

**UNCERTAINTY, CHAOS, AND LUCK—
WHY SOME THRIVE DESPITE THEM ALL**

GREAT BY
CHOICE

Jim Collins

AUTHOR OF *GOOD TO GREAT*

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Morten T. Hansen

CONTENTS

Also by Jim Collins and Morten T. Hansen

Title Page

Dedication

Acknowledgments

1. Thriving in Uncertainty
2. 10Xers
3. 20 Mile March
4. Fire Bullets, Then Cannonballs
5. Leading above the Death Line
6. SMaC
7. Return on Luck

Epilogue: Great by Choice

Frequently Asked Questions

Research Foundations

Notes

Index

Copyright

ALSO BY JIM COLLINS

Beyond Entrepreneurship (with William C. Lazier)
Managing the Small to Mid-Sized Company (with William C.
Lazier)

Built to Last (with Jerry I. Porras)

Good to Great

Good to Great and the Social Sectors

How the Mighty Fall

ALSO BY MORTEN T. HANSEN

Collaboration

GREAT BY **CHOICE**

**UNCERTAINTY, CHAOS, AND LUCK—
WHY SOME THRIVE DESPITE THEM ALL**

Jim Collins
AND
Morten T. Hansen



FROM JIM:

To my grandmother Delores, who at age 97 still had big dreams and audacious goals.

FROM MORTEN:

To my daughters, Alexandra and Julia, whose generation will create the future.

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1

THRIVING IN UNCERTAINTY

“We simply do not know what the future holds.”

—Peter L. Bernstein¹

WE CANNOT PREDICT the future. But we can create it.

Think back to 15 years ago, and consider what’s happened since, the destabilizing events—in the world, in your country, in the markets, in your work, in your life—that defied all expectations. We can be astonished, confounded, shocked, stunned, delighted, or terrified, but rarely prescient. None of us can predict with certainty the twists and turns our lives will take. Life is uncertain, the future unknown. This is neither good nor bad. It just *is*, like gravity. Yet the task remains: how to master our own fate, even so.

We began the nine-year research project behind this book in 2002, when America awoke from its false sense of stability, safety, and wealth entitlement. The long-running bull market crashed. The government budget surplus flipped back to deficits. The terrorist attacks of September 11, 2001, horrified and enraged people everywhere; and war followed. Meanwhile, throughout the world,

technological change and global competition continued their relentless, disruptive march.

All of this led us to a simple question: *Why do some companies thrive in uncertainty, even chaos, and others do not?* When buffeted by tumultuous events, when hit by big, fast-moving forces that we can neither predict nor control, what distinguishes those who perform exceptionally well from those who underperform or worse?

We don't choose study questions. They choose us. Sometimes one of the questions just grabs us around the throat and growls, "I'm not going to release my grip and let you breathe until you answer me!" This study grabbed us because of our own persistent angst and gnawing sense of vulnerability in a world that feels increasingly disordered. The question wasn't just intellectually interesting but personally relevant. And as we spent time with our students and worked with leaders in both the business and social sectors, we sensed the same angst in them. In the intervening years, events have served only to reinforce this sense of unease. What's coming next? All we know is that no one knows.

Yet some companies and leaders navigate this type of world exceptionally well. They don't merely react; they create. They don't merely survive; they prevail. They don't merely succeed; they thrive. They build great enterprises that can endure. We do not believe that chaos, uncertainty, and instability are good; companies, leaders, organizations, and societies do not thrive *on* chaos. But they can thrive *in* chaos.

To get at the question of how, we set out to find companies that started from a position of vulnerability, rose to become great companies with spectacular performance, and did so in unstable environments characterized by big forces, out of their control, fast moving, uncertain, and potentially harmful. We then compared these companies to a control group of companies that failed to become great in

the same extreme environments, using the contrast between winners and also-rans to uncover the distinguishing factors that allow some to thrive in uncertainty.

