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## **Meet the MasterMinds: Michael Gerber Unravels the Myth of the Entrepreneur**

Michael E. Gerber is an entrepreneur, small business guru, and the bestselling author of five books, including his latest, *E-Myth Mastery*. He is the founder and chairman of E-Myth Worldwide, which is dedicated to helping small businesses grow.

MCNews asked Gerber to explain the myth of the entrepreneur and tells us what a consultant can do to create a thriving practice.

### **MCNews: What is the E-Myth point of view?**

**Gerber:** The E-Myth view is that people who go into business for themselves are not the entrepreneurs we think they are. Rather, they are what I call technicians suffering from entrepreneurial seizures.

The consultant creates a consultancy, the accountant sets up an accountancy, and the attorney starts a legal firm. They all get to work doing what they know how to do. Would-be entrepreneurs believe in what I call the fatal assumption: that knowing how to do the technical work means you know how to build a business.

But it doesn't work because they spend their time working *in* the business rather doing what entrepreneurs do, which is to work *on* the business.

They fail to see the business as a product as an entrepreneur would. Instead, they see the business as a job. Obviously, it's a job they were trained to do and, no doubt, are passionate about. But, unfortunately, there are many other functions a business owner has to master, and they just don't do those well.

### **MCNews: What makes people believe they can translate a technical skill into a business if they don't know how to run a business?**

**Gerber:** The disconnect comes from the fact that we all work for somebody who doesn't know how to run a business. You're working for an idiot and think, "I could do this at least as well as that idiot can. Any dummy can run a business—I'm working for one."

If you're working for a guy that doesn't know what he is doing, you figure, why don't I do it on my own and take home more of the money?

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**MCNews: So people delude themselves that their technical skills will carry through?**

**Gerber:** Of course. Everybody says—come on, how hard could it be? In reality the number of businesses that fail is very high. Depending on who you're talking to, it can run anywhere from 60% to 100%. Effectively, most do fail.

If they don't fail outright, most businesses fail to fully achieve their potential. That's because the person who owns the business doesn't truly know how to build a company that works without him or her—which is the key.

**MCNews: Don't most people want to start their own business so they can get some degree of freedom from the constraints of working for someone else?**

**Gerber:** Right. They want to be their own boss and make their own choices and decisions. That's admirable, and it seems like it would liberate you to do what you love without the interference of a boss. Unfortunately, it often makes your situation worse. You have that enormously positive expectation that you'll be free, and then you realize that you are in a worse prison than before because it's one of your own making.

That sounds terribly tragic and depressing, and it's all of that and more. Once you are free of the boss and become self-employed, you're caught in this vicious cycle—can't get out of it, can't get out of it. Now I'm doing what I believed I would love to do and I'm more consumed than ever, and doing many more jobs than I did in the past.

**MCNews: Is there a defining ability or characteristic that contributes to somebody becoming a successful entrepreneur?**

**Gerber:** Well, that's a big question. In fact it's the one I write about in all of my books. The underlying theme is that three personalities reside inside of every person (and, by extension, in every company): the entrepreneur, the manager, and the technician. The entrepreneur works at the enterprise level, the manager at the business level, and the technician at the practice level.

Most of us have an imbalance of the three personalities, and the technician is dominant. But the manager is probably at least as unrealized as the entrepreneur. The domination of the technician keeps most small businesses from growing.

The technician is limited by time and knowledge. There are only so many billable hours in the day, so the only way the technician can expand the business is by increasing the amount he's paid per hour. So \$100 an hour has to become \$200, then \$300, and \$500.

That's the tyranny of the expert: you have to get a higher and higher rate because there's no more time. Ultimately, you reach a ceiling and can't go any further. That's the ceiling of the technician.

Whether you are a consultant, an attorney, or a doctor, if you are only a technician, your practice is limited by what you are able to do in the amount of time you have and by how much you can be compensated for that. You can always add helpers, for example, an administrative support person. But if you add people, they eat up revenue that you would otherwise get.

There's enormous resistance to do that. You'll think, "I won't get somebody else to do that. I'll do it myself because what I'd be paying them would come out of my end."

**MCNews: It's a real trap.**

**Gerber:** Absolutely. On the other hand, the true entrepreneur knows that work on the business is absolutely essential. You have to work on your consulting practice while you're working in it to build a turnkey practice that can be replicated. The minute you're able to do that, you begin to create a business.

Then you're at the level of the manager, and you need to build a management system for the network of practices that you're going to grow. Those practices are replicable because, with a turnkey system, people with significantly less skill than you can perform as well as you at the fundamental things at the core of your business—the products or services you deliver.

The business becomes nothing more than eight, ten, or twelve practices. You can now replicate the business, and that's an enterprise. That's how you make it grow. The E-Myth lays out the logical steps you need to take to do that.

