WHY SOME COMPANIES DOMINATE

GOING THE DISTANCE

Kevin Kennedy • Mary Moore

Foreword by Don Valentine, Founder and Principal Partner, Sequoia Capital

AND OTHERS FAIL
Praise for Going the Distance

“Deeply analytical, brilliant in its exposition, Kevin Kennedy and Mary Moore’s study of the dynamics underlying the growth—and failure—of long-lived dominant companies systematically traces the predictable challenges of governance and action that face all large businesses as they grow. Then with dead-on accuracy, they convincingly pinpoint the key strategies and leadership qualities that enable great companies to leverage those challenges into competitive advantage. More than a post-mortem on the high-technology economy, Going the Distance brings fresh, useful insight to the entire topic of successful leadership in the complex organizations that exist throughout our society. The need to foster throughout the organization what this study calls leadership DNA is certainly pressing in a fast-moving, competitive business environment. But the lack of well-coordinated cooperative reflection and action for the good of the whole can be equally damaging in a university, a city, or any large, complex entity. This is a rare book on management that offers lessons applicable to leadership excellence in a broad range of organizations.”

—Francis L. Lawrence, President Emeritus, Rutgers, The State University of New Jersey

“Growing a company is a complex business. This wonderful book can act as a guide, showing how to manage that complexity, and transform it from a problem into a strategic advantage. For those of us who’ve learned some of these lessons the hard way, Moore and Kennedy’s book provides an invaluable framework and fills in the gaps. Anybody who wants to build a world-class business should have a close look at this book.”

—Jerry Fiddler, Founder and Chairman, Wind River

“So much to learn…. Every chapter gives insight that inspires and makes one look into his own mirror.... No CEO should be without it.”

—Jozef Strauss, Chief Executive Officer, JDS Uniphase Corporation

“Going the Distance provides real insight into what makes some companies prosper from startup to industry leader, while others fall off the track before they get there. If you want to avoid the pitfalls and take your company the distance without the suffering the inevitable trials that growth and complexity bring, this is required reading. I wish I had the benefit of this book as a new CEO.”

—Michael Brown, Chairman, Quantum Corporation
“Kennedy and Moore have created a pragmatic view of how companies grow, succeed, and fail. They provide a refreshing focus on how culture is truly essential to building sustainable leadership and attracting top talent. Interesting, provocative, and real.”

—Jeffrey E. Christian, Chairman and Chief Executive Officer, Christian and Timbers

“This book offers unique perspective and insight into the challenges many a company will face during its life cycle. These real lessons can serve as a model of understanding for translating these challenges into marketplace opportunities for growth and sustainability.”

—Rod Adkins, General Manager, Pervasive Computing Division, IBM Software Group

“Going the Distance provides a detailed structural analysis of complexity of business systems. Kevin and Mary provide a rare insight into building a deliberate practice linking strategy to execution.”

—Don Listwin, Chief Executive Officer, Openwave Systems Inc.

“Entrepreneurs and CEOs will find this to be a practical guide, full of examples, of about what can go right and what can go wrong in building a company from startup to greatness.”

—Bill Elmore, General Partner, Foundation Capital

“The authors put forward a compelling case for the variables that plant the seeds of decay for any enterprise. More importantly, the book provides a very pragmatic approach to building a dashboard with early warning indicators that could prevent these seeds from germinating.”

—Masood Jabbar, Executive Advisor to the Chief Executive Officer, Sun Microsystems

“Moore and Kennedy capture exactly what is unique about Cisco System’s success as a growth model. Unlike many leaders who either froze in place or thrashed back and forth as complexity rose with growth, the authors show us how Cisco turned what could have become a perfect storm into competitive advantage. Going the Distance offers managers a concise framework to identify and gain advantage from these same challenges in their own companies.”

