What Every Successful Entrepreneur *Knows*



The E Myth Revisited

Why Most Small Businesses Don't Work and What to Do About It

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The Entrepreneurial Myth

They intoxicate themselves
with work so they won't see how they really are.

—Aldous Huxley

The E-Myth is the myth of the entrepreneur or the entrepreneur myth. It runs deep in this country and rings of the heroic.

Picture the typical entrepreneur and Herculean pictures come to mind: a man or woman standing alone, wind-blown against the elements, bravely defying insurmountable odds, climbing sheer faces of treacherous rock—all to realize the dream of creating a business of one's own.

The legend reeks of nobility, of lofty, extra-human efforts, of a prodigious commitment to larger-than-life ideals.

Well, while there are such people, my experience tells me they are rare.

Of the thousands of business people I have had the opportunity to know and work with over the past two decades, few were *real* entrepreneurs when I met them.

The vision was all but gone in most.

The zest for the climb had turned into a terror of heights.

The face of the rock had become something to cling to rather than to scale.

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Exhaustion was common, exhilaration rare.

But hadn't all of them once been entrepreneurs? After all, they had started their own business. There must have been some dream that drove them to take such a risk.

But, if so, where was the dream now? Why had it faded?

Where was the entrepreneur who had started the business?

The answer is simple: *the entrepreneur had only existed for a moment.*

A fleeting second in time.

And then it was gone. In most cases, forever.

If the entrepreneur survived at all, it was only as a myth that grew out of a misunderstanding about who goes into business and why.

A misunderstanding that has cost us dearly in this country—more than we can possibly imagine—in lost resources, lost opportunities, and wasted lives.

That myth, that misunderstanding, I call the E-Myth, the myth of the entrepreneur.

And it finds its roots in this country in a romantic belief that small businesses are started by entrepreneurs, when, in fact, most are not.

Then who does start small businesses in America?

And why?

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The Entrepreneurial Seizure

To understand the E-Myth and the misunderstanding at its core, let's take a closer look at the person who goes into business. Not after he goes into business, but before.

For that matter, where were you before you started your business? And, if you're thinking about going into business, where are you now?

Well, if you're like most of the people I've known, you were working for somebody else.

What were you doing?

Probably technical work, like almost everybody who goes into business.

You were a carpenter, a mechanic, or a machinist.

You were a bookkeeper or a poodle clipper; a drafts-person or a hairdresser; a barber or a computer programmer; a doctor or a technical writer; a graphic artist or an accountant; an interior designer or a plumber or a salesperson.

But whatever you were, you were doing technical work.

And you were probably damn good at it.

But you were doing it for somebody else.

Then, one day, for no apparent reason, something happened. It might have been the weather, a birthday, or your child's graduation from high school. It might have

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been the paycheck you received on a Friday afternoon, or a sideways glance from the boss that just didn't sit right. It might have been a feeling that your boss didn't really appreciate your contribution to the success of his business.

It could have been anything; it doesn't matter what. But one day, for apparently no reason, *you were suddenly stricken with an Entrepreneurial Seizure.* And from that day on your life was never to be the same.

Inside your mind it sounded something like this: "What am I doing this for? Why am I working for this guy? Hell, I know as much about this business as he does. If it weren't for me, he wouldn't have a business. Any dummy can run a business. I'm working for one."

And the moment you paid attention to what you were saying and really took it to heart, your fate was sealed.

The excitement of cutting the cord became your constant companion.

The thought of independence followed you everywhere.

The idea of being your own boss, doing your own thing, singing your own song, became obsessively irresistible.

Once you were stricken with an Entrepreneurial Seizure, there was no relief.

You couldn't get rid of it.

You *had* to start your own business.

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The Fatal Assumption

In the throes of your Entrepreneurial Seizure, you fell victim to the most disastrous assumption anyone can make about going into business.

It is an assumption made by all technicians who go into business for themselves, one that charts the course of a business—from Grand Opening to Liquidation—the moment it is made.

That Fatal Assumption is: *if you understand the technical work of a business, you understand a business that does that technical work.*

And the reason it's fatal is that it just isn't true.

In fact, it's the root cause of most small business failures!

The technical work of a business and a business that does that technical work *are two totally different things!*

But the technician who starts a business fails to see this.

To the technician suffering from an Entrepreneurial Seizure, a business is not a business but a place to go to work.

So the carpenter, or the electrician, or the plumber becomes a contractor.

The barber opens up a barber shop.

The technical writer starts a technical writing business.

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The hairdresser starts a beauty salon.

The engineer goes into the semiconductor business.

The musician opens up a music store.

All of them believing that by understanding the technical work of the business they are immediately and eminently qualified to run a business that does that kind of work.

And it's simply not true!

In fact, rather than being their greatest single asset, knowing the technical work of their business becomes their greatest single liability.

For if the technician didn't know how to do the technical work of the business, he would have to learn how to get it done.

He would be forced to learn how to make the business work, rather than to do the work himself.

The real tragedy is that when the technician falls prey to the Fatal Assumption, the business that was supposed to free him from the limitations of working for somebody else actually enslaves him.

