

"This book signals a new approach to the future for both individuals and organizations. Rosenstein reinforces why Drucker's ideas remain relevant for today and tomorrow."

—DANIEL H. PINK, author of *To Sell is Human* and *Drive*

CREATE YOUR FUTURE THE PETER DRUCKER WAY



Developing and
Applying a Forward
Focused Mindset

BRUCE ROSENSTEIN

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Forward-Focused Mindset

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CREATE A FUTURE- FOCUSED MINDSET

1

People must take as much control of their own future as possible. Increasingly even long-lived institutions have become unstable, and many companies can't or won't provide the security that earlier generations of workers could count on. Gone are the days when you could take for granted corporate or even government benefits.

In their 2010 book *The Truth about Leadership*, top leadership authors Jim Kouzes and Barry Posner write, "The capacity to imagine and articulate exciting future possibilities is the defining competence of leaders. Leaders are custodians of the future. They are concerned about tomorrow's world and those who will inherit it."

Peter Drucker's writing on the future was sharp and perceptive. In helping you to best understand his approach to the subject, I have organized into a framework his ideas on the subject, beginning with what I believe are the 10 main elements, Drucker's core beliefs about the future. These elements, outlined below, can be applied by both individuals inside and outside the workplace, as well as by organizations, business or otherwise.

Most of the readers of this book will be what Drucker called "knowledge workers." You depend more on brains rather than brawn in your daily job. Your work centers on learning, conveying, applying, and developing knowledge, based on what you have learned throughout your life and what you will continue to learn. The portable and mobile nature of this knowledge meant, Drucker believed, that you own your

own means of production. Knowledge workers are found in a variety of positions within business, academia, nonprofits, government, and related fields. They can be leaders and managers, scientists, doctors, lawyers, teachers, information technology workers, clergy, librarians, archivists, and many other professionals.

Peter Drucker 101

Peter Drucker (1909–2005) developed an approach and a mindset to the future that permeated his work as a writer, teacher, and consultant. His working life continued for more than 70 years. It encompassed writing more than 40 books, contributing regularly to such publications as the *Harvard Business Review*, *Forbes*, and the *Wall Street Journal*; consulting for companies, nonprofit organizations, and governments; and teaching at a school that eventually was named for him, the Peter F. Drucker and Masatoshi Ito Graduate School of Management, at Claremont Graduate University, in Claremont, California. He was awarded the Presidential Medal of Freedom, the nation's highest civilian honor, by President George W. Bush in 2002.

Drucker was born and raised in Vienna, went to college in Germany, then lived and worked for several years in London, before immigrating to the United States in 1937. He and his wife, Doris Drucker, were married for 68 years, with four children and six grandchildren.

Before moving to Claremont in 1971, he taught at (in reverse order) New York University, Bennington College, and Sarah Lawrence College.

While living in London, he began an intense, lifelong interest in Japanese art. He taught a course on the subject during the 1980s at Pomona College in Claremont. You can read the illuminating 18-page essay, “A View of Japan through Japanese Art,” in the 1993 collection *The Ecological Vision: Reflections on the American Condition*. He

and Doris developed an important collection, the Sanso Collection. I attended the opening of an exhibit, “Zen! Japanese Paintings from the Sanso Collection,” at the Ruth Chandler Williamson Gallery at Scripps College on the Claremont campus during the beginning of the Drucker Centennial in 2009.

He had many other interests in life, including mountain hiking, music, and literature. He engaged in intense, three-year self-study projects until nearly the end of his life. And though most of his books were either about business or societal issues, he even wrote two novels, *The Last of All Possible Worlds* (1982) and *The Temptation to Do Good* (1984).

His influence remains strong, and his ideas continue to reverberate throughout social media all day, every day. A number of books about him have been published since his death. For the 100th anniversary of his birth, there was a major, yearlong commemoration, the Drucker Centennial, at the Drucker School and the Drucker Institute. It began in November 2009 and ended in 2010. I was privileged to participate in 2010, as part of a panel of authors who had written Drucker-themed books.

In 2009 the *Harvard Business Review* published an extensive, 19-page cover feature, “The Drucker Centennial: What Would Peter Do?” It included articles by luminaries such as Harvard Business school professor and best-selling author Rosabeth Moss Kanter and brief “What I Learned from Peter Drucker” essays by Frances Hesselbein, A.G. Lafley (the recently returned chairman and CEO of Procter & Gamble), and Zhang Ruimin (CEO of Haier Group, China), among others.

At the same time, *Leader to Leader* published an entire special issue, “Celebrating the Peter F. Drucker Centennial,” with articles by Hesselbein; Rick Wartzman, executive director of the Drucker Institute; Jim Collins, author of *Good to Great*; leadership guru

Marshall Goldsmith, and others. And in spring 2009, the *Journal of the Academy of Marketing Science* also published an entire special issue, “A Tribute to Peter Drucker,” which included Wartzman’s interview of A. G. Lafley and an interview of Drucker by Drucker School professor Jenny Darroch, one of the editors of the issue.

