SUMMIT

JBoss WORLD

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EXPERIENCE OPEN SOURCE.

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Agenda

- Cloud Directions and Market Impact

- Ecosystem Changes

- Red Hat: Releasing a Cloud Service

  - Financial

  - Operational

  - Licensing

- Looking Forward

Clouds: Evolving IT

Mainframe ⇨ **PC** ⇨ **Client/Server** ⇨ **Web** ⇨ **Cloud**

Technology Shifts

Business Changes

Key Drivers of the Move to Cloud
- Budgets slashed
- Idle Compute Capacity
- % Budget spent on maintenance, not new solutions
- Staffing constraints
- SLA requirements
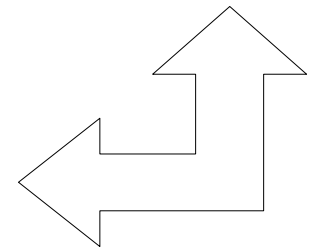
CLOUD COMPUTING

What are we really doing?

> **Creating
> Self-Managed,Metered
> SERVICES
> from traditional offerings**

Fundamentally changing the **consumption** models of IT and more closely **aligning the technology with the business**.

**Software as a Service
Platform as a Service
Infrastructure as a Service**

Technology Evolution – What's New Here?

- Virtualization
  - From Mainframe to Hypervisors
- Standards & Compatibility
  - Virtualization formats
  - ABI/API Guarantees
- Infrastructure Management
  - Physical to Virtual Management

- Networking & Communications
  - IP/Internet
  - VPN
- Resource Localization
  - Regional Datacenters
- Storage
  - Clustered Filesystems
  - Data Centralization
- Security
  - Firewalls, IDS/IPS

Business Impacts – Not Technology

- Agility
  - Dynamic reprovisioning
  - Capacity on Demand
- Consumption Models
  - License/Subscription
  - Annual/Monthly
- Compliance
  - Security/Privacy

- Cost Management
  - Capital vs. Operational
- Sustainability – Eco
  - Utilization
- Empowerment
  - Self-Service
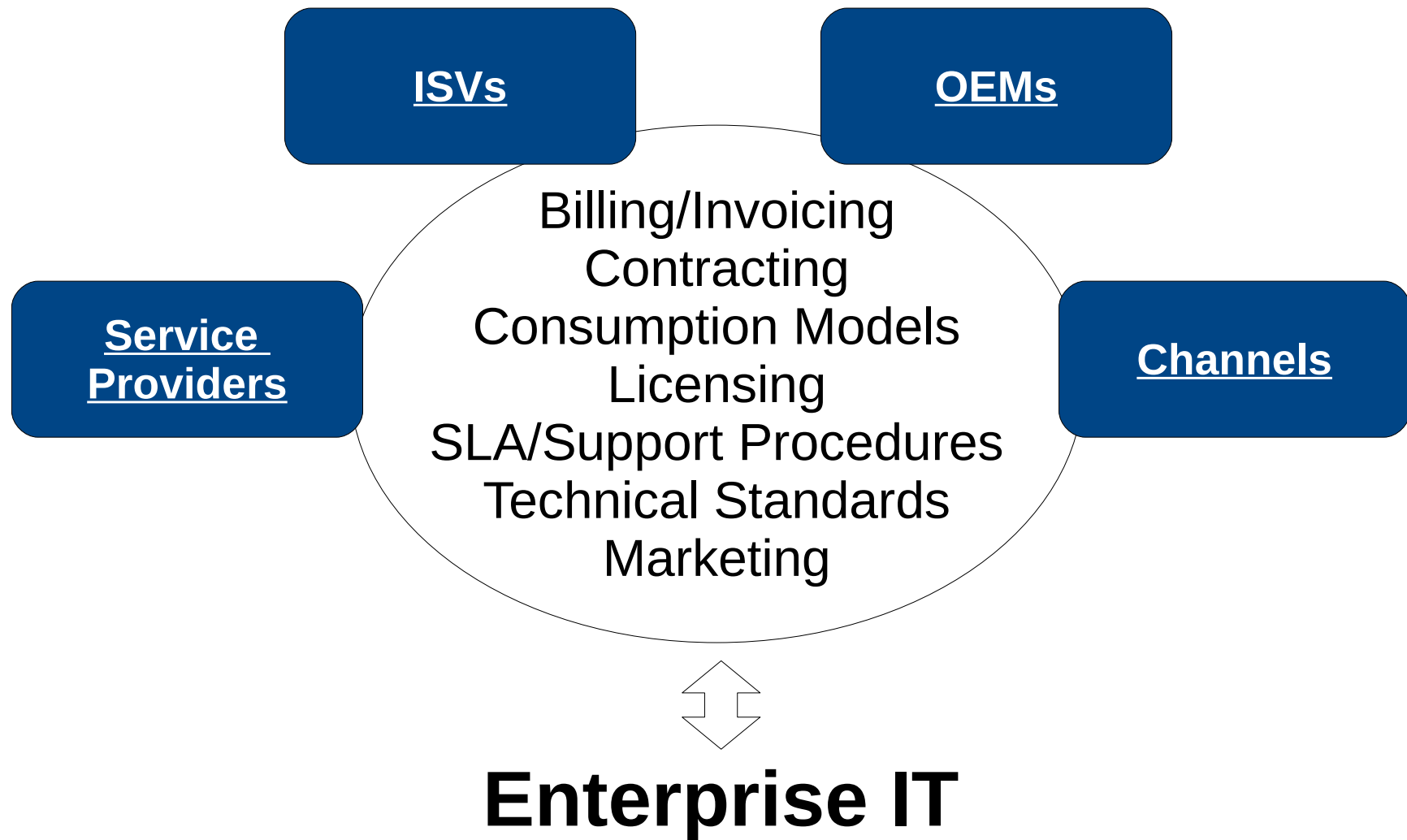- Maintenance
  - Shared Resources

