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Peter Drucker's
Five
Most
Important
Questions

Enduring Wisdom
for Today's Leaders

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Praise for *Peter Drucker's Five Most Important Questions*

“As a marketer and a business leader I have found guidance in Drucker's simple wisdom. My favorite: ‘Without a customer, there is no business.’ This book offers timeless insights, an anecdote for those dizzied by the rapidly evolving business landscape.”

—Beth Comstock, Chief Marketing Officer, GE

“A timeless guide for students at the Yale School of Management—elegant in its simplicity yet powerful in focus.”

—General Thomas Kolditz, Professor and Director, Leadership Development Program, Yale School of Management

“Nobody, not even Socrates, has ever asked better questions than Peter Drucker. All the personality, all the wisdom is here to make your work dramatically more effective. There's nothing better. It's like having Peter at your side.”

—Bob Buford, Author, *Halftime and Finishing Well*, and Founding Chairman, Peter F. Drucker Foundation for Nonprofit Management

“In my work with chief executives, managers, and students, I see a shared desire to create a life of meaning, purpose and passion. This book shares essential lessons to do so for all generations. Memorable, powerful, and accessible, this is another classic in the making!”

—Sanyin Siang, Executive Director, Fuqua/Coach K Center on Leadership & Ethics (COLE), Duke University

PETER DRUCKER'S FIVE MOST IMPORTANT QUESTIONS

ENDURING WISDOM FOR TODAY'S LEADERS

PETER F. DRUCKER

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Foreword

In 2000, Fred Andrews wrote in *The New York Times* of the Peter F. Drucker Foundation for Nonprofit Management—now The Frances Hesselbein Leadership Institute: “With little money, the Institute is a pool of management wisdom for all who choose to dip their cup.” Today, we celebrate the Institute's 25th anniversary. Our work has not deviated far from our work in 1990, or 2000: we continue to publish the most contemporary writing on leadership and management; we provide relevant leadership resources, advice and inspiration; we introduce cross-sector partnerships that provide opportunities for learning and growth; and we support student-leaders and professionals around the globe.

I'm encouraged by the “Bright Future” message of leaders across the sectors who are using *The Five Questions*—who are reaching into their organization and out to their customers and community, reaffirming their values, and reexamining their mission.

Since we first published *The Five Questions*, I've met many “fellow travelers”—working professionals, high-level executives, cadets, faculty, students—who tell us that the inspiration and leadership resources we offer, rooted in the leadership work of Peter F. Drucker, has allowed them to embody more fully our *To Serve Is To Live* leadership philosophy, as well as share our mission-focused, values-based leadership model with others in their wider community. These leaders have realized that simple questions are sometimes the hardest to answer. Peter Drucker's questions are profound, and answering them requires us to make stark and honest self-assessments.

If Peter were with you and your organization today, we believe he would ask the same five questions he developed when our journey of self-assessment began with him:^{[1](#)}

1. What is our mission?
2. Who is our customer?
3. What does the customer value?
4. What are our results?
5. What is our plan?

Complex and compelling—these questions are essential and relevant. They can be applied to any organization today. This book is designed for *organizational*, strategic self-assessment, not for *program* assessment or for an *individual* performance review. It starts with the fundamental question, “What is our mission?” It addresses the question of the organization's reason for being—its purpose—not the *how*. The mission inspires; it is what you want your organization to be remembered for. The questions then guide you through the process of assessing *how well you are doing*, ending with a measurable, results-focused strategic plan to further the mission and to achieve the organization's goals, guided by the vision.

The ultimate beneficiaries of this very simple process are the people or customers touched by your organization and by others, like you, who have made the courageous decision to look within yourselves and your organization, identify strengths and challenges, embrace change, foster innovation, accept and respond to customer feedback, look beyond the organization for trends and opportunities, encourage planned abandonment, and demand measurable results. Some organizations of the past rested on good deeds alone. Organizations of the future are relevant and sustainable with measurable results.

This self-assessment model is flexible and adaptable. Walk this tool into any boardroom or CEO's office. Use it in any sector—public, private, or social. It does not matter whether the organization is a Fortune 500 multinational or a small entrepreneurial start-up, a large national government agency or one that serves your local town or regional heartland, or a billion-dollar nonprofit foundation or a \$100,000 homeless shelter. What matters is commitment to the mission, commitment to the customer, commitment to the future, and commitment to innovation. Self-discovery is an introspective and courageous journey that gives organizations and leaders the energy and courage to grow.

In this enhanced edition of the indispensable tool, we have considered the context of our times, the advent of the B Corporation, which allows organizations to account for the commitments they are making to their customers, their employees, the environment, and the community at large, the impact we are seeing from the Millennial generation—a generation for whom *To Serve Is To Live* is not a foreign language. We have convened emerging and experienced leaders of the future who offer us new insight to these powerful five questions.

We are deeply grateful for the generous gift of our respected and admired contributors:

- Col. Bernard Banks, who explores the importance of examining an organization's results through the prism of organizational and personal values.
- Lauren Maillian Bias, who describes the interdependence of personal success and professional success.
- Juana Bordas, who considers how best to measure the effectiveness of an organization's planning process and

how those who want to start their own ventures can apply the lessons she learned from successfully starting up Colorado's largest Hispanic-serving organization.

- Adam Braun, who explores the nature of achieving one's goals and how the finish line to living the perfect life does not exist.
- Jim Collins, who describes how an organization's strategy reflects the fundamental tension between continuity and change and how organizations excellent at adapting to change know what should *not* change.
- Caroline Ghosn, who states that the most important thing you can do as a leader is to articulate a vision and that translating the vision into action requires a clear plan—something tangible that people can make their own.
- Marshall and Kelly Goldsmith, who explore the personal application of the question, “What is our mission?” and have found through their research that creating an effective personal mission requires taking into account both happiness *and* meaning.
- Nadira Hira, who suggests that more than ever before, companies today have access to a constant stream of feedback in the form of social media but that too few know how to use it effectively.
- Philip Kotler, who implores us to better understand who our key customers are and plan to please them instead of trying to please everyone in an unfocused way.
- Jim Kouzes, who suggests that everything exemplary leaders do is about creating value for their customers.
- Raghu Krishnamoorthy, who explains how General Electric constantly reimagines and reinvents itself to