

*"For Everyone with a True Entrepreneurial Spirit Who Wants to
Make the Leap from a 'Small Business' to an 'Enterprise' "*

Beyond The EMyth

The Evolution of an Enterprise:
From a Company of One
to a Company of 1,000!

MICHAEL E. GERBER

The man Inc. Magazine calls "The World's #1 Small Business Guru"

Find out more and join the launch:
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BEYOND THE E-MYTH
THE EVOLUTION OF
AN ENTERPRISE

From a Company of One
to a Company of 1,000!

by Michael E. Gerber

ABOUT THIS BOOK

The Universally Applicable Hierarchy of Growth

If you own a small business, and if your business depends upon you to survive, it's what I call “a Company of One.”

Which means that the vast majority of small businesses are a Company of One.

Which means this book was written for you.

It is a simple, yet provocative, formula for re-designing, re-building, re-launching, and exponentially re-growing what you currently think of as your small business, but which, in reality, is not a business at all.

What is it then, if it is not a business?

Why a job, of course.

A job for you.

This book is going to turn your thinking about your job into a stunning enterprise.

You might ask: “What's the difference between the two?”

The difference between night and day.

But don't take my word for it. Just settle down and read it straight through.

It's short, it's sweet, and it's intended to transform the state of your “Company of One” to a “Company of One Thousand”, not however, by telling you HOW to do it, but much more importantly, telling you exactly WHAT must be done, and WHY.

Over the 40 years I've been immersed in the field of small business development, it perpetually surprises me how illogically most of those I've met approached the process for designing, building, launching, and growing a great growing company.

Indeed, if one were to believe the stories told and advice given, you would walk away with the conclusion that every business is different, ergo unique, and that every process for growing every business must be different as well.

This flies in the face of my conclusion, which is that every company—though absolutely unique in its own identifiable way—is in critical and fundamental form and function the *same* as every other company. Therefore, the process of business development for each company is identical from one to the other. This has proven itself to be transformational. And our successes at applying that logic—in every kind of company, in every kind of industry worldwide—are legion.

This book shares that exact process with you, my reader, in order to, once and for all, simplify it, clarify it, and thereby eliminate, once and

for all, the immense confusion that exists out there in the world of small business development.

So, the accumulated experiences of 40 years is compiled and consolidated here for you, all for the purpose of realizing my life-long goal of creating the economic revolution that cannot help but occur when good minds, pure intentions, and proven practices intersect to permanently transform the state of small business worldwide.

To you, and to your application of what is shared here, I wish you great traveling—as a grand level of growth and your Legacy is to follow!

Warmly,

Michael E. Gerber

Chief Dreamer

Chief Aggravator

Chairman and Co-Founder

Michael E. Gerber Companies Worldwide

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About the Author

PREFACE

This is the simplest book I've ever written.

It's a book written for everyone who has started his own business, or for everyone who hopes to.

It's a simple book because it starts out with a simple premise. That unless you start your business with the intention of selling it, it will almost always turn out to be a disaster.

So this book is about going to work ON your business (I'm going to call it 'a company' from now on)—to design your company, to build your company, to launch your company, and then to grow your company for the extreme purpose of preparing your company for sale.

That means that a company, no matter what it does, and how it does that, is nothing other than a product. A product you're preparing to sell.

After all is said and done, that's what an entrepreneur is: an inventor of a grand and growing company—a product—which ultimately will be sold to a buyer who falls madly in love with it.

Every company on the face of the planet is nothing other than a product for sale.

But, the buyer of your company, whomever that may be, doesn't fall in love with what the company *does*; he's much more pragmatic than that. The buyer falls in love with how *well* your company does it.

The measure for how well a company does what it does is only two things: First, its success in its ability to attract and keep customers better than any other company; and Second, the return on equity a company produces time after time after time.

In sum, such a company—a company which buyers absolutely love—possesses the uncanny, and seemingly unnatural, ability to scale.

Which, put in a much simpler way, is that company's intuitively brilliant ability to grow.

GREAT COMPANIES GROW GREATLY

Great growing companies know how to replicate their success, time after time after time. And by doing so, they grow, grow, grow.

This book is going to teach you how to do that.

This book is going to teach you how to design, build, launch, and grow your company so that it can scale. Which means it can replicate its success. Which means it possesses the ability to grow like crazy, or as we put it in the title of this book—*“From a Company of One, to a Company of 1,000!”*

Which means it's a Great Growing Company™!

The vast majority of small companies on the planet—incorrectly called “small businesses” (you’ll understand the distinction as you read further in this book)—are a fool’s errand.

Because very, very few of those fool’s errands, those very small companies, were built on the premise I’m going to be sharing with you in this book, that Job #1 of a small company’s owner is . . . *to prepare his or her company for sale.*

Which means to focus on *equity*, rather than on *income*.

To start a small company with anything else as your focus is a fool’s errand.

But take heart!

This book can be used to turn those fool’s errands completely around.

To turn them into something remarkably other than a fool’s errand.

To turn them from a bogged down, solipsistic company of one, to an absolutely brilliant enterprise of 1,000!

NO SCALE, NO SALE

That’s the key to what I’m going to be sharing with you here. No scale, no sale.

A great buddy of mine, Rodger Ford, serial founder and remarkably brilliant “imagineer” (as Walt Disney would put it) of many great growing companies over his illustrious entrepreneurial career put it this way:

I have been responsible for several business successes including AlphaGraphics, PetsHotel, SynCardia and ReliantHeart.

At every turn in the road or opportunity to make improvement, Michael E. Gerber was there by my side. You might say he was whispering in my ear. Encouraging me to evaluate the exception and hardscape solutions so that ordinary people can continue to experience extraordinary success.

It is the routine in business that liberates the individuals within the business to best serve the customer. And the modern electronic communication and documentation tools of today create the platform to further embrace the philosophy of Michael as elegantly taught by The E-Myth.

—Rodger Ford, CEO, ReliantHeart, Inc.

Which means that at the very heart of this book echoes my original E-Myth mantra: “Go to work ON your business, not just IN your business.”

This is the mantra Rodger applied in every one of his companies.

But what does that really mean?

It means that your job as a founder, a grower, an inventor, an innovator, is to design, build, launch, and grow your small company so that it possesses the ability to do exactly what McDonald’s was

designed to do: deliver identically the same uniquely branded McDonald's products, again and again and again, in the hands of kids at minimum wage, despite their seemingly impossible 300% annual personnel turnover. And then to, unapologetically, unabashedly—faithfully—scale it to grow.

That means to produce tens of thousands of stores worldwide.

Each and every one of those stores doing identically the very same thing, in identically the same way, time after time after time, in the very same way.

Just like a Big Mac is made, just so is the company that makes that Big Mac made.

When you can do that in *your* company—and in this book I'm saying that you *must* do that—there's a buyer waiting, ready, willing, and able to buy your company, for the price you're determined to get for it.

Not just one buyer, but dozens upon dozens of buyers.

And I'm not talking about the “billions of buyers served here,” like McDonald's says and does.

No, that's not the buyer we're talking about here.

The buyer we're talking about here is the buyer of your company!

The reason there *are* dozens and dozens and dozens of buyers for the business called McDonald's is *because* there *are* billions and billions served, and countless billions more!

And those buyers of the company called McDonald's are buying it every single day even as you're reading this, in the form of McDonald's *stock*.

There's no getting around it. The public company called McDonald's is a product for sale.

That was the intent from the outset. There at the drawing board of the tiny McDonald's corporation, way back in the '50s. Way back in the '50s when they were lining up to buy the company called McDonald's after the 50-plus year old Ray Kroc crafted his very first store—his franchise prototype—the intent was to scale for sale.

And the franchisees bought it.

