

Ep #150: The 5 Stages of Coaching Business Growth



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With Your Host

Amanda Karlstad

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You are listening to *The Life Coach Business Podcast* with Amanda Karlstad episode number 150.

Welcome to *The Life Coach Business Podcast*, a show for coaches who are ready to up-level their business and take their impact, leadership, and results to a whole new level. If you're ready to start taking powerful action and become the leader your business needs in order to grow and thrive, this show is for you. I'm your host, Amanda Karlstad, certified life and business coach, and entrepreneurial leadership expert. Now, let's get down to business.

Hello and welcome everyone. So glad to have you with me today. I trust that wherever you are tuning in from you are doing well. I am doing great. I'm really excited to bring you today's episode as I really think it's going to serve you. It's about a topic that I think is really important for all of you who are in the process of building and growing and scaling your coaching business. That is understanding the five different growth phases of a coaching business.

I decided to bring you this episode after I was thinking about all of you and knowing where you're at in your journey, especially if you are in the process, which I know all of you are, of wanting to take your business to the next level. So to be able to take your business from wherever it is today to where you want to go.

Again, I know for so many of you listening to this podcast that you have been able to create some success in your business. Because of that, you're at a place where you're also ready for that next level. I know that others of you are looking to scale your business and really break into that multiple six figure mark, to that \$250k, \$500k, even million dollar mark, and others of you might be earlier on in your journey.

So I just want you to know that no matter where you're at today, today's episode is going to serve you. It's something that is really important for all of you to understand, especially if your goal, if your desire is to grow highly successful coaching practice.

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So before we dive in, part of what I'm going to share with you today was part of a training that I delivered inside of my programs. For those of you who are new to the show, welcome. I do offer two programs that help coaches grow and scale their businesses. My foundational program, my business accelerator program called The Mastermind is for coaches who are really wanting to grow to their first six figures in their business in the most accelerated way.

I also work with clients who are in a position to scale their business to that multiple six figure and beyond mark. I work with clients at this level inside of my High Level Mastermind, which is my advanced mastermind for coaches who have already hit or are trending close to six figures in their practice. This is the mastermind where we truly scale and create multiple six figures, seven figures in the business and really move through a lot of these different phases that we're going to talk about today.

So for both of these programs, I've developed them over the last few years. I've had the honor now of taking hundreds of clients through these programs. I'm so excited to share with you today this process, these different phases of growth for a coaching business. Because the truth is that it doesn't matter what niche you're in. It doesn't matter what types of clients you serve, or even how long you've been in business. The five different phases of coaching business growth that I'm going to walk you through today, they are going to apply to you.

So what we're about to talk about is relevant to you no matter where you're at. So if you're working to build up to that first \$100k, or maybe you're in the process of scaling to multiple six figures and beyond. It doesn't matter where you're falling, these five different phases of growth are going to apply.

So before I dive into each specific phase, I want you all to know that this framework, what I'm bringing to you here today, really has the potential to save you a ton of time in your business, to save you a ton of headache in your business, to quite frankly save you a ton of money in your business. The reason that I say that is because growing a business, growing a

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coaching business without a doubt is one of the most rewarding things that you can ever experience.

Having the opportunity to grow your business to a level that provides financial security, financial abundance, time freedom, personal freedom, that allow allows you to create real wealth, and allows you to create a real legacy in this world is really one of the most, I believe, accelerating and rewarding experiences that we all have the opportunity to experience in our lifetimes.

So with that, it's also, I would say, one of the toughest things that you can do. I believe that entrepreneurship is one of the greatest personal development lessons. It's one of the greatest personal development journeys that you could go on. The reason for that is because it's also one of the most challenging things you will do. The reason for that is because of what it requires of you, of who you need to become in the process.

It's the personal evolution that is required to grow a business that earns the capacity to generate and receive millions of dollars per year in revenue. The level of responsibility that comes with the level of impact that you have the ability to make, I always say that it's not for the faint of heart. For me, personally, I have grown to appreciate this so much in my own journey, and I'm so grateful for who I get to become and for the personal evolution that I get to continually create and to continue to grow and become even more effective as a coach, as a business owner, as a human.

