

EWS - Final results

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Agenda

- Welcome and introduction
- Research team
- Project presentation
- Definition of Early Warning Signals (EWS)

- **Research protocol**
- **Data analysis**
- **Best practices**

- Next steps
- Contact details
- **Q&A**

Research team



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The EWS project

- In today's market, the frequency of change and the corresponding impacts on companies are constantly increasing. **A reactive mode is no longer appropriate.** However, discontinuities, do not emerge without warning: weak signals can be used to anticipate opportunities, risks, and threats. **This is why companies need to have structures, processes, procedures and competences in place to use weak signals.**

The EWS project aims to

- Understand whether and how companies collect weak signals from the ecosystem to defend current positions, detect opportunities and threats.
- Assess to what extent companies analyze and use this information
- Identify business best practices and analyze them in the light of most recent research
- Share knowledge and inform the Luxembourg business community

Early warning signals

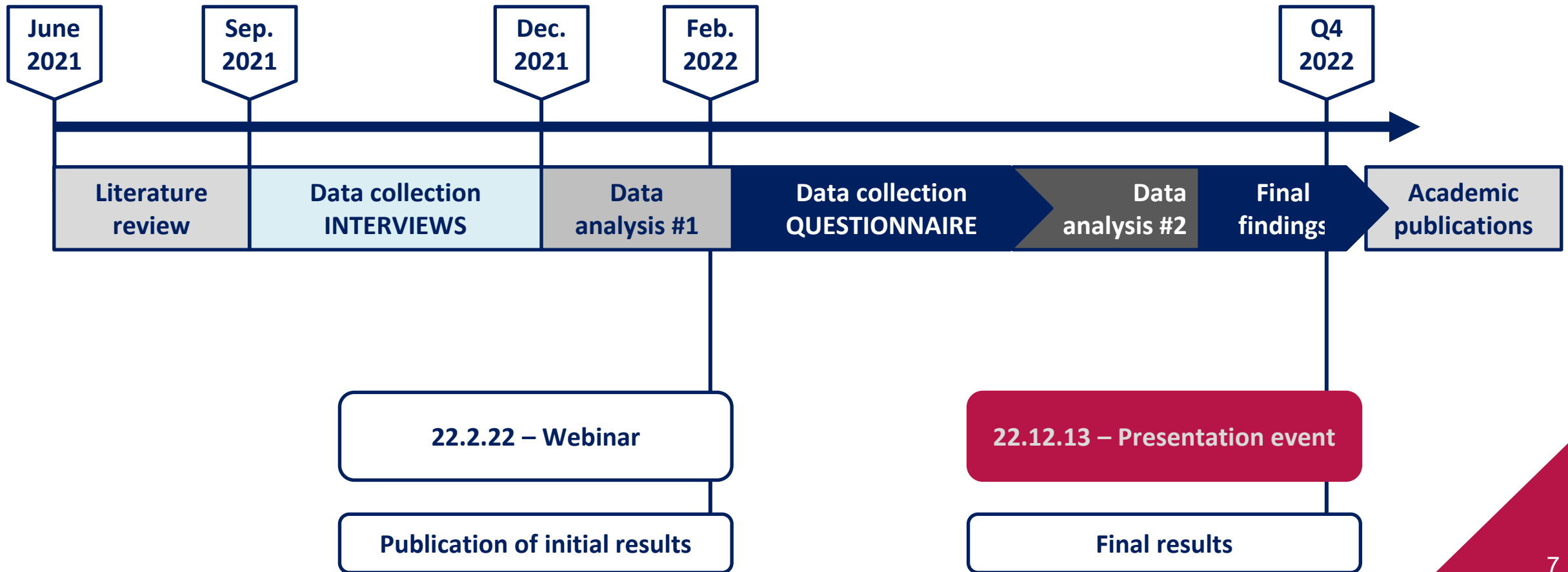
- *Functional definition:*
 - **Proper foresight elaborates on Early Warning Signals (EWS)**

EWS aim at assisting organizations in dealing with discontinuities or strategic surprises and at allowing organizations to react ahead of time
- **The underlying assumption is that discontinuities do not emerge without warning.**

The main theoretical reference is the concept of “weak signal” identified by ANSOFF (1975) to point out events or data whose detection could lead to the identification of strategic surprises.

