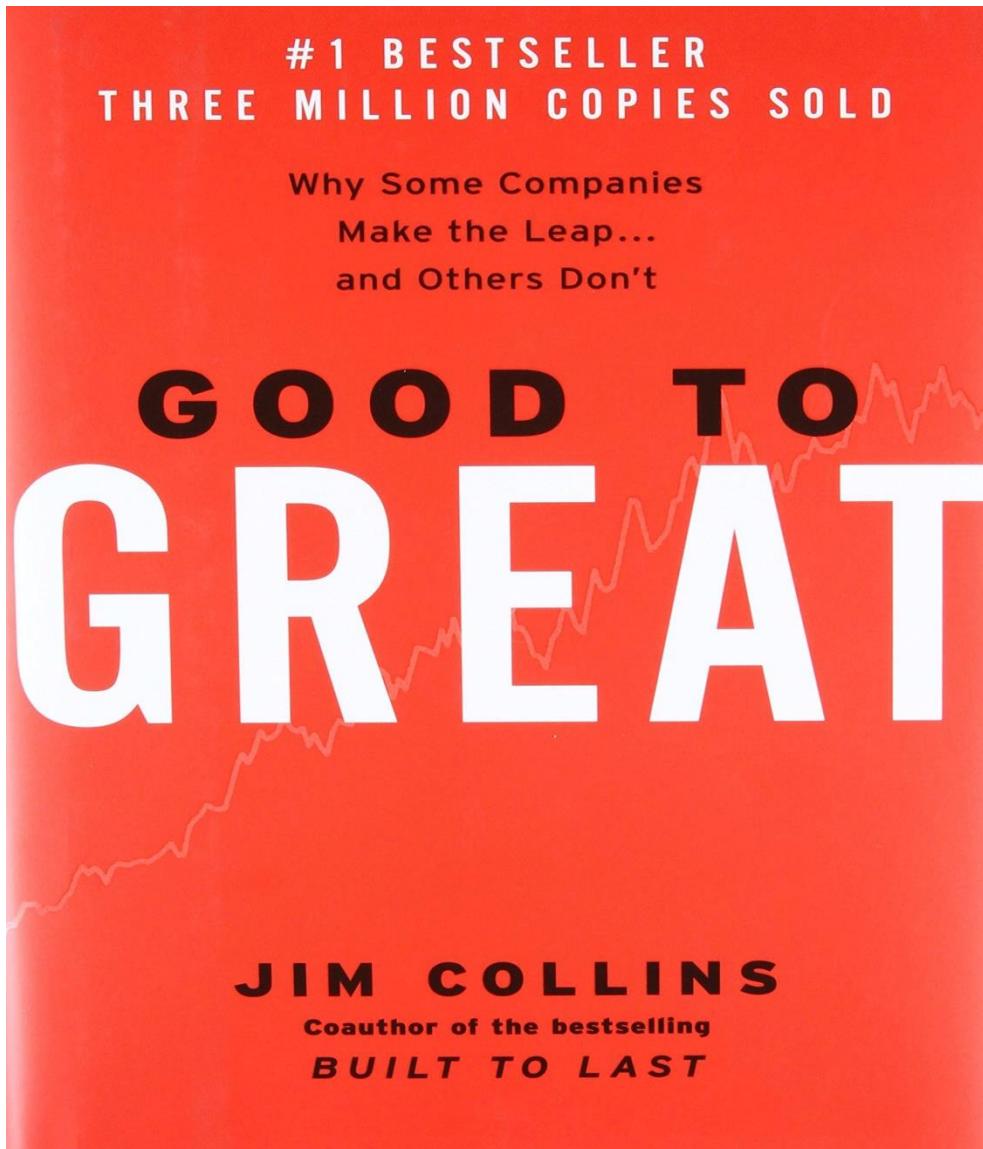
