

FOWLER SCHOOL OF BUSINESS AND EXECUTIVE COACHING

eBook

Three Most Crucial Times When a Small Business Owner Needs a Coach

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In 2009, there were 27.5 million businesses in the United States, according to Office of Advocacy estimates. Small firms with fewer than 500 employees represent 99.9 percent of the total (employers and nonemployers). In contrast, the most recent data (2007) show there was only about 18,311 large businesses.

Source: Office of Advocacy estimates based on data from the U.S. Dept. of Commerce, Census Bureau, and trends from the U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics.

Dear Business Professional,

I love entrepreneurs. I love the courage and fortitude they have to open a business and make something out of nothing in spite of the overwhelming odds against them.

Over the past three and a half decades, my team and I have had the honor and pleasure of coaching and helping over eight thousand people to launch, grow and operate their small businesses. It is something I am quite proud of and something I remain committed to. If you are reading this, you too, probably have an affinity for the entrepreneurial spirit and the small business owner.

If you are considering coaching these intrepid individuals I salute you.

In this white paper, I share with you some interesting information about small business owners and what I believe are the three most crucial stages a small business owner needs a professional coach. Of course, there are scores of other times business coaches can be hugely beneficial to their clients, but it has been my experience over the past thirty five years that these three are what motivates most small business owners to open up their checkbooks and pay handsomely for professional business coaching.

I hope you enjoy the information within and find it helpful in your endeavors to provide your clients with the finest in professional business coaching. If you have any comments, thoughts or ideas which you would care to share with me, I would love to hear from you. You can reach me via email at berry@berryfowler.com.

Warm regards,

Berry Fowler
Chairman
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Small Business: The Force that Built Our Nation

If small business is the engine that drives America, then the small business owner is the railroad executive, the engineer, traffic expert, track layer, maintenance chief, night watchperson, policy maker, quality control manager, customer service rep, conductor and so much more.

Many small business owners cover the day shift, swing shift and graveyard as they risk their money, reputation, relationships and even their health to launch, grow, and operate their enterprises. They toil an average of 52 hours per week with more than half working at least six days each week to achieve their dreams. In spite of this, 87 percent report they are content.

Small Business Owners' Courage and Conviction

All you have to do is look at the stats to appreciate the courage it takes to start a new business in America today. Only about half of all new businesses survive the first five years and only about one third make it for ten years. After fifteen years the number of surviving small businesses is only twenty-six percent.

In 2009, an estimated 552,600 new employer firms opened for business and 660,900 firms closed. Not a good year for small business. Nevertheless, and in the face of these sobering statistics, eighty four percent of small business owners say that if they had to do it all over again, they would still become small business owners.

You got to love these folks. They create something from nothing by following their hearts and working their tails off while beating the odds that are so very much stacked up against them.

The Economy of Small Business

From an economic standpoint small business owners and their companies contribute big time to our country and our society.

The following are just a few things every business coach should know about the many contributions made by small business.

Small businesses:

- Represent 99.7 percent of all employer firms,
- Employ half of all private sector employees.,
- Pay 44 percent of total U.S. private payroll,
- Generated 65 percent of net new jobs over the past 17 years,
- Create more than half of the nonfarm private GDP,

- Hire 43 percent of high tech workers (scientists, engineers, computer programmers, and others),
- Are 52 percent home-based and 2 percent franchises,
- Made up 97.5 percent of all identified exporters and produced 31 percent of export value in FY 2008, and
- Produce 13 times more patents per employee than large patenting firms.

Difference Between Coaching and Consulting

Defining the difference between coaching and consulting will serve both you and your client well. As a coach, your job is not to provide solutions for the challenges your clients are facing. Nor will you provide therapy or counseling.

To be a great coach - you don't need the answers - you do need the questions.

Results-Driven Coaching

Many of you probably have vast experience in consulting, project managing and offering your expert advice. You were engaged in assisting your client, company or team in developing new plans, strategies or systems because of your previous experience and success. In this capacity, you offered expert advice, directions and help by providing answers to challenging questions. As a consulting expert, this is what you were paid to do.

