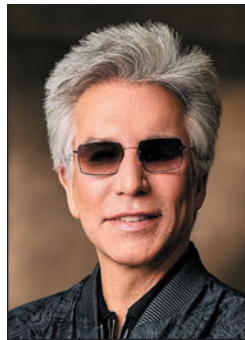


The Defining Enterprise Software Company Of The 21st Century

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.



Bill McDermott

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.

COMPANY BRIEF ServiceNow ([servicenow.com](https://www.servicenow.com)) is putting AI to work for people. The company moves with the pace of innovation to help customers transform organizations across every industry while upholding a trustworthy, human-centered approach to deploying its products and services at scale. As the AI platform for business transformation, ServiceNow connects people, processes, data, and devices to increase productivity and maximize business outcomes.

How do you describe ServiceNow's culture and values?

It all began with the visionary genius of our founder, Fred Luddy. What makes ServiceNow truly exceptional is that over the last 20 years – 12 years as a public company – we've remained hungry and humble to the core. ServiceNow thrives on our "WE" culture. We act together. All 25,000+ members of Team ServiceNow are united under one dream: to become the Defining Enterprise Software Company of the 21st Century (DESCO21C). Our culture isn't defined by an individual, but rather the magic we all create together.

Our customers are the North Star guiding our DESCO21C destiny. Every day we're focused on elite-level execution in service to our customers. This unmatched devotion, along with our unbreakable commitment to integrity, accountability, and trust, is how we help our customers win.

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

ServiceNow's purpose is the ultimate advantage. It's what inspires us to transform the world's greatest challenges into our greatest opportunities. We're making the world work better for everyone. It's more than a tagline, it's who we are.

To honor our purpose, we are building a legacy that will endure for generations. It's anchored by five key elements: brand, product, team, storytelling, and ecosystem. We're building an iconic brand that captures the essence of who we are. We're engineering products to be the best in the universe. We're developing a world-class team committed to the customer as our only boss. We're listening and telling stories in the eyes of our customers. We're driving an ecosystem where the network effect acts as a powerful force multiplier.

These five elements allow ServiceNow to not only meet the demands of today, but also set the standard for tomorrow. We don't just adapt. ServiceNow is leading the way.

Will you highlight ServiceNow's relevance as the AI platform for business transformation?

The AI revolution is a once-in-a-generation opportunity bigger than anything we've ever gone through before including the internet,

cloud, and iPhone moments combined. In meeting with over 500 CEOs in the last year, they are all excited about the transformational opportunity moving from AI fascination to execution of AI led business strategies.

Enterprises are recognizing that the technology strategy is the business strategy. CEOs are looking to ServiceNow as the AI platform for business transformation to achieve limitless growth, simplification, and digitization. ServiceNow is the intelligent "platform-of-platforms" for the enterprise. It's a single pane of glass acting as the control tower connecting people, process, data, and devices. ServiceNow creates a beautiful experience layer that cleans up the enterprise mess it took more than half a century to build.

In September, we unleashed 350+ net new innovations as part of our GenAI platform release. We already had Now Assist AI firing on all cylinders across every workflow making our GenAI portfolio ServiceNow's fastest-selling new product in history. The time for exponential thinking is now. Our commitment to AI doesn't stop there. Agentic AI is driving a whole new era of collaboration between AI and humans. AI Agents will work with people, not just for them. Agentic workflows will power 24/7/365 productivity with infinite use cases for full decision-making transparency and as much or as little human approval as a business wants. As we continue to innovate, we're honored to partner with world-class customers like AI

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leaders Microsoft, NVIDIA, Dell, IBM, and more. We’re unlocking 1 billion hours of productivity as the AI platform for business transformation. We’re putting AI to work for people.

How is ServiceNow reinventing every workflow, in every company, in every industry with GenAI at the core?

ServiceNow’s first mover advantage enables us to execute on the most ambitious GenAI roadmap in the enterprise software industry. For more than seven years we’ve been building large language models (LLMs) into the Now Platform so we can run faster, reduce costs, and provide a more secure platform. We provide choice. We’re not competing with anyone. ServiceNow integrates with everyone, making new and legacy investments finally work together in harmony.

With the power of AI plus new high-performance data features, customers will be able to get data from any lake or source that will seamlessly integrate into the way work flows. Access to real-time data delivers breathtaking return on investment capitalizing on this once-in-a-generation opportunity. In fact, our early adopter customers are experiencing 53 percent increases in overall transaction times, 27X faster analytics, and 3X faster workflow throughput. Our new AI Agents are already serving as a digital brain with human-level comprehension and customizable human oversight. This is the next leap we will all take together. It’s the enterprise and inter-enterprise workflows that strengthen ecosystems, build new networks, and uncover innovative ways to serve customers.

