

# THE E-MYTH MANAGER

# Why Management Doesn't Work - And What to Do About It

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**MICHAEL GERBER** is an entrepreneur, author, speaker and small-business revolutionary. He is the founder and chairman of The E-Myth Academy, a small business consulting firm. Mr. Gerber has an eclectic background including experience as a musician and poet together with a keen interest in philosophy, spirituality and personal growth. Mr. Gerber is the author of *The E-Myth* (1985), *The Power Point* (1991), *The E-Myth Revisited* (1995) and *The E-Myth Contractor* (2002).

The Web site for the E-Myth Academy is at www.e-myth.com.

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#### **MAIN IDEA**

The E-Myth – the entrepreneurial myth – states that because someone knows how to do the technical work of a business, they also tend to assume they know how to build a business that works. In practice, most businesses fail because they are started and run by technicians rather than entrepreneurs.

In a similar vein, the E-Myth manager breaks free of management as it is currently practiced. Specifically, an E-Myth manager:

- Thinks of his/her organization as a small business for which he or she is responsible and accountable for.
- Understands the distinction between creating a business that works and getting a person to work p roductively within the business.
- Exercises full accountability and authority for the decisions he or she makes.
- Makes good choices about who does what within the business.
- Engages people within the organization, thereby encouraging them to grow and develop their skills and capabilities.
- Works on the basis managers are supposed to serve those who work for the business.
- Attempts to make changes by focusing on themselves first, the organization second and the employees third.
- Has an entrepreneurial mind-set someone who creates a vision, develops a system and then delivers results.

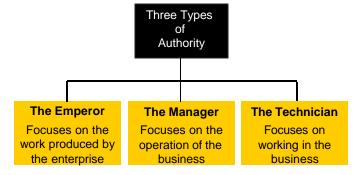
In total, an E-Myth manager operates his or her organization as if it were his or her own small business, free of the politics that often enter into the equation with large organizations.

#### 1. Why the Discipline of Management No Longer Works . . .

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In business, there are three types of authority:

- 1. The Emperor the person who starts the business and specifies the vision of the enterprise.
- 2. The Manager whose job it is to sweat the details and make the vision happen.
- 3. The Technician who does the work of the business.



Long term, managers always get tired of making other people's visions happen and yearn to be in the driving seat themselves. This is good, because when a manager learns to think like an emperor, they start thinking like an entrepreneur. They start acting as if they personally own their organizations.

The problem with the discipline of management is that all the tools – like motivation, empowerment, open-book management, reengineering, teams, seven habits, etc. – do nothing to address the real root of the problem. Instead, these tools help the manager execute someone else's vision. What's needed most is a way for the manager to move from the passenger seat and into the driver's seat with responsibility and accountability for their own business enterprise.

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To become a better manager, you have to become an entrepreneur. In practice, this means:

- 1. You think of your organization as if it were your own business enterprise.
- 2. Embracing what it means to be an entrepreneur creating and delivering a vision.
- 3. Creating a system by which that vision can be realized consistently well.
- 4. Delivering the results required.

There are, in total, seven steps required to become a better and more effective manager:



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