



# THE ENTREPRENEURIAL MYTH

They intoxicate themselves with work so they won't see how they really are.

*Aldous Huxley*

The E-Myth is the myth of the entrepreneur. It runs deep in this country and rings of the heroic.

Picture the typical entrepreneur and Herculean pictures come to mind: a man or woman standing alone, wind-blown against the elements, bravely defying insurmountable odds, climbing sheer faces of treacherous rock—all to realize the dream of creating a business of one's own.

The legend reeks of nobility, of lofty, extra-human efforts, of a prodigious commitment to larger-than-life ideals.

Well, while there are such people, my experience tells me they are rare.

Of the thousands of businesspeople I have had the opportunity to know and work with over the past two decades, few were *real* entrepreneurs when I met them.

The vision was all but gone in most.

The zest for the climb had turned into a terror of heights.

The face of the rock had become something to cling to rather than to scale.

Exhaustion was common, exhilaration rare.

But hadn't all of them once been entrepreneurs? After all, they had started their own business. There must have been some dream that drove them to take such a risk.

But, if so, where was the dream now? Why had it faded?

Where was the entrepreneur who had started the business?

The answer is simple: *the entrepreneur had only existed for a moment*.

A fleeting second in time.

And then it was gone. In most cases, forever.

If the entrepreneur survived at all, it was only as a myth that grew out of a misunderstanding about who goes into business and why.

A misunderstanding that has cost us dearly in this country—more than we can possibly imagine—in lost resources, lost opportunities, and wasted lives.

That myth, that misunderstanding, I call the E-Myth, the myth of the entrepreneur.

And it finds its roots in this country in a romantic belief that small businesses are started by entrepreneurs, when, in fact, most are not.

Then who does start small businesses in America?

And why ?

## **The Entrepreneurial Seizure**

To understand the E-Myth and the misunderstanding at its core, let's take a closer look at the person who goes into business. Not after he goes into business, but before.

For that matter, where were you before you started your business? And, if you're thinking about going into business, where are you now?

Well, if you're like most of the people I've known, you were working for somebody else.

What were you doing?

Probably technical work, like almost everybody who goes into business.

You were a carpenter, a mechanic, or a machinist.

You were a bookkeeper or a poodle clipper; a drafts-person or a hairdresser; a barber or a computer programmer; a doctor or a technical writer; a graphic artist or an accountant; an interior designer or a plumber or a salesperson.

But whatever you were, you were doing technical work.

And you were probably damn good at it.

But you were doing it for somebody else.

Then, one day, for no apparent reason, something happened. It might have been the weather, a birthday, or your child's graduation from high school. It might have been the paycheck you received on a

Friday afternoon, or a sideways glance from the boss that just didn't sit right. It might have been a feeling that your boss didn't really appreciate your contribution to the success of his business .

It could have been anything; it doesn't matter what. But one day, for apparently no reason, *you were suddenly stricken with an Entrepreneurial Seizure* . And from that day on your life was never to be the same.

Inside your mind it sounded something like this: "What am I doing this for? Why am I working for this guy? Hell, I know as much about this business as he does. If it weren't for me, he wouldn't have a business. Any dummy can run a business. I'm working for one."

And the moment you paid attention to what you were saying and really took it to heart, your fate was sealed.

The excitement of cutting the cord became your constant companion.

The thought of independence followed you everywhere.

The idea of being your own boss, doing your own thing, singing your own song, became obsessively irresistible.

Once you were stricken with an Entrepreneurial Seizure, there was no relief.

You couldn't get rid of it.

You *had* to start your own business.

### **The Fatal Assumption**

In the throes of your Entrepreneurial Seizure, you fell victim to the most disastrous assumption anyone can make about going into business.

It is an assumption made by all technicians who go into business for themselves, one that charts the course of a business—from Grand Opening to Liquidation—the moment it is made .

That Fatal Assumption is: *if you understand the technical work of a business, you understand a business that does that technical work* .

And the reason it's fatal is that it just isn't true.

In fact, it's the root cause of most small business failures!

The technical work of a business and a business that does that technical work *are two totally different things!*

But the technician who starts a business fails to see this.

To the technician suffering from an Entrepreneurial Seizure, a business is not a business but a place to go to work.

So the carpenter, or the electrician, or the plumber becomes a contractor.

The barber opens up a barber shop.

The technical writer starts a technical writing business.

The hairdresser starts a beauty salon.

The engineer goes into the semiconductor business.

The musician opens up a music store.

All of them believing that by understanding the technical work of the business they are immediately and eminently qualified to run a business that does that kind of work.

And it's simply not true!

In fact, rather than being their greatest single asset, knowing the technical work of their business becomes their greatest single liability.

For if the technician didn't know how to do the technical work of the business, he would have to learn how to get it done .

He would be forced to learn how to make the business work, rather than to do the work himself.

The real tragedy is that when the technician falls prey to the Fatal Assumption, the business that was supposed to free him from the limitations of working for somebody else actually enslaves him.

Suddenly the job he knew how to do so well becomes one job he knows how to do plus a dozen others he doesn't know how to do at all.

Because although the Entrepreneurial Seizure started the business, it's the technician who goes to work.

And suddenly, an entrepreneurial dream turns into a technician's nightmare.

**See the young Woman Baking Pies.**

**See the Young Woman Start a Business baking Pies.**

**See the Young Woman Become an Old Woman.**

I met Sarah after she had been in business for three years. She told me, "They have been the longest three years of my life."

Sarah's business was named All About Pies (not its real name).

But, in truth, Sarah's business wasn't really all about pies—it was really all about work. The work Sarah did. The work Sarah used to love

to do more than anything else. Plus the work Sarah had never done in her life.

