



The Red Hat Business Model and offerings for IBM System z10 BC

- Overview
- Development model
- Business model
 - Subscriptions (Elements, Support Contract)
- Relationship for System z
- Offerings for mainframes
- Special for IBM System z10 BC
- RHEL for IBM z10 BC Enterprise Linux Server (ELS)

Overview

- **Red Hat's strategy is broader than Linux**
 - Open Source is once again changing the dynamics of the IT industry
 - Red Hat's strategy is to deliver the value of open source to customers, *through...*

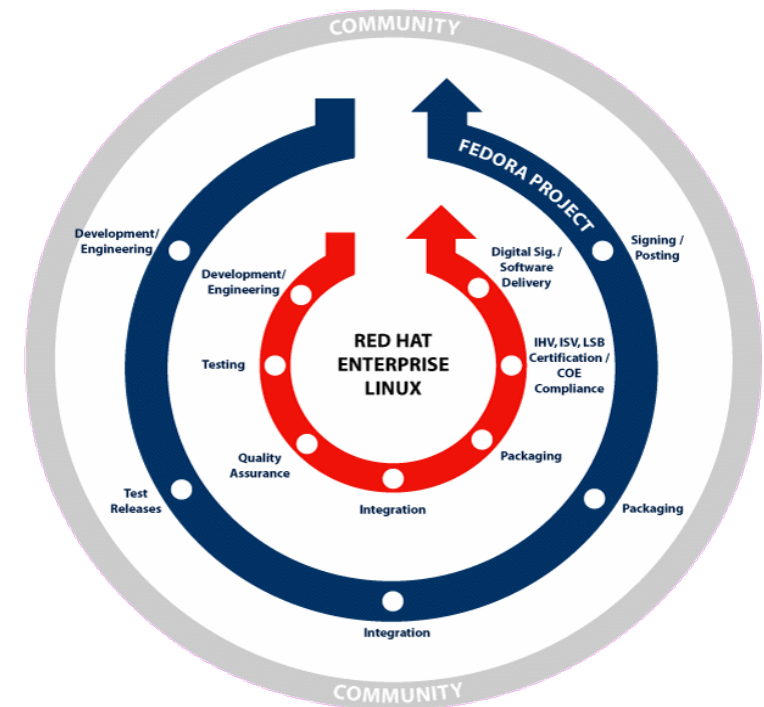
- **Continued dramatic savings in capital costs**
 - It started with Linux, but the savings are even more dramatic today.
 - Decrease acquisition, integration and maintenance costs of proprietary software.

- **A technology set that lowers operational costs**
 - Decreasing operational costs (like management, power, facilities, etc.), while actually *increasing* service levels.

- **Critical decisions: open standards eliminate lock-in**
 - Only source of economic leverage: now, mid-term and long-term
 - Only guarantee of vendor innovation.

Red Hat development model

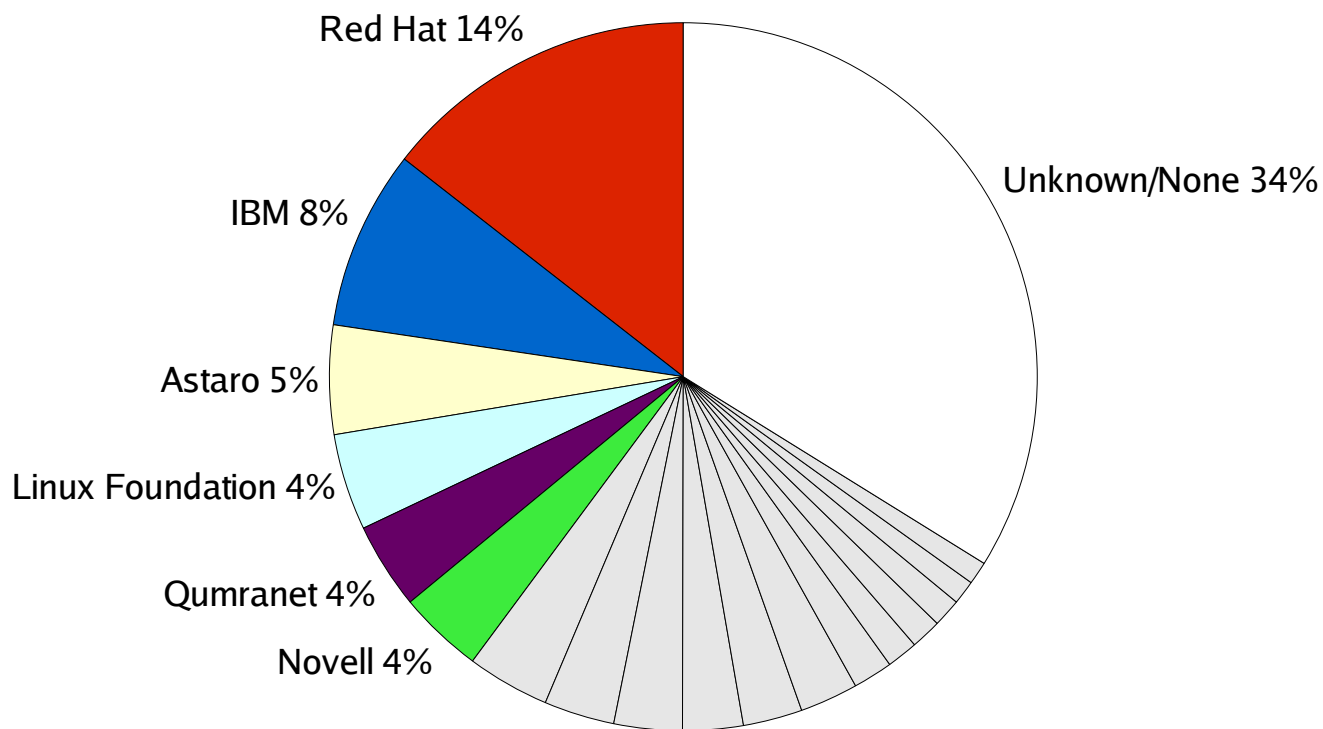
- Collaboration with partners and open source contributors to develop technology
- Deliver complete distributions in two stages for two users
 - First stage
 - Fedora: The development vehicle
 - New versions approximately twice each year
 - Unsupported
 - Fast moving, latest technology
 - **NOW: fedora for system z!
Linux community for sys z functionality**
 - Second stage
 - Red Hat Enterprise Linux
 - New versions approximately every 18 – 22 months
 - Supported and certified
 - Stable, mature, commercially focused technologies
 - Cross platform security. Certified against Common Criteria on System z, pSeries, xSeries, and the HS series blades



