

## Peter's Principles

Book editor Rubin talks with [Peter Drucker](#) about how he built a long-standing brand around his own knowledge and how to prepare for a career as a solo act.

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**When a top book editor decides it's time to chuck a steady paycheck and become a free agent, she seeks advice from a master soloist—Peter Drucker**

When I started a business-book company, 10 years ago, I avoided famous gurus and consultants and instead sought out unknown poets, obscure professors of philosophy, and tenuously employed lecturers as authors. Booksellers warned me that I'd be out of a job in six months if I pursued my woo-woo course. This was the best offer I'd ever heard: to try something *no one* thought would work.

I took the ideas of Peter Senge, Don Peppers, Max DePree, and others and reworked their manuscripts until my blue pencil became like a sixth finger on my right hand. We didn't die in six months. Instead, every book we published became a best-seller, and Currency/Doubleday became the publishing company everyone wanted to imitate or beat.

For years I've had the itch to bail out of corporate life to see if I could do for myself what I'd done for my company. Then, recently, I was visited by a Tibetan monk. He arrived at our Times Square offices, looked

out over my prized vice-presidential view of the corporate landscape, and said: "These glass towers look like larvae. I can see the panels shaking as if they are about to break open. It's good news inside for the people who know how to fly."

I decided once and for all to learn how to fly.

I no longer answer my phone, "Harriet Rubin Currency." I am an ex-Bride of Doubleday. But who is plain old Harriet Rubin, and who cares? How would I build a name brand selling no one but me?

[No human being](#) has built a better brand by [managing just himself](#) than Peter Drucker has. He has represented quality, integrity, and value longer than Intel, Microsoft, or McDonald's has. He has done this in ways that reject the standard formula for success. Although he advocates planning, self-promotion, and team spirit for organizations, he doesn't use them for himself. But then all of Drucker's 29 [books](#) leave you wondering how an individual can become as powerful a brand as a corporation.

That's not so strange. Bullfighting may be the only art that is performed entirely in public. But I wanted to learn what Drucker, 88, had done to build his prized name, not just what he'd preached to organizations. Before the phrase *intellectual capital* came into vogue, Drucker pioneered what it meant to be an intellectual capitalist, someone who puts a price on the knowledge he's accumulated for a world of possible buyers beyond his organization: **Your knowledge and experience are your new wealth;**

they're a commodity that belongs to you and not your company. Leave an organization and you take that wealth with you. The intellectual capitalist is a new species of worker, even more valuable than the [CEO](#).

So I trekked to Drucker's home in Claremont, Calif., to sit lotus style and [listen to this great Austrian-born sage](#). And there I learned Lesson One: To aspire to be even half the intellectual capitalist that Peter Drucker is means that you don't ask the question, "How can an individual become a brand?" Not ever.

**Drucker: Think like a bystander.**

**Rubin: So how does a bystander think?**

Forget trying to drum up loads of PR. You are nothing; your knowledge is everything. The whole idea of "you are the brand" is foreign to Drucker. He works by a different MO.

There is nothing flashy about Drucker's wisdom. He packs a **lot of knowing** into the [simplest answers](#). That, more than habits designed to make him look like a star, has helped him build a [lasting reputation](#). When he says, "I do not care for introspection," it's clear that he's one of the rare people in this world who are important for not being important to themselves. He is a source of ideas, not a celebrity of ideas. Drucker wears two hearing aids, but *I* was the one who strained to understand *him*. He speaks a language that is so self-effacing that one is almost deaf to it in our culture of extreme self-promotion.

Although his books praise planning and proactive

behavior, Drucker thinks of himself not as a brand but as a bystander. He's almost Zenlike in his watch-and-wait attitude.

In [\*Adventures of a Bystander\*](#), an autobiography he wrote in 1978, Drucker describes his life as that of a young man who is standing in the wings but is not part of the action. He is watching everything, "like the fireman in the theater." He is the bystander, the loner. That allows him to see "things neither actor nor audience notices."

