Think Courage, Not Risk

Do coaches take risks? Executive coach and world-renowned thought-leader Marshall Goldsmith talked to AC Global Bulletin Deputy Editor Sue Stockdale about how risk influences the coach, the client and the coaching profession.

‘Most coaches tend to be risk-averse.’ That’s the view of Marshall Goldsmith, recognised as Number 1 Leadership Thinker in the World and the top-ranked executive coach at the 2013 biennial Thinkers50 ceremony in London. As a result, coaches end up taking on clients who are unlikely to change, because the focus of the coach is more on getting paid. This damages both the reputation of the coach and also the coaching profession.

Goldsmith believes that if coaches were more entrepreneurial and willing to be paid for results, rather than time spent with their client, they would make a lot more money. ‘Most coaches have zero measure of results other than amount of time spent with the client and my client likes me,’ he says. When you begin to focus on results you take a risk – because your client may not achieve them. And even if you don’t decide to get paid for results but just start to measure results, it’s still a risk because if you measure, you can document failure.

‘Most coaches are deathly afraid of measurement,’ he says. If you don’t measure you can pretend success. You can come up with anecdotal stories to justify your success. I don’t get paid unless my clients get better!’

Goldsmith’s approach could be viewed as a high-risk strategy. He is only paid on results: this means evidence of positive long-term change in the clients’ leadership behaviour as measured by key stakeholders. It turns the traditional view of a coaching relationship on its head: instead of the coach making the financial case with the client, the client makes the financial case with the coach. Goldsmith adds ‘Instead of looking inwardly and saying you are going to get better because of me, I tell them you are going to get better because of you. I facilitate the process of change.’

THE IMPORTANCE OF CLIENT SELECTION

Goldsmith doesn’t view his approach as high-risk because he has been working this way since he started out as a coach. One of the things he learned early on was the importance of working with the right clients.
‘I only trust myself to get results if I work with the right clients. For example, the client I worked with that changed the most, was the person I spent the least amount of time with. It was Alan Mulally, who was CEO of the Ford Motor Company, and was CEO of the Year in the United States and listed in Fortune magazine as the third-greatest leader in the world. Alan improved more than anyone I ever coached and I spent the least amount of time with him. I explained how it worked and he understood the process and he did it. Not only did he get better, but two hundred of his people also got better.’ That experience taught Goldsmith two lessons:

• **Lesson 1** – your biggest challenge as a coach is called customer selection. If you pick the right customer, your coaching process will always work. If you pick the wrong customer, your coaching process will never work.

• **Lesson 2** – never make the coaching process about your own ego and how smart you are. Make it about the great people you work with and how hard they work and how proud you are of them.

This is the opposite of mainstream coaching training. Most people are taught that the most important variable is the coach, but in Goldsmith’s view the most important variable is the person being coached. The key ingredient for the coach in client selection is courage; that is the courage to believe in yourself and your capabilities as a coach, and the courage to say no to clients who don’t care. It’s only a risk to get paid on results if you don’t have 100% belief in your own capabilities and 100% belief in your client.

I challenged Marshall to consider that many coaches would find this difficult. His response was: ‘This issue is not about money, it is about courage – do you have the nerve to do it or not?’

‘My father hired a man named Dennis Mudd to help us put on the roof. Because we did not have much money I had to help Dennis Mudd. I didn’t know anything about roofs but he trained me to help him.

‘It was hard work and it was hot, but Dennis Mudd was very serious and he wanted to do a very good roof and he wanted everything to be just right. So I worked with Dennis and we built the roof. When the roof was finished I was very proud. Dennis looked at my father and asked him to inspect the roof. He told my father “If the roof is of high quality, please pay me. If the roof is not of high quality, it is free”. Dennis Mudd was poor and needed the money but he believed in payment on results.’

This was a key moment in Goldsmith’s life: he decided ‘I want to be like Dennis Mudd when I grow up’. Goldsmith realised that whilst Mudd may have been poor, he had class. He understood that Mudd was taking the biggest risk of all, because he needed the money. This experience taught Marshall a powerful lesson about risk-taking and courage.

**MINIMISING RISK**

Careful client selection and knowing your value are key in enabling a coach to minimise some of the risks they may face when taking on a new client.

