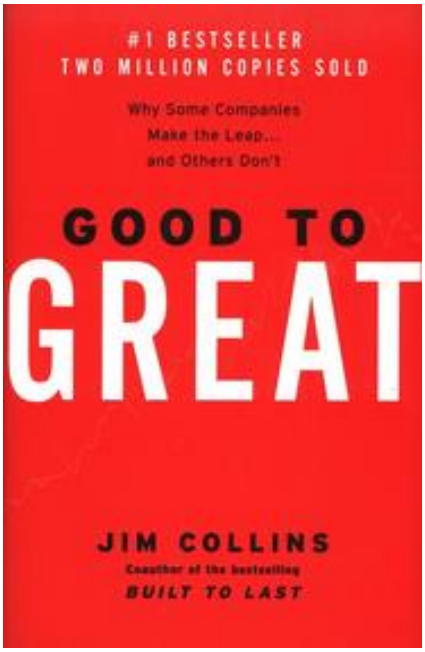
Discussion Guide for Jim Collin's books:

(pages 1-14)



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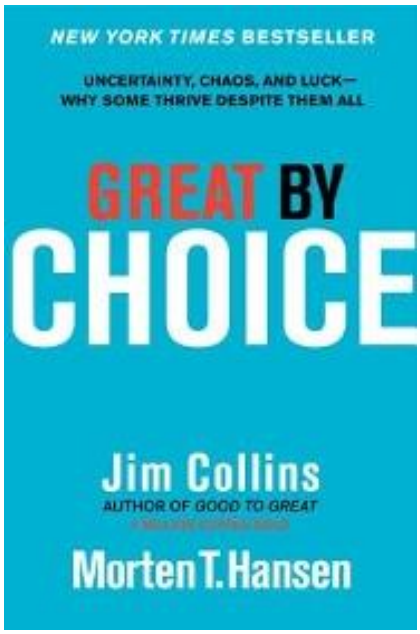

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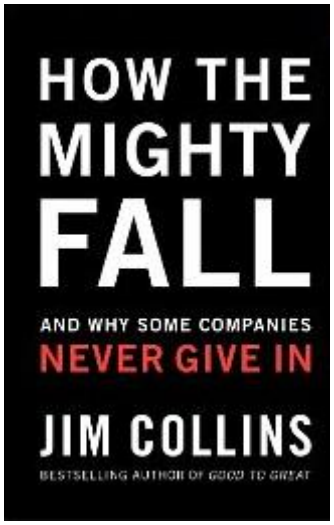


(pages 41-48)

Major Concepts from Jim Collin's Books:
Built to Last, Good to Great
Good to Great and the Social Sectors
How the Might Fall, and Great by Choice

Since the publication of Jim Collin's first work, *Built to Last,* in 1994, he has become one of the most widely read and respected authors in the area of leadership. His books are based on significant and solid research projects each with a specific purpose. The impact of their findings has spread from the business world into the church world to the extent that a monograph was even published for *Good to Great*. The monograph is entitled *Good to Great and the Social Sectors* and it focuses on how the non-profit sector could apply the principles reported in *Good to Great*. His multiple appearances at Willow Creek's Leadership Summit have helped to expand his exposure to and increase interest by church leaders.

The purpose of this piece is to summarize the findings published in all five books and to initiate thought and action as it relates to specific applications in our world: the church. I will not spend any time with the details of their research (very well done) and little with the wealth of excellent corporate illustrations. I will try to focus us on the principles they identified and how they might apply in day-to-day church life. I do that with the assumption that people are people and that organizational life is organizational life. And, I come with the assumption that our division of the world into religious and secular is an artificial divide and that my experience when I was in business (and I believe their research as well) indicates that the best business practices for both the business arena and for churches are the daily application of Biblical leadership principles.

Although *Good to Great* was the second book published, I will use his suggestion and view it as the prequel rather than the sequel to *Built to Last.* Collins wrote in *Good to Great* "This book is about how to turn a good organization into one that produces sustained great results. *Built to Last* is about how you take a company with great results and turn it into and enduing great company" (pg. 14). In like manner I am going to transpose the last two books as well. *Great by Choice* researched the question: "Why do some companies thrive in uncertainty, even chaos, and others do not?" These four books (including the *Good to Great* monograph) deal with the positive principles that will build and sustain greatness in an organization. Even the title of his book *How the Might Fall* tell us it deals with the opposite perspective: what practices will bring a once great and even enduring company back to mediocrity or even to demise. I deal with it last.

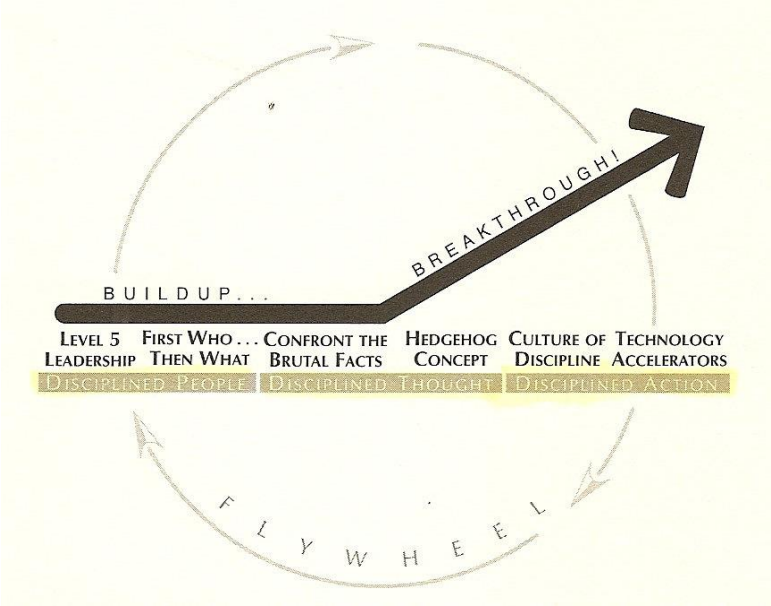
Good to Great and
Good to Great and the Social Sectors

<u>Chapter 1: Good is the Enemy of Great</u>

1. *Good to Great* addresses the basic question, "Can a good company (church) become a great company and, if so, how?" Collins states, "We believe that almost any organization can substantially improve its stature and performance, perhaps even become great, if it conscientiously applies the framework of ideas we've uncovered" (pg. 5).

Q: As a leader in the local church, how does this make you feel?

2. Collins uses the graphic below to picture the results of their research. The balance of the book fleshes out the concepts pictured in it:
   - Level 5 Leadership
   - First Who…Then What
   - Confront the Brutal Facts, yet never lose faith
   - The Hedgehog Concept: simplicity within the Three Circles
   - A Culture of Discipline
   - Technology Accelerators
   - The Flywheel Effect and the Doom Loop

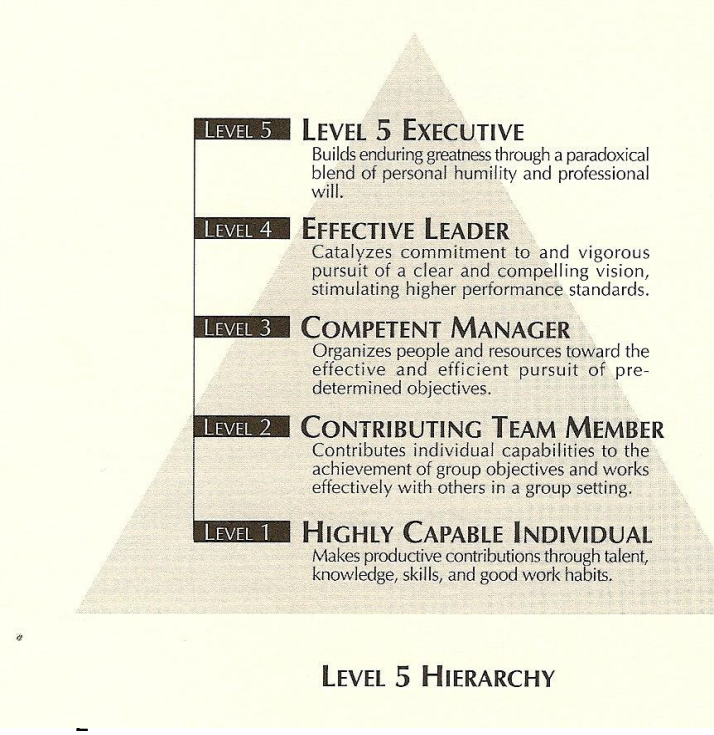


Chapter 2: Level 5 Leadership

1. They created and then defined the term Level 5 Leadership after significant discussions within the research team. Collins wrote, "We debated for a long time on the research team about how to describe the good-to-great leaders. Initially, we penciled in terms like 'selfless executive' and 'servant leader.' But members of the team violently objected to these characterizations. One member protested, "It makes them sound weak or meek." So at the suggestion of another team member they simply called them Level 5 Leaders. Then they defined a Level 5 Leader as someone who has genuine humility and modesty, but who also is fanatically driven, infected with an incurable need to produce results (pg. 30).

Q: How much does that description Jesus leadership style?

2. Having defined what a Level 5 Leader looks like, they then developed a hierarchy of leadership as described in the graphic below:



LEVEL 5 HIERARCHY

Q: As you study the graphic and reflect on where you are today as a leader, at what level would you say you are?

Q: As you look at the differences between each of the various levels of leadership, what are some specific things you can do to move to the next leadership level?

3. Level 5 Leaders have ambition first and foremost for the company (church) and concern for its success rather than for one's own riches and personal renown. They want to see the church even more successful in the next generation, comfortable with the idea that most people won't even know that the roots of that success trace back to their efforts (pgs 25-26). This is a principle that resounds in the research results discussed in *Built to Last,* so I will not expand on this point at this time (see page 16f for those notes).

Q: Are you currently more passionate about your own success or the success of your church?

4. They describe Level 5 Leaders as those who use a "window and mirror" approach. By this they mean, "Level 5 leaders look out the window to apportion credit to factors outside themselves when things go well (and if they cannot find a specific person or event to give credit to they credit good luck). At the same time, they look in the mirror to apportion responsibility, never blaming bad luck when things go poorly" (pg. 35).

Q: Think back to the last major success your church had. How much "credit" did you take for that success?

Q: In a like manner, reflect on the last big flop that happened at your church. Who took the fall for that?

Q: As you think about both the imagery and impact of the "Window and Mirror" analogy and your answer to the last two questions, what does that tell you about your leadership level?

5. My hypothesis is that there are two categories of people: those who do not have the seed of Level 5 and those who do. The first category consists of people who could never in a million years bring themselves to subjugate their egoistic needs to the greater ambition of building something larger and more lasting than themselves. For these people, work will always be first and foremost about what they get—fame, fortune, adulation, power, whatever—not what they build, create, and contribute.

   The second category of people consists of those who have the potential to evolve to Level 5; the capability resides within them, perhaps buried or ignored, but there nonetheless. And under the right circumstances—they begin to develop.

   Some of the leaders in our study had significant life experiences that might have sparked or furthered their maturation...A strong religious belief or conversion might also nurture development of Level 5 traits (pgs 36-37).

Q: As you think about the "two categories of people" just described, compare and contrast their qualities with those of a self-centered lost person and a saved person striving to care for others more than themselves.

Q: Do you think it is possible for a pastor to act like Collin's fist category, and if so why?

6. The book provides the following description of "The Two Sides of Level 5 Leadership."

Professional Will	Personal Humility
Creates superb results, a clear catalyst in the transition from good to great.	Demonstrates a compelling modesty, shunning public adulation; never boastful.
Demonstrates an unwavering resolve to do whatever must be done to produce the best long-term results, no matter how difficult.	Acts with quiet, calm determination; relies principally on inspired standards, not inspiring charisma, to motivate.
Sets the standard of building an enduring great company; will settle for nothing less.	Channels ambition into the company, not the self; sets up successors for even greater success in the next generation.
Looks in the mirror, not out the window, to portion responsibility for poor results, never blaming other people, external factors, or bad luck.	Looks out the window, not the mirror, to apportion credit for the success of the company—to other people, external factors, and good luck.

Q: Which of the above qualities do you see in yourself?

Q: Which of the qualities do you need to further develop?

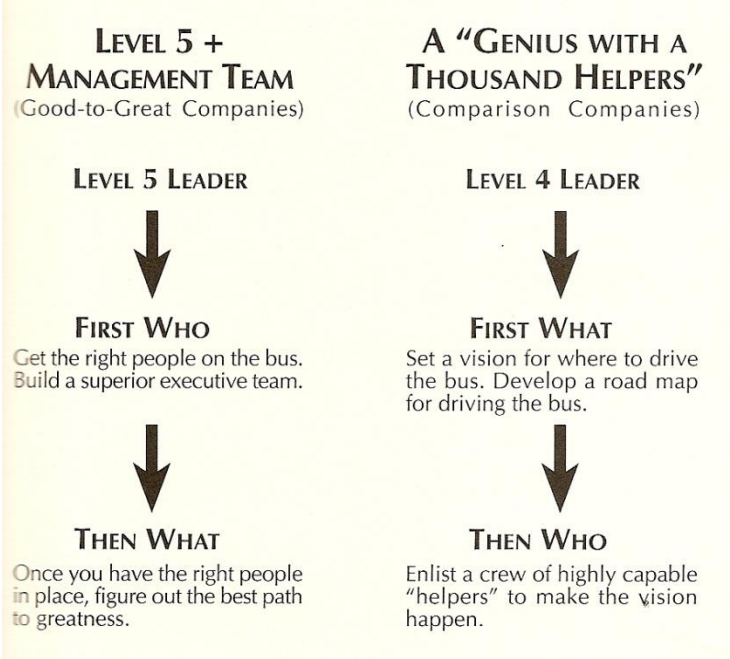
Q: Do you have a specific plan in place for personal development? If so, what is it? If not, why not?

<u>Chapter 3: First Who…Then What</u>

1. When we began the research project, we expected to find that the first step in taking a company from good to great would be to set a new direction, a new vision and strategy for the company, and then to get people committed and aligned behind that new direction. We found something quite the opposite.

