

A Book Report on  
**The E-Myth Manager**  
By Michael E. Gerber

(Book Report by Gary Tomlinson)

**Preface:** In the E-Myth Manager, Michael Gerber extends the concepts he explored in the E-Myth Revisited to the Manager within the organization.

Gerber's premise is the Manager should see him/herself as an entrepreneur (small business owner) within his/her areas of responsibility in the organization. The philosophy of the E-Myth Manager is that each and every entrepreneurial Manager must assume the task of creating the Vision, the System, and the Results for his/her team.

The E-Myth Manager believes strongly that the System is the solution. That everyone in the organization should be able to produce consistent, highly predictable results. That no one should be left on their own to figure out the solutions to their problems, that the organization holds the first accountability for understanding the best way to achieve any result. And that the organization needs to make the commitment as an organization to discovering the very best methods, processes, and systems for producing results that will make everyone in the organization, and everyone who is depending upon it, extremely successful.

“Show me an organization in which the critical focus is developing Managers with passion and objectivity, and I will show you an organization that is not only full alive itself, but that is a force field for the birth of countless extraordinary ventures that themselves will multiply and flourish.”

The crux of this book is about the “*what of it.*” Most Managers want to jump to the “*how of it.*” Gerber says that is because most Managers aren't Managers at all, but Technicians suffering from a management seizure, so accustomed are they to doing it, doing it, doing it. The key is to plan, envision, and articulate what you see in the future both for yourself and for your employees. You must analyze your business as it is today, decide what it must look 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. The gap will tell you exactly what needs to be done to create the business you have envisioned.

The single most interesting aspect of this book is the potential Gerber's program has for success. It does not challenge you to change your entire organization. It does not require that you leave everything you have and start fresh, or start your own perfect company. Gerber focuses on helping you learn how to develop your own vision within the “Vision of the Emperor” that will serve the needs of the Emperor while still fulfilling your own needs.

**Message from Gary Tomlinson:** This book report should not take the place of you reading *“The E-Myth Manager.”* More changes have occurred in the last 20 years than the last 2,000. There is only one way to cut through the impasse, and that is to stop trying to get results in the ways you have been taught. You can’t get there from here. Don’t bring your chaos with you!

The purpose of this book report is three-fold:

1. When I read a book that has great wisdom, I take the time to write down the author’s key messages. This is a technique I use to learn. It’s how I study.
2. When I share my book reports with others, it’s my hope they will go out and buy the book. The fact I take the time (usually 10 to 30 hours) to write the book report already shows you I think it’s a book worth buying and reading.
3. The book report is a great resource to refresh your memory. You can go back often and re-read the book reports to remember more of what you read.

This is an excellent book for any owner, executive, and/or manager who wants their business to succeed and prosper. The following seventeen pages are a detailed book report on the E-Myth Manager.

**“If you always do what you have always done,  
you will always be what you are today!”**

**Enjoy!**

A Book Report  
**The E Myth Manager**  
By Michael E. Gerber

**Entrepreneurial Myth**

Is that most businesses are started by Entrepreneurs; the truth is that most businesses are started by Technicians suffering from an entrepreneurial seizure.

**The E Myth Manager is one who:**

- Understands the profound difference between creating a business that works and getting a person to work.
- Understands how critical it is to adopt an entrepreneurial mind-set, not only for the development of the business for which he is accountable, but for the lives of the people with whom he works.
- Understands the profound difference once can make in any organization through the development and use of a management *system*.
- Understands the need to forsake forever the use of management rhetoric in order to produce a true transformation of everything he is committed to do.

**The Plight of the Modern Manager:**

The “new” model of management, which, while not really any different from the old model, does feature a couple of new twists:

- One is the technological revolution which is forcing us all do more faster
- The other is the aftermath of reengineering, which is forcing us to do more with fewer people.

**The Problem:**

Managers often feel trapped and underappreciated. They no longer derive any sense of meaning or purpose from what they do, nor do they feel any investment or ownership in the organization for which they work.

What many of these Managers don't realize is that to effect true change within the organization, they must first change within – and that the ability to do that and to subsequently reinvent the very jobs in which they find themselves is primarily a matter of mind-set rather than of performance. So, if your business is to change – as it must continuously to thrive – you must change first. If you are unwillingly to change, your business will never be capable of giving you what you want.

