


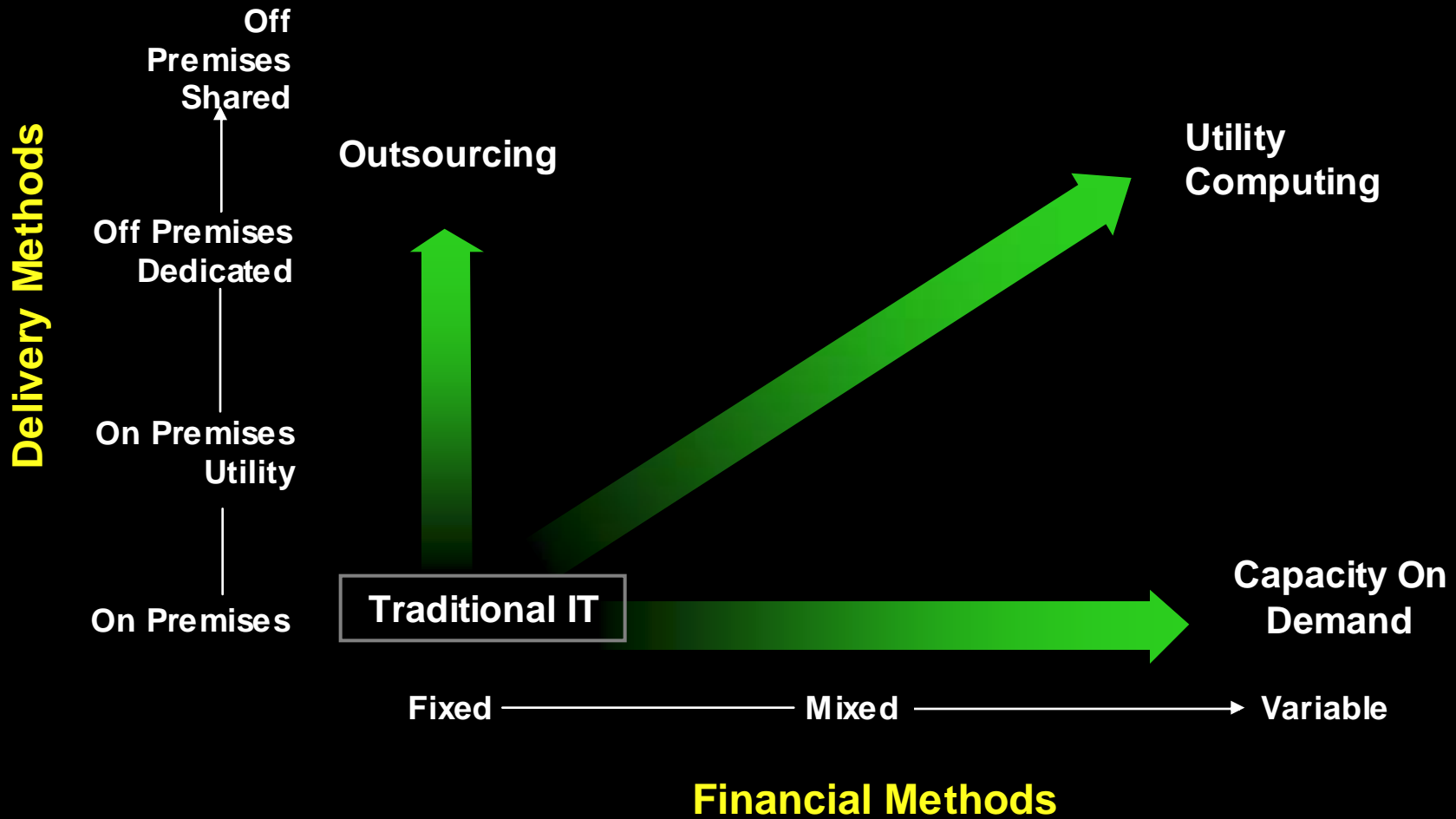


An Operating Environment for Utility Computing

Eric Stouffer
IBM Software Group

 business on demand

