Think Big, Act Small: How America's Most Profitable Companies Keep the Start-up Spirit Alive

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Is it possible for a company to grow its revenues and profits by 10 percent or more for at least ten consecutive years, not counting acquisitions? That s an incredibly high bar for growth and profitability, one that 99.99 percent of American companies can t meet including the famous ones that routinely land on magazine covers.Management expert Jason Jennings screened 100,000 companies to identify nine little-known firms that have delivered stellar performance for a full decade or more, despite the ups and downs of the economy. And, as he reveals in his new book, these superstars have a lot in common despite their wide range of industries, which includes software, food services, medical supplies, and sporting goods.

It turns out that the best long-term performers all combine the strengths of a big organization with the hunger of a start-up. They build excellent relationships with their customers, suppliers, workers, and shareholders. They groom future leaders at all levels. They balance their short-term goals with their long-term visions. And they teach their managers to get their hands dirty.

Jennings did extensive interviews at his nine featured companies to find out exactly how they consistently increase revenue and profits without using manipulation or gimmickry. He reveals their unique approach to leadership and shows how any company, no matter what size or industry, can benefit from following their examples.

Think Big, Act Small may be the most powerful management book since Good to Great and Execution.
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Think Big, Act Small: How America's Most Profitable Companies Keep the Start-up Spirit Alive Details

Date	:	Published May 5th 2005 by Portfolio (first published 2005)
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From Reader Review Think Big, Act Small: How America's Most Profitable Companies Keep the Start-up Spirit Alive for online ebook

Leader Summaries says

Desde Leader Summaries recomendamos la lectura del libro Piense en grande, actúe en pequeño, de Jason Jennings.
Las personas interesadas en las siguientes temáticas lo encontrarán práctico y útil: liderazgo, estrategia y modelos de negocio.
En el siguiente enlace tienes el resumen del libro Piense en grande, actúe en pequeño, Por qué las empresas más rentables del mundo piensan a lo grande sin descuidar los asuntos pequeños: Piense en grande, actúe en pequeño

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Arif says

Buku lama di rak buku, saya beli saat diskonan, seharga hanya Rp5.000. Bukan bermaksud merendahkan dengan menceritakan harganya, tapi mungkin saya sedang beruntung saat itu, awal 2011, saat buku ini harus disingkirkan dari gudang toko buku Gramedia. Khas BIP, terjemahannya cukup bagus. Judul buku tidak diubah, seperti perilaku BIP (lihat "The Art of the Start" menjadi "Merintis perusahaan multinasional dari nol", atau "Getting Things Done"--saya lupa judulnya, yang jelas diubah total dari konteks). Oke, kembali ke buku ini.

Buku yang cukup menggunggah, menyajikan 9 perusahaan pilihan yang disaring oleh tim penulis buku dari basis data puluhan ribu perusahaan swasta (dari basis data Forbes, Dun's, dll). Syarat utama penyaringan adalah perusahaan yang mengalami pertumbuhan keuntungan tidak terhenti selama 10 tahun (hingga 2004, saat buku ini ditulis). Motif penulis adalah mencari alasan-alasan spesifik kenapa perusahaan-perusahaan tersebut bisa tumbuh fenomenal seperti itu.

Dari ringkasan buku, kita disuguhi fakta bahwa ada tiga cara meningkatkan pertumbuhan: memangkas biaya, memecat karyawan, agar angka laporan keuangan lebih menarik; memanipulasi laporan keuangan; atau, merombak tim penjualan dan menjanjikan pertumbuhan yang fenomenal dengan berbagai trik dan kampanye baru. Kemudian kita diajak bertanya, dari 9 perusahaan terpilih ini, adakah cara lain mencapai keuntungan yang selama ini kita tidak tahu?

Ternyata temuan-temuannya memang menarik. Singkatnya, dalam satu kalimat: "Berpikir besar, beraksi kecil".

Beberapa perusahaan yang diulas menunjukkan beberapa hal menarik, misalnya: pemimpin yang rendah hati, sangat rendah hati, sederhana, bahkan ada yang menjual sahamnya kemudian menggunakan uangnya untuk beramal, keluarganya pun sederhana, kendaraan dan kantor mereka yang biasa saja, bahkan beberapa bisa diakses kapan pun, serta karyawan bisa berinteraksi. Kemudian sifat komunikasi perusahaan sangat terbuka. Kemudian rasa memiliki yang tinggi di seluruh entitas perusahaan, sehingga menghindari unsur hierarki yang kaku. Pemimpin dan perusahaan juga tidak suka sesumbar dan haus publikasi di media.

