

# Using Cloud Computing to Reduce Costs and Better Compete in Today's Economy

**Speakers: Marie Wieck, VP Middleware Services  
Jan Knecht, External Communications Manager**

Welcome to this IBM podcast series focused on how to optimize your technology infrastructure. I'm Jen Knecht from IBM. Through this series we'll cover topics focused on helping organizations lower their IT complexity and improve operating efficiency. We'll also offer advice and tips on using technology and services to help you and your company succeed. Today, I'm joined by Marie Wieck who is vice president of Middleware Services for IBM. Marie will speak to us today about Cloud Computing and how it can help clients optimize their IT infrastructures.

Marie thanks for joining to talk to us about a topic that seems to be really heating up recently. In fact, an article in BusinessWeek recently discussed that with the current economic conditions businesses have never needed Cloud Computing more. Can you help our clients understand more about the basics around Cloud, what it is, and the benefits that they might be able to gain, particularly in light of this economic uncertainty?

**Marie:**

Sure Jen, I'm happy to and I'm delighted to be here with all of you. I have to agree with BusinessWeek. I think it's a very hot topic right now, but as with many popular new technology trends; there are probably as many definitions out there as there are different analysts and vendors.

In IBM's view it's really a fundamental extension of the Internet computing model and it is a platform that provides the ability for companies to access services and resources much more quickly, only pay for the usage that you need and probably, most importantly, do it without having to worry about how it's being implemented in terms of the Cloud infrastructure that is behind the service.

That has a number of really key attributes that people want to look for as they evaluate any Cloud Offering. The common denominators that we see is these technologies are using a very rapid provisioning of resources that you can usually access directly over the Internet and provide that service in minutes in terms of resource capability. It usually includes advanced technologies for virtualization, so that you can get the maximum leverage out of that technology and it includes elastic scaling to address demand. So, if your needs fluctuate, you can actually accommodate that with varying on more resources, if necessary, and with flexible pricing so that it is provided in that regard. All of this has to be done with standardized offerings so that you can actually leverage a service catalogue on the Internet to request those services and to change your service selections.

So, those are some of the fundamental things we think are critical in a Cloud deployment and the benefits are pretty obvious. If you can actually address variable needs without a lot of advanced uptime requirements or without a lot of upfront investment in terms of hardware or software to

do that provisioning, you can reduce your capital expenditures and your operating expense and you can also have very good granularity on how billing is done and where the appropriate charge-back mechanisms may be necessary. It really increases both your flexibility as well as reduce your operating expense. That's a win/win combination in this market economy.

**Jen:**

Marie thanks. That's helpful. Can you give us an example specifically of how IBM is working in each of these areas?

**Marie:**

Absolutely -- in fact we not only have a base of offerings already but are announcing three new sets of services in these areas. One is a Cloud Consulting type of capability just to help clients understand just what Cloud is, how it can be used, where they would get the maximum return within their environment and how to plan out the roadmap and the integration of that within their environment.

The second is, for those clients, particularly when they're concerned about security or data privacy, then they want to do their own internal or private Cloud so that they can get the benefits but they actually build the infrastructure for that Cloud deployment themselves and operate it on their premises, but still with the same flexibility to their end users. It's much like the difference between the Internet and Intranet services so that you can specifically focus on the access control and on the needs of your individual user communities.

The third type of capability is really Cloud-delivered services or public services and those are the ones that you can access and deploy remotely and they would be off your premises and you need to worry about ensuring that you have the right security models in place within your organization and with the service provider that's delivering them.

Now, let me just give you a couple of examples of each of those types of services because I think it will help address the kinds of things that we can provide. In the consulting area for customers who are getting started, we are actually announcing a new strategy and planning service for Cloud Computing so that we can help clients build the business case, determine the architecture and put that roadmap together.

We also are offering in the implementation space a new private Cloud service for design and implementation of test environments. This is a particularly large area of capital and labor spend and it's something that has to be changed regularly in order to be configured for whatever new applications or business services you're testing. What we've found is that this is a great way of reducing spend while still improving the quality of delivery. As an example, one of our financial services customers that we were working with was able to save over \$1.5M in their capital costs and drive up their utilization over 75% on Windows and 25% on AIX by provisioning test servers on demand. That's the kind benefit that this implementation service would provide to other customers.

In the public service space, we see the need for both resiliency and cost savings and we're providing a new capability that extends our existing information protection services but now

with data backup and recovery for desktops and laptops. Now remote users can get that same type of protection and it extends that in a very low cost, easy to use automated fashion. It also has automated management functions, so that you can have access and ensure that you know who's using the service and how that is being managed. And all of these are built on our established security capabilities including X-Force Consulting and some of the Internet Security Services for threat protection that are already Cloud delivered.

So I think you can see that we have a very broad spectrum of offerings and are adding to that mix on a regular basis to meet those concerns that clients are seeing.

**Jen:**

That's absolutely true. Marie, where can our listeners go if they're looking for more information on Cloud Computing?

**Marie:**

Well, that's an easy one. We have a number of White Papers and resources available on [ibm.com/cloud](http://ibm.com/cloud) or, obviously, you can contact your local IBM Rep because we think that there are a lot of benefits that this can provide.

**Jen:**

Marie thanks again for your time and your insights and this concludes our podcast.