Linux 2.6.20 Contributors

- Red Hat is the leading commercial contributor to the ongoing kernel development process
 - Significantly ahead of Novell & Oracle
- Also a leader or major contributor to many other open source projects

Kernel Lines Changed - 2.6.20

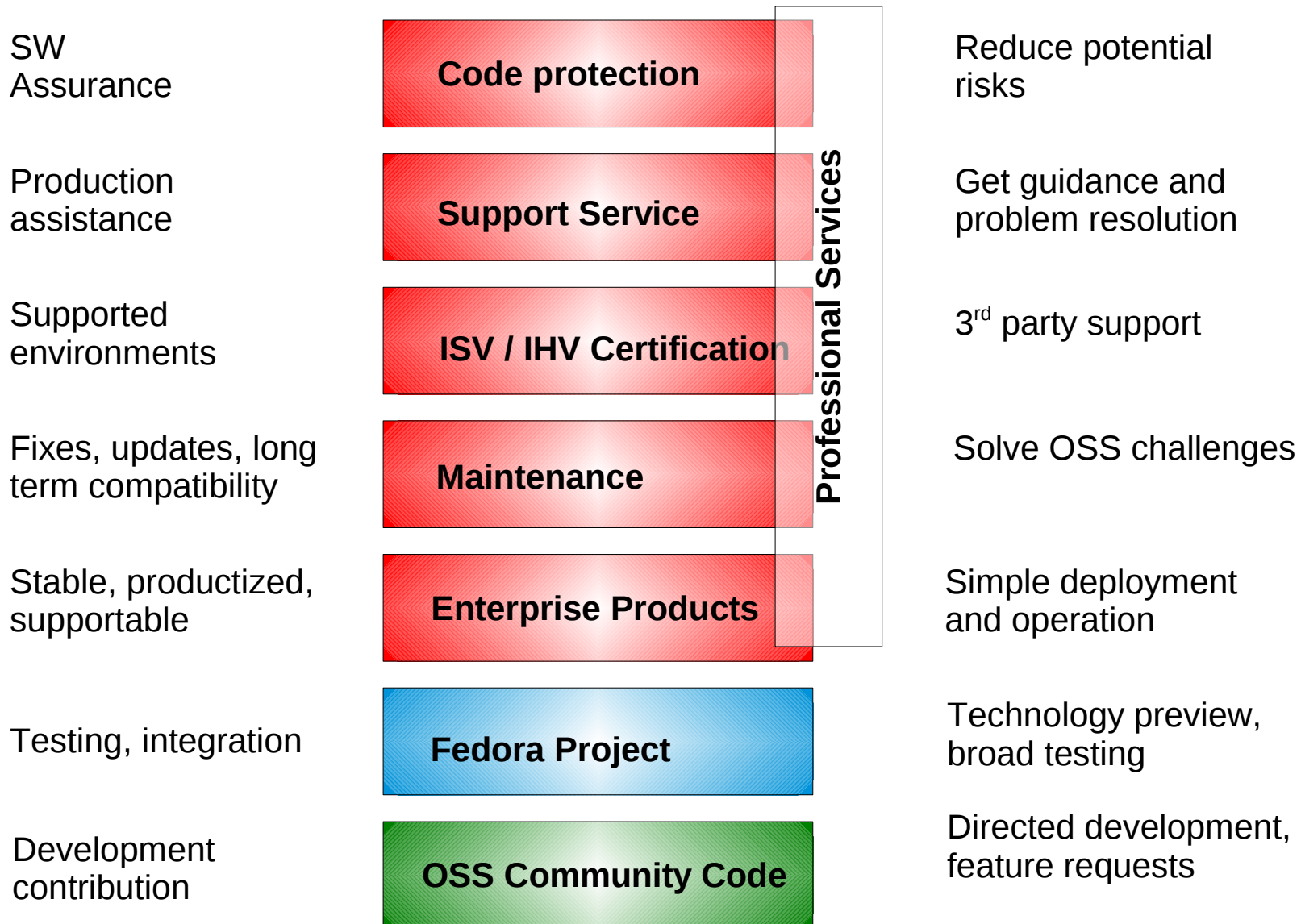


Source: <http://lwn.net/Articles/222773/>

The Red Hat business model

- How is Red Hat's licensing model different than other software companies?
 - **No licensing fee** for the right to use Red Hat software.
 - For one **annual fee**, customers can take advantage of all the value Red Hat offers.
 - There is **no lock-in**, so when a subscription expires, customers are free to keep using the software.
 - The annual subscription model forces Red Hat to earn its **business year after year**.
 - If services don't live up to expectations, then **customers are free to choose** another vendor.

Red Hat's subscription components



Red Hat/ IBM Relationship for System z

- Cross platform relationship founded in the late 90s, when RH was incorporated
- System z relationship formalized & announced in 2007
(<http://www-03.ibm.com/press/us/en/pressrelease/21513.wss>)
- Red Hat has dedicated staff to System z
(we haven't done this for any other H/W platform)
- Exponential growth since

YEAR	% Red Hat Market Share
2004	1,34%
2005	8,13%
2006	12,06%
2007	18,58%
Mar 2009	38,00%

BugZilla	Severity	Priority	Summary
184770	high	high	LTC18425-62140: (big) xDR system Initialization for LPAR Clients
439479	high	high	LTC:5.3:201474:Include gcc 4.3 as Add-On for latest z10 instruction set support
439440	high	high	LTC:5.3:201160:Long Random Numbers Generation
439482	high	high	LTC:5.3:201542:FCP - Enhanced Trace Facility
447379	high	high	LTC:5.3:200994:Linux CPU Node Affinity
439461	high	high	LTC:5.3:201360:OSA 2 Ports per CHPID Support - Installer Enhancements
439484	high	high	LTC:5.3:201490:Libica Library: Integration of Icainfo

Red Hat offerings for Mainframes

- RHEL Subscriptions per LPAR or IFL
 - Include support for up to 1000 virtual RHEL servers per subscription
 - Standard (9x5) or Premium (24x7) subscriptions
- Red Hat Satellite
 - Manage all RHEL installations from notebook to mainframe
 - Full support on system z
