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Limiting reagent questions with answers

This site is not available in your country In an in-depth interview, we asked Collins about the implications of his research and ideas on the economy, the stock market and the very nature of executive leadership. Good to big companies that you've written about all, they've achieved outstanding stock market results over a 15-year period. Today, however, the stock market is shut down. Does that mean we won't see any good companies today? First of all, I want to correct a big misconception. The stock market is not shut down. What does the stock market look like in 1985? The stock market is not shut down. What does it look like in 1990? The stock market is not shut down. The market was immissingly pointlessly pointless – we did not have a stock market; We had a speculative casino. The technological bubble was not a new economy – there is a new economy that has been leading at a deeper level for years. But the brutal fact is that the companies that were at the top of the technology bubble had no results. You can't make any profit and claim to have results. In the case of companies that had excellent results before the bubble burst, they are now in a period down, but what then? At a company like Cisco, we don't yet know the answer. It could be that these companies are in a very difficult period of six to 12 months. Let me use an analogy. Let's say you have a big basketball dynasty like the UCLA Bruins under John Wooden. This is the team that will win 10 NCAA championships in 12 years. They are a team that has gone from good to excellent. They lost three games in 1970. Does that mean we're going to write them off and say they're not a great team? We have to look at it over time. The same goes for companies that have got caught up in the bubble. It was too short a period of time. It will take more time to tell which companies that are now in trouble are simply overtaking the current times and will have the resilience to come back. But for many business people, the current slowdown is a sign of a new economy. This is one of the best times in history. Two or three years ago, what was the main complaint we heard? It's so hard to get good people! Squeaky, whine, whine! Today we have the greatest opportunity that we will have for decades to catch cargo by boat – not the cargo of the bus, but the cargo of the boat – of excellent people. And big companies always start with someone, not something. We can finally get on the right side of Packard's law. Packard's law is like the law of physics for big companies. She says no company can become or stay large if it allows its revenue growth rate to exceed its growth in the sustainable acquisition of the right people. It's one of those non-time truths that transcend technology and economics. Instead of accumulating capital, we can gather people. If I ran a company today, I'd have one priority over everyone else: get as many of the best people as I can. I'd put it all down. if you could afford – buildings, new projects, research and development – to charge the bus. Because things are going to come back. My cork will start to turn. And the biggest growth restrictions and success of my organization are not markets, not technology, not opportunity, not the stock market. If you want to be a big company, the biggest limitation of your ability to grow is the ability to be and hang on to enough real people. It's also a great time to force yourself to look back. When you broke packard's law, you probably left a lot of the wrong people on the bus. This is a good time to get them down. Actually, it's a little easier now. We can blame the circumstances. What else would you do to capitalize during this period of examination? It's also a great time to ask yourself some really hard questions. In a time of irrational prosperity, where the market would give you money, whether you delivered or not, many companies did not answer any of the questions in three rounds (What can we be the best in the world? What is the economic denominator that best takes our economic engine? And what are our fundamental people deeply inflamed?). They had no idea what they could do better than any other company in the world that was sustainable, they didn't have a profit denominator, and the only thing they had passions was to roll over the company. We can't live in this fantasy land anymore. We need to take a good look at all the things we do and put them on a three-round test. All the things that fail on the test need to stop working – today. I see a lot of companies that have found a lot of capital. That's why they've been going into all sorts of acquisitions or new ventures or new directions, simply because they can. But they didn't necessarily match up in three rounds. Today it's a mission to cut them off. Those who explain their three circles will come out of this just fine. Those who don't deserve to die. Today, the ceo proved themselves with little time to prove their worth. What advice would you give a director in a hot seat? If I was CEO in a hot seat who took over a company I wanted to move from good to great, I would do it. I'd take that stock card and put it in front of the directors. I'd say we're on the left side of the wrong one. We want to be on the right side of the crook. Right? If that's what we all want, we know what it's going to take to get him. You can't keep ing from ceo to ceo. If you do this, you'll find yourself in the Doom loop – and then we'll end up as one of the comparison companies, not one of the great companies. I don't think all directors are stupid. Most of them are intelligent, but they work out of ignorance and not for lack of good purpose. We have to hit them on the head with empirical results. Our job is to beat the market in a sustainable way over time. We need to think about the share price. five-year period. And we need to start doing whatever it takes to turn this cork around. Finally, if I am CEO, I want the board to give me the following assurance: No matter how long or briefly my work as CEO may be, whoever you choose as my successor must pick up this stopper in the middle and continue to push in a consistent direction. Maybe the cork will only turn at 16 spins. But my successor has to take him to 100 garden/min. His successor must take him to 500 garden/min and his successor to 1,000 garden/min. It's not about me as CEO - it's about committing to a consistent agenda. We're not going to do the Doom Loop.The Fouries, who took their companies from good to great, were largely anonymous – far from the celebrities we're reading about. Is this an accident? Is it cause and effect? I think it's more of a matter of cause and effect than an accident. There is something