

Coaching Guidelines - Entrepreneurial Coaching

Target group: Entrepreneurial Coaches



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1. Entrepreneurial Coaching

1.1. What is entrepreneurial coaching?

Entrepreneurial coaching is a specialized form of coaching that focuses on addressing issues specifically related to entrepreneurship. The primary objective of entrepreneurial coaching is to facilitate self-help. It aims to enhance individual learning and performance in professional settings, with a particular emphasis on customized advisory processes tailored to the unique needs of entrepreneurs. Entrepreneurial coaching is dedicated to enhancing performance, self-leadership skills, and developing tailored resource-oriented coping and problem-solving strategies for entrepreneurs. It aims to address the unique needs of entrepreneurs, whether they are related to projects or personal development.

Project-related issues include feedback and evaluation of business ideas, conducting a reality check by assessing motivation, skillset, timelines, commitment, and suitability (such as work ethic and personality), advising on funds, monitoring progress, offering support to prepare documentation for investors, and providing information about alternative funding opportunities.

Person-related issues focus on sensitizing individuals to the topic of start-ups, confronting them with critical future scenarios, enhancing their independence, and stimulating self-reflection through specific question techniques. Additionally, person-related matters involve networking by connecting entrepreneurs with experts such as faculty members and industry professionals, as well as facilitating cross-linking among entrepreneurs through peer networks, team members, and employees. Furthermore, person-related coaching aims to keep entrepreneurs motivated by defining timelines and realistic goals, and identifying achievable tasks.



1.2. The concept of coaching

Coaching can only work within the context of clear rules. The concept of coaching must be explained to the coachee, who has to understand and accept the overall idea of coaching voluntarily. A lack of acceptance for these “rules of the game” by the coachee would stand in the way of making progress. Entrepreneurial coaching requires the coachee to be ready to reflect on their beliefs, be aware of various issues, aspirations, anxieties, goals, methods, desired transformation, and limitations. It also involves addressing areas of discomfort that may be considered sensitive or challenging. Still, many coachees hold the belief that a coach's role is to deliver a ready-made solution to their problem, leaving them unprepared to engage in self-reflection and personal development work. These misguided expectations can initially lead to frustration for the coachee, which is why it is crucial to educate them about the concept of entrepreneurial coaching, particularly at the beginning of the coaching process. Another fundamental aspect of coaching that the coachee must grasp is that the coach's ultimate objective is to eventually become unnecessary, fostering independence rather than dependency. The crucial part during the coaching process is to focus on outcome-oriented introspection, to expand the coachee’s (behavioural) options and/or rendering them more flexible, as well as mobilizing current resources.

1.3. Who is an entrepreneurial coach?

The role of an entrepreneurial coach is to guide individuals in their professional growth, helping them identify and leverage their strengths and abilities to achieve long-term success in their entrepreneurial endeavours. Entrepreneurial coaches typically have practical experience in addressing coachees' concerns and thus possess interpersonal, and communication skills. In addition, coaches should have a basic understanding of how to start a business and be familiar with useful principles and tools that can be helpful in the founding process (e.g., Effectuation principles, Business model canvas, Marketing skills). However, a coach cannot and does not need to be omniscient in their role. The coach is not a “know-all”, who directly proposes solutions. The coach is a process mentor who provides individual support during the process by encouraging the coachee to set or question objectives, and to develop their own solutions.

1.4. Coaching dynamics

Each coaching process exhibits distinct dynamics, making it incorrect to assert that a predetermined number of coaching sessions will invariably resolve all issues. The coaching process's dynamics hinge upon the coachee's choices and unique prerequisites. Additionally, there might be occasions when it becomes necessary to backtrack and recommence at an earlier coaching phase. Coaching is not a universally applicable procedure; rather, it necessitates tailoring the entire process to cater to the coachee's specific requirements. Thus, it is important to remember that what worked well for one coachee may not be effective for others, so it's essential to avoid assuming that a particular method will be universally successful. For this purpose, the coach needs to ensure a complete understanding of the coachee's individual concern. It is crucial to identify the specific reason for initiating coaching in order to clarify the coachee's goals and objectives, especially at the beginning of the coaching process. Without a clear purpose of meeting, a specific mandate and a clearly formulated goal, coaching cannot work properly. In this regard, certain questions can be helpful in identifying the precise purpose of the meeting and successfully starting the coaching process. The following table provides exemplary questions that can be used to ascertain the coachees' purpose of the meeting.

