



The following information contains Tom's personal notes and opinions/ key takeaways that he gained whilst reading 'Great by Choice', and also valued statements and examples that Jim Collins has used in his writing.

HIGHLIGHTS FROM GREAT BY CHOICE – JIM COLLINS

The 20 Mile March

- Builds confidence in your ability to perform well in adverse circumstances
- Reduces the likelihood of catastrophe when your hit with a turbulent disruption
- It helps you to exert self-control in and out of control environment

The great task, rarely achieved, is to blend creative intensity with relentless discipline so as to amplify the creativity rather than destroy it. When you marry operating excellence with innovation, you multiply the value of your creativity, and that's what 10xers do

Bullets, then cannonballs

Imagine a ship with limited gun powder under attack – bullets or cannonballs

You fire bullets to figure out what'll work. Then once you have empirical confidence based on the bullets, you concentrate your resources and fire a cannonball. After the cannonball hits, you keep 20 mile marching and make the most of your big success.

What makes a bullet

1. A bullet is *low cost* – in relation to the enterprise
2. A bullet is *low risk* – this doesn't mean high probability of success; low risk means that there are minimal consequences in the bullet goes awry or hits nothing
3. A bullet is *low distraction* - this low for the overall enterprise, it might be high distraction for the one or a few individuals

Creative Bullets are a combination of new products, technologies, services and processes and can be acquisitions

Cannonball usually involve significant risk and/or debt

Lead above the death line

David Breashears – 1996 Everest

- Weather looked good – but what about an unexpected storm
- Was ready to climb the last summit – camp 3
- Saw more than 50 people trekking to the summit



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- His team were getting a late start and a little sleep deprived
- Was concerned about the people bottlenecking and getting caught in the storm - only 1 climber at a time at the summit
- He and team agreed – conditions didn't feel right and they came down to make a clear decision:
 - Secure the gear at camp 3
 - Go down and climb back a few days later after then mountain had cleared
- As they went down passed people being led by other professional climbers
- The key decisions were not made on the mountain
 - Breashears team had enough oxygen canisters for more than one summit bit
 - They had enough supplies to stay for a further 3 weeks
 - This meant he COULD go down
 - The team they were passing has supplies for a one shot chance
- Breashears had planned with 'what if's ' in mind

If you have planned for 'what if' events – you can plan to have the resources to give you options to keep the business above the 'death line'

10x companies – carry 3 to 10 times more cash on their balance sheet

Need to build shock absorbers to prepare for the black swan events as almost no one can predict the black swan event but it is possible to predict that there will be some Black swan as yet not specified. – The extra oxygen – long before the storm is predicted

Look to avoid uncontrollable risk

- Oxygen canisters are expensive and heavy – but a failed expedition is more expensive and loses lives – the downside of limited oxygen far outweighed the cost of having more
- Breashear didn't want to put his team in the position where a large numbers of climbers left his team in a position that he couldn't control

Big question with risks or black swan events – is *how much time before our risk profile changes*.

Sometimes acting too fast increases risk. Sometime acting too slow increases risk. The critical question then is 'How much time before your risk profile changes' Do you have seconds, minutes, hours, days, weeks, month, years or decades. The difficulty lies not in answering the question but in having the presence of mind to ask the question.

Be mindful of the risks, let events unfold, but be prepared to act fast in the event that the risk profile changes rapidly.

Remember, uncertainty will never go away, not matter what decisions we make or actions we take. So if we have the time to let the situation unfold, giving us more clarity before we act, we take the time. But when the time comes, you need to act.

Zoom in then zoom out

- Basketball passing and gorilla – 50% don't see it

Zoom out

- Sense a change in conditions
- Asses the time frame: how much time before the risk profile changes?
- Assess with rigor – do the conditions call for disrupting plane, if so how



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Then Zoom in

- Focus on supreme execution of plans and objectives

Must realise

- We cannot reliably and consistently predict future events, so we must prepare obsessively ahead of time, all of the time – for what we cannot predict. Assume that a series of bad events can wallop us in quick succession, un-expectedly at any time.
- It is what you do before the storm hits – decisions, disciplines and buffers that are in place that matters most

SMaC Recipe

- Specific, Methodical and Consistent
- These are practices that are core values or cultural or high level strategy
- Includes 'not to do' practices
- What are the brutal facts (not opinion)
- What bullets have we fired
- Think of the framework of the US constitution 1787
 - The framers couldn't have predicted how the world would change – cars, airplanes, radio, cable news, internet, civil rights movement, nuclear, birth control, Cold War, American dependence on foreign Oil, 9/11
 - So they gave broad principles
 - And an amendment mechanism – which would enable the constitution to evolve organically
 - But this is also a hurdle for change which ensures stability for people
 - In 220 years – 17 amendments

Return on Luck

Need to do more with your luck. Don't confuse luck with return on luck

Getting a high return on luck requires throwing yourself at the luck events with ferocious intensity, disrupting your life and not letting up.

10x'ers use difficulty as a catalyst to deepen purpose, recommit to values, increase discipline, respond with creativity, and heighten productive paranoia.

Goals live the other side of obstacles and challenges – Ray Bourque

The essence of managing luck:

1. Cultivating the ability to zoom out to recognize luck when it happens
2. Developing the wisdom to see when, and when not, to let luck disrupt your plans
3. Being sufficiently well prepared to ensure an inevitable spate of bad luck, and
4. Creating a positive return on luck – both good luck and bad luck