“In fact,” Sarah said to me, “not only do I hate to do all this [she spread her arms, taking in the small shop in which we stood] but I *hate* [she emphasized the word almost fiercely]—I *hate* baking pies. I can’t stand the thought of pies. I can’t stand the smell of pies. I can’t stand the sight of pies.” And then she started crying .

The sweet fresh aroma of pies filled the air.

It was 7 A.M. and All About Pies was to open in thirty minutes. But Sarah’s mind was someplace else.

“It’s seven o’clock,” she said, wiping her eyes with her apron, as though reading my mind. “Do you realize I’ve been here since three o’clock this morning? And that I was up at two to get ready? And that by the time I get the pies ready, open for business, take care of my customers, clean up, close up, do the shopping, reconcile the cash register, go to the bank, have dinner, and get the pies ready for tomorrow’s bake, it’ll be nine-thirty or ten o’clock tonight, and by the time I do all that, by the time any normal person, for God’s sake, would say that the day was done, I will then also need to sit down and begin to figure out how I’m going to pay the rent next month?”

“And all this [she spread her arms wearily again, as though to accentuate everything she had just said] because my very best friends told me I was crazy not to open a pie shop because I was so damn good at it? And, what’s worse, I believed them! I saw a way out of the horrible job I used to have. I saw a way to get free, doing work I loved to do, and doing it all for me.”

She was on a tear that I didn’t want to interrupt. I waited quietly to hear what she would say next.

Instead, she kicked the huge black oven in front of her with her right foot.

“Damn!” she exploded.

“Damn, Damn, Damn!”

For emphasis, she kicked the oven again. And then slumped, sighed deeply, and hugged herself, almost desperately.

“What do I do now?” she said, almost in a whisper. Not really asking me, I knew, but asking herself.

Sarah leaned against the wall and remained there quietly for a long moment, staring at her feet. The large clock on the wall ticked loudly in the empty shop. I could hear the cars driving by on the busy street in

front of the shop as the city came awake. The sun shone harshly through the spotless windows, sweeping the gleaming oak floor in front of the counter.

I could see the dust in the stream of light, hanging suspended as though waiting for Sarah to speak.

She was deep in debt.

She had spent everything she had, and more, to create this lovely little shop.

The floors were the best oak.

The ovens were the best ovens.

The displays were charming, the very best money could buy.

She had put her heart into this place, just as she had put her heart into her pies, falling in love with baking as a young girl, mentored by her aunt who had lived with her family while Sarah was growing up.

Her aunt had filled her family's kitchen, Sarah's childhood, with the delicious, sweet aroma of freshly baked pies. Her aunt had introduced her to the magic of the process: the kneading of the dough, the cleaning of the oven, the sprinkling of the flour, the preparation of the trays, the careful cutting of the apples, the cherries, the rhubarb, the peaches. It was a labor of love.

Her aunt had corrected her when, in her haste, Sarah had hurried the process.

Her aunt had told her, time and time again, "Sarah, dear, we have all the time in the world. Baking pies is not about getting done. It's about baking pies. "

And Sarah thought she understood her.

But now Sarah knew that baking pies was about "getting done." Baking pies was ruined for her. At least she thought it was.

The clock continued its emphatic ticking.

I watched as Sarah seemed to shrink even closer to herself.

I knew how oppressive it must be for her to find herself so deeply in debt, to feel so helpless in the face of it. Where was her aunt now? Who was going to teach her what to do next?

"Sarah," I said as carefully as I could.

"It's time to learn all about pies all over again."

The technician suffering from an Entrepreneurial Seizure takes the work he loves to do and turns it into a job. The work that was born out of love becomes a chore, among a welter of other less familiar and less

pleasant chores. Rather than maintaining its specialness, representing the unique skill the technician possesses and upon which he started the business, the work becomes trivialized, something to get through in order to make room for everything else that must be done.

I told Sarah that every technician suffering from an Entrepreneurial Seizure experiences exactly the same thing.

First, exhilaration; second, terror; third, exhaustion; and, finally, despair. A terrible sense of loss—not only the loss of what was closest to them, their special relationship with their work, but the loss of purpose, the loss of self.

Sarah looked at me with a sense of relief, as though she felt seen but not judged .

“You’ve got my number,” she said. “But what do I do now?”

“You take this one step at a time,” I answered.

“The technician isn’t the only problem you’ve got to deal with here.”



# THE ENTREPRENEUR, THE MANAGER, AND THE TECHNICIAN

Thus, in the course of his life, one man acquires many personal qualities, many personages, many 'I's' (because each, speaking for itself independently of the others says 'I,' 'me,' when it appears).

*Jean Vaysse  
Toward Awakening*

No, The Technician isn't the only problem.

The problem is more complicated than that.

The problem is that everybody who goes into business is actually three-people-in-one: The Entrepreneur, The Manager, and The Technician.

And the problem is compounded by the fact that while each of these personalities wants to be the boss, none of them wants to have a boss.

So they start a business together in order to get rid of the boss. And the conflict begins.

To show you how the problem manifests itself in all of us, let's examine the way our various internal personalities interact. Let's take a look at two personalities we're all familiar with: The Fat Guy and The Skinny Guy.

Have you ever decided to go on a diet?

You're sitting in front of the television set one Saturday afternoon, watching an athletic competition, awed by the athletes' stamina and dexterity.

You're eating a sandwich, your second since you sat down to watch the event two hours before.

You're feeling sluggish in the face of all the action on the screen when, suddenly, somebody wakes up in you and says, "What are you doing? Look at yourself, You're Fat! You're out of shape! Do something about it!"

It has happened to us all. Somebody wakes up inside us with a totally different picture of who we should be and what we should be doing. In this case, let's call him The Skinny Guy.

