A view of Earth from space, showing the blue and white atmosphere and the dark void of space. A bright light source, likely the sun, is positioned at the top center, creating a prominent vertical lens flare that extends down the center of the image. The Earth's surface is visible as a curved horizon line, with a mix of blue oceans and green landmasses.

# *Going From Good To Great*

**Based on Jim Collin's books:  
*Good to Great* and  
*Good to Great and the Social Sectors***

***Barry Sharp, MSHP, CHES, Tobacco Prevention & Control  
Texas Department of State Health Services***

# Outputs of Greatness

- **Delivers Superior Performance**
  - In business, performance is defined by financial returns and achievement of corporate purpose. In the social sectors, performance is defined by results and efficiency in delivering on the social mission.

*What exactly is our mission?*



# Outputs of Greatness

- **Makes a Distinctive Impact**
  - The organization 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 hole that could not be easily filled by another other institution on the planet.

*What exactly is our unique contribution?*



# Outputs of Greatness

- Achieves Lasting Endurance
  - The organization can deliver exceptional results over a long period of time, beyond any single leader, great idea, market cycle or well-funded program. When hit with setbacks, it bounces back stronger than before.

*How do we maintain our excellence?*



# Signs of Greatness



# Signs of Greatness



# Signs of Greatness



# Signs of Greatness



# Signs of Greatness



# Signs of Greatness



# Signs of Greatness



# What do they have in common?

- Clarity
- Focus
- Determination
- Collaboration

All of these elements lead from good to great.



# Why “Business Thinking” is NOT the answer

*“We must reject the idea – well intentioned, but dead wrong – that the primary path to greatness in the social sectors is to become “more like a business.” Most businesses – like most of anything else in life – fall somewhere between mediocre and good. Few are great. When you compare great companies with good ones, many widely practiced business norms turn out to correlate with mediocrity, not greatness. So, then, why would we want to import the practices of mediocrity into the social sectors?”*

Jim Collins



# Great versus Good

## ■ Great Companies

- ❑ Abbott
- ❑ Circuit City
- ❑ Fannie Mae
- ❑ Gillette
- ❑ Kimberly Clark
- ❑ Kroger
- ❑ Nucor
- ❑ Philip Morris
- ❑ Pitney Bowes
- ❑ Walgreens
- ❑ Wells Fargo

## ■ Not Great Companies

- ❑ Upjohn
- ❑ Silo
- ❑ Great Western
- ❑ Warner-Lambert
- ❑ Scott Paper
- ❑ A&P
- ❑ Bethlehem Steel
- ❑ R.J. Reynolds
- ❑ Addressograph
- ❑ Eckerd
- ❑ Bank of America



# Good to Great Comparisons

- Comparisons were of companies that were in the same business.
- Researchers compared:
  - Acquisitions
  - Executive Compensation
  - Business Strategy
  - Corporate Culture
  - Layoffs/Management Turnover
  - Leadership Style
  - Financial Ratios



# Good to Great Comparisons

- On the surface there were no significant differences between good and great companies.
- Negative findings:
  - ❑ Outside leadership didn't help (actually hurt)
  - ❑ Compensation didn't make a difference
  - ❑ Both sets had well defined strategies
  - ❑ Technology didn't make a difference
  - ❑ Good to great companies didn't focus on managing change, motivating people or creating alignment
  - ❑ Good to great companies had no name, tag line, launch event or program to signify transformations
  - ❑ Good to great companies did not focus on what "to do" but rather what "not" to do or what to "stop" doing



# What's in the Black Box?

- Elements that separated the Great companies from the pack of Good companies
  - Level 5 Leadership
  - First Who...Then What
  - Confront the Brutal Facts (Yet Never Lose Faith)
  - The Hedgehog Concept
  - A Culture of Discipline
  - Technology Accelerators
  - The Flywheel and the Doom Loop
  - From Good to Great to Built to Last



# Translating Corporate into Social Sectors: Inputs of Greatness

- Stage 1:
  - Disciplined People
    - Level 5 Leadership
    - First Who, Then What
- Stage 2
  - Disciplined Thought
    - Confront the Brutal Facts
    - The Hedgehog Concept



# Translating Corporate into Social Sectors: Inputs of Greatness

## ■ Stage 3

- Disciplined Action
  - Culture of Discipline
  - The Flywheel

## ■ Stage 4

- Building Greatness to Last
  - Clock Building not Time Telling
  - Preserve the Core/Stimulate Progress



# Level 5 Leadership



# Level 5 Leadership

- Level 5 Leadership is not about being “soft” or “nice” or purely “inclusive” or “consensus-building.” The whole point of Level 5 leadership is to make sure the right decisions happen – no matter how difficult or painful – for the long-term greatness of the institution and the achievement of its mission, independent of consensus or popularity.



