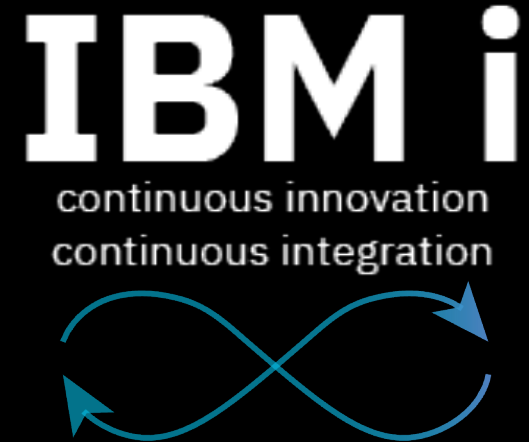


# IBM i Subscription Term

February 21<sup>st</sup>, 2024

IBM i Product Management Team  
Douglas Gibbs  
Linda Hirsch  
Dan Sundt



# IBM i Strategy Cornerstones

## Power Solutions

- Enable clients to exploit latest Power technology
- Enable transformation of customer solutions with new value
  - Mobile, Internet of Things, Cognitive, Machine Learning and AI
- Enable Solution Developers to modernize around services, hybrid cloud and DevOps

## Openness Options Tailored for Business

- Grow IBM i solutions options including modern RPG with open source technologies
- Flexible options for acquisition
  - Cloud - inside or outside Data Center
  - **Multiple options for acquiring entitlements**
- Entice new talent with popular open languages and tools

## The Integrated Promise of IBM i

- Deliver a simple, high value platform for business applications
- Provide exceptional security and resiliency for critical business data
- Leverage IBM systems, storage and software technologies

<https://www.ibm.com/it-infrastructure/us-en/resources/power/i-strategy-roadmap/>



# IBM Power Operating System Purchasing Models

	Ownership	Subscription	as a Service (aaS)
<b>IBM i</b>	Non-expiring license	Subscriptions – New in 2022, expanded in 2023, expanding in 2024	PowerVS
<b>AIX</b>	Non-expiring license	Subscriptions - 2021	PowerVS
<b>Linux</b>	N/A	Subscription & Support (1yr, 3yr)	PowerVS

# Current Software Licensing Models for IBM i

The licensing and available platforms will change as our offerings evolve.

Type of Licensing for IBM i	Description	Where is this type of IBM i license acquired
Non-expiring license Also called one-time charge (OTC) license, formerly called perpetual	Up-front payment of a license that does not expire.  Acquire/renew Software Maintenance (SWMA) to get upgrade, support, etc.	<ul style="list-style-type: none"> <li>- On-prem HW</li> <li>- Virtual Serial Number (VSN)</li> </ul>
Subscription Term license	Up-front payment of a committed term: for IBM i, the Subscription terms are 1, 2, 3, 4, or 5 years. License and SWMA included in the term.	<ul style="list-style-type: none"> <li>- On-prem HW</li> <li>- Virtual Serial Number (VSN)</li> </ul>
Utility, also called “Pay as you go”	Pay for what is used. Metered and billed.	The IBM-provided offerings for IBM i: <ul style="list-style-type: none"> <li>- IBM i in PowerVS</li> <li>- Power Enterprise Pools 2.0: Metered Capacity (i.e. capacity used above Base Capacity)</li> </ul>
as a Service (aaS): e.g. Software as a Service, Infrastructure as a Service, etc.	“as a Service” typically means HW/resources and/or software with a delivery model in which resources and/or software are often provided on a utility basis and are centrally hosted.	The IBM-provided aaS offering for IBM i is PowerVS  IBM i in PowerVS is pay as you go, metered and billed.

