



Research Report

CA Technologies' Mainframe Software Rationalization Program

Executive Summary

Generating over \$4.4 billion in annual sales revenue, CA Technologies is one of the world's largest software companies. Its portfolio is rich in information technology (IT) security and management software. And in the management space, the company's portfolio includes a particularly strong suite of mainframe management products.

To grow marketshare, CA Technologies is now strongly focused on making it easier for customers to acquire and manage its software. To this end, the company has introduced a new approach (a services/migration/training engagement) that encourages its customers to standardize on CA Technologies mainframe management products — and, by so doing, these customers will reap the rewards of lower software costs (through volume purchase agreements) as well as better product integration. By standardizing on CA Technologies mainframe products, these customers will be able to simplify the management of their mainframe environments and see a faster-time-to-value on the software that they purchase.

The name of this new approach is known as the company's Mainframe Software Rationalization Program (or MSRP for short).

MSRP is, in essence, an assessment and migration service that uses a variety of mainframe discovery/assessment/measurement tools to analyze a mainframe environment. This assessment enables CA Technologies professional services organization to understand how a given mainframe environment operates. Once this data is captured, a report can be generated that shows which mainframe management products are being used — and how these products are being used. With this information, CA Technologies professional service representatives can assess migration risks and show customers which products can be replaced with competing CA Technologies products. Should a customer decide to adopt CA Technologies' recommendations, the company even has a set of tools that can streamline the deployment the new software. Further, once the migration has taken place, CA Technologies has additional audit tools can be used to verify the completeness and accuracy of the migration.

We like CA Technologies' MSRP program for three reasons:

- 1) Customers receive a volume purchase agreement discount for consolidating and standardizing on CA Technology management products (this helps lower mainframe management software costs);*
- 2) Many of CA Technologies' mainframe management software products are integrated with one another — simplifying the task of management; and,*
- 3) It drives competition (this kind of competition forces vendors to become more price competitive — a situation that almost always benefits an IT buyer).*

In this *Research Report*, *Clabby Analytics* takes a closer look at CA Technologies' MSRP offering.

Getting Started: Consider Using a New Approach (Vendor Relationship Management)

Conventional wisdom has it that way to get the best deal when buying IT software is to play one vendor off against another. If two or more vendors have roughly similar products, then one way to drive down prices is to make those vendors bid competitively using an RFP (request for proposal) or tender process. And, in this manner, IT buyers are often able to drive their purchases down closer to “street price”.

This “drive-to-street-price” approach has worked well for decades — it has forced vendors to bid competitively, and it gives IT buyers purchasing leverage.

But, nowadays, this approach has one huge downside: buyers can end up with a hodge-podge of products that may not be easily integrated with one another. And, because these products are not well integrated, the burden of capturing information in one product and using it to perform a task using another product places additional burden on IT managers and administrators (and drives up human labor costs due to the additional manual labor involved). These additional product integration and optimization efforts can cost IT buyers additional time and money (sometimes lots of money...).

Our Recommendation: Become Familiar with the Concept of Vendor Relationship Management

The goal in any price negotiation should be to enable both sides to “win” by ultimately agreeing to a price that delivers maximum value to a buyer and reasonable profit to a seller. To date, the way that many enterprises have driven vendor negotiations has been to get a quote from several vendors, then choose the software package that they really want, and then use the other competitive quotes to drive down the cost of the software they initially wanted to buy.

Research at Berkman Center for Internet & Society at Harvard University shows that there may be better means to negotiate with vendors. Instead of negotiating using the traditional “competitive beat-down” approach, this research suggests that enterprise buyers should “empower” themselves using a set of tools known as vendor relationship management (VRM) tools to become more informed and more involved when negotiating with vendors.

What VRM attempts to do is change the focus in the buying process. At present, there is a tendency for vendors to target/capture/acquire/lock-in/direct/own/manage and dominate the procurement process. Instead, VRM shifts the focus away from these practices to a more cooperative approach where vendors and buyers work together to build mutually beneficial relationships — or as VRM researchers put it: “VRM immodestly intends to improve markets and their mechanisms by equipping customers to be independent leaders — not just captive followers in their relationships with vendors and other parties on the supply side of the marketplace”. (For more on VRM, please visit the Project VRM website at: <http://projectvrn.net/>).

