

IBM and ServiceNow Help Businesses Use AI to Automate IT and Reduce Costs and Risk

2020-10-15

Expanded strategic partnership to combine Watson AIOps with ServiceNow's IT Service Management and IT Operations Management Visibility to help businesses fix and prevent IT issues at scale

ARMONK, NY and SANTA CLARA, CA, October 15, 2020 – IBM (NYSE: **IBM**) and ServiceNow (NYSE: **NOW**) today announced an expansion to their strategic partnership designed to help companies reduce operational risk and lower costs by applying AI to automate IT operations. Available later this year, a new joint solution will combine IBM's AI-powered hybrid cloud software and professional services to ServiceNow's intelligent workflow capabilities and **market-leading** IT service and operations management products.

The solution is engineered to help clients realize deeper, AI-driven insights from their data, create a baseline of a typical IT environment, and take succinct recommended actions on outlying behavior to help prevent and fix IT issues at scale. Together, IBM and ServiceNow can help companies free up valuable time and IT resources from maintenance activities, to focus on driving the transformation projects necessary to support the digital demands of their businesses.

"AI is one of the biggest forces driving change in the IT industry to the extent that every company is swiftly becoming an AI company," said Arvind Krishna, Chief Executive Officer, IBM. "By partnering with ServiceNow and their market leading Now Platform, clients will be able to use AI to quickly mitigate unforeseen IT incident costs. Watson AIOps with ServiceNow's Now Platform is a powerful new way for clients to use automation to transform their IT operations."

"For every CEO, digital transformation has gone from opportunity to necessity," said ServiceNow CEO Bill McDermott. "As ServiceNow leads the workflow revolution, our partnership with IBM combines the intelligent

automation capabilities of the Now Platform with the power of Watson AIOps. We are focused on driving a generational step improvement in productivity, innovation and growth. ServiceNow and IBM are helping customers meet the digital demands of 21st century business.”

Organizations are under pressure to deliver innovation and create great experiences for customers and employees, all while driving efficiencies and keeping costs and IT risks down. Yet in today’s technology-driven organization, even the smallest outages can cause massive economic impact for both lost revenue and reputation. This partnership will help customers address these challenges and help avoid unnecessary loss of revenue and reputation by automating old, manual IT processes and increasing IT productivity.

IBM and ServiceNow will initially focus on:

- **Joint Solution:** IBM and ServiceNow will deliver a first of its kind joint IT solution that marries **IBM Watson AIOps** with ServiceNow’s intelligent workflow capabilities and market-leading **ITSM** and **ITOM Visibility** products to help customers prevent and fix IT issues at scale. Now, businesses that use ServiceNow ITSM can push historical incident data into the deep machine learning algorithms of Watson AIOps to create a baseline of their normal IT environment, while simultaneously having the ability to help them identify anomalies outside of that normal, which could take a human up to 60% longer to manually identify, according to initial results from specific Watson AIOps early adopter clients. The joint solution will position customers to enhance employee productivity, obtain greater visibility into their operational footprint and respond to incidents and issues faster.

Specific product capabilities will include:

- ServiceNow ITSM allows IT to deliver scalable services on a single cloud platform estimated to increase productivity **by 20%**.
- ServiceNow ITOM Visibility automatically delivers near real-time visibility from a native Configuration Management Database, into all resources and the true operational state of all business services.
- IBM Watson AIOps uses AI to automate how enterprises detect, diagnose, and respond to, and remediate IT anomalies in real time. The solution is designed to help CIOs make more informed decisions when predicting and shaping future outcomes, focus resources on higher-value work and build more responsive and intelligent applications that can stay up and running longer. Using Watson AIOps, the average time to resolve incidents was reduced by 65 percent, according to one recent initial proof of concept project with a client.
- **Services:** IBM is expanding its global ServiceNow business to include additional capabilities that provide advisory, implementation, and managed services on the Now Platform. Highly-skilled IBM practitioners will apply their expertise to facilitate rapid delivery of valuable insights and innovation to clients. IBM Services

professionals also will introduce clients to intelligent workflows to help improve resiliency and reduce IT risk. ServiceNow is co-investing in training and certification of IBM employees and dedicated staff for customer success.

For example, using the IBM and ServiceNow joint solution, a bank will be able to obtain a full view of an incident, from start to finish. With recommendations and deep diagnosis from Watson AIOps, a service agent will be able to quickly understand the incident, without ever leaving the ServiceNow ITSM platform. Leveraging more than an agent's own knowledge and research, Watson AIOps can provide anomaly detection along with automated recommendations from the historical deep analysis of prior incidents. Using incident management tools from ServiceNow, actions and insights can be recorded for auditing purposes and for leveraging future insights. Watson AIOps can then push important context to tickets, discovered only via AI algorithms and baselining techniques, helping to make the data more useful to agents and retraining the AI over time.

"Businesses are facing increased pressures to match the digital pace of a cloud-first market in order to meet the demands of their customers," said Stephen Elliot, program vice president, DevOps and Management Software, IDC. "The C-suite is transforming workflows to deliver insights and automation for more efficient customer engagement models and cost containment strategies for the business, while simplifying IT operations and increasing collaboration between IT and business stakeholders."

Today's news strengthens the partnership previously **announced** by IBM and ServiceNow to help enterprises simplify IT operations for multi-cloud environments.

Also today, IBM announced the formation of the **AIOps Elite Team** – a new no-charge advanced engagement team, dedicated to engineering AIOps in a client environment and building and refining AI models.

Availability

The new joint solution will be enabled through a joint go-to-market strategy and will be available later this year from IBM. Learn more about the expanded partnership between IBM and ServiceNow here:

<https://www.ibm.com/watson/aiops>

About IBM

For more information about IBM visit, **www.ibm.com**. Statements regarding IBM's future direction and intent are subject to change or withdrawal without notice and represent goals and objectives only.

About ServiceNow

ServiceNow (NYSE: NOW) is making the world of work, work better for people. Our cloud-based platform and solutions deliver digital workflows that create great experiences and unlock productivity for employees and the enterprise. For more information, visit: www.servicenow.com.

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Use of Forward-Looking Statements

This release contains “forward-looking statements” about the expectations, beliefs, plans, and intentions relating to the expanded partnership between IBM and ServiceNow. Such forward-looking statements include statements regarding expected performance and benefits of our new joint solution and joint go-to-market strategy. Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, our results could differ materially from the results expressed or implied by the forward-looking statements we make. We undertake no obligation, and do not intend, to update the forward-looking statements. Factors that may cause actual results to differ materially from those in any forward-looking statements include: (i) delays and unexpected difficulties and expenses related the solution; (ii) uncertainty as to whether sales of such solution will justify this strategy and investment; and (iii) changes in the regulatory landscape related to the solution. Further information on factors that could affect our financial and other results is included in the filings we make with the Securities and Exchange Commission from time to time.

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