



# PROFESSIONAL CHRISTIAN COACHING TODAY

Chris McCluskey & Kim Avery

*The podcast dedicated to Raising the Standard of Coaching...  
and Changing the World*

## Episode 062

### Michael E. Gerber on Beyond the E-Myth

CHRIS: I am very excited to bring you our guest today, Michael E. Gerber, the mega bestselling author of *The E-Myth: Why Most Small Businesses Don't Work and What to Do About It* and we are announcing today with him his brand new book, the culmination in many ways of all the other books that he has written in his E-Myth Series, *Beyond the E-Myth*, subtitled *The Evolution of an Enterprise From a Company of One to a Company of 1,000*. We have interviewed Michael before on this podcast back in episode #28. That one is entitled *Michael Gerber on Developing an Entrepreneurial Mindset*, if you care to go back and listen to that but Kim, for our listeners who have not heard that episode or aren't familiar with Michael's vast body of work and his impact on the world of small business, share a little bit about his background.

KIM: I would be delighted to do that. If you don't know already, Michael Gerber is truly an innovator, entrepreneur, author, and thought leader in just the deepest sense of all of those words. Inc. Magazine calls him the world's #1 small business guru. In 1995, the book you mentioned, Chris, *The E-Myth Revisited*, was declared the bestselling business book of all time by the Wall Street Journal and it's now been translated into 29 different languages. It's applied in over 145 countries and more than 100 universities around the world.

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In that book, *The E-Myth Revisited*, Michael stated that his dream was to transform the state of small business worldwide and he has, in many ways, done exactly that and not only for businesses but also an incredible number of ministries as well. *The E-Myth Revisited* has been cited as a primary resource contributing to the explosive growth of such influential ministries as Rick Warren's Saddleback Church, Andy Stanley's North Point Community, and Bill Hybel's Willow Creek Church. So with all of that, Michael, it's a thrill to have you joining us here again today.

MICHAEL: Thank you very, very much, Kim, and thank you, Chris. I'm delighted to be with you.

CHRIS: Well, you know I'm a fan of your previous works. Your dear wife, Luz Delia, contacted me years ago after learning, I think through one of our students here at Professional Christian Coaching Institute, that *The E-Myth Revisited* is required reading for the business launching course I teach here. That course is called *The Successful Coach* and that's how you and I first connected with, through your wife. If I were to summarize that monumental book, *The E-Myth Revisited*, again, not the one you're launching now but that book that's been out for, I guess, 30 years now, it would be to say that *The E-Myth*, E for entrepreneur, the Entrepreneurial Myth as you call it is this mythical notion we seem to hold in kind of our collective western culture minds that most small businesses are started and run by entrepreneurs, just kind of like a "duh", like an automatic, "Yeah, of course they are" and you contend that in fact, they are not started and run by entrepreneurs, but rather by what you kind of cheekily called technicians who've had an entrepreneurial seizure. They just kind of suddenly got a wild idea. "I'm going to get my own business started." Can you clarify what you mean by that, technicians having an entrepreneurial seizure?

MICHAEL: Absolutely and of course, Chris, you know what I mean and Kim, you know what I mean, but unfortunately, most people who are listening to us don't know what I mean by a technician suffering from an entrepreneurial seizure. What I

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essentially mean is that most small businesses were started out of a disconnection from what somebody is doing before - either working for somebody else and really hating it or they are unemployed, have just been let go, have just been what they used to call downsized and have no idea what to do. Well, what people do then is they become self employed and that's really what, in fact, has moved me to say technicians suffering from an entrepreneurial seizure. The cook opens up a restaurant, the chiropractor opens his doors to become a chiropractic service, the programmer starts a software company, the graphic designer starts a graphic design company, the coach starts a coaching practice.

CHRIS: There you go.

MICHAEL: Have them believing that they are actually in business when they are actually not. They are so far from being in business that when finally hopefully we wake them up to show them it's not a business at all, they are shocked and often times enormously resistant to the idea we're going to share with you right now.

CHRIS: That's just the point that I underscore with my students in my course is that the distinction between being a technician, someone who does something and does it very well and an entrepreneur who builds a business that allows you to do that thing so well are two radically different things. That's really what you drilled deeply on here is the skills, the mindset, the use of self, all of the things that go into building a business, a company, an enterprise that allows us to do the things that we want to do or that enables others even to come alongside as employees and do that thing, two very, very different things.

