Lesson Eight – Assignment

1. **Complete a table like the one shown on the internal and external factors that can create barriers to financial success and career success.**

<table>
<thead>
<tr>
<th>Internal</th>
<th>Barriers To career success</th>
<th>Barriers to financial success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example – save</td>
<td>• Fear of changing – career, risk, or success</td>
<td>Example – low paid job, so unable to do well.</td>
</tr>
<tr>
<td></td>
<td>• Poor literacy or learning skills</td>
<td>• Family commitments so unwilling to take financial or job related risks</td>
</tr>
<tr>
<td></td>
<td>• Poor language skills</td>
<td>• Personal medical reasons</td>
</tr>
<tr>
<td></td>
<td>• Poor people skills</td>
<td>• Poor literacy</td>
</tr>
<tr>
<td></td>
<td>• Lack of self-discipline</td>
<td>• Lack of goals / planning</td>
</tr>
<tr>
<td></td>
<td>• Lack of clear goals</td>
<td>• Lack of self-discipline – impulse spending</td>
</tr>
<tr>
<td></td>
<td>• Lack of planning</td>
<td>• Lack of understanding about financial and investment matters</td>
</tr>
<tr>
<td></td>
<td>• Past patterns of failure leading to pessimistic perceptions and attitude</td>
<td>• Unwillingness to establish new financial habits and budgets</td>
</tr>
<tr>
<td></td>
<td>• No ongoing training to keep skills relevant and/or upgrade skills</td>
<td></td>
</tr>
<tr>
<td>External</td>
<td>Example – living in a rural area with poor job promotion prospects.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Low number of jobs in the chosen field and/or a high number of applicants</td>
<td>• Failure to seek sound financial advice from qualified professionals</td>
</tr>
<tr>
<td></td>
<td>• No car and/or poor public transport in the area limiting prospects</td>
<td>• Entering into financial agreements without fully understanding the contract</td>
</tr>
<tr>
<td></td>
<td>• Issues with past employers so not able to obtain good references</td>
<td>• Failure to explore bank fees and charges and shop around for the best deal</td>
</tr>
<tr>
<td></td>
<td>• No training offered to keep skills relevant or updated</td>
<td></td>
</tr>
</tbody>
</table>

Yes, excellent points - the extent to which a client attributes their failures to internal (under their control) or external (beyond their control) factors will give you an idea how easy it is to work with them.

2. **Why might a program to nurture success for one client not work for another client?**

A single program to nurture success will not work for another client because each client is an individual with their own set of life circumstances, history, issues they wish to work on, preconceived biases and perceptions and psychological barriers to the success they wish to achieve. It is only in addressing each client on an individual basis aiming to encompass all these things that one can truly see how best to assist the client for their benefit and success.

While it is certainly easier for the coach to adopt a “one size fits all” approach, this is a half hearted response and the client deserves better. Addressing client needs in this way may achieve part of a solution and allow the coach feel they have responded the situation but this is not a correct mindset for life coaching which must always be completely client focussed. If the coach is not motivated to invest in the clients’ needs, how can they expect the client to invest in themself?

Such focus requires commitment and effort on behalf of the coach to delve into the genuine underlying issues so that realistic changes can be devised which are achievable and will obtain the desired goals.

Another major issue is the risk posed to the client when implementing a program which has not been adequately defined to address the issues appropriately. This could lead to poor decision making by both the coach and/or client which results in highly negative outcomes. Such outcomes can not only have a detrimental effect on the life circumstances of the client in some respect, but can cause...
psychological blockages which impede future progress with the current or even future coaches. This is a situation which should be avoided at all costs.

Given that this is the case, I do not believe that any single program can be stretched to fit every client’s needs. Each program needs to be carefully tailored to the individual concerned and it is incumbent upon the coach to meet these needs for the benefit of the client.

Discuss with a person who is good at managing their personal finances what strategies he or she uses. How did he or she learn them?