Research protocol

Project roll out and timeline



Research protocol

11
face-to-face
“semi-structured”
interviews
with
top-level
executives
in SMEs,
Intermediate firms
and BU of large
established
companies

Questionnaire

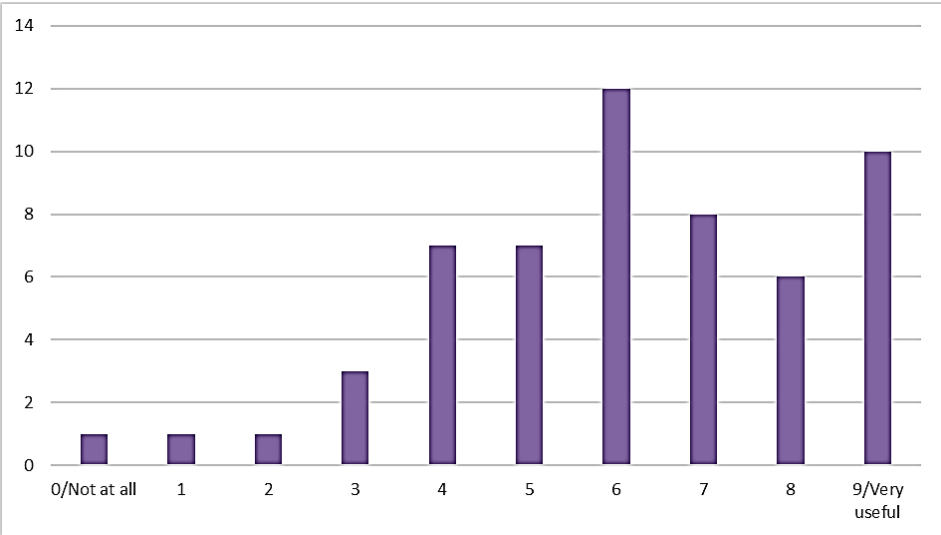
119
respondents

76
actual
EWS users

Data analysis

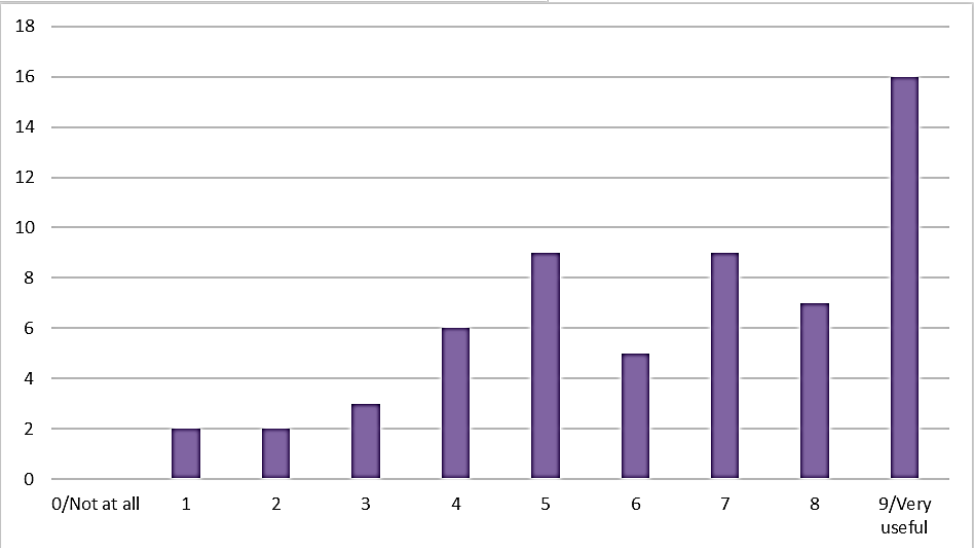
Usefulness of EWS

- **EWS help companies cope with risk and exploit opportunities**
- **EWS collected from colleagues/subordinates, and from “third parties” are relevant**



