



# Audio-Tech Business Book Summaries



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## **The Five Most Important Questions**

### **You Will Ever Ask About Your Organization**

**by Peter Drucker**

**with Jim Collins, Philip Kotler, James Kouzes,**

**Judith Rodin, V. Kasturi Rangan, and Frances Hesselbein**

*A summary of the original text.*

If Peter Drucker were with us today, he would advise you to ask the same questions that he asked more than 15 years ago. These five simple questions will help you to assess what you are doing, why you are doing it, and what you must do to improve the organization's performance. The five questions are:

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?

These five questions are as essential and relevant today as they were then. Though first developed within the framework of social service organizations, they can be

applied to any organization.

The self-assessment 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.

This self-assessment model is flexible and adaptable. Walk this tool into any boardroom or CEO's office. Use it in any sector. It does not matter whether the organization is a Fortune 500 multinational or a small entrepreneurial

start-up. What matters is commitment to the future, commitment to the customer, commitment to the mission, and commitment to the process.

The ultimate beneficiaries of this very simple process are the people or customers who are 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, respond to customer feedback, look beyond the organization for trends and opportunities, and demand measurable results.

You cannot arrive at the right definition of results without significant input from your *customers*. In business, a customer is someone you must satisfy. If you don't, you have no results, and pretty soon you have no business. In a nonprofit organization, the focus must be on what the patients, students, donors, or other individuals value, and on satisfying their needs, wants, and aspirations.

The danger is in acting on what *you* believe satisfies the customer. You will inevitably make wrong assumptions. You should not even try to guess at the answers. Instead, you should always go to customers in a systematic quest for those answers.

When you have followed the self-assessment process through to its completion, you will have created a plan. Planning is frequently misunderstood as making future decisions, but decisions exist only in the present. You must have overarching goals that add up to a vision of the future, but the immediate question that faces the organization is not what to do tomorrow. The question is, "What must we do *today* to achieve results?"

Planning is not an event. It is the continuing process of strengthening what works and abandoning what does not, of making risk-taking decisions with the greatest knowledge of their possible effects, of setting objectives, appraising performance and results through systematic feedback, and making adjustments as conditions change.

All the first-rate decision makers that Drucker observed had a very simple rule: If you reach consensus quickly on an important matter, don't make the decision. A fast agreement means nobody has done the homework. The organization's decisions are risky and important, and they *should* be controversial.

Every organization needs a healthy atmosphere for dissent if it wishes to foster innovation and commitment. Open discussion uncovers what the objections are. With genuine participation, a decision doesn't need to be sold. Suggestions can be incorporated and objections can be addressed.

Your commitment to self-assessment is a commitment to developing yourself and your organization as a leader. You will expand your vision by listening to your customers, and by encouraging constructive dissent. Self-assessment is the first action requirement of leadership: the constant resharpening, constant refocusing, and endless refusal to be satisfied. The time to do this is when you are successful. If you wait until things start to go downhill, then it's very difficult.

Self-assessment should convert your mission and your knowledge into effective action — not next year, but tomorrow morning.



## QUESTION 1: WHAT IS OUR MISSION?

A mission cannot be impersonal. It has to have deep meaning, be something you believe in — something you know is right. A fundamental responsibility of leadership is to make sure that everybody knows the mission, understands it, and lives it.

Many years ago, Drucker sat down with the administrators of a major hospital to think through the mission of the emergency room. As do most hospital administrators, they began by saying, "Our mission is healthcare." That's the wrong definition. The hospital does not take care of health; it takes care of illness.

It took a long time for Drucker to help the administrators come up with the very simple statement that the emergency room was there *to give assurance to the afflicted*. To the surprise of the physicians and nurses, the function of a good emergency room in their community was to tell 8 out of 10 people that there was nothing wrong that a good night's sleep wouldn't fix. When a baby was sick but there was nothing seriously wrong, the doctors and nurses gave assurance to the parents.

Translating the mission into action meant that everybody who came into the emergency room was seen by a qualified person in less than a minute, because that is the only way to give assurance.

