

From Good to Great

Simple Ideas to Take Your Business to Another Level



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Recently, sales figures nationally have been flat at best, and there are far more shops closing than new ones opening.

But there are shining stars that still beg to be recognized. These vibrant, busy and profitable businesses can't help but beg attention. These owners are well aware that others may not be seeing comparable prosperity, and still these keen businessmen and women are not willing to stop. They have a plan or a vision for their future and all their efforts are directed at seeing this vision to fruition.

I wanted to know what these business people knew that I and others don't. I also wanted something to share with this audience that might help others find their way to a more prosperous business in 2016.

So I took a different route, with a book that's been around for many years, "Good to Great" by Jim Collins. Why do some companies make the leap from being a good company to a great company while others don't?

Collins begins by addressing leadership, especially the commonalities between leaders in the great companies, such as following all of the strategies that I'll lay out here. They were not the out-front flamboyant heroes you might want to picture. Just the opposite was true. Most were just hard workers with an unwavering vision or goal to be the best, much like many of you.

One winning idea revolved around making sure you had the right employees, even before you decided what you were going to do or change. This is critical in a small business, with

the ratio of good versus mediocre being so high. In a business with only four employees, if just one person is not up to the task, 25 percent of your staff is not up-to-task. Of course, if you're a one-man shop, you don't have many choices. Hopefully your staff is 100% up to the cause.

Next, Collins discusses confronting the hard facts of your current reality. You must know the truth about your current situation if you want to change or improve it. Once you know the truth, the right decisions may be right there in front of your eyes. And speaking of truth, make sure you create a climate where the truth is welcomed from your employees. They can be the best source for analyzing what's really going on in your business.

If you're working alone, you may need to listen to that voice inside your head, the one that chimes up when you know there's a problem. But in addition to hearing, you need to react.

You must also listen to and ask questions of employees – it's not always the time for you to present answers. You must be able to engage and debate, without blame. Moreso, you need to develop a red flag mechanism to turn information into information that won't be ignored.

Since all of this may seem a little hard to balance, you must maintain unwavering faith that you will not fail. And remember, the adversities of your competitors and those previously mentioned "shining stars" are no different than yours.

One of the most interesting comments in the book states that trying to motivate your people can be a waste

of time! Collins suggests that if you have the right people, they will be self-motivated – and the easiest way to demotivate your staff is to ignore the brutal realities of your business.

Collins also introduces the "Hedgehog Concept," and explains that the hedgehog is a simple animal with one thing on its mind: survival. Picture three overlapping circles or questions that focus your strategies and goals: the "Three Circles of the Hedgehog Concept."

"What are you deeply passionate about?"

"What drives your economic engine?"

"What can you be the best in the world at?"

Are the wheels turning yet or have I lost you? For many of us it is far easier to get focused on what we're doing everyday with no thought to any of these concepts. Maybe you're one of those exceptional companies and you already implement these ideas. Unfortunately, most of us have never given much thought to ideas like this, and probably never will.

Collins suggests that a council, or group of the right people, be assembled not once, but regularly to discuss, debate, analyze, dissect and decide. All participants should have deep knowledge of some aspect of your company based on their own perspective. Respect the opinion of the rest of the group and be able to put ego and a need to win aside, while working toward a better understanding.

Collins' suggestion of a council of 5 to 12 people may be difficult for a small business with few or no employees.

Profitable Performance

You may need to enlist the help of family or other outsiders whom you trust.

My favorite concept in Collins' book is the Big Hairy Audacious Goal (BHAG). A good BHAG comes from understanding the answers to those three questions mixed with some audacity, not simply from bravado. Picturing those three intersecting circles, your BHAG comes straight out of the middle – it's your goal for what you want your business to be based on your knowledge, passion, capabilities and discipline.

Company culture is often overlooked in our industry, even though every company has one and the culture within is reflected for all to see. Remember, having the wrong people can create the wrong culture.

You may create a bureaucratic culture that compensates for your deficiencies, but a culture of discipline that stays within the three circles of your Hedgehog Concept provides the most opportunities for growth. In many cases, you'll find a greater need to create a "stop doing" list than a "to do" list. Discipline really

means knowing when to say no.

Many companies put a lot of faith and resources into technology with the belief that this can make their company greater. The good to great companies use technology to accelerate the momentum of the company, not to fundamentally change it. That technology must be directly related to the three intersecting circles of your Hedgehog Concept.

In our industry, for example, we have shops that invest in equipment they can never do enough work to pay for as well as shops that don't invest back into their equipment at all. Why invest in the latest and greatest block machining equipment if your most profit comes from cylinder head work? If you're building engines and production slows down because of antiquated honing equipment, why haven't you invested in some form of a new hone?

Look for an accelerator, not just a capital investment, and remember, pioneering technology comes at a cost. The good to great companies never pioneered technology because

you cannot make good use of new technologies until you know which technology is relevant, as related to the Hedgehog Concept.

Don't buy new technology because you're afraid of falling behind. Fear of falling behind is just that, fear, and companies motivated by fear are the ones who build and perpetuate mediocrity. Great companies are motivated by a deep creative urge and compulsion for excellence for its own sake.

Results from any of these concepts will not be apparent overnight, of course. What you want is momentum that starts you forward and builds upon itself. Much like a flywheel, your constant and consistent measuring and adjusting of your goals and results keeps you moving forward.

A slow and sustained course is the secret, not jumping from one direction to another. Maybe we don't have to be as cunning as the fox. Maybe we just need to be as single-minded as the hedgehog. Maybe it's not too late to be great. ■

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