



# The Importance of Adaptive Resilience Solutions in the Face of Climate Threats



Climate change is increasingly causing severe weather events, resulting in over \$2.2 billion in damage to physical assets in the US alone (US Billion- Dollar Weather and Climate Disasters (2022), NOAA National Centers for Environmental Information (NCEI)). These events pose significant risk to the safety of employees, customers, and physical assets, as well as business continuity, which can severely impact finances. In the long-term, they are a serious threat to organizational resilience.

New climate-related policies and regulatory changes may also introduce complexities to operations and can require budgeting considerations. A [study by Verdantix](#) found that while many organizations are aware of the risks associated with climate change, measures and systems to manage these risks are often underfunded. It seems corporations are not associating climate change-related events with real risk to their business or operations, leaving them more susceptible to damage.

Along with climate change, political and economic instability also continue to disrupt traditional business models at an increasing rate. Organizations must be able to quickly adapt and respond to shifting risks and threats. This requires solutions that can evolve and grow with the organization's needs, rather than a one-size-fits-all approach.

Many organizations rely on insurers for resilience, but traditional models may overlook risks and delay the dispersal of funds, leading to business

disruption and financial losses. In fact, "55% of all organizations, rising to 76% in the financial services sector, consider inadequate insurance coverage to be a 'significant' or 'very significant' factor when managing climate risk" (Navigating Climate Threats and Proactive Mechanisms to Achieve Business Climate Resilience, November 2022). As organizations move forward, alternative insurance options must be carefully considered.

Organizations are also facing increasing pressure from regulatory mandates, laws, and public demand to address the impacts of climate change; it is essential that they implement an adaptive resilience solution that can support them in their journey towards a more sustainable and resilient future. Relying on outdated systems and approaches that are lagging behind current trends and threats can put organizations at significant risk. By investing in an adaptive resilience solution, businesses can better protect themselves from potential disruptions and position themselves for future success.

## Extreme weather events are causing unprecedented impact

The greatest impact of extreme weather events on organizations is disruption to business operations and supply chains (Navigating Climate Threats and Proactive Mechanisms to Achieve Business Climate Resilience, November 2022). These events can cause significant financial losses and operational disruption, resulting in a negative impact on a company's bottom line.

According to the US National Oceanic and Atmospheric Administration (NOAA) National Centers for Environmental Information (NCEI), weather and climate events cost \$71 billion-dollar in the US between 2018 and 2021, up from \$46 billion-dollar events between 2008 and 2011 ([Billion-Dollar Weather and Climate Disasters, National Centers for Environmental Information](#)). The cost to organizations is significant; adaptation is no longer a choice, but an obligation.

Business disruption can occur due to damage to physical assets, such as buildings and equipment, as well as disruptions in operations and services. Supply chain disruption is a major concern as extreme weather events can disrupt the flow of goods and materials, leading to delays and increased costs (Navigating Climate Threats and Proactive Mechanisms to Achieve Business Climate Resilience, November 2022).

Here we can see just a few specific examples of how climate-related events can disrupt business and supply chains:

- Droughts can cause crop failures and reduce the availability of raw materials, while floods can damage transportation infrastructure, making it difficult to get goods to market. [In southwestern China](#) in 2022, a record-breaking drought crippled economic activity and halted supply chains.
- Extreme heat can cause widespread disruption to infrastructure and business continuity. For example, [in the summer of 2022, a heatwave struck most of Europe](#). These extreme temperatures caused wildfires in certain areas, as well as widespread power outages, making it difficult for people to access basic services such as air conditioning and refrigeration. The heatwave also made it difficult for employees to work, leading to increased absenteeism and decreased productivity.
- Flooding and other extreme weather events can also lead to power outages, which can disrupt production and service delivery. They can also lead to large areas being evacuated, as [was the case in California](#), meaning that employees were not able to go in to work and routes that were flooded were not able to be accessed.

These are just a few examples demonstrating the need for organizations to consider the potential impact of extreme weather events on their operations and take steps to mitigate these risks through effective risk management strategies.

