



IBM Global Technology Services

Injecting science into the art of services – a perspective from IBM Global Technology Services

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Agenda

1. CEO perspective
2. Evolution of IT
3. IBM Services strategy
4. Service Product Lines
5. Q&A

IBM's CEO Study showed three key imperatives for leaders

1

Innovation starts at the top

CIO Action: Ignite technology and business integration

- Develop business strategies that encompass the IT function
- Run IT planning, architecture, and operations as a strategic activity

2

Innovation goes beyond products and services

CIO Action: Drive business model innovation

- Exploit IT as an enabler for new capacity, capability or integration potential
- Create a responsive, flexible infrastructure

3

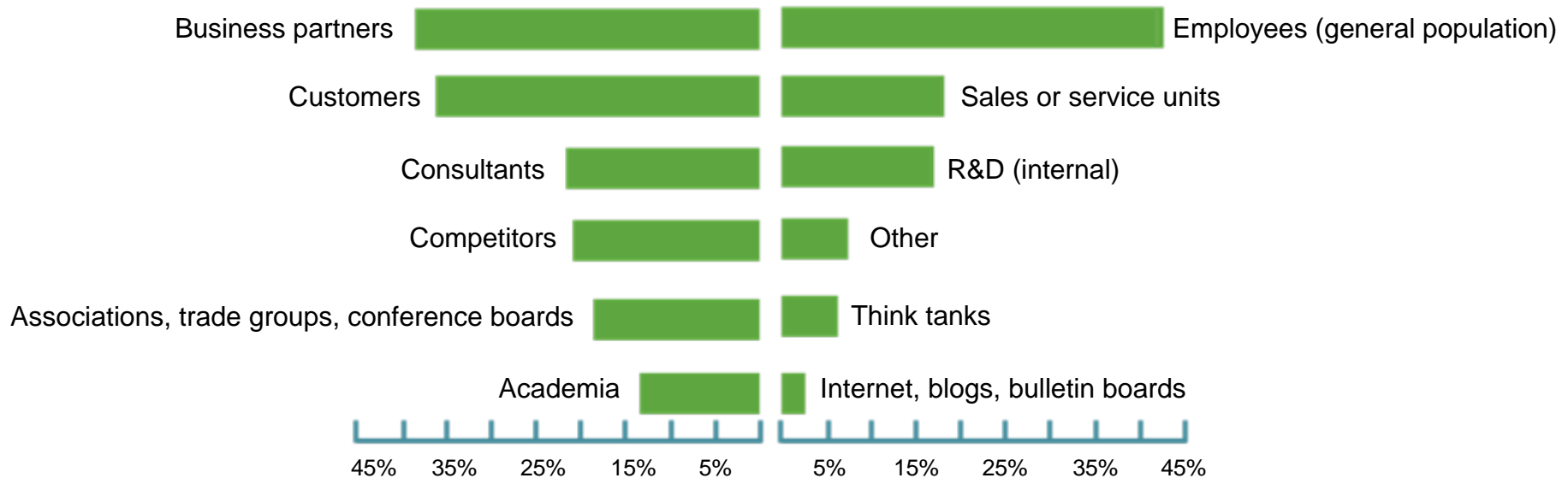
Deeper and wider collaboration is essential

CIO Action: Enable internal and external collaboration

- Unlock employee productivity with more effective end-user environments
- Deepen business partner interactions and extend the on-demand enterprise

