

BY ANDY KANEFIELD AND MARK POWERS

Jim Weddle began his career at investment firm Edward Jones over 30 years ago as a part-time intern and became Managing Partner in 2006. While being a lifer can lead some to believe that one is insular, Weddle sees the benefits of “bringing people in from the outside who really ask the hard questions.” In Edward Jones’ case, that person is Jim Collins.

Many people associate Collins with concepts like the Hedgehog Principle or the BHAG (Big Hairy Audacious Goal). What the casual reader of his work may not notice is that “Collins is all about discipline. Disciplined thought, disciplined planning, and disciplined execution,” said Weddle.

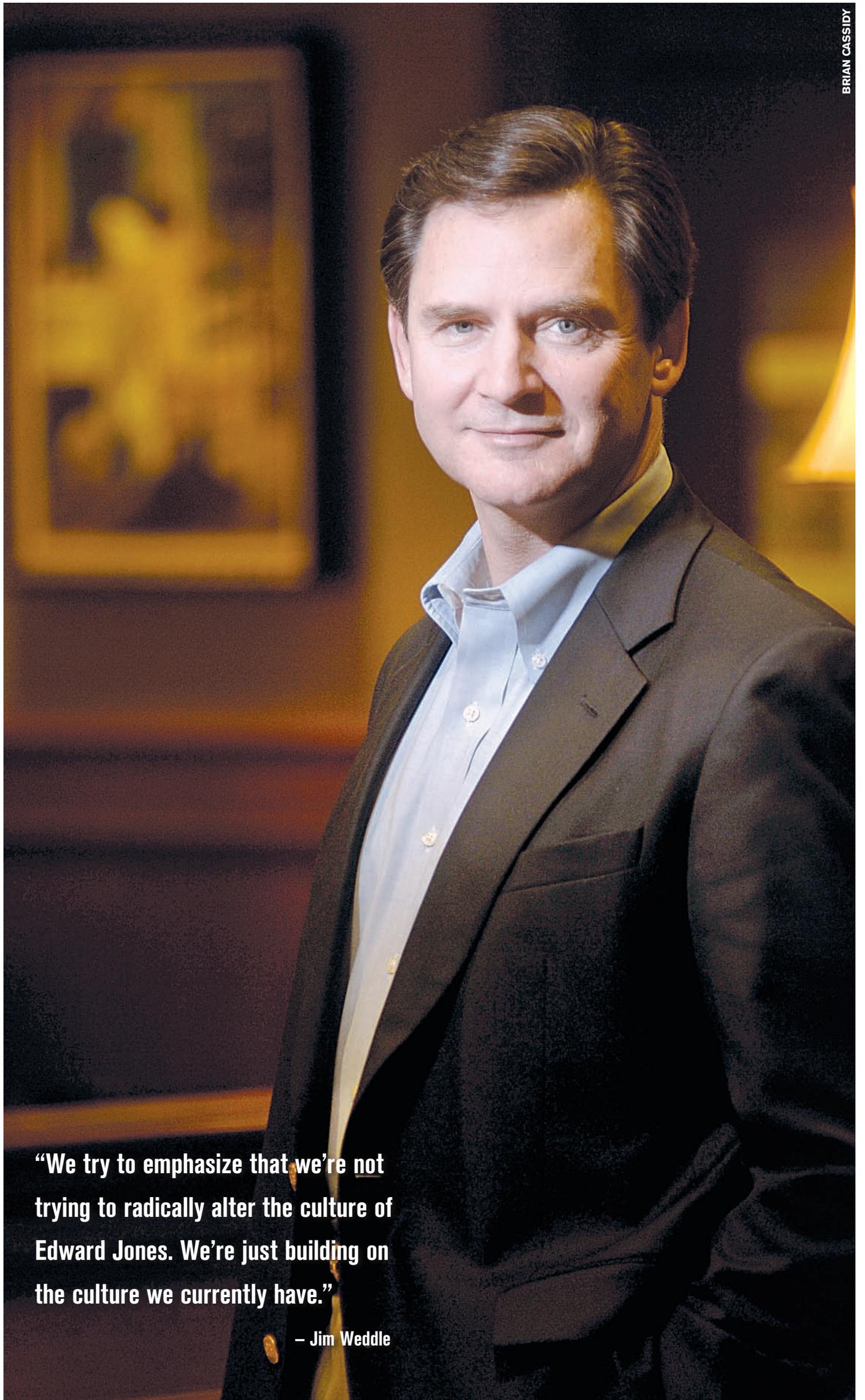
“One of the hard questions that Collins asked was to explain our results in 1995. It was the only year in 30 years in which the firm didn’t grow. Of course, he already knew what our answer would be because he had done his homework. He used this conversation to introduce us to the 20-mile march.

