

From “Good to Great”

Once every five to ten years, a business book is published that can make a significant difference for organizations. Jim Collins, after five years of research, has written such a book, *Good To Great; Why Some Companies Make the Leap... and Others Don't*. (Harper Business, 2001) I have just completed the book and encourage you to pick it up ASAP. It is also available in a six-hour audio version.

Here is an overview of the book and research findings. To go from “Good to Great” involves two phases, build up and breakthrough. What follows is a brief explanation of those phases.

Build Up Phase – Level 5 Leadership. Contrary to popular belief, the celebrity, high profile leader is not the type of leader that takes a good company to a great company. The research discovered that “self-effacing, quiet, reserved, even shy – these leaders are a paradoxical blend of personal humility and professional will.”

First Who...Then What. Get the right people in the right places and then set the vision and strategy. The right people are your most important asset.

Confront the Brutal Facts. Every good-to-great company studied embraced what was called the “Stockdale Paradox”, maintaining “unwavering faith that you can and will prevail in the end, regardless of the difficulties” and be disciplined enough to face the brutal facts of reality.

Breakthrough Phase - The Hedgehog Concept “The good-to-great companies are more like hedgehogs – simple, dowdy creatures that know ‘one big thing’ and stick to it.” Be able to answer these three questions: What are you deeply passionate about? What can you be the best in the world at? What drives your economic engine?

A Culture of Discipline 1. Disciplined people do not need hierarchy

2. Disciplined thought replaces bureaucracy 3. Disciplined action eliminates the need for control. Blend the culture of discipline with the entrepreneurial ethic and you have great performance.

Technology Accelerators – Technology by itself will not make or break a company. Carefully selected applications of technologies can be critical in the process of transformation.

What does all this mean to the bottom line? If you invested \$1 in a mutual fund containing all of the stock in the entire market in 1965, your return in 2000 would have been \$56. If you invested in a fund of the Good to Great companies your return would have been \$901. Read the book.