Tina works in an office and has worked her way up from general duties to more advanced supervisory work. With this came a pay increase and she now makes fairly decent money. She has no spouse or children, no contact with her extended family, and rents a small unit. She does not go out to clubs nor has she any major vices such as alcohol or cigarettes. She has never engaged the services of a financial advisor of any kind. She has only one credit card, with a reasonable limit in case of emergencies, being careful to refuse all offers of credit cards from other financiers.

Foremost in her financial planning is that every two weeks when her salary is paid into her statement account, she transfers it all to her credit card to pay off the card completely. She knows her credit card limit and does not spend more than her salary can replace. All transactions and purchases are made on her credit card for the following reasons:

- She identified that her statement account gave her only 5 free transactions a month and was charging her $2.50 for each additional transaction.
- Her credit card gives her 55 days interest free and the cost of ‘cash advances’ (which she rarely uses) is minimal compared to the cost of excess transaction fees. This keeps her bank fees under control.
- The credit card statement itemises everything allowing her to track her spending more closely.

Because she never spends more than her next pay check, when she has paid off the credit card she is often in credit, meaning she has more money in there than her limit. She transfers all these excess funds plus whatever else her budget will allow for into a high interest savings account at another bank. She can transfer the money back within 24 hours if she wishes but she manages to save approximately $500 if not more from each pay check. This is about 25% of her fortnightly wage. Because she has no family to fall back on, she likes to keep the balance of the savings account high in case her job is ever at risk.

She uses online services to pay her bills and always pays on or before the due date to avoid late fees.

She scans her credit card statements for inconsistencies and brings it to the bank’s attention immediately if any are found.

She has a will in place to see to her estate should it become necessary. While she is in good health and doesn’t feel she needs high level health cover, she has taken out basic cover to take advantage of the tax break it will serve her.

Her place of employment offers salary packaging so she can pay bills and rent before her income is taxed. She has taken advantage of this to lessen her taxable income and save money.

Her income tax has always been done by a tax agent as she is not confident with such things and prefers that it be done properly rather than risk issues or not claiming all that she is entitled to.

These are not financial tactics which she was taught by someone else. She has lived on an extremely low income in the past, barely able to make ends meet. She has also lived with high credit debt which she struggled to pay off. When she received a redundancy pay out from a previous job, she was able to pay off the credit card completely and begin building some genuine savings, a fall back position which she never had before but which is a luxury she fully appreciates.
She has developed these strategies over time as she has adapted to circumstances that arose. When she began having the money to consistently pay off the credit card each fortnight, she did. When she had extra money in excess of her weekly budget, she began saving it.

While she is not really interested in investing as such because she “doesn’t really understand how that works”, she would like to own a house one day and is setting in place the foundations for that to occur. This includes researching home loans and properties for sale to get some idea of what she is genuinely looking for and how much it will cost. She has indicated that she will opt for professional financial counselling before proceeding.

Tina has learned her life skills as a result of being alone. Had she had a spouse or partner, it may well have been different for her. The impetus of her attention to finances has been that she has no fall back position. Most people can go back to family to borrow money if they are in need. Without that possibility, she is keenly aware that she needs to place herself in the best position to be financially independent and solvent as possible.

Tina has expressed that she learned a great deal by observing her bank statements and bills, but also by researching on the net to see how others save money. She regards the internet and social interaction with friends to be her best sources of information as they allow her to approach institutions with more information than she would otherwise have had, thus allowing her to avoid being manipulated into accepting offers which may not be in her best interest.

4. Why can it be difficult for a life coach and a client to define and evaluate success outcomes?

It can be difficult for the coach and client to define and evaluate success outcomes because each will have their own perception of what ‘success’ is. It is very important then to establish what the client recognises as success at the start of the relationship and to ascertain if it is an adequate understanding as it will form the foundation upon which the future work is assessed.

A client who has not clearly defined this in their own mind may find that they are dissatisfied with developments as the work unfolds, as there is no clear benchmark for comparison, but be unable to articulate their dissatisfaction coherently enough for their coach to alter the case plan to address the unfolding needs.

Once the coach and client both have an adequate understanding of the client’s perception of success then they can begin to work on a level that will address those understandings appropriately in a way that the client can measure. Once the client can see they are succeeding as they define it, then this increases motivation and willingness to make more changes.