Today's Ecosystem

ISVs

OEMs

Service Providers

Channels

Billing/Invoicing
Contracting
Consumption Models
Licensing
SLA/Support Procedures
Technical Standards
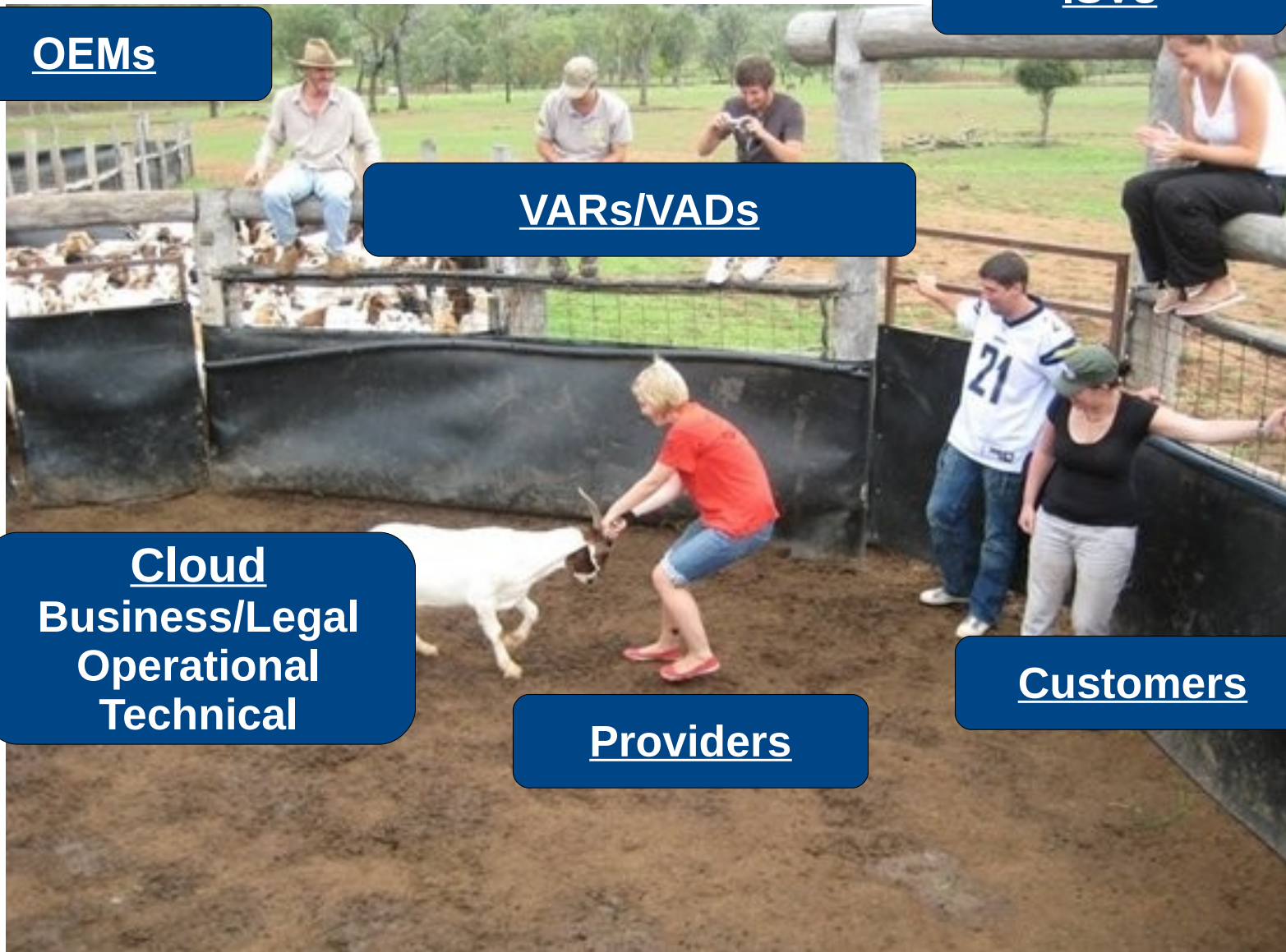Marketing

