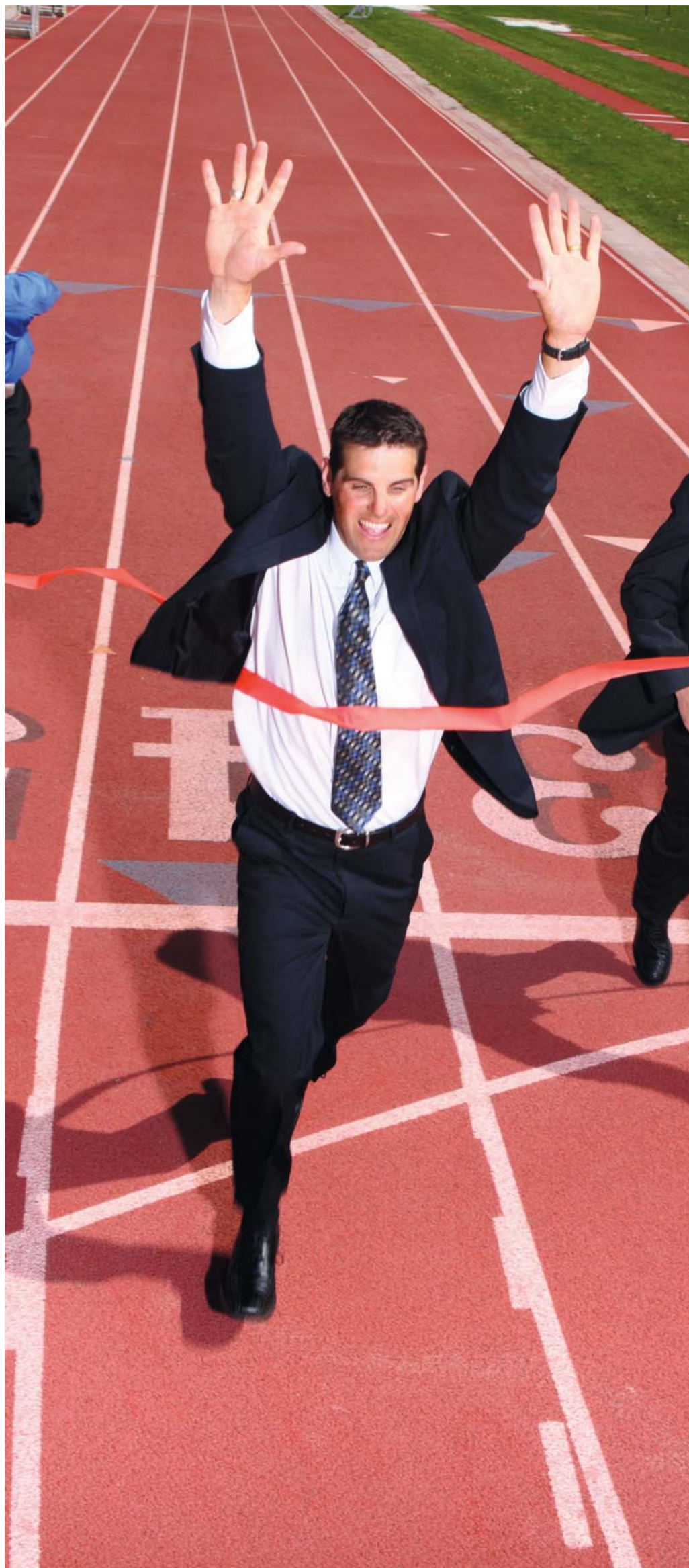


PRACTICE MANAGEMENT



Making your advisers champions

LEYLA BANAEI discusses the concept of bringing in a coach to assist new advisers who may be technically sound, but lacking in client facing experience.

One of the most critical challenges in running a profitable financial planning practice is finding people with the right skill set and client facing experience who can hit the ground running, converting prospects and generating profit straight away.

However, with a skill shortage currently being experienced in our industry, finding these 'skilled' advisers is hard. There are many new advisers who have completed their mandatory technical training and have all the bells and whistles on paper, however they are unable to convert prospects to clients due to a lack of experience.

These new advisers are often technically sound and have a heightened sense of compliance and fantastic product knowledge, however they are unable to really connect with and convert prospective clients when put in front of them. You might argue that it takes many years as an adviser to gain the intricate knowledge of client psychology and behaviours that generate a high success rate in winning over and establishing long-term relationships with clients and that it is not possible to inject 10 years of client facing experience into a new adviser overnight. Or is it?