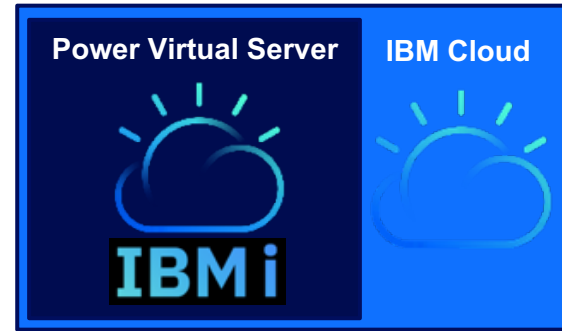
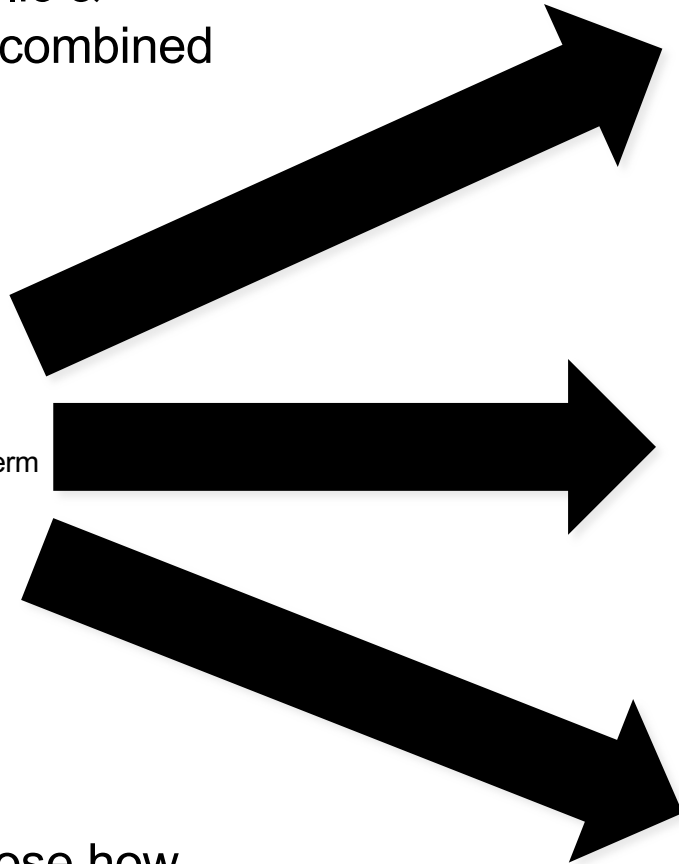
# Hybrid Cloud Options for an IBM i Client

Hybrid clouds are public & private environments combined




Licensing Options


- Non-expiring
- Subscription Term




IBM i clients can choose how to deploy their environment



**Power E1080**






**Power S1022s/S1022/S1024**



**Power S1014**

## Flexibility in deployment, management, and payment options

<div style="display: flex; justify-content: space-between; align-items: center;"> <div> <p><b>Power Server Standalone</b></p> <p>Traditional Infrastructure Deployment</p> <p><i>Consume entire server as an application platform</i></p> </div> <div style="text-align: right;">  </div> </div> <ul style="list-style-type: none"> <li>▪ Non-expiring or subscription term licenses - On static or mobile cores</li> <li>▪ P05/P10/P20/P30 software tiers</li> <li>▪ SP Monthly (P10/P20 software tiers)</li> </ul>	<div style="display: flex; justify-content: space-between; align-items: center;"> <div> <p><b>Power Private Cloud with Dynamic Capacity</b></p> <p>Pay only for what you use</p> <p><i>Cloud Capabilities On Prem. with Advanced Monitoring</i></p> </div> <div style="text-align: right;">  </div> </div> <ul style="list-style-type: none"> <li>▪ Non-expiring or subscription licenses - On base cores which can share or offset with other base cores in the pool</li> <li>▪ Metered licensing by the minute – On any core above base</li> <li>▪ P10/P20/P30 software tiers</li> </ul>	<div style="display: flex; justify-content: space-between; align-items: center;"> <div> <p><b>Power Virtual Server with IBM Cloud</b></p> <p>Extend to Cloud</p> <p><i>Same mission Critical Infrastructure as on-prem, for Dev/Test, HA/DR, Modernization</i></p> </div> <div style="text-align: right;">  </div> </div> <ul style="list-style-type: none"> <li>▪ Consumption based licensing</li> <li>▪ Hourly pricing, monthly billing</li> <li>▪ IBM i OS and LPPs (4 priced optional LPPs)</li> <li>▪ P10/P30 software tiers</li> <li>▪ Movable IBM i offering available</li> </ul>
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# Subscription Term/OpEx



