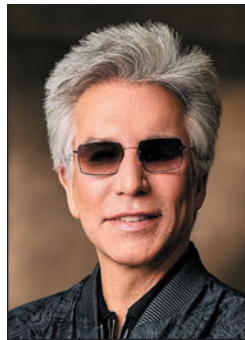


The Platform Movement

An Interview with Bill McDermott, Chairman and Chief Executive Officer, ServiceNow

EDITORS' NOTE Bill McDermott was named Chairman in 2022 and has served as a member of the Board of ServiceNow since 2019. Previously, he was Chief Executive Officer and a member of the Executive Board of SAP. Before joining SAP, he served in senior executive roles with Siebel Systems and Gartner, Inc. He launched his business career at Xerox Corporation, where he rose to become the company's youngest corporate officer and division president. McDermott got his start as a young entrepreneur running a small delicatessen business on Long Island, New York, at age 17. He received his bachelor's degree from Dowling College and his MBA from the Kellogg School of Management at Northwestern University.



Bill McDermott

Will you provide an overview of ServiceNow's business and how the company has evolved?

Our founder, Fred Luddy, put the customer at the center of everything we do. We've never lost sight of his founding vision for ServiceNow. As Fred said, "There is no better experience than giving someone a piece of technology that lets them do something they never thought they could do." The power of digital transformation is undeniable. It's all about removing the soul-crushing work people have

struggled with for decades. As important, it's helping the world work in new, better ways. It is our core. Today, unlike any point in the past 50 years, CEOs are fully immersed in the technology strategy. This isn't about CEOs inspecting a cost center. This is about CEOs leveraging innovation to drive growth. The IT strategy has become the business strategy.

Total experience is the differentiator in this era of tech to compete – the experience economy is only getting bigger. Companies that provide great experiences win, simply because

people enjoy engaging with them. Remember, you can't give your customers a three-star Michelin experience if you don't first give your employees one. This has sparked a concentration of digital spend on platforms that connect the employee and customer experience to maximize speed while delivering consumer-grade experiences. That's what makes ServiceNow a different kind of company – we are at the forefront of enabling enterprises to deliver a total experience across IT, employees, customers, and citizen developers.

As we look to the future, there are two major waves of digital transformation – AI and the great reprioritization.

This is now about helping companies put AI to work. Today, ServiceNow's position as a generative AI first mover is accelerating our long-term trajectory. It's amazing to see our defining partnership with NVIDIA accelerate value realization at the cutting-edge of generative AI for our customers. The virality of generative AI proves this is not just another invention. Generative AI will lift human productivity, adding \$7 trillion to global GDP in the next decade.

COMPANY BRIEF ServiceNow ([servicenow.com](https://www.servicenow.com)) makes the world work better for everyone. The company's cloud-based platform and solutions help digitize and unify organizations so that they can find smarter, faster, better ways to make work flow so employees and customers can be more connected, more innovative, and more agile, and we can all create the future we imagine.

How do you define ServiceNow's culture and values?

There is a quote that says, "nobody cares how much you know, until they know how much you care." We've made a promise to our team, our customers, and our communities – that they can depend on us. When we say something, we do it. Our word is our bond.

Our commitment to our employees is a core tenet of ServiceNow's culture. We call it our People Pact. We share a hungry and humble mindset that fuels our aspiration to be the defining enterprise software company of the 21st century. It's all about people.

When our customers have challenges, they trust our brand to transform those challenges into even greater opportunities. It's our job to deliver for them. That has led to a culture of rapid innovation at ServiceNow. We must have an environment where the best idea wins, regardless of who delivers it – we just want our customers to win.



Bill McDermott and the President of Benedict College, Roslyn Clark Artis, are joined by ServiceNow and Benedict College leaders to mark the opening of the ServiceNow Tech Center at Benedict College

“The ultimate form of sophistication is simplicity itself. We know simple is hard to do. That’s why we are creating a once-in-a-generation company that, with a single platform, can fundamentally improve the world’s organizations and the value they create.”

In the midst of the great reprioritization across the enterprise software landscape, ServiceNow is the only platform that “cleans up the mess” while CIOs actively work on a new reference architecture for the AI world. Our customers trust ServiceNow as the Super Platform that connects people, processes, data, and devices.

What have been the keys to ServiceNow’s industry leadership and how do you define the ServiceNow difference?