   The executives who ignited the transformations from good to great did not first figure out where to drive the bus and then get people to take it there. No, they first got the right people on the bus (and the wrong people off the bus) and then figured out where to drive it

   The good-to-great leaders understood three simple truths. First, if you begin with "who," rather than "what," you can more easily adapt to a changing world…Second, if you have the right people on the bus, the problem of how to motivate and manage people largely goes away…Third, if you have the wrong people, it doesn't matter whether you discover the right direction; you still won't have a great company. Great vision without great people is irrelevant. (pg. 41-42).



They provide the graphic on the left to picture the difference between the two approaches just described.

Q: What do you see as the strengths of their "First Who, Then What" statement?

Q: What would you question about this approach?

Q: Which of the two approaches best describes your leadership history and why?

2. To be clear the main point of this chapter is not just about assembling the right team—that's nothing new. The main point is to *first* get the right people on the bus (and the wrong people off the bus) *before* you figure out where to drive it. The second key point is the degree of sheer rigor needed in people decisions in order to take a company from good to great (pg. 44).

   The good-to-great companies probably sound like tough places to work—and they are. If you don't have what it takes, you probably won't last long. But they're not ruthless cultures, they're rigorous cultures. And the distinction is critical.

   To let people languish in uncertainty for months or years, stealing precious time in their lives that they could use to move on to something else, when in the end they aren't going to make it anyway—*that* would be ruthless. To deal with it right up front and let people get on with their lives—that is *rigorous* (pgs. 52-53).

   We've extracted three practical disciplines from the research for being rigorous rather than ruthless.
   - Practical Discipline #1: When in doubt, don't hire—keep looking. Those who build great companies understand that the ultimate throttle to growth is not markets, or technology, or competition, or products. It is one thing above all others: the ability to get and keep enough of the right people.
   - Practical Discipline #2: When you know you need to make a people change, act…For every minute you allow a person to continue holding a seat when you know that person will not make it in the end, you're stealing apportion of his life, time that he could spend finding a better place where he could flourish…Instead of firing honest and able people who are not performing well, it is important to try to move them once or even two or three times to other positions where they might blossom.
   - Practical Discipline #3: Put your best people on your biggest opportunities, not your biggest problems (pgs. 54-58).

Q: Describe a time when you ignored each of the Practical Disciplines mentioned above. What was the result?

3. The old adage "People are your most important asset" is wrong. People are not your most important asset. The *right* people are (pg 64).

Q: When was the last time that you discovered you didn't have the right person, just a person?

Q: Describe a time when you had the wrong person in a position of leadership. What happened?

Chapter 4: Confront the Brutal Facts (Yet Never Lose Faith)

1. The good-to-great companies displayed two distinctive forms of disciplined thought. The first, and the topic of this chapter, is that they infused the entire process with the brutal facts of reality (The second, which we will discuss in the next chapter, is that they developed a simple, yet deeply insightful, frame of reference for all decisions.)

   For those with a strong, charismatic personality, it is worthwhile to consider the idea that charisma can be as much a liability as an asset. Your strength of personality can sow the seeds of problems, when people filter the brutal facts from you. You can overcome that liability, but requires conscious attention.

   Leadership involves creating a climate where the truth is heard and the brutal facts confronted. There's a huge difference between the opportunity to "have your say" and the opportunity to be heard. The good-to-great leaders understood this distinction, creating a culture wherein people had a tremendous opportunity to be heard and, ultimately, for the truth to be heard (pgs. 69-74).

Q: Have you ever worked with a leader who only wanted "yes men" around them? How did that make you feel as a team member? How effective was that person as a leader?

Q: How can a charismatic or domineering personality negatively impact a leader?

2. They offer four suggestions to the question, "How do you create a climate where the truth is heard?
   - Lead with questions, not answers—that does not mean coming up with the answers and then motivating everyone to follow your messianic vision. It means having the humility to grasp the fact that you do not yet understand enough to have the answers and then to ask the questions that will lead to the best possible insights.
   - Engage in dialogue and debate, not coercion—that does not mean using discussion as a sham to let people "have their say" so that they could "buy in" to a predetermined decision. The process was more like a heated scientific debate, with people engaged in a search for the best answers.
   - Conduct autopsies, without blame—of you have the right people on the bus, you should almost never need to assign blame, but you need only to search for understanding and learning.
   - Build "red flag" mechanisms—in an era of information overload, great companies find ways to create "red flag" mechanisms. All information is not equal and it is important to

find ways to highlight critical information that cannot and should not be ignored (pgs 74-80)

Q: Have you ever served on a leadership team that practiced these disciplines? How did they work?

Q: How effective are you in using these four disciplines as you lead?

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3. In a section entitled "Unwavering Faith Amid the Brutal Facts" they use the powerful illustration of the eight year imprisonment of Admiral Jim Stockdale in the "Hanoi Hilton" during the Vietnam War. In an interview with Admiral Stockdale, Collins asked, "Who didn't make it out?" Stockdale's answer came quickly, "Oh, that's easy. The optimists." After describing the actions and thoughts of the optimists, he said, "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 they might be."

   With that illustration in mind, they challenge business leaders to adopt what they call The Stockdale Paradox: Retain faith that you will prevail in the end, regardless of the difficulties. AND at the same time, confront the most brutal facts of your current reality, whatever they might be.

Q: Which is easier for you: to retain faith that you will prevail or to confront the brutal facts?

Q: Describe how an appropriate balance of the two can make a huge difference in the life of a leader?

<u>Chapter 5: The Hedgehog Concept (Simplicity within the Three Circles)</u>

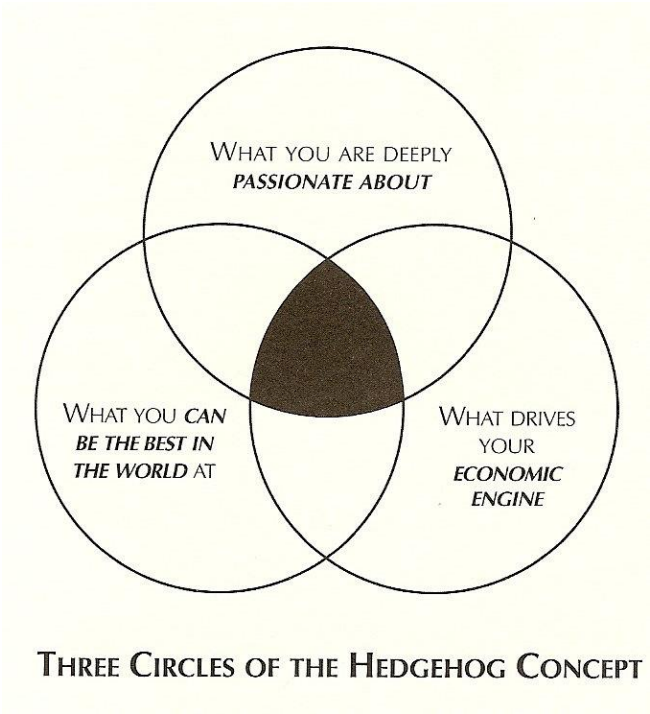
1. There is an ancient Greek parable about a fox and a hedgehog. Most of us are familiar with foxes: energetic, cunning, creative, able to devise a myriad of complex strategies for sneak attacks on their prey. By contrast few of us know much about a hedgehog. It looks like a miniaturized cross between a porcupine and an armadillo. Instead of scurrying around like the fox, the hedgehog patiently waddles along searching for lunch and taking care of his house. In the Greek parable the fox is constantly stalking the hedgehog using a new and different strategy each time with the same results—the hedgehog senses his approach, rolls into a ball with his sharp spikes pointing out, and the fox quickly retreats planning and plotting how and what he is going to do next time.

   Using the parable as an analogy, they describe leaders who pursue many ends at the same time and see the world in all its complexity much like foxes live their live. Foxes become analogous to leaders who are "scattered and diffused, moving on many levels never integrating their thinking into one overall concept or unifying vision. Hedgehogs, on the other hand, describe leaders who are able to simplify their complex world into a single organizing idea, a basic principle or concept that unifies and guides everything. It doesn't

matter how complex the world, a hedgehog leader reduces all challenges and dilemmas to simple hedgehog ideas (pgs 90-91).

Q: Would people who know you well describe you more as a fox or hedgehog? Why?

2. The essential strategic difference between the good-to-great and comparison companies lay in two fundamental distinctions. First, the good-to-great companies founded their strategies on deep understanding along three key dimensions—what we came to call the three circles. Second, the good-to-great companies translated that understanding into a simple, crystalline concept that guided all their efforts—hence the term *Hedgehog Concept.* They developed the graphic on the right to picture these concepts:
   - What can you do better than anyone else in the world?
   - What drives your economic engine—where are you most profitable?
   - What can you do that ignites your passion?



THREE CIRCLES OF THE HEDGEHOG CONCEPT

Q: As you look at your church and the unique giftedness God has given you, your leadership, and your members, what can you do "world class?"

Q: Obviously the second question has to be different for a church (or any non-profit organization). I would suggest changing the question to: What are you doing that God is blessing?

Q: What are the things that ignite your passion and have energized your people?

3. A Hedgehog Concept is not a goal to be the best, a strategy to be the best, an intention to be the best, a plan to be the best. It is an *understanding* of what you can be the best at. The distinction is absolutely crucial.

   To go from good to great requires transcending the curse of competence. It requires the discipline to say, "Just because we are good at it—just because we're making money and generating growth—doesn't necessarily mean we can become the best at it." The good-to-great companies understood that doing what you are good at will only make you good; focusing solely on what you can potentially do better than any other organization is the only path to greatness (pgs. 98-100).

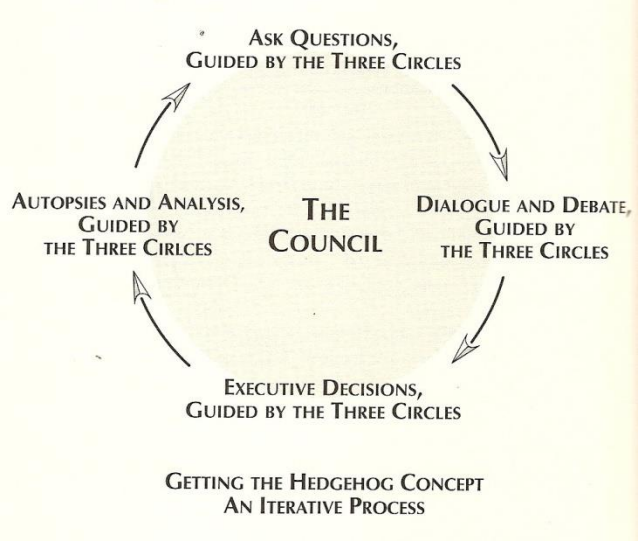
Q: With this clarification in mind, let me ask again, As you look at your church and the unique giftedness God has given you, your leadership, and your members, what is your Hedgehog Concept?

4. As you look at your Hedgehog Concept, remember the "What drives your economic engine" circle relates to identifying where God is leading you and where He is blessing you. Start by answering that question for your own life. Then visit with key leaders in your church asking them that same question. I would also suggest identifying members whose lives are obviously being touched by God and asking them the same question. After you've done that, I would suggest you prayerfully analyze the insights you glean and discuss them with your church leadership to broaden your understanding of how you can answer the question, "What are we doing that God is blessing?

5. The good-to-great companies did not say, "Okay, folks, lets get passionate about what we're doing." They went the other way entirely. They stated, We should only do those things that we can get passionate about.

Q: With this clarification in mind, let me ask again, what are the things that ignite your passion and have energized your people?

6. They suggest that an organization form a Council consisting of a group of the right people who participate in dialogue and debate guided by the three circles, and doing it repeatedly over time. They use the graphic on the right to picture the process as well as the following list of Characteristics of the Council: (For a small church "The Council" would be the church's basic leadership team.)



Characteristics of the Council

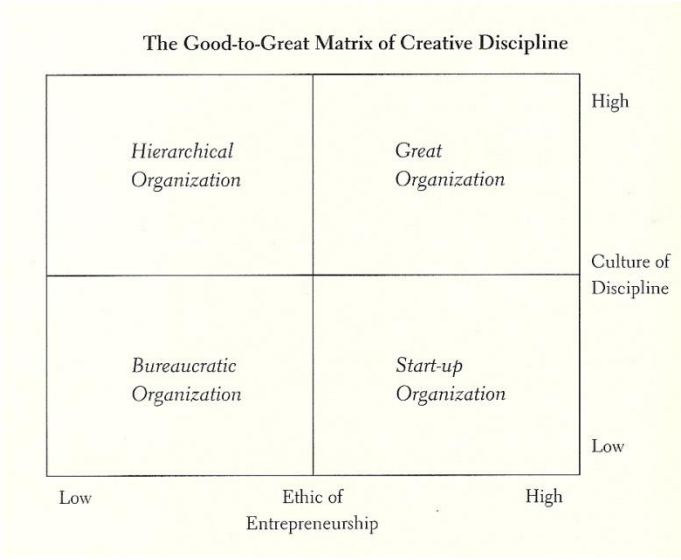
1. The Council exists as a device to gain understanding about important issues facing the organization.
2. The Council is assembled and used by the leading executive (senior pastor) and usually consists of five to twelve people.
3. Each Council member has the ability to argue and debate in search of understanding, not from the egoistic need to win a point or protect a parochial interest.
4. Each Council member retains the respect of every other council member, without exception.
5. Council members come from a range of perspectives, but each member has deep knowledge about some aspect of the organization (church) and /or the environment (community context) in which it operates.

6. The Council includes key members of the management team (church leadership) but is not limited to members of the management team, nor is every executive (church staff) automatically a member.
7. The Council is a standing body, not an ad hoc committee assembled for a specific project.
8. The Council meets periodically, as much as once a week or as infrequently as once per quarter (pgs. 114-115).

Q: How would the process just described, benefit your church?

Chapter 6: A Culture of Discipline

1. The chapter opens with the reality that as any organization grows its structure (bureaucracy) expands. One of the critical things to avoid in this maturation process is for the structure to take on the "normal bureaucratic" style where the purpose becomes developing policies and procedures that compensate for incompetence and lack of discipline. Most organizations build their rules to manage the small percentage of wrong people on the bus, which in turn drives away the right kind of people, which then increases the percentage of wrong people on the bus, which increases the need for more bureaucracy and the cycle is repeated…Their suggestion is "Avoid bureaucracy and hierarchy and instead create a culture of discipline. When you put these two complementary forces together—a culture of discipline with an ethic of entrepreneurship—you get a magical alchemy of superior performance and sustained results. They then provide the following graphic to picture the interplay between the two: discipline and entrepreneurship (pgs 121-122).



