**HABITS OF MIND**

***Good to Great to Gone****: The 60-Year Rise and Fall of Circuit City, by Alan L Wurtzel*

My premise is that there can be no *“rules”* or *“formulas”* for business strategy. Strategies are situational; they are specific to time and place. What works today will generally not work tomorrow, in another place or in a different economic environment.

Behind every strategy, however, lie the Habits of Mind of those who developed the strategy. Pessimists see problems and opportunities differently from know-it-alls, and gamblers different from paranoids. Habits of Mind are not situation-specific, but ways of thinking about one’s organization in relation to the work in which it exits. It is these Habits of Mind that drive strategic decision-making and lead either to success or to failure. This book attempts to identify the successful and unsuccessful Habits of Mind that guided Circuit City’s strategy over its lifetime.

Following are the Habits of Mind that I consider essential to organizational success. I will refer to them again at the end of each chapter as they are relevant and as I share my perspective on key moments in the company’s history and the lessons learned from the results of the strategic decisions made.

**Be Humble, Run Scared**: *Continuously doubt your understanding of things. Business success contains the seeds of its own destruction. Worry about what the competition knows that you do not. Andy Grove, the legendary co-founder of Intel, got hit largely right in his book* ***Only the Paranoid Survive****.*

**Curiosity Sustains the Cat***: The world is constantly changing. Be open and curious and strive to lean from others. Continuously try to understand the market and the changing economic, demographic, and other relevant forces at work that impact your business. Study your competitors. They may have insights and practices worth emulating or refining.*

**Evidence Trumps Ideology***: in business as in politics, decisions are too often based on unproven assumptions about what works and what doesn’t. We all need operating assumptions about human nature, the economy, and the like, but when things do not work out as planned, we need to determine whether our assumptions were based on evidence or ideology. Evidence about the real-world trumps ideological assumptions every time.*

**Confront the Brutal Facts***: The worst person you can fool is yourself. Ignoring or denying reality does not help it go away. Once you understand the issues, be bold enough to take decisive action.*

**Chase the Impossible Dream***: do not be limited by what Collins and Porras, the authors of Built to last, call the “Tyranny of the OR.” Be willing to embrace the “Genius of the And.” Two worthwhile goals that seem mutually exclusive can inspire and organization of “ordinary” employees to achieve extraordinary results,”*

**Maintain a Current Road Map***: If you don’t know where you are going any road will take you there. Regular strategic planning based on how the company relates to its external environment, including the economy, competition, and the customer is essential to success.*

**Boldly Follow Through***: Big ideas require bold leadership and attract loyal followers. The effort comes to naught if the execution is tentative or not well-disciplined.*

**Mind the Culture***: Create a caring and ethical culture where employees can make mistakes without fear of adverse consequences. Beware of employees who are more concerned about their own success than the success of the business. Understand, exemplify, and reinforce the company’s positive history and culture.*

**Pass the Torch with Care***: Succession is critical. Most companies cannot withstand successive top management failures. CEO’s need to select and groom their successors with care. Boards need to be bold enough to replace the CEO when necessary to take the time to be sure the right successor is in the place.*

**Encourage Debate***: Learn from dissent. Involve senior staff and the board of directors in an open process to find the best answer. Create a board that will raise thought-provoking questions and challenge management to justify its plans*

**Keep It Simple and Accountable***: Develop a clear and well-articulated set of policies for dealing with customers, suppliers, and employees. For any organization to succeed it is essential that each and every employee internalize the company’s goals and values. Employees should also be held accountable and incentivized to purse those goals and values every day.*

**Focus on the Future***: Manage for the long term and not the short. Don’t let short-term earnings swings divert a long-term strategy. Ignore the skeptics and short-term market gyrations. If things go well, the value of your company, whether public or private, will respond over time.*