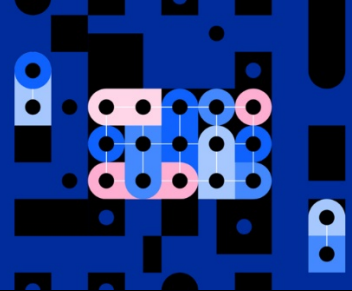




# Maximizing the Business Value of Hybrid Cloud with IBM Z



For businesses today, disruptive change is happening faster than ever. Accelerated by the pandemic, we're seeing customer demands continue to rise, security threats expanding into new areas like national infrastructure, and an ever-changing web of different compliance regulations around the globe. For organizations trying to navigate this shift, the need for business agility achieved with hybrid cloud has never been more important.

## Why hybrid cloud?

At a basic level, a hybrid cloud combines a mix of public and private clouds and on-premises infrastructure. At IBM, we take the hybrid cloud approach one step further, allowing our customers to build once, run anywhere – underpinned by Red Hat® OpenShift®. This open container platform helps create a unifying experience to manage the complete IT estate seamlessly and in a more horizontal way. Developers can move faster with the speed and agility of cloud while maintaining the security and scalability of on-premises infrastructure - and in turn, unlock more value than a public cloud-only approach.

A recent study commissioned by IBM examining how different degrees of hybrid cloud adoption correlated to the overall ROI of the transformation illustrates this dynamic at work: the greater the share of workloads that are consistently deployed on a hybrid cloud platform, rather than siloed in a public cloud, the more value that is realized. Enterprises that transform both their technology *and* operating models stand to unlock up to 2.5 times the total business value of a public-only cloud strategy.<sup>1</sup>

## Maximizing the value of a hybrid cloud strategy with IBM Z

IBM Z® is a critical differentiator to enterprises of all sizes around the globe for its unmatched scale, reliability, and security. According to a recent report conducted by Forrester Consulting on behalf of Deloitte, 90% of respondents said that they see the mainframe as a platform for new growth and long-term applications<sup>2</sup>

For many businesses, there is an opportunity to realize *even more* value from a hybrid cloud strategy by better utilizing core business data that originates on IBM Z for new business initiatives, leveraging cloud technology and adopting common operating models (DevOps) across the enterprise.

**In fact, by integrating IBM Z into a hybrid cloud strategy, businesses can achieve up to 5x the value of public cloud alone – or up to twice that of a standard hybrid cloud strategy.**

This is driven by three key areas of IBM Z differentiation:

- Increased access to core business applications and data for broader enterprise use for AI, analytics, and new customer experience applications

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<sup>1</sup> Based on an [IBM commissioned study](#) measured across five key value areas: business acceleration, developer productivity, infrastructure costs, regulatory and compliance, deployment flexibility

<sup>2</sup> Source: A commissioned study conducted by Forrester Consulting on behalf of Deloitte Consulting LLP, June 2020

- More cost-effective options for application modernization vs. the application migration, emulation, and rewrite approach recommended by some public cloud providers and integrators. The IBM approach uses industry standard tools and includes an operating model shift that embraces enterprise DevOps and AIOps to significantly improve ROI with less overall risk to business.
- And, with IBM Z integrated into a hybrid cloud platform based on Red Hat OpenShift, businesses can leverage IBM Z's resiliency, security, scale and data gravity to gain greater infrastructure efficiency and achieve lower compliance costs.

## The model in action

Let's look at a representative bank that has about \$1B in overall IT spend with about 10% of that on IBM Z (Figure 1). By integrating IBM Z into their hybrid cloud transformation, they are able to increase the value in the range of \$321M to \$605M, or 5x the value of a public cloud only approach. This is driven by business acceleration, developer productivity, infrastructure cost efficiency and regulator, compliance and security cost reduction.