Q: As you reflect on the structure (organization, policies, procedures, etc.) in which of the four quadrants would you place yourself and why?

Q: As you think about the concepts just described, how important does it become to have the right people in the right places?

2. Build a culture full of people who take disciplined action within the three circles (The Hedgehog Concept described in Chapter Five.). More precisely, this means the following:
   - Build a culture around the idea of freedom and responsibilities, within a framework.
   - Fill that 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 (pgs. 123-124).

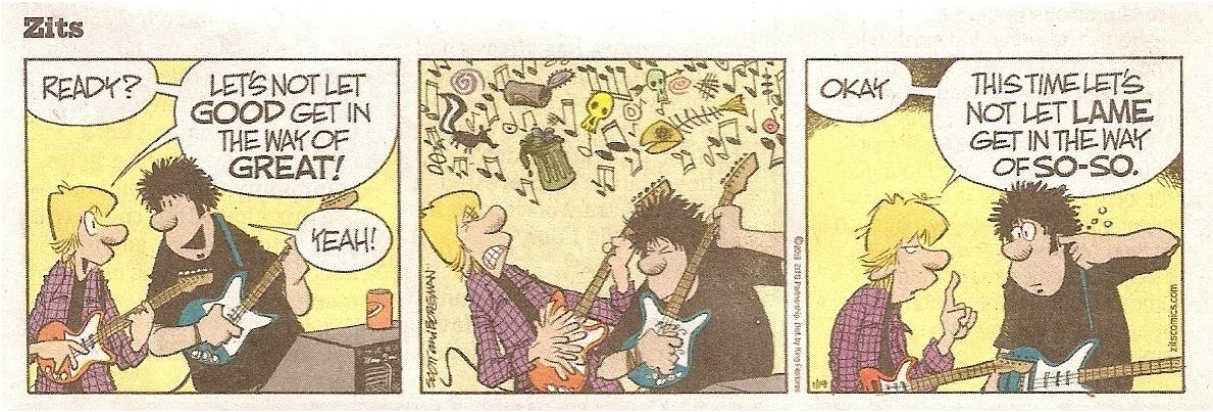
Q: As you look at your church leadership, who would you describe as a self-disciplined person? What percentage of your leaders would you describe as self-disciplines?

Q: What part does self-discipline play in Christian maturity? If it significant, what does that tell you about the spiritual maturity of your leadership team?

Q: With your current leadership team, how easy would it be to build a culture of freedom and responsibility in your church?

3. The good-to-great companies built a consistent system with clear constraints, but they also gave people freedom and responsibility within the framework of that system. They hired self-disciplined people who didn't need to be managed, and then managed the system, not the people…In a sense much of this book is about creating a culture of discipline. It all starts with disciplined people…Throughout our research, we were struck by the continual use of words like *disciplined, rigorous, dogged, determined, diligent, precise, fastidious, systematic, methodical, workmanlike, demanding, consistent, focused, accountable, and responsible* (pgs. 125-127).

Q: Do your church leaders fit the description above or do they react more like the guys in the Zits comic strip below?



4. A great company is much more likely to die of indigestion from too much opportunity than starvation from too little. The challenge becomes not opportunity creation, but opportunity selection. It takes discipline to say "No, thank you" to big opportunities. The fact that something is a "once-in-a-lifetime opportunity" is irrelevant if it doesn't fit within the three circles…If you have a "to do list," do you also have a "stop doing list?" Most of us lead busy but undisciplined lives. We have ever expanding "to do lists," trying to build momentum by doing, doing, doing—and doing more. And it rarely works. Those who built the good-to-

great companies, however, make as much use of "stop doing lists" as they do "to do lists."They displayed a remarkable discipline to unplug all sorts of extraneous junk.

In a good-to-great transformation, budgeting is a discipline to decide which arenas *should be fully funded and which should not be funded at all.* In other words, the budget process is not about figuring out how much each activity gets, but about determining which activities best support the Hedgehog Concept and should be fully strengthened and which should be eliminated entirely (pgs. 136-140).

Q: Do you have a "stop doing it list?"

Q: When was the last time you said "no" to an opportunity? What were the criteria you used to make that decision?

Q: Would your church budget look different if you stopped funding programs that don't fit your Hedgehog Concept? Why or why not?

Chapter 7: Technology Accelerators

1. Technology plays a significantly different role in church life than it does in the manufacturing and retail world; however, we can learn from the basic insights they discovered: "When used right, technology becomes an accelerator of momentum, not a creator of it…We came to see the pioneering application of technology as just one more way in which the good-to-great companies remained disciplined within the frame of their Hedgehog Concept. Conceptually, their relationship to technology is no different from their relationship to any other category of decisions: disciplined people, who engage in disciplined thought, and who then take disciplined action (pgs. 152-153).

Q: What was the last "new technology" you incorporated into your church activities? What were the criteria you used to make the decision to use it? How well has it worked for you?

2. Mediocrity results first and foremost form management failure, not technological failure…Indeed, thoughtless reliance on technology is a *liability,* not an asset. Yes, when used right—when linked to a simple, clear, and coherent concept rooted in deep understanding—technology is an essential driver in accelerating forward momentum. But when used wrong—when grasped as an easy solution, without deep understanding of how it links to a clear and coherent concept—technology simply accelerates your own self created demise (pgs. 156-159).

Q: Although using technology just to have the latest and greatest is NOT wise, what technology could your church be using that it's not?

Chapter 8: The Flywheel and the Doom Loop

1. Picture a huge, heavy flywheel—a massive metal disk mounted horizontally on an axle, about 30 feet in diameter, 2 feet thick, and weighing about 5,000 pounds. Now imagine that

your task is to get the flywheel rotating on the axle as fast and long as possible. Pushing with great effort, you get the flywheel to inch forward, moving almost imperceptibly at first. You keep pushing and, after two or three hours of persistent effort, you get the flywheel to complete one entire turn.

You keep pushing, and the flywheel begins to move a bit faster, and with continued great effort, you move it around a second rotation. You keep pushing in a consistent direction. Three turns…four…five…six…the flywheel builds up speed…seven…eight…you keep pushing…nine…ten…it builds momentum…eleven twelve…moving faster with each turn…twenty…thirty…fifty…a hundred.

Then, at some point—breakthrough! The momentum of the thing kicks in, hurling the flywheel forward, turn after turn…whoosh!...its own heavy weight begins working for you. You're pushing no harder than during the first rotation, but the flywheel goes faster and faster. Now suppose someone came along and asked, "What was the one big push that caused this thing to go so fast?" You wouldn't be able to answer; it's just a nonsensical question…It was all of them added together in an overall accumulation of effort.

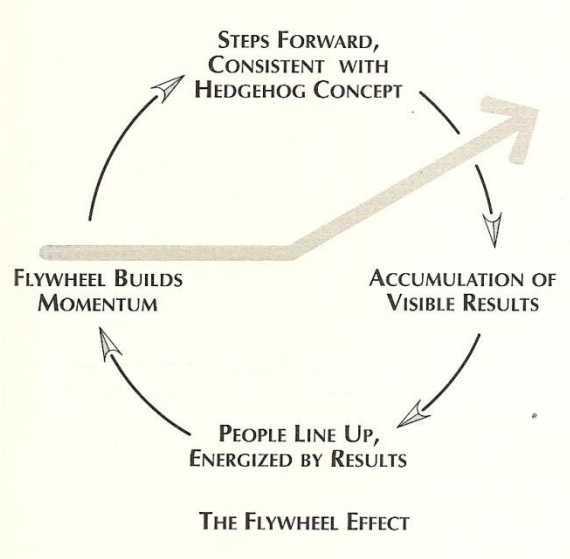
That's what happened in the transformation of companies from good to great. No matter how dramatic the end result, the good-to-great transformations never happened in one fell swoop…There was no miracle moment…Rather, it was a quiet, deliberate process of figuring out what needed to be done to create the best future results and then simply taking those steps, one after the other, like the turn by turn on the flywheel. After pushing on that flywheel in a consistent direction over an extended period of time, they'd inevitably hit a point of breakthrough. ..No matter how short or long it took, every good-to-great transformation followed the same basic pattern—accumulating momentum, turn by turn of the flywheel—until buildup transformed into breakthrough (pgs. 164-172).

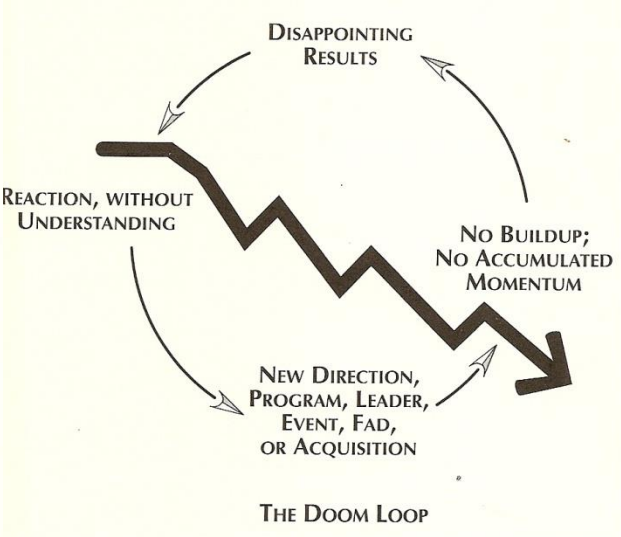
Q: Does the flywheel concept give you encouragement and hope or make you tired thinking about having to push and push and push and push? Why?

Q: If you like to experience quick and easy results, what does the Flywheel Concept tell you?

2. By contrast to the above stated Flywheel Effect, the comparison companies frequently launched new programs—often with great fanfare and hoopla aimed at "motivating" the troops—only to see the programs fail to produce sustained results. They sought the single defining action, the grand program, the one killer innovation, the miracle moment that would allow them to skip the arduous buildup stage and jump right to breakthrough. They would push the flywheel in one direction, then stop, change course, and throw it in a new direction—and then they would stop, change course, and throw it into yet another direction. After years of lurching back and forth, the comparison companies failed to build sustained momentum and fell instead into what we came to call the doom loop (pg. 178).

   They developed the following two graphics to show the difference between the Flywheel Effect and the Doom Loop:





Q: As you look at the graphics above with the explanation provided, which better describes your church's approach?

Chapter 9: From Good to Great to Built to Last

This chapter assumes that you have read *Build to Last* since it was the first book published. Since I have transposed my discussion of the two books, you will find the summary of this chapter at the end of my discussion of *Built to Last* which you can find starting on page 24.

Built to Last

The purpose of Collins' first research project was to "discover the *timeless* management principles that have consistently distinguished outstanding companies" (pg *xiii*). The book *Built to Last* reported the findings. As mentioned earlier I dealt with his second book first based on Collins' own view that *Built to Last* is more the sequel to than the prequel of *Good to Great.*

Chapter 1: The Best of the Best

1. The heart of the chapter is the debunking of twelve the following common myths.
   Myth 1: It takes a great idea to start a great company.
   Reality: Like the parable of the tortoise and the hare, visionary companies often get off to a slow start, but win the long race.

   Myth 2: Visionary companies require great and charismatic visionary leaders.
   Reality: A visionary leader is absolutely *not required*…and in fact, can be detrimental to a company's long-term prospects.

   Myth 3: The most successful companies exist first and foremost to maximize profits.
   Reality: Visionary companies pursue a cluster of objectives, of which making money is only one—and not necessarily the primary one.

Myth 4: Visionary companies share a common subset of "correct" core values.
Reality: The crucial variable is not the content of the company's ideology, but how deeply it *believes* its ideology & how consistently it lives, breathes, and expresses it in all that it does.

Myth 5: The only constant is change.
Reality: A visionary company almost religiously preserves its core ideology—changing it seldom, if ever.

Myth 6: Blue-chip companies play it safe.
Reality: They are not afraid to make bold commitments to "Big Hairy Audacious Goals".

Myth 7: Visionary companies are great places to work, for everyone.
Reality: Only those who "fit" extremely will with the core ideology and demanding standards will find it a great place to work.

Myth 8: Highly successful companies make their best moves by brilliant and complex strategic planning.
Reality: What looks *in retrospect* like brilliant foresight and preplanning was often the result of "Let's just try a lot of stuff and keep what works."

Myth 9: Companies should hire outside CEOs to stimulate fundamental change.
Reality: Home-grown leadership rules at the visionary companies to a far greater degree (by a factor of six).

Myth 10: The most successful companies focus primarily on beating the competition.
Reality: They relentless ask the question, "How can we improve ourselves to do better tomorrow than we did today?"

Myth 11: You can't have our cake and eat it too.
Reality: They avoid "the tyranny of the OR" and embrace the "genius of the AND"—the paradoxical view that allows them to pursue both "A *AND* B" at the same time.

Myth 12: Companies become visionary primarily through "vision statements."
Reality: Vision statements are only one of thousands of steps. (pgs. 7-10)

Q: Which of these myths have you believed to be true in church life?

Q: How will you process the realities stated and implement changes in how you approach church life as a result?

Q: Myth 9's reality indicates that the process of "calling a pastor" from outside the church might not be the best practice. What are the advantages and disadvantages to "calling from within?"

Q: What does the reality statement for Myth 10 tell us about looking as sister churches as "competition?"

2. Some thought provoking quotes from the chapter are:
   - The crucial question is not "What's common across a group of companies? Rather, the critical issues are: "What's essentially *different* about these companies? What *distinguishes* one set of companies from another?...*We wanted to compare gold medal teams to silver and bronze medal teams whenever possible to give real meaning to our findings* (pg. 15).
   - Throughout our research we kept looking for underlying, timeless, *fundamental principles* and patterns that might apply across eras (pg. 17).

Q: When you visit with ministry leaders who are experiencing success, do you find yourself saying "we do that too" or do you ask, "What do you think you're doing that is allowing God to bless your church?"

<u>Chapter 2: Clock Building, Not Time Telling</u>

1. The chapter opens with an illustration to describe the first "timeless principle" they identified. (No pun intended—really!) "Imagine you met a remarkable person who could look at the sun or stars at any time of day or night and state the exact time and date: 'It's April 23, 1401, 2:36 a.m., and 12 seconds.' This person would be an amazing time teller, and we'd probably revere that person for the ability to tell time. But wouldn't that person be even more amazing if, instead of telling the time, he or she *built a clock* that could tell the time forever, even after he or she was dead and gone?"

