

An Interview with Michael Gerber, Author of “The E-Myth” And Entrepreneur Advocate

Hello, my name is Lon Safko, co-author of *The Social Media Bible*, published by John Wiley & Sons, the most comprehensive book ever written on the subject of Social Media.

Today we are here with the legendary Michael Gerber, author of *The E-Myth* and *The E-Myth Revisited* and advocate of entrepreneurs his whole career; and being an entrepreneur, I particularly appreciate that. And today we will be speaking about Social Media and the entrepreneur. So Michael, it is really great to have you here today.



MG: Well, thank you. Delighted to be here.

LS: This is exciting. I’ve read your books and always wanted to get a chance to be able to interview you and kind of pick your brain and share it with our audience. Can you tell us a little bit about your background and who you are and something about *The E-Myth* and *The E-Myth Revisited*?

MG: Well, I am Michael Gerber. I am of *E-Myth Worldwide*, the company I which today is the world’s #1 business-development/resource for small business, and now for the entrepreneur, as Founder and Chairman and CEO of a new venture called *The* well as the Founder of *Capital Corporation*; the purpose of micro-financing for entrepreneurs and business owners.



the Founder and CEO founded in 1977 development well. And I am the *Dreaming World*, as which is to provide

I am the Founding Partner of *Entrepreneurs Club Network*, the purpose of which is to attract entrepreneurs to pursue conversations with each other and with people who have been inordinately successful at finding adventure and wrapping that venture up. And *My Growth Resources*, which is a venture that is in the works, in the making (at My Growth Partners, My Growth Managers, My Growth Coaches, My Growth Attorney’s, My Growth Accountants, My Growth Capital, and on and on and on), to really feed the resources of entrepreneurship to enable them to have turnkey capabilities and services that can help them to ratchet up their ventures, their ideas and so forth and so on.

So I’ve obviously been busy.

LS: (Laughter) yes, it doesn’t sound like you have a lot of spare time, which makes me appreciate you taking the time to do this interview even more, after hearing that list.

MG: Well, thank you. Oh, I might add my new *Club-E Radio Show*, called, of course, *The Michael Gerber Show*. It launched on *BizRadio* in Texas and soon our intent is to be syndicated.

LS: Wow.

MG: One last thing. My wife is sitting here with me, my partner, and she is telling me what else I didn't mention. And finally, it is *The Michael Gerber Club*, which is a true Social Network, being launched even as we speak.

LS: Wow, geez. The thing that is exciting about the work that you do is first of all, for entrepreneurs. Again, my whole career I have been an entrepreneur and I've built 10 different companies, but the holistic approach that you are taking about providing support, providing guidance, providing capital...at *Club-E*, the Phoenix Chapter of *Club-E*, is just off the charts. What a great job! It is such an incredible resource!

MG: Thank you.

LS: Can you tell us the importance of the American entrepreneur or any entrepreneur around the world; what kind of influence does the entrepreneur have on American business?

MG: Well, the entrepreneur, for time immemorial, is what I consider to be the creator of all things good and all things bad that happen in the commercial enterprise. The entrepreneur is critical, and critical to economic development, critical to social development, critical to the breaking through into new places that we have never been before, critical in every industry; and every industry obviously is critical in the development of our Social Networks and our social awareness and our social capability. So great entrepreneurs create great things. Dumb entrepreneur create dumb things, but you cannot blame them because we are all pretty dumb and pretty great both at the same time.

But I cannot even imagine a world without entrepreneurship as its primary focus. The unfortunate thing is that we really haven't truly understood the true power of entrepreneurship as I have begun to communicate in my latest book, *Awakening the Entrepreneur Within*. And as I have communicated it in all my ebooks, that entrepreneurs are the inventors. They are, as Walt Disney calls it, "The Imagineers". They are the ones that conceive of a future that no one else could have imagined until some entrepreneur invented a venture to pursue it.

So entrepreneurs are constantly in pursuit of the impossible and that's truly the force, the economic force, the social force for every country, every market, and every human being on the face of the earth.

LS: That is absolutely amazing and I love that insight. Because if you really take a look at some of the greatest heroes that we have in business, whether it is Thomas Edison or George Westinghouse, or even Stephen Jobs; they are entrepreneurs at heart.

MG: That's exactly what they were; that's exactly what Steve Jobs still is. That's exactly what has created such huge mega-breakthroughs in our awareness of how to do things, how to get things done, what things to do, why to do them that way.