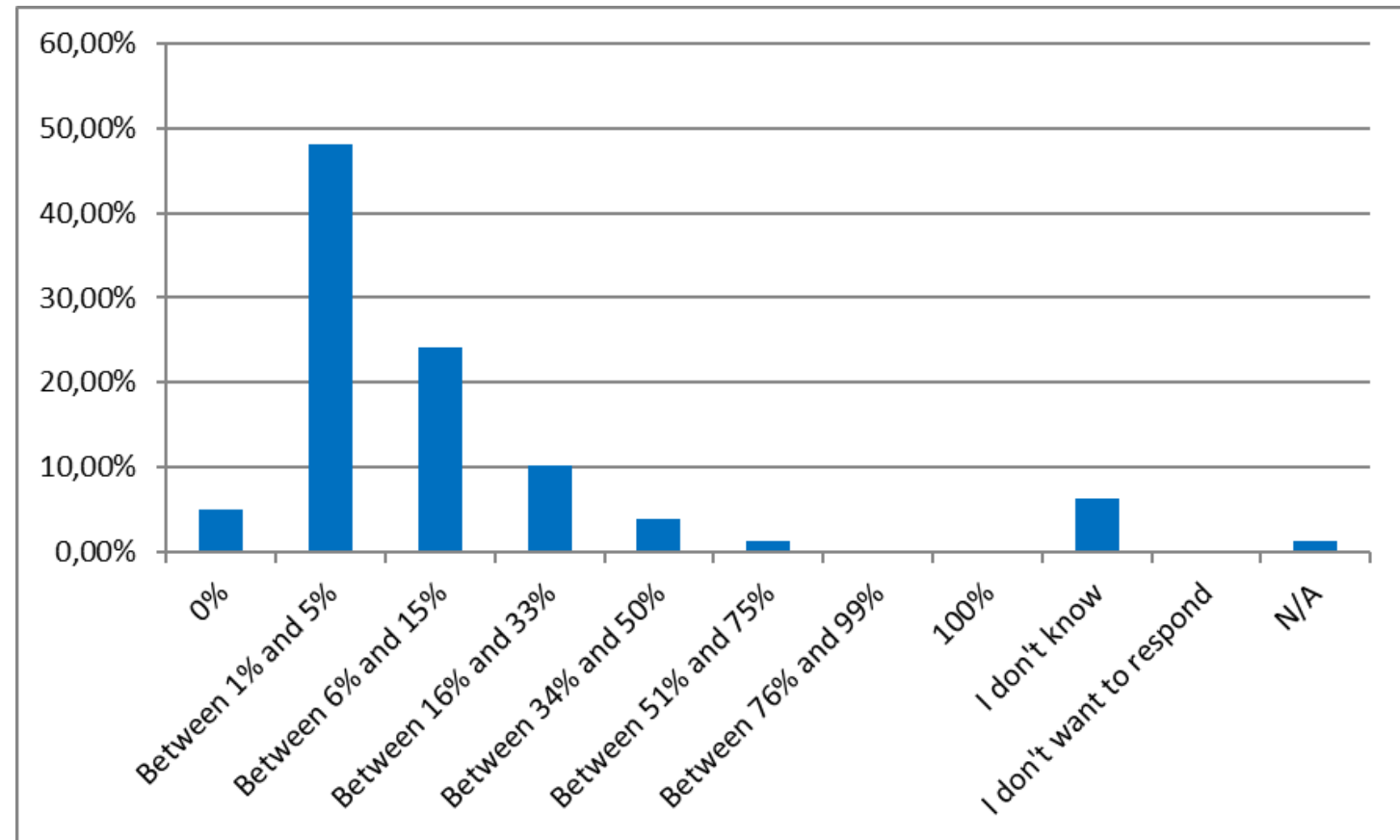
EWS received from colleagues and subordinates

EWS received from “third parties”