	Question
Topic	What topic or question are you here for?
Goal	Which changes do you want to achieve during coaching?
Criteria	How would you notice that you've reached your goal? What would be concrete indicators?
Prognosis	What would happen if you wouldn't go to coaching?
Symptoms	How does your problem look like? How would you describe your problem?
Fear	What would be the worst thing that could happen during coaching?
Boundaries	Who should not know about your coaching?
Time	Why did you decide to start coaching now?
Duration	How many coaching sessions do you think are necessary?
Presumptions	What do you already know about coaching and the coaching process?
Alternatives	What did you do already to solve your problem?
Past	What caused your problem initially?

1.5. What's the difference between entrepreneurial coaching, consulting, and mentoring

Differentiating between coaching, consulting, and mentoring is important because each of these roles serves a distinct purpose and involves different approaches to support and development. By understanding these distinctions, individuals or organizations can choose the appropriate approach based on their specific needs. **Coaching** is a collaborative and client-focused process



aimed at helping individuals or teams improve their performance, achieve specific goals, and enhance their skills by asking certain questions, listen actively, and provide guidance to facilitate self-discovery. **Consulting** offers expert advice and solutions for specific business challenges, drawing on specialized knowledge and skills in a particular field. Consultants analyse problems and provide practical strategies to improve processes and achieve desired outcomes. **Mentoring** is a relationship where an experienced person provides guidance and support to someone less experienced, sharing insights and experiences to help them in their career path and connections. The following table provides a more detailed comparison of coaching, consulting, and mentoring.

	Coaching	Consulting	Mentoring
Definition	Aid to self-help, solution-oriented dialogue about professional/private questions of personal growth & self-reflection	Professional consulting in the sense of practical guidance, structured conversation, consultant determines content & process	A mentor is a senior or more experienced person in a company who helps a less experienced employee ("protégé") in their professional development
What	Guidance and stimulation to unleash one's own competencies and solution strategies, instead of providing solutions → collaborative, client-focus	Advisory help for different professional/private problems → analyzing problems, offering recommendations	Support for the orientation and adaptation process in a company (onboarding support or integration support) → relationship-based, sharing experience
When	Stressful situations, change processes, conflicts, growth, new beginnings, decision making	Current crisis, new private/professional circumstances, unsolvable conflicts	New employees, recent graduates
Who	Single persons/groups	Predominantly for single persons (groups possible)	Single persons/groups
Goals	Activation of existing resources, Improvement of self-management competencies, fostering communication skills & ability to act	Solution of current problems/conflicts, strengthening self-worth	Helping new employees with socializing, knowledge transfer, and become acclimated to the company culture, and their roles within the organization; furthermore: promoting specific groups (e.g. women, minorities),
Methods	Revealing, activating & strengthening existing resources by using question techniques, awareness-raising processes	More supporting (less revealing) method, limited to conversations	Predominantly supporting method, mentor is a contact person for orientation in the beginning

1.6. When is entrepreneurial coaching necessary?

Each business idea and entrepreneur or entrepreneurial team is unique, which is why standardized entrepreneurship courses may not always be beneficial. Entrepreneurs go through different stages as they develop their business ideas, and starting a business can be seen as a cyclical process with many highs and lows. Entrepreneurs strive to create something new, which is why the start-up process is often associated with a lot of uncertainties, and it can only be determined over time whether their business idea will be successful or not. As a result, entrepreneurial coaching offers entrepreneurs an effective way to receive personalized support and assistance on a process level, and to develop resource-oriented solutions for their own problems. Still, not all coachees who seek coaching actually need coaching. Most of them have a vague understanding of what coaching truly entails, what a coaching process looks like, when coaching is helpful, and when it makes sense to seek a coach. As a result, it is common for students to have incorrect expectations of what a coach can assist with and what they cannot. For instance, a coach is not meant to address a lack of research work or business knowledge. In such cases, it is recommended to provide the coachee with more appropriate measures. You can find a matrix with potential measures for specific issues in the start-up process in the following table.