- Who?
  - Longtime IBM i users, looking for new ways to acquire the technology they need to run the business. “Cloud Model” for on-prem.
  - Interested in shifting to subscription-based licensing and SWMA next time hardware is upgraded. Move from CapEx to OpEx.
  - Focus on outcomes and business value alignment
- 
- Why?
  - Subscription Term licensing enables clients to purchase IT products at an annual rate for a committed term
  - Subscription Term licensing is consistent with how clients consume software and offers a lower cost of entry with increased flexibility



## OpEx

Many finance departments/CFOs are stating that operating expenditures (OpEx) have distinct advantages over capital expenditures (CapEx)

With OpEx, organizations can afford the latest and greatest technology without having to find a large bucket of funds upfront to pay for it. This frees up cash for investments and other projects that drive revenue and growth.

# IBM i Subscription Term Licensing Messaging

The IBM i business is known for its adaptability. This has allowed IBM to invest in making IBM i a platform that provides a strong foundation for technical and business innovation — both for IBM and for clients. As the IT industry is moving toward licensing software in a subscription model, the IBM i business is following suit. Subscription Term licensing offers clients a predictable and consistent payment option.



# Why is the Industry Moving to Subscription?

## Portability, flexibility, consistency, predictability

### IBM i Customers

- Enjoy working with businesses who make things convenient and easy like subscription term
- No more anxiety about losing services due to missing SWMA payments
- Enjoy auto renewal
- Budgeting is more manageable - consistent
- Boards of Directors and Investors like predictability of subscription term
- Small customers with lapsed SWMA may find entry expense lower than SWMA reinstatement and After-License-Fees
- IBM i Partners and ISVs are moving to subscription models