**MCNews:** You've said there are business plans you can write and then there are business plans that work. What is it about a business plan that makes it effective?

**Gerber:** The essence of a business plan that always works is that it's not first and primarily about creating a business. Instead, it's about what you want. The question you have to ask yourself is, "What do I want?" If that's not driving it, then it becomes an empty process.

What do I want? That stops me from externalizing the process and making it an exercise in creating objectives. Internalize this and make it a truly personal question.

Because if what I end up doing isn't who I want to be, and if I don't really address that question deeply, personally, and honestly, then it's going to be a dead thing and it's going to kill me along the way. The worst thing is to be successful at doing something you don't really want to do.

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**MCNews:** So this is about how you want to design your life?

**Gerber:** Absolutely. And whatever the business is, it's going to reflect that. It's going to become an odyssey through which you experience your authenticity—or not. What would you answer if somebody asked what is your primary aim? People ask me that because I write about primary aim as the first of seven steps.

For a long time, I kept saying, I don't know. Then, I finally realized my primary aim is not to lie. Somebody asked, "Why isn't it to tell the truth?" And it's because I don't know whether I'm telling the truth or not, but I absolutely know when I'm lying.

**MCNews:** That's an interesting distinction.

**Gerber:** Well, it is. And I didn't recognize the distinction until I went through that process. Every pore in my body knows when I'm lying. But it doesn't know when I'm telling the truth because I don't know what the truth is.

The truth evolves and reveals itself over time. When you say the truth, it's a relative, limited truth. In my mind, the truth is in quotes: "The Truth." There is absolutely the truth. I believe that. But I don't know what it is and I'll never know.

**MCNews:** You've said before that marketing is a relatively easy activity but it's also a very demanding one. Could talk about what you mean by that and how you look at marketing?

**Gerber:** My favorite business book of all time is [Marketing for Business Growth](#) by Theodore Levitt, which may be out of print. If it's available, your readers should get it. It's an old book, but a profound one for me. Levitt defines marketing. He says it is not a function in a company; it is the entire being of a company.

Marketing is what entrepreneurs are doing when they're inventing a company. You invent a company that operates in a highly differentiated way and is preferentially unique to the person you're creating the company for. And that whole thing is marketing.

The essence of marketing is to tell a story—a story that touches the person who is to become your customer in a way that moves him or her to act. So figuring out what the story is drives the marketing process for designing a business that works.

In my mind, I created the Michael Gerber School of Small Business Design. The person who graduates from that school receives an MBD—a Master's of Business Design—as opposed to an MBA.

When you think about this Master's of Business Design and look at any company, you can fill in the blanks for the curriculum you would need to design that business. That's what marketing is.

**MCNews: If you could give an entrepreneur one piece of advice—and I'm using the term entrepreneur in the way you've defined it—what would it be?**

**Gerber:** It would be go into the dreaming room continuously, passionately, with conviction, and not to be in a rush to know. The dreaming room is the place where not knowing happens.

Our problem is we want to get to knowing too fast, and that knowledge almost always comes from the past. We live in the past with what we've learned, and that becomes our limited arsenal for shaping our future, which is unknown.

You don't go to the dreaming room to discover how; you go to learn about the form and shape of what. And you need to take that slowly. Because to the degree you jump into how, you're immediately reverting to the past.

**MCNews: Because all you have at that point is what you know?**

**Gerber:** Exactly. And you want to get there because that's a comfortable place. That's where the technician lives—What do I know? That's my comfort zone.

That's the opposite of the visionary side of the entrepreneur. The visionary side is where the action is, where the juice is, where the love, openness, stimulation, and excitement really are. But you've got to stay with it for a while; you've got to give it room.

Because how is just work. That's why oftentimes an entrepreneur will start a company, grow it, and then get tired of it. It's all just how: maintenance, operations, doing. And that's not where the fun is. That's where the fun is for managers, not entrepreneurs.

**MCNews: Anything interesting on your reading list?**

**Gerber:** I don't read business books. I read writers. I've just finished most of Charles Bukowski's books. He was a Beat era poet and novelist. And I've just gone through almost all of Elmore Leonard's books.

It's astonishing how extraordinary a sentence can be. I read what moves me and I love language. When I find an author whose work gets to me, I'll go out and buy all of that author's books and immerse myself in them for six, eight, or twelve weeks.

I'm also reading [\*\*Seeds of Consciousness\*\*](#), which is the collected wisdom of Sri Nisargadatta Maharaj. The most powerful book I've ever read is [\*\*I Am That\*\*](#), also from the teachings of Nisargadatta Maharaj. It's an absolutely stunning book that blows people's minds.

**MCNews: I really appreciate your time today.**

You can learn more about Michael Gerber, his books, and services at [www.emythmastery.com](http://www.emythmastery.com) and [www.e-myth.com](http://www.e-myth.com).