

MARTIN, C.

*The business coaching handbook:
Everything you need to be your own business coach*

Wales, UK: Crown House Publishing, Ltd.

Pp. xi + 227. ISBN-978-184590060-1. £16.99 PB

This book is about how to succeed in business, and this reviewer is not a businessman. In fact, I've been an academic psychologist for my entire career (about 40 years). However, my parents were business people, and I worked for them from the age of 13 until I finished graduate school, so I have some knowledge of this subject. Also, although my academic specialty is ethology, I have taught, as a hobby, a course called "The Psychology of Money" for more than 10 years. The focus of that course has been on the psychological correlates of the changing nature of money between its initial evolution and the e-money of today, and relationships between money and mercantile activities are part of that story. Hence I have some credentials relevant to the present task.

Early in my career I fell in with a fraternal group of businessmen, from whom I learned a startling rule of thumb: Of all small businesses established in any given year, about 80% will be out of business within 7-8 years and more than 90% will be out of business at the end of a decade. I understand that the severity of competition varies across the business horizon, such that the mid- and high-priced restaurant industry is really tough, whereas things are somewhat gentler for certain lower-demand services. I also understand that the old rule of thumb as I learned it 35-40 years ago needs modification today, because people who apply for modern small-business loans typically must submit as part of their application a business plan in which they give some thought to the issues in Martin's book. Planning a business well in advance of opening it increases the probability that the firm will avoid problems that lead to early demise. Hence we can say today that the old rule of thumb applies mainly to people who go into business with their own money and who don't give thought to the full range of problems they will face; for those who have studied ahead of time, there is no guarantee of success, but there is a far lower rate of attrition.

Martin is a good writer, and her book flows smoothly. All of her concepts are easily understandable and intuitively appealing. She cites 21 references, all books, but her text is not cluttered with academic-type graphs and tables of data, though she includes a few interesting research findings. For example, the typical person encounters 3,000 advertisements per day; and as typical readers scan a newspaper, their eyes will be on any particular ad for about 3 seconds (which is why the ad needs to grab attention). The real value of the book is that

it raises the would-be businessperson's consciousness to the importance of numerous issues that can determine the fate of a business. I counted 24 such issues. I will not present all of them here, but I will present enough of them to give the reader a firm feeling for Martin's ideas and approach.

She begins at a level we can call "self-examination," where she offers a questionnaire that assesses a would-be businessperson's energy, attitude, commitment, and knowledge. Certain noncompensatory levels are required, and it is well for a person to confront these matters long before opening for business. If a person falls short of the threshold on one or another dimension, Martin has suggestions for remediation, so all is not lost if the initial screening delivers a low score. The real point is that business requires a lot more than a warm body and an awake brain.

Next, Martin points out that a business plan must contain very specific goals associated with deadlines and with milestones for measuring progress. The goals will vary with the type of business and with the ambitions of the businessperson; there is no single formula for generating them. Nevertheless, a business without goals is essentially aimless. Even if the goal is simply to open for business within 12 months, there will be direction, and the goal will then give rise to plans and schedules. Of course, new goals must be established as old ones are met.

It almost goes without saying that a businesswoman must develop effective time-management skills to do the diversity of tasks confronting her. Martin, of course, offers advice along these lines, and she explains how to "cost your time." Figuring out how much an hour of an academic's time is worth is a curiosity (sometimes humorous), but the calculation is essential for a businesswoman to develop an adaptive attitude regarding which tasks are worth her time and which ought to be delegated (if this is possible; and if it is not, maybe it should be).

It is certain that anyone going into business will have thought a lot about the significance of his product or service; it is also almost certain that he will have overestimated the broadness of the appeal or the perceived value of it. This is especially likely to be true if the businessman imagines that everyone is a potential client. Here is an especially important spot for psychological assessment, as Martin advocates developing a typical customer profile in as much detail and as accurately as possible. This profile will contribute to several important decisions. For example, once the businesswoman knows the profile of her typical customer, it becomes possible for her to assess the demographics of various areas to learn where best to locate. Likewise, the profile probably will dictate the publications in which to place advertisements, as some will more likely be read by the target persons than will others. The greatest mischief may be done by assuming that everyone wants or needs and will buy our goods or services and then locating the shop in a place where the appropriate customer is rare. Having done the homework ahead of time, however, we put the shop in the right place and we identify the right advertising venues. The next step is to keep records of the success of each promotion, as some will work much better than others, and the effective businessman needs to assess these matters. Martin offers advice on how to track the success of promotions, and every reader of this review can see a potential application of inferential statistics. Martin hammers on the need to test the success of various promotional decisions, as doing so gives rise to increasingly effective materials.

I have covered about half of the book so far, but enough has been said to reveal that the businessperson must address numerous issues long before opening the shop. The remainder of the book considers marketing, press releases, paid advertisements, tactical socializing, staff management strategies, challenge resolution, management of cash flow, pricing, waste management, and outsourcing. Many of these topics contain strong psychological components, and virtually all of them need to be considered ahead of time, before opening a business, so that they do not become fatal problems later. The last chapter of the book, "Succession Planning," is about having an exit strategy. I admit to being surprised that such a matter was recommended for advance planning, but Martin convinced me that this was appropriate, even essential.

Because the book is straightforward and readable, I recommend it to anyone who wants to be his or her own business coach. The real benefit is to encounter the issues when this coaching will do the most good. Upon retirement, one of my colleagues invested in a small business and promptly lost a significant chunk of his TIAA/CREF nest egg. So even old dogs (filled with arrogance, ignorance, and wishful thinking) need to learn new tricks before doing stupid things. This book could have done this colleague a great favor. It's too late now, but maybe not for the rest of us. Another matter is whether psychologists ought to use books like this in their courses. I generally agree that business ought to be taught in business schools by experts, but if such resources are not readily available to our students, then I think we might do a service by using books like this. (There is a huge range of texts from the academic to the sublime; Martin is in the middle.) I see a role for this type of material in social psychology courses and in certain critical thinking courses. It fits naturally with courses in applied psychology and human motivation, and perhaps with courses in cognitive psychology that take a business-oriented approach, consistent with behavioral economics and related interdisciplinary endeavors.

In my experience, half of our college seniors do not know such fundamental concepts as net worth, and most have no idea when or where coinage initially appeared or that coinage represented a process of cultural evolution that had a very long history stretching back through the ingots of the various metallic ages and into the very grains that made civilization possible. Happily, however, most students find such information interesting, perhaps because they perceive it as relevant to their lives and times. I think they would respond positively to the material in Martin's book, particularly since she uses a clear, nontechnical style. Martin's Britishisms pose no problems and are sometimes unintended sources of smiles. For example, "chippies" in this work are not attractive young women but restaurants that serve fish and chips.

David Chiszar, University of Colorado, Boulder

