RED Hat user group, Feb. 2013, arctic circle

AGENDA

- Where is Red Hat Going?
- Red Hat 2.0? What the hell does that mean?
- Community at the Center of RHT 2.0 – Our Production System
- More than a cost play:
  - Capacity Management
  - Application Virtualization
  - Speed to Market
  - Idea to PoC, Days.
  - Intelligently Scaling of Infrastructure
  - Agile is more than an SDLC
  - Service based compute consumption
  - ….while still being a cost avoidance play!!!

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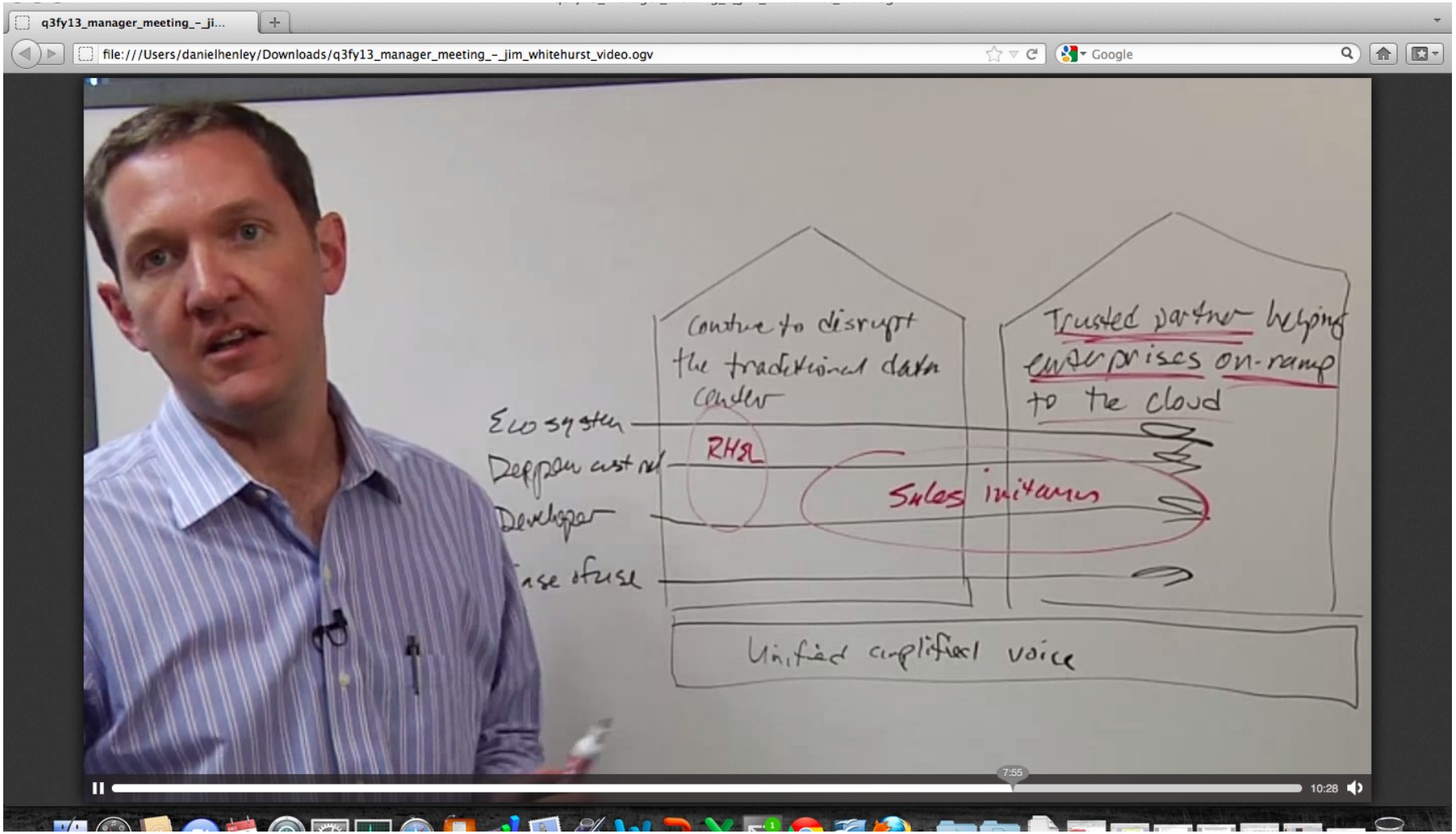
TWO HOUSE MODEL – RED HAT 2.0



