

## Introduction

Why take an interest in weak signals? Weak signals are a means of helping managers of businesses (or other organizations) anticipate, in order to make strategic decisions in the context of a turbulent environment that requires them to “see things coming early enough”. Numerous recent examples in the world of industry and finance, as well as in the public sector, have shown that this ambitious objective is more pressing than ever, given the characteristics of the economic, technological, social, and political environment. The central concept is that of a “weak signal”, the first *concrete example* of which is provided at the very beginning of this book.

How should we go about it? A concept is not sufficient *to act*; it is not operational. This book chiefly proposes actionable knowledge, that is, *a method and some tools* to search for, identify, and interpret weak signals. These were gradually constructed within the scientific context of CNRS and university research. They have been applied and validated in the field on numerous occasions.

NOTE.— The phrase “weak signal” has been retained for historical reasons; we are actually dealing with early warning signals, harbingers of changes that matter to the decision-maker.

### **I.1. Introductory example: a surprising encounter on the corner of an alley: Tata**

The following is narrated by A, a sales engineer employed by the German car manufacturer X, who is passing through Cuneo (Italy).

Cuneo is a city in Piedmont of which few foreigners have heard, including non-Piedmontese Italians. Still, this city and its province are rather wealthy: agriculture, viticulture/enology, many SMEs in various industries. It is certainly not seen as a “showcase” by Italians or foreigners. And yet...

### ***1.1.1. Sales engineer A, on a July 2006 morning***

“Departing entirely from habit, I go through one of Cuneo’s side streets, in a rather remote district, to go and visit someone who has been hospitalized in that neighborhood’s hospital. As I am about to cross the street and enter the hospital, a shop sign catches my eye, a Tata sign.

Surprised, I cross the street again to have a closer look at it. It is a Tata car dealership. I cannot resist going in to look around. The premises are quite small, with three cars on show. The attendant looks at me and smiles politely.

I ask:

- “Have you been here for long?”
- “It’ll be a year in a few days.”

I go out of the shop and, finally, into the hospital opposite. My mind is quite intrigued.

I remember, as any European very well knows, that Fiat has been on the brink of economic disaster, arguably in a worse situation than its European peers/competitors.

On leaving the hospital, I deliberately pass through the Cuneo business park in search of a Fiat dealer. I go in and, after a short while, I ask the store manager whether he is aware of the Tata brand being present in the city:

- “Yes”, he replies.
- “That’s a new competitor for you, right?”
- “Yes, but we’re not overly worried. Tata is unknown to Italians. In fact, I doubt that shop will survive much longer, especially in that location!”

- “Didn’t the management at Fiat express any concern?”
- “No, neither concern nor anything else. They have other fish to fry.”

### **I.1.2. Salesman C (from the German car manufacturer X), late August**

Having had a chat with A on a train during August, C declares: “I know someone in Turin who works for Fiat. I’ll ask him about Tata, with caution ... he holds a high-ranking position.”

A few days later, C telephones A: “I spoke to my pal in Turin. He was a bit embarrassed with my question, and then he said that Fiat was aware of Tata’s presence in Cuneo (Fiat’s foremost province) and that it was actually a good thing, which Fiat wished for. But he asked me not to talk about it, and he wouldn’t say any more.”

### **I.1.3. Financial executive B (an employee of the German car manufacturer X), some four months later**

“I read in my daily paper that Fiat is doing better now, toward the end of 2006.

In an interview excerpt, Sergio Marchionne, the head of Fiat’s automobile arm, said in reply to a journalist’s query that Fiat favors a strategy of *ad hoc* alliances with businesses that are likely to share specific competences which Fiat lacks. He mentioned Ford by way of example.”

### **I.1.4. Post scriptum**

*December 2006*

Fiat and Tata Motors announced in sequence a few months later, namely in December 2006, the setting up of their jointly owned subsidiary, which represents a 665 million euro investment (source: *Les Echos*, 12/15/2006, p. 18).

*August 2010*

Tata *Motors* discloses its wish to reinforce its alliance with Fiat in the field of trucks as well as automobiles (source: *La Stampa*, 08/13/2010, p. 25).

## **I.2. Conclusion**

Through this introductory example, we have pursued the following objectives, with regard to the reader:

- to arouse the reader’s interest in this book;
- to offer an intuitive approach to the concepts of anticipative information and weak signal;
- to provide an example of what will hereinafter be referred to as “information originating from field people”.