What I have discovered is that no matter what the size of the organization, it is the ability to treat the organization as a small business – and the Manager as a small-business owner – that produces a profound shift in the mind-set within that organization, from the very top to the very bottom.

### **The Plight of the Modern Manager**

The technological revolution is forcing us all to do more, faster.

The aftermath of reengineering is forcing us to do more with fewer people.

Managers continue treating the symptoms, not the causes.

### **The Manager Becomes an Emperor**

How and why a Manager becomes an Emperor is the subject of this book. It is time for managers to become emperors. Because if they don't do it, if they don't learn how to become their own emperor, if they continue as they always have, serving the Visions of others rather than their own, their life won't be worth a plugged nickel.

For your work to change, your attachment to the force that is driving everything you do must change. You must come to the realization, the very personal understanding, that despite what you have been led to believe, there is no real mission statement or business aim that's propelling you to do the things you are supposed to do. It's not the company and its goals that are motivating you, it's some person. (ex. It's not Microsoft you're here to serve, it's Bill Gates)

To fail to understand this truth presupposes objectivity where only the subjective is true. When a manager understands that satisfying a person's, his boss's, aim is what is job is truly all about, the whole job changes. Suddenly, and probably for the first time, the truth comes into focus. And when the truth comes into focus for a Manager, he is given the exciting opportunity to ask the only question that can save him: *Am I here to serve this person, or am I here to serve me?*

### **The first Step is Admitting the Problem**

Think about what it might mean to really have a purpose of your own, and only your own, not something you're happy to toss aside for the safety of realizing someone else's purpose. To begin reinventing your work as a manager, you must begin the job of reinventing yourself.

It is the Domain of Getting that has inspired the creation of all of the management tools we use today.

## Going Beyond the Domain of Getting

Getting is the motivation behind nearly everything we do. Every enterprise on the face of the earth has as its sole purpose to become a world-class player in the Domain of Getting.

The question for the manager is, what do you want? Your answer to that question will tell you everything you need to know about yourself and the Domain of Getting.

## The Tools of Yesterday and Today

The Domain of Getting has inspired Managers to create a host of tools, which are very much the same today as they were generations ago. The tools, of course, were created to further the Emperor's stature in the Domain of Getting.

Yet, despite Managers' good intentions, and how seriously the media has taken these tools, it is critical for the Manager who wishes to escape the insane world he has unwittingly found himself in to note that *none of these tools work!*

Not motivation. Not empowerment. Not quality. Not teams. Not learning to listen. Not leadership training. Not open book management. Not seven habits. Not walking on fire. Not reengineering. Not anything you've read about in a business magazine, despite everyone's avowed commitment to it when it happens to be the rage. No, I'm here to tell you that none of these work, because they are missing the point by a mile.

The only management tools that have ever worked were invented at the beginning of time. They are **greed** and **fear**. That is why the first step toward reinventing your work as a Manager is to understand and accept the truth that greed and fear are running rampant in every organization.

## Reinventing the Work of the Manager

The Seven Rules of Management Independence:

1. Rule 1: Know What You Want.
  - a. To fulfill your potential, to be more than a mere reflection of someone else's Vision, it is absolutely essential for you, and each and every Manager like you, to learn how to match the Emperor's intensity, rather than reflect it. And the only way a manager can honestly do that is through the pursuit of his/her own Vision.
  - b. The responsibility of every Manager is to become the significant force behind his own life by choosing to be his own Emperor.

- c. That's what separates the Emperor from his Managers. The Emperor's Vision takes in an entire enterprise, while the Manager's Vision includes only fragments of one. To become your own Emperor you must learn to see your life through a wide-angle lens.

2. Rule 2: Know You Have the Power to Get It.

- a. People need a game to play in life. People hunger for purpose. Without their own, they are immediately distracted into the misguided belief that anyone's purpose will do. But it won't work
- b. And suddenly the absence of a personal purpose, a personal Vision will become the void in which you find yourself.
- c. Once you know what you want, only you can get it. You can't delegate the responsibility for inventing your own life.