Enterprise IT

ISVs

OEMs

VARs/VADs

Cloud
Business/Legal
Operational
Technical

Providers

Customers

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The Extended Cloud Ecosystem

Service Providers

Software as a Service

Specialized Cloud Services

Platform as a Service

Specialized Cloud Services

Infrastructure as a Service

ISVs

Hardware/OEMs
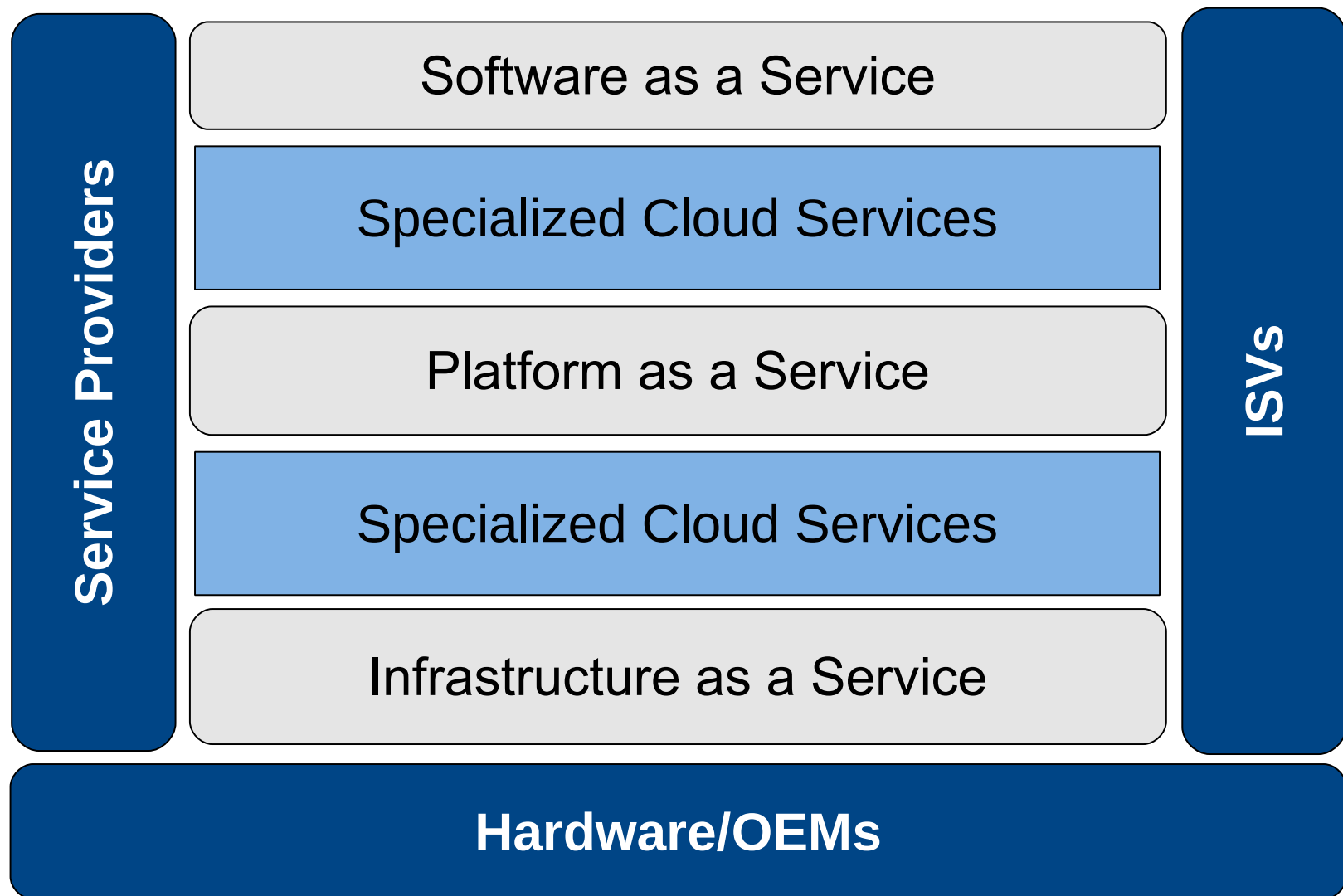
Cloud Consumption Models

Changing product models to match consumption

On+Off
Premise/Burst

Traditional Hosters

Public Cloud

Private Cloud

On-Premise Servers

Monthly

