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“Good to Great”
By Jim Collins

Review by Paul Cattermole

In the mid 1990’s Jim Collins coauthored the popular book, “Built to Last”. This study outlined how great companies, such as Procter & Gamble and Citicorp, became enduring great companies of iconic stature. Then one day a McKinsey & Company partner pointed out the obvious to Jim, that most people are more interested in how does one go about transforming a good company into to a great one in the first place. This was the genesis of the prequel – “Good to Great.”

Jim’s research team decided to ignore the findings present in “Built to Last” and start from scratch. They combed the 1965-1995 financial results of publicly held companies that seemed to have successfully made the good-to-great transition. This resulted in a list of eleven companies, such as Circuit City and Wells Fargo, which were then compared to same-industry companies that didn’t make the transition or show the same superior results.

Below is a sequential list of what they found to be the common characteristics of these good-to-great companies.

Disciplined People

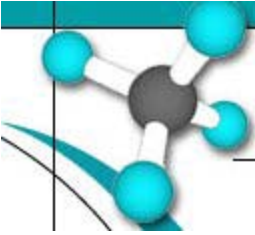
1. Level 5 CEO – The term Level 5 refers to the highest level in a hierarchy of executive capabilities. These executives exhibit a paradoxical blend of personal humility and professional will. Charismatic executives were explicitly excluded.

2. First Who then What – Level 5 leaders first build a superior executive team and then figure out the best path to greatness.

Disciplined Thought

3. Confront the Brutal Facts – The good-to-great companies continually refine the path to greatness with reality.

4. Hedgehog Concept (Hedgehogs protect themselves by rolling into a ball and that’s all they need to know) – Focus on what you can be the best at and stick to it.



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Disciplined Action

5. Culture of Discipline – Establish a company-wide framework and then hold employees rigorously accountable to their goals. Avoid bureaucracies because they will kill the entrepreneurial spirit.

6. Technology Accelerator – Use technology as a tool and not a creator of momentum.

Bottom Line: Even though the selected companies are now large publicly held companies, I see no reason why smaller companies cannot also benefit by implementing these ideas. Naturally, you may not reach greatness quickly but the road to greatness isn't so bad.

For guidance in getting from good to great or addressing other organizational problems, contact Cattermole & Associates at (303-437-4374 or pcattermole@catt-alyt.com)