KIM: And I just have to interject here. I am the poster child for that book, entrepreneurial seizure. Michael, when I became a coach I literally had no idea that I had just become an entrepreneur and a business person. I really just thought how naïve or maybe I wasn't thinking at all that I would just tell people I was now a life coach and they would be lining up at my door and I would just spend all my day coaching all day every day, and so your book was a much needed

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wakeup call for me I'll tell you that. One of the things I remember you saying in that book was along with our technician self, which for me was somebody who loves to coach and that's what I want to do, coach people, I needed to bring two other distinct parts of myself to the table – my entrepreneurial self and my manager self – because each of this is important to systematize and operationalize our businesses. Talk a little bit more about that because there may be other coaches on the podcast here today that this is a new concept for them.

MICHAEL: What I'm saying that effectively is true is that each of us is an entrepreneur, a manager, and technician. Unfortunately, most of us only wear the technician's hat. We're terrible managers and we're not even entrepreneurs, meaning we don't go into this thing to invent a company that can work without us. We go to work doing it, doing it, doing it, busy, busy, busy to create a job for ourselves. Now, understand that isn't the only motivation. Of course, as a coach, Kim, you're motivated to move your clients, to awaken your clients, to inspire your clients. But understand until and unless you understand this very critical difference between the entrepreneur who has a vision, the manager who has a purpose, and the technicians who has got a job, you'll never, ever, ever be able to grow beyond what is called by the E-Myth, doing it, doing it, doing it.

I'll give you one very perfect example which will truly resonate with both of you. If those three churches that you spoke about, those three profoundly successful, enormously growing church you've spoken about and a whole bunch of others who have, in fact, taken in this theme, this thesis that I'm sharing with you, if they have failed to become true leaders, when I call entrepreneurs, if they had failed to become the true leaders that each of them had become their church would not have grown. Of course, growth of the church is key because of course you're out to touch the lives of as many people as you can possibly touch. Only once you awaken the entrepreneur within, the leader within will you rise above being just the pastor. You have to become the leader. You have to become the manager.

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You have to, in fact, organize your church, to enable your church to grow exponentially without you.

Well, the truth is every company has that obligation as well.

CHRIS: That is the paradigm shift. The shift in mindset really in the way that we look at what we are being tasked with when we seek to launch a business or a ministry and then who we have to become in order to actually fulfill that. If we don't make that paradigmatic shift, you point out very clearly in all of your writings that we basically just burn out ourselves out. We go from the exhilaration of "Hey, I've started my own thing" to the panic of "Oh my goodness, what in the world have I gotten myself into" but still being in that technician mindset why we just set about to work like a dog and we work ourselves into absolute exhaustion and either we kind of survive clinging by our fingernails or more typically, we just eventually burn out. The business closes, the ministry shuts. Nothing that could have been ever actually materializes long term. In fact, you point out statistically that about 80% of all new business ventures fail within their first five years because of this very process that you say is rooted in a mindset that will not carry them the distance.

I have definitely found this to be key to the success of my, I've actually run four businesses now and they have done extremely well, and also to nonprofits that I have cofounded, but Michael, I resonate really strongly with the frustration that you say you've increasingly experienced through all these 40 years or so of working with small business owners in that you talk about when they actually do beat the odds, they do survive but they are still just doing it, doing it, doing it as you say that they are not making any other shift beyond still basically being a technician. Their manager has put in place some amount of order, structure, and systematization. Their entrepreneur self has some little bits and pieces of vision for this thing, but in the end, they have ultimately just created for themselves a job. A job for themselves to show up in day after year after decade and if they quit working the business they have built, the business dies. That's the principle,

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I think, you are now targeting with this phrase of yours in the subtitle of this new book. Let's transition ourselves into this new book you have coming out, Beyond the E-Myth, because you used a phrase of evolving from a company of one to a company of 1,000. Talk about what you mean by a company of one.

MICHAEL: Well, a company of one is the company you've got when you're doing it, doing it, doing it, doing it. You understand a company of one represents about 70% of all small businesses, as they are called, on the planet. That means the guy, the lady is doing it, doing it, doing it. So if you have a little hamburger stand, you're making hamburgers or if you have a little graphic design company, you're doing graphic design and so on and so forth. All you want is more customers, more customers, more customers. I need more customers because I'm not making enough money doing it the way I'm doing it. It's a vicious cycle, Chris. It's a vicious cycle, Kim.