We labeled our high-performing study cases with the moniker “10X” because they didn’t merely get by or just become successful. They truly thrived. Every 10X case beat its industry index by at least *10 times*. If you invested \$10,000 in a portfolio of the 10X companies at the end of 1972 (holding each enterprise at the general stock market rate of return until it came online on the New York Stock Exchange, the American Stock Exchange, or NASDAQ), your investment would have grown to be worth more than \$6 million by the end of our study era (through 2002), a performance 32 times better than the general stock market.²

To grasp the essence of our study, consider one 10X case, Southwest Airlines. Just think of everything that slammed the airline industry from 1972 to 2002: Fuel shocks. Deregulation. Labor strife. Air-traffic-controller strikes. Crippling recessions. Interest-rate spikes. Hijackings. Bankruptcy after bankruptcy after bankruptcy. And in 2001, the terrorist attacks of September 11. And yet if you’d invested \$10,000 in Southwest Airlines on December 31, 1972 (when it was just a tiny little outfit with three airplanes, barely reaching break-even and besieged by larger airlines out to kill the fledgling) your \$10,000 would have grown to nearly \$12 million by the end of 2002, a return 63 times better than the general stock market. It’s a better performance than Wal-Mart, better than Intel, better than GE, better than Johnson & Johnson, better than Walt Disney. In fact, according to an analysis by *Money Magazine*, Southwest Airlines produced the #1 return to investors of all S&P 500 companies that were publicly traded in 1972 and held for a full 30 years to 2002.³ These are impressive results by any measure, but they’re

astonishing when you take into account the roiling storms, destabilizing shocks, and chronic uncertainty of Southwest's environment.

Why did Southwest overcome the odds? What did it do to master its own fate? And how did it accomplish its world-beating performance when other airlines did not? Specifically, why did Southwest become great in such an extreme environment while its direct comparison, Pacific Southwest Airlines (PSA), flailed and was rendered irrelevant, despite having the same business model in the same industry with the same opportunity to become great? This single contrast captures the essence of our research question.

We've been asked by many of our students and readers, "How is this study different from your previous research into great companies, especially *Built to Last* and *Good to Great*?" The method is similar (comparative historical analysis) and the question of greatness is constant. But in this study, unlike any of the previous research, we selected cases not just on performance or stature but also on the extremity of the *environment*.

We selected on performance plus environment for two reasons. First, we believe the future will remain unpredictable and the world unstable for the rest of our lives, and we wanted to understand the factors that distinguish great organizations, those that prevail against extreme odds, in such environments. Second, by looking at the best companies and their leaders in extreme environments, we gain insights that might otherwise remain hidden when studying leaders in more tranquil settings. Imagine being on a leisurely hike, wandering along warm, sunlit meadows, and your companion is a great mountaineer who has led expeditions up the most treacherous peaks in the world. You'd probably notice that he's a little different from others, perhaps more watchful of the trail or more careful in packing his small day-pack. But

overall, given the safe predictability of a glorious spring day, it would be hard to see what really makes this leader so exceptional. Now, in contrast, envision yourself on the side of Mount Everest with this same climber, racing a murderous storm. In *that* environment, you'd see much more clearly what makes him different and what makes him great.

Studying leaders in an extreme environment is like conducting a behavioral-science experiment or using a laboratory centrifuge: throw leaders into an extreme environment, and it will separate the stark differences between greatness and mediocrity. Our study looks at how the truly great differed from the merely good in environments that exposed and amplified those differences.

In the remainder of this introductory chapter we briefly outline our research journey and preview some of the surprises we encountered along the way. (You can find a more detailed description of our research methodology in the *Research Foundations* appendices.) Starting in [Chapter 2](#), we delve into what we learned about the individual people who led these companies, and in [Chapters 3 through 6](#), how they led and built their companies differently from their less successful comparisons. In [Chapter 7](#), we come to what, for us, was a particularly fascinating part of our journey: studying luck. We defined luck, quantified luck, determined if the 10X cases were luckier (or not), and discovered what they do *differently* about luck.

FINDING THE 10X CASES

We spent the first year of our efforts identifying the primary study set of 10X cases, searching for historical

cases that met three basic tests:

1. The enterprise sustained truly spectacular results for an era of 15+ years relative to the general stock market and relative to its industry.
2. The enterprise achieved these results in a particularly turbulent environment, full of events that were uncontrollable, fast-moving, uncertain, and potentially harmful.
3. The enterprise began its rise to greatness from a position of vulnerability, being young and/or small at the start of its 10X journey.

