**Small Giants:**

**Companies That Choose to Be Great Instead of Big**

**Book Summary**

**Introduction**

In "Small Giants: Companies That Choose to Be Great Instead of Big," Bo Burlingham explores the fascinating world of companies that prioritize excellence and community over rapid expansion and size. These businesses, termed "Small Giants," have chosen to focus on being exceptional at what they do, creating great workplaces, providing outstanding customer service, and contributing positively to their communities. This comprehensive summary delves into the key principles and stories from Burlingham's book, offering insights into what makes these companies unique and successful.

**Common Threads Among Small Giants**

Burlingham identifies several common traits among Small Giants:

1. **Recognizing Choices**: Unlike many entrepreneurs who follow conventional growth paths, Small Giants' leaders recognize the full range of choices available to them and deliberately choose paths that align with their values and goals. These leaders refuse to accept the standard menu of options and instead, craft their unique paths to success.
2. **Resisting Pressure**: These companies resist the enormous pressures to expand rapidly, maintaining control over their destiny by staying privately owned. They choose not to follow the traditional route of seeking external investment or going public, allowing them to prioritize their values and goals over profit maximization.
3. **Community Intimacy**: Small Giants have an extraordinarily intimate relationship with their local communities, contributing significantly to the local economy and social fabric. They are deeply integrated into their locales, and their success is often intertwined with the well-being of their communities.
4. **Customer and Supplier Relationships**: They cultivate deep, personal relationships with their customers and suppliers, ensuring mutual commitment and trust. These relationships go beyond mere transactions and are built on personal contact and a commitment to delivering on promises.
5. **Workplace Culture**: The workplace culture in these companies addresses a broad range of employee needs, including creative, emotional, spiritual, social, and economic aspects. They create environments where employees feel valued and engaged, contributing to the overall success of the business.
6. **Variety of Structures**: Small Giants exhibit a variety of corporate structures and governance modes, each tailored to their unique needs and values. These companies are not bound by traditional corporate structures and often create innovative organizational models to suit their goals.
7. **Passionate Leadership**: The leaders of Small Giants bring passion and a deep emotional attachment to their businesses, prioritizing purpose over profits. They love their work and are driven by a desire to make a positive impact on their employees, customers, and communities.

**Chapter 1: Fee to Choose**

Small Giants demonstrate that businesses can be profitable and rewarding without pursuing aggressive expansion. Leaders of these companies often face critical decisions about growth and must resist external pressures to expand too quickly. Burlingham highlights that many entrepreneurs only recognize their choices after experiencing significant challenges or crises.

1. **Quality Over Quantity**: Leaders often realize that a highly profitable smaller company is preferable to a larger, less profitable one. The focus is on maintaining quality, reputation, and employee satisfaction. Danny Meyer of Union Square Hospitality Group states, "I've made much more money by choosing the right things to say no to than by choosing things to say yes to."
2. **Learning from Mistakes**: Entrepreneurs learn valuable lessons from crises, such as controlling impulsive decisions and considering the broader impact of their choices on employees and stakeholders. One entrepreneur shared, "Today I never make a decision that will jeopardize anybody's job, but that's something I had to learn the hard way."

**Chapter 2: Who’s in Charge Here?**

Maintaining control over a growing company is challenging. Small Giants emphasize the importance of keeping ownership and control within a committed group to avoid decisions driven by external growth targets.

1. **Capital and Growth**: Growth requires capital, and many companies face pressure to sell equity to finance expansion. Small Giants manage this by carefully guarding their equity and focusing on sustainable growth. They understand that "every unit of growth needs new capital if you're a capital-intensive business."
2. **Employee Empowerment**: These companies often empower employees by giving them ownership stakes and encouraging them to take initiative and make decisions aligned with the company's values. This approach ensures that the company's culture and vision are maintained as it grows.

**Chapter 3: The Mona Lisa Principle**

Small Giants are deeply connected to their locations, shaping and being shaped by their communities. This connection enhances their identity and contributes to their unique culture and business practices.

1. **Community Engagement**: Companies actively participate in and contribute to their communities, fostering a sense of belonging and mutual support. For instance, many employees are driven more by their company's contributions to the community than by personal financial gain.
2. **Quiet Generosity**: Unlike some high-profile socially responsible businesses, Small Giants often prefer to support their communities quietly and personally, without using their good works as marketing tools. Their acts of charity and support are genuine and not motivated by publicity.

**Chapter 4: Ties That Bind**

Exceptional customer service and intimate relationships with stakeholders are hallmarks of Small Giants. These companies create a sense of community and mutual commitment with customers, suppliers, and employees.

1. **Core Values**: Small Giants are driven by core values such as caring for each other, their guests, their community, their suppliers, and profitability, in that order. These values guide their business decisions and practices, ensuring that they stay true to their mission.
2. **Customer Intimacy**: These businesses strive to develop deep emotional connections with their customers, ensuring loyalty and advocacy through exceptional service and personal interactions. They understand that great customer service involves showing customers that they are valued and cared for personally.

**Chapter 5: The Culture of Intimacy**

Small Giants foster a culture of intimacy and belonging among their employees. This culture is essential for maintaining the company's mojo and ensuring long-term success.