So as a result of creating and scaling a business that has already impacted thousands and is in the process of impacting so many more at just a much bigger scale, I think a part of what has allowed me personally to cultivate this place of being and understand this process is partly due to what I'm about to teach you all today.

So I want you to understand that one of the biggest detriments to your success, to getting your business to the level that you want right now, is because you're likely not focusing on the right things for the stage of business that you're at. The consequence of not understanding what I'm

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teaching you today has the potential to not only cost you thousands and probably for many of you much more than that. It's also a matter of time, and the time that when you don't truly understand what the priorities need to be in the business, what the focus, what the business truly needs from you is where it can take so much longer to build the business.

So I believe that one of your responsibilities as a business owner is to understand these phases that I'm going to share with you today and assess where you're at in terms of your own business growth, and assess where you're focusing your efforts, and whether or not that aligns with the actual phase of business that you're in. So knowing what to focus on right now and what to focus on later can mean literally the difference between your success, or whether you burn out, or to an even bigger extreme to giving up on your dream. Okay.

So here's the thing. Each phase of growth has a very definitive strategy. It has a very definitive priority and level of focus that's required. So once you're able to correctly know which stage of business growth you're in, you can start to apply the right strategies that are going to help you get to the next level.

So instead of sitting there, and spinning your wheels, which is something that I know so many of you can relate with. The beauty of this is that when you know what phase of business growth you're in, it allows you to start applying the right strategies so much quicker, and allows you to build that momentum that you truly need in the business. So I want to really encourage you to lean into what I'm about to teach you.

Especially given the fact that for really anybody coming into this industry, the first couple of years in business for most coaches are going to be the hardest. I've talked about this in several different podcast episodes and several different teachings that I've brought to you already as to why this is, but just know that your first few years, especially that first \$100k, it's likely going to be the toughest. It's the toughest because of what it requires you to overcome, both from an external strategy perspective, but also from an internal strategy perspective.

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All right, so let's dive into the different stages. So stage one is the first phase of coaching business growth. That is what I call the startup phase. So this is the phase of business where you've likely just launched your business, where you've likely went through, or maybe you've graduated from a certification program, or maybe you're in a program right now. You have tools where you have been trained with those tools. You have a level of confidence. You are starting to identify as a coach. You have tools in your tool belt, and you know that you can help others.

So for a lot of coaches in this phase, they often have a general understanding of what it is that they want to offer. They generally understand the type of program that they want to offer to their clients. This usually means working on a one on one basis. This is usually what I personally recommend when you're starting out with clients.

So in this phase of growth, you might have a more general idea of who it is that you can help. Your target audience, who they are, and how you can help them. However, what's also very likely in this stage is that it's probably not well defined. It's probably not fully clear to you as the coach, as the business owner. It's probably not fully clear to the potential clients that you're trying to communicate with.

So because of that, it's very common in this stage to struggle to enroll clients. It's very common in this stage to struggle to find and be able to communicate with enough potential clients to truly bring them into your program and reach your goals. So for any of you who might identify with this stage right now, you're probably experiencing a lot of self-doubt, a lot of uncertainty. It's very common in this stage to also question everything.

Here's what I want to tell you. This is all normal. It's normal because, again, as you're starting out, as you're launching, because you've never done this before and because you're up against so many outside factors, it's very common to feel the self-doubt, to be uncertain, and to start questioning all of the things.

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So I want you to be aware that in this stage, when you are having those emotions, and you are really seeing so many of these insecurities come up, it really creates an environment. Because, again, our emotions drive our actions, right. So because of that, we often find ourselves in a place where there's a lot of time spent in research. There's a lot of time spent looking at what others are doing. There's a lot of time spent in what I call compare and despair.

What happens when you're in this cycle because you have so much doubt, because you have so much insecurity and uncertainty, and just doubt overall whether this will work, it puts you in a place where you're constantly searching for answers. Where you're constantly searching for what I call the bright shiny objects, right? It's almost like somebody else has to know there's something that I'm missing, right.