So you understand the process is critical to understand if it's not growing, it's dying. If it's not growing, it's dying. If the church is not growing, it's dying. If your company is not growing, it's dying. What's restricting it from growing is your lack of understanding of what you've just become immersed in. You understand the only reason I've gone Beyond the E-Myth I've just had about six months ago, my 80<sup>th</sup> birthday. My wife, my lovely wife, Luz Delia, celebrated my 80<sup>th</sup> birthday without letting me know we were celebrating my birthday. We had 83,000 people visit us at my 80<sup>th</sup> birthday party through streaming video. In fact, Chris, you were one.

CHRIS: That's exactly right. I got to join in virtually by streaming video.

MICHAEL: Just an amazing thing. I didn't even know that's what it was. I was told it was a speaking event. They had me speaking at my own birthday party and I didn't even know it was my own birthday party, but I tell you that for this reason. What I share with the world isn't my invention. It came to me when I realized years and years ago, this is way back before I founded my company in 1977 when I walked

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into a McDonald's hamburger stand having just come from one client and going to another client, and having this internal experience that something seriously was missing in this picture. With all this little companies, I somehow became a consultant for them and I couldn't quite put it there. I didn't know what it was. I knew something was missing, I just didn't know how to frame it until I walked into McDonald's. I walked into McDonald's and I had an epiphany. I suddenly saw it. I went there to get a hamburger. I walked out without eating but I had this immense impression which is, "That's it! That's it! That's what missing in every one of these companies, what Ray Kroc just did with this McDonald's thing. How astonishing. How could I have missed that?"

That's what I'm sharing with you right now. I've suddenly come to this place at 80 of saying, "I've got to do this better. I've got to do this better. They are reading my books but they are not doing what I'm sharing with them in my books because I haven't been able to break through this impasse, this technician's resistance, this guy who says yes but not for me, yes but not for "I don't want to grow, I don't want to grow, I don't want to grow," living in terror out of this negative imagination that he/she is possessed by that growth is bad, "growth in some way will destroy me as opposed to liberate me." I had to find a way to break through that and that's what Beyond the E-Myth is about, Chris and Kim.

KIM: Michael, thank you for that. If we could just circle back to that company of one question that Chris brought to the table, unpack just that a little bit more.

MICHAEL: Wonderful. What is a company of one? Let me give you the definition. A company of one is a company that depends upon the owner for its life. In other words, a company of one is dependent upon the owner for it to be surviving and stay alive. The owner is the company. The company is the owner.

The meaning of our lives is the legacy we leave behind and that legacy we leave behind is all embedded in this whole notion of taking the company of one to a company of 1,000 and preparing it for that brilliant moment when in fact my

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company is ready for sale. No scale, no sale. Just take that in your heart of hearts and understand that if that guy with a company of one were to go to work on his company in the way that I described in Beyond the E-Myth, step one through step 8, only eight steps, just think about that. If you do that, you're preparing your company for sale and if you're preparing your company for sale, there's an end game and that end game is the legacy you're leaving behind and someone will give you a check for it. Isn't that extraordinary? I'm saying your company is a product. Every one of you, your company is a product and it's the most important product of your life.

**KIM:** And that's what you've written in Beyond the E-Myth. You've spelled out exactly what must be done and why in order to transform our owner-reliant companies of one into two enterprises. It's to enable us to scale is what I'm hearing you say.

**MICHAEL:** Absolutely, to enable us to scale, to grow beyond one to 10 to 50 to 1,000, but for every single person listening to me right now who is doing it, doing it, doing it, doing it who is saying, "I don't want to create a company of 1,000. Where would I put all those people? I don't want to do that. I don't want to do that." What I'm saying to you is you don't have to worry about doing that. Hear me, all you need to do is prepare it to do that and to prove that it can do that, and in the process of doing that which is what I introduced to you in Beyond the E-Myth, you are truly improving the operational integrity of your company to the point where it could do something you never imagined possible before.

