

The Two Most Important Quotes In Business

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If you don't know Peter Drucker, you should: he's known as the man who invented modern business management. He wrote 39 books on the subject and is widely regarded as the greatest management thinker of all time.

And Peter Drucker is credited with two of the most important quotes in business management.

Here's the first: "If you can't measure it, you can't improve it."

When you think about this quote, it should immediately become apparent how true it is. Because, if you can't measure something, and know the results, you can't possibly get better at it. For example, it's nearly impossible to lose weight without stepping on a scale once in a while to measure your results – if you don't, you have no idea if you are succeeding or not.

Or it's like trying to improve your golf game, but never keeping score, so you don't know if you're actually getting better or not. Makes sense, right?

(This is why we always want companies to develop a strong [business plan](#) and follow it!)

Now, in business, Drucker's quote is particularly true. If you can't measure every part of your business, you can't manage or grow it.

For example

- Do you know the number of new website visitors you received in the last 30 days?
- And do you know what percentage of them turned into new paying customers?
- And do you know how the level of satisfaction among your customers has fluctuated over time?
- And do you know the precise average lifetime value of your customers?
- Do you know how clients are rating your company's services (FYI, here are [Growththink Reviews](#))

There are nearly 50 questions such as these that measure each aspect of your business.

And if you don't know the answers, if you can't measure them, then you can't possibly manage or improve them.

And that's why your sales are too low, profits are too low, employee performance isn't high enough, and you need to work too hard and can't take enough time off.

Now, let's move on to Peter Drucker's second famous quote: "Management is doing things right; leadership is doing the right things."

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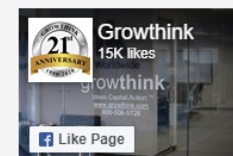
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Let's start with the first piece of this critical quote. "Management is doing things right." Well, as we learned from Drucker's first quote, you can't manage and you can't do things right in your business if you're not measuring it. So that's not happening and it's hurting your business.

And now the second piece: "leadership is doing the right things." So, my question for you is this: **are you doing the right things in your business?** Now before you answer this, let me ask you this: do you know exactly what you should be doing, every single day, to generate the most value from your time?

For example

- Do you know when you should focus on improving your website?
- Do you know when you need to spend time on improving customer satisfaction?
- Do you know how much attention you need to give to securing new clients?
- And do you know when you should focus your time on better training your team?

Unfortunately, most entrepreneurs and business owners don't. Or their businesses would be much more successful than they currently are.

I give you these two Peter Drucker quotes along with their interpretation to help you figure out the answer to the question, what is the #1 Business Mistake you are making.

Which for most entrepreneurs and business owners is this: **Your #1 business mistake is that you're running your business blind!**

You're not measuring your performance throughout your business, so you can't improve. And worse yet, you don't really know what you should even be focusing on. (In becoming a Growthink [business plan consultant](#), we train new team members to really help our clients zero in on the areas in which they need to focus.)

It's like running around in a maze, and you haven't kept track of where you've been, and you're not sure what to do to get out.

But don't take it personally, virtually all entrepreneurs and business owners operate like this. And that's why business failure statistics are so terrible. As you might know, according to Dun & Bradstreet, 91% of businesses fail within 10 years. And according to United States Census, only 3.9% of businesses make it to \$1 million in sales. And only 0.6% of businesses make it to \$5 million. And less than 0.1% make it to \$10 million and above.

The reason for this lack of success is that these entrepreneurs and business owners are running their businesses blindly. They are not measuring performance, so they can't improve. And they are focusing their time on the wrong areas of their business.

Now the good news is that there is a solution to this common problem of running blind. And it's called BI or Business Intelligence. Business intelligence or BI refers to computer-based techniques used to spot, dig-out, and analyze business data, such as sales, marketing and production in order to make significant improvements.

Importantly Business Intelligence uses the data you already collect in your business. For example, if you have a website, you probably have Google Analytics or another program installed that captures key information like the number of visitors you have to your website each day, where they are coming from, and what pages of your website they are visiting.

And you're probably using an accounting software like Quickbooks that includes information about your revenues, expenses and cash balances. And you might be using a customer relationship management or CRM system like Salesforce.com that identifies the number of leads and sales you generate.

And you might be using an email management system like Constant Contact or MailChimp that shows how many email subscribers you have and how often they open or click on your emails.

With the right BI (business intelligence) system, all information from these applications and programs you already use automatically and in real-time is entered and analyzed. So you can quickly see, manage and [improve your performance](#).

Importantly, you not only measure performance so you can improve it, but you instantly spot weaknesses in your company. And those are the areas you should focus your attention on. Remember, "leadership is doing the right things" – now you'll know exactly what you should be doing.

Ready to [stop operating blindly](#)? If so, check out Growthink's Business Intelligence solution, The [Growthink](#)

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