# Organizations are overlooking the importance of investing in resilience, now

The current systems and solutions that organizations have in place to manage the risk of climate change are often insufficient. Organizations do not always associate climate change-related events with business risk and interruption to continuity, leaving them more susceptible to damage.

## Reliance on traditional insurance is becoming insufficient

Many organizations rely on insurers to provide operational, financial, and regulatory resilience against complex weather events. However, due to the unpredictability of such events, traditional insurance and reinsurance models used for recovery may overlook risk and may delay the dispersal of funds, resulting in an organization's inability to react and adapt in a timely manner. This lack of preparedness can lead to business disruption and financial losses.

Business disruption and financial losses are not the only motivators for organizations to urgently deal with climate change and take the appropriate action. There is also current and upcoming external pressure: "with an expected wave of sustainability regulation coming in the next few years organizations will extensively face regulatory requirements to evaluate climate risk" (Navigating Climate Threats and Proactive Mechanisms to Achieve Business Climate Resilience, November 2022). Legislation and regulatory mandates will be driving forces behind organizations' need for an adaptive resilience solution.

Crucially, organizations must budget appropriately for the costs associated with dealing with the effects of climate change and adopting the appropriate solutions. Too often, organizations look at costs in the short-term, as opposed to investing in resilience now and avoiding more significant costs over time. When organizations allocate budgets and prepare for critical events, they have the potential to save costs down the line. It is worth noting that in the Verdantix research, "more than half of organizations



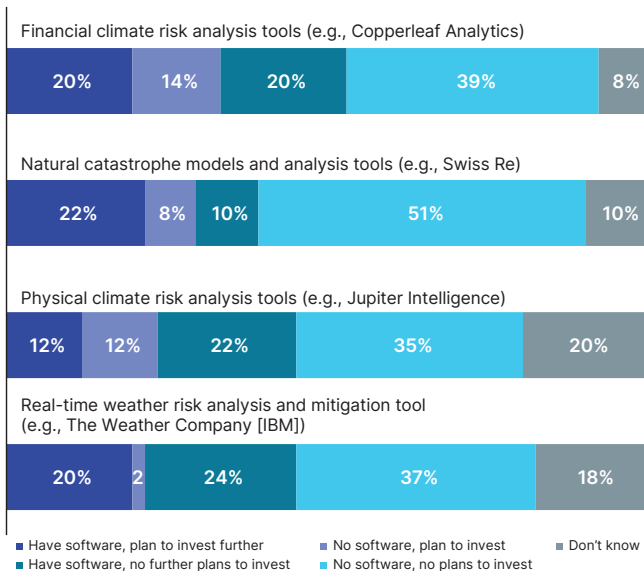
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have less than \$1 million to respond to catastrophic events, and 41% of participants stated that they had no budget at all for catastrophic events” (Navigating Climate Threats and Proactive Mechanisms to Achieve Business Climate Resilience, November 2022).

Moreover, “most firms are not planning to invest in critical climate change risk management solutions” (Navigating Climate Threats and Proactive Mechanisms to Achieve Business Climate Resilience, November 2022). This places organizations at high risk of significant costs down the line. Investing in an adaptive resilience solution now can save organizations potentially millions later on. According to a [2021 study published by Forrester](#) that analyzed the data from 11 customers using Everbridge’s CEM (Critical Event Management) Platform, over a 3-year period these organizations had an average ROI of 354%.

**What are your firm’s investment plans for the following critical climate change risk management solutions in the next twelve months?**



Notes: N=51. Data labels are rounded to zero decimal places. Percentages less than 7% are written as numbers. Source: Verdantix Research.

**To be more resilient to the risks of climate change, organizations need to take a proactive approach to climate risk mitigation. This includes:**

- Implementing adaptation measures to minimize disruption from these events, such as reviewing and updating business continuity plans and identifying potential supply chain disruptions.
- Exploring alternative finance options such as parametric insurance, as “2/5 of firms expect further demand for wider climate change-related insurance coverage” ([Verdantix study](#)).
- Reviewing and updating risk management processes to ensure they are inclusive of the risks associated with climate change.
- Investing in new technologies and solutions that can help better predict and respond to extreme weather events.

