

# IAITAM ACE

**KICKIN'** ASSETS  
SINCE 2002

Mainframe Savings  
In the Enterprise

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WE SOLVE. YOU SAVE.

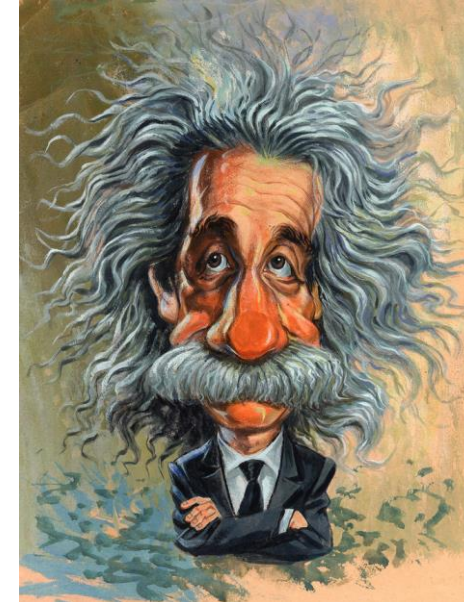


NASHVILLE, TN  
MAY 9TH - 11TH



“The report of my death  
was an exaggeration.”

(and the mainframe)



# Introduction

## Alan Bain

- 39 years of IT experience – I don't feel that old
- Software Asset Management out of necessity
- Not a lawyer (but I can talk like one)
- Partial credit for nearly \$400 Million in software savings
- Fun, referenceable clients





# Agenda

- Thesis – What I hope you will learn
- A (short) history of the mainframe
- Why might you care
- 3 axioms of software cost savings
- Major activities in reducing software costs
  - Benchmark
  - Optimize licenses and vendors
  - Negotiate
- Some examples of success
- Conclusion



# Thesis

Organizations' computing infrastructures have evolved from mainframe to server to cloud to managed services to hybrid. But in many cases, the constant has been mainframe even though it has been a platform destined for extinction for more than twenty years.

- Why has it been scorned?
- How could a little Software Asset Management attention bring it back into the fold of flexible and affordable platforms?
- What is the history, the benefits and the opportunities of the mainframe?



# History of the Mainframe

- The dark ages
  - Harvard Mark I – 1930-1943
  - ENIAC – 40's and 50's
  - COBOL – 1959
  - System/360 – 1964
  - System 370 – 1970
  - 30xx – 1980s
  - zSeries – 2000
- Current technology
  - Z13-z16 – 2020's
  - zLinux – 2000
  - New programming languages

Reported death of  
the mainframe



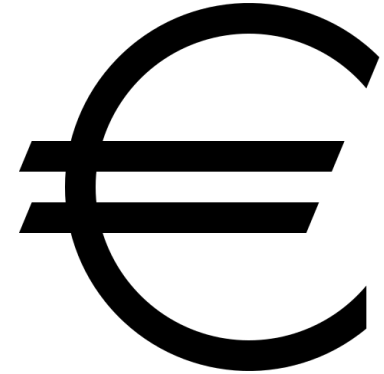
- Current technology
  - Z13-z16 – 2020's
  - zLinux – 2000
  - New programming languages
    - C
    - Java
  - Z15 – 1 trillion web transactions
  - Consolidation of vendors
    - Compuware => BMC
    - Everyone => CA, Inc.
    - CA => Broadcom
  - Mainframe Software audits
    - IBM
    - Broadcom
    - BMC





# Why you might care...

- Nearly 30 years after its reported death...
  - Visa reports 24,000 transactions per second
  - Mastercard reports 38,000 transactions per second
  - IBM z13 was designed for the mobile retail economy
    - 2.5 billion transactions per day
  - Insurance – all on the mainframe
    - Health, dental, home, car, boat, life
    - 10 largest insurance companies – 30 billion transactions per day
  - Government – the largest agencies all run on the mainframe
    - SSA, CMS, IRS
  - Mainframe is in 71% of Fortune 500 companies
- And they all run software, billions of dollars worth

