

THE E-MYTH REVISITED

Why Most Small Businesses Don't
Work and What to Do About It

MICHAEL E. GERBER

SUMMARIES.COM is a concentrated business information service. Every week, subscribers are e-mailed a concise summary of a different business book. Each summary is about 8 pages long and contains the stripped-down essential ideas from the entire book in a time-saving format. By investing less than one hour per week in these summaries, subscribers gain a working knowledge of the top business titles. Subscriptions are available on a monthly or yearly basis. Further information is available at <http://www.summaries.com>.

MAIN IDEA

The E-Myth, or Entrepreneurial Myth, says that most new businesses are not started by entrepreneurs who set out to build a strong business but by technicians who enjoy the hands-on work themselves. Because of that natural bias, most business owners focus on working in their business when really they should be working on their business.

There is, however, a simple and effective way to offset the E-Myth tendency. Instead of looking at the business as a one-off operation, the owner should consider the business to be a prototype for a large number of franchises that will be added at a later stage. By adopting that mindset, the business owner will not only participate in the business as a technician but will also act as a manager (putting systems in place and controls) and as an entrepreneur (having a vision of how the business can create sustainable added-value for all key stakeholders).

A business that is built and managed by someone who combines the approach of the technician, the manager and the entrepreneur will have a far greater chance of future success than one guided by someone thinking like a technician alone.

Section 1 -- Basic E-Myth Concepts and Principles Page 2

The key principles which form the foundation for the E-Myth approach to business are:

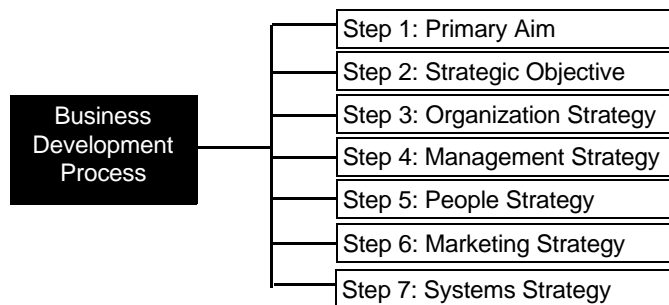
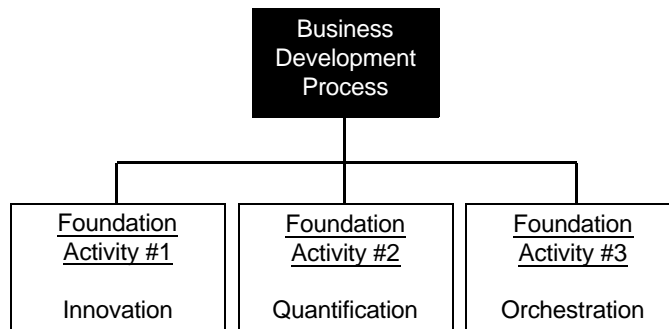
1. Most new businesses are started by technicians -- people who are skilled at what they enjoy doing.
2. Technicians assume they understand how a technical business works. In reality, they never do..
3. Building a business takes three skill sets: (1) The entrepreneur (2) The manager (3) The technician.
4. Businesses generally go through three phases of growth:
 1. Infancy -- when the technician is to the fore.
 2. Expansion -- when better management skills are required.
 3. Maturity -- where an entrepreneurial perspective is needed.

Section 2 -- Using a Turn-Key or Franchise Perspective Page 4

The best model for building a successful business is to view your operation as the prototype which a large number of franchise or turn-key operations will later duplicate. The challenge then becomes to maximize the amount of time you spend working on your business rather than in your business.

