

Action Steps: The E-Myth Revisited

"**The E-Myth Revisited**" by **Michael E. Gerber** is a highly influential book in the world of small business and entrepreneurship. The book was published in 1995 as an updated version of Gerber's original 1986 book "The E-Myth." It quickly became a bestseller and is widely regarded as a must-read for small business owners and entrepreneurs.

Key aspects of the book include:

1. The Entrepreneurial Myth (E-Myth): Gerber explains that many small businesses fail because their owners are technicians suffering from an "entrepreneurial seizure." They know how to do the technical work but don't understand how to run a business.
2. The three business personalities: Gerber describes the Entrepreneur (visionary), the Manager (pragmatic), and the Technician (doer), arguing that a successful business owner needs to balance all three.
3. Working ON your business, not just IN it: A central theme is the need for business owners to step back from day-to-day operations and focus on strategic planning and systems development.
4. The Turn-Key Revolution: Gerber advocates for creating systems and processes that allow the business to run without the owner's constant involvement, similar to a franchise model.
5. The Business Development Process: The book outlines a step-by-step approach to building a successful small business, focusing on innovation, quantification, and orchestration.

The main idea of the book is that **most small business owners work IN their business rather than ON their business**, which leads to failure. The book challenges the myth that most people who start businesses are entrepreneurs, when in reality they are often technicians who are skilled at a particular job but lack the knowledge to run a business successfully.

In this Action Steps Handbook, we will provide practical steps grounded in the insights presented in the book that will **help small business owners overcome the common pitfalls of entrepreneurship**.

Step 1: Recognize the Entrepreneurial Myth

First, understand that being good at the technical work of a business doesn't mean you know how to run a business. Many small business owners fall into this trap. Gerber

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calls it an "entrepreneurial seizure" - the moment you decide to start a business based on your technical skills alone.

To overcome this:

- **Make a list of all the roles needed in your business, not just the technical ones**
- **Be honest about which roles you're good at and which ones you need help with**
- **Accept that running a business involves much more than doing the technical work**

Step 2: Work ON Your Business, Not Just IN It

Gerber emphasizes the need to step back from day-to-day operations and focus on the bigger picture. This means developing a clear vision for your company's future.

Here's how to start:

- **Set aside time each week to think about your business strategy**
- **Write down where you want your business to be in 5 years**
- **Define what makes your business unique in the market**

Step 3: Develop Systems and Processes

One of the book's key messages is to create a business that can run without you. This means developing systems for every aspect of your business.

Start by:

- **Writing down how you do each task in your business**
- **Creating step-by-step guides for these tasks**
- **Testing these guides by having someone else follow them**

Step 4: Balance the Three Business Roles

Gerber talks about the need to balance the Entrepreneur (visionary), Manager (organizer), and Technician (doer) roles in your business.

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To achieve this balance:

- Set aside time for strategic planning (Entrepreneur role)
- Regularly review and improve your systems (Manager role)
- Gradually reduce the time you spend on technical work as your business grows

Step 5: Adopt a Franchise Mindset

Even if you don't plan to franchise, think of your business as if you were going to. This means:

- Creating consistent, repeatable processes
- Documenting everything so someone else could run your business
- Making sure your business model works perfectly in one location before thinking about expanding

Step 6: Focus on Innovation, Quantification, and Orchestration

Gerber emphasizes these three key activities:

- Innovation: Continuously find better ways to meet your customers' needs
- Quantification: Measure everything in your business to know what's working
- Orchestration: Make sure all parts of your business work together smoothly

Step 7: Never Stop Learning and Improving

Remember that building a successful business is an ongoing process. Regularly:

- Review your systems and processes
- Ask for feedback from employees and customers
- Stay updated on industry trends and be ready to adapt

Overcoming Entrepreneurial Pitfalls: Action Plan Template

Step 1: Recognize the Entrepreneurial Myth

List all roles needed in your business:

- 1.
- 2.
- 3.

(add more as needed)

Your strengths:

- 1.
- 2.
- 3.

Areas you need help with:

- 1.
- 2.
- 3.

