

Premise – BE 2.0 is an upgrade to Beyond Entrepreneurship, first published in 1992. In this version Jim Collins reshapes **timeless insights** alongside **new perspectives** on how to turn your business into an Enduring Great Company. In B.E 2.0 you'll learn how to turn your company into the 2.0 version of itself, by focusing on your **leadership style, vision, strategy, innovation and tactical excellence**. Jim Collin stresses that **great vision without great people is irrelevant**. He also sets out a map that you can follow to create a great company. This map sets out 12 core principles **which make great companies tick**. To learn more about these principles you may also choose to read his other books, especially Built to Last, Good to Great and Great by Choice

Please forward this summary to friends / colleagues for their private educational purposes.

Obviously, I still recommend that you purchase and read it plus other seminal books I've summarised, including ...

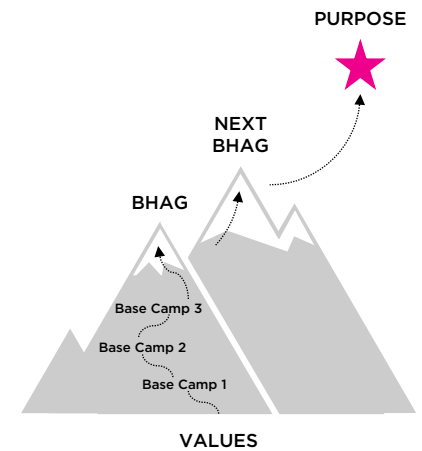
I'd love to hear what you found most valuable and/or intriguing about this summary

Happy reading,

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Think of your **Big Hairy Audacious Goal (BHAG)** as a big mountain to climb. Once you have clarified your core values and purpose, you set a BHAG, get the right people on the team, set a strategy. Then you break the climb down into base camps, which are 3 to 5 year targets that move you up the mountain. Then you set your top priorities for the coming year, the strategic imperatives you must accomplish along the way to your next base camp, you adjust and clarify your second base camp, then repeat for your third base camp, and so forth until you reach your BHAG. Then you set a new BHAG. Repeat, again and again, forever.



Great Vision Without Great People Is Irrelevant

If the first two decades of the twenty-first century have taught us anything, it's that uncertainty is chronic; instability is permanent; disruption is common; and we can neither predict nor govern events. There will be no "new normal"; there will only be a continuous series of "not normal" episodes, defying prediction and unforeseen by most of us until they happen.

You need the right people far more than you need the right business idea, especially since any specific business idea is likely to fail anyway. If you have people who are unsuited to anything except the specific idea or business strategy you have in mind, what happens when that idea fails and you need to move on to the next idea and the next one after that?

Without the right people, you simply cannot build a great company. To build a truly great company, you'll need to strive for having 90% of your key seats (on your bus) filled with the right people.

Remember, accomplishments in themselves bring little meaning or satisfaction, but the pursuit of accomplishments arm in arm with the right people can produce tremendous satisfaction. If you are lucky enough to excel at meaningful work you enjoy you're very fortunate. But if you do meaningful work you enjoy with people you love, you've truly won the lottery.

Leadership Style

Effective corporate leadership consists of two parts: leadership function and leadership style. The number one function is covered in the next section. Style, specifically your style, as the top person is dealt with here.

If you are the top person, your style will set the tone for the organisation. It is a multiplier effect – for better or worse – the tone you set at the top affects the behaviour patterns of people throughout the company.

There are many effective styles. Cultivate your own style; don't try to be someone you are not or take on a style that doesn't fit. Although style is personal, there are certain **elements that are common among effective leaders**. They are:

- Authenticity** – Living the vision of the company by what you do (not just say). Be the role model of the culture you want to create.
- Decisiveness** – The ability to come to a decision, even in the absence of perfect information.
- Focus** – Create a short list of priorities and keep the list short (<=3). Spend the bulk of your time on your number one priority until it is complete.
- Personal Touch** – Leaders who build great companies are "hands on".
- Hard/Soft People Skills** – Hold people to incredibly high standards of performance (hard) yet go to great lengths to build people up – to make them feel good about themselves and what they are capable of doing.
- Communication** – Stimulate constant flow of information: up, down, sideways, group, individual, company-wide, written, oral, formal and informal.
- Ever Forward** (mentality) – Exhibit high energy, continuous improvement, optimism and tenacity.

Vision

The number one function (/responsibility) of a leader is to catalyse a clear and shared vision for the company and to secure commitment to and rigorous pursuit of that vision.

A good vision consists of:

Core Values and Beliefs

A system of guiding principles and tenets; a philosophy of business and life.

Principles that are not negotiable.

An extension of the personal core values and beliefs of the leaders of the organisation.

Purpose

The fundamental reason for the organisation's existence.

Grows out of core values.

Like a guiding star always working towards, but never fully attained.

Should serve to guide the company for 100 years.

Mission (aka BHAG)

A bold, compelling audacious goal.

Has a clear finish line and a specific time frame. Once completed, a new mission is set.

There are 4 types of mission: Targeting; Common Enemy; Role Model; Internal Transformation

Strategy

Strategy is simply the basic methodology you intend to apply to attain your company's current mission. "This is how we will achieve our mission." That, in a nutshell, is strategy.

