

Everyone who joins the workforce starts at Stage 1 and most people remain there for the balance of their work life.

Many people aspire to become independent 'some day' and some make the leap by jumping to Stage 2 -- some make the leap because they are 'unemployable'.

The leap to Stage 3 is much more difficult -- it requires that the Entrepreneur abandon his/her Technician persona, manage people and work the business.

As the businessperson matures and her resources grow, she imperceptibly and inevitably migrates to Stage 4 and becomes an Investor.

Stage 1: EMPLOYEE

Stage 2: SELF-EMPLOYED

Stage 3: ENTREPRENEUR

Stage 4: INVESTOR

Recommended Reading:

The **E**-Myth

by Michael E. Gerber

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Snapshot of a Work Life

Four Progressive Stages

Three Roles of the Mythical Entrepreneur

Technician

A person with technical skills in a particular area launches a 'business' suited to his/her expertise.

Manager

A person with managerial and organizational skills.
The essential 'boss' to the Technician who *goes to work*. (The technician typically abdicates authority to the manager.)
The Manager is the indispensable colleague for the Entrepreneur who needs to be free of service delivery duties and day-to-day management.

Entrepreneur

The Entrepreneur works the business -- day-to-day duties are delegated to the Manager and service delivery responsibilities are delegated to the Technician.
The Entrepreneur delegates authority to the trusted colleagues but verifies the work being performed.

Any individual who is a self-employed Technician (working alone) or in business (working alone or with some employees) has to adopt (and adapt to) the added roles of **Manager** (Administration, Accounting, Operations and Human Resources) and **Entrepreneur** (Strategic Planning, Sales and Business Development).

80% of businesses 'fail' within five years of being formed.

80% of the businesses that survive beyond their first five years 'fail' within the ensuing five years.

A large number of businesses 'fail' because the **Technician** goes to work and busies himself applying his technical skills rather than focus on sales to grow the business. His time is mostly occupied in a hands-on service delivery role in the business while the 'business' is starving for cash (i.e. new sales).