An effective mission statement is short and sharply focused. It should fit on a T-shirt. The mission says *why* you do what you do, not the means by which you do it. The mission is broad, yet directs you to do the right things now and into the future so that everyone in the organization can say, "What I am doing contributes to the goal." It must be clear, and it must inspire everyone to say, "Yes, this is something I want to be remembered for."

To have an effective mission, you have to work out an exacting match of your opportunities, competencies, and commitment. Every good mission statement reflects all three. You look first at the outside environment. The organization that starts from the inside and then tries to find places to put its resources is going to fritter itself away. Above all, it will focus on yesterday.

Demographics change. Needs change. You must search out the accomplished facts — things that have already happened — that present challenges and opportunities for the organization. Leadership has no choice but to anticipate the future and attempt to mold it.

Look at new technologies, at changing conditions, at competition, at gaps to be filled in the market. Things that are of primary importance now may become secondary or totally irrelevant very soon. With the limited resources you have — including people, money, and knowledge — where can you dig in and make a difference? Where can you set a new standard of performance? What really inspires your commitment?

The question of mission has become even more important as our world becomes increasingly disruptive and turbulent. No matter how much the world changes, people still have a fundamental need to belong to something that gives them a sense of pride.

They need guiding values and a sense of purpose that give their life and work meaning. They need a connection to other people, sharing with them the common bond of beliefs and aspirations. They have a desperate need for a guiding philosophy, a beacon on the hill to keep in sight during dark and uncertain times.

More than any time in the past, people will demand operating autonomy — freedom plus responsibility — and will simultaneously demand that the organizations of which they are part of *stand* for something.

Every truly great organization strives to preserve the core mission, yet stimulate progress. The core mission remains fixed while operating practices, cultural norms, strategies, tactics, processes, structures, and methods continually change in response to changing realities. It is the glue that holds an organization together as it expands, decentralizes, globalizes, and attains diversity.

In fact, the great paradox of change is that the organizations that best adapt to a changing world first and foremost know what should *not* change. They have a fixed anchor of guiding principles around which they can more easily change everything else. They know the difference between what is truly sacred and what is not, between what should never change and what should always be open for change, and between "what we stand for" and "how we do things."

One cautionary note: Never subordinate the mission in order to make money. If there are opportunities that threaten the integrity of the organization, you must say no. Your mission provides guidance, not just about what to do, but equally about what *not* to do.

Keep the first question — *What is our mission?* — in front of you throughout the self-assessment process. Step by step, you will analyze challenges and opportunities, identify your customers, learn what they value, and deliver your results. When it is time to develop the plan, you will take all that you have learned and revisit the mission to affirm or change it.

As you begin, consider this suggestion by the great poet and religious philosopher of the 17th century, John Donne: "Never start with tomorrow to reach eternity. Eternity is not being reached by small steps."

Instead, start with the long range and then feed back and say, "What do we do *today*?" The ultimate test is not the beauty of the mission statement. The ultimate test is your performance.



## **QUESTION 2: WHO IS OUR CUSTOMER?**

Whether you run a social service organization or a business that depends on profits, you must identify who your customers are.

Let's start with social service organizations, which have two types of customers. The *primary customer* is the person whose life is changed through your work. Effectiveness requires focus, and that means *one* response to the question, *Who is our primary customer?* Those who chase off in too many directions suffer by diffusing their energy and diminishing their performance.

The primary customer is never the only customer, and to satisfy one customer without satisfying the others means there is no performance. The second type of customers are *supporting customers*, such as volunteers, members, partners, funders, employees, and others who must be satisfied. They are all people who can say no, who have the choice to accept or reject what you offer. You might satisfy them by providing the opportunity for meaningful service, by directing contributions toward results you both believe in, or by joining forces to

meet community needs.

Consider an example of identifying and concentrating on the primary customer in a complex setting. A mid-sized nonprofit organization's mission is *to increase people's economic and social independence*. They have 25 programs in 4 different fields, but for 35 years they have focused on only one primary customer: *the person with multiple barriers to employment*.