   Having a great idea or being a charismatic visionary leader is 'time telling'; building a company that can prosper far beyond the presence of any single leader and through multiple product life cycles is 'clock building'" (pgs. 22-23).

   Early in our project, we had to reject the 'great idea' or 'brilliant strategy' explanation of corporate success and consider a new view. We had to put on a different lens and look at the world backward. We had to *shift from seeing the company as a vehicle for the products to seeing the products as a vehicle for the company.* We had to embrace the crucial difference between time telling and clock building (pg. 28).

   We suggest that the *continual stream of great products and services from highly visionary companies stems from them being outstanding organizations, not the other way around.* Keep in mind that all products, services, and great ideas, no matter how visionary, eventually become obsolete. But a visionary company does not necessarily become obsolete, not if it has the organizational ability to continually change and evolve beyond existing product life cycles.

   Similarly, all leaders, no matter how charismatic or visionary, eventually die. But a visionary company does not necessarily die, not if it has the organizational strength to transcend any individual leader and remain visionary and vibrant decade after decade and through multiple generations (pg. 31).

Q: As you look at how Jesus led, would you describe Him as a time teller or a watch builder and why?

Q: Since the "product" of the church never changes—a mature disciple of Jesus Christ—how important is it for us to be a watch builder like Jesus?

2. *A high-profile, charismatic style is absolutely not required to successfully shape a visionary company* (pg. 32). This concept is dealt with in greater detail in *Good to Great* where they define and describe a Level 5 Leader. That discussion can be found on page 2.

3. We're asking you to consider a shift in thinking analogous to the shift required to found the United States in the 1700s. Prior to the dramatic revolutions in political thought of the seventeenth and eighteenth centuries, the prosperity of a European kingdom or country depended in large part on the quality of the king…If you had a good king, then you had a good kingdom. If the king was a great and wise leader, then the kingdom might prosper as a result.

   Now compare the good-king frame of reference with the approach taken at the founding of the United States. The critical question at the Constitutional Convention in 1787 was not "Who should be president? Who should lead us? Who is the wisest among us? Who would be the best king?" No, the founders of the country concentrated on such questions as "What *process* can we create that will give us good presidents long after we're dead and gone? What type of enduring country do we want to build? On what principles? How should it operate? What guidelines and mechanisms should we construct that will give us the kind of country we envision?"

   Thomas Jefferson, James Madison, and John Adams were not charismatic visionary leaders in the "it all depends on me" mode. No, they were organizational visionaries. They created a constitution to which they and all future leaders would be subservient. They focused on building a country. They rejected the good-king model. They took an architectural approach. They were clock builders! (pgs. 41-42)

Q: As you reflect on your leadership style, do you function more like a European King or a U.S. President?

4. In the case of the United State, it's not a cold mechanistic Newtonian or Darwinian clock. It's a clock based on human ideals and values. It's a clock built on human needs and aspirations. It's a clock with a *spirit.*

   And that brings us to the second pillar of our findings: It's not just building any random clock it's building *a particular type of clock.* Although the shapes, sizes, mechanisms, styles, ages, and other attributes of the ticking clocks vary across visionary companies, we found that they share an underlying set of fundamental characteristics. In the chapters that follow, we describe these characteristics. For now the important thing to keep in mind is that once you make the shift from time telling to clock building, most of what's required to build a visionary company *can be learned* (pg. 42).

Q: How does it make you feel that once you've bought into a "clock building" leadership style that most of what you will need to know to build a visionary company can be learned?

Chapter 3: More than Profits

1. Under the heading of *Core Ideology: Exploding the Profit Myth,* Collins notes, "Like the fundamental ideals of a great nation, church, school, or any other enduring institution, core ideology in a visionary company is a set of basic precepts that plant a fixed stake in the ground. 'This is who we are; this is what we stand for; this is what we're all about.' Like the guiding principles embodied in the American Declaration of Independence ('We hold these truths to be self-evident…') and echoed eighty-seven years later in the Gettysburg Address ('a…nation, conceived in liberty, and dedicated to the proposition that all men are created equal'), core ideology is so fundamental to the institution that it changes seldom, if ever.

   A detailed analysis showed that the visionary companies have generally been more ideologically driven and less purely profit-driven than the comparison companies in seventeen out of eighteen pairs. This is one of the clearest differences we found between the visionary and the comparison companies (pgs 54-55).

Q: What are some of the core ideologies of your church? We are not talking about theological doctrines, but core practices and the various ways we live out our faith.

Q: How well has your church clung to its historic roots?

2. We did not find any specific ideological content essential to being a visionary company. Our research indicates that the *authenticity* of the ideology and the extent to which a company attains consistent alignment with the ideology counts more than the *content* of the ideology (pg. 67).

   Visionary companies don't merely declare an ideology; they also take steps to make the ideology pervasive throughout the organization and transcend any individual leader. As we'll describe in subsequent chapters:
   - The visionary companies more thoroughly indoctrinate employees into their core ideology.
   - The visionary companies more carefully nurture and select senior leadership based on fit with their core ideology
   - The visionary companies attain more consistent alignment with their core ideology (pg. 71).

Q: How clearly aligned is the leadership of your church to your core ideology?

Q: How clear are you in communicating your core ideologies to church members and prospective members?

Chapter 4: Preserve the Core/Stimulate Progress

1. A visionary company carefully preserves and protects its core ideology, yet all the specific *manifestations* of its core ideology must be open for change and evolution (pg. 81).

   The central concept of this book is 'Preserve the core and stimulate progress—that's the essence of a visionary company. This is a brief chapter that introduces this fundamental concept and presents an organizing framework that provides a backdrop for the dozens of detailed stories and specific examples that fill the remaining six chapters (pg. 82)

Q: Herein lays one of the greatest paradoxical challenges we face: How do we maintain Biblical integrity while at the same time we achieve cultural relevancy?

Q: Their research indicates that visionary companies find a way to keep the two in balance. How well does your church balance the concepts.

2. Like core ideology, the drive for progress is an *internal* force. The drive for progress doesn't wait for the external world to say "It's time to change" or "It's time to improve."...No, like the drive inside a great artist or prolific inventor, it is simply *there,* pushing outward and onward (pg. 84)

Q: Some have said that the more Biblically conservative a church is the more creative they will be in finding ways to minister to and evangelize their community. Why do you think that statement might be true or false?

3. If you are involved in building and leading an organization, the single most important point to takeaway from this book is the critical importance of creating tangible mechanisms aligned to *preserve the core and stimulate progress.* This is the essence of clock building.

   In the chapters that follow, we will describe the specific methods of preserving the core and stimulating progress that distinguished the visionary companies from the comparison companies, capped by a concluding chapter on alignment. They fall into five categories:
   - *Big Hairy Audacious goals (GHAGs)*
   - *Cult-like Cultures*
   - *Try a lot of Stuff and Keep What Works*
   - *Home-grown Leadership*
   - *Good Enough Never Is* (pgs. 89-90).

Q: Think in terms of your Hedgehog Concept as your core. As you look back at the history of your church, how consistent has it maintained the current Hedgehog Concept?

Chapter 5: Big Hairy Audacious Goals

1. Highly visionary companies often use bold missions—or what we prefer to call BHAGs (pronounced *bee-hags*, short for "Big Hairy Audacious Goals)—as a particularly powerful mechanism to stimulate progress.

Think of the moon mission in the 1960s. President Kennedy could have said, "Let's beef up our space program." But what he said was, "That this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to earth."

A BHAG engages people—it reaches out and grabs them in the gut. It is tangible, energizing, highly focused. People "get it" right away; it takes little or no explanation…[it is] clear, compelling, and more likely to stimulate progress (pgs 93-95).

Q: Have you ever set a BHAG? What was it and were you able to achieve it?

2. Here are some of the basic dos and don'ts of a BHAG they listed:
   We should emphasize here that *a BHAG only helps an organization as long as it has not yet been achieved* (pg. 97).

Q: What negative impacts can happen when a church reaches a long aspired BHAG?

A goal cannot be classified as a BHAG without a high level of commitment to the goal (pg 100).

Q: What can happen if a church uses too many BHAGs in a short period of time?

To set BHAGs requires a certain level of unreasonable confidence. The BHAGs looked more audacious to *outsiders* than to insiders. The visionary companies didn't see their audacity as taunting the gods. It simply never occurred to them that they couldn't do what they set out to do (104-105).

Q: How would you compare what they call a BHAG with what a church might call a vision from God or a Divine calling?

Q: Does your church have a BHAG to which it is committed and that will provide momentum long after you're gone?

Q: Even more important, does it have the ability to continually set bold new goals for itself long into the future?

<u>Chapter Six: Cult-Like Cultures</u>

1. Visionary, we learned, does not mean soft and undisciplined. Quite the contrary. Because the visionary companies have such clarity about who they are, what they're all about, and what they're trying to achieve, they tend to not have much room for people unwilling or unsuited to their demanding standards…[People who do not fit] flounder, feel miserable, and out-of-place, and eventually leave—ejected like a virus. It's binary: You're either in or you're out, and there seems to be no middle ground. It's almost cult like.

An analysis of the visionary versus comparison companies revealed the following:

- In eleven out of eighteen pairs, the evidence shows *stronger indoctrination* into a core ideology.
- In thirteen out of eighteen pairs, the evidence shows *greater tightness of fit*—people tend to either fit well…or not fit at all.
- In thirteen out of eighteen pairs, the evidence shows *greater elitism* (a sense of belonging to something special and superior (pgs. 122-123).

Q: What are some of the things you do to help your members feel like God is doing something special at your church?

2. Unlike many religious sects or social movements which often revolve around a charismatic cult leader ("a cult of personality"), visionary companies tend to be cult-like *around their ideologies* (pg. 135).

Q: Do your church members get more excited about you or about the core ideologies of your church?

Q: If their research is valid for the church, what does that say about the potential for the future of your church?

3. They indoctrinate people, impose tightness of fit, and create a sense of belonging to something special through such practical, concrete items as:
    - Orientation and ongoing training programs that have ideological as well as practical content
    - Internal "universities" and training centers
    - On-the-job socialization by peers and immediate supervisors.
    - Rigorous up-through-the-ranks policies—hiring young, promoting from within, and shaping the employee's mind-set
    - Exposure to pervasive mythology of "heroic deeds" and corporate exemplars
    - Unique language and terminology that reinforce a frame of reference and the sense of belonging to a special, elite group
    - Corporate songs, cheers, affirmations, or pledges that reinforce psychological commitment
    - Tight screening processes, either during hiring or within the first few years.
    - Incentive and advancement criteria explicitly linked to fit with the corporate ideology
    - Awards, contests, and public recognition that reward those who display great effort consistent with the ideology.
    - Tolerance for honest mistakes that do not breach the company's ideology; severe penalties or termination for breaching the ideology
    - Buy-in mechanisms (financial, time investment)
    - Celebrations that reinforce successes, belonging, and specialness
    - 'Plant and office layout that reinforces norms and ideals
    - Constant verbal and written emphasis on corporate values, heritage, and the sense of being part of something special (pg. 136).

Q: What are some of the things your church does to help people understand and buy into your core ideology?

Q: Which of the ideas above could be adapted and utilized in a church setting—yours or another church's.

Chapter Seven: Try a Lot of Stuff and Keep What Works

Because his newest book, *Great by Choice*, deals with this topic in much greater depth and since it uses far more appropriate and more powerful illustrations for our context, I will simply refer you to that section entitled Fire Bullets, then Cannonballs which starts on page 33.

Chapter Eight: Home Grown Management (think Leadership)

This section challenges what happens in the vast majority of churches at the very heart and core of who we have become. This is at two specific points:

1. Visionary companies develop, promote, and carefully select managerial [leadership] talent grown from inside the company to a greater degree than the comparison companies. They do this as a key step in preserving their core…*the visionary companies were six times more likely to promote insiders to chief executive than the comparison companies.* Put another way, across *seventeen hundred years* of combined history in the visionary companies, we found only *four* individual cases of an outsider coming directly into the role of chief executive. In short, it is not the quality of leadership that most separates the visionary companies from the comparison companies. It is the *continuity* of quality leadership that matters—continuity that preserves the core (pg. 173).

Q: As you look at your church's history, how many pastors, staff, or key leaders have been called who were already members of the church?

Q: If the practice of developing leadership from within the organization makes that much difference, what are some of the things you can do to improve the leadership development process in your church?

2. Interestingly, nearly all of the key early architects in the visionary companies remained in office for long periods of time (34.2 years on average), so few of the companies faced actual succession while still young and small. Nevertheless, many of them were planning for succession long before the actual moment of succession (pg. 184).

Q: What might this be telling us about the issue of pastoral tenure for a church?

Chapter 9: Good Enough Never Is

1. The critical question asked by a visionary company is not "How well are we doing?" or "How can we do well?" or "How well do we have to perform in order to meet the

competition?" For these companies, the critical question is "How can we do better tomorrow than we did today?" They institutionalize this question as a way of life—a habit of mind and action. Superb execution and performance naturally come to the visionary companies not so much as an end goal, but as the residual result of a never-ending cycle of self-stimulated improvement and investment for the future. There is no ultimate finish line in a highly visionary company. There is no "having made it." There is no point where they feel they can coast the rest of the way, living off the fruits of their labor.

Visionary companies, we learned, attain their extraordinary position not so much because of superior insight or special "secrets" of success, *but largely because of the simple fact that they are so terribly demanding of themselves.* Becoming and remaining a visionary company requires oodles of plain old-fashioned discipline, hard work, and a visceral revulsion to any tendency toward smug self-satisfaction (pgs. 185-186).

Q: How often do you ask yourself, How can we do better tomorrow than we did today?

Q: When you complete a project, what is your normal reaction? Whew, I'm done with that; Wow, we made it; It's time to party; How could we have done it different and better; or _____?

2. You're probably getting the impression that the visionary companies are not exactly comfortable places. And that's precisely the impression you should be getting. Comfort is not the objective in a visionary company. Indeed, visionary companies install powerful mechanisms to create discomfort—to obliterate complacency—and thereby stimulate change and improvement *before* the external world demands it (pgs. 186-187).

Q: How comfortable would you be in such a demanding environment?

Q: Would anyone describe your church leadership culture as a high demand culture?