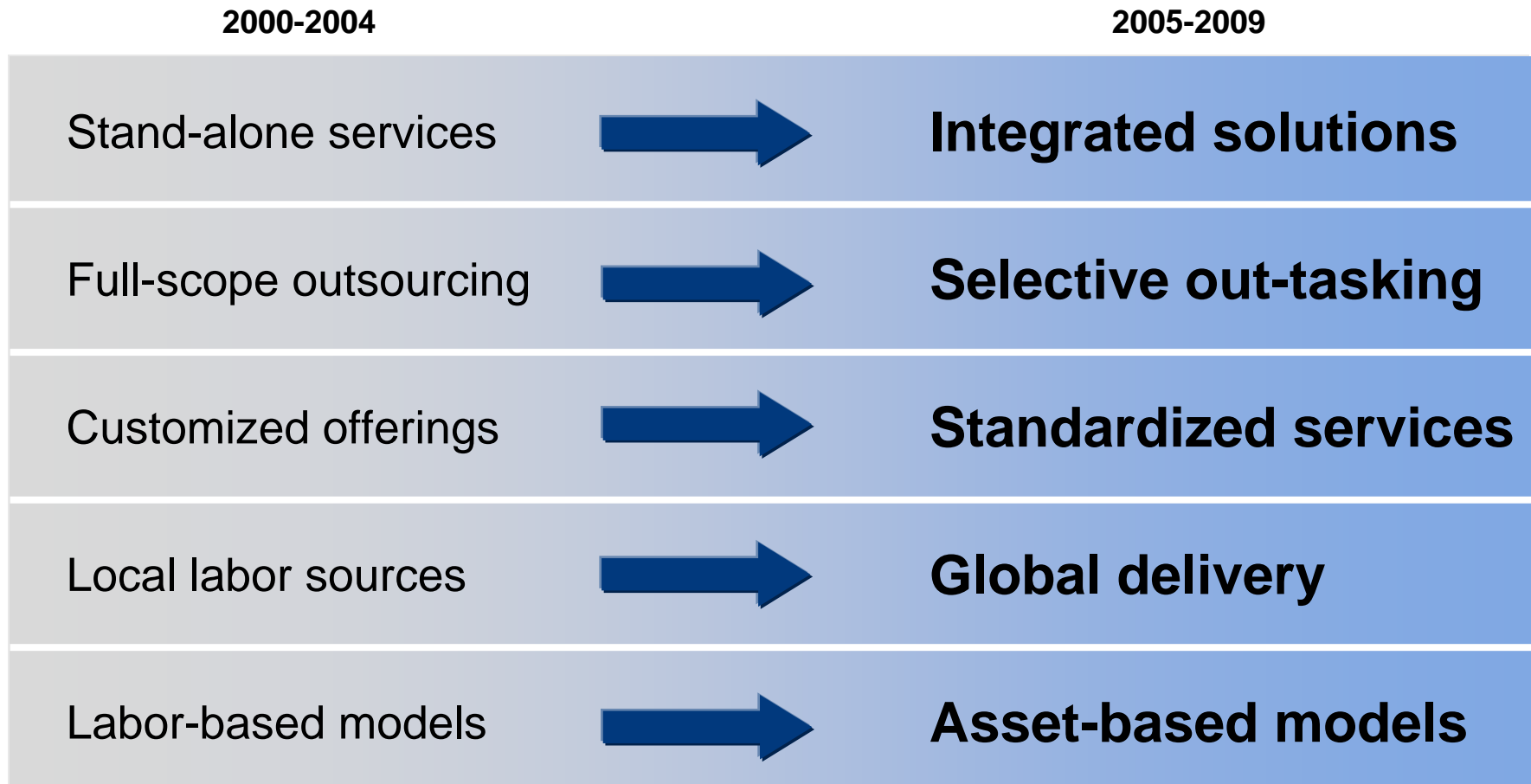
Partners and customers edge out employees for ideas

CEOs: Sources of new ideas and innovation



“We have...today a lot more capability and innovation in the marketplace...than we could try to create on our own.”

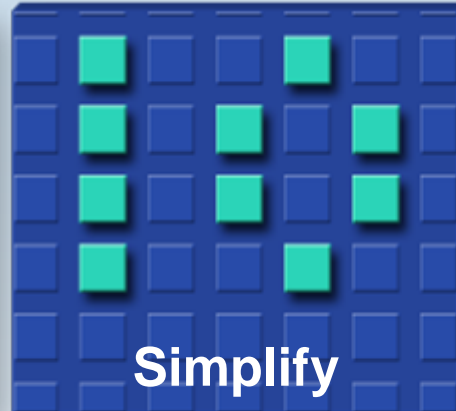
The IT services market is changing significantly