In the beginning, this meant the physically handicapped. Today, it still means people with disabilities, but also single mothers who want to get off welfare, older workers who have been laid off, people with chronic and persistent mental illness living in the community, and those struggling against long-term chemical dependency.

Each belongs to a single primary customer group: the person with multiple barriers to employment. Results are measured in every program by whether the customer can now gain and keep productive work.

The primary customer is not necessarily someone you can reach, someone you can sit down with and talk to directly. Primary customers may be infants, or endangered species, or members of a future generation. Whether or not you can have an active dialogue, identifying the primary customer puts your priorities in order and gives you a reference point for critical decisions on the organization's values.

At the same time, you must also identify your supporting customers. Consider the Girl Scouts of the United States of America, which is the largest girls' and women's organization in the world and a nonprofit that exemplifies service to one primary customer — the girl — balanced with the need to satisfy many supporting customers, all of whom change over time.

A long-time Girl Scouts priority is offering equal access to every girl in the United States. Over the past century, the membership of the Girl Scouts has become more diverse racially and ethnically, mirroring the changing population of the U.S. That has meant offering scouting programs in a variety of native languages as well as programs that reflect a respect for a diversity of cultures.

In both for-profit and nonprofit organizations, customers are never static. There will be greater or lesser numbers in the groups you already serve. They will become more diverse. Their needs, wants, and aspirations will evolve. There may be entirely new customers you must satisfy to achieve results — individuals who really need and want your product or service, but not in the way in which it is available today.

And there are customers you should *stop* serving because the organization has filled a need, because people can be better served elsewhere, or because you are not producing results.

It's even more important to know who your customers are if you run a business. In the Internet age, when customers have so much more information and are daily exchanging opinions with each other, companies are finally waking up to the idea that they have a new boss: the customer.

A perceptive Ford executive once said, "If we're not customer driven, our cars won't be either." Apparently, the Ford company did not listen to this executive.

If Peter Drucker were alive today, he would amend his observation from 40 years ago, when

he said, "The purpose of a company is to create a customer." Today, he would say, "The best companies don't create customers. They create fans." He would say that it is less important to report better profits this year than to check on whether you improved your share of the customer's mind and heart this year.

Every organization must do a better job of understanding who the customer is. The old thinking was that customers would hear about your company and, hopefully, choose your products. The new thinking is that the company chooses its customers. You may even refuse to do business with certain customers. Your business is not to casually please everyone, but to deeply please your target customers.

So the first job is to define your target customers. This definition will affect everything: the designing of your product and its features, the choice of your distribution channels, the crafting of your message, the choice of your media, and the setting of your prices.

In order to define your customers, you must take a broader view of the buying process. The purchase of anything is the result of several roles being played. Consider the purchase of a new family automobile.

- The *initiator* might have been a family friend who mentioned an impressive new car.
- The teenage son might have been an *influencer* of the type of car to consider.
- The *decider* might be the wife.
- The *buyer* might be the husband.

The marketer's job is to identify these roles and use the limited marketing resources to reach the most influential people involved in the final decision. Marketers and salespeople need skills in mapping the perceptions, preferences, and values of the different players in the decision-making process.

Many companies have adopted *customer relationship management*, meaning that they collect loads of information about transactions and encounters with their customers. Most pharmaceutical firms, for example, have deep information on individual physicians and their values and preferences.

Increasingly, however, business leaders are recognizing that this information is not enough. It doesn't capture the quality of the *customer experience*. Simply managing data about customers is no substitute for ensuring that the customers are satisfied with their experience of the company.

So in the end, you must master the knowledge of who the target customers are, who and what influences them, and how to create highly satisfying customer experiences. Recognize that today's customers are increasingly buying on value, not on relationship. Your success ultimately depends on what you have contributed to the success of your customers.

Answering the question, *Who is our customer?* provides the basis for determining what customers value, defining your results, and developing the plan. Yet, even after careful thought, customers may surprise you, and then you must be prepared to adjust. Often, the customer is one step ahead of you. So you must know your customer. Time and again, you will have to

ask, *Who is our customer?* because customers constantly change. The organization that is devoted to results will adapt and change as they do.



