

HOW TO GROW YOUR BUSINESS AND MAKE IT RUN WITHOUT YOU



Joel Gerschman

ABOUT THE AUTHOR:

Joel Gerschman

Hi, I'm Joel. Let me tell you a bit about myself before you begin reading.

I'm the founder of **The Change Coach** – a leading business coaching company that's dedicated to helping you create a business that gives you more wealth, freedom and fulfillment.

This might sound strange, but my work as a recognised business coach and speaker isn't just a job for me. It's more like a calling. I've witnessed the challenges that so many leaders face, as well as the powerful positive impact that the right mindset and skills can have. And it's driven me to do it for broader purpose. For me, it's about changing lives - literally.

I wasn't always a Business Coach though. I began my career as a Lawyer, with a focus on business negotiation and conflict resolution. Along the way, I became an expert in the field, serving as Head Lecturer of Negotiation and Conflict Resolution subjects at Monash University.

I enjoyed it. But when a relative asked me to help his business out of a rut, I jumped at the chance. And after helping to boost sales by 20% in a short time, moving from a loss to a healthy profit, I was hooked.

I proceeded to learn under arguably the world's #1 business guru, Michael Gerber, of E-myth fame, and have acquired 15 years of experience coaching hundreds of leaders at businesses ranging from SMEs to multinational corporations (like Shell, IBM, Lexus & Toyota).

Enjoy the ebook & contact me anytime at www.thechangecoach.co



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CHAPTER 1:

Are you being consumed?



Be honest.

Is your business serving your life – or consuming it?

Are you often **under stress** – fighting fires, and feeling like everything depends on you because you can't rely on others to do the job right?

What about money? Are you experiencing **financial pressure** instead of financial freedom?

Do you wish you had **more time** – for those really important tasks you never seem to get around to, for your family, for your friends, for your other passions or just time to breathe?

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If you can answer ‘Yes’ to any of those questions, then you’re like most business owners: **You’ve become a slave to your business**, rather than having a business that serves you.



But isn’t that ironic? **Your business was supposed to serve your life, not consume it.** You were supposed to be “master of your destiny”, not a “slave to your business”.

It sounds like a grim picture. But it doesn’t have to be this way.

If you understand the truth about why so many businesses fail to thrive, and learn the skills essential to business success, you can create a business that works for *you*, not the other way around.

And that’s precisely the aim of this ebook.

Let’s begin the journey...



CHAPTER 2:

Why most businesses fail to thrive: The fatal assumption

It's worth reflecting: Why haven't you achieved the kind of business – and lifestyle – you'd hoped for? You're skilled at what you do, aren't you? So what's the problem?

The answer lies in your mind. **The way you *think* about your business affects the way you *run* your business.** And most owners aren't thinking correctly about their business.

You see, most new businesses are formed by technicians – people who are skilled in a certain field and decide they'd rather work for themselves than for someone else. Take Sam for instance. She started as an employee carer for kids with special needs. She was deeply passionate about her work – and talented too. And because she'd already developed some genuine experience over a number of years, she felt that it was time to go out on her own and create her own business: a child care centre. She was doing that kind of work already, so why couldn't she just do it for herself? That way she could control her own destiny, make her own decisions, make more money and focus on the unique impact she wanted to achieve.

And therein lay her mistake. Sam made a fatal assumption: **that because she's good at doing the work of the business, she can therefore create a business that works.** Unfortunately, it's untrue. It's a myth. World-leading business guru, Michael Gerber, calls it the 'Entrepreneurial Myth' or E-myth – and it's the central reason that most businesses fail to thrive.



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Shortly after forming her business, Sam realised that there were a whole host of areas with which she was unfamiliar: how to create a marketing strategy, how to raise funds, bookkeeping, collections, managing staff. And the list went on.

But she *did* understand the technical work – the hands-on work of delivering the core services to customers. And so she threw herself into it. After all, that's where her true expertise lay. And indeed the business began to grow on the back of her passion and energy and experience and skill in doing that work.

Until... it stopped growing. It reached an invisible threshold beyond which it couldn't pass. She was so busy and stressed just doing the technical work that she had no time for thinking about growth. There were fires to put out. Complaints to deal with. Urgent administrative work to do. And, truth be told, she wasn't sure how to grow her business even if she did have the time.