As a coach, you will enjoy a very different role. And, although your client may hire you because of your background and experience, your primary responsibility will be to ask questions and *not* supply answers.

To be a great business coach you do not need the answers, but you do need the questions.

Effective, results-driven coach is predicated on asking the right questions. All of the answers come from your client. This is what coaching is all about.

Coaching is about your ability to quickly and easily build a professional relationship based on trust and mutual respect. It is about listening carefully and fully understanding your clients' needs, desires, goals and dreams. Coaching is about employing proven communications skills and techniques to convey empathy and understanding while asking probing open-ended questions which will enable your client to develop the best answers for themselves and their business.

Personal Experience - The Power of Coaching

Prior to focusing my career exclusively on coaching, I had the opportunity to do a lot of consulting. And, because of my success in creating Sylvan and The Little Gym International, which were both franchise companies, I was often hired to help evaluate an organization's chances to successfully franchise and then develop a franchising strategy. Sometimes these consultations would last for several months, and on several occasions, they lasted over a year. The company's owners and board of directors looked to me to provide answers, recommendations and directions to pave the way to franchising. I always enjoyed these exercises and put together lengthy, detailed directions of exactly what the organization needed to do to accomplish their goals. In the end, my clients were happy and I was paid handsomely (sometime obscenely) for my expertise.

Nowadays, I no longer offer consulting. I am a business coach. I can still help business owners in determining if franchising is appropriate for them. I can still help them develop plans, operational systems and sales strategies. But, I accomplish this through coaching and asking questions. All of the answers come from my clients.

Early on, after making the switch to strictly coaching, I began to notice something interesting. My coaching clients are far more apt to be successful in implementing changes and moving forward with their expansion plans than my consulting clients. That's right - my coaching is more effective than my consulting. The reason for this is quite simple. When coaching my primary responsibility is to ask the right questions and assist my clients in exploring the possibilities and opportunities and coming up with the best answers, answers that coincide with their individual goals and their objectives. When the answers come from the client, there is more buy-in, more ownership and more confidence in knowing exactly what path they should follow.

Three Best Opportunities in Small Business Coaching

The following are the three most crucial stages when a small business owner needs a professional coach.

Opportunity 1 Coaching a Startup

Starting a new business can be exciting and stressful even for the most seasoned business owner. Hundreds of decisions need to be made. Unforeseen obstacles appear. Doubt rears its ugly head. This is a perfect opportunity for the professional business coach to provide great value to

a new client and in doing so develop a long-lasting relationship that may very well generate additional revenues for years to come.

The following are just a few of hundreds of coaching questions that can help your clients when launching a new enterprise:

What type of business structure do you need? How much capital will you need? What local, state and federal registrations are required to open your business? What are the step-by-step things that need to happen to open your business? Who will be responsible? Will you need technical and IT advice? Should you consider outsourcing? How long do you estimate it will take for your business to cash flow and break even? What is the best way for you to collect money? What is the best record keeping system for your business? Who will you go to for expert advice? What are your plans for advertising, marketing and public relations? What is your sales process?

Personal Experience

For the past thirty-five years I have been coaching my clients to achieve their goals and objectives and to live the life they dream of by focusing on three keys to success: the dreams that they have, the plans that they make and the actions that they take. When all three of these principles are acting in harmony one can truly live an abundant life, build a successful business, enjoy a fulfilling relationship with the perfect mate and accomplish their goals.

Success begins with your clients' dreams. It's their crystal-clear vision of where they want to go. It is seeing in their mind's eye exactly what success will look like.

Try this. Imagine the thing you would most like to do is truly achievable. Next, imagine that after some real effort and a bit of time (you decide how long), you have accomplished all of your goals and are now living the life you have dreamed of. What does it look like? What are you doing? How do you feel? Who are you with? What do you hear? Once you have your vision crystal clear in your mind, grab a piece of paper and write down every detail. Take your time and enjoy your new-found success.

Now that you have your dream pictured clearly in your mind you are on your way to living the life you desire. However, you need to be prepared to defend your dream, because no matter how excited you are, there are folks out there who will try to steal it from you. Just look what happened to me.

