Adaptive Infrastructure Business Case Webcast/Podcast

Opening: music and graphics effects

(On-camera host) Welcome to this special Webcast focused on "The Business Case for an HP Adaptive Infrastructure". And, to build this case, we're pleased to welcome two industry experts.

Olivier Helleboid, Vice President for the Worldwide HP Adaptive Infrastructure initiative…

and Mary Johnston Turner, Vice President, Ovum Summit.

To get things underway Mary, give us a quick overview of the current enterprise business situation.

Mary Johnston Turner, Vice President, Ovum Summit
Increasingly, enterprises compete based on their ability to collect, analyze and take action on information generated from multiple sources inside and outside the company. This could be market forecasts, customer orders, changes in cost of raw materials, distribution returns, and many other business variables. In today's global economy, many enterprises do business across an interconnected web of customers, suppliers, contractors and employees. They need to be able to adapt and restructure business processes quickly as global market conditions change.

(On-camera host) In your estimations, how nimble are most IT environments today? In your estimations, how nimble are most IT environments today?

Mary Johnston Turner
Unfortunately, most IT environment are not very dynamic – having been built up, layer upon layer of individual applications with systems having become more siloed. IT decision-makers frequently report that as much as 70% of their IT budget is assigned to the maintenance and support of these fragmented and disconnected systems. Much of the rest of the budget goes to projects that attempt to interconnect formerly independent applications and data sources in order to support business requests for better workflow integration and business process flexibility.

(On-camera host) Olivier, are you hearing a similar message from CIOs?

Olivier Helleboid
To support what Mary just said, we've also found that CIOs are continually being asked to stretch each dollar to its limit … and that's getting harder and harder with a disproportionate amount of their IT budget becoming trapped in IT maintenance and operations costs.

Compounding the problem is that these costs have become the fastest growing line item in the IT budget. CIOs are searching for ways to "flip the ratio" so that they can free up resources for growth initiatives – instead of spending 70% on maintenance and operations, they want to spend 70% on innovation and new projects.

For example being able to add partners to their supply chain in hours instead of weeks or months … or doubling the pace of product introductions without sacrificing quality.

(On-camera host) How are companies addressing these issues Mary?

Mary Johnston Turner
Instead of continuing to invest in short-term, piecemeal fixes, sophisticated enterprise IT organizations are shifting investment dollars towards modular, infrastructure solutions built on industry standards that promote more efficient and consistent security administration and day-to-day operation.

We find that sophisticated IT organizations are increasingly taking advantage of the flexibility provided by emerging infrastructure solutions – including virtualization, SOA, and automated IT service management -- to construct the types of IT infrastructure environments that can keep up with these dynamic requirements.

(On-camera host) Olivier, what are you seeing from an HP perspective?

Olivier Helleboid
Many in the industry have started to talk about the next-generation data center or NGDC for short. The vision that the experts have for an NGDC is a 24x7 environment that runs all the time, like a business does. It's a lights-out computing environment, which means it's operated by the minimum amount of people – allowing more resources to work on more strategic or innovative activities. It's simplified …it's automated …and it is focused on the delivery of a standard set of IT services from a shared set of IT resources. Adaptive Infrastructure is HP's answer for addressing this NGDC market trend. HP kicked-off this initiative in March of 06. And, even though providing customers with IT infrastructure solutions has always been a core business for us, our Adaptive Infrastructure portfolio and approaches can help both sophisticated and less advanced customers better deal with a myriad of old and new IT challenges.

(On-camera host) Tell us more about some of these IT challenges.

Olivier Helleboid
As mentioned earlier, cost of operations has absorbed a huge portion of the IT budget – leaving little resources for more strategic or innovative needs. Moreover, data centers simply have too many applications, too much customization, and too much complexity. Customers are asking …

- How do I simplify my environment?
- How do I drive more automation?
- How do I get more labor cost out?
- How do I start moving towards this virtualized consolidated environment? And, most importantly, how can IT better drive business innovation and growth?

