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Review: Great by Choice: Uncertainty, Chaos, and Luck: Why Some Thrive Despite Them All
By Jim Collins
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I previously reviewed Jim Collins' monograph*, Good to Great and the Social Sectors*.

In *Good to Great*, Collins wrote a seminal text on what separated some corporations that became great from others that remained just good or mediocre in similar industries. In *Good to Great and the Social Sectors*, he extrapolated on how the lessons learned apply to nonprofit organizations.

In *Great by Choice*, Collins and his research team subsequently address a follow-up question: why do some organizations thrive amidst chaos. Does luck differentiate them from others that fail?

While the book is based on a study of for-profit businesses that thrive/flounder under comparable circumstances, once again Collins delivers lessons that apply to all organizations, not just those motivated by profit.

Running throughout the book, Collins delivers a series of lessons based on the 1911 race to reach the South Pole between teams led by Ronald Amundsen and Robert F. Scott. Amundsen's team reached the South Pole and returned without any deaths. Scott's entire team perished.

Throughout the book, Collins shows how the lessons gleaned for businesses also applied equally to the exploration "organizations" led by Amundsen and Scott.

Likewise, as I read the book, I repeatedly could see how the lessons from the for-profit world could translate into the nonprofit sector. Here are some of the top lessons I gleaned:

Fanatic Discipline

I'm not a huge fan of the phrasing Collins used because the word "fanatic" has negative connotations. But his basic premise rang true to me: corporations that had a disciplined approach to steadily make progress towards where they were going were successful, while those that failed to push for growth in lean times or that excessively grew during good times were more likely to fail.

I've seen this dynamic play out in nonprofit organizations. On the one hand, you must have the discipline to stay focused on achievable goals that build over time, to build confidence in your team that you're headed in the right direction. On the other hand, you must have the discipline to avoid getting dragged into work that isn't necessary to meet your goals. Or get caught up in the euphoria of an opportunity that diverts energy/resources from your long-term strategy.

Empirical creativity:

Collins' second big lesson is that thriving in uncertain times requires empirical creativity. I like the juxtaposition of these words that are often treated as in opposition.

Collins translates empirical creativity into the operating rule: fire bullets, see what's working, and then fire cannon balls. You should be creative in figuring out what bullets to fire, but you need to empirically measure what works before converting your bullets to cannons.

Some nonprofits I've talked to resist the notion of testing or measuring what works. They tell me that rigid metrics and measurements hold them back, particularly since so much of their work changes over time. They want more creative control that adjusts strategies and tactics on an ongoing basis.

While creativity is important, oftentimes my interpretation of what they're saying is that they're scared of what the empirical evidence will show. It's easier to say that our work is more like an "art" than "science" than risk having to tell a board of directors that a program or project was a failure.

Time and again, however, I've seen nonprofits really shine when they adopt an empirical approach that consistently evaluates what works and makes sure things work before scaling up new programs (whether mission-driven or fundraising).

Productive paranoia

A third key lesson from the book is that businesses thrive during uncertainty if they engage in productive paranoia. Paranoia is productive if it involves a culture of looking at the possible things that can go wrong and planning that takes them into account. (This was drilled into me by my mom. My mom said she didn't worry, she just thought of all the possible things that could happen).

In the business world, this might involve not launching a major growth spurt if it will create a crisis if a recession hits or a key customer bails.

In the nonprofit world, this might involve budgeting based on medium and not best case scenarios, along with some built in contingency plans for what to do if things aren't going well.

Running your nonprofit while failing to plan for contingencies is a recipe for stumbling into crises that sap your organization of vital time and other resources.

SMaCs

Lastly, Collins found that thriving corporations facing uncertainty tended to have a Specific, Methodical, and Consistent (SMaC) set of operating rules that stayed true over time. These operating rules are a combination of things you always do **and** things you don't do.

This isn't the same thing as a strategic plan. Nor is it the same thing as corporate culture.

Collins key point isn't that thriving companies figure out their operating rules and floundering companies don't. It's that thriving companies stick to their operating rules with discipline, except when they carefully amend them based on empirical creativity.

Why do organizations that are doing well change their operating rules? In my experience, the most common reason is a change in personnel.   A new CEO is hired who changes things to put their own stamp on the organization.

I've seen this first-hand in the nonprofit sector, where change that's about an individual's ego (wanting to be seen as a leader) causes an organization to veer off course into uncharted waters.   Change is often important, but boards and staff of nonprofits would do well by asking hard questions when tried and true practices are potentially being done away with in order to adopt a practice that has not stood the test of time.

Conclusion

Great by Choice is a nice counterpoint to *Good to Great and Built to Last*, two of Collins' other works. I definitely wouldn't read it first.

But it was well worth the read for those seeking a deeper glimpse into the question of why some organizations thrive, while others don't.