Itu tadi sifat-sifat dan karakter kepemimpinan dan organisasi. Pola dan metode bisnis yang dianut berbagai perusahaan itu juga menarik. Bahkan saya kira anti mainstream. Misal, mereka tidak berfokus jangka panjang program 5 tahunan, misalnya (ini adalah langkah besar), tapi fokus dan langkah kecil (jangka pendek), yang berpengaruh ke kinerja tahunan, lalu cepat memperbaikinya bila ada masalah. Mereka juga mempunyai mimpi besar, meski banyak kasus pemimpin jarang mengungkap mimpi itu ke publik. Misal, saat revenue 200 juta, apakah bisa bermimpi revenu 1 miliar. Itu pikiran besar, tapi mereka tidak ambil pusing dengan pikiran besar itu, mereka lebih fokus ke bagaimana laba bisa terus tumbuh, minimal 2 digit (10%), mereka lebih fokus tidak pada visi lima tahun, atau slogan atau misi yang diciptakan oleh konsultan luar, tapi mereka fokus pada potensi yang dimiliki perusahaan. Mereka lebih senang tumbuh organik. Mereka kebanyakan anti hutang. Mereka tidak fokus pada market share, tapi pada laba. Contoh kasus Sonic Drive in yang tidak fokus pada pelebaran usaha menjadi 10.000 cabang, mereka puas tumbuh menjadi 3.000 cabang, tapi mereka mengejar pertumbuhan rata-rata tiap cabang double-digit. Mereka mempunyai prinsip, etika, keterbukaan, tujuan yang jelas untuk mengembangkan nilai perusahaan bagi karyawan dan pemegang saham, tidak fokus pada faktor berisik seperti publikasi dan kehebohan. Beberapa pemimpin, misal Charles Koch dari Koch Industries, bahwa mempunyai policy ekstrim dengan secara rutin mengevaluasi usahanya dan bila ada penawar yang lebih bagus dari potensi usaha itu, Koch bersedia melepas unit usaha itu. Alasannya juga sederhana, unit usaha yang kurang potensi mempunyai kesempatan kedua, bila kami tidak mampu merawatnya, siapa tahu di tangan orang lain usaha tersebut mampu tumbuh lebih baik dan bermanfaat bagi karyawan.

Ada beberapa hal menarik yang bisa saya pelajari dari materi buku ini. Yang saya kira bermanfaat bagi siapa saja yang ingin/sedang menekuni bisnis.

Kwang Wei Long says

The core essence of the book is to Think Big and Act Small which basically means that the focus is on the execution to get there.
The book is packed with lots of insightful interviews with the CEOs of various companies which the principles have been distilled down.

Lucas says

This book studied 9 top-performing companies that all produced 10% revenue and profit growth for 10 consecutive years: SAS Institute, Sonic Drive-In, Cabela's, Koch Industries, Dot Foods, Medline Industries, PETCO Animal Supplies, Strayer Education, and O'Reilly Automotive.

Think Big, Act Small. These are the people and companies who get it right. Their consistent long-term financial performance distinguishes them. Their big thinking is based on authentic big ideas, genuinely solving customers' problems, making something better, or creating value.
These people don't use the company as their personal exchequer. Rather than allowing success to go to their heads, they remain humble. They continue to work closely with customers and understand that the organization won't have a long-term future unless short-term objectives are achieved.
They're ready to let go of what is no longer working; get everyone to think and act like owners; and constantly invent new businesses, providing customers with win-win solutions. They carefully select their competition, work tirelessly to build communities of raving fans, and their biggest thrill is identifying and helping build future leaders.
People and companies who think big and act small are good for workers; vendors and suppliers; shareholders and community.

Strive to be in the Think Big, Act Small category for each Building Block.

Building Block 1: Down to Earth

Think Small: People here lack an inspirational goal. They are content to punch the clock and do the day-to-day work, but lack a big cause to rally around.

