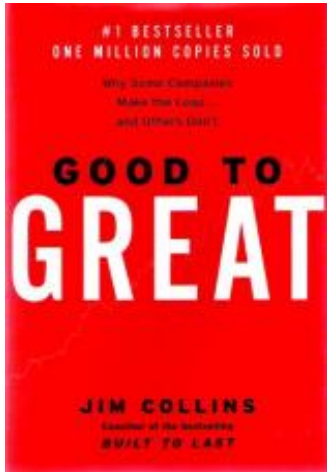


Good to Great: Why Some Companies Make the Leap...And Others Don't

by Jim Collins



About the Book

Can good companies, mediocre companies, even bad companies achieve enduring greatness? And if so, what are the distinguishing characteristics that cause a company to go from good to great? Using tough benchmarks, Jim Collins and his research team embarked on a five-year pursuit to identify a set of elite companies that made the leap to great results. How great? These companies generated cumulative stock returns that beat the general stock market by an average of seven times in fifteen years, better than twice the results delivered by a composite index of the world's greatest companies, including Coca-Cola, Intel, General Electric, and Merck. The research team contrasted the good-to-great companies with a carefully selected set of comparison companies that failed to make the leap from good to great. Why did one set of companies become truly great performers while the other set remained only good? After sifting through mountains of data and thousands of pages of interviews, Collins and his team discovered the key determinants of greatness -- why some companies make the leap and others don't. The findings of the **Good to Great** study will surprise many readers and shed light on virtually every area of management study and practice. "Some of the key concepts discerned in the study," comments Jim Collins, "fly in the face of our modern business culture and will, quite frankly, upset some people." Perhaps, but who can afford to ignore these findings?

Discussion Guide

1. Collins states in the Introduction to the book, "I'd like to say we planned the timing, but we began this project in 1996 and had no idea that it would fit perfectly the zeitgeist of 2001. We got lucky." Do you believe that Collins and his team of researchers were simply "lucky"? Why or why not?

2. What do you think of the research methods employed by Collins and his team? Do you agree with the methods that they used? What would you have done differently?
3. One of the most crucial criteria set forth was the requirement for companies to have achieved success and maintained it for fifteen years. "We picked fifteen years because it would transcend one-hit wonders and lucky breaks (you can't just be lucky for fifteen years) and would exceed the average tenure of most chief executive officers (helping us to separate great companies from companies that just happened to have a single great leader)." Do you agree with this assessment? How would the results of the study have differed if this particular criteria had been altered?
4. The research team identified a series of steps that characterize good-to-great transitions: Level 5 Leadership, First Who?Then What, Confront the Brutal Facts, The Hedgehog Concept, A Culture of Discipline, Technology Accelerators, and The Flywheel and the Doom Loop. Which of these factors is the most crucial to a company's success? Do you think it is imperative for a successful company to have all of these factors?
5. Collins called Level 5 Leadership "one of the most provocative [steps] of the whole study." Do you agree? Of the CEOs profiled in the book, who do you think most exemplifies the qualities of Level 5 leadership? Explain why you chose this person.
6. Collins and his team "were surprised by the list" of good-to-great companies: Abbott, Circuit City, Fannie Mae, Gillette, Kimberly-Clark, Kroger, Nucor, Philip Morris, Putney Bowes, Walgreens, and Wells Fargo. Were you surprised by the companies that appeared on the list? Are there any companies that you expected to appear that were absent?
7. He also says that "this became the first of many surprises that led us to reevaluate our thinking about corporate greatness." The fact that they were surprised means that they went into the study with certain assumptions. What were those assumptions?

Author Bio

Jim Collins has co-authored four books, including the classic *Built to Last* and **Good to Great: Why Some Companies Make the Leap ... And Others Don't**. His work has been featured in *Fortune*, *The Economist*, *USA Today*, *Industry Week*, *Inc.*, and *Harvard Business Review*. Jim began his research and teaching career on the faculty at Stanford Graduate School of Business, where he received the Distinguished Teaching Award in 1992. In 1995, he founded a management-research laboratory in Boulder, Colorado, where he now conducts multi-year research projects and works with executives from the private, public, and social sectors. Jim has served as a teacher to senior executives and CEOs at corporations that include Starbucks Coffee, Merck, Times Mirror, Patagonia, American General, W.L. Gore, and hundreds more. He has also worked with organizations in the non-corporate sector such as the Leadership Network of Churches, Johns Hopkins Medical School, the Boys & Girls Clubs of America, and The Peter F. Drucker Foundation for Non-Profit Management. Jim invests a significant portion of his energy in large-scale research projects to develop fundamental insights. He uses his management laboratory to work directly with executives and to develop practical tools for applying the concepts that flow from his research. In addition, Jim is an avid rock climber and has made free ascents of the West Face of El Capitan and the East Face of Washington Column in Yosemite Valley.

Critical Praise

"In an ironic twist, I now see **Good to Great** not as a sequel to **Built to Last**, but more of a prequel. **Good to Great** is about how to turn a good organization into one that produces sustained great results. **Built to Last** is about how you take a company with great results and turn it into an enduring great company of iconic stature."

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