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12 Questions from the E-myth

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12 Questions from the E-myth

Chapters 1 & 2

Question 1

Michael Gerber, dubbed the "World's Small Business Guru," walks us into the "Entrepreneurship Misconception," or "E Myth." He claims that most people starting a new business are not business people but instead excellent staff who have had enough and choose to venture independently into entrepreneurship and business ownership. This is what he refers to as an "entrepreneurship seizure." It is a flawed assumption that someone who knows a company's technical expertise can effectively oversee a similar work. To put it another way, most self-employed people work on their businesses rather than in them. Those who excel in business do so because they have an unquenchable need to learn more. Mastering a business's hands-on work does not imply that an entrepreneur will understand the business that engages in technical and hands-on work. The term "E-myth" is the notion that having a lot of enthusiasm and knowledge is enough to establish a new business.

Question 2

There are key takeaways from chapters one and two. One major takeaway is the concept of the fatal assumption that kills many start-ups. The issue is that everyone who ventures into entrepreneurship is three individuals in one: the Entrepreneur, the Technician, and the manager, all in one person. In the end, the three roles conflict with each other, hence affecting the business. The Entrepreneur turns every trivial circumstance into a business opportunity and has a visionary and creative personality (Gerber, 1995). In addition to that, the Entrepreneur is a character harboring a worldview, a global map of the overabundance of prospects, and craves control.

On the contrary, the manager is a pragmatic character who chases the planning, order, and predictability of business. The character also clears the mess created by the entrepreneur character and desires direction. The technician is a doer who tinkers with things, taking them apart and assembling them. The major takeaway is that the three personalities exist in a single entity, but they do not exist in equal measures. One character is always dominant over two personalities.

Question 3

Based on the three personalities, I consider myself a doer. I love to tinker with systems and examine different alternatives for achieving the same goal because I like implementing things. Suppose the Entrepreneur and the manager live in the future and the past, respectively; I consider myself a person who lives today. Provided that I am working, I feel happy, but that does not mean that I work on multiple projects simultaneously. I understand that I cannot accomplish much working on two aspects or different projects; only a person planning to fail would adopt such a strategy. So, I work sturdily, and I feel happy when I am in charge of the workflow. I do not like to think about the work to be done because I am a doer. Thinking, strategy formulation, goal setting is not in me. I am a hands-on person interested in accomplishing given tasks to reach the set goals and objectives. I also know that implementers like me are why the world is running because someone must actualize all great ideas and visions, and I am that person.

Chapter 3& 4

Question 1

The key takeaways from chapters three and four are that entrepreneurs should do their business needs and not what they want. Second, entrepreneurs should not shy away from seeking assistance whenever necessary. A majority of entities are operated according to the owners'

wants and not the needs of the business. Entities operating using this model are doomed from the beginning. In addition to that, this error is typically associated with the technician or a doer, who runs the company and is not after growth or change, but is looking for a place to go and work. The technician is looking for freedom to do what he pleases, whenever he feels, free from the limitations and pressures of the work environment. As per the author, a business operating in such a manner is doomed from the beginning and cannot live to maturity. In addition to that, every business undergoes three stages; embryonic stage, puberty, and adulthood stages. Typically, chapters three and four highlight the origin of a business and the puberty stage.

Question 2

In every infancy stage, the business owner is like a master juggler. The owner and his business are one entity, and the owner oversees all the business functions. According to Michael Gerber, the end of the infancy stage is signaled by the owner's realization that the entity cannot continue operating as it is presently doing because it is unsustainable and threatens the business and its future growth and survival. Upon this realization, the business owner must change how activities are run in a company (Gerber, 1995). It is also worthy to note that it is during this transition stage that most businesses cease to exist. In this case, the technician will respond by seeking technical assistance. Technical help involves enlisting the services of external parties with the prerequisite skills, knowledge, and experience that the technician and the business owner do not possess. The technician can also assume the manager's role in this stage and allow others to deal with the operational activities of the business.

Question 3

Abdication entails delegating tasks and obligations to a group without evaluating or supervising them. For example, in chapter four of the book, when a company enters the puberty

stage, it abdicates its responsibilities to the first employee. When a business owner hires the first worker to do the task they do not comprehend or do not want to do, they spontaneously learn what it entails to engage in entrepreneurship in a way they never understood. The technician breathes a sigh of relief, knowing that they will not engage in the task again. The manager personality in the technician is alive, and the technician temporarily goes to sleep. The owner's worries are over because someone is doing the work and the newfound freedom becomes too familiar. Michael Gerber describes this approach as management by abdication. In essence, just like many businesses, the technician hands over the mantle to the new employee and disappears until a time when the tasks at hand overwhelm the new employee.

