

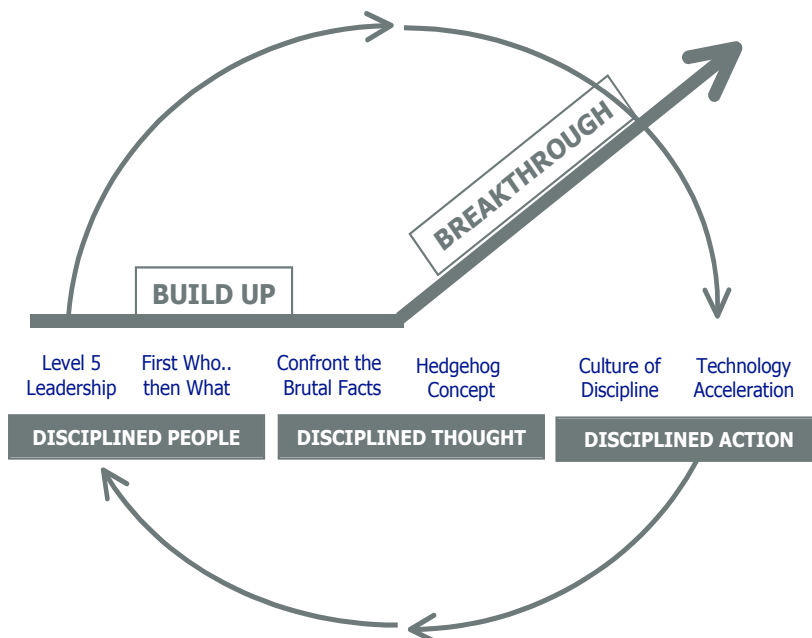
## Good to Great – Inside the Black Box

We were particularly impressed by the recent work of Jim Collins who leapt to fame in his joint work with Jerry Porras, 'Built to Last' in the late 1990s. Collins next major research was into those companies who had:

- Exhibited average performance, and following a point of transition, outperformed their comparators by a factor of 3 over a sustained period
- Demonstrated good-to-great performance independent of its industry.

Organisations such as Abbott, Gillette, Kimberley Clark, Philip Morris, Walgreens and Wells Fargo, emerged as the front runners. Unlike many comparator works this is well researched, uses excellent comparators and we believe upholds many of the principles we use in Genesis while working with our clients in recent years.

So let's look inside the 'black box'. Here are the key features of the 'Good to Great'. They are the factors that systematically distinguished these winners from those who have never won such recognition.



### Level 5 Leadership

The researchers were surprised, even shocked to discover the type of leadership required for turning a good company into a great one. Compared to high-profile leaders with big personalities who make headlines and become celebrities, the good-to-great leaders seem to have come from Mars. Self-effacing, quiet, reserved, even shy – these leaders are a paradoxical blend of personal humility

and professional will. They are more like Lincoln and Socrates than Patton or Caesar.

*Genesis comment: In our experience the biggest thing that gets in the way of corporate success is frequently ego, often world class*

### **First Who...then What**

We expected that good-to-great leaders would begin by setting a new vision and strategy. We found instead that they *first* get the right people on the bus, and the right people in the right seats- and then they figured out where to drive it. The old adage "People are your most important asset" turns out to be wrong. People are not your most important asset. The *right* people are.

*Genesis comment: In any good team, there needs to be an excellent core of professionals, equipped for the higher leagues.*

### **Confront the Brutal Facts (Yet never lose Faith)**

We learned that a former prisoner of war had more to teach us about what it takes to find a path to greatness than most books on corporate strategy. Every good-to-great company embraced what can be called the Stockdale Paradox. You must maintain unwavering faith that you can and will prevail in the end, regardless of the difficulties, *AND at the same time* have the discipline to confront the most brutal facts of your current reality, whatever it might be.

*Genesis comment: Face reality as it is, not as it was, or you would wish it to be.*

### **Culture of Discipline**

All companies have a culture, some companies have discipline, but few companies have a culture of discipline. When you have disciplined people you do not need hierarchy. When you have disciplined thought you do not need bureaucracy. When you have disciplined action, you do not need excessive controls. When you combine a culture of discipline with an ethic of entrepreneurship, you get the magical alchemy of great performance.

*Genesis comment: Who said 'Success is 10% Inspiration;90% perspiration.'*

## **Technology Accelerates**

Good-to-great companies think differently about the role of technology. They never use technology as the primary means of igniting a transformation. Yet, paradoxically, they are pioneers in the application of carefully selected technologies. We learned that technology by itself is never a primary root cause of either greatness or decline.

*Genesis comment: the strategic use of e-business and redefining the value chain are the ultimate sources of competitive advantage. The dot-bombs demonstrated the former.*

## **The Flywheel and the Doom Loop**

Those who launch revolutions, dramatic change programmes, and wrenching restructurings will almost certainly fail to make the leap from good to great. No matter how dramatic the end result, the good-to-great transformations never happen in one fell swoop. There was not one single defining action, no grand programme, no one killer innovation, no solitary lucky break, no miracle moment. Rather, the process resembled relentlessly pushing a giant heavy flywheel in one direction, turns upon turn, building momentum until a point of breakthrough, and beyond.

*Genesis comment: In other words, instant success takes time. You need stability in which to implement real change.*

This book is about how to turn a good organisation into one, which produces sustained great results. Collins previous book 'Built to Last' is about how to take a company with great results and turn it into an enduring company of iconic stature. To make that shift requires core values and a purpose beyond making money, combined with the key dynamic of preserve the core/stimulate progress

With recognition to:

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