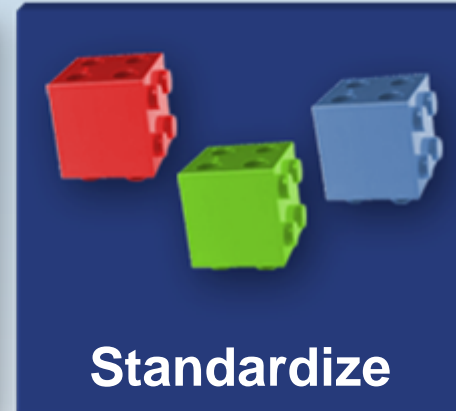
GTS Strategy: Moving to an asset-based model



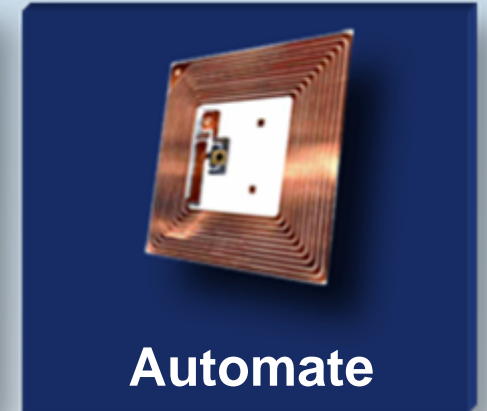
Services delivered consistently across the world will raise client satisfaction



A streamlined portfolio will make it easier to do business with GTS -- internally and externally

