

## Confront the Brutal Facts: Yet Never Lose Faith

Excerpt from Good to Great by Jim Collins, Chapter 4

Written by Samantha Schilke

“Facts are better than dreams.” Collins opens this chapter with two companies. When researching their next steps, they both discovered the new market was interested in something vastly different than what they offered. One said, “Nope, it doesn’t fit with what we want to hear/do.” The other said, “Okay, let’s revolutionize our company to meet what the facts want.” Confronting, accepting, understanding the brutal facts created a successful company while ignoring them killed the other.

Collins reminds us to stay unstuck in our way of thinking. Learn about what will work and what won’t, and use these brutal facts to steer your company towards success. People at your company can get dispirited, he warns, if they know top management won’t face the facts because, ultimately, both the leaders and the employees will pay the price.

“There is nothing wrong with pursuing a vision for greatness... But, unlike the comparison companies, the good-to-great companies continually refined the *path* to greatness with brutal facts of reality.”

A culture that encourages conversations, questions, and future planning will be much more successful than a culture where employees tiptoe around a compulsive, emotional leader. The focus should be on the ‘squiggly lines’ or issues regarding product, service, and future rather than the issue of feelings.

“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.”

For charismatic leaders, watch out for employees who filter. When employees begin to filter the brutal facts to fit what they know the leader wants instead of focusing on the truth, the company will suffer. To achieve this balance, take a leaf out of Winston Churchill’s book. At the peak of World War II when Nazi’s controlled most of Europe and the U.S. aimed to stay uninvolved, this extremely charismatic leader spoke with complete confidence of England’s ability to destroy Hitler. Worried this would cause a lapse in true facts, he created an entirely new department called the “Statistical Office” where their only job was to give him the cold, hard, brutal facts of the world. He went on to say, “I... had no need for cheering dreams. Facts are better than dreams.”

### **How to Create a Culture Where the Truth is Heard:**

#### 1. Lead with questions, not answers.

Instead of giving your people answers in the form of a vision, Collins suggests to focus on questions. Where is the industry going? What can we do better? These questions can be used to create debates where true ideas come forward instead of a “dog and pony show” where employees just sit and listen.

When asking these questions DON’T use them as a form of manipulation (Do you agree with me?) or a way of blaming (How did you mess this up?). Instead, focus on understanding by asking ‘Why, why, why?’ until the fear of an agenda vanishes and the brutal facts show up.

#### 2. Engage in dialogue and debate, not coercion.

Companies that were found to be ‘good-to-great’ had a reputation for dialogue. Though sometimes loud and angry this barrage of dialogue and arguments led to better answers. The questions would raise heated discussions, but the resolutions would lead to massive results.

Think of it like a scientific debate where the goal of the employees and leader is to get to the best answers through research and the discussion of options.

### 3. Conduct autopsies, without blame.

When Phillip Morris acquired and then sold (eight years later at a financial loss) the 7UP company, many reports began to come out. From the company itself, there was a very humble, clinical analysis of what had gone wrong and the lessons that were learned from this mistake. The only person to point a finger in the end was leader Joe Cullman, who claimed responsibility. He simply stated why his plan didn't work and outlined the revolutionary people who were right in retrospect.

Conduct autopsies of failed and successful products/services with a sense of responsibility, but with a clear search for understanding and learning rather than blame.

### 4. Build “red flag” mechanisms.

Companies do not live and die by the amount of information they have. Even if they have more information than a competitor, they become successful by turning important information into information that can't be ignore: brutal facts.

In his example, Collins describes his use of a literal red flag in his classroom at Stanford. After giving each student a piece of red paper he explained that at any point they could raise their 'flag' up and the classroom would stop for them whether it was a questions, statement, story or suggestion. In one instance, Collins was red flagged for leading the class poorly one day with questions that did not engage. The student that raised her flag, and commented on this, forced him to face a brutal fact he could not ignore.

### **Unwavering Faith Amid the Brutal Facts**

Collins lectures on the importance of positive thinking and faith when confronting facts that might seem daunting. In his example with two companies facing Procter & Gamble, one company resigned itself to being second best while the other took it as an opportunity to better the company. They viewed going against such a large and prosperous company as an asset and used the brutal facts to engage their employees at a level they hadn't achieved before.

There is a need for “hardiness” in good-to-great companies; where the brutal facts of adversity make the company stronger instead of dispiriting it for good.

### **The Stockdale Paradox**

The brutal facts also create a need for duality: to stoically accept brutal facts and have faith in the endgame. This is known as the Stockdale Paradox named after Navy Officer and Prisoner of War Admiral Jim Stockdale. Taken as a prisoner he worked tirelessly through torturous conditions to help people around him and get messages out, putting his own life in grave danger. When asked how his desire to live survived months of torture he said, “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.”

He went on to describe the important difference between unwavering optimism and reality. “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.”

Collins closes the chapter with the reminder that life is unfair – sometimes to our advantage and sometimes to our disadvantage. What separates the good from the great is not the presence or absence of great difficulty, but the way they deal with the inevitable hurdles in life. You must learn retain faith and confront the ultimate reality of a current situation.