



Top Midmarket Innovators

Reduce Cost, Improve Service
and Manage Risk with
IBM Systems and Storage



IBM
April 2009

Executive Summary/ About this report

Improve Your Competitive Advantage

The current global financial downturn along with exploding levels of information—are forcing many organizations to change their operating model. The global recession has mid-sized companies looking for ways to become more competitive, to survive and to grow. An explosion of information, increasing customer expectations and continued globalization and growth in emerging economies are driving new business models and shifting the competitive landscape in the midmarket. The world is not only smaller and flatter, it's smarter. In almost all cases, this means a business and IT infrastructure that will support and sustain competitive advantage while also delivering significant cost efficiencies. Having a dynamic infrastructure that reduces cost, improves service and manages risk is one of the key aspects of IBM's "smarter planet" vision.

IBM and IBM Business Partners have helped mid-sized companies gather insights into their exploding data, meet new business and process demands, use resources more efficiently and build a dynamic infrastructure. IBM and IBM Business Partners have the unique experience in helping clients to sustain a strategic advantage and work smarter. These clients have radically changed the way they operate and conduct business.

IBM is using its know-how, technical prowess, software and systems to build a smarter planet. IBM's vision is to bring a new level of smartness to how the world works—how every person, business, organization, government, natural system, and man-made system interacts.

Examples of how the world is changing

The world is becoming more **instrumented**: We now have the ability to measure, sense and see the exact condition of most everything. Consider:

- By 2010, there will be 1 billion transistors per human.¹
- By 2010, there may be 30 billion Radio Frequency Identification (RFID) tags produced globally, embedded in products, passports and buildings—even animals.²
- Nearly 4 million RFID transactions are emitted daily.³
- Nearly one-half of all sensors in transportation, facilities and production equipment are smart sensors.

The world is becoming more **interconnected**: People, systems and objects can communicate and interact with each other in entirely new ways. For example:

- We are heading toward one trillion connected objects—comprising "the Internet of things."⁴
- Worldwide mobile telephone subscriptions reached 3.3 billion in 2007—one for every two people on the planet.⁵
- One-third of the world's population (approx. 2 billion) will be on the Web by 2011.⁶

The world is becoming more **intelligent**: We can respond to changes quickly, accurately and securely, predicting and optimizing for future events. Some proof points:

- Hundreds of satellites are in orbit—generating terabytes of data every day.
- 15 petabytes of new information is generated every day (eight times more than the information in all U.S. libraries).⁷
- 64 billion credit card transactions were processed in 2008, up 35% from 2007.⁸

About this report

CEO Study: The Enterprise of the Future

Client Stories

Getting Started

About this report

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CEO Study: The Enterprise of the Future

Client Stories

Getting Started

This report summarizes the findings of the 2008 Global CEO Study and presents stories of mid-sized companies that have used IBM technology to transform the way they work.

The IBM Global CEO Study is the largest study of chief executives ever conducted, and shows that mid-sized businesses are stronger, more adaptable and forward-thinking than imagined. Faced with the significant challenge of a changing marketplace, CEOs must vastly improve their ability to manage change, even as they welcome it. They recognize that the most effective way to compete—and win—against larger firms is through innovation, skills, customer insight and flexibility. In many cases, these companies are changing the face of their industries through innovation.

The “real life” client stories demonstrate how IBM delivered three distinct benefits to reduce cost and add business value. IBM has helped these companies deal with their most pressing budget and IT management issues and defer capital expenditures, ease staffing pressures, and—very importantly—achieve results in immediate savings and near-term ROI. Through use of IBM technology, these clients have overcome challenges to improve their business.

The three benefit areas are:

- **Improve service:** Internal and external customers and employees expect superior service—not only regarding the high availability and quality of existing services, but also have rising expectations for real-time, dynamic access to innovative, new services.
- **Reduce cost:** Bottom-line cost reduction is important and can help achieve breakthroughs in productivity gains through virtualization, optimization and energy efficiency.
- **Manage risk:** Security, resiliency and compliance are already expectations in today’s environment. Dynamic organizations need to prepare for the new risks posed by an even more connected and collaborative world.

We hope their stories inspire you to embark on our own journey towards a smarter planet.

The Enterprise of the Future

- 2008 Global CEO Study

2008 Global CEO Study

IBM 2008 Global CEO Study: The Enterprise of the Future Implications for Mid-size Organizations

The study focuses on the responses of 136 CEOs who head mid-size organizations employing between 100 and 1,000 people. The findings show that the Enterprise of the Future is:

Hungry for Change

With more change taking place faster than ever before, mid-size organizations can no longer rely on their small size to make them adaptable. Mid-size organizations have fewer resources to handle unexpected influences. They also operate in fewer countries and offer fewer products or services, so they have less experience in managing turbulent global change.

Innovative Beyond Customer Imagination

Greater global prosperity is stimulating demand for new products and services, and thereby creating new growth opportunities for many companies. Consumers are simultaneously becoming much better informed—thanks largely to the Internet, which has made it easier to shop around and make more knowledgeable purchases. The need of the hour for mid-size organizations is to capitalize on global prosperity and serve increasingly sophisticated consumers.

