

## Chris Hurn's Interview with Best-Selling Author **Michael Gerber**

*Chris Hurn:* Let me go ahead and welcome everybody on the call. I've got with me today one of the foremost small business experts in the country, Michael Gerber, who is the author of a number of books, including *The E-Myth*, *E-Myth Revisited*, *E-Myth Mastery* and a new one that just came out, called *Awaken the Entrepreneur Within You*.

*Michael Gerber:* Everybody can go to Amazon.com and order it at a substantial savings.

*Chris Hurn:* Wonderful to hear that. I know that you have sold over five million books collectively, and I think *E-Myth* is one of the top five best-selling business books of all time, isn't it?

*Michael Gerber:* It absolutely is.

*Chris Hurn:* Right. Well, it's a pleasure to have you with us today. Just so you know, our audience is comprised mostly of small business owners, entrepreneurs and their advisors, so I know that we have a lot of people excited about this call today. If you don't mind, I'd like to talk about *The E-Myth* first.

*Michael Gerber:* Great.

*Chris Hurn:* Those that have not read your book, shame on them, of course. I'd like you to explain a little bit about *The E-Myth*.

*Michael Gerber:* I'd be delighted to. Well, *E-Myth* stands for "entrepreneurial myth," and at the core of it, it says that most small businesses are not started by entrepreneurs, but by what I've come to call "technicians suffering from an entrepreneurial seizure."

So, the cook opens up a restaurant. The carpenter becomes a contractor. The auto mechanic opens up an auto repair business, and every single one of them believed because they understand how to do the work of the business, they understand how to build a business that does that work, and it's just not true. It's the fatal assumption behind the failure of most businesses, and as you know, most businesses fail in one way or another, either by going out of business, and the vast majority do, or by failing to fulfill their potential.

*Chris Hurn:* Exactly. You've written a lot about this over the years. There are some common assumptions about starting your business. For instance, a lot of these folks were disgruntled with a previous employer. That's a lot of the motivation for going out on their own and being their own boss. What are some other common assumptions that you've heard?

*Michael Gerber:* The assumption that they could do for themselves what they are doing for somebody else and take home all the money.

*Chris Hurn:* Right.

*Michael Gerber:* In other words, they can get rid of the boss. They can be free of the tyranny of routine of doing it, doing it, doing it. They can be an entrepreneur instead of a workaholic. They



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can have the freedom to make as much money as possible, the freedom to make whatever choices they want, and the freedom to be wherever they want. But all of this has to do with a misapplied notion about what it really takes to start a company, build a company, and grow a company. And it's significantly more than they were prepared for.

*Chris Hurn:* Well, you mention in the book that the entrepreneurial seizure usually happens because you have these three personalities: the technician, the manager and the entrepreneur. Do you want to talk about that, because there are clearly differences between them, and very rarely do you find anyone that can keep all three of them together?

*Michael Gerber:* Every single person who owns a business is really three people. They're described in the book as an entrepreneur, a manager, and a technician. The technician is the producer. The technician's the one who does what needs to be done to get the job done. When somebody starts a small business, they're pretty much doing everything.

*Chris Hurn:* They're in all the boxes of the organizational chart.

*Michael Gerber:* The truth is that 67 percent of all businesses in the United States are sole proprietorships. Think about it, one person doing everything. And if it doesn't get done, it's because he didn't do it, and if he didn't do it, it's because he didn't know how to do it or he didn't like to do it.

*Chris Hurn:* Right.

*Michael Gerber:* So, the reality is, most of the absolutely essential things that need to get done in those 67 percent of all businesses aren't getting done at all. So, the technician is the doer. The manager is the enabler, and the entrepreneur is the creator. The entrepreneur is what Walt Disney refers to as the "imagineer."  
The entrepreneur is the leader, the one who has a vision, the one who is determined to manifest that vision in the world, the one who's going to drive this business to become something other than what most businesses become. So, the entrepreneur is the driver of this whole thing. The problem with most people who start a small business is they're a technician suffering from an entrepreneurial seizure, so they have a big idea or they have a desire, and then they begin to implement it. But, the minute they do, they're overwhelmed by everything, and they very quickly lose anything that even resembles an entrepreneur's imagination or an entrepreneur's drive for creating something unique.

*Chris Hurn:* I know that you've worked with over 50,000 businesses over the years, and I think this concept is what's most interesting about *The E-Myth* and *The E-Myth Revisited*. The first few chapters really seem to resonate with most small business owners and entrepreneurs. What you talk about is the three hats that they've got to wear: the technician, the manager, and the entrepreneur, and the entrepreneurial seizure.

Far too many of them seem to go into business for themselves, because they think they can do it better than their current boss, or they just want to be their own boss, or it's a hobby and they decide to do it as opposed to going into it at a more systematic and strategic fashion, wouldn't you say?



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*Michael Gerber:* Well, absolutely, and the problem is that very few of the over 60,000 clients we have worked with, truly have a dream. I mean, a dream like Martin Luther King had a dream, a dream about something bigger than them.

*Chris Hurn:* Right, and we're certainly going to come back to that, because I know that's the direction that you're headed in now with the Dreaming Room and with the new book that just came out. But in *The E-Myth*, you talk a lot about what you refer to as the turn-key revolution, the lessons that every business can take from franchising. Obviously, franchising as an industry has taken off in this country over the last two decades or so. Can you explain a little bit more about that?

*Michael Gerber:* Franchising, to me, is a metaphor for a perfectly operating business.

*Chris Hurn:* Right.

*Michael Gerber:* There are three essential things that have to occur for a company to grow exponentially. The first, which we've just mentioned, is the dream. The second is organization, and the third is growth. There was a great book I read, which is no longer available, named *Organizing for Growth*. It was by Theodore Levitt, and it talked about the idea that organization as a key accountability is relatively absent in most companies.

Very few of the people I've ever met truly understood why it's essential that they have their organizational skills in place. McDonald's was perfectly organized to grow; it was designed specifically for growth. McDonald's was put together in exactly the way it needed to be, in order to be scaled, replicated, or cloned. Today they have over 36,000 stores built upon a model that was designed specifically by the entrepreneurial mind and imagination of Ray Kroc to be able to scale it again and again and again.

Businesses today are constantly dealing with problems from yesterday that they're never really able to overcome. They just keep on repeating themselves, people problems, money problems, etc., and what they don't understand is, it's because they didn't do what was necessary to scale their company when they started it. If you can't scale it, you shouldn't be doing it, because then it will all depend upon you.

*Chris Hurn:* That's right, so you need a team. You can't grow if it's just yourself. I remember a quote that you have in the book for all small business owners and entrepreneurs, "It's best to systematize your business as if you were going to franchise it, even though you may never have the desire to franchise it." And that, of course, is the business development process and what it means to systematize the business. What are your thoughts? Have they changed over the last 20, 30 years in this regard?

*Michael Gerber:* No, no, not at all. Nothing's changed. Everything's the same, exactly the same principle.

*Chris Hurn:* I used to be a management consultant years ago, and I used to say that you'll see exactly the same problems in every business and every industry.