He is accident-prone in the best sense. "Every one of my jobs after my first two apprenticeships has come about by accident," he says. "I have never written an application or résumé; I wouldn't know how to." He starts several books at a time and only by chance discovers which he wants to complete. "Most of us, if we live long enough, must change careers. If career planning means not being open to opportunity, it doesn't work. **Planning should tell you only which opportunities are the right ones for you and which are the wrong ones.** I always fell into the right slots. I've never done anything I've planned except planning **what additional skills I need for my work.**"

The one time he violated that rule, luck vanished. As the young American correspondent for a group of British newspapers in 1938, he wanted to study corporate life. "I got to know the chairman of Westinghouse quite well. We had lunch together several times. At one point I asked him if I could make a study of his company, and he gave orders to the guards at the door not to let me back in the building. He told them, 'Only a Bolshevik would want

to know how a company functions.' " Soon after, [General Motors](#) called him out of the blue to invite him to study the company. During that assignment, he discovered the practice of [management](#).

Passivity like this sounds outrageous to business's make-it-happen-at-any-cost ethic. But in a world built out of intangibles, which is the world of ideas and brands, stepping back and letting fate move you is a sound strategy. **It makes you open to recognizing opportunities you could not have imagined possible.**

**Drucker: Fortune favors the prepared mind.**

**Rubin: Then how do you prepare your mind?**

"**Born to see, meant to look.**" That's Drucker's motto. What does he train his sight on? **On the obvious**, not on the [future](#), which he believes no one can see. If you can detect what's obvious, you tap into people's greatest needs. It's obvious, for example, that the biggest threat facing the West is **population decline**, yet most people are still caught in the idea that the future will be a mob scene. **Few people have the discipline to detect the obvious.** For Drucker it's a matter of looking.

I ask Drucker how he's been able to call the trends again and again even though he doesn't believe in prediction. He says, infuriatingly, "**I look out the window.**" Essentially, Drucker looks at current economic events and compares them with the [patterns of history](#) to ground himself in the **meaning of those events**. And then he seems to ask himself,

What's the thing people are most embarrassed about in this picture? In his days observing GM, all the executives were hiding the truth that they were actually doing something called [management](#). The word sounded like voodoo—like applying witches' warts to get people to do more than they could do, to get companies to be better than they were. Ten years ago the truth American workers were eager to hide was that **they weren't manufacturers anymore**; they were people pushing around symbols—words, figures, [information](#). The dirty secret was that **knowledge was the new capital**. Yet, we thought of ourselves as a [manufacturing](#), or producing, society. That was what Drucker saw when he looked, and that's his basic methodology.

That is also why he has collected 200 Japanese paintings. They teach him about Japan, but they also teach him how to look. See [attention and art](#)

Drucker takes me into his study. He points to a few black smudges on a yellowed piece of paper on the wall. The painting looks like nothing in the Louvre. I find myself thinking that it's black and white and pitifully austere. Drucker adjusts his thick glasses and looks. "I bet you don't see much in it," he says. I rub my 20/20s. He's right. He starts teaching me the way a Japanese painter would look at things.

He hands me a book, *A Concise History of Japanese Art*. Inside is a tiny pencil, nesting in a page that says the following:

*"The Zen-inspired painter seeks the 'truth' of a landscape, like that of religion, in sudden*

*enlightenment. This allows no time for careful detailed draftsmanship. After long contemplation, he is expected to be able to seize inner truth in a swordlike stroke of the brush. This 'essentialism' can be expressed equally well in a large landscape or in the branch of a tree, in the broadest panorama as well as in each of its minute components...."*

Intellectual capitalists work the same way artists do. **They think for a long time, and when they act, it's swift.** They trust the truth—instinct—more than the details or facts.

The smudges are beginning to make sense. I feel that I'm looking not only at a painting but at a mirror for Drucker. It reflects how *he* lives and thinks and practices his craft. He looks for a long time at a **subject, a company, a trend.** Like his beloved Japanese painters, he is [perceptual](#). **"I have to see the whole before I can go to work,"** he says. **"I have to see it first; I have to hear it first.** I taught subjects **for years,** and only then did I know what I was thinking about any given matter."

In writing, teaching, and [working with clients](#), Drucker tries to emulate those sharp, swordlike strokes of the Japanese painter. When he describes something—a problem, a scene, a person—he does so clearly, **without succumbing to adjectives** or any other flourishes that inject the observer's personality.

Try practicing [simplicity](#) of description; it's not easy. But the more you **practice describing things clearly,** **the greater your ability to see clearly.** Most people interject themselves into descriptions until they don't

know what they are looking at. I might say, "I like Jones; she concentrates on her tasks." Sounds straightforward enough, but the comment is full of blind spots. Compare this: "Jones keeps her head bowed in a book. When she looks up, her eyes take a moment to focus." That shows that Jones doesn't merely concentrate; she loses herself in a task, which is a dangerous occupation. If I hadn't described her clearly, unobscured by judgment, Jones's true character—the *essential* truth—would be lost on me. When others learn to look *through* you, you are accorded the full weight of authority. To look as a Japanese painter looks is to grasp the essential truth, the inner reality, and not lose your way in the details.

