



Open Source as a strategic advantage – status and relevance in clouds



Werner Knoblich

General Manager

Red Hat EMEA

April 12, 2012

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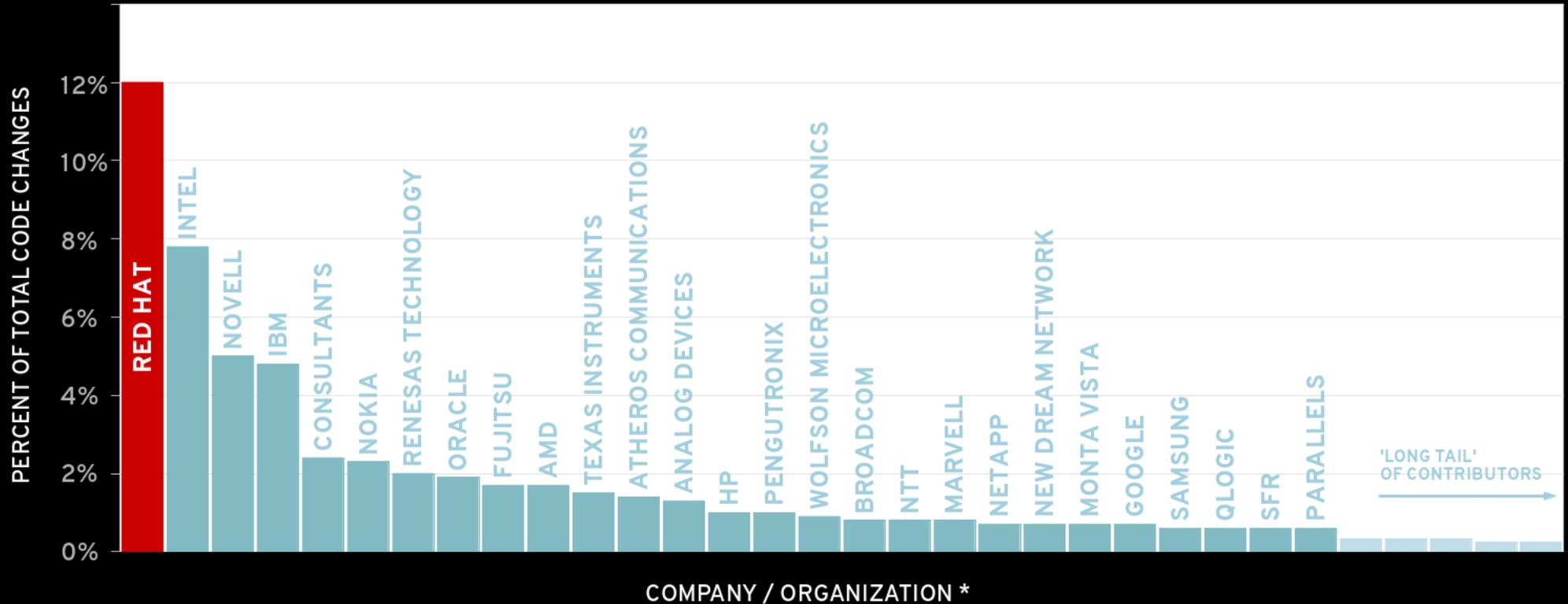
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RED HAT DEVELOPMENT POWERHOUSE



Corporate Contributions to Linux KERNEL 2.6.30-2.6.35 (DEC 2010)



* the developers who are 'known to be doing this work on their own, with no financial contribution happening from any company' are not grouped together as 'None' and instead are considered part of the 'long tail,' as are contributors of academic or unknown sponsorship.

Source:
The Linux Foundation
Linux Kernel Development 2010
December 2010
(Pages 14-15)