## Meet Fortra

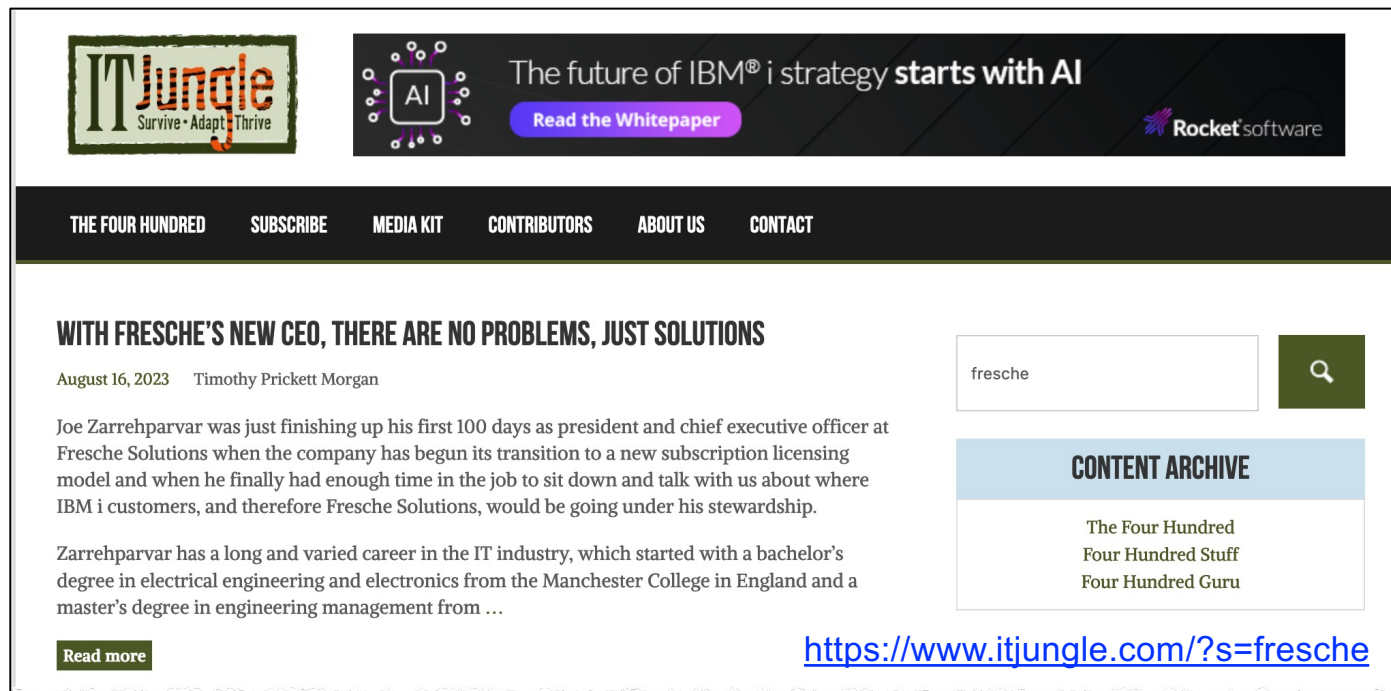
The new face of HelpSystems

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# Your cybersecurity ally.

- For more than 5 years, Fortra has offered customers multiple ways to acquire products: subscription, the more traditional perpetual license and Enterprise License Agreements.
- Fortra continues its commitment to the IBM i platform through solutions like Robot, Sequel, Showcase, Halcyon, Powertech, WebDocs, BRMS, PowerHA, RDi and more

# Fresche Subscription Announcement



The screenshot shows a webpage from IT Jungle. At the top, there's a banner for "The future of IBM® i strategy starts with AI" with a "Read the Whitepaper" button and the Rocket Software logo. Below the banner is a navigation menu with links: THE FOUR HUNDRED, SUBSCRIBE, MEDIA KIT, CONTRIBUTORS, ABOUT US, CONTACT. The main content area features an article titled "WITH FRESCHÉ'S NEW CEO, THERE ARE NO PROBLEMS, JUST SOLUTIONS" by Timothy Prickett Morgan, dated August 16, 2023. The article text discusses Joe Zarrehparvar's role as president and CEO at Fresche Solutions and the company's transition to a subscription model. A search bar with the text "fresche" and a magnifying glass icon is visible. Below the search bar is a "CONTENT ARCHIVE" section with links to "The Four Hundred", "Four Hundred Stuff", and "Four Hundred Guru". A "Read more" button is at the bottom left, and a URL <https://www.itjungle.com/?s=fresche> is at the bottom right.



FRESCHÉ SOLUTIONS

"Changing market dynamics and overwhelming customer feedback and preferences are driving us to reimagine how we deliver value to our clients. Our subscription model for highly adopted flagship products such as Presto, WebSmart, X-Analysis and TGSecurity is a direct response to these demands, enabling our customers to harness the power of our solutions without the constraints of traditional procurement models. We are excited to bring this transformative approach to the market, and further empower businesses of all sizes to thrive and innovate. This subscription model not only simplifies bringing on modern solutions, but also facilitates seamless integration into diverse operational landscapes. It also provides pricing models that are tailored to suit every budget, enabling organizations to adopt best-in-class solutions without compromising financial flexibility."

**Christine McDowell, VP of Marketing & Business Development, of Fresche Solutions**

# IBM i Subscription Term Licensing

- A new way to acquire IBM i software; more likely to be realized as an OpEx model
- Lower entry price compared to non-expiring
- 1 to 5 year committed terms
  - Predictable and protected pricing for duration of the term
- Includes 9x5 support (upgradeable to 24x7)
- IBM i 7.2, 7.3, 7.4, 7.5
- Power9 or Power10 systems
- All P05/P10/P20/P30 tiers now available
- Merlin, Rational Development Studio (RDS), Rational Developer for i (RDi) Licensed Program Products (LPPs) became available as subscription term in 2023
- Backup, Recovery and Media Services (BRMS) and Cloud Storage Solutions LPPs became available as subscription term in early 2024
- Remaining LPPs are planned for 2024