And they bought it for the very same reason everyone else was buying it.

Because McDonald's was designed, built, launched, and grown in exactly the way I'm going to share with you here.

From a tiny hamburger stand—a company of one—to a stunningly immense enterprise—a company of (exponentially *more* than) 1,000—step by step by step by irresistibly replicatable step.

“The System runs the business,” Ray Kroc said, “and the people run The System!”

That's exactly what *you* get to do. Ready your company for sale. Just like Ray Kroc did, starting out at the age of 52!

If, that is, you're up to it.

Let's see if you are.

WHAT IT TAKES TO GROW A COMPANY OF ONE TO A COMPANY OF 1,000!

Well, first of all it takes passion.

Unbridled passion. Which means you can feel the unquenchable heat of it all day long. From the moment you get up, till the moment you try to go to sleep but can't. Burning with the question: "What's up?"

In short, you've got to be *inspirable*. From the inside and the outside. You've got to be more than just open to the question, "What would that take?" You've got to be able to leave all of your excuses behind. Your yes, buts. Your precious reasons for being who you are, where you are, doing what you do, the way you do. Leave behind your well-trodden excuse for being far less than you could be. You've got to be really far past just curious about the proposition that someone can take a company of one and turn it into a company of 1,000. You've got to be blown away by it! You've got to be the kind of person who opens the front door without asking, "Who's there?"

Second, you've got to be instructable.

Meaning, you'll sit down in this class and take notes. Copious notes. It means before you rush to ask a question, you'll listen instead to the answer I'm giving you which, you'll discover throughout this book, will almost always *sound* like a question rather than an answer.

So, you've got to be a really good student. Knowing even as you start this conversation with me that you're completely incapable of understanding what I'm intending to teach you. Primarily because you've never DONE what I'm intending to teach you. So, this book, and what follows it, is going to be like walking on a new planet. The new planet called exponential growth. And, despite what you may think about growth, it's nothing like what you think it is. Yes, you've got to be irresistibly instructable. And, don't forget . . . *passionate*. Which means, *resolute*. Which means, *indefatigable*.

Third, you've got to accept the stubborn fact that this process can only be taken one step at a time.

You can't rush it.

There are no leap-overs in this process.

First this, then that, is the rule of the day.

I will, of course, explain exactly what "this" is even before I ask you to take that step; but still, and mostly, you're going to be completely in the dark every step of the way.

And that's the way it's supposed to be.

Because if you weren't in the dark, you wouldn't feel the need to find the light, would you?

And without the need to find the light there can be no progress, can there?

So you're going to simply have to trust me when I say that each and every step will absolutely take you from dark to light.

And that each new step into the light will also take you to a greater light than the one before it.

So much so that you're going to be continuously experiencing the light you thought you experienced, was, in relationship to the very next step, actually dark.

Which means that at each iterative step, what you believe to be true is actually only an indicator of the truth you're about to discover.

And that process will continually repeat itself.

Provided, that is, you've got what it takes.

Remember, the ultimate sale of your company is the end game here.

So, finally, you've got to be committed to stay with it.

No matter what.

You've got to be a stayer if you're going to be a player.

Because this Journey is going to be challenging you ever single step of the way.

And frustrating you. And pissing you off.

Because you're going to be failing far more often than winning.

I know this all sounds like a great big cliché.

But it sounds that way, because it *is* a cliché.

But, when you think about it, *everything* is a cliché, isn't it?

That is, until you live it.

When you live the process I'm going to be introducing you to where you'll find that every word describing it—frustration, failure, success, inspiration, and so forth—have all been endlessly written about—and experienced—millions upon millions of times before you experience them.

But, when *you* experience them, they cease being clichés.

They're what's called instead, life.

Life is a cliché when you come right down to it.

But not to the person *living* it.

So, you've got to be a stayer, no matter what happens along the way.

We're here to prepare your company for sale.

That's the only reason we're here.

Are you up to it?

Well, then. Let's get started.

Let's take a leap *Beyond The E-Myth*.

INTRODUCTION

If you're going to design, build, launch, and grow your company to prepare it for sale there must be a clear process for doing it. I call it *Beyond The E-Myth*, because while *The E-Myth*, my very first book, and its cohort, *The E-Myth Revisited*, provide the necessary *point of view* in order to organize the way you THINK about being a business owner, they don't provide you with the mindset needed to focus your attention on how to prepare your company for that singular, life-transforming event—your Liquidity Date, your Exit Strategy, the day, God willing, the Big Sale happens.

That's the purpose of this book.

I call it *Beyond The E-Myth*, because that's literally the “Sole Purpose” of what we're about to do, going beyond The E-Myth to make absolutely certain that in order to achieve that singular objective—your liquidity date—you put on the hat of a great entrepreneur . . . and never take it off!

“Sole Purpose” is critical here.

“Sole Purpose” is to design, build, launch, and grow your company in exactly and definitively the way it must be done in order to prepare it for that supreme moment when the prospective buyer of your company, whoever that may be, walks in your door and asks you to show her your company, you not only can, but in precisely the way that will assure you she will say, Yes!—With a Great Big Check!

But, as most small business owners and entrepreneurs know, this is not so easily done.

“Wants to understand,” is a key phrase in all this.

Your prospective buyer wants to understand. Wants to understand what your company does, how your company does it, why your company does what it does, and what its Great and Singular Purpose is for being the company that it is. Wants to understand, even while fighting to hear you above the noise of the ever-increasingly complicated and dysfunctional world of “businesses” out there on the streets both competing with you and competing for your buyer’s attention.

And it makes absolutely no difference to your potential buyer whether those streets are virtual or brick and mortar; she’s up for anything that works better than everyone else’s, provided there’s a big and bodacious market for it, that is.

“Show me,” she’s going to say. And show her you must. But *what* you show her, and *how* you show it to her is the ball game here.

This book is about exactly that: *what* you’re going to show her, and *how*.

But for us to achieve our Sole Purpose here, this book must be much more than just that.

In order to get at that indelible moment when you're going to parade your prized company out for inspection, we need to walk you through the process of creating that Great Growing Company™ you're setting out to create.

At the outset—because that's where we are right now—in that you haven't *got* a Great Growing Company™ at all right now, you're going to set out to create one with what I call *“a blank piece of paper and beginner's mind.”*

Meaning, to first envision that great growing enterprise, your very first step is what I have named “The Dreaming Room™”. Think of this as the incubator where your Dream, your Vision, your Purpose, and your Mission are awakened in your Dreamer's, your Thinker's, your Storyteller's and your Leader's mind. You must first *see* what you're about to create, if you are ever going to be able to actually create it. And, of course, both must happen if you are ever going to be able to sell it.

So, let's walk through what you're going to find in this book. The nuts and bolts of it so to speak.

THE NUTS AND BOLTS OF IT

To set the stage for what you're about to do, it's important to face the reality of the marketplace, the marketplace of “small business”—what it looks like, why it looks like it does, and why that's extremely important for the conversation we're about to have.

Because the marketplace of small business is where your competition lives.

Not just the competition for the business you're in, the products or services you intend to sell and how you manage to do all that, but the competition for the business you're ultimately intending to *sell*.

You can't but be aware that there is a whole slew of companies who are determined to take your retail customers away, and that's a battle you're going to have to be prepared to fight if you're ever going to survive to the point of the ultimate sale of your company.

But, the true competition comes at the end of the game, not at the beginning of it.

The true competition really kicks in when you want to sell your company.

That's the ice-water-in-the-face time for most business owners.

That's the "holy shit" moment when most—say about 99%—of all companies wake up to the realization that they've been doing it all wrong.

All of that hard work, all of that great suffering, all of that "doing it, doing it, doing it" that they've been consumed with during the years preceding that moment when they finally think to themselves: "How do I get the hell out of here? How do I sell it?"