We believe that CA Technologies’ MSRP program is simpatico with the spirit of VRM negotiations. What CA Technologies is attempting to do is to help its customers lower their mainframe management costs, while at the same time increase its own profitability. This approach works well for customers (because they can take advantage of CA Technologies volume purchase agreement to reduce software and integration costs); and CA Technologies, in the end, sells more product. This relationship is mutually beneficial to both parties.

Next: Consider the Advantages of Using an Integrated Software Stack

Earlier this year, *Clabby Analytics* embarked on a research path to study the topic of workload optimization. (In fact, we are now sharing the results of this ongoing research on a new website that we created called: www.workloadoptimization.com).

Our research into workload optimization (the process of running applications and databases on systems best suited to serve them in order to achieve maximum business value from systems and software) has taught us some very valuable lessons about the importance of buying integrated suites of application/database/system software/operating environments/hardware from the same vendor. What our research shows is that, although it may appear to be less costly to pit one vendor against another to drive down initial software acquisition costs — greater business value, reduced complexity, and lower cost can be achieved by buying integrated software stacks from the same vendor.

What our research has also shown is that certain vendors are able to create radical performance efficiencies; are better able to leverage product features and functions across different products; and are also able to establish distinct competitive advantage — all by building their own integrated software-and/or software/hardware stack. CA Technologies is one of these vendors.












































Finally, we also note that vendors who build their own software stacks are better able to control their own direction and destiny. These vendors can choose what is important to their customers and build those features into successive product releases. And these vendors can also bundle their software products together and then use bundling as a means to reduce cost (creating a competitive cost advantage).

Software Destiny

To illustrate this “software destiny” point, look at what recently happened to Hewlett-Packard (HP), the maker of Itanium processor-based Integrity servers. In January, 2001, HP acquired Bluestone, a maker of middleware software. In June, 2002, Hewlett-Packard announced its plans to exit the middleware business and rely on software partners such as Microsoft, Oracle, and BEA to provide the middleware stack that would run on their servers. In April, 2011, Oracle announced that it would cease future development of its stack, database, and applications on Itanium-based servers. As a result, the leading software stack on Itanium-based servers will no longer be available — a situation that will probably result in the demise of Integrity servers in the not too distant future. This is an example of what happens when a vendor does not control its own software destiny.

By contrast, consider CA Technologies mainframe management stack. This stack provides integrated mainframe management solutions that include security, session management, database performance management, backup/recovery, storage management, workload automation, and resource management solutions (see Figure 1 for a more comprehensive list of CA Technologies’ mainframe management solutions). CA Technologies controls the developmental destiny of all of these products — and, accordingly, has the ability to control its own software destiny and provide mainframe users with flexibility and choice. (And CA Technologies clients do not have to worry about the withdrawal of a key software vendor from their mainframe management portfolio. CA Technologies, thus, minimizes customer risk).

Figure 1 — The Depth and Breadth of CA Technologies’ Mainframe Management Solutions

 Mainframe 2.0 	 Application Performance Management for Mainframe 	 Application Quality and Testing Tools for Mainframe 
 Data Transport for Mainframe 	 Database Administration for Mainframe 	 Database Backup and Recovery for Mainframe 
 Database Performance Management for Mainframe 	 Mainframe Databases 	 Linux Management for Mainframe 
 Modernization and Multi-Platform Application Development 	 Network Management for Mainframe 	 Output Management and Enterprise Report Management 
 PCI Compliance for Mainframe 	 Resource Management for Mainframe 	 Security Management for Mainframe 
 Session Management for Mainframe 	 Software Change Management for Mainframe 	 Storage Management for Mainframe 
 Systems Management for Mainframe  	 Transaction Management for Mainframe 	 Workload Automation for Mainframe-Hosted Implementations 

Source: CA Technologies Website at: <http://www.ca.com/us/mainframe-products.aspx>

CA Technologies offers a broad set of mainframe management software solutions. It is able to integrate these solutions to create distinct competitive advantage — and to deliver its customers turnkey, integrated solutions (saving its customers from having to perform integration and optimization work themselves). CA Technologies does not have to rely on other vendors to fill out its mainframe management stack — and accordingly controls its own software destiny.

