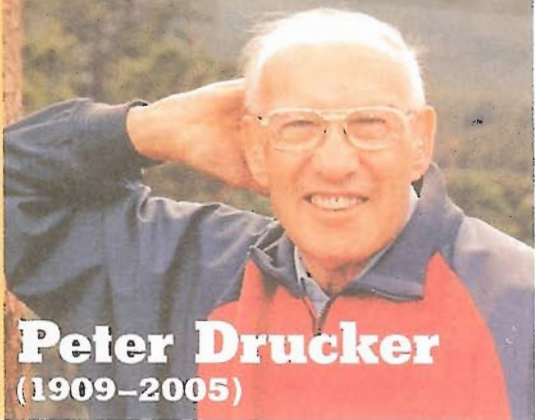


## Important Lessons for us all from The Great

# Peter Drucker

(1909–2005)



**P**eter Drucker, the father of modern management, died last November at the age of 95. His legacy lives on through his groundbreaking work on global competition, executive pay, the rise of the “knowledge worker” and much more.

*Bottom Line/Personal* asked top executives who considered Drucker a mentor to share the most important lessons they learned from him...

### THERE IS NO GREATNESS WITHOUT DISCIPLINE

I met Peter Drucker in the 1990s. He was close to 90 years old then and not in the best of health. But from the moment Peter arrived, he remained in control of our meeting. For five or six hours, he bore into me like an auger. What so impressed me from that encounter was Peter’s discipline. Nothing was going to interfere with his performance. He simply refused to let himself be less than brilliant. It was an astounding display of the power of will.

After that, whenever I caught myself operating at less than 100%, I would think, “You’ve got to get your game together. Peter Drucker managed to do it when he was close to 90—you’re not even 60.”

**David Lawrence** was chairman and CEO of the health-care company Kaiser Permanente from 1992 until his retirement in 2002. He consults with health-care companies and serves on the boards of several firms, including Agilent Technologies. He lives in Geyserville, California.

### ALLOW PEOPLE TO DO THEIR BEST WORK

I first met Peter Drucker in 1974, when I was head of Humana, which was

then a hospital company, not the insurance firm it is today. Peter said to me, “When the best doctors and nurses ask you, ‘Why should I work for Humana?’ what will you tell them?” The response to strive for, Peter explained, is, “Here you will be able to do your best work.” Few things in life are as satisfying as achieving everything one is capable of achieving—it’s more important than money or perks.

My business partner and I took this advice to heart and tried to create a culture where roadblocks were as few as possible and employees had the freedom to make decisions. For example, we established a management committee that met weekly solely to expedite decisions.

By the early 1980s, Humana was the country’s largest hospital company.



**David Jones, Sr.**, is chairman of Hospira, Inc., in Lake Forest, Illinois, a hospital-products company spun off from Abbott Labs in 2004. He served as CEO of the health-care company Humana, Inc., from its founding in 1961 until 1997.

### DON'T CUT OFF YOUR LEG ONE INCH AT A TIME

The American Red Cross was in need of a major downsizing when I took over in 1983, but politically it’s very difficult for a social service organization to eliminate anything. Peter’s guidance—do what you have to do, but don’t cut off your leg one inch at a time.

I had been with Bethlehem Steel during a downsizing, so I knew exactly what he meant. Bethlehem made the fewest possible staff reductions at first—then was forced to make additional cuts again and again. For years,

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no one knew when the axe would fall again. By trying to spare people pain, the company prolonged everyone's suffering.

The American Red Cross needed to trim its staff by 20%. Instead, we cut 25%. It was painful, but once it was over, we could assure those who remained that we were on sound financial footing. The course that seems most painful might be the least—if it lets you get past the pain and on to recovery fast.



**Dick Schubert** is senior vice president of Executive Coaching Network, Inc., a global business coaching firm, McLean, Virginia. He was president of the American Red Cross from 1983 through 1989, following

a stint as vice chairman of Bethlehem Steel Corporation.

#### **BUSINESS RELATIONSHIPS ARE STRONGER WHEN THEY'RE PERSONAL**

My stomach turned over a little the first time I walked up to Peter's front door in the early 1970s. He was a business legend. I was just the president of a small family-owned company hoping to become a larger publicly traded one. I didn't know what to expect. I certainly didn't expect to be treated like a friend or to have lunch with Peter and his wife, Doris, at their dining room table, which is exactly what happened.

Over the years, Peter became more than a consultant. He became a mentor for me. While Peter's wisdom earned my respect, it was his friendship that earned my gratitude—and helped me see how valuable it is to build personal bonds with the people I work with. It is these bonds that create loyalty and lasting business relationships.

**Max De Pree** is chairman emeritus of office furniture manufacturer Herman Miller, Inc., Holland, Michigan. He is author of several books on management, including *Leadership Is an Art* (Currency).

#### **DO WHAT YOU DO BEST**

If you're not doing what you do best, then you're not getting the most out of your abilities. Peter Drucker stressed this point many times in his writings. About five years ago, it helped convince me that I needed to make a change.

I had risen to the level of vice president of human resources for an \$850-million company, but my time increasingly was consumed by such things as litigation avoidance and compensation strategy development—tasks that simply are not my strengths. Leadership development is my main talent and passion. Rather than remain in a position where most of my time was spent outside my greatest strength, I left to become an executive coach and develop leaders full-time. It is a joy to play from my sweet spot.



**Scott Eblin** is an executive coach, Herndon, Virginia, and author of *The Next Level: What Insiders Know About Executive Success* (Davies-Black). He is a former vice president of human resources with Columbia Gas Transmission Corporation.

#### **YOUR MISSION SHOULD FIT ON A T-SHIRT**

Peter understood that the fewer words you use, the more your ideas will be remembered. The short, powerful message stays with us and becomes part of our leadership language. Your company's mission statement is its reason for being, so this in particular must be memorable, compelling and brief. Peter says it should fit on a T-shirt.

A good example is the mission statement for the foundation Peter developed to help the nonprofit sector, now called the Leader to Leader Institute. The mission statement is "To strengthen the leadership of the social sector."



**Frances Hesselbein** is chairman of the Leader to Leader Institute, formerly the Peter F. Drucker Foundation for Nonprofit Management ([www.leadertoleader.org](http://www.leadertoleader.org)), New York City. She is author of *Hesselbein on Leadership* (Jossey-Bass) and is former CEO of the Girl Scouts of the USA.

#### **ASK FOR IDEAS— AND YOU'LL GET THEM**

Peter was a personal friend and a continuing inspiration to all of us at Boardroom Inc., publisher of *Bottom Line* newsletters and books.

Peter guided us during the development of *Bottom Line/Personal* more than 25 years ago, and he continued to do so until his death. Peter helped us make the publication great.

Years ago, I complained to him that company meetings were boring. He said, "Ask everyone for two suggestions on how to make the company more productive." I did just that, and the suggestions came in faster than I could write them down. This became the basis of our "I-Power" system, and our employees still contribute at least two ideas a week.

Even though staff members have been offering their ideas for years and years, I continue to be amazed at the quality, quantity and originality of the suggestions.



**Martin Edelston** is founder and chairman of Boardroom Inc., publisher of *Bottom Line/Personal*, *Bottom Line/Health*, *Bottom Line/Retirement*, *Tax Hotline* and *Bottom Line/Natural Healing*, Stamford, Connecticut.

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