Drucker’s influence in Asia remains particularly strong, especially through the considerable efforts of organizations such as the Peter F. Drucker Academy (China), Peter F. Drucker Society of Korea, and the Drucker Workshop (Japan). I had the great privilege of being one of the main speakers at the workshop’s seventh annual conference in Tokyo in May 2012.

The best-selling book in Japan in 2010, with more than two million copies sold, was a surprise hit: a novel based on Drucker’s work, loosely translated as *What If a Female Manager of a High School Baseball Team Read Drucker’s “Management,”* by Natsumi Iwasaki. In 2011 Iwasaki joined the board of advisors of the Drucker Institute.

10 Elements of the Future

Drucker’s approach to the future allowed for changing times and different eras. Within his work, the future is always “on” and always running, similar to a computer’s operating system. My study of Drucker’s teaching and writing about the future has led me to distill and delineate a number of elements, outlined below and throughout the book, that are crucial to understanding how he approached the future. Although he wrote and taught about these areas, he did not group them together in the manner I have done for this book.

Whatever is happening in your personal or work situation can be matched against these elements. Not all of the elements will apply every time. But if you think of challenges that lie ahead in terms of these elements, I believe they will provide you with a guide to a brighter,

stronger future. We will return to these themes throughout the book, as we consider them for both individuals and organizations.

Think in terms of transformations when considering the Drucker future-oriented mindset. We are all aiming to make something different (and ideally better) of ourselves and our organizations, all the time. It is somehow easier to deal with constant, unrelenting change, risk, and uncertainty if transformation is one of our primary goals. Considering how you can incorporate these elements into your own life and work should help make it easier to navigate the world and to determine, through all of life's changes, what is really important.

Here is a capsule look at the elements, which will be described in more detail in this chapter and will be referenced to throughout the book.

Mindset. The best way to approach the future is to keep it in mind as you go about your daily life and work.

Uncertainty. The future is essentially unknown/unknowable, uncertain, and unpredictable. You can't assume that it will be similar to today.

Creation. Despite and because of its unpredictability, the future must be built and created.

Inevitability. Accept that a certain amount of the future has, as Drucker put it, "already happened," because of the inevitable coming effects of events that have already taken place.

Present moment. The future unfolds based on and because of the thoughts, actions, choices, commitments, and decisions that you are making right now.

Change. People and organizations must accept this as normal and ongoing and should be organized for change, driven by change leaders/change agents.

Reflection. The observations you make about potential futures must include the implications for your personal life and work situation.

Remove/improve. The future is created by systematically stopping what is no longer useful, while continually improving what remains. This represents the combination of systematic abandonment and *kaizen*, which will be described further below.

Innovation/entrepreneurship. Innovations in services, products, and processes are major drivers of creating the future. Entrepreneurs create valuable new enterprises for the future gain of society.

Risk. Continual change means challenges from disruptive technologies and disruptive businesses, as well as nonstop turbulence. Risk is ever-present, but doing nothing is often not helpful, either.

The Mindset of the Future

Drucker maintained a mindset focused on the future in much of what he wrote. It can be a valuable guide as you strive each day to improve your life and the organization you work for. I believe it is important to consciously, intentionally, and deliberately think about future implications for everything you do, as Drucker did in his own life and work.

Besides the foundational element of the mindset, thinking about and applying the rest of the elements are how you can further put this mindset into operation. We all want to cultivate a sense of hope and optimism for a better and happier tomorrow, even and especially if life is going well now. It is too easy to become discouraged and sidetracked. Drucker believed in understanding exactly where you are now, as a way of getting to where you'd eventually like to be. Adaptability, flexibility, ingenuity, and resilience are goals to strive for, especially when so much is uncertain and nothing can be taken for granted.

We have to consider carefully how whatever we read, hear, see, and experience can affect the future, for ourselves as individuals and for our organizations, our families, and our professions.

Unfortunately, it is easy to be overwhelmed by what should be done now to have a better tomorrow. There are competing demands on our time and unreasonable expectations we often place on ourselves. Then there is the blessing—and curse—of social media. Blogs, Twitter feeds, online forums, news websites: they can be wonderful to learn from, offering all sorts of exciting and promising opinions, news articles, studies, surveys, and so on. Yet the sheer number of these sources of information (many of them undoubtedly excellent) can be not only overwhelming, but also anxiety producing. For one thing, there is no way you'll be able to read them all. And for the ones you do read, there can be the nagging sense that you are still somehow behind because you are not implementing recommendations.

“Knowledge workers are likely to outlive their employing organization.”

—Peter F. Drucker, *Management*, revised edition, 2008

Drucker was fond of saying that he looked out the window to see what was visible but unseen by many others. To do this, you need to cultivate skills of observation, of knowing what to read and to whom to talk. This will be discussed in more detail in Chapter 2 and throughout the book.

Managing for Results (1964) was a particularly future-oriented book, with a chapter called “Making the Future Today.” An edited version of this chapter also appears in the revised edition of *Management*, published posthumously in 2008. It contains one of the early uses of the phrase “the future that has already happened.” Here, Drucker also writes of “making the future happen,” speaking to the idea of taking as much control of your own destiny as necessary and feasible.