3. Visionary companies habitually invest, build, and manage for the long term to a greater degree than the comparison companies…We found that the visionary companies consistently invested more heavily in new property, plant, and equipment…they invested more heavily in research and development…they invested much more aggressively in human capital via extensive recruiting, employee training, and professional development programs…finally they invest earlier and more aggressively than the comparison companies in such aspects as technical knowhow, new technologies, new management methods, and innovative industry practices (pgs. 192-193).

Q: As you look at your church budget, what percentage is focused on today and what percentage is building for the future?

<u>Chapter 10 The End of the Beginning</u>

1. We have made this point in a number of ways in preceding chapters. But it is an important enough point—indeed, ***<u>it just might be the most important point to take away from this</u>***

book—that we choose to bring our findings to a close with this short capstone chapter illustrating the central concept of ***alignment*** that has run throughout these pages. By "alignment" we mean simply that all the elements of a company work together in concert within the context of the company's core ideology and the type of progress it aims to achieve (pg. 202).

They illustrate the point with the following quote from one of the employees at a visionary company: "I used to work at another major American corporation before coming to Merck. The basic difference I see between the two companies is rhetoric versus reality. The other company touted values and visions and all the rest, but there was a big difference between rhetoric and reality. At Merck, there is no difference (pg. 207).

Q: When you consider your church's vision and values as well as your Hedgehog Concept, how clear are they to key leaders and active members of your church?

Q: If an alignment assessment tool were made available, would you be interested in using it with your church? If so, contact ENBA and we will get it to you.

2. We've done our best to discover and teach here the fundamental underpinnings of truly outstanding companies that have stood the test of time. We've given you an immense amount of detail and evidence in this book, and we expect that few readers will remember every little item in these pages. But as you walk away from reading this book, we hope you will take away four key concepts to guide your thinking for the rest of your career, and to pass on to others. These concepts are:
    - Be a clock builder—an architect—not a time teller.
    - Embrace the "Genius of the AND."
    - Preserve the core/stimulate progress.
    - Seek consistent alignment (pg. 217).

Q: Would you be able to describe these four key concepts to your church leadership team?

Q: In what context would it be easiest for you to discuss and begin to implement these concepts in your church?

<u>*Good to Great* Chapter 9: From Good to Great to Built to Last</u>

As I mentioned earlier, I reserved discussion of Chapter 9 in *Good to* Great until after you were exposed to the concepts in *Built to Last.*

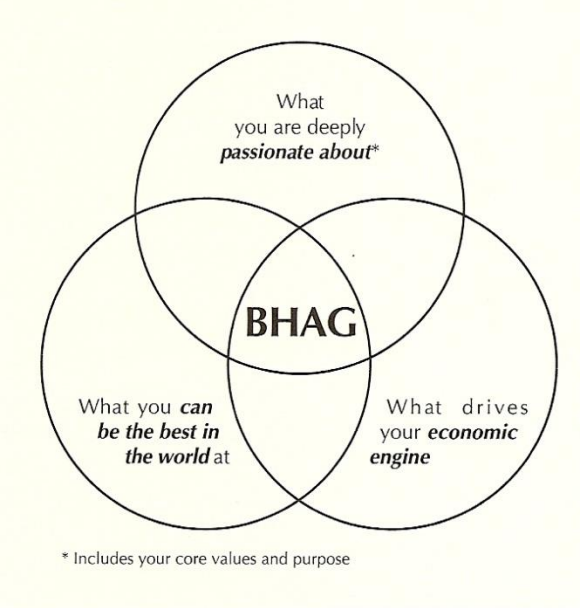
1. As Collins reviewed the research for both books (*Built to Last* and *Good to Great*) he stated, "surveying across the two studies, I offer the following four conclusions:
    - When I consider the enduring great companies from *Built to Last,* I now see substantial evidence that their early leaders followed the good-to-great framework.
    - In an ironic twist, I now see *Good to Great* not as a sequel to *Built to Last*, but as a prequel. Apply the findings in *Good to Great* to create sustained great results, as a start-

up or an established organization, and then apply the findings in *Built to Last* to go from great results to an enduring great organization.

- To make the shift from a company (church) with sustained great results to an enduring great company (church) of iconic stature, apply the central concept from *Built to Last.*
- A tremendous resonance exists between the two studies; the ideas from each enrich and inform the ideas in the other. In particular, *Good to Great* answers a fundamental question raised, but not answered, in *Built to Last:* What is the difference between a "good" BHAG (Big Hairy Audacious Goal) and a "bad" BHAG?

Q: What are some other areas where you see the two research projects supporting each other?

2. "Bad BHAGs, it turns out, are set with bravado; good BHAGs are set with understanding. Indeed, when you combine quiet understanding of the three circles with the audacity of a BHAG, you get a powerful, almost magical mix." They use the graphic on the right to picture the combination of the two concepts. Remember that the circle labeled "What drives your economic engine" would ask a different question for a church. Something like, "What are you doing that God is blessing".



Q: As you reflect on this new insight, what might be a BHAG that would drive your Hedgehog Concept to a new level?

3. He closes the chapter and the book by sharing a conversation he had with a former student. The student started the conversation with a statement followed by a question, "Maybe I'm just not ambitious enough, but I don't really want to build a huge company. Is there something wrong with that?" Collin's response was, "Not at all. Greatness doesn't depend on size." Collins continued with a specific illustration to which the former student responded, "Okay, I accept that I don't need to build a big company in order to have a great company. But even so, why should I try to build a great company? What if I just want to be successful?

   Collins was taken back by the question since he knew the student was not a lazy person, has remarkable energy, and an intense and infectious enthusiasm. He couldn't understand why someone of that capacity would question the whole idea of trying to build something great and lasting. He offered two answers: First, it is no harder to build something great than it is to build something good. Second, if you're doing something you care about, and you believe in its purpose deeply enough, then it is impossible to imagine not trying to make it great.

> So the question of "Why greatness?" is almost a nonsense question. If you're engaged in work that you love and care about, then the question needs no answer. The question is not why, but how. The closing paragraph of the book sounds like something a pastor would say: "it is impossible to have a great life unless it is a meaningful life. And it is very difficult to have a meaningful life without meaningful work. Perhaps, then, you might gain that rare tranquility that comes from knowing that you've had a hand in creating something of intrinsic excellence that makes a contribution. Indeed, you might even gain that deepest of all satisfactions: knowing that your short time here on this earth has been well spent, and that it mattered (pg. 210).

Q: As pastors, we have been called to deal daily with activities and issues that have eternal consequences. Why wouldn't we strive to build a great church rater than to settle for a good one?

Great by Choice

Epilogue

Collins closes the book with comments that speak so well to our nation's need to re-establish some of the foundational principles of a Biblical World View that I have moved the epilogue to the front of the class!

It begins with this statement, "We sense a dangerous disease infecting our modern culture and eroding hope: an increasingly prevalent view that greatness owes more to circumstance, even luck, than to action and discipline—that what happens to us matters more than what we do." He asks a compelling question, "Do we want to build a society and culture that encourages us to believe that we aren't responsible for our choices and accountable for our performance?" He continues with the assertion that, "Greatness is not primarily a matter of circumstance; greatness is first and foremost a matter of conscious choice and discipline."

The book closes with the following paragraph: "We are not imprisoned by our circumstances. We are not imprisoned by the luck we get or the inherent unfairness of life. We are not imprisoned by crushing setbacks, self-inflicted mistakes or our past success. We are not imprisoned by the times in which we live, by the number of hours in a day or even the number of hours we're granted in our very short lives. In the end, we can control only a tiny sliver of what happens to us. But even so, we are free to choose, free to become great by choice." (pages 181-183)

The book provides quality empirical research that proves his points. It is a book that speaks well to dilemmas we wrestle with in ministry. Questions we have about faithfulness versus fruitfulness. Yes it is absolutely true, as Paul stated in I Corinthians 3:6, that "God gives the increase." However, there are bounteous scriptures that speak to our personal responsibility and inevitably our eternal accountability for all we think, do, and say. And as pastors and church leaders we are held to a higher standard and we have a greater impact on the health and vibrancy of the church.

It also speaks to the challenges we have on a day-to-day basis of serving in a chaotic and constantly changing environment. A pastor's calendar can be forced to take a radical shift because of a single text, e-mail, phone call, or conversation. The book speaks to the importance of maintaining a disciplined life even in the midst of such chaos. I would encourage you to patiently and prayerfully process the following information, but don't just add the insights to your list of wonderful things you know, but begin to process the ideas, take them before God, and then implement those that He can use to change your life and your ministry.

Q: Do you know people who say they aren't responsible for their choices and shouldn't be held accountable for not getting their work done? How do you respond to them?

Q: How to you define success for yourself and for your church?

Q: What are some of the things that are keeping you from achieving that success?

Chapter 1—Thriving in Uncertainty

1. We do not believe that chaos, uncertainty, and instability are good; companies, leaders, organizations, and societies do not thrive *on* chaos. But they can thrive *in* chaos. (pg 2)

   Q: Think back to a time of chaos in your life or your ministry. How did you respond to the challenges, and how did you see God at work?

2. The authors became Myth Busters, and they bust the following entrenched myths:
   - Myth: Successful leaders in a turbulent world are bold, risk-seeking visionaries.
     - Contrary findings: The best leaders…observed what worked, figured out *why* it worked, and built upon proven foundations…They were more disciplined, more empirical, and more paranoid.
   - Myth: Innovation distinguishes high performing companies in a fast-moving, uncertain, and chaotic world.
     - Contrary finding: Innovation by itself turns out not to be the trump card we expected; more important is the ability to *scale* innovation, to blend creativity with discipline.
   - Myth: A threat-filled world favors the speedy; you're either the quick or the dead.
     - Contrary finding: Leaders of high performing companies figure out *when* to go fast, and when *not* to.
   - Myth: Radical change on the outside requires radical change on the inside.
     - Contrary finding: Just because your environment is rocked by dramatic change does not mean that you should inflict radical change upon yourself.
   - Entrenched myth: Enterprises that experience great success have a lot more good luck.
     - Contrary finding: The critical question is not whether you'll have luck, but what you *do* with the luck that you get. (pgs 9-10)

   Q: In spite of what the authors said, which of the myths do you still think are probably true and why?

   Q: Which myth will require the greatest level of proof before you let it go and why?

Chapter 2—10Xers

1. The book uses the analogy of the Roald Amundsen and Robert Falcon Scott's polar expeditions in 1911 to compare and contrast leadership styles in an unstable and harsh environment. Amundsen led his team to victory and safety. Scott led his team to defeat and death. In his book *The South Pole,* Amundsen stated the obvious when he reflected on the difference between the two teams: "Victory awaits him who has everything in order—luck people call it. Defeat is certain for him who has neglected to take the necessary precautions in time; this is called bad luck." (pgs 13-14)

   Amundsen's philosophy was, "You prepare with intensity, all the time, so that when conditions turn against you, you can draw from a deep reservoir of strength. And equally, you prepare so that when conditions turn in your favor, you can strike hard."

   A single detail aptly highlights the difference in their approaches: Scott brought one thermometer for a key altitude-measurement device, and he exploded in "an outburst of wrath and consequence" when it broke; Amundsen brought four such thermometers to cover for accidents. (pgs 15-16)

   In your ministry role, you deal daily with people who are wrestling with eternal life and death issues. Amundsen's team survived to tell their story. Scott's story is known only by the journals they left behind.

   Q: How often do you have "everything in order", how do you "prepare with intensity", and how do you "prepare for the unexpected things" that are part of the day-to-day ministry experience?

   Q: In other words, what could you do to be better prepared for the unforeseen things that will disrupt your church?

2. The authors use the term "10Xer" to describe the executives who led their companies to perform at least 10X better than the industry index. Their research discovered not only what was different (which is the core of the book), but also the things that were *NOT* different than the executives of comparable companies. 10xers are…

   - *Not* more creative.
   - *Not* more visionary.
   - *Not* more charismatic.
   - *Not* more ambitious.
   - *Not* more blessed by luck.
   - *Not* more risk seeking.
   - *Not* more heroic.
   - *Not* more prone to making big, bold moves.

   To be clear, they are not saying that 10Xers lacked creative intensity, ferocious ambition, or the courage to bet big. They displayed all these traits, but *so did their less successful comparisons.* (pg 18)

   Q: Which of the above qualities would you have expected to find on a list of things that would help you survive chaos and uncertainty (day-to-day ministry)?

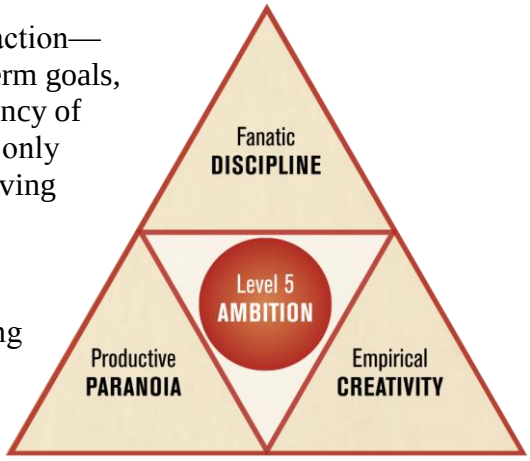
   Q: Which of the above limitations have you used as an excuse for a lack of success?

3. As Collins lays the foundation for the balance of the book, he begins with the reality that "10Xers embrace a paradox of control and non-control. On the one hand, 10Xers understand that they face continuous uncertainty and that they cannot control, and cannot accurately predict, significant aspects of the world around them. On the other hand, 10Xers reject the idea that forces outside their control or chance events will determine their results; they accept full responsibility for their own fate." (pg 19)

   Q: What percentage of your daily schedule would you say you control?

   Q: To what extent do you use "things out of your control" or "our situation is so different we can't have that kind of success" as reason for not having success?