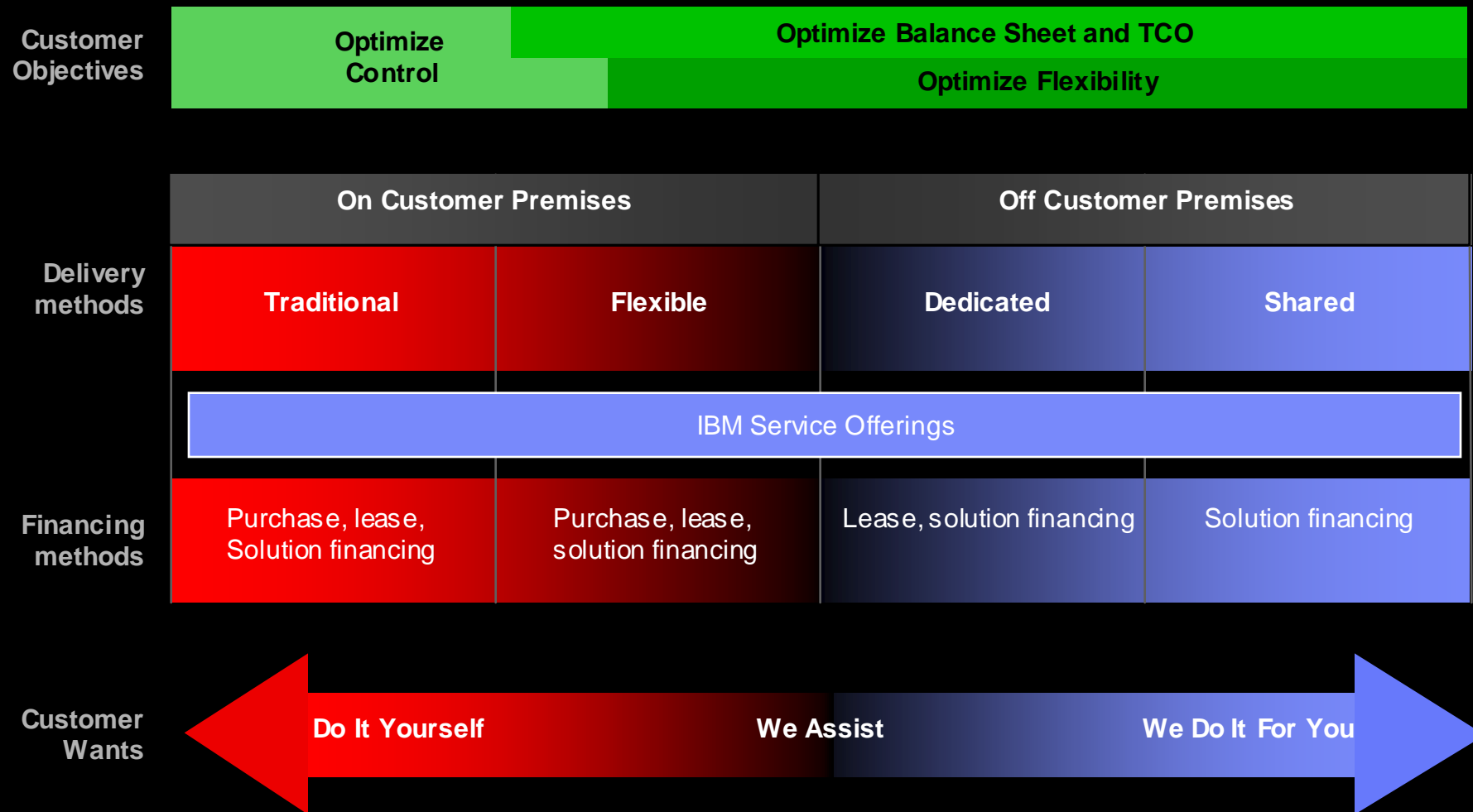
Today, customers have choices in where and how to access and pay for IT



Utility Computing is different...