He notes that “even the mightiest company is in trouble” if it has not worked on the future, because tomorrow inevitably comes, and it is different from what we expect. The world changes, and if we have not changed for the better, the consequences could be disastrous. He advocates not guessing about the wants and needs of the future and makes a bold statement that gets to the heart of the concept of creating the future, contending that “it is possible to decide what idea one wants to make a reality in the future, and to build a different business on that idea.”

That idea could be narrow and fairly specific, but it should be entrepreneurial and capable of producing new wealth. It means being ready to identify and capitalize on changes outside an organization: changes in the wider society, in specific knowledge, or in the economy. It means commitment to the future you are trying to make happen and faith that it can happen, all the while understanding the risks and uncertainties. There is also scope for seeing how a powerful idea can have implications far beyond your daily work and what your organization does. You can put your most important resources to work to create something new and different, something more important than what you originally envisioned.

The Uncertain Future

It’s important to accept that no one can completely know what the future will bring. As an individual, you can try to affect it, which is where the idea of creation comes in. The world is so complex that it may be futile to make predictions, especially to make important decisions based on those predictions. There is a high degree of uncertainty. On this score, it is helpful to recall the words of a British blogger, Mark Vernon, writing about philosophy in 2009. He was calling on the ancient wisdom of Socrates, whom Drucker

often referenced in his writings. The genius of Socrates, Vernon writes, “was to embrace ordinary human uncertainty and doubt, and fashion it into a flourishing way of life.” Reaching beyond the unknown in this way can point to major breakthroughs in many endeavors. I love the idea of embracing change, uncertainty, and doubt, rather than running away from them. This is obviously easier said than done, but this can provide a more clear-eyed sense of what is possible in the future and what isn’t.

“It is the very nature of knowledge that it changes fast and that today’s certainties will be tomorrow’s absurdities.”

—Peter F. Drucker, *Post-Capitalist Society*, 1993

In *Managing for Results*, Drucker lays down two preconditions about the future. The first is that it “cannot be known.” The second is that “it will be different from what exists now and from what we expect.” Those ideas may seem obvious, but perhaps only in retrospect. Too often people and companies operate on the opposite, or differing assumptions.

Certainly, the world of 1964 looks much different from today. People have different attitudes and changing values. Societal institutions have changed, and technology has advanced considerably, as has science and medicine. We are considerably more globalized, and the media landscape has altered.

We live in a world of uncertainty, and things are apt to get only more uncertain and nuanced. Although Drucker wrote about the futility of predictions, he himself was sometimes labeled a futurist and made, if not predictions, what he called “conclusions.” The number of

things we can confidently “count on” dwindles all the time. Every day brings new surprises and new challenges. It brings requirements to do things that we did not think we would have to do. In dealing with these challenges, we also should investigate whether today’s futurists/forecasters have useful and important insights. This will be explored in more depth in Chapter 2.

Creating Your Future

At the most basic level, this principle involves developing, on an ongoing basis, what you want to accomplish and work toward and how you are going to get there. It also means not putting off decisions and actions so far into the future that they lose all meaning. Create knowing that life will be uncertain, that there will always be risks, and that change is the norm.

A major statement by Drucker about the future was made in 1999’s *Management Challenges for the 21st Century*, his last book of completely new material. I believe that he wanted to influence how managers and others could approach not only the (at the time) coming new century, but the future in general. In those pre-9/11 years, the idea of a new century and how it would be different from all that came before was on the mind of many. In keeping with the creation theme, he writes that “a growth industry that can count on demand for its products or services growing faster than economy or population manages to create the future. It needs to take the lead in innovation and needs to be willing to take risks.”

The unpredictability of the future was brought home only two years after the book’s publication, with the September 11, 2001 terrorist attacks and the wrenching aftermath that continues to unfold.

The ideas on future approaches that Drucker advocated remain contemporary and useful. In consideration of recent popular books such

as Peter Sims's *Little Bets*, about the power of incremental approaches, it is instructive to read Drucker's words that "there comes a point when the small steps of exploitation result in a major, fundamental change, that is, in something that is genuinely new and different."

In a tribute written about Drucker in 2005, John Baldoni, author of such excellent books as *Lead with Purpose: Giving Your Organization a Reason to Believe in Itself*, noted that one of Drucker's great themes was in essence how to make the world a better place. To me, that is a crucial aspect of creating the future. The world constantly needs betterment, with endless tasks associated with it. It also has ramifications for how we treat each other as human beings, especially in the world of work.

I've worked with Baldoni in my capacity as managing editor of *Leader to Leader*, and I asked him for his thoughts about Drucker in relation to the future. "Two things that influence me most about Peter Drucker's work," he said, "are his emphasis on history and his focus on employees as assets. History shapes our future, and knowledge of what came before is essential to shaping organizations of tomorrow. Regarding employees as contributors is a bedrock concept that too often employers overlook at their own peril. Focusing on ways to develop those leaders begins with treating each employee with dignity and respect."