Who's The Skinny Guy? He's the one who uses words like *discipline*, *exercise*, *organization*. The Skinny Guy is intolerant, self-righteous, a stickler for detail, a compulsive tyrant.

The Skinny Guy abhors fat people. Can't stand sitting around. Needs to be on the move. Lives for action.

The Skinny Guy has just taken over. Watch out—things are about to change.

Before you know it, you're cleaning all the fattening foods out of the refrigerator. You're buying a new pair of running shoes, barbells, and sweats. Things are going to be different around here. You have a new lease on life. You plan your new physical regimen: up at five, run three miles, cold shower at six, a breakfast of wheat toast, black coffee, and half a grapefruit; then, ride your bicycle to work, home by seven, run another two miles, to bed at ten—the world's already a different place!

And you actually pull it off! By Monday night, you've lost two pounds. You go to sleep dreaming of winning the Boston Marathon. Why not? The way things are going, it's only a matter of time.

Tuesday night you get on the scale. Another pound gone! You're incredible. Gorgeous. A lean machine.

On Wednesday, you really pour it on. You work out an extra hour in the morning, an extra half-hour at night.

You can't wait to get on the scale. You strip down to your bare skin, shivering in the bathroom, filled with expectation of what your scale is going to tell you. You step lightly onto it and look down. What you see is...*nothing*. You haven't lost an ounce. You're exactly the same as you were on Tuesday.

Dejection creeps in. You begin to feel a slight twinge of resentment. "After all that work? After all that sweat and effort? And then—nothing? It isn't fair." But you shrug it off. After all, tomorrow's another day. You go to bed, vowing to work harder on Thursday. But somehow something has changed.

You don't know what's changed until Thursday morning.

It's raining.

The room is cold.

Something feels different.

What is it?

For a minute or two you can't quite put your finger on it.

And then you get it: *somebody else is in your body* .

It's The Fat Guy!

He's back !

And he doesn't want to run.

As a matter of fact, he doesn't even want to get out of bed. It's cold outside. "Run? Are you kidding me?" The Fat Guy doesn't want anything to do with it. The only exercise he might be interested in is eating!

And all of a sudden you find yourself in front of the refrigerator—*inside* the refrigerator—all over the kitchen!

Food is now your major interest.

The Marathon is gone; the lean machine is gone; the sweats and barbells and running shoes are gone.

The Fat Guy is back. He's running the show again.

It happens to all of us, time and time again. Because we've been deluded into thinking we're really *one person* .

And so when The Skinny Guy decides to change things we actually believe that it's / who's making that decision.

And when The Fat Guy wakes up and changes it all back again, we think it's / who's making that decision too.

But it isn't I. It's *we* .

The Skinny Guy and The Fat Guy are two totally different personalities, with different needs, different interests, and different lifestyles.

That's why they don't like each other. They each want totally different things.

The problem is that when you're The Skinny Guy, you're totally consumed by *his* needs, *his* interests, *his* lifestyle.

And then something happens—the scale disappoints you, the weather turns cold, somebody offers you a ham sandwich .

At that moment, The Fat Guy, who's been waiting in the wings all this time, grabs your attention. Grabs control.

You're him again.

In other words, when you're The Skinny Guy you're always making promises for The Fat Guy to keep.

And when you're The Fat Guy, you're always making promises for The Skinny Guy to keep.

Is it any wonder we have such a tough time keeping our commitments to ourselves?

It's not that we're indecisive or unreliable; it's that each and every one of us is a whole set of different personalities, each with his own interests and way of doing things. Asking any one of them to defer to any of the others is inviting a battle or even a full-scale war.

Anyone who has ever experienced the conflict between The Fat Guy and The Skinny Guy (and haven't we all?) knows what I mean. You can't be both; one of them has to lose. And they both know it.

Well, that's the kind of war going on inside the owner of every small business.

But it's a three-way battle between The Entrepreneur, The Manager, and The Technician.

Unfortunately, it's a battle no one can win.

Understanding the differences between them will quickly explain why.

### **The Entrepreneur**

The entrepreneurial personality turns the most trivial condition into an exceptional opportunity. The Entrepreneur is the visionary in us. The dreamer. The energy behind every human activity. The imagination that sparks the fire of the future. The catalyst for change.

The Entrepreneur lives in the future, never in the past, rarely in the present. He's happiest when left free to construct images of "what-if" and "if-when."

In science, the entrepreneurial personality works in the most abstract and least pragmatic areas of particle physics, pure mathematics, and theoretical astronomy. In art, it thrives in the rarefied arena of the avant-garde. In business, The Entrepreneur is the innovator, the grand strategist, the creator of new methods for penetrating or creating new markets, the world-bending giant—like Sears Roebuck, Henry Ford, Tom Watson of IBM, and Ray Kroc of McDonald's.

The Entrepreneur is our creative personality—always at its best dealing with the unknown, prodding the future, creating probabilities out of possibilities, engineering chaos into harmony.

Every strong entrepreneurial personality has an extraordinary need for control. Living as he does in the visionary world of the future, he needs control of people and events in the present so that he can concentrate on his dreams.

Given his need for change, The Entrepreneur creates a great deal of havoc around him, which is predictably unsettling for those he enlists in his projects.

As a result, he often finds himself rapidly outdistancing the others.

The farther ahead he is, the greater the effort required to pull his cohorts along.

This then becomes the entrepreneurial worldview: a world made up of both an overabundance of opportunities and dragging feet .

The problem is, how can he pursue the opportunities without getting mired down by the feet?

The way he usually chooses is to bully, harass, excoriate, flatter, cajole, scream, and finally, when all else fails, promise whatever he must to keep the project moving.

To The Entrepreneur, most people are problems that get in the way of the dream.