# IBM i Subscription Term Licensing Timeline

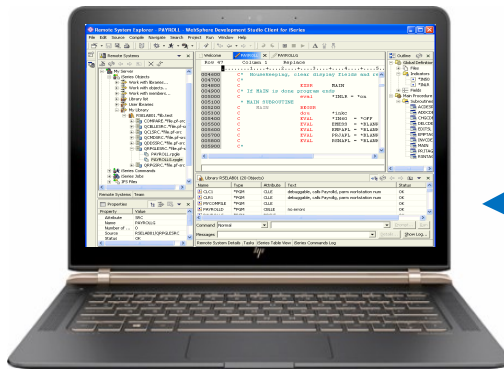
- **May 2022**
  - IBM i subscription term for the P05 tier
    - Power9 S914 4-core then the Power10 S1014 4-core
- **February 2023**
  - IBM i subscription term for the P10/P20/P30 tiers
    - Power9 and Power10 servers
  - Merlin (Modernization Engine for Lifecycle Integration) available as subscription term
    - Passport Advantage (PPA)
- **May 2023**
  - Rational Development Studio (RDS) available as subscription term
  - Rational Developer for i (RDi) available as subscription term
    - Passport Advantage (PPA)

# IBM i Subscription Term Licensing Timeline

- **January 2024**
  - BRMS (5770-BR2)
    - Includes 90-day and 1/2/3/4/5 year terms
  - IBM Cloud Storage Solutions (5733-ICC)
    - Includes 90-day and 1/2/3/4/5 year terms
- **2Q 2024**
  - May 7, 2024: IBM i Subscription Term is acquired with purchase of new Power10 P05 and P10 machines
  - 2Q Conversion offering: convert IBM i non-expiring to IBM i Subscription Term for a lower priced Subscription Term option
- **Future**
  - Remaining LPPs offered as Subscription Term
    - PowerHA for i
    - Db2 Mirror for i

# Subscription for IBM i Application Development Portfolio

- Compilers reside on the server (Rational Development Studio)
- Editors - three options:
  1. ADTS (feature of Rational Development Studio for i) – server based, green screen
  2. RDi – workstation based; supports all latest advances in languages and technologies
  3. Merlin - IBM i Modernization Engine for LifeCycle Integration



## Rational Developer for i

Ordered from AAS/e-Config or PPA  
Order 1 entitlement per developer

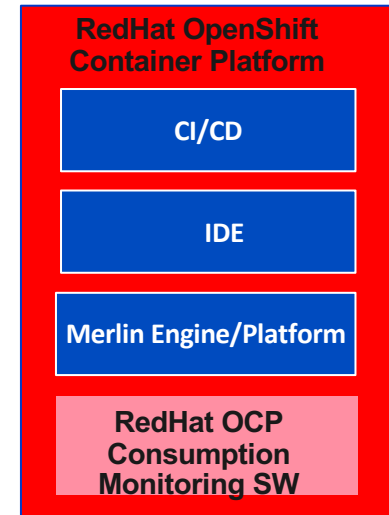
- Installed on desktop/laptop
- New 9.8 Version available 4/11/2023
- **Subscription Term available 5/11/23**



## Rational Development Studio for i

Order in AAS/ e-Config only  
Order 3 features separately/developer

**Subscription Term available 4/11/2023**



## Merlin

Ordered as VPC from PassPort

- Installed inside RedHat OpenShift
- Priced by capacity (VPC)
- **Subscription Term available 2/14/23**

# BRMS Subscription Term

[Announcement 1/09/2024](#) ; GA 1/26/2024

	Non-expiring	Subscription Term
Backup, Recovery and Media Services (BRMS)	<p>5770-BR1 BRMS SWMA is covered under IBM i group SWMA</p> <p>Per server, price based on tier</p> <p>Base feature required, Advanced &amp; Network features optional</p> <p><b>Price:</b>                      0812 P05 OTC base - \$1,060                      0813 P10 OTC base - \$2,120                      0815 P20 OTC base - \$6,360                      0818 P30 OTC base - \$12,720</p> <p>0861 P05 Advanced - \$382                      0862 P10 Advanced - \$763                      0863 P20 Advanced - \$2,290                      0864 P30 Advanced - \$4,579</p> <p>0898 Network feature - \$954/system</p>	<p>5770-BR2 License &amp; SWMA combined</p> <p>Per core: One price regardless of tier</p> <p>90 day or 1/2/3/4/5 year terms</p> <p>Consolidate Base &amp; Advanced &amp; Network features – all are provided on one order</p> <p><b>Price:</b>                      Price/core: \$400/core/year                      (in addition, buying one-year term has 15% premium)</p> <p>IBM i 7.4 or 7.5</p>