Then, Take a Closer Look at CA Technologies’ MSRP Program

If your organization is willing to take a new approach toward establishing a mutually-rewarding relationship with your vendors (a VRM or VRM-like approach) — and if your organization recognizes that using one vendor can help lower operational costs (through more integrated management and lower software costs), then it is ready to take the next step: an evaluation of CA Technologies’ Mainframe Software Rationalization Program.

CA Technologies’ MSRP program is aptly named — what it seeks to do is rationalize (make more orderly) the software portfolio that a client uses to manage his or her mainframe environment.

As we see it, there are four basic elements of CA Technologies’ approach to mainframe management rationalization:

1. The use of software discovery & analysis tools that read systems management software data (usually from the previous 30 days). These tools detect how various management software programs are being used across mainframe LPARs (logical partitions). They scan job control language (JCL) libraries and other sources looking for procs (processes), jobs, and steps that are being used in a given

CA Technologies Mainframe Software Rationalization Program

mainframe environment. Further, these tools can be used to review exits, REXX execs, dynamic loads and any unique automation requirements. Further, these tools are so advanced that they can even scan control cards and detect features and functions that are being used within various mainframe management products. (Note that this software can be run on site by CA Technologies or the prospective customer — and, for most mainframe environments, it only takes a few hours to gather this data).

What is particularly important about this phase is that it produces “objective” rather than “subjective” data. Analysts and consultants know that asking a given IT organization articulate all the products that it uses — and then describe in detail how it uses those products — can frequently result in unintentional misinformation (wrong information leads to wrong decisions). CA Technologies’ discovery & analysis tools shows exactly which products are being used and is capable of digging into which features and functions are being used. With this information, combined with the “tribal knowledge” of mainframe operators, CA Technologies can create a composite, accurate, objective picture of how a mainframe environment is being managed — leading to better decision-making and risk management.

2. Using this data, other CA Technologies tools are able to generate an objective report that describes management activities and products within a given mainframe domain. This report provides CA Technologies professional services representatives as well as customers with a list of management software candidates that can be replaced by CA Technologies mainframe management software. Also, using this data, CA Technologies professional services representatives and the customers can also assess any risks involved in migrating away from other vendor’s software to CA Technologies mainframe management software.
3. If a customer decides to take advantage of CA Technologies’ rationalization program, the company will help that customer deploy and integrate the new mainframe management products with existing CA Technologies mainframe management software. To do this, CA Technologies has a variety of tools that help with the conversion process. The tools used depend on the products that are being replaced (for instance, if a workload automation tool is being used, a workload optimization suite of tools can be used in the conversion process; if a database is being replaced, then database management tools would be used; etc.). The important point here is that these tools are highly automated — and this helps to eliminate human errors and accelerate time to value. And,
4. After deployment, CA Technologies tools can be used to verify the completeness and accuracy of the migration. This step is important because some users may not have gotten the message that new tools are to be used — and people may actually try to create jobs using the old tools. CA Technologies can audit and identify the old software is being used and notify management that a user or group of users may require notification of the change in software. This helps ensure that its customers are maximizing their new investments in CA Technologies’ management software.

What CA Technologies has done is that it has created an environment that provides discovery, analysis, migration and auditing tools that automate the migration process — allowing its customers to build a consolidated, integrated mainframe management environment — and operate that environment at a reduced cost.

Now, consider the benefits of using an all-CA Technologies stack. First, CA Technologies is working to unify almost all of its mainframe software over time as part of a major integrate-and-simplify mainframe management strategy. As these products become more and more integrated (and, in some cases, more automated), the job of managing a mainframe becomes simplified.