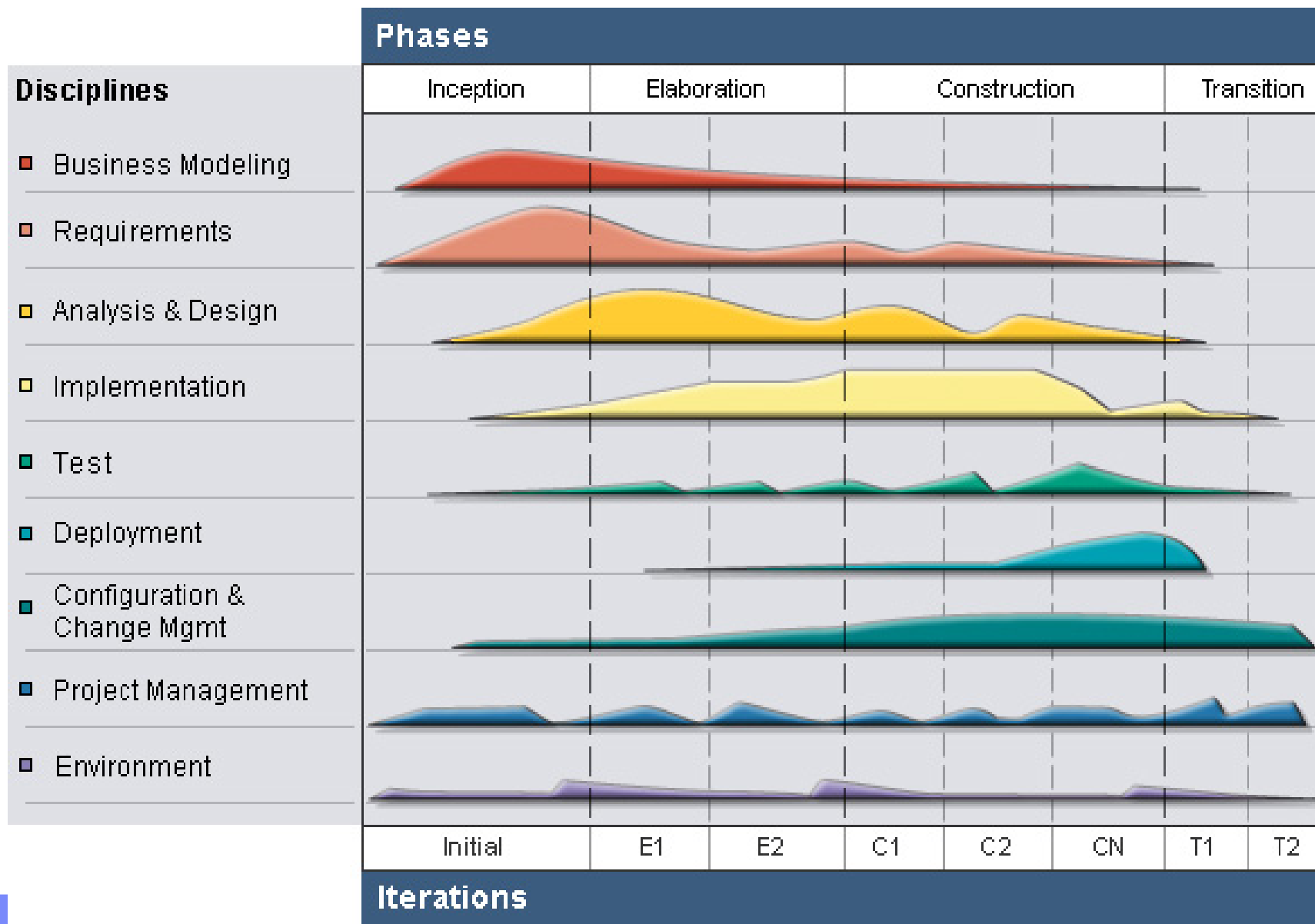


Common platforms, methods, tools and assets will speed time to value



Greater automation of services will create competitive advantage, raise productivity, and enable new growth opportunities

Services Engineering Development Life Cycle



Can Services Be More Like Products?

BusinessWeek online

BLAZING A NEW TRAIL?

The idea is to make services as easy to buy, consume, and pay for as products. "It's not just a people service. We combine people services, software, and our knowledge of business processes—and we deliver it around the globe at prices that are more attractive than the cost of companies doing it themselves," says Mike Daniels, senior vice-president of IBM Global Technology Services....

Associated Press

By incorporating expertise and technology from IBM's software and hardware divisions, Big Blue believes it can cut costs for its services clients and give the company an edge that lower-cost overseas outsourcers will struggle to match. ...The main benefit of IBM's "product" approach is that it should help customers get results faster, said analyst Bob Djurdjevic of Annex Research.

Ten Service Product Lines cover all our IT services

Maintenance & Technical Support

Provide single break-fix and issue resolution capability for client IT environments and all infrastructure

IT Strategy & Architecture

Provide single assess/plan capability, roadmap, and technical design for client IT environment and infrastructure

Middleware

Offer client services related to system software and middleware infrastructure to unlock business potential

Storage & Data

Address storage and data needs from end to end, to optimize assets across the lifecycle

End User

Support the end user environment across the lifecycle and for all end user devices

Server

Optimize IT server capacity, cost, and integrity across the lifecycle –in both data centers and the field

Integrated Communications

Support the client network environment, from LAN/WAN to converged voice/data and remote network management

Security & Privacy

Help safeguard client information assets, anticipate future risks, and respond

Site & Facilities

Help clients manage their data center and IT facilities, from plan and build out to consolidate and upgrade