DATA CENTER GROWTH

Sweet Spot for Red Hat

Typical Customers:

- Manager/Dir., IT Architecture
- Manager/Dir., Infrastructure
- Manager/Dir., Application Support
- Infrastructure Engineer
- Enterprise Architect

Business Drivers:

- Cost
- Platform Consolidation (Simplification)
- Modernization
- Adoption of 3rd Party Applications

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TRUSTED CLOUD PARTNER

GROWTH OPPORTUNITY FOR RED HAT

Typical Customers:

- Office of Finance (CFO/ VP Finance)
- CIO/VP IT
- Manager/Dir., Applications & Strategy
- Manager/Dir. Development
- Developers (all levels)

Business Drivers:

- Fierce Competition
- Global Financial Uncertainty
- Capital Budget Maximization
- Customer Expectations of the Web
- Renewed Focus on Corporate Core Competency

THE NEED TO INNOVATE!

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TWO WORLDS COLLIDING,
A CRITICAL BALANCING ACT

ENTERPRISE OPERATIONS

COMPLEXITY
GOVERNANCE
RISK
REGULATIONS
PRIVACY
SECURITY
AUDIT
RELIABILITY
CONSISTENCY

CLOUD

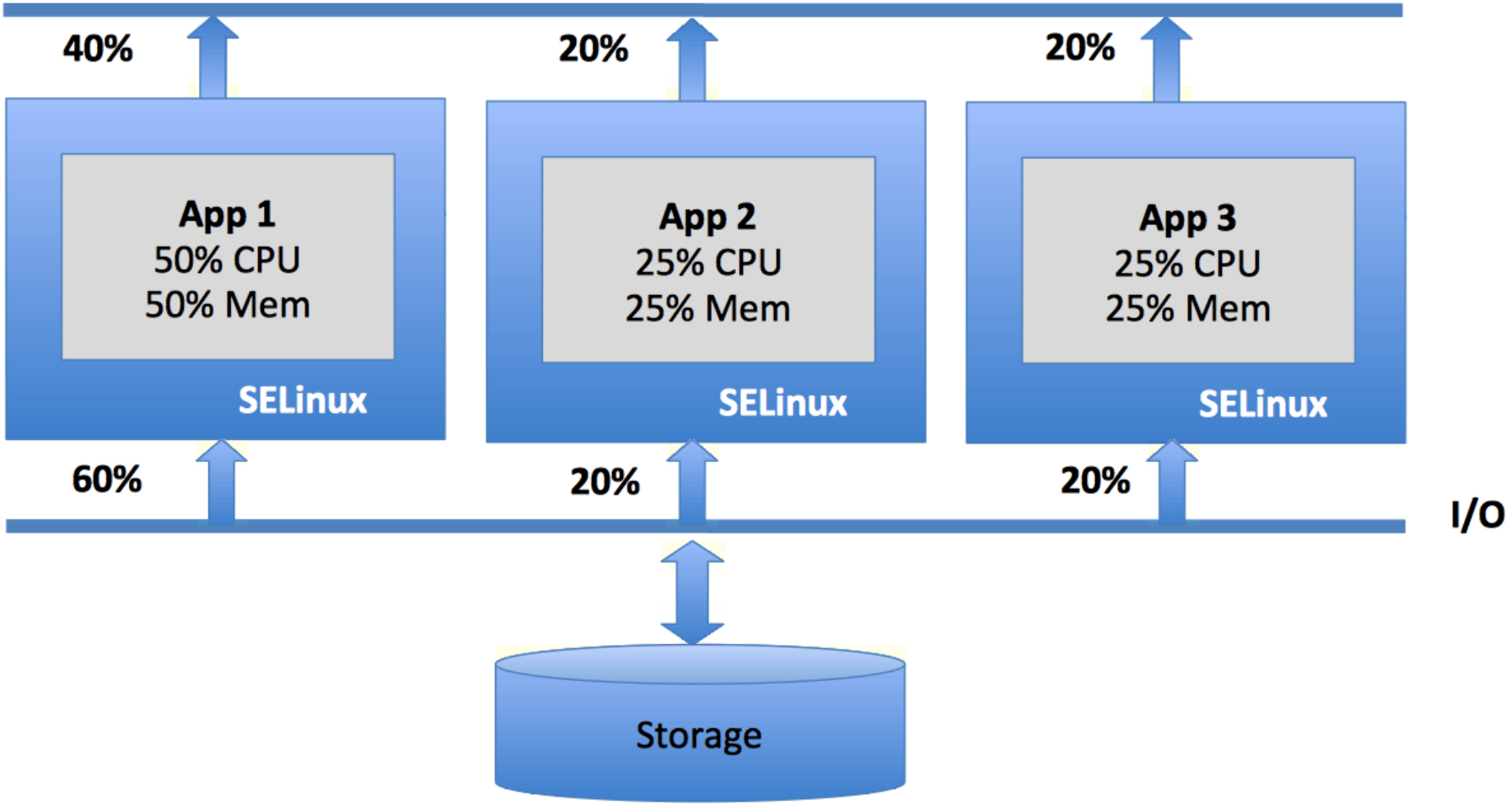
SELF-SERVICE
USERS IN CONTROL
ON DEMAND
ELASTIC