Think Big: We maintain a balance between aspiring toward a big cause and still nailing the basics. We are not so obsessed with the big goal that we lose sight of being down-to-earth on a daily basis.

Act Big: Different departments zealously withhold information from one another. People shift blame from themselves to others and deny accountability. It's almost impossible to schedule a meeting with anyone and there is no easy way of addressing grievances or proposing change.

Act Small: We work with each other on an informal, collegial basis that allows for greater information flow. This prevents bad news from remaining a secret, only to cause larger problems in the future. People receive encouragement and recognition from those around them. Like in a small community, the contributions of each individual member are recognized and appreciated.

Building Block 2: Keep Your Hands Dirty

Think Small: People only feel responsible for their job description. They don't see the value in venturing outside of their own territory at work to understand what other departments are doing.

Think Big: We realize that the overall success of the organization is dependent on having everyone knowledgeable about how each department functions together. Workers and managers see themselves as part of a team that must cooperate to make the entire project succeed.

Act Big: The leadership has little idea about what is going on at the front lines of customer contact. They're out of touch with the challenges faced by workers, delegate all customer service to a crisis control center, and attempt to stay above the fray.

Act Small: We promote a culture where people understand how one another's contributions play a role in the success of the overall company. We anticipate one another's needs and cross-train to cover multiple work functions, thus making us more adaptable to change. Our closeness with suppliers makes them valued business partners who have as much stake in our success as we do in theirs.

Building Block 3: Short-Term Goals, Long-Term Horizons

Think Small: People are so focused on hitting quarterly numbers that they temporarily pump up sales at the expense of the medium- to long-term health of the company.

Think Big: We realize that our medium-term (two-year) plans provide aspirational guidance, but they will not be achieved without consistently executing numerous simultaneous sound strategies on a daily basis.

Act Big: People are complacent that the future of the company will be stable and prosperous. Since they believe the battle is already won, they slack off today because they think they are part of a rising tide that will achieve success regardless of their individual effort.

Act Small: We realize that strategy is not a destination but a journey. Last year's strategy may be rendered useless based on geopolitical events or industry shakedowns. We are always honing the strategy based on new information and executing the small steps every day that will take us there.

Building Block 4: Letting Go

Think Small: People in our organization stubbornly advocate the status quo as opposed to trying anything new. They don't want to give new ideas a chance because they have a personal stake in the old way, their ego is on the line, or they don't want to lose face.

Think Big: We realize that over the long term there will be changes in the types of goods and services we provide, and that letting go of the past is sometimes necessary in order to move forward.

Act Big: One of our products or services has been dead for years, but we continue to prop it up for the sake of holding on to its glorious past. So many people are involved that it's difficult to come to a consensus about a major decision because there's always a vocal minority who stands to lose.

Act Small: We constantly review our products and services to make sure they are compelling and moving forward. We keep track of product life cycles and don't waste time defending old ideas if time would be better spent pursuing new ones. We preserve the benefit of a small organization in which the performance of the overall group is better understood by each team member, and people are less inclined to cling to bad ideas because they can closely observe the impact of their misguided notions.

Building Block 5: Have Everyone Think Like an Owner

Think Small: People don't fell like their contributions are recognized or rewarded. They lack motivation to improve the way they work or find ways of being more productive because there is a poor alignment of incentives.

Think Big: We realize that optimizing everyone's performance leads to value creation, which in turn drives the success of both ourselves and those around us. We hold ourselves to world-class performance metrics and regularly self-evaluate to discover areas for improvement.

Act Big: Our organization has become overly hierarchical and people are separated into functional silos. People are only concerned with the success of their own team or department, at the expense of the goals of the total organization. People are influenced by the opinions with the loudest voice, rather than the soundest logic.

Act Small: We have incentives for people to create value and they receive due recognition for their achievements. We promote cross-functionality so that everyone can help each other do their job better. We take small failures in stride and realize that they are a necessary part of the experimental discovery process.

Building Block 6: Invent New Businesses

Think Small: People are overconfident that our business model is robust for the foreseeable future and don't see any need to critically evaluate it or modify it to adapt to changing conditions. They think that as long as we keep doing what we do best and fly under the radar, we'll be fine.

Think Big: We realize that today's cash cows could become tomorrow's hamburgers. The long-term success of our group is reliant on us always seeking ways to improve what we do and innovate. We acknowledge that some of our smallest revenue centers of today could be reinvented to become brand-new leading business units of the future.