Hourly

Yearly
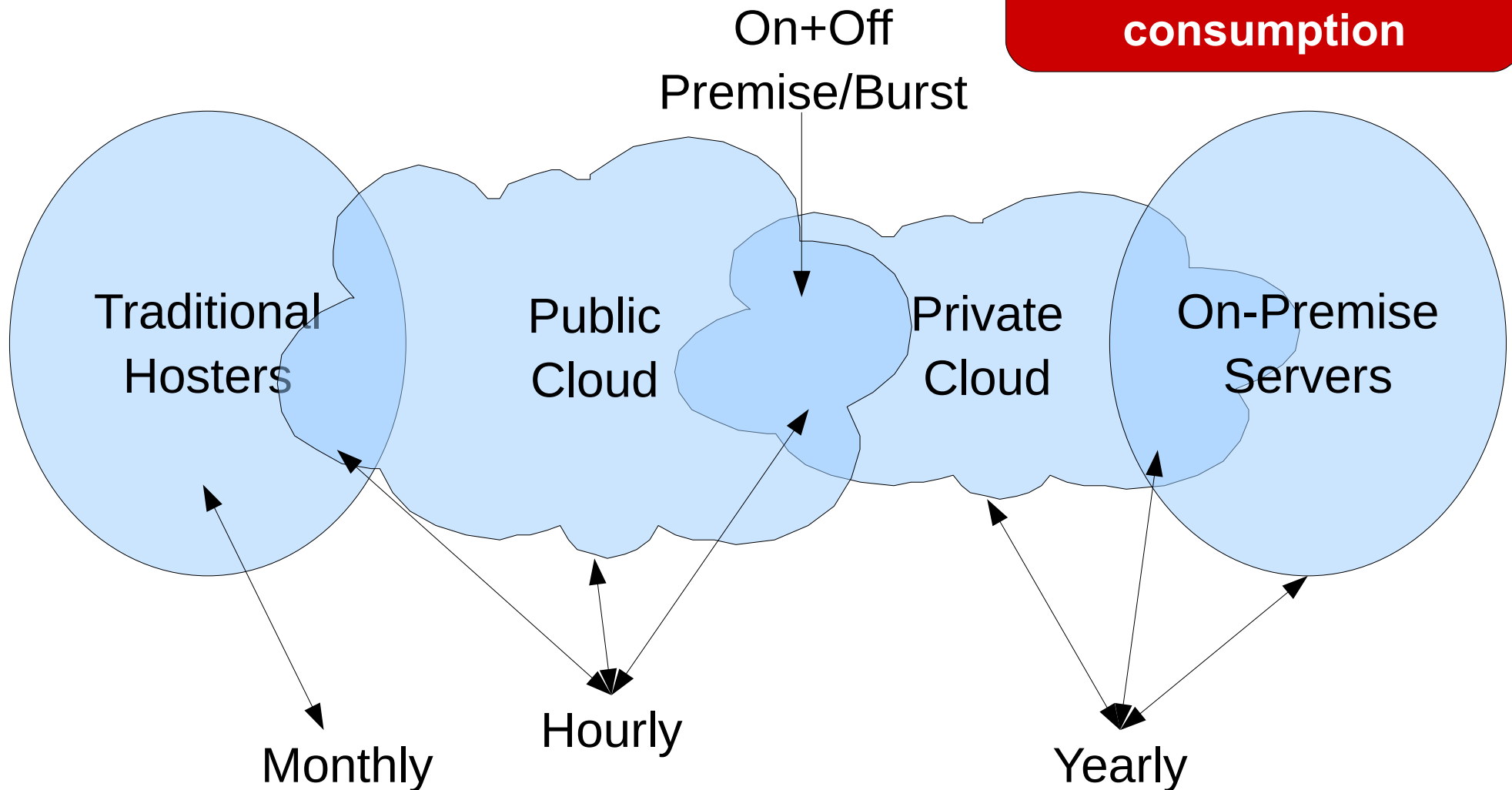
Plus: Customer Bring Your own License

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Red Hat: Releasing a Cloud Service

- Product Offerings
    - What is delivered to the customer?
- Support
    - Who provides support, how is that accounted for?
- Finance
    - How do we account for granular revenue?
    - What is the unit of measure?

- Legal
    - Who takes the risk?
    - How are customers entitled?
- Partners
    - How do we participate?
- Sales
    - Compensation plans across hourly channels?