I asked Baldoni what within his own work and approach, Drucker-related or otherwise, would help readers of this book develop the right mindset and approach to the future. "My work does not focus on the future per se," he told me, "but what I believe it does do is prepare leaders for the future by teaching them the elements of leading effectively today in order to create a legacy that serves the organization well. That means, I focus on helping leaders solve issues proactively, that is, focus on what they can do to make a positive difference as a means of developing individuals as resources and as future leaders."

“The most effective way to manage change successfully is to create it.”

Peter F. Drucker, Managing in the Next Society, 2002

The Inevitable Future

When the *Harvard Business Review* published its 75th anniversary issue in 1997, Drucker was one of five thought leaders—the others were Esther Dyson, Paul Saffo, Peter Senge, and Charles Handy—invited to write for a section called “Looking Ahead: Implications of the Present.” Drucker’s two-and-a-half-page essay was called “The Future That Has Already Happened.” This was a phrase that he had used previously and would continue to use, because it was fundamental to how he approached creating the future.

Drucker begins his essay with his familiar theme of unpredictability: “In human affairs,” he writes, “it is pointless to try to predict the future, let alone attempt to look ahead 75 years.” He then goes into the idea of looking at what has already happened “that will have predictable effects in the next decade or two.” As he often did, he pointed to the analysis of demographics as a fruitful source of these changes, specifically, collapsing birth rates and the aging populations of the developed world. And he maintained one of the major themes of the last couple of decades of his life, the need for better productivity of knowledge workers.

“What has already happened that will create the future?”

—Peter F. Drucker, Managing in a Time of Great Change, 1995

Although Drucker said that the future could not be predicted, he did believe that we already had the tools to know what the future might look like. The starting point is what is happening now and has happened in the recent past. This could be from studying demographics, changes in society, advances in knowledge, and so on. What do these changes mean, and what are the likely effects of these changes? You can then decide if these observations present opportunities for you, your organization, and possibly your entire profession.

In some cases, it might mean stopping doing something. It is one thing to recognize the wisdom in an idea such as this, and it is another to actually incorporate it into your life and business. You also have to face the fact that with such widespread access to knowledge, many other people (including your competitors) have access to this same knowledge. The important thing then becomes, what are you going to do with this potentially valuable information? The theme of Chapter 2 of this book is how you can build these insights about potential futures into your daily work and life.

When you think of Drucker's concept of the future that has already happened, your task is how to determine it and recognize the relevant parts of it so you are not chasing the wrong future, or somebody else's future. For instance, having knowledge of a particular inevitability might require more funding, schooling, or technical expertise. If you really wanted to proceed, how long would it take you, and how much would it cost?

"Any attempt to base today's actions and commitments on predictions of future events is futile."

—Peter F. Drucker, *Managing for Results*, 1964

This idea can be extended to related areas about what we know and what we don't know about important events. Although the future is unknown and has yet to happen, you should realize that you know a certain amount about the future in the form of commitments (financial and otherwise, such as contracts and money owed and earmarked), schedules, deadlines, regulatory filings, and more. It may be distasteful to think about it and consider, but there is also the case of your mortality. Death is in our future, and the realization should make us appreciate the present and enhance our plans for the future that involves living life to the fullest.

An important and somewhat lesser-known book on the future is 1969's *The Age of Discontinuity: Guidelines to Our Changing Society*. It is one of Drucker's most wide-ranging books, with thoughts on business, politics, society, and world affairs, and not just as separate subjects, but how they fit together. It anticipates both the near future at the time and the 30-plus years leading to the new millennium. These discontinuities are subtle and gradual changes in the ways various parts of society are perceived. They are undercurrents that not everyone has noticed. Drucker ends the preface to the original edition with this: "This book does not project trends; it examines discontinuities. It does not forecast tomorrow; it looks at today. It does not ask, 'What will tomorrow look like?' It asks instead, 'What do we have to tackle today to make tomorrow?'"

The four big discontinuities discussed in the book are (1) new technologies and new industries to support and exploit those technologies; (2) a world, global economy, rather than an international one (Drucker delightfully calls it "one global shopping center," in a nod to his friend Marshall McLuhan's idea of the "global village"); (3) the emergence of pluralistic institutions worldwide, coupled with dissatisfaction with modern government and large, established institutions such as churches and universities; and (4) knowledge as the most crucial resource in society, which he identified as the most important of the changes.

Princeton University economics professor and *New York Times* op/ed columnist Paul Krugman, who won the 2008 Nobel Prize in Economic Sciences, devoted a column in 2005 to how prescient (and underappreciated) *The Age of Discontinuity* was. He called it a “prophetic work that speaks directly to today’s business headlines and economic anxieties.” Krugman points out Drucker’s thoughts about coming turbulence for once-mighty industries, which have played out with a vengeance in recent years. One of the reasons this is so relevant, Krugman writes, is that “corporations can’t provide their workers with economic security if the companies’ own future is highly insecure.” Krugman’s own words turned out to be quite prophetic.