Globally Integrated

Most mid-size organizations are actively entering new markets and are adopting global business designs in an effort to become globally integrated. CEOs are focusing primarily on making major changes in their companies' capabilities, knowledge and assets, and forming numerous new business partnerships. The global economy is not just an opportunity for large companies; smaller businesses can

be global players too. However, the path to global integration is often more challenging for mid-size organizations, many of which have spent most of their past operating on a local or national scale.

Disruptive by Nature

Mid-size organizations are well placed to be the disrupters in their industries; they are more willing both to change their business models and to make more dramatic shifts than other organizations, so that they can truly differentiate their companies' products and services. Some firms may need to specialize in order to separate themselves from the crowd, since they cannot call on the same economies of large scale, multinational corporations enjoy. They are then assessing what they can do to improve their internal operations, given their existing business models and resources, before looking for partners to help them execute their plans and fill the gaps.

Genuine, Not Just Generous

As customers, employees, investors and other stakeholders become more socially minded, CEOs are increasingly focusing on corporate social responsibility (CSR). Mid-size organizations see CSR as an opportunity to generate further growth, recognizing that perceptions of their brands will be crucial in attracting new customers and employees alike, but they are still catching up with other organizations.

Client Stories

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Ateeco achieves real-time reporting with IBM System i and SAP All-in-One

Ateeco manufactures and distributes over 11.5 million pierogies a week in mixed varieties under the “Mrs. T’s Pierogies” brand

Challenge

The US food and beverage market is intensely competitive, with constant pressure to reduce prices. In order to retain margins, companies must find new ways to reduce operating and production costs, through efficiencies in inventory management and enhanced sales and financial control. Ateeco was looking for ways to automate and improve production management, and turned to IBM and SAP.

The former system was slow to generate business reporting that enabled managers to act fast and reduce costs. Batch processing, rather than real-time reporting was hindering the business.

Solution

To handle the demands of the new SAP applications, Ateeco decided to invest in a new IBM System i 520, with the older i820 handling the company’s email and other applications. DSS, an IBM Business Partner, helped to arrange the deal and worked with IDS Scheer and the Ateeco team to implement the new solution.

Through tight integration with both the SAP software and its native operating system, DB2 for i5/OS keeps database administration to a minimum, while allowing companies to benefit from industry-leading features such as hardware virtualization with dynamic LPARs, and multi-platform support for i5/OS®, AIX® and Linux.

Benefits of innovation

- End-of-month reports can be prepared 70 percent faster
- Automatic upfront accruals make financial reports more accurate
- Customer profitability and sales reports can be generated in real time, enabling quick decision-making
- Improved inventory control reduces expenditure on stock and storage. The combination reduces total operational costs, and helps Ateeco stay ahead in this highly competitive business

“With SAP All-in-One software running on the IBM System i 520 platform, Ateeco has increased control over almost every aspect of the business.”

– Tim Coyle, IT Manager, Ateeco



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Australian Open takes tennis to millions of online viewers worldwide with IBM.

They watched as traffic to its Web site grew nearly 50 percent.

Challenge

Deliver an entertaining and engaging experience to tennis fans worldwide; cost-effectively scale to support 100 times normal capacity for just two weeks each year.

Solution

A hosted technology infrastructure that cost-effectively transforms data into rich content and flexibly adjusts to fluctuating demand. The implementation of IBM technologies to create a Service Oriented Architecture offers a flexible platform for continued innovation. With this platform, Tennis Australia can distribute and transform scoring information where and when it's needed. This infrastructure enables the organization to deliver nearly 250 million score updates to fans worldwide without missing a beat.

Benefits of innovation

- 50% increase in Web site traffic from previous year
- 100% Web site availability
- 40% reduction in cost per visit since 2004
- 23% reduction in energy consumption since 2004
- 25% reduction in cooling demands since 2004

“IBM technology is at the heart of the tournament. It provides an end-to-end solution that reduces the complexities for our team and enables us to achieve flawless delivery.”

– Dr. Chris Yates, Chief Information Officer, Tennis Australia



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Centrinet launches UK's first operational zero carbon data center with help from IBM

With the current legislative, economic and social backdrop, many companies are reviewing their energy use and looking at ways to cut power consumption

Challenge

Centrinet, a Lincoln-based organization that provides IT management services, recognized that most UK data centers were designed with business needs in mind, rather than the environment. It also recognized that reversing the emphasis was neither straightforward nor inexpensive and set out to devise a new solution.

Its unique idea was to build a data center designed to run efficiently on entirely renewable energy and to offer this as a hosting service to clients.

The facility was named Smartbunker, as it was built within a remote nuclear bunker, a relic of the 1950s Cold War years.