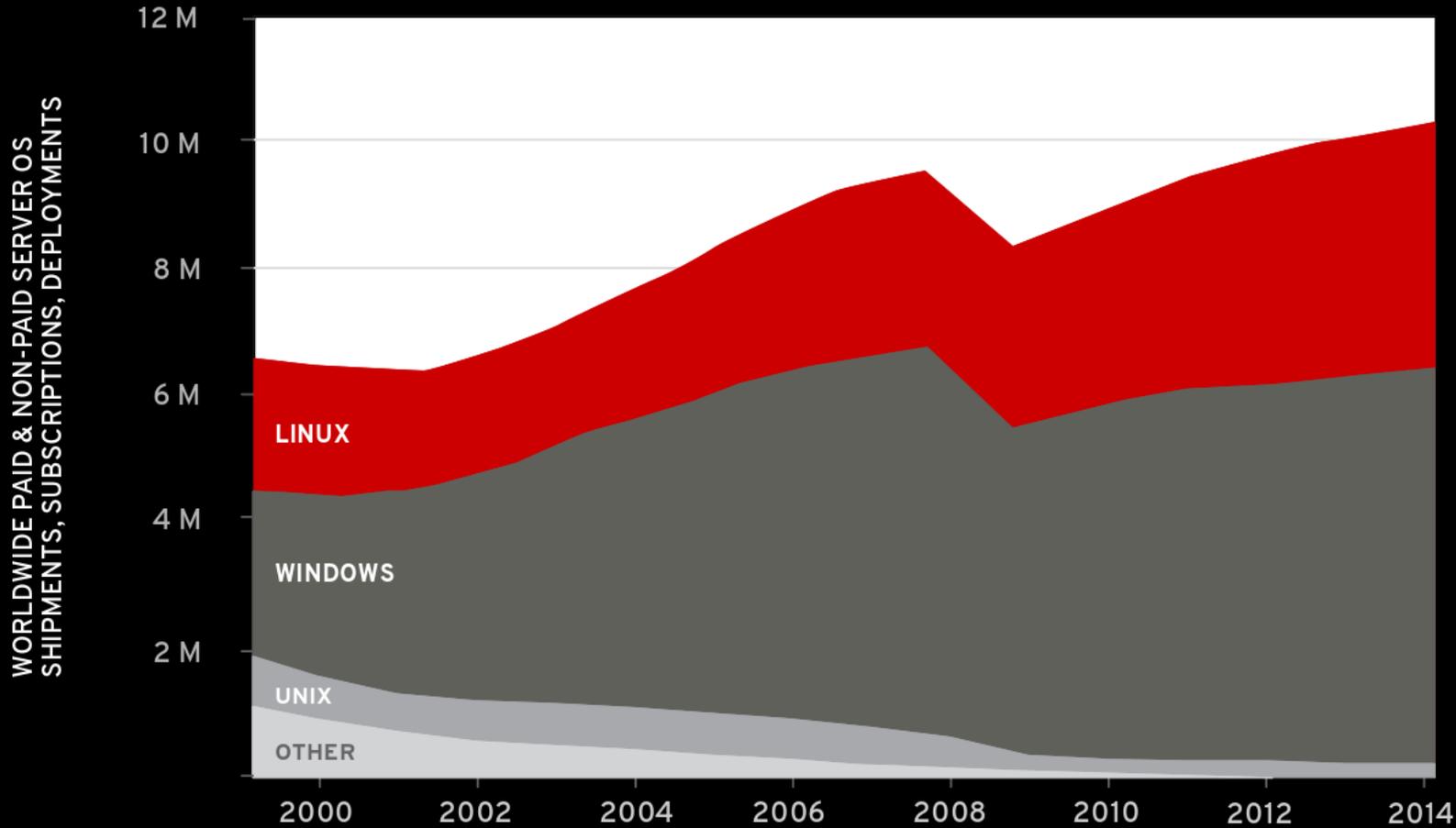


“ Our partnership with Red Hat has enabled us to offer a robust, scalable, high-performance, flexible, and cost-effective technology platform to our customers. —BRIJ MOHAN MAHENDRU, CTO

ONLY TWO OPERATING SYSTEMS WILL REMAIN



Worldwide Paid & Non-Paid Server OS



IDC 2010
Worldwide Client and Server Operating Environments 2011-2015
Forecast: The Perfect Storm of Disruption
May 2011, #228201

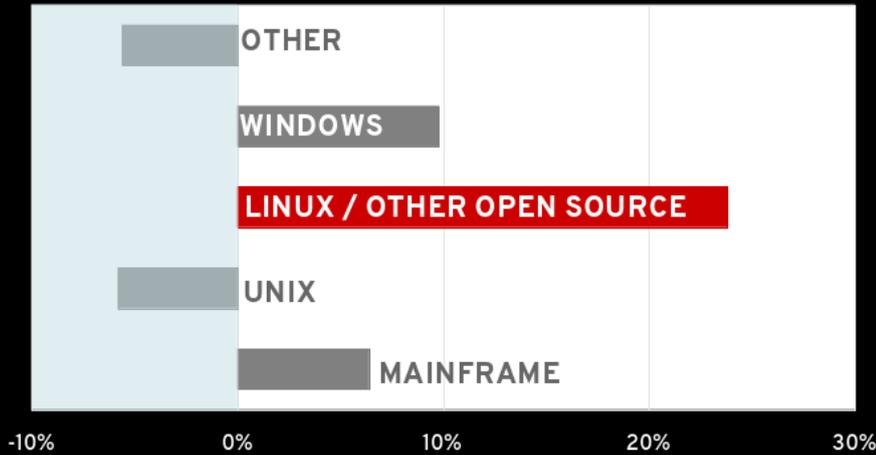
“ I can't say anything greater for Red Hat other than they have impressed me with their support, their due diligence and their interest in my company. —RICHARD HOOD, Senior Manager, IT Operations



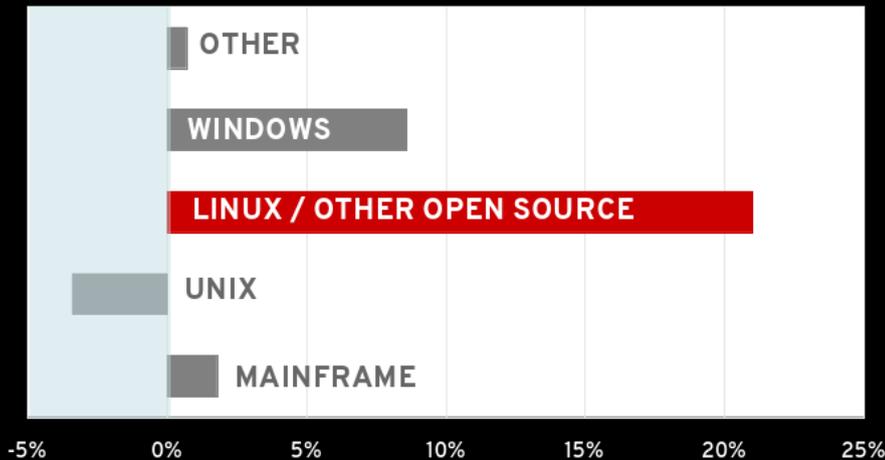


WHAT THE ANALYSTS SAY

WORLDWIDE APPLICATION SOFTWARE REVENUE COMPOUND ANNUAL GROWTH RATE, 2010-2015



WORLDWIDE INFRASTRUCTURE SOFTWARE REVENUE COMPOUND ANNUAL GROWTH RATE, 2010-2015



“ Through 2014, at least **75%** of well-managed open source software investments among mainstream IT organizations will result in **positive ROI over alternatives...** ”

“ By 2013, **open source technology** will be included in **85%** of all modern, commercial software solutions. ”



IDC Worldwide Software
2011-2015 Forecast Summary
June 2011, #228658

Gartner

What Every IT Practitioner Needs to Know About OSS
October 2010, #G00207329



“ We handle up to 32,000 transactions/second... Red Hat Linux is our standard... it gives us the stability that we're looking for, faster time to market and it gives us much more flexibility. —ROBERT WISEMAN, CTO ”

