

REFLECTIONS

CHOOSING BETWEEN A BUSINESS MENTOR, A COACH OR A CONSULTANT – ADVICE FOR START-UPS

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Choosing between a Business Mentor a Coach or a Consultant Advice for Start-Ups

When you are starting a business, you need all the help you can get. You are consumed with the workload and trying to do a million things at once. You are smart enough to see the value in getting some input from an external source. Usually though, as a start-up you only have money – and time – for one. Choosing between a business mentor, a coach or a consultant is an important decision. But what is the difference?

Everyone has their own definition and interpretation of what a mentor is, what a coach is, what a consultant is. That's cool, but let me explain how I see them. My perspective is based on over 30 years building and running my own business. I have engaged coaches

and consultants galore. Interestingly, I could never find a real mentor that suited me, that could both understand me as a person and also comprehend how my business worked. Which is why I now serve as a business mentor myself.

What a Business Mentor is not

When making this choice, it's important to understand that a business mentor is not a coach – although we do coach in the course of our work. Tony Robbins is a pretty impressive guy. He defines coaching as: (<https://www.tonyrobbins.com/coaching/results-life-coach/>) "A life coach encourages and counsels clients on a range of professional and personal issues. Life coaching is distinct from giving advice, consulting, counseling, mentoring and administering therapy."

In my experience, the starting perspective of a coach is that the coachee (that's you) *already has the answers* they need to resolve any given situation. The skill of the coach is to draw out that knowledge. That way, the coachee themselves can come up with a plan to resolve or address a given situation.

This can be really useful, as I discovered when I engaged a coach. You don't need to be out of start-up mode to take advantage. He had the best questioning technique that I had ever experienced. His queries helped create a process through which I could select and prioritise all the options that I was facing.

The downside: he knew nothing about my business in particular, or business in general. He didn't know to get a legal review on an important contract or how to negotiate a pricing agreement. There wasn't an appreciation of the challenges of balancing stakeholder expectations whilst hitting growth targets in a highly regulated environment. That wasn't his fault – it was just outside his area of expertise.

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A Business Mentor is not a Consultant

Equally, a business mentor is not a consultant, though they do provide specific and structured advice.

I have had plenty of business consultants during my career. They can quickly identify areas of business improvement and provide options for how to solve these problems. They can be invaluable – in Australia, Business Health (<http://www.businesshealth.com.au>) were instrumental in helping my business win the FPA Professional Practice of the Year award. (<https://www.professionalplanner.com.au/2016/11/how-learning-to-back-himself-put-canion-on-the-path-to-success/>)

However, it was outside the remit of any of these consultants to try to understand me as a person, except as that immediately impacted the business. They looked at my situation purely from the metrics of the business. Things like my profit margin, return on equity, client funds invested, etc.

What they struggled to understand is the deep loyalty I had to clients who had been with us 20 or more years. These clients weren't profitable any more because they had drawn down their funds. Sure, I might lose money on them, but my personal values wouldn't let me cut them loose. They still needed advice and there was a relationship of mutual trust that had been built up. They weren't just clients – they were *friends*.

Consultants simply aren't paid to consider *business karma*.

OK, so what *is* a Business Mentor?

A business mentor is someone who understands your goals and priorities. This means what is important to *you*, not just in business, but in life. They also place a huge importance on knowing your values, beliefs and morals. As a start up, you will be pulled in all sorts of directions and it is easy to lose your compass.

A business mentor has proven experience in business. They understand a P & L, a Balance Sheet, can spot a cash flow squeeze from a hundred metres away. They know the principles of good corporate governance. They have the wisdom to know when to be cautious and when to be bold.

Just as importantly, a good business mentor will understand *the accounts of the heart*. These are the intangible aspects of business that mean while you build a business, you also build a *character*. A business mentor will understand that success is more than a bank account balance or winning awards. A business mentor possesses the skills to understand you well enough to ensure your actions are congruent with your best version of you.

If you want to read more, let me recommend this blog post

(<https://www.growthmentor.com/blog/business-mentors/>) from Growth Mentor.

(<https://www.growthmentor.com/>) Like me, they love working with start-ups (so if I am not your cup of tea head over there!)

With that background, a business mentor will work with you to identify your clear business goals, with an agreed timeframe for achieving them. We will also clearly define what success looks like. From this, you will design a plan.

But it doesn't end there – the key value from mentoring is having accountability for your action to someone who only has your best interests at heart.

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What's Next?

All three – a business mentor, a coach and a consultant – can play an important role in a life of a start-up. You need to choose the best service for your particular circumstances. If I may offer some unsolicited advice: at least make a conscious choice and take action.