When I complain that the black and white of the painting is austere, Drucker chastises me: "Look! Don't you see that it isn't really black and white; there are dozens of blacks here, and the negative space, the white, is different everywhere."

Drucker, who has sharpened his eye like the Japanese painter, sees *nuances*, and in those, more than in bright colors, is the *truth*. That is what it means to have a trained eye. I open the book again and discover that apprentice painters were forced to practice the painting of a round jewel for as long as two years before being allowed to graduate to more advanced studies. "*The weaker brethren did not survive the discipline!*" it says.

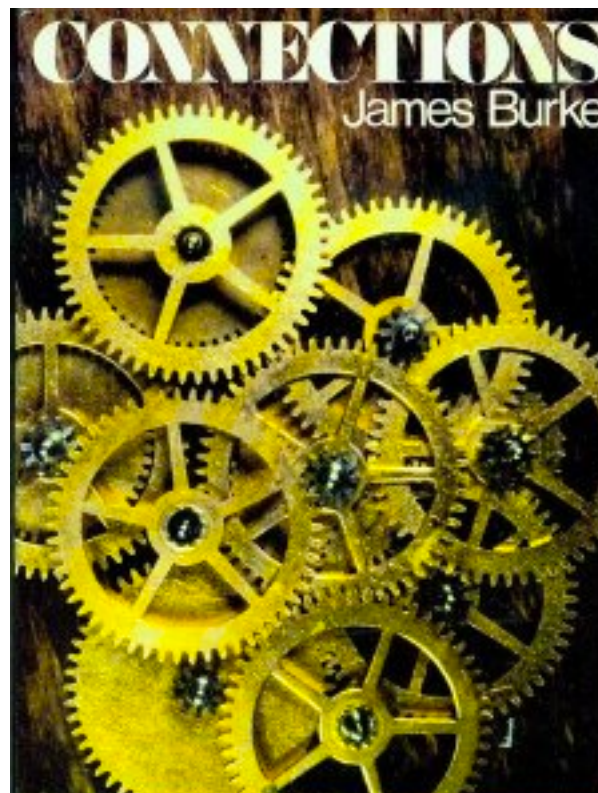
[We merely think we see](#). We miss so much, or we concentrate on the wrong things. Practice seeing the obvious.



**Rubin: You never seem to lose sight of the big picture. What keeps you from getting bogged down in details?**

**Drucker: We can't learn anything by simplifying difficult issues. We've got to complexify them.**

Drucker looks for simplicity but likes to convey complexity. He loves [simplicity](#) but realizes that getting there means making connections ([knowledge it's economics and productivity](#)—only connect!): to the past, to related fields. He answers questions by trotting through history, art, science. Listening to him, you learn not just the answer but also how to make [connections](#) between disparate subjects and thus deepen your understanding. It makes you, the listener, more valuable as an adviser and teacher.



## [James Burke](#)

History is Drucker's primary tool for complexifying. "I'm not a professional historian," he says, "but I've learned that nothing helps me as much in my work as a little bit of historical knowledge about a country, [technology](#), or industry. [Every few years](#) I pick another major topic and [read](#) in it for three years. It's not long enough to make me an expert, but it's long enough to understand what the field is all about. I've been doing this for 60 years."

His current project is Chinese history. "I've studied some of the 87 volumes written by Joseph Needham on the history of Chinese science and [technology](#)," he says. "Needham started out with the axiom that everything worthwhile had its beginning in [China](#)."

But since China never had much interest in society or the economy, Drucker won't stop there, he says. "After China, I may go back to early premedieval history, back to 500 and 1000 A.D. Or maybe the postmedieval, premodern period, beginning with Gutenberg and ending in the middle of the 17th century with the emergence of science and the nation-state system."

Drucker also explores the impact of economics on human nature and of human nature on economics by [reading](#) novels. "I'm very much a 19th-century-novel man," he says. "The great novelists are great because they were appreciated during their time. And why were they appreciated? Because they could look and see and so they got it right, mostly, except for Dickens, who made things up."