## **The Manager**

The managerial personality is pragmatic. Without The Manager there would be no planning, no order, no predictability.

The Manager is the part of us that goes to Sears and buys stacking plastic boxes, takes them back to the garage, and systematically stores all the various sized nuts, bolts, and screws in their own carefully identified drawer. He then hangs all of the tools in impeccable order on the walls—lawn tools on one wall, carpentry tools on another—and, to be absolutely certain that order is not disturbed, paints a picture of each tool on the wall where it hangs!

If The Entrepreneur lives in the future, The Manager lives in the past.

Where The Entrepreneur craves control, The Manager craves order.

Where The Entrepreneur thrives on change, The Manager compulsively clings to the status quo.

Where The Entrepreneur invariably sees the opportunity in events, The Manager invariably sees the problems.

The Manager builds a house and then lives in it, forever .

The Entrepreneur builds a house and the instant it's done begins planning the next one.

The Manager creates neat, orderly rows of things. The Entrepreneur creates the things The Manager puts in rows.

The Manager is the one who runs after The Entrepreneur to clean up the mess. Without The Entrepreneur there would be no mess to clean up.

Without The Manager, there could be no business, no society. Without The Entrepreneur, there would be no innovation.

It is the tension between The Entrepreneur's vision and The Manager's pragmatism that creates the synthesis from which all great works are born.

### **The Technician**

The Technician is the doer.

"If you want it done right, do it yourself" is The Technician's credo.

The Technician loves to tinker. Things are to be taken apart and put back together again. Things aren't supposed to be dreamed about, they're supposed to be done.

If The Entrepreneur lives in the future and The Manager lives in the past, The Technician lives in the present. He loves the feel of things and the fact that things can get done.

As long as The Technician is working, he is happy, but only on one thing at a time. He knows that two things can't get done simultaneously; only a fool would try. So he works steadily and is happiest when he is in control of the work flow .

As a result, The Technician mistrusts those he works for, because they are always trying to get more work done than is either possible or necessary.

To The Technician, thinking is unproductive unless it's thinking about the work that needs to be done.

As a result, he is suspicious of lofty ideas or abstractions.

Thinking isn't work; it gets in the way of work.

The Technician isn't interested in ideas; he's interested in "how to do it."

To The Technician, all ideas need to be reduced to methodology if they are to be of any value. And with good reason.

The Technician knows that if it weren't for him, the world would be in more trouble than it already is. Nothing would get done, but lots of people would be *thinking* about it.

Put another way, while The Entrepreneur dreams, The Manager frets, and The Technician ruminates.

The Technician is a resolute individualist, standing his ground, producing today's bread to eat at tonight's dinner. He is the backbone of every cultural tradition, but most importantly, of ours. If The Technician didn't do it, it wouldn't get done.

Everyone gets in The Technician's way.

The Entrepreneur is always throwing a monkey wrench into his day with the creation of yet another "great new idea."

On the other hand, The Entrepreneur is always creating new and interesting work for The Technician to do, thus establishing a potentially symbiotic relationship.

Unfortunately, it rarely works out that way.

Since most entrepreneurial ideas don't work in the real world, The Technician's usual experience is one of frustration and annoyance at being interrupted in the course of doing what *needs* to be done to try something new that probably doesn't need to be done at all.

The Manager is also a problem to The Technician because he is determined to impose order on The Technician's work, to reduce him to a part of "the system."

But being a rugged individualist, The Technician can't stand being treated that way.

To The Technician, "the system" is dehumanizing, cold, antiseptic, and impersonal. It violates his individuality.

Work is what a *person* does. And to the degree that it's not, work becomes something foreign.

To The Manager, however, work is a system of results in which The Technician is but a component part.

To The Manager, then, The Technician becomes a problem to be managed. To The Technician, The Manager becomes a meddler to be avoided.

To both of them, The Entrepreneur is the one who got them into trouble in the first place!

The fact of the matter is that we all have an Entrepreneur, Manager, and Technician inside us. And if they were equally balanced, we'd be describing an incredibly competent individual.

The Entrepreneur would be free to forge ahead into new areas of interest; The Manager would be solidifying the base of operations; and The Technician would be doing the technical work.

Each would derive satisfaction from the work he does best, serving the whole in the most productive way.

Unfortunately, our experience shows us that few people who go into business are blessed with such a balance. Instead, the typical small business owner is only 10 percent Entrepreneur, 20 percent Manager, and 70 percent Technician.

The Entrepreneur wakes up with a vision.

The Manager screams "Oh, no!"

And while the two of them are battling it out, The Technician seizes the opportunity to go into business for himself.

Not to pursue the entrepreneurial dream, however, but to finally wrest control of his work from the other two.

To The Technician it's a dream come true. The Boss is dead.

But to the business it's a disaster, because the wrong person is at the helm.

The Technician is in charge!

Sarah looked a little overwhelmed.

"I don't understand," she said. "How could I have done this differently? The only reason I went into this business was because I loved baking pies. If it hadn't been for that, what would have been the point?" She watched my face suspiciously, as though I were trying to make her already impossible situation even more impossible.

"Well, let's think about it together," I answered.

"If it's true that within each businessperson there are three personalities, rather than just one, can you imagine what a mess that makes? If one of you wants this, and another of you wants that, and a third wants something entirely different, can you imagine the confusion that causes in our lives? And it's not only the personalities inside each one of us that confuse us but all the others we come into contact with as well: in our customers, in our employees, in our children, in our partners, in our parents, in our friends, in our spouses, in our lovers. If

this is true, and all you need to do to discover whether it is or not is to take a look at yourself from day to day, as though from above, as though from outside of your skin, as though you were watching someone else—that is, to observe yourself as you go through the day—you would see the different parts come out. You would see them playing their respective games. You would see how they fight for their own space—and the space of all the others—and sabotage each other as best they can.