Table: Measures of supporting entrepreneurs related to specific problems

MEASURE PROBLEM	Availability of consulting offers	Short trainings	Trainings	Information workshops	Courses	Entrepreneurial coaching
Lack of knowledge (e.g., business knowledge)	x		x	x	x	x
Fear of risks	x			x		x
False expectations (e.g., make money fast)	x			x		
Lack of an entrepreneurial team (complementary team members)	x					x
Lack of research about industry /missing market analysis	x		x	x	x	
Lack of market strategy	x	x	x		x	x
Lack of motivation (e.g., for hard work)	x	x				x
Dilemma of decision (job vs. own business)	x			x		
In depth validation of business idea & business plan	x		x		x	x
Lack of investors	x					x
Lack of network/linkage (e.g. no contacts to experts and sources)	x	x			x	x
Pressure from parents to start working and earning money	x					x
Wrong strategy/approach (means vs. goal driven approach)	x	x	x			x

1.7. Networking & linkage

Networking means cultivating relationships and investing regular time and effort establishing and maintaining career-related contacts (US Department of the Interior, 1998). The goal is to develop a network of connections in advance, ensuring that you have established relationships to rely on when you need assistance or support. Networking becomes a critical aspect of entrepreneurial coaching, particularly when a coach lacks experience or expertise in a specific area, as it allows the coachee to connect with individuals who possess the relevant knowledge and resources that can provide them with the necessary assistance. Such cases highlight the importance of having a broad personal network as an entrepreneurial coach.

The coach's role as a networker particularly becomes relevant for entrepreneurs who have already been working on a business idea for a longer period of time and now need contacts to specific industry experts for feedback or further connection to suppliers and stakeholders. Therefore, it is important for an entrepreneurial coach to constantly enlarge their network. A large network provides unique resources and may open doors for new options to support entrepreneurial coaches.



2. Coaching methods & models

2.1. Focus on resources & solutions

Coachees tend to focus on problems and deficits, that can often be paired with a feeling of helplessness and incapacity. A constructive problem analysis is important but the focus in coaching should lie in seeking solutions. Entrepreneurial coaching is focused resources, solutions, targets, and aims to achieve aware self-development. However, coachees often struggle to identify their current resources at the beginning of the coaching process. To uncover the individual strengths of each coachee, the **effectuation approach** can be particularly helpful. This approach is based on extensive research conducted with successful entrepreneurs and primarily highlights four behavioural principles that successful entrepreneurs rely on: Start with your means/resources, calculate the affordable loss, build partnerships, leverage (effectual), rather than avoid (causal) contingencies. Assessing the behaviour of coachees in relation to these principles at the beginning of a coaching session can be beneficial in establishing a foundation for future coaching directions and requirements. To comprehensively and intensively explore the individual components of the effectuation approach, the following table provides not only the general questions but also more in-depth **resource-oriented questions**.

Table: Questions related to principles of the effectuation approach

Means/resources
<p>Who am I? What I know? Whom I know?</p> <ul style="list-style-type: none"> • What do you like about yourself? • What are you proud of? • Which topics/activities are fun for you? What are you interested in? • Why is it fun for/interesting to you? • What do you do in your freetime? • Do you have any hobbies? • Can you imagine other situations where these skills could be useful? • Why/how would they be helpful? • Which people do you like why? • Which people do you admire and why? • What's the difference between you and these people? • Can you think of a situation where your knowledge/skills/expertise was decisive to solve a certain problem? (professional and private life) <ul style="list-style-type: none"> ○ What exactly helped to solve the problem? ○ What worked out well/less well and why? ○ Wo könnte das noch funktionieren? ○ Which knowledge/skills/expertise did you use? ○ Can you imagine more situations like that? • What's the difference between you and others in these situations? <p>What makes you think you can achieve your goals?</p>

