

Work On Your Business Not In It!

Wouldn't it be great if your business:

- worked without you? Only if your business can work without you, will it have any great capital or sale value.
- delivered its product or service consistently time and time again to the customer?
- had employees that did it the same way every time, the best way?

McDonalds

If we're going to learn from the small businesses that successfully do this, let's take a look at the most successful small business in the world, McDonalds.

Even if you don't like what McDonalds sell, there's no denying it's a hugely successful business.

At McDonalds...

- You know when you go you're going to get the same consistent burger every time, with the same customer experience every time. That's why people go there. They give the customer exactly what they are expecting every time, there is no disappointment and so the customers return.

If you went to a printer and got a great print job done the first time but the next time there were a few mistakes, you'd be far less inclined to return again. How come it was perfect one time and not the other? That doesn't happen at McDonalds. What's more, they manage to do it at thousands of their restaurants all over the world.

- The burgers are great tasting burgers (well according to some!) made the same way every time. They've found their best formula and they use it consistently, only changing it when they find an even better formula. And that is true for every part of the McDonalds experience from the food, to the greeting, to the cleanliness, to the kid's packs. Everything works and is done the same way until they find a better way to do it.

It doesn't matter who does a task, they always follow a system, so that it's then done the same way every time and the customer gets the same experience every time they go back.

When one person leaves and another joins it still gets done exactly the same way.

Although McDonalds sell a low cost product, it is an extremely high quality business which customers value and have great loyalty to.

Why is that the case?

Well here's a very important factor.

- The owners don't work IN the business flipping burgers.

McDonalds has the entrepreneurs with the vision to move the business forward, the managers who manage the units and the technicians who work in the units and they all work together in harmony.

And they're able to do that because they have an organisational strategy, a management strategy and a system for everything they do. McDonalds is the ultimate systemised business that runs just like clockwork.

Business format franchise

McDonalds operate under what's known as a Business Format Franchise.

This is the type of franchise operated throughout the world by many other businesses and it's no surprise that franchises are far more likely to succeed than any other start up business.

When a McDonalds franchise is taken, the franchisee gets far more than a brand name. They are given a whole way of doing things that have been proven to work. In fact, it's only once they've learnt how to do things this way that they get the keys to the door.

Now the point of this isn't to promote franchising (although it may well be a good route for you), but to learn from the SYSTEM.

McDonalds make everything inside their business happen consistently. Now if that happened inside just your one business unit, without you working in it, wouldn't your business be a great place to go to work? In fact you could even not work if you so chose.

And the main reason why that happened for McDonalds?

It's because when Ray Croc took the McDonald brothers burger business in 1954 and set about figuring out how he could make it work, he set about working **ON** the business and not **IN** the business. The business became the product to him, not the burgers and so it was the business he worked on.

Work on the business

So as you've probably worked out the key is to work **ON**, not **IN** the business.

If you're a one-man business, not wanting to grow, this perhaps isn't true to the same extent, although there are still good lessons to learn about ensuring you deliver consistency to your customers.

A one-man operation may not really have a business; they have a job, possibly a well paid one, with customers as their boss. This doesn't mean there is anything wrong with the one-man operation. The world is reliant on many one-man operations, it's just that some of these principles apply less to them.

But for every other small business that wants to develop, you'll only do so if you get to work on your business and stop working in it.

To get your thought processes going, imagine that you're going to make another 1000 businesses just like yours. What would you have to do to achieve this?

You would have to completely systemise your business.

An analogy that can help with the understanding of working on, rather than in your business, is a game of monopoly. If you are the hat in the game, you are simply a piece in the game and you don't make the decisions, you can't influence the game at all.

However, by being a player in the game and being able to see the whole board, you can start to put strategies into place that will have far more of an influence. As a player you're working on the game rather than being in it.

It's exactly the same for your business, you can have far more effect by working on it.

The E-myth

Before we get carried away, a word of warning.

Some small businesses have tried to systemise their business and got so carried away with it that they spent all their time doing just that and failed almost before they got going.

On the other hand, some people believe The E-Myth by Michael Gerber (on which the above is based) sets a standard that most people cannot hope to meet.

Common sense is the operative word and The E-Myth is a must read book for every entrepreneur.

Systems

You have to operate and generate enough income to put food on the table, pay the mortgage and so on. This has to be your first priority. After that, look to work on the systems for your business that will:

- Give consistency to everyone - your customers, suppliers, and employees.
- Be operated by people with the lowest possible skill level. This enables you to find staff when you need them at the lowest possible price. You don't want systems that can be operated by only high quality people, because when that person leaves you will have trouble getting a replacement.

Sure, you say McDonalds is not like your business. So let's take a far more complicated business such as a firm of solicitors.

If a firm of solicitors was to employ only the brightest legal brains it would be extremely difficult to consistently offer their level of legal knowledge, as it becomes very difficult to find a replacement should they leave or become ill. But, if they develop services that could be provided by anyone with an average legal brain, they would be able to grow and leverage the business far more.

Even if you just focus on the most critical things you do in your business and systemise these, your business will be far better for it.

In conclusion then, what are we saying?

Really it's that what you need is a systems dependent business rather than a people dependent business. The systems run the business and the people run the systems.

You can't do without people, but the more you systemise, the less dependent you become on particular people.

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