3. Rule 3: There Can Be No Causes Other Than Your Own.

- a. Without choosing to pursue your own cause, as opposed to someone else's, you make it impossible to live to your fullest potential, to fulfill your life's aim.
  - i. As long as you are working for someone else, you'll still have to keep their vision in mind. You've got to ask yourself, Does their vision enable me to fulfill my own goals? Can I pursue my own Vision at the same time as I pursue theirs? Does their Vision add value to my pursuit, or does it simply fail to interfere with it?
- b. If the owner's Vision doesn't serve you by adding energy and intensity to your own personal pursuits, then candidly, there should be no future for the two of you. That's why most Managers are dying on the job. Because they have forsaken their own lives in order to fulfill someone else's Vision.

4. Rule 4: If You Cannot Manage Yourself, You Cannot Manage Anything.

- a. There are three roles each and every Manager must play out every day if there is to be any balance in his life: the role of the Emperor, the role of the Manager, and the role of the Technician. We don't say to ourselves, "This is Management work, this is Technician work, this is the work of the Emperor. And because we fail to differentiate one task from another, which means we don't choose the work we do with a mind for the relative importance or unimportance of it, for the value it contributes to our Vision, or the price it exacts. Which means we haven't created standards through which to monitor ourselves on a day-to-day basis.
- b. So, to manage anything, you must first learn to manage yourself. And to do so, we begin with a Vision, create the standards against which

we monitor our own behavior, know that our behavior is that of the Emperor, the Manager, and the Technician, and then begin to act in all three roles as though we are the person we're intending to be.

5. Rule 5: There Are No Simple Answers, Only Complex Questions.
  - a. Rule 5 forces us to ask, So Now What? The energy is in the questions, not in the answers.
6. Rule 6: Before It Gets Better It Is Going To Get Worse.
  - a. Questioning shatters our belief in our own certainty. How could the process of becoming honest, of becoming impartial, of becoming passionate, of uncovering who we really are and what we want be anything but painful? So it's going to feel worse before it feels better simply because of the sheer, unadulterated shock of it.
7. Rule 7: These Rules Must Become the Defining Principles of Your Life.
  - a. Rule 7 says that for these rules to have any meaning, they must become the defining principles of your life. Only the Emperor inside you can do that. Not the Manager. Not the Technician. The Emperor is the one who must finally make the decision to embrace these rules.
  - b. Values are passive. Rules are active. Rules penetrate every thought we have. They are self-commandments.

## **The Organization of Work**

The organization of work is best looked at much as we looked at ourselves as three distinct internal personalities with three distinct accountabilities: the Emperor, the Manager, and the Technician. In the organization of work, the three divisions are defined best as the Enterprise, the Business, and the Practice; with the Emperor obviously focused on the enterprise, the Manager on the business, and the Technician on the practice.

And herein lies the primary focus in reinventing the work that you do: if you have accountability, but lack the clearly defined authority to implement it, you must get the authority you need or the game's over before it begins. Without the authority, there can be no accountability. If you can't get the authority you need, get out of there!

## **The Enterprise, the Business, the Practice**

The Emperor has the authority to decide the direction of the enterprise. The Emperor provides not only the direction for the Manager and the Technician, but the will and wakefulness necessary to remember it.

The Manager has the authority to manifest the Emperor's Vision in the operation of the business of the enterprise. The Manager has three accountabilities: to provide the capability (know-how), the capacity, and the resources for the enterprise to fulfill its Vision.

The Technician has the authority to exercise his capability, capacity, and resources to implement the Manager's processes and systems to fulfill the Emperor's Vision. The Technician is either an apprentice, a craftsman, or a master. Both the Emperor and the Manager understand that without the Technician's dedication to the process of improvement, the entire enterprise would come crashing down, its higher purpose unsustainable. That is why the level within the hierarchy where every Technician play out his or her role is called the practice. Because that is what the Technician does – practice.

### **Reconciling The Vision**

“Show me an organization in which the critical focus is developing Managers with passion and objectivity, and I will show you an organization that is not only fully alive itself, but that is a force field for the birth of countless extraordinary ventures that themselves will multiply and flourish.”

It is important that there is not a conflict between what the owner wants and what the manager wants – that both can reach their potential together.