“In your business, you would see how one part of you craves a sense of order, while another part of you dreams about the future. You would see how another part of you can’t stand being idle, and jumps in to bake, and to clean up, and to wait on customers, the part of you who feels guilty if she isn’t doing something all the time.

“In short, you would see how The Entrepreneur in you dreams and schemes, The Manager in you is constantly attempting to keep things as they are, and The Technician in you drives the other two crazy. You would see that it not only matters that your personalities are not in a balanced relationship with each other but that your life depends on gaining that balance. That until you do, it’s a war! And it’s a war no one can win.

“You would also see that one of your personalities is the strongest of the three (or four, or five, or six), and that she always manages to control the others. In fact, if you watch long enough, you’ll begin to understand how devastating the tyranny of your strongest personality is to your life. And you’ll see that without balance, without all three of these personalities being given the opportunity, the freedom, the nourishment they each need to grow, your business cannot help but mirror your own lopsidedness.

“So it is that an entrepreneurial business, without a Manager to give it order and without a Technician to put it to work, is doomed to suffer an early, and probably very dramatic, death. And that a Manager-driven business, without an Entrepreneur or a Technician to play their absolutely critical roles, will put things into little gray boxes over and over again, only to realize too late that there’s no reason for the things or the boxes she put them into! Such a business will die very neatly.

“And that in a Technician-driven business, without The Entrepreneur to lead her and The Manager to supervise her, The Technician will work until she drops, only to wake up the next morning to go to work even harder, and the next, and the next. Only to discover,

long after it's too late, that while she was working someone moved a freeway through the store!"

Sarah looked at me with uncertainty.

"But, I'm not an Entrepreneur," she said.

"All I do is bake pies. All I ever wanted to do was to bake pies, just like The Technician you described. When entrepreneurial personalities were passed out, I think I got passed over. What do I do if there is no Entrepreneur in me?"

I couldn't help but smile. This was going to be fun. Because I knew when Sarah finally got it—and I knew she would—she was going to discover someone in herself she never knew was there.

"Before we reach that conclusion, Sarah, let's look more closely at what an Entrepreneur does," I responded.

"An Entrepreneur does the work of envisioning the business as something apart from you, the owner. The work of asking all the right questions about *why* this business, as opposed to that business? Why a pie baking business rather than a body shop? If you are a baker of pies, it's easy for you to decide to open up a pie-baking business. But that's just the point. If you are a baker of pies and are determined to do entrepreneurial work, you would leave your pie-baking experience behind you and engage in the internal dialogue with which every truly entrepreneurial personality is wonderfully familiar.

"You would begin to say to yourself, 'It's time for me to create a new life. It's time for me to challenge my imagination and to begin the process of shaping an entirely new life. And the best way to do that anywhere in this whole wide opportunity-filled world is to create an exciting new business. One that can give me everything that I want, one that doesn't require me to be there all the time, one that has the potential to be stunningly unique, one that people will talk about long after having shopped in it the very first time, and, as a result of that delightful experience, will come back to shop there again because it has such a special flavor to it. I wonder what that business would be?'

"I wonder what that business would be?" I said to Sarah, "is the truly entrepreneurial question. The dreaming question, I call it. It's the question that is at the heart of the work of an Entrepreneur. I wonder. I wonder. I wonder.

"So the work of an Entrepreneur is to wonder," I continued. "To imagine and to dream. To see with as much of herself as she can muster the possibilities that waft about in midair someplace there above

her head and within her heart. Not in the past but in the future. That's the work the entrepreneurial personality does at the outset of her business and at each and every stage along the way. I wonder. I wonder. I wonder. Just as every inventor must. Just as every composer must. Just as every artist, or every craftsperson, or every physicist must. Just as every baker of pies must. I call it Future Work. 'I wonder' is the true work of the entrepreneurial personality."

She tried to repress it, but I saw a small smile begin to form on Sarah's mouth.

"How could I do this differently," she finally asked me with growing confidence. "If I were to give the true entrepreneur in myself life, how could I totally change my experience of this business?"

"Now you've got it!" I said. "That's just the right question. And to get to the answer, let's look at where your business exists today in the small business life cycle."



# WORKING ON YOUR BUSINESS, NOT IN IT

...form is only a beginning. It is the combination of feelings and a function; shapes and things that come to one in connection with the discoveries made as one goes into the wood that pull it together and give meaning to form.

*James Krenov*  
*A Cabinetmaker's Notebook*

**I**t is critical that you understand the point I'm about to make. For if you do, neither your business nor your life will ever be the same.

The point is: *your business is not your life*.

Your business and your life are two totally separate things.

At its best, your business is something apart from you, rather than a part of you, with its own rules and its own purposes. An organism, you might say, that will live or die according to how well it performs its sole function: to find and keep customers.

Once you recognize that the purpose of your life is not to serve your business, but that the primary purpose of your business is to serve your life, you can then go to work *on* your business, rather than *in* it, with a full understanding of why it is absolutely necessary for you to do so.

This is where you can put the model of the Franchise Prototype to work for you.

Where working *on* your business rather than *in* your business will become the central theme of your daily activity, the prime catalyst for everything you do from this moment forward.

Pretend that the business you own—or want to own—is the prototype, or will be the prototype, for 5,000 more just like it.

That your business is going to serve as the model for 5,000 more just like it.

Not *almost* like it, but *just* like it. Perfect replicates. Clones.

In other words, pretend that you are going to franchise your business. (Note: I said *pretend*. I'm not saying that you should. That isn't the point here—unless, of course, you want it to be.)

