



Do You Need a Coach?

More entrepreneurs are turning to business coaches for that extra edge. Here's how to find the right coach--and what you can expect once you do.

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Ever since Machiavelli first advised a young prince, leaders have sought the counsel of outsiders. After all, it's lonely at the top. At many small companies, chief executives are the only people who truly understand their organizations, and every major decision falls on their shoulders. And since the CEO is the one who signs the paychecks, it's tough to find employees brave enough to provide honest feedback. Seventeenth-century merchants turned to "cunning men," or wizards, for guidance; entrepreneurs today turn to their more modern counterparts: executive coaches.

Executive coaches are not quite business consultants, whom you'd hire to address a particular operational or technical problem. And they're not psychotherapists, whom you'd tap to work through emotional issues. Coaches generally focus on one thing: improving your performance as a leader. They do this in much the same way sports coaches work with athletes: by helping you make the most of your natural abilities and find ways to work around your weaknesses. A good coach will make sure you meet your commitments, behave like a grownup, and otherwise stay out of your own way--things nearly all of us can use a little help with.

Executives at large corporations have long relied on coaches. But entrepreneurs arguably need them more--mostly because they're so isolated. "Entrepreneurs start out excited about being able to chart their own direction," says Allison Linney, who has been counseling business owners for six years as president of Allison Partners, a coaching firm in Charlottesville, Virginia. But eventually, Linney says, many entrepreneurs find that they actually miss having a boss--or at least they miss having a trusted adviser with whom they can brainstorm, set goals, confess their anxieties, and work through the day-to-day challenges. Think about the best boss you ever had (or dreamed of having). "A great coach can provide you with similar resources," Linney says.

There certainly is no end to the number of people promising such greatness. The ranks of executive coaches have swelled from 2,000 in 1996 to some 10,000 today, and sorting through them is not easy. Different coaches work in different ways. Some work only over the phone; others come to your office; and a growing number work in group settings, coaching dozens of business owners simultaneously. Some provide tough love; others coddle and cosset. There's no standard fee structure, either: Rates can range from several

hundred to several thousand dollars an hour, and a few coaches will even ask for a piece of your business. Some demand a commitment of a certain length of time, others are pay as you go.

Adding to the chaos is the fact that despite a few noncompulsory credentialing efforts, the coaching profession is completely unregulated. Anyone, with any amount of experience, can crown himself coach and start offering advice. Hairstylists face more stringent licensing procedures.

How do you make sure you choose the right one? Because different individuals will thrive under different kinds of coaches, there's no way to answer that question definitively--though the tip boxes ([Get the Right Coach](#) and [What Kind of Coach Do You Need?](#)) should provide some guidance. What is it like to be coached? How can working with a coach transform your company? Those are questions that can be answered by investigating coaching arrangements that are working well. To that end, *Inc.* asked two entrepreneurs, running very different companies, to open up about their relationships with their coaches--to share the day in, day out, in-the-trenches process of working with a business coach, as well as the results they've achieved. Here's what we found.

Dava Muramatsu had momentum. She just wasn't sure what to do with it. Muramatsu is the owner of Matsu, a popular women's clothing boutique on Boston's posh Newbury Street, and her bohemian-chic sense of style has not gone unnoticed. Matsu "is more than a store. It's an experience," gushed a reviewer in a 2004 article in *The Boston Globe*. "Dava Muramatsu has an eye for the special and beautiful." Matsu's merchandise, culled from artists and designers worldwide, has landed in the pages of magazines like *Lucky* and has twice been selected for the "O List," a list of products selected by Oprah Winfrey and published each month in her magazine. Muramatsu would like to capitalize on that exposure, use it to propel her business beyond Boston. The ideas practically explode from her head: Expand the clothing line she recently started. Open another store. Start offering style-consulting services. Write a book.

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But like many ambitious business owners, Muramatsu finds it difficult to get from concept to reality. She's a bit of a micromanager and often gets consumed by the endless stream of tiny details that go into successful retailing. What's more, she runs Matsu on her own, and the days often seem like an unending series of decisions and tasks that are hers alone, from training and managing employees, to deciding what lines to go after, to coping with rejection and struggling with financial pressures. It got to the point where the demands of the business were depleting Muramatsu's creative energy--a problem, since Muramatsu's creativity is the very foundation of her business. "I felt really stale," she says. "I knew I was creative and passionate. I just wasn't feeling it."