Chapter 5 & 6

Question 1

Every juvenile company reaches a tipping point in which it goes past its founder's familiar background. The technician's limit is set by what he can do on his own. The management's role is measured by the number of technicians he can adequately oversee. The Entrepreneur's limit is determined by the number of supervisors he can enlist to a quest for his objective (Gerber, 1995). A business that pushes beyond its founder's ability to control or inspect its progress regarding growth and development has three options to pursue. First, if a manager cannot control the ensuing chaos, they can get rid of it and revert to the way operations were at the infancy stage, meaning the business should go back to being run by a technician. Second, the business can opt to go broke. Third, the owner can watch the business continue growing until it self-destructs from its expansion impetus. The third involves puberty survival, where the business owner must change and adjust to address the growing impetus of the business.

Question 2

According to Michael, great businesses must start great at the infancy stage for the entrepreneurial business model to function. He gives an example of the IBM company, which started by building a business and not conducting business. Constructing an entity is not about profits but adopting replicable systems that can produce the desired results for the clients. The entrepreneurial business model takes a broader measure. It considers the enterprise as a network of interconnected and integrated parts. Each component contributes to a comprehensive pattern that combines to produce a specific result in a systemic manner of conducting business. Compared to the technician's view of focusing on the task at hand and sees no link with present reality and the future of the business, the entrepreneurial model starts with the customer in mind. An image of a well-defined prospect then comes back to the current events to modify it to mirror the future vision.

Question 3

The most critical element of a business is the customer because businesses exist to fulfill customer needs. In this regard, the business is vital to itself because it is assumed that it is a product competing for the attention of other businesses and products. The entrepreneurial business model perceives clients' needs in a particular segment innovatively and has less concentration on what the business does and how it is done. In this perspective, what is crucial to a company is not the product but how the product is delivered to the customer. In addition to that, the Entrepreneur considers the business as the ultimate product (Gerber, 1995). To business owners, the client is an opportunity since a customer offers different wants to be fulfilled. Therefore, the Entrepreneur must try and figure out what the customers want and how these wants will change in the future. The technician, however, considers the product he delivers to the

clients as the most critical aspect of a business. They also consider clients a problem since customers never seem to want what the technician makes at the price set.

Chapter 7, 8, 9

Question 1

Michael Gerber argues that a self-reliant enterprise is grounded on systems and not personnel. That is the meaning behind the "turnkey" word. The concept means a business where one needs the keys to turn and unlock the doors and start operations. To be labeled a turnkey, an entity must be fully staffed and function adequately from the moment it is received. He used McDonald's model to explain that the actual value is not the product but how the product is sold. In McDonald's, the franchise was the most significant client and worked towards ensuring that the business works and a franchisee would see the value in buying the business. He ended up creating a product that is successful regardless of the owner. Another company that mirrors McDonald's in this perspective is Tim Hortons, a Canadian fast-food company. The business offers a turnkey model by setting up an investors' unit, selecting the staff, assisting with administrative issues, promotions, and international marketing.

Question 2

In the E-myth, Michael Gerber talks about creating an enterprise system dependent and not dependent because the systems run the business. In contrast, the individuals in the company run the systems. In addition to that, individuals owning businesses that depend on people cannot call themselves business owners because they have a job. For instance, consider a receptionist who answers phone calls regularly. A checklist and a procedure are followed to guarantee consistency regardless of who is posted at the reception desk. The advantage here is that even if the receptionist is sick and unable to work, there is an exact process that anybody can follow to

do the receptionists' work and offer clients the same services without interruption. In addition to that, once a system has been adopted, it is easy to sustain, and it frees employees to focus on other aspects of the business. Structures are redemptive, capitalize on the expertise, experience, and skills of the workforce.

Question 3

An entrepreneurs' first goal is to ensure that their business remains sustainable (Gerber, 1995). In this regard, they should remember that employees will come and go, and there must be systems in place to deal with this issue. Employees will leave the business for greener pastures for varied reasons, calling for an effective system to ensure the sustainability of the business. An adequate system can document and address how to conduct business. The system can also direct current employees to document their daily routines. With time, they help co-create a manual detailing the daily activities in the company. In this regard, when there is an employee turnover, the business will not experience significant upheaval since the joint knowledge base is secure and ready for new entrants to pick up from where the previous employee left. In addition to that, as suggested earlier, systems make employees better by allowing them to grow and innovate. Any positive ideas can be updated into the system, become standard procedures, streamline business activities, and frees up employees to focus on crucial aspects of the business.

Reference

Gerber, M. E. (1995). *The E-Myth Revisited Why Most Small Businesses Don't Work and What to Do About It*. HarperCollins Publishers Ltd. ISBN 9780887307287

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