GOOD TO GREAT

The Project

JIM'S TWELVE QUESTIONS

"Greatness is not a function of circumstance. Greatness, it turns out, is largely a matter of conscious choice, and discipline."

DEVELOPED BY

JIM COLLINS

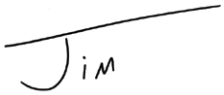
Background on the Twelve Questions–A Note from Jim

In 1988, I had the great privilege to inherit teaching responsibility for a course on entrepreneurship and small business management at the Stanford Graduate School of Business. As I was preparing for my first year of teaching, I began to revise the syllabus for the course. The opening line of the syllabus read something like, "this will be a course on the mechanics and challenges of the entrepreneur and small business manager." For some reason, I impulsively changed the opening line to reframe the course around the question of what it would take to turn an entrepreneurial venture or small business *into an enduring great company*. I remember looking at that new opening sentence, and thinking to myself, "Wow, I don't know anything about that."

And thus began what would become a passionate quest–a quarter century of research, writing, and thinking about the question of what it takes to build an enduring great company or social sector enterprise. The result is more than 6,000 years of combined corporate history in a research database, six books, a range of articles, and a monograph translating some of the key ideas into the challenges faced by social sector leaders. These works included *Built to Last* (co-authored with Jerry Porras), *Great by Choice* (co-authored with Morten Hansen), *Beyond Entrepreneurship* (co-authored with Bill Lazier), *How the Mighty Fall*, and the cornerstone work *Good to Great*, along with its companion monograph *Good to Great and the Social Sectors*.

In 2012, I began to get a lot of questions from people who wanted to engage with the body of work, not just one book, so that they would have the best chance to build a great enterprise. The questions were along the lines of: "Where as a leadership team should we begin?" "Is there a best sequence to the reading, or to engaging with the concepts?" "What is the best way to challenge a team to engage with the full body of work?"

After reflecting on these questions, I decided to construct a sequence of Twelve Questions that would serve as a mechanism of disciplined thought for a leader and his or her team. The questions are designed to help you efficiently access the full body of work, in what I believe is a highly-effective sequence, along with readings corresponding to each question. I encourage you and your team to discuss one question per month, to fill out an entire year of disciplined thought. The most powerful results will come from repeating the cycle, rigorously hitting each question at least once per year. At the end of a year, you can further self-assess using the Good to Great® Diagnostic Tool, available at www.jimcollins.com.



The Good to Great Project LLC
Boulder, CO

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What Defines "Great"

Before jumping into the Twelve Questions, let me first address the question: what is a great enterprise, be it a great company or a great social sector enterprise? Not how you build one, but what *is* a great organization—what are the criteria of greatness? There are three tests: *Superior Results*, *Distinctive Impact*, and *Lasting Endurance*.

Superior Results

In business, performance is defined by financial results—return on invested capital—and achievement of corporate purpose. In the social sectors, performance is defined by results and efficiency in delivering on the social mission. But whether business or social, you must achieve top-flight results. To use an analogy, if you are a sports team, you must win championships; if you don't find a way to win at your chosen game, you cannot be considered truly great.

Distinctive Impact

A truly great enterprise makes such a unique contribution to the communities it touches, and does its work with such unadulterated excellence that, if it were to disappear, it would leave a gaping hole that could not be easily filled by any other institution on the planet. If your organization went away, who would miss it, and why? This does not require being big; think of a small but fabulous local restaurant that would be terribly missed if it disappeared. Big does not equal great, and great does not equal big.

Lasting Endurance

A truly great organization prospers over a long period of time, beyond any great idea, market opportunity, technology cycle, or well-funded program. When clobbered by setbacks, it finds a way to bounce back stronger than before. A great enterprise transcends dependence on any single extraordinary leader; if your organization cannot be great without you, then it is not yet a truly great organization.

Finally, I caution against ever believing that your organization has achieved an end-state of greatness. To be built to last means embracing the idea that good to great is never done. No matter how far we have gone, or how much we have achieved, we are merely good relative to what we can do next. Greatness is an inherently dynamic process, not an end point. The moment you think of yourself as great, your slide toward mediocrity will have already begun.

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Jim's Twelve Questions

1. Are we willing to strive for Level 5 Leadership, and to embrace the 10X behaviors needed to build a great company or social sector enterprise?

- Reading: *Good to Great,* Chapters 1, 2; *Great by Choice*, Chapters 1, 2; article at jimcollins.com: "Built to Flip"
- For leaders in the social sectors, first read: *Good to Great and the Social Sectors*

notes:

2. Do we practice the principle of First Who, with the Right People on the Bus and in the right seats?

- Reading: *Good to Great*, Chapter 3; *How the Mighty Fall*, Appendix 5

notes:

3. What are the Brutal Facts, and how can we better live the Stockdale Paradox?

- Reading: *Good to Great*, Chapter 4

notes:

4. What do we understand so far about our Hedgehog Concept—what we are fanatically passionate about, what we can (and cannot) be the best at, and what drives our economic or resource engine?