So if you just look at the passion and the energy that drives that entrepreneurial imagination, you begin to see that as we become more socially involved, as we become more socially aware of all of the problems that we face in the world, you understand that it is going to be the entrepreneurs (in what I call this Age of the New Entrepreneur), who are going to break through all of the barriers that confront us. These barriers of energy, the barriers of water, the barriers of food, the barriers of income, the barriers of all the things that keep people

where they are, as opposed to liberating them to do the things that we are capable of doing with this huge capability and resource that entrepreneurship and creativity, you might say, it is the source of.

LS: I get so excited when I hear you talk like that because when I was in my teens trying to go to guidance counseling in college and high school, I really did not know what I wanted to be. It was not until I was in my 20's that I actually realized that entrepreneur really is a profession and is nothing to be embarrassed about. When you wrote *The E-Myth* it was like, "Wow, this is something that I can be proud of. I'm changing the world."

MG: Yes, that is absolutely true. In fact, it is not a profession in my mind. It is a calling; not a profession.

LS: (Laughter) I totally agree. No matter how hard I've tried to keep jobs, I always go back to being an entrepreneur.

MG: (Laughter) why would anybody want a job?

LS: You know, that's the truth, honestly! What is the order of magnitude? How many single business/single-owner businesses do we have (entrepreneurs) here in the U.S. today?

MG: Well, that's an interesting question because it is impossible to answer in one respect but very possible to answer from unit-perspective. I've been told that 67% of all companies in the United States are sole-proprietorships. But understand those sole-proprietors are not true entrepreneurs; they are what I have come to call technicians suffering from an entrepreneurial seizure.

LS: (Laughter)

MG: They went out on their own, but they went out on their own to become their own boss, and that's not a worthy goal or a worthy ambition. Essentially it keeps everybody small. I get to be my own boss, but now I'm working for a lunatic who has never truly learned what in fact one needs to learn to build a truly stunning venture. So I'm essentially saying that the vast majority of companies in the world are not entrepreneurial at all. They're not interested in growth, they're not interested in breaking free of the past, and they're not interested in inventing a new modality and a new methodology, a new mindset. They are uninterested in transformation at all.

They are interested in simply replacing one job where I am working for someone else, to creating my own job where I am self-employed. So most small companies are really "frozen" at that place which is not where one expects them to go. They're frozen at a size which is only the first step in the process of growing a company; it's called "small".

Obviously it has got to be small in order to begin, but it doesn't stay small if you're truly approaching it from an entrepreneurial perspective.

LS: I really appreciate that, too, because so many people who just quit their jobs and work for themselves consider themselves entrepreneurs. But you are right, in my career it has been all about, "How do I build it? How do I bring it to the customer? Where do I raise the financing to grow my company? How do I start doing international sales?" It was always that constant drive to get bigger and better and provide a better product.

MG: Exactly! And if, in fact, you were able to start a small company knowing the “secret sauce” that’s critical to transforming the situation that a customer (a very specific demographic) has, then you understand immediately that it is just begging to grow because there are all those many millions of people who are suffering from that Inadequacy that effectively your company was invented to get rid of.

LS: Good point!

MG: And if, in fact, you had examined how to get rid of it, how could you possibly stay small knowing that people are struggling without your solution all over the place. You could not possibly (stay small); you would have been compelled to grow.

LS: Absolutely! It is that drive, it is that passion that we all have. In *The E-Myth Revisited*, don’t you talk a little bit about this “secret sauce” in there, if I remember correctly?

MG: Well, absolutely. The “secret sauce”, in my mind, can be found in many, many places, but I refer to it to be found in “hyper-speed” at McDonald’s, or at Dell Computer, or at FedEx, or at, in fact, Wal-Mart It’s the turnkey system. It’s the operating system that enables those companies to differentiate themselves as preferentially unique from all other companies.

So there’s the FedEx way, there’s the McDonald’s way, there’s the Starbucks’s way, there’s the Wal-Mart way. And their “way”, in fact, is nothing more or less than a system; an organized methodology for producing their result in their way for their reason to satisfy a real problem with a real solution, that nobody else has figured out to do just as well. And they’ve done that, (each of those companies and many, many, many more) and I’m saying that every company can do that. Every person, who in fact, has an entrepreneur inside of him, inside of her, can see that as the template for building any company or selling any service or product to a world-class level.

