IBM UK Newsroom

IBM & Vodafone Business Join Forces to Drive Innovation in Rapidly Changing World

Speeds adoption of cloud technologies and innovative business applications enabled by 5G, Edge and Software Defined Networking

London, UK - 17 Jan 2019: Building on more than two decades of collaboration between the two companies, IBM and Vodafone have entered into a new strategic commercial agreement. It will provide clients with the open, flexible technologies they need to integrate multiple clouds and prepare for the next wave of digital transformation enabled by AI, 5G, edge and Software Defined Networking (SDN).

With more than 70 percent of organisations today using up to 15 cloud environments as they strive to access powerful new digital solutions and services*, the interconnectivity of clouds and the vulnerability of data have become global issues. Together, IBM and Vodafone Business will help companies remove the complexity and barriers from their technology choices and ensure that data and applications flow freely and securely across their organizations.

Under the new venture, Vodafone Business customers will immediately have access to the full portfolio of IBM's cloud offerings, underpinned by IBM's deep industry expertise and open technologies.

As part of the agreement, IBM will provide managed services to Vodafone Business' cloud and hosting unit, in an eight-year engagement valued at approximately $550 million (€480 million). Customers will benefit from IBM's optimisation, automation and cognitive capabilities which help them to run their business effectively in a cloud environment.

The new venture will co-develop new digital solutions, combining the strengths of Vodafone's leadership in IoT, 5G and edge computing with IBM's multicloud, industry expertise and professional services capabilities.

"IBM has built industry-leading hybrid cloud, AI and security capabilities underpinned by deep industry expertise," said IBM Chairman, President and CEO Ginni Rometty. "Together, IBM and Vodafone will use the power of the hybrid cloud to securely integrate critical business applications, driving business innovation – from agriculture to next-generation retail."

"Vodafone has successfully established its cloud business to help our customers succeed in a digital world," said Vodafone CEO Nick Read. "This strategic venture with IBM allows us to focus on our strengths in fixed and mobile technologies, whilst leveraging IBM's expertise in multicloud, AI and services. Through this new venture we'll accelerate our growth and deepen engagement with our customers while driving radical simplification and efficiency in our business."

The convergence of multicloud and connectivity promises to speed decision-making, enhance automation and personalize experiences for end users in any location – even some of the most remote. For example, in the past, innovating on an oil rig would have been a challenge due to lack of connectivity and disparate IT systems. Today, thanks to edge computing and IoT technologies from Vodafone working with the latest AI and augmented reality applications from IBM, engineers will be able to pinpoint and resolve faults on equipment in minutes rather than hours, potentially saving millions in lost productivity.

Combining the capabilities of two industry leaders under one roof with dedicated executive leaders from both companies, the new venture is designed to act like a start-up and be responsive to rapidly changing market and customer demands. New digital solutions and services will be built using the latest agile methodologies.

The new venture will be operational in the first half of 2019.

Notes

*IBM Institute of Business Value: Assembling Your Cloud Orchestra: https://www-935.ibm.com/services/us/gbs/thoughtleadership/cloudlibrary.html

Analyst Quotes

"To deliver multi-cloud strategies in the real world, enterprises need to invest at many levels, ranging from cloud connectivity to cloud governance and management. This new venture between Vodafone and IBM addresses the 'full stack' of real-world multi-cloud concerns with a powerful combination of capabilities that should enable customers to deliver multi-cloud strategies in all layers of their organizations. IBM's acquisition of Red Hat and Vodafone's emerging 5G technologies have the potential to amplify the value further and help enterprises ready themselves for the innovations of tomorrow. We estimate the global cloud market (hardware, software, services) to be worth $420 billion in 2019. If you add to that the global cloud connectivity market which is worth $2 billion, the combined market opportunity here is huge." **Carla Arend, Senior Program Director, European Software, IDC**

"This is an era of unprecedented disruption with companies having to react fast to new competitors and business models as well to changing economic and political landscapes. Companies need choice, speed and flexibility. For this reason, the cloud market needs more diversity and more ventures like this. IBM and Vodafone are getting ahead of the game and by coming together are striving to make it easier for businesses to use any cloud, any data, any workload in any location - this could open up huge possibilities for the enterprise." **Roy Illsley, Distinguished Analyst Infrastructure Solutions, Ovum**

Assets

Video:

To view a talking heads video about the new venture, please visit: https://youtu.be/LBRLbTfSoBs

Animated Film

To view an animated film about the new venture, visit: https://youtu.be/aMa9Z2hTJ1s

About Vodafone Business

For more information about Vodafone Business, visit: https://www.vodafone.com/business

About IBM

For more information about IBM, visit: https://www.ibm.com

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