

IBM Tries To Stall Neon's zPrime Mainframe Booster

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Neon claims its software could start a mainframe renaissance - but IBM is getting threatening over licence issues

IBM is doing its best to block Neon Enterprise Software, a specialist mainframe software maker which has delivered a means to get better value out of IBM mainframes.

The zPrime technology - as explained by its maker Neon Software - lets users offload tasks from the main processor on IBM zSeries mainframes. It places general purpose workloads on other processors within the system, which IBM calls "specialty engines", built into the mainframe board and intended for running IBM software such as WebSphere and the DB2 database.

The problem, from IBM's point of view, is that users doing that will pay less money to IBM - because licence fees are calculated on how big a main processor the customer uses. If the customer wants more general purpose computer power for a job like CICS or IMS, he or she is supposed to buy additional general purpose processor capacity, at a premium rate.

The specialty processors, called zIIPs (intended for DB2) and zAAPs (meant for Java software such as Websphere), are easily capable of running other workloads, but IBM effectively bundles them for free with the server, as a subsidised incentive to buy other IBM software.

Testers report no problems

Neon has around 60 customers trying the software, but only one, US health insurance company HighMark has spoken in public, to [BusinessWeek](#). Most companies are using it in tests and development, not production.

Despite the current industry focus on smaller servers, most large companies are still completely dependent on the proven reliability of mainframes - as evidenced by concern over the availability of mainframe skills.

Neon says that users have not come up with any technical or legal issues with the software. "Work running on specialty processors is literally free of charge," said Thilo Rockmann, Neon's director for Europe

However, IBM has sent a letter to customers warning them that zPrime might break licence agreements : "IBM would also caution its customers regarding any claimed ability to reduce IBM Program license charges by off-loading workloads to Specialty Engines beyond the eligible workload identified by IBM," says the letter. "IBM's applicable pricing terms governing Eligible Workloads on zIIPs and zAAPs will not apply to zIIPs and zAAPs running anything other than IBM specified eligible workloads."

"It goes against what IBM intended their systems to do," acknowledged Rockmann, but he argues that zPrime will ultimately be good for the mainframe market, as it makes mainframe better value. "I believe the zSeries is one of the best platforms from an enterprise perspective , and it will be more attractive with a better price point, which zPrime will allow customers to achieve."

Rundamentally, IBM's pricing model ties hardware and software in a way which restricts users choice - and uses IBM's hardware to make products like the DB2 database more attractive against rivals like Oracle. However, it has allowed an ISV interface for vendors to move software to specialty processors. zPrime does not use the interface, said Rockmann. "Tying hardware and software is wrong," he commented.

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"This is the biggest thing to happen to the mainframe market for a while - and IBM's response is to try and hold onto its profits," said Professor Bryan Foss of Bristol Business School, a former IBM executive now acting as an independent advisor for organisations which have included the Department of Work and Pensions.

"As an independent, I want to see the market moving forward, said Professor Foss. "Organisations like Lloyds and RBOS should be able to get better for taxpayers' money - and one way to do this is to transform the mainframe environment."

Foss believes IBM's contracts don't forbid the use of specialty processors for general tasks. Many of those contracts are generic agreements which have been renewed repeatedly since the 1980s, when this technology was not dreamt of, he said.

If IBM could stop this - why is it not doing so?

"If IBM had legal powers to prevent this, maybe it would be using them already," said Foss. "The letter tells users to go back to look at those contracts, without being specific. Did they envisage this when those contracts were written? IBM is playing on users' nervousness - rather than finding out what customers actually want."

Foss echoes Rockmann's argument against IBM's restrictions on the use of hardware: "Specialty processors all look the same as central processor. It is only the microcode on them that varies what they do". But IBM uses them strategically, subsidising them to boost the market for its software: "These processors are sold at ten or twenty percent of the price of the main one."

At present most users are still trialling the software, rather than using it on live systems - but Foss points out that developers will always run a full system in test mode, so those tests have already demonstrated zPrime is ready for prime time.

"If I was a CFO or CIO, I would be trialling it, and then I would call IBM in to talk," he said. Pressure from customers could force the company to deliver a more competitive, more open mainframe: "I think it's a catalyst for change. If IBM take the right approach, this could regenerate the mainframe."

An IBM spokesperson told eWEEK Europe: "We've asked Neon for details, but they have not responded. Thus, we can't comment."

<http://www.eweekurope.co.uk/knowledge/ibm-tries-to-stall-neon-s-zprime-mainframe-booster--1710?page=1>