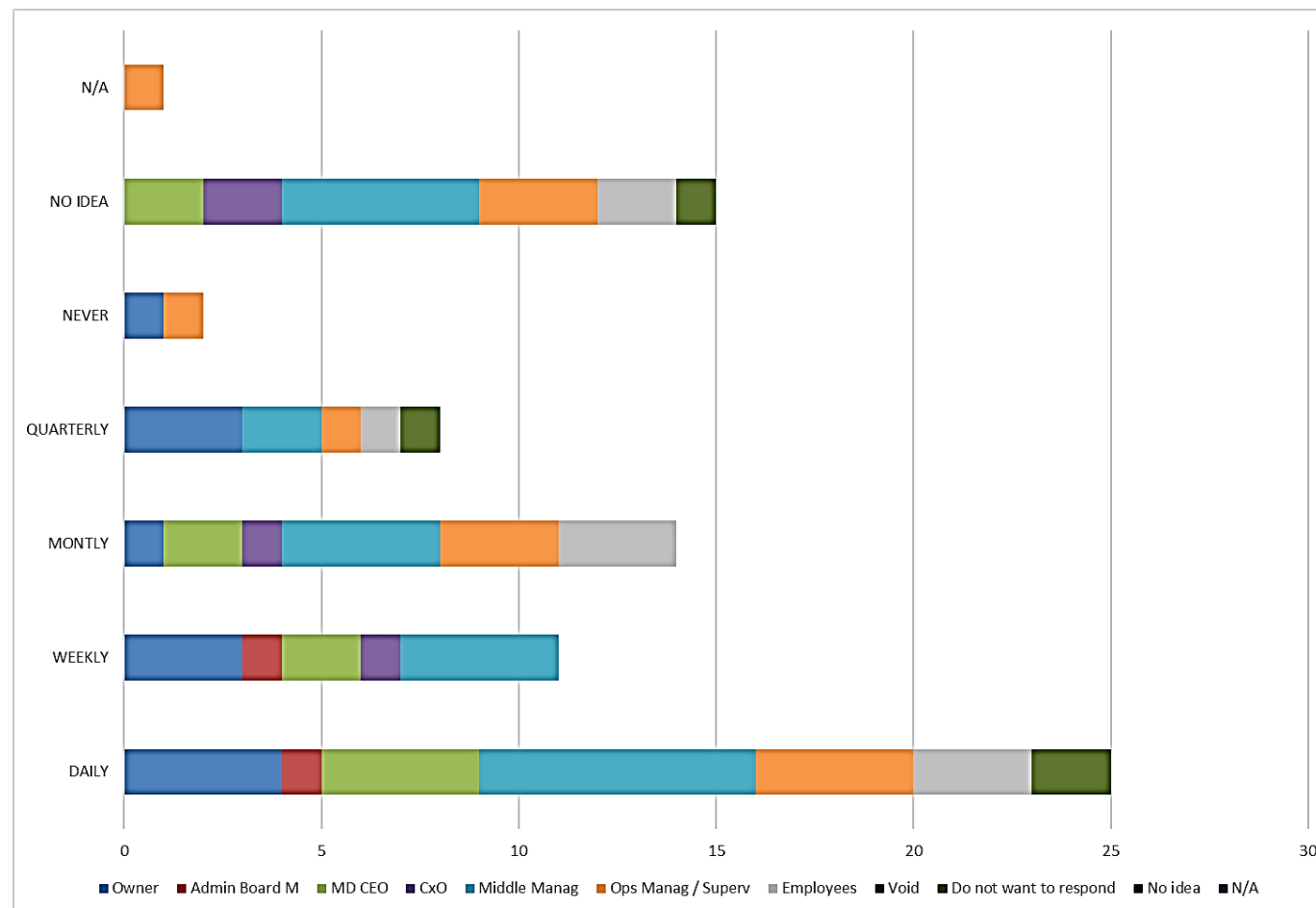
EWS collection effort compared to total workload