Red Hat Enterprise Linux in the Public Cloud
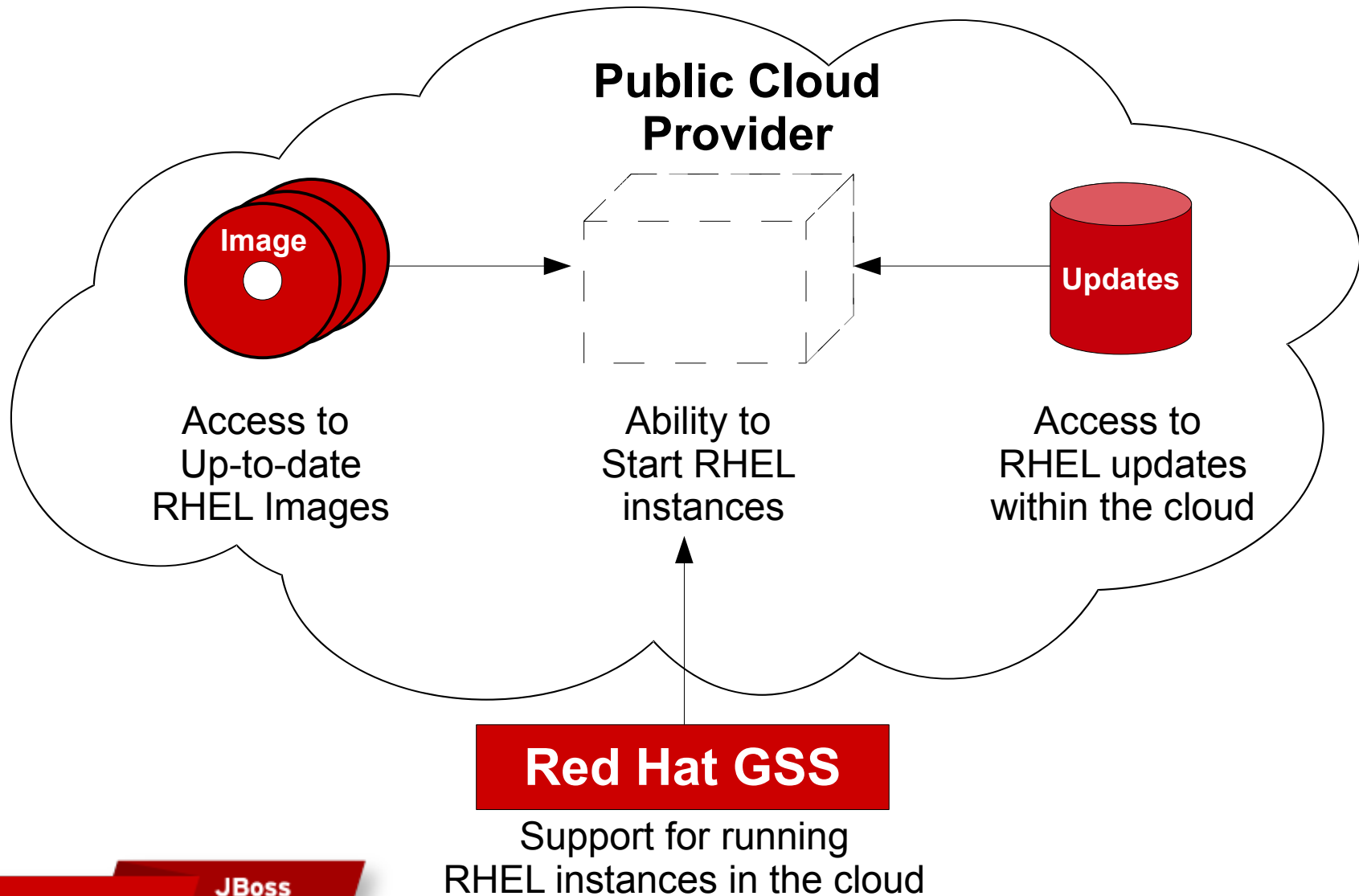

Public Cloud Provider

Image

Updates

Access to Up-to-date RHEL Images

Ability to Start RHEL instances

Access to RHEL updates within the cloud

Red Hat GSS

Support for running RHEL instances in the cloud

Business Issues to be addressed

Operational

- Support & Certification models

- Images vs. Instances

- Software Versioning

Economic

- Pricing – Hourly, Quarterly, Annually

- Revenue Recognition

- License + Maintenance vs. Subscription

Legal

- Entitlement

- Subscription (License) Transfer

- Open Source and the Cloud

Operational: Instance vs. Image

- Traditional delivery of ISO images, update streams, and support

- Consistency of Image and Update content with traditional image delivery within the cloud

- Image Certification Criteria

  - Secure (Firewalls)

  - Configuration (daemons, networking)

