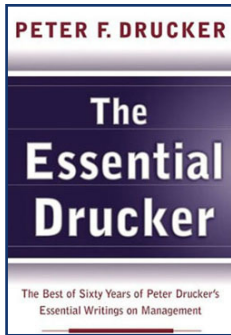




MARKETING STAR



Peter F. Drucker: Business Sage

[By Anique Gonzalez]

Many would argue that the principal role of a business is to make money for those who have invested in it, and as a result, many corporate decisions are often made with the sole goal of increasing profits. However, according to the late Peter F. Drucker, the forefather of modern management, this view is erroneous.

Originally from Austria, Drucker relocated to Germany after finishing college and then to London when WWII began. After working in London for several years in the banking and journalism industries, he finally moved to the United States. Soon after arriving, Drucker began employment with New York University, where he worked as a management professor for 21 years before transferring to Claremont Graduate University for the remainder of his illustrious career.

Essentially, Drucker believed that the consumer should be the focus of, and purpose for, the organization. He explained, "A company's primary responsibility is to serve its customers, to provide the goods or services which the company exists to produce. Profit is not the primary goal but rather an essential condition for the company's continued existence. Other responsibilities, e.g., to employees and society, exist to support the company's continued ability to carry out its primary purpose."

This view is almost identical to the philosophy upon which marketing is grounded. While a wholly agreed upon definition of marketing does not exist, a generally accepted idea is that the goal of marketing is to generate and maintain consumers by providing goods and/or

services that satisfy their needs and wants. So, if the primary responsibility of a company is to serve its customers, marketing is the avenue by which that can be accomplished.

Drucker elaborated, "Because the purpose of business is to create a customer, the business enterprise has two—and only two—basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs. Marketing is the distinguishing, unique function of the business."

A business's ability to create and maintain consumers is directly dependent upon its ability to produce innovative products and/or services. In order for a company to maintain its market share, it must continue to outthink and out-produce its competitors not only in terms of the selection of products and services that it offers but also in terms of its prices. In essence, all companies must continually strive to discover how they can better satisfy the needs and wants of consumers. Because, as Drucker said, that is the purpose of the organization.

In fact, Drucker was such a proponent of innovation that he also advocated for the utilization of planned abandonment. Planned abandonment means rejecting the continued use of tactics, strategies, or techniques that

brought your company success in the past and, instead, continually establishing new means by which your company can attain success since, as is often the case, these "tried and true" methods of success are no longer useful.

Keeping in mind that the purpose of the organization is centered on the consumer, discovering who your consumer is is vital. For instance, how can a company create solutions for a problem which it has yet to diagnose? The way to do this, i.e., diagnosing the problem, is by specific and accurate targeting.

Discovering the target market is important for several reasons. One of which is so that the company can determine what message to convey, what method by which to reach the target market, and what desires, needs, and wants they have. The second reason is so that a company can eliminate unnecessary waste, instead utilizing resources to their maximum capacity and thus becoming more effective.

Ultimately, Drucker's message was simple: if marketers do their jobs correctly, meaning that they focus on their consumer and incessantly innovate, then all other aspects of the business should fall conveniently into place. Drucker explained, "The aim of



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marketing is to make selling superfluous. [It]... is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy."

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The Essential Drucker: The Best of Sixty Years of Peter Drucker's Essential Writings on Management
www.amazon.com/Essential-Drucker-Druckers-Writings-Management/dp/006093574X/ref=sr_1_1/103-4774651-0110203?ie=UTF8&s=books&qid=1185403711&sr=1-1

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