

IBM's Watson gets its own business

9 January 2014, by Bree Fowler



In this file photo of Jan. 13, 2011, "Jeopardy!" champions Ken Jennings, left, and Brad Rutter, right, look on as the IBM computer called "Watson" beats them to the buzzer to answer a question during a practice round of the "Jeopardy!" quiz show in Yorktown Heights, N.Y. IBM announced Thursday, Jan. 9, 2014 that it's investing over \$1 billion to give its Watson cloud computing system its own business division and a new home in the heart of New York City (AP Photo/Seth Wenig, File)

One of the most famous "Jeopardy!" champs of all time is moving to Manhattan.

IBM announced Thursday that it's investing more than \$1 billion to give its Watson cloud computing system its own business division and a new home in New York City.

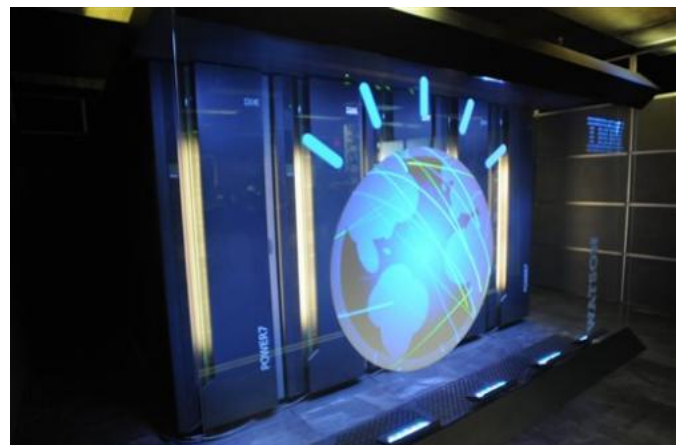
The Armonk, New York-based computing company said the new business unit will be dedicated to the development and commercialization of the project that first gained fame by defeating a pair of "Jeopardy!" champions, including 74-time winner Ken Jennings, in 2011.

In the years since Watson's TV appearance, IBM has been developing the computing system for more practical purposes and changed it to a cloud-based service. While still in the development

phase, Watson's massive analytical capabilities are currently being used in industries ranging from health care to banking.

IBM CEO Ginni Rometty said what makes Watson unique is that it isn't programmed like most computers. Instead of relying only on the information that's put into it, Watson learns by "reading" vast amounts of information and combining it with the results of previous work to find answers to problems—which she says makes it ideal for the reams of data now involved in many industries.

IBM is building a new headquarters for the business on the edge of New York City's East Village near New York University and other technology companies. In addition to its marketing and engineering capabilities, the new headquarters also will provide a place for IBM to collaborate with clients and startup companies that are building apps for Watson. IBM will invest about \$100 million in various startup companies working on Watson projects.



This Jan. 13, 2011 file photo provided by IBM shows the IBM computer system known as Watson. IBM announced Thursday, Jan. 9, 2014 that it's investing over \$1 billion to give its Watson cloud computing system its own business division and a new home in the heart of New York City. (AP Photo/IBM, File)

understand what this is," Rhodin said. "This is a departure. It's a statement on our part."

Rometty said at an event announcing the move Thursday in New York that it's those collaborations with startups and clients that will help find new uses for the Watson technology.

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Eventually the business, which started out as a team of 27 people, will employ about 2,000, with several hundred set to move into the new headquarters.

One of the first fields to use Watson was health care.

Dr. Jose Baselga, physician-in-chief of Memorial Sloan-Kettering Cancer Center, attended Thursday's event. He said Watson has helped his doctors deal with the skyrocketing amount of information involved in the treatment of cancer.

Meanwhile, others see the potential for using Watson in industries such as retail and travel.

Terry Jones, a founder of the travel websites Travelocity.com and Kayak.com, also attended the event. He said that while Internet search engines have become the method of choice for booking travel, they can't yet provide the expert advice about particular destinations and travel activities that an old-fashioned travel agent can. He said Watson's ability to understand language allows it to search travel blogs, books and newspapers to help answer users' questions.

Michael Rhodin, a long-time IBM executive named to lead the new business, said the New York City headquarters is meant to be a departure from the project's current research facility's sleepier surroundings about 40 miles (65 kilometers) north of the city in Yorktown Heights, New York.

The angular glass building also will stand out from the rest of its neighborhood, which is home to some of the oldest buildings in the city.

Rhodin said the move will help it attract young talent that expects Silicon Valley style.

"The millennial generation gets this, they

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