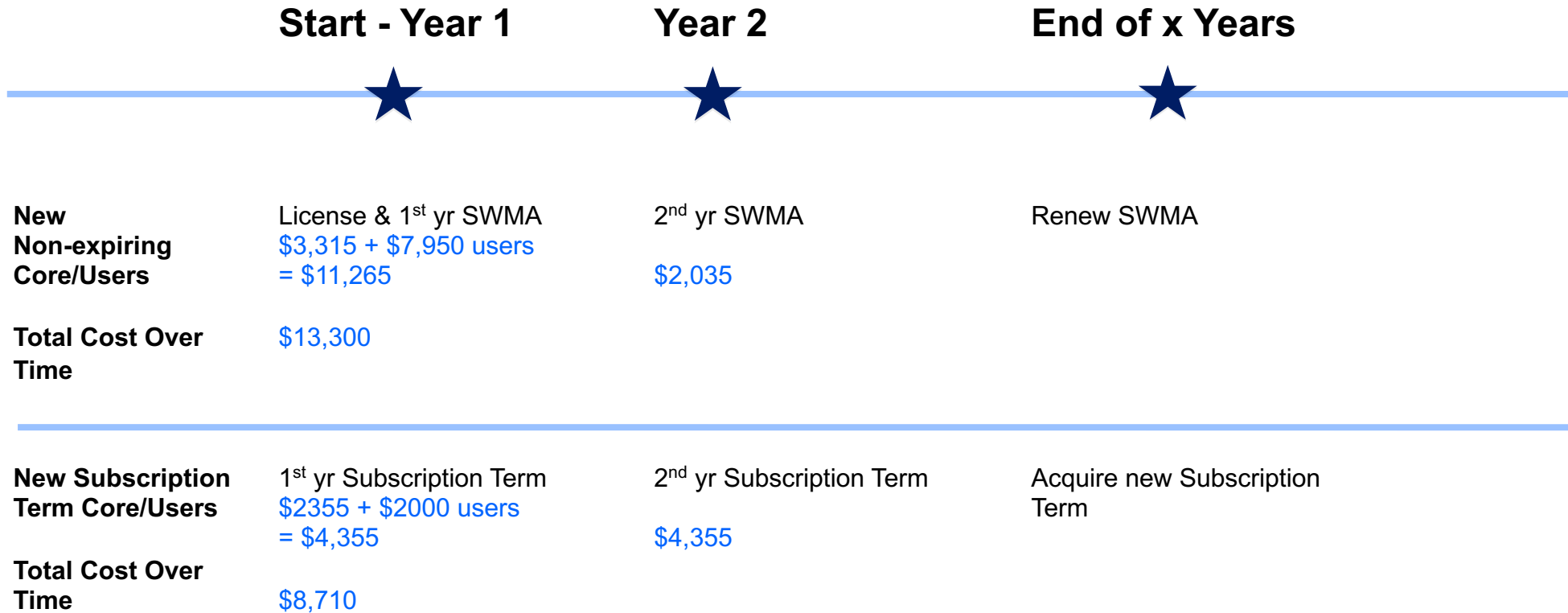


# Cloud Storage Solutions Subscription Term

[Announcement 01/09/2024](#) ; GA 2/16/2024

	Non-expiring	Subscription Term	PowerVS
IBM Cloud Storage Solutions for i (5733-ICC)	5733-ICC License & separate SWMA  Per partition  <b>Price:</b> Base: \$2544 Advanced: \$1060	5733-ICC License & SWMA combined  Per partition  90 day or 1/2/3/4/5 year terms  <b>Price:</b> \$1015/partition/yr  (in addition, buying one-year term has 15% premium)  90-day: \$320/partition  IBM i 7.3, 7.4 or 7.5	Per core  <b>Price:</b> \$840/core/yr