### **QUESTION 3: WHAT DOES THE CUSTOMER VALUE?**

In other words, what satisfies their needs, wants, and aspirations? This question is so complicated that it can only be answered by customers themselves.

Don't even try to guess at the answers. Instead, always go to the customer in a systematic quest for those answers. Drucker used this approach as a professor. Each year, he personally telephoned a random sample of 50 or 60 students who graduated 10 years earlier. He asked, "Looking back, what did we contribute in this school? What is still important to you? What should we do better? What should we stop doing?" The knowledge Drucker gained had a profound influence on his teaching.

While *What does the customer value?* is the most important question, it is the one least often asked. Many organizations are very clear about the value they would like to deliver, but they often don't understand that value from the perspective of their customers. They make assumptions based on their own interpretation.

So begin with assumptions and find out what *you* believe your customers value. Then you can compare these beliefs with what your customers are actually saying, find the differences, and go on to assess your results.

For example, the board and staff of a homeless shelter believed that their primary customers valued nutritious meals and clean beds. But once they actually interviewed the homeless people they served, they found that the food and beds did nothing to satisfy the deep aspiration to *not be homeless*.

The organization threw out its old assumptions and rules. It eliminated the fear that comes with being turned back on the street each morning, and made it possible for people to stay at the shelter for several weeks while they rebuilt their lives.

Your knowledge of what primary customers value is of utmost importance. Yet, the reality is that unless you understand equally what supporting customers value, you will not be able to put all the necessary pieces in place for the organization to perform. In social sector organizations, there are often multiple supporting customers.

For example, a school principal has to satisfy teachers, the school board, community partners, taxpayers, parents, and above all, the primary customer: the student. The principal has six constituencies, each of which sees the school differently. Each defines value differently, and each has to be satisfied.

To formulate a successful plan, you will need to understand each of your constituencies' concerns, especially what they consider results in the long term. To integrate what your customers value into your plan, you must listen to customers, accept what they value as objective fact, and make sure the customer's voice is always part of your discussions and decisions.



#### **QUESTION 4: WHAT ARE OUR RESULTS?**

In a business, results can be measured in sales, profits, and market share. You can debate whether profit is really an adequate measure, but, as Drucker pointed out many times, without profit there *is* no business in the long term.

In the social sector, no such universal standard for success exists. In a nonprofit, results are measured in changed lives and changed conditions — in people's behavior, circumstances, health, hopes, and competence. Each organization must identify its customers, learn what they value, develop meaningful measures, and honestly judge whether, in fact, lives are being changed.

For example, a small mental health center's primary customers were people diagnosed with schizophrenia, and most came to the center following failures in treatment, their situation nearly hopeless. The center's first measure was whether primary customers and their families were willing to try again.

The staff had a number of ways to monitor progress. Did participants regularly attend group sessions and participate fully in daily routines? Did the incidence and length of psychiatric hospitalizations decrease? As they progressed, could participants set realistic goals for their own next steps?

The center's mission was *to enable people with serious and persistent mental illness to recover*, and after two or more years of intensive work, many could function and were no longer "incurable." Some were able to return to a life with their families. Others could hold steady jobs. A few completed graduate school. The organization's single bottom line was whether or not the lives of its primary customers changed in this fundamental way.

Progress and achievement can be measured in both *qualitative* and *quantitative* terms. These two types of measures are interwoven, and both are necessary to determine in what ways, and to what extent, your customers' lives are being changed.

*Qualitative* measures address how deep and broad the change is. They begin with specific observations, build toward patterns, and tell a subtle, individualized story. The people in a research institution cannot quantify the value of their research ahead of time. But they can sit down every three years and ask, "What have we achieved that contributed to changed lives? Where do we focus now for results tomorrow?"

Qualitative results can be in the realm of the intangible, such as instilling hope in a patient battling cancer. Qualitative data, although sometimes more subjective and difficult to grasp, are just as real, just as important, and can be gathered just as systematically as the quantitative.

