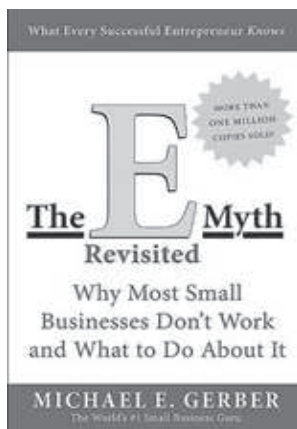


BOOK REVIEW - THE E-MYTH REVISITED



The 'E' word usage in our college has increased now and thanks to Swayam (E cell at SDMIMD) for this. The book 'The e-myth revisited' by Michael Gerber definitely changes our attitude towards E or Entrepreneurship. The author- Michael Gerber is co-founder, chairman and CEO E-myth worldwide. The company was founded to provide small business owners and entrepreneurs with the help they need to build the business that works. Till now it has helped over 25,000 small business owners to transform their businesses and lives. The general myths about business and entrepreneurship which we have in our minds are elaborately explained in this book and the solutions for the same are also discussed. The author wants to make us understand what business really is and what it takes to make it work.

"Over 1 million businesses start each year in US, at least 40% fail in first year, more than 80% fail in next 5 years and 80% of those who survive fail in second five years"

In the beginning the book generates interest in it because of the myths we have about businesses, and simultaneously breaks our belief that if a person understands technical work, he or she can start and run the business works. The fact that a technical worker wants to start his own business is appreciated

- Deepak Nesarikar, PGDM 2012-14

by the author and he calls it entrepreneurial seizure. The story starts with a woman named Sarah (Name changed) as a central character, who had learnt making pies from her grandmother and now owns a business called 'All About Pies'. Sarah hates taking up her business activities and because of it she is living her life with frustration. Sarah meets the author and narrates the way she was living her life, how miserable her daily schedule is. The author replies her by explaining the 3-way battle going inside her and every other small business owner. The warriors of the battle are nothing but our three personalities. He tells her, characteristics of every personality and how much each of these is required for any owner.

I liked the way he puts forward personalities. It is also interesting to read the explanations and effects of each personality on our behaviour as a manager or owner. The three personalities described are:

1. Entrepreneur(future)- Visionary, considers people as problems getting in their way and finds himself distanced from people, happiest when left open to construct images of future, see opportunities, wants control
2. Manager(past)- Pragmatic, does the planning, clears messes of entrepreneur, sees the problem, wants order
3. Technicians(present)- Doer, believes in 'if you want it done, do it yourself'

"Manager builds house and lives in it, Entrepreneur builds lives for instance and then go to build next one."

In continuation the author explains three phases of business. Infancy is when owner and business is the

same thing. The owner starts falling behind because of more work and hires his first employee to do work. Thus, the business moves into adolescence stage. Further business grows out of control and enters maturity phase. The author says that because of loads of work the business can either get small again or can get broken or it can survive. The reason behind the survival of the businesses is given as it is because of their entrepreneurial perspective. The E- perspective mentioned here, I found it to be very useful and thought provoking and related to what we are learning. The way the author defines E- perspective is 'business that fulfils the perceived needs of a specific segment of customers in an innovative way'.

The concept I liked the most while reading was Turn-key Revolution. It highlights selling a business instead of a product. This revolution took place in US and now it is called Franchise Prototype. The revolutionary effect of franchising of business and its scale are explained with examples of Ray Kroc, Walt Disney, and Henry Ford. The key facts of franchising business given in book are:

- Provide consistent value to customer
- Business should be operated by people of lowest possible skills
- All work should be documented in Operations Manual
- Business should provide uniform predictable service to customer

Author then guides Sarah into Business Development process by telling her the three steps to develop prototype. They are innovation, quantification, and orchestration. The best part of the book is the Business Development Program which consists of seven distinct steps. Each step has its own sets of

questions which I feel are also important for us to answer before we choose our career: entrepreneurship or a corporate career. The first step is to decide your primary aim. How would I wish my life to be on a day to day basis? How would I like people to think about me? How much money I need to do things I wish to do? Answers to these questions will become measures for your life's progress.

The author confuses you and makes you rethink about your primary aims. Further author gives organizational and people strategy which we can relate it with HR, management strategy (operations), marketing strategy, and systems strategy. The entire development program is explained with examples and in the form of a story which is the beauty of the book. It gives you a holistic view of a business and tells us lot of things other than textbook information.

"If your business depends on you, you don't own it. Work on your business, not in it"

The E-myth Revisited can be called as an eye opener for every aspiring entrepreneur as well as thought provoking for managers too. The whole book is in flow of conversation between Sarah and the author. It makes you feel as if you are reading a story book and in turn teaches us many managerial and entrepreneurial concepts. The style of writing makes the book outstanding and also the language is simple to understand. The author has defined the problems with entrepreneurs, identified their causes, provided necessary background information, and offered specific solutions successfully. The solutions and strategies are smart and simple that will work in any kind of business. Lastly, author has inspired confidence in me and book is going to be one of my collections and I believe the more I read it, the more I will understand.