Solution

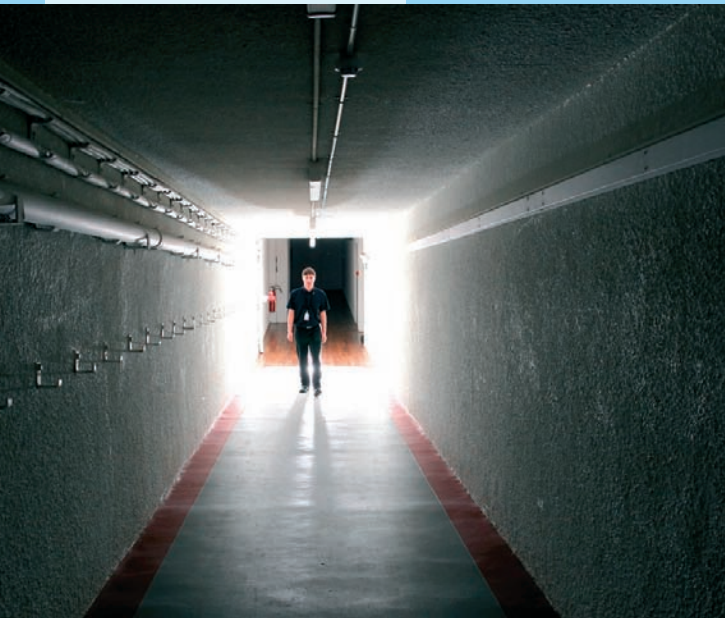
Centrinet's business strategy was to power their 30,000sq ft purpose-built data center entirely from renewable energy, and so they brought in Ecotricity, the wind turbine specialist that offers clients a zero carbon tariff.

The solution proposed for Centrinet was based on the IBM Blade system, which integrates servers, networks, storage and applications in one-inch deep blades, which sit in a rack like a bookshelf. They take up much less space and use less energy for the same computing tasks, which are important considerations given the physical size and environmental aims of Smartbunker's operational base.

Benefits of innovation

- The products put forward by the other companies could not match IBM's in terms of performance, energy efficiency or reliability. The solution we chose will also enable us to expand the business very quickly, without any concerns about overloading our IT infrastructure.
- We're environmentally efficient through both our power supply and the fact that the IBM computers are helping us to cut our energy usage by about 60%.
- Our base is underground within three-meter thick walls in the depths of Lincolnshire, UK, so our physical security levels are exceptionally high.
- We provide high-performance, highly-resilient managed hosting services with year round, 24x7 support.

"Right from our first dealings with IBM, we were very impressed," says Kelly Smith, Managing Director at Smartbunker. "We were not an IBM customer prior to this, but we were aware of its green credentials, and that undoubtedly helped."



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City of Stirling saves \$1 Million in IT costs with IBM BladeCenter server infrastructure and virtualization technology.

The City of Stirling is the largest local government council in Western Australia.

Challenge

The City of Stirling, Western Australia wanted to consolidate the 45 production servers in its head office, which supported around 850 staff. The council needed a technology supplier that could help with reducing technology costs, power consumption and the environmental footprint.

Solution

The City of Stirling engaged IBM Business Partner Corporate Express IT to replace its existing data center with IBM BladeCenter® HS21 blade servers. It used VMware virtual server technology to consolidate 45 production servers into just seven blade servers. This infrastructure was duplicated at a second data center for disaster recovery purposes.

Benefits

- Consolidate 45 production servers into seven blade servers
- Provide the City of Stirling with a cost-effective, robust infrastructure on a smaller footprint
- Speed up application deployment and save the City an estimated \$1 million in power, hardware, software and maintenance costs over five years

“We have been able to consolidate our infrastructure down to seven physical servers, significantly improving our resource utilization of both people and technology.”

– Peter Bennington Chief Technology Officer, City of Sterling



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Convergence CT helps healthcare providers evaluate treatment plans fast with the IBM Balanced Warehouse

Convergence CT is a premier provider of highly secure, HIPAA-compliant data warehousing solutions and analytics that help healthcare and life science organizations improve the quality and efficiency of treatment

Challenge

Convergence CT helps medical and life sciences organizations gather and analyze huge amounts of patient data to determine which treatments work best, which drugs are most effective and which hospitals save the most lives and why. When the company was charged by the American Medical Group Association (AMGA) to help AMGA member organizations evaluate the effectiveness of patient care within their institutions, Convergence CT needed to deliver a pre-tested, pre-optimized solution that could pull data from a variety of locations—desktop databases, data-marts, legacy systems, and practice management and ERM applications.

Solution

Solution Convergence CT implemented its analytics solution on the IBM Balanced Warehouse D5000. The solution comes pre-configured with DB2 Warehouse software, IBM System x3650 server and IBM System Storage EXP3000, making it easy for Convergence CT to install its clinical data warehouse at client sites. IBM Balanced Warehouse was selected because it offered a

high-performance, scalable and secure platform for storing a growing amount of sensitive information. With DB2 9 technology, IBM Balanced Warehouse provides the embedded technologies, such as deep compression, that help Convergence CT exceed the performance of existing data warehouse solutions at client institutions. The advanced analytics software enables healthcare providers to easily perform ad hoc queries and complex analytics across terabytes of detailed clinical data. Integrated administrative tools enable Convergence CT to easily manage the offering.