Section 3 -- An E-Myth Principle Based Business Development Process Page 5

The business development process by which a successful franchise prototype can be built has seven distinct steps and a foundation of three key activities:



Section 1
Basic E-Myth Concepts and Principles

Main Idea

The key principles which form the foundation for the E-Myth approach to business are:

1. Most new businesses are started by technicians -- people who are skilled at what they enjoy doing, and who figure they'd rather work for themselves than for someone else.
2. Almost all new business owners assume that because they understand the technical work of the business, they understand how a technical business works. In reality, these are two completely different issues, and blurring the distinction between the two is a fatal error.
3. Building a business actually takes three unique skill sets:
 1. The entrepreneur -- supplies the vision.
 2. The manager -- supplies order and systems.
 3. The technician -- supplies the output.
4. Most businesses go through three phases of growth:
 1. Infancy -- when the technician is to the fore.
 2. Expansion -- when better management skills are required.
 3. Maturity -- an entrepreneurial perspective is needed.

Supporting Ideas

- 1. Most new businesses are started by technicians -- people who are skilled at what they enjoy doing, and who figure they'd rather work for themselves than for someone else.**

The popular concept of a noble entrepreneur who starts a business to make the world a better place is just a myth. In the majority of cases, businesses are started by people who are very good at doing something technical, and who one day have an entrepreneurial flash of inspiration and decide to start their own business rather than let someone else profit from all the good work they do.

- 2. Almost all new business owners assume that because they understand the technical work of the business, they understand how a technical business works. In reality, these are two completely different issues, and blurring the distinction between the two is a fatal error.**

In a new business, being able to do the technical work required personally is a liability rather than an asset. Why?

1. Business building skills are far more important than the mere production of output for any new business.
2. The technician finds the work that he or she loves becomes a chore that has to be squeezed in with a lot of other stuff that is much less exciting and fulfilling -- effectively making the business owner enjoy the technical work less and less.
3. Sooner or later, a business builder will realize the technical work can readily be contracted out to someone else to do. The real added value is created by the business building tasks -- which are far less interesting and hard work.

As a result, many new business builders become disillusioned and discouraged.

- 3. Building a business takes three unique skill sets:**
 - 1. The entrepreneur -- supplies the vision.**
 - 2. The manager -- supplies order and systems.**
 - 3. The technician -- supplies the output.**

While all three personas want to be the boss, none want to have a boss. And yet all three skill sets are ultimately required.

The entrepreneur turns every trivial matter into a huge commercial opportunity. Entrepreneurs are dreamers that focus on the future.

Managers are pragmatic. They bring order and put systems in place. In essence, managers focus on the past, and cling to the status quo.

Technicians like doing things. They live in the present. They are hands-on people who like to get the work done, and who don't like any interruptions.

The typical business builder personality is:

10-percent Entrepreneur	20-percent Manager	70-percent Technician
----------------------------	-----------------------	--------------------------

A very good business builder would be:

33-percent Entrepreneur	33-percent Manager	33-percent Technician
----------------------------	-----------------------	--------------------------

- 4. Most businesses go through three phases of growth:**
 - 1. Infancy -- when the technician is to the fore.**
 - 2. Expansion -- when management skills are required.**
 - 3. Maturity -- an entrepreneurial perspective is needed.**

Many problems arise when a business is run according to what the owner wants rather than what the business needs. In fact, the needs of the business will vary at different stages of its development.

Stage 1 -- Infancy

For a business in its infancy, the technician is the business. That is, remove the technician and the business would disappear. The technician does everything himself or herself.

Infancy ends when the technician gets sick of juggling everything and realizes something has to change if the business is to make some forward progress. If the technician is unwilling to make those changes, the business will close. Otherwise, the business will enter adolescence or expansion.

Stage 2 -- Expansion

Every business owner has a comfort zone -- a collection of responsibilities which he or she feels comfortable personally delivering on:

- For a Technician it is how much work he or she can do.
- For a Manager, it is how many people he or she can supervise.
- For an Entrepreneur, it is how many people buy in to the vision.

Once a business grows beyond that comfort zone, there are four possible responses:

1. Get small again -- effectively taking the business back to its infancy again when things were easier. (This is the natural inclination for most Technicians-turned-Owners).
2. Go for broke -- try and grow the business fast enough that it will generate enough cash to hire the resources needed to manage itself.
3. Hang in there -- in the hope that some sort of order will ultimately emerge from all the chaos and carnage the business has become unwittingly.
4. Move the business through to maturity -- by the business owner being willing to learn new skills and assume different priorities for the use of his or her time.

