

# From selling data to selling answers, EO market faces transformation

by [Tereza Pultarova](#) — September 15, 2017



Hera Systems is developing commercial remote-sensing satellites to gather "images of the Earth, enabling commercial and government organizations to monitor change and make smart decisions about our planet's constantly changing features and emerging situations across the globe, in near-real time," according to the company. Credit: Hera Systems

PARIS — Earth-observation startups are investing in data analytics and machine learning to transform raw satellite data into marketable insights they say have the potential to be every bit as indispensable to investors and business leaders as the up-to-the-second analytics they get from the likes of a \$20,000-a-year Bloomberg terminal subscription.

Speaking during the closing day of Euroconsult's World Satellite Business Week here Sept. 15, top executives of Earth-observation startups Urthecast, Planet and others agreed that the growth of their respective businesses will depend on the ability to use the wealth of raw data acquired by their satellites to extract answers needed by customers across a wide range of industries.

"We believe that there is going to be a unique moment when this industry is going to be similar to what happened, for example, in navigation," said Wade Larson, president and CEO of Vancouver-based Urthecast. "Navigation became kind of embedded infrastructure in a much

larger industry called location-based services. We think that this is happening with geoanalytics, as well.”

Andrew Wild, chief revenue officer at San Francisco-based Planet, said the company is responding to the trend by focusing on customer engagement to understand how they could use their technology to solve practical problems in the new “insights economy.”

“We have a very good capability with satellites but that doesn’t matter if we are not solving business outcomes,” Wild said. “We have transformed our entire company outside in and we are talking with customers. We have deep conversations with all sorts of customers on all sorts of verticals.”

Jason Andrews, founder and CEO of BlackSky, part of Seattle-based Spaceflight Industries, Inc., said the Earth-observation sector is moving from “mapping towards real-time monitoring.”

The company, which today announced a partnership with Thales Alenia Space to build a constellation of 60 high-resolution satellites with an hourly revisit time, sees its major business in an AI-driven platform combining data from its own satellites with data from competitors’ satellites to provide near-real-time information about any area of the world.

“No one wants to stare at the screen and monitor picture after picture,” said Andrews. “It’s about going from buying data to buying answers. We need to be able to engage with customers who don’t know anything about geospatial data and build products that people want to use.”

Andrews said BlackSky’s platform uses artificial intelligence algorithms to analyze information available on social media as well as global news feeds to determine areas of interest and provide imagery in real time as situations such as natural disasters and terrorist attacks unfold.

In addition to cloud-based data analytics platforms, Bobby Machinski, founder and CEO of San Jose, California-based satellite information and analytics company Hera Systems, said the future would favor processing data directly onboard satellites.

“It’s about getting answers as quickly as possible,” Machinski said.

The panelists also agreed the future would probably favor vertical integration of satellite companies with data processing and analytics firms as the majority of the revenues is to be made from selling insights to customers across sectors including oil and gas, financial markets, insurance and defense.

“We are building satellites because we need the data,” said Payam Banazadeh, CEO of Silicon Valley-based Capella Space, which is planning to launch six months from now what they describe as the first U.S. commercial SAR satellite constellation. “It’s not about the satellite, it’s about the software.”

Emiliano Kargieman, CEO of Brazil's Satellogic said: "In my mind, vertical integration will win. It has many advantages to do the data acquisition and data analytics. Why would you let the pie go into the hands of the people who do the analytics?"