**CHRIS:** I think you just hit pay dirt on one of the most important takeaways for our listeners from this discussion. If I could wish something for everyone of them in terms of challenging their mindsets, helping to prompt this paradigmatic shift that's needed it's the focus that you put on these phrases like "a company of one" or "a company of 1,000" or "building your business to sell" or in the E-Myth Revisited, franchising in your franchise prototype model. When you use these terms, I think a lot of times people panic when they hear them. "Oh, that's not

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what I want. I don't want to have a bunch of employees. I don't want to sell this thing" and I love that what you're trying to do is use language to say "I want you to get in the mindset that you would have if you were going to franchise this thing. I want you to get in the mindset that you would have if you were going to sell this thing, if it were going to have value outside of you. If you focused on equity instead of just income, what I got coming in today and being stuck in the business.

MICHAEL: Let me point it out through you and this is so important for everybody listening here. Chris, you've created a system. You've created a system to teach coaches how to become extraordinarily effective coaches. Without that system, Chris, you'd still be coaching, coaching, coaching. Once you created that system, Chris, you can replicate yourself and now you can touch 100 more coaches, 1,000 more coaches, a million more coaches.

Now, ask yourself the question, what's the value that I bring to a coach? When you answer that question, what's the value I bring to a coach, you started this podcast with a prayer. That's the value you're going to bring to a coach. You're going to bring a way of doing something to that coach they never could have done until you went through the process of designing it, building it, launching it, and growing it, just like the spirit in every one of those great pastors whose churches are growing phenomenally despite what everybody says that God is dead, that the church is dead, that in fact, religion is dead.

You do know in the secular society say that. They actually believe that nonsense and all the time they are saying that, the church is growing, growing, growing beyond anything it had ever done before. How? By taking in a new mindset. So I want you to share that mindset with everyone you're speaking to because to the degree, everyone becomes a coach, Chris. Everyone can create an enterprise and to the degree that individual creates an enterprise, what is he/she doing? They are spreading the word. They are spreading the word. They are spreading the word, but not just the word but the action. Do you hear me? Am I making this clear?

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CHRIS: And you know, that is a rhetorical question with me because yes, absolutely. In fact, reading through *Beyond the E-Myth*, your new book here, for me it was a bit of a walk back in time because it took me back not only to the previous books but to just a couple of years ago when I took a group of our Christian coaches through your very first virtual dreaming room. Now, I understand you're not doing the virtual ones anymore. They are back to face to face, but at that time, you were experimenting with some virtual delivery of this thing you called The Dreaming Room which we haven't touched on here. You had done a series of 60 face to face events that you were calling dreaming rooms.

They were drawing together small business owners and you were inviting them to begin with what you called a blank piece of paper and beginner's mind. You really wanted them to come in in a classic coaching state of just being open to receive whatever things we would say from a Christian perspective, the Lord might download to them, but in classic coaching to just be willing to explore what is, and you identified four things specifically, what is my dreamer's dream? What is my thinker's vision? What is my storyteller's purpose? What is my leader's mission? It's way too much of course to go into depths here on this podcast, but at least leave us with a little bit about that because that's peppered throughout this entire book here. You're really inviting people into the beginnings of what becomes the dreaming room experience to get very, very clear as a small business owner about our dream, our vision, our story, and our mission.

MICHAEL: Yes and it's so critical because as you've said, in all of my *E-Myth* books, I talk about the three personalities – the entrepreneur, the manager, and the technician – but none of those books do I go deeply into the entrepreneur. In this book, *Beyond the E-Myth*, I'm taking the entrepreneur on completely. I'm not even talking about the technician anymore. I'm not even talking about what you're not doing anymore. I'm talking about what is here to do and so I talk about the entrepreneur and the four very clear personalities of an entrepreneur, whether that

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be Steve Jobs, whether that be Walt Disney, whether that be Mother Theresa, whether that be whomever that might be.

CHRIS: Yes, yes.

