

IBM Hybrid Cloud Next Generation Management

IBM Cloud Pak for Multicloud Management

Pricing Overview Updates

October 12, 2020



IBM Cloud

What's New?

The Cloud Pak for Multicloud Management continues to be the leading integrated offering for hybrid cloud management

- ✓ Standalone offerings bundled in the Cloud Pak announced EOM in June; updated CP4MCM capabilities are listed in Ratio Table
- ✓ Customers on standalone products were auto-migrated to Cloud Pak (no-cost); however, this does not apply to ELAs
- ✓ In August, customers can swap capabilities capabilities in the Cloud Pak as long as overall quantity does not exceed purchase amount

Add-Ons to the Cloud Pak for Multicloud Management have been released to add more client value & capability

- ✓ IBM Netcool Ops Manager adds on machine learning capabilities to proactively resolve application, service, and infrastructure problems
- ✓ Sysdig can be leveraged to extend Security, Governance, and Performance to identify vulnerabilities, stop threats, & respond to incidents
- ✓ Humio makes its advanced log management platform available and adds deep observability to the Cloud Pak
- ✓ Turbonomic, a leader in Application Resource Management (ARM), brings AI-driven analytics to maintain & automate application health

Red Hat OpenShift entitlement to be evolving in 2Q to allow customers more licensing flexibility

- ✓ Cloud Pak will offer 3X RHOCP entitlement over previous amounts (refer to Slides below) to support running the Cloud Pak on RHOCP
- ✓ Cloud Pak currently includes Ansible entitlement, which will continue as-is(1:1 Ratio of Ansible to Cloud Pak MVS)

Cloud Pak for Multicloud Management Ratio Table Updates

Cloud Pak for Multicloud Management (CP4MM)	CP4MM Program (Bundled Offering) –V1.3; V2.0 coming in August with Updates Below (in Green)						
	<ul style="list-style-type: none"> Clients can choose to deploy licenses to 1 or many main program + gets specified Ratio of MVS for each license See License Info Document Click Here for Specific Details 						
<u>Functional Use Case</u>	Main Bundled Program	Updated Capability Name	Metric	Previous Ratio	Updated Ratio	Red Hat Software	Other Supporting Programs
Management of Containers (K8s) across Cloud	Multicloud Manager (MCM)	IBM Cloud Pak for Multicloud Management Core	Managed Virtual Server	1:1	1:1	<ul style="list-style-type: none"> Ansible Open Shift RHEL 	<ul style="list-style-type: none"> Cloud Application Manager Advanced Cloud Event Manager IBM DB2 Advanced Workgroup Server IBM DB2 Advanced Enterprise Server IBM Operations Analytics - Log Analysis Managed
Automation of Infrastructure, Provisioning, Patching, Updates,	Cloud Automation Manager (CAM)	IBM Cloud Pak for Multicloud Management Infrastructure Management	Managed Virtual Server	25:1	25:1	<ul style="list-style-type: none"> Ansible Open Shift RHEL 	
	Cloud Forms (CF)			25:1			

Part Type	Price	Charge Metric	Part Number
Committed Term License	\$330/month	per Managed Virtual Server	D267RLL (zLinux PN D267TLL)
Committed Term License Upgrade (Trade Up)	\$195/month	per Managed Virtual Server	D267SLL (zLinux PN D267ULL)
Perpetual Upgrade (Trade Up)	\$3060	per Managed Virtual Server	D25WVLL (zLinux PN D25XALL)
Perpetual License	\$9890	per Managed Virtual Server	D24QTLL (zLinux PN D24QWLL)
Monthly Term	\$412/month	per Managed Virtual Server	D24QYLL (zLinux PN D24QZLL)