And so it was, until one day almost two and a half years ago when a new customer walked through Matsu's door. Mel Robbins was tall, blond, slender, and fashion-

conscious. As she waited on Robbins that day, Muramatsu chatted her up. Robbins explained that she was an executive coach and delivered her standard elevator speech. "I work with mentally healthy people who are stuck, bored, overwhelmed," she said. "Usually my clients are very successful people, but somehow they don't relate to themselves that way. I help people create plans that inspire them. And then I coach them in the implementation of those plans."

Robbins, a former corporate attorney who has been coaching business executives for five years, already had a datebook full of appointments, and she generally doesn't take on new clients without a referral. But she liked Muramatsu and gave her a card. Muramatsu, for her part, was skeptical. But Robbins's words stayed with her. Muramatsu knew that despite her passion and ambition, she often felt overwhelmed. She needed some way to get her creative juices flowing again. Two months later, the two women began working together.

Robbins returned to Matsu and explained how she works. They'd start by doing an assessment of where Muramatsu stood in terms of what she wanted to accomplish personally and professionally. She'd ask her to identify her goals and dreams, and then together they'd create a step-by-step plan to get there. Muramatsu definitely had some exciting ideas--starting a line of jewelry, hosting a fashion show. But the daily demands of her business were a constant distraction. Robbins explained that the main thing she offers clients is accountability. "It's one thing to write down a plan on a piece of paper and say, 'Sure, I'll get that done,' and an entirely different story to execute it and have the results be satisfactory," she says. "Most people drop the ball at step number two, and almost all drop the ball at step number three. The most important thing a coach can do is help you execute a plan."

Muramatsu decided it was worth a try. Unlike many coaches, Robbins does not require a retainer or any long-term commitment. "I'll sign a confidentiality agreement, but otherwise, there's no contract, no proposal. We define what it is that we're going to do, and as long as it keeps making sense, we keep going," she says. She'd bill Muramatsu \$250 an hour, and the two would meet once a week, with occasional phone check-ins as needed.

During their first meeting, Robbins walked into the boutique's tiny back office. The piles of paper stacked haphazardly confirmed what she'd sensed in Muramatsu from the beginning: The day-to-day operations of the business were not running as smoothly as they could be, and that was draining Muramatsu's creative energy. Muramatsu admitted as much. "I went to art school, not business school," she says. As the two chatted, Robbins realized that her new client had a problem shared by nearly all small companies: an overinvolved owner. "Every decision had to go through her," she says. "She was trying to do all of her own marketing, all of her own publicity. She was trying to be in the store all the time because she believed that the sales were better when she was there. I saw someone who was extraordinarily talented and tremendously overwhelmed." An overwhelmed entrepreneur, of course, is seldom an effective manager, and Robbins was

not surprised to hear that Muramatsu was frustrated by the pace at which her business was growing.

The first goal of the coaching, the two decided, would be to free up some of Muramatsu's time "so she could actually get out there and do the things she wants to be doing--things she can't do if she's standing in her store," says Robbins. And that involved taking a hard look at Muramatsu's skills--the creative and artistic aspects of her business--and her weaknesses, mostly in the dollars-and-cents realm. They also began dividing her tasks into those she needed to do herself and those that could be delegated.

For the most part, the hourlong coaching sessions have been in-depth conversations about the operations of the boutique. Muramatsu uses Robbins as an objective sounding board, hashing out everything from small problems, such as a scheduling mishap with employees, to larger issues, like finessing cash flow. Robbins's role is to keep her client focused; she's developed a laser eye for tasks on Muramatsu's plate that don't belong there. "Mel helps me access what I have," says Muramatsu. They've spent many sessions developing a new employee-training program so Muramatsu can leave the store. She's learned to trust her bookkeeper and inventory manager to make key decisions, which has boosted her confidence and her creativity tremendously.

It also allowed her and Robbins to take the next step. These days, coaching sessions focus on larger goals--writing that book, planning that fashion show. Robbins makes sure that Muramatsu breaks big, daunting tasks into a series of smaller, more manageable goals. And she is diligent about following up to make sure tasks have been completed, which Muramatsu says has been incentive enough to make sure future plans don't get lost in the blur of day-to-day operations.

