

# How Small business Coaches Are Missing the Boat

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**Coaching is the second fastest growing industry and executive coaching accounts for an estimated \$2 billion annually. With high return on investments, coaching appears to be the small business dream. Yet, most coaches are missing this high pay boat because of one critical factor. Can you guess what it is?**

Small business is exploding. The entrepreneurial "bug" has infected many discontented corporate types who are seeking a better way of living and a higher quality of life. Many of their efforts have probably contributed to the second fastest growing industry within the United States after information technology - [Coaching](#).

**Coaching**, as a service, can produce significant results according to a 2001 study completed by Dr. Merrill Anderson of Metrix Global for a Fortune 500 company. In this study, coaching resulted in a **529% return on investment**. For every dollar spent in coaching, \$529 were returned to the company through increased performance. Additional studies from Dell, IBM, Kodak and other companies have helped to catapult this fledging industry.

Given all this good news, then why does the research conducted by Stephen Fairley, author of *Getting Started in Personal and Executive Coaching* suggest that only 9 out of every 100 coaches make more than \$100,000 per year? Additionally, 53% of all coaches make less than \$20,000 a year and almost one out of every three coaches (30%) have never exceeded 10 paying clients. These are pretty depressing statistics given that requests for executive coaching have increased 60% to 80% and by 2007 the estimated is for 50,000 coaches within the U.S.

Since this is a \$2 billion industry and growing at an estimated 40% annually, why are the business results for coaches not in alignment with the growth? Possibly, the answer lies within continued research such as from Dun & Bradstreet that failure for 90% of all small businesses can be traced to 3 key factors:

- Lack of planning
- Poor management
- Under capitalization

**Lack of planning** is probably the most detrimental factor. The other 2 factors are a direct result of poor planning. *NOTE:* Within a solid [strategic plan](#), management and capitalization are addressed.



## Consider the following:

**FACT:** *Most people spend far more time planning their weekly grocery list or family vacation than they do their businesses.*

How many individuals do you know that spend 15 to 30 minutes per week planning the grocery list or spend 4 weeks to several months planning a vacation or honeymoon? Now imagine if these same individuals set aside the same amount of time to plan their businesses, what type of outcomes they would receive? In the book *It's Not the Big that Eat the Small...It's the Fast that Eat the Slow*, the authors Jason Jennings and Laurence Haughton said that most business owners spend more time in yesterday and today than thinking and planning about tomorrow.

**FACT:** *If you don't have a plan, you are on someone else's plan.*

Successful business owners use their plan to ensure that they are not on someone else's plan.

**By having a plan, you accept personal responsibility for your own success.**

Additionally, someone else won't beat you to that customer or that niche market.

**FACT:** *Those who fail to plan, plan to fail.*

Without planning, failure is the only option. Planning also supports critical thinking skills because individuals are always asking **"What if?"** Their proactive actions create the destiny that they desire for themselves and allow them to quickly make course corrections when necessary because **their eyes are on the target.**

So if you are a [small business coach](#) and are not making over \$100,000 a year and have not exceeded a total of 10 paying clients, maybe now is the time to create or review your strategic plan. **NOTE:** *A strategic plan states who does what by when as compared to a business plan that provides a general overview along with financial documentation.*

Of course, **if you like** being in the majority of those **making under \$20,000 a year** in an exploding industry where opportunity is everywhere, then please **continue to do what you have always done while hoping for different results.**

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