After twenty years questions and answers

Jump to content To prevent post-traumatic stress disorder, is it helpful to provide psychotherapy to anyone who has been subjected to a significant trauma? This credit union updates its online banking website, so a pilot fish with accounts there updates all the family accounts. The new feature was safety issues, fish said. I didn't like the three that were given, so I did the drop-down to see more questions. I chose my three new questions and wrote down the answers so that the spouse knew what they were. But the first time he tries it, he blows the password. Fish must go through the entire process of recreating the account setup. Next time he tries, the fish has to go through the whole process again - but this time she prints out screenshots of the questions she chose and writes the answers to them. To ensure that it does not happen a third time, fish him goes through the process of logging in. But when they come to the safety issue, it's not one of the new questions the fish have chosen. I deliberately chose questions I knew he could answer, Fish said. I bypassed the question of which high school I had graduated from, but there it was, waiting for an answer. On my last attempt at the three-try-or-you-is-locked-out scenario, I remembered that it was the first question of their three original choices. So I delivered the answer I had used for the first question, 'Where were you born?' Bingo, I was in. This is ridiculous, believes fish. She calls the same customer service representative who has already reset the password for the account twice. The representative tells fish that a whole lot of people are locked up on the security issues. Can I talk to the programmer? ask fish. I can't transfer you, rep. Okay, write this down and give it to your IT department, fisk says. Tell them that even if they let users choose new questions, they record the answers, but keep the original default questions first presented. I also asked where to send my bill for problem solving, but have never heard from them, fish says. But now we have a way to make the security questions unanswered by hackers. For example, for the question 'Where were you born?' we key in the year of the account holder's birth as the answer. Answer Sharky's call to true stories about IT life! Send me your stories on sharky@computerworld.com. You'll snag a snazzy Shark shirt every time I wear one. Comment on today's story on Sharky's Google+ community and read thousands of great old stories in Sharkives.Get your daily dose of out-takes from IT Theater of the Absurd delivered directly to your inbox. Subscribe now to the Daily Shark Newsletter. In an in-depth interview, we asked Collins about the implications of his research and ideas for economics, the stock market and the very nature of executive management. The good companies you wrote about all achieved remarkable stock market results over a 15-year But today the stock market is down. Does that mean we won't see any good-to-big companies today? First, I want to correct a big misunderstanding. The stock market is not down. What does the stock market look like compared to 1985? The stock market is not down. What does it look like compared to 1990? The stock market is not down. The market was irrationally out of whack - we did not have a stock market; We had a speculative casino. The technology bubble was not the new economy - it's a new economy that has been going on for years on a deeper level. But the brutal fact is that the companies that were at the peak of the technology bubble did not have results. You can't make zero profits and claim that you have results. As for companies that had good results before the bubble burst, they are in a downperiod now, but what so? The point of a company like Cisco is, we don't know the answer yet. It may be that these companies are only in a very difficult 6- to 12-month period. Let me use an analogy. Let's say you have a great basketball dynasty like the UCLA Bruins under John Wooden. This is a team that is going to win 10 NCAA championships in 12 years. They are a team that went from good to great. But in 1970 they lost three games. Does that mean we're going to write them off and say they're not a good team? We need to look over a longer period of time. The same goes for companies that got caught in the bubble. It was too short a time. It's going to take more time to tell which companies are in trouble now, just going through a short-term period and will have the resilience to come back. But for many business people, the current slowdown is a sign of the new economy's demise. This is one of the most amazing times in history. Two or three years ago, what was the big complaint we heard? It's so hard to get good people! Whine, whine, whine! Today we have the greatest opportunity we will have in decades to get a boatload – not a cargo, but a boatload – of great people. And big companies always start with who, not what. We can finally get to the right side of Packard's law. Packard's Law is like a law of physics for big companies. It says that no company can become or remain large if it allows its growth in revenue to exceed the growth in getting the right people in a sustainable way. It's one of those timeless truths that transcends technology and economics. Now, instead of trying to raise capital, we can gather