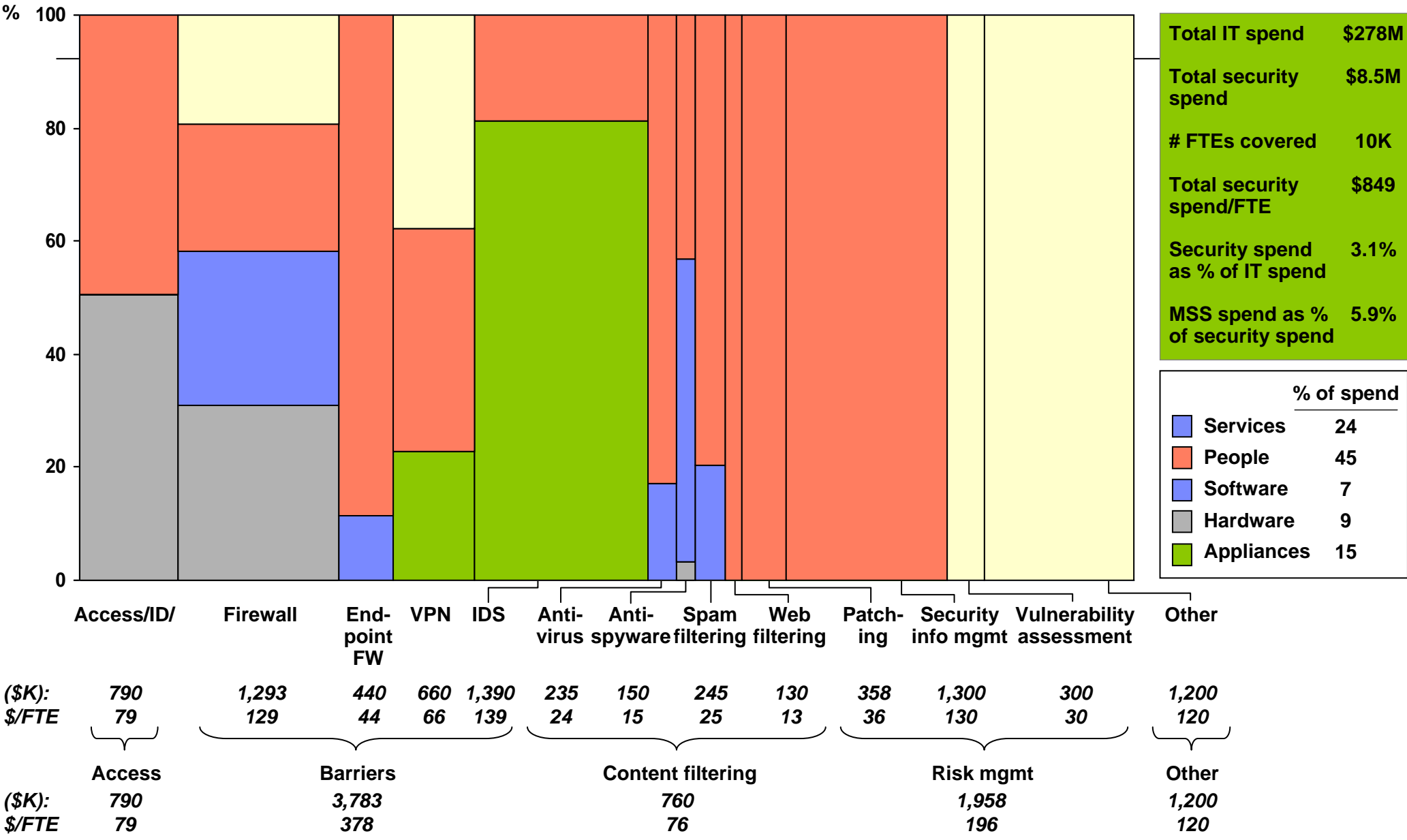
Business Continuity & Resiliency

Enable business and IT availability and continuity, for both normal day-to-day and unusual/crisis operations



