



Just add weather

IBM Institute for Business Value

How weather insights can grow your bottom line - Summary

June 6, 2018



Study highlights

While most weather related headlines are often focused on negative impacts and implications, **our research indicates weather has both negative and positive impacts on organizations**



These impacts, while largely negative, **translate directly to an organization's income statement**



An overwhelming majority of executives believe better weather related insights can reduce costs and increase revenues... and they believe the potential impact can be material to their bottom line



While most execs leverage data from multiple sources, **they see weather insights as a service as more valuable than raw data alone**



Executives identified six key business and technical challenges that are **inhibiting them from deriving more insights from weather data**



Fortunately, these business and technical challenges are relatively easy to address and **we've identified lessons learned from organizations that have successfully overcome these challenges**



It seems like most of the headlines about weather are often related to negative impacts and implications...

330

Number of catastrophic weather events globally in 2017

31

Number of billion-dollar weather events globally in 2017

1,141+

Causalities in the 2017 Sierra Leone mudslides

\$24b

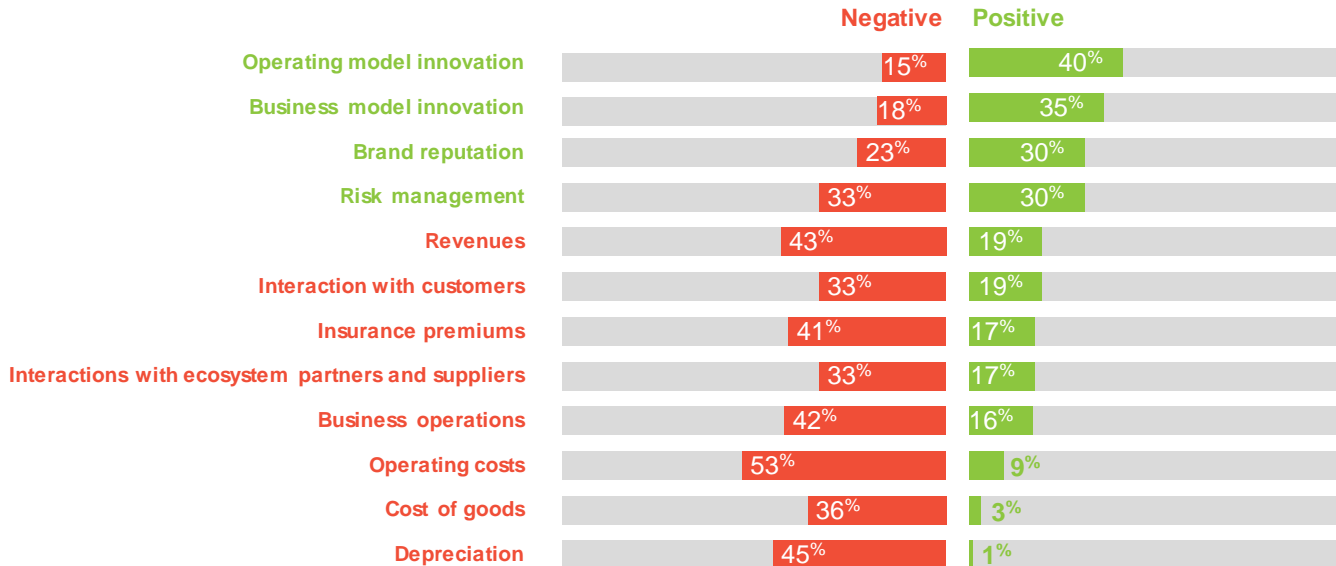
Second costliest year on record for insurers with severe weather peril

Source: "Weather, Climate & Catastrophe Insight, 2017 Annual Report." Aon Benfield UCL Hazard Research Center. January 2018.



... however, our research indicates weather has both negative and positive impacts on organizations

Executive ratings of how weather has impacted their organization in the past 12 months



Source: IBM Institute for Business Value 2018 Global Weather Study



These impacts translate directly (both positively and negatively) to an organization's income statement

Weather impacts on REVENUE metrics...

Weather impacts on COST metrics...

100%

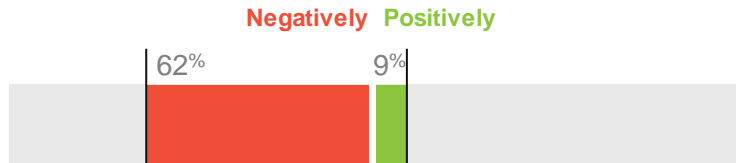
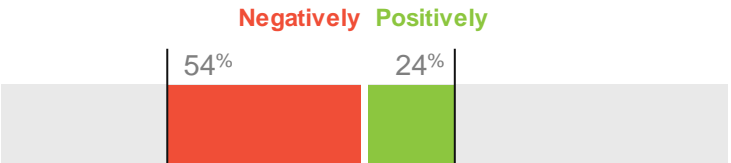
Weather impacts at least one revenue metric in my organization

100%

Weather impacts at least one cost metric in my organization

Weather impacts at least three revenue metrics in my organization...