From an initial list of 20,400 companies, we systematically sifted through 11 layers of cuts to identify cases that met all our tests. (See *Research Foundations: 10X-Company Selections*.) Because we wanted to study extreme performance in extreme environments, we used extreme standards in our selections. The final set of 10X cases (see the following table) delivered extraordinary performance during the dynastic eras we studied.

FINAL SET OF 10X CASES

10X Case	Dynastic Era of Study	Value of \$10,000 Invested*	Performance Relative to Market ⁴	Performance Relative to Industry ⁵
Amgen	1980–2002	\$4.5 million	24.0X the market	77.2X its industry
Biomet	1977–2002	\$3.4 million	18.1X the market	11.2X its industry
Intel	1968–2002	\$3.9 million	20.7X the market	46.3X its industry
Microsoft	1975–2002	\$10.6 million	56.0X the market	118.8X its industry
Progressive Insurance	1965–2002	\$2.7 million	14.6X the market	11.3X its industry
Southwest Airlines	1967–2002	\$12.0 million	63.4X the market	550.4X its industry
Stryker	1977–2002	\$5.3 million	28.0X the market	10.9X its industry

* Cumulative stock returns, dividends reinvested. Invest \$10,000 in each company on December 31, 1972, and hold until December 31, 2002; if the company was not public on December 31, 1972, grow investment at general stock market rate of return until first month of CRSP data available for that company. Source for all stock-return calculations in this work: ©200601 CRSP®, Center for Research in Security Prices. Booth School of Business, The University of Chicago. Used with permission. All rights reserved. <http://www.crsp.chicagobooth.edu>.

Before we move on, let's address a key point about the cases in our study. We studied *historical eras* of dynastic performance that ended in 2002, not the companies as they are today. It's entirely possible that by the time you read these words, one or more of the companies on the list has stumbled, falling from greatness, leaving you to wonder, "But what about XYZ company? It doesn't seem to be a 10X performer today." Think of our research as comparable to studying a sports dynasty during its best years. Just

because the UCLA Bruins basketball dynasty of the 1960s and 1970s under Coach John Wooden (with its 10 NCAA championships in 12 years) declined after Wooden retired does not invalidate insights obtained by studying the Bruins during its dynastic era.⁶ In this same vein, a great company can cease to be great (see *How the Mighty Fall* by Jim Collins), yet this does not erase its dynastic era from the record books, and it's on that *historical dynastic era* that we focused our research lens and based our findings.

THE POWER OF CONTRAST

Our research method rests upon having a comparison set. The critical question is not “What did the great companies share in common?” The crucial question is “What did the great companies share in common that *distinguished* them from their direct comparisons?” Comparisons are companies that were in the same industry with the same or very similar opportunities during the same era as the 10X companies, yet that did not produce great performance. Using a rigorous scoring framework, we systematically identified a comparison company for each 10X case. (See *Research Foundations: Comparison-Company Selections*.) As a group, the 10X companies outperformed the comparison companies by more than 30 to 1 (see diagram “A Study In Contrasts”).⁷ The contrast between the 10X cases and the comparisons *during the relevant era of analysis* led to our findings.

Here then is the final study set of 10X cases and their comparisons: Amgen matched to Genentech; Biomet to Kirschner; Intel to AMD; Microsoft to Apple; Progressive to Safeco; Southwest Airlines to PSA; and Stryker to United States Surgical Corporation (USSC). Regarding the selection of Apple as a comparison case, we're aware that as of this writing in 2011, Apple stands as one of the most impressive comeback stories of all time. Our research lens

for the Microsoft-versus-Apple contrast focused on the 1980s and 1990s, when Microsoft won big and Apple nearly killed itself. If you'd bought Apple stock at the end of December 1980, the month of its initial public offering (IPO), and held it to the end of our era of analysis in 2002, your investment would've ended up more than 80 percent *behind* the general stock market.⁸ We'll address Apple's amazing resurgence under Steve Jobs later in this book, but one point is worth noting here: companies can indeed change over time, from comparison to 10X, and vice versa. It is always possible to go from good to great.