Further, now that you know what the game is—the franchise game—understand that there are rules to follow if you are to win:

1. The model will provide consistent value to your customers, employees, suppliers, and lenders, beyond what they expect.
2. The model will be operated by people with the lowest possible level of skill.
3. The model will stand out as a place of impeccable order.
4. All work in the model will be documented in Operations Manuals.
5. The model will provide a uniformly predictable service to the customer.
6. The model will utilize a uniform color, dress, and facilities code.

Let's take a look at each of these rules in turn.

### ***1. The Model Will Provide Consistent Value to Your Customers, Employees, Suppliers, and Lenders, Beyond What They Expect***

What is value?

How do we understand it? I would suggest that *value* is what people perceive it to be, and nothing more.

So what could your Prototype do that would not only provide consistent value to your customers, employees, suppliers, and lenders but would provide it beyond their wildest expectations?

That is the question every Entrepreneur must ask.

Because it is the *raison d'être* of his business!

It is in the understanding of value, as it impacts every person with whom your business comes into contact, that every extraordinary business lives.

*Value* can be a word said at the door of the business as a customer leaves.

Value can be an unexpected gift from the business arriving in the mail.

Value can be a word of recognition to a new recruit for a job well done, or, for that matter, to a seasoned salesperson who's been successful for years.

Value can be the reasonable price of your products, or the dedication you show in the process of explaining them to a customer who needs more help than usual.

Value can be a simple word of thanks to your banker for his conscientiousness.

Value is essential to your business and to the satisfaction you get from it as it grows.

## ***2. The Model Will Be Operated by People with the Lowest Possible Level of Skill***

Yes, I said *lowest* possible level of skill. Because if your model depends on highly skilled people, it's going to be impossible to replicate. Such people are at a premium in the marketplace. They're also expensive, thus raising the price you will have to charge for your product or service.

By lowest possible level of skill I mean the lowest possible level necessary to fulfill the functions for which each is intended. Obviously, if yours is a legal firm, you must have attorneys. If yours is a medical firm, you must have physicians. But you don't need to hire brilliant attorneys or brilliant physicians. You need to create the very best system through which good attorneys and good physicians can be leveraged to produce exquisite results.

The question you need to keep asking yourself is: How can I give my customer the results he wants systematically rather than personally? Put another way: How can I create a business whose results are *systems*-dependent rather than *people*-dependent? *Systems*-dependent rather than *expert*-dependent.

How can I create an expert system rather than hire one?

That is not to say that people are unimportant. On the contrary, people bring systems to life .

People make it possible for things that are designed to work to produce the intended results. And, in the process, people who are systems oriented—as all your people must be—learn how to more

effectively make things work for your customers and for your business by learning how to improve the systems.

It's been said, and I believe it to be true, that great businesses are not built by extraordinary people but by ordinary people doing extraordinary things.

But for ordinary people to do extraordinary things, a system—"a way of doing things"—is absolutely essential in order to compensate for the disparity between the skills your people have and the skills your business needs if it is to produce consistent results.

In this context, the system becomes the tools your people use to increase their productivity, to get the job done in the way it needs to get done in order for your business to successfully differentiate itself from your competition.

It's your job—more accurately, the job of your business—to develop those tools and to teach your people how to use them.

It's your people's job to use the tools you've developed and to recommend improvements based on their experience with them.

There's another reason for this rule—what I call the Rule of Ordinary People—that says the blessing of ordinary people is that they make your job *more difficult*.

The typical owner of a small business prefers highly skilled people because he believes they make his job easier—he can simply leave the work to them.

That is, the typical small business owner prefers Management by Abdication to Management by Delegation.

Unfortunately, the inevitable result of this kind of thinking is that the business also grows to depend on the whims and moods of its people.

If they're in the mood, the job gets done.

If they're not, it doesn't.

In this kind of business, a business that relies on discretion, "How do I motivate my people?" becomes the constant question. "How do I keep them in the mood?"

It is literally impossible to produce a consistent result in a business that depends on extraordinary people. No business can do it for long. And no extraordinary business tries to!

Because every extraordinary business knows that when you intentionally build your business around the skills of ordinary people, you will be forced to ask the difficult questions about how to produce a result without the extraordinary ones.

You will be forced to find a system that leverages your ordinary people to the point where they can produce extraordinary results over and over again.

You will be forced to invent innovative system solutions to the people problems that have plagued small businesses (and big businesses as well!) since the beginning of time.

You will be forced to build a business that works.

You will be forced to do the work of Business Development not as a replacement for people development but as its necessary correlate.

### ***3. The Model Will Stand Out as a Place of Impeccable Order***

At the core of Rule #3 is the irrepressible fact that in a world of chaos, most people crave order. And it doesn't take a genius to see that the world today is in a state of massive chaos. Wars, famine, crime, violence, inflation, recession, a shifting of traditional forms of social interaction, the threat of nuclear proliferation, HIV, holocaust in all its horrific forms are all communicated instantly and continuously to the fixated consumer, to all of us watching TV.

As Alvin Toffler wrote in his revolutionary book, *The Third Wave*, "...most people surveying the world around them today see only chaos. They suffer a sense of personal powerlessness and pointlessness." He went on to say that, "Individuals need life structure. A life lacking in comprehensive structure is an aimless wreck. The absence of structure breeds breakdown. Structure provides the relatively fixed points of reference we need." <sup>1</sup>

It is these "relatively fixed points of reference" that an orderly business provides its customer and its employees in an otherwise disorderly world.

A business that looks orderly says to your customer that your people know what they're doing.

A business that looks orderly says to your people that you know what you're doing.

A business that looks orderly says that while the world may not work, some things can.

A business that looks orderly says to your customer that he can trust in the result delivered and assures your people that they can trust in their future with you.