4. Building on the control/non-control paradox, he states, "10Xers then bring this idea to life by a triad of core behaviors: *fanatic discipline, empirical creativity,* and *productive paranoia.* Animating these three core behaviors is a central motivating force, *Level 5 ambition*." The book uses the following graphic to depict these four concepts:



   Fanatic Discipline is defined as "consistency of action—consistency with values, consistency with long-term goals, consistency with performance standards, consistency of method, consistency over time…For a 10xer, the only legitimate form of discipline is self-discipline, having the inner will to do whatever it takes to create a great outcome no matter how difficult." (pg 21)

   Empirical Creativity for 10xers means "relying upon direct observation conducting practical experiments, and/or engaging directly with evidence rather than relying upon opinion, whim, conventional wisdom, authority, or untested ideas…10Xers don't favor analysis over action; they favor *empiricism as the foundation* for decisive action." (pgs 25-27)

   Productive Paranoia for a 10Xer differs from their less successful comparisons in how they maintain hyper-vigilance in good times as well as bad…Like Amundsen, they succeed in an uncertain and unforgiving environment through deliberate, methodical, and systematic preparation always asking, 'What if? What if? What if?'" (pgs 28-29)

   Level 5 Ambition means that "10Xers channel their ego and intensity into something larger and more enduring than themselves. They're ambitious, to be sure, but for a purpose beyond themselves…Every 10Xer we studied aimed for much more than just 'becoming successful…They defined themselves by impact and contribution and purpose." (pgs 31-33)

   Q: Describe a time in your life when you have used each of these four concepts to help you succeed.

Q: Using the brief descriptions above, list the four behaviors from your strongest to your weakest.

Q: What is one thing you could do to strengthen one of your weaker behaviors?

Chapter 3—20 Mile March [Fanatic Discipline]

1. "The 20 Mile March is more than a philosophy. It's about having concrete, clear, intelligent, and rigorously pursued performance goals that keep you on track. The 20 Mile March creates two types of self-imposed discomfort: (1) the discomfort of unwavering commitment to high performance in difficult conditions, and (2) the discomfort of holding back in good conditions…Some people believe that a world characterized by radical change and disruptive forces no longer favors those who engage in consistent 20 Mile Marching. Yet the great irony is that when we examined just this type of out-of-control, fast-paced environment, we found that ***every*** 10X company exemplified the 20 Mile March principle during the era we studied."

Elements of a Good 20 Mile March (pgs 48-49)

(1) A good 20 Mile March uses *performance markers* that delineate a lower bound of acceptable achievement. These create productive discomfort, much like hard physical training or rigorous mental development, and must be challenging (but not impossible) to achieve in difficult times.

Q: Do you have specific, measurable, minimum standards—no matter how bad the week gets? For example you spend (you fill in the blank)____ hours in one-on-one discipling, ____ hours on sermon prep, ____ hours on evangelistic visitation, ____ hours for member care, ____ hours on administrative details, ____ with family, ____ personal devotional time, or thinking in terms of goals you will make ____ evangelistic visits a week, baptize ____ per year, increase small group/Sunday School attendance by ____ this year, etc.

(2) A good 20 Mile March has *self-imposed constraints.* This creates an upper bound for how far you'll march when facing robust opportunity and exceptionally good conditions. These constraints should also produce discomfort in the face of pressures and fears that you should be going faster and doing more.

Q: When you are having a GREAT week, do you set personal limits, so that you won't end up emotionally and physically exhausted the following week?

Q: Some of us have been blessed by being part of a church or ministry that has experienced exceptional growth. What were the problems when you grew too fast?

(3) A good 20 Mile March is *tailored to the enterprise and its environment*. There's no all-purpose 20 Mile March for all enterprises.

Q: Have you set the above goals and standards based upon your personal giftedness and experience and on your current church dynamics and not on what you did in a previous

church? Your goals could be higher or lower and very different in a new church setting and as we age our wisdom and energy levels change.

(4) A good 20 Mile March *lies largely within your control to achieve.* You shouldn't need luck to achieve your march.

Q: Are your performance markers/goals challenging but at the same time realistic and attainable? This is an area where a mentor/coach or a close friend can help you evaluate your standards.

(5) A good 20 Mile March has a *Goldilocks time frame,* not too short and not too long but just right.

Q: Do you set realistic monthly, annual, and long term goals?

Q: Do you stay with your goals long enough to accomplish them or do you bounce from one project to another and from one goal to another without completing them?

(6) A good 20 Mile March is *designed and self-imposed by the enterprise,* not imposed from the outside or blindly copied from others.

Q: Have you set the above goals and standards based upon your personal giftedness and on your church's current dynamics and not on what someone else says they can do in their church?

Q: Do you choose ministries and programs based on your needs or because another church had success with them? ***Principles are transferrable but specific actions and goals are not.***

(7) A good 20 Mile March must be *achieved with great consistency.* Good intentions do not count.

Q: Since the road to hell is paved with good intentions, which road are you usually paving—the road of self-discipline which leads to success or the road of good intentions which leads to failure?

Q: Do people describe you as someone who always gets the job done or as someone who always means well?

2. Consistent disciplined action turned the odds in the favor of 10xers for three reasons:
(1) It builds confidence in their ability to perform well in adverse circumstances. Grasping for the next 'silver bullet,' lurching from one program to the next, and jumping from this year's fad to next year's fad destroys motivation…If you always search for the Next Big Thing, that's largely what you'll end up doing—always searching for the Next Big Thing. The 10X cases did not generally have better opportunities than the comparisons, but they made more of their opportunities by 20 Mile Marching to the extreme. (pgs 55-62)

Q: How many new ideas/programs/ministries have you tried to implement in the last two years?

Q: When you implement new ideas, do you hear people say things like, "How is this going to be any better than the other things we've tried in the past?" Or, Why is this better than what we are doing now?" Or, "We tried that a few years back and it didn't work!" What might they be saying about their confidence in the latest silver bullet?

Q: Have you ever had longtime church members willingly let YOU implement new ideas just as long as you didn't expect them to get involved? What might this be saying about how well you communicated the need for change?

(2) It reduces the likelihood of catastrophe when they are hit by turbulent disruptions. If you deplete your resources, run yourself to exhaustion, and then get caught at the wrong moment by an external shock, you can be in serious trouble. By sticking with your 20 Mile March, you reduce the chances of getting crippled by a big, unexpected shock.

Q: Describe the last time you got caught unprepared for Sunday morning because of unforeseen events.

Q: Or describe the last time you planned a major event only to have frustration and anxiety because something happened last minute to mess it up.

Q: How would you be able to minimize the impact of unforeseen events in your life and in your ministry if you applied 20 Mile March principles?

(3) It helps them exert self-control in an out-of-control environment. Back to the Amundsen-Scott comparison, Collins notes that "throughout the journey, Amundsen adhered to a regimen of constant progress, never going too far in good weather, careful to stay far away from the red line of exhaustion that could leave his team exposed, yet pressing ahead in nasty weather to stay on pace. Amundsen throttled back his well-tuned team to travel between 15 and 20 miles per day, in a relentless march for 90 degrees south. When a member of Amundsen's team suggested they could go faster, up to 25 miles a day, Amundsen said no. They needed to rest and sleep so as to continually replenish their energy.

Q: How would your life and your ministry be better off in the long run if you were to develop your own 20 Mile March principles and then follow them?

*Q: Take time to prayerfully develop **YOUR** own 20 Mile March performance markers? As you do, make sure that they achieve balance between being realistic and being challenging. Make sure they also meet the following criteria:*

1. *Self-imposed constraints*
2. *Appropriate to who you are and to your unique church setting*
3. *Largely within your church's control*

4. *Within a realistic timeframe*
5. *Being achieved with high consistency*

Chapter 4—Fire Bullets, Then Cannonballs [Empirical Creativity]

1. The mantra of one of the 10Xer executives interviewed for the book is, "It's best to be one fad behind, never first to market, but never last." The author then points to research reported in the book *Will and Vision* stating "that only 9 percent of pioneers end up as the final winners in the market." And "that 64 percent of pioneers failed outright." It seems that pioneering innovation is good for society but statistically lethal for the individual pioneer.

   On the other hand, if you just sit still and never do anything bold or new, the world WILL pass you by, and you'll die from that instead. The solution to this dilemma lies in replacing the simplistic mantra "innovate or die" with a much more useful idea: *fire bullets, then fire cannonballs*." What Collins is suggesting is that before you try something new, try it out on a small scale (fire a bullet) to see if it will work or not BEFORE you make a major investment of time, energy, and money (fire a cannonball) only to find out too late that it doesn't work in your context (pgs 73-74).

   Q: If you love to be creative and innovative, what do the above facts say to you?

   Q: If you tend to make changes at the pace of a glacier, what do the above realities tell you?

   Q: How can you apply the idea of firing bullets, then firing cannonballs as you try your next new initiative?

2. A bullet is an empirical test aimed at learning what works and that meets three criteria:
   A. A bullet is low cost relative to your church.

   B. A bullet is low risk—there are minimal consequences if it fails.

   C. A bullet is low distraction—involving a relatively small group in your church. (81)

   In other words, for a church a bullet is a new idea, new ministry, new program, etc. The idea of an empirical test means that before you try it out you set specific measurable criteria to define what success will look like if it happens.

   Q: Think about the last new thing you implemented. Did it meet the above definition for a bullet or was it more like a cannon ball—a large all or nothing effort?

   Q: How did the new idea work out for you?

   Q: With the concept of firing bullets before cannonballs in mind, what would you have done differently?

3. There are two types of cannonballs, calibrated and uncalibrated. A calibrated cannonball has confirmation based on actual experience—empirical validation—that a big bet will likely prove successful. Launching an uncalibrated cannonball means placing a big bet without empirical validation. Ironically, firing an uncalibrated cannonball that succeeds can be even *more* dangerous than a failed cannonball. That means you have achieved good results from a bad process. It would be like going back to Vegas to bet ALL your net worth on a single spin of the roulette wheel just because you won last time you were there when you bet half of your net worth on a single spin.

   Q: Have you ever successfully fired an uncalibrated cannonball?

   Q: How could successfully implementing a major new ministry without giving it a "test run" actually hurt a church in the long run?

4. Their research also concluded that each industry has a minimum threshold level of innovation required for success, and once you are above that threshold being more innovative doesn't seem to matter very much. For instance the innovation threshold for technology and biomedical companies is high while the airline and insurance industry thresholds are low.

   Q: Do you think a church in a college campus setting would have to be more innovative than one in a rural setting?

   Q: How would the innovation threshold differ for churches in a suburban, inner city, or multi-ethnic setting be?

   Q: Think about the last three innovations you implemented in your church and when they took place? In light of your church's setting and your response to the previous two questions, where were you in relationship to your church's innovation threshold.

5. In summary the author found that more important than being first or the most creative is figuring out what works in practice before you make wholesale changes. Then learning to do it better than anyone else, and beyond that making the very most of it using a 20 Mile March strategy.

   Q: Think of how you discovered, evaluated, and implemented your last innovation (see previous question)—based on the research reported in the book, what did you do well, what could you have done differently?

   Q: If you are in the process of implementing something new in your church, how would you change your process in light of the knowledge you now have?

Chapter 5—Leading Above the Death Line [Productive Paranoia]

1. The 10X winners in our research always assumed that conditions can—and often do—unexpectedly change, violently and fast. They understood deeply: *the only mistakes you can learn from are the ones you survive.* The authors define "Hitting the Death Line" as an event

of such significance that the enterprise dies outright or becomes so damaged that it can no longer continue with the quest to become an enduring great company. The idea is simple: If you ever hit the Death Line, you end the journey—game over! (pg 102)

Q: Have you ever been part of a church or ministry that closed? As you reflect back on the experience and think about what happened, can you identify one or two major events that could be described as Death Line events?

2. The authors identified three disciplines/practices that helped the 10X companies to avoid Death Line encounters.
   A. Build buffers and shock absorbers to prepare your church for unexpected events.
   B. Bound or limit your risk.
   C. Remain hyper-vigilant to sense changing conditions and be prepared to respond quickly and effectively. They describe this as *Zoom out, then Zoom in* strategy.

   As they discuss *building buffers* and shock absorbers, they use the term "Black Swan" event to describe a low-probability disruption—just like the genetic probably of hatching a black swan is low. A Black Swan event is something almost no one can foresee and almost no one can predict—not even a 10Xer. But it is possible to predict that *there will be some* Black Swan events. Put another way, the probability of any particular Black Swan event might be less than 1%, but the probability that *some* Black Swan event will happen is close to 100 percent. (103-105)

   Q: Anyone who has been in ministry for very long has experienced as well as watched other pastors experience a Black Swan event—an unexpected and extremely disruptive experience. What are some of the things you would include on a Black Swan events list?

   Q: In the business world, the buffer for a Black Swan event consists of maintaining a financial cushion. 10X companies carried 3 to 10 times the ratio of cash to assets as did the average company. A rule of thumb for a church is to have at least 3-4 months of cash reserves—that is if your church spends $4,000/month you should have $12-16,000 in savings. Does your church have a Black Swan event financial buffer?

   Q: Often churches experience conflict at budget development time when one side says, we just need enough faith to raise our budget by 50% and the other side says that's totally unrealistic. What might be some buffers a church could use that will be both challenging for the faith group and realistic for the pragmatic group?

   Q: Since a church is a non-profit organization whose capital is primarily relationships and whose product is maturing disciples of Jesus Christ, can you think of buffers that should be in place besides having a financial cushion? (For example do you have a child care policy in place in case someone brings sexual abuse charges against a volunteer? Do you have clearly defined ethical and moral standards for church leaders in case someone is accused of a major moral failure? Do you have clear accounting practices in place to avoid embezzlement charges?)

3. As they did their research they asked, "Did the 10X cases take more risk or less risk than the comparison companies?" The answer was that 10Xers found ways to bound or limit their risks. They define risk in terms of both level (high, medium, or low), and kind by defining the following four kinds of risk:
   (1) Death Line Risk—an activity that could kill or severely damage the church if the venture fails.
   (2) Asymmetric Risks—those where the risk far outweighs the potential return.
   (3) Uncontrollable Risk—those that expose the church to forces and events that you have little ability to manage.
   (4) Time-based Risk—those where the degree of risk is tied to the pace of events, and the speed of decisions and actions.

   In the case of the first three kinds of risk the 10X companies took *less risk*, abhorring death line risk, shunning asymmetric risk, and steering away from uncontrollable risks. Related to time-based risk, 10Xers let events unfold, when the risk profile was changing slowly; yet equally, they prepared to act blindingly fast in the event that the risk profile began to change rapidly. One of the most dangerous false beliefs is that faster is always better, that the fast always beat the slow, and that you are either the quick or the dead. Sometimes the quick *are* the dead. (pgs 107-113)

   Q: As you reflect on the major decisions you made last year, and evaluate them based on the both the level and type of risk involved, what types of risk did you take?

   Q: As you evaluate your choices with the advantage of hindsight, how wise were your actions?

