



CLABBY ANALYTICS

Advisory

IBM Tivoli Live Monitoring Service — Enterprise-Level Management for Small and Mid-sized Companies

Executive Summary

Big companies buy advanced systems management software that can automate management and administrative tasks because they have large populations of servers, storage, and network devices — and manually managing those devices can be prohibitively expensive, time consuming, and prone to errors. And large enterprises typically deploy advanced application and infrastructure management software for the same reasons. Labor and complexity need to be reduced — and advanced, automated management software help reduce costs and simplify administration and management.

Small to mid-size companies tend to have fewer trained IT professionals, and, in many cases, would prefer to purchase pre-configured, pre-tested software on a pay-as-you-go, as needed basis. Growth in these businesses may not be as predictable, and this model enables them to scale quickly and cost-effectively.

For small-to mid-size businesses, services delivered via the cloud — that is deployed and delivered as needed, in real-time, over the Internet — provide savings in software and installation costs. This model is also very attractive to software business partners who can use basic services delivered via the cloud as the foundation to offer higher level, higher value services.

There are several systems vendors that offer cloud-based management services — the most notable of which are Hewlett-Packard (HP) and IBM. HP was first to get their offering out the door; and IBM recently introduced its “Tivoli Live” offering. *Clabby Analytics* likes both offerings — but given HP’s recent struggles in the software business — we think that IBM’s Tivoli Live may be the more successful offering over time. In this *Advisory*, we take a closer look at Tivoli Live from both a market and competitive positioning perspective.

IBM’s Tivoli Live

IBM’s latest offering in a growing set of managed “cloud” services is *Tivoli Live Monitoring Service* — a software service that enables businesses to monitor, predict, and prevent IT outages. Tivoli Live also provides performance and capacity reporting as well as automatic alerts and “self-healing” for certain issues. This service is available as a monthly subscription service through the IBM Cloud.

With many small and mid-size businesses looking to trim costs while still achieving enterprise-class management service levels, purchasing cloud services avoids the investment in hardware, software licenses and software installation; users can purchase what they need when they need it – endless scalability without big up-front purchases of excess capacity to support uncertain future growth.

Tivoli Live and the Cloud

The way that computer systems are being deployed is changing — moving toward a cloud computing model. This new model puts computing resources into virtual (logical) pools where those resources can be automatically provisioned (the build-up or tear-down of computer images) to accommodate new workloads.

Some of the benefits of this new model to enterprises include:

- Better systems utilization (enabling IT buyers to improve their return-on-investment in systems, storage, and network devices);
- Lower management costs (because multiple servers can be consolidated, managed, and secured on fewer, larger servers); and,
- Lower quality assurance/testing costs (because discrete, separate “partitions” can be set-up to run on the production systems on which they will eventually be deployed, thus ensuring that any software being tested will operate properly on the system upon which it will eventually be hosted. This also eliminates the need to buy separate test systems).
- Immediate scalability (because compute power, applications, and storage are provisioned on an as-needed basis)

Within these computer clouds, there are several different deployment models. There are:

1. *Private clouds* — a group of tightly controlled data center resources behind an enterprise firewall;
2. *Public clouds* — a service provider makes resources, such as applications and storage, available to the general public over the Internet.
3. *Hybrid clouds* — a mix of private cloud and public cloud environments.

IBM has been very aggressive in developing and delivering both private and public cloud solutions since the “Blue Cloud” initiative was first launched in 2008. The company has assembled a comprehensive set of offerings in range of deployment models, including:

1. *Smart Services for the IBM Cloud* (public);
2. *Smart Business Cloud* (private cloud services); and,
3. *Smart Business Systems* (pre-integrated packages optimized for specific workloads).

At a time when businesses want to see immediate tangible benefits and a short-term pay-back on investments, this broad range of deployment and delivery models is great news for customers both large and small. Public cloud services, like Tivoli Live, make it possible for small-to mid-size businesses to achieve enterprise-class scalability and service levels at an affordable price.

Tivoli Live Monitoring Services: A Closer Look

Tivoli Live Monitoring Services allow customers to access pre-configured dedicated instances of IBM Tivoli Monitoring 6.2.1, IBM Tivoli Monitoring for Microsoft Applications 6.2 and IBM Tivoli Composite Manager for Applications 6.2.

IBM's Tivoli Live: Enterprise-level Management for Small and Mid-sized Companies

Tivoli Live is used for performance and availability monitoring for Windows and Linux servers and related network devices, providing simple availability metrics and the ability to recycle servers remotely to bring resources back on-line. Tivoli Live is offered as a software service through the cloud; customers can provide their own management or purchase it as an add-on from IBM (or another third-party). Some customers may opt for “split-shifts”, where the customer “operates the console” during daytime business hours and an IBM staffer then takes over for off-shift hours.

Tivoli Live features:

- Support for the monitoring of up to 500 monitored resources (OS, applications, devices);
- Hosted at global IBM delivery centers
- Access to 24x7 phone and email support;
- Range of monitoring services
 - *Touchless monitoring* — basic enterprise-level monitoring services
 - *Distributed monitoring* — collection of detailed information for server and application monitoring, and advanced automation capabilities
 - *Performance services* — historical and trend analysis and performance and capability reporting;
- Priced per service or monitored element monthly with one-time set-up fee
- Support for Linux, AIX, HP-UX and Microsoft Windows;
- Easy-to-use, intuitive management interface through secure web portal; and,
- Easy-to-use automation scripts and self-help guides for deploying monitoring agents for data collection; and,
- Optionally, IBM provides a Tivoli Live managed service offering.