And that's when she realised: Growing a business requires a fundamentally different mindset and skill set. **You can't *just* be a great technician; you need to be a great manager and entrepreneur too.**

And therein lies your challenge: to be successful, you must effectively balance three distinct 'roles'. At times, you'll need to be a **technician**, doing the operational work of the business – the work that actually delivers value to customers. At other times, you'll need to be a **manager**, overseeing, planning, organising and supervising others to ensure they get the work done effectively. But, most critically, you'll need to think and act like an **entrepreneur**, doing the strategic work of building the business itself – clarifying your vision, innovating new ways of doing things, identifying new markets and opportunities.

But how do you develop those capacities?

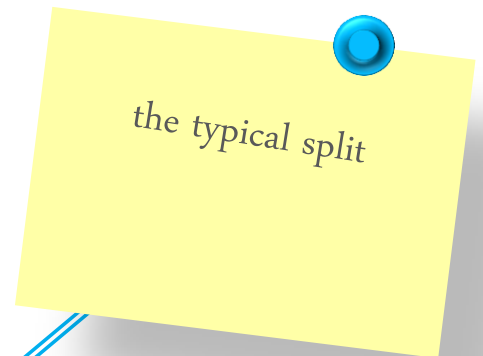
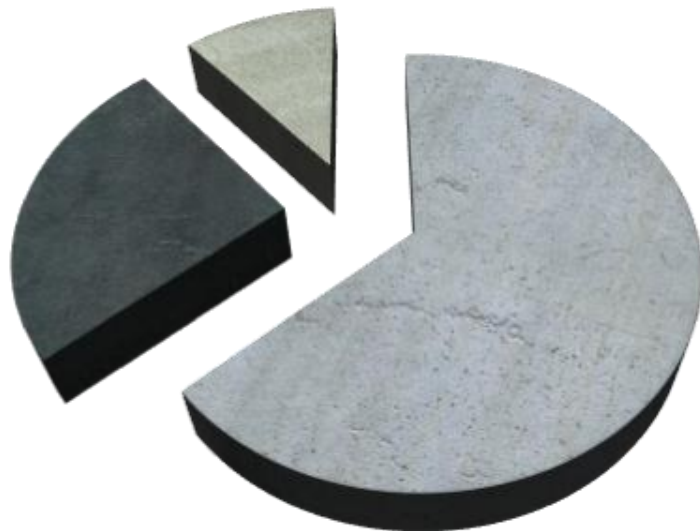


CHAPTER 3:

Entrepreneurial thinking & action: 5 steps

Let's focus in on the entrepreneurial mindset and skill-set in particular, because that's the most critical to business success.

How do you think and act like an entrepreneur, when the work schedule of typical business owners – and perhaps you too – looks something like the pie chart below?



- Technician
- Manager
- Entrepreneur



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Here's the answer. True entrepreneurs operate differently: They apply **five paradigm-shifting steps**. They are:

1. Clarify your **PRIORITIES**
2. Define your **DIRECTION**
3. Work **ON IT** not just in it
4. **TURN-KEY** your business
5. **SYSTEMISE** everything

Let's explore them...



1. Clarify your **PRIORITIES**

The first principle of entrepreneurial thinking is so basic and fundamental that it's often forgotten... until you wake up one morning to the realisation that you've become a slave to your business, rather than having a business that serves you.

You can avoid falling into that trap. Many entrepreneurs do. **But you'll have to define what's really important to you in life first.** Not how much you'd like to earn. That's important too, but it's a means to an end. The real question is: "What's the end game? Think of it this way: if you had the money and time to do anything right now, how would you spend your time?"

Some business owners are passionate about their business and want to work in it until the day they die. Others would prefer to focus on certain parts of their business – the strategic, visionary work rather than the day-to-day operations, for example. And some would like to set it up to sell or to run almost independently of them, so they can pursue other passions – like family, friends, hobbies or other meaningful pursuits.

Whatever your personal aims, when you define them for yourself, something powerful happens. You stop simply accepting the life your business dishes out to you. And you can begin the work of proactively designing your business to serve your life, not the other way around.

Entrepreneurial thinking starts with you and your priorities. Because if you don't define the kind of life you want, you're unlikely to develop the focus and intention required to create a business that gives it to you.



