

Performance Excellence

The ROI of Coaching

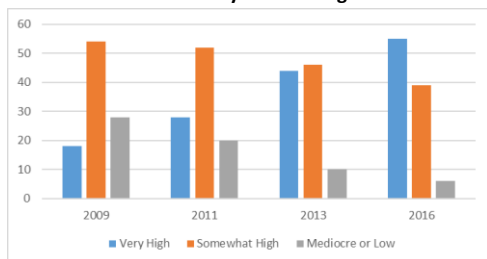
OVERVIEW OF COACHING 2.0

The primary driver for engaging professional coaching services has vastly changed over the past decade. Previously, organizations often retained a coach as a measure to “fix” toxic behaviors among executives¹ or derailing leaders.

Fast forward: Business coaching is currently viewed as an effective solution that delivers real value to companies of all sizes across a wide base of industries. At the highest level, effective coaching can be viewed as a business solution that creates changes in the client which lead to and results in the client’s ability to impact the bottom-line of the business. Individuals and organizations that engage in the process of formal one-on-one coaching reportedly experience increased productivity, greater self-awareness, enhanced decision-making capabilities and the ability to capitalize on their unique individual leadership styles, among additional outcomes. This white paper explores the current state of professional business coaching and its impact on common business drivers and includes recent research and findings related to measuring and assessing the return on investment (ROI) of coaching.

The Info 2016 Executive Coaching Survey conducted by Sherpa Coaching USA demonstrates how the perception of coaching has evolved in recent years. Most people used to confuse coaching with counseling, consulting or training. Now there are best-selling books, training programs and trade associations dedicated exclusively to executive coaching and business behavior. The figure to the left demonstrates how the perceived value and credibility of coaching has continued to rise over the years.²

Info 2016 Executive Coaching Survey
Credibility of Coaching



COACHING’S VALUE PROPOSITION

Coaching is distinctly and dramatically different from business consulting, counseling or organizational training. Much like the athletic coach or trainer who focuses on challenging the athlete to play at optimal performance levels, the business coach utilizes business acumen along with other specialized

¹ Coutu, D. & Kauffman, C. (January 2009). What Can Coaches Do for You? *Harvard Business Review*, 1.

² Sherpa Coaching USA, Info 2016 Executive Coaching Survey, 36

talents in collaborating with clients to guide and focus them on maximizing their professional potential in achieving results.

In the broadest sense the majority of professionals and executives who engage business coaches tend to focus on: (1) planning future goals, (2) managing their individual performance within a larger business context and (3) charting their own career path.³ Coaches provide objective guidance and feedback to clients and facilitate professional growth on multiple levels such as *individual*, or personal development, *team* and/or group dynamic and the *organization* – within a larger context of culture, systems and strategies.⁴

Today's managers and executives recognize that investing in professional coaching serves the organization in strategically supporting professional development and maximizing employee performance and productivity. Naturally, organizations that set specific strategic objectives and expectations for one-to-one coaching for their executives are fundamentally more successful in tracking and evaluating the true impact and ROI that coaching has on business outcomes and the bottom line. In a 2009 study conducted by senior editors at the *Harvard Business Review*, professional coaches reported that 48 percent of their coaching engagements focus on developing high performers and/or helping employees make successful transitions into new roles within their current organizations.⁵

Like larger corporations, entrepreneurs and small business owners must compete effectively and prevail in an increasingly more complex and demanding business environment. In contrast to their corporate counterparts, independent business owners are often solely responsible for creating and delivering value to their customers in addition to producing the profit and managing the bottom line. Leadership is often a demanding role that can create isolation and burnout – potentially inhibiting or limiting the ability to reach business goals.

By contrast, these individuals are also uniquely positioned to create and control their capabilities as well as the conditions and opportunities for their success. Therefore, the decision to invest in strengthening specific

skills often results in subtle or *seismic* shifts in perspective and mind-set, which can yield significant increases in

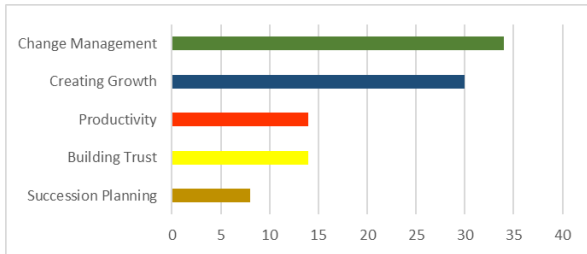
Info 2016 Executive Coaching Survey
Executive coaching has the most value in: Change Management

³ Coutu, D. & Kauffman, C., 3.

⁴ Goleman, D., Boyatzis, R. & McKee, A. (2002). *Primal Leadership*. Boston: Harvard Business School Press.

⁵ Coutu and Kauffman, 2.

capacity and enhance the ability to sustain the type of 24/7 “on-demand” performance typically required of this type of businessperson as they manage their resources and enterprises.

