

The canary in the coal mine: listen before the silence falls

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Where the ostrich buries its head in the sand and the black swan surprises us with something we didn't see coming, the canary does something different. It warns us early! Provided, at least, that we are paying attention. This bird metaphor comes from mining. In the old days, miners took canaries down into the mine, because these small birds were more sensitive to poisonous gases such as carbon monoxide. If the canary fell ill, toppled off its perch or stopped singing, that was a sign to leave the mine quickly. Not because the disaster had already fully unfolded, but because something was in the air. In strategy, we use the canary in the coal mine to stand for early warning signals: small shifts in, for example, customer behaviour, technology, the (macro)economy, regulation, talent, competition or societal expectations that may point to larger change. Often these are signals that are not yet hard enough for a business case, not yet big enough for a KPI dashboard and not yet urgent enough for a crisis meeting. But that is precisely why they are strategically interesting. Because once the canary is lying dead at the bottom of the cage, you are usually too late.

Measuring performance is not the same as seeing change

Many organisations have become fairly good at measuring. And, above all, at measuring 'performance': revenue, margin, churn, market share, NPS, employee satisfaction, project progress, and so on. The PDCA cycle keeps turning and, with smart dashboards, we know each month whether the figures are green, amber or red. That is useful, because without it you are steering blind. But the problem is that much of this information mainly tells you how well your current model is functioning today. It says less about whether the world beneath that model is shifting. An organisation can post excellent quarterly figures while, at the same time, missing signals that customers are starting to buy differently, that new technology is making an alternative possible, that regulation is moving in a different direction or that young talent no longer believes in the existing story. You often won't hear such canaries singing in the dashboard. They are somewhere in a surprising customer conversation, in a striking news report or interview, a start-up that still looks small, or a new habit among young people.

Set up signal-spotting deliberately and make someone responsible

You rarely spot canaries by chance. You have to arrange for someone to pay attention and, indeed, to bring that cage along in the first place. That begins with a simple but often uncomfortable question: who is actually responsible for gathering early signals? Not only from your own sector, but also from beyond it. Not only from



reports, but also from conversations. Not only from data, but also from gut feelings that cannot yet be fully proven. Many organisations carry out the occasional piece of market research or commission a trend report. That's fine. But early signals call for something more structural. Horizon scanning, for example: systematically looking at developments in technology, customer behaviour, society, the economy, geopolitics and regulation. Not as an annual gimmick for the away-day, but as a fixed part of the strategic rhythm.

It need not be complicated or high-tech. Of course, there are all sorts of AI tools and early-warning systems these days that can search through vast quantities of data, recognise patterns and make connections that people would not spot quickly. This is only becoming more powerful. But low-tech can work too. One of our clients, for instance, keeps a digital "scrapbook of press cuttings". A strategist links articles, signals and observations to the scenarios they have developed. Each year the management team discusses: which way does the world appear to be moving? And does that call for different emphases in our strategy? The most important thing is not the specific instrument. The most important thing is that signals are collected, shared and discussed openly.

Combine (quantitative) data with (qualitative) stories from the field

Data can reveal patterns you would not have seen yourself. With AI in particular, it is becoming ever more feasible to pick up weak signals in large volumes of customer data, search behaviour, sales information, social media, supply-chain data or external sources. Sometimes you see in the figures, sooner than in meetings, that something is shifting. But figures do not always tell the whole story. Sometimes we measure the wrong thing. Sometimes the categories in which we measure are based on outdated assumptions. Sometimes the signal is still too small to appear statistically serious, while people in the field can already feel that something is changing. That is why you need to combine data with qualitative signals. What are account managers hearing from customers? Which questions is customer service getting more often than before? What are engineers, shop-floor staff or recruiters seeing happen? Sometimes it works the other way round too: stories from the field or the media can sound convincing, yet turn out not to be borne out by the data. During a session in which a large group of employees voiced their concerns about trade tensions between East and West, the CEO pulled up recent trade volumes. As it turned out, trade with China had actually increased. So the signal was not worthless, but it did need to be interpreted and substantiated more carefully. Was it about an actual decline in trade? About political uncertainty or sentiment? About future dependencies or concerns? The art, then, is not to put data above stories, or stories above data. Rather, use each to interrogate the other more critically and to interpret the picture together.