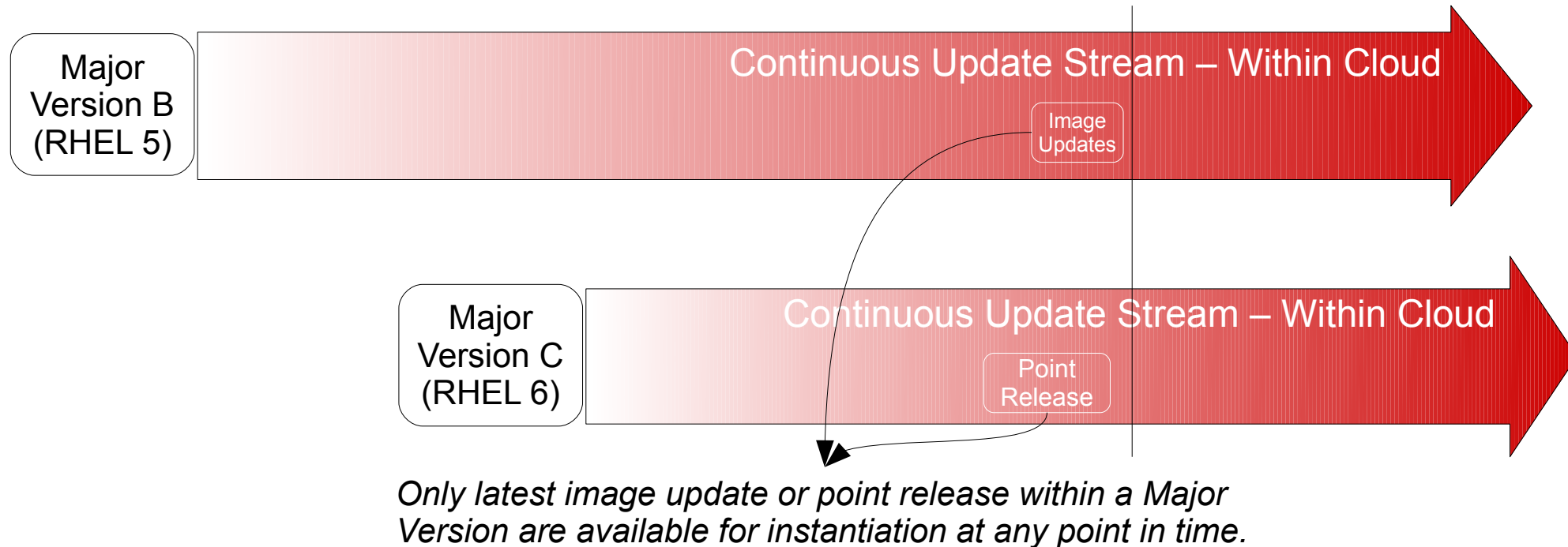- Moving from being a software company to a service provider (SaaS)

Operational: Who Provides Support?

- Direct - ISV (Red Hat) answers all customer inquiries

  - Can the problem be resolved based on the consumption model?

  - How is entitlement done to **instantly** inform support of customer purchases and enablement?

  - Works for BYOL (Cloud Access)

- Partner

  - If certified to support customer, limited challenges

  - Defaults to same problems as Direct otherwise

Operational: Versioning

Current Date

Major Version B (RHEL 5)

Continuous Update Stream – Within Cloud

Image Updates

Major Version C (RHEL 6)

Continuous Update Stream – Within Cloud

Point Release

Only latest image update or point release within a Major Version are available for instantiation at any point in time.

