

## Good to Great by Jim Collins - Cliff Notes

Below is a summary of the book.

1. Chapter One: Good is the Enemy of Great
  1. Mediocrity is the enemy of greatness. It's easy to continue being good but hard to take the step to be great.
  2. Jim Collins did a research study into companies which had moved from good to great. This involved a four step process; (1) Find the companies which have moved from good to great, (2) Compare the good to great companies to similar companies, (3) Analyse the companies over the past 50 years, (4) Debate based on the data.
    1. Note they did not have a hypotheses going into this research, they were driven by the data. This is not an approach I would recommend, because it takes far too long, but it worked for them.
  3. One core finding is that regardless of what the economy is doing, companies need to stick to certain enduring values and business ideologies to be successful.
2. Chapter Two: Level 5 Leadership
  1. The best leaders from the good to great companies were what was called Level 5 Leaders. This means these leaders were: Humble, hard working, driven to achieve success, take responsibility for failure and attribute rationale for success where it's due. They were teachable and able to teach others.
3. Chapter Three: First Who... Then What
  1. Choosing the right people and putting them in the right roles comes first in good to great companies. The 'what', 'how' and 'where' all come after the 'who' question has been answered.
  2. There were three principles for managing the 'who' amongst good to great companies. (1) Make certain you are choosing the right person, don't settle for a person you are not 100% sure about. (2) Act when needed to move or remove people if they are not in the right role or if they are not the right person and (3) Don't put your best people in problem areas, put them in places where they can thrive.
  3. Other points they identified in the study is that CEO compensation didn't impact success, hiring for character and behaviour was more important than hiring for skill, the importance of camaraderie and friendships amongst colleagues, the importance of work life balance, low turnover and minimal layoff programmes, the wrong people were removed
  4. Ultimately good to great leaders put the right people in the wrong roles first, surrounding themselves with successful, ethical employees which set up their whole company for success.
4. Chapter Four: Confront the Brutal Facts
  1. Good to great companies had their eyes open with respect to the economy, the customer's changing wants and needs, and their competitors. They acknowledge the facts of the situation they were in and worked on being successful from that point.
5. Chapter Five: The Hedgehog Concept
  1. The parable of the hedgehog and the fox involves the fox continually plotting new ways to attack the hedgehog and the hedgehog consistently adopting the same defence of curling up into a ball and shooting off spines.
  2. The learning is to keep it simple and including three concepts into their business plan: ((!) What is the company best at, (2) What drives positive cashflow to maintain growth and (3) listening to passions. Not creating passion.
6. Chapter Six: A Culture of Discipline
  1. It was acknowledged that good to great companies had workers that were disciplined and had a great work ethic. The view is that you can't instil discipline into an employee.
  2. Culture of discipline was better than a process of discipline which could stifle creativity and passion.

3. Writing down objectives at the start of the year, even if they changed or weren't met, was seen in good to great companies.
7. Chapter Seven: Technology Accelerators
  1. Good to great companies didn't follow technology fads and technology was not a catalyst for their success. Technology played a part in their business model and complimented other non-technology efforts which were underway.
    1. Note: This was 20 years ago, just after the dot com and millennium bug action.
8. Chapter Eight: The Flywheel and the Doom Loop
  1. Good to great companies adopt a flywheel concept. It's a continuous set of steps forward. It means that no one action or activity can be attributed to the success of the company, more many many small steps.
  2. The Doom Loop is when a company stops and then can't start again ending in failure.
9. Chapter Nine; From Good to Great to Build to Last
  1. This was more of a plug for the Built to Last book which whilst written before Good to Great, probably logically falls after and explains how any organisation can maintain its success.