### **Building the Entrepreneurial Organization**

To become an E-Myth Manager is to become an Entrepreneur. The first step involves redefining your relationship within yourself as it pertains to the organization – your organization. Your organization consists of your department, your division, your team – the sales organization, the accounts receivable organization, the manufacturing organization, the engineering organization. The first step in becoming an E-Myth Manager is to think about this organization as if it truly were your own – an enterprise in its own right.

The second part of the process involves a kind of courageousness on the part of the evolving E-Myth Manager: A willingness to embrace what becoming an Entrepreneur really means. An Entrepreneur is single-handedly accountable for creating a Vision for his company. Traditionally, this was always done by the Emperor of the company at large, and implemented by the rest of the staff – Managers included.

In addition, a Manager must create a system through which this Vision will be optimally realized. Most companies don't have a system. Without a system, people have no objective understanding of the nature of their work and what is expected of them – save the highly personalized goals that are set for them by their immediate superiors, who we all know have their own agendas. As a result,

people are forced to do the best they can, which of course varies vastly from individual to individual. Without a system, you're playing Russian roulette with your results.

And delivering results is the last great objective of the Entrepreneur. To utilize the system to produce the desired effect in pursuit of your Vision is to get results.

To produce more and better, and improve profits, you need to know why you're doing what you're doing and you need a system through which to implement it.

To build the entrepreneurial organization, each and every entrepreneurial Manager must assume the task of creating the Vision, the system, and the results for his/her team. In so doing, he will create positive energy within his organization, rather than consume negativity. He will increase possibilities for his people, rather than reduce them to a state of confusion. He will help people relearn to think for themselves, to rediscover a kind of joy and pride in what they're doing – or not. In either case, his people will thank him for it, and his organization will thrive as a result. In this way, he will create abundance for everyone his organization has a relationship with – from the people who work in it to the people who buy from it – from the people who own it to the people who finance it. **This is the philosophy of the E-Myth Manager. And this is the program for realizing it.**

## **Seven Steps to Becoming an E-Myth Manager**

There are seven steps to becoming an E-Myth Manager, and for transforming your organization. They are: your Primary Aim, your Strategic Objective, your Financial Strategy, your Organizational Strategy, your Management Strategy, your People Strategy, and your Marketing Strategy.

In my experience with organizations and Managers, knowing *what* to do is significantly more important to the entrepreneurial organization than knowing *how* to do it. Once you know what to do, the how will quickly follow!

### **1. Primary Aim**

Your primary aim is the Vision you have of the kind of life you would like to live. To become an E-Myth Manager, you must know that in order to create an organization that works in a powerfully human way, it is first essential to confront what it means to you to be truly human. You must know what you want in order to get it.

### **2. The E-Myth Manager's Strategic Objective**

The first step toward understanding your Strategic Objective is to recall that it is shaped primarily and most indelibly by your Primary Aim. Without a deeply

defined Vision of your life, you have no standards by which to evaluate your role as a Manager, no criteria by which to gauge whether the organization you are presently in – or the one to which you are considering going – will work for you.

A Manager's Strategic Objective must marry his Primary Aim with the Strategic Objective of the company, because your role in that enterprise is to create a business that manifests the entrepreneurial Vision of the company. And as an E-Myth Manager, you're accountable for the realizing that objective, for manifesting the Emperor's Vision in real life.

The only way to truly evaluate where you are in your career as a Manager is to look at the organization – the work, the time, the money, the people, the product, the ethics, the morality, the culture – and measure it against your clear definition of who you wish to be. Your desire to become the person you have described in your Primary Aim is what drives you to be conscious, to make choices. Your ability to choose is not only your right, it's your salvation. And if it sounds strange at first, it's because most Managers aren't used to choosing their work consciously.

In creating your Strategic Objective, you must ask yourself if what you've described in your Primary Aim is truly what you want, is this company, this situation, this relationship going to provide you with the means of achieving it?

A Manager's Primary Aim can't be his Emperor's. A Manager's Strategic Objective is the company's aim, that is true. And the company's aim is its Strategic Objective. But as a manager, you owe it to yourself and to the company to consciously choose the right organization, one whose aim serves your aim, one whose alignment matches your purpose, your passion, your design for your own life, whose aim you can fully serve with a clear conscience. This company should be a place where you can grow and experience yourself becoming the person you want to be.