By simplifying the management of the mainframe, mainframe owners are seeing two distinct benefits:

1. Simplification of mainframe management makes it easier for the next generation of mainframe managers to build the skills needed to replace the existing generation; and,
2. Lesser skilled individuals are required to manage mainframes (lowering mainframe management costs).

MSRP in the Real World: A Large, Managed Services Provider

As an example of the kind of results that can be achieved by taking advantage of CA Technologies' MSRP, consider the case of a large managed services provider that was able save millions of dollars by consolidating its multi-vendor management environment into a single stack CA Technologies mainframe management solution.

This particular service provider (name withheld by request) determined that it could reduce costs and simplify mainframe operations by using fewer mainframe management software vendors to perform *application quality testing*. After analysis conducted by CA Technologies' MSRP service professionals, this service provider decided to consolidate its many application quality testing tools into a single CA Technologies testing environment.

CA Technologies' analysis showed that this service provider could expect huge cost savings if it's standardized on a single stack for application quality testing. This customer found the return-on-investment (ROI) estimate to be so compelling that it approved the migration plan even though it had not budgeted for the migration costs during its regular budgeting cycle.

What this customer found was that, in less than 12 months, it was saving millions of dollars in application quality testing. Consolidation on CA application quality testing tools simplified the quality testing process — and the consistency and integration of these tools made it easier for software engineers to perform their work. As the customer indicated: “by streamlining our operations, there are now fewer tools in the environment, making it easier to train the management staff. This led us to the creation of a strong management partnership with CA Technologies — and helped us create higher service levels and higher satisfaction rates for our customers”.

Summary Observations

One of the most important messages in this white paper is that it may be time to get rid of “old think” when it comes to software procurement. In days gone by it has been common practice to get at least two quotes during the procurement process in order to play one vendor's bid off against another vendor's bid. But in some cases, the practice of buying the lowest cost product may not represent the most cost-effective approach for the enterprise. Enterprises that are willing to practice vendor relationship management are likely to find

CA Technologies Mainframe Software Rationalization Program

that vendors are willing to reduce costs significantly as part of a unified software vendor purchase agreement — and the same enterprises may also find that buying products from single vendor results in better product integration (which makes these products easier to use, and sometimes requires lesser skilled individuals to use these products).

We believe that CA Technologies' Mainframe Software Rationalization Program is a fine example of vendor relationship management where empowered customers and cooperative vendors demonstrate that it is simple and straightforward to work together to each other's mutual benefit.

Another important message contained herein is that software integration is important. When management software programs work together it is easier to automate tasks — and it is easier for mainframe managers and administrators to move between management functions (without creating yellow sticky notes streamline them of the data that they had captured from a non-integrated program). Further, on this integration theme, it is important to note that only a few vendors have the ability to create broad, integrated mainframe management product offerings. CA Technologies is one of these vendors. (Check out CA Technologies' Mainframe Software Manager (CA MSM) environment to see how CA Technologies has built a master management environment that its customers can use to acquire, install, deploy, configure and maintain its various mainframe management software products at <http://www.ca.com/us/mainframe-automation.aspx> . Incidentally, CA MSM is available at no additional cost for its customers).

As a final point, we believe that IT buyers who embrace this single stack approach can expect to see business benefits that include:

- Lower costs (because CA Technologies is willing to put together volume purchase agreements that reward customers for purchasing an integrated mainframe management stack);
- Reduced risk (because CA Technologies controls its own developmental destiny and is not reliant on third parties to round out its product line — and because they have a methodology in place to ensure that consolidation is executed well); and,
- Improved management performance (in two ways: 1) IT managers and administrators become more efficient by using integrated toolsets; and, 2) CA Technologies programs cooperate well with other CA Technologies programs — thus creating performance efficiencies by using seamless integration).

Going forward, IT buyers should focus more on reaping the value of integrated stacks as opposed to trying to play one vendor off against another. There is an entire field of study known as vendor relationship management that focuses on creating balanced win – win situations for vendors and their customers. CA Technologies' MSRP offering is focused directly on building such a win-win scenario.

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