- **Default Customer Image:** Only Latest Major Version Point Release or Image Update within a currently supported Major Version.
- **Accessible Images:** Only Latest Major Version Point Release or Image Update within a currently supported Major Version. *Older versions must be removed/deprecated by the cloud provider from the image list.*
- **Accessible Updates:** Update stream only contains latest package versions. Updates applied to any image will migrate packages to latest packages within the update stream.

Economic: Pricing and Compensation

- License + Maintenance vs. Subscription
- Consumption Unit of Measure
  - Per Chronological Unit (Hour thru Year)
  - Per Socket, Per Virtual Machine, Per % of physical resource consumption
  - Per User
- Annual Subscription vs. Hourly Subscription
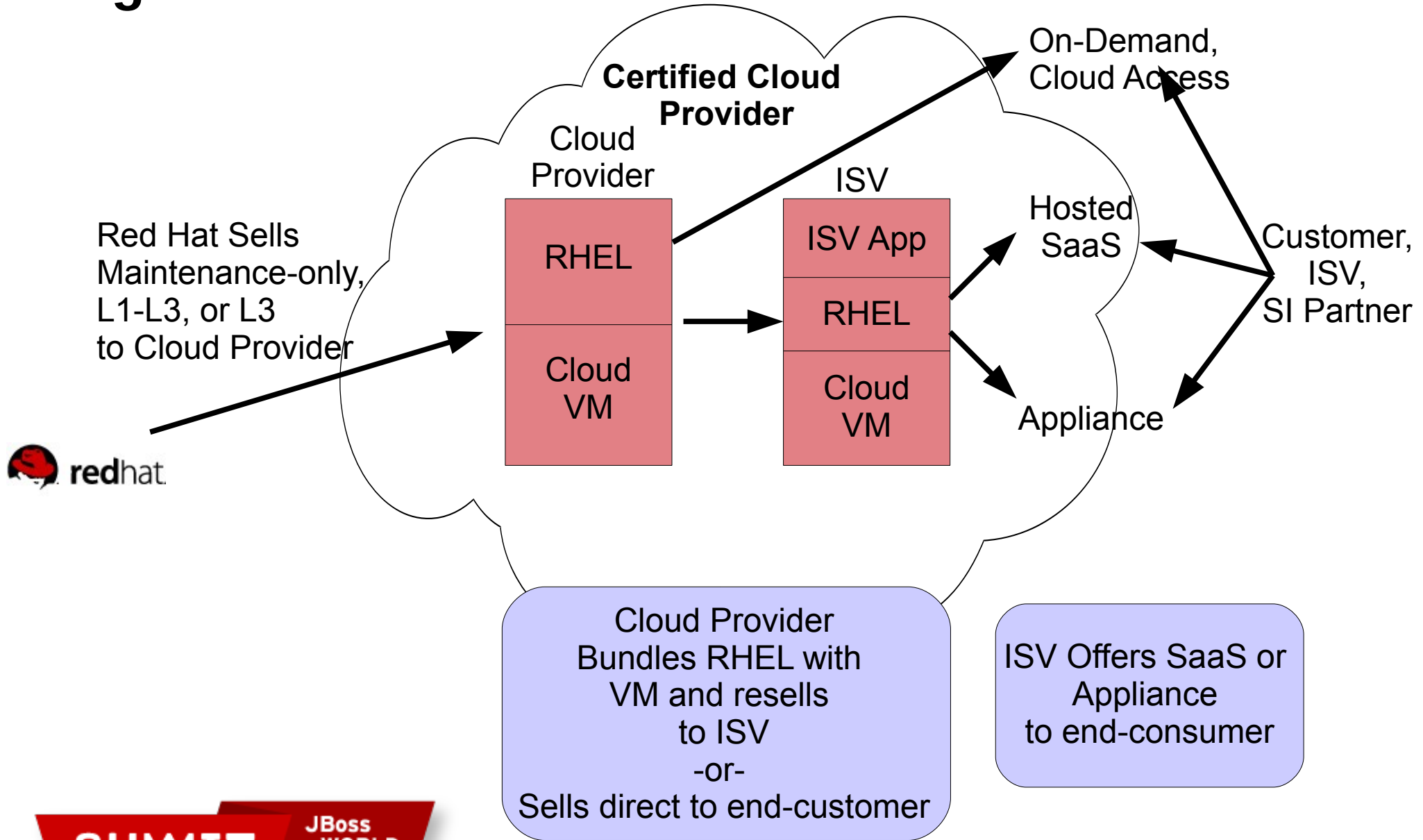 - Accounting across multiple models