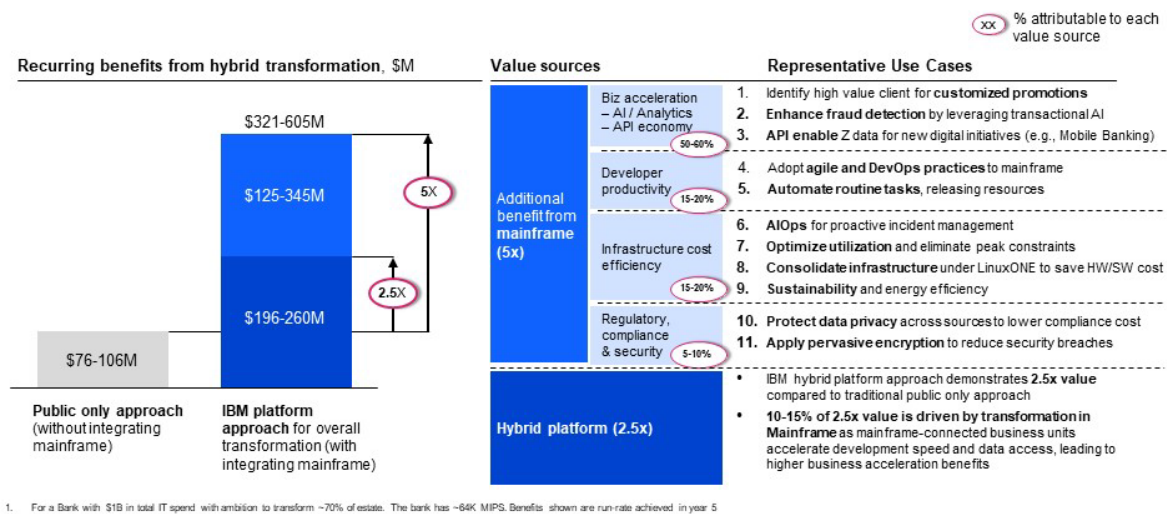


Figure 1: For a bank with \$1B in IT spend, a hybrid transformation that integrates the mainframe can drive up to 5x the value of a public only approach

## Optimization and integration

IBM recommends a two-phased approach for modernizing for hybrid cloud: *optimization* (improving IBM Z performance while gaining infrastructure efficiency) and *integration* (making it easier for cloud applications and services to connect to IBM Z applications and data by creating APIs that allow access without updating or rewriting application code).

For businesses that haven't taken advantage of the latest software and hardware features, and new more flexible pricing models, *optimizing* an existing IBM Z environment is particularly important. Take the example of a smartphone: if you still have an older phone running on an older operating system, chances are your experience is much different than someone on the latest hardware and software. IBM Z is no different. By investing in hardware and software currency to minimize technical debt and taking advantage of modern languages and tools available on IBM Z, you can lower your costs and expand the pool of talent available to support, modernize, or create new applications on the platform. And, by leveraging new more

flexible [Tailored Fit Pricing](#) options, businesses can move closer to cloud-like, consumption-based pricing to optimize costs even further across the technology stack.

*Integration* leverages industry standard APIs in combination with exploiting an enterprise ready container-based platform like Red Hat OpenShift as the first steps toward application modernization and cloud-native development with IBM Z. With real-time analytics and AI, businesses can harness common data modernization patterns like data virtualization, modern data replication and caching techniques, in combination with AI and machine learning on IBM Z. Improve developer productivity and release applications with common, consistent, and open CI/CD pipelines across platform and operating teams. And finally, because IBM Z has embraced open-source and open standards, there is an expanding set of ISV ecosystem partners available on the IBM Z platform to ensure a robust community for years to come.

### **Get started on the path to 5x value**

The first step in realizing the full value of hybrid cloud requires recognizing IBM Z as an essential part of your long-term hybrid cloud strategy by proactively integrating IBM Z into a hybrid cloud platform based on Red Hat OpenShift. This opens up a number of entry points that can be prioritized and selected based on business need. They include an ROI based approach to application modernization, leveraging core business data in support of enhanced user experience, AI driven automation, operating model shifts with DevOps and AIOps, infrastructure efficiency and enhanced security and compliance.

When you're ready to take these important steps for your business, IBM Garage™ is one way to get started. IBM Garage is co-creation model for accelerating digital transformation and application modernization, including the critical journey to maximizing business value with IBM Z as part of a hybrid cloud strategy.

To learn more on how to request a technology discovery session visit [www.ibm.com/garage](http://www.ibm.com/garage)



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