*Quantitative* measures are definitive standards. They begin with categories and expectations, and tell an objective story. Quantitative appraisal offers valid "hard" data. Here are five examples of quantitative measures:

1. Whether overall school performance improves when at-risk youth have intensive arts education.
2. Whether the percentage of welfare recipients who complete training and become employed at a livable wage goes up.



3. Whether health professionals change their practices based on new research.
4. Whether the number of teenagers who smoke goes up or down.
5. Whether incidences of child abuse fall when 24-hour crisis care is available.

Quantitative measures are essential for assessing whether resources are properly concentrated for results, whether progress is being made, and whether lives and communities are changing for the better.

One of the most important questions for non-profit leaders is, "Do we produce results that are sufficiently outstanding for us to justify putting our resources in this area?" Need alone does not justify continuing. Nor does tradition. You must match your mission, your concentration, and your results. Your job is to invest your resources where you can have success.

To abandon anything is always bitterly resisted. People in any organization are always attached to the obsolete — the things that should have worked but did not, the things that were once productive but no longer are. They are most attached to what Drucker in a 1964 book called "investments in managerial ego."

Yet, abandonment must come first. Until that has been accomplished, little else can get done. The emotional debate over what to abandon holds everyone in its grip. Abandoning anything is thus difficult, but only for a brief time. Six months after an old project is canceled, people will wonder, "Why did it take us so long?"

However, there are times to face the fact that the organization as a whole is not performing — that there are weak results everywhere and little prospect of improving. It may be time to merge or liquidate, and put your energies somewhere else. And in some performance areas, whether to strengthen or abandon is not clear. You will need a systematic analysis as part of your plan.

At this point in the self-assessment process, you determine what the results for the organization should be and where you should focus for future success. The mission defines the scope of your responsibility. Leadership is accountable to determine what must be appraised and judged, to protect the organization from squandering resources, and to ensure meaningful results.



### **QUESTION 5: WHAT IS OUR PLAN?**

The self-assessment process leads to a plan that is a concise summation of the organization's purpose and future direction. The plan encompasses the mission, vision, goals, objectives, action steps, budget, and appraisal.

Now comes the point to affirm or change the mission and to set long-range goals. Remember that every mission statement has to reflect three things:

1. Opportunities
2. Competence
3. Commitment

The mission answers the questions: "What is our purpose? Why do we do what we do? What, in the end, do we want to be remembered for?"

The mission provides the framework for setting goals and mobilizing the resources of the organization for getting the right things done. To further the mission, there must be action today and specific aims for tomorrow. Yet, planning is not masterminding the future. Any attempt to do so is foolish, because the future is unpredictable. In the face of uncertainties, planning defines the particular place you *want* to be and how you intend to get there.

Planning does not substitute facts for judgment, nor science for leadership. It recognizes the importance of analysis, courage, experience, intuition, and even hunches.

The most difficult challenge is to agree on the organization's goals — the fundamental long-range direction. Goals are overarching and should be few in number. If you have more than five goals, you essentially have none. You're simply spreading yourself too thin.

Organizations of all kinds, whether private or non-profit, need to have a strong focus on their strategic *goals*. For a private organization, goals could be about such things as market penetration, new product development, and customer satisfaction. For a non-profit, the organization's overarching mission must be translated into specific objectives.

Goals make it absolutely clear where you will focus resources for results, which is the mark of an organization that is serious about success. Goals flow from the mission, aim the organization where it must go, build on strength, address opportunities, and taken together, outline your desired future.

The end result of the plan is a vision statement picturing a future when the organization's goals are achieved and its mission is accomplished. Here is an example of the vision, mission, and goals for an art museum:

***Vision:*** A city where the world's diverse artistic heritage is prized and whose people seek out art to feed their mind and spirit.

***Mission:*** To bring art and people together.

***Goal 1:*** To conserve the collections and inspire partnerships to seek and acquire exceptional objects.

***Goal 2:*** To enable people to discover, enjoy, and understand art through popular and scholarly exhibitions, community education, and publications.