Benefits of innovation

- Accelerates time to results by providing a proven clinical data model and advanced analytics environment
- Organizes data into a single, analyzable data model which includes clinical as well as operational data
- Improves access to key patient and provider insights by enabling automated and ad hoc queries and complex analytics with terabytes of detailed clinical data
- Provides an affordable approach through low acquisition, management and use costs, making it more accessible to more medical institutions
- Delivers ROI within 90 days

“The power and responsiveness of IBM Balanced Warehouse is helping us and medical facilities around the world identify the best ways to treat cancer, diabetes and other life-threatening diseases.”

– Lambert Onuma, President and Chief Executive Officer, Convergence CT

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Danske Telecom consolidated and virtualized on IBM System x3650 servers to improve systems reliability and flexibility, increase capacity, reduce server footprint, decrease operating costs and accommodate future growth.

Danske Telecom is a Danish company that delivers wireless high-speed telecommunications, IP and data solutions.

Challenge

This mid-sized telecommunications company needed to improve systems reliability and expand capacity.

Solution

Consolidating 25 servers onto four IBM System x3650 servers, implementing virtualization through VMware, and creating a storage area network (SAN) consisting of an IBM System Storage™ DS4700 and IBM System Storage EXP810.

Benefits of innovation

- Improves systems reliability, utilization and flexibility
- Decreases space, cooling and electricity costs by consolidating 25 servers onto four IBM System x® servers
- Provides expanded IT capacity for growth

“There’s a lot of money to be saved on space, cooling and electricity with the IBM solution.”

– René Kirkeby, CIO, Danske Telecom



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IBM and 3Com integrate IP telephony with core business process applications to reduce costs at Fashion Institute of Design and Merchandising (FIDM)

Fashion Institute of Design and Merchandising (FIDM), a specialized, California-based private college with four campuses and seven satellite locations.

Challenge

Users at the Fashion Institute of Design and Merchandising (FIDM), in California, were getting frustrated juggling multiple devices to handle phone, fax, email, instant messaging and Web communications. The school has nearly 6,000 full-time students, 1,000 staff and faculty members and more than 30,000 graduates.

FIDM needed to reduce telephone costs and implement a voice-over Internet protocol and unified messaging system to move the school into the future.

Solution

The institute turned to IBM and IBM Business Partner 3Com to help replace its legacy private branch exchange (PBX) telephone system and achieve two key objectives - minimize the number of servers required to run IP telephony and integrate its collaboration software applications—IBM Lotus Notes® and Sametime®—with IP telephony.

For FIDM, moving from a traditional phone environment to integrated VoIP meant replacing costly asynchronous transfer mode (ATM) lines with cost-effective, multi-protocol label switching (MPLS) ones. The FIDM network equipment was updated to support this implementation. Six PBXs were replaced with System i IP Telephony Call Control, Messaging and Conferencing voice applications running on the existing IBM System i570 12-way with nine dynamic logical partitions (LPARs).

Benefits of innovation

- FIDM has saved over 50 percent on its monthly costs, about several thousand dollars a month.
- It also is saving 70 percent in local trunking costs to PRI (primary rate interface).
- The institute simplified its infrastructure with an all-in-one business computing platform and is able to respond to business recovery situations faster.
- It now has a foundation for FIDM growth over the next decade, with an expected return on the initial investment in two years.

“The IBM and 3Com solution has proved itself as a reliable, secure platform to run the FIDM business.”

– Roxanne Reynolds-Lair, Chief Information Officer, Fashion Institute of Design and Merchandising

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Informa realizes up to seven times faster performance with next release of IBM Informix Dynamic Server

Informa is a leading provider of custom data management solutions in Belgium, the Netherlands and Luxembourg

Challenge

Informa helps companies ensure that data is immediately accessible and up to date whenever users need it.

Facing rapid data growth, Informa customers need to lower the cost of storing and retrieving data, while still providing users with uninterrupted access. And as companies build even more demanding applications, Informa experts must help them maintain rapid response times.

Solution

For more than 20 years, Informa has helped companies build resilient, high-performance information infrastructures with IBM Informix® Dynamic Server (IDS). Now by combining IDS 11 with IBM System p and System x servers, Informa will enable its customers to turbocharge applications, grow capacity and increase workload, while slashing total cost of ownership. Informa estimates that its customers will be able to handle 300 percent more data or 30 percent more database instances without adding DBAs by upgrading to IDS 11 from the previous version.

Web services that previously couldn't access data due to time-outs are now capable of running with almost no delay. Additionally, IDS 11 is helping improve query response times. In one case, a job that took 36 minutes to run can now be completed in approximately 7 minutes.

Benefits of innovation

- 30 percent reduction in administrative costs
- 30 percent reduction in hardware requirements
- 20 – 40 percent reduction in application development time and cost
- 10 – 15 percent reduction in total cost of ownership
- Up to seven times faster response times using the optimistic concurrency feature
- Solidified value proposition for increased sales and greater customer retention

“With IDS 11, IBM has enhanced performance and manageability, and lowered total cost of ownership even further to make it the clear winner against Oracle and other database vendors.”

– Rob Prop, Manager Professional Services, Informa

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IT-Informatik moves into SAP application hosting with IBM Power Systems servers.