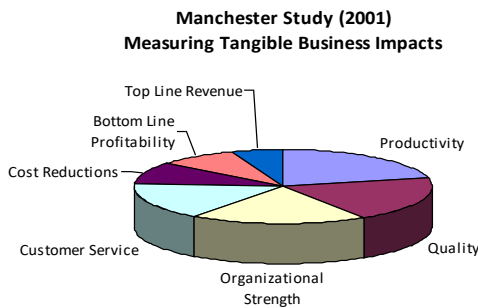


When enlisting the services of a coach, clients are hoping to improve communications, enhance teamwork and collaboration and increase accountability to improve results. As the figure to the left shows, coaching has the greatest value in supporting change management.

The 11th Annual Coaching and Leadership Survey demonstrates that this is true for coaches working both internally within an organization and externally as a contractor. ⁶

COACHING CLEARLY IMPACTS BUSINESS PERFORMANCE

In recent years, specific research related to measuring benefits and ROI of business coaching has evolved almost as rapidly as the growth of the coaching profession itself. In 2001, *The Manchester Review* published a landmark study conducted by Manchester Consulting — a professional services firm that specializes in developing customized executive coaching programs. The sentinel study, titled “Maximizing the Impact of Executive Coaching: Behavioral Change, Organizational Outcomes, and Return on Investment,” is regarded as the first major study to quantify the ROI for coaching. The study documented the outcomes of 100 executives and senior managers who had completed coaching engagements between 1996 and 2000.⁷ The primary focus of the study was to measure business impacts and outcomes. Participants were asked to quantify their goal achievement due to coaching experiences. [See top left figure.] Productivity, quality and organizational strength were among the top three tangible benefits and drivers cited by clients who engaged in coaching. Participants were asked to conservatively calculate an ROI for their coaching experiences. The estimate: *Nearly \$100,000 or 5.7 times the initial investment in coaching dollars.*⁸

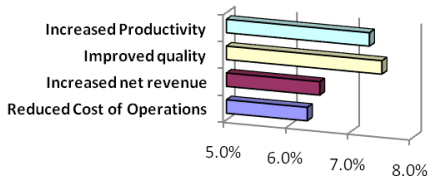


⁶ Sherpa Coaching USA, Info 2016 Executive Coaching Survey, 15, 32

⁷ McGovern, et al. (2001). Maximizing the Impact of Executive Coaching: Behavioral Change, Organizational Outcomes, and Return on Investment. *The Manchester Review*, 6(1), 2.

⁸ McGovern, et al. (2001). *The Manchester Review*, 7.

MetrixGlobal/Linkage Study (2007)
Estimated percentage of improvement
in each tangible benefit area



Research conducted in 2007 by MetrixGlobal determined that investing in external coaching resulted in producing four tangible business benefits.⁹ [See left figure.] These findings demonstrate a more complete picture of value creation from coaching. The study explored how coaching affects the bottom line and concluded that coaching produces intangible benefits as well as monetary benefits to organizations and individuals who engage the services of external business coaches.

GETTING MORE FROM COACHING

The value that organizations, as well as individual’s aligned within these organizations, gain from investing in professional coaching services has created a significant and measurable trend: the growth in professional business coaching over the past decade. This growth can be attributed to a number of factors such as the rise of flatter organizations, faster business cycles and the maturation of the coaching profession. The world of business has grown increasingly more complex. Today’s business leaders need to efficiently manage their responses to these changes with greater flexibility while also effectively managing the bottom line. Engaging in professional coaching can provide fundamentally competitive and cost-effective solutions to respond to the rapidly changing business landscape and, likewise, to the increase in opportunities that are created as talented, stellar business professionals embrace Business 2.0.

Info 2016 Executive Coaching Survey
Who Gets a Coach?



In the early days of executive coaching, resources were spread across all levels within an organization. Several years ago, it had become the province of senior managers and reserved for top executives.¹⁰

THE IMPACT OF THE ORGANIC BLUEPRINTS, INC. SOLUTION

Is increasing your business performance and maximizing your ROI for coaching important to you? Carroll King Schuller is the Business & Life Coach for Fast Thinking Adults. As your intuitive guide, creative inquirer and thought clarifier, Carroll is the coach most likely to “get you” — *Fast!*

Please call Carroll on her confidential office line at 804.288.0099 or text to 804.869.5403. She’ll be happy to schedule your complimentary first consultation at a time that is convenient for you. And if you’re looking for

⁹ Anderson, M., Brill, P. & Lynch, J. (2007) *The Utilization and Impact of Leadership Coaching in Organizations: Results from the Second Annual Benchmark Study*, 10–12.

¹⁰ Sherpa Coaching USA, Info 2016 Executive Coaching Survey, 49

testimonials about how Carroll has helped clients increase their company's ROI, please visit her website at www.organicblueprints.com.

SUMMARY

Coaching clearly impacts business performance. To effectively determine and assess ROI, coaches must work with business leaders to align and tie coaching services to specific business objectives. Linking coaching to business expectations and performance is what ultimately drives business goals, action plans and results.

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