WHAT ABOUT ALL THE RED HAT STUFF I KNOW TODAY?

Cloud Standardized Infrastructure

LINUX POWERS 80% OF THE WORLD'S LARGEST CLOUDS

- Enables secure, dense, multi-tenancy with QOS
- Delivers scalable, reliable run time for business critical applications



WHAT ABOUT MIDDLEWARE?

- JBoss is More Important Than Ever!!!!
  - Middleware Users Tend to Be Application Focused
  - Middleware Users Tend to Be Building Capital Intensive Applications – they're not keeping the lights on….their creating the future!!
  - Middleware Users Tend to be Solving Complex Business Problems
  - Adopting Compute as a Service (Software, Platform, Infrastructure) requires a Service based, flexible Application Architecture

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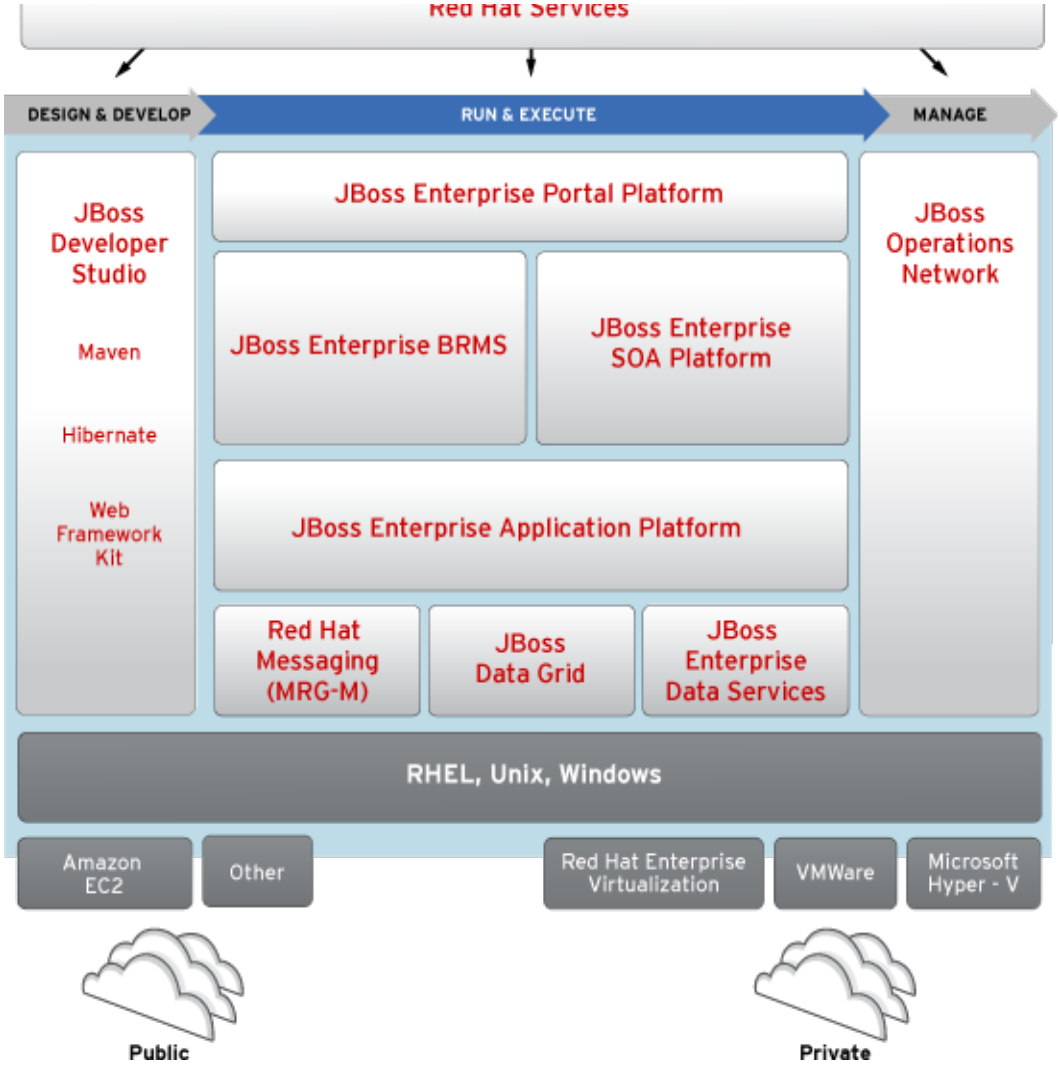
THE RED HAT STACK - ON RAMP TO THE CLOUD