An Adaptive Infrastructure environment is based on standard building blocks, it's automated, and it's delivered through comprehensive services. It's those modular systems, software and services that enable customers to move from high cost IT islands to low cost IT assets and that drive the business benefits:

1. Reducing cost and complexity …
2. Increasing the speed of IT change, and …
3. Delivering better quality of service

Eventually, we see the future of the data center acting more like a self-running factory that dynamically creates and delivers IT services to serve the broad spectrum of business-related needs, all managed with a standard set of automated processes. It's really the supply chain for IT.

(On-camera host) Reducing cost and complexity. Increasing the speed of IT change, and Delivering better quality of service … Olivier, why are these so critical?

Olivier Helleboid
These three benefits of cost, speed, and quality are the essence of IT enabling the business. In that sense, they represent the key metrics that the IT organization is measured against in terms of what they are returning to the overall company. Think about cost of operations: increasing operational efficiency in order to free up resources to do more innovation and new services for the business.

The same holds true for speed of change. Meaning, the ability for IT to respond faster to a business requirement – for example provisioning a new server, updating an application, or deploying a new service.

And finally, delivering on quality of service is all about meeting the expectations of the users or the customers of IT – in terms of performance, availability, security - and so on.

(On-camera host) Mary, these dynamic, or what HP terms Adaptive Infrastructure environments have many moving parts. How are customers able to manage them in your estimation?

Mary Johnston Turner
In general, the customers who are most satisfied with the performance and business contribution of these dynamic, or adaptive, solutions have applied a holistic, cross-tier approach to the way they design, implement and manage their IT environments. They assess the operational impact of virtualization and SOA on management strategies and data center performance before deploying them and then structure a multi-step implementation plan that enables business application migration without impacting day-to-day business productivity and performance.

(On-camera host) Olivier, how does HP's Adaptive Infrastructure help with this process, given the fact that each customer organization and environment is different?

Olivier Helleboid
HP's Adaptive Infrastructure brings together HP's portfolio of systems, software, and services around six key enablers to create an optimized and service-oriented IT environment.

These enablers are the key elements of a next generation data center: systems and services, power and cooling, management, security, virtualization and automation.

These are areas where HP has a rich set of solutions … and it also represents where we are investing to strengthen the full range of our portfolio and lead the next generation of IT to deliver the value our customers are looking for.

(On-camera host) Give us some examples Olivier.

Olivier Helleboid
An Adaptive Infrastructure starts with systems – servers and storage – and their associated services. This is the foundation of an Adaptive Infrastructure – having scalable, flexible IT systems and services that drive towards a well-integrated environment to better access, share, and synchronize data and applications across the full business value chain.

For example, the HP BladeSystem c-Class is often described as an adaptive infrastructure in a 17-inch box. It provides a highly flexible and scalable environment that allows our customers to manage a pool of resources as easily as one machine.

The BladeSystem architecture enables the growth of an enterprise while reducing space and power requirements, as well as total cost of ownership.

And with HP's Integrity Systems, customers can bring high-value projects up and online more quickly, and meet high service-level expectations with Integrity's flexible capacity, its secured availability and simplified management for the industry's leading operating systems.

Today, one out of every three servers shipped in the world is an HP server. In fact, HP continually leads in server shipments for UNIX, Linux, and Windows.

And, our HP services professionals work with customers to deliver services that meet short-term, 'right now' needs while driving longer-term value.

And to complement any deployment, HP provides a broad spectrum of hardware and software support across HP and multi-vendor platforms, including access devices, desktops, servers, storage, networks, and printing and imaging devices.

(On-camera host) You mentioned power and cooling a few minutes ago. Tell us about the innovations.

Olivier Helleboid
Power and cooling is another key enabler, it has risen to the top of many CIO agendas. Partly because of rapidly-rising energy costs for IT and environmental concerns, but also sometimes because of physical limitations of existing data centers.

One of the many HP solutions for power and cooling is the HP Modular Cooling System. This system uses chilled water technology to triple the standard cooling capacity of a single rack.

And, as high-density blade configurations continue to be deployed, and power and cooling issues mount, HP can provide customers with thermal assessment analysis for an existing data center, leading to a more optimized configuration and saving up to 25% of energy costs.

