



Research Report

Using the Channel to Sell Mainframes? The Vicom Infinity Story

Introduction

About six months ago *Clabby Analytics* attended a breakfast meeting with Sandy Carter, VP of IBM Software Business Partners and Midmarket. At this meeting, Ms. Carter described IBM's efforts to encourage a very high degree of “specialization” with its channel partner community. By specializing in specific areas (such as in the deployment of business applications or security solutions), Ms. Carter claimed that it is possible for channel partner resellers to drive *2 to 3 times the sales volume per customer engagement* as compared with selling point products solutions.

During Ms. Carter's presentation, she described three advanced certification programs that IBM offers, including IBM's:

1. Industry Solutions Specialty;
2. Software Value Plus Industry Authorization; and,
3. IBM's Software Value Plus Security Authorization.

Achieving certification in any of these three specialties is challenging. Channel partners attend advanced design/integration courses — and they need to demonstrate their systems building and software integration skills to a board in order to be recognized as a specialized business partner. Once certified, IBM provides additional assistance in terms of lead generation and additional training in order to help generate sales and grow the maturity of the sales force.

About two months ago, *Clabby Analytics* discussed IBM's channel program with Len Santalucia, CTO and the Business Development Manager for Vicom Infinity — an IBM premier channel partner. And, even though Vicom Infinity has not achieved advanced certification in the areas described above, we did find that *the company has developed its own line of specialization*: this company focuses on providing mainframe-based solutions — particularly solutions that involve mission-critical applications and high-availability.

As we probed Vicom Infinity's sales and marketing strategy, we noticed that the company has expertise in z/OS, z/VSE, z/VM operating environments, in IBM's Middleware — but we also noticed that the company has developed specialties around the new workloads that are being sold on mainframe (System z) computers (such as Java and Linux-based workloads). In this *Research Report*, we take a closer look at Vicom Infinity's strategy and sales/marketing activities. And we conclude that using advanced channel partners to help sell mainframes is a very, very good idea.

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Mainframe Growth Opportunities: Its About the Capture of New Workloads

Clabby Analytics has been closely covering the mainframe market for almost a decade now. And, when we talk to information technology (IT) buyers, we hear three objections to the adoption of mainframe technology. Mainframes:

1. Cost too much;
2. Are old technology; and,
3. Mainframe skills are hard to find.

Overcoming the cost issue is difficult. Most IT buyers compare the cost of acquisition for mainframe hardware to that of x86-based hardware — and conclude that a mainframe costs three or four times more than x86-based solutions. The error in this thinking is that these IT buyers are not looking at the characteristics of their workloads, nor at their quality of service requirements when choosing x86-based solutions. In a report that we recently published, we showed how a mainframe running a banking application on 240 virtual servers with a high-availability quality of service level costs approximately \$1.5 million less than an equivalently configured x86 environment. Please view this report for further details: http://www.clabbyanalytics.com/uploads/z_VirtualizationFINALRev.pdf.

The important point here is that running the right workloads on the right servers — and remembering to evaluate the level of service required — can result in significant savings.

With respect to mainframes being considered “old technology”, IT buyers need to remember that mainframes can run the most modern workloads — and in many cases, mainframes can run these workloads more efficiently than competing RISC, EPIC, and x86 servers.

As for mainframe skills being hard to find, there are now over 800 institutions teaching mainframe skills — and more than 50,000 students taking mainframe courses. In a report that we just completed, we show several sources of mainframe skills development and described how existing mainframe owners are building skills within their own organizations. This report can be found at: <http://www.clabbyanalytics.com/uploads/CATrainingBookFinalFinal.pdf>.

At Vicom Infinity the Focus Is On New Workloads

IBM's mainframe sales are based on: 1) selling additional capacity to current users; and, 2) opening-up new accounts by deploying new workloads on mainframes. Vicom Infinity recognizes this — and can sell existing customers more capacity to drive traditional workloads. But the company also found that the mainframe is ideal for running mission-critical workloads, for running new Java/Linux applications — and particularly for running workloads that can take advantage of the mainframes extraordinary virtualization (resource pooling) facilities.

A look at some of Vicom Infinity's recent wins shows that the company understands what a mainframe is, and how it is best deployed:

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- At ISO, Vicom Infinity migrated a Microsoft Windows-based group of applications off of Windows and onto a large, consolidated Linux mainframe server environment. And one of the things that worked in favor of this migration was that IBM's WebSphere environment cost significantly less on Linux on the mainframe as compared with Websphere on z/OS.
- At a large insurance/financial institution, Vicom Infinity was able to consolidate numerous Oracle/Sun servers onto a mainframe — saving this institution tons of money by using more efficient mainframe technology as opposed to Sun servers. The mainframe proved to be superior in price-performance, and database handling, and in virtualization as compared with the Sun server farm it replaced.
- At the New York City Police Department, Vicom Infinity deployed an SAP application for property evidence tracking. For this effort, Vicom Infinity received an IBM Beacon Award — a prestigious award given to business partners who demonstrate that they can design and deploy advanced systems.

For decades, mainframes have been deployed to run traditional mission-critical applications. But the picture that develops when looking at Vicom Infinity's recent wins shows that mainframes are now being deployed as consolidation servers — and that these servers are capable of replacing Windows and Solaris environments. What is also interesting is that a lot of Vicom Infinity's wins involve running new Java/Linux workloads. Vicom Infinity gets it: in the end it's all about matching the right workloads to the right server.

Vicom Infinity's Relationship with Vicom Computer Services

Vicom Infinity focuses on mainframe sales. And its sister company, Vicom Computer Services, focuses on selling IBM System x (x86-based servers), IBM Power Systems, and storage. And, from our perspective, this is a pretty good way to go to market. Vicom Computer Services is focused on distributed systems sales and can compete head-on with Oracle, Hewlett-Packard, Dell, etc. But Vicom Computer Services sales representatives have also been trained to recognize when a customer needs a more advanced, more scalable virtualization environment with high quality of service levels — and passes leads to Vicom Infinity. Likewise, Vicom Infinity sales representatives pass leads best suited for distributed systems deployment to Vicom Computer Services.

Summary Observations

Clabby Analytics has a major focus on workload optimization. In fact, we just opened up a new website at www.workloadoptimization.com that describes what workload optimization is — and the differences we see in each computing architecture when it comes to running various workloads.

From our perspective, Vicom Infinity “gets it” when it comes to delivering workload optimized solutions to its customers. The company runs into the same obstacles that we see when it comes to mainframes (cost, old technology, skills), but overcomes these obstacles by getting customers to focus on the characteristics of their workloads. What Vicom Infinity has discovered is that there are loads of net new business out there that can

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be run on a mainframe computer. And the company's focus on determining which workloads run best on a mainframe is helping Vicom Infinity capture that net new business. More IBM business partners should model themselves after Vicom Infinity and focus on helping their customers understand where workloads will run best.

As a parting comment, it is important to note that Vicom Infinity works closely with Marist College, various user groups (including a Linux user group), and the System z council to help grow mainframe awareness and to help place mainframe students. The company also sponsors a 3 to 4 day "z Basics" class conducted by Marist to help familiarize IT buyers with mainframe technology. Interestingly, this class is often attended by people who only have distributed systems backgrounds.

Raising awareness about what System z is, what it can do, and where it is best deployed is serving Vicom Infinity well now — and will continue to serve the company well as more and more new workloads make their way to the System z platform.

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