GenAI isn’t a bolt-on, it’s built in. We’re putting AI to work for people by transforming end-to-end business processes. Only ServiceNow can do this.

What are your views on the AI revolution and how AI will impact jobs?

In 1966, *TIME Magazine* boldly predicted that computers would fill the roles of everyone but high-level executives, leaving 90 percent of the population depending on state subsidies. As we know now, millions of new jobs were created, fueling the global economy. Naturally, people fear what they don’t understand. GenAI

is democratizing access to knowledge regardless of age, socioeconomic background, and education. All it takes is the ability to ask questions to unlock the immense potential of GenAI.

Think about it, we’re facing the most significant skills gap in the last two decades. It’s reported that over three out of four employers struggle to fill roles. Yet GenAI stands ready to transform human productivity adding \$7 trillion to global GDP in the next decade. The intelligence revolution is about people. AI is elevating human potential to enable people to do exciting, positive things for the world. Make no mistake, there is no artificial intelligence without natural intelligence. It takes humans to make AI work better. It is our duty to enable people to join the intelligence revolution and Put AI to Work for People.

What will ServiceNow look like five years from now?

We recently came together to celebrate our 20th anniversary. It was a moment where we honored our past, reflected on our achievements, and dreamed even bigger for our future. In five years ServiceNow will have realized our dream of becoming the DESCO21C. Our momentum on that journey is undeniable. We were \$3.5 billion in revenue not long ago and \$10 billion now with \$20 billion in the backlog. In the software business, once you hit a scale inflection point the hockey stick takes over. We’ve passed that inflection point with flying colors sustaining the rule of 50+ (combined revenue and free cash flow). ServiceNow is the first enterprise software company ever to hit \$10 billion+ without buying revenue, without layoffs, while also preserving our inspired culture. That’s why I’ve never been more bullish in my belief that ServiceNow will continue to deliver for our shareholders in the next 5, 10, 20 years and beyond.

When you look back to when you joined ServiceNow in 2019, has the journey been what you had expected?

I came to this company five years ago with a dream: for ServiceNow to become the DESCO21C. That dream is becoming a reality because of our innovative customers, strategic

partners, and an exceptionally talented team. I’m fortunate to stand on the shoulders of giants. ServiceNow leaders before me set the stage for the explosive growth we’ve achieved since I joined. We’ve more than doubled our team in just five years from less than 10,000 to more than 25,000. We’re executing at a level that’s nothing short of extraordinary, more than quadrupling our market capitalization from \$39 billion to \$176 billion. Our \$275 billion total addressable market is evidence of our unlimited opportunities. We’re the only enterprise software company to do all of this with a 99 percent retention rate.

While we don’t exist to win awards, we’re humbled by the recognition: two consecutive years on the Fortune 500, a Glassdoor Best Place to Work, one of Fortune World’s Most Admired Companies, Kantar BrandZ Most Valuable Global Brands, and more. These acknowledgments inspire us to raise the bar higher than ever before. The last five years have been exactly what I dreamed and we’re only just getting started.

You worked three jobs when you were a teenager. How did your early years impact your views on business and leadership?

Early on I learned that people are the soul of every great business. Whether it was a paper route, the grocery store, bussing tables, or pumping gas, the customer was the only boss. When I traded in those jobs and bought my delicatessen, that lesson shaped me to be the leader I am today. To my customers, the deli may have been a small part of their day. To me, that small part was everything. Personalized service became a priority. Finding ways to do that meant knowing my customers. It meant delivering to the local senior citizens; offering credit to blue collar workers like my dad; or providing video game experiences along with great food to treat teenagers with dignity, respect, and full trust when others wouldn’t.

Putting people first is the foundation of everything. Being in service to our team, my family, friends, community, and faith is my highest purpose. The best leaders show people that they are there to serve. Leading with generosity builds trust. People do not care how much you know until they know how much you care.

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

To be the champion, you have to do the work. No one gets out of bed to win a silver medal. Every day is a reminder that winning is not just in the score itself, it’s how you play the game. That journey to success is the reward. Not only do you have to want it more, but you have to be able to win as a team. That’s what energizes me the most. My grandfather, Bobby McDermott, was a Hall of Fame pro basketball player. He won championships as a player-coach who led by example. He called plays as he ran up and down the court, sweating alongside his teammates rather than barking orders from the sidelines. From his legacy I learned the true value of teamwork. I celebrate the wins by developing great players in the action, getting my high by helping others live their dream. ●