—Christopher Meyer, Ph.D., author of Fast Cycle Time and Relentless Growth
“A highly original thesis around the life cycle of a corporation, with deeply analytical insights on what is very hard to grasp: the developing threads that prefigure future success or failure. The authors have struck a great balance between experience and corporate practice, on the one hand, analytical reasoning and seeking causes, on the other. Thoroughly enjoyable reading for anyone who, like the authors, truly believes in learning as a lifelong source of motivation and fulfillment, specifically in corporate settings.”

—Roland Acra, Senior Vice President, Cisco Systems

“Finally a book that presents a full, integrated, and practical view of all the dynamics necessary to navigate the treacherous waters that determine winners and losers in today’s business climate. The interlocking concepts between execution, governance, leadership, and culture lend final credibility to subjects that have for too long been treated as independent subjects to be studied one at a time. Exceptionally well done and useful book.”

—Marianne F. Jackson, SVP and Chief Human Resource Officer, Palm, Inc.

“A uniquely different approach to describing and analyzing what it takes to succeed in these difficult and complex times. All business leaders can’t help but improve their effectiveness by embracing some of the key leadership concepts so thoroughly and convincingly presented in this book.”

—John Radford, Senior Vice President, Aon Consulting/Founder, Radford Surveys

“Mary has helped build countless startups, as well as consulted to large, established companies; Kevin has managed in one of America’s most important scientific companies and has been an integral creator of one of the most dynamic cultures in American business. Together, they have written a clear, practical guide for management teams and board members to use day in and day out. It stands head and shoulders above the kind of overly theoretical books, distanced from business realities, that we’ve all become used to. As a venture capitalist, I was naturally drawn to the book’s sage advice on warning signs and best practices for startups. But my real mission is to build lasting, great companies, so the authors’ advice for large companies may be even more invaluable.”

—Tom Rosch, General Partner, InterWest Partners

“I love this book. Kennedy and Moore’s insightful commentary, brilliant stories and compelling evidence make this a must read for anyone in business wanting to stay ahead of the curve. This book rocks!”

—Jason Jennings, worldwide bestselling author of It’s Not the Big That Eat the Small—It’s the Fast That Eat the Slow and Less Is More
Going
the
Distance
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Going the Distance

Why Some Companies Dominate and Others Fail

Kevin Kennedy
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Where was this book when I needed it? In 1977 when we started Apple? In 1982 when we started 3Com? In 1983 when we financed Oracle? In 1982 when we started Electronic Arts in our office? In 1989 when we took control of Microchip from General Instruments? In 1994 when we financed Network Appliance? In 1987 when we started Cisco? In 1995 when we started Yahoo?

This book is an ideal distillation of the lessons of company success and failure, many of which I have learned the hard way, in more than 30 years of nurturing venture-backed companies. As I read it, I found myself wishing that such a handbook had been available to help me diagnose and repair problems so many of our promising companies and founders faced over the years.

I’ve had the wonderful opportunity of watching the evolution of Silicon Valley, almost since its inception—1960. Despite an ever-increasing number of motivated, talented, and entrepreneurial managers, high-tech companies have a mixed history of commercial success, with only a few reaching the state of dominance enjoyed by Intel, Cisco, and Oracle. The majority fail to “go the distance.” Not only does conventional wisdom tend to distill the lessons of success and failure into over-simplified premises—the choice of a particular CEO or a late product transition or a failed merger, for instance—but it also appears to blame the symptoms rather than the causes. What underlies these failures? What early signs might be read before the last straw breaks the camel’s back? How can management do a better job of learning from the past to improve the future?

In a meeting some time ago with one of the authors, I posed this question: “Why do great companies fail?” This was at the beginning of the current economic downturn, and given the graveyard of historical failures, it seemed to me none too soon to pose the question. Imagine my surprise when I received an email almost two years later, requesting that I review a book that offers real answers to that very question.

A distinguishing feature of Going the Distance is that it avoids the oversimplification of offering a single principle that promises salvation. In fact, this book effectively organizes the experience and observations of two people who have collectively logged more than