

Are You Working “On” Your Money Machine or Just “In” It?

In 1985 author Michael Gerber first published a must-read for small business owners, *The E-Myth*. Over a million copies later, *The E-Myth Revisited* hit the shelves in 1995. The concepts laid out in these works provide an incredible foundation for building a great money machine. One of Gerber's keys emphasizes the critical importance of working *on* your business, not just *in* it.

In Gerber's model, the owners of a small business, especially one just starting out, wear three hats: entrepreneur, manager, and technician. It is really easy (and necessary!) to get caught up in the manager and technician roles doing the work of the business – developing, marketing, selling and producing the products of the business. Hiring people, firing people, collecting revenues, paying bills, fixing computers, and making sure the doors are locked are all functions that are part of working *in* the business instead of *on* it. They represent essential tasks that must be done, often with critical urgency. However, as the business grows, the old habits that were required to move the business forward become key obstacles to growing the business further.

A money machine doesn't become great because the owner of the money machine spends all of his or her time working *in* it. Great money machines are built because owners allocate significant portions of their time working *on* their business instead of *in* it. Simply put, these owners make themselves and their businesses better.

When you look at a large successful

company, what do you see? Do you see a CEO who actually directly serves the external customers of the company? Does the CEO engineer products? Does the CEO make cold calls to prospective buyers? I think not. So what do they do?

The flippant answers might be, “nothing”, “play golf”, or “take three-martini lunches”, but the reality is CEOs of highly successful companies spend much of their time making their businesses better. They analyze, plan, and execute strategies aimed at improving operations, leveraging resources, and neutralizing threats. They figure out how to get their money machines to print Franklins instead of Jacksons. Jack Welch didn't take General Electric from \$25B to \$125B by making deals for the sale of aircraft engines. He did it by focusing GE's resources on its greatest opportunities.

Unfortunately the “tyranny of the urgent” causes the average small business owner to view time to work *on* the business as a luxury; owners of great money machines see it as essential.

Should you drop everything you are doing now *in* your business in order to work *on* your business? Probably not, but if you never work *on* your business, at some point you won't have a business to work *in*.

Take some small steps. Carve out some time. Initiate a strategic planning effort. Develop the leadership skills of your team. Search out opportunities for improving your business processes.

Not sure where to start? I will call you next week to see if I can help.

Mike Mitchell

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