It is the speedy transfer of skills and experience to new advisers that is one of the keys in running a profitable practice.

With a constant need to stay competitive in these times of change and turbulence in the markets, many practices value one-on-one coaching as a way to help their new advisers develop communication and client engagement skills faster, as well as assisting their more experienced advisers to improve their performance and profitability.

As a new adviser today, you don't have to wait three years before actually acquiring three years' worth of client facing experience. You can often pick up the



same level of skills and experience in three months by having one-on-one coaching and specific feedback. Coaching speeds up the on-the-job learning process and saves practices time in training and up skilling new advisers.

An increasing number of financial planning practices are looking beyond the traditional way of up skilling their new advisers through workshops and traditional training, which are costly and take up too much valuable time, and seeking a more focused approach to developing their adviser's potential using the services of a coach for driving each individual towards their personal best.

Instead of new advisers relying on trial and error to develop and adjust their client engagement strategies, which may take many months, they can use the services of a coach to get immediate feedback and identify exactly how to overcome any behavioural gaps or blockages that may be holding them back and affecting their performance. This is a focused approach and works well, as each individual is different and has their strengths and challenges to overcome. Using this tailored approach for the

Continued on page 8 ►

PRACTICE MANAGEMENT

Making your advisers champions



► Continued from page 7

individual adviser through coaching on the job allows change and improvement to take place much quicker and reduces downtime, as the adviser does not have to be away from the office for long periods of time

What is coaching?

Coaching is recognised today as the leading technique for performance improvement and development of people's potential, whether it is on a personal or professional level.

The word 'coaching' simply means transferring a person from where they are now in their current situation to where they desire to be. Coaching is conversational and may range from a single session that may be 20 minutes long to a number of sessions run over a number of months depending on the complexity of the change required. The conversation is structured and goal oriented, which allows the coach and individual to remain focused and effective.

A coach examines and builds the bridge between where an adviser is and where they want to be as a professional. This may

“ Coaching can improve performance by 55 per cent. And training accompanied by coaching can improve performance by 88 per cent. ”

be related to improving conversion rates, running a smoother practice, managing staff better or simply getting a better balance between the personal life and professional life.

The most recognised form of coaching comes from the sporting world, having evolved over thousands of years. There may be a contradiction in having someone who can't do what you can as well as you can helping you to improve. A tennis coach can't play professional tennis as well

as the world's number one tennis player can, yet the coach plays a vital role in improving the tennis player's game.

Coaching is about supporting the implementation of new behaviour that is necessary for the adviser to become more successful in their role. Coaching is about providing advisers with the tools and the 'how to' knowledge to reach their full potential. An adviser may know that they have an issue or problem with the way they are engaging their clients, but

they may not be able to identify exactly 'how to' fix this. Using a coach to identify the gaps and come up with specific options to improve and get a real focus on what the desired outcome is allows advisers to come up with the 'how to' a lot quicker than if they were trying to work it out on their own.

Coaching is not the same as counselling or therapy. Coaching is all about developing the individual's potential and improving their performance by looking into

the future to envisage their desired state and not at the past performance or behaviour as counselling does. Seeing a coach is not indicative of a performance problem. More often than not, it is high-potential individuals and practices that want to improve their profitability and performance by making an investment in their people that seek out coaching.

Effective one-on-one coaching of individuals in a practice is a major key to improving practice performance and the practice's bottom line. This is a highly tailored approach and allows the practice to focus on improving each individual in areas they need it the most. A survey by the International Personal Management Association (IPMA) conducted in 2004 that looked at the return on investment (ROI) of coaching versus training showed that training on its own can improve performance by 22 per cent. Coaching can improve performance by 55 per cent. And training accompanied by coaching can improve performance by 88 per cent. Coaching focuses on the qualities of each individual and uses modelling to assist the individual to improve their performance and

PRACTICE MANAGEMENT

therefore is a more focused way of investing in the individual's professional development, giving much higher profitability results and ROI.

