



# 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**

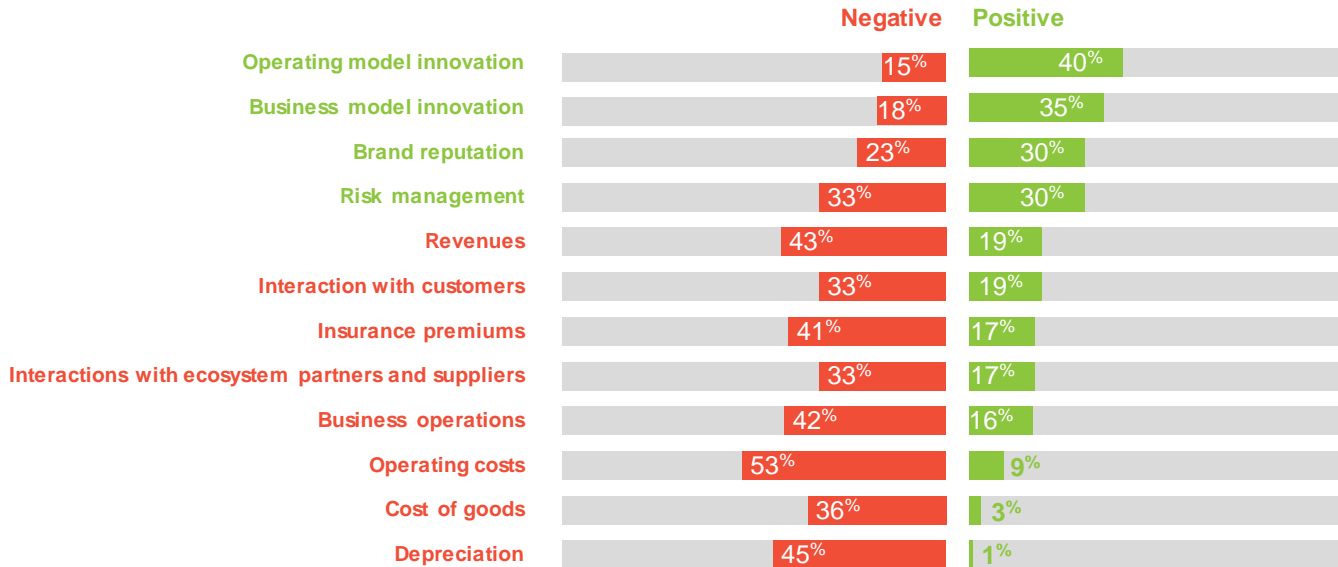
Second costliest year on record for insurers with severe weather peril

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



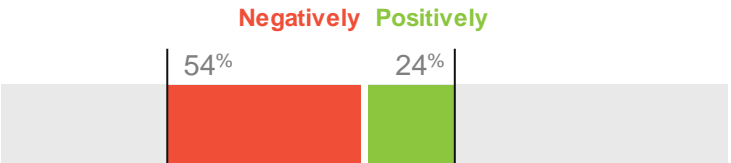
# These impacts translate directly (both positively and negatively) to an organization's income statement

