The promise of unlimited processing power and storage was supposed to see cloud services triumph over the traditional on-site mainframe. With pay-as-you-use resources available, why would businesses make a major capital investment in a new z-Series server?

**IBM results reveal a surprising trend**

When IBM announced their latest quarterly earnings, investors were pleased to see the company almost halt its ongoing revenue slump. For the first time in 22 quarters, Big Blue *nearly* equalled their 2016 Q3 earnings.

Digging into the figures, analysts note that the recently launched z14 mainframe range played a significant role in the reverse of fortunes. The latest in IBM’s venerable *z-Series mainframe* family, the z14 has proven popular because of its pervasive encryption features.

**More sales imminent**

Extrapolating these latest reported earnings, industry watchers expect continued growth of IBM’s mainframe sales, generating $300-$400 million over the next year. Clearly this is significantly less than annual cloud spend, but still represents a surprisingly large market.
Sales of new mainframes also prove that not every workload can be outsourced to the cloud as claimed by many tech evangelists and salespeople. It also suggests that the IBM-mandated upgrade cycle is still alive and well, forcing many to invest in z14 systems.

**Another option exists**

Where businesses are keen to stick with a mainframe-based infrastructure, they do not necessarily have to replace their existing z-Series servers. In addition to the significant capital outlay, mainframe owners must also budget for costly consultancy services to help manage the transition between systems, and a dip in productivity during and after the move.

A far more cost-effective option is to exit IBM’s hardware refresh cycle altogether. Keeping an existing z-Series mainframe in operation beyond End of Service Life allows your business to avoid the disruption of an unwanted upgrade, and to maximize return on existing investment.

This approach is great news for z-Series owners – but it may put a dent in IBM’s financial recovery.

To learn more about post-warranty support, maintenance and spare parts for IBM z-Series mainframes, please get in touch.