LS: Excellent! And that gets back to something that Tom Peters had said back in the mid-80’s about, “In Search of Excellence”. It is about identifying what your customers needs are that is what sets you aside from everybody else; and then developing that system of delivery with excellence to bring it to your customers. That’s what I see that makes you set aside from someone who is not really an entrepreneur.

MG: Well, when Ray Kroc started McDonald’s he started it with the license that McDonald Brothers gave him. He started it to build the most successful small business in the world. McDonald’s today (no matter what the shifts in the company have been) is the world's most successful small business. And in effect, even though it is a large company you understand the “secret of its success” resides in every single one of its stores.

And if it didn’t, it would not be the brand that it is today. When you understand that, is when you see that Tom Peters speaks to as "core excellence". How could you do it any other way? So excellence isn’t even a question when you are driven (as Ray Kroc was and when you are driven as Michael Dell still is, and when you are driven as the Founder of Starbucks was and is) to build a stunningly successful company. Excellence is the critical component that is begging the question, “How do we do what we do, and how do we do it in such a way that we can deliver a promise, continuously, to our customer that it will never, ever, ever do any less than that in any other way?”

LS: I love that! Love that! It's absolutely true. One of the things that got me excited about Social Media a couple of years ago was the fact that (small business in particular; and I've spent most of my life as a small-business person) with the tools, with the ability to blog and reach tens of thousands of people, with the ability of uploading videos to *uTube* and have people view your videos...for free...and to be able to create and use some of these Social Media tools to actually build and do the public relations and the marketing and the sales...all for free; I found that really exciting.

What are some of your thoughts about the use of some of these tools for the small-business owner that is strapped for cash?

MG: Well, I think they are absolutely, transparently necessary as the technology makes it available, more and more people need to learn about how to use that technology; how to exploit it to reach the people they formerly could not reach because it was too expensive for them.

So, obviously Social Media, if you will, is simply an identification of the technological resource that is available to everyone. They either take advantage of it, they either utilize it, or they fail to. And if they fail to, they cannot build a competitive advantage in their company. So we all have to be continually evolving as these forms, or exercises, are made available as they begin to reveal themselves through technology, through innovation, through capabilities formerly not available to us.

LS: That, I think, is an exciting insight. I heard a couple of things there. You really need to take advantage of the tools that are available to you, because if you do not your competition will; and you need to stay competitive.

MG: Well, right. I mean can you imagine (I can imagine because I was there when it was true) when we did not have computers! Can you imagine any businesses doing business today without a computer?

LS: (Laughter)...

MG: Can you imagine any business doing business today without *Windows*? Can you imagine any business doing business today without a fax? Can you imagine any business doing business today without a cell phone? Can anybody imagine doing business today without all of these tools, the vast majority (in fact all of which I just mentioned) have only been available to us for a very short period of time.

LS: Yes!

MG: Of course we have to take advantage of it! Of course, that's the big problem in the big opportunity. The big problem is small-business owners are so "intense" in the servitude that they have obliged themselves toward; just doing it...doing it...doing it; busy...busy...busy; consumed with all the ordinary tasks that they are confronted with and have been confronted with for generations. They haven't the time to envelope these new capabilities that are just waiting for them to use them, and they pay that huge price. They pay the price of "no" innovation, "no" quantification, 'no" orchestration, (which are) the three essential disciplines' of every managed company. And therefore they just end up working for a living.

LS: Those are great insights. I remember when I first got out of college; the computer was just coming out. Nobody really knew what to do with it. It is the same with the fax machine; it had only just come by a couple of years. It was amazing to think back then that people who actually bought a computer, or who bought a fax machine were considered “early adopters”; “cutting-edge”.

MG: Yep, it is amazing isn't it?

LS: And then these....

MG: I was born in 1936 and if I were to go back and do a study of all of the new things that occurred after I was born that were not available before I was born, it's almost a list of “everything”!

LS: (Laughter)

MG: You might even say it is a “list of everything”!

LS: It's close to it!

MG: Nothing was there that we take for granted today.

LS: Amazing! And that leads me to the next question. Where do you think we are going to be in 10 years? Specifically, how do you think the world of the entrepreneur has changed over the last 10 or 20 years? Do you see any changes?