An example: ~50% is the security spend is still on internal staff

Eg.: Large Consumer Goods Company



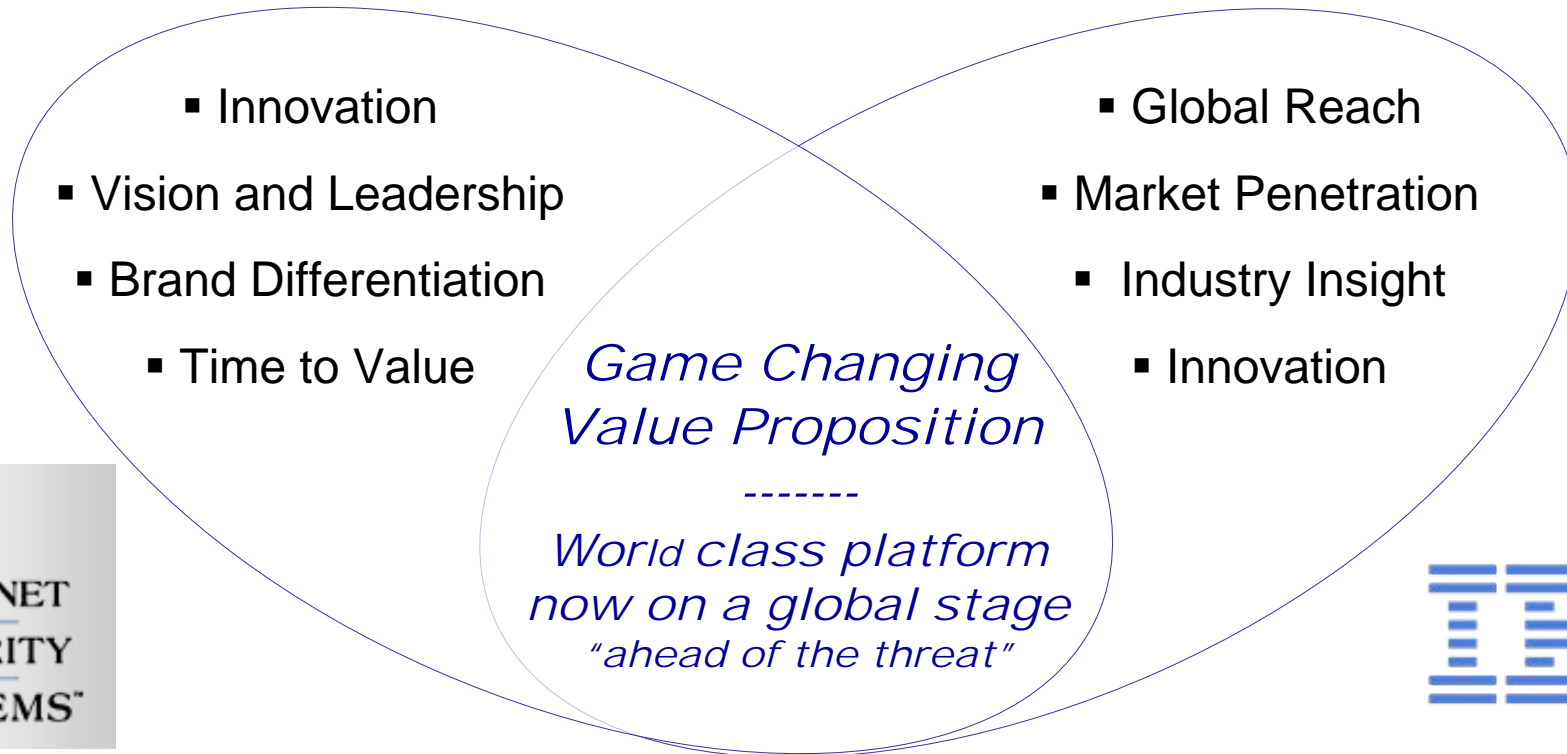
IBM can increase the effectiveness of spend and reduce need for internal IT staff to manage security

Source: Customer interviews

An example: the ISS security portfolio



Synergy of ISS joining IBM



Two trusted brands – ready and able to drive higher growth and take clear leadership in security solutions and managed services

“IBM to Bulk Up in Internet Security; Deal for ISS Aimed at Fueling Growth”

THE WALL STREET JOURNAL

“IBM’s services business is not going to reach its corporate financial targets if it depends on indigenous growth alone,” said Bob Djurdjevic, president of Annex Research, a consulting firm. “They need to go out and buy things, and this is a step in the right direction.”