   Q: Think about one major project, activity, decision, or new innovation you are planning or considering. Evaluate it based on the type and level of risk it involves. How will your decision be impacted by what you now know?

4. The third principle 10Xers used as they maintained a "productive paranoia" was to be hyper-vigilant as they tried to sense changing conditions and to be prepared to respond quickly and effectively. Collins calls this practice "zooming out, then zooming in". He defines zooming out as stepping back and taking a big picture view of your world to sense changes in conditions are taking place, assess the time frame of that change, and assess the rigor/aggressiveness of the response needed. Then with that information in hand, you zoom in to focus on supreme execution of your plans and objectives. (pg 114)

   Q: Do you regularly step away from your daily and weekly grind to look at the BIG PICTURE of what's happening in your immediate community, in your city, in your region, etc.?

   Q: What is currently changing in your environment that you need to take time to assess the impact it will have on your church? (for example—economic changes, demographic changes, changes related to views on social issues, etc.)

5. The chapter wraps up with an excellent reminder that every life includes some very critical moments, and that the decisions we make at those points have a greater impact on our lives and ministry than do the average moments in time. Collins states, "Not all time in life is equal. Life serves up some moments that count much more than other moments…We will all face moments when the quality of our performance matters much more than other moments, moments that we can seize or squander. 10Xers…respond to unequal times with unequal intensity, when it matters most." (120)

   Q: Take a few moments to reflect on your life and identify two or three "critical moments" when a decision you made or an action you took had significant consequences—for good or for bad.

   Q: Would these actions/decisions have been different if you would have taken more time to prayerfully evaluate the risks and rewards of the various options, or if you would have used greater discipline in executing your choice?

   Q: Are there circumstances occurring in your life or ministry right now that have the potential of becoming a "critical moment"? How might the insights from this book help you to improve the quality of the outcome?

   Q: If your not experiencing a "critical moment", are you living in such a manner that you will be ready for the next "critical moment"?

Chapter 6—SMaC [Level 5 Ambition]

1. They created the word SMaC from the phrase ***Specific, Methodical, and Consistent*** and then use it as a noun, verb, and an adjective. They describe a SMaC recipe as the operating practices that turn strategic concepts into reality. They become a set of practices more enduring than mere tactics, which will change from situation to situation. They use an example of a SMaC principle used by Southwest Airlines: SW only flies Boeing 737s. That reality cannot be described as a core value, a critical purpose, a high-level strategy, a part of their culture, or even a tactic. It's just one of the smart things they consistently do that has made them the most successful airline in the industry. (128)

   Q: Churches also have SMaC recipes. For example one that's been around a very long time is Flake's Five Step Formula:
   1. Know the possibilities—who out there needs Christ and needs to be discipled?
   2. Enlarge the organization—expand your structure in anticipation of growth; not just in response to it.
   3. Enlist and train leaders—a growing organization will need new leaders who are properly enlisted and adequately trained.
   4. Provide space—you've got to have a place to meet. In New Testament times and very often today it is in a home rather than a church building.
   5. GO after the people!

   What are some other SMaC recipes churches have used?

2. He illustrates a SMaC recipe from the sports world when he talks about legendary UCLA basketball coach John Wooden. One player is quoted as saying, "you could have taken UCLA athletes who played in '55. '65, '70, and '75; put them on the same team; and they would have been able to play with each other instantly!" Wooden translated his "Pyramid of Success (a philosophy of life and competition) into a detailed recipe, right down to how players should tie their shoes."

   In a summary statement, Collins wrote, "We've found in all our research studies that the *signature of mediocrity is not an unwillingness to change; the signature of mediocrity is chronic inconsistency."* No human enterprise can succeed at the highest levels without consistency; if you bring no coherent unifying concept and disciplined methodology to your endeavors, you'll be whipsawed by changes in your environment and cede your fate to forces outside your control. Equally true, however, no human enterprise can succeed at the highest levels without productive evolution.

   Changes to a solid and proven SMaC recipe are like amendments to the constitution; if you get the recipe right, based on practical insight and empirical validation, it should serve you well for a very long time; equally important, fundamental changes must be possible. Continually question and challenge your recipe, but change it rarely. (pgs 137-146)

   Q: Take time to list all the things that are changing in your world.

   Q: In the midst of that long list of changes, there is a key area where you and your church have control—that is in being SMaC. How SMaC are you on a week-to-week basis?

3. Collins states, "The more unforgiving your world, the more SMaC you need to be. A SMaC recipe forces order amidst chaos. It imposes consistency when you're slammed by disruption…the existence of a recipe per se did *not* systematically distinguish the 10X companies from the comparison companies. Rather, the principal finding is how the 10X companies *adhered* to their recipes with fanatic discipline to a far greater degree than the comparisons." (pg 131)

   Here Collins is speaking right into our wheelhouse and to biblical concepts—personal discipline and the pursuit of doing the right things. He also acknowledges that whether it is in the spiritual realm or in the business world, maintaining disciplined action is hard.

   Q: Does your church have a SMaC recipe? If so, list the major components of it.

   Q: How well does your church follow its time proven SMaC?

3. He noted that, *the comparisons changed their recipes to a much greater degree* than did the 10Xers. In fact the comparisons changed *four times more*. Conventional wisdom says that change is hard. But if change is so difficult, why do we see more evidence of radical change in the less successful comparison cases? Because change is *not* the most difficult part. Far

more difficult than implementing change is figuring out what works, under-standing why it works, grasping when to change, and knowing when not to make changes. (pg 132)

Many in the younger generation are questioning why we do the things the way we do them, and too often folks in the older generation's answer is, "Because we've always done it that way." Then they change things only to find out there WAS a reason we did things that way—we just didn't know what that reason was.

Q: Has your church "figured out what works" and "doesn't work" in your context?

Q: If you know what works and what doesn't work, do you know "why" one thing works and the other doesn't?

Q: If you have a SMaC recipe, do you make sure you understand why you have been doing what you do BEFORE you change it?

Q: Do you have a process for explaining the why of your SMaC recipe to new members?

Chapter 7—Return on Luck

1. If you are questioning the thoroughness of the research done by the Collins team, this chapter will dispel all doubts—they even researched the impact of luck! To do that they had to start by actually defining luck. They call a "luck event" an occurrence that meets three tests:
   (1) Some significant aspect of the event occurs largely or entirely independent of the actions of key leaders,
   (2) The event has a potentially significant consequence (good or bad), AND
   (3) The event has some element of unpredictability.

   Q: In church life we would probably call it divine providence or a divine coincidence. As you look at your church's history, can you identify some specific "luck events?"

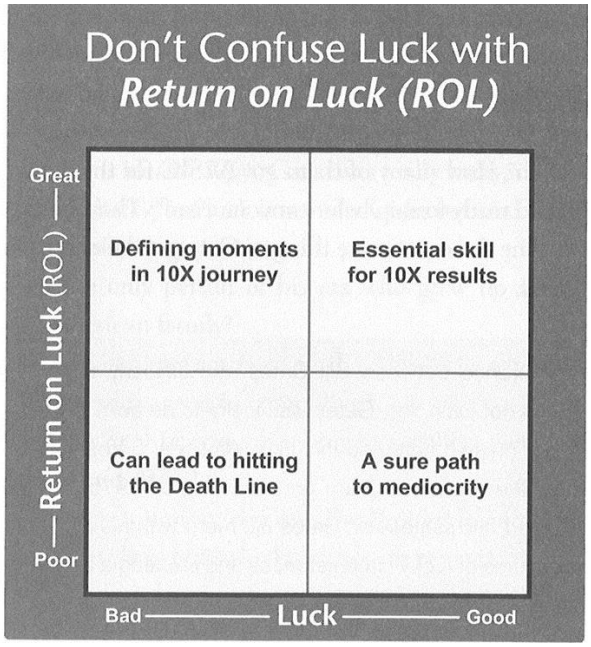
   Q: Do the same thing for your own life.

2. Then as they did their research they asked three basic questions about luck events:
   (1) Is luck a common or rare element?
   (2) What role, if any does luck play in explaining the divergent trajectories of the 10X and comparison cases?
   (3) What can leaders do about luck to help them build great companies on a 10X journey?

   What they discovered was that "luck happens a lot", so then their question became does luck play a differentiating role—does the existence of luck explain why one company does better than another? This led to four additional questions:
   (1) Did the successful companies have more good luck than their comparison—the answer was NO!
   (2) Did the comparison cases get more bad luck than the 10X companies—the answer was NO!

(3) Were there single GREAT luck events or a luck spike that explained the difference—the answer was NO!
(4) Was there an advantageous timing of the luck that made the difference—the answer was NO!

They concluded that, "Across all the research we've conducted for this book and our previous books regarding what makes companies great…we've never found a single instance of sustained performance due simply to pure luck." Ultimately what they found was the real difference between the companies was what *they did* with the luck they got—using a business term they referred to this as "return on luck" (ROL)—similar to the concept of a return on investment.



To picture their ROL findings they developed the quadrant on your left. They describe what the different quadrants look like and give some business illustrations for each. A Nietzche quote relates to the upper left quadrant: 'What does not kill me, makes me stronger" The key to using bad luck is to use it to make us stronger, turning it into "one of the best things that ever happened to me" kind of events.

They point out an interesting asymmetry between good luck and bad luck. A single stroke of good luck, no matter how big the break, cannot by itself make a great company. But a single stroke of extremely bad luck that slams you into the Death Line, or an extended sequence of bad-luck events that creates a catastrophic outcome, can terminate your quest.

Q: Take a few minutes to grasp the meaning of the quadrant. Now, place the "luck events" you identified in question one into their appropriate quadrant based on how your church and how you responded to them. Which quadrant has the most events? What does that tell you about your church and/or yourself?

Q: Talk about the most recent "luck event" you have experienced in light of the above quadrant. What can you learn form that experience?

3. In the chapter summary, Collins makes the bold statement that ROL (return on luck) might be even more important than ROA (return on assets), ROE (return on equity), ROS (return on sales), or ROI (return on investment).

Q: If that is true for a business, than how should be respond to every divine encounter (positive or negative) we experience?

4. Luck is not a strategy, but getting a positive return on luck is. They suggest four things that we can do to better manage the "luck events" we encounter:
   (1) Learn to zoom out to recognize luck when it happens—in other words, don't miss seeing the forest because of all the trees.
   (2) Be wise enough to know when and when not to let "luck" disrupt your plans—this is where we have an advantage over companies, we have the Holy Spirit and prayer.
   (3) Be prepared to endure an inevitable spate of bad luck—remember the strategies for dealing with black swan events?
   (4) Learn to create a positive return on luck—both bad and good. Learn to make lemonade out of lemons and learn to take FULL advantage of divine encounters.

   Q: As you think about this whole idea of "luck events" / divine encounters as it relates to thriving in times of chaos and change, consider the life of the following individuals. How did they respond to "luck events"?
   - *Joseph the son of Jacob*
   - *Moses*
   - *Sampson*
   - *Paul*
   - *You*

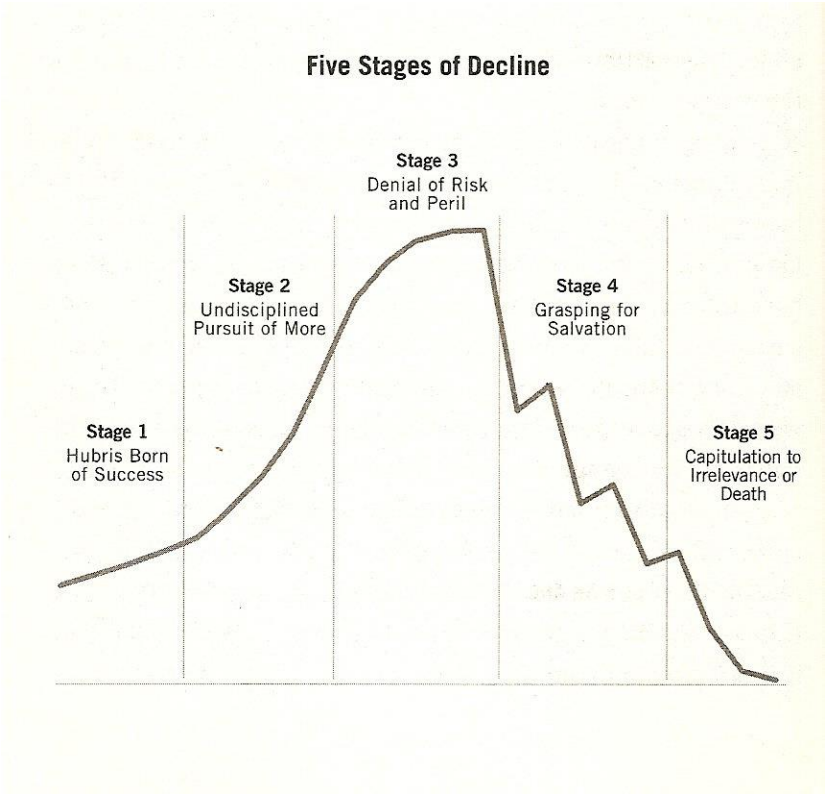
How the Mighty Fall

Collins states that the purpose of the book is to offer a research-grounded perspective of how decline can happen, even to those that appear invincible, so that leaders might have a better chance of avoiding their tragic fate. One of the unfortunate realities of their findings is that institutional decline is like a staged disease (i.e. cancer): it is harder to detect but easier to cure in the early stages, and easier to detect but harder to cure in the later stages. Their principal effort focused on the two-part question, What happened leading up to the point at which decline became visible and what did the company do once it began to fall?

<u>Five Stages of Decline</u>

They provide impetus for this project by asserting two points:
- We do ourselves a disservice by studying only success and
- If we were to have a roadmap of decline in hand, institutions heading downhill might be able to apply the brakes early enough to reverse course.

Here is a graphic picturing the roadmap they discovered:



Stage 1: Hubris Born of Success—It happens when people arrogantly believe that they will always have success and when they lose sight of the true underlying factors that created success in the first place.

Stage 2: Undisciplined Pursuit of More—This happens when an organization grows beyond its ability to fill its key seats with the right people, it has set itself up for a fall.

Stage 3: Denial of Risk and Peril—Leaders discount negative data, amplify positive data, and put a positive spin on ambiguous data. Those in power start to blame external factors for setbacks rather than accept responsibility. They add fuel to the fire by taking significant risks and acting in ways that deny the consequences of those risks.

