

Good to Great: Why some companies make the leap ... and others don't.

Jim Collins

2001 Harper Collins

The title appeals, doesn't it? Who wouldn't want to go from GOOD TO GREAT. At one point author Jim Collins even says that it's no more work to go for great than it is to maintain competency.

But in his study of companies that reached his measures of greatness and comparative companies that did not make the leap, Collins is talking about, well, companies, while we're writers, so do his insights apply? Not all, certainly, but an intriguing number can.

Collins and his researchers looked for elements that the great companies had and the non-greats did not. Collins' first Must-Have common denominator was what he calls Level 5 Leadership -- a leader who presents a paradoxical blend of personal humility and professional will. If we're to be great, we must be effective leaders of ourselves, of our careers. These leaders are fanatical about results, driven to keep climbing toward greatness and diligent with the nitty-gritty details. They are not, however, the "savior" CEOs whose names might be familiar to most people. The Level 5 leader passes on credit for success (including to luck) while shouldering blame for deficiencies. The Level 5 leader is fanatical about and fearless in protecting the results (and wouldn't that translate to the work for us?) while being personally self-effacing.

Collins and his researchers next found the great companies put "who" before "what." They added the right people to their team - and dropped the wrong ones - before they even decided exactly what game they were playing. I found this particularly intriguing. It's the corporate antithesis of writing to the market. The "who" in their companies came "before vision, before strategy, before organization structure, before tactics." And they continued to make decisions in that order: who, then what.

With the right people onboard, the to-be-great companies still aren't ready for the "what." First, they must confront the brutal facts of their situation while never losing faith in the ultimate outcome. Whoo-boy, they don't want much, right?

In order to get to those brutal facts, Collins recommends leading with questions rather than answers; engaging in dialogue and debate; conducting autopsies without blame; and create mechanisms that don't allow red flags to be overlooked.

The book is less forthcoming on *how* to retain absolute faith that you will prevail in the end. However, Collins does make the interesting point that companies on their way to greatness faced no less adversity than the comparison companies. It was how they reacted to the adversity that made the difference. So, if you're going to face the same amount of adversity and sticking to your faith that you'll prevail in the end (at the same time facing the facts and working your butt off, of course) allows you to become great, then not having that faith and thus never rising above "good" isn't a good deal.

Now it's time for the to-be-great companies to start looking at the "what." (Interesting that it comes this late in the process, isn't it?) The "what" needs to fall into the subset where three elements overlap: What you can be the best in the world at, what drives your economic engine and what you are deeply passionate about,

He emphasized that what you are seeing is not a determination or goal or desire to be the best at something, but an understanding of what you can be the best at - and sometimes that requires dropping what you have been extremely competent at.

This is probably where the book gives the least nitty-gritty information, perhaps because assessing skills, passion and economic engines is both idiosyncratic and darned difficult. One interesting factoid was that the great companies took an average of four years to find their particular "what" that met these criteria.

Once the "what" is established, fanatical discipline (especially in weighing decisions/choices against that core concept) is essential. That's where Collins mentioned a concept that gave me an ah-hah moment: He says "stop doing" lists are more important than "to-do" lists. Failing to do something additional is simply not adding more; in contrast, the things we need to stop doing are actively taking us away from our core concept.

The move to greatness requires a sustained period of buildup; these companies are not leaping from good to great in one giant step. And Collins notes that however the move looks from the outside and in retrospect, inside the rise from good to great the process felt neither revolutionary nor dramatic, but rather part of ongoing development.

All in a day's work.

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