This is an area where HP Labs has been heavily innovating over the past 10 years – including filing over 1,000 HP patents in this area. Plus, we work closely with our partners, including processor and hard drive manufacturers, to ensure optimal efficiency of our servers and storage.

(On-camera host) What about management? What are some of the newest tools?

Olivier Helleboid
IT management is the third enabler of an adaptive infrastructure. Here, HP has a tremendously powerful portfolio … from unified server and storage management capabilities all the way to managing applications, service levels and business processes, provided by the extensive HP Software portfolio.

For example, Systems Insight Manager …or SIM…it's the foundation for HP's unified infrastructure management. It provides core services for managing HP servers and storage and other networked devices such as printers and clients. The combination of SIM and HP Essentials provides in-depth management of HP servers and storage platforms running a wide variety of operating systems from a single console. SIM also integrates with HP Software products for heterogeneous infrastructure management, as well as application management, service level management and business process management.

(On-camera host) Security was the fourth enabler you mentioned. What's being done in this area?

Olivier Helleboid
As security threats become more sophisticated and more diverse, enterprises need to integrate their approach to protect their environment – their data, applications, operating systems and networks. HP's approach is to build-in security in the infrastructure and to provide innovative solutions, through software and services, to help manage security.

For example, our HP Virus Throttle software detects and slows or stops worm-like behavior in the network— giving administrators time to react to the threat before it potentially brings down the network.

On the system side, the security technology that is built-in HP-UX 11i provides user identification and intrusion detection so that customers can ensure that within a partition, the right people … and the right users … and only them, have access to the right resources.

(On-camera host) Virtualization is the next key enabler and is an integral component of an Adaptive Infrastructure that Mary mentioned. Tell us more.

Olivier Helleboid
Many data centers are filled with inflexible systems that are chronically underutilized. HP virtualization solutions help customers pool and share IT resources, lowering costs by optimizing utilization … which, by-the-way, greatly increases agility for more rapid response to changes in the marketplace.

A great example is the HP Virtual Server Environment, or VSE. VSE helps customers optimize server availability and resource utilization in real time based on business priorities. It provides a pool of virtual servers that can automatically grow and shrink based on varying service-level objectives. Imagine that you could direct your server resources to your highest priority workloads automatically … and that you could optimize server utilization in real time.

Typical UNIX server utilization is in the range of 20-30%, while Windows and Linux utilization is typically at 10-15%. There's plenty of opportunity for optimization here.

With our IT Shared Services portfolio, customers can accelerate business and IT alignment by transforming the traditional model of IT delivery to a shared services model. It covers not only the technology aspects of the transformation, but also the staffing, organization and governance aspects, which, in many cases, are the most critical.

(On-camera host) Automation is the final enabler. Explain why it is critical to a 24x7, lights-out data center, and a key building block of an Adaptive Infrastructure.

Olivier Helleboid
By automating labor-intensive IT tasks and data center operations, manually repetitive, mundane and complex tasks shift to standardized and automated processes and workflows… helping to ensure that service levels are continually met.

For example, our HP Configuration Management solution automates software distribution so that all devices are maintained in the right configuration … helping to eliminate manual processes, thereby reducing costs and increasing service levels.

Or, the HP Instant Support Enterprise Edition service monitors the entire data center to accelerate problem resolution. It improves system uptime … and helps eliminate manual intervention by IT staff, while ensuring that each device has the right software configuration at all times.

(On-camera host) We've covered a lot of ground, but one question remains. Mary, if our audience is not already underway, share your thoughts on how their business can get started.

Mary Johnston Turner
We find that many customers begin with server or storage consolidation and standardization and follow these up with deployment of more sophisticated virtualization and SOA solutions. Business continuity backup recovery and compliance programs are also high on the list of infrastructure priorities.

Across the board, customers tell us that their primary motivations for deploying these technologies are their desires to help their businesses become more flexible and to position IT as an effective strategic enabler of business success. Of course customers also find they can reduce costs and significantly improve IT staff efficiency

(On-camera host) Do you concur with that Olivier?