Most advisers work with a coach for the same reasons they might seek a personal fitness coach: they want to improve their performance. A coach can help you develop an agenda that focuses on building your strengths and sharpening your skills to shore up areas that need improvement. Performance coaching is an individualised but collaborative process that has time limits and focused goals. It's designed to help you solve problems, increase your strategic thinking, improve your communication skills, create a politically savvy, positive self-image and develop ongoing career goals. Like its sports metaphor, business coaching is results oriented – there are systems of accountability incorporated into the process to move you forward or deepen your insights. And because you are accountable to your coach, you are more likely to implement new behaviour and therefore experience more rapid change and improvement.

The role of your coach

Your coach is your partner. They are not your mentor or manager. Coaching is partnering with clients in a thought provoking and creative process that inspires them to maximise their personal and professional potential. The ongoing partnership creates a safe environment for the client to grow.

Coaches are trained to listen, observe and customise their approach to individual client needs. They seek to elicit solutions and strategies from the client; they believe the client is naturally creative and resourceful. The coach's job is to provide support to enhance the skills, resources, and creativity that the client already has.

Coaches are different to managers. Managers focus on higher order tasks such as day-to-day operations and planning ahead for the business and the team. The coach's role is to help people 'get above' what they are doing and see things from a different vantage point.

Coaches tend to work at a more personal level than managers as well. The coach's role is to help someone develop the habits they need to be successful; personal habits such as how we think, communicate, act, plan, behave, organise, and so on. The coach works with the individual and their attitude, their approach, and their thinking. These are more personal things than most managers tend to have permission to work on with people.

Continued on page 10 ►

Tips for choosing a coach

#1 Check out their credentials and establish their level and depth of experience

It's quite easy these days to position oneself as an expert, consultant or coach of this, that or the other and start charging money for knowledge that someone has essentially learned from a book or by reading blogs/reports and articles without actually having put that knowledge into practice.

Since coaching is a new profession and certification and licensing are not yet required in most countries, there are many individuals who are calling themselves coaches today. Many who call themselves coaches have not been formally trained in specific coaching skills and are transferring skill sets from other professions into their coaching. Often this results in an inadequate or ineffective coaching experience for clients.

Certification from the International Coach Federation (ICF) is extremely important when considering which coach to hire. It means the coach:

- has received professional training from a program specifically designed to teach coaching skills in alignment with the ICF Competencies and Code of Ethics;
- has demonstrated a proficient understanding and use of the coaching competencies as outlined by the ICF; and
- is accountable to the ethics and standards set forth by the ICF – there are three levels of coaching credentials from the ICF.

The ICF is a consortium of professional coaches and organisations that have joined together under its auspices to shape and govern the profession of coaching. The skills sets, competencies, ethics and standards are a collective agreement between coaches from all over the world who have made the commitment to maintain the very highest standards you would expect from any other profession.

If you are considering hiring a coach, be diligent in asking the coach if they have been specifically trained in coaching skills and currently hold or are in the process of acquiring ICF credentials. Don't be misled into thinking a coach is competent because they have other professional credentials or set high fees. If you're hiring a business coach for you or your financial planning practice, you might want to check that they've got the relevant industry experience or have depth of experience in the specific function/area you're struggling with. Does the coach have more than a few months of experience to fall back on? Have they experienced the things you want guidance on? A general business coach may not know the critical points in running a financial planning business or be familiar with the financial planning process, so make sure that you choose a coach that can understand you and your business or, better still, has been in your shoes before.

#2 Do they walk the walk?

On a similar note, you might also want to check that the coach you are considering hiring walks the walk as well as talks the talk.

If you're hiring a coach for your financial planning practice or for individual advisers in your practice, it would be wise to find out what the coach's personal experience and professional experience is of financial planning. Find out about the extent of their knowledge and experience. Do they have a coaching practice that just focuses on financial planning and financial services or are they a generalist in the clients that they serve? Are they successful in their own business and have satisfied clients who have achieved results? Do they have a good track record and testimonials they can share? Are they accredited formally as a coach? What type of professional training and certification do they hold?

#3 Does their style suit your style?

In a one-on-one relationship with a coach, you need to figure out whether their coaching/facilitation style suits your learning style.

Does the coach have the same values as you? Do they place importance on similar ways of being? Does their working style suit yours?

#4 Check out testimonials, references and websites

While information disclosed to the coach during coaching is confidential, many clients are so pleased with the results of

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coaching that they happily provide testimonial letters or references for potential new clients of their coach. Some coaching websites or publications contain testimonials, case studies of coaching results, useful tips relating to the coach's expertise, or a little personal background information to give you a sense of who the coach is.

