

# Good to Great

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## “Why business thinking is not the answer”

In 2000, Jim Collins published Good to Great based upon an analysis of 22 companies. All were good companies in the early 1970's but only 11 of the companies became great. The book is both a comparison and an analysis that identified specific traits that differentiated the GREAT companies from the GOOD companies.

Rather than initially reading Good to Great, I suggest that you read his 2005 monograph entitled Good to Great and the Social Sectors. I have three reasons for making this suggestion:

1. The monograph is a short and concise explanation of the principles that enable an organization to go from good to great. It can be used more effectively as an organizational tool.
2. Jim Collins concludes that for the 21<sup>st</sup> century knowledge industries that the leaders for the for profit sector could well come from the social sector because leadership is more about influencing people to join the team that it is about power. CEO's of social sector organizations have to learn and become skilled at what he calls the “LEGISLATIVE PROCESS” within a diffuse power structure of for example a college or university.
3. Five years of consulting and interaction regarding the principles of his book enable Jim Collins to refine his thinking and focus on issues like branding or being distinctive, influence versus power and the relationship between invisibility and influence.

Yet the simple but clear principles and structure that differentiates the great companies from their competitors in the 2000 book is sustainable and simple however difficult it may be to implement effectively. His cover states one underlying theme and major problem for the social sector, “Why Business thinking is not the answer for the social sectors.” In a society filled with post modern professionals who manifest the “VICTIM SYNDROME,” Jim Collins concludes, “Greatness is not a function of circumstance. Greatness, it turns out, is largely a matter of conscious choice, and discipline.” That is why so few managers of either the profit sectors or social sectors will actually deploy the values, principles and structures outlined in this monograph. If you are motivated and persist, you have a distinct advantage.

I have often quoted Halberstam's book The Best and the Brightest,

“There is an inverse relationship between visibility and influence.”

The Jim Collins monograph validates Halberstam's observation and my own professional experience regardless of what the media and gurus on leadership contend. Jim Collins LEVEL 5 leaders “build enduring greatness through a paradoxical blend of personal humility and professional will.” Level 5 leaders get things done within a diffuse power structure. Most organizations measure and reward performance based upon INPUTS. Great companies find tangible and qualitative methods for measuring and rewarding OUTPUTS even though the great company actually does both.

## GOOD TO GREAT FRAMEWORK—INPUTS AND OUTPUTS OF GREATNESS

Inputs of Greatness	YOU BUILD THE FOUNDATIONS OF	Outputs of Greatness
BY APPLYING THE GOOD-TO-GREAT FRAMEWORK		A GREAT ORGANIZATION
<b>Stage 1:</b> <b>Disciplined People</b> <ul style="list-style-type: none"> <li>• Level 5 Leadership</li> <li>• First who, then what</li> </ul>		<b>Delivers Superior Performance</b>  In business, performance is defined by financial returns and achievement of corporate purpose. In the social sectors performance is defined by results and efficiency in delivering on the social mission.
<b>Stage 2:</b> <b>Discipline Thought</b> <ul style="list-style-type: none"> <li>• Confront the Brutal Facts</li> <li>• The Hedgehog Concept</li> </ul>		<b>Makes a Distinctive Impact</b>  The organization makes such a unique contribution to the communities it touches and does its work with such unadulterated excellence that if it were to disappear, it would leave a hole that could not be easily filled by any other institution on the planet.
<b>Stage 3:</b> <b>Discipline Action</b> <ul style="list-style-type: none"> <li>• Culture of Disciple</li> <li>• The flywheel</li> </ul>		<b>Achieves Lasting Endurance</b>  The organization can deliver exceptional results over a long period of time, beyond any single leader, great idea, market cycle, or well funded program. When hit with setbacks, it bounces back even stronger than before.
<b>Stage 4:</b> <b>Building Greatness to Last</b> <ul style="list-style-type: none"> <li>• Clock Building not Time Telling</li> <li>• Preserve the Core but stimulate progress.</li> </ul>		

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