

GOING FROM GOOD TO GREAT

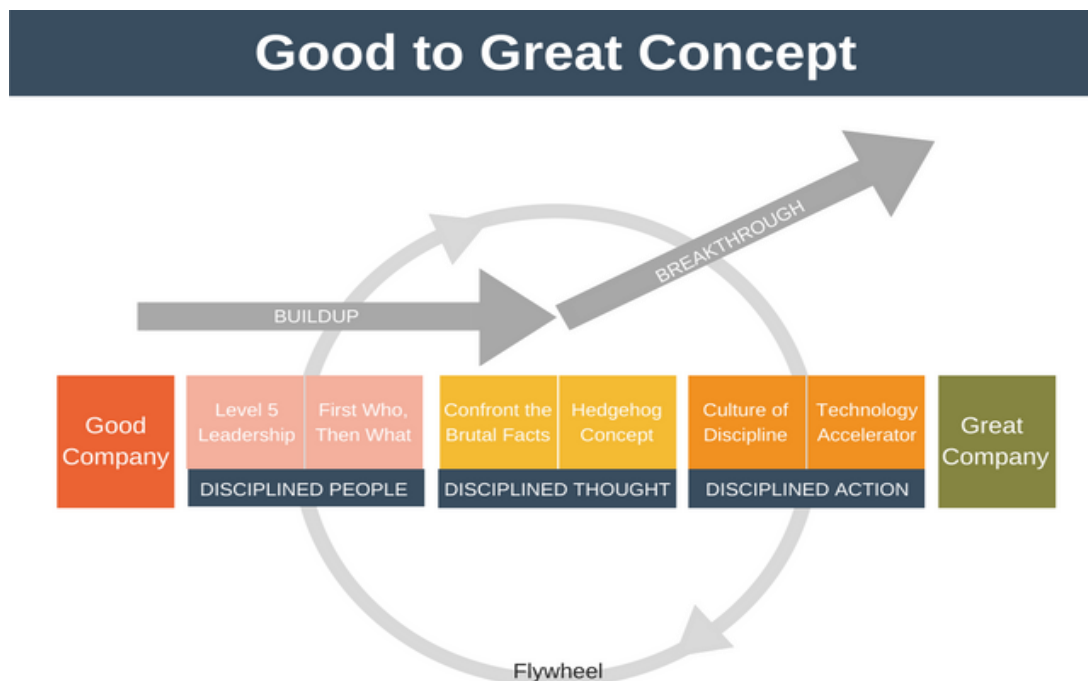
If we had to describe this concept in a single word, that word would be Discipline. Discipline. Discipline.

To go from a good company to a great company you need disciplined people, disciplined thought, and disciplined action.

- **Disciplined people:** means getting the right people and keeping them focused on excellence.
- **Disciplined thought:** means being honest about the facts and avoid the shortcuts.
- **Disciplined action:** means understanding what is important to achieve and what isn't.

Good is the Enemy of Great

The book is about being great, not merely good. Good is the enemy of great. Many people and companies settle for good because it's easier. Many companies don't even try to be great. This opens the door to competitors. Being the best means there is absolutely no room for mediocre thinking.



-DISCIPLINED PEOPLE

1. Level 5 Leadership

The first concept is Level 5 Leadership. Every great company Collin's studied had the same type of leader.



If you think about an organizational hierarchy, the lowest level of leadership is the Highly Capable Individual. These are people who contribute using their skills, know-how and good work habits.

Moving a step up the hierarchy, the next level is a Contributing Team Member. These are people who are able to use their skills and knowledge to help their team succeed.

The next level is Competent Manager. These managers are capable of organizing their team to efficiently reach pre-determined objectives.

Level 4 is Effective Leaders. This is where the majority of leaders can be found. They are able to create the commitment from their team.

Finally, we reach Level 5 Leadership. These are the great leaders. They have the abilities of the other four levels plus a unique combination of will and humble. And it is this combination that makes them great.

2. First Who, Then What

It doesn't mean that you don't decide what you want to do and then get the people you need to do it. Instead, you start by getting the right people into the organization and the wrong people out.

Getting the right people and then you let them work out where you're going to go, what you're going to do, and how you're going to do it. First who, then what means shifting your mindset to realize that people are not your most valuable asset, the right people are.

Benefits of right people:

- You won't have to waste time and energy motivating and managing your team. They'll be self-motivating and manage themselves.
- It gives the organization the potential to become great. A company with the wrong people can never become great.