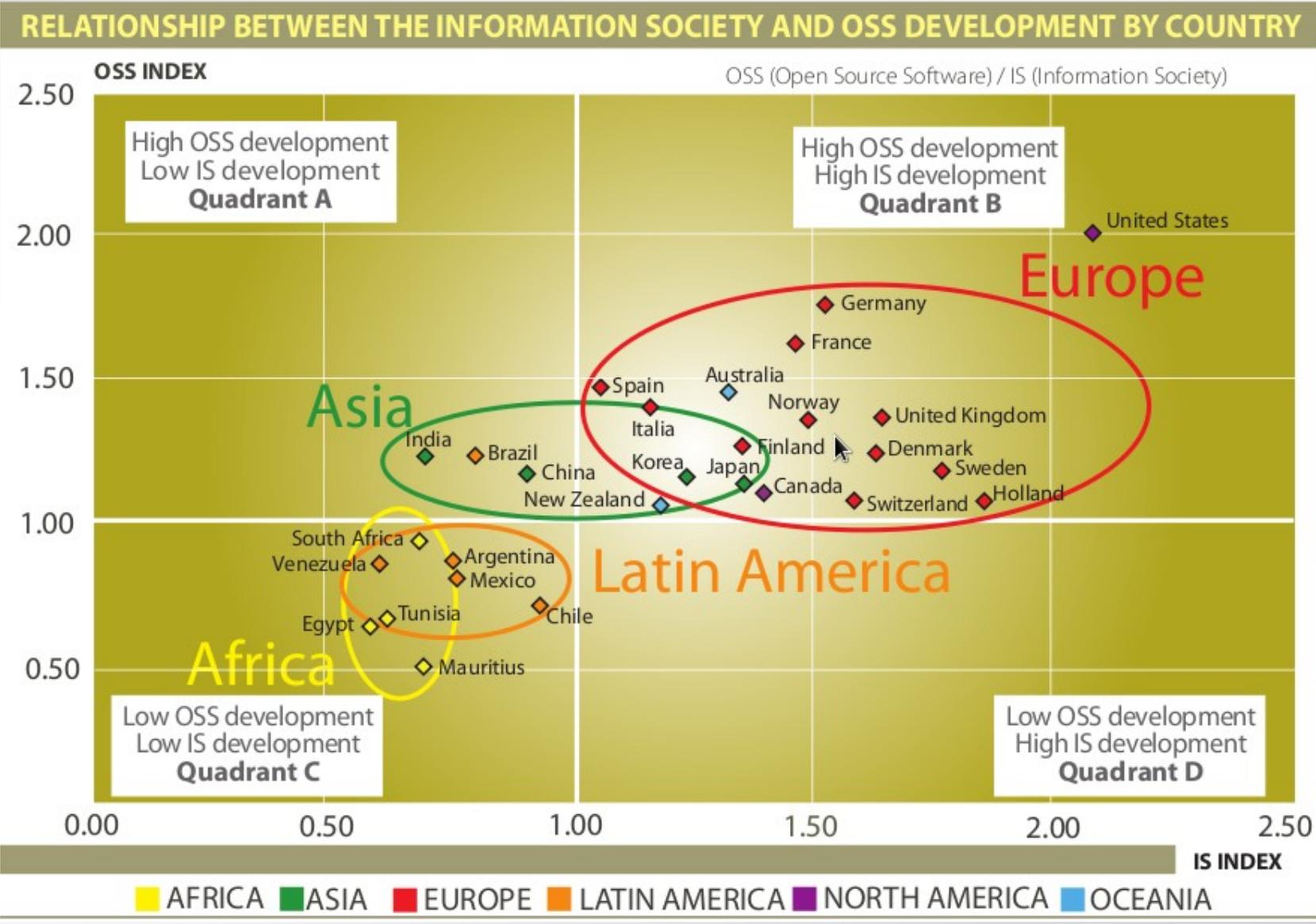
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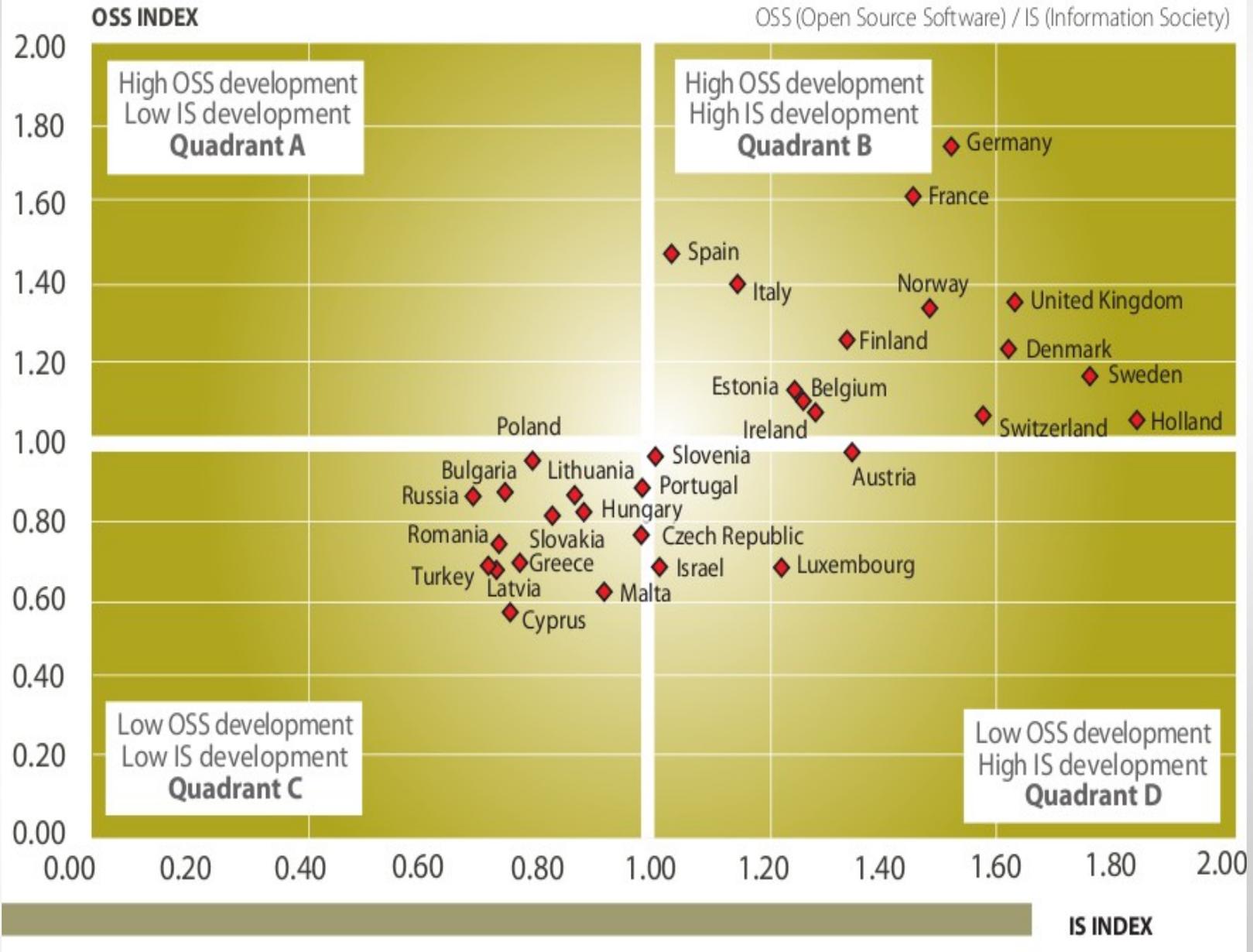
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Source: National Open Source Software Observatory, CENATIC