MICHAEL: And that entrepreneur is four people – the dreamer, the thinker, the storyteller, and the leader. In the new dreaming room, and I call it the new dreaming room simply because now I've extended the dreaming room into the four very distinct processes that must follow once you discover your dream, your vision, your purpose, and your mission. Once that occurs, you've built a foundation for what you're about to create and Chris, I'm going to say this to you in public. You get editor's rights and I'm going to say this, Kim. Chris, there's only one thing Chris McCluskey should be doing. There's only one thing Chris should be focusing his attention on. There's only one great thing Chris is here to do and that is Christian coaching. I'm saying your Christian coaching school is the one great thing Christopher McCluskey is here to bring to the world. Imagine if you could grow it like Ray Kroc for McDonald's. Imagine if you could grow it like Steve Jobs did Apple. Imagine if you ever dared to think like that. What would potentially occur? You would be touching pastures in every community on the face of this earth and you'd be bringing to them exactly what's needed in order for them to begin to think like Steve Jobs, like Ray Kroc, like all of the gentlemen you've mentioned whose churches are growing profoundly. Why? Because you're bringing God to bear, but you're bringing the tools that people can use to become successful at it.

KIM: I love that. I am sitting here watching Chris' face as Michael speaks this word over him. I just wish I could stand and give a standing ovation because I couldn't agree with you more, Michael, that Chris' work in the world has been well done and there's much less to do so that every person can have the opportunity to be coached and hear this wonderful tools, experience them, and be introduced to our God if they haven't already.

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MICHAEL: Thank you, thank you. Well, hear me. I say it and I'm saying it here live because that's the most important way to say it. I can even see Chris go inside as I'm saying it, not as an interviewer. You understand not as the interviewer in the interview, not as "here I've got Michael Gerber and we've got four minutes left," not like that, but inside Chris and his life because this is why you're here, Christopher. I knew it when I first met you. I relish your ability to do that and I can't bear the thought that you're doing anything other than that because all the rest of that is just stock.

This is the big one. Why? Because people are suffering out there in the world and you can bring them something that so few have the gift to bring. And it's such an important lesson. It's about how to put this to work in my life, not just for my life but for the lives of everybody I touch.

CHRIS: Yes. I do very definitely believe that some of what God is about here through this humble podcast and through Professional Christian Coaching Institute is a movement and that unlike the movement that you have been fueling and God has been doing through you for this 40 some odd years now in the entire E-Myth phenomenon. For our listeners' sakes, how can they find out more about Beyond the E-Myth, the dreaming room, all of your other services, Michael?

MICHAEL: All they have to do is go to [www.BeyondEMyth.com](http://www.BeyondEMyth.com) and they will immediately receive free preview of my new book, Beyond the E-Myth The Evolution of an Enterprise: From a Company of One to a Company of 1,000. But it's not just a book. Chris, you said it, it's a movement. Hear me. If I can move Chris to do what Chris is here to do, if I can get you to see it beyond where you are right now, Chris, I've fulfilled my, I'll call it ministry because I will then have touched the lives of the many, many tens upon tens of thousands of people you have yet to touch and that you absolutely must touch. Why? Because it's a movement. It's not services, Chris. It's not what I've got to sell, Chris. It's transforming the state of small business worldwide. It's for every life, every life a legacy. It's every small business a school. It's truly a movement and here I am at 80.5 ready to start

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it. To go as my wife says to 146. She's absolutely determined that I'm going to live to that age and I've committed to it because I can't let her down.

KIM: Well and I hope she's right. I really do. For those of you who are listening, please don't miss that fabulous opportunity to get a free preview of this book which releases December 7, 2016 and that's at [www.BeyondEMyth.com](http://www.BeyondEMyth.com). Also, for those of you who are listening who would like to become a professional life coach or professional leadership coach, as Michael has so eloquently laid out before you the opportunity to join a movement that truly does change lives, we have new classes starting in January and right now, we have a special Christmas offer. If you register before December 17<sup>th</sup>, you get – and I'm so excited about this – a choice of one of two gifts, either a free Apple watch, and I have to say as a proud Apple watch owner, that's a very good choice, or a 32 GB iPad Mini, which you can put under the tree or I'll keep it a secret and I won't tell anyone you got it and you can keep it for yourself. To check that out, just go to [ProfessionalChristianCoaching.com](http://ProfessionalChristianCoaching.com).

CHRIS: Michael, thank you so much for the legacy of your life, for investing as you have so faithfully so many decades in the lives of so many other small business and ministry leaders. You are indeed being used by God to transform the state of small business worldwide. Thank you for spending the time with us here today with our listeners.

MICHAEL: Thank you.

CHRIS: Gang, you know the mantra around here, keep raising the standard of coaching and changing the world.

KIM: God's richest blessings to you.

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