



Building Good-to-Great Companies

A “Branded” Perspective

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“Good to Great” - The Path to Becoming an Admired Brand with Your Customers

The book *Good to Great* has inspired many senior management teams to lead their organizations to the next level of category leadership. The popularity of Collins’ approach is built in part on the success of his previous book, *Built to Last*, and the robustness of the research that supports the conclusions presented in the book.

More importantly, many executives are drawn to the intuitive nature of Collins’ primary conclusion that companies with enduring success are built on a strong, aligned culture. Smart, dedicated people are a fundamental principle in this important work. It is the simplicity of Collins’ message, both in concept and presentation, which makes transforming a good company into a great organization so attractive to many senior managers.

In his book, Collins highlights the distinguishing features of great companies as those that:

- ❖ Are run by leaders classified as “Level 5.” The personal brands of the leaders are noted by a special duality of humility and professional will. The leadership skills of individuals are rooted deeply in their value system. This is antithetical to the notion that today’s successful, world-class leaders must carry with them a “blue chip” pedigree punctuated with many high profile senior management positions.
- ❖ Demonstrate a willingness to “confront the brutal facts” about the company’s performance, culture, and market position. Great companies place a premium on the truth, regardless of the implications. The integrity of facing the hard facts of reality and being energized to address the difficulties is energizing for the culture. Establishing an *esprit de corps* that each challenge will be addressed head-on creates a culture that is poised to overcome adversity and succeed.
- ❖ Stay very focused on a business plan that is based upon their unique abilities to be successful. This so-called “hedgehog concept” is based upon the intersection of what the company is deeply passionate about, what the company can be the best in the world at, and what drives the company’s economic engine.
- ❖ Build and sustain a “disciplined culture” that requires people to adhere to a common set of values and business model, and at the same time, allows people freedom and empowerment within that well-defined framework.

The lessons learned and insights provided in *Good to Great* are valuable and can provide real evidence for what it takes to build a great brand.



Relationship Intelligence – The Foundation for Becoming Good-to-Great

While Collins' forensic evidence is solid, it falls short on two important counts. From a tactical perspective, the book does little to prescribe a process to help organizations implement the tools to become "great." Secondly, his analysis fails to acknowledge the role of the connection between the "great" organization and its marketplace. Being "great" or "the best in the world" only matters when that competence is translated into making a difference to targeted customers (consumers or distributors). Most importantly, being "great" only happens when the consumer acknowledges it. This acknowledgment or loyalty is created when the consumer perceives that they consistently receive distinctive value from the brand. For "greatness" to deliver real bottom-line results, it must be understood in the context of the relationship between the organization and its consumers.

The "relationship intelligence" of the organization pays off for the great organization in two ways. Organizations that consistently deliver distinctive value to their customers earn important "brand equity." The loyalty and respect that goes along with the brand equity clearly provides the organization with competitive advantage. The proprietary nature of the relationship between the organization and its consumers creates an intangible asset that fuels the organization's "flywheel" of marketing momentum to support its growth.

The other important aspect of the relationship intelligence of the organization is the connection between the "personal brands" inside the organization. Collins speaks adamantly about the importance of culture and the people within it. A critical element to developing and sustaining a strong culture is making a connection between that organization's values and their role in providing distinctive value to the customer. Moreover, Collins' focus on a "culture of discipline" clearly speaks to empowering personal brands in the framework of the organization's commitment to its customer – its "hedgehog" value proposition.

A "Branded Approach" to Becoming Great

Becoming a great organization requires an acknowledgement by the marketplace that the company consistently delivers distinctive value. By definition, any good-to-great strategy must be designed and delivered in the context of the customer relationship. The other important factor is that the good-to-great strategy must be formulated and implemented in a fashion that is understandable and actionable by everyone in the company. Beyond Marketing Thought's approach to brand strategy development produces a pragmatic framework that captures the fundamental elements and intent of the hedgehog concept. But more importantly, it describes the organization's hedgehog



concept in relationship terms focused on key marketplace constituents. Bottom-line, this proven process defines an organization's unique brand of "greatness."

Our approach delivers a concise and poignant definition of the organization's brand that defines the distinctive value it provides to its customers and other marketplace constituents. The "brand management infrastructure" developed by Beyond Marketing Thought defines the brand in approachably pragmatic terms that enable everyone in the organization to understand and be singularly focused on the customer, while adhering to all the qualities Collins discovered in the research supporting his good-to-great framework. More importantly, our unique living the brand work on aligning personal brands with the organizational brand is a very pragmatic framework for creating Collins' "culture of discipline."

Catalytic Mechanisms that Propel the Flywheel

In *Good to Great*, Collins is very clear that becoming great does not result from a short-lived program. The culture of the organization must be grown and sustained to generate the energy to get the "flywheel" up to speed and maintain its momentum. The Beyond Marketing Thought brand development process, including our Brand Tool Box[®] Living the BrandSM training program, is a powerful process to get the flywheel turning.

But what will it take for the flywheel to keep gaining speed? Collins wrote an insightful article in the July-August 1999 issue of *Harvard Business Review* about "catalytic mechanisms." In a nutshell, catalytic mechanisms translate the intent of the "hedgehog concept" into a specific commitment to the marketplace. The catalytic mechanism is designed to empower people to develop unique solutions that make a big impact and dramatize the organization's values.

The purpose of creating and instituting a catalytic mechanism is to ensure that the organization focuses on moving from good to great. The public promise behind the catalytic mechanism is a discipline for the organization to stay focused on its hedgehog commitment.

Bottom line, building a "good-to-great" organization requires a strong commitment to improving the relationship intelligence of the entire organization. The result of implementing a practical "good-to-great" process will be brand loyalty and true competitive advantage with the targeted customer segment. Strong brand building with customers requires a process that starts with brand building on the inside. True good-to-great companies are built from the inside-out!