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Annex Bulletin 2007-29

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## INDUSTRY TRENDS



Updated 8/02/07, 7:30AM PDT

*IBM Hoping for Global Warming of Its Customers to Energy Savings*

## The Greening of Big Blue, Part 2

*IBM to Save \$250 Million Using 80% Less Energy in World's Largest Mainframe Server Consolidation*

ATLANTA, Aug 2, 2007 - Last May, we told you about Big Blue going green on the back of a \$1 billion investment in energy saving hardware and software (see "[The Greening of Big Blue](#)," May 2007). Dubbed "Project Big Green," the IBM initiative targeted corporate datacenters, including its own, with a hope of achieving a 40% or higher reduction in energy consumption (click on thumbnail image to enlarge).



Well, IBM's latest greening announcement is likely to cause a flurry of veritable clichés... "Big Blue puts its money where its mouth is;" or "IBM practices what it preaches;" or "some cobblers' kids *don't* go barefoot;" or "IBM likes the taste of its own medicine;" or "Big Blue eats its own dog food" - a comment one analyst offered in the July 26 preannouncement briefing. But our favorite would be - "IBM leads by example."

Pick whichever cliché suits your taste and fancy, the fact is that Big Blue is deadly serious about "going green." And for very good business reasons.

"We expect to save \$250 million over five years in energy, software and system support costs," said Florence Hudson, IBM's vice president of System z (mainframe) marketing, in the July 26 teleconference about the world's largest server consolidation project in history.

IBM is planning to consolidate 3,900 servers (OS images) onto 30 mainframe. As a result, the company expects **IBM's Ongoing Consolidation** to save on energy usage by

IBM Metrics 1997 Today

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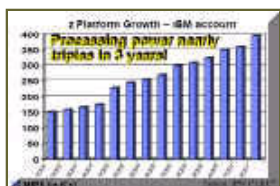
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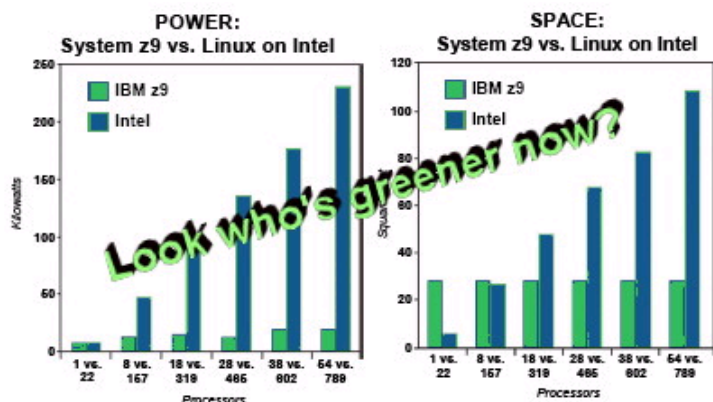
80%, and reduce the data center floor space by 85% for an overall cost savings of 40%, according to Hudson.

As as you can see from the IBM chart on the right, the latest move is a part of ongoing data center consolidations that have been going on for the last 10 years. The result has been phenomenal reductions in resources - human, material (energy, space) and financial.



The process was driven in part by enormous increases in demand for processing power. The 76 System z mainframes that IBM uses internally, for example, experienced a near tripling in installed MIPS capacity (a measure of data processing power on mainframes) in the last three years. And that's before the latest major consolidation phase, announced today.

Charts like the one above are clearly something that many large IBM customers can relate to, based on our discussions with IT executives around the world. And now they can also see that there is a light at the end of the tunnel; that the "mission impossible" their CEOs demand can be done. And that it can be achieved while saving money and resources. Which is why our favorite cliché was, "IBM leads by example."



The Linux on Intel servers selected in this example are functionally eligible servers considered for consolidation to a System z running at low utilization such that the composite utilization is approximately 5%. The utilization rate assumed for System z EC is 90%. This is for illustration only, actual power and space reductions, if any, will vary according to the actual servers selected for consolidation.

Source: IBM (7/25/07)

But some habits die hard, especially if the company gets to be known as Big Blue. The above IBM chart shows how much "greener" its mainframes are compared to the Intel-based servers' usage of energy and space. Yet in the original IBM design, the IBM bars were colored blue and Intel's were shown as green. So we switched them around, to fit in better with "The Greening of Big Blue" ... :-)

*Happy bargain hunting!*

*Bob Djurdjevic*

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