

The Business Of Farming: The E-Myth

By S.D. Parsons

In the late 1980's my wife and I were caught in a raging Colorado blizzard. What could have been a boring two days in a motel turned out to be an opportunity to read the most influential business book I have ever read. By chance, and intrigued by the by-line, *Why Most Small Businesses Don't Work And What To Do About It*, my wife had bought The E-Myth by Michael E. Gerber from a small bookshop.

I have mentioned Gerber on several occasions in the past and since his book is not available locally I thought you might be interested in some excerpts from that very important book, and I quote:

“The technical work of a business and the business that does the technical work are two totally different things. But the Technician who starts a business fails to see this and that is the root cause of most business failures.

The carpenter becomes a contractor. The barber opens a barbershop. The technical writer opens a technical writing business. The hairdresser starts a beauty salon. The engineer goes into the semiconductor business. The musician opens a music store. All of them believing that because they understand the technical side of the business they are qualified to run a business that does that kind of work.

Not true!

Forty percent of start-up businesses fail within the first year. Within five years 80 percent will have failed and of those that survive those first five years 80 percent will fail within ten years.

Most businesses are operated according to what the owner wants rather what the business needs. And so you work. Ten, twelve, fourteen hours day. Seven days a week. You're consumed by it; totally invested in doing whatever is needed to keep it alive. But you're not only doing the work you know how to do but also the work you *don't* know how to do. You are not only making it; you're also buying, selling, shipping it. You are a master juggler keeping all the balls in the air.

It's easy to spot the Technician's business. If you removed the owner from the business there would be no business left. The owner and the business are one and the same thing

You don't own a business. You own a job.

IBM, McDonalds and Procter & Gamble did not end up as mature businesses. *They started out that way.* Tom Watson, the founder of IBM said, “I had a very clear picture in mind of what the business would look like when it was finally done. You might say I had a model in my mind of what it would look like when the dream - my vision – was in place.”

The Entrepreneurial perspective asks the question. How must the business work? The Technicians perspective asks, What work has to be done? The Technicians perspective starts with the present and looks forward to an uncertain future. The Entrepreneur envisions the future and builds the present to achieve that vision.

The Technician sees no connection between where his business is now and where it is going. Lacking the grander scale and visionary guidance manifest in the Entrepreneurial model the Technician constructs a model each step of the way based on past experience - the model of work – exactly the opposite of what is needed if the business is to free him from work.

The Entrepreneurial model has less to do with what's done in the business and more to do with how it's done. It looks at a business as if it were a product sitting on a shelf competing for the consumer's attention against a whole shelf of competing businesses.

The Entrepreneurial model does not start with a picture of a business to be created but of the customer for who the business is to be created. Without a clear picture of the customer no business can succeed.

The Technical business however, is designed to satisfy the Technician not the customer. To the Entrepreneur the *business* is the product.

Think of your business as anything but a job! Go to work *on* your business rather than *in* it and ask yourself the following questions:

- How can I get my business to work without me?
- How can I get my people to work without my constant interference?
- How can I systemise my business in such a way that it could be replicated 5 000 times so that 5 000th runs as smoothly as the first?
- How can I own the business but still be free of it?
- How can I spend my time doing the work I love to do rather than the work I have to do?

The problem isn't your business. The problem is *you* and will always be until you change your perspective about a business and how it works.

In order to have a business that works without you, a business that can be duplicated, pretend there are standards you have to abide by. There are rules of the game. The rules are:

1. The model will be operated by people with the lowest possible level of skill.
2. The model will stand out as a place of impeccable order.
3. All work on the model will be documented in operations manuals.
4. The model will provide a uniformly predictable service to the consumer.
5. The model will utilise a uniform colour, dress and facilities code.

It is not the product that requires innovation but the *process*. Where the business is the product, how the business interacts with the consumer is more important than what it sells

Innovation is the heart of every successful business. It asks the question. "What is standing in the way of my customers getting what they want from my business?" It *always* takes the customers' point of view.

Your business is not your life. Your business is something apart from you, with its own needs, its own rules and its own purpose. An organism you might say that will live or die according to how well it performs its sole function – to *find and keep customers.*"

I have found the principles described in the E-Myth to be a powerful addition to the tools and procedures we use in the Business Link educational programme that we teach in Australia, Canada the United States and now in Zimbabwe. I would encourage you to consider them seriously.

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