An Easy Sell

Takeaway

- Power Systems solutions continue to win customers as ISVs see an uptick in IBM i adoption.
- ISVs act as bellwethers of sorts as they spot trends in operating-system retention rates.
- Customers are attracted to Power Systems solutions because of their openness and reduced maintenance requirements.

ISVs enjoy growing revenues by sticking with Power Systems running IBM i

By Jim Utsler

IBM AND IBM i ISVs REMAIN COMMITTED to the operating system. In fact, several ISVs are seeing growth in the i space despite a skittish market's concerns that IBM and vendors would abandon the operating system when the System i* and System p* platforms unified on Power Systems* hardware nearly two years ago. With another new IBM i version on its way, the operating system is here to stay.

Many consider IBM i an invaluable offering for small and mid-sized businesses and large multinationals, including, according to Mike Freeman, senior vice president of sales with Healthcare Management Systems (HMS) Inc., "major financial institutions, casinos and stock exchanges." And many customers are adopting the operating system with nary a second thought, whether they're upgrading from an earlier version of IBM i on an older IBM system or are entirely new to the platform.

This continuing adoption is being seen across the ISV spectrum, from smaller niche players to larger, more broadly focused developers. They act as a bellwether of sorts, the first to spot trends in operating-system retention rates. And despite—or maybe because of—the economic downturn, they're witnessing an uptick in the number of companies turning to Power Systems running IBM i, many of which are migrating from other processor platforms. While IBM touts growth and leadership in the UNIX* space (see "Turning Up the Power," www.ibmsystemsmag.com/power/january10/coverstory/31100p1.aspx) and Migration Factory (see "In Capable Hands," page 30) focuses on AIX* migrations, IBM i continues to grow its market.

"I saw some resistance to the System i* platform three years ago that we are no longer experiencing," says Roger D. Kirk, president and CEO of Computer Guidance Corporation. "In fact, it's easier to penetrate the market because we go in with a full solution running on i, which is a very open hardware platform. Customers like the type of flexibility and stability Power Systems solutions offer."

Open and Powerful

Power Systems solutions are indeed flexible. Unlike in the past, these new machines aren't tied to any particular operating system. They can successfully run AIX, IBM i and Linux*. That's in part why many IBM i-centric ISVs see sales increasing, with many of their customers migrating their entire mission-critical computing environments from PC servers to Power Systems running IBM i.

"Power* technology's very open, as indicated by the sizable membership of Power.org, which is the collaborative open-standards organization for Power Architecture*," says Kevin Beasley, CIO with the all-purpose ERP provider VAI (Vormittag Associates Inc). "It's not proprietary; it's not IBM-only technology. It's industry-standard technology. And you can find it everywhere, from aircraft and entertainment to networking equipment, including in gaming consoles. And you can run several different operating systems on it, right next to each other, which is a value proposition in itself."

This is leading many companies to take a fresh look at IBM i. Customers who once thought of AS/400*, System i5* and System i servers as black-box computing environments are now rightfully being told otherwise. ISVs are espousing to potential platform switchers the virtues of Power Systems servers' open nature and the kitchen-sink approach IBM is taking to adding new and advanced functionality to IBM i—and with great success.

"We're installing quite a few new customers a year, and these are new-name accounts, meaning they're new to IBM," says Nino Malka, national sales manager with Serti Dealership System (SDS), a division of Serti Information Solutions. "I can't say our competitors, most of which develop for the PC-server world, are having as much success as we are now."

Many ISVs point to the power, scalability, reliability and security of the hardware and the operating system as just a few of the many reasons customers upgrade or switch. "If someone who's using a solution in an x86 environment wants to scale, there are only so many options available to them," VAI's Beasley says. "You have to put in a SAN (storage-area network) with a lot of disk and start clustering, but that's a pretty expensive proposition. We can supply another easier-to-use, scale-up, scale-out solution that costs much, much less."