So when you're in this stage, I think it's important to be willing to try new and different things and to get outside of your comfort zone. So trying new things is not a bad thing. The problem comes in when you're in this phase is when you fall into confusion. When you stay stuck because you're jumping from strategy to strategy, and not really developing the skills that are required to master a strategy.

So because of this, it's very common when I see coaches in this stage that they are extremely fragmented in their energy. They're extremely fragmented in their focus. It's because they aren't sure what they should be focusing on.

So a big problem here is when you're in this phase, and especially if you are looking to others who might be farther along in their businesses, and you're starting to compare yourself to others, is that you start to compare your progress against theirs. You start to maybe even try and implement things that this other person or this other business has implemented. Because they're farther along in the business, and they've developed certain skills they've created a level of success with.

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But what happens is that more often than not, the truth is that it's probably not relevant to where you're at right now in your business growth. So even though you might feel motivated and inspired in this phase, which is not a bad thing. This is a great thing. I would encourage you to use those emotions to help fuel you. But unless you start to implement the right strategies in your business, it's very easy to get burned out. Unfortunately, there are a lot of coaches, I would say the vast majority that are in this stage.

So in order to move yourself out of this stage and into stage two, you have to make sure that you're cultivating clarity in your business. You want to make sure that you are focusing on selling your offer. You want to make sure that you are speaking to the right audience. You want to define and be clear about who your best position to serve. You want to be making offers to people who are looking to solve the problem that you can help them solve.

So making your program irresistible, selling that program to the market is really, really important. That's what we want to focus on in this first phase. You want to validate your offer. You want to validate your ideal client. You want to validate how you've positioned your offer in terms of pricing, and validate the delivery of that offer, your business model. Once you've done that, then and only then can you move into the next stage, which is stage number two, and what I call the ramp up stage.

Now, the ramp up stage occurs after you have successfully validated your program, after you have successfully sold your offer, after you've successfully validated the delivery of your program, meaning you've taken clients through the process. You've taken at least a handful, ten clients through the process. Because of that, you are now able to make the necessary tweaks that you need to make.

So through that process, you've also validated your target audience, right. You have paying clients. Because you're in this stage, you also probably feel a sense of excitement and optimism and excitement about the future of

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the business. Overall, it's a really great place to be able to take things to the next level.

Now, on the flip side, what can also tend to happen in this stage, and I've seen this happen with a lot of clients is that because you now have paying clients, and especially if you're working with clients on a one on one basis, you will also start to experience a level of overwhelm in this stage.

The reason for that is because now that you are deep into client delivery, and depending on what that looks like for you, you might be doing 10,20, even 25 hours or more of coaching per week. Yes, while it's an exciting thing to be a booked out coach, what's really important to understand is that behind this is that you're probably heading toward burnout.

That's because you're spending so much time in client delivery, and because of the increase in client load, you're also likely feeling a stronger sense of pressure to continue to deliver to your clients. So it's very common, and I've seen many, many of my clients go through this, that when you're in this stage is that you reach a plateau. The growth of the business will actually start to stall in this phase unless you start moving into the next phase, which I'm going to talk about in a minute.

So while there are some really exciting things happening in this stage, you might have a full roster of clients, which is very exciting and can help really take some of that financial pressure off. What also happens is that your time and your time freedom when you're in a one on one model will start to really weigh on you as the coach. Especially given the fact that you're likely doing everything else in the business as well.

Now, what's also likely happening is that your marketing and your lead generation in this stage is not automated. So bringing on new clients into the business is sporadic. While you might be profitable to some degree, you're probably not as profitable as you want to be. Because you're wearing all of the hats and you're doing all of the things and because your profit margins might not yet be at a point where you can hire or delegate

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some of the tasks, you start to do things that you don't want to do. You might even start to feel resentful of the business or of what you've created.

So from a mindset perspective, developing and cultivating a strong mindset each and every day is one of the most important elements. Now, one of the key things that I see that is also very much missing when coaches are in this stage is having a predictable and reliable client attraction system. This is something that I teach inside of my programs, and we help all of my clients implement each and every day in their businesses because it is vital to their business.