With adaptive resilience solutions such as Everbridge’s CEM Platform, organizations can minimize the impact of climate-related disruptions, recover more quickly and with less damage, and maintain their ability to operate and grow in a changing climate—ultimately remaining more competitive in an ever-changing economic and environmental landscape.

## The importance of protecting both physical and digital infrastructures

Severe climate events can impact not only physical infrastructure, but also an organization's digital environment; for instance, when power outages occur. Organizations need solutions that can help them reduce the impact on their people, their physical locations, and their digital environment. Everbridge's People Resilience and Digital Operations solutions can help organizations effectively navigate the effects of climate change, while ultimately reducing the overall financial impact. These solutions enable organizations to:

- Proactively identify and manage risks associated with severe weather events, natural disasters, and other climate-related disruptions.
- Facilitate real-time communication and collaboration across teams, allowing for quick and efficient response to critical incidents.
- Utilize a centralized location for storing important documents and resources, allowing for easy access during emergency situations.
- Understand how critical events are impacting their operations and make informed decisions with a variety of analytics and reporting features.
- Integrate with third-party tools and systems, such as IoT sensor networks, to provide a more complete picture of the situation and inform decision-making.

When organizations are searching for a solution, “the majority of respondents in the Verdantix Study identified breadth of capabilities and the ability of a solution to integrate with existing tools as the most important criteria for investment,” criteria which all of Everbridge’s solutions meet (Navigating Climate Threats and Proactive Mechanisms to Achieve Business Climate Resilience, November 2022). By using Everbridge’s People Resilience and Digital Operations solutions, organizations can improve their overall readiness for and response to climate-related incidents, ultimately helping to protect their assets and ensure business continuity.



# Achieve climate change resilience with Everbridge's people resilience, public safety, and digital operations solutions

Everbridge offers a comprehensive approach to climate adaptation that addresses the full spectrum of risks associated with our rapidly changing environment. Our [People Resilience](#), [Public Safety](#), and [Digital Operations](#) solutions provide organizations with the tools they need to proactively identify and manage risks, and to respond effectively to all critical events, not just climate-related ones. The ability to access real-time data, collaborate across functions, and coordinate response efforts in real-time enables organizations to make informed decisions, take action quickly, and minimize the impact of disruptions.

When searching for an adaptive resilience solution, organizations should keep in mind:

- Prevention is a form of insurance. An organizational resilience platform is a critical tool to ensure organizations are prepared to handle any emergencies that they encounter.
- Protection now is better than damage later. Organizations should budget appropriately to take advantage of these resources now before a critical event hits so that they can protect themselves, their people, and their assets, reducing the economic impact in the long-term.
- Protection of an organization's brand reputation is crucial. When organizations invest in adaptive resilience solutions, they fulfill their duty of care and strengthen their brand reputation, making them more competitive in the market.

Everbridge's solutions are adaptable to all different industries, including healthcare, government, education, finance, and more. We also help organizations implement and optimize critical event management strategies. An adaptive resilience solution is crucial for organizations to effectively manage and mitigate the risks associated with a rapidly changing business landscape, and to ensure the long-term success of their business.

According to a [2021 Forrester study](#), that analyzed the data from 11 customers using Everbridge's CEM Platform, over a 3-year period these organizations had an average ROI of

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# About Everbridge

Everbridge, Inc. (NASDAQ: EVBG) empowers enterprises and government organizations to anticipate, mitigate, respond to, and recover stronger from critical events. In today's unpredictable world, resilient organizations minimize impact to people and operations, absorb stress, and return to productivity faster when deploying critical event management (CEM) technology. Everbridge digitizes organizational resilience by combining intelligent automation with the industry's most comprehensive risk data to Keep People Safe and Organizations Running™.

For more information, visit [Everbridge.com](https://www.everbridge.com), read the company [blog](#), and follow us on [LinkedIn](#) and [Twitter](#).

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