Example

List all roles needed in your business:

1. *Baker*
2. *Cashier*
3. *Marketing manager*
4. *Bookkeeper*
5. *Cleaner*

Your strengths:

1. *Baking delicious pastries*
2. *Creating new recipes*
3. *Customer service*

Areas you need help with:

1. *Marketing and social media*
2. *Financial management*
3. *Staff scheduling*

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Step 2: Work ON Your Business, Not Just IN It

Weekly time set aside for strategy:

Your 5-year vision for the business:

What makes your business unique:

Example

Weekly time set aside for strategy: *Every Monday, 8-10 AM*

Your 5-year vision for the business:

To have three thriving bakery locations in the city, known for unique, healthy pastries and excellent customer service.

What makes your business unique:

We use locally sourced, organic ingredients and offer vegan options for all our pastries.

Step 3: Develop Systems and Processes

List key tasks in your business:

- 1.
- 2.
- 3.

(add more as needed)

Choose one task and outline the steps:

- 1.
- 2.
- 3.

(continue as needed)

Person to test this process:

Example

List key tasks in your business:

1. *Baking morning pastries*
2. *Taking and fulfilling customer orders*
3. *Closing the shop at night*

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Choose one task and outline the steps (e.g., Baking morning pastries):

1. Check inventory and prep ingredients (6 PM previous day)
2. Mix dough for different pastries (4 AM)
3. Shape and fill pastries (5 AM)
4. Bake in batches (5:30 AM - 7 AM)
5. Display fresh pastries (7 AM)

Person to test this process: New baker hire, Sarah

Step 4: Balance the Three Business Roles

Entrepreneur (visionary) activities:

- 1.
- 2.
- 3.

Manager (organizer) activities:

- 1.
- 2.
- 3.

Technician (doer) activities to gradually reduce:

- 1.
- 2.
- 3.

Example

Entrepreneur (visionary) activities:

1. Research new pastry trends
2. Plan for expansion to new location
3. Develop partnerships with local farms for ingredients

Manager (organizer) activities:

1. Create weekly staff schedule
2. Review and optimize bakery layout
3. Analyze sales data to inform inventory decisions

Technician (doer) activities to gradually reduce:

1. Daily baking of all pastries

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2. *Manning the cash register*
3. *Cleaning the bakery after closing*

Step 5: Adopt a Franchise Mindset

Three processes to make consistent and repeatable:

- 1.
- 2.
- 3.

How will you document these processes?

Example

Three processes to make consistent and repeatable:

1. *Morning baking routine*
2. *Customer order taking and fulfillment*
3. *End-of-day cleaning and prep*

How will you document these processes?

Create a detailed operations manual with step-by-step instructions and photos for each process.

Step 6: Focus on Innovation, Quantification, and Orchestration

Innovation: New idea to meet customer needs:

Quantification: Three things to measure in your business:

- 1.
- 2.
- 3.

Orchestration: How will you ensure all parts of your business work together?

Example

Innovation: New idea to meet customer needs:

Introduce a "design your own pastry" option where customers can choose fillings and toppings.

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Quantification: Three things to measure in your business:

1. *Daily sales per pastry type*
2. *Customer wait times during peak hours*
3. *Ingredient waste percentage*

Orchestration: How will you ensure all parts of your business work together?

Hold weekly team meetings to discuss challenges and improvements, and use a shared digital calendar for all staff to view schedules and deadlines.

Step 7: Never Stop Learning and Improving

Schedule for reviewing systems and processes:

How will you gather feedback from:

- *Employees:*
- *Customers:*

Three industry trends to watch:

- 1.
- 2.
- 3.

Example

Schedule for reviewing systems and processes:

Monthly review meeting on the first Tuesday of each month

How will you gather feedback from:

- *Employees: Anonymous suggestion box and quarterly one-on-one meetings*
- *Customers: Comment cards at the counter and follow-up emails for online orders*

Three industry trends to watch:

1. *Plant-based baking alternatives*
2. *Artisanal and heritage grain usage*
3. *Eco-friendly packaging options*