

LESSONS TO LEARN FROM 'GOOD TO GREAT'

BY NICK HUGHES

The book *Good to Great* by Jim Collins was first published in 2001 and immediately caused a sensation. Its findings and conclusions about the attributes of truly great companies opened the eyes of many business strategists and the lessons learnt from it were applied in numerous organizations.

It is six years later and the book is still being studied. In fact this summer it was again a "Heather's Pick" at Chapters stores. While the companies in the book are large publicly owned corporations, I believe that many of its lessons can be applied to small, privately owned businesses. I regularly recommend it as essential reading to our clients, who are all small business entrepreneurs. Here are some of the lessons to be learnt from the book.

Jim Collins and his research team found that the great companies, of which they only found eleven from the hundreds they researched, were fanatical about getting the right people "onto the bus" before they embarked on their journey. And while building the excellent team they followed three key principles based upon a belief that people are not your greatest asset, the *right* people are your greatest asset!

Principle 1: When in doubt, do not hire—keep looking. In other words, do not go for second best. If you want to build a successful business, you must have an excellent team. If there are doubts, your intuition is probably telling you something—the candidate may look great, but there is something that is just not right. Do not be self-pressured to hire because your business desperately needs another body; be patient, wait and it will happen.

Principle 2: When you know you need to make a people change act now! Despite all our best efforts, mistakes are made and we either hire the wrong person or move the wrong person into a new position. You cannot afford to continue your journey until this is cleared up. To procrastinate is unfair to the person and unfair to your team. One bad apple negates all the good work being done by others.

Principle 3: Put your best people on the biggest opportunities, not on the biggest problems. Yes indeed! How often we hear that a critical problem has arisen, but not to worry because Joe has been temporarily assigned to deal with it since, after all, he is brilliant. Too bad his brilliance is not being applied to a big opportunity.

Another trait of these unique companies was that they would always face brutal facts head on and act on them. To quote Fred Purdue, then a Pitney Bowes executive: "When you turn over rocks and look at all the squiggly things underneath, you can either put the rock down or you can say 'my job is to turn over rocks and look at the squiggly things' even if

what you see scares the hell out of you". Whenever I must face a brutal fact, whether it is an upset client, disappointing financial results, or a failure in our product delivery, I remind myself of the squiggly things and deal with the issue. So, the lesson is: face the brutal facts; act on them, but maintain an unwavering belief that regardless of the present difficulty, everything will turn out fine.

A culture of discipline. That's what Collins and his team found was prevalent in these eleven great companies. However, do not confuse the culture of discipline with the discipline of a tyrant. Moreover, do not confuse the culture of discipline with the discipline of bureaucratic hierarchies. No, this does not mean that you rule with an iron fist and it does not mean that you must populate your organization with MBA organizational theories. Good-to-great companies are rigorous, not ruthless.

The lesson here is that you create a disciplined operation (*see Emyth Revisited by Michael Gerber*) so that your team can apply their talents and expertise to the success of the company. You give each of them the freedom to work within their area of responsibility while ensuring that the company culture supports asking for help and guidance when required. Of course, none of this will mean a thing if you do not get the right self-disciplined people on the bus in the first place.

One of the remarkable disciplines of these eleven great companies was their ability to say *No!* How difficult this is in the small business world. How difficult it is to turn down an opportunity to make money even if the opportunity is far removed from our business' unique ability. Much of our work is keeping our clients focused on delivering what they do best to a client base that loves and respects them. To quote Jim Collins: "The real question is, once you know the right thing, do you have the discipline to do the right thing and, equally important, to stop doing the wrong things?"

Yes, *Good to Great* is a book describing the common attributes of eleven highly successful but publicly owned enterprises. Nevertheless, what they did right to make themselves great can, in most cases, be applied to SME owner operated companies. There are more lessons inside the covers of this book so I will continue to recommend the book to any entrepreneur who wants to build a "great" business.

To leave the last word to Jim Collins: "Good is the enemy of great. And that is one of the key reasons why we have so little that becomes great." **E**

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