1. **Employee Ownership**: Many Small Giants have employee stock ownership plans (ESOPs), which give employees a stake in the company and foster a sense of ownership and responsibility. This approach creates a strong bond between the company and its employees.
2. **Intimate Workplace**: Companies maintain intimate workplace environments by ensuring close relationships, open communication, and personal care for employees' well-being and growth. They believe that a significant majority of a company’s people must love where they work for the company to have mojo.

**Chapter 6: Galt’s Gulch**

Founders of Small Giants often start their businesses with a clear vision of creating a better world in some way. As these businesses grow, maintaining the original vision and culture becomes a significant challenge.

1. **Vision-Centric Leadership**: Successful Small Giants transition from being entrepreneur-centric to vision-centric, ensuring that the company's values and purpose are ingrained in its operations and culture. This shift helps maintain the company's identity and direction even as it grows.
2. **Succession Planning**: Effective succession planning is crucial for maintaining the company's mojo and ensuring continuity. This involves selecting leaders who share the company's vision and values and preparing them to take on leadership roles.

**Chapter 7: Pass It On**

Succession planning is a critical issue for Small Giants. Passing on the company’s vision and values to the next generation of leaders and employees is essential for preserving its unique culture and success.

1. **Long-Term Thinking**: Owners often make significant sacrifices to ensure the company remains true to its values during transitions. They focus on long-term success rather than immediate financial gains. For instance, many Small Giants choose to sell to employees through ESOPs rather than external buyers to maintain control and culture.
2. **Employee Buy-In**: Ensuring that employees understand and are committed to the company's vision and values is vital for a successful transition. This often involves open communication and leadership development programs.

**Chapter 8: The Art of Business**

The leaders of Small Giants are deeply in touch with the good things in life and strive to create businesses that reflect their values and passions. They focus on relationships and the overall experience of doing business, rather than just financial metrics.

1. **Passion and Purpose**: Small Giants are driven by a passion for their work and a clear sense of purpose. This passion is contagious and inspires employees, customers, and the community. Burlingham notes that these leaders are "remarkably in touch with and focused on what most of us would probably agree are the good things in life."
2. **Quality Relationships**: The quality of relationships with employees, customers, suppliers, and the community is a key measure of success for Small Giants. These relationships are built on trust, authenticity, and mutual respect. The focus is on creating meaningful experiences and fostering strong connections.

**Conclusion**

"Small Giants" by Bo Burlingham offers a profound exploration of companies that prioritize greatness over growth. These businesses demonstrate that success is not solely measured by size or revenue but by the quality of relationships, the impact on the community, and the fulfillment of their employees and leaders. By choosing to be great instead of big, Small Giants set a new standard for excellence in business, proving that it is possible to achieve success without compromising values or losing sight of what truly matters.

**Key Takeaways**

1. **Value-Driven Choices**: Recognize the full range of choices available and deliberately choose paths that align with your values and goals.
2. **Resist External Pressures**: Maintain control over your company's destiny by resisting pressures to expand rapidly and staying true to your vision.
3. **Community Engagement**: Foster deep connections with your local community and contribute positively to its social and economic fabric.
4. **Intimate Relationships**: Cultivate personal and intimate relationships with customers, suppliers, and employees based on trust and mutual commitment.
5. **Culture of Intimacy**: Create a workplace culture that addresses a broad range of employee needs, fostering a sense of belonging and commitment.
6. **Vision-Centric Leadership**: Transition from entrepreneur-centric to vision-centric leadership to ensure long-term success and continuity.
7. **Long-Term Planning**: Focus on long-term success through effective succession planning and by nurturing future leaders who share the company's values.

**Recommended Actions**

1. **Define Your Values**: Clearly articulate your company's values and ensure they guide all decisions and actions.
2. **Prioritize Quality Over Quantity**: Focus on maintaining high standards of quality and service rather than pursuing rapid growth.
3. **Engage with Your Community**: Actively participate in and contribute to your local community, fostering mutual support and connection.
4. **Build Trusting Relationships**: Develop deep, trusting relationships with customers, suppliers, and employees through consistent, personal interactions.
5. **Foster Employee Ownership**: Consider implementing employee ownership programs to foster a sense of responsibility and commitment.
6. **Plan for Succession**: Develop a clear succession plan that ensures the continuity of your company's vision and values.
7. **Maintain Passion and Purpose**: Stay connected to your passion and purpose, inspiring others through your enthusiasm and commitment.

**Top Quotes**

1. “I've made much more money by choosing the right things to say no to than by choosing things to say yes to.”
2. “A business without soul is not something I'm interested in working at.”
3. “Just because it's the best around doesn't mean you have to franchise or even expand. You can stay as you are and have a business that's profitable and rewarding and a source of great pride.”
4. “Instead of trying to do it all, we wanted to be the best at a few things…”
5. “I think you need to feel in your gut that whatever you do is the most interesting, exciting, worthwhile thing you could be doing at that moment. Otherwise, how do you convince anyone else?”

**Final Thoughts**

"Small Giants: Companies That Choose to Be Great Instead of Big" by Bo Burlingham provides a refreshing perspective on business success. By focusing on quality, community, and relationships, Small Giants demonstrate that it is possible to achieve greatness without compromising values or succumbing to the pressures of rapid expansion. These companies offer valuable lessons for any business leader looking to create a meaningful and fulfilling enterprise. Through deliberate choices, passionate leadership, and a commitment to excellence, Small Giants set a new standard for what it means to be successful in business.