Since Muramatsu began working with Robbins, she's coordinated several fashion shows, created a new line of jewelry, and launched a monthly trends newsletter for customers. In early 2005, she launched a personal styling consultancy. "She'll size up anything you show her--a dress, shoes, jewelry--and style it in a way that can only be called art," Daily Candy, an e-newsletter for shopping aficionados, wrote in April 2005. Muramatsu credits her new focus and creative energy with helping boost sales some 27 percent a year for the past two years.

Of course, not everything is perfect. For Muramatsu, the coaching relationship has become a bit uncomfortable in a way that she can't really articulate. For one thing, two years into the coaching, she fears she may use Robbins too much. "I'm beginning to feel that I've got to rely on myself, trust myself more, learn when to use and when not to use the coaching," she says. "The coaching can be a drug." She doesn't intend to stop meeting with Robbins, but she does plan to "give it a little bit of a break." The two discussed the matter. They now meet less frequently.

Dina Dwyer-Owens knew she wouldn't have much time to prove herself. It was 1999, and at the age of 36, she had just been handed the reins of the Dwyer Group following the death of her father, who had run the company for nearly two decades. They were large

shoes to fill. Under Don Dwyer's guidance, the company, based in Waco, Texas, had grown from a single carpet-cleaning franchise into a publicly traded mini-conglomerate that comprised six franchise brands providing residential and light industrial services--including Mr. Rooter, a plumbing and drain-cleaning franchise; Mr. Electric; Mr. Appliance; and Glass Doctor, which repairs windows. When Dwyer-Owens took over, the company had revenue of \$16.5 million, with 101 employees and 978 franchisees.

Dwyer-Owens had worked at the company for most of her career. Still, the transition from employee to boss turned out to be trickier than she'd expected. "I was a younger person taking on the role of running a substantial company that was typically male-dominated," she says. Setting priorities was a real problem. In her first months at the helm, she found herself getting sucked into meetings that she didn't need to be in and having a hard time doing the things that had to be done. The Dwyer Group was in the midst of major changes, including an acquisition. But Dwyer-Owens found it excruciatingly difficult to find the time to sit and strategize. "That didn't feel productive to me," she says.

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After six frustrating months in the CEO chair, Dwyer-Owens learned that both her financial adviser and her lawyer separately were involved in a program called the Strategic Coach. Unlike a coach who comes to your office and works with you one-on-one, the Strategic Coach holds quarterly meetings with a group of entrepreneurs with similar annual incomes. (Only those with annual incomes of more than \$100,000 may join.) The company was founded in 1974 by Dan Sullivan, who started his career as an advertising copywriter in Toronto only to discover that many of his clients needed help with a lot more than their ad campaigns. In 1974, Sullivan left advertising and started coaching individuals full-time. In 1988, he decided group coaching workshops made more sense. He began training other coaches in his method and now has 16 coaches leading about 140 quarterly workshops in North America. Fees range from \$4,500 to \$8,500 a year.

The group route is becoming more common. "Group coaching is powerful," Sullivan says, "because it requires a higher level of accountability than one-on-one. You learn far more because you can hear the experiences of other people." It's also worth noting, of course, that most coaches are entrepreneurs in their own right, and one way to expand a coaching business is to work with more than one person at a time.

A few months after she heard about the program, Dwyer-Owens enrolled in a workshop that met in Rosemont, Illinois, near Chicago, signing up for four quarterly sessions. As she walked into the conference room at 8 a.m., she didn't know what to expect. She was immediately surprised by the number of people who were in the room--between 35 and 40. She knew she'd be in a group, but she'd thought it would be smaller. She helped herself to breakfast and began chatting with the other participants. It seemed like the usual business breakfast meet 'n' greet, but Dwyer-Owens was determined not to treat it

that way. "Usually, I'd be passing my cards to everyone, working the group. But that wasn't my focus there," she says. "This was about me getting better as an individual."

At 8:30, Gina Pellegrini walked into the room. Pellegrini is an associate coach with the Strategic Coach, and also owns an Eden Prairie, Minnesota, company called #O.N.E. Concepts, which provides small companies with outsourced management and employee development services. A Strategic Coach client herself, she leads workshops in Santa Monica and Toronto in addition to Chicago. As the entrepreneurs ate their breakfasts, she mingled with the group and introduced herself. At 9 a.m., the ringing of chimes ushered Dwyer-Owens to her seat, along with the other entrepreneurs in her "pod," as these workshops are known. Pellegrini told the group what they would learn that day. Every workshop focuses on a core concept. At the heart of the system is time management, which is just what Dwyer-Owens was hoping to master.

