Good to Great and the Social Factors: Why Some Companies Make the Leap...and Others Don’t

By Jim Collins

Reviewed by Darren Cronshaw

Jim Collins is the writer of the seminal business volume Good to Great: Why Some Companies Make the Leap ... and Others Don’t (New York: HarperCollins, 2001). His groundbreaking research compared business organizations which built momentum and broke through to greatness with those that remained just ‘good’. But what is its relevance to the social sector? A third of Collins’ readers, he estimates, have been from the non-business world: healthcare, churches, the arts, education, protective services and government agencies. But Collins’ original examples were all businesses. What and why do non-business leaders benefit from Collins’ work?

Collins is curious himself about this question. He would like to do more extensive matched-pair research (comparing social sector organizations which break through to greatness with those which don’t), but he has begun at least by considering feedback from social sector leaders, and conducting interviews and other investigations with 150 social sector leaders.

In Good to Great and the Social Factors, Collins applies his framework of ‘greatness’ and not being content with just being ‘good’ to the social sector. In particular, Collins explores how to:

1. Define “Great” and calibrate success in terms of achieving the mission, not with financial business metrics. It is a helpful reminder to clearly hold an organization accountable to deliver superior performance (achieve its social mission), make a distinctive impact (that the world would miss if the organization stopped), and achieve lasting endurance (outlasting any leader or program).

2. Apply “Level 5 Leadership” in a diffuse power structure with sometimes complex governance, using the power of inclusion, language, shared interests and coalition even if unilateral executive power is not available. The example of Frances Hesselbein as CEO of Girls Scouts USA and its 650,000 volunteers and local governance boards is outstanding.

3. Prioritize ‘First Who’ and recruiting the right people with social sector – especially financial – constraints. Great social organizations can appeal to people’s idealistic desire for meaning and purpose, and make applications selective so that people aspire to join the cause. Teach for America does this.

4. Harness ‘The Hendegog Concept’ without a profit motive. Great organizations focus on what they are passionate about, can be best in the world at, and that drives the resource engine. Resources are not just financial as in the business world but about time, money and brand. Social sector organizations need to focus on their hendegog concept, and say no to other things (even if offered more money).

5. ‘Turn the flywheel’ and build momentum by building the brand. Think of Harvard or Red Cross – highly trusted social sector organizations. We want supporters not just to believe in our social mission, but believe in our capacity to deliver effective results for that mission.

Collins says business and social sectors do have significant differences, but they have more in common. He suggests the most important distinction is not business or social sector, but good or great, and the discipline it takes to persevere to become great.

“We can find pockets of greatness in nearly every difficult environment – whether it be the airline industry, education, healthcare, social ventures, or government-funded agencies or the church! Every institution has its unique set of irrational and difficult constraints, yet some make a leap while others facing the same environmental challenges do not.” Greatness, it turns out, is largely a matter of conscious choice, and discipline.” (pp.30-31).

Filled with hope-filled stories of leaders and organizations who created a pocket of greatness, despite their environment’s brutal facts, this is an inspiring and hope-filled practical booklet. Readable either standalone or hand-in-hand with Good to Great, it is ideal reading for not-for-profit leaders and those who consult, teach or support them.