IT Informatik provides IT solutions for midmarket businesses, including infrastructure, backup, security and data integration services.

Challenge

IT-Informatik wanted to be able to offer SAP application hosting services to its midmarket clients. The company needed to find a hardware infrastructure that would maximize security, flexibility and ease of management. The complete package was intended to make the latest SAP NetWeaver-based applications attractive to smaller companies that otherwise might not consider them as a viable option for their business.

Solution

IT-Informatik chose IBM Power Systems™ servers, leveraging IBM PowerVM™ technologies to run SAP applications under Linux® in separate virtual partitions (LPARs). Data is stored in a SAN built around IBM System Storage™ DS4700 hardware, managed by IBM Tivoli® Storage Manager.

Benefits of innovation

- PowerVM enables new LPARs to be created within minutes, making it 80 percent quicker to set up new SAP ERP environments for clients
- Virtualization also ensures high utilization of IT resources—minimizing the number of physical servers that need to be managed. This reduces administrative effort for staff, and saves on further investments in hardware
- Maintenance costs are reduced due to the high reliability, availability and serviceability of the IBM Power Systems architecture
- The new servers save more than 65 percent of the data center space that would be required by a traditional non-virtualized environment

“One of the biggest benefits of PowerVM is that when we win a new client...we can simply create a new LPAR in a matter of minutes. This means we can get their new environment up and running very quickly, which makes our service a much more attractive proposition.”

– Achim Schütz, Team Leader IT, Informatik

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Kyocera Mita achieves 1,000-fold increase in information delivery speed with IBM Systems solution for SAP NetWeaver BI Accelerator

Kyocera Mita Corporation of Japan sells commercial document management and imaging systems, and manufactures office printers and digital copying machines

Challenge

Senior executives at Kyocera Mita wanted information to be available in near real-time: the global digital imaging marketplace changes rapidly, and senior executives requested delivery times of less than 15 minutes—not possible with the existing infrastructure.

Solution

Kyocera Mita implemented the IBM Systems solution for SAP NetWeaver Business Intelligence Accelerator, a pre-configured combination of SAP applications and IBM BladeCenter and IBM System Storage hardware.

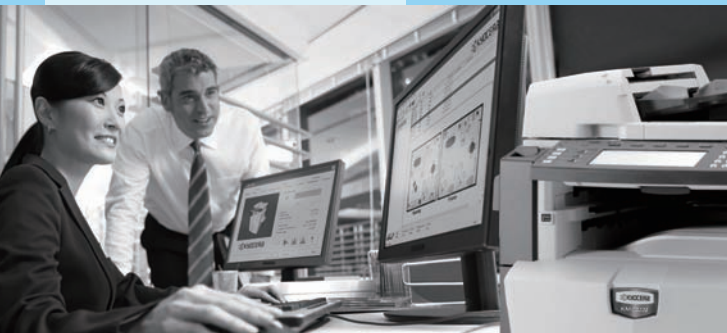
The IBM BladeCenter features six Intel Xeon processor-based HS20 blade servers for production and quality assurance, running the 64-bit SUSE Linux Enterprise Server operating system. The BladeCenter is attached to an IBM System Storage DS4700 Express disk array, storing a maximum of 3.8TB of data using the IBM General Parallel File System.

Benefits of innovation

- After the switch to SAP NetWeaver BI Accelerator, results were returned in 1.04 seconds for the major features stock report and in 9.38 seconds for the full stock report—more than 3,000 times faster, a dramatic increase in performance.
- Massive improvements in the warehousing and shipping detail reports times were also achieved, from 420 seconds down to 1.5 seconds, almost 300 times faster.
- The development of new business strategies can now be based on full and immediately available analysis of data, helping Kyocera Mita win in the global marketplace.

“We wanted immediate access to the pertinent information, and the ability to make management decisions with the exact figures at our fingertips.”

– Katsumi Komaguchi, President, Kyocera Mita



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Mineralbrunnen Überkingen implements SAP software on IBM System i and BladeCenter

Mineralbrunnen Überkingen-Teinach AG, based in Bad Überkingen, Germany, is a mineral water and soft drinks company

Challenge

As a manufacturer in the high-volume, low-margins food and beverages sector, it is vital for Mineralbrunnen Überkingen to keep its production line running from 5am until 10pm every day—which means that its IT systems need to be online too.

To meet the needs of business growth, Mineralbrunnen Überkingen wanted to upgrade to the latest version of SAP ERP, but its existing server infrastructure was not capable of expanding to handle the increased workload.

Solution

In supporting 300 users of the SAP applications, its existing System i servers were reaching capacity, so the company decided to perform a complete technology refresh.

Mineralbrunnen Überkingen worked with Fritz & Macziol, an IBM Premier Business Partner, to implement the new SAP ERP and SAP ERP HCM applications on a new System i 570 server, with test and quality assurance systems running on an i520. The central SAP application environment is integrated with the company's batch tracing applications, which run on an IBM BladeCenter H with fourteen Intel Xeon EM64T processor-based HS21 blade servers.