The ultimate form of sophistication is simplicity itself. We know simple is hard to do. That’s why we are creating a once-in-a-generation company that, with a single platform, can fundamentally improve the world’s organizations and the value they create. Eighty-five percent of all digital transformation investments are not getting a positive return due to lack of integration across software systems. With ServiceNow, we’re able to integrate business processes, automate work, and design workflows that connect enterprise silos.

We have had to continuously disrupt ourselves and set new standards. We bet on our engineers and our great professionals that are innovating the future versus consolidating the past. This year alone, we’ve brought more than 4,000 new applications to our customers. Our team’s relentless focus is putting our platform in service of the greater good. Each member of our team is inspired to be a part of the platform movement.

What the market lacks in stability, we make up for in relentless execution. As other companies pivot and re-examine strategy, laying off parts of their workforces, we haven’t had to do that. We declared early on we wouldn’t lay anyone off. The culture we have worked so hard to build has to stand strong in the toughest of times. Talent is at the heart of every great company. Our resilient performance has allowed us to continue hiring. This puts us in the position we’re in today – a strong, sustainable business that puts people first. I’m so proud of the difference we are making as a company for the communities where we work, live, and serve.

What do you see as ServiceNow’s responsibility to be engaged in the communities it serves and to be a force for good in society?

Our entire company is united in our purpose to make the world work better for everyone with our total focus on generating

equitable opportunities for all. There can no longer be a debate between what’s good for business versus good for the world. An ambition of this magnitude is only possible when we deliver real impact for our customers, employees, partners, suppliers, and shareholders. Economic fundamentals are changing, making it financially attractive to contribute to a better society and a cleaner environment.

For our own operations, we take a long-term view of impact, with great care to make progress every day. In the past 12 months, we provided a carbon-neutral cloud for our customers, developed our approach to net zero by 2030, increased representation of underrepresented groups, and nearly half of our leadership team across the company are women.

Creating positive impact for society and the environment delivers against critical business objectives – deeper stakeholder engagement, stronger risk management, and a culture of innovation. These are compelling outcomes in any environment, but as we face an unprecedented global landscape, they are crucial to developing a resilient business and a more sustainable world.

What do you feel are the keys to being effective and making an impact in philanthropic work?

When I think of ServiceNow’s responsibility to make a positive impact on the world, I’ll

always remember the advice a mentor gave me early in my career – to be an effective leader, you have to lead with empathy. It’s the perfect formula for building a team with an unstoppable force for good.

Together, everyone achieves more. As one team, we set ambitious goals. We don’t let adversity become an excuse for complacency. We reach for optimism amid difficulty. We continue to commit the full power of our people and platform to create equitable opportunity, act with integrity, and be a catalyst for change together.

From vaccine management to refugee resettlement to helping businesses navigate global economic uncertainty, ServiceNow is doing well for our customers and shareholders so we can do good things for the world. In the pandemic, for example, everyone on the inside focused on everyone on the outside. Humanity stepped up with selflessness. Leaders set the standard. Kindness and care were the ripple effects from there.

While much of philanthropy is focused on writing checks, you give your time, energy, and ideas to the causes you support. How important is it that your philanthropic activities be more than just about donating money?

The true measure of a leader is not what you take from this world, but what you give. The



Bill McDermott addressed students and faculty during the opening of the ServiceNow Tech Center at Benedict College. He was joined by Chief Equity and Inclusion Officer at ServiceNow, Karen Pavlin, the President of Benedict College, Roslyn Clark Artis, and ServiceNow Chief Technology Officer, Pat Casey (left to right)



Bill McDermott offered his time to connect with and inspire students as part of the United Nations Global Goals initiative through Nfte's World Series of Innovation competition

greatest gift anyone can give is the gift of time. Financial support, while helpful in the moment, is a short-term fix. Time pays off in inspiration. If you really think about it, that's the secret to leadership – its giving, by investing in the underdog and empowering talented people to achieve their full potential. It certainly recharges me. I'm a firm believer that a successful leader doesn't walk past a problem – they have grit and when they see a problem, they roll up their sleeves.

We encourage our employees to take time to give back to their communities. Last year, we grew our employee volunteer hours by more than 80 percent year-over-year. We support incredible organizations like Welcome.US, Blue-Yellow Cross, Best Buddies, Color in Tech, and the National Museum of African American History and Culture.

Good leaders have always understood that the success of their organizations is highly dependent on the health of the communities and ecosystems they operate in. At ServiceNow, we believe that what you focus on in life expands – that's how progress is made. One example – last year we launched RiseUp, a global program designed to skill 1 million people on the ServiceNow Platform by the end of 2024. Digital transformation requires talent transformation. We believe there's a tremendous opportunity to help more people, regardless of background, benefit from the demand for digital transformation by training them and bringing them into higher-paying roles across our ecosystem.