2. Define your **STRATEGIC DIRECTION**

Once you've clarified your priorities, you'll need to define your Strategic Direction – **the kind of business you want to create.**

Sure, you know in general terms that you want to succeed, to make money, to have an impact and to live a certain lifestyle. But what will your business need to look like for you to get there? And how will you know you're tracking successfully towards it?

For instance, which market niche will you focus on – which kinds of customers will you serve, what will you offer them and where will you be located? In 5 years time, what results will you achieve – how much revenue and profit will you generate, how many customers will you have, what kind of reputation will you have? To achieve those results, how will you differentiate your business from competitors? And where should you put your energy now to create that change?

Most leaders haven't clearly defined their answers to these questions. That is, *they haven't defined their direction.* And yet it's the first critical step to organisational success. Put simply, **if you know what you're aiming for, you're much more likely to get there.**

A fascinating Harvard Business School study illustrated this point. Researchers conducted a survey in which they found that only 3% of that year's graduating class had actually thought about *and* documented their career goals. Another 12% had thought about their goals but had not taken the time to write them down. The rest, a staggering 85%, had not seriously considered their goals beyond graduating with a Masters in Business Administration.



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The same group was re-surveyed 10 years later. The survey found that the smallest group, the 3% who had documented their goals, was generating **10 times the income** of the largest group who hadn't considered their goals. They concluded that by defining and documenting your goals, **you're 300% more likely** to reach them.

Tomas J. Watson, the Chairman and CEO who propelled IBM to its incredible, global success, put this idea best:

IBM is what it is today for three special reasons. The first reason is that, at the very beginning, I had a very clear picture of what the company would look like when it was finally done. You might say I had a model in my mind of what it would look like when the dream – my vision – was in place.

The second reason was that once I had that picture, I then asked myself how a company which looked like that would have to act. I then created a picture of how IBM would act when it was finally done.

The third reason IBM has been so successful was that once I had a picture of how IBM would look like when the dream was in place and how such a company would have to act, I then realized that, unless we began to act that way from the very beginning, we would never get there.

In other words, I realized that for IBM to become a great company it would have to act like a great company long before it ever became one.



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From the very outset, IBM was fashioned after the template of my vision. And each and every day we attempted to model the company after that template. At the end of each day, we asked ourselves how well we did, and discovered the disparity between where we were and where we had committed ourselves to be, and, at the start of the following day, set out to make up for the difference.

Every day at IBM was a day devoted to business development, not doing business. We didn't do business at IBM, we built one.

You might not be IBM. But the same principle applies to you. **Unless you tap into your entrepreneurial side – the part of you that thinks about the big-picture direction for your business and plans systematically for how to get there – things simply won't change.** And that's what your Strategic Direction is all about.