- Most people devote between 1% and 5% of their total workload to EWS collection



Frequency of EWS data usage

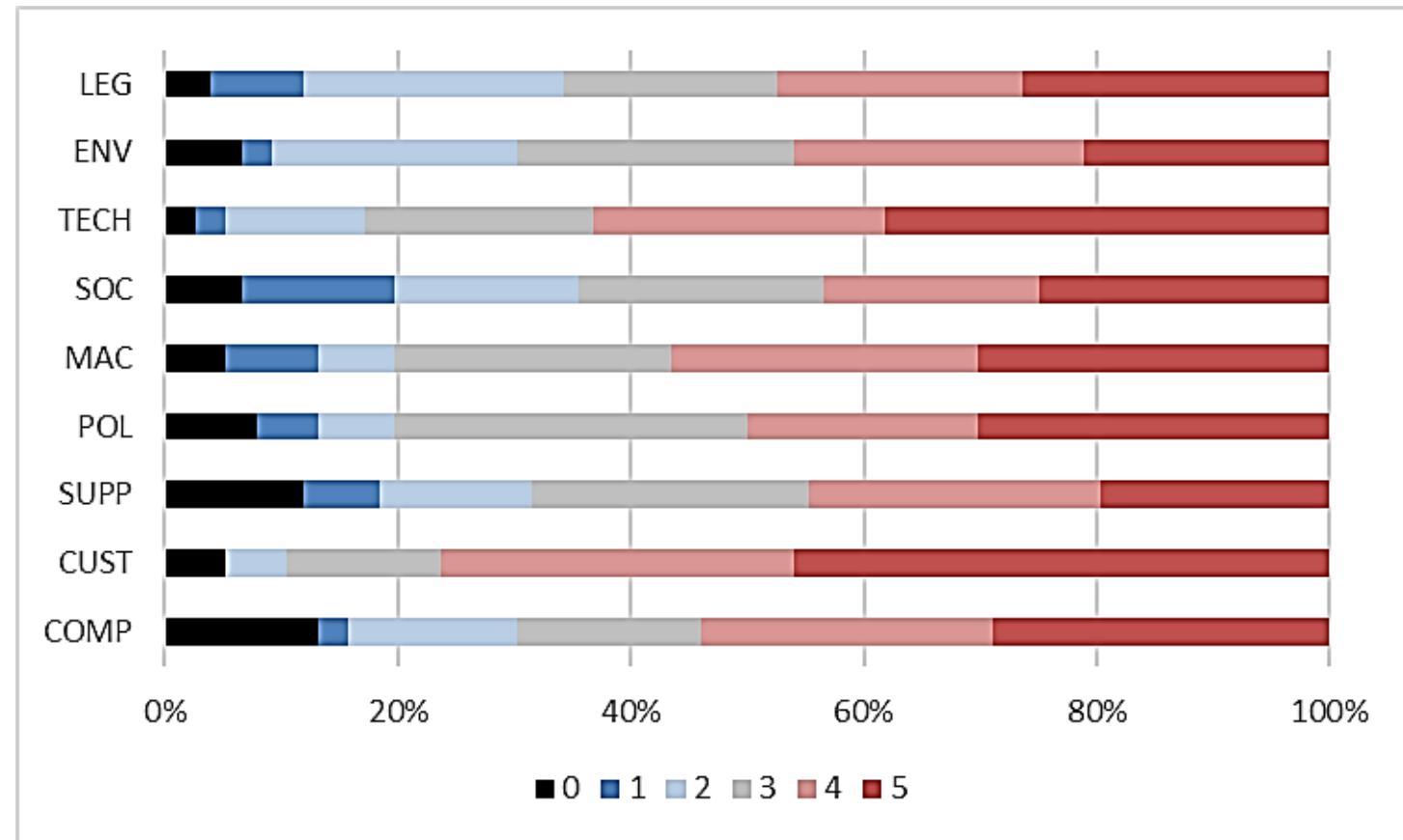
- Most people claim to use EWS on a daily base, which is in contraction with their assessment of the signals collection workload
- More than 10% of the sample have no idea
- **Owners and middle management work the most with EWS**



