IBM Newsroom

IBM Completes Acquisition of Apptio Inc.

With close of transaction, immediate synergies to be driven with IBM's IT Automation Portfolio

ARMONK, N.Y., Aug. 10, 2023 /PRNewswire/ -- IBM (NYSE: IBM) today announced it has completed its acquisition of Apptio Inc. after receiving all required regulatory approvals. The acquisition gives clients the ability to derive additional value through the powerful combination of Apptio and IBM.

Technology is a competitive differentiator for today's enterprises. Organizations are accelerating their IT investments, spreading workloads and applications across public and private clouds, using multiple service providers. As a result, their expenses are increasing, and they need simplified, integrated, and automated solutions to optimize their IT spend, improve operations, and drive greater financial returns.

Today's close brings together the industry-leading solutions of Apptio's FinOps offerings, including ApptioOne, Cloudability and Targetprocess, and IBM's automation portfolio of Turbonomic, AIOps and Instana to give clients a "virtual command center" for managing, optimizing and automating technology spending decisions.

With AI and foundation models top of mind for clients and partners, IBM will also augment its watsonx AI and data platform with Apptio's $450 billion in anonymized IT spend data, unlocking new innovation, insight and value.

"The combination of Apptio products and IBM's IT automation portfolio will give businesses a 360-degree technology management platform they can use to optimize and automate decisions across their IT landscapes," said Rob Thomas, Senior Vice President, Software and Chief Commercial Officer, IBM. "We are bringing together market-leading and best-in-class solutions to continue to reshape IT from a cost center to a true competitive advantage, powered by automation and AI."

Starting immediately, clients can leverage the early integration between Apptio and IBM through their Cloudability and Turbonomic offerings. This is an important first step as IBM looks to drive significant synergy across several key growth areas, including automation, Red Hat, IBM Consulting, and IBM's broader AI portfolio.

Cloudability gives organizations the data, insights and recommendations needed to understand and eliminate waste from their cloud spend, while Turbonomic generates trustworthy optimization decisions that can be automated to unlock true cloud elasticity, getting rid of overprovisioning to protect performance. Together, these products can give clients full coverage for the "Inform," "Optimize" and "Operate" stages of the FinOps Framework, providing what they need to control cloud spend without slowing innovation or negatively impacting operational performance.

Cloudability can ingest Turbonomic executed and proposed actions to provide a shared, single view across services that helps stakeholders understand the impact that has been, and can be, achieved by bringing these two leading IT automation offerings together.

Clients are already seeing the benefits of these solutions. With Cloudability, organizations can reduce cloud costs by 30% or more[1] while allocating 100% of cloud program costs[2] and increasing reservation coverage to over 90%[3]. With Turbonomic, they can improve cloud investments by 33% and get 30% of engineering time back.[4]

The close of the Apptio acquisition is one of a series of investments in IT Automation by IBM over the last three years to help solve the problems facing today's IT and business leaders. In 2020, IBM launched its IT Automation portfolio when it announced its AIOps offerings that used AI and automation to help enterprises self-detect, diagnose and respond to IT anomalies in real time. Later that year, IBM acquired Instana, recognizing that modern applications and operations required real-time observability. Then, in 2021, IBM acquired Turbonomic which has specialized in helping clients optimize for application performance at the lowest cost with automation. Now, with the acquisition of Apptio, IBM will provide real-time data and actionable insights for leaders to make smarter spending decisions and realize value faster as they transform their operations.

Apptio is an established, growing, and profitable technology business management and FinOps leader with over 1,500 clients, serving more than half of the Fortune 100.

IBM previously announced a definitive agreement to acquire Apptio from Vista Equity Partners on June 26, 2023.

"Our journey with Apptio is a testament to Vista's ability to create consistent outcomes that drive value for our stakeholders," said Robert F. Smith, Founder, Chairman and CEO of Vista Equity Partners. "We are proud of our continued momentum, even amidst these challenged market conditions, and look forward to seeing how Apptio's technology will bolster IBM's IT automation and AI capabilities in the years ahead. It's been an honor to partner with a visionary founder like Sunny and we wish the entire Apptio team the best in the next phase of their growth with IBM."

About IBM

IBM is a leading provider of global hybrid cloud and AI, and consulting expertise. We help clients in more than 175 countries capitalize on insights from their data, streamline business processes, reduce costs and gain the competitive edge in their industries. Thousands of government and corporate entities in critical infrastructure areas such as financial services, telecommunications and healthcare rely on IBM's hybrid cloud platform and Red Hat OpenShift to affect their digital transformations quickly, efficiently and securely. IBM's breakthrough innovations in AI, quantum computing, industry-specific cloud solutions and consulting deliver open and flexible options to our clients. All of this is backed by IBM's legendary commitment to trust, transparency, responsibility, inclusivity and service. Visit www.ibm.com for more information.

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[1] https://www.apptio.com/case-study/the-national-rural-electric-cooperative-association-reduces-infrastructure-costs-by-30/

[2] https://www.apptio.com/case-study/unlocking-the-business-value-of-it-transformation-with-coles-and-cloudability/

[3] https://www.apptio.com/case-study/how-koch-business-solutions-became-finops-center-enterprise/

[4] https://www.ibm.com/downloads/cas/JEWOV1BM

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