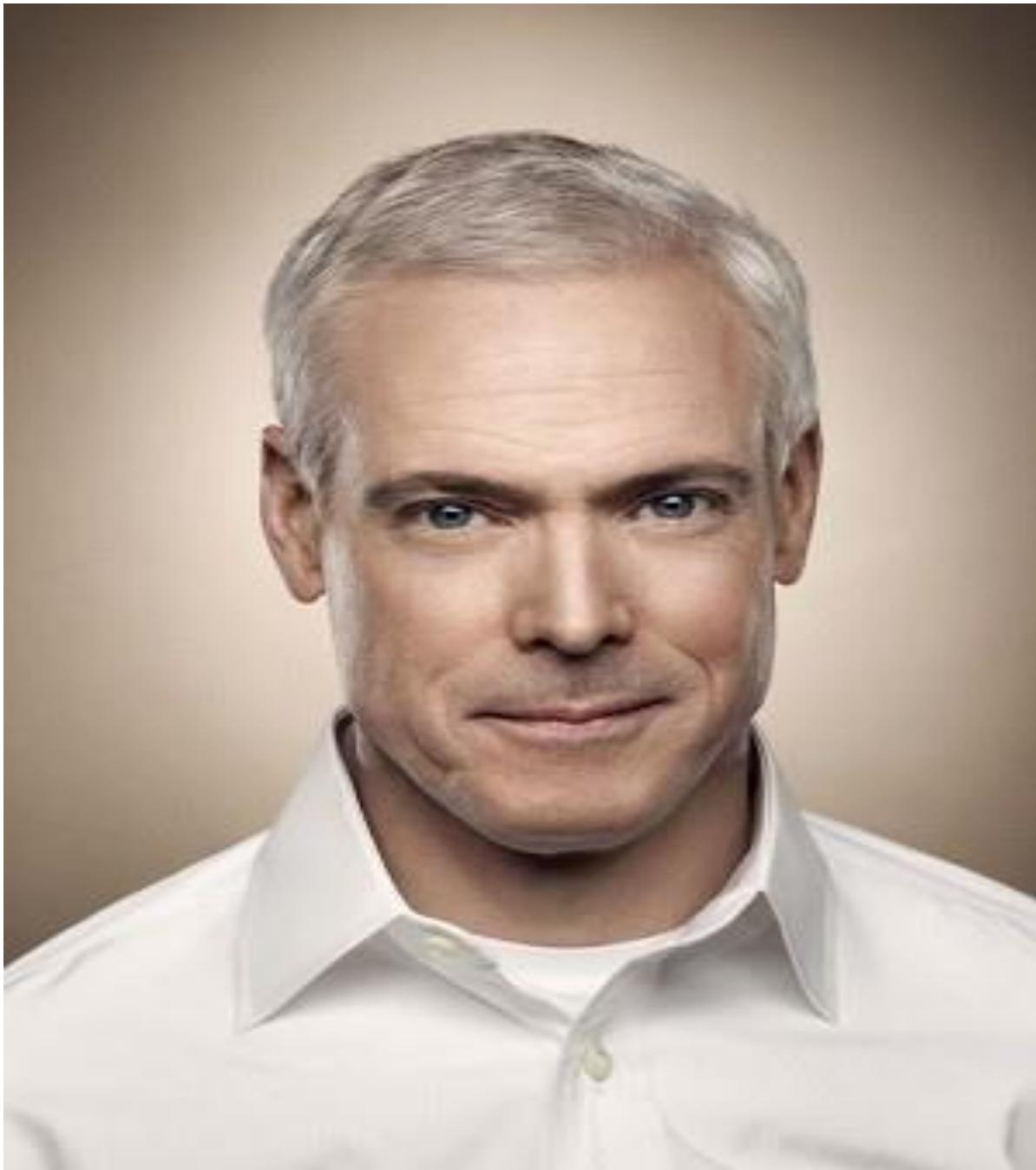