Cloud Pak for Multicloud Management Ratios for Trade Up from Legacy Offerings

Cloud Pak for Multicloud Management (CP4MM)	CP4MM Program (Bundled Offering) –V1.3; V2.0 coming in August <ul style="list-style-type: none"> • Clients can choose to deploy licenses to 1 or many main program + gets specified Ratio of MVS for each license • See License Info Document Click Here for Specific Details 				
<u>Opportunity</u>	Legacy / Heritage Bundled Program	Metric	Ratio	Red Hat Software	Other Supporting Programs
<p>Legacy Capabilities can continue to be used with the Cloud Pak while helping customers to get the latest package of hybrid cloud management software from IBM</p> <p>Customers can trade up from licenses of these products to CP4MM at the ratios specified</p> <p>E.G. - A monitoring client has 64 licenses of ITM. Using the 8:1 ratio, this translates to purchasing 8 MVS of CP4MM</p>	ITM & ITM VE	Managed Virtual Server	8:1 7:1	• Ansible • Open Shift • RHEL	<ul style="list-style-type: none"> • IBM DB2 Advanced Workgroup Server • IBM DB2 Advanced Enterprise Server • IBM Operations Analytics - Log Analysis Managed
	Smart Cloud Monitoring	Managed Virtual Server	17:1	• Ansible • Open Shift • RHEL	
	ITCAM Apps 3 & SCAPM Standard	Managed Virtual Server	1:1 2:1	• Ansible • Open Shift • RHEL	
	ITCAM Apps Full, Transactions & App Diagnostics	Managed Virtual Server	1:1	• Ansible • Open Shift • RHEL	
	ITM VE Cisco, ITCAM MS Apps, ITCAM Apps Single	Managed Virtual Server	14:1 5:1 2:1	• Ansible • Open Shift • RHEL	
	SCAPM non-prod & SCAPM Entry	Events per Month (10K)	4:1 12:1	• Ansible • Open Shift • RHEL	

For more information on Trading up, visit
<https://w3.ibm.com/w3publisher/flexofferings/trade-up>

CP4MCM Packaging Model & Ratio Table Approach

Using Ratios with the Cloud Pak

- ✓ *Ratio Table enables a customer to pick and choose the capabilities that they need*