# Level 5 Leadership

- Ambitious first and foremost for the cause, the mission, the work – *not themselves* – and;
- They have the will to do whatever it takes to make good on that ambition.
- Social sectors filled with complex governance and diffuse power structures.
- Humility and professional will are key factors in creating legitimacy and influence.



# Level 5 Leadership

- Two Types of Leadership Skills
  - Executive: the individual leader has enough concentrated power to simply make the right decisions.
  - Legislative: no individual leader has enough structural power to make the most important decisions by himself or herself.
    - Legislative Leaders rely on the power of persuasion, political currency and shared interests to make sure the right decisions happen.



# Level 5 Leadership

*True leadership only exists if people follow when they have the freedom not to.*

*- Jim Collins*

*If you are leading and no one is following, then you are just a one person parade.*

*- John Maxwell  
(paraphrased)*



# First Who, Then What

- Getting the right people on the bus...
  - Building pockets of greatness without executive power, even in the middle of the organization
  - Focus on getting the right people on the bus, the wrong people off the bus, and the right people into the right seats on the bus.
  - Rigorously employ early assessments mechanisms in the selection process



# First Who, Then What

- The right people...
  - Those who are productively neurotic
  - Those who are *self*-motivated and *self*-disciplined
  - Those who wake up every day, compulsively driven to do the best they can because it is simply part of their DNA
- Lack of resources (\$\$ and things for motivation) is no excuse for lack of rigor in the selection process.



# First Who, Then What

## ■ Fundamental Points

- The more selective the process, the more attractive a position becomes.
- Social sectors have one compelling advantage: desperate craving for meaning in our lives.
- Having enough right people willing to commit themselves to the mission brings time and talent.
  - Time and talent can often compensate for lack of money, but money cannot ever compensate for the lack of the right people.



# Confront the Brutal Facts (Yet Never Lose Faith)

- Face the true reality – not our perception of reality, not what we think the boss wants
- A strong charismatic personality can be as much of a liability as an asset
- Difference of “having your say” and “being heard”
- Stockdale Paradox



# Confront the Brutal Facts (Yet Never Lose Faith)

- **Creating a climate for truth to be heard**
  - Lead with questions, not answers
    - Socratic style of learning – use questions to gain understanding, informal settings/conversations
  - Engage in dialogue and debate, not coercion
  - Conduct autopsies, without blame
  - Build “red flag” mechanisms



# Confront the Brutal Facts (Yet Never Lose Faith)

## ■ The Stockdale Paradox

- Admiral Jim Stockdale, survivor of the Hanoi Hilton from 1965-1973.
- “This is a very important lesson. You must never confuse faith that you will prevail in the end – which you can never afford to lose – with the discipline to confront the most brutal facts of your current reality, whatever that might be.”



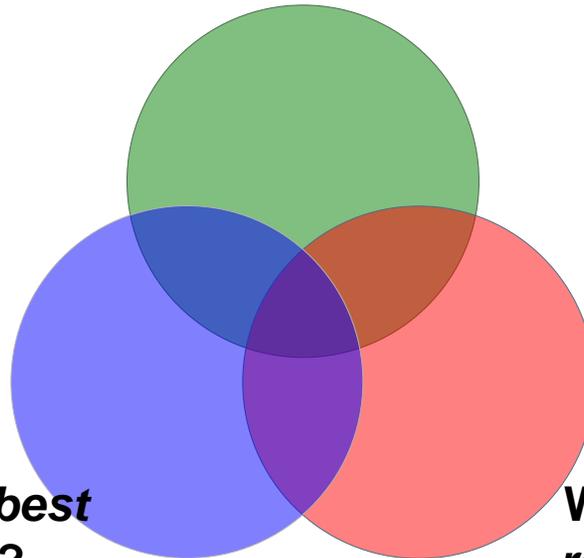
# The Hedgehog Concept

- “The Hedgehog and the Fox” by Isaiah Berlin
  - Foxes: pursue many ends at the same time and see the world in all its complexity; scattered and diffused, moving on many levels
  - Hedgehog: simplify a complex world into a single organizing idea; a basic principle or concept that unifies and guides everything, everything else is discarded.
  - $e = mc^2$



