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# ServiceNow Expands AI with Now Platform 'Xanadu' Release

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## CONTEXT

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ServiceNow announced its most comprehensive AI innovations with the [Xanadu release](#) of its Now Platform. The new release introduces hundreds of new AI capabilities to increase customer agility, enhance productivity, and improve employee experiences. It also expands the *Now Assist* generative AI portfolio into critical enterprise functions, including Security Operations and Sourcing & Procurement Operations.

## WHAT IS XANADU?

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*Xanadu* is the latest release of ServiceNow's Now Platform, packed with advanced AI features designed to enhance enterprise productivity, agility, and employee experiences.

The release introduces hundreds of new AI capabilities that expand ServiceNow's GenAI offerings across critical enterprise functions such as Security Operations and Sourcing & Procurement Operations.

Here are the key highlights for the release:

- **Agentic AI:** *Xanadu* introduces agentic AI, an advanced form of artificial intelligence capable of autonomously managing complex, multistep tasks. Initial applications target customer support and IT service management, allowing AI to diagnose, propose, and execute solutions with minimal human intervention.
- **Now Assist Skill Kit:** The new Now Assist Skill Kit allows enterprises to build and deploy custom AI skills tailored to their specific needs. These AI models can access and utilize data stored in the Now Platform and can be powered by either ServiceNow's language models or third-party tools.

- **Now Assist for Security Operations:** The release includes prepackaged AI tools like *Now Assist for Security Operations*, which helps cybersecurity teams by automatically summarizing breach incidents and generating detailed reports. This feature is particularly valuable in cybersecurity scenarios, where rapid response and in-depth analysis are critical.
- **RaptorDB Pro:** One of the standout performance enhancements in *Xanadu* is the introduction of Raptor DB Pro, a new database that can process computations up to 27 times faster than its predecessor.
- **Integrated Development Environment (IDE):** ServiceNow has introduced a new IDE specifically designed to facilitate the development of custom applications on its platform, lowering the barrier for developers within enterprises to create and deploy applications.
- **Microsoft Teams Integration:** With *Xanadu*, ServiceNow has made its integration with Microsoft Teams' Copilot chatbot generally available. This allows users to access Now Platform data directly through the Teams interface.

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## KEY IMPACTS OF THE RELEASE

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1. **Expanding the Scope of GenAI:** ServiceNow's *Xanadu* release significantly extends the application of generative AI across new mission-critical functions, such as Security Operations and Sourcing & Procurement. This is an important move, as these areas are often fraught with complexity and inefficiency, particularly in large-scale enterprises.
2. **Customization Through the Now Assist Skill Kit:** Another standout feature is the *Now Assist Skill Kit*, which empowers enterprises to build custom AI capabilities tailored to specific needs. ServiceNow's decision to enable customers to utilize its native AI models or incorporate third-party models is a pragmatic approach to integrating AI into existing infrastructure.
3. **Stronger Integration with Microsoft 365:** The expanded integration with Microsoft Copilot for Microsoft 365 further enhances *Xanadu*'s value proposition. This seamless connection between ServiceNow's *Now Assist* and Microsoft Teams reflects the growing demand for unified collaboration platforms.

4. **Performance and Data Processing Enhancements:** ServiceNow's introduction of RaptorDB, a high-performance database, underlines the platform's push for better scalability and faster data processing. This performance boost will be particularly appealing to industries where real-time data analysis is crucial, such as finance, healthcare, and manufacturing.

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## COMPETITIVE IMPACT

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ServiceNow's *Xanadu* release significantly strengthens the company's competitive position in the market.

Here's how *Xanadu* impacts the company's standing against competitors:

1. **Advanced AI Capabilities:** With the introduction of agentic AI and expanded generative AI capabilities, ServiceNow is positioning itself as a leader in AI-driven automation. Competitors like Microsoft and Salesforce also leverage AI. Still, *Xanadu's* ability to automate complex, multistep tasks with minimal human intervention—across functions like security operations and procurement—gives ServiceNow an edge in areas where automation can drive significant business value.
2. **Customization and Flexibility:** The *Now Assist Skill Kit* allows enterprises to create custom AI solutions that integrate with their specific workflows. This level of customization, along with the ability to use either ServiceNow's AI models or third-party AI, offers greater flexibility than many competing platforms, particularly when compared to more rigid solutions from competitors like BMC or Oracle.
3. **Enhanced Integration with Microsoft:** The deep integration of *Now Assist* with Microsoft Teams and Copilot for Microsoft 365 strengthens ServiceNow's foothold in the collaborative workflow space. This enhances user productivity and differentiates ServiceNow by providing a seamless AI-driven experience across commonly used tools, outpacing rivals that lack similar integration depth.
4. **Expanded Functionality in Key Areas:** ServiceNow broadens its platform's appeal and relevance by extending its AI tools to critical areas like security operations and procurement. These enhancements target complex, high-priority enterprise challenges, giving ServiceNow a stronger position in industries such as finance, healthcare, and manufacturing, where automation and security are paramount.

5. **Improved Data Processing and Performance:** With the introduction of RaptorDB, a high-performance database, *Xanadu* boosts data processing speeds. This allows for faster analytics and decision-making, a competitive advantage in industries that require real-time insights, further distinguishing ServiceNow from slower, less agile competitors.

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## ANALYSIS

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Xanadu's new AI capabilities, combined with its focus on security, procurement, and workforce management, make it highly relevant.

As enterprises prioritize agility and operational efficiency in response to evolving market conditions, ServiceNow's *Xanadu* release comes at an opportune time. The growing importance of AI in enterprise solutions, particularly in areas such as IT service management and cybersecurity, position *Xanadu* as a critical tool for organizations looking to optimize and automate their workflows.

We anticipate *Xanadu* will accelerate ServiceNow's growth in key verticals such as finance, healthcare, and manufacturing, where operational efficiency and cybersecurity are paramount. Additionally, its customizable AI solutions should resonate with large enterprises that require tailored automation tools to meet specific business challenges.

For enterprises looking to improve productivity, streamline operations, and leverage the power of AI to drive meaningful business outcomes, *Xanadu* maintains ServiceNow's position as a must-consider platform in their digital transformation journey. The new release shows that ServiceNow is delivering its strategic focus on delivering AI-driven innovation that is not only practical but also scalable and secure for the modern enterprise.



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