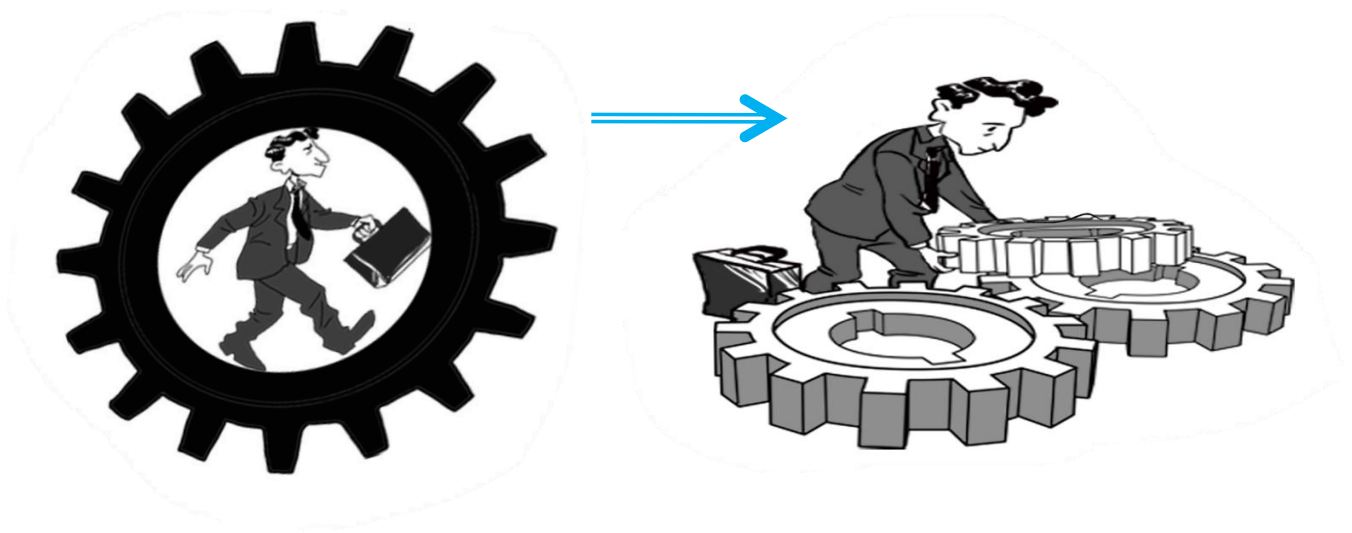
3. Work **ON IT** not just in it

What's the secret to making your Strategic Direction a reality?

You've probably heard the old saying: If you do what you've always done, you'll get what you've always got. It makes sense, right? And yet most business owners are so focused on the same day-to-day technical work that needs to get done in their business, that they never even begin thinking about how to *build* their business, let alone how to create a turn-key operation.

That's the 'technician' mindset at work. Technicians spend their time working **IN** their business, hoping that one day things will change and they won't have to work so hard for so little in return.

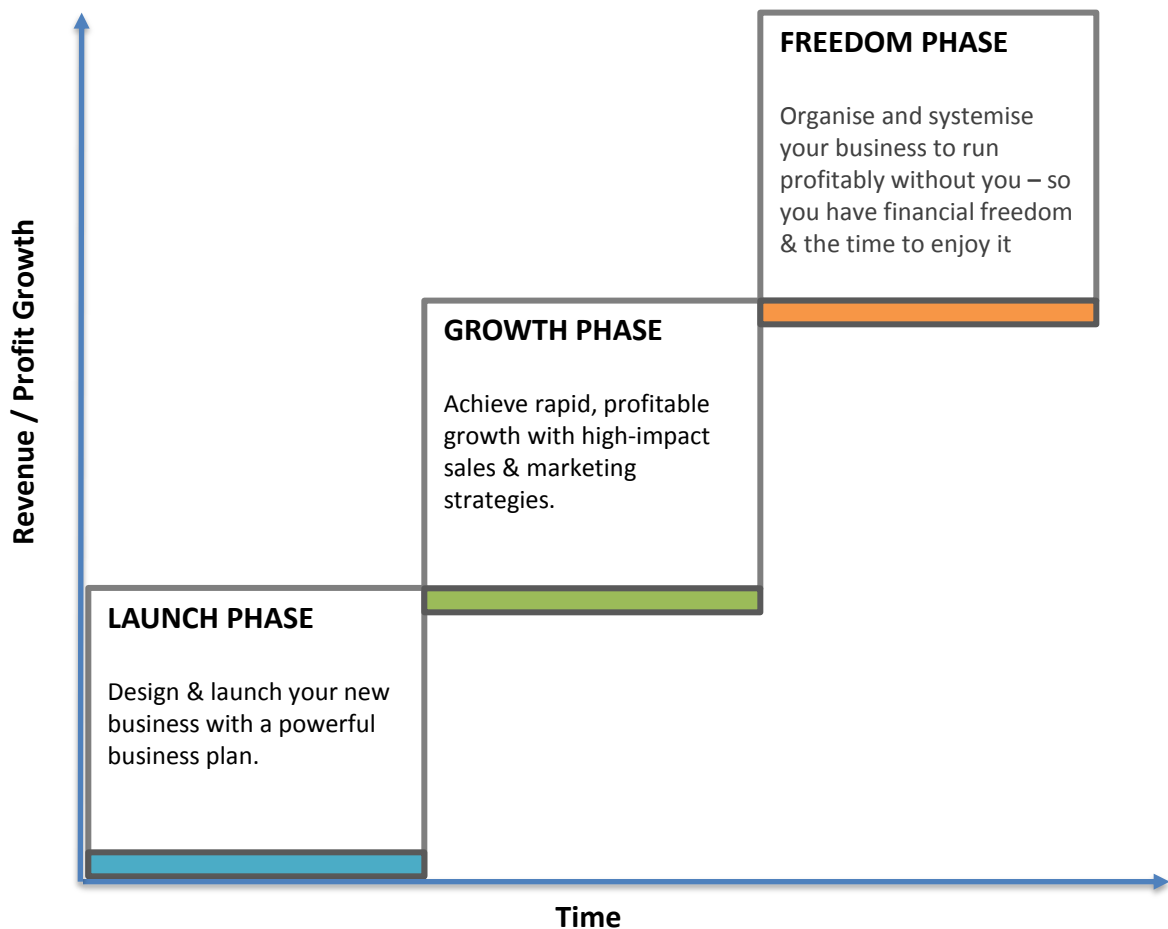
Well, here's the reality: Things won't change. Not until you change the way your business runs. And that requires **working ON your business, not just IN your business.**



