

Project Type: White Paper

Details: This white paper was developed for directors and VPs of operations to educate them on an often-overlooked way to save on IT costs.

Excerpt:

Executive Summary

Better management of MIPS consumption is one of the most overlooked opportunities for reducing mainframe hardware and software costs. MIPS usage is growing faster than both business growth and IT budget growth, and this trend is likely to become even more pronounced. One industry analyst, Ovum, estimates that “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 substantial, as industry analysts estimate that the addition of one MIPS can cost between \$4,000 and \$15,000. Just as with any other outlay, the cost of MIPS can be controlled.

However, many organizations lack the knowledge, know-how or experience to manage their MIPS usage effectively. The standard response is to react when problems occur by buying additional hardware when the IT system is nearing full capacity, rather than taking a proactive approach to prevent MIPS growth. Excessive MIPS consumption isn’t just a technical problem, it’s a business problem, and there are simple steps that every organization can employ to better manage their MIPS usage and gain a quick return on investment.

This paper will detail how to control and manage MIPS usage by employing a systematic, repeatable approach that uses powerful technology and a proven process and expertise.

State of the market

In today’s tight, rapidly changing economy, you need to look at ways to reduce costs while simultaneously investing in business drivers and gaining competitive edge. Chances are you’ve tried a number of traditional approaches to reducing ever-increasing costs, such as reducing head count, outsourcing, consolidating data centers or replacing best-of-breed products with cheaper (and inferior) alternatives. Most of these methods possess an element of risk, though—and can end up costing more money than they save—especially when complex environments are involved.

WHITE PAPER: FIVE SIMPLE STEPS TO MANAGING MIPS

Save money on mainframe hardware and software: Five simple steps to start managing MIPS

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It is better to address the root cause—MIPS growth—than attempt alternative cost-reduction measures. Even though this is an approach that 44 percent of IT managers, directors and executives claim to take, a majority of IT executives (58 percent) admit they do not continually monitor MIPS usage. And 43 percent believe their organizations are ineffective at managing MIPS growth.¹ There is a significant opportunity for companies to better manage their MIPS growth.

There are many advantages to managing MIPS. Most tangibly, organizations can save money by avoiding unplanned or unbudgeted upgrades. For instance, when one insurance company managed its MIPS, it was able to fine-tune performance and delay the next CPU upgrade for almost 18 months, saving approximately \$2 million in hardware and software costs. Another example is a large manufacturing company that had been upgrading CPU on average of every 8 months. By employing a MIPS management solution, the manufacturer avoided upgrading for 24 months and saw a 12 percent reduction in mainframe capacity usage. Other potential savings include millions of dollars spent annually on unnecessary processing due to poorly tuned application software, increased batch processing time and unacceptable response times.

In addition to lowering the demand for CPU resources, organizations also improve customer satisfaction, for both internal and external customers, by improving application responsiveness, availability and quality. IT employees also gain quantifiable proof about how their department makes a contribution to the larger business.

¹ Refer to the purpose of this paper, we refer to MIPS. However, this also applies to MIPS.
² Source: “The State of the Mainframe,” Gartner, October 2009, source: www.gartner.com
³ Source: “Mainframe Management of Enterprise Organizations,” Consultants, August 2007