# IBM i Licensing Options (example: 2-year P05 with 25 users)



# IBM i Business Transformation: Subscription Shift

## IBM plans to shift the IBM i portfolio to Subscription Term licensing, 8/29/2023 Announcement

[Positioning IBM i clients for future hybrid cloud success](#)

[Licensed software feature withdrawal of selected non-expiring IBM i license offerings as IBM transforms the IBM i business](#)

[Revised withdrawal](#), 2/20/2024

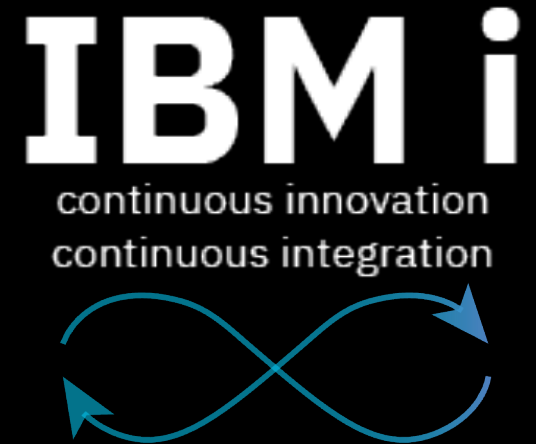
- Originally effective 3/26/2024, now effective 5/07/2024, customers will acquire IBM i Subscription Term licenses on new Power10 P05 and P10 machines. E.g. upon purchase of Power10:
  - 1) buy new IBM i Subscription Term, or
  - 2) convert IBM i non-expiring license to IBM i Subscription Term at a lower-priced Subscription Term option, fulfilling the Statement of Direction\*

Note: in the future, IBM i P20/P30 tier will also move to Subscription Term. This schedule for P20 and P30 tiers is TBD.

\*Statement of Direction 8/29/2023:

IBM intends to offer IBM i customers a lower priced subscription term option to convert from an IBM i non-expiring license which has associated active Software Maintenance to an IBM i subscription term license.

# IBM i Transformation FAQ



# IBM i Transformation FAQ

Refer to [IBM i Transformation FAQ](#) (on [IBM i License Topics](#)): this document will continually be updated.

# IBM i Transformation FAQ

**Q:** Starting May 7, a customer will buy a new Power10 9105-41B P05 or P10 tier machine. Can the customer transfer IBM i non-expiring entitlements to the new machine?

**A:** Starting May 7, the two choices for IBM i entitlement on purchase of a new P05/P10 machine are...

- 1) buy new IBM i Subscription Term, or
- 2) convert IBM i non-expiring license to IBM i Subscription Term at a lower-priced Subscription Term option

Therefore, for new Power10 P05 or P10 purchase starting May 7, non-expiring licenses cannot be transferred to the new machine.

# IBM i Transformation FAQ

**Q:** Starting May 7, I have an existing Power9 or Power10 machine which **does NOT** have IBM i non-expiring license(s) on it, can I transfer IBM i non-expiring licenses to the existing machine?

**A:** Starting May 7, the two choices for IBM i entitlement for transfer to Power9/Power10 machines at P05 or P10 tiers are...

- 1) buy new IBM i Subscription Term, or
- 2) convert IBM i non-expiring license to IBM i Subscription Term at a lower-priced Subscription Term option

Therefore, for existing Power9 and Power10 P05 or P10 tier machines starting May 7, non-expiring licenses cannot be transferred to the machine.

# IBM i Transformation FAQ

**Q:** Starting May 7, I have an existing Power9 or Power10 machine which has IBM i non-expiring licenses on it...

- Can I transfer IBM i non-expiring licenses to the existing machine?

**A:** Yes

- Can I purchase additional IBM i non-expiring processor or user quantities on the existing machine?

**A:** Yes. E.g. add one or more additional IBM i processor entitlements and/or user entitlements

- Can I renew my IBM i group SWMA associated with IBM i non-expiring licenses?