Stage 3 -- Maturity

In short, a business reaches maturity when it has a realistic sense of how it got to where it currently is and an accurate understanding of what must now be done to move to where it wants to be in the future.

The best businesses in the world exemplify a mature approach to business building, and are lead by people that have the right perspective and balance. They understand what makes a business great, and are modeled on businesses that work and endure.

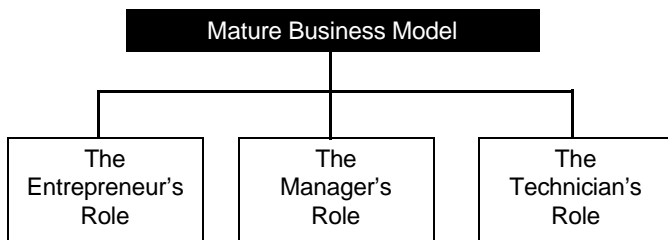
A good business model isn't just concerned with the output generated. Instead, the key issues are:

- How the business works -- rather than what work has to be done by the business.
- How the business will generate profits -- rather than how the business will generate sales revenues.
- Where the business is headed in the future -- rather than how the present can be duplicated many times over.
- How the business operates as a total entity -- rather than what each part of the business does.
- The vision of the future of the business -- rather than focusing on the model that is working at present.

The entrepreneurial model of the business comes to the fore during the maturity stage. In the entrepreneurial model:

- Meeting the needs of the customers in specified demographical categories becomes the focus.
- Other competing products get closer attention and consideration.
- How the business needs to be structured to adequately meet the needs of the customer takes up considerable time and attention.
- The business becomes a seamless integration of various components -- with everything contributing to the end result.
- Standards are set. Forms, operating rules and corporate principles start to take hold. A clear system which can be duplicated again and again comes to the fore.
- The customer starts being viewed more as an opportunity to provide added value in the future rather than a nagging interruption to doing the fun stuff.

In short, a business reaches maturity when the customer takes center stage rather than the product or service. From this perspective, how business is done becomes far more important than what business is done.



This will only happen if the business model used is balanced and provides an equal opportunity for the entrepreneur, the manager and the technician to contribute equally to the building of the business.

Key Thoughts

"IBM is what it is today for three special reasons. The first reason is that, at the very beginning, I had a very clear picture of what the company would look like when it was finally done. The second reason was that once I had that picture, I then asked myself how a company which looked like that would have to act. The third reason IBM has been successful was I realized that unless we began to act that way from the very beginning, we would never get there. In other words, I realized that for IBM to become a great company it would have to act like a great company long before it ever became one. We didn't do business at IBM, we built one."

– Thomas Watson, founder, IBM

"Companies like McDonalds, Federal Express and Disney didn't end up as mature companies. They started out that way! The people who started them had a totally different perspective about what a business is and why it works. The person who launches his business as a mature company must also go through infancy and adolescence. He simply goes through them in an entirely different way. It's his entrepreneurial perspective that makes the difference."

– Michael Gerber

"The people who are exceptionally good in business aren't so because of what they know but because of their insatiable need to know more."

– Michael Gerber

"To live through an impossible situation, you don't need the reflexes of a Grand Prix driver, the muscles of a Hercules, the mind of an Einstein. You simply need to know what to do."

– Anthony Greenbank, author

"The problem with most failing businesses I've encountered is not that their owners don't know enough about finance, marketing, management and operations -- they don't, but those things are easy enough to learn -- but that they spend their time and energy defending what they think they know. The greatest business people I've met are determined to get it right no matter what the cost."

– Michael Gerber

"You must analyze your business as it is today, decide what it must be like when you've finally got it just like you want it, and then determine the gap between where you are and where you need to be in order to make your dream a reality. That gap will tell you exactly what needs to be done to create the business of your dreams. And what you'll discover when you look at your business through your E-Myth eyes is that the gap is always created by the absence of systems, the absence of a proprietary way of doing business that successfully differentiates your business from everyone else's."

– Michael Gerber

"When you hear something, you forget it. When you see something, you remember it. But not until you actually do something will you understand it."

