

Questions Peter Drucker Would Ask



*Peter Ferdinand Drucker
1909-2005*

I'm sure many of you reading this have also read the work of Jim Collins, including his worldwide bestseller "*Good to Great*" and perhaps his 1994 text "*Built to Last*" as well, co-authored with Jerry Porras. The latter book chronicled eighteen companies that Collins and Porras considered 'visionary,' and highlighted a number of principles the authors' attributed to their collective success. You may be well aware of the book's basic premise, but you may not know that in the process of bringing it to print, Collins and Porras rejected over one hundred potential titles. At one point an exasperated Collins fumed "*Why don't we just name it 'Drucker was right' and we're done!*" Such was the lofty esteem in which Peter Drucker was held by two of the world's leading business thinkers in the late twentieth century.

Peter Ferdinand Drucker, who left us in 2005, would have reached ten decades this year. Through his 39 books, countless articles, and literally thousands of speeches around the globe his legacy as the father of modern management thinking is well entrenched, and the penetrating questions he so humbly posed continue to challenge and inspire all of us working in the organizational world today. Covering the entire Drucker canon is well beyond the scope of a single article, so in these few pages I'd like to share with you some of my favorite Drucker questions and concepts, and challenge you to look deep within yourself and your organization in considering responses to queries I believe are as relevant today as they were when Peter tapped them out on his trusty Brother typewriter years ago.

Who is our customer?

From conversations I've had with people who knew Drucker, and from the numerous accounts of those he influenced over the years, it's apparent he had a few mantras he wasn't shy about sharing, one of which was, "*The purpose of a business is to create and keep a customer.*" Which leads to this first, and very fundamental, question – Who is our customer? Determining who you choose to serve is a topic I too believe is central to strategy and ultimately performance, and in fact is one of the four questions that comprise the Roadmap Strategy model as outlined in my book on strategic planning, "*Roadmaps and Revelations.*"

As with many of the questions offered by Drucker, at first glance this one appears elementary and simplistic. But can you answer it with con-



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viction? If you were to ask your entire senior leadership team the question would they hold a consensus view on the topic? What about your employees? Is each and every one clear and focused on who you serve? My experience tells me the answers to all of the questions raised above is no. Many organizations, uncomfortable with the risk inherent in making pure strategic choices, instead hedge their bets by attempting to serve a diverse number of customers, which in the end often leads to confusion, inefficient use of resources, and mediocre results.

What does our customer value?

All customers hold certain expectations of value, some are explicitly stated while others are implied based on their behavior, and often manifested in the unfortunate form of defection to competitors. Drucker would chafe at the thought of making general assumptions about what customers value; grand illusions conjured up in the ivory tower of executive suites and painfully divorced from what's really taking place on the ground. Instead he would challenge leaders to look 'not in the mirror, but out the window' for trends that are impacting the way people use their products and services, for changing needs, and for larger trends in the world around them. Above all else,

Drucker would implore us not to assume but to go and look. Which leads to my next, and perhaps favorite, Druckerism.

Go and Look:

For information-starved managers around the world, struggling with underperforming spreadsheets and overwhelming paper-based reports, the advent of software for creating and sharing performance results couldn't have come a moment sooner. But even the best report produced from the most sophisticated software is still at its core an abstraction.

When we abstract we move to another level, often leaving certain characteristics behind in our travels. As Drucker observed, "*The view from the Matterhorn cannot be visualized by studying a map of Switzerland.*" The same is true when examining our most current business performance reports. That 'map' of what happened, as exhaustive and technologically dazzling as it may be, does not equal the 'territory' of what is actually occurring on the street with real customers making real decisions. The only way to get concrete feedback is to go and see for yourself what is happening on the front lines of your business.

In *Roadmaps and Revelations* I tell the story of Bill Bratton, former Chief of the New York Transit Police Department. He understood that in order to

bring about change in the minds of his team it was vital for them to challenge the deeply held assumptions they had regarding the subway system, derisively known as the "Electric Sewer," and the only way that was possible was to direct them to actually ride the Sewer. Seeing, hearing, feeling, touching, and dare I say, perhaps even tasting what was taking place below ground opened their minds to what was really occurring on their watch and motivated them to move towards bold change. Bratton didn't rely on reports of what was taking place in the subterranean tunnels of New York, he knew the truth could only be discovered if he and his people heeded Drucker's wisdom to go and look.

Strategic Abandonment:

Many strategy pundits are quick to remind us that strategy is not only about 'what to do,' but equally as important is determining, 'what not to do.' In other words, when creating a differentiating strategy, organizations must carefully consider their offerings in light of current market, competitor, and other trends to determine whether the products and services they provide are still appropriate and valued by customers, given the reality of the world they live in today.

Drucker called this process abandonment. He sternly ad-

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vised that every three years organizations should make it a habit to systematically challenge every product, service, process, and distribution channel they employ with the provocative question: “*If we were not selling/doing/ providing this already, would we go into it now?*” Organizations, like some people, are great hoarders. They build and collect portfolios of products, services, processes, and policies, constantly growing their ranks but rarely taking the time and considerable effort to question their ongoing validity and efficacy. For many organizations, it’s much easier to simply trot out a new generation of a tired product, apply a band-aid solution to a broken process, or add on another layer of red tape, than it is to stop and challenge the basic assumptions behind the decisions they made, and whether or not those assumptions are still valid.

Engaging in strategic abandonment not only forces an organization to confront its past decisions, but opens it up to the exciting possibilities of the future. Instead of squandering its best people and

other valuable resources on things it shouldn’t be doing, perhaps should never have been doing, the process allows the capable and cunning organization to respond creatively to opportunities that arise out of changes in their environment.

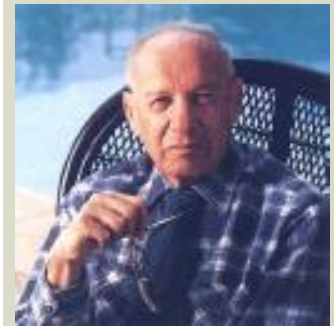
One last note, strategic abandonment doesn’t have to be a dry, academic exercise. Some organizations have a lot of fun with their abandonment process. One European government agency had an actual funeral with a coffin and a gravestone in front of the building to say goodbye to things they would no longer do.

A Final Question:

In 1934, after hearing a lecture by renowned economist John Maynard Keynes, Drucker made this self reflective observation: “*I suddenly realized that Keynes and all the brilliant economic students in the room were interested in the behavior of commodities, while I was interested in the behavior of people.*” That fascination and dedication to the human side

of business remained with Peter Drucker throughout his long career and life, serving as the muse for much of his writing, and for that we remain forever in his debt.

The final question I leave you with is one Drucker posed to his many students, veteran CEOs, and marquee business gurus (Jim Collins included) alike. It is simply: What can *you* contribute? So much of our popular culture and ethos is aimed at success, with celebrity and riches serving as the final arbiter of one’s earthly accomplishments. Drucker eschewed such superficial gauges of achievement, constantly prodding those he mentored to pay less heed to what they achieved and more to what they contributed. His central challenge was how we can be useful - useful to our families, our organizations, and our society. It is truly a timeless question, one I know I will return to again and again in the days ahead, and one I hope you will use as you set your own compass towards contribution.



“What can you contribute?”

Sources:

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