maintenance • More bang for the buck and more space in a rack • Better performance for applications which did not parallelize well	• Higher grade of flexibility • Less heat development and power consumption • High Performance in terms of reliability, availability and scability • Highest single CPU performance for floating point operations

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Customer Examples: Risk Mitigation

TABLE 1

Itanium Customer Experience Comparison – How Does Itanium Best Fit your Company? (Customer Responses)

Goals	Existing Business and Infrastructure: Challenges and Concerns	Transitioning to Itanium: Key Benefits Perceived by Customers	Customer Advise and Conslusions Impact
• Risk Mitigation	• Better compatibility and stability of OS • Had concerns that some of the incumbent architectures are reaching end of life in terms of additional performance	• Secure past IT investments while guaranteeing high availability and business continuity • Offer better prospect. Plenty of room for performance improvement • Support for mainstream environment	• Business disruption due to downtime in transition. As any other migration, needs careful planning. • Important to rely on an external partner who has extensive experience in migration and to not underestimate internal resources

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Customer Examples: Standardisation

TABLE 1

Itanium Customer Experience Comparison – How Does Itanium Best Fit your Company? (Customer Responses)

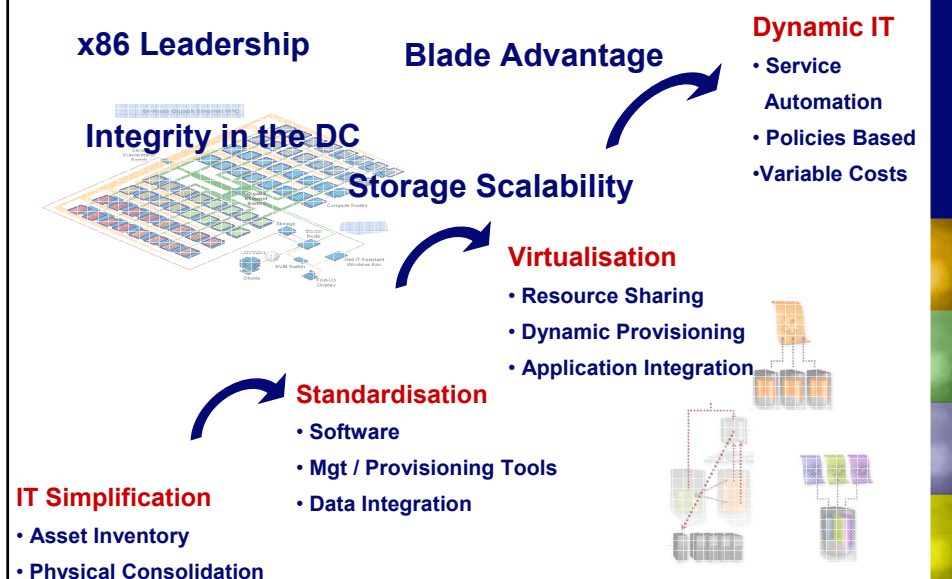| Goals	Existing Business and Infrastructure: Challenges and Concerns	Transitioning to Itanium: Key Benefits Perceived by Customers	Customer Advise and Conslusions Impact
• Standardization	• To increase flexibility • Alignment of IT function with corporate goals and objectives • Support of Windows in HPC environments	• IT function no longer a bottleneck • Staff knowledge and skills are still relevant. Change of processor does not require significant training.	• Business continuity • Increasing ISV support • No additional training necessary

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Customer Examples: Sourcing

TABLE 1

Itanium Customer Experience Comparison – How Does Itanium Best Fit your Company? (Customer Responses)

Goals	Existing Business and Infrastructure: Challenges and Concerns	Transitioning to Itanium: Key Benefits Perceived by Customers	Customer Advise and Conslusions Impact
• Sourcing Strategy	• Multiple OS support • Reduce lock-in to select software platforms and applications on company's criteria	• As software availability increased, wider range of platform choices for any applications	• Ability to treat Itanium as any other architecture in IT infrastructure • Migration to a new platform is time-consuming and requires careful planning and thorough negotiations with vendors.

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Dynamic IT – The Journey

x86 Leadership

Blade Advantage

Dynamic IT
• Service
 Automation
• Policies Based
• Variable Costs

Integrity in the DC

Storage Scalability

Virtualisation
• Resource Sharing
• Dynamic Provisioning
• Application Integration

Standardisation
• Software
• Mgt / Provisioning Tools
• Data Integration

IT Simplification
• Asset Inventory
• Physical Consolidation

Take-Aways

- ✓ Business And Technology Requirements Need New Solutions
- ✓ IT today Is And Has The Answer To The Many Challenges
- ✓ Business Leaders Are Demanding Agility and Flexibility!
- ✓ Todays Dynamic IT Solutions Need To Show Relevance for Today's Issues And Provide A Path For The Future
- ✓ Virtualisation Improves Utilisation and Business Continuity and Supports Building Business Processes Into IT Processes
- ✓ Integrity and Itanium Momentum Outpaces Market Growth
- ✓ Integrity and Itanium Provide Answers To Technology and Business Issues

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Herzlichen Dank für Ihre Aufmerksamkeit

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