Benefits of innovation

- New SAP application environment is so successful that Mineralbrunnen Überkingen can even provide IT services to external companies.
- System i platform delivers a significant improvement in SAP application performance, with response times of less than 0.5 seconds.
- Reliable hardware provides near-100 percent availability for business-critical production systems, leading to reduced downtime.
- Operational costs have been reduced, which should lead to return on investment within 36 months.

“POWER6 will be a very exciting step for Mineralbrunnen Überkingen. The new processors promise to provide even better performance while consuming less electricity—which should help to keep operational expenses to a minimum.”

– Albert Haldenwanger, Head of IT at Mineralbrunnen Überkingen



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Greece's national Nissan distributor, NJT, drives costs down, service quality up with dealer network built on IBM Lotus Domino

The first company to represent Nissan cars in Europe

Challenge

Selling approximately 20,000 cars a year nationwide based on phone and fax procedures was time-consuming, costly and required too many personnel—and there was no way to track these exchanges. Further, the many business processes that spanned the divide between distributor and dealers were frequently hampered by discrepant information because people were working in disparate systems. The lack of standardized practices, particularly in the service departments, also made it more difficult to ensure that Nissan standards were being met and customers were receiving a uniformly high level of service.

Solution

To achieve its goals, NJT implemented a Web-based solution that employed IBM Lotus Domino, IBM Lotus Sametime and the e-On Retail Internet Exchange (RIX) application package from IBM Business Partner e-On Integration, which is built on the Lotus Domino platform, all running on IBM System x servers and IBM System Storage DS4700. The solution provides an online, real-time, 24/7 collaborative working environment for about 1,000 users at NJT and its 130 dealers across Greece.

Benefits of innovation

- NJT has reduced the turnaround time to deliver and fulfill a car order from 11 days to 7 days
- Dealers, who formerly depended on contract IT support for their local system environments, are now supported by an IT staff of six at Nissan headquarters in Athens. This has resulted in an overall 69 percent reduction in dealers' IT costs
- The ratio of IT costs to total sales across the extended enterprise is now just 0.21 percent, compared to averages of 1 percent and 4 percent for businesses in Greece and the United States, respectively

"I believe we have one of the best systems in the world. It helps us not only to manage our business well, but to provide excellent service and additional benefits to our end customers."

— Michalis Moraitis, CIO, Nic J. Theocarakis SA



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IT hosting company On Line do Brasil nourishes its growing business with an energy-efficient and cost-effective IT platform from IBM.

On Line do Brasil is a service and hosting provider for mid-size and small companies.

Challenge

After experiencing rapid growth for more than three years, On Line do Brasil needed to expand its data center operations, which no longer had the power, efficiency or scalability to support the hosting provider's flourishing business. On Line do Brasil sought a solution that would help it expand its data center while providing energy efficiency, advanced management capabilities and high availability for its customers.

Solution

On Line do Brasil engaged IBM to consolidate its existing systems onto three IBM BladeCenter® HS21 XM servers housed in an IBM BladeCenter E chassis. The systems feature excellent energy management, integrated management tools and ideal rack-to-blade conversion for optimized efficiency.

On Line do Brasil and IBM implemented an IBM System x3550 server to manage the new environment. The System x® platform offers a highly functional infrastructure that delivers more memory, lowers power consumption and dramatically increases performance.

IBM SAN Switches provide connectivity between the System x3550 server and a new IBM System Storage™ TS3310 Tape Library, which provides four hours of backup for On Line do Brasil's customers who subscribe to the service.

Benefits of innovation

- Improves system availability, cuts energy consumption and reduces management time by 30 percent
- Fully supports 150 customers using a nominal amount of the platform's available memory and processors
- Expects to achieve a full return on investment (ROI) in as few as three months

“We can proudly promote the IT infrastructure that supports our hosting business. The BladeCenter and System x environment provides our customers with optimal availability and gives us an energy-efficient and cost-effective solution.”

– On Line do Brasil LTDA



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Organizer moves to a single server solution with IBM System p

Based in Oslo, Norway, Organizer offers Internet-based e-mail, groupware and calendaring software

Challenge

To support its fast growing business, Organizer had expanded its IT capacity by adding more physical servers. The architecture was not easily scalable, and the more boxes the company bought, the more expensive, time-consuming and impractical it became. Faced with growing maintenance costs and falling reliability, Organizer wanted to migrate to a simpler, lower-cost platform that would offer higher levels of services to its customer base.

Solution

Organizer worked with IBM Business Partner WebDeal AS to select a new platform to host its online services. The key selection criteria were: high availability and reliability, ease of management, high scalability and low maintenance and software licensing costs. WebDeal proposed migrating to the Linux operating system to provide a low-cost yet very stable and robust solution, and recommended deploying SUSE Linux Enterprise Server 9 on a new IBM System p5 520 Express – OpenPower Edition server.

Benefits of innovation

- Estimated 70 percent reduction in TCO over three years
- Reduced physical footprint in data center
- Autonomic technologies enable high availability at low cost

“By migrating to Linux on the p5-520, we estimated that we could reduce our hardware and IT operational costs by up to 70 percent over three years.”