The Future Embodied in the Present

It is tempting to think that, if the future has not arrived yet, that it can be ignored, at least for a little while. Drucker stressed, however, that what makes the future happen is what you do today, in the present moment. Your actions accumulate and have an effect on what tomorrow will look like. This requires considerable thought about what you want your future to look like, and then more thought on how you are going to get there, with the realization that in some sense the future never really arrives. The roll-up-your-sleeves aspect of this is captured well in his words from 1974, “The future requires decisions—now. It imposes risk—now. It requires action—now.”

Drucker’s quote reminds us that the future should be thought of as something concrete and real, rather than abstract and speculative. It is really a related dimension of time, as real as the (ephemeral) present and the (bygone) past. These three short, interrelated sentences force you to see the chain of events necessary for the future to unfold. Decisions, risks, and actions are all necessary by-products. We might add thought, study, consideration, debate, and dialogue. Although this was written in the context of an organization or business, this sequence also works for your life individually, at work and outside of it.

There is also a kind of purposeful poetry behind these words, compelling you to think about and act on the future in ways you might have not previously considered. These areas can be difficult for people, and for businesses. Risk is always tricky, and we often try to avoid it or make it go away. Decisions can be hard to make, and procrastination sets in. The same goes for action. Perhaps you think that action about the future can be avoided because there are actions that need to take place in the present, for the present.

“Decision making is a time machine that synchronizes into a single time—the present—a great number of divergent time spans.”

—Peter F. Drucker, *Management, revised edition, 2008*

In 2001 Drucker wrote “The Next Society,” a 19-page guest feature in *The Economist*, which comprised the final section of the 2002 book *Managing in the Next Society*. It is highly unusual for *The Economist* (where most articles run without bylines) to publish such long features by guest contributors, but such was the demand and interest in what Drucker had to say about where the world was heading. As he points out in the preface of *Managing in the Next Society*, everything in the book was written before September 11 2001, “and no attempt has been made to update the chapters.”

The specifics of what Drucker writes about here are perhaps less important than his attempt to organize his thoughts on the future, in this case based on analysis of current trends and events. This exercise is something that you can benefit from emulating: regularly and systematically examining business and society to look for the changes and disruptions that will have effects on your life and work. People

and organizations that want to thrive will determine the best ways of organizing themselves to consider systematically and identify opportunities, especially those that come wrapped in problems, threats, and challenges. We will discuss this more completely in Chapter 2.

Where Tomorrow's Decisions Are Being Shaped Today is the subtitle of his 1986 book, *The Frontiers of Management*. The *Wall Street Journal* quote on the cover is “The first of the analytical futurists and the first of the management philosophers.” In the preface, Drucker posits that seemingly ordinary people (not necessarily those we think of as leaders) are, in the course of doing their jobs, shaping the future by the decisions and actions they are making day by day. This is a profound insight, as many of us probably don't consider that we are making our future, for better or worse, by what we do each day. He makes the point that “change is opportunity” and that these changes give us the opportunity to improve ourselves, our organizations, and, as an extension, our communities and society.

In his book *Time and the Art of Living* (1982), author/philosopher Robert Grudin expresses a related thought to Drucker's ideas: “All important actions are open-ended to the future.” This can be interpreted as meaning that the actions you take now can have multiple effects for your future. It includes effects that are unpredictable and that you don't know the ways they will play out in the future. In the open-ended sense, it could be that actions will set off a chain of events that are even more unpredictable and risky than if you had done nothing.

Making Friends with Change

Constant, unrelenting change is the natural order of things, according to Drucker. If this is the case, you not only have to get used to it, but have to learn to thrive on it. Developing the future-oriented mindset that change is necessary and healthy can lead to significant breakthroughs. In one

of his typically no-nonsense pronouncements, he writes in “The Next Society” that “to survive and succeed, every organization will have to turn itself into a change agent. The most effective way to manage change successfully is to create it.” A corollary might be that people within the organizations must turn themselves into change agents. Note that you are aiming not just for survival, but for enduring success. It helps if you think of yourself as a change agent, in your own life, organization, and profession. Think how radically many professions have changed in the past 20 years.

Two sentences in particular go to the heart of my thesis in *Create Your Future the Peter Drucker Way*: “The point of becoming a change agent is that it changes the mind-set of the entire organization. Instead of seeing change as a threat, its people will come to consider it an opportunity.” Later he underscores the vigilance necessary for creating the future, combined with its inevitable uncertainties: “But what about future trends and events we are not even aware of yet? If there is one thing that can be forecast with confidence, it is that the future will turn out in unexpected ways.”

“To survive and succeed, every organization will have to turn itself into a change agent.”

—Peter F. Drucker, *Managing in the Next Society*, 2002

A chapter in *Management Challenges for the 21st Century*, “The Change Leader,” is the major statement in the book on how to approach the future. Drucker begins with the stark assertion “One cannot *manage* change. One can only be ahead of it.” (This is reminiscent of his pronouncement elsewhere that, despite the popularity of knowledge management, knowledge itself cannot be managed.) He points out that

change is the norm, not something that should be put off or that should not happen at all. An organization (business or otherwise) must, in a conscious, deliberate way, take upon itself the task of leading change. Because the environment in which it is operating is characterized by “rapid structural change,” its very survival is at stake unless a successful future can be created by the change leaders within the organization.