directly connected between the absence of celebrities and the presence of good to excellent results. For? The first time you have a celebrity, the company turns into one genius with a thousand helpers. This creates a sense that it's all really about the CEO. And that leads to all sorts of problems – if a person leaves or if it turns out that the person is not, after all, a genius. On a deeper level, we have found that, in order to do something great, leaders need to be their ambition for great work and for themselves. That doesn't mean they don't have an ego. That doesn't mean they don't have any needs for themselves. This means that at the point of decision by point of decision – at a critical juncting, when choosing A would favor their ego and Choice B would be sympathetic to the company and its work – time and time again those leaders choose Choice B. Celebrity CEOs, at these same decision-making points, are more likely to favor themselves and ego over business and work. Like anonymous foursomes, most companies that have made a transformation from good to big are untraceable. What does that tell us? The truth is that most people don't do the most glamorous thing in the world. They do the right job – which means that most of the time they do a lot of drudgery with only a few points of excitement. Some people put baked bread. Some are building retail stores. The real work of the economy is done by people who make cars, who sell real estate, run grocery stores and banks. One of the great findings of this study is that you can be in a great company and do it in steel, in drugstores, grocery stores. It's just not that if you're not in Silicon Valley, you're not cool. It doesn't matter where you are. Therefore, no one has the right to be angry about their company, their industry or the business of what business they are in – never again. Were there 11 companies that made the transformation in favor of their anonymity? One of the great advantages these companies had was no one cares about it! Kroger began his transition; Nucor has begun its transition; Nobody expected a lot. We could search too little and overreact. In fact, if he had taken over the company and tried to go from good to great, he would have told his vice president of communications that his job was to make the whole world think we're constantly on the verge of drying up. During the study, we actually printed transcripts of the CEO's presentations to analysts and comparison companies. We've read it all. And that's surprising. Good people always talk about the challenges they face, the programs they build, the things they care about. You go into comparison companies, they're constantly giggling, selling the future - but they never deliver results. If I'm not a director, how do I use good and good lessons? Good concepts apply to every situation – as long as you can choose the people around you. That's the key thing. Basically, it is – we have a lot of discretion in our lives over people, people who are going to be let on the bus, whether it's in our department at work or in our personal lives. The basic message is: build your own stopper. You can do that. You can start building momentum in something you have a responsibility for. You can build a great department. You can build a big church community. You can take each of the good to great ideas and use them for your work or your life. What did the study teach you about changes in business in general? Is it basically a message to get back to basics? Very rarely do significant changes ever lead to sustainable results. This is one of the book's really important findings. We started with 1,435 companies. And 11 companies did it. Let's take a look at this fact for a moment. The fact is, it doesn't happen very often. Why not? Because we don't know what the hell we're doing! And since we don't know what we're doing, we're launching into all sorts of things that don't deliver results. We end up like primitives dancing after a campfire, chanting on the moon. I think we need some science to understand what it really needs to change things. Has it returned to basics? No, that's an advance understanding. Why should it be said back to basics that social large-scale people must be ambitious for their businesses and not for themselves? Why is it back to basics that the first thing to ask is who and people and what and what other question? Since when did the company start with the question, why have we been sucked in for 100 years and what brutal facts do we have to face? Why is it back to basics to say that stop lists are more important than task lists? And since when was it back on the basics to say that technology is just an accelerant and not a creator of anything? I don't think these concepts go back to basics. If they are, they should go back in time and that people used these ideas. People are not - so only 11 out of 1,435. Well, no, it's not back to basics. It's forward to understanding. What is your assessment of the new economy? We've seen a lot of change and we've seen a lot of downs to change. How do you make sense of all this? Because of the massive changes around us, it's the most exciting time in history to be alive. It's really fun. All these changes – changes in technology, globalisation – are brutal facts that need to be incorporated into the decisions we make. The people of Walgreens didn't ignore the internet because they were just focused on the basics. They confronted the brutal fact of the internet and asked: How does it fit with our three circles and how can we use it to rotate the stopper faster? You never ignore change - you hit them like brutal facts, or you come to them with a great sense of see and excitement. This change, this new technology opens up a way for you to prevail, that you are even better than the company. All good to big companies have made changes and used them to their advantage, often with a lot of glee. When the new pianos came, Mozart didn't put down the music. He didn't say, There's new pianos! The harpsichord isn't on the way, so I washed up as a composer! He thought that was great! I can do it out loud with the piano! That's really nice! He maintained the discipline of writing great music and, at the same time as a great eye and exciting embrace with the invention of pianos. With all the changes, we must be like Mozart. We maintain a lot of discipline about our music, but at the same time we accept things that can allow us to make even more music. Alan M. Webber (awebber@fastcompany.com) is editor for the fast company. Jim Collins (jimcollins@aol.com) wrote an essay Built to Flip in the March 2000 issue of Fast Company. His new book, Good to Great: Why Some Companies Make the Leap... Others, however, will be available in October. October.