IBM Unveils New AI Designed to Help CIOs Automate IT Operations for Greater Resiliency and Lower Costs

New Watson AIOps and host of product updates are designed to bring automation to IT infrastructures for greater control, efficiency and business continuity

Built on Red Hat OpenShift, Watson AIOps runs across any cloud and works in collaboration with an ecosystem of partners, including Slack and Box

ARMONK, N.Y., May 5, 2020 /PRNewswire/ -- The challenges facing today's Chief Information Officers (CIOs) are more complicated and critical than ever before, as these leaders look to help their businesses recover and restart in the wake of a global pandemic. To that end, IBM (NYSE: IBM) is announcing at its Think Digital conference a broad range of new AI-powered capabilities and services that are designed to help CIOs automate their IT infrastructures to be more resilient to future disruptions and to help reduce costs.

Market intelligence firm IDC predicts that, by 2024, enterprises that are powered by AI will be able to respond to customers, competitors, regulators, and partners 50% faster than those that are not using AI.¹

To that end, IBM is unveiling <u>IBM Watson AIOps</u>, a new offering that uses AI to automate how enterprises self-detect, diagnose and respond to IT anomalies in real time. Unforeseen IT incidents and outages can cost businesses in both revenue and reputation. Market research firm <u>Aberdeen</u> pegs an outage at about \$260,000/hour.

Watson AIOps enables organizations to introduce automation at the infrastructure level and is designed to help CIOs better predict and shape future outcomes, focus resources on higher-value work and build more responsive and intelligent networks that can stay up and running longer.

The new solution is built on the latest release of Red Hat OpenShift to run across hybrid cloud environments and works in concert with technologies at the center of today's distributed work environment, such as Slack and Box. It also works with providers of traditional IT monitoring solutions, such as Mattermost and ServiceNow.

As part of the rollout, IBM is also announcing the <u>Accelerator for Application Modernization with AI</u>, within the IBM's Cloud Modernization service. This new capability is designed to help clients reduce the overall effort and costs associated with application modernization. It provides a series of tools designed to optimize the end to end modernization journey, accelerating the analysis and recommendations for various architectural and microservices options. The accelerator leverages continuous learning and interpretable AI

models to adapt to the client's preferred software engineering practices and stays up-to-date with the evolution of technology and platforms.

Many of the <u>technologies underlying</u> Watson AIOps and the Accelerator for Application Modernization were developed in <u>IBM Research</u>.

"The greatest challenge for organizations is one of alignment. Slack is most valuable when it integrates tightly with the other tools customers use every day, bringing critical business information into channels where it can be collaborated on by teams," said Slack CEO and Co-founder, Stewart Butterfield, "By using Slack with Watson AIOps, IT operators can effectively collaborate on incident solutions, allowing them to spend critical time solving problems rather than identifying them."

"In this new era of remote work, securely sharing and accessing files anytime, and across all your apps, is more important than ever before," said Aaron Levie, CEO of Box. "We're thrilled to expand our partnership with IBM to deliver content and collaboration across Watson AIOps, enabling IT organizations and businesses to get work done faster, simpler, and more securely."

"What we've learned from companies all over the world is that there are three major factors that will determine the success of AI in business – language, automation and trust," said Rob Thomas, Senior Vice President, Cloud and Data Platform, IBM. "The COVID-19 crisis and increased demand for remote work capabilities are driving the need for AI automation at an unprecedented rate and pace. With automation, we are empowering next generation CIOs and their teams to prioritize the crucial work of today's digital enterprises—managing and mining data to apply predictive insights that help lead to more impactful business results and lower cost."

Amid the changing economic landscape, clients across industries welcome the new capabilities.

"Our industry was hit hard by the pandemic. Our work in AI over the past several years will help us to mitigate some of the future challenges," said Roland Schuetz, Executive Vice President and Chief Information Officer of the Lufthansa Group. "Working with IBM to apply its Watson AI technologies has helped us accelerate how we modernize our Data Science Tool Landscape. We use AI to automate processes that result in benefits such as highly responsive customer care and operational topics. In this way, we are making an important contribution to a solid start after the crisis."