There are **4 key principles to keep in mind when setting company strategy**:

- The strategy must descend directly from your mission
- The strategy must leverage off the strengths and unique capabilities of your company
- The strategy must be realistic, taking into account internal constraints and external factors
- The strategy should be set with the participation of those who are going to be on the line to make it happen

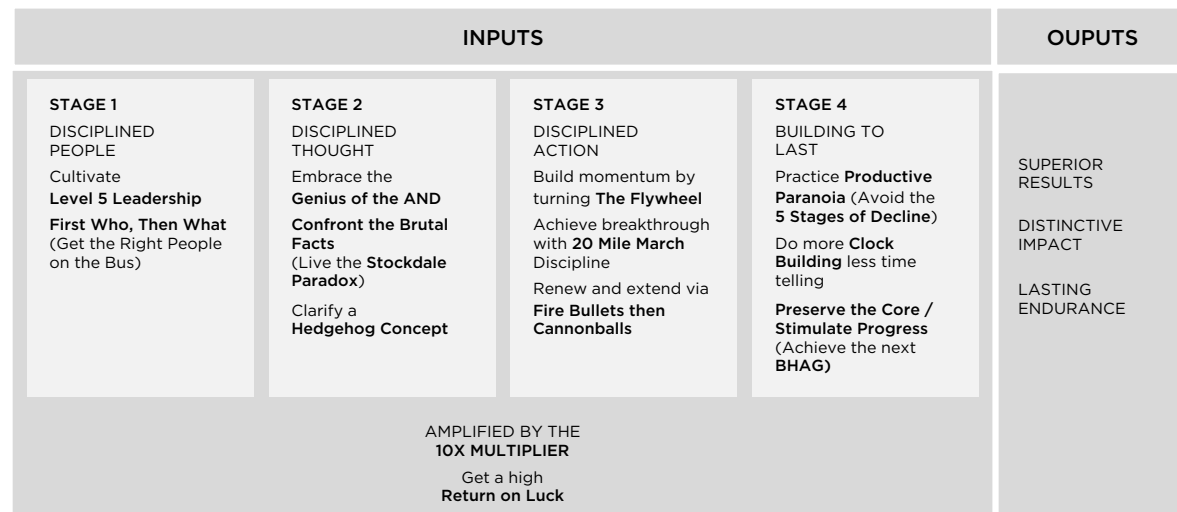
Sound strategic thinking boils down to having insightful, empirically validated **answers to 3 essential questions**:

- Where to place our big bets?** To ensure we concentrate our force, brilliantly directed into the best opportunities to achieve outstanding results
- How to protect our flanks?** In a dangerous, turbulent world full of threats and disruptions, you need to identify and protect against vulnerabilities that if exposed or exploited, could kill or cripple you.
- How to extend our victories?** The most significant results come not in seizing one moment, but in relentlessly making the most of successful bets.

What Makes Great Companies Tick

For more details on refer to Jim's other books: Good to Great; Built to Last; Great by Choice

The below Map, developed by Jim Collins, provides both a framework and path that leaders can follow to create a great company. The inputs define the path. The outputs define what a great company is, not how you get there.



Innovation

Most companies start with an innovative founder. The challenge is to become an innovative company, rather than a company dependent on an innovative founder.

The authors have identified **six basic elements of what it takes to be an innovative company**:

- Receptivity to ideas from everywhere** – There is no shortage of good ideas from inside or outside the company; there is often simply a lack of receptivity to ideas
- "Being" the customer** – Be your own customer and satisfy yourself. If you are in a business where you cannot be your own customer – then figure out a way to experience the world as the customer experiences it.
- Experimentation and mistakes** – The best way to find out if something is a good idea is to experiment. This of course leads to mistakes which is part of the process. Innovation requires experimentation and mistakes. You can't have one without the other - period.
- People being creative** – To remain innovative, you've got to have people at all levels doing lots of experimenting, tinkering and doing (not just products but also processes).
- Autonomy and decentralisation** – Creativity requires freedom and autonomy.
- Rewards** – Make heroes of creative contributors through awards, honours, and recognition – teams as well individuals.

Tactical Excellence

Each strategic priority (from above) must be broken down into "bite sized", discrete chunks – milestones. Each milestone should have a person responsible for its attainment plus a specific completion deadline.

Dates and milestones should not be unilaterally imposed. People are always more committed to targets they have a hand in shaping.

People execute well if:

- They are clear on what they need to do
- They have the right skills for the job
- They are given freedom and respect
- They are appreciated for their efforts
- They see the importance of their work

In addition, If you can create an atmosphere where people are dependent on each other – where people think – "I can't let these people down" – you will get extra-ordinary performance.

The final "secret" - Respect

Great companies are built on foundations of respect. They respect their customers, they respect themselves, they respect their relationships. Most of all they respect their people – at all levels, and from all backgrounds. They respect their people, and therefore expect high performance. They set high standards and stiff challenges because they believe their people can meet the standard and rise to the challenge. Ultimately, employees in outstanding companies attain consistent tactical excellence because someone believes they can.