Notes:

1. Each company held at general stock market return until first month of first public CRSP data.
2. Source for all stock return calculations in this work: ©200601 CRSP®, Center for Research in Security Prices, Booth School of Business, The University of Chicago. Used with permission. All rights reserved. www.crsp.chicagobooth.edu.

SURPRISED BY THE DATA

We then performed a deep historical analysis of each pair of companies. We collected more than seven thousand historical documents to construct a clear understanding of how each company evolved, year by year, from founding

through 2002. We systematically analyzed categories of data, including industry dynamics, founding roots, organization, leadership, culture, innovation, technology, risk, financial management, strategy, strategic change, speed, and luck. (See *Research Foundations* for more details on our data collection and analyses.) We didn't begin our journey with a theory to test or prove; we love being surprised by the evidence and changed by what we discover.

We developed the concepts in this work from the data we gathered, building a framework from the ground up. We followed an iterative approach, generating ideas inspired by the data, testing those ideas against the evidence, watching them bend and buckle under the weight of evidence, replacing them with new ideas, revising, testing, revising yet again, until all the concepts squared with the evidence.

We placed the greatest weight on evidence from the actual time of the events. The core of our analysis always rested on comparing the 10X cases to the comparisons across time and asking, "What was different?" This method of inquiry proved particularly powerful for not only developing insights but also shattering deeply entrenched myths. In fact, many of the findings ran absolutely counter to our intuition and every major finding surprised at least one of us. As a preview of what's to come, here is a sampling of myths undermined by the research.

Entrenched myth: Successful leaders in a turbulent world are bold, risk-seeking visionaries.

Contrary finding: The best leaders we studied did not have a visionary ability to predict the future. They observed what worked, figured out *why* it worked, and built upon proven

foundations. They were not more risk taking, more bold, more visionary, and more creative than the comparisons. They were more disciplined, more empirical, and more paranoid.

Entrenched myth: Innovation distinguishes 10X companies in a fast-moving, uncertain, and chaotic world.

Contrary finding: To our surprise, no. Yes, the 10X cases innovated, a lot. But the evidence does not support the premise that 10X companies will necessarily be more innovative than their less successful comparisons; and in some surprise cases, the 10X cases were *less* innovative. Innovation by itself turns out not to be the trump card we expected; more important is the ability to *scale* innovation, to blend creativity with discipline.

Entrenched myth: A threat-filled world favors the speedy; you're either the quick or the dead.

Contrary finding: The idea that leading in a “fast world” always requires “fast decisions” and “fast action”—and that we should embrace an overall ethos of “Fast! Fast! Fast!”—is a good way to get killed. 10X leaders figure out *when* to go fast, and when *not* to.

Entrenched myth: Radical change on the outside requires radical change on the inside.

Contrary finding: The 10X cases changed *less* in reaction to their changing world than the comparison cases. Just because your environment is rocked by dramatic change does not mean that you should inflict radical change upon yourself.

Entrenched myth: Great enterprises with 10X success have a lot more good luck.

Contrary finding: The 10X companies did not generally have more luck than the comparisons. Both sets had luck—

lots of luck, both good and bad—in comparable amounts. The critical question is not whether you'll have luck, but what you *do* with the luck that you get.

A NEW LENS, AN ENDURING QUEST

This book adds to a body of work on what separates great companies from good ones that began in 1989 with the *Built to Last* research (conducted with Jerry Porras), and continued with the *Good to Great* research and the *How the Mighty Fall* analysis. The complete data set from all this research covers the evolution of 75 corporations, for a total of more than six thousand years of combined corporate history.⁹ So, while this is a distinctive and original piece of research, it can also be seen as an integral part of a longer journey to explore one question, “What does it take to build a great company?”

We think of each research study as like punching holes and shining a light into a black box, inside which we find enduring principles that distinguish great companies from good ones. Each new study uncovers additional dynamics and allows us to see previously discovered principles from new angles. We cannot claim that the concepts we uncover “cause” greatness (no one in the social sciences can ever claim causality), but we can claim correlations rooted in the evidence. If you apply our findings with discipline, your chances of building an enduring great company will be higher than if you behave like a comparison case.