GOOD TO GREAT BY JIM COLLINS





SELECTION CRITERIA

- 1,435 COMPANIES SELECTED FROM FORTUNE 500 LIST 1996
- AFTER THE LEAP A COMPANY HAD TO GENERATE CUMULATIVE STOCK RETURNS THAT EXCEEDED GENERAL STOCK MARKET BY 15 TIMES
- 11 COMPANIES FINALLY SHORTLISTED

COMPANIES COVERED IN STUDY

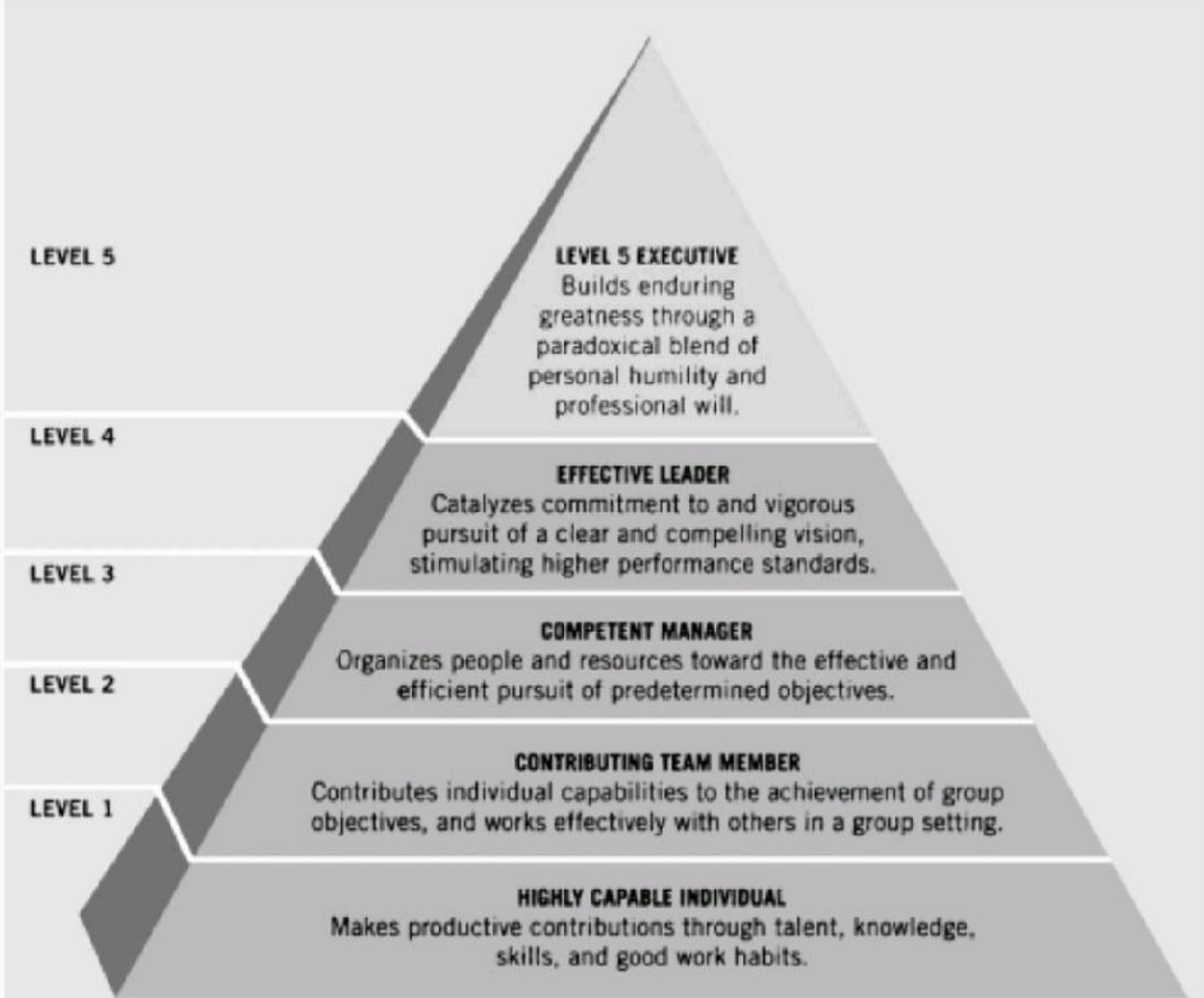
- NUCOR CORP.(STEEL)
- PHILIP MORRIS COS. INC.(MARLBORO)
- WALLGREENS(DRUG STORE)
- WELLS FARGO(BANKING)
- KIMBERLY-CLARK CORP.(HUGGIES)
- ABBOT LABORATORIES(MEDICINE)
- KROGER CO.(GROCERY)
- PITNEY BOWES INC(MAILING SYSTEMS)
- CIRCUIT CITY(CONSUMER ELECTRONICS)
- FANNIE MAE(MORTGAGE FINANCING)
- GILLETE CO.(RAZOR BLADES)