– Chinese proverb

"The system is the solution."

– AT&T motto

Section 2
Using a Turn-Key or Franchise Perspective

Main Idea

The best model for building a successful business is to view your operation as the prototype which a large number of franchise or turn-key operations will later duplicate.

The challenge then becomes to maximize the amount of time you spend working on your business rather than in your business.

Supporting Ideas

To build a successful franchise around your business, you need to obey these rules:

1. Your model must deliver value that consistently exceeds the expectations of customers, employees, suppliers and lenders. Unless close attention is paid to the creation of added value and regularly exceeding expectations, it is unlikely there will be any long-term business to build.
2. Your model must be capable of being operated successfully by people that have very low skill levels. Only if systems can be put in place so people without specialist skills can become involved will the model ever become replicable. Or to put it another way -- if each franchise requires a clone of yourself to succeed, you've got a definitive expansion limitation built in.

This requires you to build a franchise model that is systems-dependent rather than personality- or expert-dependent. You have to build a system where ordinary people can produce extraordinary results.

3. Your model must be totally orderly -- with a system for everything so that customers, employees, managers and owners all know what's going on.

In short, a business structure must be in place around which everything else can be added.

4. All systems must be documented in a formal, written Operations Manual. Without documentation, everything becomes a one-off process. With documentation, work steps can be articulated and standards of performance can be specified.

The absence of a written systems manual is the key indicator that what you are building is a one-off business rather than a model for others to duplicate.

4. The model must deliver service that is uniform and predictable. Good businesses are totally and completely consistent in the experience they deliver to customers or clients.

Doing the same things the same way each time the customer has anything to do with the business is a hallmark of quality.

5. The model must have a totally consistent color, dress and facilities code. Great business builders pay close attention to all the little details -- even obsessing over seemingly minor points like color choices and how they will emotionally influence prospective customers and clients. The same applies to shapes, logos, displays and so forth.

In essence, if your business is truly to be a prototype for future mass duplication, make certain all the little things have been properly handled.

By focusing your efforts more at working on your business rather than in your business, you'll start to address some of the key issues most people ignore unwittingly, such as:

- How can the business be set up to work productively and efficiently when I am not there in person?
- How can employees be motivated to work without direct supervision?
- How can systems be put in place so large numbers of customers can be served efficiently and consistently?
- How can the business be owned without having to be there keeping an eye on it every hour of every day?
- How can the amount of time spent doing the things I really enjoy be maximized?
- How can the amount of time spent doing the things I hate but have to do be minimized?

In other words, treating your business as the model for a future franchise system forces you to focus on the right issues instead of the more common issues. And in doing so, it increases your chances of success -- whether you ultimately end up franchising your business or not.

Key Thoughts

"According to studies conducted by the U.S. Commerce Department from 1971 to 1987, less than 5-percent of franchises have been terminated on an annual basis, or 25-percent in five years. Compare that statistic to the more than 80-percent failure rate of independently owned businesses, and you can immediately understand the power of the Turn-Key Revolution in our economy, and the contribution that the concept of treating your business like a franchise can make to the future success of your business."

- Michael Gerber

"The business format franchise not only lends its name to the smaller enterprise but it also provides the franchisee with an entire system of doing business. Most business founders believe that the success of a business resides in the success of the products it sells. However, the business format franchise is built on the belief that the true product of a business is not what it sells but how it sells it. The true product of a business is the business itself."

- Michael Gerber

"To the entrepreneur, the franchise prototype is the medium through which his vision takes form in the real world. To the manager, the franchise prototype provides the order, the predictability, the system so important to his life. To the technician, the franchise prototype is a place in which he is free to do the things he loves to do -- technical work. And to the small business owner, the franchise prototype provides the means through which he can finally feed his three personalities in a balanced way while creating a business that works."

- Michael Gerber

"The franchise prototype concept is a proprietary way of doing business that successfully and preferentially differentiates every extraordinary business from every one of its competitors."

