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UNCERTAINTY, CHAOS, AND LUCK-WHY SOME THRIVE DESPITE THEM ALL

GREAT BY CHICKE

Jim Collins 4 MILLION COPIES SOLD

Morten T. Hansen

Free Book Summaries. Created for Church Leaders.



Great by Choice | *Jim Collins*

Great by Choice: Uncertainty, Chaos, and Luck – Why Some Survive Despite Them All Harper Business: New York, 2011. 304 pages.

Ten years after the worldwide bestseller Good to Great, Jim Collins returns with another groundbreaking work, this time to ask:

Why do some companies thrive in uncertainty, even chaos, and others do not?

With a team of more than twenty researchers, Collins and his colleague Morten Hansen studied companies that rose to greatness. These companies beat their industry indexes by a minimum of ten times over fifteen years in environments characterized by big forces and rapid shifts that leaders could not predict or control. The research then contrasted these "10X companies" to a carefully selected set of comparison companies that failed to achieve greatness in similarly extreme environments.

What is a 10Xer?

Weaving the story of South Pole explorers Roald Amundsen and Robert F. Scott throughout the narrative, and juxtaposing them with current CEOs, Collins and Hansen paint a vivid picture of what 10X organizations (and their leaders) look like:

- Fanatic discipline: 10Xers display an extreme consistency of action that stems from defined values, goals, performance standards, and methods. They are utterly relentless, monomaniacal, and unbending in their focus on their quests.
- Empirical creativity: when faced with uncertainty, 10Xers do not look primarily to other people, conventional wisdom, authority figures, or peers for direction; they look primarily to empirical evidence. They rely upon direct observation, practical experimentation, and direct engagement with tangible evidence. They make their bold, creative moves from a sound empirical base.
- Productive paranoia: 10Xers maintain hypervigilance, staying highly attuned to threats and changes in their environment, even when especially when all's going well. They assume conditions will turn against them, at perhaps the worst possible moment. They channel their fear and worry into action. They prepare, develop contingency plans, build buffers, and maintain large margins of safety.

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Great by Choice | Jim Collins (cont'd)

The first of these is illustrated by the term "20 Mile March." This requires hitting specified performance marks with great consistency over a long period of time. It requires two distinct types of discomfort, delivering high performance in difficult times and holding back in good times.

A good 20 Mile March has the following seven characteristics:

- Clear performance markers, challenging but not impossible to achieve
- Self-imposed constraints, providing limits "not to exceed"
- Actions tailored to the specific environment and action
- · Costs and liabilities covered by the organization's internal assets
- A proper timeframe long enough to manage; yet short enough to have teeth
- Designed and self-imposed vision, not blindly copied from others
- Objectives achieved with high consistency good intentions don't count

By adhering to a 20 Mile March no matter what challenges and unexpected shocks you encounter, you prove to yourself and your enterprise that performance is not determined by your conditions but largely by your own actions.

The 20 Mile March helps you exert self-control in an out-of-control environment.

The second success principle of 10Xers could come out of the latest "Pirates of the Caribbean" movie: Fire bullets, then cannonballs. Here is a summary of what Collins and Hansen said about this principle:

A "fire bullets, then cannonballs" approach better explains the success of 10X companies than big leap innovations and predictive genius. A bullet is a low-cost, low risk, and low distraction test or experiment. 10Xers use bullets to empirically validate what will actually work. The 10X cases fired a significant number of bullets that never hit anything because they didn't know ahead of time which bullets would hit or be successful. Based on that empirical validation, they then concentrated their resources to fire a cannonball, enabling large returns from concentrated bets.

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.
- An uncalibrated cannonball means placing a big bet without empirical validation.



Great by Choice | *Jim Collins (cont'd)*

Uncalibrated cannonballs can lead to calamity. The companies researched paid a huge price when big, disruptive events coincided with their firing uncalibrated cannonballs, leaving them exposed. 10Xers periodically made the mistake of firing an uncalibrated cannonball, but they tended to self-correct quickly. The comparison cases, in contrast, were more likely to try to fix their mistakes by firing yet another uncalibrated cannonball, compounding their problems.

Failure to fire cannonballs, once calibrated, leads to mediocre results. The idea is not to choose between bullets or cannonballs, but to fire bullets first, and then fire cannonballs.

The difficult task is to marry relentless discipline with creativity, neither letting discipline inhibit creativity, nor letting creativity erode discipline.

The third success principle in a 10Xer is **Leading Above the Death Line**. The authors use a real story (two different climbing teams' assault on Mt. Everest in 1996; one succeeded, one had a tragic ending) to illustrate the concept of *productive paranoia*.