Importance of EWS data by category

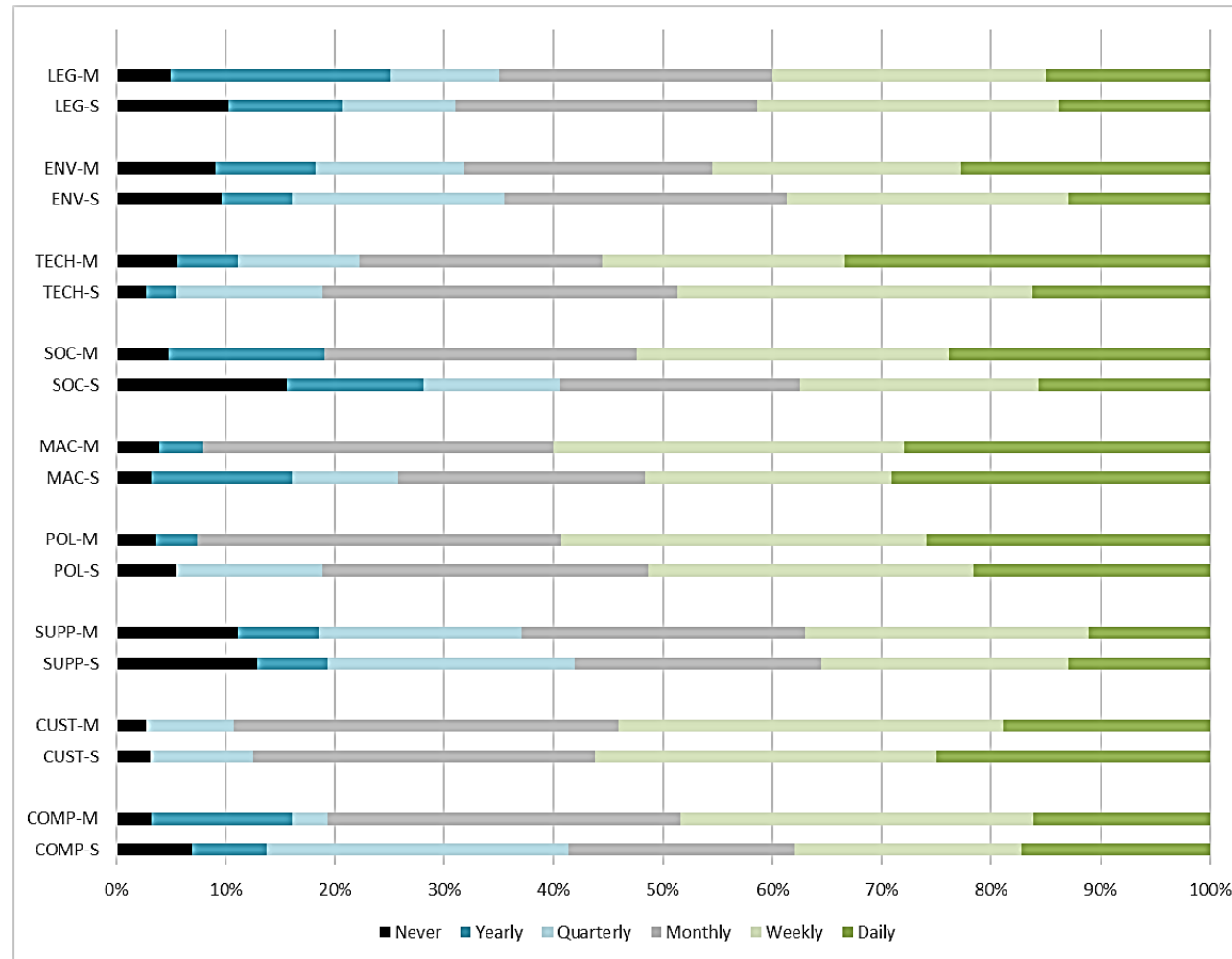
- The most important focus is on customers, technology, and macro-economics
- **The most neglected are society/ sociology and supply chain**

Legal,
Environmental,
Technological,
Sociological and social,
Macro-economics
Political and fiscal
Suppliers,
Customers
Competition