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True entrepreneurs regularly 'step outside' the day-to-day technical work, so they can see their business objectively, as something independent of them. They imagine they're 5000 feet above it, looking down, critically, at their operation. And then they work **ON** it – not **IN** it – by re-imagining it and re-designing it so that it runs like clockwork.

Of course, the way in which you should work **ON** your business, depends on where your business is in its lifecycle. Ask yourself: Are you trying to launch your business, grow it or free yourself from it?



4. **TURN-KEY** your business



There's a lot of say about how to work on your business at each phase. But let's assume that you've already built a solid customer base – and your aim now to reduce stress and free up your time. In other words, you'd like to move into the 'Freedom Phase'.

How do you do it? Well, you'll need to do something quite radical: **you'll have to 'break free' of your business.** Let me explain.

Do you ever find yourself saying: "If I'm not doing it, watching it, making it happen... it just doesn't happen – at least not properly!" It's common. But it's also debilitating. Because if your business can't run without you – if you can't safely leave your business for a few weeks – *you don't really have a business; you have a job – with overheads!*

A business that truly serves your life, on the other hand, is a business that gives you the freedom to *choose* how much or how little you want to be involved. That's what breaking 'free' means. It doesn't necessarily mean getting 'out' of your business. It's about choice.

But choice doesn't just occur on its own. You need to create it. And the way to do that is to **intentionally design your business to run smoothly and profitably – with or without you.** You design it to run on-time, as promised, every-time, seamlessly, like a well-oiled machine, even if you're not there – so it no longer depends on you.

That kind of business – the kind that just works, almost by itself – is called a **turn-key operation**. It's the kind of business that builds a true, saleable asset that others would actually buy. It's the kind of business that entrepreneurs seek to create. And, if you want to choose how to live your life, it's the kind of business that you need to create too.



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The good news is that creating a turn-key operation isn't difficult. There's a wildly successful, time-tested model to guide you. Michael Gerber calls it '**The Franchise Prototype.**' It means that you view your business as the prototype for multiple franchises just like it. Of course, it doesn't mean that you literally need to franchise your business. **You simply act *as if* you will.**

You see, research suggests that franchises are significantly more successful than other start-up businesses. And the reason is simple: **they've created a self-sufficient, lead-generating, client-converting, customer-satisfying machine that anyone can operate.**



Whether or not you like McDonald's burgers, for example, it's hard to deny that the vast majority of McDonald's stores are hugely successful. They average 2.3 million in sales no matter who runs it or where it's located. Why? Because they've set it up so that it's virtually impossible to fail. They have tried-and-tested systems for everything: from making burgers through to marketing, recruiting and bookkeeping. You simply turn the key – and it runs.



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When you begin thinking of your business as a franchise prototype, something incredible happens: you start shaping a business with such exquisite order and discipline that you could literally ‘hand it over’ to thousands of franchisees with full confidence that they’ll run it consistently and profitably. And when you’re done with your prototype, you’ll have created a turn-key operation that serves your life – regardless of whether you decide to open another location.



They’ve created a self-sufficient, lead-generating, client-converting, customer-satisfying machine that anyone can operate.”



5. **SYSTEMISE** everything

Of course, that's not the end of the story. To actually create a franchise prototype, you'll need systems... lots of them. The secret to the success of franchised businesses is that they're **systems-dependent, not people-dependent**.