EUROPE: INFORMATION SOCIETY AND OSS DEVELOPMENT BY COUNTRY



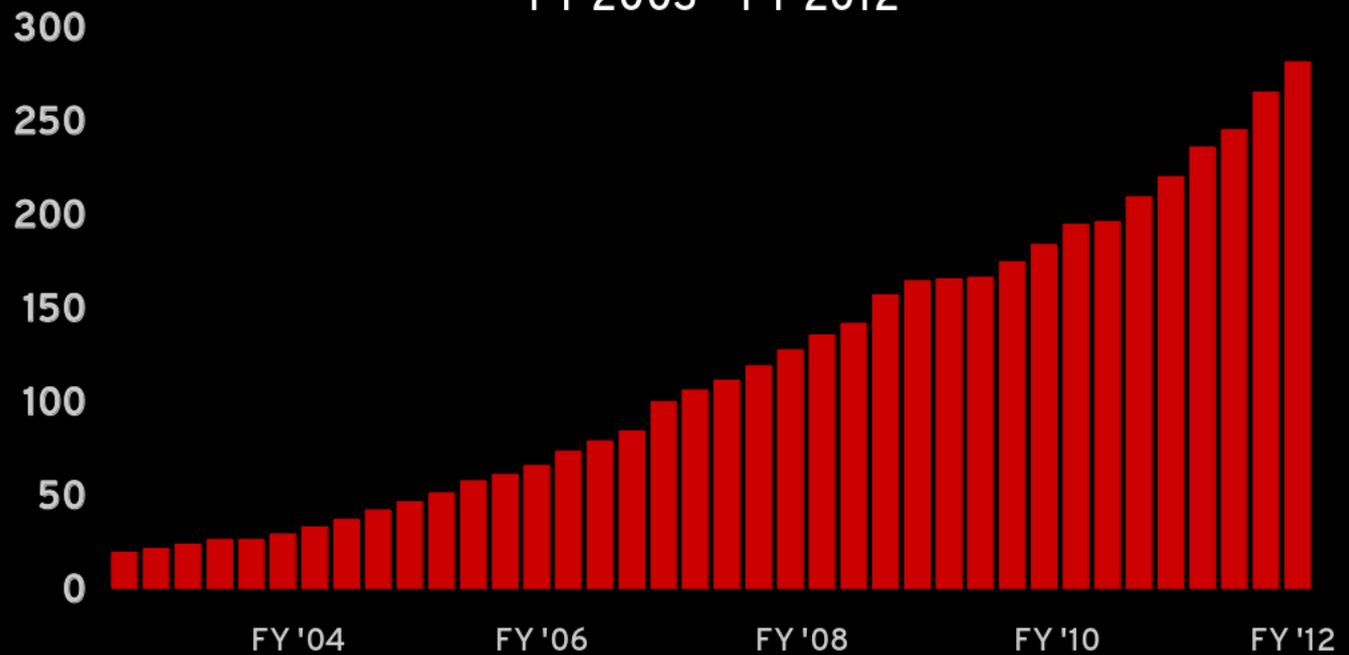


MORE THAN
80%
 of
FORTUNE
500
COMPANIES
 use

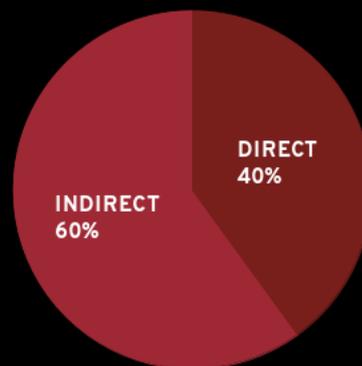


**PRODUCTS &
 SOLUTIONS.**

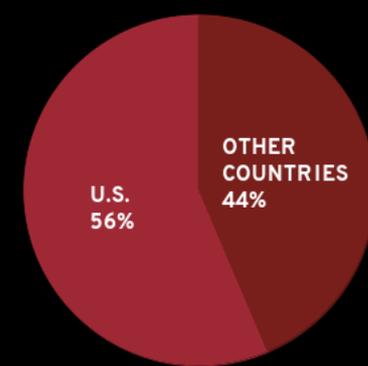
COMPANY REVENUE
 FY 2003 – FY 2012



BOOKINGS BY CHANNEL FY2011



GLOBAL REVENUE FY2011



“By running tests and executing numerous examples for specific teams, we were able to prove [...] not only would the solution work, but it will perform better & at a fraction of the costs.