Who qualifies as a change leader? Identifying this quality is seen as a central challenge for the 21st century. Drucker describes a change leader as someone who “sees change as opportunity.” The leader “looks for change, knows how to find the right changes and knows how to make them effective both outside the organization and inside it.” This is certainly a challenge, because not everyone wants to look for change in the first place. It also suggests that a process is needed for identifying possible changes and for determining what actions to take.

It may be helpful to think of change in terms of transitions, which we will explore throughout the book. This is the subject of William Bridges’ classic *Transitions: Making Sense of Life’s Changes* (2004, 25th anniversary edition). Change is often unwelcome, threatening, and disorienting. Transitioning from the old to the new can be difficult yet vitally important. Bridges writes that transitions comprise an ending, a neutral, in-between zone, and a new beginning. However we accomplish our transitions, we need to apply language and methodologies that make sense for each of us, as well as for our organizations. Bridges observes that, whether a transition is personal or organizational, “[t]o become something else, you have to stop being what you are now; to start doing things a new way, you have to end the way you are doing them now; and to develop a new attitude or outlook, you have to let go of the old one you have now.”

Emi Makino is a great example of someone who has managed multiple transitions in life, and she is now embarking on a new one. We became friends when she was an MBA student at the Drucker

School, in 2009. After receiving that degree, she then started on her Ph.D. in management at the school, which she received in spring 2013. She was born and raised in Japan and has studied and worked in the United States as a journalist. She was also a journalist and broadcaster in Japan, as well as an interpreter.

Emi has now embarked on yet another transition, moving with her husband and three children back to Japan, where she is an associate professor of management at Kyushu University in the city of Fukuoka-shi, Fukuoka. After she returned to Japan, I asked her to write a few paragraphs about her impressions of her transitions in recent years. This is her response:

Managing a career and a family with young children can be overwhelming. This is especially true in Japan, where family life so often takes a back seat to corporate life. Proactively investing in my self-development has been my way of resisting being controlled by the whims, wishes, and fancies of a corporation so that I could pursue a life with meaning. Yet even with the relative freedom and flexibility that comes with self-employment, balancing work and life was a struggle. I kept dropping ball after ball in this precarious juggling act, each time with deepening remorse and guilt.

One day I reached a conclusion. Work–life *balance* was neither attainable nor sustainable. I was going to strive for *integration* instead. Researchers have suggested that we live by metaphors. The shift in imagery from balance to integration has had a profound effect on my subsequent career choices. A work–life integration mindset generates new opportunities. What I had perceived as constraints on my career because of my parenting responsibilities (and vice versa) could be reframed as opportunities.

Shortly after having our third child, we moved from Tokyo to Claremont so that I could go back to school. We knew it would be highly unlikely that we could find childcare for her in Tokyo. A work–life integration approach enabled me to seek ways to combine our family goals with my career goals. We wanted to give our children the chance to study abroad at a young age, and I was looking to further my education. As a result, I am now on a new journey that is taking me to a destination I had dreamed of as a teenager: a career in education.

Reflect on and Observe Your Way to the Future

Navigating the future is hard work. Drucker believed that when executives studied trends, events, the news media, and other sources for clues to the future, they often stopped too soon. The important, often missing question was, what does this mean specifically for me/us? This could necessitate talking with others in your organization or other stakeholders about possible actions that could result from your study, observation, and research. This stage of reflection and discussion takes place before any decisions are made or actions taken.

“In turbulent times, managers cannot assume that tomorrow will be an extension of today.”

—*Peter F. Drucker, Managing in Turbulent Times, 1980*

Whether or not you think of yourself as a top executive, manager, or leader, you can take responsibility for converting change into opportunity. It must be done in a competent, purposeful way, realizing

its potential impact on many people, including people you don't even know exist. It means taking responsibility for tomorrow and for making decisions based on solid thought. Drucker makes these ideas seem challenging yet doable. He makes them seem like a necessity, a responsibility we would be shirking if we don't take them seriously.

I asked Bruna Martinuzzi, the founder of Clarion Enterprises Ltd., in Canada, about her own experiences in applying Drucker's ideas on the future and what she believes is necessary to think about for navigating that future. She has considerable experience in a variety of fields: as a manager, leader, writer, speaker, consultant, and teacher. She says that as she gets older, she is thinking about the "importance of all of us who are of similar age to consider what legacy we want to leave for the future. Everyone should ask themselves how they want to be remembered by their immediate family, friends, colleagues, community, networks, and even the world. Are they leaving their own corner of the world a little better than they found it?" We will explore more of Drucker's thoughts on leaving a legacy in Chapter 5.

Her approach involves Drucker's cherished quality of continuous learning. I also found it intriguing, because it embodies a Zen-like capability that reflects Drucker's spirit and values: According to Bruna, "One of the most effective ways is to encourage people to approach things with a beginner's mind. Not an easy shift, but a crucial one. I apply this to my life, but also challenge my clients to make continuous learning a priority in their leadership development."

