Frequently Asked Questions

Tailored Fit Pricing

1   What is Tailored Fit Pricing?

On May 15, 2019, IBM announced two new licensing solutions, the Enterprise Consumption Solution and the Enterprise Capacity Solution. Together with the previously announced Development and Test Solution and the New Application Solution, the four solutions comprise IBM's Tailored Fit Pricing for IBM Z® model. Effective date for the newest pricing solutions was June 21, 2019.

2   What happened to Container Pricing?

IBM will no longer use the name "Container Pricing" for their software pricing and will refer to the four licensing solutions under Tailored Fit Pricing for IBM Z®. Container Pricing has been too often confused with Docker and Kubernetes and with the explosion of Linux on the mainframe it was only going to get more confusing. Additionally, options will be referred to as "Solutions" going forward. E.g. the Enterprise Consumption Solution or the Dev/Test Solution.

3   Can I stay on R4HA/MLC or do I have to convert to Tailored Fit Pricing?

Yes, you can stay on MLC if that is the best option for you and your business. IBM Tailored Fit Pricing introduces new pricing models and options. All the previous options including MLC, One Time Charge, Value Unit Pricing, and Country Multiplex Pricing are still available.

4   Is Tailored Fit Pricing really a good deal for me and how do I ensure I get the best deal?

Tailored Fit Pricing Solutions provide flexibility and simplicity in their pricing models. They also provide a great discount on growth commitments, so it could be a very lucrative deal for you. However, if you have a lot of workloads that you have optimized to run outside of the peak this may not be the best alternative for you. You will have to sit down and work with IBM on the negotiations and compare to your current environment and strategic goals. As every contract will truly be tailored fit to your company, make sure your system is optimized *before* you negotiate with IBM to ensure you get the best deal. Specifically, IBM will look at your last 12 months SCRT reports to set a baseline.

5   What do you mean when you say 720Forever?

In a 30-day month with 24 hours per day there are 720 hours per month. With the new pricing solutions based on consumption and no longer on the peak R4HA, you need to manage every hour of the month as you are paying for every hour of the month now. This is just a reminder that if you have rogue workloads that previously ran outside of the peak, under Enterprise Consumption Solutions you will have to pay for those MSUs consumed. Therefore, it's important for you to change your monitoring and performance focus because under this model you must manage *all hours of the month*, not just your R4HA peak.

6   What happens if I use too many or not enough of my MSUs contracted for under Enterprise Consumption Pricing?

If don't use all your contracted MSUs, per IBM's announcement, the MSUs may be carried over to the next year in an existing contract. However, keep in mind that MSUs not utilized by end of the contract will expire.

If you use too many MSUs then at the end of each year there is a true up process and IBM will bill your company for MSUs consumed above the contracted amount. The good news is that IBM is reporting that growth MSUS will receive a significant discount.   Per IBMs announcement, it can be up to a 50% discounted

7   Can I use multiple solutions under Tailored Fit Pricing (e.g. Dev/Test and Enterprise Consumption)?

Tailored Fit Capacity Consumption Solutions are an all-in solution and your environment will be used as a baseline to create a fixed price agreement. You can combine the other pricing solutions to meet your needs. Customers that have already piloted the new pricing models with IBM reported that they often have more than four different pricing solutions. It seems to be common to have multiple Enterprise Consumption solutions depending on the IBM products running on those LPARs. IBM has communicated that in addition to the Multiple Enterprise Consumption Solutions for production workloads you can have one Dev/Test Solution. IBM New Application Solution is also available for new mainframe workloads. That is the beauty of "Tailored Fit", you can pick the combination of solutions that will work best for you and your environment.

Frequently Asked Questions

BMC Solutions & Tailored Fit Pricing

8 What does Tailored Fit Pricing mean to my existing CAzE software?

There are no immediate impacts to your existing Cost Analyzer for zEnterprise® software. Cost Analyzer currently supports the forecasting and modeling of the IBM TFP Dev/Test Solution and New Application Solution. If you are expecting to move to the Enterprise Consumption or Enterprise Capacity Solutions, please speak with your BMC Account Team to determine the best course of action.

9 What does Tailored Fit Pricing mean to my existing iCAP software?

There are no immediate impacts to your existing Intelligent Capping for zEnterprise® software. Intelligent Capping currently adjusts the capping technology in support of the of the IBM TFP Dev/Test Solution. If you are expecting to move to the Enterprise Consumption or Enterprise Capacity Solutions, you should talk with your BMC Account Team to determine the best course of action.

10 Will CAzE and iCap continue to support me if I move to Tailored Fit Pricing?

Every customer contract with IBM will be Tailored Fit and customized to your environment. As BMC solutions are sold based on business value your BMC Account Team would be happy to work with you to determine the best course of action if you move to a Tailored Fit solution.

11 What happens to my contract with BMC if I move to Tailored Fit Pricing?

This will be discussed on a case by case basis. BMC provides frictionless movement to a variety of pricing models with our own licensing agreements and IBM's Tailored Fit Pricing is another model that BMC supports. Our BMC Account Teams look forward to listening to customer needs to help create the optimal pricing model for each environment.

12 Are there any plans to enhance solutions to support Tailored Fit Pricing and help me monitor my MSU usage?

Intelligent Capping for zEnterprise® and Cost Analyzer for zEnterprise® have already been upgraded to support the Dev/Test and New Application Solutions. Cost Analyzer has also been updated to report MSU consumption information. As we go forward our product teams are currently working with customers to see how we can continue to enhance all our software products to support you. It is important to note that BMC AMI Capacity Management provides significant value when moving to either Enterprise Consumption or Enterprise Capacity Solutions. A solution to help you monitor your capacity usage and ensure you remain on target with your MSU consumption, capacity management is more important than ever. New development is underway as part of the BMC Automated Mainframe Intelligence (AMI) cost optimization efforts to improve enterprise capacity management specific to Tailored Fit Pricing and as more customers move to the new IBM pricing models, we expect to learn more about which new features are needed to ensure your cost optimization success.

13 Is BMC planning to adopt a similar model to Tailored Fit Pricing or Broadcom's Mainframe Consumption Licensing (MCL)?

BMC provides frictionless movement to a variety of pricing models with our own licensing agreements using the Shared Value approach but will not be announcing a new pricing model. We already work with our customers to align the value of their BMC software with the value they are receiving, and we work with them to create custom payment options to help them meet their business goals. BMC fully supports IBM TFP Solutions and our Account Teams look forward to listening to customer needs to help create the optimal pricing model for each environment.