Because this system is likely not implemented and it's usually not existent, it also creates an environment where the coach tends to what I call throw spaghetti at the wall and have their fingers crossed, where there's probably an over reliance on things like social media and different types of organic methods that yes, on the surface seem like a good option. But the problem is that they're very unpredictable. It's extremely difficult in this day and age to grow the business purely from organic channels.

So if you're in this place in your business where you can identify that you're in this stage, I want you to really assess what you're focused on. Because when you overly rely on things like social media or organic strategies or certain tactics or whatever that shiny object strategy is versus building an ecosystem in your business, building a holistic growth strategy in your business. The truth is that you're truly not yet in control of your business growth. It's only when you've created and implemented a holistic growth strategy in your business where you are then in full control of your business growth.

So what does that mean? What I mean by that is that you have a system that with a pretty high level of predictability is a system that allows you to know that your business will continue to grow month after month. So what this generally looks like is installing things like a proper client funnel into your business. It means creating assets and marketing assets in your business that deliver value to your audience. It means building your email list. It means building your audience.

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What it doesn't mean is focusing on social media and hoping that your organic posts are going to grow the business. So while you might be able to create some levels of success with this approach, it's not a sustainable approach. Your business is going to eventually reach a plateau that you will then be forced to identify and implement new ways of building the business.

So the focus of this phase is to build your sales and marketing system in a way that attracts the most ideal clients to you. So in this ramp up stage, anytime that you are spending any of your energy, any of your mental, creative, or physical energy that isn't spent on developing a real marketing strategy, a proper sales system, I'm telling you is misdirected energy. It's misdirected focus, and it will keep you spinning. The longer you resist this necessary evolution in your business, the longer you will stay stuck and unable to move into the next phase, which is phase three.

So let's talk about phase three. Phase three is the growth phase. When you've reached this phase, what this looks like is you have consistent clients. You have consistent revenue, you have consistent sales, and you have predictability in your business.

So typically when a coach gets to this stage and their business is consistently producing results and revenue because of the work that they did in stage two, the focus now shifts to something very different. It shifts to those operational shifts within the business. So in this phase coaches need to be developing back end processes. They need to be upgrading systems. It's also the right time to start to identify potentially new and different team members.

So when you move into this phase, there are some unique challenges that likely happen. Because you don't have the operational systems in order, because you likely don't have the right or maybe if any team in place, and because you're likely doing all of the client facing work likely and everything else in the business. What it does is it creates an environment where it gets challenging to then have the much needed mental space.

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So it's common in this stage of business, which is where a lot of my high level clients arrive through our work together, where it requires them to slow down, where it requires them to slow down and operationalize the business where it requires them to slow down and start onboarding new team members. It also requires that they must slow the number of yeses that they're saying, as it's common to have new and different opportunities appear in the stage.

So to give you an example of this, this is something that I've seen with many of my High Level Mastermind clients who have reached that multiple six and now moving into that seven figure range of revenue is that as they become more and more known in their particular space, what happens is that new opportunities start to develop. When that happens, it becomes increasingly more important that they have a level of discernment to be able to see which opportunities are really worth pursuing.

So I will tell you that this is something that I definitely coach on inside of my High Level Mastermind in addition to all of the other priorities in stage three, things like building a team, knowing when to hire, who to hire, where to find talent, upgrading systems, operationalizing things in the business. In addition to all of this is really the level of, the immense level of personal growth that is required in this phase.

So when clients reach to this phase, it's really amazing on a lot of different levels. Because typically what were once problems in the business are now likely solved. But now that new problems pop up, there are things like, for example, intellectual property issues, or where maybe perhaps clients or even competitors start to take intellectual property, or where now there's more visibility and more clients. Because of that, there are now more challenges that are brought in.

So because of that, there's a lot of coaches who find themselves in this stage of business growth and really struggle with this level of success. So self-sabotage and spotting this and helping my clients through this self-sabotage and really identify their patterns is very common. A lot of the work that we have done is on redefining their identity, redefining their self-

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concept now that they have ushered in this new level of success. For so many of them, they're making more money than they've ever made in their life. So their money mindset, their identity around money, is something that we also spend a lot of time coaching on.