If you've read *Built to Last*, *Good to Great*, or *How the Mighty Fall*, you'll notice very little discussion in the next six chapters about the concepts uncovered in those works. With the exception of a direct link to Level 5 leadership, we've deliberately *not* written in the coming pages about principles like the Hedgehog Concept, First Who (the right people on the bus), core values, BHAGs (Big Hairy Audacious Goals), cult-like cultures, the Stockdale Paradox,

clock building, the five stages of decline, or the flywheel. The reason is simple: why dwell on what's already well covered in the previous books in this book? That said, we did test the principles from the previous books and found that they *do* apply in a chaotic and uncertain world. At the end of this book (see *Frequently Asked Questions*), we'll address common questions about how the concepts in this work link to those in prior books. But the primary purpose of this book is to share the *new* concepts learned from *this* study.

Now that we've completed our research journey, we feel a much greater sense of calm. Not because we believe life will magically become stable and predictable; if anything, the forces of complexity, globalization, and technology are accelerating change and increasing volatility. We feel calm because we have increased understanding of what it takes to survive, navigate, and prevail. We are much better prepared for what we cannot possibly predict.

Thriving in a chaotic world is not just a business challenge. In fact, all our work is not fundamentally *about* business, but about the principles that distinguish great organizations from good ones. We're curious to discover what makes for enduring great organizations of *any* type. We use publicly traded corporations as the data set because they provide a clear and consistent metric of results (so we can carefully select our study cases), and easily accessible and extensive historical data. A great public school, a great hospital, a great sports team, a great church, a great military unit, a great homeless shelter, a great orchestra, a great non-profit—each has its own definition of results, defined by its core purpose—yet the question of what it takes to achieve superior performance amidst unrelenting uncertainty faces them all. Greatness is not just a business quest; it's a human quest.

So, we invite you to join us on a journey to learn what we learned. Challenge and question; let the evidence

speaking. Take what you find useful and apply it to creating a great enterprise that doesn't just react to events but shapes events. As the influential management thinker Peter Drucker taught, the best—perhaps even the only—way to predict the future is to create it.¹⁰

2

10XERS

“Victory awaits him who has everything in order—
luck people call it. Defeat is certain for him who has
neglected to take the necessary precautions in time;
this is called bad luck.”

—Roald Amundsen, *The South Pole*¹

IN OCTOBER 1911, two teams of adventurers made their final preparations in their quest to be the first people in modern history to reach the South Pole. For one team, it would be a race to victory and a safe return home. For members of the second team, it would be a devastating defeat, reaching the Pole only to find the wind-whipped flags of their rivals planted 34 days earlier, followed by a race for their lives—a race that they lost in the end, as the advancing winter swallowed them up. All five members of the second Pole team perished, staggering from exhaustion, suffering the dead-black pain of frostbite and then freezing to death as some wrote their final journal entries and notes to loved ones back home.

It’s a near-perfect matched pair. Here we have two expedition leaders—Roald Amundsen, the winner, and Robert Falcon Scott, the loser—of similar ages (39 and 43)

and with comparable experience. Amundsen led the first successful journey through the Northwest Passage and joined the first expedition to spend the winter in Antarctica; Scott led a South Pole expedition in 1902, reaching 82 degrees South. Amundsen and Scott started their respective journeys for the Pole within days of each other, both facing a round trip of more than fourteen hundred miles (roughly equal to the distance from New York City to Chicago and back) into an uncertain and unforgiving environment, where temperatures could easily reach 20 degrees below zero F even during the summer, made worse by gale-force winds. And keep in mind, this was 1911. They had no means of modern communication to call back to base camp—no radio, no cell phones, no satellite links—and a rescue would have been highly improbable at the South Pole if they screwed up. One leader led his team to victory and safety. The other led his team to defeat and death.²

What separated these two men? Why did one achieve spectacular success in such an extreme set of conditions, while the other failed even to survive? It's a fascinating question and a vivid analogy for our overall topic. Here we have two leaders, both on quests for extreme achievement in an extreme environment. And it turns out that the 10X business leaders in our research behaved very much like Amundsen and the comparison leaders behaved much more like Scott. We'll turn to the business leaders in a few pages, but first let's add a bit more detail to the tale of Amundsen and Scott. (To learn even more about Amundsen and Scott, we recommend starting with Roland Huntford's superb book *The Last Place on Earth*, a massive, well-written comparative study of these two men.)