MG: Well, I do not think the world of the entrepreneur has changed. I think that the ability to be an entrepreneur has increased almost exponentially, and that is primarily due to the internet, due to technology, due to technological opportunities that continually reveal themselves daily. It is almost as though it is an infinite array of options available to us to invent.

I think that is also the bad news, because in some way we believe that technology is critical to entrepreneurship. And I do not believe that technology is critical to entrepreneurship; I believe creativity is.

LS: Yeah.

MG: And so we look today at the rate of new businesses. We're told that half a million new companies are started in the United States every month. If you look at the failure rate of businesses that means that a significant number of those will not be here five years from now. And because of that, entrepreneurship is, we might say, on hyper-speed. That is, we get more and more and more people starting more and more and more ventures.

The failure rate is identically the same. And the failure rate is what I address in my *E-Myth* books. What I address is the awakening of the entrepreneur within. What I address in my new book (that will coming out the first part of next year, called “*The E-Myth Enterprise*”) is there are essential ingredients (I call them the “*Seven Centers of Management-Intention*”) that have never been altered, have never changed and are absolutely essential if an entrepreneur is to truly become a leader of the enterprise. That leadership role, the seven

essential disciplines of a world-class company (that I describe in my *E-Myth Mastery* book) are as important today as they were 100 years ago.

LS: I love that! *The Seven Centers of Management-Intention*. Can you just talk a little bit about the *E-Myth Enterprise* and what that particular statement means?

MG: Well, it's very, very simple. You know the words; it is leadership first, it's marketing second, it's finance third, it's management fourth, it's lead-generation/lead-conversion and client fulfillment (that's sixth and seventh). And those essential functions, those essential ingredients are organized into a scientific dialogue, one with the other, so that one can begin to see that there is a way to do these things that we believe are simply a natural, or unnatural, talent that people have. These are actually skills that are practiced and can be practiced by anyone.

And so it's been my focus in my *E-Myth Worldwide Company*, and now in my *In the Dreaming Room Company* to teach those skills, to inspire people to develop those skills, to coach people and train people in the utilization of those skills (which are really processes). "This is how you do it. This is how you do it. This is who you can then become when you know how to do this thing that you never knew you had to do before."

LS: And that's exactly what it is. The Social Media is exactly the same way. It is a set of tools that, when they are explained, you can easily understand them. But having someone put them all together in an organized list and explaining them so that you can know, then, how to follow through that process, I think that's worth a million dollars!

MG: I think it's worth even more than that!

LS: (Laughter) good point! I have not had a chance to experience *In the Dreaming Room* and I am really excited to do that sometime. Could you tell our listeners a little bit about what takes place in those conferences?

MG: *The Dreaming Room* is what I call an entrepreneurial incubator. And by that I do not mean incubation of the venture, I mean incubation of the entrepreneur. I call it "awakening the entrepreneur within" and in *The Dreaming Room* I teach people what "dreaming" is. Dreaming is, as I call it, intentional dreaming; not the personal dream but the impersonal dream. Those entrepreneurs are not driven by a personal dream; they are driven by an impersonal dream in order to affect the lives of countless other people through a company that has meaning. And it is the meaning of the company, and the meaning of the vision, and the meaning of the purpose, and the meaning of the mission, all of which serves to manifest the dream in reality, as one comes face-to-face with what he is really here to do.

I believe each of us is destined for a purpose here in life. I believe we discover that, or we don't! We don't discover that because we have failed to dream, and we fail to dream in a sufficiently intense way. We fail to dream in a sufficiently aggressive way. We fail to dream because we have turned into people who need to make a living.

Entrepreneurs don't need to make a living. We all need to make a living, of course, but entrepreneurs are not dedicating their lives to making a living, they are dedicating their lives to create meaning through a company that is two things: 1. Transformational, and 2. Scalable. And I am suggesting that anybody can, by coming to *The Dreaming Room*, begin to tuck themselves into themselves. And that awakening entrepreneur within will

have the power to do things we've never imagined before. And that's what happens in *The Dreaming Room*; with a blank piece of paper and a beginners mind, we begin the conversation about, "I have a dream. What is it?" "I have a vision. What is it?" "I have a purpose. What is it?" "I have a mission. What is it?"

I take people through that process and I have done that now in 45 *Dreaming Rooms* since I had my very first one in December, 2005. And next year I'll be beginning to do *Dreaming Rooms* significantly larger than the 35 to 50 people I've been doing them with. We will be doing them with 1,500 people, 2,000 people....

