

IBM Mashers System i with p (and More)

Then Separates Large from Small in Massive Organizational Shakeup

By: Chris Maxcer

In a set of massive organizational realignments, IBM is breaking up its Systems and Technology Group (STG) so that IBM can focus on the needs of its very large customers as well as the needs of its SMB customers—in addition to going after a bigger share of the \$32 billion SMB pie. **Bill Zeitler**, IBM's senior vice president and group executive for the IBM STG, announced this July 18th in an internal IBM memo. That afternoon, IBM's System i General Manager **Mark Shearer** gave me a 25-minute briefing by phone, and I'm still trying to grasp all the details and ramifications. Basically, the IBM known by the System i world is moving and shaking in a way that may change the landscape forever.

Here are the basics:

IBM is merging its System i and System p technology groups and also breaking them apart into two new groups — one that focuses on very large organizations, and one that concentrates on SMBs. "I have noticed first hand, even the language you use, the requirements, the approach to the marketplace are radically different between our large enterprise clients and our small and medium business clients, and I think with having the discreet segmented approach . . . we're going to be a lot more effective," Shearer said. The enterprise group will be the "Power Systems" business unit, and it will focus on the 570 and 595. (Incidentally, we should see the first POWER6-based System i 570 announced next week, as well as a new granular "pay for what you use" approach to pricing for large customers. Shearer noted that IBM is moving at an extraordinary rate of speed on these changes.) The Power Systems business unit will be led by **Ross Mauri**. The new SMB business unit will be known as the Business Systems unit and will retain responsibility for the low-end System i products — the i550, i525, i520, and i515. It will be led by **Marc Dupaquier**. In addition to housing the System i, the Business Systems unit will bring other IBM technologies into the mix through a new integrated sales model in which IBM will approach customers on a total-solution basis rather than a separated, technology segmented model.


New SMB Roadmap

Shearer said IBM will develop an IBM roadmap for SMB offerings, integrating Web 2.0 services with middleware, and will change its sales structure so that IBM reps are offering more focused solution messages. "It just drives SMBs nuts when three different faces from IBM with three different proposals show up at their doors," Shearer said. In addition, changes are afoot for IBM Business Partners. It sounds like they'll have to play by the new rules, too, selling total IBM packages rather than simply concentrating on System i. "The majority of our Business Partners are many steps ahead of IBM on this because most of our Business Partners already sell multiple parts of the IBM product line. For example, most already sell the Unix solutions," Shearer noted. "In fact, less than 10 percent of the System i partners only sell System i. So our Partners really do embrace this model of solution selling rather than single-technology selling."

Mark Shearer Will Stick Around

"They just can't get rid of me," Shearer joked. He will lead the two new groups [as] Vice President and Business Line Executive. "I'll be driving the product strategy and the product plans for both the high and low-end POWER systems. So I'll have the hardware, the high-end, the blade, and modular, and I'll have all the software—i5/OS, AIX, and Linux, and by looking at it holistically, I think we'll be able to bring to market some innovative new products. I think it will be great for the System i client base because they will see i5/OS pop up in unexpected places," he said.

Clients Who Use System i

Shearer explained. "... it turns out that our System i clients spend three times as much money on Unix and Intel and external storage systems, and we don't help them simplify that yet. We don't help them manage that more effectively, and I think that by having more of a client orientation, the combination of the IBM businesses will be far more effective." 

Chris Maxcer is the news editor of the System iNEWS Magazine which provides information to help you make strategic business decisions and assess System i hardware and software products.



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