I was struck by Bruna's comments, because getting caught up in preconceived notions and the tendency to do things as we have done them before can hinder a future-focused mindset. If you take the time to reflect on your experiences, you can be more alert to surprises. This holds true for both surprise successes that can be built on for future gains and surprising bits of information that can lead to fruitful new endeavors. The concept of the beginner's mind is embodied in Zen and was brought to the United States in large part

by Shunryu Suzuki (1904–1971), the founder of the San Francisco Zen Center and author of the classic book *Zen Mind, Beginner's Mind* (1970). It begins with this definition: “In the beginner’s mind there are many possibilities, but in the expert’s there are few.”

Remove What Does Not Work and Improve What Does

Drucker wrote considerably about planned/systematic/organized abandonment. This terminology can sound somewhat harsh, yet it acquires a somewhat different flavor when thinking of it in terms of the future. If you were not already doing a particular activity (or making a particular product, or providing a particular service), would you start doing it now, based on your experience and results? If not, are you going to keep doing it? In this context, it is paired with continuous improvement, or as it has come to be known by the Japanese term *kaizen*. There is considerable material about this concept in books and online. In particular, there are two compact and highly useful books by Robert Maurer, who is on the faculty of the UCLA and University of Washington medical schools: *The Spirit of Kaizen* and *One Small Step Can Change Your Life*.

“Without systematic and purposeful abandonment, an organization will be overtaken by events.”

—Peter F. Drucker, *Peter Drucker on the Profession of Management, 1998*

Maurer points out that, despite the Japanese name, the process itself originated in the United States during World War II. In a basic

sense, thinking of abandonment and *kaizen* together allow you to consider things for their current usefulness and potential for the future. Drucker recommended it for an organization's products, processes, and activities, including the supply chain. In an individual sense, it can be applied to activities you currently undertake. Which ones should be scaled back or cut back? Of the ones that remain, how can they be performed better and more strategically? Applying *kaizen* not only improves the quality of what you do—and high quality is now a minimum requirement rather than a luxury—it can also lead, as Drucker claimed, to further levels of innovation.

Innovating for the Future with an Entrepreneurial Attitude

Innovation and entrepreneurship are familiar concepts now, but that was not necessarily the case when Drucker wrote his book *Innovation and Entrepreneurship* in 1985. It is still cited as a classic in its genre, with good reason. These concepts are completely about the future. They are about change, either incremental change (as noted above) or more radical change. Innovators change how we look at the world, what we buy, and what we no longer buy. They change how we study and what we read. Entrepreneurs sense or create needs that consumers never knew they had. The best innovators and entrepreneurs make the future a different, better place from their creations, products, or services. They influence and change the mindset of their colleagues, employees, and customers. There has been a burst of innovation and entrepreneurship in China, Japan, South Korea, and Singapore, all Drucker strongholds.

Individuals and companies in forward-thinking countries recognize that education and hard work, plus networking with the right people, are key factors in creating their futures. How can you influence the world, your community, and different people by the organizations, new knowledge, products, and services you create? Jack Bergstrand,

the founder of the Atlanta-based consulting firm Brand Velocity, Inc., and author of a heavily Drucker-influenced book, *Reinvent Your Enterprise through Better Knowledge Work*, told me that he believes “creating the future links well to Drucker’s thinking on innovation, and he had a wonderful three-part recipe for it. First, stop doing what is not working. Second, build upon your strengths. Third, do something new. Importantly, stopping was the most important and difficult step. It is difficult because we don’t like to abandon things. It is important because it frees up resources for creating the future.” In 2012 Bergstrand joined the board of advisors of the Drucker Institute.

“Systematic innovation requires a willingness to look on change as an opportunity.”

—Peter F. Drucker, *Managing for the Future*, 1993

In “The Next Society,” Drucker writes that “grafting innovation on to a traditional enterprise does not work.” This can have multiple meanings, but I take it to mean that if you always do things in a traditional way and are set in your ways, it is hard to become an innovative, entrepreneurial company or organization. I would argue that this goes for individuals as well, inside and outside the workplace. If you do not have the capabilities to carry out innovation, the question becomes where will you find these capabilities? Will current employees be able to change their thinking and actions? Might some of this come from concepts Drucker often wrote about, such as pilot programs, alliances, partnerships, and so forth? Can you borrow people or ideas to become innovative?

Another terrific writer I’ve worked with at *Leader to Leader* is Sally Helgesen, author of such classic books as *The Web of Inclusion*:

A New Architecture for Building Great Organizations and *The Female Advantage: Women's Ways of Leadership*.

She told me of Drucker's longstanding influence on her work and that "Drucker grasped, very early, the salient and determining fact of postindustrial society: that the fundamental role of knowledge in creating value in the marketplace gives workers control of the primary means of production, which are lodged within their skulls and get into the elevator with them when they go home. This shifts the underlying dynamic that shaped industrial society, the control of means of production (primarily machines) by owners. The result has been empowerment of individuals with the capacity to use their knowledge to create value."