—MICHAEL BLAKE, Director, Systems & Architecture

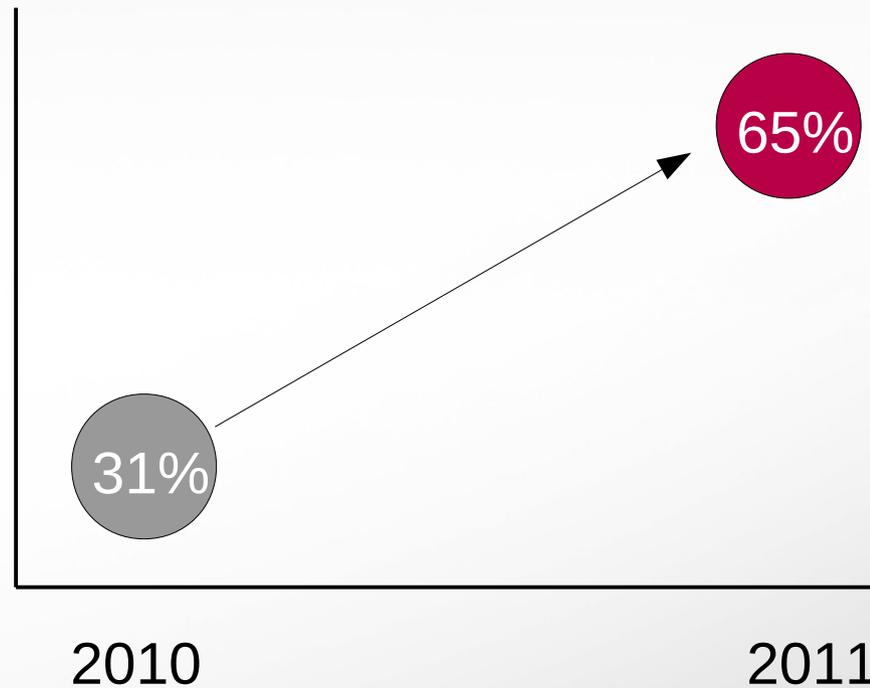


**EVANGELIZING
IS
OVER**

RISING EXPECTATION FOR IT'S BUSINESS IMPACT

GARTNER AND FORBES SURVEY OF BOARD OF DIRECTORS

Question: Rate your expectations of IT's strategic business contribution



Percentage of respondents that rated their expectations HIGH or EXTREMELY HIGH



40

50

PUBLIC CLOUDS ACHIEVE TREMENDOUS AGILITY AND EFFICIENCY



	PUBLIC CLOUDS		ENTERPRISE IT
Cost Per VM Hour:	\$0.10	vs.	\$1.00
Server: Admin Ratio:	300: 1	vs.	20: 1
Resource Utilization:	75%	vs.	20%
App Deployment:	Minutes	vs.	Weeks
New App Development:	Weeks/ Months	vs.	Years



THE FIRST CLOUDS EVER BUILT WERE BUILT ON RED HAT TECHNOLOGY

TOP PUBLIC CLOUDS

- 80% Apps running on Linux
- Open source
- X86 volume infrastructure
- On demand “unlimited scalability”
- Multi-tenancy
- High density computing



TOP PUBLIC CLOUDS
RELY ON RED HAT



ENTERPRISE IT IS COMPLEX

TRADITIONAL ENTERPRISE IT

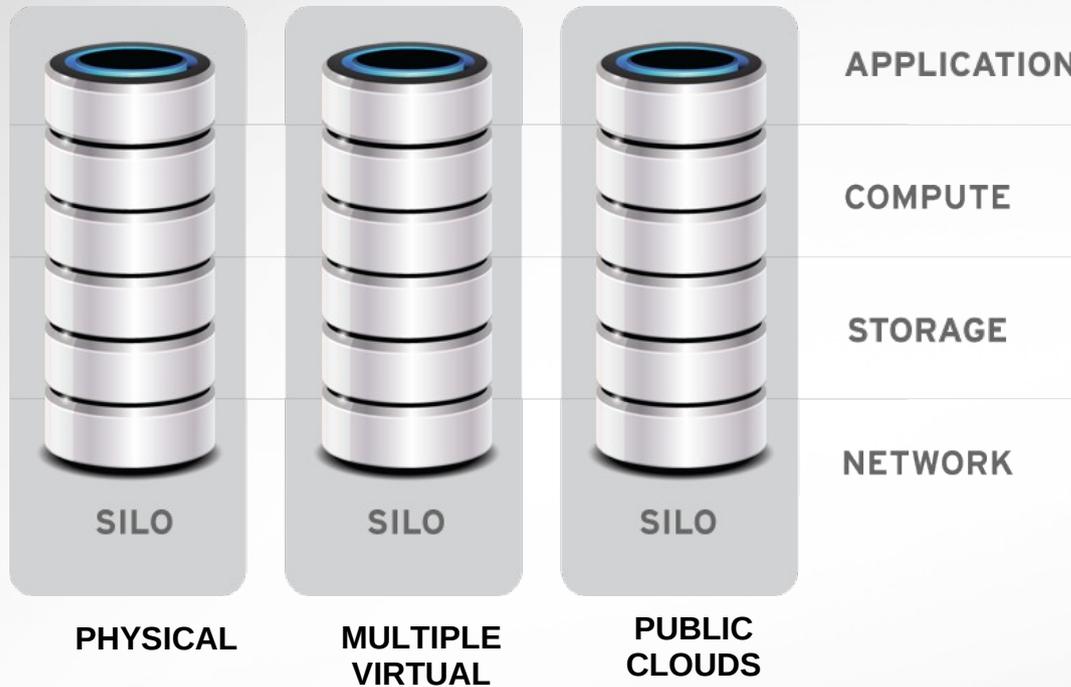
- Application-driven, purpose built
- Many legacy components
- Islands of underutilized capacity
- Regulatory and governance requirement
- Perceived slow to respond



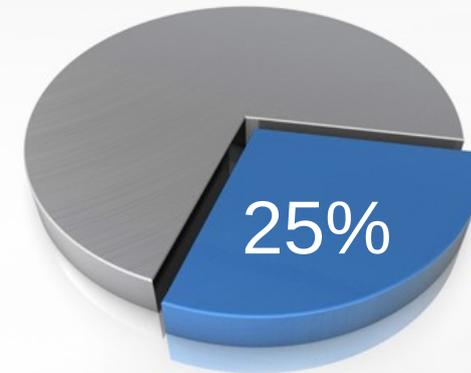
HOW TO INCREASE STRATEGIC RELEVANCE?