“An army marches the same distance every day regardless of weather and location. On rough days you march the same distance as days when you could march much further. There’s a good reason not to go further. You don’t want to outrun your supply lines.

“In our case if we outrun our supply lines our recruiting breaks down and we bring in people who are lower quality, our hiring screens break down, our training and preparation processes get overwhelmed because we have limited classrooms, mentors, and field trainers. In 1993 and 1994 we grew too fast, outran our supply lines, and that led to our poor performance in 1995.”

Are people instantly able to grasp this disciplined growth approach? “No way,” said Weddle. “For example, we’ve got great recruiting people. But when faced with this new approach their first response was doubt about whether we could hit the 8 percent growth goal. Then three quarters of the way through

Continued on **NEXT PAGE**



BRIAN CASSIDY

“We try to emphasize that we’re not trying to radically alter the culture of Edward Jones. We’re just building on the culture we currently have.”

– Jim Weddle

Continued from **PRECEDING PAGE**

the year they said, 'Hey, what's this upper limit thing? We've got a hot hand here! Let's open things up.'

"What we have to remind everyone is that they're just part of the overall process. There's another part of the process before you and after you. Everything has to dovetail together.

"And we try to emphasize that we're not trying to radically alter the culture of Edward Jones. We're just building on the culture we currently have. After people have been here awhile they become carriers of the culture."

How does that work? "You know how to teach Irish music? There's no sheet music for Irish music. It's one musician teaching another musician

the tune. My 18 year old is a fiddle player. He teaches the 12 year olds, and they teach the 5 year olds. My 23 year old is a Bodhrán player. His proudest accomplishment is having some of his students become teachers as well. It's the same with culture. You pass it on.

"We have to communicate our culture, and we have to live it so our new employees see what behavior consistent with our values looks like. Then they can become carriers."

What else has Collins done to promote discipline? "At the beginning of this year he took us through an exercise of confronting what he calls the brutal facts. We listed all the things we don't do well, all the things we probably can't do well, and all the

things our competition does better than we do. It was the negative stuff that's always at the back of your mind. It was so refreshing to get it out on the board. There were 18 things.

"It's all part of a disciplined process that allows us to make better decisions and make them more quickly because we have a very, very clear understanding of who we are as a firm, what we do best and can identify very clearly what we don't do at all."

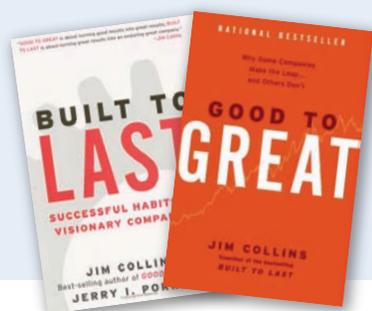
Andy Kanefield is president of Dialect, which helps leaders promote sync — that elusive state when departments and people are working in concert toward big picture goals. He can be reached at (314)-863-4400 or andy@dialect.com.

Defining success

Jim Collins is perhaps most well known for his two best-selling books and has been described as "perhaps the most influential management thinker alive."

His first book, "Built to Last: Successful Habits of Visionary Companies," written with his mentor Jerry Porras, presents the results of a six-year research project at the Stanford University Graduate School of Business into rea-

sons behind the long-term corporate success of 18 American companies. The book sought to answer the question: What makes



the truly exceptional companies different from other companies?

His second book, "Good to Great: Why Some Companies Make the Leap... and Others Don't," is based on a five-year research project and answers the question: "Can a good company become a great company, and, if so, how?"

For resources and more information on Collins and his methodology, go to www.JimCollins.com.

Good to Great

Collins' book, *Good to Great*, applies an Isaiah Berlin essay, "The Hedgehog and the Fox," to create the following questions to help companies develop the necessary discipline to move from "good to great."

1. What can you be best in the world at? Equally important to Collins is what you cannot be best in the world at.
2. What drives your economic engine? In particular, finding the single factor with the greatest financial impact on the company.
3. What are you deeply passionate about? The idea here is not to manufacture passion but to discover what already makes you passionate.

Collins believes that those who lead companies from good to great are hedgehogs. That is, "the hedgehog knows one big thing." Hedgehogs "simplify a complex world into a single organizing idea, a basic principle or concept that unifies and guides everything." The intersection of the answers to the three questions above becomes the principle that is that "one big thing."

The fox, on the other hand, "knows many things" and suffers from being "scattered, diffused and inconsistent."

SOURCES: "GOOD TO GREAT: WHY SOME COMPANIES MAKE THE LEAP... AND OTHERS DON'T," AND WWW.JIMCOLLINS.COM