

# What's possible...

...in your business

Pentlands  
Business & Training

**“Greatness is not a function of circumstance. Greatness, it turns out, is largely a matter of conscious choice.”**

## MAKE THE LEAP...

Ever wondered what makes the difference between being just “OK” and becoming truly phenomenal?

### The definition of greatness?

How about out-performing your next closest rival by more than 300% for 15 consecutive years?!

And according to this definition Jim Collins, in his book Good To Great, demonstrates how you achieve greatness in an easy-to-digest, inspiring way.

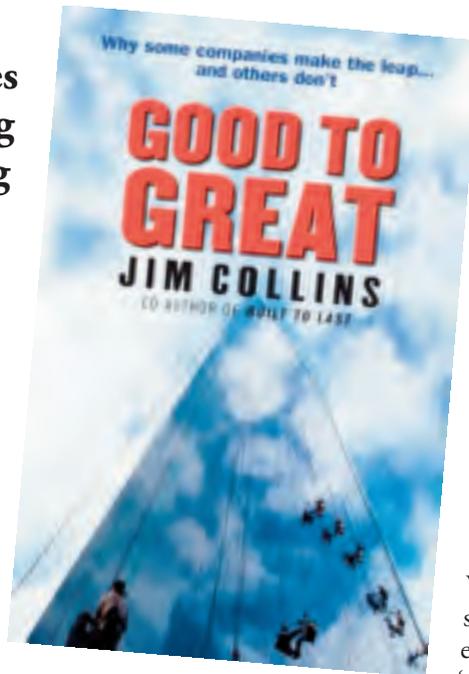
From 100 years of research (20 people for 5 years), Collins provides the answers to the heady question of how you can achieve greatness.

His strategies are easy to understand, based on real-world evidence and astonishing in their simplicity.

### The secret codes to unlocking greatness...

No matter what your goal; be it personal, financial, physical or corporate this book lays out the secret codes to unlocking greatness.

If you feel you are doing ‘pretty well’ but want to learn the small adjustments to help you achieve excellence, read on...



## Good Is the Enemy of Great

Do you want to be great? Do you want your company to be a great company?

Then STOP being GOOD first

But doesn't something first have to be 'good' in order to become great?

*“Few people attain great lives, in large part because it is just so easy to settle for a good life.”*

*The vast majority of companies never become great, precisely because the vast majority become quite good – and that is their main problem.”*

What is most startling from examining the 11 ‘great’ companies?



Well Collins discovers how becoming great is not so much due to what these businesses do, but rather what they **avoid doing**.

They did not pursue tactical mergers and acquisitions, they did not invest large amounts in technology, nor did they join their competitors in the rush to be on ‘the latest bandwagon’.

The leaders of great companies marched to a different tune...

## 1. Level 5 Leadership

The 11 examples of great companies clearly prove the cornerstone of any company is Level 5 Leadership.

What does Collins mean by ‘Level 5 Leadership’?

Many people mistakenly believe that amazing success lies in the flashy, ‘larger than life’ charismatic corporate genius.

We all know the scene, the corporate superstar who is paid to ride in on a white charger with exciting turnaround policies. Collins demonstrates how this is a fallacy.



# What's possible...

In Collins' 11 great companies it is quite the opposite. Two traits unifying all the truly 'great' companies are **"humility and will"**.

• **Humility?** Level 5 Leaders use a window when things go well in their businesses – they blame their people for the businesses successes.



And when things go wrong Level 5 Leaders use a mirror. They fully accept personal responsibility for mistakes and blame only themselves.

• **Will?** If anything, a Level 5 Leader represents a more stoic, more human, even if slightly less exciting, perspective.

This is the 'everyman' who makes small steps daily; small steps that eventually build upon themselves and gain momentum until finally the progress becomes unstoppable.

Level 5 Leaders are "ordinary people quietly producing extraordinary results".

## 2. First Who...Then What

Before blazing trails with a new vision and a new strategy, the first thing the great companies work on is...



- "Get the right people on the bus", then
- "Get the right people in the right seats on the bus", and if necessary
- "Get the wrong people off the bus"

Only then do you decide where the bus is going.

The good-to-great companies understood... "people are not your most important asset, the right people are."

Rigorous staff selection and making sure that people were in the correct positions are steps most of the great companies achieved *before* deciding on a direction for the business.

*"If we get the right people on the bus, the right people in the right seats, and the wrong people off the bus, then we'll figure out how to take it someplace great."*

The great companies did not need flashy campaigns, gimmicks or generous reward schemes to motivate their staff.

They discovered how the right people are self motivated, the right people demand excellence for its own sake, the right people cannot settle for anything less.

With the right people, problems of commitment, alignment and motivation vanish.

## 3. Confront the Brutal Truth (Yet Never Lose Faith)

You cannot make a good decision without first confronting the brutal truths (the facts) of your situation.

Start with an honest and diligent effort to uncover the hard facts of your circumstances... the right decision then becomes self-evident.

To find the true facts of any situation you must do the following:

- Lead with questions, not answers
- Engage in dialogue and debate, not coercion
- Conduct autopsies without blame, to allow a realistic view of what went wrong, rather than receive information where no-one wants to admit fault
- Build red flag mechanisms. Find ways to receive real-time customer feedback (instead of waiting for year-end surveys).

For example, some companies gave the client full discretion to deduct from invoices if they did not like the service received. The client didn't ask for permission, they just deducted the amount and paid the balance. This alerted the company to real-time dissatisfaction. It also made sure they paid attention and handled any problem immediately.

Truly great companies have melded the habit of looking at the brutal truths and pay close attention to their real-time challenges. But this can be soul destroying without a second vital component – the faith they will prevail in the end.