#5 Ask questions

Don't be afraid to ask whatever you want to know. What are the coach's fees? What happens when you need to cancel an appointment? What kind of intake session does the coach usually do? What is the charge for the intake? Does the coach use assessment instruments? Is their coaching style directive or supportive and exploratory? How long do clients usually maintain an active coaching relationship? Is there flexibility in the structure of the appointments? Does the coach prefer in-person or telephone sessions? Does the coach offer workshops or training in addition to the coaching? What about e-mails or emergency calls between sessions?

#6 Compare the coach's credentials, life experience and expertise with those of other coaches

A number of websites contain listings of coaches or otherwise provide thumbnail sketches of the experience, credentials, philosophy, specialty and personality of various coaches. The listing may include the coach's fee range or a link to the coach's website for additional information. Many of the coaching organisations have referral sections on their website. A good website where you can get some details on a lot of coaches in one sitting is: www.icfaustralasia.com/FindACoach.php.

#7 Try some sample sessions

The ultimate test of whether the coach is right for you is your experience with that coach. Many coaches offer a free sample session. When you narrow the possibilities down to your shortlist of coaching candidates, ask for a sample session. By doing a little homework and having a test run, you will be well on your way to the coaching that is right for you!

PRACTICE MANAGEMENT

Making your advisers champions

► Continued from page 9

How does coaching work?

Coaching is a process that can be broken down into three stages that allow advisers to explore, engage, and excel through any challenges to achieve their goals to improve performance.

Coaching is usually a conversation between the coach and the adviser that can be conducted on the telephone or as a face-to-face meeting.

The first stage of coaching or the 'explore' phase is the start of the coaching process. Here the coach and adviser start getting to know each other and get familiar with the issue or challenge at hand that will be the focus of the coaching session. Before the first coaching session the adviser would complete an inventory of where they are at currently. This inventory can be in the form of a questionnaire designed by the coach that the adviser completes before the initial meeting. In this 'explore' phase, the coach needs to get a good understanding of the adviser's current situation. It also allows the coach to get a very good understanding of the background and situation related to the issue or goal to be worked on.

Once the inventory is complete, the coach and adviser continue the 'explore' phase by then having a discussion about the adviser's desired outcome or goals. Through conversation and by asking in-depth questions, the coach will clarify what the adviser's desired goal or objective is. It is the quality of the coach's questions that allows the adviser to clarify what their desired outcome is. The coach may even get the adviser to visualise their desired outcome and to see things as they would be once the goal has been achieved. This allows both the adviser and the coach to get a clear picture of where they are headed. This is important because without the 'what', it is impossible for the coach to facilitate the 'how' or facilitate the changes that will clarify the stepping-stones to the adviser's desired outcome.

Coaching is only effective if the person being coached sees the personal value in it and is committed to making a behavioural change.

The purpose of the 'explore' phase is to also determine the adviser's readiness and commitment to change and to identify emotional intelligence strengths and developmental areas that would enhance his or her personal and professional effectiveness.

Advisers who succeed the most utilising coaching have the

following characteristics:

- they are highly motivated to maximise their full potential;

- they are open and honest with themselves and the executive coach;

- they realise that if they want different results they need to do things differently;

- they are open to learning a better way – often tapping into their own inner resources; and

- they are enthusiastic about making a commitment of time and money and follow through with actions.

Once the coach has a clear idea of where the adviser is and where they desire to be, the coach assists the adviser in prioritising their goals (if there is more than one) and deciding what the most pressing goal to tackle is. This takes the coaching process to its second phase, the 'engage' phase.

Because coaches adopt the principle that the person being coached knows more about their own situation than the coach does, they engage with the adviser and facilitate the conversation

the coach also assists the adviser to develop an action plan for a self-directed change process. This action plan then becomes the guidelines tailored for the adviser in moving forward. True behavioural change happens when the desired change helps people achieve personal goals in addition to the business' goals. Giving advisers the freedom to develop their own action plan motivates them to focus on and take responsibility for addressing real life, heartfelt issues and allows for immediate application of the coaching received.

The confidential nature of the coaching, coupled with the freedom to shape the outcome of their experiences, allows participants to explore areas of vulnerability in a non threatening, mutually respectful, and supportive environment.