To understand what that means, think about how things work in your business for a moment. Are there defined, documented processes for how to perform each task in your business? Or do you simply expect your people to have the motivation and skills to do what needs to be done and to get it right each time? Is the knowledge of how to do what you do captured in a user-friendly operations manual, with a way to track that it's being followed? Or does the knowledge reside in your head and the heads of your key people?

If you're like most business owners, you haven't deliberately designed and documented the key tasks in your business. In other words, *you haven't systemised your business*. **Systems are structured ways of performing tasks in order to achieve the desired results.** And not having them is more dangerous than you might think.

Remember Sam, the suburban Child Care Centre owner we talked about earlier? She grew her business from the ground up. It attracted dozens of kids and quickly earned a great reputation. She was even starting to make a reasonable profit. But eventually, growth stalled; in fact, enrolments for the next year were down. Turns out that parents were unhappy.

Why?



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Sam knows how important it is for young children to receive personal attention from carers, and how critical it is to their parents, who often feel guilty leaving their kids while going to work. She adores kids, and the desire to lavish them with care and attention runs in her blood. She did it naturally – and it became a distinguishing feature of her centre.

But as enrolments grew, she had to employ other staff. And she assumed they would care for the kids in same passionate way she did. The first two teachers were ok, and Sam filled in the ‘gaps’ where possible. But with multiple classes now going on at any one time, she couldn’t be everywhere at once. And so complaints began. Some parents complained that no-one greeted their child in the morning. Others complained about a lack of personal attention. Some even wondered whether the carers knew their child’s name. Sam was horrified. Isn’t it obvious that you greet every child (and their parent) by name and with a smile every morning?

The very feature that distinguished her centre was no longer present – and that affected her word of mouth marketing, which affected enrolments, her profit margin and ultimately her life (she now has to start earlier and work later so she can be there to ‘fill in the gaps’!).

Does this kind of situation sound familiar? Do *your* people fail to meet your expectations? In your business – just like in Sam’s – **the solution is ‘systems’**. Let’s explore why.



a. Systems produce results

Do *all* key tasks get done in your business? And do they get done in the most cost-effective, efficient, high quality way – every time?

If you're like most business owners, you're not always achieving the results you desire. But do you know why? Most business owners put it down to their people: "It's so hard to get good staff." While having good staff is important, *it's not the main cause of problems in your business*. More often than not, it's a systems problem, not a people problem. Sam never designed or implemented the best-practice system for greeting children in the morning. And so it didn't happen – at least not from every carer and not every morning.

But that shouldn't be surprising. If you've never deliberately designed and documented the way key tasks are performed, your systems are not *intentional*. And **unintentional systems produce unpredictable, unintended results**. A business made up of random systems is successful only by chance, not by design. When Sam left the process for attention and care up to her staff, she also left the outcome up to chance. Some performed well, but many didn't.

Franchises function differently. They install structured, well-designed, tried-and-tested systems for all functions of the business: from production and delivery to marketing, sales, admin and finance. They look carefully at each task and ask: "What's the best way to do this to achieve our goals?" Then they test it out and, if it works, they systemise it – so anyone can do it that way every time with similar results. Nothing's left to chance. Is it any wonder they get results?



b. Systems keep things running smoothly

Systems are critical for another reason too. Ever heard of the butterfly effect? It goes something like this: Somewhere in Southeast Asia, a butterfly flutters its wings. The fluttering happens to nudge a little gust of wind. The little gust of wind gives a small boost to another, larger gust of wind. And another, and so on, until somewhere over the Pacific Ocean, a full-blown typhoon howls across the water. Most of the time when a butterfly flaps its wings, it amounts to nothing. But every now and then, a small event influences other events until the end result is a major problem.



And it's the same in business. Imagine, for example, you had a simple business like assembling lawn chairs. You drill some holes in a few metal tubes, bend the tubes, apply some paint, attach some plastic straps, and screw on some nuts and bolts. Sounds simple enough, right? But what if the hole driller was sloppy? No problem for the hole driller. No problem for the tube bender. No problem for the people who attach the plastic straps. No problem for the painters.

But when all the work has been done, and it's time to put the pieces together, 5-10% of the chairs can't be assembled. The work and the materials are wasted and have to be redone. Not only does that add the expense of the materials and the cost of re-work, but the whole production process is delayed and delivery to the customer is compromised. The whole business could lose 5-10% (or much more) in profit, just because one step of one system is out of whack, and only a little bit out of whack at that.