HOW CAN ENTERPRISES ACHIEVE THE SAME EFFICIENCY AND AGILITY?



TODAY'S INFRASTRUCTURE:
**Complex, inefficient
and expensive**



Where your time
is spent

Source: Ernst & Young
Enterprise IT Investment Trends Survey, 2011





**THE MOST CRITICAL IT
STRATEGY DECISION
THIS DECADE.**

THREE CHOICES.



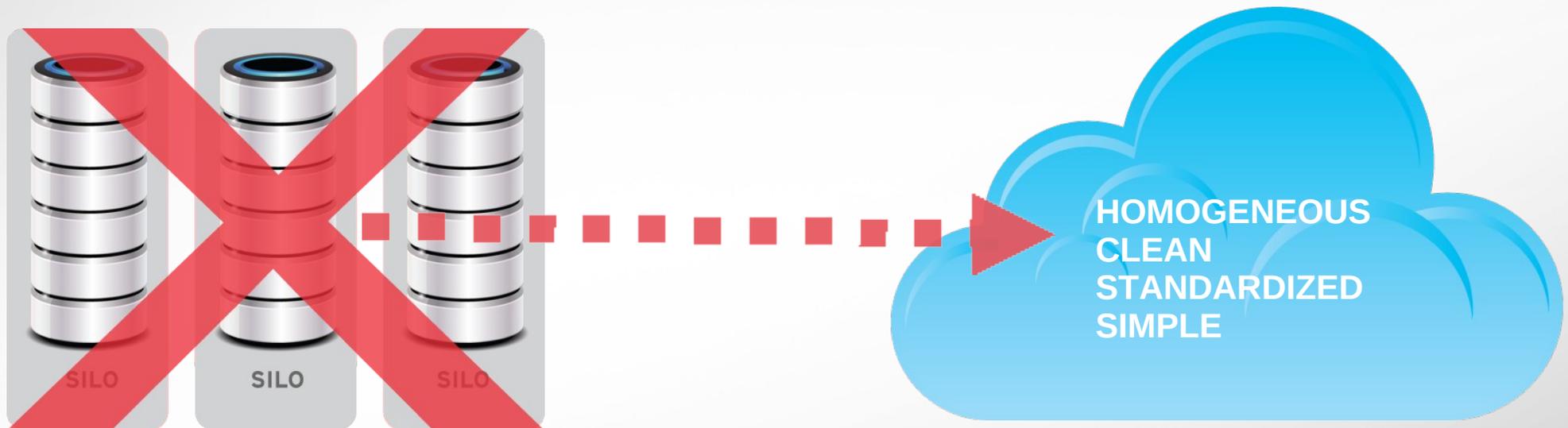


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**THROW OUT LEGACY
START FROM SCRATCH**



MIGRATION TO A HOMOGENEOUS INFRASTRUCTURE IS IMPRACTICAL



**Naively simple
for Enterprise**

MAY WORK FOR SERVICE PROVIDERS, BUT IMPRACTICAL FOR ENTERPRISES

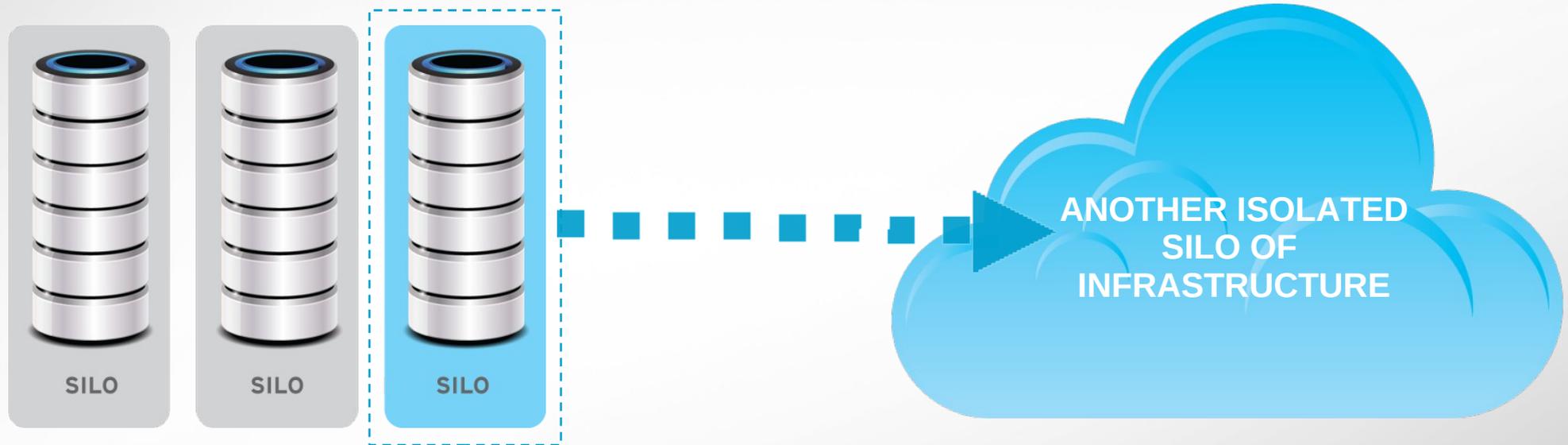




ADD A CLOUD SILO



BUILD A CLOUD FROM A SMALL PART OF YOUR INFRASTRUCTURE



A CLOSED CLOUD... Now and forever

- × Increases management complexity
- × Brings cloud's benefits to a fraction of your infrastructure
- × Cuts off access to innovation
- × Prevents use of most emerging public clouds
- × Puts vendor in charge of your infrastructure options and your economics