Then and only then do they come to see that there is no way they're going to get the hell out of there. There is no way they're going to sell it.

Because there is no one, absolutely no one, who wants to buy it!

That's the tragic truth of this tale.

Most small companies will *never* be sold.

They'll never be sold because the only one who might consider buying it is really only looking for a job. And that guy doesn't have any money!

An accountant is looking for an accounting practice.

A chiropractor is looking for a chiropractic practice.

A poodle clipper is looking for a poodle clipping practice.

If that erstwhile buyer—who in reality is a job-seeker wanting to be his own boss doesn't have any money, what's that seller going to do when that buyer is gone?

You got it. He just ekes out the rest of his life until he closes his business. And then goes into subsistence. On Medicare. Collecting Social Security, supplemented by whatever he may have managed to save over those hard years. "Doing it, doing it, doing it" some more, whatever that looks like. Whatever that means.

Yes, the sad and tragic story of most small business owners when their business comes to a close is that . . . *so does their life!*

Wow! Is that what you're doing this all for?

Well, of course it isn't.

But, that's exactly what's going to happen if you ignore what I'm going to share with you here.

That's the sad and sorry reality of the small business marketplace.

That *is* the true nuts and bolts of it.

Design your company for sale, or suck wind when you're done. Exactly at the time you can least afford to!

THE EVOLUTION OF AN ENTERPRISE

Which is why in this book I'm starting out at the very beginning of your company, where you're standing right now.

What I call NewCo, rather than OldCo.

Because unless we start out at the very beginning of this company you're designing for eventual sale, at NewCo, rather than at OldCo, we'll hopelessly be called to *fix* OldCo, trying to make it work better than it does, and while that's what everybody tries to do, it's the very worst strategy of all.

So, instead of applying my working ON it mantra to OldCo, as everyone thinks they need to do, we're going to apply it instead to the company I call NewCo, by asking you the most essential questions anyone can ask of the company you're about to create: "What is it here to do, and why?"

Or, said in another way: what's your company's Dream, Vision, Purpose, and Mission?

Your **dream** is the great result your company intends to produce.

Your **vision** is the form your company must take in order to produce that result.

Your **purpose** is the outcome you're going to produce for your most important customer.

Your **mission** is the core operating system you must invent for your company to succeed at what it's setting out to do.

THE WAYBACK MACHINE: DREAMING THE E-MYTH EXPERIENCE

In my case, early on in my entrepreneurial career, way back then in 1977, my dream was “to transform the state of small business worldwide.”

My vision was “to invent the McDonald’s of small business consulting.”

My purpose was to make it possible for every independently owned small business owner who heeded our call to create a small company as successful and as replicable as a McDonald’s franchise was and is.

My vision was to invent a turnkey, intelligent, business development system we could deliver to every small business owner in every vertical market—chiropractors, physicians, contractors, gas stations, coffee shops, attorneys, you name it—at less than the cost of a minimum wage employee.

Turnkey consulting.

Just like McDonald’s was and is.

Deliverable by anyone, regardless of their personal level of business experience.

That's what we knew had to be done in order to prepare our company for sale.

And, no, I didn't set out to become a great consultant or coach.

I set out instead to create a great consulting System that, once done, once proven successful, once it worked everywhere we were called to apply it, would be eminently scalable.

And because of that, we would transform an industry that hadn't yet begun.

In short, we created the coaching industry.

Eleven billion dollars strong today.

We did that by coming to grips with what I *now* call “the evolution of an enterprise.”

And that progression is the roadmap and the key to the eventual sale of your company.

Because unless and until you can do that very same thing for your customer—meaning your company—there will be no Exit Strategy for you or your family.

There will be no Liquidity Date.

There will be no great buyer at your door.

There will be only more of the same.

Let's not let that happen.

Let's flesh out the rest of this story, so you can completely understand what we're about to do together, and why.

YOUR BUYER IS LOOKING FOR SCALE

Yes, your buyer is looking for scale.

Your buyer isn't looking for the company you are today. Your buyer is looking for the company you'll become in the future.

Because that's where your buyer will find HIS Exit Strategy.

Whether that's going public, or being acquired, or growing it like crazy as Facebook has done.

The ability to Scale is the key to all that.

Unless your company can demonstrate that it possesses the ability to scale, to grow, grow, grow, because the way it does what it does is truly scalable, your buyer won't become your buyer, he'll not even say hello!

So, let's look at the process for scale.

STEP ONE

THE DREAMING ROOM™: THE PLATFORM FOR EXPONENTIAL GROWTH

The first step, as I've already said, is your Dream, your Vision, your Purpose and your Mission—the ever loving platform for exponential growth.

Your **Dream** tells the story of who you intend to become. The Great Result your company intends to produce in a way no other company has ever produced it.

Your **Vision** tells the story of what your company will look like, act like, and be like in order to manifest that dream as an ongoing reality. That's why I said, "to become the McDonald's of small business consulting." Because IF we could do that, we then would have achieved the strategic result every sensible buyer would be passionate about. Why? Because McDonald's is the most successful small business in the world! What an exemplary model to fashion our great company on. Furthermore, it was never a question of IF we could do that. It was simply a question of HOW we would do that. That's what we set out to do. And that's what I'm suggesting that YOU must set out to do, no matter what kind of business you're in.

Your **Purpose** tells the singular story of why your company is worth doing. It's all about your most important customer. Who they are, why they are, and what's going on with them. Your purpose starts and ends with your most important customer. Just as at E-Myth, our dream said our most important customer was an independently owned small business. Or, rather the owner of one. And, there were millions of them. Billions, actually, worldwide. All of them struggling to get by. None of them truly understanding why it's such a struggle. What if we could figure that out for them? That was our purpose. To figure that out for them. To figure out why most small businesses don't work and what to do about it. Which is the subtitle of my most famous book, *The E-Myth*. Get it? That's what *you've* got to do as well. Figure it out for them. For your most important customer. And then, once you get that that's what you, as a newly born entrepreneur, are here to do, you'll then, perhaps for the very first time, understand

that unless or until you do that, you'll never succeed at selling it. Not to Microsoft. Not to Apple. Not to Mary Kay Cosmetics. Not to Google. Not to anyone who is a truly spectacular buyer of small, scalable companies . . . in order to better grow theirs! Because you won't have a worthwhile story to tell them.

Finally, your **Mission** will show your most important buyer how you did what you set out to do. Your Mission is the System at the heart of it all. Just like the System at the heart of McDonald's. Just like the System at the heart of Mary Kay Cosmetics. Just like the System at the heart of Starbucks, and Subway, and Apple, and Ameriprise, and Century 21, and UPS, and Uber, and so forth and so forth. It's "the System, Stupid!" is what everyone knows it must be. Because without a proprietary, Turnkey, scalable, muscular, indigenous and intelligent System at the heart of YOUR company, it will never be able to do what the word 'scalable' demands it to do. In short, without that remarkably sonorous System living and breathing at the heart of your company, without that Turnkey Operating System—the OS of your business—there will never be a brand worthy of that name. There will never be a personality great gobs of customers identify with. As they do with Apple. As they do with Starbucks. As they do with every great growing company worthy of the name. There will never be what's needed to make your sale.

So, you see, in the very *beginning* of NewCo, lives the very *end* of NewCo.

How you *start* NewCo will determine how you *end* NewCo.

And that's why a blank piece of paper and beginner's mind are so critical at this stage of the game.

Because, without them there is no basis for a foundational strategy.

And, without a foundational strategy, all we've got left is "doing it, doing it, doing it!"

Which is the tactical reality of almost every small company.

Let's grow beyond that.

