

Project Type: Feature article

Details: Provided thought leadership in mainframe software space by highlighting four ways IT organizations can reduce costs while avoiding risk; ran in print version of *Mainframe Executive*.

Excerpt:

The idea of reducing IT costs during turbulent economic times isn't new. However, some cost reductions involve risk and can limit an organization's ability to develop, or even maintain, competitive advantages.

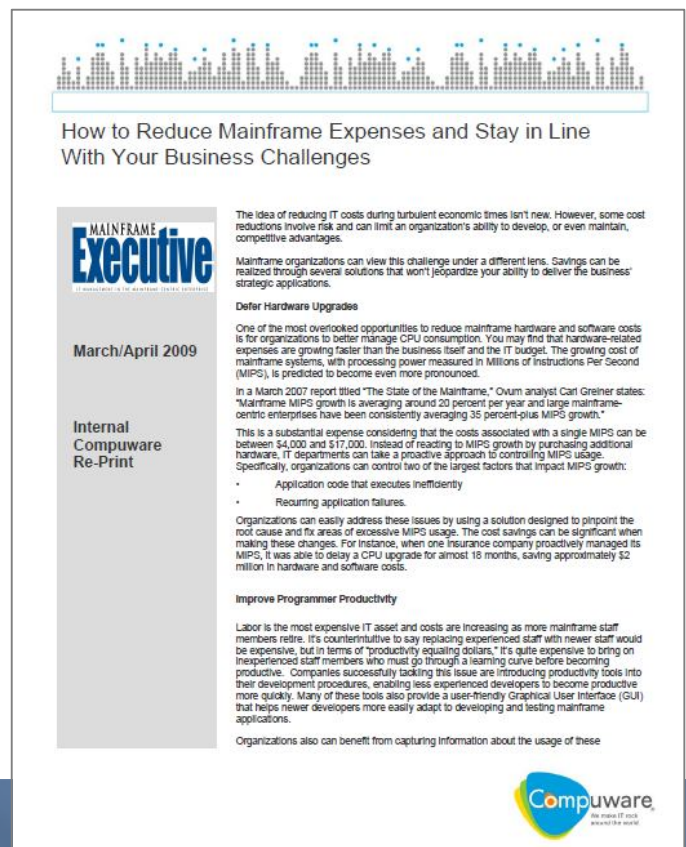
Mainframe organizations can view this challenge under a different lens. Savings can be realized through several solutions that won't jeopardize your ability to deliver the business's strategic applications.

Defer Hardware Upgrades

One of the most overlooked opportunities to reduce mainframe hardware and software costs is for organizations to better manage CPU consumption. You may find that hardware-related expenses are growing faster than the business itself and the IT budget. The growing cost of mainframe systems, with processing power measured in Millions of Instructions Per Second (MIPS), is predicted to become even more pronounced.

In a March 2007 report titled "The State of the Mainframe," Ovum analyst Carl Greiner states: "Mainframe MIPS growth is averaging around 20 percent per year and large mainframe-centric enterprises have been consistently averaging 35 percent-plus MIPS growth."

This is a substantial expense considering that the costs associated with a single MIPS can be between \$4,000 and \$17,000. Instead of reacting to MIPS growth by purchasing additional hardware, IT departments can take a proactive approach to controlling MIPS usage.



How to Reduce Mainframe Expenses and Stay in Line With Your Business Challenges

The idea of reducing IT costs during turbulent economic times isn't new. However, some cost reductions involve risk and can limit an organization's ability to develop, or even maintain, competitive advantages.

Mainframe organizations can view this challenge under a different lens. Savings can be realized through several solutions that won't jeopardize your ability to deliver the business's strategic applications.

Defer Hardware Upgrades

One of the most overlooked opportunities to reduce mainframe hardware and software costs is for organizations to better manage CPU consumption. You may find that hardware-related expenses are growing faster than the business itself and the IT budget. The growing cost of mainframe systems, with processing power measured in Millions of Instructions Per Second (MIPS), is predicted to become even more pronounced.

In a March 2007 report titled "The State of the Mainframe," Ovum analyst Carl Greiner states: "Mainframe MIPS growth is averaging around 20 percent per year and large mainframe-centric enterprises have been consistently averaging 35 percent-plus MIPS growth."

This is a substantial expense considering that the costs associated with a single MIPS can be between \$4,000 and \$17,000. Instead of reacting to MIPS growth by purchasing additional hardware, IT departments can take a proactive approach to controlling MIPS usage. Specifically, organizations can control two of the largest factors that impact MIPS growth:

- Application code that executes inefficiently
- Recurring application failures.

Organizations can easily address these issues by using a solution designed to pinpoint the root cause and fix areas of excessive MIPS usage. The cost savings can be significant when making these changes. For instance, when one insurance company proactively managed its MIPS, it was able to delay a CPU upgrade for almost 18 months, saving approximately \$2 million in hardware and software costs.

Improve Programmer Productivity

Labor is the most expensive IT asset and costs are increasing as more mainframe staff members retire. It's counterintuitive to say replacing experienced staff with newer staff would be expensive, but in terms of "productivity equaling dollars," it's quite expensive to bring on inexperienced staff members who must go through a learning curve before becoming productive. Companies successfully tackling this issue are introducing productivity tools into their development procedures, enabling less experienced developers to become productive more quickly. Many of these tools also provide a user-friendly Graphical User Interface (GUI) that helps newer developers more easily adapt to developing and testing mainframe applications.

Organizations also can benefit from capturing information about the usage of these

MAINFRAME Executive
MARCH/APRIL 2009

Internal Compuware Re-Print

Compuware
the mainframe IT world