EWS data used by Senior vs. Middle managers

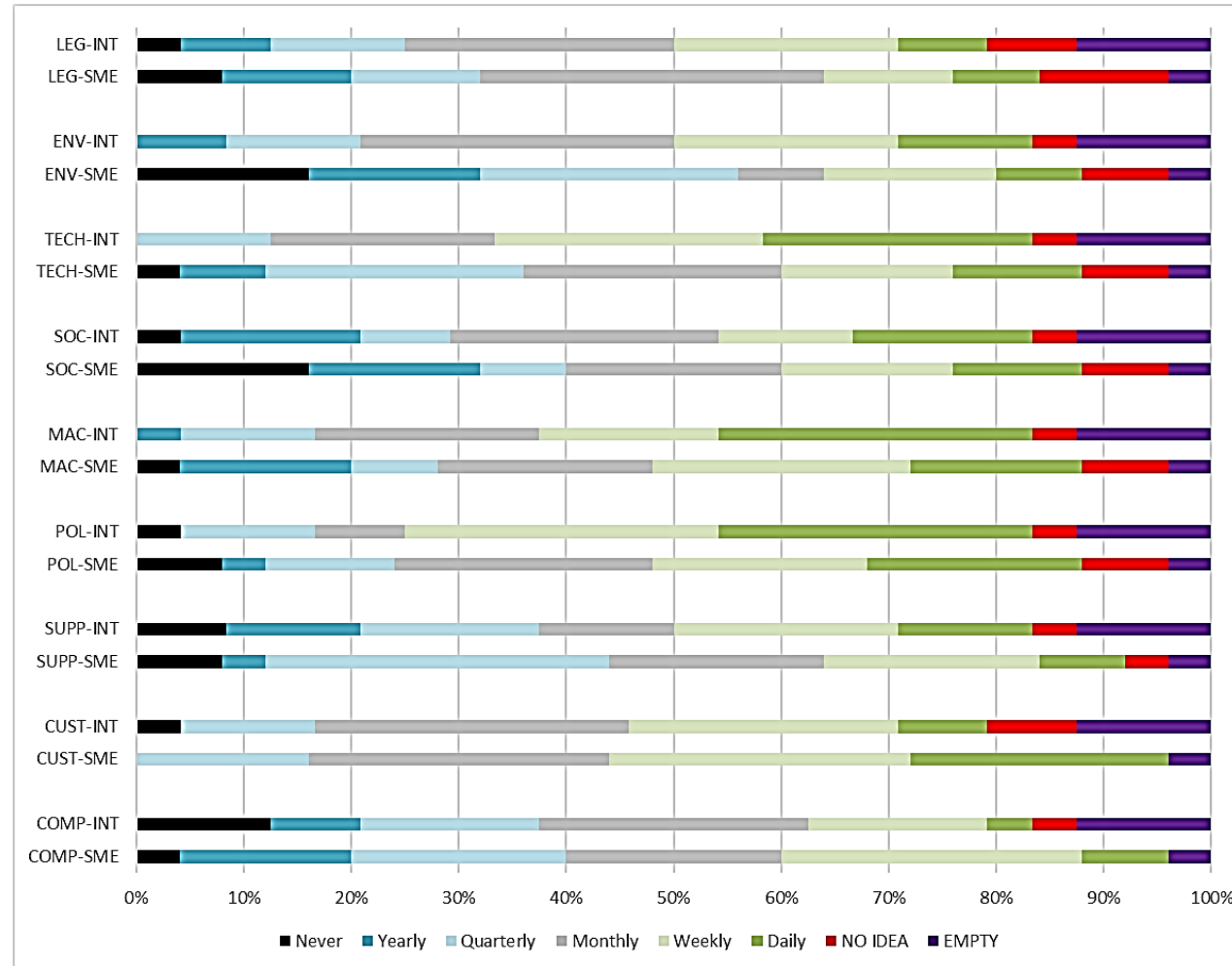
- Both senior and middle managers have daily and weekly investigations of EWS about political and fiscal issues.
- EWS about technology and customers are important
- Middle managers are focused on competition



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EWS data investigated in SMEs vs. Intermediate firms

- **EWS about the supply chain are neglected**
- **Environment-related EWS are neglected in SMEs**
- **Customers EWS are intensively used in SMEs**
- **Macro-economics is intensively used in Intermediate firms**



