

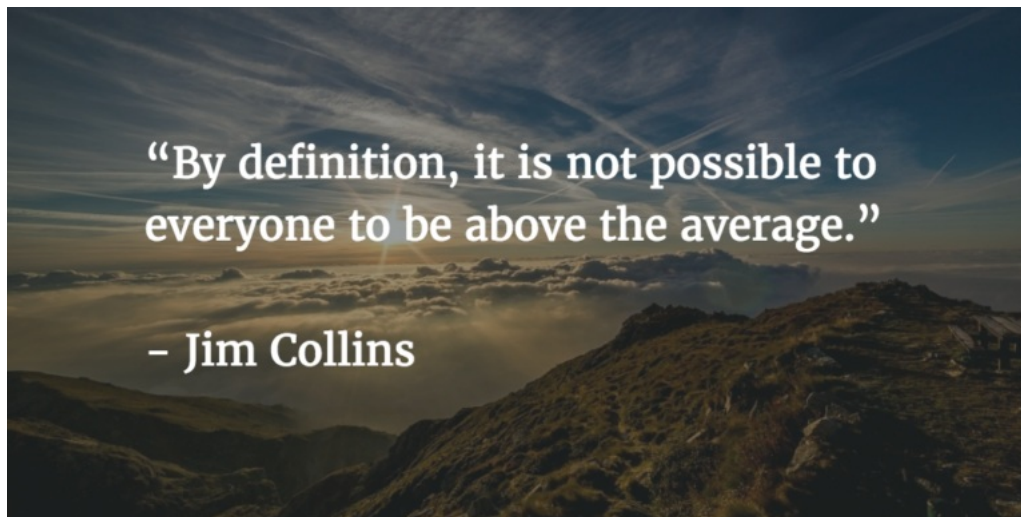
Good To Great Summary

 fourminutebooks.com/good-to-great-summary

1-Sentence-Summary: *Good To Great* examines what it takes for ordinary companies to become great and outperform their competitors by analyzing 28 companies over 30 years, who managed to make the transition or fell prey to their bad habits.

Read in: 4 minutes

Favorite quote from the author:



I was shocked to find out that Jim Collins's *Built To Last* was published in 1994, but instantly understood when I learned how many years of research went into it. That was the book which outlined what helped visionary companies stay visionary over decades.

Good To Great is the book that answers the question the previous one raises: How do you become great in the first place?

Analyzing 28 companies in 3 categories – good-to-great, direct comparison and unsustainable comparison – over the span of 30 years, Jim and his team looked at which companies went from average or sub-par stock market performance to outperforming the stock market by a factor of at least 3.

The result is a set of strategies, habits, and practices, which can turn a company from good to great. Here are 3 of them to give you an idea of what it takes to build something that's world-class:

1. Find your Hedgehog concept.
2. Only adopt new technology if it helps you reach your goal.
3. Confront nasty facts head on but don't lose hope.

Want to go from good to great? There you go!

Lesson 1: Find your Hedgehog concept.

If the lion is the king of the jungle, then the hedgehog is the king of the forest. Yup, you read right, the hedgehog.

Why?

Because he's got the simplest defense strategy of them all and in any attack situation, he knows what to do: curl up and become an untouchable, spiky, rock-like, unbreakable fortress.

Clever foxes and snakes can come up with as many cunning strategies as they want – the hedgehog will always react the same, and he'll always come out on top.

Jim Collins says companies that go from good-to-great always figure out their very own **"Hedgehog concept" – a strategy they can keep pushing for ages**, which will eventually take them to number 1. To find your Hedgehog concept, you must answer 3 questions:

1. What can we be the best in the world at?
2. What can we be passionate about?
3. What is the key economic indicator we should concentrate on?

But no rush – it takes most good-to-great companies 4 years to figure it out, so chances are, it'll take a while to find yours. Two examples are Zappos, who want to create the best customer experience for people buying shoes online, and Walgreens, who shoot to be the best, most convenient drugstore with a high per-visit profit.

Lesson 2: Only adopt new technology if it helps you accelerate your momentum.

Anchor, Musical.ly, Vine, Snapchat, Instagram, Twitter – all of these are less than 10 years old, and there are dozens more – and these are just social networks. We're *flooded* with an incredible amount of new technology every single year. The question is how much of it really benefits us?

I'm trying to build the best book summary website in the world, and I'm relying on blogging to achieve it, a technology that is considered old by any means at this point.

Of course I experiment with the new stuff – but I don't jump right in and bet all of my money on it. If you're jumping on a new technology, just to be a pioneer, or because you're afraid you might miss out, you'll have a very hard time aligning it with your actual mission.

For example, Walgreens took a 40% share price drop by completely ignoring e-commerce at first. But while competitors rose quickly, and disappeared again a year later, they carefully mapped out their online strategy and **used it to boost their actual goal of**

being the best pharmacy store, for example by offering online prescriptions for pick-up in store.

Always be wary of new innovations. Only jump on the bandwagon once you're convinced they help you improve your Hedgehog concept.

Lesson 3: Always confront uncomfortable truths head on, but never lose faith that you'll work it out.

Realistic optimism is another habit good-to-great companies share. They don't put their head in the sand and ignore the hard facts, but they don't throw their hands up in despair either.

When you're just not profitable enough to make it, or your latest marketing campaign sucked, accept it and deal with it. For example, when Procter & Gamble entered the paper goods market, the situation looked pretty bleak for the incumbents Scott Paper and Kimberly-Clark.

But while Scott Paper gave up the battle before it even began and started to branch out, trying to dominate a few small niches P&G had no business in, Kimberly-Clark held a moment of silence for P&G – because they knew the big guys were about to lose. Kimberly-Clark rallied at this opportunity to compete with one of the big guys.

20 years later Kimberly-Clark not only owned Scott Paper, but also outgunned P&G in 6 out of 8 product categories.

As my Mum always says: **Everyone boils their food in the same water**. So don't sugarcoat the bad things, but never lose faith in your ability to figure it out.

Good To Great Review

For this exact reason, this is my third summary of the day. I have to catch up on a few days I missed, and publishing one summary per day is my Hedgehog concept right now.

Once I'm at 300+ summaries at the end of the year, I'll take a look around and figure out where to go next. But until then, my reality is that I have to develop a solid base of content to be even able to play in the big leagues. (Update 2018: I'm at 450+ summaries – check!)

So far, what I've done seems to be working, so everything outlined in this book seems to hold up, which makes it a definite recommend from me. By the way, the follow-up book, published 9 years later, helps great companies thrive in a chaotic world. It's also on here, of course, and called *Great by Choice*.

[Read full summary on Blinkist](#)

[Get the book on Amazon](#)

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What else can you learn from the blinks?

- How much research Jim and his team did (it's insane)
- What a steel company can teach you about momentum and the flywheel of success
- Why good-to-great companies lead level 5 leaders and what that means
- Which question should start to take precedence over "What?" in every decision you make
- What the Stockdale paradox is
- How to make sure people actually express problems when they occur
- Which personal habit you need to instill in all your employees to make your great business sustainable

Who would I recommend the Good To Great summary to?

The 21 year old blogger, who keeps branching out into new industries, exploring topics, but finding herself frustrated with not getting anywhere, the 37 year old agency owner, who always jumps on the latest social media wave, but never rides it long enough to actually win, and anyone who manages other people in their job.