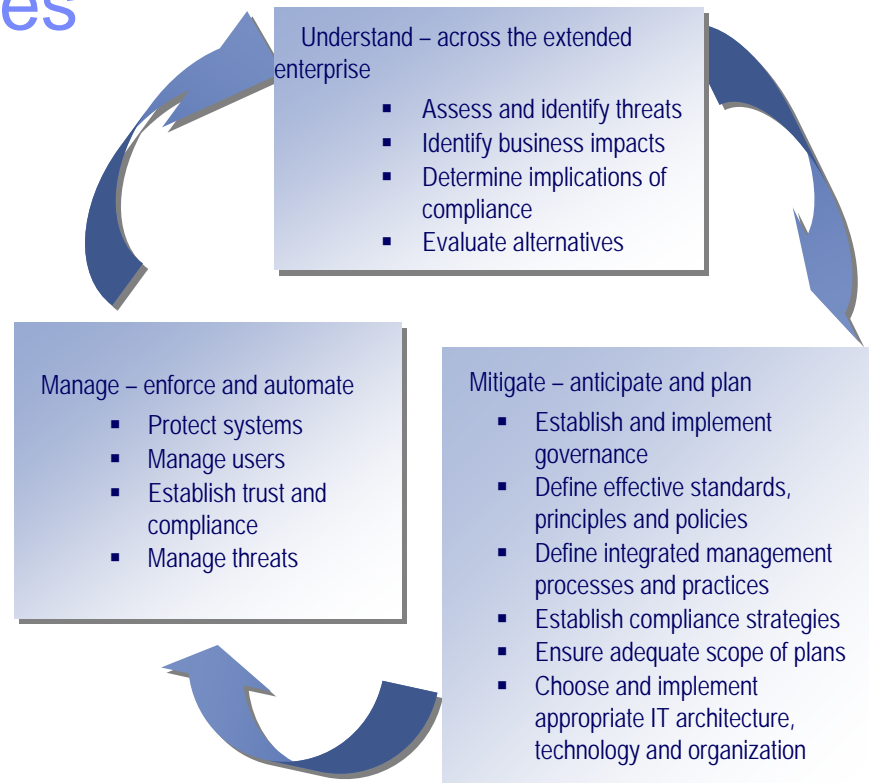
“The merger with IBM will provide the financial muscle to lay waste to the competition in the security market.”

“IBM's deal to buy Internet Security Systems is a watershed moment for Big Blue. ISS has figured out how to tightly integrate hardware, software and services into a single product offering. That's a strategy IBM can hopefully adopt and exploit.”