Invite contrarian thinkers before the 'experts' explain everything away

A canary is small and easy to ignore. The same goes for early signals. Especially in organisations with a great deal of experience. Seasoned experts are valuable. They know what has been tried before, what tends to be overestimated and where the real constraints lie. But experience can also create blinkers. Someone who has been in a sector for twenty years has often built up twenty years' worth of reasons why something "will never come to anything anyway". That is why you need contrarian thinkers. People who see things a little differently. Younger employees. People from other sectors. Technology experts. Suppliers. Sometimes even people who, at first, rather get on your nerves. Their role is not to elevate every hype into strategy. On the contrary. Sometimes you need experts precisely to give exaggerated signals a reality check. But if everyone around the



table shares the same background, education, sector experience and mental models, the chances are high that you will miss canaries. A good strategic discussion about signals calls for diversity of perspective and discipline in interpretation. Not every cough from the canary means the mine is collapsing. But dismissing every cough as chance is not wise either.

Discuss signals in a structured way – internally, but especially with outsiders

Early signals are rarely unambiguous. That is precisely why you should discuss them together as a matter of routine. What do we see happening? Which signals keep recurring? Which are new? Which fit with developments we have discussed before? Which contradict our assumptions? Which signals do we find uncomfortable, and why? That conversation becomes stronger if you don't hold it only internally. External stakeholders often see different things than you do. Herein lies an important strategic question: is there information asymmetry? Do others see something that we do not? Or do we see the same thing but interpret it differently? And if we interpret it differently: is that because they are exaggerating, or because we are stuck in old patterns? The boardroom should not only be a place where decisions are taken on the basis of known information. It should also be a place where the organisation actively investigates which information it is not yet seeing well enough. In short: create playbooks for events that could disrupt you. Use the by-catch to discover robust strategic options. And, above all, ask that uncomfortable question: is this really a black swan, or simply a change that we have, for too long, been unwilling or afraid to look at?

Use a framework to give canaries meaning

A single signal is not yet a strategy. One departing customer, one new patent, one new competitor, one legislative proposal or one anomalous data point can mean any number of things. The question is: what might this be a harbinger of? This is where scenarios help. Not because they predict what is going to happen, but because they provide context for interpreting signals. Once you have thought through several possible futures, you can consider in advance: which signals would indicate that the world is moving towards scenario A? Which canaries belong to scenario B? And so on. In this way, scenarios form a shared framework in which you link external signals to possible futures, in order to review periodically whether your strategic assumptions still hold. It then also becomes easier to translate signals into choices. Should we open up an option? Start a pilot? Accelerate an investment? Explore a partnership? Or, above all, keep monitoring more closely? Because seeing the canary is one thing. Acting in time is another.

Agree in advance when you will act

One of the trickiest questions is: when do you act on an early signal? Do you spring into action when the canary coughs once? When it sits dazed on its perch? Or only when it drops down dead? The answer depends on your risk tolerance, your agility and the potential impact of reacting too late. For some signals you can agree threshold values in advance. For others you cannot. It then helps to agree decision rules beforehand. When do we escalate this to the board? When do we launch an exploration? When do we set aside budget? Without such agreements, strategic sluggishness sets in. Everyone sees the signal, finds it interesting and wants to keep following it, but nobody knows when following should turn into acting. And so the canary dies after all – in a well-documented PowerPoint.



So don't wait until the silence falls

The canary in the coal mine reminds us that strategy is not only about big choices, grand visions and robust analyses. Strategy also begins with listening. To small signals and discordant notes. To people who see something that does not yet fit the figures. A good boardroom therefore organises not only decision-making, but also perception. Who is looking outward? Who is listening to the edges of the market? Who is allowed to bring uncomfortable signals to the table? How do we prevent experience from turning into complacency? And when do we dare to act before the evidence is irrefutable? Because that is the uncomfortable lesson of the canary: if you wait until everyone acknowledges the signal, it is often no longer an early signal. By then it has simply become reality, and you are too late.

In short: set up your radar, combine data with stories, invite contrarian thinkers, discuss signals in a structured way and agree when you will act. The future rarely announces itself with a siren. Sometimes it begins with a little bird that stops singing.

About the author

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