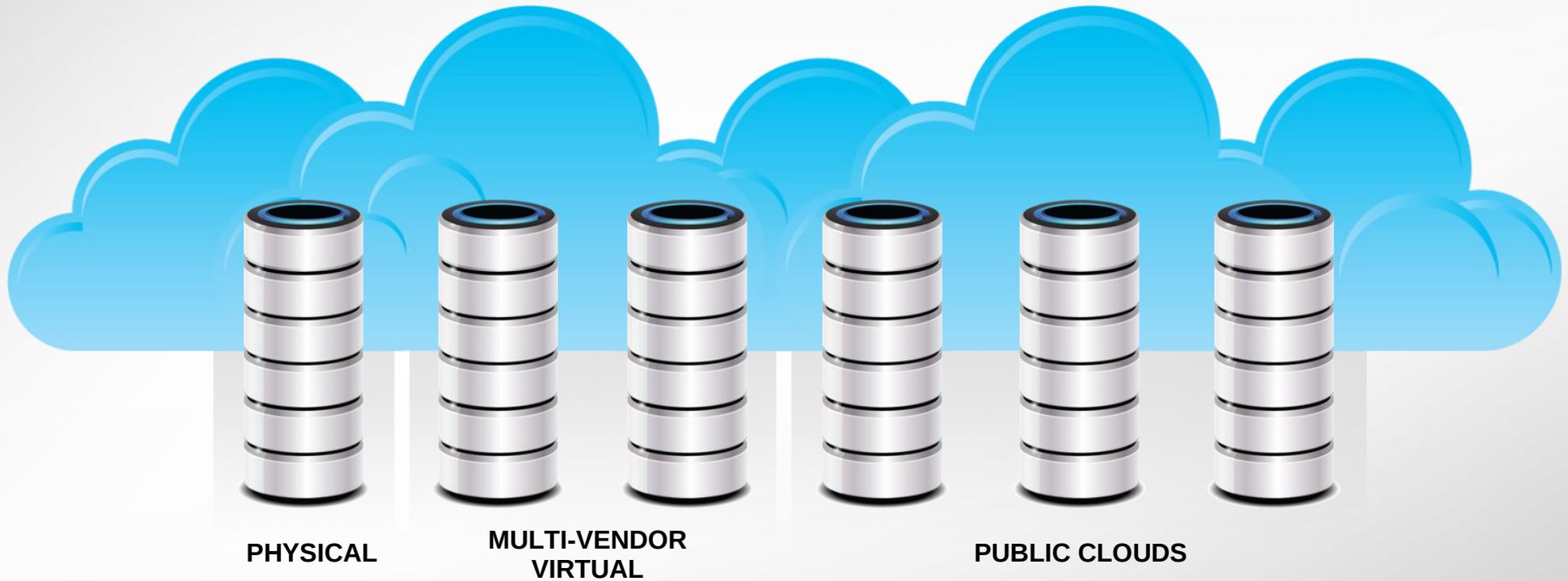




**BUILD AN OPEN HYBRID CLOUD
OUT OF ALL YOUR RESOURCES**



BUILD AN OPEN HYBRID CLOUD OUT OF ALL YOUR RESOURCES, INCLUDING PUBLIC OPTIONS



Make a cloud out of what you have
LEVERAGE EXISTING
INVESTMENTS



KEY TAKE-AWAYS

BUILD AN OPEN CLOUD



OPEN CLOUD CHARACTERISTICS

Open source

- You choose your economics, not your vendor
 - Avoid lock-in
-

Viable independent Community

- Not controlled or limited by one vendor
-

Open standards

- Open standards at every level of the stack
 - Access to greater innovation
-

Freedom to use IP

- Able to be deployed without patent restrictions
-

Choice of infrastructure

- Deploy to any infrastructure you choose
 - One that's right for you, not your vendor
-