However, a coach who attempts to impose their own perception of success onto a client runs the risk of the client ‘shutting down’ emotionally and failing to continue expressing their needs and goals. This is disastrous to a coach/client relationship and will impede any future work between them. It can also create a negative experience which can be detrimental to any other coach/client work.

It is imperative that the client feel they are being heard and understood. Their perceptions should be recognised and gently corrected (if non-productive) as time progresses. This can best be done by listening to the client and then encouraging new ideas by suggesting/showing other options but always leaving it to the client to decide how they would like to proceed.

The client and coach can also determine how they would like to measure the outcomes as they proceed depending on the goals to be achieved. When this is not clearly agreed upon, misunderstandings can occur and the client may be disappointed when they feel they are not reaching their desired goals in some way.

Life coaching is a partnership between each client and their coach. While it is the role of the coach to motivate, it is also their role to support and empower the client. This is why working with the
client to establish the boundaries to be achieved and how to assess them is so important. One cannot empower a client if one has no clear understanding of the way in which the client needs support.

5. **Report on your set task. What have you learned from it? (No more than 1 page):** Find out from a life coach whether they work from a loose framework that they adapt to different clients, or whether they devise individual coaching plans from scratch for each new client. How do they view the effectiveness (in terms of successful outcomes) of their plans?

Having spoken to several coaches, I firmly believe that a single program cannot be implemented to fit all clients. They must be tailored to each situation individually to encompass the goals of each client the blockages they face.

Having said that, a loose framework can be developed which can assist the coach in identifying areas to explore and constructing a successful program once the parameters have been clearly identified. Once the client issues have been established in more detail, the coach needs to be tailoring the whole framework to meet the clients’ needs.

For example, a coach assisting a client with financial issues may have pre-prepared list of questions to ask, people to whom the client may be referred should the need arise, and drawing on prior experience, several approaches that can be offered to help with various issues.

It is not unlike a surgeon entering the operating theatre to find a tray of all the appropriate instruments waiting for him. Which tray he receives depends on the surgery to be performed. This does not mean the single tray has ALL the tools he will require however. Exceptions arise which must be addressed in turn. The initial tray may contain some of the tools but the application of them and how things unfold will define which are used and which are not.

Yes, good analogy

I was a little appalled at a couple of coaches I spoke to who seemed to have adopted a ‘near enough is good enough’ approach. They did little to build upon the main framework to fill in the gaps and service their client appropriately. I found myself wondering why they continued in the field especially as I could clearly sense their lack of motivation. It confused me how they could motivate others when they were so desensitized to their own lack of drive.

They would struggle

These coaches seemed to advocate for a framework approach being the easiest and simplest for the coaching relationship and appeared content with the outcomes. When I asked what tactics they employed when faced with a more challenging situation which a framework would not cover, they indicated that this rarely happened. I noted that no direct answer to the question was given and could only wonder at the quality of service they were offering their client.

Sadly there are some coaches who give the profession a bad name

I have learned that this is not the kind of service I wish to deliver. A client deserves far more commitment from their coach. If a coach will not invest in the client, how can they expect the client to invest in themselves?

Some coaches devised a plan from scratch for each of their clients which might not be productive either. Delving too deeply into minutia which may not always be relevant can simply take up too much time which can distress a client who perceives little progress initially, especially if they cannot see how the information may be valuable later. Visible progress is a key to maintaining motivation and although things proceeded slowly at first, these coaches felt that momentum increased over time leading to a positive outcome overall which enriched the client’s life.

My approach would be somewhere between these two extremes. Two tools I would employ are an initial loose framework which can help to build background and understanding of the issues, along with a file of resources to whom clients can be referred. After that, I would tailor each plan to the individual, addressing their personal needs and goals. This is why they have chosen to come to a life coach and they deserve nothing less.

Yes, I quite agree with your sentiments, a loose framework can be beneficial to save time and garner useful client information but once you have that information you can then begin to make your approach more personal - excellent