***Goal 3:*** To significantly expand the museum's audience and strengthen its impact with new and traditional members.

***Goal 4:*** To maintain state-of-the-art facilities, technologies, and operations.

***Goal 5:*** To enhance the museum's long-term financial security.

Building around the mission and the long-term goals is the only way to integrate shorter-term interests. Then management can always ask, "Is an objective leading us toward our basic long-range goal, or is it going to sidetrack us, divert us, or make us lose sight of our aims?"

Your plan leads you to work for results. It converts intentions into actions.

Objectives are the specific and measurable levels of achievement that move the organization toward its goals. The chief executive officer is responsible for developing the objectives and action steps and detailed budgets that follow.

The five elements of effective plans are:

1. *Abandonment*: The first decision is whether to *abandon what does not work* — the things that have outlived their usefulness and their capacity to contribute. Ask of any program, system, or customer group, "If we were not committed to this today, would we go into it?" If the answer is no, ask, "How can we get out — fast?"
2. *Concentration*: Concentration is building on success, *strengthening what does work*. The best rule is to put your efforts into your successes so you will get maximum results. When you have strong performance, ask, "Can we set an even higher standard?"
3. *Innovation*: You must also *look for tomorrow's success*, the true innovations, and the diversity that stirs the imagination. What are the opportunities, the new conditions, and the emerging issues? Do they fit you? Do you really believe in this? But you have to be careful. Before you go into something new, don't say, "This is how we do it." Say, "Let's find out what this requires. What does the customer value? What is the state of the art? How can we make a difference?" Finding the answers to these questions is essential.
4. *Risk-taking*: Planning always involves *making decisions on where to take risks*. Some risks you can afford to take — if something goes wrong, it is easily reversible with minor damage. And some decisions may carry great risk, but you cannot afford *not* to take it. You have to balance the short range with the long. If you are too conservative, you miss the opportunity. If you commit too much too fast, there may not be a long run to worry about. There is no formula for these risk-taking decisions, but they must be made.
5. *Analysis*: In planning, it is important to *recognize what you do not know*, when you are not yet sure whether to abandon, concentrate, go into something new, or take a particular risk. Then your objective is to conduct an analysis. Before making the final decision, you study a weak but essential performance area, a challenge on the horizon, or an opportunity that is just beginning to take shape.

The plan begins with a mission. It ends with *action steps* and a *budget*. Action steps establish accountability for objectives — who will do what by when — and the budget commits the resources necessary to implement the plan.



To build understanding and ownership of the plan, the people who will carry out the action steps must develop those steps. Everyone with a role should have the opportunity to give input. This is a slow process, but when the plan is completed, everyone immediately understands it. More people in the organization are committed to the new plan, want it to succeed, and are ready to act on it.

The plan is never really complete, however. You must adjust it when conditions change, when results are poor, when there is a surprise success, or when the customer leads you to a place different from where you imagined.

True self-assessment is never finished. Leadership requires constant resharpening, refocusing, and never really being satisfied.



**T**he five essential questions Peter Drucker left us with will help you to challenge the basic assumptions on which your organization is built. Answering those five questions will fundamentally change the way you work, transform your approach to serving customers, and help you to lead your organization to an exceptional level of performance.

Let's conclude with a series of additional questions that you can use to explore each of the five main questions.

The first main question is "**What is our mission?**" As you work through this question, consider the following 12 questions that may help you to find the answer you seek:

1. What are you trying to achieve?
2. What is your organization's current understanding of its mission?
3. What is the organization's reason for being?
4. Why do you do what you do?
5. For what do you want to be remembered?
6. What significant challenges is the organization facing, such as changes in demographics, legislation or regulations, emerging technologies, or competition?
7. What significant opportunities are presenting themselves, such as partnerships and collaborations, leading-edge practices or approaches, or social or cultural trends?
8. What are the emerging critical issues for the organization, such as the need for multi-lingual employees, a disruption in market share, the rising cost of healthcare, or changing distribution channels?
9. Does the mission statement need to be redefined? If not, why not? If yes, why?
10. In what ways, if any, would you rewrite or refocus the mission statement?
11. What would be the major benefits of a new mission?