Act Big: Since we have large market share and decent margins, people focus all of their energy pitching today's cash cows and don't allocate any time and investment in R&D to find the next cash calf.

Act Small: We have implemented systems to constantly evaluate our capabilities and see how they could be expanded to enter new realms. We pay close attention to customer needs to find ways of expanding to better serve them. We aren't afraid to refocus our efforts when circumstances change.

Building Block 7: Create Win-Win Solutions

Think Small: People view vendors and suppliers as costs to be squeezed. They don't care about their success so long as they continue to offer discounts and perks. People want to structure deals the same way they've always been done. "If it ain't broke, don't fix it."

Think Big: We realize that people work harder, create more value, and are more loyal when they've been dealt with fairly, and keep that in mind when structuring deals that benefit both our company and theirs. Giving a supplier a bigger piece of the pie on one deal may lower our short-term profits, but will generate many times that value in long-term goodwill.

Act Big: We hardball our vendors and suppliers to get them to lower their prices, threatening to abandon them if they don't give in to our demands.

Act Small: We treat our business relationships as strategic partnerships that benefit both sides. We maintain strong long-term relationships by helping each other realize profitable growth. We fight commoditization through differentiation, learning true customer needs, and tailoring solutions to make a higher value-added offering.

Building Block 8: Choose Your Competition

Think Small: People think that many other companies besides ours offer basically the same thing that we do, but they cling to the hope that our customers will be loyal to us, even though our larger competitors can undercut us.

Think Big: We realize that there are always new niche categories in the market to seek out and enter. We know the challenges of competing solely on price with competitors who can always undercut us. Occupying a niche gives our brand an identity that customers can identify with, which allows customers to develop deeper appreciation and loyalty. Through our creative differentiation, we earn the right to charge a premium, since we indeed offer a better, more unique product and/or experience.

Act Big: Our company tries to please everyone and has strayed from our core capabilities into activities that stretch us too thin. We are competing in fields in which we don't have a competitive advantage, forcing us to work that much harder to keep up with our more focused competitors.

Act Small: We frequently reevaluate our capabilities and discuss ways in which we can develop unique offerings that set us apart from our competition and place us in a category of our own. We don't fight battles we cannot win, instead looking for barriers to entry that will protect our niche.

Building Block 9: Build Communities

Think Small: People who work here don't feel a strong sense of affiliation with the company. They assume that our brand identity is fixed and can't be changed. Customers view us as a generic provider, without a personality, and while satisfied, they show little loyalty to us in the face of a better offer.

Think Big: We realize that team members and customers are happier and more loyal when we make a genuine effort to give them a sense of community. This goodwill may not produce immediate returns, but over the long term we know it will be a formidable competitive advantage.

Act Big: Attempts by management to bring workers or customers together are trite and halfhearted. People feel too timid to question the initiatives, so they are presented with one bad idea after another. Customers feel less and less affinity for us as we've become a bland, impersonal, corporate behemoth.

Act Small: We bring people together - workers and customers - under common banners that unite them and give them solidarity. People are proud to call themselves part of our group and our company logo is proudly worn as a badge of affiliation. We evangelize and actively follow through on the positive aspects of our brand identity, which we view as a sacrosanct promise.

Building Block 10: Grow Future Leaders

Think Small: The leaders of the company are in it for themselves and can't wait to jump ship and leave the company behind without a succession plan in place.

Think Big: We feel a responsibility to develop a deep bench so that the company can continue its successful trajectory. We delegate big decisions to managers coming up the ranks to test their leadership skills and prepare them for larger responsibilities.

Act Big: The leaders of the company pay no attention to grooming a new generation of leaders, causing the workers, suppliers, customers, and investors to lose faith in the ability of the company to self-perpetuate. People are promoted to leadership positions without a proven track record. The leadership vacuum makes us vulnerable to a hostile takeover.

Act Small: The leaders of the company spend ample time identifying potential future leaders, meeting with them, showing them the ropes, and passing knowledge from one generation to the next.

Lori Grant says

A should-read book on managing companies for knowledge workers, managers, executives, and entrepreneurs.