Each year, the Drucker Institute gives the Peter F. Drucker Award for Nonprofit Innovation, with financial assistance from the Coca-Cola Foundation. The first-place prize is worth \$100,000. The institute says on its website that the award is "given each fall to a nonprofit organization that best demonstrates Drucker's definition of innovation: change that creates a new dimension of performance." The 2012 winner was the American Refugee Committee, a Minneapolis-based organization that worked with the global Somali diaspora community for its I AM A STAR program to improve the lives of people living in Somalia. (Slogan: Creating a Better Future for Somalia.)

Each week, the Frances Hesselbein Leadership Institute features a "Profile in Innovation" on its website, focusing on an innovative organization, company, or program. Reading the profiles is a great way to learn about new, up-and-coming organizations and social entrepreneurs. It also provides a window into what is possible through human ingenuity and how that relates to solving problems and extending opportunities in society.

In the *Transitions* book referenced above, William Bridges notes that our economy depends on innovation. "If the innovation ceased,"

he writes, “our economy as a whole—and, of course, most people’s individual careers—would fall apart.” Innovation is closely tied to the idea of “creative destruction” associated with Joseph Schumpeter, the Austrian-born, 20th-century economist whom Drucker often referenced.

Risk Will Always Be with Us

Drucker pointed out that, although making the future was highly risky, *not* trying to make the future was equally or more risky. The element of risk is something we have to accept and factor in to our daily lives and decisions.

The concept of risk and being prepared for an unknown future relates directly to the unpredictability of so-called black swan events, as explained by Nassim Nicholas Taleb, in *The Black Swan: The Impact of the Highly Improbable* and other books. Such events are thought of as extremely unlikely to happen, yet if they do, the impact can be devastating. And Harvard Business School professor Clayton Christensen, who topped the “Thinkers 50” list of top management gurus in 2011, has written in books such as *The Innovator’s Dilemma* about the concept of disruptive technologies and events that have the potential to change completely the way entire industries conduct their business.

In a 1975 article for the *Wall Street Journal*, “The Delusion of Profits,” Drucker noted the risk and uncertainty inherent in all economic activity, which he called “the commitment of existing resources to future expectations.” He identified a number of potential areas for this risk/uncertainty: what and how your organization produces, what equipment you use, the markets within which you work, and larger changes outside your organization. All contained risk, and in the case of businesses, a minimum profit level should be determined to cover these future risks.

“To try to make the future is highly risky. It is less risky, however, than not to try to make it. A goodly proportion of those attempting . . . will surely not succeed. But, predictably, no one else will.”

—Peter F. Drucker, *Management Challenges for the 21st Century*, 1999

Working as best as you can in regard to risk, especially risk for long-range commitments, is one of the things that Drucker said defined what it means to be a manager. The key is to make those decisions as responsibly and rationally as possible, with the most intelligent use of information. Somehow you have to understand the relationship between risk and security. In the book *Managing for the Future*, he writes that “risk and security are not in opposition, but parallel.” Although these ideas on risk are seen through an organizational lens, it is individual executives, working either alone or in tandem with others, that must make these decisions. Likewise, decisions you make about your own career and activities obviously involve risk as well.

Conclusion

Any journey to the future involves preparation. Maintaining a Drucker-like mindset is essential. The elements above represent your guide, based on Drucker’s writings and teachings, for navigating tomorrow. The key points from some of his books that we have outlined give you a further understanding of how he arrived at these essential elements regarding thinking about and acting on the future.

Both individual knowledge workers and organizations are moving inevitably toward a future that is created one day, one action

at a time. Remaining alert to potential implications of actions and events seemingly tangential to the future is a valuable skill that you will begin cultivating in Chapter 2, where we will take a deeper dive into how you can keep tabs on tomorrow, by determining the future that has already happened.

Chapter Review

In this chapter we have outlined elements underlying Peter Drucker's body of work on the future. These elements represent a forward-focused mindset to life inside and outside the workplace. In Drucker's life and work, the future was like a computer operating system, continually at work as he approached his writing, teaching, and consulting. We've seen that in order to thrive and improve our lives, he advocated embracing change, risk, and uncertainty. Review what you do currently to remove what is no longer productive or necessary, while improving what remains. Above all, the future must be created in a purposeful, meaningful way, by the actions people and organizations carry out each day.

Checklist

My goal is for this book to be as interactive as possible. At the end of each chapter, there is a brief checklist of items to keep in mind as you create your future. The first list is intentionally short, as your journey is just beginning.

- ✓ Start a notebook or computer file (ideally both) on Creating the Future.
- ✓ As you begin to read this book, note your current attitudes toward the future and what some of your goals are, both personally and professionally. You can then compare what you've written to what you'll write as you continue reading the book.

- ✓ List three to five role models of people (either those you know or public figures) who seem to be adept at navigating the future.
- ✓ List three to five organizations (business or otherwise) you believe have the same qualities.
- ✓ Think of times in your life when you have applied the Zen concept of the beginner's mind. Consider ways that approach can be applied to future tasks and challenges, as well as to those you are facing now.

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ISBN: 978-0-07-182079-0

MHID: 0-07-182079-5

The material in this eBook also appears in the print version of this title: ISBN: 978-0-07-182080-6, MHID: 0-07-182080-9.

E-book conversion by codeMantra

Version 1.0

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