people. If I ran a company today, I would have a priority above all others: to acquire as many of the best people as I could. I would set aside everything else if I could afford it - buildings, new projects, R&D - to fill my bus. Because things are coming back. My flywheel is starting to turn. And the biggest limitation on growth and the success of my organization is not markets, is not technology, is not opportunity, is not the stock market. If you want to be a company, the biggest limitation on your ability to grow is the ability to come and hang on to enough of the right people. This is also a great time to force yourself to look back. When you broke Packard's law, you probably let a lot of the wrong people on the bus. This is a good time to get them off. In fact, it's a little easier to do it now. We can blame it on the circumstances. What else would you do to capitalize on this period of reevaluation? This is also a great time to ask yourself some really difficult questions. At a time of irrational prosperity, where the market would give you money whether you delivered or not, many companies had not answered any of the questions in the three circles (What can we be the best in the world at? What is the economic denominator that best drives our economic engine? And what are our core people deeply passionate about?). They had no concept of what they could do better than any other company in the world that was sustainable, they had no merit, and the only thing they had a passion for was to turn the company around. Now we can no longer live in that fantasy land. We have to take a hard look at all the things we do and put them all on the three-circle test. All things that do not pass the test we must stop doing - today. I see a lot of companies that had a lot of capital. So they wandered into all sorts of acquisitions or new ventures or new directions, simply because they could. But they didn't necessarily fit within the three circuits. Today, the task is for them to crop away. Those who prepare their three circles will come out of this just fine. Those who don't deserve to die. CEOs today find themselves with little time to prove their worth. What advice would you give to a CEO on the hot seat? If I was ceo of the hot seat and took over a company that I wanted to move from good to great, I would do it. I'd take the good stock chart, and I'd put it in front of my directors. I'd say, we're on the left side of this basket. We want to be on the right side of the basket. Right? If that's what we all want, we know what it takes to get it. You can't keep luring from CEO to CEO. If you do, you'll find yourself in the Doom Loop - and then we'll end up as one of the comparison companies, not one of the big companies. I don't think all directors are stupid. Most of them are intelligent, but they operate out of ignorance rather than lack of good purpose. We have to hit them over the head with the empirical results. Our job is to beat the market in a sustainable way over time. We need to think about the share price over a five-year period. And we need to start doing whatever it takes to make the flywheel turn. Finally, if I am CEO, I want the board to give me the following assurance: No matter how long or short my tenure as CEO may be, who you as my successor must pick up the flywheel in the middle Direction. I can only get the flywheel turn at 16 RPMs. But my successor has to take it to 100 RPMs. His successor must take it to 500 RPMs, and his successor to 1,000 RPMs. It's not about me as ceo - it's about a commitment to a consistent program. We're not going to do a Doom Loop.CEOs who took their companies from good to great were largely anonymous - a far cry from the celebrity CEOs we read about. Is it an accident? Or is it cause and effect? I think it's more a matter of cause and effect than an accident. There is something directly related between the absence of celebrity and the presence of good-to-good results. Why? First, when you have a celebrity, the company becomes the one genius with 1,000 helpers. It creates a sense that it's all really about the CEO. And it leads to all sorts of problems - if the person goes away or if the person turns out not to be a genius after all. On a deeper level, we found that for managers to do something great, their ambition must be for the greatness of the work and the company rather than for themselves. That doesn't mean they don't have an ego. That doesn't mean they don't have any self-need. That means that by decision point after decision point - on the critical junctures when Choice A would favor their ego and Choice B would favor the company and its work - time and time again these executives pick Choice B. Celebrity CEOs, at the same decision points, are more likely to favor themselves and ego over company and work. Like the anonymous CEOs, most of the companies that made the transformation from good to big are teased. What does that tell us? The truth is that most people don't work in the most glamorous things in the world. They do real work - which means that most of the time they do a bit of a lot of drudgery with just a few points of excitement. Someone puts out baked bread. Some build shops. The real work in the economy is being done by people who make cars, who sell real estate, who run grocery stores and banks. So one of the big findings of this study is that