– Kjartan Lodden, CEO, Organizer



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A leading Japanese Internet Service Provider (ISP) extends its range into IP Phone Services provisioning of video content and broadband service.

Plala Networks Inc., a Japanese Internet service provider (ISP), is set to make dramatic advances in its ISP business.

Challenge

Until recently, Plala Networks ran Linux® on approximately 30 servers to offer homepage services to individual members. Since 1999, the company increased the number of servers to keep pace with an increase in members. Optional services for top-tier homepage members were also increasing capacity requirements. As a result of these demands, the server infrastructure and support environment began to run into complications, and the company's CGI system suffered from inefficiency problems. It was in this context that Plala Networks embarked on the IBM server consolidation and virtualization project.

Solution

Plala Networks installed two IBM System p5® 550Q servers, each of which has the setting capability of a maximum of 40 logical partitions. Each server operates from five or more set logical partitions. Allocation of external storage space to logical partitions as a virtual disk resource by the Virtual I/O Server enables resource leveling and efficient utilization of disk space.

Benefits of innovation

- Enables economy of data center space, reducing operating costs
- Dramatically reduces the number of servers, allowing reduction in costs of software licenses and maintenance, for an expected overall annual system cost reduction of approximately 45 percent
- Reduces total server power consumption by approximately 80 percent
- Reallocates system resources to free partitions, enabling efficient use of resources when load increases on some logical partitions
- Uses the SUSE Linux Enterprise Server 9 for IBM POWER® operating system—capitalizing both on the capabilities of Linux and the performance of System p5
- Enables resource leveling and efficient utilization of disk space by allocating the external storage system to logical partitions as a virtual disk resource

“Compared with the previous system, it looks like we can cut total power consumption by about 80 percent.”

– Mr. Adachi, Plala Networks, Inc.



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Energy-efficient IBM BladeCenter solution delivers the goods for Polar Speed

Polar Speed is a specialist logistics company operating in the UK healthcare sector.

Challenge

To provide specialist logistics for large clients like the NHS, Polar Speed must deliver levels of service that most mid-sized businesses would struggle to achieve—and therefore needs enterprise-class IT support. The company aimed to deploy an energy-efficient infrastructure for its core systems, to help reduce electricity and air conditioning requirements and meet environmental objectives.

Solution

Working with Omicron Solutions, an IBM Business Partner, the company implemented an IBM BladeCenter® chassis with six Intel® Xeon® processor-based dual-core HS20 and HS21 blade servers to provide access to core applications via Citrix Presentation Server. A further three HS21 blades with quad-core processors handle the company's file, print and Microsoft® Exchange environments, as well as the Microsoft SQL Server® database that supports the main logistics applications.

Benefits of innovation

- An IBM BladeCenter typically has a 25 percent smaller environmental footprint than equivalent rack-mounted servers in terms of power consumption and heat generation
- Highly reliable enterprise-class hardware helps to maintain and improve service levels
- Scalable architecture is designed to support future growth with minimal additional investment and environmental impact

“Energy efficiency and Green IT are becoming increasingly important issues for us—not just for the sake of the environment, but because of the rising cost of the electricity we use to power our servers and air conditioning units. We were aware that with the right solution, the cost savings could be significant.”

– Alan Cheshire, Chairman, Polar Speed



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Porto Media changes the movie distribution game with a new spin on a proven customer experience.

Based in Galway, Ireland, Porto Media developed a high-speed flash memory module capable of downloading and storing a 120-minute, DVD-quality movie in just 18 seconds.

Challenge

Although Porto Media's breakthrough in fast downloading provided the foundation of a new media distribution model, it still lacked a flexible usage scheme necessary to make its new movie rental concept a reality.

Porto Media needed a partner to provide the last piece of the puzzle—digital rights management capability—and allow it to more quickly deliver a ground-breaking, new solution.

Solution

Porto Media has laid the groundwork for a transformation of the movie rental business by developing a breakthrough method of downloading movies onto pocket-sized media and working with IBM Research to create new copyright protection capabilities to set all-important usage parameters. Porto Media now has a first-of-its-kind, kiosk-based movie rental solution.

The solution included IBM WebSphere® Application Server, IBM Tivoli® Storage Manager, IBM Tivoli Identity Manager, IBM Tivoli Monitoring Servers and IBM System p® server.

Benefits of innovation

- Time-to-market reduced to six months from three to five years for competing approaches
- Better way for studios and retailers to manage DVD format issues
- More profitable and flexible distribution channel for studios

“With portable digital media, customers always get what they want because a movie is always available, they can always find it and they'll never get charged a late fee. This amounts to a profound transformation in today's movie rental experience.”

– Chris Armstrong, Founder, Porto Media



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Redecard goes to market with IBM and SAP

Redecard is a fast-growing company that offers electronic transaction processing services for credit and debit card companies that operate in Brazil

Challenge

Redecard's sales volumes have been growing at around 20 percent annually, yet staffing levels have remained more or less constant—making Redecard a lean and profitable enterprise. However, sustaining this growth rate would require further capital investment, so the board decided to float the company on the Brazilian Stock Exchange.