12. What problems, if any, would you be likely to encounter with the new mission? What steps may need to be taken to make this change happen?

The second question is **"Who is our customer?"** As you work through this question, consider these additional 10 questions:

1. Who uses your products or services?
2. Who are your primary customers? For nonprofits, identify the people whose lives are changed through the organization's work. For businesses, identify who the primary customer is currently and determine if that customer will sustain the organization based on demographic potential and so on.
3. Who are your supporting customers? Create a list of employees, volunteers, members, partners, and others, both inside and outside the organization, who must be satisfied.
4. What value do you provide to each of those customers?
5. Do your strengths, competencies, and resources match the needs of these customers? If yes, in what way? If not, why not?
6. In what ways have your customers changed? Think in terms of demographics, primary needs, number of customers, and locations.
7. What are the implications of these changes for your organization?
8. What other groups of customers should the organization be serving?
9. What special competencies does the organization have to benefit them?
10. What groups of current customers, if any, should the organization no longer serve?

The third question is **"What does the customer value?"** Consider the following five questions that may help you to find the answer:

1. What does your organization do to fill a specific need, provide satisfaction, or offer a benefit to your primary and secondary customers that they do not receive from any other source?
2. What are your customers' long-term aspirations, and what is your capacity and competence to deliver on those aspirations?
3. How well does your organization provide what each of your customers considers value?
4. How can the knowledge you have about what your customers consider value be used to make decisions in areas such as products or services; recruitment; training; innovation; and marketing?
5. What resources can you use to determine your customers' level of satisfaction? For example, do you need to conduct a survey of current customers as well as those who no longer use your service?

The fourth question is **"What are our results?"** Explore the following nine questions in pursuit of the answer:

1. Having thought through Drucker's first three questions on mission, customers, and value, would you define "results" any differently?
2. How would you define results in the future?
3. To what extent has your organization achieved these results?
4. What are the major activities or programs that have helped or hindered the achievement of these results?
5. How will you measure results in the future, both qualitatively and quantitatively?
6. How well is your organization using its human resources?
7. How well is it using its financial resources?
8. How effectively are you attending to the value and positioning of your brand?
9. Are other, similar organizations doing a better job of using their human and financial resources? If yes, why is that? What can you learn from them?

The fifth and last question is **"What is our plan?"** Consider the following 14 questions for help in determining the answer:

1. What are the most important lessons you have learned, and what actions do they suggest?
2. Where should your group or area of responsibility focus its efforts?
3. In which areas should your organization be focused?
4. Are there programs, activities, or customer needs that the organization should add?
5. Are there programs, activities, or customer needs that it should abandon?
6. Is there anything that the organization currently does that it should outsource to other organizations?
7. What are the goals that will enable you to achieve the desired results?
8. What are the measurable objectives that will help you to achieve your goals?
9. What are the action steps that will enable you to achieve your objectives?
10. What are the budget implications of the resources needed to achieve these goals, objectives, and action steps?
11. What are the target dates for completion?

12. Who will be responsible and accountable for achieving each goal, objective, and action step?
13. What staffing will be needed to support this plan?
14. How will you evaluate and measure the desired results?



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**Peter F. Drucker (1909—2005)** is widely considered to be the world's foremost pioneer of management theory. His career as a writer, teacher, and consultant specializing in strategy and policy for businesses and social sector organizations spanned nearly 75 years. His groundbreaking work turned modern management theory into a serious discipline. He is the author of 31 books, which have been translated into more than 20 languages. Thirteen books deal with society, economics, and politics; fifteen deal with management.

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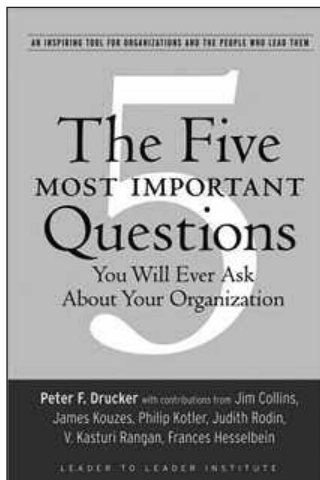
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