THE HIERARCHY OF CONTINUOUS GROWTH

So, you've now got your platform for exponential growth in place.

You've got your Dream, Vision, Purpose, and Mission well in hand.

What's next?

What's next is putting your platform to work. And the way you put your platform to work, is by taking your company through the evolution we've spoken about before.

Think of it as "the hierarchy of continuous growth."

After you've created the platform, the very next step in the hierarchy of growth is called **the Job**.

The Job is not the job every small business owner does. It's not the "doing it, doing it, doing it" version of the job we're all so self-consciously familiar with.

The Job we're talking about here is the creation of your turnkey Client Fulfillment System.

Without that, there will never be a scalable company.

It all begins or dies right here.

This choice to invent your Client Fulfillment System is the most elemental entrepreneurial choice of them all.

If you fail to make that choice, or, even worse, make the wrong choice, (as most small business owners continue to do), it's Medicaid and Social Security without fail. It's "doing it, doing it, doing it" until you simply can't do it anymore.

So, really, Step One of *Beyond The E-Myth* is making the sure decision that your job, your most *important* job as a new entrepreneur, is to *decide* at the very beginning, right here, right now, that you're in it for only one reason: to get your company ready for sale.

Inventing your Client Fulfillment System is where you begin.

Which is Step Two.

STEP TWO

THE JOB: YOUR CLIENT FULFILLMENT SYSTEM

Your Client Fulfillment System is the methodology through which you deliver the result you have promised to deliver to your most important customer in your Dream, Vision, Purpose, and Mission.

It's the how you do what you intend to do that's most critical to building the core, intrinsic value underlying the ultimate value of your company.

The Job, then, is a Visual Job, an Emotional Job, a Functional Job, and a Financial Job.

It's how you integrate the visual, emotional, functional, and financial components of your company of one as you design, build, launch, and grow it to become a company of 1,000.

So, it starts here at the very beginning with your NewCo.

At the Job.

And this is critical to understand: Rather than doing what most people will insist you need to do, i.e., focus your attention on getting customers—on sales—your first job in creating the Job has *nothing to do with sales*. It has everything to do with Client Fulfillment. That is the Core Operating System behind what your company is solely here to do. The Visual, Emotional, Functional, and Financially intelligent System at the heart of what you intend to do is the system that defines, controls, and delivers everything you intend your client to experience from your company.

Call it the “QuickBooks” of your company. The Operating System which enables you to touch your most important customer to the quick.

Not that it IS software—at least not in the way we think of when we say the word software.

But like software (which is simply a coded system designed to support a particular result), your Client Fulfillment System—which may *be* or include software—is the method through which you produce the result your company was designed to produce for your customer.

THE WAYBACK MACHINE: THE JOB OF THE E-MYTH EXPERIENCE

In my case, way back in 1977, it was (and still is) the method through which we taught small business owners how to THINK about business, the core operating reality of any small business . . . what we named “The Seven Centers of Management Attention.”

Nobody, not Drucker, not Theodore Levitt, not any of the thought leaders of business back then, had ever organized the mindset about business in the way we set out to do.

We set out to invent what we called the “franchise prototype” paradigm—the business model I created for building a truly spectacular small business to grow.

That entire system—that way of thinking—made it possible for us to organize the key components of what began in 1977 as The Michael Thomas Business Development Program, and, after my first book was written, became the E-Myth Mastery Program.

Today, it has evolved into what you’re holding in your hands right now: Beyond The E-Myth: The Evolution of an Enterprise: From a Company of One to a Company of 1,000!

A System is a way of thinking. And then, provided that that way of thinking has legs, it is a way of doing. And, provided that way of

doing has legs, a way of growing. And, provided that way of growing has legs, a way of being acquired.

So, here we are at the very beginning of that process. Evolving.

This is the beginning where you have imagined, created, captured, and codified your uniquely profound way of attracting and transforming the mindset of your most important customer, and by so doing, transforming the way they live their lives, like McDonald's did. Like FedEx did. Like, well, you get it. Like every stunningly inventive great growing enterprise does.

So, now that you've invented your turnkey Client Fulfillment System, and documented it in manuals, your software, your "This is how we do it here!" book, we can go on to Step Three. The Practice. Your Client Acquisition System.

STEP THREE

THE PRACTICE: YOUR CLIENT ACQUISITION SYSTEM

You know what you're here to sell.

You've designed, built, launched, and grown it.

You have documented it and put it into your "This is how we do it here!" book—which is the most important book you will ever write in your life, because you can transfer it to someone other than yourself.

So now you're ready for Step Three. The Practice is actually two legs of what I call your "Three Legged Stool."

Your Practice is your Franchise Prototype.

It's the Core Operating System of your company for growth.

The first leg of your Franchise Prototype is the leg you've just invented and built, your Client Fulfillment System.

The second leg of your Franchise Prototype is called Lead Generation.

The third leg of your Franchise Prototype is called Lead Conversion.

Put those last two legs together—Lead Generation and Lead Conversion—and you have your Client Acquisition System.

Put the three legs together and you have the very heart of your about-to-be-developed business operating system—the franchise you're about to grow.

WHY “FRANCHISE”?

Over the years, our use of this word 'franchise' has been a sticky notion to some. It needn't be. It should, in fact, be totally liberating. It should provide a unifying guideline to any entrepreneur intending to grow from one to 1,000. Let me clarify so that it doesn't stand in the way, but rather, lights the way:

Think of the word 'franchise' any way you like. Think of it literally, that you're actually going to franchise your company, creating multiple copies, over and over and over again. Or, think of it metaphorically, that you're not actually going to franchise it, but you are going to grow it exponentially, systematically, and systemically, in whatever form you've decided it will take.

But, however you think of the word ‘franchise,’ understand that the process of growth can be no better implemented than by thinking of it through that lens. Because, you are a franchisor whether you think that way or not.

In that way, Apple is a franchise, as is Google, as is every company on the face of the planet, if they’re humongously successful, that is.

When you strip it down to the bones, a ‘franchise’ is quite simply your company’s proprietary way of doing what it does. It is the unique way you do that, captured in your operating system, and available to everyone who needs to know, so that they can do it exactly as you dreamed it—so it can be flawlessly scaled.

Because the word ‘scale’ lives at the heart of every great company. And there’s only one way to do that. The one way to achieve that one way is what I’m introducing to you right here.

Which is how you create a great Business.

STEP FOUR:

THE BUSINESS: AND YOUR TURNKEY MANAGEMENT SYSTEM

A Business is nothing other than an aggregate of up to seven turnkey Practices, plus a Turnkey Management System.

Why seven?

Because it is almost impossible to effectively manage eight.

And if we’re going to grow it exponentially, we’ve got to be able to manage it exponentially.

Ambitious? Well, of course. This entire *mindset* is ambitious. If it *weren't* ambitious, it wouldn't be entrepreneurial.

What else is an entrepreneur if not ambitious?

That's why the term 'solopreneur' is a contradiction in terms.

True Entrepreneurs *never* go solo!

True Entrepreneurs grow.

Unless they're prepared to do that, they'll never be prepared to sell.

Which means, in order to finally sell your great growing company, it's got to *become* a great growing company.

And, unless it becomes a great growing company, it's not going to ever be sold.

Because that's all the buyer wants.

A great growing company to grow even more.

Remember, the buyer is buying the future, not the past.

That's why we've been doing all this work on the Job, on the Practice, and now, on the Business.

Getting it ready for sale.

So, let's look at it like this.

There was a reason why you designed, built, launched, and then grew your Turnkey Practice, and then documented it.

Because *without* doing that you could never grow a Business.

Your Business is the aggregate of up to seven Turnkey Practices, plus a Turnkey Management System.