Customer Needs

250 MVS of
Infrastructure
Mgmt

Assume 1 VM
being managed
by Infra Mgmt = 1
MVS

Ratio Table

ITCAM	1:1
Infra Mgmt	1:25
Core	1:1

Every MVS of
Pak allows you to
run 25 MVS
(Vms) of Cloud
Forms

Customer Purchases

10 MVS
-of-
Cloud Pak
for MCM

- ✓ *Customers must license each main capability they use within the Cloud Pak*

CP4MCM ITM Trade Up Example 1

Customer Needs

566 RVU of
ITM

2 RVU = 1
MVS

Ratio Table

MCM	1:1
ITM	8:1
CAM	1:25

Customer Purchases

36 MVS
-of-
Cloud Pak
for MCM

CP4MCM ITCAM Transactions Trade Up Example 2

Customer Needs

75 RVU of
ITCAM
Transact.

2 RVU = 1
MVS

Ratio Table

MCM	1:1
ITCAM Tr.	1:1
CAM	1:25

Customer Purchases

38 MVS
-of-
Cloud Pak
for MCM

CP4MCM Multicloud Manager License Example 1

Customer Needs

200 MVS of
Core (MCM)

Ratio Table

Adv	1:1
Core	1:1
Infra Mgmt	1:25

Customer Purchases

200 MVS
-of-
Cloud Pak for
MCM

CP4MCM Cloud Forms License Example 2

Customer Needs

Manage 1000
VMs with Infra
Mgmt

Ratio Table

Core	1:1
Infra Mgmt	1:25
CAM	1:25

Customer Purchases

40 MVS
-of-
Cloud Pak for
MCM

CP4MCM Cloud App Management License Example 3

Customer Needs

20,000
Advanced
Monitoring ,
1000 Base

Ratio Table

Base.	1:16
Adv	1:1
Infra Mgmt	1:25

Customer Purchases

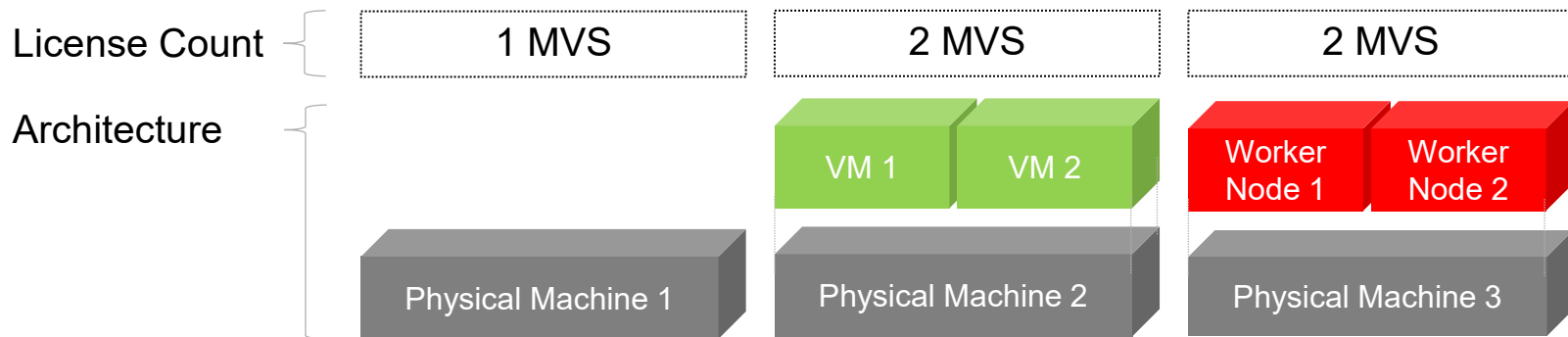
2250 MVS
-of-
Cloud Pak for
MCM



The MVS Metric: Counting VMs, Worker Nodes, & Physical Nodes

3 Rules of MVS

- ✓ Customers count physical machines only when they are not virtualized
- ✓ Customers count VMs when the physical machines are virtualized
- ✓ Customers count Worker Nodes for Kubernetes Environments



Note: Master Nodes in Manage From and Manage To environments are not chargeable / not counted

Managed Virtual Server official metric definition

Managed Virtual Server is a unit of measure by which the Program can be licensed. A server is a physical computer that is comprised of processing units, memory, and input/output capabilities and that executes requested procedures, commands, or applications for one or more users or client devices. Where racks, blade enclosures, or other similar equipment is being employed, each separable physical device (for example, a blade or a rack-mounted device) that has the required components is considered itself a separate server. A virtual server is either a virtual computer created by partitioning the resources available to a physical server or an unpartitioned physical server. Licensee must obtain Managed Virtual Server entitlements for each virtual server managed by the Program.

Tools for Sizing CP4MCM available on Seismic

Enter the client details, entitlements, Last Price Paid
(get from your S&S rep)

The Calculator does the rest!

IBM Cloud Pak for Multicloud Manager Trade Up v3.3103019

Instructions
Fill out the fields in YELLOW
The 4 white bubbles will give you a high level overview of what the trade up will look like
Below, you will find a "Summary of Payments" that you can use to understand the initial commitment and on-going payments

Approve

78%
How much more is your customer going to pay this year?

22%
How much more is your customer going to pay in on-going S&S?

96,000
How much commissionable revenue are you going to see?

100
How many units of IBM Cloud Pak for ACM do I need to quote?

Customer and Opportunity Description		1st Product Traded Up	2nd Product Traded Up	3rd Product Traded Up
Name		Which product is your customer Trading Up?	Which product is your customer Trading Up?	Which product is your customer Trading Up?
Customer Number		IBM		
Sales Connect				
Opportunity Number				
S&S Rep				
PA Site Number				
E-Parts traded in		How many units of IBM is your customer moving CHACOR Perpetual?	How many units of it is your customer moving CHACOR Perpetual?	How many units of it is your customer moving CHACOR Perpetual?
PA RD VP Level	BL	1600		
Currency	United States			
RTM for LPF S&S		What was the LPF for IBM	What was the LPF for it	What was the LPF for it
RTM for Trade Up		162,240		
S&S FY Growth	Estimated S&S (2% FY Growth)			
Variable Uplift				