Stage 4: Grasping for Salvation—At this stage the organization is facing a sharp decline visible to all. Leadership can respond in two very different ways: getting back to the disciplines that brought greatness or by groping for silver bullets.

Stage 5: Capitulation to Irrelevance or Death—This happens when the accumulated setbacks erode financial strength and leaders begin to abandon all hope of building a great future.

One of the key findings is that organizational decline is largely self-inflicted, and recovery largely within the organization's own control. Another reality they discovered is that organizations are like families—at least according to Tolstoy's opening line of *Anna Karenina:* "All happy families are alike; each unhappy family is unhappy in its own way." Collins points out that there are more ways to fall than to become great. Assembling a data-driven framework of decline proved harder than constructing a data-driven framework of ascent. He adds that the five stage framework above is not *the* definitive framework of corporate decline—companies clearly can fall without following this framework from factors like fraud, catastrophic bad luck, scandal, and so forth (pgs 20-25).

Q: Have you ever been a member of a church that was once great and then saw significant decline? As you read the description of the five stages above, can you think of correlations to your experience?

Stage 1: Hubris Born of Success

1. The book introduces one of the few corporate illustrations I will use with the following statements: "The best leaders we've researched remain students of their work, relentlessly asking questions—why, why, why?—and have an incurable compulsion to vacuum the brains of people they meet. To be a 'knowing person' (someone who believes they know everything about why things work, and are quick to tell you) differs fundamentally from a 'learning person.' The former can set a church on decline in two ways. First, they can become dogmatic about their specific practices and are not open to discussion. Second, they can overreach, thinking 'We've been so successful that we can really go for the big bet, the huge growth, the gigantic leap to exciting new adventures.'" Then you hear the following example:

In the late 1950s, a small, unknown company had a Very Big Idea: "to bring discount retailing to rural and small town areas." It became one of the first companies to bet its future on this concept, and it built a substantial early lead by adopting everyday low prices for everything, not just specific lure-the-customer items. Its visionary leader created an ethos of partnership with his people, engineered sophisticated information systems, and cultivated a performance-driven culture, with store managers reviewing weekly scorecards at 5 a.m. every Monday morning. Not only did the company decimate Main Street stores in small towns, but it also learned how to beat its primary competitor, Kmart, in head-to-head competition. Every dollar invested in its stock at the start of 1970 and held through 1985 grew more than six thousand percent.

So, what is the company? If you answered Wal-Mart, good guess, But wrong. The answer is Ames Department Stores. So where is Ames today? Ames is gone, while Wal-Mart, who used the same basic model, is #1 on the Fortune 500 list. As they researched the answer to the critical question, What made the difference? one significant answer they found was Walton's deep humility and lifelong learning orientation. He didn't develop hubris born of success (pgs. 39-41).

Q: Would those who know you describe your leadership style as a "knowing person" or a "learning person"?

Q: How does this area of your leadership style impact your church?

2. As they wrap up a discussion of each stage they provide a summary identifying markers specific to that stage along with the following disclaimer: Not every marker shows up in every case of decline, and the presence of a marker does not necessarily mean that you have a disease, but it does indicate an increased possibility that you're in that stage of decline. You can use these markers as a self-diagnostic checklist.

- *Success Entitlement, Arrogance*: success is viewed as "deserved," rather than fortuitous, fleeting, or even hard earned. In the face of daunting odds, people begin to believe that success will continue almost no matter what the organization decides to do, or not to do.
- *Neglect of a Primary Flywheel*: Distracted by extraneous threats, adventures, and opportunities, leaders neglect a primary flywheel, failing to renew it with the same creative intensity that made it great in the first place.
- *"What" Replaces "Why"*: The rhetoric of success (We're successful because we do these specific things.) replaces understanding and insight (We're successful because we understand *why* we do these specific things and under what conditions they would no longer work.).
- *Decline in Learning Orientation*: Leaders lose the inquisitiveness and learning orientation that mark those truly great individuals who, no matter how successful they become, maintain a learning curve as steep as when they first began their careers.
- *Discounting the Role of Luck*: Instead of acknowledging that luck and fortuitous events might have played a helpful role, people begin to presume that success is due entirely to the superior qualities of the enterprise and its leadership (pgs. 43-44).

Q: Have you ever known a church that would fit well into Stage 1? How is that church doing today?

Q: Think about the church in Ephesus described in Revelation 2. How would the statement that they had lost their first love be descriptive of a church in Stage 1?

<u>Stage 2: Undisciplined Pursuit of More</u>

- *Unsustainable Quest for Growth, Confusing Big with Great*: Success creates pressure for more growth, setting up a vicious cycle of expectations, this strains people, the culture, and systems to the breaking point; unable to deliver consistent tactical excellence, the institution frays at the edges.
- *Undisciplined Discontinuous Leaps*: The enterprise makes dramatic moves that fail at least one of he following three tests: 1) Do they ignite passion and fit with the company's core values? 2) Can the organization be the best in the world at these activities or in these arenas? 3) Will these activities help drive the organization's economic or resource engine? [For the church I would ask, Did God clearly led us to this activity and is He providing "the increase" through it?]
- *Declining Proportion of Right People in Key Seats*: There is a declining proportion of right-people in key seats, because of losing the right people and/or growing beyond the organization's ability to get enough people to execute with excellence.
- *Easy Cash Erodes Cost Discipline*: The organization responds to increasing costs by increasing prices and revenues rather than increasing discipline. [For the church I would ask, Did your budget/expenditures during a time of growth outpace your discipline to do the right things the right way for the right reasons and now you're facing budget shortfalls and cash flow problems?
- *Bureaucracy Subverts Discipline*: A system of bureaucratic rules subverts the ethic of freedom and responsibility that marks a culture of discipline; people increasingly think in terms of "doing their job" rather than "fulfilling their responsibilities." [For a church I would

ask, Have your policies gotten so cumbersome that it is impossible for anyone (including the pastor) to make an "on the spot, necessary" exception to the rule? I would also ask, "Is your decision making process so time consuming that it is impossible for anyone (including the pastor) to make a decision in a timely manner?]

- *Problematic Succession of Power*: The organization experiences leadership-transition difficulties, be they in the form of poor succession planning, failure to groom excellent leaders from within, political turmoil, bad luck, or an unwise selection of successors.
- *Personal Interests Placed above Organizational Interests*: People in power allocate more for themselves or their constituents—more money, more privileges, more fame, more of the spoils of success—seeking to capitalize as much as possible in the short term, rather than investing primarily in building for greatness decades into the future (pgs. 63-64).

Q: Have you ever known a church that would fit well into Stage 2? How is that church doing today?

Q: Back to the seven churches in Revelation. Discuss how the unwillingness of the churches in Pergamum and Thyatira's to confront heresies have been caused by an undisciplined pursuit of more?

Stage 3: Denial of Risk and Peril

- *Amplify the Positive, Discount the Negative:* There is a tendency to discount or explain away negative data rather than presume that something is wrong with the company, leaders highlight and amplify external praise and publicity.
- *Big Bets and Bold Goals without Empirical Validation:* Leaders set audacious goals and/or make the big bets that aren't based on accumulated experience, or worse, that fly in the face of the facts.
- *Incurring Huge Downside Risk Based on Ambiguous Data:* When faced with ambiguous data and decisions that have a potentially severe or catastrophic downside, leaders take a positive view of the data and run the risk of blowing a hole "below the waterline."
- *Erosion of Healthy Team Dynamics:* There is a marked decline in the quality and amount of dialogue and debate; there is a shift toward either consensus or dictatorial management rather than a process of argument and disagreement followed by unified commitment to decisions.
- *Externalizing Blame:* Rather than accept full responsibility for setbacks and failures, leaders point to external factors of other people to affix blame. [Remember the Mirror/Window analogy of a Level 5 Leader discussed on page 3?]
- *Obsessive Reorganizations:* Rather than confront the brutal realities, the enterprise chronically reorganizes, people are increasingly preoccupied with internal politics rather than external conditions. [The same dynamic can result when churches/denominations combine to form a new entity.]
- *Arrogant Detachment:* Those in power become more imperious, arrogant, domineering, and detached; symbols and perks of executive-class status amplify detachment (pgs. 81-82). [Yes, this does appear in our world. It appears when authority and responsibility are not kept in check by accountability.]

Q: Have you ever known a church that would fit well into Stage 3? How is that church doing today?

Q: Reflect on the statement in Revelation 3:1 that the church in Sardis had a reputation for being "alive" but they were "dead." How would that description fit into a church in Stage 3?

Stage 4: Grasping for Salvation

- *A Series of Silver Bullets:* There is a tendency to make dramatic, big moves, such as a discontinuous leap into a new strategy or an exciting innovation, in an attempt to quickly catalyze a breakthrough—and then to do it again and again, lurching about from program to program, goal to goal, strategy to strategy, in a pattern of chronic inconsistency.
- *Grasping for a Leader-as-Savior*: The board responds to threats and setbacks by searching for a charismatic leader and/or outside savior.
- *Panic and Haste*: Instead of being calm, deliberate, and disciplined, people exhibit hasty, reactive behavior, bordering on panic.
- *Radical Change and "Revolution" with Fanfare*: The language of "revolution" and "radical" change characterizes the new era: New programs! New Cultures! New Strategies! Leaders engage in hoopla, spending a lot of energy trying to align and "motivate" people, engaging in buzzwords and taglines.
- *Hype Precedes Results*: Instead of setting expectations low—underscoring the duration and difficulty of the turnaround—leaders hype their visions; they "sell the future" to compensate for the lack of current results, initiating a pattern of overpromising and under delivering.
- *Initial Upswing Followed by Disappointments*: There is an initial burst of positive results, but they do not last; dashed hope follows dashed hope; the organization achieves no buildup, no cumulative momentum.
- *Confusion and Cynicism*: People cannot easily articulate what the organization stands for; core values have eroded to the point of irrelevance; the organization has become "just another place to work," a place to get a paycheck; people lose faith in their ability to triumph and prevail, instead of passionately believing in the organization's core values and purpose, people become distrustful, regarding visions and values as little more than PR and rhetoric.
- *Chronic Restructuring and Erosion of Financial Strength*: Each failed initiative drains resources; cash flow and financial liquidity begin to decline; the organization undergoes multiple restructurings; options narrow and strategic decisions are increasingly dictated by circumstance (pgs 100-101).

Q: Have you ever known a church that would fit well into Stage 4? How is that church doing today?

Q: The church in Laodicea was described as "neither hot nor cold." Because they were neither, Revelation 3:16 declared, "Because you are lukewarm, and neither hot nor cold, I will spew you out of My mouth." How would that description fit the description of a church in Stage 4?

Stage 5: Capitulation to Irrelevance or Death

Collins states, "We found two basic versions of Stage 5. In the first, those in power come to believe that capitulation offers a better overall outcome than continuing to fight. In the second, those in power continue to struggle, but they run out of options, and the enterprise either dies outright or shrinks into utter irrelevance compared to its previous grandeur" (pg. 105).

They posed a great question that every organization (especially in the church world) should ask, "What would be lost, and how would the world be worse off, if we ceased to exist?" He suggests that "if you cannot marshal a compelling answer to the question, then perhaps capitulation is the wise path (pg. 111).

Q: Have you ever known a church that would fit well into Stage 5? How is that church doing today?

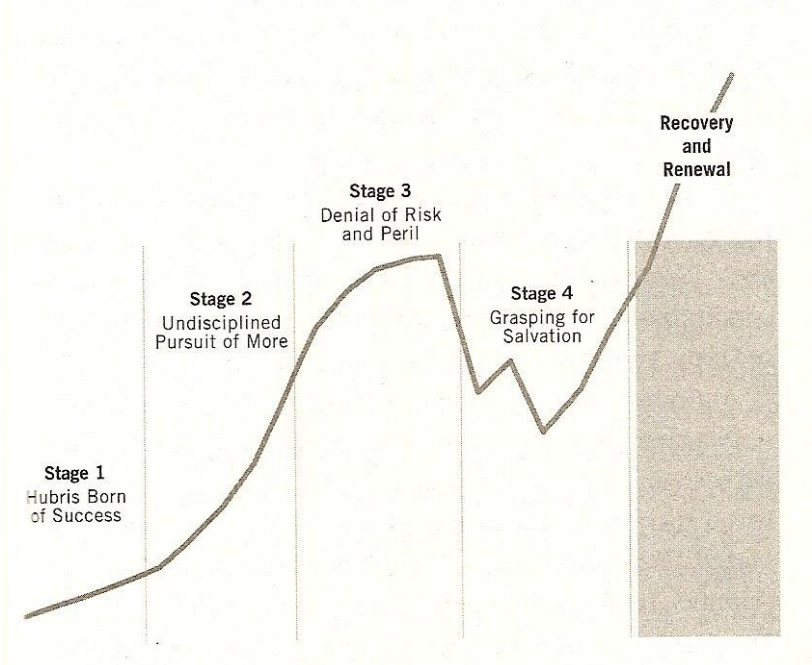
Q: As you reflect on the various descriptions above, what stage might best fit where your church is today?

Well-Founded Hope

My prayer is that your answer to my previous question was "none" and that you are on a genuine growth trend or on the path to recovery—both on the personal level and in your church. In fact, my prayer is that you will continue to grow in your leadership skills with a critical awareness of two facts:

- The most difficult and challenging person you will ever lead is yourself. How many times did Collins use the word "discipline" as he described the qualities of great leaders and great organizations?
- As pastors, we have a great calling for which we also have a great accountability. The writer of Hebrews reminds us that leaders are "those who will give an account" (13:17).

Collins concludes the book by talking about the path to recovery and states that it lies first and foremost in returning to sound leadership practices and rigorous strategic thinking…lack of leadership discipline correlates with decline, and passionate adherence to leadership discipline correlates with recover and ascent (pgs. 117-118). He provides the graphic on the right to picture the path of recovery:



I close not with a question, but with the offer of a simple resource: the church lifecycle. If you're not familiar with it, I would love to share the concepts and offer a very simple "Life Cycle Analysis" piece that will help you identify where your church is on the lifecycle. One of the exciting realities about lifecycle is that organizations (churches) differ in one significant way from individuals: we as individuals get one—an organization *can* have multiple.

In closing I would simply ask if you have found any typos, have any suggestions for additional process questions, or have any feedback (negative or positive) about this piece , let me know.

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