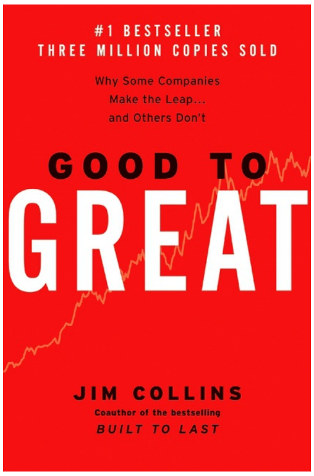
HarperCollinsPublishers

Reading Guide



Good to Great

By Jim Collins
ISBN: 9780066620992

"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." --Jim Collins

An Introduction 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? **Questions for Discussion**

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?

Questions for Discussion about Both Books

1. The catalyst for *Good to Great* came about in part because a McKinsey partner remarked to Jim Collins that the companies written about in *Built to Last* "were, for the most part, always great. They never had to turn themselves from good companies into great companies… But what about the vast majority of companies that wake up and part way through life and realize that they're good, but not great?" What do you think of this statement? What is there to be learned from each of the books?
2. Jim Collins said that *Good to Great* is a prequel to *Built to Last*. Do you see it this way? Do the two books work in tandem with one another?
3. In *Good to Great*, Wells Fargo is profiled as one of the "good-to-great" companies. In *Built to Last*, Wells Fargo is not one of the visionary companies but rather the comparison for visionary company American Express. Discuss the implications of this.
4. Collins states, "We believe that almost any organization can substantially improve its stature and performance, perhaps even become great, if it conscientiously applies the framework of ideas we've uncovered." Do you agree with this statement? Why or why not? In what instances do you think the concepts set forth in *Good to Great* and *Built to Last* would work best? In what instance do you think they would not be successful? Do you think the theories laid out in each of the books can be applied to *any* industry?
5. Which of the company success stories did you find the most surprising, and why?