Cryptarithmetic questions and answers for elitmus

In an in-depth interview, we asked Collins about the impact of his research and ideas on the economy, the stock market, and the nature of executive management management. The good-to-great companies you've written about all about have achieved amazing stock market results in 15 years. But today, the stock market is down. Does it mean we won't see good company today? First, I want to right a big misunderstanding. The stock market is not down. How does the stock market look compared to 1985? The stock market is not down. How do you go against 1990? The stock market is not down. The market was unseasonably off the beaten path - we didn't have a stock market. We had a speculative casino. The tech bubble hasn't been a new economy, and it's been going deeper for years. But the grim fact is that the company that was at the top of the tech bubble had no consequences. You can't make zero profits and claim that you have consequences. For companies that had good results before the bubble burst, they're now in a down period, but so what? The bottom line for a company like Cisco is that they don't yet know the answer. These companies can be in a very difficult period of six to 12 months. I'll use an analogy. Let's say you have a great basketball dynasty like the UCLA Bruins under John Wood. This is a team that will win 10 NCAA championships in 12 years. They have moved from a good team to a good team. In 1970, however, it was awarded three in a year. Does that mean we write them and say they're not a great team? We'll see through a longer period of time. The same is true for companies caught in a bubble. It was too short a period. It will take more time to tell which companies in trouble right now will have the resilience to simply go through a momentary period and return. For many businesses, however, the current downturn is a sign of the collapse of the new economy. This is one of the most wonderful times in history. Two or three years ago, what were the main complaints we heard? It's so hard to get a good person! Crying, crying, crying! Today, we have had the greatest opportunity in decades to hang not busloads but boatloads of great people. And great companies always start with who starts, what not. We can finally get to the right side of the Packard Act. Packard's law is like the law of physics for great corporations. They say that if revenue growth can exceed growth in sustainable ways to get the right people, no company can be great or stay in good condition. It is one of those timeless truths that transcends technology and economy. Now you can accumulate people instead of accumulating capital. If I were running a company today, I'd have one priority above all else: recruiting as many of the best talent as I could. R&D — to fill the bus. Because things will come back. The flywheel will start spinning. And the biggest constraints on growth and the success of organizations are not markets, they are not technology, they are not opportunities, they are not stock markets. If you want to be a good company, the biggest limit to your ability to grow is the ability to get enough of the right people. This is also a great time to look back on yourself. When you violate Packard's law, you'll probably see a lot of wrong people on the bus. This is a great time to get them. In fact, it's a little easier to do that now. We can blame it on the situation. What else can we do to take advantage of this during the revaluation? This is also a great time to ask yourself some really hard questions. In an age of non-social prosperity that will give you money whether you pass on, many companies have not answered the question of three circles (can we be the best in the world? what is the economic synonym that best drives our economic engine? and what are our core people deeply passionate about?). They had no concept to do better than any other company in the sustainable world, they had no profit share, and the only thing they were passionate about was flipping the company. Now we can no longer live in that fantasy land. We need to take a hard look at everything we're doing and put it all into a three-circle test. Everything that fails the test we have to stop today. I see a lot of companies that find themselves with a lot of capital. So they wandered in all sorts of acquisitions or new ventures or new directions. But they didn't necessarily fit into the three circles. Today, the mission is for them to plum away. Those who clarify the three circles will come out of this well. People who don't deserve to die. CeOs today have little time to prove their worth. What advice will you give your CEO in the hot seat? If I'm a CEO in the hot seat acquiring a company that wanted to move from good to great, here's what I do. I will take a good stock chart, and I will put it in front of my director. We're on the left side of this curve. We want to be on the right side of the curve. Right? If that's what we all want, we know what it takes to get it. You can't keep hiding from CEO to CEO. If we do, we'll find ourselves in a doom loop, and we'll end up not as one of the great companies, but as one of the comparison companies. I don't think every director is stupid. Most of them are intelligent, but they are operating out of ignorance rather than a lack of good intentions. We need to hit them over the head with empirical results. Our mission is to beat the market in a sustainable way over time. We need to think about the share price for five years. And that's what we need to do. The things that flywheels take to get the turn. Finally, if I'm CEO, I want the board to give me the following certainty: My term as CEO may be long or short, and whoever you choose as my successor you need to pick that flywheel in the middle and keep pushing in a consistent direction. Only the flywheel can be rotated at 16 RpMs. But my successor has to take it to 100 RPM. His successor must take in 500 RPM and his successor is 1,000 RM. It's not about me as CEO, it's about my commitment to a coherent program. We're not going to do a doom loop. Is that an accident? Or is it a cause and effect? I think it's more a matter of cause and effect than an accident. There is something directly related between the absence of celebrities and the presence of good results. For what? First, when there are celebrities, the company