

## The Drucker Method of Strategy Development

Since Drucker promoted analysis and reasoning rather than fixed gimmicks for strategy development, I integrated his approach with that of strategists spanning more than 7000 years of recorded history and representing a wide variety of situations...Eventually, I produced a list of ten principles. They were the distillation from the thinking of many strategists in many areas and all were consistent with Drucker's ideas.

### **Commit to a Definite Objective**

Drucker made it clear that the definite objective was what the business should be. This is why he devoted so much importance to defining it. You can't get to where you are going until you know exactly what any desired destination is. So, an objective must be exactly defined, and everyone in the organization must be committed fully to it. This commitment is not only important for other elements of the strategy, but also to gain and maintain the commitment of all those in the organization.

### **Seize the Initiative and Keep It**

There are many instances where individuals have promising ideas, but delay developing them or bringing them to market. Frequently they never do and someone else does and is successful. Or maybe they do, but someone else does this sooner. This principle says you must take the initiative and maintain it. Drucker emphasized action. It's not enough to have a great idea, you must act on ideas for them to mean anything.

### **Economize to Concentrate Resources Where/When Most Needed**

You can't be strong everywhere because resources will always be limited.

Consider time. We all get the same amount, but some waste a good deal and spend it in areas not impacting as strongly on the goals sought. The idea is to economize where your efforts and resources are not critical and use resources

where they are. You must concentrate superior resources at the decisive point in the situation.

### **Keep Your Positions Flexible**

To achieve any strategic objective, you need to position and alter positions due to environmental and other unexpected changes. You may need to modify your approach and your positioning, even as you continue to work toward an objective. That's why if what you are doing isn't working, besides being persistent, you need to alter your strategy. It's true that persistence is a valuable factor in reaching any goal. However, maintaining a faulty strategy in pursuit of a goal is irrational.

### **Do the Unexpected**

It is frequently effective to do the unexpected, especially in facing strong competition. This principle can also be applied to concerned customers, so long as the surprise is beneficial to them. It is why some organizations grew and are still growing despite the pandemic while due to a failure to make changes and other factors, many in the same business fail.

### **Keep Things Simple**

Someone once speculated that if all the parts in one of NASA's rockets were 90% reliable, the rocket would fail 50% of the time. The more things that can go wrong, the more will go wrong. If you want less failure, keep your strategies simple, requiring fewer actions and uncomplicated.

### **Prepare Multiple Simultaneous Alternatives**

Since some actions will fail regardless of effort, you should always have alternative backup alternatives prepared.

### **Take the Indirect Route to Your Objective**

Moving directly against any human thought or endeavor arouses opposition. People tend to hold on even more strongly to their previously held notions or position. For example, no one likes to be sold anything.

However, most are eager to take advantage of a bargain. The difference is subtle, but the results can be decisive. The direct route will usually lead to the

strongest opposition. The same principle holds true in a situation where there is competition that must be faced, and this principle should be recognized in your strategy. This concept was promoted by B.H. Liddell

Hart, a military strategist who emphasized the indirect approach over the frontal assault in warfare.

### **Practice Timing and Sequencing**

The Bible asserts that there is a time for every purpose under heaven. These words even appeared in a popular song by Pete Seeger in 1962.

Implementing the “right” strategy at the wrong time or in the wrong sequence can be just as ineffective as if the strategy is completely wrong.

You’ve heard the saying, “he was ahead of his time.” Yet, someone with the same idea at the right time may be extraordinarily successful. Bottled water is very successful today. Still, thirty years ago, the idea of anyone paying money to purchase drinking water, except from Lourdes or a similar source, would probably have failed.

### **Don’t Hesitate in Exploiting Success**

Don’t stop or slow down in achieving your objectives. Not staying well ahead of your competition is simply giving your competition the opportunity to catch up and surpass you.

## **Developing Strategy Based on Drucker’s Concepts**

1. Decide on what business you are in and what the business should be in the future Initiate the process of creating the organization’s future
2. Get the information you need and decide what events that have already occurred mean for the future
3. Bring together the fixed certainties, the resources required, and the principles of strategy
4. Decide on action steps to implement strategy and then take effective action

**Adapted from chapters in The Art of the Strategist (AMACOM, 2004) and Drucker on Leadership (Jossey Bass, 2010), both by William Cohen and syndicated internationally.**