

Cloud computing: the next big thing or another fad?

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Jenn:

Welcome to this IBM podcast series of focus on how to optimize your technology infrastructure. I'm Jenn Knecht from IBM. Through this series we will cover topics that help lower IT complexity and improve operating efficiency along with tips and advice on using technology and services to help you in your company succeed.

Today I'm joined by David Parker, Vice President of Marketing, Strategy and Programs for IBM Global Technology Services. David will speak with us about Cloud Computing and how it can help clients optimize their IT infrastructure.

David thanks for joining us to discuss this very exciting topic. There is a lot of buzz out there lately about Cloud Computing. It has many definitions and lots of claims about its benefits. Can you help us sort through the facts and fiction and maybe ground us a little bit in IBM's definition of Cloud Computing?

David:

Thanks Jenn. I think the customer definition of Cloud will vary depending on their particular experience of what they are trying to accomplish with Cloud. If you look at Wikipedia their definition last time I looked it up was Cloud Computing is a style of computing where IT related capabilities are provided as a service allowing users to access technology enabled services in the Cloud without having to know much about the technology underneath.

IBM considers Cloud Computing to be a potentially cost effective model for provisioning processes, applications and services while making IT management simpler and increasing business responsiveness.

Jenn:

Okay, that's helpful. So how about some real-life examples? Can you share how Cloud Computing is helping clients and some of our clients today realize significant business benefits?

David:

Yes, one example and these examples come across the different types of approaches to Cloud. One example is <Exit> Corporation that needed additional compute capacity that was highly secure, available and scalable on very short notice to meet business needs. They were able to leverage our Cloud based capacity on demand capability to meet their business needs and their CEO has been quoted as saying that 75% of their simulation business wouldn't have been

possible if they had to rely on traditional in-house hardware because they were essentially able to get customers much faster turnaround by having them be able to access the service through the Cloud.

Another example, one of Houston's largest and fastest growing human services agencies, Neighborhood Centers Inc. which serves over 180,000 people with a staff of 650 people. They provide social services to people from birth through death. They realize after hurricane Katrina and Rita came through that they really needed a robust data protection plan and essentially what they have now is the capability through a public cloud offering from IBM to be able to back up their workstations, servers and so forth to the IBM data center in Rolling North Carolina where they have obviously the right kind of security and resiliency to protect their information that's backed up and make it available on the moment's notice when they need it.

The thing about it is from a C level perspective is their CIO made the comment that the main benefit is the ability to sleep at night. They know that their information is secure.

In internal example where IBM has used it in our technology adoption program is we use virtualization and automated provisioning to create a Collaboration Cloud. We have 80,000 participants last year working on 70 innovations and over a quarter of those became IBM products or solutions sold to customers. This particular Cloud implementation was highlighted in the Business Week cover story back in August. The business results for us were that it was 86% reduction of annual cost of operation and the payback was only 73 days in this particular implementation.

Lynn:

So David based on those examples is Cloud Computing an appropriate model for all kinds of companies or is this more appropriate for larger enterprises or certain industries?

David:

IBM believes Cloud will be part of the IT strategy in many organizations. You're going to see public Cloud implementations. You're going to see private Cloud implementations. We don't think those two will compete, actually they'll probably be used for complementary purposes and you might see companies that use or organizations that use both for different situations. IBM's approach will be able to provide the skills, tools and technology to build or to provide cloud services to help customers achieve business results they need.

Public Cloud has the advantage of immediate implementation and private Cloud can be more secure and more customized to your business. I wouldn't say one is better than the other; you simply have to look at the advantages of each approach. It really starts with asking what you want to accomplish. In some cases you may be able to achieve what you want with what you already have.

Lynn:

So if I'm interested and Cloud Computing can I start small or do I need to transform my entire infrastructure?

David:

There is obviously more than one approach. If you want to do it yourself you're going to need a variety of software and middleware from the management tools to transaction process to application development techniques to develop this along with a variety of services. If your requirements can be satisfied through a public Cloud and that might be an approach and certainly with Cloud one of the advantages of it is scale because you can start small and experiment and then when you get it the way you wanted and you find works for you then you can scale it up.

Lynn:

It seems like there is a lot of companies trying to compete in this space. What exactly sets IBM apart from competition and why should our listeners think about IBM for Cloud Computing?

David:

You're right, there are many companies that are involved with different aspects of Cloud and you're going to hear Cloud used an awful lot just from the fact that it's a very hot topic in the media these days. There will be people that will slap Cloud on just about anything that comes along. The key thing in terms of IBM's capabilities in this area is that we've had a tremendous amount of experience helping customers get real business results using Cloud Computing approaches over the last several years. This is an evolution and we are very well positioned at the crossroads of skill and technology to be able to help customers whether they want to build their own Cloud, whether they want to use a Cloud based services, either way they know that they can count on IBM to help them.

Lynn:

Thanks David. Where can our listeners go to get more information?

David:

For more information on Cloud you can go to ibm.com/cloud and there you will find a white paper that describes IBM's position and helps sort of hypes from the facts regarding Cloud and you'll find other resources there as well.

Lynn:

Wonderful. David thanks for your time.

This concludes our podcast.