Do You Need a Coach?

By Joselyn Hall, IMBA, AIF®, and Lynn James, NBC-HWC, AIF®
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In today’s financial services industry, the advisor’s role is shifting from product expert to planning and relationship management. Changes in the investor landscape have created a demand for behavioral guidance as part of the value-added services advisors can provide to clients (Howard and Bunker 2018). Forbes, Morningstar, Barron’s, and others have featured stories about the growing need for advisors to adopt a behavioral lens in providing “a personalized, high-touch approach” (Touryali and Ebeling 2018), “helping clients stay in control of their emotions and avoid common mistakes” (Lamas 2017), and “goals-based investing” (Schultz 2019).

Today’s advisors are becoming increasingly adept at providing expert advice in a client’s best interests, but they may be uncomfortable or underskilled in cognitive behavioral therapy techniques or tools of coaching science.

This article examines the role that coaches have in helping advisors navigate change. It also includes three case studies that demonstrate how coaching can work for financial advisors, their firms, and their clients.

THE COACH’S ROLE IN THE CHANGE PROCESS

Coaches are consultants who use scientifically proven techniques to help people navigate externally driven change and also make internally driven changes that are beneficial for themselves and their organizations. Some advisors are choosing to hire coaches for themselves or for their practices. They’re not alone. Coaching is gaining traction across age groups and geographies.

The International Coach Federation (ICF) estimates there are 53,300 coach practitioners worldwide plus an additional 10,900 managers or leaders using coaching skills (see figure 1). These coaches self-identified as either full- or part-time coach practitioners or as managers/leaders using coaching skills (human resources, talent development, managers, or directors using coaching skills).1

Western Europe leads with nearly 35 percent of coaching practitioners. North America is a close second with more than 20,600 coaches and nearly 34 percent of the total. The ICF estimated the market size in the United States at nearly $1 billion in 2016 and projected to reach $1.35 billion by 2022.2

This growth in the coaching industry signals a shift in how individuals and companies are making use of coaches to elicit change to achieve positive or peak performance.

CONSIDERATIONS FOR HIRING A COACH

WHAT IS A COACH?
The ICF defines coaching as “partnering with clients in a thought-provoking and creative process that inspires them to maximize their personal and professional potential” (LaRosa 2018a,b).

As such, coaching is different from advising, mentoring, training, counseling, and therapy. Below are some comparative descriptions of these various roles:

- Advisor = a person who gives advice in a particular field.
- Mentor = an experienced and trusted advisor; an experienced person in a company, college, or school who trains and counsels new employees or students.
- Consultant = a person who provides expert advice professionally.
- Coach = a person who partners with clients in a thought-provoking and
creative process that inspires them to maximize their personal and professional potential.

- Counselor = a person trained to give guidance on personal, social, or psychological problems.
- Therapist = a person skilled in a particular kind of therapy; a psychoanalyst, psychologist, etc., who treats psychological problems; a psychotherapist.\(^3\)

Figure 2 provides a framework for comparing these different roles by placing them along two axes—the amount of time the practitioner spends listening versus speaking and orientation toward the past or the future. Figure 2 shows that relative to all the other roles, a coach is the most future-oriented and listens most of the time when with a client.

People seek coaching for several reasons, and one of the main reasons is that they are striving for lasting behavior changes that help them “reach their peak performance at home and at work” (Moore 2016, p. 10).

For individuals, this may translate into hiring a coach to help them explore personal goals, productivity improvements, and behavioral changes they would like to implement.

For firms, this may mean hiring a coach to act as an additional service provider within the firm to help clients create goals, articulate challenges and strengths, and create action plans.

For financial advisors and financial advisory firms, coaches and the effective use of coaching science tools can expand advisor value by improving discussions and relationships with clients.

**SELECTING A COACH**

When considering whether or not to hire a coach, understanding your motivation is key. Do you want to achieve personal and professional goals, create an additional service area for clients, provide consultative services, enhance value-added sales, or something else?

The coaching field is relatively under-regulated and there can be many unclear designations. Finding the right coach will depend on the kind of coaching service you seek, but the coaches you would consider should have at least the following:

- Significant experience or training in the field of coaching psychology or coaching science. Coaching psychology focuses on facilitating goal attainment and enhancing professional and personal growth and development (Moore 2016, p. 10).
- Significant expertise using evidence-based best practices such as appreciative inquiry, motivational interviewing, non-violent communication, self-determination theory, transtheoretical model, positive psychology, self-compassion, mindfulness, active and reflective listening, and empathy.
- Certification through a reputable industry body with a proven track record such as the ICF, International Consortium for Health & Wellness Coaching, or Wellcoaches®.
- Continuing education requirements.
- Adherence to the ICF Code of Ethics.
- Full and complete confidentiality (except in cases where a client is in immediate danger of injuring self or others).
- A coaching contract that covers engagement expectations and responsibilities of both parties.
- Personal and professional liability insurance.

Once you’ve decided to use a coach, you can narrow your focus to the type of coach and the appropriate credentials or training programs. The lists below include some of the types of coaches you will find and some of the organizations that offer training for them.

**TYPES OF COACHES**

- **Health and wellness or well-being coaches** have advanced training in cognitive behavior therapy; some specialize in comprehensive lifestyle management for executives and high-net-worth individuals.
- **Executive coaches** specialize in working with the unique challenges that executives face in managing themselves and their companies.
- **Financial coaches** specialize in financial goal-setting, budgeting, or other specific financial strategies.
- **Human resources coaches** specialize in team management and human resource management.
- **Life or personal coaches** facilitate change for lasting behavior modification.
Below are three case studies that demonstrate how coaching can work for financial advisors.