Practice One is an aggregate of your Lead Generation, Lead Conversion, Client Fulfillment Systems: Your Three-Legged Stool.

Practice Two is the very same thing.

Practice Three is as well, as is Practice Four, Practice Five, Practice Six, and Practice Seven.

See your Client Fulfillment System as the hub of your Business Wheel.

See your seven Practices as the seven spokes of that wheel.

See your Turnkey Management System as the software at the hub of your Business Wheel, enabling each and every one of your people, whatever their role is on that wheel—Lead Generation, Lead Conversion, Client Fulfillment—to access exactly what each needs to know in order to perform what they're responsible for in the implementation of their turnkey responsibility.

In truth, your Business cannot operate effectively without this matrix!

And if your Business cannot operate effectively without it, it can't grow!

The entire purpose of all this is to prepare and then enable your company to grow. From a Company of One, to a Company of 1,000!

Which then prepares it to design, build, launch, comma and grow your exhilarating Enterprise!

And that, ultimately, is what your buyer wants to buy.

STEP FIVE:

THE ENTERPRISE: AND YOUR TURNKEY LEADERSHIP SYSTEM

Your Enterprise is the end product of this entire process. It is the product of the hierarchy of growth. It's the reason we've been doing this work together. It's the 'Enterprise' we're speaking about in "The Evolution of an Enterprise." And it's why we're talking about 'companies' and not 'small businesses', because, as you can now see, they're not 'businesses' at all.

Because if they were 'businesses' they would only be 'businesses' in order to design, build, launch and grow into an enterprise, which is the culmination of the business development process we're engaged in here.

And the sole reason for that is to design a *business* product for someone—an investor, a buyer, a strategic partner, a great growing company of its own—to acquire.

So, let's then define an Enterprise in much the same way as we defined a Business.

An **Enterprise** is an aggregate of up to seven Turnkey Businesses, plus a Turnkey Leadership System.

See the seven Turnkey Businesses, again, in much the same way as we saw them earlier, as an aggregate of up to seven Turnkey Practices.

Business One comprises up to seven Turnkey Practices, each of which comprises a Turnkey Lead Generation System, a Turnkey Lead Conversion System, and a Turnkey Client Fulfillment System.

As do businesses Two, Three, Four, Five, Six, and Seven.

So, our Enterprise, comprising as it does, up to seven Turnkey Businesses, consists of up to 49 Turnkey Practices.

See the very same wheel we spoke of earlier.

In this case, the wheel has as its hub the Client Fulfillment System necessary to produce the great *results*. The Enterprise was designed to produce on behalf of its most important customer, and each of its seven spokes—now Businesses—produce the *customers* the hub is intended to serve.

Each of them through what are now 49 Client Acquisition Systems, the spokes of the Business wheel we spoke about earlier.

But now, in the Enterprise, we add the final piece needed called The Leadership System.

Because Managers need Leadership, if they're ever to provide the essential ingredients needed for the large and growing network of technicians fulfilling their responsibilities for producing the results this great growing enterprise is being designed to produce.

Leadership is the critical function that:

- shows the complete picture of the Enterprise once done, visually, emotionally, functionally, and financially;
- shows the culture that lives within that Enterprise, the spirit of it, the behavior of it, the standards of it, the *raison d'être*;
- shows the brand of that Enterprise, why it is positioned the way it is positioned, the place it owns in the market it serves; and
- shows the track each individual can pursue, from Apprenticeship, to Craftsmanship, to Mastery—from White Belt to Black Belt—from the very outset to maturity, in the language intended to scale, consistent with the mantra, “every small business a school.”

This school, this Enterprise, this cultural phenomenon, this community of aspiring individuals, each of whom is presented with the unparalleled opportunity to excel, all of this is what Leadership is about.

All of this is the means and the ends of the process we’re engaged in, as we prepare this Enterprise, the cultural phenomenon of it, a System which excels at what it does, which is a match made in heaven for the one who is going to acquire it, because it has accomplished in the real world of ‘things’ what only a small, almost imperceptible number of companies has done.

Thus the reason we call it a Great Growing Company™.

The reason we did the work that we did.

And the reason for this book, *Beyond The E-Myth: The Evolution of an Enterprise. From a Company of One to a Company of 1,000!*

Let's get started!

Part I: Chapter One

THE DREAM

I would have you consider that the highest purpose of the human species is to justify the gift of life.

—Norman Cousins, *The Celebration of Life*

No worthwhile venture can be started without a clear and compelling Dream.

Yes, it's an edict promoted throughout entrepreneurship, the social economy, as well as the academic world. But it is rarely understood in the way we're going to be discussing it here.

A true entrepreneur's Dream is not personal. It's *impersonal*. It's not about the dreamer, it's about the *consumer*.

The Dream we're talking about is the great result you intend to produce in the world through the development of a company which excels at fulfilling that Dream.

And, as we begin this exercise of ours to design, build, launch, and grow your company to scale, it's critical for you to think of your “consumer” in two ways—and in this order:

First is the consumer who's going to buy your *company*.

Second is the consumer who's going to buy your *product*.

Wait! What? Why in that order?

Because unless you have a clear picture of who's going to buy your company at the outset of this process, you will more than likely spend years going after the wrong retail consumer, with the wrong product, and end up creating the wrong company.

Don't want to do that, do we?

For after all, that's what most EVERYONE has done, isn't it?

Spent years—if they've managed to survive at all—working in the wrong company, building the wrong business, all because they started by accepting (or selecting) the wrong customer?

As the old expression goes, working their fingers to the bone, or, more bluntly, working their ass off, nonstop, hoping against hope that in time it will become easier.

And produce more.

But, of course, it doesn't.

And it won't.

You just get older.

Pisser.

A BLANK PIECE OF PAPER AND BEGINNER'S MIND

To discover your Dream, a dream worthy of the overwhelming amount of energy and capital you're going to have to invest in it, isn't easy.

Above all, it doesn't start out the way you might think—with a sudden realization that **THIS** is what you were meant to do. That **THIS** is your calling. There's no bright flash and fade-to-white like in the movies.

No, the Dream we're talking about here starts out with **Nothing** rather than with **Something**.

It's the *absence* of something which stimulates this kind of dreaming, rather than the *presence* of something.

Indeed, the true Dream is most often completely counterintuitive.

The Dream we're talking about is more likely to arise from the discovery of extreme pain out there, rather than the promise of extreme pleasure in here.

A Great Growing Company™ is as likely to be catalyzed by watching a guy run his car into a tree as it would be by envisioning a more elegant interior for that very same car.

More by, "What in the hell happened there?" than by, "I love to design car seats."

The Dream of a Great Growing Company™ is more apt to be inspired by the mind and imagination of an earnestly captivated reporter looking for a great and compelling story, than it would be by a guy who fashions himself becoming the next Henry Ford.

In short, Dreaming as we're speaking of it here has nothing to do with being inspired to become a great entrepreneur, or to get rich, or to own a large Cabin Cruiser entertaining and being entertained by 10 nubile, bikini-clad women on it . . . or men!

Dreaming, as we're describing it here, has nothing to do with the millionaire next door, or the billionaire flying his own personal jet, or owning your own island and traveling to exotic places. It is without all of the stuff the famous do (or we're told they do), with fast cars, beautiful friends, and exotic night life—hanging with the 1/10th of 1%.

No, while all those trappings might be lovely, entertaining window dressing, they wouldn't fuel what we're about to pursue here.

Instead, they will most certainly distract us from it.

A blank piece of paper and beginner's mind means that you're open, empty, interested, curious, and love being that way, so that as stuff happens around you—and within you—you're able to see it, take it in, and turn it into what it's come forth to actually tell you.

A blank piece of paper and beginner's mind happens right now, not in the future. It's a state of being, a presence, not a pursuit of something.

