

Drucker on Lifting Your Eyes to the Hills While Keeping Your Nose on the Grindstone

Adapted from *Managing for the Future; Managing the Nonprofit Organization; and Management: Tasks, Responsibilities, Practices*

By Peter F. Drucker

A crucial task of the leader of the organization is to harmonize in every decision and action the requirements of your immediate and long-range future. You cannot sacrifice either without endangering the enterprise. You must keep your nose to the grindstone while lifting your eyes to the hills—which is quite an acrobatic feat.

Or, to vary the metaphor, the leader can't afford to say either, "We will cross this bridge when we come to it," or "It's the next 100 years that count." You not only have to prepare for crossing distant bridges; you have to build them long before you get there. And if you do not take care of the next 100 days, there will be no next 100 years—there may not even be a next five years.

Essentially, you must live and act in two time dimensions.

This is especially true of the nonprofit leader. That's because the organization's mission is always long range. But action is always short term. So one always has to ask: Is this action step leading us toward our basic long-range goal, or is it going to sidetrack us, going to divert us, going to make us lose sight of what we are here to do? This is the first question.

Innovation must be part of both the long term and the short term.

Continuous improvement aims at making the already successful better still. It is a never-ending activity that requires specific

quantitative goals, such as annual improvements of 3% or 5% in cost, quality and customer satisfaction. Improvement starts with feedback from the front line—from the staffers who actually deliver the service and, vitally important, from the users themselves. Then the organization's leaders and program managers must convert the front line's suggestions and queries into changes in product, process or service.

Managed evolution is the use of a new product, process or service to spawn an even newer product, process or service. Its motto is, "Each successful new product is the stepping stone to the next one."

How can your organization exploit a success that it already has achieved to create something totally new?

Finally, there are those *innovations* that exploit changes in society and the economy, in demographics and technology.

In the case of these last two categories, the organization should regularly review its innovative results. Every three years or so, it should ask: What did we innovate that made a real difference for the organization and for those we serve? Were these innovations commensurate in numbers, quality and impact with our position in the community and in the sector? What will our innovation results have to be in the next few years—again, in numbers,

quality and impact—to give us the standing and leadership position we seek?

In the case of continuing improvement, where results are short term by definition, one looks for the long-term implications. One analyzes the work of the past two or three years with this question: Did successful improvements cluster around one particular application, one design, one process, one service or product? This often indicates an opportunity for fundamental, long-term innovation or change.

Knowing when to assess any program can be tricky, however. There are always people who expect results in a hurry and pull up the radishes too soon to see whether they've set root. And there are others who never pull up the radishes because they're sure they're never ripe enough.

As a leader, know what is your degenerative tendency—and compensate accordingly.