**A:** Yes. IBM is not withdrawing the ability to renew IBM i group SWMA.

- Am I required to convert my existing IBM i non-expiring licenses to Subscription Term licenses on or shortly after May 7?

**A:** No. Existing IBM i non-expiring licenses on existing machines can remain, and as mentioned, SWMA can be renewed.



# IBM i Transformation FAQ

**Q:** Starting May 7, I have an existing Power8 or earlier machine which has IBM i non-expiring licenses on it...

Note that IBM i Subscription Term licenses are only supported on Power9 and Power10 machines. Therefore...

- Can I transfer IBM i non-expiring licenses to the existing machine?  
**A:** Yes.
- Can I purchase additional IBM i non-expiring processor or user quantities on the existing machine?  
**A:** Yes. E.g. add one or more additional IBM i processor entitlements and/or user entitlements
- Can I renew my IBM i group SWMA associated with IBM i non-expiring licenses?  
**A:** Yes. IBM is not withdrawing the ability to renew IBM i group SWMA.
- Am I required to convert my existing IBM i non-expiring licenses to Subscription Term licenses on or shortly after May 7?  
**A:** No. IBM i Subscription Term is only supported on Power9 and Power10 machines.

# IBM i Transformation FAQ

**Q:** In a production-CBU pairing, can the production machine have IBM i non-expiring licenses, and the CBU have IBM i Subscription Term licenses, or vice versa?

**A:** For both production and CBU, the IBM i requirement can be fulfilled with either IBM i non-expiring or IBM i Subscription Term. E.g. IBM i non-expiring licenses may be on the production and IBM i Subscription Term on the CBU, or the opposite situation with IBM i Subscription Term on the production and IBM i non-expiring on the CBU.

On a given machine, the license must be all non-expiring or all Subscription Term: you cannot combine non-expiring and Subscription Term on one serial number.

If a CBU has Subscription Term licenses, any eligible temporary keys for LPPs will be generated to align with the Subscription Term of IBM i.

# IBM i Transformation FAQ

**Q:** For IBM i Subscription Term licenses, will expiring keys be issued?

**A:** Yes. The key duration will match the term of the license purchased.

# IBM i Transformation FAQ

**Q:** With IBM i Subscription Term licenses, which Licensed Program Products (LPPs) **are not included** with orders of IBM i Subscription Term?

**A:** The following LPPs are ordered separately and **are not included** with IBM i Subscription Term licenses:

- Backup, Recovery, and Media Services (BRMS) (5770-BR1, 5770-BR2)
- Rational Development Studio for i (5770-WDS)
- PowerHA SystemMirror for i (5770-HAS)
- Cloud Storage Solutions for i (5733-ICC)
- Db2 Mirror for i (5770-DBM)
- Rational Developer for i (ordered via Power channel (5733-RDW) or Passport Advantage)
- ARCAD Observer for IBM i (5733-AO1)
- ARCAD RPG Converter for IBM i (5733-AC1)
- IBM i Modernization Engine for Lifecycle Integration (“Merlin”, ordered via Passport Advantage)

# IBM i Transformation FAQ

**Q:** When I order IBM i Subscription Term licenses, are Subscription Term LPPs also required?

**A:** No. With IBM i Subscription Term, you can order non-expiring LPPs, Subscription Term LPPs (for those LPPs which are available as Subscription Term), or transfer existing LPPs to this machine with IBM i Subscription Term.

**Q:** When I have IBM i non-expiring licenses, can I order Subscription Term LPPs?

**A:** Yes. With IBM i non-expiring licenses, you can order non-expiring LPPs, Subscription Term LPPs (for those LPPs which are available as Subscription Term), or transfer existing LPPs to this machine. More configuration instructions and details will be added to the IBM i Transformation FAQ on IBM i License Topics.

# IBM i Transformation FAQ

Refer to [IBM i Transformation FAQ](#) (on [IBM i License Topics](#)): this document will continue to be updated to include answers to ongoing questions.

Thank you

**IBM i**

continuous innovation  
continuous integration



**IBM**