What does success mean to you?

The only place success comes before work is in the dictionary. Whether I was running my delicatessen as a teenage entrepreneur or leading a Fortune 500 company, success has meant the same thing to me. You have to want it more than anyone else. Do what others are unwilling or unable to do. Winning happens when The Dream, The Will & The Art-Form execution come together.

When I ran my deli on Long Island, I got to know my customers. Seeing them differently made me do things differently. I wasn't just a hard worker; I did everything I could to build

that deli into the best place in the neighborhood. While other stores saw their customers as a way to make a buck, I saw them as friends. It's the human element that makes people feel connected, special, and keeps them coming back.

We are all a work in progress. Success is a race without a finish line. Perfection is an altruistic goal that's worth chasing, but you have to acknowledge that you'll never get there. That chase gives me amazing energy. The joy is in chasing the goal. When you hit it, it's somewhat anticlimactic. The celebration is always brief for me as I get ready for the next lap of the journey.

What do you feel are the keys to effective leadership?

It has been said that, "you can get anything you want in this life if you help other people get what they want." Putting people first is the foundation of everything. Being in service to my colleagues, my family, my community is my highest purpose. Remember that what you invest in people – you get back tenfold.

When building teams, I am also trying to create a collective passion for generosity. If we all take the time to ask how we can help others, imagine how contagious the generosity-gene could become. No one person is as important as the entire team. If you give discretionary effort, say 10 percent of your time, teaching someone else something you do well – we all win. Inspiring people to live up to their greatest potential is the ultimate reward.

With all that you have achieved in your career, are you able to enjoy the process and take moments to celebrate the wins?

Early in my career, I learned you must never underestimate the power of pageantry. You don't go door-to-door on the streets of New York for a paycheck. You do it to be the number one salesman in the world and earn recognition for being number one in the "President's Club" – no one gets up to earn the silver. Leveraging the power of pageantry inspires people to go beyond expectations and reach their full potential.

When I was at Xerox, I moved up from the Sales Operations Manager for the New York region to the District Manager for Puerto Rico

and the Virgin Islands. This business was consistently ranked last, and I said, wow, they have perfected the art of losing. So now the challenge was, how are you going to make Puerto Rico a winning team? I spent two weeks interviewing everybody. What I learned was the team needed a vision for greatness, a strategy for customer success, and they wanted their annual Christmas party back. I told the team that by the end of the year, the Puerto Rico-Virgin Islands district will have gone from #64 to #1. We had to go for the gold. We had the entire business totally dialed in on the vision and the strategy. Then we gave them inspiration and pageantry at every turn to celebrate the victories as we made progress against those three objectives. I promised everyone we will throw the most fabulous Christmas party the office has ever experienced. When we booked Gilberto Santa Rosa, the most popular salsa singer and orchestra leader, the morale meter spiked. Puerto Rico and the Virgin Islands became #1 in the entire company.

After years of poor performance, it was amazing to watch hundreds of people transform their mindset. Still to this day, we incentivize our top contributors and their families with an experience they will never forget. When you bring together the best of the best, memories are made that motivate the next chapter of success, new relationships emerge, deals close and new opportunities present themselves. The power of pageantry keeps your team at their best – always competing to be better than the previous best version of themselves. Be your best.

What advice do you offer young people beginning their careers?

In my book, *Winners Dream*, I shared a quote to open my story that motivated me to dream. "Some people see things as they are and say, why? I dream things that never were and say, why not?"

Everything begins with the dream. If you're going to succeed, you need a dream to inspire your way to success. Mine was to make a significant impact in the business world.

At the same time, be agile. The dreams that you have at 21 may be very different than the dreams you have at 30. The thing you think you want to do at age 30 may shift again by the time you're 40. Be comfortable with change. Read and react to new opportunities to learn, grow, and achieve more. No ceilings on what you're capable of doing.

While you're dreaming, make sure to let go of the losses that will happen along the way. Not everything will work out. Don't waste time over processing setbacks. What happened yesterday, whether good or bad, is over. The destruction of time holds talent back. Now what? Time to get up, get out, and get on with it.

All the great battles are in your mind. The only way to earn the right to win when it's showtime is to outthrust any challengers. Your preparation is a reflection of the respect you have for yourself. You have to feel invincible. This comes from your belief that you deserve to win. You deserve success. Work your hardest when no one is watching. You'll be unstoppable. Remember – *Winners Dream*. ●