In addition to automating IT operations, IBM is announcing a series of new and updated capabilities designed to give CIOs a playbook for operating in this new environment. The new capabilities are designed to help:

• Automate Business Planning – <u>IBM Cloud Pak for Data</u>, IBM's fully-integrated data and AI platform, has been updated with <u>a host of new capabilities</u> designed to help business leaders automate the access to critical business-ready data. For example, added to the platform as extensions are <u>IBM</u>

<u>Planning Analytics</u>, designed to enable users to automate planning, budgeting and forecasting for business; and <u>DataOps</u> capabilities such as <u>IBM InfoSphere Master Data Connect</u>, which enables users to access MDM deployments in on-premises environments.

- Automate Business Operations A major new update to <u>IBM Cloud Pak for Automation</u>, software for designing, building and running automation apps, enables clients to more easily create AI "digital worker" automation solutions. Digital workers automate routine work and collaborate with human counterparts. <u>The new capabilities</u> can help simplify how organizations digitize automation skills, such as data capture, task automation and business routing.
- Automate Call Centers IBM Watson Assistant, IBM's AI-based conversation platform, has also been updated to help intelligently automate the most complex, knowledge-intensive interactions and drive improved customer satisfaction while reducing operating costs. Assistant now has a pre-built user interface that requires no development effort to deploy and is designed with user experience-based best practices. Also, new integrations to some of the leading customer service platforms preserve clients' existing investments in those services and allows users to reach live agents with ease. Finally, a new feature called "autolearning," currently in development and due in the product this summer, will learn from prior customer behavior to provide the best, most relevant answers to new questions on the same topic. Just as human agents improve over time by learning from customer interactions, autolearning will now offer similar capabilities for the virtual assistant.

"To operate effectively in the current environment, T-Mobile is focused on ensuring a more responsive and agile supply chain, while saving costs and delivering superior customer service," said Erdem Eskigun, Director, Supply Chain Data Analytics and Operations Research, T-Mobile. "IBM Cloud Pak for Data brings together disparate databases from across our company and enables us to test and develop analytics models for projects ranging from inventory replenishment to transportation optimization, sales forecasting, customer return predictions, and supply chain optimization. Now, we can go from idea inception to delivery to business users much quicker."

Today's news expands on the recently <u>announced</u> business solutions for COVID-19 disruption that are already helping businesses navigate the uncertainty of today's business environment. Leading businesses and institutions are turning to IBM services and our leadership in cloud, data and AI solutions to help with recovery during this pandemic.

About IBM Think Digital

At Think Digital 2020, IBM will discuss the state of business and the role of critical technologies, such as AI and Cloud, as clients accelerate recovery and digital transformation in the wake of COVID-19.

Visit https://www.ibm.com/events/think/watch for the full schedule and livestream agenda, and to watch all of the programming—including IBM CEO Arvind Krishna's keynote, "The New Essential Technologies for

Business," on May 5 at 11:15 am ET and 7:15 pm ET.

Follow the conference on Twitter at #think2020 and @ibmlive. For more information, visit the IBM Think 2020 Newsroom: https://newsroom.ibm.com/think.

Forward-Looking and Cautionary Statements

Except for the historical information and discussions contained herein, statements contained in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on the company's current assumptions regarding future business and financial performance. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, including the following: a downturn in economic environment and client spending budgets; the company's failure to meet growth and productivity objectives; a failure of the company's innovation initiatives; damage to the company's reputation; risks from investing in growth opportunities; failure of the company's intellectual property portfolio to prevent competitive offerings and the failure of the company to obtain necessary licenses; cybersecurity and data privacy considerations; fluctuations in financial results, impact of local legal, economic, political and health conditions; adverse effects from environmental matters, tax matters and the company's pension plans; ineffective internal controls; the company's use of accounting estimates; the company's ability to attract and retain key employees and its reliance on critical skills; impacts of relationships with critical suppliers; product quality issues; impacts of business with government clients; currency fluctuations and customer financing risks; impact of changes in market liquidity conditions and customer credit risk on receivables; reliance on third party distribution channels and ecosystems; the company's ability to successfully manage acquisitions, alliances and dispositions; risks from legal proceedings; risk factors related to IBM securities; and other risks, uncertainties and factors discussed in the company's Form 10-Os, Form 10-K and in the company's other filings with the U.S. Securities and Exchange Commission (SEC) or in materials incorporated therein by reference. Any forward-looking statement in this release speaks only as of the date on which it is made. The company assumes no obligation to update or revise any forward-looking statements.

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¹ IDC FutureScape: Worldwide Digital Transformation 2020 Predictions, Doc # US45569118, Oct 2019

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