Initially, Tivoli Live will be available in English-speaking regions, starting with North America now and extending to UK, Australia, New Zealand, Singapore, Hong Kong and South Africa throughout the year (as well as the Nordics). Worldwide support is expected later in 2010 with support for up to 12 languages.

While IBM Tivoli Live offers clear value for small to mid-size businesses, IBM Business Partners will also benefit. Software partners can resell Tivoli Live — along with a set of related services including training, creating reports, developing custom workspaces and dashboards, and management labor. With IBM offering the basic software and installation, partners can use their resources to develop differentiated, higher margin service offerings.

Tivoli Live Monitoring Services: Competitive Positioning

HP Cloud Assure

HP Cloud Assure is HP's cloud-based management service. HP Cloud Assure (announced March 31, 2009) is a set of cloud services and software including:

- *HP Application Security Center* — scans networks, operating systems, middleware and web applications and performs automated penetration testing;

IBM's Tivoli Live: Enterprise-level Management for Small and Mid-sized Companies

- *HP Performance Center* — monitors performance to ensure that SLA's are being met; and,
- *HP Business Availability Center* — which monitors applications to identify potential uptime vulnerabilities.

Cloud Assure, like Tivoli Live Monitoring, offers a set of services designed to overcome objections to public cloud deployments (security, performance and availability concerns), but Cloud Assure doesn't have the same brand awareness as Tivoli — and HP's declining software revenues and market share are a reflection of that. In 2009, software represented only 3% of HP revenues compared to over 20% of IBM revenues. Clearly software will continue to be a primary focus area for IBM.

HP/Microsoft Alliance

One way to overcome struggles in the software marketplace is to partner with other companies that have like, complementary interests. On January 13, 2010, HP and Microsoft announced a three-year, \$300 million agreement to deliver an expanded portfolio of combined solutions for worldwide enterprise customers. The combined investment will cover collaborative efforts in solution development, testing, validation, deployment, and joint sales and marketing. According to Microsoft and HP, joint solutions will be focused in five areas: (1) messaging and unified communications; (2) collaboration and content management; (3) business intelligence; (4) business process integration; and (5) core infrastructure. Early efforts will be in virtualization, management, and HP/Microsoft packaged server, storage, networking and application offerings for the cloud.

To Clabby Analytics, this announcement is a logical pairing,, following on the footsteps of the VCE coalition, where VMware, EMC, and Cisco announced they would deliver integrated Vblock hardware/software packages. And with Oracle's acquisition of Sun on the table, the Microsoft/HP announcement looks like another hardware vendor teaming up with a software partner to deliver best-in-breed solutions. Further, for companies as large as HP and Microsoft, \$300 million isn't a huge commitment. It will be interesting to see how this partnership plays out, but at this point there is nothing deliverable. As noted above, IBM already has a strong and growing set of integrated cloud packages that are deployed at customer sites today.

Public cloud competitors

Also competing with IBM in the public cloud are companies such as Amazon and Google. Amazon is a leader in hosted cloud services, offering a set of hosted offerings that cater to web application developers. In addition, Amazon provides an enterprise service that provides a bridge from the enterprise data center (private cloud) to the Amazon public cloud.

Amazon Web Services (AWS) is an infrastructure web services platform in the cloud. AWS provisions compute power, storage, and other services on a pay-as-you-go basis. Amazon has bolstered their cloud offering through partnerships with companies like CA who provide software services in the Amazon cloud. CA has a complete set of application performance, service, and database management for the Amazon Elastic Compute Cloud

IBM's Tivoli Live: Enterprise-level Management for Small and Mid-sized Companies

(EC2). Amazon has a solid offering for the public cloud and a first-to-market advantage at this time. Amazon also has a partnership with IBM, offering some IBM software (including IBM Tivoli Monitoring 6.2.1) on the Amazon platform.

Google offers Google Apps, a set of web-based services including Gmail (email), Google Docs (internet pay-as-you-go file storage), Google Calendar, Google groups (user groups), Google sites(web page creation), and Google video (shared video). Initially Google Apps was targeted to individuals and very small businesses, but Google is looking to gain market share in enterprise cloud services market.

As enterprises evaluate public clouds, security is a huge concern — once enterprise data enters the cloud, enterprise customers want assurance that their information is safe and secure. In January 2010, Google was allegedly hacked into by developers in China, calling into question the security of the cloud. *Clabby Analytics* believes that these types of highly publicized attacks on companies like Amazon and Google will drive customers to adopt public cloud solutions from enterprise vendors — like IBM — that they have trusted for years.

Summary Observations:

The announcement of IBM Tivoli Live reinforces IBM's commitment to Cloud Computing, particularly in the public cloud segment. IBM services in the IBM cloud now include:

- Solutions for a range of workloads including collaboration (Lotus Live);
- Development and test (IBM Smart Business Development and Test);
- Desktop services (IBM Smart Business Desktop);
- Compute power offerings (IBM Compute on Demand);
- Business services (IBM Smart Business Expense Reporting); and now,
- Management and monitoring (IBM Tivoli Live Monitoring).

Clabby Analytics believes that this announcement strengthens an extremely strong and growing portfolio of cloud-based services. By providing industry leading management software in a flexible, scalable pay-as-you-go model, small to medium-size businesses gain access to enterprise-level service management and IBM partners have an opportunity to resell best-in-class management software along with value-added services. And IBM can tap into new customers and incremental revenues – a win for IBM, IBM's small/mid-sized business customers, and IBM partners.

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