

# Good to Great

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*Good to Great: Why Some Companies Make the Leap... and Others Don't* is a 2001 management book by [James C. Collins](#) that aims to describe how companies transition from being average companies to great companies and how companies can fail to make the transition. "Greatness" is defined as financial performance several multiples better than the market average over a sustained period of time. Collins finds the main factor for achieving the transition to be a narrow focusing of the company's resources on their field of competence.

## Seven Characteristics of Companies that went from Good to Great

- Level 5 Leadership: Leaders who are humble, but driven to do what's best for the company.
- First Who, Then What: Get the right people on the bus, then figure out where to go. Finding the right people and trying them out in different positions.
- Confront the Brutal Facts: The Stockdale paradox - Confront the brutal truth of the situation, yet at the same time, never give up hope.
- Hedgehog Concept: Three overlapping circles: What makes you money? What could you be best in the world at? and What lights your fire?
- Culture of Discipline: Rinsing the cottage cheese.
- Technology Accelerators: Using technology to accelerate growth, within the three circles of the hedgehog concept.
- The Flywheel: The additive effect of many small initiatives; they act on each other like compound interest.

