

BUILT TO LAST

Successful Habits Of Visionary Companies

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Main Theme

The creation of a viable and successful company organization which grows and prospers is the most impressive achievement in the business world. The best companies in history are the visionary companies.

Visionary companies are the premier companies operating in any business field. These companies have a worldwide reputation for excellence in their chosen field. Visionary companies prosper over a long time period, through multiple product life cycles and multiple generations of active leaders.

Visionary companies are world-class corporations such as 3M, American Express, Boeing, Citicorp, Ford, General Electric, Hewlett-Packard, IBM, Johnson & Johnson, Marriott, Merck, Motorola, Nordstrom, Phillip Morris, Procter & Gamble, Sony, Wal-Mart and Walt Disney.

The same guiding intangibles and real world mechanisms which these companies used to become visionary companies can be adapted and used by almost any company seeking growth and progress.

The Source Of Success Of A Visionary Company

NECESSARY REQUIREMENTS

1. A CLOCK BUILDING ORIENTATION

The company itself is the ultimate creation of the builders of visionary companies, not the products the company offers to consumers.

2. A CORE IDEOLOGY

Visionary companies always have core values - the reason the company exists beyond just making money.

3. THE PARADOX

Visionary companies have an amazing ability to move forward and evolve while at the same time staying true to their core values.

4. A DRIVE FOR PROGRESS

Visionary companies have a strong and overbearing drive to keep moving forward, to achieve more, to make a larger than life impact on the world.

These are the guiding intangibles that are necessary requirements for all visionary companies.

TANGIBLE MECHANISMS

1. BOLD IMPRESSIVE GOALS

Visionary companies often use bold, ambitious and highly emotional major goals to move the company forward in leaps and bounds.

2. CULT LIKE CULTURES

Visionary companies build a formal organization which preserves the core ideology in a number of mutually reinforcing and tangible ways.

3. TRY A LOT OF IDEAS AND KEEP WHATEVER WORKS

Visionary companies throughout history have made some of their best moves not through good planning but by allowing on-the-job experimentation, and even by accident.

4. HOME GROWN MANAGEMENT

Visionary companies promote managers from within the cult like culture of the company's employees. This provides continuity and preserves the core of the company.

5. GOOD ENOUGH NEVER IS

Visionary companies have an ingrained attitude that the company must continue to move forward and exceed yesterday's performance standards.

6. ALIGNMENT

The essence of a visionary company is that everything the company does is precisely aligned with the company's core values and drive for progress.

These are the real-world mechanisms that visionary companies use to translate the guiding intangibles into reality.

1. VISIONARY COMPANIES

Main Idea

In the final analysis, the creation of a viable and successful company organization which grows and prospers is the most impressive achievement in the business world. The best companies in history are the visionary companies.

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Supporting Ideas

Creating and building a visionary company does not require a great product idea or a charismatic leader. In fact, most companies that start on the strength of a great product or a strong leader struggle to ever fully reach their potential. Most of the highly successful companies actually started with rather vague concepts about what the company would do.

In fact, rather than seeing a visionary company as a vehicle for a new product, it is in fact more accurate to see the products as a vehicle for the company. From this perspective, the company persists beyond any one specific idea - good or bad.

Most successful visionary company builders are highly persistent. They might be willing to revise or improve any idea that has not worked out in practice, but they never give up on the company and its future. If the success of a company depends on the success of the first product alone, there will be problems. If the product fails, people may give up on the company. Conversely, if the product succeeds, the company may be tempted to stick with that product too long even after the company should move on to other projects.

A continual stream of great products and services flow from visionary companies as a direct result of these companies being outstanding organizations, not the other way around. Visionary companies have an uncanny ability to continually change and evolve across numerous product life cycles.

Visionary companies also have the organizational strength to transcend and outlast any individual founder or leader and remain energetically committed to success over a number of generations.

Being dynamic and charismatic as a business founder is not a disadvantage, neither is it a prerequisite. Some of the most successful visionary companies have been founded by people who are strong willed but low key in their personalities.

Examples of Early Start-Up Stories of Visionary Companies

Most of the companies that are now accepted as world-class within their own business field struggled to get up and operating. Yet, despite slow beginnings, these companies have risen above their competitors and developed into the powerhouses of today.

Some examples:

- **3M**
Founded in 1902 to operate a mine which failed after selling only one ton of material. Moved into sandpaper manufacture in 1905 and gradually added more products. Today, one of the most dynamic and innovative companies in history.
- **AMERICAN EXPRESS**
Founded in 1850 as a freight company which entered the travelers cheque business when the company president had trouble cashing a personal cheque while overseas.
- **BOEING**
Founded in 1915 to manufacture airplanes, preferably using wood (since William Boeing was an ex-lumber merchant). His first airplane failed and the company was so desperate for business in the early days that it manufactured furniture.

- **GENERAL ELECTRIC**
Started in 1892 by Thomas Edison, GE developed direct current systems while the competitors concentrated on alternating current technology which eventually prevailed in the U.S. GE struggled until it moved to A.C. technology.
- **HEWLETT PACKARD**
Commenced business in 1937 in the electronics field, struggled through early days with contract engineering jobs. In 1939, the company sold a few oscilloscopes and 17 employees by 1941.
- **MARRIOTT**
Started in 1927 with an A&W root beer stand which later began offering Mexican food. Within three years, the Marriotts had three outlets running 24-hours a day and decided to expand further afield.
- **MOTOROLA**
Commenced operating in 1928 building battery eliminators and handling service work. Began manufacturing car radios in 1930 and after a long struggle finally turned profitable and then moved on to other products.
- **PROCTOR & GAMBLE**
Proctor, a candlemaker and Gamble, a soapmaker decided to pool their efforts to sell soap and candles in 1837. (About 18 companies were doing the same thing at that time).The company turned profitable in 1847 and has expanded its product line over the years.
- **SONY**
Began operating in Japan in 1945 to apply technology to consumer products. Struggled to keep operating by selling heating pads until the company moved on to tape recording machines. Developed the pocket radio in 1955.
- **WALT DISNEY**
Walt couldn't find a job in the movie business in 1923 so he started his own company doing animations. Struggled to survive until 1928 when Mickey Mouse was introduced.
- **WAL-MART**
Sam Walton opened a shop in 1945 but he lost his lease in 1950. He moved to Arkansas and had another two stores open in a short space of time, and opened his first large store in 1962.
- **FORD**
Founded in 1903 - Henry Ford's third company in as many years - the Ford Motor Company introduced the Model A successfully. The company's real success began in 1908 with the introduction of the revolutionary Model T.
- **IBM**
Started in 1890 as the Computing, Tabulating, Recording Company, IBM struggled until 1914 when Thomas Watson Sr. was hired. The company moved into leadership in tabulating machines and eventually computers.

Key Thoughts

"As I look back on my life's work, I'm probably most proud of having helped to create a company that by virtue of its values, practices and success has had a tremendous impact on the way companies are managed around the world. And I'm particularly proud that I'm leaving behind an ongoing organization that can live on as a role model long after I'm gone."

— William Hewlett, Cofounder, Hewlett-Packard

"I have concentrated all along on building the finest retailing company that we possibly could. Period. Creating a huge personal fortune was never particularly a goal of mine."

— Sam Walton, Founder, Wal-Mart