HIRE SLOW AND FIRE FAST

- DISCIPLINED THOUGHT

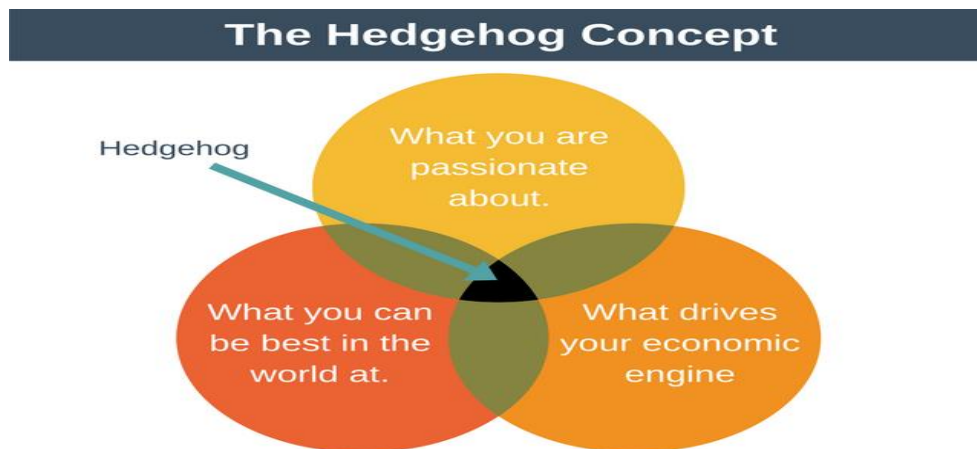
1. Confront the brutal facts

If you have Level 5 Leadership, then you have the right people. This enables you to confront the brutal facts, without losing faith that the company will be successful.

Great results can only be achieved when you making lots of good decisions and then execute well. To make good decisions you need to confront the facts, even if those facts are brutal and

uncomfortable. To avoid distorting the facts you need an atmosphere where the truth is welcomed.

2. Hedgehog Concept



1. What do you feel most passionate about?

This is an important question because passion is hugely motivating. Great companies don't tell their employees what to be passionate about. They find what their employees are already passionate about and then look for projects aligned to those passions.

2. What can you be best in the world at?

This is about more than developing a great core competency. It's about deciding on one key area that your business can do better than any other business. It's then about focusing on this area exclusively so nobody else can match you.

Note that this is about focusing on what you **can** be the best at, not what you **want** to be the best at.

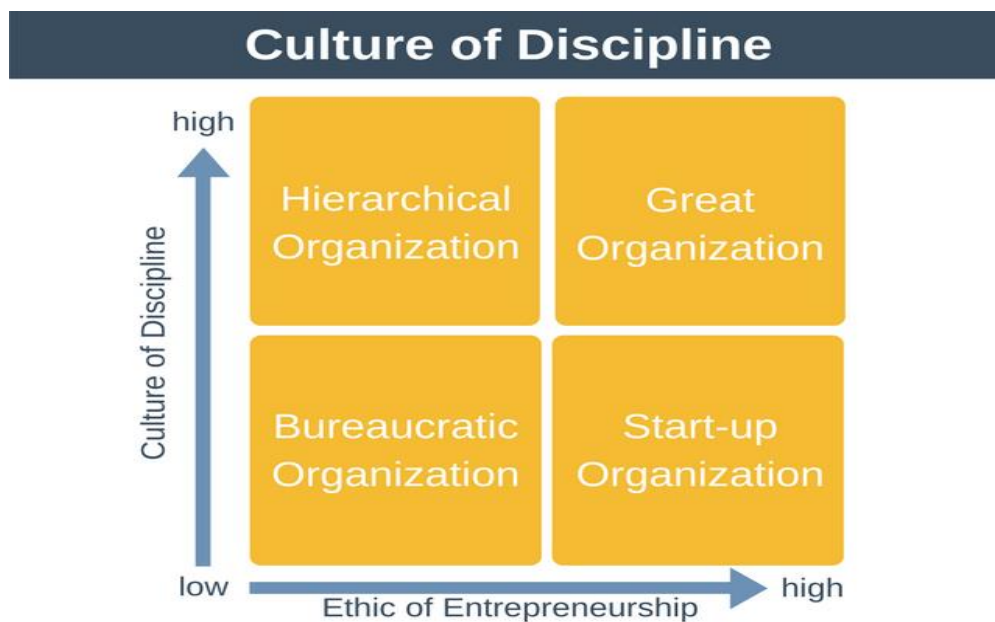
3. What drives your economic engine?

What is the one factor that creates money for your organization? You think of the economic engine as being like the blood flowing through our bodies. It doesn't define us and it's not who we are and what we are about, but without it we simply can't survive very long.

4. DISCIPLINED ACTION

1. Culture of Discipline

Having discipline of people eliminates the need for hierarchy. Having discipline of thought keeps everyone on track. Now we move to the discipline of action which eliminates the need for bureaucracy. This means that there is no need to excessively control the actions of your people.



2. Technology Accelerator

Good to Great companies think about technology in a different way. They will invest in new technology only if it serves their Hedgehog Concept.