Schedule of Payments at Maximum Allowable Discounts
Figures below in USD

	Previous year's S&S	Trade Up Year	On-going New S&S	Y3	Y4
	19	20	21	22	23
Total	162,240.00	288,000.00	197,760.00	203,692.80	209,803.58
IBM	162,240.00	288,000.00	197,760.00	203,692.80	209,803.58

Total Discount Allowed: 0.000%

for IBM trade up: 0.000%

Later in 2Q, CP4MCM new license and trade ups will
be launched on the Configurator tool

Home
Modernize

WELCOME TO
Modernize Calculator

From start to 500 in seconds.

Modernize now **IT** [More information](#)

Getting started
An introduction to modernization and its place within the IBM business.

Pricing plays
Internal-only repository of available pricing plays - currently updated for Q3 2020.

Upgrade and trade-up process
Step by step guide - how to construct and submit an upgrade and/or trade-up request.

PWA addendum
Attach an unsigned copy of this document to any quote generated via Modernize.

More stuff
Hoping we get more info to put here.

New thing 1
Lorem Ipsum has been the industry's standard dummy text ever since the 1500s.

New thing 2
Lorem Ipsum has been the industry's standard dummy text ever since the 1500s.

New thing 3
Lorem Ipsum has been the industry's standard dummy text ever since the 1500s.

Modernize

NEW BID

Calculate the correct corresponding current entitlement for a client's legacy standalone deployments below. The following steps may be completed as many times as necessary - results will be automatically added to your cart.

Committed term license **Perpetual license**

1. **Part number**
Enter a "Q" or "E" part number that represents your client's current deployment.

E025QL - IBM WEBSHERE APPLICATION SERVER PROCESSOR VALUE UNIT (PVU) LICENSE + SW SUBSCRIPTION & SUPPORT 12 MONTHS

E025QL
IBM WEBSHERE APPLICATION SERVER PROCESSOR VALUE UNIT (PVU) LICENSE + SW SUBSCRIPTION & SUPPORT 12 MONTHS

2. **Entitlement and pricing**
Values must be numerical and greater than 0 - any non-numeric characters (commas, currency symbols, etc...) will not be accepted.

S&S entitlement (PVU): 8 **S&S LPF (billing currency):** 0 **S&S growth (%):** 10

IBM

Backup



IBM Cloud

Red Hat entitlements included with the CP4MCM License

48 VPCs of Red Hat OpenShift Container Platform if Licensee obtains 1-500 MVS entitlement(s) of the Program

96 VPCs of Red Hat OpenShift Container Platform if Licensee obtains 501-10,000 MVS entitlement(s) of the Program

144 VPCs of Red Hat OpenShift Container Platform if Licensee obtains 10001 or more MVS entitlement(s) of the Program

48 VPCs of Red Hat Enterprise Linux if Licensee obtains 1-500 MVS entitlement(s) of the Program

96 VPCs of Red Hat Enterprise Linux if Licensee obtains 501-10,000 MVS entitlement(s) of the Program

144 VPCs of Red Hat Enterprise Linux if Licensee obtains 10001 or more MVS entitlement(s) of the Program

Licensee is entitled to use Red Hat Ansible Tower with any licensed bundled program; **Ansible can be used at 1 MVS per every 1 MVS of the Program (CP4MCM)**

Summary for ICO Trade Up

ICO Upgrade & Trade Up Part Eligibility

- ✓ Part eligibility for upgrade / trade up to each of the Cloud Paks can be determined using the Cloud Pak eligible parts [list found here](#).
- ✓ For parts not identified, inquire directly with the Project Office to determine eligibility for trade up.
 - ✓ Please refer to this site regularly. New parts may be added as they are identified as eligible.
 - ✓ <https://w3.ibm.com/w3publisher/flexofferings/trade-up>

