The Journey to Tailored Fit Pricing

OBJECTIVE

IBM's Tailored Fit Pricing (TFP) solutions change the way customers need to think about mainframe capacity costs. For many years, mainframe cost management has been about understanding what is going on during the monthly peak hours, moving workloads away from these peaks if possible, and optimizing what could not be moved. With the introduction of TFP, where customers pay for the total CPU usage during the entire month rather than just at the peak, the focus changes dramatically. The journey to TFP presents many technical and business-related opportunities, but also pitfalls.

This services-offering provides customers an independent, fact-based guidance on the journey to TFP.

- What are the historical and projected usage patterns, and what benefits or disadvantages will TFP give the customer based on these patterns?
- How will capacity management, performance management, cost optimization, cost allocation, and reporting, be impacted by TFP?
- What processes, skills and tools will be needed going forward?
- What are the commercial considerations when negotiating a TFP agreement with IBM?
- What are the 'soft' benefits of TFP for the installation such as predictability and simpler internal cost allocation?
- What are some of the potential pitfalls such committing to a minimum spend on capacity you may not need?

WHAT WILL WE DELIVER

The project consists of the following activities and deliverables.

Understand the current usage patterns

SMT Data gathers performance and capacity data from the customer's mainframe environment to understand the current and historical usage patterns. This input includes SCRT reports plus SMF data. The SMF data is offloaded to SMT Data's IT Business Intelligence cloud environment (ITBIaaS).

Understand the current setup and customer objectives

Workshops are held between the customer and SMT Data to review:

- The current licensing model and costs
- The customer's projections for capacity usage in the future
- Other planned changes in the customer's environment such as new or removed software products
- The customer's objectives in considering TFP – e.g. cost savings, flexibility, predictability

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Analyze the usage patterns

SMT Data consultants analyze the data and the customer's setup relative to the current billing model, relative to TFP, and relative to the customer's objectives. Specific findings and recommendations are documented in a PowerPoint presentation:

- What are the potential benefits or disadvantages of moving to TFP from the current billing model?
- TFP has many options. How should the TFP agreement be structured based on the customer's topology and expected usage patterns? Can the workload be segmented, for example to take advantage of the IBM Development and Test Solution? What about IPLA products?
- What optimizations or other changes should the customer carry out prior to moving to TFP? For example, customers may benefit from flattening out their workload during the baseline period.
- What potential optimizations could be carried out after the move to TFP? For some customers TFP provides a new set of 'low hanging fruit' for optimization.
- How will growth in capacity usage impact the current billing model and TFP? While TFP normally provides a significant discount on growth beyond the baseline, remember that MLC/WLC also involves a pricing curve, where prices fall as consumption increases.

SMT Data prepares a report with findings and a recommended roadmap going forward.

Review the findings

A workshop is held to review the findings and recommendations from the analysis and discuss next steps.

Access to ITBI

The Customer is provided access to the ITBI environment on a cloud server for a period of one month to do further analysis or better understand the findings and recommendations.

TIME FRAME

This project normally takes 1-2 months depending on the size and complexity of the installation.

CUSTOMER REQUIREMENTS

The Customer provides SMF data and SCRT reports from the mainframe environment. The customer provides qualified staff to participate in the workshops and answer questions along the way.

FOR MORE INFORMATION write to us at: sales@smtdata.com

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