That's why so many of the best entrepreneurs in the world tell the paper napkin story with such glee.

And why some of the greatest companies on the planet started out just like that—on a paper napkin.

Why a paper napkin?

Because that's what happened to be available when the idea came through.

They didn't walk around with a bunch of paper napkins in their pockets in anticipation of the great event.

(And please don't say I suggested that!)

Rather, something—a thought, a picture, a flash, an idea, an experience, a fresh awareness—came to them—whether they were ready for it or not.

Then they grabbed whatever was available to capture it—on that paper napkin, that matchbook, that recorder on their phone, the back of that overdue parking ticket.

That's the blank piece of paper part.

The 'beginner's mind' part was that they were accessible to what 'came to them.' They were literally an open door. A clear channel. Right then and there. In that very moment.

Most of us, unfortunately, are rarely open doors.

Even now, while you're reading this, it's quite possible that your mind is closing down. Distracted by a conflicting thought pulling you away. That happens to all of us, doesn't it?

Associations form. This thought triggers another thought, another experience, a desire, a fear, a memory from the past, a troubling feeling in the present, a doubt about the future. Something you need to do. Something you planned on doing. Something that has become a part of your programming. Something that didn't work out, or did work out.

Your program is the automated self you've unintentionally become.

The You everyone knows you to be.

The most often False Personality constructed unintentionally out of the maelstrom of conflicting components of your day-to-day script. The part you've been playing. The character you've been fashioned out to become. The life which is living you in what we know to be, your "day-to-day."

All of that—those conflicting thoughts and feelings—those spiraling chains of distractions—the assumptions and the reservations—must be put away as we begin this process of dreaming.

All that entraps us in our "day-to-day."

If we are to pursue the unknown as an entrepreneur, it is exactly our "day-to-day," which must be annihilated.

It is that which I mean when I speak about "A Blank Piece of Paper and a Beginner's Mind." It's the annihilation of our "day-to-day."

And in that annihilation, a door opens.

And then, the only question is, who walks out of it, and who walks in?

THE PROCESS OF DREAMING

We begin the formal process of Dreaming in what I've come to call The Dreaming Room™.

I've told this story many times, but it's essential that we engage in it here, whether you're familiar with it or not.

THE WAYBACK MACHINE: FROM OUT OF E-MYTH TO THE DREAMING ROOM™

I created The Dreaming Room™ in 2005, as a response to my many years of frustration with my E-Myth clients.

Since my origination of the E-Myth paradigm in 1977, we had worked with over 100,000 small business clients. We called it coaching.

Clients in every kind of company—attorneys, accountants, doctors, graphic designers, machine shop operators, software engineers, gas station owners, Pilates instructors—you name it.

The strategy we pursued was designed to systematically eliminate the host of frustrations our small business clients experienced in the day-to-day operation of their small companies.

And we did eliminate them.

Not every one or every time, of course. But, often enough.

But the frustration I experienced was that few of our clients made the shift from being what I called “technicians suffering from an entrepreneurial seizure” to becoming and behaving like true entrepreneurs.

In short, my E-Myth days were spent fixing broken businesses, but not successfully enough fixing the broken mindset required to turn those struggling small companies into abundantly successful large companies.

That shift of mindset, from the technician to the entrepreneur, from a tiny company, completely dependent upon the person who owned it, to an abundantly productive company many times that size, called for more than just working on their existing company, putting the pieces together, as we’d call it.

So, it called for a wholly new approach to the business of business.

It required an entrepreneurial approach.

It screamed out for an inspiration. A fresh insight. An innovative perspective about something going on in the world (in our case, our E-Myth world) which needed fixing, and a determination to do something about it.

Something disruptive. Something definitive. Something highly differentiated to awaken the true entrepreneur within.

But in order to do that, we needed to define that.

Meaning, we had to deal with the question: “What *is* an entrepreneur?”

How is an entrepreneur constituted differently than the usual small business owner?

Do you remember earlier, when I suggested that our Dream comes out of the *Nothing* rather than the *Something*? So it was in identifying our true entrepreneur.

The overriding question I was called to ask and answer was: “What is *missing* in this picture?”

What were we missing in all our work with small business owners?

What was the source of their (and our) continuous frustrations?

Why was it so damn difficult for our clients to rise above the entrapment of what I came to call “the tyranny of routine”?

In short, in order to awaken the entrepreneur within, we first had to define what an entrepreneur actually is.

Before the dreaming could begin, we needed to identify who it was that was going to be dreaming it.

Now we were beginning to tease that new something out of nothing, and it coalesced into the Dream which then informed the creation of the process we called “in The Dreaming Room™.”

And that led finally to the realization that an entrepreneur isn’t just one person, but four; *a complex of four personalities!*

THE ENTREPRENEUR AS A COMPLEX OF PERSONALITIES

It became obvious to me that there were actually four personalities inside of every entrepreneur, each with its own role, each with its own contribution to the emergence of an enterprise.

Take out any one of those four personalities, and a serious gap would be created in the process of inventing and implementing a successfully emerging company.

Those personalities not only define outcomes, but the linear process through which those outcomes are created.

Those personalities are **The Dreamer**, **The Thinker**, **The Storyteller**, and **The Leader**.

The Dreamer has a Dream.

The Thinker has a Vision.

The Storyteller has a Purpose.

The Leader has a Mission.

Dream. Vision. Purpose. Mission.

The essential raw components of an enterprise. The essential four components missing in almost every small business.

To think about them in another way:

The Dream is The Great Result.

The Vision is The Form the Company is going to take.

The Purpose is the profound Impact the Company is going to have on its Customer.

The Mission is that great Business Operating System which will enable The Dream, The Vision and The Purpose to be manifested as an operating enterprise.

In my case, with The Michael Thomas Corporation, my Dream was *“to transform the state of small business worldwide.”*

My Vision was *“to invent the McDonald’s of small business consulting.”*

My Purpose was *“to provide every small business owner with the ability to succeed just like a McDonald’s franchise does.”*

My Mission was *“to invent the Turnkey Business Development Operating System essential for every small company to operate as effectively and efficiently as the most successful of companies do. All at a cost any small business owner could readily afford.”*

In short, my Great Growing Company™ intended to eradicate small business failure from the face of the planet.

I reasoned that with The Dreaming Room™ process in place, (my NewCo), everyone will be able to discover their own Great Result, their own Vision of operating integrity, their own profound customer impact unlike anything ever delivered before,

their own systems approach to delivering it at a cost that everyone can afford.

But, for all that to occur, first must be The Dream.

And before The Dream, must be The Dreamer.

THE DREAMER: WHO AM I? WHY AM I HERE?

I led my very first live Dreaming Room™ in December 2005.

There were 35 participants.

None of us knew what was about to happen.

All we knew was that we were going to spend 2½ days together to “awaken the new entrepreneur within.”

I’d never lead a Dreaming Room™ before. Nor, when we started on that Friday evening, had I prepared anything to do it other than my extreme (and I hoped, not misplaced) confidence in my ability to figure it out while doing it, accompanied by an 11" x 17" pad of blank paper—“The Dreaming Room Pad™”—and a bunch of variously colored felt tip pens wrapped in a ribbon we provided to each of our guests.

My intention was to share my frustrations with them, working as I had over the previous years with broken small businesses, and to tell them that unlike anything I had done before, this weekend was not intended to fix their broken business, or solve their existing

problems, but to discover how true entrepreneurs might create, “with a blank piece of paper and beginner’s mind.”

I assured them that the process would reveal itself to us, as I pursued it at the front of the room, and as they joined at the front of the room in the many “hot seats” we would conduct with any of them courageous enough to engage with me, one on one.