turns into one genius with 1,000 helpers. It all really makes sense for the CEO. And it leads to all sorts of problems - if a person leaves or a person eventually turns out not to be a genius. On a deeper level, we found that for leaders to create something great, their ambitions must be not for their own, but for the greatness of work and company. That doesn't mean you don't have any ego. That doesn't mean they don't have any self-needs. This means that at a critical point in time when Choice A prefers pride and Choice B prefers the company and its work after the decision point, its leaders are more likely to choose choice B. Celebrity CEO at the same decision point to favor the ego and the ego for the company and the workplace. Like anonymous CEOs, most companies that have morphed from good to great are unannounced. What does this tell us? The truth is, most people don't work on the most attractive things in the world. They're doing real things - which means most of the time they're doing a lot of drudgery with just a few points of excitement. Some people are putting out baked bread. Some are building retail stores. The real work of the economy is done by people making cars selling real estate that run grocery stores and banks. So one of the big results of this study is that you can be in good company and do it in steel, in pharmacies, at grocery stores. It's simply that if you're not in Silicon Valley, if you're not cool. It doesn't matter where you are. Therefore, no one has the right to take any other course again for a company, industry, or the kind of business they are in. Have 11 companies benefited from anonymity? One of the great things these companies had was that no one cared! Kroger began the transition. Nucor has started the transition. No one expected much. They can underestimate the promise and In fact, if I took over the company and tried to move from good to big, I would tell the vice president of communications that his job was to make the whole world think we were constantly on the verge of doom. During the course of our research, we actually printed the nokser of the CEO presentation to analysts by good companies and comparison companies. We read all of that. And it stands out. Good people always talk about the challenges they face, the programs they build, the things they care about. You go to a comparison company, they are constantly hyping themselves, and selling the future - but they never deliver results. If I'm not CEO, how do good lessons apply to me? A good concept applies to all situations as long as you can choose the people around you. That's what matters. But fundamentally, we really do - we have a lot of discretion over the people in our lives, the people we decide to put on the bus, at work, or in our personal lives. But the basic message is this: build your own flywheel. You can do it. You can build momentum from something you're responsible for. Build great departments. You can build a great church community. You can take every one of the good-to-good ideas and apply them to your own work or your own life. What has your research generally taught you about changes in business? Is it essentially a message back to basics? Very rarely when significant changes lead to results in a sustainable way. That's one of the really important results of the book. We started with 1,435 companies. And 11 companies did it. Let's look at that for a moment. In fact, it does not happen very often. Why not? Because we don't know what the hell we're doing! And we start with all sorts of things that don't produce results because we don't know what we're doing. We end up like a group of caveman dancing around a bonfire singing the moon. What I feel strongly about is that we need science to understand what we really need to change things. Is it back to basics? No, I understand. Why does it go back to basics when a CEO says he needs to be ambitious for the company, not himself? Why go back to the basics first and then people are asking questions the second time? Whether the company has been sucked in for 100 years, what are the brutal facts we have to face? Why go back to basics where stop lists say they are more important than to-do lists? And when did it change to say that technology is just an accelerator and not what creator? I don't think the concept is back to basics. Because if they are, we need to be able to go back in time and discover that people used the idea. People didn't -- which That's why there are only 11 out of 1,435, so, no, it doesn't come back to basics. It's cold in understanding. What is your assessment of the new economy? We've seen a lot of change, we've seen a lot of backlash against change. How do you understand all this? The tremendous changes that are taking place around us are the most exciting times in history. It's really fun. All these changes - technology, globalization - are brutal facts that they have to incorporate into every decision we make. The people of Walgreens didn't ignore the internet because they only focus on the basic. They face the brutal fact of the internet, and then, how does it fit into our three circles, and how can we use it to spin our flywheels faster? You don't ignore change - you strike head-on as a cruel fact, or you come to them with a great sense of light and excitement. These changes open the way for these new technologies to become better companies as a company. All companies for good companies use to their advantage to bring about change, often with great luster. When a new piano came in, Mozart didn't hang up the music. He didn't say, there's this new piano! Harpsichord is washed away as a composer because it's off the road! He thought, this is so cool! I can do it aloud with piano forte! This is really neat! He maintained the discipline of writing great music, and at the same time brought great light and excitement to the invention of the piano. With all the changes around us, we need to be like Mozart. We maintain great discipline for our music, but at the same time, we embrace the things we can do to make music bigger. Alan M. Weber (awebber@fastcompany.com) is the founding editor of Fast Company. Jim Collins (jimcollins@aol.com wrote an essay built to flip in the March 2000 issue of Fast Company. His new book, Good: Why Some Businesses Take the Leap... And others don't, and will be available in October. Oct.