When I decided to leave my tenured teaching job to start the first Sylvan Learning Center I was excited. So excited that I shared my plan with my family, friends, colleagues – truth be told I would share them with anyone who cared to listen. The thing that surprised me most was how much pushback I ran into. I was excited. I was pumped. Yet, some of my family, a few of my friends and lots of my colleagues tried to talk me out of my dream. They would say “What do you know about starting a business? Have you thought about what happens if you fail? You will have no job – what will you do then?” And, although I was disheartened by their lack of enthusiasm and their lack of faith, my vision was so strong and I was so confident I could achieve it, I was able to keep moving forward.

However, just before I opened my business, my vision came under attack again. And, this time it was from my own wife.

One night, two weeks before I opened the very first Sylvan Learning Center, my wife and I were returning home after spending, what I believed was a wonderful evening entertaining two very nice and influential teachers. We had a great meal, several bottles of nice wine, and as the evening progressed, I began to feel more and more comfortable in sharing my vision of Sylvan's future with my new friends. I explained how after getting the first center up and running successfully, I was going to franchise Sylvan all over the country and help thousands and thousands of students to achieve their full potential. I was excited and I shared my dream of Sylvan's future.

After saying goodnight to our guests, as we were driving home, my wife turned to me, and, in a less than a supportive voice, said. “You know you made an ass out of yourself again tonight. You embarrassed me and you should be embarrassed yourself. Every time you start talking about Sylvan, and how you are going to end up with hundreds of learning centers all around the country, and thousands of children in your program, people think you're crazy. It's humiliating to me and it makes you look like a complete fool.”

Well, I'm no longer married to that same woman, but I am still friends with those two teachers. Over the years, my friends mentioned to me of how they had told the story having dinner with the founder of Sylvan Learning Centers, and how I shared my dream of Sylvan before it became a reality.

So, as a business coach, be prepared to help your clients defend their dreams. Attacks may come from well-meaning family members, jealous colleagues or simply confused friends. To help your clients make their vision bulletproof and protect it against the "naysayers," there are two

things you absolutely have to do. First, assist your client in creating a vision that is so real it becomes visceral. They should not only be able to see it, help them to feel it as well. The second thing a great coach can do is to help their clients to create strategies to avoid negative people - people, who with their own self-limiting vision, will try to steal their dreams.

Opportunity 2

Coaching When Business Plateaus

One common challenge for many small business owners is when business begins to slow down or plateau. It's time to rekindle the flame that powered their original excitement. It's time to get their creative juices flowing again. We've all heard the old saying "you can't see the forest for the trees." This is true for so many business owners. They have fallen in the habit of working in their business and not on their business.

A business slump can trigger a lot of anxiety. It can also trigger self-doubt. During these times many business owners feel a loss of confidence. And, a loss of energy and enthusiasm, too. I have heard clients say comments like these: Everything has gone bad. I am feeling my business spin out of control. I am frustrated with myself and my team. I am not sure what to do. It's not much fun any more. Have I lost have my edge? I am overwhelmed.

For the small business owner this is not only a dark time, it can be a very lonely time as well. He or she cannot share these thoughts and fears with their employees. Many don't even want to discuss this with their family or friends. This is what keeps business owners up at night, and stomachs burning and churning throughout each day.

As a coach, you can easily help your clients through these tumultuous times. All you have to do is to help them look at things through fresh eyes and find the best answers. And, you will do it all by asking the right questions.

What was your original vision? Where would you like to go now? What does the end look like when all has been accomplished ? How will you feel when your business goals are met? What changes need to be made? What actions need to be taken? When will they need to be completed? What resources will be needed? Who will be responsible? Who will be accountable? These and scores of other coaching questions will quickly and effectively open the door and shine new light on the challenges your clients are facing.

Personal Experience

One of my all-time favorite experiences was with a small business owner who asked me to help him in developing a strategy to boost his revenues and increase his bottom-line profits. He had operated a successful and unique business in the child fitness industry for fifteen years. And, although passionate about what he did on a daily basis, my client felt frustrated because his annual profits had remained flat for the past four years.