BUSINESS 2.0

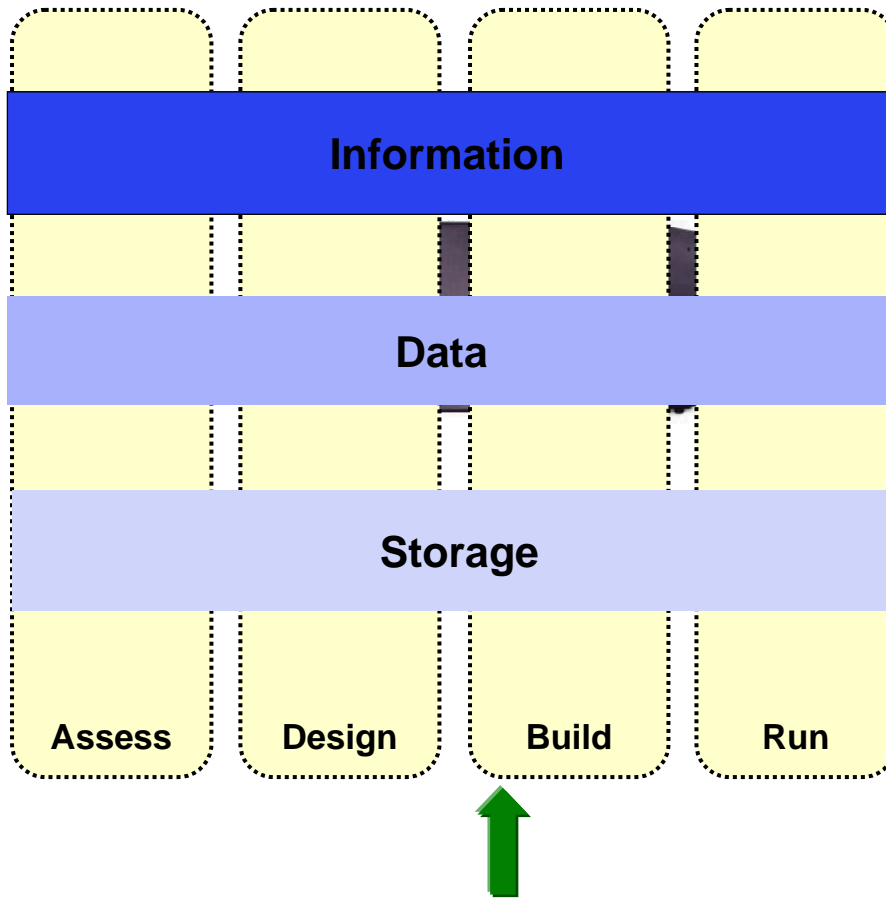
Security and Privacy Services

Security Needs & Challenges



- **Managed Security Services: Perimeter Defense**
- **Surveillance Systems: Digital Video Surveillance**
- **Intelligent ID and Access Management**
- **Data & Encryption Management**
- **Telco Next Generation Networks**

Storage and Data Services



Simplify Standardize
Consolidate Virtualize

Increase automation and gain effectiveness

Server Services

Maximize return on investment in IT

Comply with increasingly stringent standards and regulations



Prevent system outages

Simplify server environment and lower costs

Minimize up-front capital investments while also accessing newer technologies

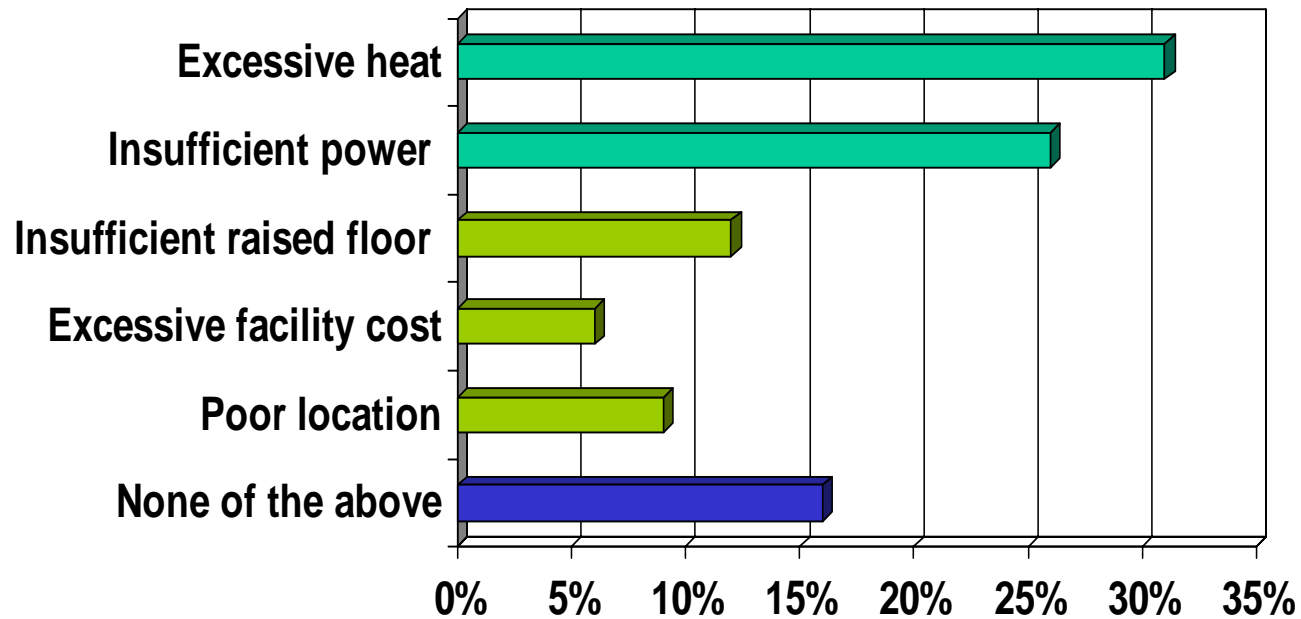


Migrate to an open-source SOA server infrastructure

Reduce server sprawl and system mgmt challenges

Site and Facilities Services - “Where IT and the Building Meet”

What is the greatest facilities problem with your primary data center? – Gartner 2006



Business Continuity and Resiliency Services



Consulting and Tools



Workplaces for Critical Business



Datacenter facilities



**Crisis
Avoidance
methodology**

- This is a major shift
- For us all!

Thanks.....