
INTRODUCTION

By **VERNE HARNISH**



THE DEATH OF STEVE JOBS gave birth to this book. Let me explain. In the fall of 2011, I was in Delhi visiting Raghoo Potini, our India partner for my firm, Gazelles, when our conversation turned to the topic of Jobs and how brilliant Apple’s decision was to bring him back as CEO. (Name another major corporation where the CEO departed for a decade and was then rehired, only to bring the organization back to glory.) Ultimately that decision led to the creation—just a few months before Jobs’ tragic passing—of the most valuable company in the world.

Wasn’t this one of the greatest and most unlikely business decisions of all time? If so, what are the others? And wouldn’t it be wonderful to get the inside story on how those industry-changing decisions were made?

A truism of life is that success equals the sum total of all the

decisions one makes. And as Jim Collins suggests in the foreword to this book, it's the combination of thousands of decisions that lead to greatness. Yet there seem to be a handful of decisions that stand apart from the rest—a few “black swan” moments, to borrow a phrase from Nassim Nicholas Taleb's groundbreaking book of the same name. They are often those fateful “bet the farm” moments, when a CEO can go left or right, or not go at all. And the choices great leaders end up making are often counterintuitive and move companies, industries, and even nations in entirely new directions.

Thinking over that Steve Jobs conversation during the long flight home from India, I decided it was time for someone to pull together all these important decisions. I turned to my colleagues at *Fortune* magazine, where I'm a contributor, and pitched them the idea for a book. To me, it made sense to ask writers who have long covered the companies and industries that would appear in the book to pen the chapters. They reacted with enthusiasm, and thus *The Greatest Business Decisions of All Time* was born.

Picking the best business decisions is, of course, more art than science. The search, in a sense, began some 20 years ago. At the time, I was looking for course material for an executive program I had launched in 1991 on the campus of MIT with Edward Roberts and Vince Fulmer. What the program needed, I figured, was a curriculum of insightful case studies that would appeal to the high-potential CEOs attending the program. What better way to do this than by focusing on great business decisions? Over the next two decades I started to compile a list of what I believe to be some of the best decisions made by the most successful companies in history.

In the end, the 18 management decisions that made our final list stood out from others because they were counterintuitive—they went against the grain of popular practice. Who was Andy Grove to think he could make a commodity computer chip a household name? Now we have “Intel Inside.” What executive in his right mind would give his employees time to daydream—but that’s exactly what 3M CEO William McKnight did in 1948.

Many of these great decisions eventually unleashed a storm of imitation—Google now lets employees spend a chunk of their time on their own projects, some 50 years after McKnight at 3M set the precedent. A few of these ideas, however, like Bill Gates’ decision to take a week off once or twice a year to read and think (a habit that helped Microsoft shift its strategy a number of times) remain largely uncopied. That doesn’t mean that Gates’ Think Week approach might not be just the thing for some of today’s business leaders. In the end, all these great decisions have stood the test of time, having created tremendous value as well as lessons for running any business.

At first we attempted to organize the decisions into various buckets. My company, Gazelles, developed a conceptual framework called the Four Decisions, which emphasizes the main categories of decisions that all companies must get right. They are: People, Strategy, Execution, and Cash. It soon became clear that it didn’t make sense to stuff each decision into one of these convenient boxes. We also thought about ranking the decisions, presenting them in a reverse order like a Casey Kasem radio jock countdown of the top 40 hits, but that, too, seemed arbitrary. The only exception was naming the No. 1 greatest business deci-

sion of all time, which we save for the last chapter of the book. The harder we tried to find a way to label these wildly diverse decisions, the more we became stuck. In the end we decided to let each stand on its own merit.

Nevertheless, I do have my top five favorites. Here they are, in reverse order:

▶ **NO. 5: GENERAL ELECTRIC** Jack Welch's decision to go all-in and fund Crotonville, a first-class training center, set the tone for thousands of businesses to create corporate universities. That decision also helped develop a generation of leaders at GE who have gone on to run countless other companies.

▶ **NO. 4: SAMSUNG:** The decision by this South Korean electronics giant two decades ago to launch an unprecedented sabbatical program, placing star employees in far-flung places around the globe for a year, continues to drive Samsung's prominence as a top 20 brand.

▶ **NO. 3: WAL-MART** Sam Walton's decision to launch a simple Saturday morning meeting, for all employees, in his first store has led to 50 years of rapid decision-making, creating one of the largest companies in the world.

▶ **NO. 2: APPLE** The decision to bring back Steve Jobs as CEO of the company he founded, after a decade-long absence, resulted in "the best work of his life" and the most valuable public company in the world.

▶ **NO. 1: FORD** Henry Ford's decision to double the wages of his employees meant that workers were no longer viewed as drones, to be paid as cheaply as possible, but instead as valuable assets. In turn, workers could now afford the very products

they were producing. That triggered a consumer revolution that would eventually help create the wealthiest nation on earth.

What you won't find in this book is deep or, for that matter, any analysis of the neuroscience of decision-making. For more on that topic read my colleague Luda Kopeikina's book *The Right Decision Every Time: How to Reach Perfect Clarity on Tough Decisions*. Kopeikina based her book on research she conducted on 115 CEOs. I've had her teach her techniques to the leaders in our executive program. The details of her research and that of others are beyond the scope of this book.

I also don't expect this to be the final answer on the greatest business decisions of all time. I want to spur debate on the topic. I want MBAs to wrestle with and analyze the list. I want other business leaders to validate or criticize the selections as a way for all of us to learn. Most of all, I want these decisions to ignite and inspire conversations in boardrooms and cafés about how they might apply to one's own business—and then have you share your thoughts with the rest of the world. I invite you to visit www.greatestdecisions.com to continue the debate and to nominate your own great decisions.

We hope that you enjoy the stories in the pages that follow and benefit from their shared insights.

—*Verne Harnish*