ARE YOU AMUNDSEN OR SCOTT?

While in his late twenties, Roald Amundsen traveled from Norway to Spain for a two-month sailing trip to earn a

master's certificate. It was 1899. He had a nearly two-thousand-mile journey ahead of him. And how did Amundsen make the journey? By carriage? By horse? By ship? By rail?

He bicycled.

Amundsen then experimented with eating raw dolphin meat to determine its usefulness as an energy supply. After all, he reasoned, someday he might be shipwrecked, finding himself surrounded by dolphins, so he might as well know if he could eat one.

It was all part of Amundsen's years of building a foundation for his quest, training his body and learning as much as possible from practical experience about what actually worked. Amundsen even made a pilgrimage to apprentice with Eskimos. What better way to learn what worked in polar conditions than to spend time with a people who have hundreds of years of accumulated experience in ice and cold and snow and wind? He learned how Eskimos used dogs to pull sleds. He observed how Eskimos never hurried, moving slowly and steadily, avoiding excessive sweat that could turn to ice in sub-zero temperatures. He adopted Eskimo clothing, loose fitting (to help sweat evaporate) and protective. He systematically practiced Eskimo methods and trained himself for every conceivable situation he might encounter en route to the Pole.

Amundsen's philosophy: You don't wait until you're in an unexpected storm to discover that you need more strength and endurance. You don't wait until you're shipwrecked to determine if you can eat raw dolphin. You don't wait until you're on the Antarctic journey to become a superb skier and dog handler. You prepare with intensity, all the time, so that when conditions turn against you, you can draw from a deep reservoir of strength. And equally, you prepare so that when conditions turn in your favor, you can strike hard.

Robert Falcon Scott presents quite a contrast to Amundsen. In the years leading up to the race for the South Pole, he could have trained like a maniac on cross-country skis and taken a thousand-mile bike ride. He did not. He could have gone to live with Eskimos. He did not. He could have practiced more with dogs, making himself comfortable with choosing dogs over ponies. Ponies, unlike dogs, sweat on their hides so they become encased in ice sheets when tethered, posthole and struggle in snow, and don't generally eat meat. (Amundsen planned to kill some of the weaker dogs along the way to fuel the stronger dogs.) Scott chose ponies. Scott also bet on "motor sledges" that hadn't been fully tested in the most extreme South Pole conditions. As it turned out, the motor-sledge engines cracked within the first few days, the ponies failed early, and his team slogged through most of the journey by "man-hauling," harnessing themselves to sleds, trudging across the snow, and pulling the sleds behind them.

Unlike Scott, Amundsen systematically built enormous buffers for unforeseen events. When setting supply depots, Amundsen not only flagged a primary depot, he placed 20 black pennants (easy to see against the white snow) in precise increments for miles on either side, giving himself a target more than ten kilometers wide in case he got slightly off course coming back in a storm. To accelerate segments of his return journey, he marked his path every quarter of a mile with packing-case remnants and every eight miles with black flags hoisted upon bamboo poles. Scott, in contrast, put a single flag on his primary depot and left no markings on his path, leaving him exposed to catastrophe if he went even a bit off course. Amundsen stored three tons of supplies for 5 men starting out versus Scott's one ton for 17 men. In his final push for the South Pole from 82 degrees, Amundsen carried enough extra supplies to miss every single depot and still have enough left over to go another hundred miles. Scott ran everything dangerously

close to his calculations, so that missing even one supply depot would bring disaster. A single detail aptly highlights the difference in their approaches: Scott brought one thermometer for a key altitude-measurement device, and he exploded in “an outburst of wrath and consequence” when it broke; Amundsen brought *four* such thermometers to cover for accidents.