Suddenly the job he knew how to do so well becomes one job he knows how to do plus a dozen others he doesn't know how to do at all.

Because although the Entrepreneurial Seizure started the business, it's the technician who goes to work.

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And suddenly, an entrepreneurial dream turns into a technician's nightmare.

See the Young Woman Baking Pies.
See the Young Woman Start a Business Baking Pies.
See the Young Woman Become an Old Woman.

I met Sarah after she had been in business for three years. She told me, "They have been the longest three years of my life."

Sarah's business was named All About Pies (not its real name).

But, in truth, Sarah's business wasn't really all about pies—it was really all about work. The work Sarah did. The work Sarah used to love to do more than anything else. Plus the work Sarah had never done in her life.

"In fact," Sarah said to me, "not only do I hate to do all this (she spread her arms, taking in the small shop in which we stood) but I *hate* (she emphasized the word almost fiercely)—I *hate* baking pies. I can't stand the thought of pies. I can't stand the smell of pies. I can't stand the sight of pies." And then she started crying.

The sweet fresh aroma of pies filled the air.

It was 7 a.m. and All About Pies was to open in thirty minutes. But Sarah's mind was someplace else.

"It's seven o'clock," she said, wiping her eyes with her apron, as though reading my mind. "Do you realize I've been here since three o'clock this morning? And that I was up at two to get ready? And that by the time I get the pies ready, open for business, take care of my customers, clean up, close up, do the shopping, reconcile the cash register, go to the bank, have dinner, and get the pies ready

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for tomorrow's bake, it'll be nine-thirty or ten o'clock tonight, and by the time I do all that, by the time any normal person, for God's sake, would say that the day was done, I will then also need to sit down and begin to figure out how I'm going to pay the rent next month?

"And all this (she spread her arms wearily again, as though to accentuate everything she had just said) because my very best friends told me I was crazy not to open a pie shop because I was so damn good at it? And, what's worse, I believed them! I saw a way out of the horrible job I used to have. I saw a way to get free, doing work I loved to do, and doing it all for me."

She was on a tear that I didn't want to interrupt. I waited quietly to hear what she would say next.

Instead, she kicked the huge black oven in front of her with her right foot.

"Damn!" she exploded.

"Damn, Damn, Damn!"

For emphasis, she kicked the oven again. And then slumped, sighed deeply, and hugged herself, almost desperately.

"What do I do now?" she said, almost in a whisper. Not really asking me, I knew, but asking herself.

Sarah leaned against the wall and remained there quietly for a long moment, staring at her feet. The large clock on the wall ticked loudly in the empty shop. I could hear the cars driving by on the busy street in front of the shop as the city came awake. The sun shone harshly through the spotless windows, sweeping

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the gleaming oak floor in front of the counter.

I could see the dust in the stream of light, hanging suspended as though waiting for Sarah to speak.

She was deep in debt.

She had spent everything she had, and more, to create this lovely little shop.

The floors were the best oak.

The ovens were the best ovens.

The displays were charming, the very best money could buy.

She had put her heart into this place, just as she had put her heart into her pies, falling in love with baking as a young girl, mentored by her aunt who had lived with her family while Sarah was growing up.

Her aunt had filled her family's kitchen, Sarah's childhood, with the delicious, sweet aroma of freshly baked pies. Her aunt had introduced her to the magic of the process: the kneading of the dough, the cleaning of the oven, the sprinkling of the flour, the preparation of the trays, the careful cutting of the apples, the cherries, the rhubarb, the peaches. It was a labor of love.

Her aunt had corrected her when, in her haste, Sarah had hurried the process. Her aunt had told her, time and time again, "Sarah, dear, we have all the time in the world.

Baking pies is not about getting done. It's about baking pies."

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And Sarah thought she understood her.

But now Sarah knew that baking pies was about "getting done." Baking pies was ruined for her. At least she thought it was.

The clock continued its emphatic ticking.

I watched as Sarah seemed to shrink even closer to herself.

I knew how oppressive it must be for her to find herself so deeply in debt, to feel so helpless in the face of it. Where was her aunt now? Who was going to teach her what to do next?

"Sarah," I said as carefully as I could.

"It's time to learn all about pies all over again."

The technician suffering from an Entrepreneurial Seizure takes the work he loves to do and turns it into a job. The work that was born out of love becomes a chore, among a welter of other less familiar and less pleasant chores. Rather than maintaining its specialness, representing the unique skill the technician possesses and upon which he started the business, the work becomes trivialized, something to get through in order to make room for everything else that must be done.

I told Sarah that every technician suffering from an Entrepreneurial Seizure experiences exactly the same thing.

First, exhilaration; second, terror; third, exhaustion; and, finally, despair. A terrible sense of loss—not only the loss of what was closest to them, their special

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relationship with their work, but the loss of purpose, the loss of self.

Sarah looked at me with a sense of relief, as though she felt seen but not judged.

"You've got my number," she said. "But what do I do now?"

"You take this one step at a time," I answered.

"The technician isn't the only problem you've got to deal with here."

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