

# SUCCESSFUL CEOs

## A FRYETT CONSULTING GROUP OBSERVATION



### **KEY LEARNING POINT:**

***WHEN BUSINESS CONDITIONS CHANGE – TAKING ACTION IS IMPORTANT –  
BUT TAKING APPROPRIATE ACTION IS CRITICAL.***

- ◆ The strengths that made your company successful provide the inertia that may prevent you from taking appropriate action!
- ◆ Why do good companies fail? --- It is not paralysis, but rather the tendency to follow established patterns of behavior ---- ***Active Inertia.***
- ◆ The hallmarks of ***Active Inertia:***
  - ***Blinders*** – the Strategic frames and assumptions that led to success
  - ***Routines*** – The way work gets done
  - ***Shackles*** – the relationships that have developed with employees, customers, vendors, suppliers and shareholders
  - ***Dogmas*** – the shared beliefs that have become the corporate culture
- ◆ Successful companies can avoid ***active inertia*** by asking ...

***“What Hinders Us?”***,

rather than

***“What Should We Do?”***

- ◆ Respect your heritage, but recognize that the old strategic frames, processes, relationships and values need to be recast to meet the new challenges.

Excerpts from: *Why Good Companies Go Bad* -- by Donald N. Sull  
Harvard Business Review, July/August, 1999

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