Legal: Cloud Models

- **SaaS Provider**

  - End-consumer purchases a service from the Partner

  - Partner supports the service, running in the cloud (public or private)

  - What business models match the ISV's service offerings?

- **Partner as a Appliance Provider**

  - End-consumer purchases access to an Image and Support from the ISV

  - Parnter supports their appliance with backend from IaaS providers

- **Partner and BYOL**

  - End-consumer brings own licenses to cloud (public or private)

Legal: Who is the Consumer?

Certified Cloud Provider

Cloud Provider

ISV

On-Demand, Cloud Access

Hosted SaaS

Customer, ISV, SI Partner

Red Hat Sells Maintenance-only, L1-L3, or L3 to Cloud Provider

RHEL

Cloud VM

ISV App

RHEL

Cloud VM

Appliance

Cloud Provider Bundles RHEL with VM and resells to ISV -or- Sells direct to end-customer

ISV Offers SaaS or Appliance to end-consumer

Legal: T's and C's

Pass-through terms covering Open Source Assurance, Access rights Entitlements, etc. - **Regardless of Channel**
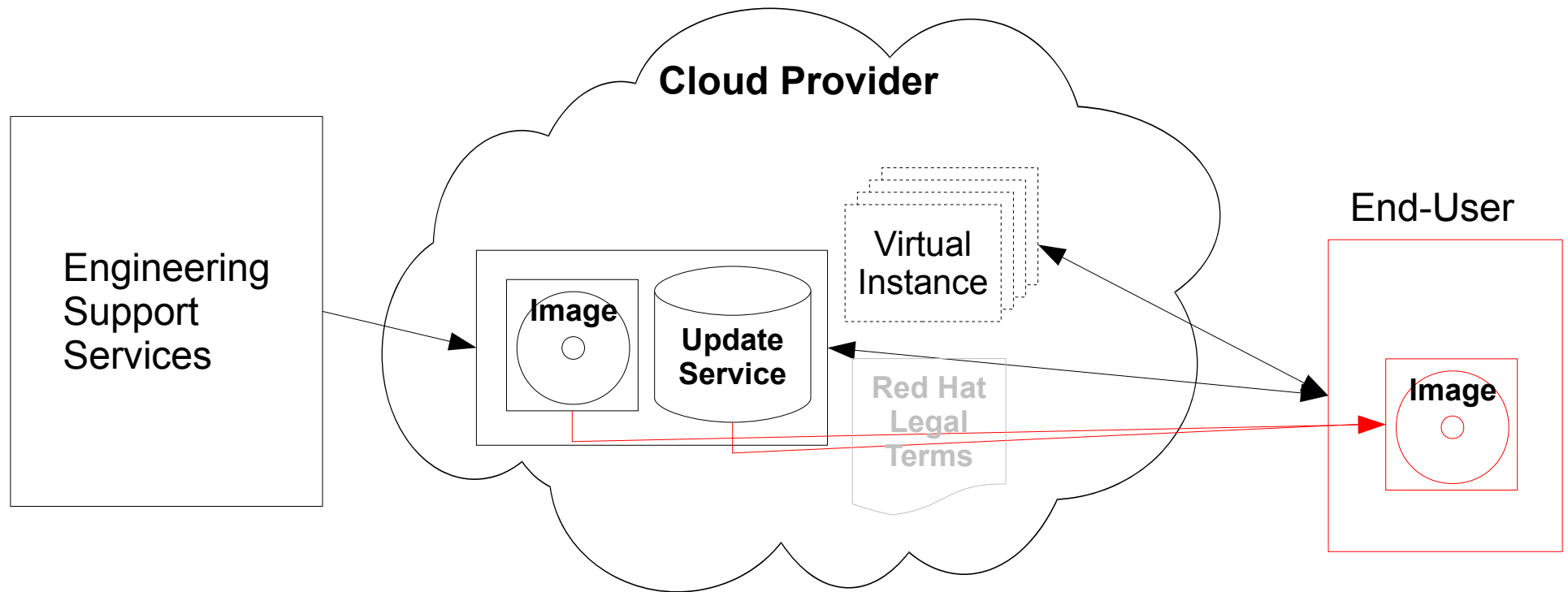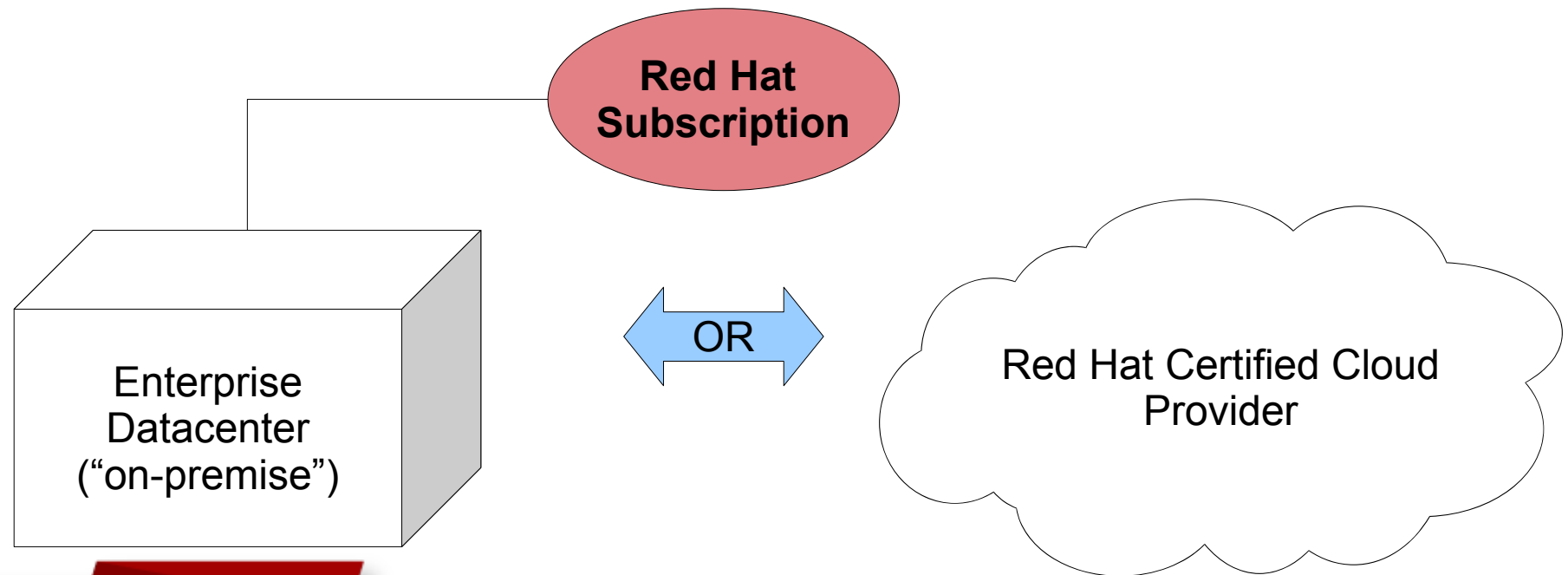
Legal: License/Subscription Transfer

Red Hat Cloud Access

a **FEATURE** of Red Hat subscriptions permitting customers to use their subscription either "on-premise" **OR** on select Red Hat Certified Cloud Providers

Red Hat Subscription

Enterprise Datacenter ("on-premise")

OR

Red Hat Certified Cloud Provider

Legal: Open Source and the Cloud

- OSS is building the clouds and running the applications and comes with unique challenges for Providers

    - Open Source Assurance

    - Availability of Updates and Support

    - Scaling within the cloud

For Customers and Providers, Cloud Computing requires focus across Technology, Financial, Legal, and Operations

Clouds: Where Business intersects Technology

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