Open APIs

- Extensible APIs for open interoperability
-

Portability

- Application portability across private and public clouds

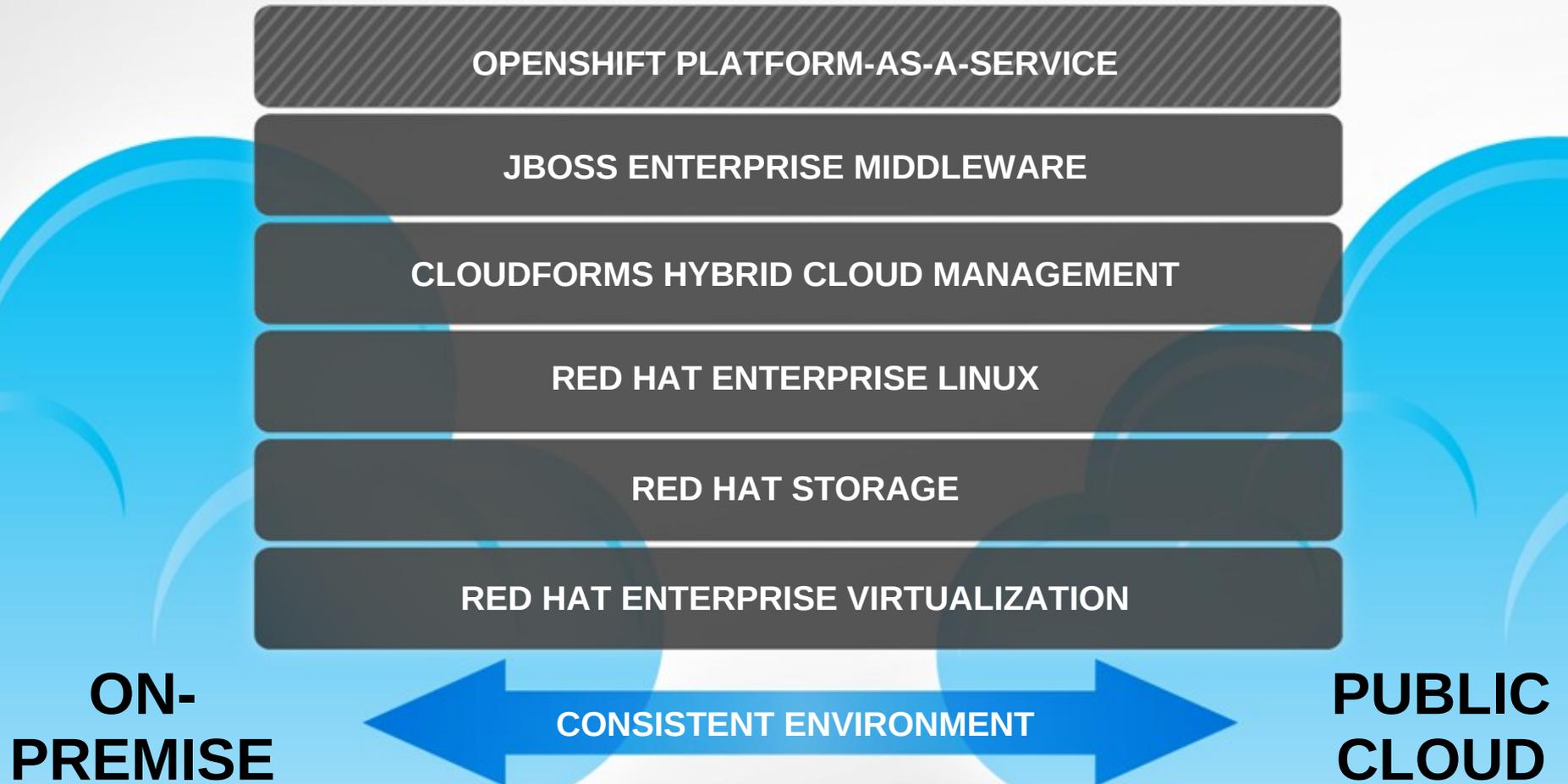
KEY TAKE-AWAYS

BUILD A HYBRID CLOUD



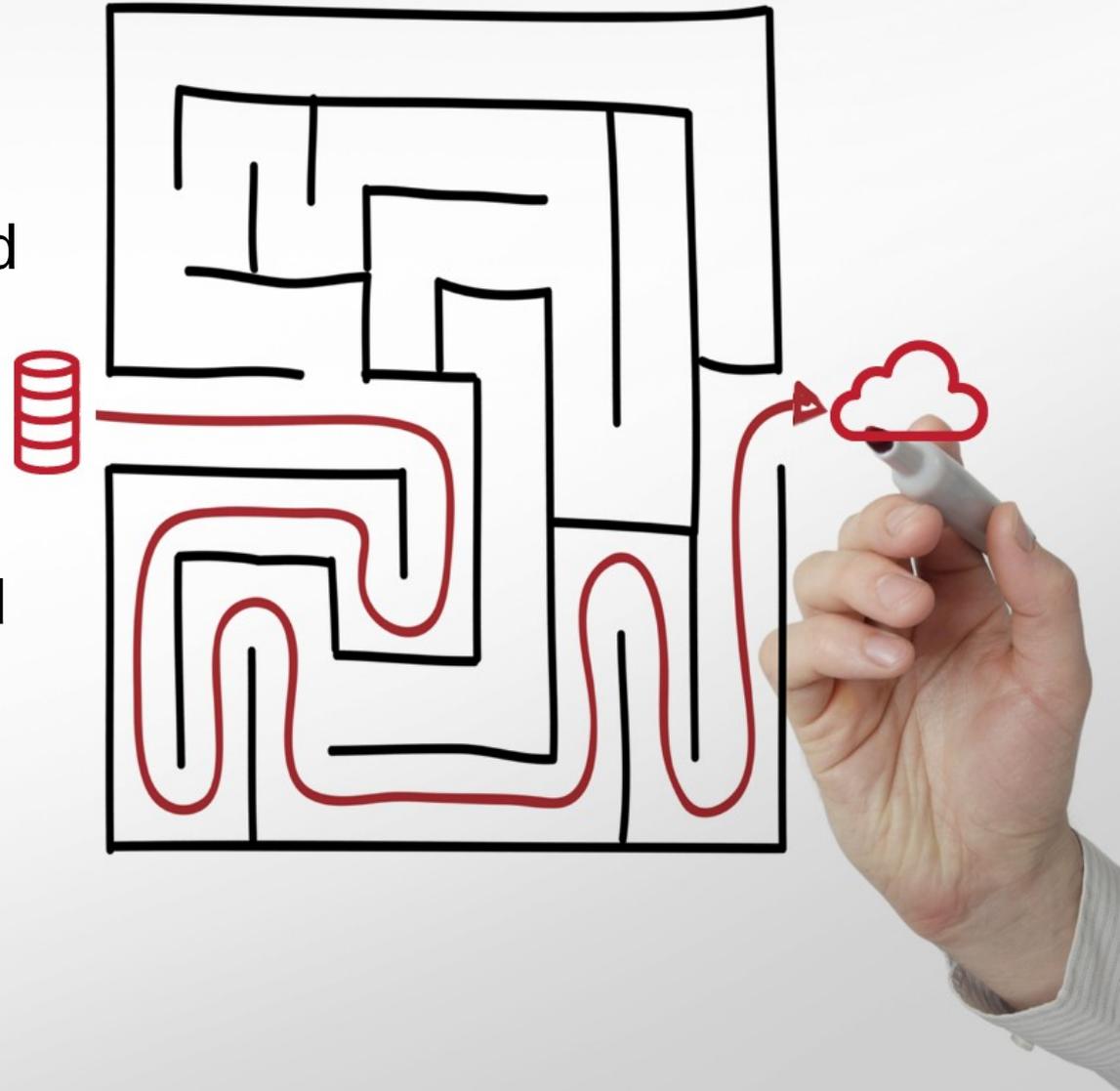
HYBRID CLOUD

**Application and Data Portability
Consistent Management & Policy**



RED HAT OPEN HYBRID CLOUDS PUT YOU IN CONTROL AGAIN

- Consistent certified environment on-premise and in public cloud
- Users retain easy, on-demand access to services
- Controlled by policies IT sets
- Applications and data are portable between public cloud and on-premise
- More choice
- Less complexity
- More control



REMEMBER, THE FUTURE IS FLUID.

“Most enterprise customers are likely to find their organizations relying on a mix of public, private, and non-cloud resources”

Source: IDC Research Survey



**OPEN HYBRID CLOUD
IS THE FUTURE OF
ENTERPRISE
ARCHITECTURE.**



redhat.