Beware the theory trap
Tony Manning

“New” management theories are a dime a dozen. But many of them are just old ideas in new guise. Managers should be careful to avoid confusing snake oil and slick packaging with genuinely new ideas. And they should avoid using language that confuses more than it explains.

The recent death of Peter Drucker brought forth a screed of articles remembering his singular contribution to the understanding and practice of management. One common theme has been the fact that in almost seven decades of writing and teaching, Drucker said pretty well everything worth saying about management – and had plenty of incisive comment about much else too.

He told us that the business of business was marketing and innovation. That customers, not companies, define “value.” That people make the difference that matters. His legacy is extraordinary. Anyone wanting to learn about management should begin with his books and articles. Remarkably, though, they’re not generally recommended in business schools because the “father of modern management” was considered “un-academic.”

Drucker’s books, while revealing an extraordinary breadth of knowledge on many subjects, do not often refer to other works. He relied on a rich store of historical analogies rather than on extensive research studies. He used simple, clear language, not the obscure code of so many of today’s theoreticians.

“I learn by listening – especially to myself,” he said, according to *Business Week*. And in a particularly telling comment he once noted that “My best ideas have one moving part.”

The pity is that few of the people with potentially great influence on practicing managers can bring themselves to be so down to earth. And that so much of their time is given to reinventing the wheel. Under their tutelage, managers in too many firms busy themselves with ideas they don’t understand and cannot apply, so which will not make any difference to their bottom line.

Take, for example, the currently blistering hot notion of “disruption.” Made popular by Clayton Christensen, a professor at Harvard Business School, it basically says that if you offer more than your customers can or will use, you open yourself to attack by competitors who match their needs and wants more closely and can thus do it at a price below yours. Result: they will disrupt your market.

But hey, is this news? Drucker said 30 years ago that results begin “outside the business,” in the mind of the customer. Ted Levitt, formerly a marketing professor at Harvard, said at least 20 years ago that what the buyer of a drill wants is a “1/4-inch hole, not a ¼-inch drill bit.”

But here we are, in a hyper-competitive age, grasping desperately for new solutions to challenges that have been around forever. Here we are, exhorting the troops to think about disruptive strategies, but not making clear to them what we mean – and maybe not knowing ourselves.

On a daily basis now, media reports tell how some company or other has challenged convention and turned a market on its head. But this is surely not the work of mavericks alone. Shouldn't every manager, every day, be thinking about who their "right" customer is, and what turns them on and how to do it? Shouldn't they all be thinking about how to add value while cutting costs?

Sometimes, new words help explain old ideas or draw attention to them. More often, though, they just obscure the essence of what matters. Clever executives understand this. Like Drucker, they're able to see the trees, and not just the wood. Using ideas with one moving part, they're changing the world.

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