you can be in a great company and do it in steel, in pharmacies, in grocery stores. It's simply not the case that if you're not in Silicon Valley, you're not cool. It doesn't matter where you are. So no one has the right to whine about their company, their industry or what kind of business they are in - ever again. Were the 11 companies that made the transformation benefited from their anonymity? One of the great advantages that these companies had was, no one cared! Kroger started the transition; Nucor started the transition; No one expected much. They can underpromise and hand over. In fact, if I took over a company and tried to make it go from good to great, I would tell my communications director that his job was to make the whole world think that we were constantly on the edge of doom. During the our study we actually printed out transcripts of CEO presentations to analysts of the good to big companies and comparison companies. We read all of these. And it's striking. The good people always talk about the challenges they face, the programs they build, the things they're worried about. You go to the comparison companies, they are constantly hyping themselves, they sell the future - but they never deliver results. If I'm not ceo, how do the good lessons apply to me? The good concepts apply to any situation – as long as you can choose the people around you. That's the decisive thing. But essentially we do— we have a lot of discretion over the people in our lives, the people we decide to leave on our bus, whether it's in our department at work or in our personal lives. But the basic message is this: Build your own flywheel. You can do it. You can start building momentum in something that you are responsible for. You can build a great department. You can build a great denomination. You can take all the good ideas and apply them to your own work or your own life. What did the study teach you about changes in business in general? Is it really a message to go back to basics? Very rarely, significant changes ever lead to results in a sustainable way. It is one of the most important findings in the book. We started with 1435 companies. And 11 companies did. Let's just look at the fact for a moment. The fact is, it doesn't happen very often. why not? Because we don't know what the hell we're doing! And because we don't know what we're doing, we're launching all sorts of things that don't produce results. We end up like a bunch of primitives dancing around the fire and shouting at the moon. What I feel strongly is that we need some science to understand what it really takes to change things. Is it back to basics? No, it's up to understanding. Why is it back to basics to say that CEOs must be ambitious for their companies and not for themselves? Why is it back to the basics of making who and the people question first and what and where the question others? Since when is it back to the basics of a company to start with a question like, Why have we sucked for 100 years, and what are the brutal facts that we have to confront? Why is it fundamental to say that stop lists are more important than do-do lists? And since when has it been back to basics to say that technology is just an accelerator and not a creator of something? I don't think these concepts are back to basics. Because if they are, we should be able to go back in time and find out that people used these ideas. People didn't - which is why it's only 11 out of 1,435. So, no, it's not back to basics. It's forth to understanding. What is your assessment of the new economy? We've seen a lot of change and we've seen a lot of backlash against the change. How do you make sense of it all? The huge that takes place around us makes it the most exciting time in history to be alive. It's really fun. All these changes – changes in technology, globalization – are brutal facts that need to be integrated into the decisions we make. People at Walgreens didn't ignore the Internet because they were focused only on basics. They confronted the brutal fact of the Internet and then asked: How does it fit into our three circles, and how can we use it to spin our flywheel faster? You never ignore changes - you hit them head-on as brutal facts, or you come to them with a great sense of joy and excitement. This change opens this new technology a way for you to prevail, to be even better as a company. All the good ones of big companies took changes and used them to their advantage, often with great delight. When new pianos arrived, Mozart didn't hang up his music. He didn't say, it's these new pianos! The harpsichord is out of the way, so I'm being washed up as a composer! He thought, this is so cool! I can do it out loud with piano forte! This is very pretty! He retained the discipline of writing good music and at the same time embraced with great joy and excitement the invention of pianos. With all the change around us, we have to be just like Mozart. We maintain a great discipline about our music, but at the same time we embrace things that can allow us to make even greater music. Alan M. Webber (awebber@fastcompany.com) is a Fast Company founder. Jim Collins (jimcollins@aol.com) wrote the essay Built to Flip in the March 2000 issue of Fast Company. His new book, Good to Great: Why some companies are making the leap... And others, will not be available in October. October.