TAILORED-FIT PRICING FOR IBM Z HARDWARE: A SIMPLER, MORE CLOUD-LIKE PRICING MODEL

Digital transformation and the trend toward hybrid cloud computing have changed the way the mainframe is managed. The pandemic and corresponding lockdowns have accelerated the pace of these changes as home-based employment and a greater dependence on mobile and online business transactions have increased digital demand.

As the mainframe is increasingly integrated with distributed and cloud systems, organizations are taking a new approach to workloads and cost structure on the platform, influenced by unpredictable resource demand. In 2019, IBM responded to these changes with a simpler pricing model for IBM Z® platform software, called Tailored Fit Pricing, designed to give mainframe organizations more flexibility in cost management and eliminate barriers which hinder adaptability and innovation.

Building on the success of the program, IBM has announced a new Tailored Fit Pricing Hardware Consumption Solution. This simplified model is more in line with cloud consumption pricing, with more predictable, transparent costs. By standardizing hardware capacity planning, growth, and investment, this new pricing model gives organizations the confidence to predict the cost of new projects, workloads, and architecture, enabling them to react to changing market conditions quickly and cost-efficiently.

The new pricing model includes purchase of an annual subscription, with one-hour fees for usage of an always-on, fixed capacity corridor (full-day fee is applied if usage goes above four hours). Usage fees are based on actual MSU usage, rather than full engine capacity, enabling customers to pay for additional capacity only when it is needed. This combination of an annual subscription, one-hour fees, and instant availability enables organizations to avoid paying for capacity they do not use while

still maintaining the flexibility to instantly accommodate unpredictable workload spikes.

The ability to scale resources to meet unexpected demand also reduces overall operational costs by allowing organizations to spend less time managing infrastructure. And the new model prevents the offload of volatile workloads to x86 systems and enables the migration of already moved workloads back to where they belong—on the mainframe.

At BMC, we're proud to offer a variety of pricing models that help customers better manage their costs and we support IBM's Tailored Fit Pricing for IBM Z Hardware model. By offering more cloud-like pricing options, IBM makes it easier for organizations to plan for and accommodate unexpected spikes in demand and removes barriers to the adaptation and innovation that are required to compete in the digital economy.