And so it began—the first of 59 such Dreaming Rooms™ I would lead over the next five years.

What a revelation those Dreaming Rooms™ were!

To me, and to my unwary participants.

Not one of us was prepared for the realizations that showed up.

How those pads of paper filled up, and were torn up, and then filled up again!

How out of the ordinary were those revelations! Whole hosts of strangers came to visit with and within the participants; people they’d never met before. People who came up to share their lonely stories at the front of the room. People who couldn’t sleep any longer, couldn’t hide any longer, couldn’t stifle their imagination any longer, couldn’t lay supine any longer, couldn’t deal with their unexpressed guilt, rage, or pain any longer.

Entire new worlds were discovered by each and every one of them. The many barriers to opportunity they’d unintentionally erected over the years exposed themselves in all their obstinate colors. Couples discovered why their relationships weren’t working. Partners

discovered why they never should have become partners, given each of their unexpressed needs, their unexpressed desires, and their unexpressed, conflicted, and conflicting perceptions of reality.

“Who am I?” became the overriding question.

“Why am I here?” became the prevailing issue.

“What do I *really* want?” was batted from pillar to post, as we began to realize that, if we were to truly create a stunningly emergent enterprise, we were all asking the wrong questions.

That, until we discovered who we truly were, how we truly went about our day-to-day business, why the way we were accustomed to doing that was invariably going to produce the very same results we had grown accustomed to, estranged from, and nothing other—until that unimaginably difficult shift occurred, it was unlikely anything other than the false and silly dreams we were creating on our blank pieces of paper, all in lovely brilliant color, would ever truly reveal itself to any of us.

It was in this process that we discovered that the key to awakening the new entrepreneur within wasn't to evoke more narcissistic subjectivity, as our culture had suggested, but instead, to evoke a rare form of *objectivity*, enriched with and by a *new* form of subjectivity, one with which we had little experience.

And we harnessed that evolved form of subjectivity that we saw was informed by a living matrix of emotional intelligence, and intellectual intelligence, and incased in a freely floating pragmatic intelligence imbued by both and encompassing all.

Emotional Intelligence, Intellectual Intelligence, Pragmatic Intelligence—which together were to invite a supreme liberation of sorts from the unmistakably automated evolution we were all struggling to reject, but within which we had each been imprisoned.

You see, each of us in that Dreaming Room™ had each come to believe in the myth that we had grown our lives intentionally, when the process we engaged in together in those 2½ days demonstrated to us exactly the opposite to be true.

Indeed, despite how successful most of us had become in our time, instead of the free thinkers we thought ourselves to be, we had become automatons instead.

Our automatic behaviors—habituated as they were —made it almost impossible to engage in a blank piece of paper with a beginner's mind.

Made it truly almost impossible to create anything original at all.

In fact, the seemingly blank piece of paper in the pad before us was already full before we put a pen to it.

And the Beginner's Mind we so proudly pursued was a figment of our obviously untutored imagination. We had long ago given up even the possibility of it.

What now?

THE DREAM IS THE PRODUCT OF THE DREAMER

Indeed, the first task in The Dreaming Room™ became obvious: that before we discovered our Dream, we first, it seemed, had to discover (or uncover, or recover) our Dreamer.

That our Dream was the product of The Dreamer within. As were the Thinker and the Storyteller and the Leader.

That we were *born* with The Dreamer within.

That the Dreamer already existed within us, and it was that capability every one of us already possessed. So, in fact, it wasn't our job to discover it, but to allow it to express itself.

To get out of its way.

To allow it to do its job.

Isn't that astonishing? In The Dreaming Room™ we each discovered, to one degree or another, that our job was to get out of the way of the Dreamer within.

And, as we did so—and only *when* we did so—could we fulfill the promise we had each, knowingly or unknowingly, come to fulfill.

As that occurred to us, we also discovered that each and every one of us were possessed of a uniquely personal, albeit objectively pragmatic, Dreamer.

To Steve, it was about spirituality.

To Lyndon, it was about relationship.

To Judy, it was about love.

To Jim, it was about personal responsibility.

We had no idea why that was so. But, during the 2½ days we spent together, it became absolutely clear that it was so.

The Dream for each of us then became a product of all that.

And, in turn, an objective.

A Great Result.

A possibility that took form in the statement we, each of us, created to express it.

As said, in my case, “to transform the state of small business worldwide.”

That was to become the core platform upon which everything I was to create from that point forward was launched.

So, it became clear to me that it was in The Dreaming Room™ that *Beyond The E-Myth*, this very book, was born.

So WHO IS GOING TO BUY OUR COMPANY?

Once it was clear what we intended to do, and why we intended to do it, it became obvious who would be interested in buying us.

Just make a list.

In our case, it would be the company that created QuickBooks.

Why?

It's so obvious isn't it?

If we were to invent the Power Source for Small Business™; develop the systems at the core of it; successfully enroll small business owners to implement it; and then successfully deliver the improved performance each of our clients desired; and then, proof of the pudding, build it to scale; in the hands of ordinary people; all at low cost, not at high cost; to provide every one of our small business clients with an extreme competitive advantage—and to be able to PROVE it?

But of course we would be acquired, in a virtual *auction* of our wares.

That's why thinking of ones' company as a product is so important to this process.

Because just like a product, your company has to be packaged.

Visually, Emotionally, Functionally, and Financially.

A turnkey methodology which produces exactly the results it was intended to produce.

In our case, in every small business on the planet.

Just like Microsoft set out to do. Just like Apple. Just like QuickBooks.

Just like McDonald's. Just like Google. Just like just about every great growing company you've ever seen or heard about.

And, to achieve that objective, you have to see it when it's done. You have to see it out there at the end of the process, exactly as you intend it to look.

Because the seeing of it is essential if you're ever going to show it to someone else.

Which, at that point in time, when the buyer comes to your door, sounds like: "Let me show you what we've done!"

"Let me show you what I dreamed up."

Done.

Now let's take a look at your Vision.

THE VISION

The intensity with which you impress your subconscious with a picture of your plan directly affects the speed with which the subconscious will go to work to attract the picture's physical counterpart by inspiring you to take the right steps.

—Napoleon Hill, *Napoleon Hill's Keys to Success*

Now you can see how The Dream creates the foundation for everything that's to follow.

The first step in the process we're calling “The Hierarchy of Growth.”

Without a clear and compelling Dream, there is no ‘there there’. There is no forward-driving force. No source for inspiring the tradition lying at the heart of your company. There is no “meaning” as Viktor Frankl wrote about in “Man's Search for Meaning.”

There is no ‘Great’ in your Great Growing Company™.

The Dream, then, is where ‘The Great’ lives.

The Dream is what drives your Vision, your Purpose, and your Mission.

In the marketplace of ideas and actions, the Dream is who you are.

The Dream is your being, your philosophy, your existential reality, your purpose, your light in the dark surrounding it.

The Dream *is* the reason your company is alive.

It's your *raison d'être*.

Dr. Martin Luther King proclaimed, "I have a dream!"

And so must you.

But, having tentatively arrived at your Dream, discovering it, becoming convinced of it, now it must be given a form, if it is to be implemented.

Here we turn your quest into action.

Here we're going to turn your Dream into an operating enterprise.

Thus, the Vision.

The Vision tells you what your company is going to look like, act like, and be like, in order to produce the outcome, the Great Result, your Dream has set out before you.

The Vision frames and defines the great HOW through which your Dream is going to be manifested in the world and on the street, rather than just in your imagination.

In other words, your Dream must become "street smart" if it's to stand a chance of succeeding.

So, in establishing your Vision, you're looking for a street smart business model to emulate.