GOOD TO GREAT FRAMEWORK

- STAGE 1 – LEVEL 5 LEADERSHIP, FIRST WHO THEN WHAT
- STAGE 2 – CONFRONT THE BRUTAL FACTS, THE HEDGEHOG CONCEPT
- STAGE 3 – CULTURE OF DISCIPLINE, THE FLYWHEEL
- STAGE 4 – CLOCK BUILDING NOT TIME TELLING, STIMULATE PROGRESS

LEVEL 5 EXECUTIVE

- BUILDS ENDURING GREATNESS THROUGH A PARADOXICAL BLEND OF PERSONAL HUMILITY AND PERSONAL WILL
- HUMILITY
- ORGANIZATION FIRST



HEDGEHOG CONCEPT

- WHAT YOU ARE DEEPLY PASSIONATE ABOUT?
- WHAT YOU CAN BE THE BEST IN THE WORLD AT?
- WHAT BEST DRIVES YOUR ECONOMIC ENGINE?

PICTURE THE EGG FROM CHICKEN'S POINT OF VIEW

- MOMENT OF BREAKTHROUGH WAS SIMPLY ONE MORE STEP IN A LONG CHAIN OF STEPS
- HARDLY THE RADICAL TRANSFORMATION THAT IT LOOKED FROM THE OUTSIDE

GOOD-TO-GREAT FRAMEWORK—INPUTS AND OUTPUTS OF GREATNESS

INPUTS OF GREATNESS BY APPLYING THE GOOD-TO-GREAT FRAMEWORK

STAGE 1:

DISCIPLINED PEOPLE

- Level 5 Leadership
- First Who, Then What

STAGE 2:

DISCIPLINED THOUGHT

- Confront the Brutal Facts
- The Hedgehog Concept

STAGE 3:

DISCIPLINED ACTION

- Culture of Discipline
- The Flywheel

STAGE 4:

BUILDING GREATNESS TO LAST

- Clock Building,
not Time Telling
- Preserve the Core /
Stimulate Progress

YOU BUILD THE FOUNDATIONS OF

OUTPUTS OF GREATNESS

A GREAT ORGANIZATION

DELIVERS SUPERIOR PERFORMANCE

In business, performance is defined by financial returns and achievement of corporate purpose. In the social sectors, performance is defined by results and efficiency in delivering on the social mission.

MAKES A DISTINCTIVE IMPACT

The organization makes such a unique contribution to the communities it touches and does its work with such unadulterated excellence that if it were to disappear, it would leave a hole that could not be easily filled by any other institution on the planet.

ACHIEVES LASTING ENDURANCE

The organization can deliver exceptional results over a long period of time, beyond any single leader, great idea, market cycle, or well-funded program. When hit with setbacks, it bounces back even stronger than before.

THANK YOU