Host: Jim Larkin, IBM  
Speaker: Steve Sams, Vice-President, IBM

Jim:
Welcome to an IBM podcast series focused on how to optimize your technology infrastructure, I am Jim Larkin of IBM. Through this series we will cover topics that help lower IT complexity and improve operating efficiency, along with providing tips and advice on using technology and services to help you and your organization succeed. Today I'm joined by Steve Sams, IBM vice president and resident expert on energy efficiency and green technologies. As we look at an area that has yielded some great savings for clients, with some reporting IT energy cost reductions of up to 40%. So please join us as we discuss this exciting topic.

Steve, we've heard a lot about green, IT and the importance and controlling rising energy costs. Can you describe what you see happening in the marketplace and how clients are addressing this issue?

Steve:
Hey Jim, this is clearly a global issue, all of us see energy prices, energy rates, increasing on a daily basis, every time I go to the gas pumps it cost a little bit more to fill up that car. So, it is an issue, we can all relate to around the world. It’s also an issue where the focus historically has been on the server side, the storage side, and around virtualization and now we are beginning to realize that we really need to treat the whole problem. And when need to start by helping provide the customer with some facts.

Jim:
Are there inhibitors, Steve that would be barriers to clients becoming more energy efficient?

Steve:
Will one of the major inhibitors we find around the world is about three quarters, about 77% of the CIOs are not actually responsible for their energy bill in the data center, and the data center is kind of an interesting building, is a building that is typically using 10 to 30 times the energy that the traditional office space uses. So it is an energy hog, but in many cases, the CIOs actually get allocated bill kind of an average cost of energy per square foot and don't necessarily pay that 30 times charge that their data centers are actually using.

Jim:
Okay, the industry has been talking about green for a while. So clearly IBM is not the only vendor in this space, could you explain the distinction between what we provide in terms of green technologies and services versus what other providers are doing.

Steve:
As you suggested Jim, this is an incredibly exciting topic our clients are excited about it and that's because we're helping them solve problems in real, real time today. The difference between IBM and our competitors is really threefold; first of all we are a global business – so, I mean we have in our services business we have 3300 professionals around the world that can help, that have virtualized hundreds of thousands of servers for our clients that have built over 30 million square feet of raised flooring for customer data centers around the world and we are global whether this is in Shane Zen, China; or Bangalore; or Columbus, Ohio; or Paris, France; we have built data centers, they are very effectively, very efficiently and helped customers with all of their infrastructure challenges.

Second issue is, we are trying to solve this problem from an end-to-end perspective we clearly understand the technology is the number one server vendor in the world. We are clearly a leader in the systems management tools in the world and we are clearly a leader in the services underneath that, and so we are helping solve not just the technology problem by trying to sell our customers, you know, the most energy efficient servers or storage technologies, but we are also wrapping a right management tools in the right services and services experience for them to get the benefits right away.

The third real difference is that we have incredibly deep experience with our clients in doing this. We launched big green as a project with a billion dollars a year investment around that and we are deploying big green both within IBM and to our customer environment and we are starting to show customers the examples of that learning experience that we can apply to their business.

**Jim:**
Steve, what has been our experience at IBM since the launch in May of 2007 of project big green?

**Steve:**
Jim, we had an unbelievable response from our clients, but instead of telling the story from the IBM's to side why don't I tell it from the client-side, and let me give you a couple of examples. One of the things that we announced was something called scalable modular data center, and what is a little surprising about that offering is that it's a small 500 or 1000 square foot data center targeted not toward what customers think about the traditional IBM space, but are smaller customers, the focus on match offering is to provide customers with a very rapid install of the data center at a price point at about 10 to 20% lower than a traditional data center design and build it can be installed extremely quickly and he uses very highly energy efficient technology. We actually announced the offering with project big green on May 10 and our first client, Bryant University in Rhode Island, was actually, their data center went into production on June the 15th. So that's like four or five weeks after the announcement they were up and running in a brand-new state-of-the-art data center, their estimate is they're saving about 80% of their overall energy costs and make a significant higher reliability, because they basically took for small sites that weren't necessarily robust in terms of backup power etc. and move to a pretty state-of-the-art facility at relatively low costs.
Another example that I would use is the University of Pittsburgh medical center. In that case, we took a series of thousands of servers and rationalize them into a much smaller environment. When we did status, we used a new toolset that really sped up getting to the benefits, virtualization can be a relatively complex exercise you really need to understand the applications that the customer has the ability to virtualize those applications. In the University of Pittsburgh medical case the customer originally expected is about $18-$22 million benefit over about 24 to 36 months. By using the new toolset that we have developed and actually got $10 million. So half of the benefit was achieved in the first five months, and since we originally do that work they have now expanded their virtualization activity and may feel that they'll get somewhere between 30 and $40 million of benefit out of the overall project now that it has expanded.

So we are seeing those kinds of benefits from our clients all way around the world. We did an energy efficiency assessment for clients as an example. And we found that there was 53% reduction in terms of overall energy consumption they could take. They actually decided not to do all of that, they decided to only do those things that had a payback period of less than two years and then achieved a 40% reduction in overall energy efficiency. So, these are real things that we are deploying both inside of IBM and with our customers and they are available today.

Jim:
Okay Steve, if our listeners want to find out more about the services around green, where can they go?

Steve:
Great question Jim. An obvious source is to go to IBM.com. For CIOs they can go to IBM.com/CIO and get access to the most current set of materials, white papers etc. that are relevant to them. For IT managers we have a site with more detail on optimizing IT and IBM.com/ITsolutions/optimizelIT, say it again, IBM.com/ITsolutions/optimizelIT.

Jim:
A fascinating time as the IT industry goes green. Steve Sams of IBM, thank you.

Steve:
Thanks very much Jim.