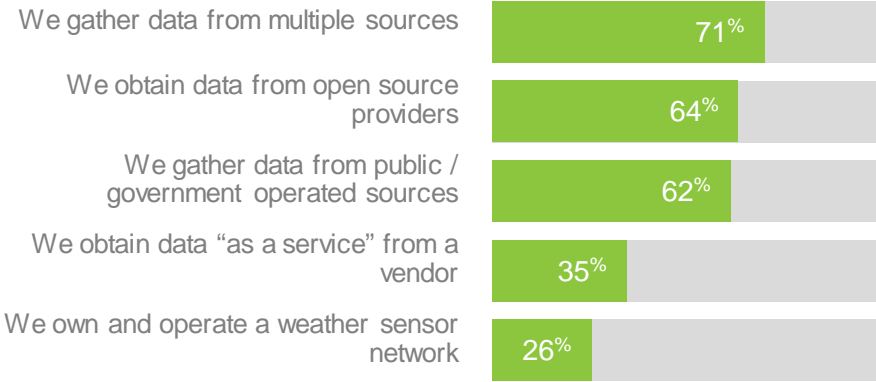
Weather impacts at least three cost metrics in my organization...



Source: IBM Institute for Business Value 2018 Global Weather Study

While most execs leverage data from multiple sources, they see weather insights as a service as more valuable than raw data

Methods and sources where we obtain weather data



68%

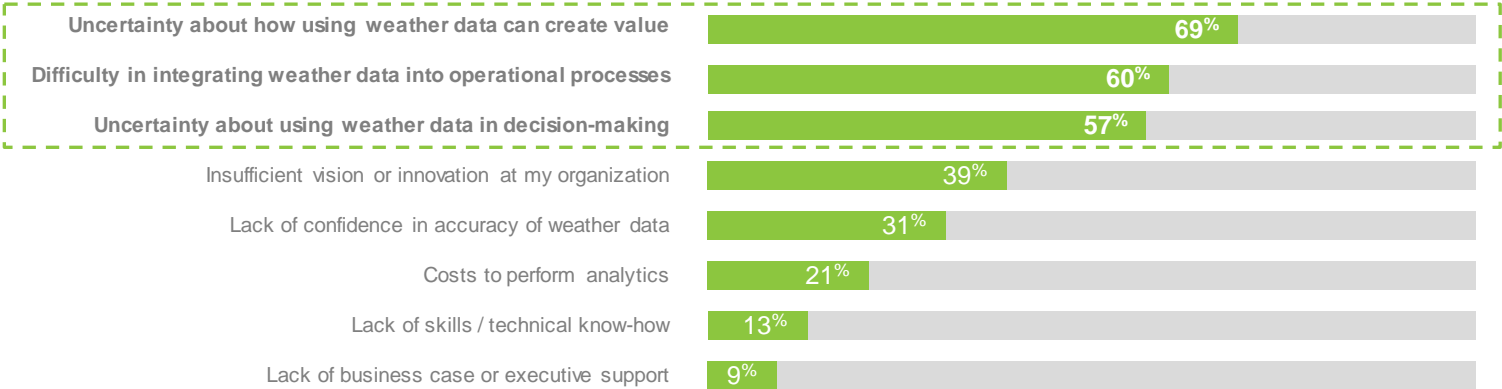
Executives that indicate weather insights as a service would be more valuable than raw data

Source: IBM Institute for Business Value 2018 Global Weather Study



Executives identified three key business challenges that are inhibiting them from deriving more insights from weather data

Challenges inhibiting your organization from deriving more insights from weather data

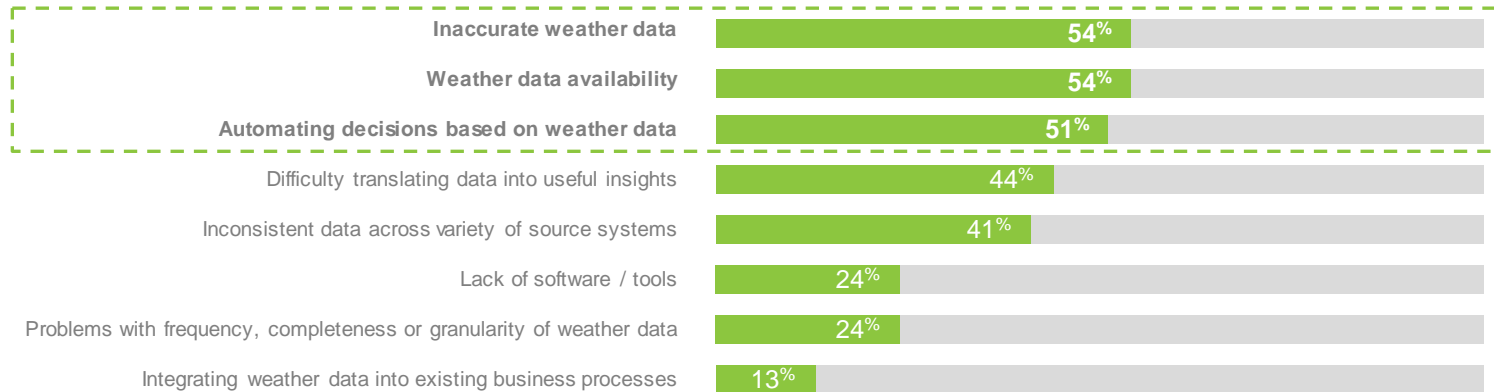


Source: IBM Institute for Business Value 2018 Global Weather Study



Most execs also cite three key technical challenges encountered in integrating weather data into day-to-day business practices...

Technical challenges encountered in integrating weather data into day-to-day business practices



Fortunately, these business and technical challenges are relatively easy to address and many organizations have successfully overcome these challenges