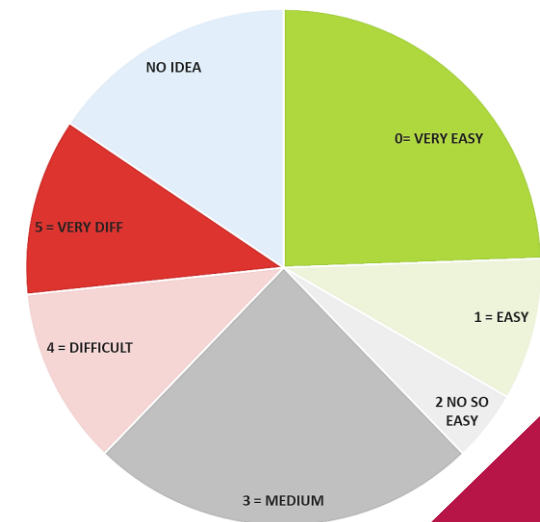
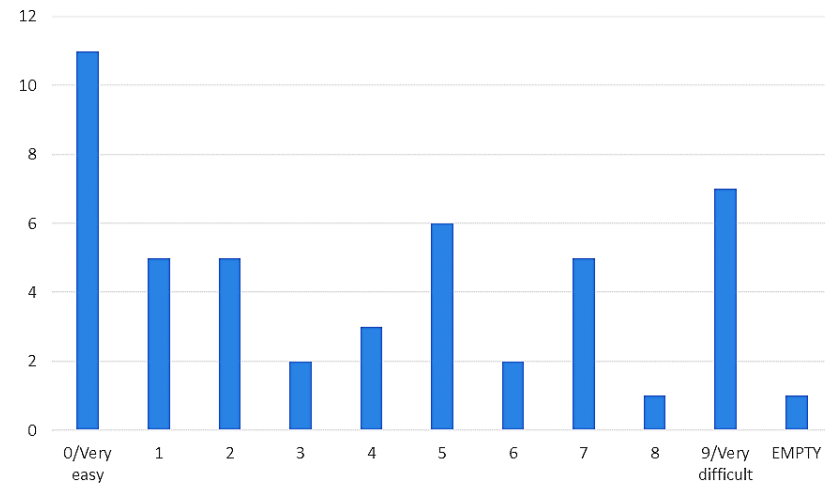
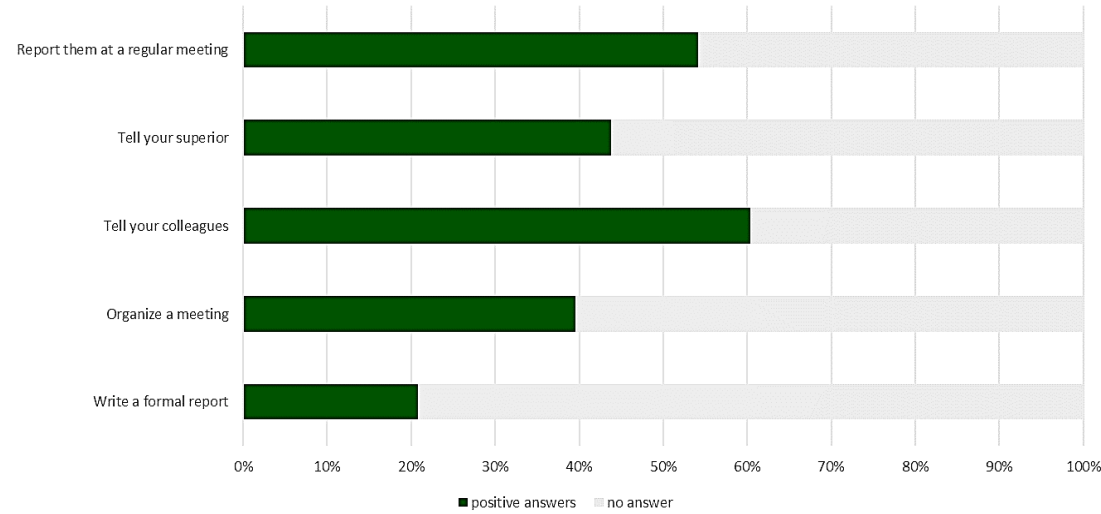
Legal,
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Sources of data used to collect EWS

- Peers and other market players, industry meetings, competitor analysis, business partners
- Family and friends, acquaintances,
- Shareholders,
- Consultants, think tanks, analysts, industry reviews, industry news, opinion leaders, insight reports, and any other intelligence tool, Professional organizations
- **Market trends, Economic forecasts, Marketing forecasts, Innovation dashboards**
- Raw materials prices
- International (EU) and national institutions, regulators, central banks (incl. legal texts before voted)
- Banks, law firms,
- **Specialized media (Bloomberg, Meltwater, Factiva, Refinitiv, Oxford economics, Hearsay, Financials, etc.), newsletters**
- **General press, daily press briefing, Google news, online search engines, information TV channels,**
- Social media, Linked-In groups,
- Research papers, scientific publications
- Clients and end-users (even when introducing complaints), behaviors, testing surveys,
- Suppliers
- HR audits, HR partners and data about the job market
- Colleagues, employees, upper management, Knowledge management tool inside the company,
- Operations: Operational incidents RCA, operational KPI

Getting management attention on EWS

- Oral communication on peer level is prevailing
- It is easy to get management's attention, but it is difficult to put EWS discussion on the agenda of a meeting
- SMEs do not have specific processes in place; Intermediate firms prevalingly apply flexible rules



Best practices

Best practices

Successful companies take advantage of EWS to cope with risks and exploit opportunities

Large companies have formal processes in place, including LMS, IS, or AI

Active listening:
“The signals are there. You have to listen to them, and you have to communicate about them.”

Lessons learnt are easier to translate inside organizations when they already cope with safety or security regulations

Successful companies have invented a repartition of EWS-related tasks between senior and middle managers

Successful companies have invented a way to share EWS information throughout the organization

Individual recognition of EWS is nothing without the ability to gain management attention

Successful companies make EWS easily digestible with visualization tools.

Successful companies know how to get into action mode based on EWS

The first prerequisite is the willingness to learn and prepare.

Next steps

Publication of White Book in Jan. 2023



Stay in touch!

Visit our website:
www.ews.lu

Contact:
contact@ews.lu

Q&A

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