LS: Oh my God!

MG: ...10,000 people, as we begin to awake the entrepreneur within the world in earnest.

LS: It sounds like a movement! (Laughter)

MG: You just said it! It is a movement! Exactly!

LS: (Laughter) I wish these tools were available 20 years ago. Everything that you just said absolutely touched my heart, because that's exactly right! When I built the computer company (back in the mid-80's that developed the first computer to save a human life, and worked with the physically-disabled and developed the head-mouse and voice recognition environmental control) it really was never about trying to earn a living, it was about trying to help physically-disabled people and bringing new technology in, and making the world a better place. That was what my motivation was.

MG: Absolutely! When you tell me about those things, what you tell me about yourself (in telling me that your companies, your inventions, were heart-driven before they were any head-driven) is that your passion was the problem that you just knew you could solve if you were only to go to work on it. As I say in *E-Myth*, not go to work in it, (but) to invent a way to do that. And once you've invented a way to do that, that problem would have gone away. Something new would present itself to you. And then you start again.

LS: I love it! It is so inspirational. Michael, I hate to conclude this, but my gosh, this is wonderful. Is there anything else that you can add to the conversation or tell our listeners about regarding the American entrepreneur, Social Media, and some of the other things that are going on?

MG: Well, the American entrepreneur needs to connect with the other American entrepreneurs, the Bolivian entrepreneur, the Paraguayan entrepreneur, the Argentinean entrepreneur, the entrepreneurs that are awakening all over the universe; and we have to connect with each other. The problem has been that entrepreneurship, in many ways, is a very solitary venture. That is, we live very much on our own. We create very much on our own. Of course we need to bring teams around us, but those teams also become circumscribed by the little world they live in. We are so internally focused that we forget that we need to touch others who are dreaming as much as we are.

And as that begins to happen, and it will begin to happen with the *Michael Gerber Club*, with *Club Entrepreneur Network*, with all of the ventures that I've described and many, many, many more, there is going to be a renaissance of such a size and such a dimension that people cannot even imagine the implications of it.

This is an economic movement beyond anything that has ever occurred in the world before. And I am just delighted that I have been feeding it, I've been nurturing it, I've been supporting it for the balance of my life...and will be until the day I die. This is exactly what you called, it's a Movement. And it is a movement that demands, that requires, that inspires anybody that is entrepreneurial to connect with everybody who is entrepreneurial. Begin to understand that the aggregate sums of all of our imaginations will create something beyond anything anyone of us could have imagined before.

It is called "Group Genius" as an incredible guy once said. And that "Group Genius" is really here waiting to be explored. And when you talk about Social Media, of course, that's a means through which to begin to open the doors.

LS: In Social Media they call it "Wisdom of the Crowds".

MG: Yeah! We can call it whatever we want to call it, but when it happens there's no doubt about it.

LS: Yeah! Boy, anytime please count me in as a member of your team. I am with you 100%. Thank you.

MG: Got it! Well, just go to www.inthedreamingroom.com and sign on the *Michael Gerber Club*. It is a very, very expensive undertaking at \$39.99 a month. I'm not giving it away for free yet, but essentially anybody who joins will be able to come to a Dreaming Room with me once a month for 90 minutes on the telephone, live!

LS: Wow!

MG: And we do this. This is what we do, but we do it continually, persistently, nagging at, driving at, playing with problems, opportunities, discussions, conversations...whatever and so fourth...and welcome to the club.

LS: Wow. You'd be crazy not to spend that kind of money.

MG: You'd be out of your mind!

LS: Thank you. I would really like to thank Michael Gerber, author of *E-Myth* and *E-Myth Revisited*, *Awakening the Entrepreneur Within*, the *E-Myth Enterprise*, truly for sharing this passion and inspiration that really has touched my heart today.

So, Michael, thank you so much for being here today.

MG: My delight and thanks for asking me, and Good Luck with your great, big, fat, beautiful book.

LS: (Laughter) Thank you!

This has been Lon Safko, the co-author of *The Social Media Bible*. Be sure to check out the other valuable Social Media tactics, tools and strategies that can be found in *The Social Media Bible* book and its companion website, www.thesocialmediabible.com.

For more information about me, Lon Safko, please go over to my website at www.lonsafko.com.

And, again, from the bottom of my heart, Michael, it was wonderful having you here today.

MG: Thank you, Lon. Take care.