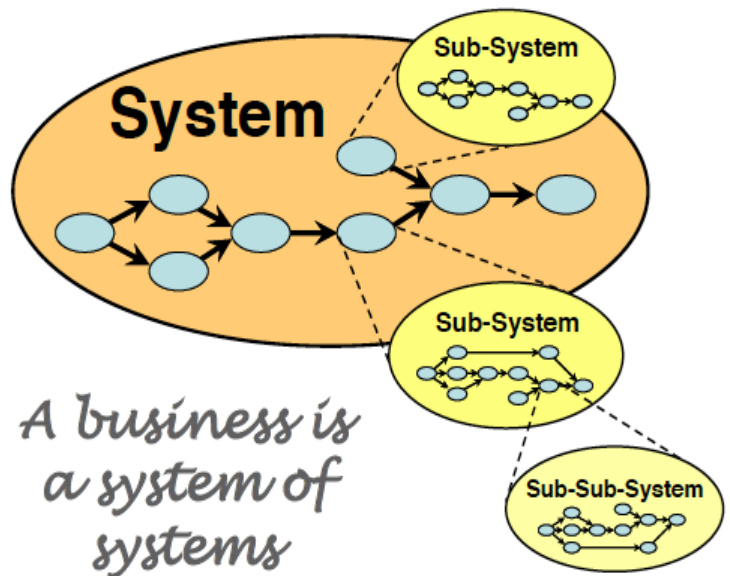


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Is it unfair that a little hole, or a failure to smile at a kid in the morning, could affect your revenue and profitability? Maybe. But that's the reality of systems. They're inter-connected. **Each part of a system relies on every other part to achieve its goal.** If one part isn't working, the whole thing can fail.

You might not be thinking of it this way, but your business is actually one big system that's made up of, and relies on, many smaller parts (or sub-systems). Like systems for production, marketing, finance, administration and so on. And for each of those systems to function effectively, the systems around them need to function effectively too. They're inter-dependent.

Which means this: To make your business function optimally, all the time, **you must ensure that every part (or sub-system) is functioning optimally, all the time.** That's how you create a turn-key operation. And that's what the process of systemisation is all about.



c. Systems free up *your* time

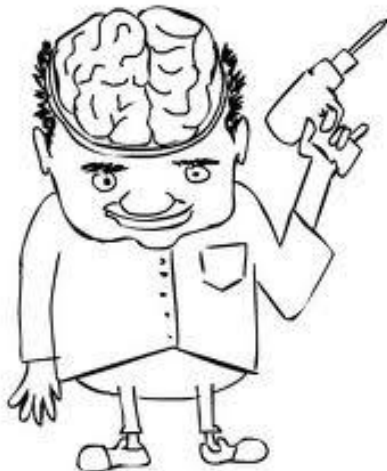
There's one more reason that systems are so critical: They free you to work **ON** your business, and to live your life.

If you're like most business owners, your business is largely dependent on you. That means you're often caught in a cycle of *doing* all the work – routine technical tasks, putting out fires, even administrative chores. And, as you'll recall, when your time is consumed in that way, there's no space left to work **ON** your business, let alone to live your life.

Part of the problem is that business owners are burnt by past experience: The last time they handed something to someone, they stuffed it up. Ever caught yourself saying: "It's much easier to just do it myself than to explain to someone else." Sure, you can teach anyone to flip burgers, but your work is more complex, creative, requiring special experience and skill, right?

Well, no – not exactly. When you boil down the tasks in your business, you'll find that the vast majority of tasks are not brain surgery. While they might require more skill than flipping burgers, **with the right systems in place, anyone with the basic relevant skill-set could do it.**

Take brain surgeons as an example.



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Do you think the brain surgeon prepares the operating theatre for surgery? Orders and restocks the equipment? That's all done by the theatre staff. The brain surgeon doesn't even open up and close the patient. They leave that to a junior surgeon. Everything is prepared for them. **All they do is the actual brain surgery.** And someone else mops up the blood.

The reason they can do that is because hospitals have detailed, documented systems for all tasks, and staff are well trained in their application. The expensive surgeon only does the work that *only they can do*. They don't waste time doing jobs that others could do.