- Michael Gerber

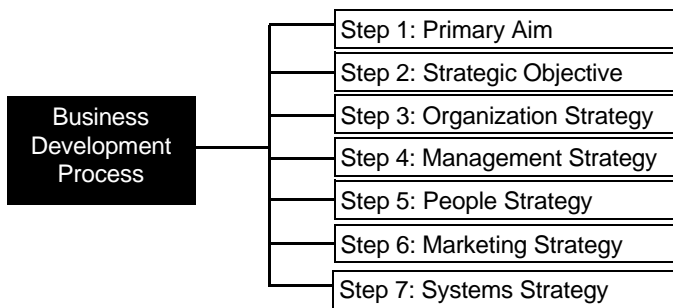
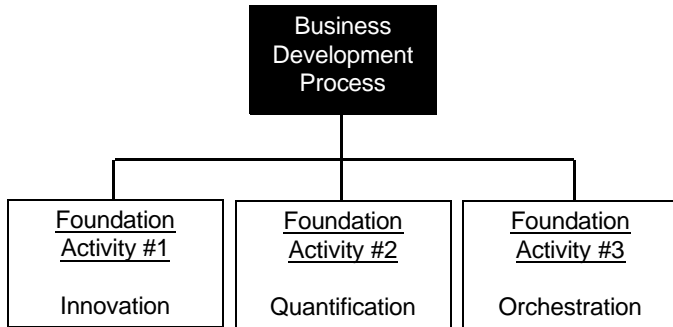
"Every great business in the world is a franchise."

- Michael Gerber

Section 3
An E-Myth Principle Based
Business Development Process

Main Idea

The business development process by which a successful franchise prototype can be built has seven distinct steps and a foundation of three key activities:



Supporting Ideas

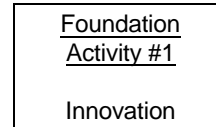
The Business Development Process is, of necessity, a dynamic and flexible process simply because the world never stands still. Everything in the world of business is changing daily -- and a business must be flexible and responsive enough to move with those changes if it to retain and generate new added value.

Importantly, however, the business development process also serves as an integral part of the communication that takes place between people working in the business. Not only does it become a way of acting but also a way of thinking and a way of communicating effectively.

The three foundation activities provide the power to make changes and move forward. In essence, they're the engine room for the entire business development process -- in that they will be utilized whenever any of the seven specific business development steps are taken.

In analyzing the business development process, always keep in mind the overall objective -- to create a franchise prototype which will be ordered, predictable and structured in such a way that results can be realized again and again -- simply by following the systems which are in place.

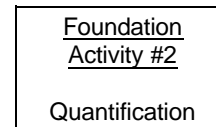
Taking each foundation activity in turn:



Creativity is the thinking of new ideas, whereas innovation occurs whenever new ideas are put into practice. An innovative business constantly finds new answers to the questions::

- What stops customers from getting more added value from interacting with the business?
- What is the best way to ensure customer needs are met?

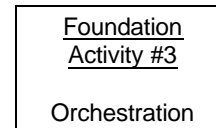
Innovation generates a high level of energy and distinguishes the business as being bold, progressive and forward thinking. It also includes the ability to simplify the business to its critical elements.



Innovation without quantification -- the numbers that show how much impact the innovation has made -- leads nowhere.

Good businesses record and quantify everything, and then move heaven and earth to find ways to improve those numbers week in and week out.

Once you've quantified everything, you can build a database that will unerringly track your business's health and progress. Armed with specifics, your business planning will take on new relevancy and urgency.



Orchestration is similar to optimization -- it's the process of removing discretion at the operating level of the business in favor of whatever produces the best results. Thus, orchestration starts with innovation, is validated by quantification and ultimately embeds best-practices into the business's standard operating procedures.

Once something has been deliberately orchestrated, results become predictable and consistent. You then have a franchise -- a unique way your business delivers value to clients and customers whenever they interact with you.

In short, innovation, quantification and orchestration form the foundation for the business development process because they are the processes by which businesses can anticipate and respond to changing market conditions. They are the essence of continuous quality improvement -- the Holy Grail for any business that aspires to become world-class and successful over the long haul.