10Xers understand that they cannot reliably and consistently predict future events, so they prepare obsessively - ahead of time, all the time – for what they cannot possibly predict. They assume that a series of bad events can hit them in quick succession, unexpectedly, at any time.

It's what you do before the storm hits – the decisions and disciplines and buffers and shock absorbers already in place – that matters most in determining whether your enterprise pulls ahead, falls behind, or dies when the storm hits.

10Xers zoom out, and then zoom in. They focus on their objectives and sense changes in their environment; they push for perfect execution and adjust to changing conditions. When they sense danger, they immediately zoom out to consider how quickly a threat is approaching and whether it calls for a change in plans. Then they zoom in, refocusing their energies into executing objectives.

10X companies and leaders navigate chaotic times exceptionally well. They don't merely react; they **create**. They don't merely survive; they **prevail**. They don't merely succeed; they **thrive**. They build great enterprises that can endure.

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Other Recommended Resources:

- 1. Jenni Catron, Executive Director of Cross Point Church in Nashville, TN, finds that "Great by Choice" is another example of a grey leadership issue that we all wrestle with: How do you balance the tension of "the ambition to achieve with the self-control to hold back." Read her thoughts *here*.
- 2. In a keynote speech to the International City Council Management Association, Jim Collins uses thoughts from "Great by Choice" to deliver "12 Questions for Leadership Teams." Included in the questions are suggested readings from his work.
- 3. Eric Geiger, Vice President of the Church Resource Division at LifeWay, shows how utilizing the "bullets before cannonballs" metaphor will help your organization or church maintain its consistent focus and bring success without over-diversifying or "scattering" its mission. Read his comments *here*.



Go Ahead Actions for Vision Clarity

by Jim Randall, Chief Management Officer and Lead Navigator, Auxano

Vision Clarity Connection

I often say, "you cannot microwave church clarity." It does not come easy, fast, or cheap. Collins found this to be true of greatness as well. He found that 10X organizations and leaders had fanatic discipline, empirical creativity, and productive paranoia that led to their greatness. Greatness is not automatic and neither is vision clarity.

Church leaders often look for a short cut or a silver bullet to clarity and growth. Rarely is either found so easily. More often than not, they are byproducts of our obedience and God's favor (heavily weighted on the latter). As leaders we must embody discipline, patience, prayer, and focus to help us achieve new levels of clarity and growth. It takes work to be clear and it takes work to become great!

How to Go Ahead

Do you want to be a 10X leader? Here are several steps to get you going.

Fanatic discipline – Over the next thirty days make a commitment to:

- 1. Weave your mission statement into your weekly or monthly article/blog and your weekly message. There is no need for this to always be formal: vision dripping is just as powerful.
- 2. Start each staff meeting with a celebration story of missional success.

Empirical creativity – **Perform a first time guest survey**. Informally, interview first time guests as they depart the weekend services, check in at the welcome center, or in a follow-up phone call. Ask the following three questions and let them shape your future decisions.

G3 (top three questions for guests).

- 1. What influenced you the most to attend the church?
- 2. What did you like best about your guest experience?
- 3. How could we improve the first time guest experience?

Productive paranoia – **Stay ahead of the curve**. Many times, churches see bumps in attendance at Christmas, Easter, or at the start of school in the fall. At these times, the church's growth curve goes up and to the right! Unfortunately, for many churches, what goes up quickly comes down and a flat line or downward trend returns. 10X leaders will stay ahead of this curve by:

- 1. Launching a new service, venue, or site.
- 2. Starting new small groups or Bible studies.
- 3. Reaching out to the community in an impactful way.

Go ahead ... become a 10X leader!





More About Jim Randall

As Chief Management Officer and Lead Navigator for Auxano, Jim Randall has guided churches all over the country as a "vision strategist." After serving as the primary developer of ministries at a 2000 attendee church, Jim became one of the founding officers of Auxano in 2004.

Jim's expertise lies with developing ministries based upon clarified vision. He brings a breadth of leadership and church growth knowledge from his proficiency of coaching senior pastors and multiple church staffs in the vision arena, especially around organizational clarity, ministry alignment, and team synergy. Jim has demonstrated achievement as a strategic thinker with a unique ability to bring a group of people to a deep sense of personal ownership and passion.

His education includes a Master of Arts in Religious Education from Southwestern Baptist Theological Seminary and a B.S. in Religion from Liberty University. Jim lives in Merritt Island, FL with his wife, Jane and son, Jared.

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