<p>Affordable loss</p> <p>How many material means do I have? What am I prepared to lose? What will I invest in the step?</p> <ul style="list-style-type: none"> • Is there anything you would notice immediately if it was missing? <ul style="list-style-type: none"> ○ Would you say that's something you necessarily need to achieve your goals? ○ Can you afford losing it? Why/why not? • Is there anything you wouldn't notice if it was missing? <ul style="list-style-type: none"> ○ Would you say that's something you necessarily need/don't need to achieve your goals? ○ Can you afford losing it? Why/why not? • What be useful for or make it easier to reach your goals? What wouldn't? <ul style="list-style-type: none"> ○ Do you already have something similar? ○ What would be different if you had it? • Is there anything that could stand in the way of reaching your goals? <ul style="list-style-type: none"> ○ If yes, what would be different if it was gone? ○ How would you notice it was gone?
<p>Partnerships</p> <p>Who wants to already support my idea? Who are possible future partners? What are the commitments I want to achieve?</p> <ul style="list-style-type: none"> • When you think about the people you know, what are the skills/knowledge/personality traits you admire? Could they be useful to you? • Which people do you like? <ul style="list-style-type: none"> ○ Why do you like them? ○ Could these characteristics be of use to you? ○ What is the difference between you and them? • Did you have to contact certain people (e.g., experts) to solve a problem? <ul style="list-style-type: none"> ○ Who did you contact? ○ How did you contact them? ○ How did the conversation go? ○ How could this contact/experience help you in other situations? • Who could contribute the most to pursuing the change you are planning - who could support you? • If you were an entrepreneurship coach what would you advise yourself to do? • Who else is affected by your plans and goals? • Who is involved to accomplish the tasks? • Is there anyone who is also relevant to the accomplishment of your tasks?
<p>Next steps</p> <p>What will I do next? How would this change my means? How could this change my goals?</p> <ul style="list-style-type: none"> • What are your goals? What are you dreaming of? • Imagine you would reach all your goals over night, how would that look like? <ul style="list-style-type: none"> ○ What would be different? ○ What would you do? ○ What would have contributed to reaching your goals? ○ How would you feel? ○ How would you recognize the difference? ○ What did you do so far to reach that goal? ○ What worked out good/bad? ○ What stayed the same? (professional & private life) ○ Which subgoals can easily be achieved? Can you achieve them now? ○ What is not as important to me? Which aspects just play a minor role? • What would be the minimum success you would still be satisfied with? • Do you have certain problem right now? <ul style="list-style-type: none"> ○ How would you notice the problem was solved?



- How could possible solution look like?
- Are there any concrete tasks that can be done right now to solve the problem?
- Until when do you want to reach your goals/subgoals?
- Are there any specific tasks and/or subtasks that need to be done now?
 - What are concrete steps (that can be done right now)?

2.2. The GROW model

Effective coaching always works with transparent interventions. Some models can be very helpful to guide and support the coaching process. Especially the **GROW model** is a popular coaching framework that is widely used to structure coaching conversations, meetings, projects, and other coaching-related activities. The model is comprised of four key elements that are central to its approach: Goal, Current Reality, Options (or Obstacles), and Will (or Way Forward). It is an adaptable and robust framework that can be customized to suit various coaching scenarios and can assist coachees in realizing their objectives and maximizing their potential. The GROW model can be used as a guide for the structure of individual coaching sessions as well as for documenting the sessions and monitoring the coaching process and progress. The following table includes a brief description of each component of the model, as well as the associated coaching questions that can help gather information.

Goal	The first step is to establish a clear and specific goal. This involves defining what the client wants to achieve and what success will look like.
	<p>Overall goal</p> <p>How would you notice that the problem is solved? If you had already achieved success, what would have contributed to it? How would a solution look like? What would be the minimum you would be satisfied with?</p> <p>Goal for coaching session</p> <p>If the meeting was already over, how would you notice that it was a good meeting? Where did you get the idea to see a coach? What is the occasion with which we now start the coaching?</p>
Reality	The next step is to assess the client's current reality, including their strengths, weaknesses, resources, and challenges. This involves exploring the client's current situation and understanding what is working well and what needs improvement.
	<p>How did the problem arise? What have you done so far to solve the problem? What consequences does the problem have? Who else is affected by the problem?</p>
Options	The third step is to explore the options or obstacles that the client may face. This involves identifying potential solutions or strategies to help the client achieve their goal, as well as any potential barriers or obstacles that may need to be overcome.
	<p>When has the problem not occurred or occurred less severely so far? What could you do to make the problem worse? What makes you think you can achieve the goal? Suppose you were the coach - what would you advise yourself to do? Who could contribute the most to pursuing the change you are planning - who could support? Way forward</p>

	<p>What are the next concrete steps that you are going to take? Until when do you want achieve your goal? What are the specific tasks that need to be done now? What are subtasks? Who is involved to accomplish the tasks?</p>
Way forward	<p>The final step is to establish a plan of action and to help the client develop the motivation and commitment to follow through. This involves identifying specific actions, timelines, and resources needed to achieve the goal, as well as establishing accountability and support structures to help the client stay on track.</p>
	<p>What are the next concrete steps that you are going to take? Until when do you want achieve your goal? What are the specific tasks that need to be done now? What are subtasks? Who is involved to accomplish the tasks?</p>

2.3. Constructive feedback

The act of giving feedback plays a pivotal role in communication, as it can significantly influence the coachee's ability to attain their objectives. When delivered in a constructive manner, feedback can offer valuable perspectives and insights that individuals may not have been previously aware of, ultimately leading to enhanced self-reflection and the ability to make positive changes that facilitate goal achievement. Constructive feedback can be helpful for both the coachee and the coach.