Taking each step in the Business Development process in turn:

Step 1: Primary Aim

Although your business isn't your life, it will have an important role in your life. Therefore, the first step in developing a business is to answer the questions:

- What do you personally value most in life?
- What kind of life do you want to lead?
- What do you want your life to look like when completed?
- Who do you wish to be -- deep down?

In short, great people have a vision for the way they want their lives to develop. Until you take the time to articulate that, your business cannot really be properly developed.

The critical difference between successful people and less successful people is that successful people don't leave things to chance -- they create their lives actively rather than waiting for things to happen by chance. In other words, successful people go to work on their lives -- and don't just exist in their lives.

"Your primary aim is the vision necessary to bring your business to life and your life to your business."

– Michael Gerber

Step 2: Strategic Objective

Your strategic objective are the metrics or standards by which you specify success will be measured. They state what the business has to do for you to achieve your primary aim.

There are no "right" or "wrong" standards, but some of the most frequently used standards are:

1. Money -- Gross revenues, profitability, market value. How big is your vision? What are you aiming for? What is your exit strategy, and what will you have to show for your efforts when you reach that point?
2. An opportunity worth pursuing -- Is your business concept sufficiently broad that you can achieve your primary aim and strategic objective? If not, what's going to change. You don't want to set yourself up to fail. Will you be able to attract enough qualified customers?
3. Geographic reach -- Will your business be a local business, a regional business, a national business or an international business?
4. Time frame -- How long will it take you to complete your prototype business? Two years? Three? Five years? A career?
5. Business positioning -- Will the business serve clients directly, or serve other businesses, or what market demographics are being targeted?

These standards shape and influence your business quite intensely and intentionally.

"In fact, the standards of your strategic objective create the tension that draws the future model of your business and the way it actually appears today closer to one another. Standards create the energy by which the best companies, and the most effective people, produce results."

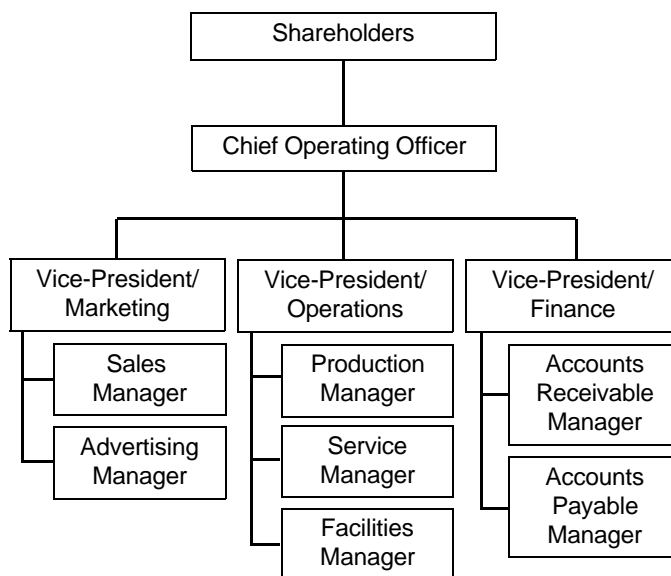
– Michael Gerber

Step 3: Organization Strategy

Many small businesses fail to develop a formal organizational chart because they assume everyone knows what they should be doing. Unfortunately, that generally guarantees nobody becomes accountable.

However, if the business is to ultimately serve as a franchise prototype, an organizational chart will be required.

A simple example which can be adapted as required is:



A position contract can then be prepared for each role specifying:

1. The results to be achieved.
2. The standards by which results will be measured.

Each position contract can then be signed by the person filling that role and the person they report to.

By doing this, the business development process is forcing a blueprint to be created for the business to grow around. Some people may fill multiple positions initially, but as other employees are added, clear lines of responsibility and accountability can be maintained.

Keep in mind also that technicians do tactical work while managers focus on strategic work. By developing a simple organizational chart that grows as the business grows, more people will be added to perform specific tactical specialist tasks -- allowing more time to be spent on developing the business strategy.

In addition, the organizational chart provides a framework around which written manuals and other materials can begin to be developed. Codes and systems can be organized around this as well.

