



Jim Collins

Good to Great
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Ordinary Companies, Extraordinary Results

Good is the enemy of great. And that is one of the key reasons why we have so little that becomes great.

We don't have great schools, principally because we have good schools. We don't have great government, principally because we have good government. Few people attain great lives, in large part because it is just so easy to settle for a good life. The vast majority of companies never become great, precisely because the vast majority become quite good — and that is their main problem.

Truly great companies, for the most part, have always been great. And the vast majority of good companies remain just that — good, but not great. This observation planted the seed of a question that became the basis of my new book, *Good to Great: Why Some Companies Make the Leap...And Other's Don't*, namely "Can a good company become a great company and if so, how?" Or is the disease of "just being good" incurable?

After five years of intense effort with my research team, we can now say, without question, that good to great does happen, and we've learned much about the underlying variables that make it happen.

In our research, we identified a set of good-to-great companies that made the leap to great results and sustained those results. They generated cumulative stock returns that beat the 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. We then contrasted the good-to-great companies with a carefully selected set of comparison companies that failed to make the leap from good to great.

Many of the findings surprised us. We found, for example, that the type of leadership required to go from good to great — Level 5 leaders, as we came to call them — stands in stark contrast to the egoistic personalities that have come to dominate modern business culture. We discovered that going from good to great requires transcending the curse of competence. We learned that what matters is not merely culture, but a culture of discipline. We learned that our modern obsession with technology is harmful to building great companies, unless we embrace how great companies think differently about technology. We realized that greatness does not come from restructuring and radical revolution, but from an entirely different process. Indeed some of the key concepts discerned in the study fly in the face of our modern business culture and will, quite frankly, upset some powerful people. But then again, that's what makes our work so much fun — and useful.