To fashion your Strategic Objective you must think about your ideal organization. If you could invent it, what would it be? What qualities would it have? Think about what kind of an organization would facilitate the development of the kind of person you wish to become.

Ideally, such an organization would be an intelligent, integrated system rather than a collection of individual stores or people each doing their own thing. The system would be devoted to implementing the enterprise's overarching Vision or purpose, and as a result, the group would be in agreement as to what this purpose was and the type of results it was hoping to achieve. Decisions would be made with this focus in mind.

And so, in this intelligent, integrated organization in which truth and knowledge are revered, the pursuit of more intelligence, more understanding, and more exuberance would be the common theme among people who work there.

Organizations are often one of two kinds, conscious organizations or unconscious organizations.

**Conscious Organizations** are those that possess a clear Vision, manifest that Vision through highly integrated systems, and hold their people accountable for the effective utilization of those systems. These organizations demonstrate a high sense of purpose, order, integrity, and meaning. (And a high sense of satisfaction among the people who work for them.) **A conscious organization seeks intelligence.**

**Unconscious Organizations** are those that are unclear about their Vision, possess few highly integrated systems, reveal little, if any, focus on how those systems are to be used to produce results. These organizations produce chaos, confusion, disruption, and disorder. **An unconscious organization seeks solutions.**

The purpose of the E-Myth Manager's seven step process is to help you create a conscious organization in which conscious people can find meaning and success.

Your strategic objective describes in as much detail as possible how your organization will look, feel, function, and profit in the minds of your primary influencers (employees, customers, suppliers, lenders). **The most effective way to begin this process is to write your "Organizational Story."**

At the E-Myth Academy, we believe strongly that the system is the solution. We believe strongly that everyone in the organization should be able to produce consistent, highly predictable results. That no one should be left on their own to figure out the solutions to their problems, that the organization holds the first accountability for understanding the best way to achieve any result. And that the organization needs to make the commitment as an organization to discovering the very best methods, processes, and systems for producing the results that will make everyone in the organization, and everyone who is depending upon it, extremely successful.

It is critical that tactical objectives be included in the Strategic Objectives. But what is true is that once the flavor of the organization you're creating is communicated clearly, once the standards and character of the organization are shaped with as much clarity as you can muster, the tactical components begin to reveal themselves. Building an organization is just like programming; if this, then that. If this is the kind of an organization, then that is what we must do to manifest it.

### 3. The E-Myth Manager's Financial Strategy

When it comes to money, most Managers are completely out of touch with reality. Most Managers have a budget, they work very hard to get as much as possible for their department or division so that they don't have to go back for more money. In so doing, the Manager is thinking about money and treating the money as if it were someone else's. And it is. But that's exactly the problem. When the money is someone else's, you don't experience it as your own.

In a large organization, money is institutional, money is invisible. In a large organization money is something that shows up on the income statement and the balance sheet. You never really see it or touch it. Not so in a small organization. You must understand that money in a small organization is not institutional.

The E-Myth Manager knows that you can't build a successful organization on funny money or with people who believe the myth of funny money. You need to surround yourself with real people who believe in earning and spending real money. Money they've earned and money they feel a responsibility for.

To do this you must deal with the way people think about money long before you approach how people are going to earn money. This Financial Strategy is a critical function within your organization. You must first make certain within your organization that everyone understands how money works and how it doesn't. You simply need to engage people to relate to money very personally. It's that personal attachment to money that each and every Manager must not only understand, but also come to grips with.

To be an E-Myth Manager, you've got to think like an owner, not like a driver, and teach your people to do the same. The only way to get the driver of the brown truck to think like an owner is to get him to understand the financial reality of the brown truck business he's in. He's got to become a personal profit center – he's got to analyze the costs of doing business every day and he's got to think about it and discuss it with other brown truck drivers in the organization.

This is the first part of the E-Myth Manager's Financial Strategy: to encourage every person in your organization to operate as a personal profit center. To involve every single individual in the organization with the subject of money: how it works, where it goes, how much is left, how it is spent, and how much everyone gets at the end of the day.