"Without the organizational chart, confusion, discord and conflict become the order of the day. But with it, the direction, purpose and style of the business are balanced, interacting purposefully and progressing with intention and integrity toward a cohesive and sensible whole."

– Michael Gerber

Step 4: Management Strategy

A franchise prototype's management strategy will not require that highly skilled, highly compensated managers be hired as:

1. You won't know how to choose them.
2. You won't know how to manage them.
3. They will have learned their trade in someone else's business.

Instead, simple systems will be put in place which will allow ordinary people to produce extraordinarily good marketing results -- because that's what management is all about. Management should always be considered a marketing tool.

The simpler and more direct the management system, the better. In fact, the majority of world-class management systems developed by franchises are checklists which ultimately form the operations manual.

Each checklist itemizes the specific steps employees should take to create a satisfied customer -- pure and simple. That way, new people can be trained to perform to the same level of competence as experienced staff. All they have to do is to be accountable for the tasks on their checklists.

"The system will become your management strategy, the means through which your franchise prototype produces the results you want. The system will transform your people problems into an opportunity by orchestrating the process by which management decisions are made while eliminating the need for such decisions whenever and wherever possible."

– Michael Gerber

Step 5: People Strategy

The main emphasis of your people strategy should be to create an environment in which fulfilling their responsibilities is more important than avoiding them.

To do that, take your employees seriously and make sure they understand why they're asked to do things. In fact, they need to understand three key concepts:

1. That customers should always be made to feel they're right.
2. That employees should act like they're the best.
3. That growth comes by developing new skills.

Ideally, a good people strategy will convince employees serving customers is a structured game worth playing well. That knowledge and orientation should instill a sense of purpose and a sense of meaning for employees. Your business will become a place where integrity, intention, commitment, vision and excellence will become rich, multi-dimensional concepts rather than abstract words.

Humans can achieve some amazing things if they are motivated enough. An effective people strategy works very hard to create an environment in which excellence is achievable. Systems are put in place so everyone gets an equal opportunity to be part of the total service solution offered to customers.

"The system produces the results; your people manage the system. And there is a hierarchy of systems. The first is, How We Do It Here. The second is, How We Recruit, Hire and Train People. The third is, How We Manage It Here. The fourth is, How We Change It Here. And the "It" referred to is the stated purpose of the business."

– Michael Gerber

Step 6: Marketing Strategy

Marketing requires that you forget about your vision and focus on the customer exclusively -- and most often, what you think he or she wants is significantly different from what he or she actually wants. That's because most buying decisions are not made with the conscious part of the mind but with the subconscious.

Buying decisions are never made rationally -- they are always made irrationally, or based on emotions. In that regard, most business decisions are made instantaneously and without any effort on the part of the customer.

The two pillars of effective marketing are:

1. Demographics -- Knowing who your typical customer is, and what their perceived needs are.

To address this area, every business must compile a demographic profile of their current customers -- by offering them an incentive to answer a few questions about themselves.

2. Psychographics -- The science of why certain demographics buy for one reason while other demographic groups buy for a totally different reason altogether.

This can also be addressed in the same demographic customer survey. In this area, you ask about:

- Color preferences.
- Shape preferences.
- Word preferences.
- Brands of consumer goods they've purchased in the past.

Armed with that sort of information, you can then focus in on the type of marketing messages they have responded favorably to in the past. By sending marketing messages of a similar type and structure, you can then begin to systematically and consistently attract potential customers with the right mix of demographic condition and psychographic preferences.

Marketing then focuses on one key issue -- how to access lists of people who are in your trading zone -- that have the right blend of demographic and psychographic factors.

Everything a business does should be integrated into the marketing process. In fact, it's essential to integrate everything seamlessly together, so that lead generation, lead conversion, generating repeat business opportunities and client fulfillment all come together efficiently and effectively to deliver a promise that no one else in your industry can dare to emulate.