# The Hedgehog Concept

What you are deeply  
*passionate about?*



What you can *be best*  
*In the world at?*

What drives your  
*resource engine?*

- The critical step is determining how to best connect all three circles, so that they each reinforce each other.



# The Hedgehog Concept

- A great social service organization must have the discipline to say “no” to resources that drive it away from the middle of the three circles.
- Resource engines include not only money, but time, emotional commitment, hands, hearts and minds.
- The wide variation in economic structures in the social sector increases the importance of the Hedgehog Principle
  - Begin with passion, refine passion with a rigorous assessment of what you can best contribute to the communities you touch. Then tie the economic engine to the other two circles.



# Culture of Discipline

- Growth usually caused by entrepreneurial activities and mindsets
- Unregulated growth, leads to “professional management,” systems and bureaucracy.
  - Purpose of bureaucracy is to compensate for incompetence and lack of discipline. Bureaucratic rules created to manage small percentage of people, which drives away the right people.
- Opposite of bureaucracy is discipline.





# Culture of Discipline

- Build a culture full of people who take disciplined action within the three circles, fanatically consistent with the Hedgehog Concept.
  - Build a culture around the idea of freedom and responsibility, within a framework.
  - Fill the culture with self-disciplined people who are willing to go to extreme lengths to fulfill their responsibilities.
  - Don't confuse a culture of discipline with a tyrannical disciplinarian.
  - Adhere with great consistency to the Hedgehog Concept, exercising an almost religious focus on the intersection of the three circles. Equally important create a “stop doing list” and systematically unplug anything extraneous.



# The Flywheel



- Build momentum one step at a time, slowly at first, getting the wheels to turn, building momentum until the wheels turn faster with each turn, compounding the effort, creating an unstoppable momentum.



# The Flywheel



- People like to feel excitement of being part of something that works.
- Funding may be paradoxical to success.
- Brand/reputation builds support for mission and capacity to deliver on mission



# Clock Building not Time Telling

- Build an organization that can endure and adapt through multiple generations of leaders and multiple product life cycles; the exact opposite of being built around a single great leader or a single great idea.
- Leaders in great organizations build catalytic mechanisms to stimulate progress, and do not depend upon having a charismatic personality to get things done, indeed, many had a “charisma bypass.”



# Clock Building not Time Telling

- Fiscal support needed to get past programmatic funds that “do stuff” in favor of “unrestricted” funds that creates a strong, self-sustaining organization.
  - Requires
    - Focused Hedgehog Concept
    - Disciplined organization that delivers exceptional results
    - Brand reputation built upon tangible results and emotional share of heart



# Preserve the Core/Stimulate Progress

- Preserve the core ideology as an anchor point while stimulating change, improvement, innovation, and renewal in everything else.
- Change practices and strategies while holding core values and purpose fixed. Set and achieve “BHAGs” consistent with the core ideology.

**BHAG = Big, Hairy, Audacious Goal**



# Preserve the Core/Stimulate Progress

- Great organizations keep clear the differences between their core values (which never change) and operating strategies and cultural practices (which endlessly adapt to a changing world).
- Realize that change may come slowly, focus on what can be changed to create pockets of greatness.
  - We can't change the bureaucracy, but we can control how we function within the bureaucracy.



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*How do we maintain our excellence?*



# Conclusion

**“Greatness is not a function  
of circumstances.  
Greatness, it turns out, is  
largely a matter of  
conscious choice, and  
discipline.”**



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A view of Earth from space, showing the curvature of the planet and the blue atmosphere. A bright light source, likely the sun, is positioned at the top center, creating a vertical lens flare that illuminates the Earth's surface. The text is overlaid on the image.

**How do we move from good to great?**

**Let's start now.**