The second part of the E-Myth Manager's Financial Strategy is to understand the three kinds of money an organization creates. These three are income, profit, and equity.

Income is the money that everyone is paid. Profit is what's earned after everyone is paid. Equity is what the business is worth.

If the E-Myth Manager owned his business, equity would be the most important, profit would be the second most important, and income would be the third most important.

Profit is the money the organization makes to finance its growth. Profit is also a key indicator of the successful small business. Not profit for profit's sake, but profit for growth's sake. Because if the value of one's business is measured in the value of its enhanced equity, then the way in which to enhance that equity is to make certain the business grows, and keeps growing, for as long as you own it.

So at the very outset, everyone you bring into the organization must be taught how to think about money, how to understand and appreciate their personal relationship to money, and how to see that it is not simply the organization's responsibility to be financially solvent.

#### **4. The E-Myth Manager's Organizational Strategy**

An E-Myth Manager knows that you do not organize people – you organize work. You do not create a position for Jerry because of Jerry's unique skills, or because Jerry is unhappy doing what he's doing. You do not create a position for any person – ever. Not for any reason.

You do not organize work as if it were separate, isolated functions dependent upon the skills of separate, isolated people. You organize work throughout the organization in one fell swoop as a comprehensive system of work, a system that enables the organization to function in the most effective, efficient, and predictable way possible. In other words, you don't create the position first, you create the organization's system first, and then the positions will identify themselves.

An organization must be thought of as one system, not many systems or positions. And the one system must be designed to do the one thing, the most important thing, every organization must do: to make one promise, and keep it!

An organization must know the one thing it is committed to provide the people it serves, and focus its entire energy on the perfection of its ability to fulfill that commitment. With that in mind, it becomes apparent that the E-Myth Manager's Organizational Strategy not only determines what one's organization does, but how it does it.

So the first question you must ask in organizing your work as a Manager is, *What are we here to accomplish?* **The answer is your promise.**

The second question you must ask in organizing your work is, *If that is my promise, what is the best way to fulfill it?* **That is your process.**

Every E-Myth enterprise is composed of Seven Essential Functions. The first three are **marketing, management, and money**. These are strategic functions. They are the work you do inside of the organization to determine what the organization does outside in the world. They are the focus of Managers at the most strategic level of the organization.

These functions must ask, and answer, the following questions:

- What is the one result we are here to produce? (Marketing – the promise)
- How do we do it? (Management – the process)
- How much must we charge for doing it? (Marketing and money – the pricing strategy)
- How much money will it take to do it? (Marketing, money, and management – the capital requirement)
- How much money will we make when we do it? (Marketing, money, and management – the profit and the return on investment)

The second three essential functions of an E-Myth enterprise are **lead generation, lead conversion, and client fulfillment**. These are the tactical functions. They represent the work Managers do on the outside of the organization to bring business into the organization.

**Lead generation** attracts customers to your organization by communicating its promise in the most direct, powerfully effective way.

**Lead conversion** provides those prospective customers who are attracted by your organization's promise with the rational armament they need to make an affirmative buying decision.

**Client fulfillment** is the accountable for delivering the promise the customer bought.

The seventh essential function of an E-Myth enterprise is that of the CEO. The CEO has the pivotal role in every organization. The CEO is the one who establishes the aim of the organization, makes certain that each and every person within the organization is committed to that aim, and monitors the processes through which his or her Managers do the work of the business they've been entrusted with.

Every Manager must enter the ritual of management development with one and only one role in mind. That role is the function of CEO in an organization of his own. If the beginning Manager's role is that of an apprentice, the CEO's role is that of a master. The trail up that management mountain is the age-old ritual described as apprenticeship, craftsmanship, and mastery.

When it comes to the Seven Essential Functions of the E-Myth enterprise, the apprentice Manager is trained to perform and become a master of all the tactical functions of lead generation, lead conversion, and client fulfillment. It is critical that the apprentice learn his management skills in the fulfillment of these essential functions, before moving on up to become a craftsman.

It is only after having been certified as a successful craftsman, which means that he has mastered all three of the strategic functions of the E-Myth enterprise, that a Manager would be given the opportunity to become the CEO of his own organization.