For the **coachee**, receiving constructive feedback on the project, such as their business plan can be highly beneficial. In this case, an entrepreneurial coach might provide feedback to an entrepreneur about potential flaws in their market analysis or revenue projections. By highlighting these issues and offering suggestions for improvement, the coach assists the entrepreneur in strengthening their business plan. This feedback strengthens the entrepreneur's business plan, enabling necessary adjustments, refined strategies, and increased chances of securing funding and attracting customers for long-term success. Also, feedback concerning social interactions in the entrepreneurial team can be invaluable. For instance, a coach might offer feedback to the team regarding their communication and collaboration dynamics. By pointing out areas for improvement and suggesting strategies to enhance teamwork, the coach helps the team foster a more cohesive and productive working environment. This feedback enables the team members to understand their individual roles, improve their communication skills, and leverage each other's strengths, ultimately leading to increased efficiency, innovation, and success in their entrepreneurial endeavours.

Constructive feedback loops also serve as valuable tools for the **coach** to improve their own performance and uphold a high standard of quality during coaching sessions. Thus, the coach should always seek feedback from the coachee as well. The feedback received from coachees



enables the coach to identify areas for personal growth, refine their coaching techniques, and continually enhance their abilities. In addition, by actively seeking feedback, the coach demonstrates a commitment to continuous improvement and creates a collaborative environment where the coachee feels heard and valued. This two-way feedback loop helps in building a strong coaching relationship and ensures that the coaching process remains relevant and impactful.

However, providing and receiving feedback can be challenging, particularly if individuals have had negative experiences with it in the past. In general, it is important to be specific and objective in your observations, and to focus on behaviour and actions rather than personal attributes. Moreover, it can be beneficial to incorporate emotional reactions, but these should be conveyed in a way that benefits the recipient of the feedback. To ensure that feedback is received positively, it is crucial to adhere to certain **feedback principles**, particularly when conveying negative feedback or criticism. The following table presents the four key principles for delivering constructive feedback, which should be employed during coaching.

Description	When giving feedback, it is important to keep the description of the situation neutral and use specific, concrete terms to describe the behavior being addressed.
Consequences	It is also important to mention the consequences of this behavior in relation to the goal, whether they are positive or negative.
Emotions	Emotions should also be shared, but it is important to communicate from one's own perspective and use the "me-frame" (e.g. "I felt angry" or "I felt sad") to express the emotional or relational impact of the behavior.
Comparison	Finally, it is important to seek the other person's perspective, and to understand their point of view to avoid misunderstandings.

3. The relationship between coach and coachee

Entrepreneurial coaching is based on a one-on-one interaction between an entrepreneurial coach and one or more coachees, which can be either a single entrepreneur or an entrepreneurial team. To ensure a successful coaching process, it is crucial for the coach and coachee(s) to establish a stable personal relationship based on trust. The coachee(s) can only truly open up, engage in self-reflection, and address areas of discomfort when they feel comfortable and safe within the coaching relationship. In order to build this kind of trust-based relationship, it is important to adhere to certain fundamental principles, which are listed below.



3.1. Respect & valuing

It is important that the relationship between coach and coachee is based on respect, appreciation and acceptance. For a successful collaboration the coach needs to understand, and value the coachee's individual situation, and does not evaluate, diminish, or moralize the coachee's problem, and behaviour in any way. Problematic behaviour is seen as an unhelpful, or dysfunctional solution strategy that the coachee is applying to the best of their knowledge and conscience in order to improve their situation.

3.2. Confidentiality

Coach is bound by confidentiality and guarantees the coachee absolute confidentiality regarding the topics, concerns, and personal information discussed in the coaching sessions.

3.3. Responsibility

Both sides must be aware of their own responsibility.

The Coach provides professional guidance of coaching process, enriches it methodically, creates a constructive space of self-designing, and focuses on solution- and resource-orientation.

The Coachee is seen as an expert about him-/herself, who is able to discover, and develop their own solution. In order to make this possible, the coachee needs to be open for taking responsibility to reaching their goals.

3.4. Neutrality

The coach has a modest attitude of not-knowing, meaning that they do not know which solution is best for the coachee. The coach should always adopt an independent position rather than forcing their own ideas, values, and opinions upon the client. The coach is not the doer, or the problem solver, but rather a neutral provider of feedback and a sparring partner.

