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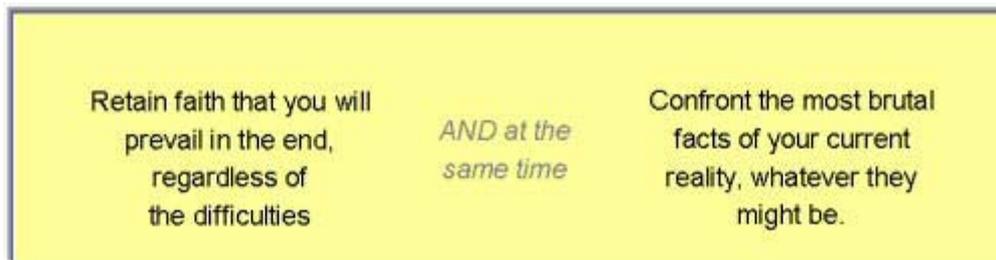
Corporate Entrepreneurship (13) - Jim Collins' thoughts part V

So, we already talked about the three Jim Collins' concepts:

- Level 5 Leader
- First who, then what
- The Hedgehog concept

It is now time to have a look at **confronting the brutal facts of reality...**

In confronting the brutal facts, the good-to-great companies left themselves stronger and more resilient, not weaker and more dispirited. There is a sense of exhilaration that comes in facing head-on the hard truths and saying. " We will never give up. We will never capitulate. It might take a long time, but we will find a way to prevail". On the one hand, they stoically accepted the brutal facts of reality. On the other hand, they maintained an unwavering faith in the endgame, and a commitment to prevail as a great company despite the brutal facts. We came to call this duality the Stockdale Paradox.



Who is Mr. Jim Stockdale?

[This] name refers to Admiral Jim Stockdale, who was the highest ranking United States military officer in the "Hanoi Hilton" prisoner-of-war camp during the height of the Vietnam War. Tortured over 20 times during his eight-year imprisonment from 1965 to 1973, Stockdale lived out the war without any prisoner's rights, no set release date, and no certainty as to whether he would even survive to see his family again. He shouldered the burden of command, doing everything he could to create conditions that would increase the number of prisoners who would survive unbroken, while fighting an internal war against his captors and their attempts to use the prisoners for propaganda.

An extract of an interview from Jim Collins of Jim Stockdale:

Mr. Stockdale

"I never lost faith in the end of the story. I never doubted not only that I would get out, but also that I would prevail in the end and turn the experience into the defining event of my life, which, in retrospect, I would not trade."

Mr. Collins

"Who didn't make it out?"

Mr. Stockdale

"Oh, that's easy, the optimists.

This is a very important lesson. You must never confuse faith that you will prevail in the end—which you can never afford to lose—with the discipline to confront the most brutal facts of your current reality, whatever they might be."

The moment a leader allows himself to become the primary reality people worry about, rather than reality being the primary reality, you have a recipe for mediocrity, or worse. A short story about Winston Churchill could help to illustrate this point:

Winston Churchill understood the liabilities of his strong personality, and he compensated for them beautifully during the Second World War. Churchill, as you know, maintained a bold and unwavering vision that Britain would not just survive, but prevail as a great nation. [...] Armed with this bold vision, Churchill never failed, however, to confront the most brutal facts. He feared that his towering, charismatic personality might deter bad news from reaching him in its starkest form. So, early in the war, he created an entirely separate department outside the normal chain of command, called the Statistical Office, with the principal function of feeding him—continuously updated and completely unfiltered—the most brutal facts of reality. He relied heavily on this special unit throughout the war, repeatedly asking for facts, just the facts. As the Nazi panzers swept across Europe, Churchill went to bed and slept soundly: "I...had no need for cheering dreams," he wrote.

"Facts are better than dreams."