And that's what you should be doing too. **Identify the small amount of 'brain surgery' in your business, then systemise and delegate everything else** – like your bookkeeping or deliveries or order processing. That way you'll be left with the few, high value tasks – often the ones required to actually grow your business – like nurturing key customer relationships or devising growth strategies.

Can you see what the outcome would be if you did that? With no systems in place, your business depends on you and a few people who run things for you. If you or they disappear even for a short time, you're in trouble. But with the right systems in place, **the systems effectively run the business, and nearly anyone can run the systems.**

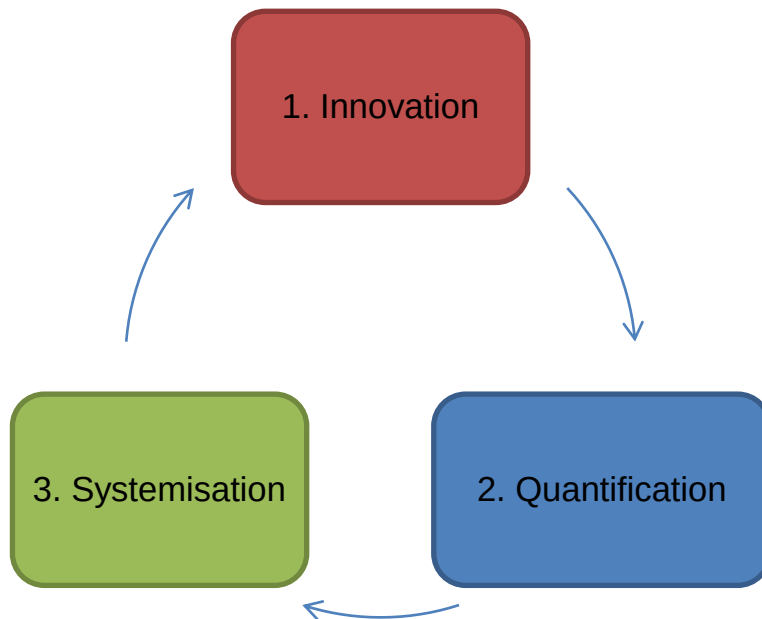
And that means you can suddenly decide to take a one-month vacation and it won't hurt the business. Key staff could suddenly quit and you could easily replace them. You can choose to work every day in your business, work part-time or pursue other passions altogether. It's your choice – because your systems run the show.



d. Systems enable continuous improvement

When people first hear about the principle of systemisation, they sometimes wonder: “Does this mean that my business will become so rigid and inflexible that I won’t be able to respond effectively to new challenges and opportunities?”

Of course not! It’s not enough to just design your systems once and forget about them. Systemisation goes hand in hand with a cycle of continuous improvement, which has three crucial stages:



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Here's how the three stage cycle works:

1. Innovation: You need to be constantly on the lookout for ways to improve your business. That means, for example, continually asking: "How can I do things faster, better and cheaper than anyone else?" Competition is tough. You simply won't survive if you don't innovate.

2. Quantification: But you'll never know if your innovation attempts are actually working unless you measure your results. That's what quantification is all about. It's measuring the impact made by your innovative changes.

3. Systemisation: Once you're satisfied that your innovation is working, you then systemise it. You embody the change in a fully documented system that enables anyone to perform it effectively every time – that is, until you innovate a better way, and the cycle begins again!

Systemisation implies a process of 'continuous improvement'. And when you continually improve, you don't just create a business that serves your life now; you shape a business that will serve you well into the future.

And that's the whole point, isn't it?



CHAPTER 4:

What next?



If all of the above made sense, you might be asking: “So what now?”

Well, you have at least two broad choices: (i) you can continue to follow a **trial and error path**, hoping you’ll eventually hit on a winning business formula; or (ii) you can **acquire the entrepreneurial skills** for developing and growing your business.

Most business owners follow a trial and error path. They do their best, and learn from mistakes. But it’s a treacherous path: Most fail to thrive.

Which is why the most successful business owners do it differently: They seek expert guidance on how to design their business to work for *them*.

And that’s exactly *The Change Coach* steps in. Our **Growth System** and **Freedom System** coaching programs are designed to help you grow your business and make it run without you... So you have **more financial freedom AND the time to enjoy it**.

Book your FREE
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