That does not mean you're going to become what someone else has created—you're not going to become McDonald's—but you *are* going to emulate this most successful street model by taking it apart and putting it back together again to fit your purpose—to get the results you want.

Remember, all of this work we're doing is about getting results.

We're not creating *only* to be creative.

We're not innovating *simply* to be innovative.

We're not going into business, *just* to go into business.

We've got a serious end in mind.

And, to discover how to get there, we're going to want to study the laws of the universe in which we live to most effectively produce exactly what we're looking for.

So what, again, ARE we looking for in the development of our Vision?

We're looking for a SYSTEM that has already proven itself.

An operating system that has already enabled an entrepreneur to achieve the sort of end result we are setting out to achieve; one that contains a turnkey capability to scale a turnkey company that produces the result we've set out to produce.

What better example can I give you than McDonald's?

McDONALD'S: THE PERPETUAL MOTION MACHINE OF PURE PERFORMANCE

Yes, at the heart of your Vision, providing the bones for the HOW of your Dream, which provides for the scaling of your company for sale, resides McDonald's.

Because—and this is important—at the heart of McDonald's beats the word “**turnkey.**”

Understand, turnkey is not simply a mindset exclusive for McDonald's; it's a systemic reality at the core of every great object and phenomena on the planet.

Where turnkey doesn't exist, random rules.

Where systems thinking isn't alive and well, chaos is.

I flew from San Diego to Houston on a 747. It left on time, gained altitude, headed east according to a pre-determined route and a rigid system of ground control, pilot feedback, and self-correcting instrumentation, and landed on time, and systematically ushered out its passengers. Turnkey.

I drove my car from San Marcos to Carlsbad, following operational routines that were instilled in me 60+ years ago, on interconnecting surface streets and highways that are laid out to intersect with my start point and destination. Turnkey.

I'm writing this chapter on MS Word. Of course, I have (what at first may seem to be) an unlimited, infinite number of choices I can make in selecting words, concepts, and length of paragraphs, (I have, after all, a virtual blank sheet), but the process of booting my laptop, opening MS Word, ordering up a blank template (or a saved document), and transferring these thoughts to that electronic page is routine, fixed, and predictable. In fact, in the final analysis, so are my creative choices, because I've chosen to conform to the standards and conventions of all of my previous books. The content, of course, is new—but the style itself has become a disciplined part of the system. Turnkey.

So now, I'm inventing (or looking for an existing model that could be repurposed to support) a new platform for operating a small company. And I *know* that if it isn't turnkey, it will be a disaster.

My Vision, then, is that of a turnkey enterprise; built to operate in exactly the way I intend it to; producing exactly the result I intend it to; and providing to our customers exactly the outcome I intend it to. Just like Lockheed Martin does every day in its Skunk Works. Just like Supercuts does every hour, or Starbucks does every minute.

And, in order for me to be able to accomplish that, (or, indeed, any of the founding entrepreneurs in the above enterprises), I need to either emulate a standard operating reality which someone has already created, or begin at the very beginning and invent my own from scratch.

The problem with “from scratch” is that it's ignoring everything that has probably already been learned about the process.

Which doesn't, by the way, fly in the face of a blank piece of paper and beginner's mind, it simply augments it.

You see, as we begin, as we pursue the outcome we're intending to produce, as we're inventing a new machine to achieve a result not yet achieved by the old machines out here doing what they're doing, what I hope to find is a way that's already been used to produce a different outcome than the one I'm intending to produce, but operating with exactly the same standards and expectations, while dealing with the very same kinds of constraints, frustrations, conditions, circumstances, and reality I know we're going to face in the creation, operation and management of *our* outcome.

Thus McDonald's has become, for me—and coincidentally, for you—a perfect premise upon which you and I get to benefit from what they've already accomplished, making McDonald's what I've come to call “the most successful small business in the world.”

So, in my case, as the author of The Michael Thomas Corporation, my Vision was “to invent the McDonald's of small business consulting.”

The picture I had in mind was a consulting system organized and orchestrated to such a standardized degree that I could then teach a relative novice—the McDonald's kid—to deliver it.

It was an outrageous idea.

All such ideas are outrageous.

If it weren't outrageous somebody would have already done it.

But to my way of thinking it was all so obvious.

I asked, how come nobody has done this before?

To my way of thinking, it was ridiculously simple, that when we solved this problem—the operating failure of almost every small business—the economic performance of the world would be transformed.

Since the economic performance of the world resided in the hands of small business, not in the hands of the largest companies on the planet, what a miracle it would be once we figured this out.

And to me, figuring this out seemed like a walk in the park.

Why couldn't we?

It was just nuts and bolts and the like, wasn't it?

And so we did.

Our Dream gave it energy.

Our Vision gave it form.

Our actions gave it the life needed to produce it in reality.

YOUR VISION BECOMES YOUR FRANCHISE PROTOTYPE

Now, this is a very interesting and important point, and it has everything to do with the underlying premise of this book, where I say “from a company of one to a company of 1,000!”

It is here that you must understand that I'm not suggesting that you must create an enterprise with 1,000 employees in order to achieve your Great Result.

Instead, I'm *emphatically* saying that you must create a company that has the *ability to achieve that objective*, and in order to demonstrate that ability, you must build out the platform to prove it.

The platform to prove it is what I call your franchise prototype.

Your franchise prototype will be one small business, primed, ready and able to grow a very big one. I call that one “small business” your **Practice**.

You'll remember that Your Practice is the three-legged stool, combining Lead Generation, Lead Conversion and Client Fulfillment—the three essential systems—into a turnkey capability prepared to scale.

What I'm suggesting is, that no matter what you intend The Great Result of your enterprise to be, to realize it, to fashion it in such a way to definitely be able to realize it, you must design, build, launch, and grow that Practice just like McDonald's did.

From its very beginning—here in the Dreaming and Visioning stage—you intentionally and consciously and audaciously design, build, launch, and grow your company *as if you intend* to franchise it.

And once you get what I just said, you should very quickly understand why I've persistently and consistently used the model called McDonald's as the perfect exemplar for every entrepreneur, creating any enterprise, producing any outcome it intends to produce.

That foundational Dream, married to the systemic McDonald's model, framing the Vision, makes it sustainable and expandable.

The system itself made manifest in the Vision provides for scalability, innovation, and expansion, while keeping the core objective intact and supreme.

Your Dream gives it energy.

Your Vision gives it form.

Your actions give it the life needed to produce it in reality.

MICHAEL E. GERBER

Innovator, Entrepreneur, Author and Thought Leader

Everyone who knows small business knows Michael E. Gerber.

The mega-bestselling author of 28 ‘E-Myth’ books has appeared in The New York Times™, Business Week, Inc. Magazine, FORTUNE, Forbes and Wired. The Wall Street Journal named *The E-Myth* the #1 business book of all time (November 2011), having sold millions of copies, and has now been applied in 145 countries, translated into 29 languages, and is taught in 118 universities.

Gerber is the originator, in 1977, of the small business coaching industry, with his founding of The Michael Thomas Corporation, The E-Myth Academy, E-Myth Worldwide, and the Michael E. Gerber Companies, which, since that time have served over 100,000 small business clients.

Today Michael's passion is devoted to launching “Beyond The E-Myth: The Evolution of an Enterprise: From a Company of One to a Company of 1,000!: The Course—The Program—The Book”—a revolutionary process to prepare a small company for acquisition by designing it to scale.

Michael E. Gerber says, “Every Life A Legacy! – Every Small Business A School!®” His work with small business owners around the world has led to the transformation of tens of thousands of small companies, and the creation of a platform for intelligent, managed, socially profound growth. His Dream? “To transform the state of small business worldwide.”

Michael and his wife, Luz Delia, live in Carlsbad, California.

Find out more: www.beyondemyth.com

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