True mastery is the business of every intelligent organization. There is no other purpose worth pursuing. For without the consciousness that creates mastery, no organization can do more than survive in a relatively flat world.

## 5. The E-Myth Manager's Management Strategy

In the more conscious organization, a Manager is less a traditional Manager and more an Entrepreneur. A creator of things. A conductor of an orchestra. An Inventor. A leader. An E-Myth Manager.

Your Management Strategy is that which enables you to fulfill your promises to yourself, your company, your people, your suppliers, your community, and your customer in the best possible way. It then monitors that process to find more ways to sustain, improve, and transform its effectiveness. And the only way to do all of this is through a system.

Once you commit to a promise, the E-Myth Manager's job is to manage the process – the system – to keep it, improve it, and rally his troops around it. The role of the manager is to engage with the present in a fully enlightened manner while inventing the future.

**Innovation** is the first part of a management system. Innovation is the ability to create what could be. An E-Myth Manager doesn't just solve problems. Problems are endless. His job is to identify and seize opportunities. Seizing opportunities always produces exponentially more than solving problems ever will. The Vision guides the innovation.

Ask yourself these questions. Where are you aimed? What is it that you intend to do? Is your organization – the way you've set it up, the way you're managing the process – poised to take you there? The answers to these questions should be the guiding light of your innovation and the work every Manager in your organization does every day.

**Quantification** is the second component of your Management Strategy. You must be able to quantify your innovation. True understanding comes only when

you not only can recreate the data, but know why and how the data was created. The reason for it. The underlying cause of it. This end up as Intelligence.

In the intelligent organization, these results come from the process of quantification, from raw data, to approximate understanding, to true understanding, to cumulative intelligence, to information, creates a body of relative facts that define the reality of your organization.

Quantification – truly knowing the numbers of your business, of your enterprise, and caring about them, is critical if innovation is to have any relevance to the day-to-day results you and your people are there to produce.

**Orchestration** is the third component of your Management Strategy. Orchestration is defined as the organization of work into a replicable system so that the results you intend to produce are produced, as often as you wish to produce them, exactly as you wish them to be. Orchestration is the least understood Management Strategy. This is because it flies in the face of the two beliefs that are the product of the information-technology conundrum we find ourselves in:

- That people are our most important asset.
- That time is our most important advantage.

The E-Myth Manager believes that process, not people, is what distinguishes great companies. This is not saying that people are not important. What it is saying is that how people produce the results must be identified and then repeated if any organization is to leverage itself and the people within it over time.

In a people-dependent business, the assets go home every night. In a system-dependent business, the assets are there with you no matter who's minding the store. At the same time, orchestration takes the heat off people, because it places the attention on the way we work rather than who does the work.

Orchestration becomes the 'way we do it here' rather than 'who does it here.' And any organization that can replicate 'the way we do it here,' in a way that defines its purpose in the world, is truly an intelligent organization.

The E-Myth Manager's job, as a Manager, is to understand what you know and what you don't, which opens the door to the process of innovation, quantification, and orchestration.

## 6. The E-Myth Manager's People Strategy

Talk about management and you immediately begin to talk about people. Every Manager will admit that people are his biggest problem. Countless "solutions" to the people problem exist today where the worlds of management, psychology, and

alchemy overlap. The problem is that none of the solutions work. The shortfall with these management seminars and programs, no matter how well intentioned they may be, is that they fail to recognize one common inarguable precept: **that people are simply unmanageable.**

The solution is to avoid managing people at all. And the best way to do this is to manage the system instead. This system – organized around the organization’s common goal, its purpose, its Strategic Objective – engages people in a common cause, rallies them around a collective focus, and diffuses the inevitable destructiveness of an us-versus-them mentality.

To really revolutionize the people process at your company, your primary matter of concern should be for every person in your organization to agree to become a master at:

- understanding the system
- sustaining the system
- practicing the system
- improving the system
- transforming the system

The question you may be asking now is, “how do you create such a system when its components are as unmanageable and unpredictable as you and I?” As a Manager, you obviously can’t be oblivious to the human side of the equation. That’s not what is meant by managing the system. In every organization, there is a human reality you must confront, no matter how systems-oriented you become.