Olivier Helleboid
We agree … there really isn't a single answer for everyone. You'll typically find three main types of projects that a customer will go through to become more adaptive.

The first set of projects is around IT infrastructure optimization … typically the first step that customers will embark on or, in most cases, are already doing. This includes standardizing the infrastructure around a small number of standard configurations for storage, servers, networking. It also includes consolidation, both at a system level and sometimes across data centers. Optimizing the IT infrastructure is also about building in high availability and business continuity that's required for an Adaptive Infrastructure.

The second category of customer initiatives is the management of the IT infrastructure – the people and process aspects of IT. This includes standardizing the IT management processes and the associated management tools, security processes, delivering and managing service levels, and linking the IT infrastructure processes and results with the business requirements.

The third area is the automation of IT service delivery. This includes setting up and managing the IT infrastructure to support the entire life cycle of delivering IT services – configuring, ordering, provisioning, managing and changing those IT services. Some customers start around a specific service, like a Microsoft Exchange messaging service, or a directory service. Others choose a more tops-down approach of transforming their IT model to a shared services model.

(On-camera host) As our audience takes these steps Mary, what does your analysis show are some of the critical success factors?

Mary Johnston Turner
Without a doubt, support of key business and senior level IT decision makers is required. The shift to a dynamic or adaptive environment means that more applications and business processes will be supported on shared server and storage resources. Business units need to be comfortable that IT understands their service level requirements and IT needs to be able to document that they are delivering on those end-to-end SLAs.

As we move away from dedicated stacks of components and software supporting a single business need, IT needs tools that provide real-time insight into service levels and dependencies across the environment.

(On-camera host) Olivier, how can HP help your customers facilitate this type of IT transformation?

Olivier Helleboid
From an HP perspective, equally important to what we will do for our customers is how we will work with them. We want to build relationships with our customers … that make full use of our resources and expertise in a way that complements, rather than disrupts the way they do things now. With HP, you choose.

Buy products and build an Adaptive Infrastructure yourself – HP has the best technical savvy in the industry.

Have HP design and implement an Adaptive Infrastructure for you to operate - HP Services is one of the industry's best consulting and integration teams with expansive experience working with customers

Customers can work with our value-added partners through our extensive partner network that includes over 154,000 channel partners.

Or, customers can outsource the management and transformation of their Adaptive Infrastructure to HP… so they can focus on running their business.

Collaboration with partners is key to HP's strategy…and customer choice is our core operating model.

(On-camera host) As we begin to wrap things up Mary, give us your views on HP's Adaptive Infrastructure initiative.

Mary Johnston Turner
HP's goal with the adaptive infrastructure initiative is to help enterprise customers gradually migrate from today's reliance on high-cost IT islands to a future state that satisfies changing business requirements via the use of low-cost pooled and automated data centers.

The adaptive infrastructure portfolio targets many of the priorities we see customers looking for today, and these include virtualization, business continuity, security and management. HP stands as one of the few IT vendors that can offer enterprises such a broad range of integrated infrastructure solutions within a single portfolio.

For customers who want to reduce the complexity of their dynamic IT infrastructure environments by using modular standards-based approaches, this growing portfolio of adaptive infrastructure solutions merits serious consideration.

(On-camera host) Any final comments Olivier?

Olivier Helleboid
IT organizations face strong pressure to become more efficient and, at the same time, to deliver more to the business. HP brings its broad set of products, solutions, and experience to help customers transform their IT environment.

Our own IT organization is a great showcase and a rich source of best practices as HP is transforming its IT infrastructure to a next generation data center and to reap the benefits of lower costs, faster speed of change, and higher quality of service.

I hope that this was an informative session, and that we have piqued your interest enough to ask your account team to show you how we can deliver an Adaptive Infrastructure.

And, I especially want to thank Mary Turner from Ovum Summit for joining us today and sharing her insights on this important topic.

(On-camera host) Thanks to both of you. And remember that more information about the HP Adaptive Infrastructure can be found at hp.com (www.hp.com/go/ai), or feel free to contact your local HP representative.

Thanks and talk to you soon.

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HP BladeSystems

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