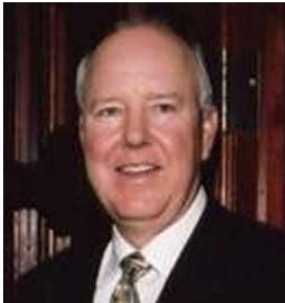


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Gleanings

by Gerald R. Chester, Ph.D.

A Tribute To Peter...Drucker, That Is



Peter Drucker, the father of modern management theory, died recently at the age of ninety-five. Much has been written in tribute to him, which is fitting since he was the pundit of many management principles that are widely accepted today.

Dr. Drucker was a professor of social sciences and management—the study of how people function in organizations, and specifically, how to adroitly manage organizations of all types including for-profit, not-for-profit, and government agencies. He was a theorist who used scientific methodology. He started with a hypothesis, and then tested the hypothesis empirically and pragmatically to determine whether or not it was correct.

Dr. Drucker influenced many business leaders throughout his long illustrious career. His philosophy of consulting was based on asking—not answering—questions; he believed that the key to building great organizations was asking the right questions. Hence to him, a great consultant is one who asks the right questions.

He is perhaps most known for his question: “What business are you in?” This simple, yet profound, question has generated protracted discussions in many executive suites. Many people would denominate the answer in terms of money, such as, “We are in the business of making money.” Dr. Drucker deemed such an answer unacceptable. Money was never the goal; it was the fruit. To be sure, organizations must, over the long term, earn a profit. But properly viewed, profit is simply the validation that the organization is doing what it is supposed to do, the way it is supposed to do it.

He posed another critical question: Who are your customers? No organization can be all things to all people. Dr. Drucker believed strongly in strategic thinking, which, among other key issues, includes the identification of the specific people or people groups to be served by the organization.

Most organizations believe they exist to provide a product or service. Dr. Drucker disagreed with this perspective. He claimed that organizations exist to solve problems. Once an organization identifies whom it is to serve, then it should identify the problem or problems that it can and should solve for those served. The organization should use this knowledge to find and offer the best solution or solutions possible to its customers.

The organization needs the right people in order to deliver the best solution or solutions possible. Dr. Drucker understood that an organization’s potential could be discerned best by studying its management team, not by studying financial statements and business plans. As important as financial and business analysis are, the most important element of a successful organization is a philosophically sound, skilled, strategic, and equally yoked management team. One indicator that an organization has the right management team is that the team hires the right people.

I understand that Dr. Drucker discovered these salient principles of management theory by thinking and studying organizations. He also could have, and may have, discovered these principles by studying the Bible.

Dr. Drucker, thank you for a life committed to organizational excellence and sound management theory. The world is a better place because you were here.

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