	Traditional Computing		Utility Computing
IT Infrastructure	Peak usage	→	Required usage
Capacity Provisioning	Varying lead times	→	Nominal procurement; short lead times
Charge-back	Estimated allocation	→	Usage-based billing
User Management	Dedicated business analyst	→	Self-service
Capital Investment	Large-scale, up-front investments	→	Incremental investments
Cost Profile	Asset-based fixed costs	→	Services-based variable costs

Customers have choices in delivery methods and financing arrangements to address the need for flexibility, TCO and control



Regardless of Delivery and Financial Model, An On Demand Operating Environment is Required



On Demand Operating Environment

Integration

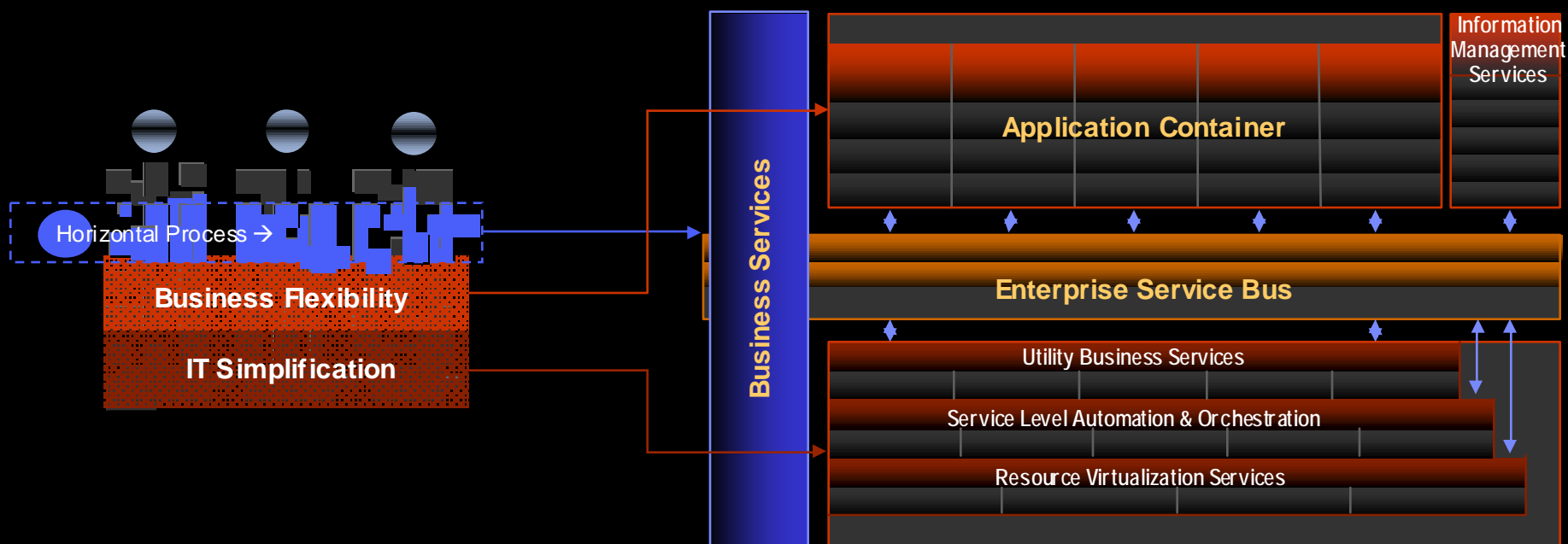
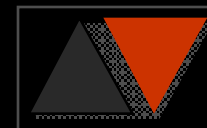
Business flexibility through integration of people, processes and information within and beyond the enterprise

Infrastructure Management

IT simplification through automation and virtualization, enables access to and creates a consolidated, logical view of resources across a network