I've begun trying Drucker's system. I'm interested in the psychology of [leadership](#), and the business literature on this topic is skimpy. With Drucker's approach in mind, I look for answers in a novel, Joseph Conrad's *Heart of Darkness*, and in poetry, the Psalms of David. I begin to see something that standard business literature has missed: that leaders have their own glass ceiling; we call it, face-savingsly, "the top." Leaders are as bound by inhibitions as people at the bottom of organizations are. Drucker's system of complexifying has cracked open the safe.

Drucker **cautions against going too deep**. "I hate digging," he says. He teaches himself just enough to get perspective but not enough to lose his own point of view.

**Rubin: But how do you keep ahead of all the developments you need to know?**

**Drucker: A knowledge worker needs one thing only: to learn how to learn.**

"[Knowledge](#) by definition **makes itself obsolete**," says Drucker. "**Skills last forever**."

"My family name, *Drucker*, means *printer*," he says. "For centuries, my family never needed to learn anything new. And when archaeologists began to dig out the ruins of Emporia—the greatest trading city of the Mediterranean in Hellenistic times—sometime around 1950, they found the tools the craftsmen used. Except for the screwdriver, which is of medieval invention, there is no tool unearthed from Emporia that is any different from those craftsmen

use today. Any shoemaker or cabinetmaker would be just as at home in ancient Emporia as in Berkeley today. A craftsman learned as a child all that he would need for the rest of his or her working life.”

But in our knowledge economy, says Drucker, “if you haven’t **learned how** to [learn](#), you’ll have a hard time. Knowing how to learn is partly curiosity. But it’s also a discipline.”

“You don’t know anything unless you teach it” has been Drucker’s mantra for learning to learn. He’s taught American history, Japanese art, religion, and statistics. To teach what you don’t yet know helps you learn more than just a new set of facts; you practice the discipline of learning to learn, since new subjects require learning new concepts.

“It’s fairly easy to instruct a surgeon in new techniques,” says Drucker. “But only in the last 10 or 15 years have we begun to learn about the heart’s electrical system. Today’s cardiology is centered on knowledge of the electrical system. Older cardiologists [cannot grasp](#) that the heart is more than a muscle. It’s a concept. Surgeons are brilliant at doing things with their hands. But they **are not trained to learn concepts**, partly because the old medical schools did not teach students how to learn. The new changes in medicine, and in most fields, are not primarily changes in [technology](#). They are changes in [concepts](#).”

Drucker recommends that, to learn how to learn new [concepts](#), doctors teach medieval history (which means they have to learn it deep down in the gut).

He suggests that CEOs teach a course in the history of [technology](#).

As important as learning to learn is [discovering what you're good at](#). "It's amazing [how few people](#) know what they are good at," Drucker says.

"What comes easy one tends to disparage," he observes. "[If it comes easy, value it](#). One thinks that what comes hard is more valuable because you have to work at it. [People don't work on their strengths](#). Don't work on perfecting your strengths but on [removing the unnecessary limits, like a deficiency in knowledge](#)—like a foreign or technical language—or bad habits."

To help people learn what they're good at, Drucker suggests "a learning method developed in the 14th century by an obscure German scholar who recommended that whenever you make a key decision or perform a key activity, write down what you expect to have happen, put the list away, and go back to it nine months or a year later. Then check expectations against results. In no time at all, you know what you do well and what you have to learn to do to get the full effectiveness of your strengths. You also learn what you do poorly. I compose such a list every nine months."

The most vital clue you can have in knowing what kind of learner you are is [whether you're a reader or a listener](#). "People are either one or the other," Drucker says. "Very few people know which they are."

Most of us think of ourselves as both, because we do both. But our strength lies in only one of those two skills. "I am basically a [listener](#) who has taught himself to [read](#)," says Drucker. "Ten minutes after a client comes in, I have learned more by [listening](#) to him than I will have learned from hours of reading his agenda. Even today, with all the reading I have done, I am only a C+ reader. I am better off listening to learn." Which is why he loves teaching—he **can hear himself think**.

Think about which activity gives you more rewards. In which are you most effective? If it's talking, you're a listener. If it's contemplating, you're a reader. **If** you determine you are a listener, you'll learn more by scheduling meetings, meals, phone conversations. **If** you're a reader, make sure you get all the important information in writing.

**Rubin: You're your own boss; you have choice assignments; clients come to you, not vice versa. How can I get a life like that?**

**Drucker: If you believe in yourself, perform solo.**

"**Jobs are too risky**," Drucker says. "I call them 'dangerous liaisons.' "

I know what he means. Jobs can **destroy** people's creativity with routine and limits.

