

Management mistakes about the iSeries – AS/400

By Rich Hall, Vice President of Sales & Marketing, Touchtone Corporation

Why not to throw out your AS/400!

All too often these days, corporate managers misjudge the IBM AS/400 (or iSeries as it's now called) when it comes to deploying a Customer Relationship Management solution. They make shortsighted, frugal decisions about the cost of purchasing hardware to run a CRM solution, only to find that their future costs will far exceed the initial costs, even if the initial costs include new hardware.

Zero downtime?

I spoke to the president of a capital equipment manufacturing company recently and he proudly stated that since 1985, he had zero (yes, zero!) hours of unscheduled downtime on his IBM model 170 AS/400 server that runs the bulk of his business applications. His friends presiding over other companies are experiencing 200 hours and more of unscheduled downtime each year on their Microsoft Windows based businesses.

That equates to five weeks of downtime on critical business applications. That means your staff cannot look up an inventory item, create an invoice, service a customer, put someone on credit hold or worst of all, fill an order! What does that cost your company?

You do the math. What does your company bring in each week? If you are \$10 million business, we're talking about \$961,000 each year! You can buy a heck of a lot of IBM hardware for that and one nice CRM system to grow your business. This president has a new IBM model 800 iSeries server on order.

This is not an advertisement for IBM. But, let's face it; you get what you pay for. The guy that fixed my old Magnavox VCR told me the \$100 price tag for a new part (the video head) was well worth it, versus spending \$75 on a new machine, because the new one would only last six months. My old VCR is still running three years later!

The AS/400 has a reputation for very good performance, too, with extremely low down time, strong security, stability, and no virus or worm attacks. But to management, sometimes, cheap Microsoft hardware looks appealing and there are many CRM solutions that run on it.

Did you hear the one about...

Another IT professional was frustrated with the decisions his company's management team was making about their IT direction. Here is his story:

“Our corporate parent management (a clueless collection of venture capitalists and bean counters) in their infinite wisdom hired a new I/S Director. He is officially tasked with overseeing the ‘big picture’ direction of the I/S departments of three subsidiaries and the corporate group, and coordinating efforts among them to eliminate duplication of effort and unnecessary spending.

The problem is that he is paranoid about his position. Our company's department, built around an IBM iSeries 820 and a Microsoft Windows network, has been the bell cow of the entire organization since

day one. We provide services for corporate and the sister companies, and have bailed them out of literally dozens of jams in the past three years. That means nothing to the FNG (Freaking New Guy).

All he knows is SQL Server and Oracle distributed MS Windows networks, and is clueless about the many advantages of the iSeries. He went to the corporate management and alleged, among other things, that our department's spending was 'out of control' (his words,) that the iSeries was an 'obsolete' platform, that our PC network was dangerously close to collapse because of under-specified routers/switches/cabling, and that we had failed to respond to his requests for new projects.

According to all the studies I can find, manufacturers in our class spend between 2 and 2.75 percent on IT. We spend a tad over 1%, so his first allegation is untrue.

As for that iSeries being obsolete, the FNG won't even listen to anything we tell him about its robustness, openness, ability to play nicely with Windows networks and to exchange data almost seamlessly. Hell, he won't even sign onto the system!

As for the PC network, you can sit at the admin console and watch the performance graphs all day long and not see the load spike above 15%. Response time is almost always sub second to one second. The few times we have a problem, it has always been a Microsoft patch at fault, and we typically resolve those within 1-2 hours or less. (The FNG has spent \$60k on new routers and switches to 'improve' network response! The new equipment sits uselessly in an upstairs office at this moment.)"

I hope this story does not sound familiar to you! Unfortunately, we hear this story all too often from too many companies.

The scenario above happens frequently in many companies:

1. Company hires a new IT Manager
2. New Manager is unfamiliar with the iSeries that has been working well for years
3. New Manager feels the need to "improve and upgrade" to something he knows
4. Current staff is usually not consulted
5. Company changes to support New Manager. They spend a ton of money and are worse off than ever before.

Don't let this happen to you! There are plenty of quality applications such as CRM, ERP, SCM and many others that run on the iSeries and will deliver outstanding performance with the lowest Total Cost of Ownership (TCO) in the industry. Independent research firms have proved this time and time again.

Independent research supports the iSeries

The research firms of IDC and The Meta Group have both published recent reports that show the iSeries has the lowest total cost of ownership compared to Unix and Windows NT. The IDC study, for example, shows the iSeries at \$3,800 annual cost per user, Unix at \$5,400, and Windows NT at \$6,200 annual cost per user. This study points out that 10 users over 5 years could save an organization upwards of \$120,000.

A Gartner Research study found that the iSeries is 43 times more reliable than a Windows NT server. The study found the average Windows NT server suffers from an average of 224.5 hours of unplanned outages annually, compared to 5.2 hours for the iSeries and 23.6 hours for a Unix Server.

The Meta Group conducted research on Deployment time, which found that the iSeries is three times quicker to deploy than Windows NT and Unix servers. In addition, the survey uncovered that iSeries installations usually take less time than is planned and by contrast, Unix and Windows installations take more time than planned.

The benefit? iSeries users can begin to recover their investment almost two months earlier than Unix or Windows users.

Computerworld found that customer satisfaction for the iSeries leads Windows NT and Oracle across several significant criteria, including vendor confidence, service and support, cost of ownership, quality, and overall satisfaction.

Overwhelming evidence for the iSeries

The evidence for the iSeries is overwhelming. After seeing the mountains of evidence from multiple independent research firms, it is difficult to overlook the benefits of using the iSeries server to host your CRM application. CRM is critical to the business because it drives the sales, marketing and customer service functions that are the lifeblood of any company. As a consumer, nothing is more frustrating than dealing with your bank or other service provider when they say, “my computers are down and you’re going to have to call me back on Monday.”

CRM has taken some heat about successful implementations and delivering a Return On Investment, but as you can see, it is obvious that the server on which it runs plays a significant role in the equation. Add to this all of the cultural changes that should be embraced in a CRM-driven company, and it becomes clear that the platform you choose and the company you do business with are not trivial choices.

CRM for the iSeries

Touchtone Corporation delivers an iSeries CRM solution, Wintouch eCRM. The software delivers unique functionality to iSeries users who want to integrate to their ERP or legacy back-end applications and database. Wintouch delivers a browser-based solution to capitalize on our increasingly Internet-driven society, along with unique features that allow easy integration and “click of an icon” access to existing “green-screen” and native RPG (AS/400) applications. Wintouch is available as an installed solution or as a hosted solution, and a new Websphere version will be available in about 60 days. For more information on Wintouch eCRM, contact Touchtone Corporation at Wintouch.com or (800) 786-8663.