

WHAT REALLY WORKS

The 4+2 Formula for Sustained Business Success

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MAIN IDEA

What is the secret to sustained business success? When it comes to being successful over the long haul, what really works? To answer this question scientifically, a five year research project – dubbed the “Evergreen Study” in recognition its attempt to search for the “evergreen” principles of success – was undertaken by consultants and business school professors at top universities around the country. They analyzed more than 200 management practices, fads, silver-bullet cures and management buzzwords commonly used by 160 companies to statistically identify what really matters in business and what does not. At the end of this five year analysis, the Evergreen Study came up with a stunningly simple result: All successful companies master six specific management practices, four of which are compulsory (the four primary management practices) and two of which are optional but which must come from a list of four secondary management practices. This 4+2 pattern is found in every company which has achieved and sustained long-term success.



In essence, the 4+2 formula is an unambiguous road map to success. Any company or organization which aspires to succeed in the future simply needs to find effective ways to excel in the four primary practices and any two of the secondary practices.

“The results of the Evergreen Study were startling. Most of the 200 practices we started with turned out to be chaff – their success or failure was irrelevant to total-return-to-shareholders. But we found a clear and compelling correlation between total-return-to-shareholders and eight general areas of management practice: four primary and four secondary. The link between 4+2 practices and business success was astonishing. A company consistently following the formula had a better than 90-percent chance of being a Winner. We don’t maintain that our formula for predicting, achieving, and sustaining superior performance is the only way to go. We do say that it stacks the odds heavily in favor of success.”

– William Joyce, Nitin Nohria and Bruce Roberson

“What do the Evergreen results mean for managers? They show why success is so elusive, and why so few companies achieve it in the long term. A business has to run full speed on six tracks at once in order to win, and a single misstep on any of them can be fatal. That is why it is so difficult to be a long-term, consistent Winner.”

– William Joyce, Nitin Nohria and Bruce Roberson

1. The four primary management practices Pages 2 - 5

Four Primary Management Practices	1	Strategy	Devise and articulate a strategy which is clear and narrowly focused
	2	Execution	Execute flawlessly – consistently meeting or exceeding expectations
	3	Culture	Build a culture which is intensely performance based and oriented
	4	Structure	Be fast and flexible by having a flat organizational structure

2. The four secondary management practices Pages 6 - 8

Four Secondary Management Practices	1	Talent	Retain talented employees and find or develop more of the same
	2	Leadership	Have directors and leaders who are committed to the business
	3	Innovation	Bring to market innovations that transform your industry
	4	Growth	Make growth happen through ongoing mergers and partnerships

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