



How to Harness Your IBM i OS for Digital Transformation

Modernizing for Higher Impact and ROI

Executive Summary

Modernizing your IBM i platform will allow you to keep its important role in underpinning mission-critical operations.

A recent study showed that 72% of survey participants, representing a cross-section of industries including Manufacturing, Banking/Finance, Distribution, Insurance and Retail, ran more than half of their business applications on IBM i.¹ The reliability, scalability, high availability and recoverability offered by the platform coupled with its consistent ROI performance have made IBM i a heavily counted on choice for critical applications supporting core revenue generation activities.

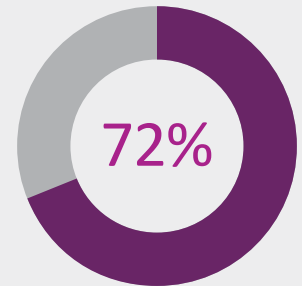
Real life examples of the platform's relevance in the mid-sized business sector include:

- Manufacturing companies that run one or more entire plants to produce their products
- Insurance companies that process multitudes of claims and other transactions
- Shipping operations that coordinate the logistics of their entire truck fleet from the platform

While the value and importance of the IBM i platform is well documented, the transformation of the IT estate to a modernized, digital, cloud-first environment has challenged IT leaders to navigate a balance between their legacy technology systems and emerging cloud and analytics platforms. To support evolving business objectives and meet escalating expectations, IT leaders are tasked to integrate their IBM i platforms with the wider IT estate and harmonize the workloads between various delivery platforms. In essence, the relevance and value that the IBM i system brings to revenue-dependent activities must be illustrated to a wider audience by translating the capability and capacity of the IBM i platform across a wider scale.

Modernizing your IBM i system is at the center of facilitating this shift to happen within your organization. This whitepaper explores the market drivers for modernizing your IBM i systems, the risks and pitfalls of operating with a stagnant platform and alternative paths forward to help maximize the value your IBM i system delivers to your business.

SURVEY RESULTS



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Meeting the demand for actionable data through modernization

The case for modernizing your IBM i platform begins with taking a closer look at the catalysts fueling the digital economy. A commissioned study conducted by Forrester Consulting on behalf of Ensono² found that the three main drivers behind digital transformation were:

- Meet rising customer expectations
- Derive better data insights and predictive analysis on our customers
- Increase upsell/cross-sell opportunities

Actionable data is the common thread that ties these three objectives together. Actionable data powers the performance of customer-facing applications, creates the foundation for deeper analytics and delivers the insights that can be used to uncover current opportunities to expand customer relationships. Interconnectivity of the systems within your IT estate is a critical part of fostering the flow of actionable data across your organization and this is where the performance of your IBM i system comes into play. In order to continue supporting your organization at an optimal level within the digital economy, your IBM i system has to be modernized, automated and optimized. Your system must effectively interface within your IT estate and enable stakeholders to access and extract mission-critical application data with a myriad tools and applications. The most recent version of the IBM i operating system, IBM i 7.4, features built-in capacity and interoperability to deliver on this goal — but if your organization has delayed upgrading to newer versions of IBM i, your reliable, mission-critical platform could lose its place in your company's modern data center.

Avoiding the costly consequences of an outdated operating system

The inability of an older operating system to adapt to changing business requirements and easily integrate to support new systems, equipment and revenue streams is a glaring risk for CIOs evaluating the performance and ROI of their IT estate. The lack of modernization can quickly equate to extinction for your IBM i platform and create negative impacts for the teams supporting it. A stagnant platform falls below most current risk tolerance thresholds and the consequences of an unsustainable system often end with full scale re-platforming.

There are additional risks to consider that older operating systems could create for your business. A cross-industry survey points to concerns over security more than doubling year-over-year to 77% in 2020.¹ Recent and noteworthy data breaches have illustrated how important integrated security across your entire IT ecosystem has become while also highlighting how older operating systems and applications can create minute entry avenues for bad actors to fully exploit.

DRIVERS BEHIND DIGITAL TRANSFORMATION



Meet rising customer expectations



Derive better insights and predictive analysis on customers



Increase upsell/cross-sell opportunities

Recent and noteworthy data breaches have illustrated how important integrated security across your entire IT ecosystem has become.

High availability/disaster recovery was another pressing concern cited in the survey with over 66% of participants citing it as a top concern.¹ An older, unsupported operating system compounded with the issue of unsupported IBM Power hardware creates an immediate roadblock to achieving the levels of high availability and uptime that are typically the cornerstone benefits of an IBM i platform. The combination of these issues drives up errors along with operating and maintenance costs and significantly reduces the efficacy of the platform. In the eyes of most executives, this fully negates the system's value and relevance as a reliable resource to help a business generate revenue.

