

GOOD TO GREAT – Key Elements

(Synopsis of the book “Good to Great - Why some companies make the leap and some don’t”
by Harvard Professor Jim Collins 2001)

The messages in the book are more than just about businesses, they are about what creates enduring organisations of any type including churches, schools, department’s, clubs and in fact any institution worthy of serving the community in which it operates.

In a changing and competitive world the concept that “good is the enemy of great” is not just a business problem, it also affects humans. There are many good people as well as institutions that remain comfortably good when they could be great if they adopted a disciplined approach to the key elements discovered in the research.

The research to discover these elements focused on the compelling question “can a good company become a great company and if so how?” The key elements discovered are as follows:-

Good to Great Organisations have Level 5 Leadership

Level 5 leaders channel their ego away from self towards organisation building!

- their ambition is first and foremost for the institution, not themselves!
- they have humility plus will - they are modest and wilful, humble and fearless!

Their leaders ask firstly Who? then What?

In good to great transformations people are not the most important asset, the RIGHT people are! Level 5 leaders adopt the following key approaches:-

- When in doubt they don’t hire, they keep looking
- They **act** when they know people changes are needed
- They put their best people on the biggest problems
- They tend to be ruthless in people decisions

The concept of “asking first who, then what” comes before vision, strategy, structure and tactics – leaders ask first who is needed on the bus and then consider where and how to get to the destination.

Their leaders confront the Brutal Facts

Going from good to great needs the creation of an environment where TRUTH will be heard and Level 5 leaders and organisations deal with this challenge by:

- Leading with questions not answers (seek first to understand)
- Engaging in dialogue and debate, not coercion
- Conducting autopsies without blame
- Building red flag mechanisms

In dealing with the challenges the leader confronts the brutal facts of the situation with **courage** and deals with facts with unwavering **faith** and focus on the **end game**, no matter how difficult the situation (based upon the Stockdale Incident on page 83).

Leadership in dealing with the brutal facts begins with getting people to confront the facts of reality. Not doing so actually de-motivates people, whereas doing so motivates them.

They adopt the Hedgehog Concept

This concept is illustrated by the difference between the fox and the hedgehog, where the former has many cunning ways of achieving what he wants but lacks consistency. The latter focuses on the one big thing that make them the best in the world at what they do.

Hedgehogs consider 3 key questions, plot the answers in three circles and focus especially on the answers that are within the intersection of the circles. The questions are:- -

- What can they be best in the world at?
- What are they deeply passionate about?
- What drives their economic engine?

In answering the questions and focusing upon possible outcomes, good to great institutions let their abilities not their ego determine what they attempt. Crucially a key is to understand what the organisation can be best in the world at, not necessarily what it “wants” to be best at; it is a more severe standard than a core competence and discovering and developing appropriate capability that makes the difference.

The best companies, institutions and people are more like hedgehogs – they are often dowdy, they know one best thing and they stick to it!

They adopt a Culture of Discipline

By focusing upon the answers to the hedgehog questions and building a culture of discipline around these few crucial things, good to great institutions and leaders create environments which avoid the negatives of bureaucracy.

Sustained good results come from a culture full of self-disciplined people taking disciplined action fanatically consistent with the three circles. In this environment there is a duality of freedom and system which avoids bureaucracy but maintains motivation. “Stop doing” lists are more important than “to do” lists.

They adopt Technology Accelerators

When considering technology they ask the question does it fit with our hedgehog concept rather than rushing in to every new fad - they tend to crawl before they run in this regard.

They adopt a Flywheel Approach rather than allowing the Doom Loop to take hold

Good to great institutions and leaders build sustained momentum by building up slowly thereby avoiding the doom that comes from failures brought about by trying to skip proper build up.

By doing change properly it is often slow but when it gets going, just like a fly wheel it really takes off. The mistake made by many is to attempt to jump in and breakthrough quickly which often leads to failures taking the momentum in a direction which leads to a doom loop thereby limiting greatness.