Louis Wilberforce says

I like

Sean Vangordon says

A good examination of some great companies, and a discussion about what they do right. I found the company histories and cultures very interesting. The first half of the book is solid, and gives you some good insight on leadership. The second half of the book is very slow, and repeats common business tropes.

Amr says

The book is evaluating how 10 companies managed to continue to grow in benefit over the last. Though the criteria they chose the companies was money based, they diverted to talk about the ethics of the company. I found a lot of fat and marketing material stuff like "Our clients feel proud to have loyalty card" ... "each employee feels he is an owner" ... "we have people who started in cleaning and are now vice presidents". Such things might be interesting to read, but not of value to a reader.

There were full 2 chapters about the making of the books and numbers which I skipped through. I found the book boring half way through.

Sascha says

An amazing piece for research work, 'Think Big, Act Small' examines the reasons for the success of the most successful companies (in terms of growth and profit).

It shows that these companies developed eerily similar strategies and behaviors independently from each other and across all kinds of company sizes and business domains.

I recommend it for the advanced entrepreneur/leader.

Synexe says

THE MAIN IDEA

This book is about the basics. What do organizations need to do to thrive and succeed – year in and year out? They need to ‘think big, but act small’. In this book, Jason Jennings outlines ten key factors that he and his team identified by sorting through the long-term results of over 100,000 US companies to come up with a list of nine examples of long-term corporate success. Through utilizing these ten factors Jennings argues that organizations ought to be able to continue to grow and succeed over the long-term.

INTERESTING TIDBIT

In many respects the arguments that the book outlines are common sense. And, as Jennings says in the book, this is exactly the argument made to him by an elderly woman who heard Jennings present on the research behind this book in Hong Kong. But, as Jennings notes, the woman then went on to say that “the most common thing about common sense is how uncommon it is”.

WHAT YOU REALLY NEED TO KNOW

In sum, long-term success is about sticking to a single set of long-term values while realizing that things necessarily change over time and so what type of business you’re in will necessarily change over time as well. The one thing that won’t change is how you do business. That is, you need to continue to ensure – no matter the external or internal changes – that your company continues to deliver on its values – to its employees and its consumers.

THE GENERAL OVERVIEW

This book tends to go against the grain in terms of much of the general business literature – which tends to be based on the ‘latest thing’. This book, partly in contrast to this general trend makes that argument that when things are reduced down, successful business is about successfully executing a small range of business fundamentals over time. Nothing flashy there. But, it is powerful.

The strength of the book is the detail of the stories that Jennings and his team have drawn from their research and long-term engagement with each of the nine companies that make up the subject matter of this book. The extended cases studies which are inter-woven throughout the book bring the work to life – making it a more ‘human’ read – as well as help illuminate how the ten factors that Jennings describes work in real life.

This is a solid work. Unfortunately, it probably won’t change the way that business is done, and it’s not faddish. But, that said, that’s the secret of the nine companies Jennings worked with to distil these ten factors. That too then is the secret of the book. It contains nothing startling in terms of findings – but many of those findings could usefully be applied to a wide range of businesses from start-ups all the way through to well-established firms. It’s all about the fundamentals. And, you need to get the fundamentals right to really achieve over the long-term.

Annie Gherini says

Interesting book with some great points made about a growing company. Did not love how the book was laid out, following 8 different companies through each chapter. I did not know a few of the companies so I kept having to look back and see what this company actually did in order to understand the scenario.

Cedric Dukes says

Great book on how companies concentrated on their customers and earned double digit growth year by year. Companies like Sonic, Petco and Cabellas and others showed how they were loyal to their customers first then grew. They knew that they wanted to be big but acted small in the steps and actions. They did not have big marketing budgets but concentrated on people and providing the best services possible. The author also related this book on how your small business with a few key nuggets in leadership, loyalty and commitment can help you to grow as well as personally. The companies represented here are not in major cities but in small towns in the Midwest and other off the radar places.

Felix valentin says

Very Simple and easy to implement...
Should be read for beginner businessman

Rohan says

I thought this book was pretty ordinary. Well it does talk about some of the companies and the good practices that led to their success but author fails to make this book an enjoyable/interesting experience. At times I felt the author trying too hard to justify the title, which was kind of annoying to me. My colleague who suggested this book to me thinks that I am not quite ready for these kinds of books, which I can't say is completely false.

Hemlet Kiai says

Great book!