- Reading: *Good to Great*, Chapters 5, 6

notes:

5. How can we accelerate clicks on the Flywheel by committing to a 20 Mile March?

- Reading: *Good to Great*, Chapters 7, 8; *Great by Choice*, Chapter 3

notes:

6. Where should we place our big bets, based on the principle "Fire Bullets, then Cannonballs"—blending creativity and discipline to scale innovation?

- Reading: *Great by Choice*, Chapter 4

notes:

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7. Do we show any signs of *How the Mighty Fall*, and do we have enough Productive Paranoia to stay far above the Death Line?

- Reading: *How the Mighty Fall*; *Great by Choice*, Chapter 5

notes:

8. How can we do a better job at Clock Building, not just Time Telling?

- Reading: *Built to Last*, Chapters 1, 2; article at jimcollins.com: "Aligning Action and Values"

notes:

9. Do we passionately embrace the Genius of the AND—especially the fundamental dynamic of "Preserve the Core AND Stimulate Progress"?

- Reading: *Built to Last*, Interlude "No 'Tyranny of the OR' (Embrace the 'Genius of the AND')", Chapters 3, 4

notes:

10. What is our BHAG – our Big Hairy Audacious Goal – and do we have the SMaC to achieve it?

- Reading: *Built to Last*, Chapter 5; *Good to Great*, Chapter 9; *Great by Choice*, Chapter 6
- For those in small business, also consider: *Beyond Entrepreneurship*, Chapters 2, 3, 5
- Useful tool at jimcollins.com: Vision Framework

notes:

11. How can we increase our Return on Luck (ROL), making the most of our good luck and bad?

- Reading: *Great by Choice*, Chapter 7, Epilogue, FAQ

notes:

12. What should be on our Stop Doing list?

- Reading: article at jimcollins.com: "Best New Year's Resolution? A 'Stop Doing' List"
- Useful tool at jimcollins.com: Good to Great® Diagnostic Tool

notes:

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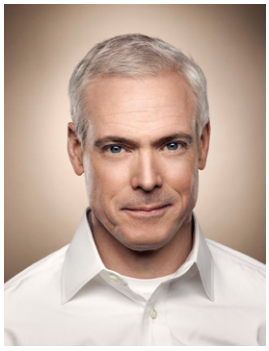
About Jim



Jim Collins is a student and teacher of leadership and what makes great companies tick.

Having invested a quarter century of research into the topic, he has authored or co-authored six books that have sold in total more than ten million copies worldwide. They include: GOOD TO GREAT, the #1 bestseller, which examines why some companies and leaders make the leap to superior results, along with its companion work GOOD TO GREAT AND THE SOCIAL SECTORS; the enduring classic BUILT TO LAST, which explores how some leaders build companies that remain visionary for generations; HOW THE MIGHTY FALL, which delves into how once-great companies can self-destruct; and most recently, GREAT BY CHOICE, which is about thriving in chaos – why some do, and others don't – and the leadership behaviors needed in a world beset by turbulence, disruption, uncertainty, and dramatic change.

Driven by a relentless curiosity, 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 laboratory in Boulder, Colorado, where he conducts research and engages in Socratic dialogue with CEOs and senior leadership teams. In addition to his work in the business sector, Jim has passion for learning and teaching in the social sectors, including education, healthcare, government, faith-based organizations, social ventures, and cause-driven non-profits. In 2012 and 2013, he had the honor to serve a two-year appointment as the Class of 1951 Chair for the Study of Leadership at the United States Military Academy at West Point.

Jim holds a bachelor's degree in mathematical sciences and an MBA from Stanford University, and honorary doctoral degrees from the University of Colorado and the Peter F. Drucker Graduate School of Management at Claremont Graduate University.

He is an avid rock climber, with one-day ascents of the north face of Half Dome and the 3,000 foot south face of El Capitan in Yosemite Valley.

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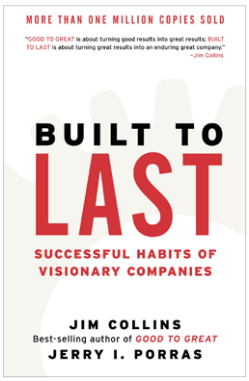
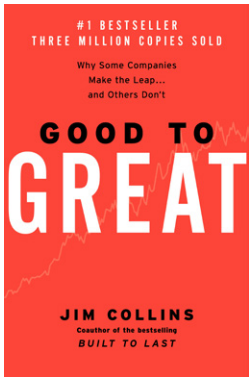
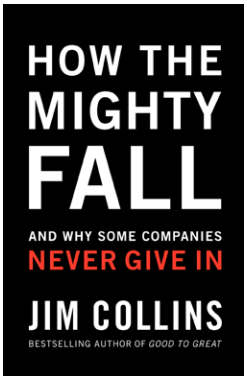
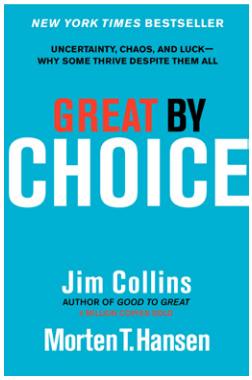




WHAT MAKES GREAT COMPANIES TICK





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