"The challenge we faced was that our existing IT systems were part of a shared infrastructure with other companies in our group, and it was difficult to extend this system to handle the stricter financial regulations with which a listed company has to comply," says Manoel Correa, Financial Accounting Manager at Redecard. "We realized that we needed to start from scratch and build a new IT environment that would meet these needs."

Solution

IBM Global Business Services proposed implementing a solution based around SAP ERP Financials and SAP ERP Operations, which would use the SAP NetWeaver technology platform to interface with the company's XRT treasury software and Alliance fiscal reporting tools.

IBM Global Technology Services implemented the hardware for the environment, delivered low-level ABAP development services, and provides ongoing support. The production SAP application server runs under Microsoft® Windows® 2003 on two dual-processor IBM System x3800 servers, with several other System x machines handling the SAP development and quality assurance system, as well as a Web front-end. The underlying IBM DB2 database runs under AIX 5L on an IBM System p5™ 520 with two IBM POWER5+™ processors.

Benefits of innovation

- Thanks to IBM's end-to-end delivery of the new SAP software solution, Redecard has been able to transform its business processes, increasing control, flexibility and transparency in its financial systems and increasing operational efficiency.
- As a result of the new solution, Redecard will be able to reduce its total cost of operation by around \$2.5 million over the next five years.
- IBM outsourcing provides IT as a service, letting business users focus on core business tasks.

"IBM has delivered a true end-to-end solution, encompassing everything from initial design through to implementation and support—enabling Redecard to focus on business objectives, not technical issues."

– Manoel Correa, Financial Accounting Manager, Redecard

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Tallahassee Community College dramatically cuts IT costs while revamping its IT environment with hardware and software solutions from IBM.

Tallahassee Community College (TCC) is a comprehensive open-admission community college.

Challenge

To grow its organization in order to keep pace with its student body, TCC sought to update its aging IT infrastructure. The college wanted to boost its technology with reliable, flexible and scalable hardware that featured additional storage capacity to support new initiatives.

Solution

With the help from IBM and IBM Business Partner Mainline Information Systems, TCC migrated its applications from its mainframe environment to an IBM System x® platform featuring one IBM System x3950 server that hosts the production environment and runs the Red Hat Linux® operating system and one System x3950 server that hosts a test environment.

Benefits of innovation

- Achieves roughly US\$250,000 per year in savings by growing its SAN, enabling the college to reallocate the funds to its operating budget
- Enables the client to tackle new initiatives with greater flexibility and storage capacity
- Supports all of the college's different enterprise applications and enables it to provide students and faculty with larger storage accounts for e-mail and personalized Web portals

“By deploying the IBM System x and IBM System Storage solutions, we save about \$250,000 (US) in IT costs each year. We can now relocate that money and use it in a way that benefits the students.”

– Tallahassee Community College



Getting Started

Getting Started

IBM can help clients **do more with less**. Technology continues to get smarter, faster and cheaper. IBM can help clients leverage the dramatic improvements in technology to address their business needs and drive greater IT capabilities, while also driving increased efficiency and productivity. Here are five steps to help you get started:

1. Assess how your company is positioned for change

Take the IBM CEO Study Quick Assessment, a simple interactive tool that asks you industry-specific questions and benchmarks you against the study findings. It then offers a road map for change, putting you a step closer to becoming an Enterprise of the Future.

[Take the CEO Study Quick Assessment](#)

2. Learn strategies to position your company to succeed

In the midst of the economic turmoil that has gripped the globe, IBM has taken the findings of its recent Global CEO Study one step further and developed a point of view on strategies mid-sized organizations must implement, not only to survive the current crisis, but to succeed in the new global economy.

[Listen to the Webcast Replay \(available until August 2009\)](#)

3. Investment help from IBM

IBM Global Financing helps clients manage liquidity and risk while enabling them to make the investments they need to support business success. IBM Financing Advantage provides easy access to leases and loans for IBM hardware, software, services and a full range of buy-back and recycling services at competitive rates.

[Learn more about IBM Global Finance Offerings](#)

4. Build a Dynamic Infrastructure®

IBM Systems and storage offers the flexibility and performance you need to deliver with agility and speed.

[IBM Systems and storage offerings](#)

5. Why get smarter?

Because we can: the technology is both available and affordable. Because we must: the shocks we've seen to so many systems show that the current approaches aren't sustainable. And because we want to. IBM is starting a conversation with the world because we think now is the time to make these changes for the better.

[Find out more about a smarter planet](#)

For more information

IBM can help midmarket clients compete successfully by reducing cost, improving service and managing risk. IBM can help clients transform their IT infrastructure to meet strategic goals now and in the future. To learn more about IBM products, services and financing alternatives, please visit: ibm.com/systems/migratetoibm/smb.



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¹ Smart Objects: IBM Global Technology Outlook 2005

² Smart Objects: IBM Global Technology Outlook 2005

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⁴ From Autonomous to Cooperative, "ERCIM Workshop on eMobility."

⁵ International Telecommunication Union

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⁷ GSM Association Fact Sheet 2007

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