

The Book Every Hospitality Manager Should Read

Once in a great while a book comes along that is so timely, relevant, and important that it should be read by all business leaders. One such book is Jim Collins' *Good to Great – Why Some Companies Make the Leap . . . and Others Don't*. This book, first published in 2001, became a massive best-seller (selling over 4 million copies), has been translated in 35 languages, and continues to sell briskly to business leaders around the world. What makes the book so unique is that its findings are based on solid research, analysis, and empirical findings, not management theory and anecdotal evidence.

The book examines what 11 Fortune 500 companies did that made them so successful on a sustained basis compared to similar competitors (the comparison companies). The insights gained from this book are just as applicable to enterprises of any size and any industry. Stressing this point, Collins says, "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."

In the process of the good-to-great research, the author and his research team from Stanford University's graduate business school, identified seven primary concepts that were identified 100% of the time in the good-to-great companies, but less than 30% of the time in the comparison companies. These seven concepts are:

1. **Level 5 Leadership.** "Every good-to-great company had Level 5 Leadership during the pivotal transition years. 'Level 5' refers to a five-level hierarchy of executive capabilities, with Level 5 at the top. Level 5 leaders embody a paradoxical mix of personal humility and professional will. They are ambitious, to be sure, but ambitious first and foremost for the company, not themselves. They are fanatically driven, infected with an incurable need to produce sustained results. They display workmanlike diligence – more plow horse than show horse."
2. **First Who . . . Then What.** "The good-to-great leaders began the transformation by first getting the right people on the bus (and the wrong people off the bus) and then figured out where to drive it. The key point is that 'who' questions come before 'what' decisions – before vision, before strategy, before organization structure, before tactics. First who, then what – as a rigorous discipline, consistently applied."
3. **Confront the Brutal Facts (Yet Never Lose Faith).** "All good-to-great companies began the process of finding a path to greatness by confronting the brutal facts or their current reality. When you start with an honest and diligent effort to determine the truth of your situation, the right decisions often become self-evident. It is impossible to make good decisions without infusing the entire process with an honest confrontation of the brutal facts. A key psychology for leading from good to great is the Stockdale Paradox: Retain absolute faith that you can and 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."
4. **The Hedgehog Concept (Simplicity with the Three Circles).** "To go from good to great requires a deep understanding of three intersecting circles translated into a simple, crystalline concept (the Hedgehog Concept). The key is to understand what your organization can be the best in the world at, and equally important what it cannot be the best at – not what it 'wants' to be the best at. The Hedgehog Concept is not a goal, strategy, or intention; it is an understanding."

5. **A Culture of Discipline.** “Sustained results depend upon building a culture full of self-disciplined people who take disciplined action, fanatically consistent with the three circles. A culture of discipline involves a duality. On the one hand, it requires people who adhere to a consistent system; yet, on the other hand, it gives people freedom and responsibility within the framework of that system. A culture of discipline is not just about action. It is about getting disciplined people who engage in disciplined thought and who then take disciplined action.”
6. **Technology Accelerators.** “Good to great companies avoid technology fads and bandwagons, yet they become pioneers in the application of carefully selected technologies. The key question about any technology is: Does the technology fit directly with your Hedgehog Concept? If yes, then you need to become a pioneer in the application of that technology. If no, then you can settle for parity or ignore it entirely. The good-to-great companies used technology as an accelerator of momentum, not a creator of it.”
7. **The Flywheel and the Doom Loop.** “Sustainable transformations follow a predictable pattern of buildup and breakthrough. Like pushing on a giant, heavy flywheel, it takes a lot of effort to get the thing moving at all, but with persistent pushing in a consistent direction over a long period of time, the flywheel builds momentum, eventually hitting a point of breakthrough. The comparison companies followed a different pattern, the doom loop. Rather than accumulating momentum – turn by turn of the flywheel – they tried to skip buildup and jump immediately to breakthrough. Then, with disappointing results, they’d lurch back and forth, failing to maintain consistent direction.”

Stressing the importance of these primary concepts, Collins says his book is not about the economy, nor is it about the companies identified as good to great, “It is about one thing: the timeless principles of good to great. It’s about how you take a good organization and turn it into one that produces sustained great results.”

The research produced insights that run counter to conventional wisdom, but again these are based on empirical evidence. Examples include:

- “Level 5 leaders display a compelling modesty, are self-effacing and understated. In contrast, two thirds of the comparison companies had leaders with gargantuan personal egos that contributed to the demise or continued mediocrity of the company.”
- “The comparison companies frequently followed the ‘genius with a thousand helpers’ model – a genius leader who sets a vision and then enlists a crew of highly capable ‘helpers’ to make the vision happen. This model fails when the genius departs.”
- “Whether someone is the ‘right person’ has more to do with character traits and innate capabilities than with specific knowledge, background, or skills.”
- “Spending time and energy trying to ‘motivate’ people is a waste of effort. The real question is not, ‘How do we motivate our people?’ If you have the right people, they will be self-motivated. They key is to not de-motivate them. One of the primary ways to de-motivate people is to ignore the brutal facts of reality.”
- “The good-to-great companies are more like hedgehogs – simple, dowdy creatures that know ‘one big thing’ and stick to it. The comparison companies are more like foxes – crafty, cunning creatures that know many things yet lack consistency.”

- “You absolutely do not need to be in a great industry to produce sustained great results. No matter how bad the industry, every good-to-great company figured out how to produce truly superior results.”
- “The good-to-great leaders spent essentially no energy trying to ‘create alignment,’ ‘motivate the troops,’ or ‘manage change.’ Under the right conditions, the problems of commitment, alignment, motivation, and change largely take care of themselves. Alignment principally follows from results and momentum, not the other way around.”

I cannot recommend this book enough! If you are trying to lead a hospitality organization to quality and service, even greatness, do yourself a favor and read this book. It’s an interesting, informative, thought-provoking, and enjoyable read. Get your entire management team to read it, confront the brutal facts of your operation, and then set a course to greatness.

The book is [*Good to Great – Why Some Companies Make the Leap . . . and Others Don’t*](#), Harper Business, New York, NY, 2001.

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