Amundsen didn't know precisely what lay ahead. He didn't know the exact terrain, the altitude of the mountain passes, or all the barriers he might encounter. He and his team might get pounded by a series of unfortunate events. Yet he designed the entire journey to systematically reduce the role of big forces and chance events by vigorously embracing the possibility of those very same big forces and chance events. He *presumed* bad events might strike his team somewhere along the journey and he prepared for them, even developing contingency plans so that the team could go on should something unfortunate happen to him along the way. Scott left himself unprepared and complained in his journal about his bad luck. “Our luck in weather is preposterous,” penned Scott in his journal, and wrote in another entry, “It is more than our share of ill-fortune ... How great may be the element of luck!”

On December 15, 1911, in bright sunshine sparkling across the vast white plain, with a slight crosswind and a temperature of 10 degrees below zero F, Amundsen reached the South Pole. He and his teammates planted the Norwegian flag, which “unfurled itself with a sharp crack,” and dedicated the plateau to the Norwegian king. Then they went right back to work. They erected a tent and attached a letter to the Norwegian king describing their success; Amundsen addressed the envelope to Captain Scott (presuming Scott would be the next to reach the Pole) as an insurance policy in case his team met an unfortunate end on the journey home. He could not have known that

Scott and his team were man-hauling their sleds, fully 360 miles behind.

More than a month later, at 6:30 p.m. on January 17, 1912, Scott found himself staring at Amundsen's Norwegian flag at the South Pole. "We have had a horrible day," Scott wrote in his diary. "Add to our disappointment a head wind 4 to 5, with a temperature -22° ... Great God! this is an awful place and terrible enough for us to have labored to it without the reward of priority." On that very day, Amundsen had already traveled nearly five hundred miles back north, reaching his 82-degree supply depot with only eight easy days to go. Scott turned around and headed back north, more than seven hundred miles of man-hauling from home base, just as the season began to turn. The weather became more severe, with increasing winds and decreasing temperatures, while supplies dwindled and the men struggled through the snow.

Amundsen and his team reached home base in good shape on January 25, the precise day he'd penned into his plan. Running out of supplies, Scott stalled in mid-March, exhausted and depressed. Eight months later, a British reconnaissance party found the frozen bodies of Scott and two companions in a forlorn, snow-drifted little tent, just ten miles short of his supply depot.³

DIFFERENT BEHAVIORS, NOT DIFFERENT CIRCUMSTANCES

Amundsen and Scott achieved dramatically different outcomes *not* because they faced dramatically different circumstances. In the first 34 days of their respective expeditions, Amundsen and Scott had *exactly* the same ratio, 56 percent, of good days to bad days of weather.⁴ If they faced the same environment in the same year with the same goal, the causes of their respective success and failure simply cannot be the environment. They had

divergent outcomes principally because they displayed very *different behaviors*.

So too, with the leaders in our research study. Like Amundsen and Scott, our matched pairs were vulnerable to the same environments at the same time. Yet some leaders proved themselves to be 10Xers while leaders on the other side of the pair did not. “10Xers” (pronounced “ten-EX-ers”) is our term for the people who built the 10X companies. In our research, we observed that the 10Xers shared a set of behavioral traits that distinguished them from the comparison leaders. In this chapter we introduce these traits, and in subsequent chapters we describe how our 10Xers led and built their successful companies consistent with them.

Let’s first look at what we did *not* find about 10Xers relative to their less successful comparisons.

They’re *not* more creative.

They’re *not* more visionary.

They’re *not* more charismatic.

They’re *not* more ambitious.

They’re *not* more blessed by luck.

They’re *not* more risk seeking.

They’re *not* more heroic.

They’re *not* more prone to making big, bold moves.

To be clear, we’re not saying that 10Xers lacked creative intensity, ferocious ambition, or the courage to bet big. They displayed all these traits, but *so did their less successful comparisons*.

So then, how did the 10Xers distinguish themselves? First, 10Xers embrace a paradox of control and non-control.

On the one hand, 10Xers understand that they face continuous uncertainty and that they cannot