"While you don't have to go over the scientific deep end, you do have to be sensitive to the science of the marketing art. Do you realize how much marketing money is spent by companies like McDonalds, Federal Express, Disney and Walmart to get it just right? In a small business you simply cannot afford to spend the money they do. But you can afford to spend the time, the thought, the attention on the same questions they ask. And that's why I come back to the true work of the small business owner -- the strategic work rather than the tactical work. Because if you're doing tactical work all the time, you won't have any time or energy left to ask, let alone answer, all of the absolutely critical questions you need to ask. You'll simply have no time or energy left to work on the business rather than in the business."

– Michael Gerber

Step 7: Systems Strategy

Everything is a system -- some of which can be understood and others which cannot be fully comprehended.

A business requires three types of systems to succeed:

1. Hard systems -- inanimate objects like computers, offices, work materials, etc.
2. Soft systems -- animate objects (People), ideas, scripts, procedures, etc.
3. Information systems -- which provide data about the interaction between soft- and hard-systems.

To show how these systems work together in a business, consider the following sales system:

Name: The Power Point Sales System

Structure:

1. Identify the major consumer decision points -- which are called "benchmarks". Key benchmarks include:
 - Setting an appointment.
 - Analyzing needs.
 - Presenting solutions based on needs.
2. Develop a written script for each benchmark based on what has worked in the past with other people.
3. Create the supporting materials which will be used with each script.
4. Have salespeople memorize the scripts.
5. Have salespeople deliver the scripts in identical fashion.
6. Let each salesperson respond to the prospects specific needs as required.

Substance:

How the salesperson relates to the prospect and is able to adapt the materials to meet specific needs.

Analysis of Results:

Records are then kept of how many people were contacted initially, the number of appointments made, the sales resulting from those presentations and so forth. A comparative analysis can then be made as one element or another is varied to fine-tune the sales system.

The Power Point Sales System is an example of how businesses blend soft-, hard- and information systems in a seamless manner. Each system integrates into the overall program in such a way that internal synergy is created.

The very best and most effective business systems intertwine soft-, hard- and information-systems so closely that it becomes impossible to separate them.

Your franchise prototype business should demonstrate just how effective and how productive the integration of these systems can be.

Key Thoughts

"Tolerance for failure is a very specific part of the excellent company culture -- and that lesson comes directly from the top. Champions have to make lots of tries and consequently suffer some failures or the organization won't learn."

– Tom Peters and Robert Waterman, authors

"As the business development process becomes an integral part of the business, it also becomes an integral part of the communication between the participants. It becomes not only a way of thinking and a way of doing but a way of being as well. You might say that while going to work on the business, people begin to realize that it is a powerful metaphor for going to work on their lives. And that, I believe, is the heart of the process; not efficiency, not effectiveness, not more money, not to "downsize" or "get lean", but to simply and finally create more life for everyone who comes into contact with the business, but most of all for you, the person who owns it."

– Michael Gerber

"The difference between a warrior and an ordinary man is that a warrior sees everything as a challenge, while an ordinary man sees everything as either a blessing or a curse."

– Carlos Castaneda, author

"All organizations are hierarchical. At each level people serve under those above them. An organization is therefore a structured institution. If it is not structured, it is a mob. Mobs do not get things done, they destroy things."

– Theodore Leavitt, author

"Freedom does not come automatically; it is achieved. And it is not gained in a single bound; it must be achieved each day. Thus freedom is not just the matter of saying "Yes" or "No" to a specific decision; it is the power to mold and create ourselves. Freedom is the capacity, to use Nietzsche's phrase, "to become what we truly are"."

– Rollo May, author

"You should know now that a man of knowledge lives by acting, not by thinking about acting, nor by thinking about what he will think when he has finished acting. A man of knowledge chooses a path with heart and follows it."

– Carlos Castaneda

"The very process of business development creates instantaneous change in the people who engage it. And that is the key to its success. Those who engage in the process must remember their aim in order to continue it. And in the process of remembering, their aim becomes tethered to something real in the world -- their business. A place in which aims can be tested in a concrete, practical way. The business becomes a symbol for the life they wish to live, a visible manifestation of who they are and what they believe. A living, active, evolving testament to the will of man."

– Michael Gerber