- Jboss Enterprise Application Server
 - Full support on system z
- Third Party solutions available through our joint Eco system



System z10 BC special offering

- Promo landing page: <http://www.redhat.com/rhel/server/mainframe/promo/>
- 50% discount on list price for new System z10BC customers for the first period (1y or 3y) until 31. December 2009
- Red Hat full subscriptions:
 - MCT1652 RHEL/ z10BC 1 year Premium: 9.000\$ (instead of 18.000\$ for z10 EC) per IFL
 - MCT1653 RHEL/ z10BC 1 year Standard: 7.500\$ (Instead of 15.000\$ for z10 EC) per IFL
 - 3 year SKUs available



New: RHEL for z10 BC Enterprise Linux Server offer

- System z10 BC ELS bundle
 - 2 IFLs
 - 64 GB
 - 3 y HW maintenance
 - 3 y z/VM support
 - Red Hat Subscriptions add to the package



- From Red Hat:
 - Certified services for z10BC ELS customers
 - Subscriptions at the system z 10BC promo pricing
 - Standard Volume Discount applies
 - Ideal for consolidation from SUN, HP-UX or Windows (SAP, Domino, etc)

Top 3 reasons for RHEL on the Mainframe

- **1. Fedora for system z:**
 - Red Hat and IBM found an active community for Linux on system z.
 - Base for new people on zLinux at Universities
 - Continuous and better support for functionality with RHEL/system z
 - Customers can test and contribute to new versions.
 - Distribution of Linux on the Mainframe made easier.
- **2. Security:**
 - Red Hat has longtime experience and is active contributor to SE Linux
 - SE Linux on system z is in use o.a. at Dep. Of Defense, USA and many other customers for whom security is key.
 - Red Hat & IBM hold various security certifications o.a. EAL4+ with RHEL/system z
- **3. Red Hat Satellite for all RHEL:**
 - Red Hat Satellite manages, updates, monitors all RH Instances
 - From Desktop to Mainframe
 - Physical and virtual
 - Full support for Red Hat Satellite on Mainframe

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What Open Source Brings



- Strategic Elimination of Vendor Lock-in
- Improved Security
- Auditability
- Cost Reduction in Multiple Dimensions
- Solution Ecosystem
- Technology
- Performance Maturity and Choice

What Red Hat Brings



- Risk Elimination
- Open Source Implementation Success
- Certifications, Consulting, Training & more