

Making Pies and Hamburgers

Using the franchise model

IN HIS BOOK. "The E-Myth," Michael Gerber tells the story of a woman who bakes wonderful pies. As she prospers, she starts a company and takes on the accounting and selling functions to grow her customer base. Eventually, she becomes a manager and hires other people to bake the pies. She works longer hours and moves away from what she does best and enters a role she knows little about. She never becomes a true entrepreneur because she is still a technician at heart. She loves baking pies, and when business problems arise, she retreats to the kitchen and puts on the apron once again.

For the talented craftsperson, running a business almost always results in a Peter Principle conflict—moving beyond the area of expertise and away from one's deepest passion. For the technician, the role of manager produces anxiety about one's competence. That's why the business owner so often leaves the executive chair for the corner of the shop.

If you started your own electrical contracting company after working as a journey-level electrician or became a manager or executive in someone else's firm, you might have felt the pangs of uncertainty as you made the transition from what you did well—the craft—to your first supervisory position. Maybe you questioned your ability to make strategic decisions. Occasionally, you fought the urge to strap on the tool belt and run to the job site to fix a problem on one of your projects.

It doesn't really matter whether you make an apple pie or provide lighting to your customers. What Gerber teaches is the need for a business model that emulates the best of the franchise systems—McDonald's. Whether the technician starts a business to make pies or hamburgers, the system should provide a consistent result as simply as possible, without the need for the owner to work unreasonably long hours or sacrifice a personal life.

You buy a pie because it looks attractive, smells wonderful and probably tastes delicious. Your electrical contracting firm draws customers with an attractive image and the ability to appeal

to their individual preferences. Their purchases are driven by emotions, personal comfort with the people providing the services, and the security of knowing that the product will be delivered as expected every time. So, it matters how your employees look on the job. It matters whether your vehicles are clean and your tools are carefully maintained. That's the smell of an apple pie and the look of a Big Mac.

The appearance and aroma are enticing, but the product also must taste good. If the apple pie was made with salt instead of sugar or the special sauce wasn't on the hamburger, the customer loses faith in the product's consistency. Your customers expect the lighting you provide, or the alarm system you install, to perform to the standard you have established every time they hire you. You have one chance to impress, and even the most perfectly corrected mistake undermines the customer's comfort and security.

Customers also like to be surprised with something extra. If you add a bit of cheddar cheese or a layer of custard to your apple pie, some free fries with that burger, or throw in a small upgrade occasionally in your electrical work, you will delight them. While the pressure to pinch every penny demonstrates impeccable accounting methods, it makes you look miserly to your clientele. Throw in a couple of extra fixtures and make someone feel special.

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How do you do all of this and still make a profit? By studying the franchise systems that make the fast food outlets so successful. Every process and product is carefully designed and taught. While it's great to use the imagination and creativity of your staff to brainstorm, the installation process should be as standardized as you can possibly make it. When employees have a clear understanding of how you expect each task to be performed, they develop "automaticity" and create repeatable results that meet the standards your customers have come to expect.

No matter what products or services you sell, your ability to succeed in the marketplace depends on three things: the smell, the taste and the treat. The first impression created by your reputation, people, brand and building is the smell. The installation of the work and its performance to the customer's expectation is the taste. The occasional upgrade or extra is the treat that delights. Your company can attract customers, create security and add something extra to keep them coming back every time—whether it's for a pie, a burger or an electrical project. Do what you do well and with consistency. It's that simple. ■