

Peter Drucker prods executives at a big investment bank to ask, "What should our business be?"



Thousands of university students in China learn about effectiveness, Drucker style



"I don't predict. I just look out the window and see what's visible but not yet seen."
— Peter F. Drucker

the window



Jan-Feb 2012

Letter from Claremont



The most popular Dx post in the past 30 days

The problem with much of management education today—and, in turn, with the way that many businesses are run—is that “we don’t teach the Austrian Peter Drucker; we teach the Austrian von Hayek.”

So declared Harvard’s [Rakesh Khurana](#), speaking late last year in Vienna, the birthplace of both Drucker and economist Friedrich von Hayek. The Nobel Prize-winner von Hayek has had a huge influence on making “the maximization of shareholder value” a central tenet of corporate management over the past 35 years.

Whether you agree with Khurana or not, his address at the [3rd Global Peter Drucker Forum](#) helped frame one of the most provocative discussions we’ve heard in a long time. Driving the two-day event was this question: How can management regain its legitimacy in society?

Among those offering up answers was [Mark Kramer](#), who urged the hundreds of people in attendance to shift the focus from

“shareholder value” to “[shared value](#)”—a principle that calls on companies to solve social problems as part of their core business strategy.

Meanwhile, [K.H. Moon](#), the former CEO of Yuhan-Kimberly, provided insights on how he made the Korean consumer-products company truly people-centered, established trust up and down the supply chain and turned the organization into a hothouse of lifelong learning.

And [Deepa Prahalad](#) proposed that companies innovate at the [bottom of the pyramid](#), where managers can “re-imagine their role as agents of change.”

As we embark on a new year of fresh possibilities, all of these ideas continue to bounce around in our heads. How about you? How do you think we can we make the world a little more Drucker-like in 2012?

Rick Wartzman and Zach First
Executive Director and Managing Director

Local Links

How people around the world are bettering their communities by applying Peter Drucker's ideas

With China poised to become the world's largest economy, Drucker Societies are doing their part to make sure that the Asian giant moves forward in a way that is effective and responsible.

Based at 43 universities in 20 cities across China, the Societies seek to "improve the competence and values of future Chinese managers," said Winny Dong, CEO of the China Drucker Association. "They help students to learn and live Drucker."

Since 2007, the Drucker Societies in China have worked with more than 60,000 university students, including some 14,000 in its Campus Facilitator project. Through this train-the-trainer program, Drucker Society student leaders are certified in teaching key Drucker lessons about "running effective meetings . . . delegating authority and managing oneself," explained



University students participate in a Drucker Societies of China management training session



Dong's colleague Shuoshuo Bian. The Drucker Society student facilitators then share these insights with leaders from other student associations at their universities. The "innovative, student-centered seminars," according to Dong, include analyses of Drucker's books,

exercises in experiential learning and online follow-up forums.

More than 90 certified Drucker Society Campus Facilitators have hosted 450 events in the two years since the initiative began. "It is important to learn Drucker," said Xu Xinxing, one of the certified facilitators, "to become a more effective executive . . . [and] to treat people with honesty, humbleness, courtesy, and integrity."

As a result of the program, Xu added, she now knows how to "utilize the right people to do the right things."

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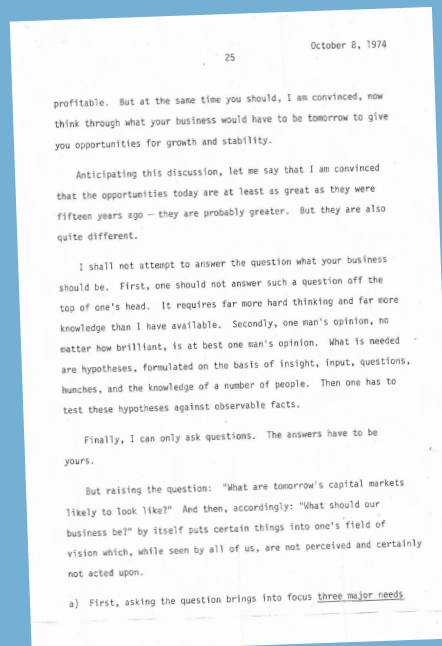
From the Archives



Peter Drucker once remarked that "my greatest strength as a consultant is to be ignorant and ask a few questions."

It was a self-deprecating quip. But it also contained a grain of truth. One can see his basic approach come to life in a 1974 letter that Drucker wrote to Donaldson, Lufkin & Jenrette.

Drucker had recently met with the principals of the U.S.-based investment banking firm when he penned this missive



Peter Drucker's 1974 consulting letter to Donaldson, Lufkin & Jenrette executives. "Having attained our objectives," he wrote, "we now have to re-think new ones."

as a follow-up.

As an adviser and friend to DLJ for 15 years, Drucker knew that the firm had attained its initial objectives, and it was time to look toward other opportunities for growth.

Drucker pointed out that a company can easily be tempted to redouble its efforts after it has met its original goals. But "the right strategy," he believed "is to say: 'Having attained our objectives, we now have to re-think new ones.'"

Indeed, at this point, "the right question to ask is: 'What should our business be?'"

"I shall not attempt to answer the question what your business should be," Drucker added. "First, one should not answer such a question off the top of one's head. . . . Secondly, one man's opinion, no matter how brilliant, is at best one man's opinion."

Besides, said Drucker, "I can only ask questions. The answers have to be yours."