THE ECONOMIC CLUB

OF WASHINGTON, D.C.

Excerpts from the Signature Event featuring Ginni Rometty, Chairman, President and CEO, IBM

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...growth and comfort never coexist. ... whether you are a person, a company, or a country, if you're going to grow, you are going to have to do things that put you at risk.

... IBM is a solution company. ... right now there are a couple of big shifts in the industry that are transforming my industry and ... transforming yours. ... They're going to reorder every industry ... the shifts are around ... the buzz words you hear all the time – big data, the cloud, and social and mobile. ... The strategy for us is we believe when it comes to business that all that big data is going to end up being – I call it a natural resource. It'll be the basis of competition.

... Watson *[the learning computer]* ... will redefine interaction between man and machine. It will augment your and my decision making; it's not about replacement.

Watson is the first genre of machines that can learn. ... it actually has a learning curve. ...It operates like our brain does. It ingests lots of information ... And then it learns over time what's right and wrong and makes correlations, so like you and I make decisions. ... It forms, though, hundreds of thousands of hypotheses at one time and then it goes and looks for all the data to prove them right or wrong. Statistically, over time that reasoning gets better and worse with the data. And it comes up with answers, with percentage of confidence in the evidence of what it believes.

... *[Watson – the learning computer]* is now to the point where it understands and can read medical records, pulls all the pertinent data, has been fed all of the information from every journal of medicine, hundreds of textbooks, every journal, every edition, 12 million pages of evidence and has then been trained by the world's best doctors. ... that's about to roll out for 1 million patients. It's underway right now in Asia.