As usual, I began my coaching sessions by asking my client where he would like his business to be in three years. I explained it was okay for him to dream big. I asked: What do you want to accomplish? How much money do you want to make? What will your life be like when you achieve your business and personal goals?

As we worked through answering these questions I could see, hear and feel his confidence grow. Here was a man who was kind, gentle and passionate. His mission in life was to help children through movement, music and motivation to develop healthy habits that would last a life time. He dreamed of reaching out to as many children as possible and giving them all an opportunity to grow and succeed.

It wasn't long in the coaching process before my client began to believe that his dream could become a reality. Once that was accomplished, we began to focus on developing plans, strategies and action steps that were needed to make my client's vision a reality. In the end, my client's mindset had gone from that of a small business owner operating a "mom and pop" business to one who could see unlimited possibilities for growth.

Note: I became so caught up in my client Robin Wes's dream, we became partners and created The Little Gym International, Inc. Over the next few years, we offered franchised business opportunities to like-minded individuals and opened hundreds of facilities. Today, The Little Gym provides its unique development opportunity to tens of thousands of children in over twenty-five countries around the world.

Now, I am not suggesting that you as a coach become so personally involved in your client's business, but you never know when an amazing opportunity will come your way.

Opportunity 3

Coaching When Your Client is Planning to Sell

Here is an opportunity to help your clients wishing to sell their businesses to build equity and get the top dollar when the sale is completed. Most small business owners can increase the perceived value of their company before they put it on the market with a bit of pre-sale planning and

packaging. It's easy to accomplish, yet far too many small business owners don't understand how simple and straight forward the process can be. Because of this, many owners fail to receive the true value of their business.

This is where a business coach, who is armed with the right questions, can provide his or her clients with a tremendous return on investment.

Are your financials in order? Do they demonstrate the true value of your business? What is the profile of the perfect buyer? How will you promote the sale of your business? Will your key employees stay after the sale? Do you have the appropriate systems in place so your business will survive and grow when you no longer manage it? How will you prove this to a potential buyer? Do you want cash or are you willing to accept a higher price and finance a portion of the sales price yourself? How can you mitigate any liability connected to selling your business?

Personal Experience

Some years ago, a physician I know (a friend, not a client) decided to quit medicine and retire. He explained to me he was so fed up with dealing with the constant threat of law suits, the high cost of malpractice insurance and the restrictions imposed by health insurance companies, that practicing medicine was no longer fun or rewarding. He just wanted out. So, he notified his patients and within a few months closed his practice and walked away. Fortunately, he had invested well and felt confident his portfolio would provide him with the retirement income to live comfortably for the rest of his life.

Unfortunately, in 2008 his investments (which were mostly real estate) began to unravel and by the end of 2009 much of what he had counted on for his retirement had vanished. In hindsight, he now constantly regrets his decision to close his practice and walk away. He knows that with a little forethought and planning he could have sold his medical practice (which generated a solid seven figure in gross revenues) for a significant amount of money. He had a valuable business, yet because he was personally frustrated and unhappy, he missed an opportunity to capitalize on his years of hard work in building his business.

What happened with my doctor friend happens to small business owners everywhere. They become so bogged down with the details and challenges of running their business they lose sight of the beauty and only see the warts. A professional business coach could have helped the doctor to not only understand the value of his business, but to prepare for a very nice payday as well.

I hope you enjoyed the enclosed information. As I mentioned up front, I love entrepreneurs. I cheer for their success and make it a priority to support them with my business whenever I can.

As I gathered the research for this whitepaper, I couldn't help but become even more excited about the potential opportunities available to those of us who choose to coach these incredible individuals.

About the Author

Berry Fowler is the founder and former chairman of Sylvan Learning Centers, The Little Gym International, Inc. and co-founder and chairman of Fowler Wainwright International Institute of Professional Coaching. In 2012, Berry created the Fowler School of Business and Executive Coaching to offer master level training and certification in the field of business and executive coaching to a select number of professionals.

If you would like to learn more about how you can earn your Certified Master Business Coach credential, please visit our website at www.fowlermbc.com or call 888-314-0114.