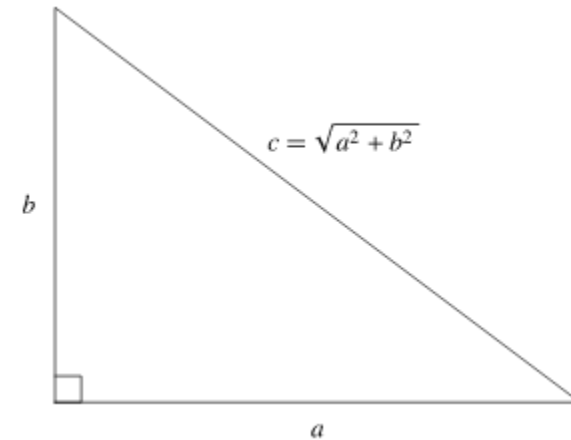


# 3 Axioms of Software Cost Savings

1. You need to buy less of it

2. You need to pay less for it

3. You can't save money that you have already spent





# Activity 1 - Benchmark

Simple exercise to compare what you spend to what someone else spends

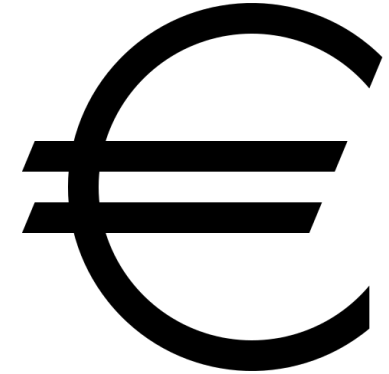
1. Normalize your costs - \$ per MIPS is a good start
  - Total mainframe software spend / MIPS
2. Find a comparison point
  - Ask a friend
  - From a recent merger
  - Find publicly available pricing – GSA or similar State program
  - Find a fit for purpose database
3. Helpful to have a cost break down by data center size but...
  - A good starting point is \$1,000 per MIPS



# Why Benchmark?



1. Identify opportunities
2. Reduce costs that appear too high
3. Reduce categories that appear too high
4. Reduce vendors that appear too high



The key is the identification of outliers





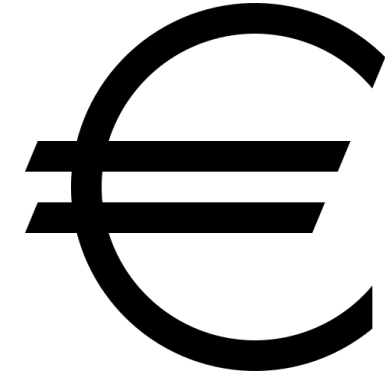
# Activity 2 - Optimize

1. Review benchmark outliers
2. Measure utilization to ensure you
  - Own what you use
  - Use what you own
3. Eliminate redundancy
4. Identify lower cost alternatives
5. Reduce capacity-based licenses if downsizing



# Why Optimize?

- 1.To be more efficient
- 2.To have contracts that reflect reality
- 3.To save money



And a nice by-product is assured compliance





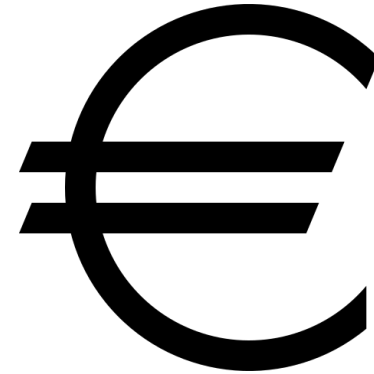
# Activity 3 - Negotiate

1. The only real opportunity to save money is during an event
  - New contract
  - Renewed contract
  - Capacity upgrade
2. For a given vendor
  - Identify the target cost per MIPS
  - Identify the target product set, post-optimization
3. Engage early.
  - Review proposals and re-propose and re-review



# Why Negotiate?

- 1.It is the only time to actually save money
- 2.Modify contract terms to be more friendly
- 3.To save money





# Examples of Success

- Redundancy Elimination
- Lower cost alternatives
- Negotiation to Best-in-Class pricing
- Elimination of audit findings



# Conclusion

- The mainframe is here for the foreseeable future
- You can still lower costs for the last years of production
- The software still needs to be part of your SAM process
- Don't ignore the obvious opportunities



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For further information please contact:

Alan Bain

Vice President of Delivery

952-200-7096

abain@isamgroup.com



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