*"Faith in the endgame helps you live through the months and years (of effort)."*

# ...in your business



Collins uses the “Stockdale Paradox” to encapsulate these two ‘principles’. Admiral James Stockdale was held prisoner in Vietnam for several years. Stockdale discovered the survivors were those with ‘faith they would prevail’.

But pure optimism wasn’t the best survival mindset – those who said ‘we will be out by Easter’ would be disheartened when Easter came and went. The survivors confronted the brutal truth that they didn’t know when they would get out.

Stockdale’s insight, his paradox, showed how people not only need faith in the outcome they must ALSO confront the brutal facts of the situation at all times.

## 4. The Hedgehog Concept...

See what is essential and ignore the rest.

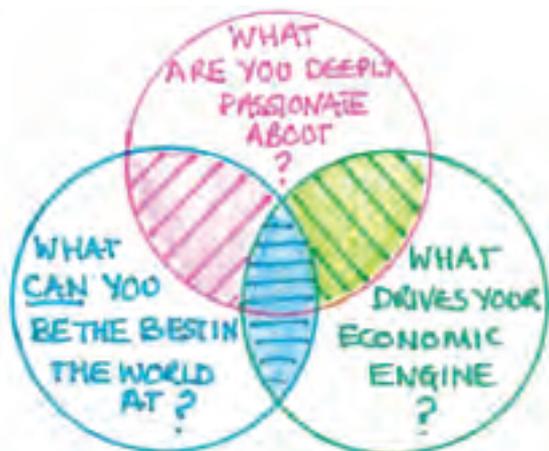
The sly and wily fox tries many ways to hunt the hedgehog. He sneaks up on it. He jumps on it. He rolls it. He drops it. No matter what the approach, he never eats the hedgehog. Why?

Whenever attacked or threatened, the hedgehog uses just one strategy. He simply curls up into a ball. The hedgehog does not waste time trying to invent new or complicated tactics; the hedgehog does just one thing, incredibly well.

And so it is with ‘great’ companies...

The good-to-great companies do not only focus on what they must do to become great, they also focus equally on what they need to stop doing. Great companies realise how some of their actions ‘take away’ from their main goal or purpose. They simply identified these things and stopped doing them.

Good-to-great companies became great by being brutally honest, having strong and dedicated leaders and workers and also by finding answers to the three hedgehog questions:



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

Good-to-great companies understand the potential of what they can be the best at, and also have the discipline to focus solely on their hedgehog.

## 5. A Culture of Discipline

The good-to-great companies understand how driven, motivated and disciplined people need little bureaucracy to maintain discipline.

You cannot try to ‘discipline the wrong people into the right behaviours.’

So good-to-great companies instil a culture of discipline by recruiting disciplined people. These people are engaged in debate about brutal truths and hedgehog principles. These people know what needs to be done and what work needs to be avoided or stopped.

Great companies create an environment, a culture, allowing the right people to do the right work, without overloading them with red tape.

These people are then given the freedom and responsibility to achieve their goals through a flexible framework.

But these people are also held rigorously accountable for their objectives.

## 6. Technology Accelerators:

As a surprise, it is important to note how technology and technology driven changes never helped any of Collins’ 11 companies go from good-to-great.

*“Technology can accelerate a transformation, but technology cannot cause a transformation.”*

Good-to-great companies understand that technology alone cannot be enough to produce a ‘great’ result. They know technology has to be carefully used in order to accelerate the ‘great’ process (but only after their goals and frameworks-for-improvement are in place).

## Get this - The Flywheel and the Doom Loop.

Actions build upon actions.

Not one of the good-to-great companies achieved their 300%+ growth p.a for 15 consecutive years overnight – it took years of ‘build-up’.

*“When analysing success people often want to look for ‘the one big thing,’ the one event or action, the miracle moment that defined breakthrough.*

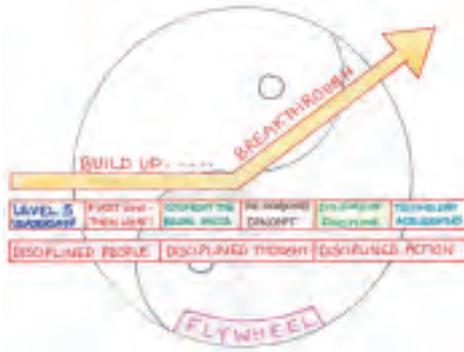
*The success that these companies built was not based upon one big event, but more a quiet, deliberate process of continuously taking steps in the right direction.”*

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Like one-handedly pushing a 30-metre diameter concrete flywheel – the first push has no effect! Every push for a long time appears to have no impact either. But then there's a hint of movement. More pushes and the movement is visible (just). More pushes and the speed starts to build and then each push quickly makes a difference until there's no stopping the flywheel and you've reached breakthrough.



If you diligently apply yourself, make continual pushes in the right direction, momentum will accumulate, step by step and turn by turn and you will eventually reach your breakthrough to greatness.

The alternative? Rather than methodically accumulating momentum there is a temptation to try to skip buildup and jump immediately to a breakthrough. This kind of action, without careful planning or understanding inevitably leads to disappointing results; resulting in companies lurching back and forth, failing to maintain a consistent direction. Losing momentum.

So now you can see how simple achieving greatness really is! OK! It might be simple but it's not so easy and it certainly is not quick. But apply humility and will to your business and apply the good-to-great principles as you would push a flywheel and who knows...

## Next Steps...

You now have a great sense of what you'll find in the book 'Good To Great'. I hope it's tempted you to study the 1-page mindmap and maybe even buy and read the book – you'll find it here.

Good luck on your journey to business greatness.

Warmest regards,  
Elinor

PS To see a one-page mindmap memory prompt for this book summary go here

## Your thoughts...

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## Your Actions (next steps)

1.

2.

3.