When Goldsmith takes on a new client, he engages stakeholders in the process from day one. If he works with a CEO, then the board have to agree what is important to focus on; if a senior leader, then the CEO agrees the key measures. This process ensures that stakeholders are part of the process of evaluating results in the longer term. His criteria for working with a client include:

**UNDERSTANDING YOUR VALUE**

As a young man, Marshall learned the importance of understanding your value. He was brought up in a poor family in Valley Station, Kentucky. He recalls a life-changing moment when a hole in their roof needed fixing:
• The issue must be behavioural - not intellectual, technical or functional.
• The person has to be willing to try.
• They have to be given a fair chance.
There are also some criteria that help him reduce the risk of not getting a positive result:
• Never coach integrity problems. You don’t coach a lack of integrity – you fire a lack of integrity.
• Don’t coach people who don’t care, and don’t coach people who have been written off by the company. Sometimes a company hires a coach to work with one of those people. But everyone knows they are not going to get better – it’s just a ‘seek and destroy’ activity.
• If you are a behavioural coach, don’t provide coaching on technical areas because you can’t make a bad engineer a good engineer, or a bad scientist a good scientist.
Only provide coaching where you have expertise to provide coaching. Most coaches know nothing about strategy - so don’t get into strategy.
As a coach you are in a good position to assess the motivation of a potential client. Goldsmith’s approach is all about making sure that the client is truly committed to the coaching process from the outset. Otherwise it will be difficult to trust that they have the ability to change, and to assess your results.
Marshall Goldsmith has trained thousands of people around the world to be coaches using his stakeholder-centred coaching methodology. And throughout the training he emphasises that the key to effective coaching is the client, not the coach. Something Marshall Goldsmith is particularly proud of is coming up with the idea of coaching successful people rather than coaching being used to fix problems. The extensive number of Google references for Marshall Goldsmith in relation to ‘coaching successful people’ is testimony to this.

ORGANISATIONAL ATTITUDE TO RISK

Our conversation moved to the subject of risk from an organisational perspective. I was curious to know how Goldsmith, whose best-selling books include What Got You Here, Won’t Get You There and recent title Triggers, viewed the role of risk for those within organisations who are involved in selecting coaches. As coach selection becomes more commoditised and price-sensitive, this has the potential to dumb down the value of coaching across a business.

His view was clear: ‘It’s generally purchasing or HR that are more risk-averse – because they measure hours worked, rather than behavioural change. At the end of the day it depends on who you talk to. Line managers are quite comfortable with risk because they are used to it. CEOs understand risk because they take risks every day; I have not found any CEO who does not like my pay for results approach – they think that way anyway. They have a bottom line to focus on, stock prices and a board of directors, so they know what it’s like to get measured.’

What about the coaching profession, I asked. What does he consider the risks to be in the coming years? As always, Goldsmith’s views are provocative. He sees the risks as already being lived out because there are too many coaches. This results in people being prepared to work for nothing, or very little, which damages the reputation of the coaching profession. He does not expect this to change in the short term either. ‘I’d suggest if you want to be in the coaching field, take the high road, not the low road,’ says Goldsmith. ‘Get a good education – coach high-level people, get paid for results.’

He also believes that coaches need to stop talking about themselves and begin talking about their clients. Goldsmith is proud that he can give you the names of every one of his clients. He says ‘Many coaches say they can’t
give me the names of their clients. Why is it a secret? I think it’s because often their clients are ashamed. I only trust myself to get results if I work with the right clients, so a coach needs to consider who is the right client for them.’

What does he think the professional coaching bodies can do to address the supply versus demand issue in the future? Goldsmith was sceptical about the degree to which coaching bodies will change, given that professional bodies have vested interests which preclude them from taking too many risks. ‘These bodies generate revenue from training and accrediting processes and as long as people have money to spend, they are unlikely to change in the short term,’ he mused.

In closing Goldsmith threw down the gauntlet: ‘Coaches need to believe in themselves and their clients’. His final comments, however, were pragmatic, recognising that not all coaches may be confident enough to adopt this approach immediately. ‘If coaches want to adopt this approach, they should initially try it with one or two clients. Explain that you really believe in them, and that you won’t get paid if they don’t get better. If you truly believe in the value of your coaching, and your client’s capacity to change, then why wouldn’t you take a risk?’

Marshall Goldsmith is an executive educator, coach and author. He has been recognised at the Thinkers 50 ceremony in London as one of the Top Ten Most Influential Management Thinkers in the World – and the top rated executive coach – for the past four years. His work has been recognised by almost every professional association and publication in his field. Marshall is one of a select few executive advisors who have been asked to work with over 150 major CEOs and their management teams. His coaching process is currently being used by thousands of internal and external coaches around the world. His books have sold over two million copies and his articles, blogs or videos have been read or viewed tens of millions of times.

Sue Stockdale is an executive coach and coach supervisor whose clients are leaders worldwide who step out of their comfort zones and achieve extraordinary results. Sue has written and co-authored eight books including Cope with Change at Work, (Teach Yourself Books 2012); The Personality Workbook (Teach Yourself Books 2013); and her most recent title Risk: All that Matters (Hodder & Stoughton 2015). She is Deputy Editor of the AC Global Bulletin and her risk-taking experiences include becoming first UK woman to ski to the Magnetic North Pole, and representing Scotland in athletics.

REFERENCES / FURTHER READING