

# How Can You Move from Good to Great?

Transport your organization from good to great by following these steps.

By Brian Barbre and Brian H. Kleiner

Several books have been written on how organizations become great. Jim Collins, in *Good to Great*, adds a new twist when he compares companies that made the leap from good to great to those that were never able to do so. Nonprofit leaders can put his discoveries to good use.

Many leaders spend a great deal of time on things that good-to-great companies don't find necessary.

## What were the biggest surprises?

To answer the question, "Is it possible for a good company to become great, and if so, how?", Jim Collins found 11 companies that were once average but became great. He compared them to 11 companies that were similar to the good-to-great companies but weren't able to become great. What he and his research team discovered wasn't what they expected. Here are some of the unexpected results:

- "Celebrities" who come in from outside to lead the organization are negatively correlated with greatness.

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- There is no link between greatness and a high salary for the chief executive.

- Strategic planning doesn't separate great from good companies. Both have well-defined strategies, and there's no evidence that great companies spend more time on strategic planning than other companies.

- Great companies pay little attention to managing change, motivating staff, or aligning people so that they're committed to the same goals. Under the right conditions, the problems of change, motivation, and alignment largely melt away, Collins says.

The fascinating thing is that so many organizational leaders spend so much time on things that the good-to-great companies don't find necessary.

### What are the commonalities?

Great leaders, Collins found, follow six vital steps:

#### 1. First, find the right people.

Before you decide where you want to go, get the right people on board. Then, let them help you forge the vision. This strategy assures commitment from everyone.

The comparison companies did the opposite, according to Collins. They often had leaders who set their own vision and then enlisted people to help them fulfill it. These helpers were never totally committed to the vision and, thus, never gave it their all.

#### 2. Show humility, but be fierce in defending your organization.

Good-to-great leaders blend extreme personal humility with intense professional will. They don't seek glory for themselves but, instead, sacrifice personal gain for the good of the organization. While displaying humility, their resolve is rock solid, and they don't back down if they need to fight for their organization.

These leaders prepare someone

to take over after they leave. They make sure that the organization's long-term strategies position it to become even greater after they're gone.

In contrast, leaders of the comparison companies chose weak successors or set up their successors for failure. They sought their own glory. While they were often able to lead their companies to success, the companies returned to mediocre soon after they left.



The goal isn't to prove that you're right; it's to find the truth.

#### 3. Confront the brutal facts.

No matter how harsh the truth, you need to address it head-on, not hide from it or dilute it. Create an environment in which the truth can be heard by doing the following:

- Lead with questions, not answers.
- Engage in dialogue and debate, not coercion.
- Conduct "autopsies," dissecting what went wrong, without blaming anyone.
- Build "red-flag" mechanisms that will alert you to information that mustn't be ignored.

The common theme in these steps is that they're all aimed at seeking to understand what's really going on. The goal isn't to prove that you're right; it's to find the truth.

#### 4. Know what you can (and can't) be the best at.

Ask three questions to arrive at the guiding principle by which to run your organization:

- What are you deeply passionate about?
- What can you be the best in the world at?
- What drives your economic engine? In other words, if you could pick one factor to increase over time, what would have the greatest impact on your cash flow?

If you can answer these three questions and focus the energies of everyone in the organization on the single, clear answer, your organization can become great.

The comparison companies never find the answer to these questions. Instead, they try to be too many things to too many people, becoming diffuse and inconsistent.

#### 5. Create a culture of discipline.

Collins offers these suggestions for building a workplace full of disciplined people who engage in disciplined thought and who then take disciplined action:

- When hiring, look for people who are diligent, self-disciplined, and responsible.
- Build a system with clear constraints that gives people both freedom and responsibility. Then, manage the system, not the people.

- Don't confuse a culture of discipline with a tyrant who disciplines. Leaders who discipline through sheer force of personality usually fail to produce sustained results.

- Keep everyone focused on your organization's mission and vision.

#### 6. Use technology as an accelerator.

Good-to-great organizations use technology not as an end but as a means to fulfill their vision. They don't view technology as a way to achieve transformation but, rather, as a way to accelerate progress toward their vision. To harness technology on your journey from good to great, ask yourself these questions:

- Which technologies are relevant to your goals?
- Does the technology fit directly with your guiding principle? If so,

then become a pioneer in applying that technology.

- Do you need the technology at all? If not, you can ignore it.

### How should you set these steps in motion?

The good-to-great companies applied the six steps in a gradual way, Collins discovered. Rather than one big thrust, they made small, continual changes consistent with their vision. People saw results and became enthused. Thus, momentum was created, and changes began to happen more rapidly. Like a flywheel, the process repeated itself, turning faster and faster.

The comparison companies were plagued by an antithetical process. First, they responded to disappointing results without confronting the brutal facts. They changed course without holding fast to their vision. This lack of

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vision led to change — a new leader, new programs, a new fad or acquisition — without direction. Disappointing results followed, starting the cycle all over again.

Don't expect that your organization can shift from good to great in an instant. Good-to-great transformations don't look revolutionary. There is no miracle moment. Becoming great is a process of putting the pieces together carefully, refusing to waste time on what's irrelevant, focusing on the big picture, staying true to the fundamentals, and keeping your balance, even in times of great change. ■

### Resources

Collins, Jim, *Good to Great*, New York, NY: HarperCollins, www.jimcollins.com.

\*Santora, Joseph C., "Planning for Leadership Succession: Are You Ready?", *Nonprofit World*, Vol. 22, No. 4.

\*Smergut, Peter, "Creating a Values-Based Road Map," *Nonprofit World*, Vol. 23, No. 2.

*Starred resources are available free on-line at [www.snpo.org/members](http://www.snpo.org/members).*

*Brian Barbre is a researcher who specializes in financial management and the management of excellent organizations. Brian H. Kleiner, Ph.D., is a professor of human resource management, Department of Management, California State University, Fullerton, California 92834.*

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