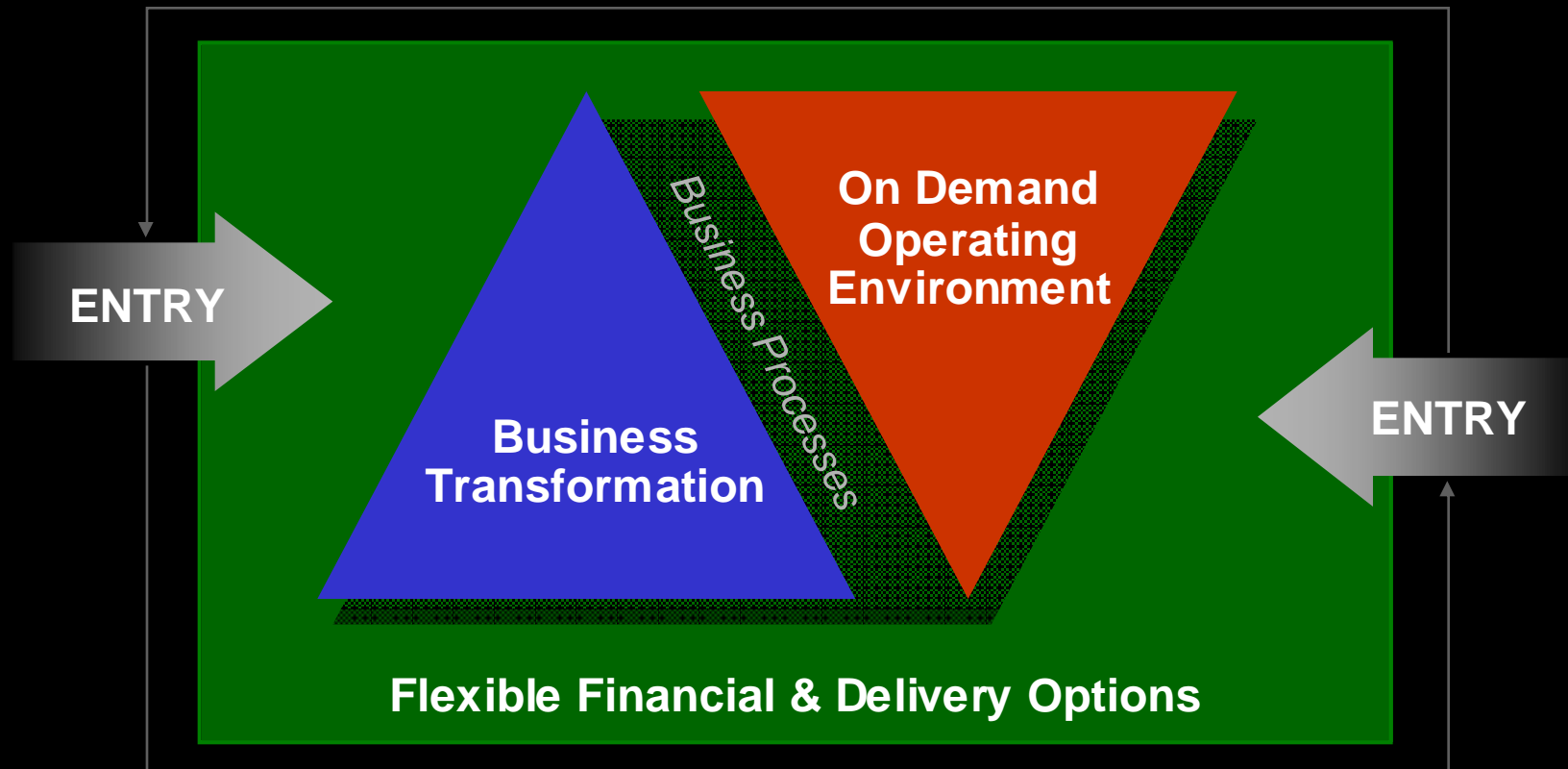
***Open standards are table stakes for an
on demand operating environment***

A Services-oriented Architecture (SOA) is Key



The Bigger Picture—Business and IT

Where you start depends on YOUR organization's priorities.



- Increasing flexibility is the key—business models, processes, infrastructure, plus financing and delivery

On Demand Business – The “Why”

An on demand business is an enterprise whose **business processes—integrated end-to-end** across the company and with key partners, suppliers and customers—can **respond with speed** to any customer demand, market opportunity or external threat.