The E-Myth Manager’s strategy for managing people is to provide them with the process, the purpose, the occasion to which to rise, *knowing full well that they themselves are the only motivators they’ll take seriously.*

The people you look to hire should be people who recognize their weaknesses, perhaps even more than their strengths, and truly express the desire to rise above them. People who are this self-aware are generally also willing to assume full responsibility for the role they play within the organization.

Think of your organization as a school, where each student is assigned a particular task. With this in mind, the organization then becomes a place in which people are dedicated to pursuing their Primary Aims.

### **The Work of the Organization and the Work of the Individual**

The work of the enterprise is to create the Vision for the entire organization and to continually and consistently stay ahead of it. The work of the business – the Manager’s work – is to create, monitor, and improve the systems through which the Vision is realized. The work of the practice – the Technician’s work – is to

implement the Manager's systems and to provide feedback as to how well they are working in the organization.

The second part of the organization's strategy is to provide for the Work of the Individual – which is to serve its people's most essential needs, the pursuit of each individual's Primary Aim.

To work in this style of environment one should possess an innate interest in not only going to work in your position, but also going to work on your position.

### **The Work of the Individual**

The work of the individual is a fivefold process.

1. To become more self-aware; that is, to know the truth about yourself.
2. To become more aware of others; that is, to be interested in what is truly going on in other people.
3. To become aware of the impact you have on others; that is, to see yourself as others see you.
4. To become more aware of how the world really works, that is, to truly become interested in the truth of things rather than in your opinions of things.
5. To create a very clear Vision of who you would be if you were the person I've just described, and what that would mean not only to your life, but to the lives of the people around you.

There are five essential skills through which the fivefold process of the Work of the Individual is enabled. The five skills are:

1. Concentration – is the skill through which we develop a heightened ability to focus our attention.
2. Discrimination – is the ability we need to focus our intention.
3. Organization – is the skill through which we convert chaos into order in everything we do.
4. Innovation – is the skill that turns order into what is called right action. Innovation is the 'best way' skill. It helps us see opportunities, as opposed to problems, and to best take advantage of the.
5. Communication – is the skill that enables us to engage with other people in way that works.

### **Learn – Do – Teach**

The manager has little or nothing to do with this process. The Manager, in fact, doesn't manage you at all. The Manager manages the systems you're using, the processes through which you produce or fail to produce results. Your Manager is focused on the improvement, along with each and every one who works with him,

of the way we do business. And because his focus is always on the process of innovation, quantification, and orchestration, that leaves you to manage yourself.

## 7. The E-Myth Manager's Marketing Strategy

Marketing is key to how every organization delivers on its promise. An E-Myth Manager knows that marketing is nothing other than attraction. Attraction is the result of a great offer. An offer you couldn't refuse. An offer you can't refuse is the very essence of attraction. And attraction is the essence of great marketing.

Marketing communicates your promise. So by asking the question, What is the offer our organization needs to make to our customers that they absolutely, positively cannot afford to refuse, and how do we deliver it? the Manager is doing the work of the marketer. And as you can immediately see, the answer strikes at the very heart of the organization – at everything it does, and how it does it.

Marketing is not simply words and pictures and commercials and brochures that are known to be marketing tools – marketing is the entire system through which your organization makes a promise and delivers on it. In other words, an E-Myth Organization doesn't just do marketing, it is marketing. And that calls for the complete transformation of one's organization so that it can deliver the promise no one can refuse, every single time, without fail.

## Epilogue

This crux of this book has been about the *what of it*. Most Managers want to jump to the *how of it*. That's because most Managers aren't Managers at all, but Technicians suffering from a management seizure, so accustomed are they to doing it, doing it, doing it.

The key is to plan, envision, and articulate what you see in the future both for yourself and for your employees. Because if you don't articulate it, (I mean write it down so others can understand it) you don't own it! (E-Myth Revisited)

You must analyze your business as it is today, decide what it must look 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. The gap will tell you exactly what needs to be done to create the business you have envisioned. (E-Myth Revisited)

There is only one way to cut through the impasse, and that is to stop trying to get results in the ways you have been taught. You can't get there from here.

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