Pellegrini encouraged the entrepreneurs to think about their calendars as consisting of three types of days: "focus days," during which you do what's most valuable to expand the company; "buffer days," spent preparing for focus days; and "free days," time off to recharge the batteries. Pellegrini then explained that participants eventually should be taking 150 free days a year--a difficult concept for many in the room to swallow. "The control freaks in the room start to panic," Pellegrini says. People tend to calm down some when they learn that the number includes 104 Saturdays and Sundays. But it's still a big adjustment because many business owners don't slow down on weekends.

Dwyer-Owens grasped these time-management concepts immediately. In fact, the whole notion of an organized system held enormous appeal because it reminded her of the systems that her own company puts in place to help franchisees run their businesses. The only moment that gave her pause on the first day was a meditation session. "It's nice to sit back and relax, but I never benefited completely from that experience," she says. (In subsequent workshops, the meditation session was eliminated.)

Dwyer-Owens headed back to Waco and began to put the concepts that she'd learned into practice. She now plans three focus days a week and spends those days doing high-impact activities that she's identified during the workshops--such as meeting with other entrepreneurs to swap strategies and spending more time soliciting ideas from her own employees. She's realized there is no need to feel guilty about sitting at her desk and thinking. Indeed, it was during such a moment of quiet that she decided to begin prepping one manager to take over for the COO, who was moving into a different role at the company. "Better than doing it at the last minute," she says.

The company has grown to 660 employees and revenue has jumped to more than \$100 million. In 2003, Dwyer-Owens successfully completed a drive to take the company private. She attributes a great deal of her company's rapid growth to what she's learned from coaching. "No one should kid themselves--there's no magic bullet to having a coach," says Dwyer-Owens. But by teaching her to balance her time and carve out space to think strategically, coaching has helped her become a more effective leader. She says it's also made her happier: She took off four and a half weeks last year with her family,

including trips to Italy, the Cayman Islands, and Deer Valley, Utah. In each case, she checked in with the office only once or twice, on predetermined days. "One of the greatest things about coaching is that it's taught me about balance," she says. She plans to take off six weeks in 2006.

Six years after her first meeting, Dwyer-Owens still attends a workshop each quarter. (She now travels to Santa Monica to take advantage of the warmer weather.) Each time, she says, she comes back with something helpful. For example, during one workshop participants were encouraged to think through their skills and abilities--in Dwyer-Owens's case, building relationships and plotting strategy--and to delegate everything else. She's since extended the process to her managers, doing away with rigid job descriptions. Other workshops have focused on learning to work with fewer, more lucrative clients; expanding a company to 10 times its current size; and evaluating potential deals.

As far as the interaction with her pod-mates goes, it's fair to say that that's not where Dwyer-Owens is finding the Strategic Coach program most valuable. When she's in her sessions, she's focused on her own needs, not the travails of her peers. Still, she has picked up some valuable tips, such as the name of a service she can call while she's driving to have her e-mails read to her and to send responses. She's also shared some of her own tricks and tips, such as an e-mail screening system she devised.

A group coaching situation like the Strategic Coach is less intimate than a typical coaching arrangement. But it also allows you to avoid the relationship-management issues that often arise between coach and client. The drawback is that the program is more rigid. There's no guarantee that the issue of the quarter is going to be a pressing one for you. What's more, if Dwyer-Owens or any client runs into trouble during the months between sessions, Pellegrini's door is really not open. "I have seven groups that I coach in a quarter; if I had 350 people calling me, I'd have no time to run my own business," she says. For pressing questions, the Strategic Coach provides clients with a liaison that they can phone--but 24-7 support isn't the reason people opt for quarterly, group coaching sessions. Dwyer-Owens can't remember the last time she called in for anything other than an extra workbook. "I guess there are some people who really need to stay in touch with a coach," she says. "I just haven't felt the need to do that. I have enough to work on."

Contributing editor Alison Stein Wellner also writes in this issue about [Elmwood Inn Fine Teas](#).