The 'excel' phase or the third phase of the coaching process focuses on the individual successfully achieving their outcome as a result of the coaching conversation. This outcome may be

self-awareness and assisting them in achieving new results means changing some ingrained behavioural patterns. Changing deep-seated habitual behaviours takes commitment, practice, and feedback, and these steps take time and support. This is where the adviser stays accountable to the coach and stays open to ongoing feedback.

The 'excel' phase involves providing ongoing feedback on goals, giving relapse prevention support, doing follow-up coaching, facilitating workplace interactions such as sitting in on adviser client meetings (if client engagement is the goal), and ensuring that the individuals remain focused and motivated. The coach can also offer advisers tailored exercises, resource materials, and other tools to support the goals of their action plan.

The ultimate goal of the coaching is to achieve behavioural change. The focus of the 'excel' phase is also to measure, in the context of the personal goals that have been established, to what

inability to develop empathy with the client due to a lack of emotional intelligence.

In today's market climate and with clients becoming savvy, advisers no longer can rely solely on their technical and intellectual competence to distinguish themselves and their practice. Compelling research compiled in 2006 by the Consortium for Research on Emotional Intelligence in Organisations (CREIO) confirmed what most advisers know intuitively but have not articulated clearly until recently: for outstanding performance as an adviser, emotional intelligence is more important than intelligence quotient (IQ) and technical skill.

Emotional intelligence is the capacity to understand, value, and wisely manage our emotions in relationship to others and ourselves. Emotional intelligence and IQ are distinct yet complementary forms of our overall intelligence. While people need a certain baseline of IQ to perform well in their work and in life, emotional intelligence is what differentiates outstanding advisers from the average ones.

Coaching as an investment – your ROI

When a your practice makes a capital expenditure, it typically expects a return on that capital. This return on capital is also known as a ROI. Coaching is a capital expenditure. This expenditure should produce results and these results should be quantitative and qualitative. This may seem difficult at first, but with a little creativity it is possible.

If you're potential or even existing coach cannot demonstrate ROI, then find another coach who can. Do not believe any executive coach or business coach who tells you that determining potential ROI is not possible.

The basic equation to use is shown in equation 1.

Example: Coaching that results in increasing an adviser's conversion rates with prospects from three in 10 to six in 10 will result in a 50 per cent increase in conversion rates.

If each client converted is worth \$10,000 per annum and the cost of coaching is \$1,500 for the sessions required to increase this conversion rate, then:

The formula is shown in equation 2.

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so that the individual can come up with their own solutions to the challenge at hand. This is a major difference between coaching and managing/mentoring. The coach believes in the ability of the individual adviser to create insights and ideas needed to move the situation forward. The task of the coach is to use the advanced skills of listening, questioning and reflecting to create a highly effective conversation and experience for the individual and 'engage' them in the process and facilitate solutions or options for change and moving forward.

By engaging the adviser in creating their own solutions, the coach allows the adviser to develop the best options for their situation to move forward. Of course, the coach can guide the adviser and assist with the brainstorming of ideas. The coach can also point out behaviours that need to change, which is crucial in moving the situation forward to achieve the chosen goal.

As part of the 'engage' phase,

a new self-awareness of the situation, options created for moving forward when there were none previously, or a solution to a challenging situation that may not have been obvious before.

Self-awareness is an important part of this third phase. Self-awareness after all is the cornerstone of emotional intelligence. It also is central to improving our sense of well being, especially in turbulent times. An accurate self-assessment of our current behaviour is needed to determine precisely what we need to do differently to meet our goals.

In the 'excel' phase, ongoing support is vital to achieving true change. Developing the adviser's

extent they have been achieved and have improved individual performance and overall practice profitability. To assess progress, the advisers might meet with the coach three to six months after the coaching has ended. In addition, tools such as follow-up 360-degree assessment interviews can be held to determine the impact of the coaching on the participant's performance and on those he or she works with.

How does coaching help

Coaching helps by developing emotionally intelligent advisers. Research shows that the key indicator of failure for new advisers in their first few years is their

EQUATION 1

$$\frac{\text{client results} - \text{cost of coaching}}{\text{cost of coaching}} \times 100 \text{ per cent} = \text{ROI}$$

EQUATION 2

$$\frac{\$10,000 - \$1,500}{\$1,500} \times 100 \text{ per cent} = 566 \text{ per cent ROI}$$