

FOREWORD

It is often said that the simple questions are the hardest to answer. But how could this be? Doesn't logic tell us that simple questions should also be the easiest to answer? No. Simple questions can be profound, and answering them requires us to make stark and honest—and sometimes painful—self-assessments. We do a great disservice to our organizations—whether business, nonprofit, or public sector—and to our customers and to ourselves if we do not ask these five simple yet profound essential questions first posed by Peter F. Drucker.

As Peter Drucker said in the first edition of *The Five Most Important Questions You Will Ever Ask About Your Nonprofit Organization*, “The most important aspect of the Self-Assessment Tool is the questions it poses. Answers are important; you need answers because you need action. But the most important thing is to ask these questions.”¹

More than fifteen years ago, the Leader to Leader Institute set off on a journey. Then known as the Peter F. Drucker Foundation for Nonprofit Management, the mission was *to*

help the social sector achieve excellence in performance and build responsible citizenship. The immediate and compelling question we heard from our customers when we began our work was, “You say we should achieve excellence, but how do we know when we get there?” That began our journey, together with our customer-partners, to develop a strategic organizational self-assessment tool.

Much excellent work was done by exuberant volunteers, staff, facilitators, and organizations—collaborating, developing, testing, publishing, and distributing the first edition of *The Five Most Important Questions*. Yet at its core was the management philosophy of Peter F. Drucker. If Peter Drucker were with you and your organization today, we believe he would ask the same questions of you that he asked more than fifteen years ago:

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?²

These five simple—yet complex and compelling—questions are as essential and relevant today as they were then. These questions used as a self-assessment tool are unique, and though first developed in this framework for social sector organizations, they can be applied to almost any organization today. This book is designed to be used for *organizational*

strategic self-assessment, not for *program* assessment or for an *individual* performance review. It 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.

The ultimate beneficiaries of this very simple process are the people or customers 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, accept and respond to customer feedback, look beyond the organization for trends and opportunities, encourage planned abandonment, and demand measurable results. Some organizations of the past rested on good deeds alone. Organizations of the future are relevant and sustainable with measurable results.

This self-assessment model is flexible and adaptable. Walk this tool into any boardroom or CEO's office. Use it in any sector—public, private, or social. It does not matter whether the organization is a Fortune 500 multinational or a small entrepreneurial start-up; a large national government agency or one that serves your local town or regional heartland; a billion-dollar nonprofit foundation or a \$100,000 homeless shelter. What matters is commitment to the future, commitment to the customer, commitment to the mission, and commitment

to the process. Self-discovery is an introspective and courageous journey that gives organizations and leaders the energy and courage to grow.

Fifteen years ago, *The Five Most Important Questions* was powerful, relevant—the indispensable tool for organizations determined to be viable, the organization of the future. Peter Drucker and the then Drucker Foundation launched a self-assessment tool exactly right for the moment, written within the context of the times—the early 1990s.

Today, in the new edition of the indispensable tool, once again we have considered the context of our times. As we are approaching a new decade—different context, different backdrop—*The Five Most Important Questions*, once again, is essential, relevant, and responsive to the needs of leaders and organizations in our own times. And, once again, the father of modern management leads the way into the future.

We could not be more grateful for the generous contributions of five of the most respected and admired thought leaders of our time:

- Jim Collins, who describes how an organization’s mission reflects the fundamental tension between continuity and change, and how organizations particularly good at adapting to change know what should *not* change
- Philip Kotler, who implores us to do a better job of understanding who our target customers are, and then

to deeply please them instead of trying to casually please everyone

- Jim Kouzes, who suggests that everything exemplary leaders do is about creating value for their customers
- Judith Rodin, who asserts that no plan can be considered complete—or satisfactory—until it produces measurable outcomes and incorporates mechanisms that allow midcourse corrections based on results
- V. Kasturi Rangan, who describes what makes a good plan and the importance of monitoring plan execution and closing the feedback loop for the next planning cycle

You will be inspired and enlightened by their thoughtful contributions, and we know you will be as appreciative of their generous gifts of wisdom, experience, and intellectual energy as we are. The original *The Five Most Important Questions* emerged from the wisdom of Peter Drucker. We once again share Peter's wisdom with you, and enrich the tool with the thoughts of these five great leaders. We are deeply grateful to you, our readers and supporters, fellow travelers on the journey to organizational self-discovery.



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NOTES

1. Peter F. Drucker, *The Five Most Important Questions You Will Ever Ask About Your Nonprofit Organization* (San Francisco: Jossey-Bass, 1993), p. 3.
2. Drucker, *The Five Most Important Questions*, p. viii.