- Time to Dominate App. To Web
- Service Based Development Leads to Cloud Based Compute Adoption
- Leverages RHT Sweet Spot
- Service based MW is the “On Ramp” to the Cloud

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HOW ARE THINGS CHANGING FOR THE TYPICAL RHT CUSTOMER?

DUAL ROLE OF OUR CUSTOMERS

Strategic:

- Effectively Compete Globally
  - Faster, Better, Cheaper
- Reduce Corporate Financial Risk
- Provide a Collaborative Value Creation Process for Customers
- Source Material and Ideas from a Global Marketplace
- Regulatory Compliance
- WIN!!!

Tactical:

- Get Most Bang for IT Buck
- Innovate Quickly, Build Applications Faster w Less Risk
- Standardize and Consolidate
- Leverage Talent Where it Lives
- Retain Talent Where it Lives
- Reuse Logic, Ideas, and Services Across Applications
- Quickly Respond to Changing Priorities
- WIN!!!

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SEEING AROUND CORNERS

- What Does your Business Think the Next 12 Months Looks Like?
- What Does your Business's Competition Think?
- How is the Macro Economy Impacting Your Business? (Think Exxon, Nike, Walmart, The Federal Gov't)
- How is Government Impacting Your Business ?
- Are Other Industries Impacting Your Business?
- How is Global Labor Impacting Your Business?
- What Changes Could Impact the Needs of Your Business?
- How do Your People Grow Their Careers Within the Business?

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A WORD ON THE DEVELOPER – RED HAT FINALLY REALIZED YOU'RE ALIVE

- Low Barriers to Entry for Code Development Make Developer Very Powerful
- Used to be that Developers Could Only Say "No"…Not True Anymore
- Early Success Will Breed Exponential Returns
- Their Motivations have not Changed:
  - Alpha Geek, Rich Set of Capabilities, No Lock In, Portability of Code/Skills, Personal and Professional Growth

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Maintaining our Shared Values While Changing and Innovating

CULTURE and COMMUNITY MATTERS

- Becoming a Behemoth Software Company, but Losing Ourselves is a Failure
- We Are Bigger than the Sum of Our Technologies
- RHT 1.0 Built a $1B Business Selling a Better, Cheaper, Faster Commodity
- RHT 2.0 will Build the most impacting Software Company of the 21st Century by Changing the Way Compute Resources are Acquired and Consumed
- RHT 2.0 will Fundamentally Shift the Economic Risk of Innovation from Fixed/Sunk Costs to the Power/Value of the Underlying Idea.
- We (Customers, Red Hatters, the Community) are the Front Lines of RHT 2.0

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Thank you!