A business that looks orderly says that the structure is in place .

#### ***4. All Work in the Model Will Be Documented in Operations Manuals***

Documentation says, “This is how we do it here.”

Without documentation, all routinized work turns into exceptions.

Documentation provides your people with the structure they need and with a written account of how to “get the job done” in the most efficient and effective way. It communicates to the new employees, as well as to the old, that there is a logic to the world in which they have chosen to work, that there is a technology by which results are produced. Documentation is an affirmation of order.

Again from Toffler: “...for many people, a job is crucial psychologically, over and above the paycheck. By making clear demands on their time and energy, it provides an element of structure around which the rest of their lives can be organized.” [2](#)

The operative word here is *clear*.

Documentation provides the clarity structure needs if it is to be meaningful to your people.

Through documentation, structure is reduced to specific means rather than generalized ends, to a literal and simplified task. The Technician in each of us needs to understand to do the job at hand.

The Operations Manual—the repository of the documentation—is therefore best described as a company’s How-to-Do-It Guide.

It designates the purpose of the work, specifies the steps needed to be taken while doing that work, and summarizes the standards associated with both the process and the result.

Your Prototype would not be a model without one.

#### ***5. The Model Will Provide a Uniformly Predictable Service to the Customer***

While the business must look orderly, it is not sufficient; the business must also act orderly. It must do things in a predictable, uniform way.

An experience I had not too long ago illustrates the point.

I went to a barber who, in our first meeting, gave me one of the best haircuts I had ever had. He was a master with the scissors and used them exclusively, never resorting to electric shears as so many others do. Before cutting my hair, he insisted on washing it, explaining that the washing made cutting easier. During the haircut, one of his assistants

kept my cup of coffee fresh. In all, the experience was delightful, so I made an appointment to return.

When I returned, however, everything had changed. Instead of using the scissors exclusively, he used the shears about 50 percent of the time. He not only didn't wash my hair but never even mentioned it. The assistant did bring me a cup of coffee, but only once, never to return. Nonetheless, the haircut was again excellent.

Several weeks later, I returned for a third appointment. This time, the barber did wash my hair, but after cutting it, preliminary to a final trim. This time he again used the scissors exclusively, but, unlike the first two times, no coffee was served, although he did ask if I would like a glass of wine. At first I thought it might be the assistant's day off, but she soon appeared, busily working with the inventory near the front of the shop.

As I left, something in me decided not to go back. It certainly wasn't the haircut—he did an excellent job. It wasn't the barber. He was pleasant, affable, seemed to know his business. It was something more essential than that.

*There was absolutely no consistency to the experience .*

The expectations created at the first meeting were violated at each subsequent visit. I wasn't sure what to expect. And something in me wanted to be sure. I wanted an experience *I* could repeat by making the choice to return.

The unpredictability said nothing about the barber, other than that he was constantly—and *arbitrarily*—changing my experience for me. *He* was in control of my experience, not I. And he demonstrated little sensitivity to the impact of his behavior on me. He was running the business for *him* , not for me. And by doing so, he was depriving me of the experience of making a decision to patronize his business for my own reasons, whatever they might have been.

It didn't matter what I wanted.

It didn't matter that I enjoyed the sound of the scissors and somehow equated them with a professional haircut.

It didn't matter that I enjoyed being waited on by his assistant.

It didn't matter that I enjoyed the experience of having my hair washed before he set to work and that I actually believed it would improve the quality of the haircut.

I would have been embarrassed to ask for these things, let alone to give my reasons for wanting them. They were all so totally emotional, so

illogical. How could I have explained them, or justified them, without appearing to be a boob?

What the barber did was to give me a delightful experience and *then take it away*.

It reminded me of my first psychology course in college. I recall the professor talking about the “Burnt Child” Syndrome. This is where a child is alternately punished and rewarded for the same kind of behavior. This form of behavior in a parent can be disastrous to the child; he never knows what to expect or how to act. It can also be disastrous to the customer.

The “Burnt Child,” of course, has no choice but to stay with the parent. But the “Burnt Customer” can go someplace else. And he will.

What you do in your model is not nearly as important as doing what you do the same way, each and every time.

## ***6. The Model Will Utilize a Uniform Color, Dress, and Facilities Code***

Marketing studies tell us that all consumers are moved to act by the colors and shapes they find in the marketplace.

Different consumer groups simply respond differently to specific colors and shapes.

Believe it or not, the colors and shapes of your model can make or break your business!

Louis Cheskin, founder of the Color Research Institute, wrote about the power of colors and shapes in his book, *Why People Buy*.

*Little things that are meaningless from a practical point of view may have great emotional meaning through their symbolism. Images and colors are often great motivating forces.*

*Some time ago we conducted a study of women shopping in an apparel shop. A young woman wanted to buy a blouse that was available in several colors. She held the blue blouse up to her face and looked into the mirror. She was a blonde and she knew she looked good in blue. She fingered the red one lovingly. She loved the color, she thought, but she said it was too strong and loud. The salesgirl reminded her that yellow was the fashionable color. She could not make up her mind between the color that she looked*

*best in, the color she liked best, and the color in current fashion, so she settled on a gray blouse. It was reported to me a couple of weeks later that she didn't like the gray blouse. "It was dead," she said. She wore it only twice .*

*Some of the other purchasers of blouses permitted one of the inner drives to win. Some bought blouses because the color flattered them; others chose the color that was in fashion and some took the color they liked. Each chose a color that satisfied the strongest urge or fulfilled the greatest wish. Just think! All this deep psychology in the mere process of buying a blouse . <sup>3</sup>*

Your business is the same as the blouse in Cheskin's story. There are colors that work and colors that don't. The colors you show your customer must be scientifically determined and then used throughout your model—on the walls, the floors, the ceiling, the vehicles, the invoices, your people's clothes, the displays, the signs.