## Weather impacts on REVENUE metrics...

# 100%

Weather impacts at least one revenue metric in my organization

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

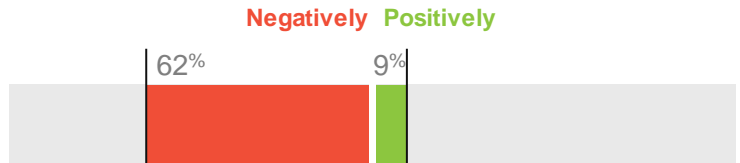


## Weather impacts on COST metrics...

# 100%

Weather impacts at least one cost metric in my organization

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

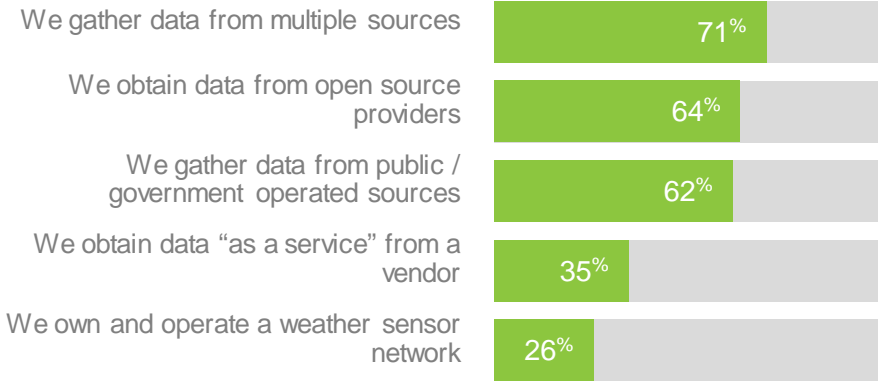


Source: IBM Institute for Business Value 2018 Global Weather Study



# 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%

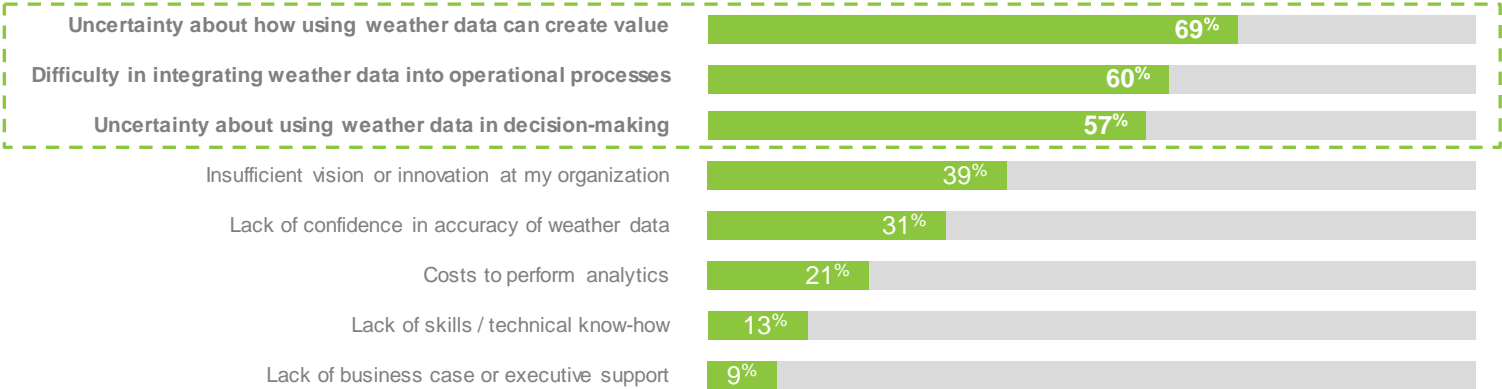
Executives that indicate weather insights as a service would be more valuable than raw data

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

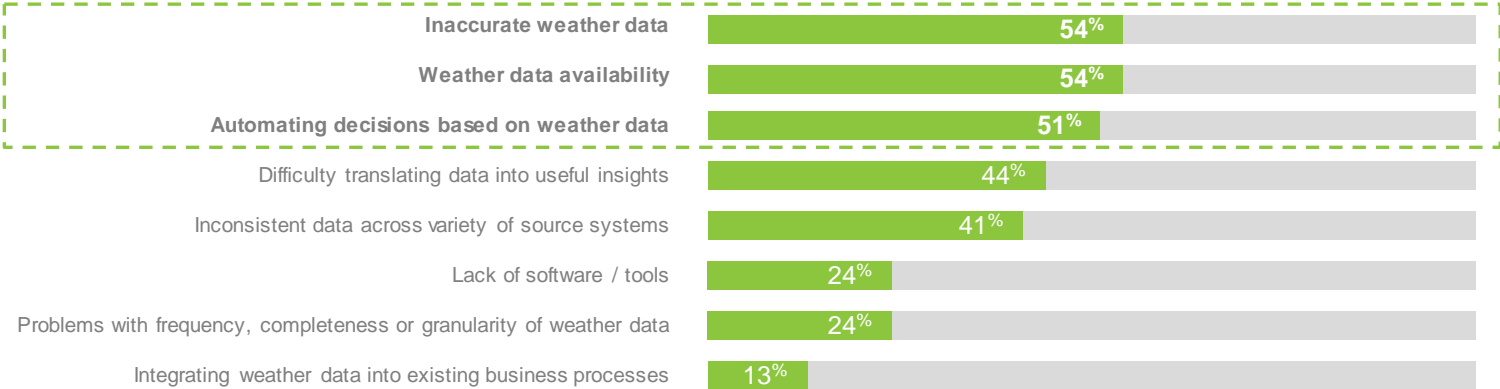


Source: IBM Institute for Business Value 2018 Global Weather Study



# 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

Source: IBM Institute for Business Value 2018 Global Weather Study

