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# Finally, an Affordable Midrange Mainframe: IBM's z10 BC

By Joe Clabby, President, Clabby Analytics

Probably the biggest challenge facing IBM System z (mainframe) marketing organization is to reposition its venerable mainframe as a new workload/consolidation server. Mainframes have long been known for their handling of transaction and batch environments but specialty co-processors can also make the System z an ideal security hub, an excellent consolidation platform, and a very good Java workload server. IBM's next biggest System z challenge is getting CEOs, line-of-business executives and IT (information technology) managers to recognize this and to understand that mainframes can often do a more work for less energy in a smaller footprint than continually expanding, energy-wasting x86 server farms.

But even if IBM marketing mavens overcome these challenges, they face two additional hurdles: They need to prove that mainframes are more cost-effective than other server architectures and they also need to show how mainframes can fit into organizations that rely on standard, off the shelf software to operate their businesses. Proving that mainframes are more cost effective than commodity x86 servers gets a little tricky because mid-market buyers tend to focus more often on cost-of-acquisition rather than total cost of ownership. And because mainframes don't run Microsoft Windows or UNIX applications (not yet, anyway), IBM can not claim that System z solutions are ideal for handling all generalized workloads.

**A Closer Look at the System z10BC (Business Class)**

Despite these significant challenges, IBM has been making a serious run at the mid-market. Almost a year and a half ago, the company introduced what it defined as a "midrange-class" mainframe; the System z9BC (Business Class). The z9BC had a good deal of capacity, room for expansion, and it was significantly more energy efficient than comparable distributed server solutions. Over time, the z9BC did extremely well among existing mainframe customers but it may have been a little to powerful and pricey to appeal to the new midrange markets and customers that IBM craved. Why? Because:

- It came to market at the high-end in terms of price;
- Some components (such as specialty co-processors) were over-priced; and,
- It didn't have enough memory for handling memory intensive Java workloads.

Bottom line? The z9BC is one helluva machine, but for those customers who were simply looking for a robust Java application/web server/consolidation solution it was too much

These issues have, however, been corrected in the z9BC's new replacement, the IBM System z10BC. The z10BC processor design uses cache differently and is much faster than the z9BC. Its base configuration includes more memory, it is air-cooled, and the cost of specialty processors has been significantly reduced. And these three adjustments alone will make it far more appealing to the mid-sized companies that IBM is looking to attract.

Let's take a closer look at these changes. Faster chips and better memory pricing and configurability make a huge difference. With System z10BC IBM has added twice the memory (4X by June/09) as the z9BC – and has reduced the price for that memory. Both faster chips and more memory will make the System z10 a screamer when it comes to new workload handling

With respect to IBM's zIIP and zAAP specialty co-processors and its integrated facility for Linux (IFL) solution, the company has reduced their cost by 50% for the z10BC (and only for the z10BC). This is a brilliant move by IBM's marketing organization since by doing so, running new workloads on a z10 becomes far, far, far more affordable than the z9BC. And it also proves to IT buyers that IBM truly is serious about moving new workloads and mid-market customers to the mainframe.

In addition, IBM has also taken pricing actions in the application space that make z10BC even more affordable. The company introduced a new pricing model for deploying SAP applications on the z10BC (the SAP Solution Edition); and IBM's WebSphere Application Server CE Open Source Consolidation package (a low cost Linux/WebSphere open source environment) now runs on System z10BC, as well. These are two steps in the right direction, but I believe IBM needs to take a lot more steps toward reducing the cost for other software solutions on System z solutions

As a final note on mainframe applications, IBM has added 130 new ISV software packages to System z so far in 2008. Overall, I believe that the IBM ISV partner community has come to the realization that System z is a growing, new workload environment that warrants their interest and application ports

**Summary Observations**

All too often, IBM misses the mark with System z product announcements. The company tends to go wild in talking about technologies like advanced virtualization solutions that are far beyond anything yet available on x86 servers; sophisticated management and security tools, and on and on. IBM's mainframe marketers tend to get blissfully lost in the sublime details of processor characteristics, mainframe I/O capabilities, and memory characteristics (and memory management). This time, IBM has gotten it right.

And yes, the mainframe is the most sophisticated scale-up, commercial computing environment on the planet… But the z10 BC needs to be marketed simply. Like every System z, the z10BC is a mainframe, but it is also a consolidation server, a general purpose server and a balanced application server. Yes, It carries an initial price premium when compared to acquisition costs for far less sophisticated x86 environments. But add-in how much it costs to operate, manage, and secure those environments over time and the z10BC will almost always cost far less to operate than comparable distributed server environments.

This is why Clabby Analytics firmly believes that IBM's System z is the most cost effective server architecture on the market for running secure, generalized batch, interactive, transactional, and new Java workloads. Overall, these are the arguments and value propositions that really matter to mid-market customers, and that is why the System z10BC should help IBM finally gain entry to the midmarket with mainframe technology. But Clabby Analytics also notes that IBM is planning strong company growth in global "emerging economies." If the company is really smart, they can gain major inroads in developing nations with the z10BC -- and establish an important foothold as a preferred system for driving general purpose workloads.

To Clabby Analytics, IBM's System z10BC is a well-considered, well-designed, well-executed server that should prove an ideal solution for many mid-market organizations. As such, it will be interesting to see if the z10BC's many improvements help IBM take the step down

and successfully sell the mainframe as a broadly useful, broadly applicable mid-range consolidation/application server instead of an all-encompassing enterprise class system. With highly focused sales and marketing efforts aimed at the discreet needs of mid-market customers, I believe that IBM's new System z10BC could become the platform of choice for new workloads and server consolidation.



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