CASE STUDY A: MANAGING GROWTH

John is the leader of a successful registered investment advisory firm. He is caught up in the momentum shift from the tactical work of running the business to the strategic work of guiding the business to the next level. He is interested in growing as a leader and as a person. To meet his personal goals, he is working with a health and wellness coach. With his coach, he is addressing health habits that contributed to unsustainable work practices. He is building new habits to help him manage stress, become less reactionary, and gain discipline in his thoughts. His improved mood and sense of calm positively impact his team and the company. His thought-discipline is helping him manage the strategic work and achieve his goals for growing his business.

Today he has transitioned out of the tactical tasks that were constraining his ability to bring in new clients and his company has more than doubled in assets under management.

John used individual coaching to deliver his results.

The workshop served to reinforce the coaching mindset his father had instilled in the company and provided tangible, implementable skills all team members could use.

CASE STUDY B: BUSINESS SUCCESSION

Lou is a second-generation advisor working in the firm his father founded. When his father announced his retirement, Lou was confident he was ready to take over the business. The only problem was that his father wasn’t ready to let go. Lou hired a personal coach to help him manage the transition. Through strategic questioning and reflective listening, Lou’s coach helped him articulate a vision for the company, the strengths he could leverage to realize that vision, challenges that stood in the way, and strategies to overcome those challenges. Separately, the coach assisted Lou’s father in his transition into retirement.

The coach served as a facilitator for Lou and his father so they could more effectively transition the leadership of the company. To create lasting change, Lou further engaged the coach to facilitate a coaching skills workshop for his team. The workshop served to reinforce the coaching mindset his father had instilled in the company and provided tangible, implementable skills all team members could use.

Today, Lou has successfully taken over the leadership of the company. His father is engaged in activities outside the company that give him a true sense of accomplishment. And, the team uses coaching skills to better engage with multiple generations of clients.

Lou used individual coaching and coaching skills to deliver his results.

CASE STUDY C: ENGAGING SPOUSES AND ADULT CHILDREN

Jennifer has a successful wealth management practice working with high-net-worth individuals and families. She is aware of a daunting statistic: “66 percent of children fire their parents’ financial advisers after they receive an inheritance” (Skinner 2015), but she’s not sure what that means for her practice. At a conference, she attended a session about coaching where she learned about accessible coaching skills and the eight dimensions of wealth and well-being framework, which can be used to ask open-ended questions (see figure 3).

As an experiment she replaced her standard greeting, “How are you?” with an open-ended question about nutrition from the framework: “Tell me about the best meal you’ve had this week.”

That new question shifted the relationship with a couple who had been clients for years. Historically, the wife was the active participant in the client meeting and the husband generally remained quiet. With this question, Jennifer encouraged the husband’s participation. Their conversation was animated, and she learned more about his values. She later used other questions from the framework with adult children of clients to build connectivity and deepen the relationship.

Jennifer uses coaching skills and open-ended questions from a coaching framework to build stronger client relationships.
**CONCLUSION**

Using coaching skills or hiring a coach to help you discover and use those skills can help you improve well-being, navigate change, or achieve business goals. This article has provided an introduction to the field of coaching and how it can be used within the financial services industry. Financial advisors can take advantage of this growing field to improve their personal lifestyles, communicate better with clients, and grow their businesses.

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**ENDNOTES**

2. Ibid, page 2.
4. Wellcoaches created the first coaching textbook in healthcare, the Coaching Psychology Manual, endorsed by the American College of Sports Medicine (coaching protocols are evidence-based).

**REFERENCES**


**Figure 3**

A COACHING FRAMEWORK—THE EIGHT DIMENSIONS OF WEALTH AND WELL-BEING

<table>
<thead>
<tr>
<th>Eight Dimensions of Wealth and Well-being</th>
<th>As a complement to the financial advisor’s work</th>
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<tbody>
<tr>
<td>1. Energy</td>
<td>Focus on goals that are top of mind for client/prioritizing</td>
</tr>
<tr>
<td>2. Nutrition</td>
<td>Build connections and habits that can improve health outcomes</td>
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<tr>
<td>3. General Health</td>
<td>Understand current health challenges to plan savings accordingly</td>
</tr>
<tr>
<td>4. Mental/Emotional Health</td>
<td>Manage transitions, life events (marriage, divorce, births, deaths, moving, change management...), impact of substance abuse, dementia, etc. Refer to appropriate licensed professional, if needed</td>
</tr>
<tr>
<td>5. Financial Fitness</td>
<td>Banking, investments, retirement planning (lifetime income), estate planning, insurance, education funding, philanthropy, tax planning...</td>
</tr>
<tr>
<td>6. Professional Development</td>
<td>Career management, retirement transition management, strengths and skills development, education planning</td>
</tr>
<tr>
<td>7. Spiritual Health/Purpose</td>
<td>Family values, family or personal mission statements (the why behind the financial planning), charitable giving, legacy planning</td>
</tr>
<tr>
<td>8. Social Health/Relationships</td>
<td>Increase the connectivity between both spouses and the advisor, connect with the next generation, build community</td>
</tr>
</tbody>
</table>

*Note: The Eight Dimensions of Wealth and Well-Being is a custom framework created by Truesquid, LLC based on findings from the following sources: Wellcoaches®, Duke Integrative Medicine Wheel of Health, University of North Dakota 7 Dimensions of Wellness Personal Wellness Assessment, and The American College of Sports Medicine.*

Source: Truesquid, LLC