Trade Up Product (Part #s on Next Slide)	ICO to CP4MCM Ratio	New Trade-Up Replacement	
IBM Cloud Orchestrator (RVU)	12:1	Trade Up To:	Cloud Pak for Multicloud Management (Perpetual or CTL Licenses) Perpetual: D25WVLL (or D25XALL for zLinux) CTL: D267SLL (or D267ULL for zLinux)
IBM Cloud Orchestrator Enterprise Version (RVU)	6:1		
IBM Cloud Orchestrator (MVS)	18:1		
IBM Cloud Orchestrator Enterprise (MVS)	10:1		

How to Request/Obtain Trade-Up Approval

For Upgrade & Trade Up, Follow the Process Outlined below:

- ✓ *Fill out the consolidated trade up [request form located here](#).
- ✓ Submit a copy of the form to the Upgrade and Trade Up Project Office via email at tradeup@us.ibm.com.
- ✓ Please follow Request Submission Guidelines below.
- ✓ Obtain approval from Project Office, and submit to SQO (with all proper attachments – see next slide).
 - ✓ *NOTE: For Data & AI Units/Products: Please go to the sales configurator tool here: https://ibm.biz/sales_configurator

Request Submission Guidelines

- ✓ To help facilitate timely processing of your request, please consider the following guidelines with your submission:
- ✓ Email Subject Line - Please include customer name, product upgrading / trading up to and last price paid (LPP) total value. Example: ABC Co / Cloud Pak for Application / \$100,000 LPP
- ✓ Please ensure all questions in the request form have been answered correctly and attached to your email.
- ✓ Please ensure last price paid (LPP) confirmation from the Renewal Representative is attached to your email. *NEW - Note to Renewal Rep: Please ensure the LPP is provided in the required template. Please ensure all considerations have been made in calculating LPP (ex: uplifts for flat YtY growth on ELAs and partial trade-ups / upgrades). See enablement for more details.
- ✓ Please ensure all interested parties (ex: Renewal Representatives & Dealmakers) are copied on your submission to Project

Action items following Trade-Up Approval

For trade-up requests approved by the Project Office, please follow the instructions below for bid approval:

- ✓ Submit your SQO according to the instructions below, at or below the max permitted discount listed in each calculator. Please note, this bid will not get past Level 0 approval if any of the below are missing in the bid.
 - ✓ Attach the documents provided in Box from the project office to your Bid/Quote in SQO (e.g. trade up calculator, request form)
 - ✓ Attach the Support Email provided by the Project Office and;
 - ✓ The supported perpetual trade up Calculator Tool(s) provided in your Box folder, plus:
 - ✓ Written evidence of S&S LPP (provided by S&S Rep)
 - ✓ Note: for CTL, also include the The completed (not blank) un-signed [PA Attachment](#) (must be signed by client after quote is presented) & Transaction Document for Qualifying Program Licenses used to acquire CTL Upgrade offering (must be attached to the PA Addendum when presented to client for signature, and returned by client as an attachment to the PA Addendum)

Reference the following in your SQO bid

- ✓ In the Sales & Information tab, enter the Sales Connect Opportunity ID (required)
- ✓ Provide reference quote number for any S&S renewal quotes that are to be tied to this perpetual trade up opportunity
- ✓ Please Note: If the current entitlement is under an ELA contract, this approval is contingent upon the current S&S entitlement not being subject to any flexible terms in the ELA (cannot be part of an UEL/IULA, ACEL, Catalog, and/or cannot be subbed out).. Please ensure declared entitlements pending an active status in our systems are registered before the upgrade is processed.
- ✓ The Project Office only supports the price/discount of the requested trade up(& does NOT support nor take a position on out year S&S.)
- ✓ This approval does not include credit for the lost economic value of any unused S&S that may be caused by this Trade Up. If this deal involves unused S&S, please ensure your customer is aware and understands this impact.