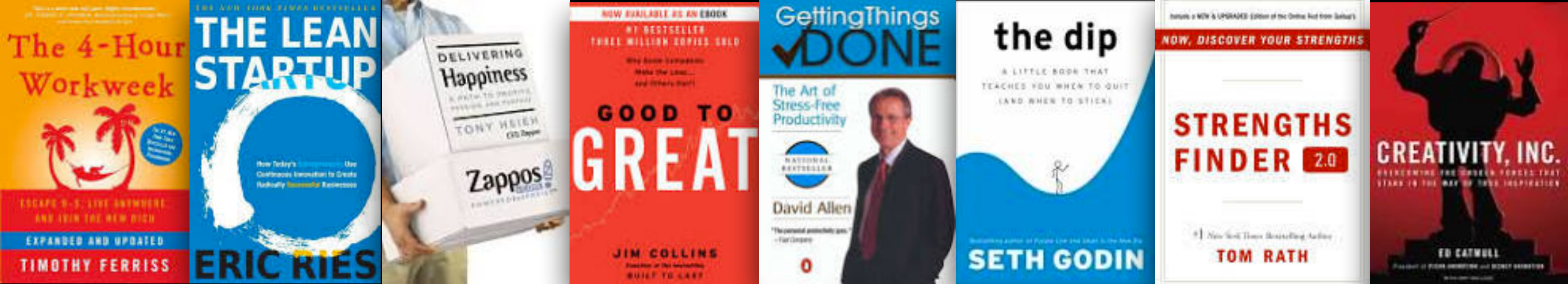


# GOOD TO GREAT

Why Some Companies Make  
the Leap... and Others Don't

Book By Jim Collins  
Slides by Ryan Battles

COLLINS, JAMES C. GOOD TO GREAT: WHY SOME  
COMPANIES MAKE THE LEAP--AND OTHERS DON'T.  
NEW YORK, NY: HARPERBUSINESS, 2001.



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Collins and his research team selected  
"great" companies.

The most important factor in the selection process was a period of growth and sustained success that far outpaced the market or industry average.

The companies that were selected for inclusion were Abbott, Fannie Mae, Circuit City, Gillette, Kimberly-Clark, Kroger, Nucor, Philip Morris, Pitney Bowes, Walgreens, and Wells Fargo.

CEO compensation, technology, mergers and acquisitions, and change management initiatives played relatively minor roles in fostering the Good to Great process

Disciplined people, disciplined thought, and disciplined action, were likely the most significant factors in determining a company's ability to achieve greatness.

One of the unique factors and variables that differentiate good and great companies is the quality and nature of leadership in the firm.



Many of these leaders of great companies displayed an unusual mix of intense determination and profound humility.

These leaders often have a long-term personal sense of investment in the company and its success, often cultivated through a career-spanning climb up the company's ranks.

The personal ego and individual financial gain are not as important as the long-term benefit of the team and the company to true Level 5 leaders.

The much-touted trend of bringing in a celebrity CEO to turn around a flailing firm is usually not conducive to fostering the transition from Good to Great.

Securing high-quality, high-talent individuals with Level 5 leadership abilities must be undertaken before an overarching strategy can be developed.

Move potentially failing employees and managers to new positions, but don't hesitate to remove personnel who are not actively contributing.

Great companies are able to identify and assess defining facts in the company and in the larger business environment.

To find emerging trends and potential  
problems:



1) Lead with questions, not answers

2) Engage in dialogue and debate, not coercion

3) Conduct autopsies without blame

4) Build red flag mechanisms that turn information into information that cannot be ignored.

Simplicity can sometimes lead to greatness.

When confronted by predators, the hedgehog's simple but surprisingly effective response is to roll up into a ball. While other predators, such as the fox, may be impressively clever, few can devise a strategy that is effective enough to overcome the hedgehog's simple, repetitive response.

In great companies, each individual functions as an entrepreneur, with a deeply rooted personal investment in both their own work and the company's success.

Great companies approach the prospect of new and emerging technologies with the same prudence and careful deliberation that characterizes all of their other business decisions



By making decisions and taking actions that reinforce and affirm the company's "hedgehog" competencies, executives initiate positive momentum.

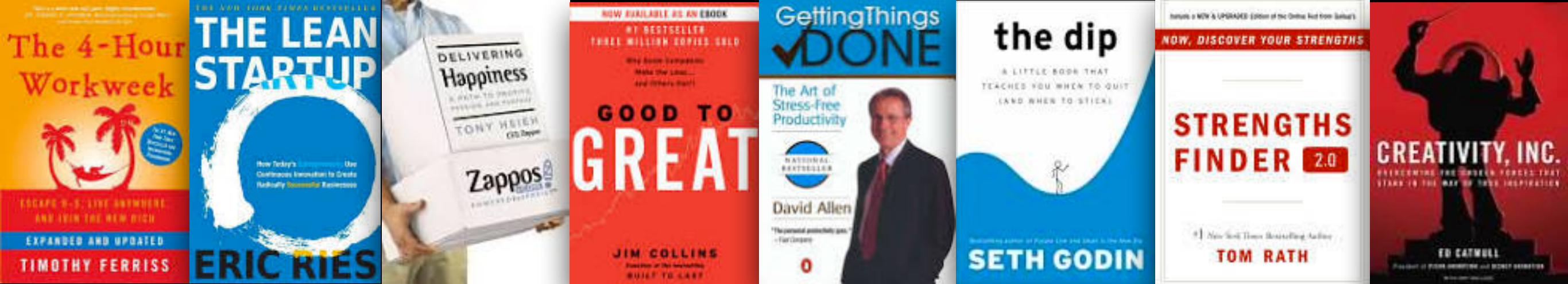
Companies need to exist for a higher purpose than mere profit generation in order to transcend the category of merely good.

THIS HAS BEEN A BRIEF OVERVIEW OF THE  
MAIN IDEAS OF GOOD TO GREAT.

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