But the main focus for a coach who wants to take things to the next phase of growth is systems, and it's all of the non-sexy parts of the business. It's assembling the right team or assembling a team who can help them take things to the next level. So the next phase, phase four is the scale phase. In this phase of business, the business owner actually gets more of their time back where they've successfully built out their systems. They've assembled their team, and they have solved their marketing and sales problem.

But what also happens in this stage is that it also can be a very uncomfortable time for the coach. That's because of how they have chosen to operate for so long in the business. Now they're in a place where delegation and automation and all of the back end is increasingly more important.

So again, for my clients who reach this stage, which I want to make a point here that reaching this phase of growth in the coaching business, it truly is an extraordinary thing. It's truly the top 2% to 4% that reach this stage. It's something that I'm really proud of my clients who reached this stage because building a business and growing a business to this level and moving through these initial three stages, as I said at the beginning, it's not for the faint of heart. It really requires an immense up level personally and skill wise to reach this phase of growth.

So the focus really does become on developing the team and building their own personal leadership skills. It's usually a very big transition for coaches, moving into the stage, because for most of them up until this point, they've been doing everything in the business. This is when it now becomes all about delegation. It becomes about building the team, about building the culture, and stepping more into that visionary role, into that true CEO role, and allowing the team to take over for the team to create.

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This can be increasingly uncomfortable, especially if the coach hasn't managed teams before, or hasn't developed employees. At this stage, they also have a lot more time. They have a lot more time on their hands, which is a great thing. But at the same time very uncomfortable for the coach who up until now has been busy doing all of the things and now finds that they have way more time to focus on the bigger picture vision and develop those higher level initiatives.

It's also where it's common for the business to start expanding into other markets, or adding new programs or innovating new products or services or ideas. It's also where bringing in new marketing channels or new platforms can also come into play. So overall optimization of the business is what happens in this stage.

Now, once all of that is completed, the last and final stage of the coaching business growth, stage number five, is what I call the thought leader stage. This is where all of the previous stages have been completed. In this stage, this is where true thought leadership is built.

Now, this is a very rare position for most coaches to get to. As we've gone through the previous four stages, I think you can get an idea why. But in this final stage because the brand is now built to a level where it's truly seen as a thought leader, opportunities in this stage are everywhere. Because being in this stage requires so much in order to arrive at this level, it's a rare thing. But once the coach is able to move into this level, they're often seen as a true market leader.

Now, one of the biggest threats at this stage is to get complacent and to expect success. So being in this stage of market leadership, of thought leadership requires even more innovation. It requires even more attention to what's happening in the market.

This is the stage where it's common where you might see, for instance, acquisitions happening. So there's really only a handful of coaches in the industry that arrive at this stage. When I think of the handful of coaches that have done this, where just in this past year I've observed many of them

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majorly innovate and launch new products, new services, and broaden their market.

So I'm talking coaches like Tony Robbins, like Brendon Burchard, like Brooke Castillo. These are coaches that I would consider have truly reached this stage of growth. If you look at what they're focused on, they are focused on areas that be build and maintain their market position, on innovations and new offerings that are based on market trends, on expanding their position in the market, on protecting their position in the market.

So I know for many of you this last and final stage might seem so far away. But I would challenge that if you work through each of the previous four stages, and you complete what's required to advance to this stage, your ability to arrive at this last and final stage might actually not take as long as you think.

Now, does it happen overnight? No. Does it require a ton of growth, a ton of evolution? Absolutely. But my intention here is that hopefully you can see that based on these five stages of coaching business growth and the priorities in each stage, just how important each stage is for setting the foundation for the next phase, and to help you identify right now in this moment based on your business, where your priorities and focus should be.

Because here's what I know to be true. When you are solving the right problems for your business at the right time, this is when you can truly build the business that you most desire and truly become an example of what is possible. All right, my friends. Have a beautiful week. I'll talk to you all again next week. Take care. Bye-bye.

Hey if you're ready for a real breakthrough in your business and want to grow and scale your business to at least six figures or more in annual revenue, I invite you to apply for my exclusive program The Mastermind at amandakarlstadcoaching.com/the-mastermind. I look forward to seeing you there.

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