Balancing modernization benefits with budget realities

A current and modernized IBM i system can play a viable role in your overall IT infrastructure. An up-to-date operating system delivers increased capacity and higher levels of performance and supports increased operability with other management platforms to facilitate the levels of automation and integration that the digital economy demands. This streamlined interaction across your IT estate backed up by the reliability and stability you've come to trust from the IBM i platform can enable your business to:

- Lower operating costs
- Enhance productivity and drive efficiency gains
- Adapt to rapidly changing business requirements
- Increase data visibility across disparate business functions
- Strengthen application performance
- Improve the customer experience

The modernized IBM i platform can have a relevant place in the IT estate for the foreseeable future, help your business achieve core objectives and support mission-critical activities — yet the constraints of budget realities, especially if you are on an older system, can make modernization look like an overwhelming journey. Navigating this path requires taking a critical look at the numbers and exploring alternative options that may better dovetail into your current budget requirements.

Understanding the total cost of ownership creates a solid starting point to assess the best direction forward. Evaluating the total cost of ownership means taking a comprehensive look at all of the elements that go into operating the platform, including hardware, software, headcount to support the solution, floor space and power consumption. Another key calculation to consider is the cost of re-platforming and redesign, accounting for the talent costs, downtime and transition costs typically involved in a re-platforming project.

MODERNIZATION BENEFITS



Lower operating costs



Enhance productivity and drive efficiency gains



Adapt to rapidly changing business requirements



Increase data visibility across disparate business functions



Strengthen application performance



Improve the customer experience

Capital constraints often present a real obstacle to IT budgets. IT is commonly viewed as a cost center (and not a revenue generator) and therefore there is high scrutiny of any large capital investments. When viewed as a cost center, there needs to be clear alignment of current period expense and the value provided. Converting to managed or hosted service arrangements can create a more pragmatic route to modernization without negative CapEx impacts. For example, a manufacturing client upgraded their outdated i/OS and realized \$500,000 in CapEx savings by switching to managed IBM i cloud service from Ensono.³ Often a managed or hosted service provider arrangement helps improve overall cost transparency and builds in the flexibility to quickly scale up or down to meet changing business demands. Managed or hosted arrangements help your business reduce costs by leveraging economies of scale and can improve efficiencies by simplifying immediate access to specific levels of support, best practices and current updates.

Each organization has unique budget realities and constraints when it comes to taking the next step to best support your IT infrastructure. Taking time to clearly identify the numbers and requirements in your specific mix supports well informed decisions and can help your business discover practical ways to overcome limitations and achieve a modernized IBM i platform to support your overall business goals.

Multiplying the impact of your modernization efforts

A modernized operating platform creates a strong foundation to continue the digital transformation of your IT infrastructure. Application renovation is the natural nexus to further build upon the value of an optimized infrastructure. The focus and effort you've invested in modernizing your platform opens a host of opportunities to revamp and upgrade the applications that play a pivotal role in the customer experience and help your company boost productivity and profitability. High level examples include:

- Enabling user interface improvements
- Opening e-commerce channels
- Streamlining mobile access
- Expediting code transformation

An optimized operating system establishes a solid starting point to foster greater innovation within your organization and helps accelerate the business response to changes in customer expectations and the marketplace which translates into greater competitive advantage for your organization.

EXAMPLE



A manufacturing client upgraded their outdated i/OS and realized \$500,000 in CapEx savings by switching to managed IBM i cloud service from Ensono.³

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Mapping a viable path forward

Evaluating how your operating system supports the business is an essential step to ensure it is playing a relevant role in your digital transformation journey.

The latest version of the IBM i platform can help equip your business to achieve the goal of interconnectivity of the systems within your IT estate and link your business to actionable data to sustain mission critical activities and support new initiatives to expand market share. Modernizing and optimizing your IBM i system is the best route to maintain its relevance within your IT infrastructure. An automated IBM i platform creates new opportunities to improve business performance, increase significant cost efficiencies and build competitive advantage that creates enduring value for your organization. An optimized platform also adds a layer of protection and security by helping your business fully harness the stability and reliability of the IBM i system.

Evaluating how your operating system supports the business is an essential step to ensure it is playing a relevant role in your digital transformation journey.

¹ Tom Huntington, HelpSystems 2020 IBM i Marketplace Survey, 2020

² Digital is Disrupting Insurance, a commissioned study conducted by Forrester Consulting on behalf of Ensono in September, 2017

³ Case Study, "Ensono Helps Manufacturer Meet Multiple IT Challenges", 2017