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The **E** Myth

Revisited

Chapter 9:

WORKING ON YOUR
BUSINESS, NOT *IN* IT

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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

It 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.”¹

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.

¹Alvin Toffler, *The Third Wave* (New York: William Morrow and Company, Inc., 1980), pp. 390, 389.



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

²Alvin Toffler, *The Third Wave*, p. 389.

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.³

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.

³Louis Cheskin, *Why People Buy* (New York: Liveright Publishing Corporation, 1959), p. 119.



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 Dreaming Room™.

To find out more about The Dreaming Room/Awakening the Entrepreneur Within, email me at Gerber@michaelegerber.com and I will send you a free ebook of the first two chapters.

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.”

If this chapter resonated with you as deeply as it did with Trainual founder, Chris Ronzio, all those years ago, then you might be asking, “where do I start?” “How can I really work ON my business, and not IN it?”

The first step is to start documenting everything you do. It’s not until you document what you do that you can start delegating it and working your way out of the day-to-day.

For a place to document every process, policy, and procedure for every role at your company, try Trainual.

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