the Great Game *of* Business

THE ONLY SENSIBLE WAY TO RUN A COMPANY

JACK STACK
with Bo Burlingham

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INTRODUCTION TO THE EXPANDED AND UPDATED EDITION

I think that in most people's hearts, they want to write a book. And most people can. But here's some advice: don't write a business book. Write a western or a romance instead—anything but a business book. Why? Because few people keep your typical novel. They read the book and then they get rid of it. They rarely dog-ear it, Post-it-note it, flag it, bookmark it, highlight it, or underline it. It's almost as if time stands still when you write a business book. It's unlikely that someone will bring a mystery or a romance novel back to you twenty years later and ask what you meant by what you wrote on page 121 or whether you're still doing the things you mentioned on page 67. When you write a business book, and profess to practice what you preach, you're permanently putting your reputation on the line. Plus, your readers might actually do something with

the advice you wrote about. That's an awesome responsibility to live with.

Twenty years ago, Bo Burlingham and I wrote a book called *The Great Game of Business*. We weren't trying to do much more than document how we at Springfield Remanufacturing Corp. (SRC) in Springfield, Missouri, were operating our business, which was focused, at the time, primarily on remanufacturing truck and automobile engines. We were a classy garage shop. But what really made SRC different was that our business wasn't run in the traditional top-down, command-and-control way most other companies were (and still are). We had built a repeatable system that enabled our associates to run the company—a business of businesspeople, as I like to call it, where everyone gets a chance to grab the brass ring if they choose to do so.

WHAT'S IN A NAME?

The name we used for our leadership system, *The Great Game of Business* (also known as the Great Game, the Game, or the GGOB), has caused a lot of head scratching over the years, especially by people who think that it trivializes business by equating it with a game. Business is serious, they say, where people's lives, let alone life savings, are at stake. It's a fair point.

We used the word *game* for our system because we wanted to find a way to make business approachable and less intimidating to our associates working on the shop floor or in an office. Business is not an art or a science. It's a competitive undertaking with rules, winners and losers, ways of keeping score, and all the elements of luck and tal-

ent. It doesn't have to be an instrument of exploitation, or a tool of greed, and you don't need an MBA to understand it. Given all that, we figured there wasn't any reason we couldn't set up our company so that everybody could play the game together and share the rewards. We wanted to demystify business.

The truth is, when we still worked for International Harvester, we were great at building products like engines and tractors, but nobody had ever taught us how to build a company. I'll never forget a guy who worked on the factory floor running a drill press. His job was to literally figure out how to make the perfect hole by correcting for millimeter-wide variances. Nothing more; nothing less. You could imagine my surprise when someone told me that the same drill press operator was actually a self-made millionaire who had built his wealth through savvy real estate investments. Here was this incredible entrepreneur working under our noses and all I had this guy doing was drilling holes. What a wasted opportunity.

This haunted me for a long time because we had missed out on using this drill press operator's full range of talents. We only asked him to drill the perfect hole, not about how he thought we could build a better company. For thirty-three years, we only had him keep his head down thinking about control charts, measurements, and throughputs. He had given us his skills, but we lost the opportunity to tap his full intellectual capacity. What we didn't realize at the time was that by failing to tap the strengths of every individual in our company, we were heading toward a dead end by dumbing people down.

Our wake-up call came when International Harvester

told us it was shutting down our plant. When we took the opportunity to buy the company for ourselves in 1983, we knew we needed a smarter way to run our business. The old way didn't work. We needed something that was the opposite of the command-and-control model that we had been taught and that had been used for years and years. If we were even going to have a shred of a chance to make it on our own, we needed to find a way to tap the strengths of every individual in the company.

In those early days, none of us knew squat about business. It was really, really hard to break free from our old ways. Even though we owned the company, there was still an attitude of "us versus them" between the managers and the workers. You still had people pointing fingers and waiting for commands. We had plenty of job descriptions that could tell you the size, measurements, and tooling you needed to make the perfect hole. But nothing in that description was tied to the success of the company as a whole. That's where we fell short.

Even though we were owners, nothing really had changed. We were still experiencing the hangover from the Industrial Revolution. We weren't moving forward, we just kept going backward. It was an example of how devastating the command-and-control model truly was.

It wasn't until we appealed to everyone's competitive spirit that we began to see change take place. It's a universal law of nature that if you poll a group of people and ask them their opinion on just about anything, you'll rarely get everyone to agree. Except when it comes to winning. Everyone likes to win—and no one likes to lose. That's why we tried to open the business up using the analogy of

games—things that people are interested in and have fun doing. Work is boring. But people love the idea of playing a game or competing. Call it a hook if you want. It was all born out of frustration about how to teach people the metrics of business. We wanted to find a way to get people to apply the same skills they were using to build the perfect tractor to also build the perfect company. We needed to change our focus so that the *company* was our product.

The GGOB became an accelerated learning process we used to bring about a cultural and behavioral change and take down the walls that our command-and-control system had created. When the lightbulbs started to come on, and we really began thinking about how we could build a great company together, the transformation was incredible.

By the time we wrote the original book in 1992, the results were already staggering. Revenues had grown from $16 million to $83 million, and the company's value had skyrocketed from $100,000 to $25 million. Just as important, our Employee Stock Ownership Plan, or ESOP, had grown to the point where hourly workers who had been with SRC from the beginning had holdings worth as much as $35,000. But beyond any specific numeric goal, we were very vocal in that first book about our goal that everyone who worked at the plant would have a chance to buy a house of his or her own.

That was a heavy objective for a bunch of guys and gals with grease in their fingernails and sweat on their brows. It also brought us a lot of attention over the years. I can't tell you how many times people who read the original book have asked me how that house thing worked out. I'm proud

to report that the average ESOP account for our original hourly workers topped $400,000 in 2012. In Springfield, Missouri, that's a house, a lake house, a bass boat, and a pickup truck. The most important thing is that our employees know how to achieve their dreams. That's the real secret of the GGOB.

All the same, we never stopped marching forward. We've only gotten bigger and stronger in the years since the original book was published. We started this process a long time ago, but it's never finished. The more we play, the more we learn. The more we fix, the better we get. It's like working in a living laboratory.

A critical component of our success was that the more we taught people, the more they taught us. The more we opened things up, the more people wanted to know. It was contagious. In a command-and-control system, people don't ask questions because they don't know what to ask. But when you're collectively trying to build a great company, you ask hard questions. And when everyone respects the people asking those questions, you get stronger because you have to work harder to come up with the answers. It still surprises the heck out of me how transformative it is when the lights go on in someone's head and the person just gets it.

With the help of the GGOB, the people at SRC have continued to be profitable every year since we got our start back in 1983. SRC's combined revenues have grown to more than $450 million. Just as important, the company has created thousands of jobs while building more than sixty diversified businesses over the past thirty years. Most of the SRC companies remanufacture products for the agricultural, industrial, construction, truck, marine, and