"Since people have **no job security anyway**, they are increasingly going out on their own to do the work they want to do," he says. "In big companies, the leaving is more likely to be voluntary than

involuntary.”

There are books on how to be a manager and how to be an entrepreneur. But there is little advice on how to be a free agent. Drucker is one of the greatest resources.

If you are thinking of going solo, he advises, “first ask yourself, **Can I take it emotionally?** You will have to learn to be an outsider, to be on your own. The first three years will be rough. You’ll have a terrific lunch with a potential client, and you’ll never hear from him again. It’s not the money that’s the crucial resource; it’s that ability to survive those first years of hopeful, promising leads that lead nowhere. If you have the emotional fortitude to last three years, you’ll succeed. Also ask yourself, **Why should the client be interested in me? What am I offering that the client wants?**”

Drucker also advises that to go solo, you must think through what **form your relationships with other people should take**. “I recently worked with a metallurgist,” he says. “I told him not to give advice at all. I counseled him to tell a potential client, ‘Either you let me do the work or forget about hiring me.’ If a client company has a problem, the metallurgist has to fix it. He moves into their plant until the problem is solved. Then he writes it up. He has six clients and a retainer from each, and he’s having the time of his life. Before that, in his corporate job, he would spend a third of the day on metallurgy and the rest of it writing memos. He was bored out of his mind.”



The money word today isn't *plastics*; it's *retainer*. An adviser draws up contracts to give clients semi-exclusive access to his or her time. People want to be more like artists, responsible for a defined project done well if not masterfully. Today's truly ambitious people see themselves not as [entrepreneurs](#) but as "independent professionals," says Drucker.

See [knowledge specialty](#)

"Since you can work masterfully with only a handful of clients, you must *choose the best*," he says. "The most I could handle, while I kept active as a writer and teacher, was two big clients. *I listen with my inner ear to choose the right client*. If I hear a client say, 'We have to let Roger Jones go. He's the best tax accountant, but he doesn't get along with human beings,' I know I don't have a client. But if the client says, 'Roger Jones is a pain in the neck, but there is no better tax accountant. It's my job to protect him from messy human beings,' then I know I have a client."

**Rubin: Business is a disappearing art. Days come, days go. If you fix a problem, your reward is that it disappears. What are we doing that's good enough to last?**

**Drucker: The only thing that matters is how you touch people.**

Your legacy—how you [want to be remembered](#)—is a potent measuring stick for anyone who cares about making a [difference](#), not just making a living. How can you be remembered best for what counts? It's a



question that nags at Drucker. "Never have we been so fixated on the soul, the cult of personality in business," he says. "Permissive business frightens me. The test of a [leader](#) is not what happens during his lifetime but what happens when he leaves.

"Every 50 years in the history of the West we've had extreme adulation of big wealth always followed by a period of extreme condemnation of great wealth," he observes. "The enormous period of worshipping great wealth of the 1880s was followed by the progressive decade and the antitrust laws; in the 1920s we had the same worship followed by the 1930s.

"There is only one difference today: **the very rich no longer matter**; they are totally irrelevant economically. They are merely celebrities. J. P. Morgan at his peak had a liquid fortune great enough to finance the entire economy—all capital needs—for four months. The capitalization of Bill Gates is probably more than J. P. Morgan ever had. But Gates's \$40-billion fortune could finance the economy for less than a day. It's the **mutual funds and the pension funds that matter**. If Gates's wealth disappeared, we wouldn't notice.

"Nobody talks anymore about how essential capital is to capital formation, and nobody screams that the Gateses of the world are exploiters, either. They've become irrelevant. **The moment they retire they're gone. The important thing is Microsoft, not Bill Gates.**"

I ask Drucker about his own legacy. What is he

proudest of having achieved in his life? He seems momentarily surprised at the question. But then he answers quietly:

“None of my books or ideas mean anything to me in the long run. What are theories? Nothing. The only thing that matters is **how you touch people**. Have I given anyone **insight**? That’s what I want to have done. Insight lasts; theories don’t. And **even insight decays into small details, which is how it should be**. A few details that have meaning in one’s life are important.”

**Harriet Rubin** is the author of the best-seller *The Princessa: Machiavelli for Women*. She is at work on a new book about exceeding the limits of leadership.

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