The model must be thought of as a package for your one and only product—your business .

Just as with colors, there are shapes that work and shapes that don't, on your business card, your signs, your logo, your merchandise displays.

In one test, Cheskin showed that a triangle produced far fewer sales than a circle, and a crest outproduced both by a significant margin!

Imagine, sales increased or lost by the choice of a seemingly meaningless shape!

The shape of your sign, your logo, the type style used on your business cards will have a significant impact on sales whether you care to think about it or not!

Your Prototype must be packaged as carefully as any box of cereal.

Before we go on, let's summarize what we've covered so far.

Go to work *on* your business rather than *in* it.

Go to work on your business as if it were the pre-production prototype of a mass-produceable product.

Think of your business as something apart from yourself, as a world of its own, as a product of your efforts, as a machine designed to fulfill a very specific need, as a mechanism for giving you more life, as a system of interconnecting parts, as a package of cereal, as a can of beans, as something created to satisfy your consumers' deeply held

perceived needs, as a place that acts distinctly different from all other places, as a solution to somebody else's problem.

Think of your business as anything but a job!

Go to work *on* your business rather than *in* it, and ask yourself the following questions:

- How can I get my business to work, but without me ?
- How can I get my people to work, but without my constant interference?
- How can I systematize my business in such a way that it could be replicated 5,000 times, so the 5,000th unit would run as smoothly as the first?
- How can I own my business, and still be free of it?
- How can I spend my time doing the work I love to do rather than the work I have to do?

If you ask yourself these questions, you'll eventually come face-to-face with the real problem: *that you don't know the answers!*

And that's been the problem all along!

But now it should be different. Because now you know that you don't know. Now you are ready to look the problem squarely in the face.

The problem isn't your business; it never has been.

The problem is you!

It has always been you and will always be you. Until you change, that is.

Until you change your perspective about what a business is and how one works.

Until you begin to think about your business in a totally new way.

Until you accept the undeniable fact that business, even a very small business like yours, is both an art and a science.

And, like art and science, to successfully develop a serious business you need specific information.

Most importantly, to successfully develop a serious business you need a process, a practice, by which to obtain that information and, once obtained, a method with which to put that information to use in your business productively .

What follows is just such a method.

A programmed approach to learning what needs to be learned about your business in order to climb the proverbial ladder.

A proven way to the top that has been successfully implemented by thousands of small businesses just like yours.

**We call it the E-Myth Mastery Program.**

**And it's a process that can change your life!**

Sarah looked at me thoughtfully for a moment, and then said, "Let me describe in my own words what I heard you just say." She folded her hands tightly together before her on the table, and, as if for emphasis, leaned toward me.

"What you're saying is that I'm too identified with my business. That I need to separate myself from it: first in the way I think about it, second in the way I feel about it, and third in the way I work in it.

"And what I hear you saying is that it is this identification with my business, my Technician's need to see the business as nothing more or less than me, that is causing me all the pain I'm feeling, all the frustration I experience going to work every day. My belief that, if I'm good, the business will be. That if I work hard enough, the business will succeed. That if I am in touch with everything that goes on in the business, nothing can possibly go wrong.

"And what I hear you saying is that in order for me to be free of my frustration, in order to exercise true control over my business, I need to disidentify with my business. I need to conceive of my business in a radically differently way than I'm accustomed to. I need to conceive of my business as a product. Just like my pies are a product, I need to think of my business like that. And if I were to think that way, I would suddenly have to ask the question: How must my business-as-a-product work in order for it to successfully attract not only customers but also employees who want to work there?

"And the minute I ask that question, I'm already doing business in a totally new way!"

Sarah paused for a moment, as if to let that last thought truly sink in.

"You know," she said quietly, "I can truly say that until this very moment, I had never thought about my business as an idea before. I simply thought of it as a job. A place to go to work. I never even considered there was another way to think about it. But *now!* Now it's getting exciting. An entirely new opportunity. Thinking like this reminds me of my first literature class in high school. My teacher was Mr. Roethke and he had an incredible ability to bring the subject of

literature alive. By the time I read the first assignment—it was *Huckleberry Finn* —I couldn't put the book down. These were real people in the book, living out their lives, in real places, overcoming obstacles, terror, love, feelings. *Huckleberry Finn* came alive to me in that first class like no book had before it.

That's what this feels like to me, like we're opening the covers of a new book, not knowing what's inside, but knowing, given the wonderful, rich anticipation that accompanies every new adventure, that nothing will ever be the same again. That's how this all feels to me. That my business will never be the same from this moment on. And neither will I!

She pressed her hands together, and then leaned back against her chair as if to catch a breath.

"And, if I understand you correctly, that's what you're calling the Franchise Prototype. The Franchise Prototype is the name for my business-as-a-product. It's a way of thinking about my business as one complete thing, a whole, you might say, that looks, acts, and feels in a clearly definable way, apart from me. Independent of me. That if I did all this correctly, All About Pies could be designed, engineered, and manufactured just like any product is: to operate predictably in such a way that causes everyone to want to buy from it, and because it is so predictably responsive to their needs, they would keep on coming back for more. And it's my job to design, engineer, and manufacture All About Pies until it works perfectly without me having to be there all the time.

"And, while I must admit, I'm overwhelmed by the idea of it, it's the most challenging and exciting thought I've had in years!

"And the great thing is, I've already got the business. All I have to do now is to learn how!"

"Sarah," I said, "I couldn't have said it any better. So, let's go on to the next step, the Business Development Process. Because what you have to learn is going to be easier than you think."

For more information, visit us at [www.e-myth.com](http://www.e-myth.com)