

Business

In a down economy, business coaches see growth

LIZ FARMER
Daily Record Business Writer
April 17, 2009 7:08 PM

As the economy takes its toll business owners during the recession, business coaches say they are seeing growth in their client lists from those looking to get a competitive edge.

"Just like in sports, coaching is what helps you stay focused," said Allison Moran, a Growth Coach franchisee.

Moran, based in Savage, has seen a 40 percent increase in her client list since the economic downturn began last fall, including four new clients in the last month. Growth Coach is a Los Angeles-based business coaching franchise.

"A coach will challenge your assumptions about how things are going and help you realize what's holding you back," said Moran, who said she has 25 clients. "And in this economy, I think people are looking for that more than ever."

Others report a similar interest from business owners.

Maryland Chamber of Commerce President Kathleen Snyder said her organization has seen more interest in their workshops and programs for small businesses.

"We don't do mentoring per se," Snyder noted, "but I have noticed a number of entrepreneurs who are increasing their entrepreneurial options that way."

In Rockville, ActionCOACH franchisee Jeff Miller said business has been fairly steady and he recently signed two clients who are looking to make a change in the down economy.

"I think people are realizing that if you want a different outcome you have to change your response to it," said Miller, who said he has 16 clients. "And I've seen that in the clients I've signed over the last few months."

He and Moran noted that coaching, which costs an average of \$50 to \$300 per hour depending on the service, differs from consulting work because it is geared more toward smaller business owners rather than large corporations and requires more consistent attention.

"It's about accountability and implementation," said Moran. "Whereas a consultant can determine a plan for your business then leave you to enforce it, a coach walks you through that."

Coaches noted many small business owners started their companies because they excel at their craft and have a vast knowledge in their specialty — however, many lack a business background and struggle to handle management tasks efficiently.

"I know how to be an architect because I went to school for that, but don't know how to be a business owner because I didn't go to school for that," said Karen Pitsley, an architect who became a client of Moran's in November.

"I need to make sure I'm doing all the right things to make sure my business is efficient," she added. "I need to know I'm using all the tools I can to make this work as best as I can especially with economy the way it is."

Edwards Holliday, president of Atlantic Leadership Group in Clarksville, noted another factor that may be

"I think people are realizing that if you want a different outcome you have to change your response to it," said Miller, who said he has 16 clients. "And I've seen that in the clients I've signed over the last few months."

Jeff Miller...

contributing to the recent growth is that the industry has become well known.

"The market has been gaining in acceptance," he said. "It used to be that if you were getting outside help there was a problem with the way you were running things — now [the perception is] you're getting a coach because you're going somewhere."

Holliday noted that his own client list, which is 80 percent based in the financial industry, went through a lean period at the end of the year when many companies were trimming costs. But he said things are picking back up now as people are focusing on what's next.

"By now, most people have gotten over the shock and have done most of the cuts," he said. "Phase two is what can you start doing now to start growing again within your means?"

Now an estimated \$3 billion industry, the growth has also created a standardization process with some companies. For example, ActionCOACH, which has more than 1,000 locations in 26 countries, requires its franchisees to attend training and take a personality test before giving them a franchise license.

But there's a downside to the increasing popularity. As the unemployment rate increases — Maryland's reached a 17-year high in March at 6.9 percent — some worry that laid-off executives or struggling life coaches may try to transition into the business coaching field.

"It's a potential issue," said Miller.

But just because it's the kind of job that can literally start with a cell phone and business card, those trying to get their foot in the door now may not find it easy.

"In my case I have a base of clients and 25 years of experience," said Holliday. "I'm not concerned about competitors because I've already carved out my own niche."