

Items of Quantifiable “Return on Investment” for Coaching

Business and leadership coaching has now been validated by individuals who have experienced and witnessed program results firsthand. The following hard data quantifying value – or the return an organization has had on their coaching investment – has been published and made available through an organization known as “Right Management Consultants.”

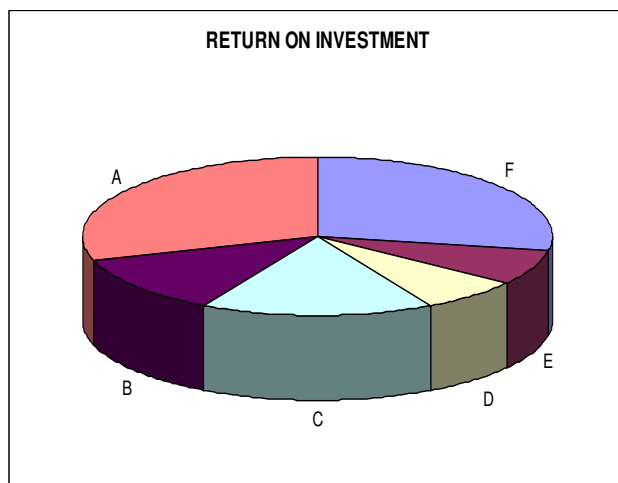
The bottom line: Coaching offers a near six-fold return on investment (ROI).

Right Management Consultants recently revisited a detailed study on the benefits of business/leadership coaching and published the highlights of this study’s findings. Included within this document are “5 main items of ROI”. These 5-items include data on executive/management behavior change, organizational improvements achieved, and the return on investment (ROI) from multiple individualized and comprehensive business/leadership coaching programs.

The study examined results realized by 100 executives/managers, mostly from Fortune 1000 companies, who participated in coaching programs that typically lasted from six months to one year. Fifty-seven percent of executives/managers who received coaching were ages 40 to 49, and half held positions of vice president or higher, with one-third earning \$200,000 or more per year. It is understood that while this study focused on executive/management level participants, this group of participants represented a narrow slice of the coaching population, and that research in general acknowledges the value of coaching across a variety of roles and levels of seniority. The coaching programs that executives/managers participated in were a mix of both change-oriented coaching (aimed at changing certain behaviors or skills), such as our Executive/Management and Team Coaching programs, and growth-oriented coaching (aimed at personal goals & sharpening personal performance), such as Personal Coaching.

Item #1:

Of participants who were able to estimate ROI, 70% valued the ROI on coaching at \$100K or more, with 28% valuing the coaching ROI between \$500K & \$1 million.



A	Less than \$100,000	30%
B	\$100,000 to \$199,000	12%
C	\$200,000 to \$299,000	16%
D	\$300,000 to \$399,000	7%
E	\$400,000 to \$499,000	7%
F	\$500,000 to \$1 million	28%

Item #2:

AMONG THE RESULTS OF THE STUDY:

Six-fold ROI

The coaching process delivered an average return on investment (ROI) of more than \$100,000 — or almost six times (5.7) the initial investment in coaching.

Seven out of 10 put ROI at \$100,000+

The ROI of 5.7 is a conservative estimate of the relationship between the monetary value of the results achieved from coaching programs and the costs incurred. Seven out of 10 participants who received coaching and provided an ROI estimate valued the ROI in excess of \$100,000 - with almost three in 10 (28%) valuing the ROI between \$500,000 and \$1 million.

Improvements internally and externally

The companies that provided coaching programs to their management & leadership team realized improvements in productivity, quality, organizational strength, customer service, and shareholder value. They also received fewer customer complaints, and were more likely to retain individuals who received coaching.

Better relationships

Individuals who received coaching reported experiencing better relationships with their direct reports, immediate supervisors, peers and clients. They also reported better teamwork and job satisfaction, reduced conflict, and renewed organizational commitment.

Coaching pays off

91% of participants who were coached indicated that the value received from coaching programs was greater than the time and money invested.

High satisfaction

86% of participants who received coaching were very or extremely satisfied with their coaching experience.

3 out of 4 achieved goals

73% of participants who received coaching reported that their goals were extremely or very effectively achieved. These goals included interpersonal improvements, better management and leadership skills, business agility, and personal growth.

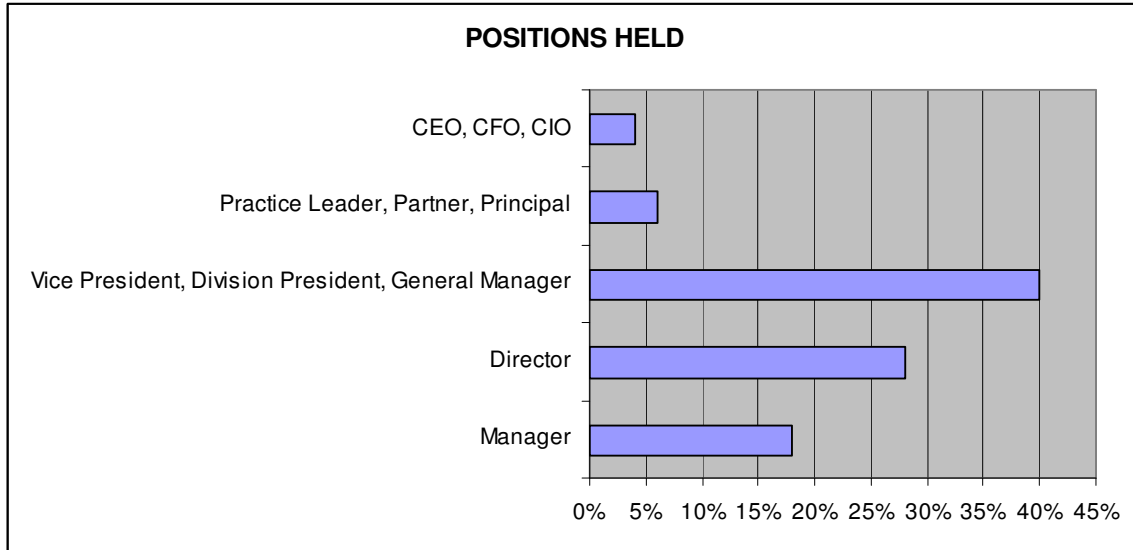
High recommendation rate

93% of participants receiving coaching would recommend it to others.

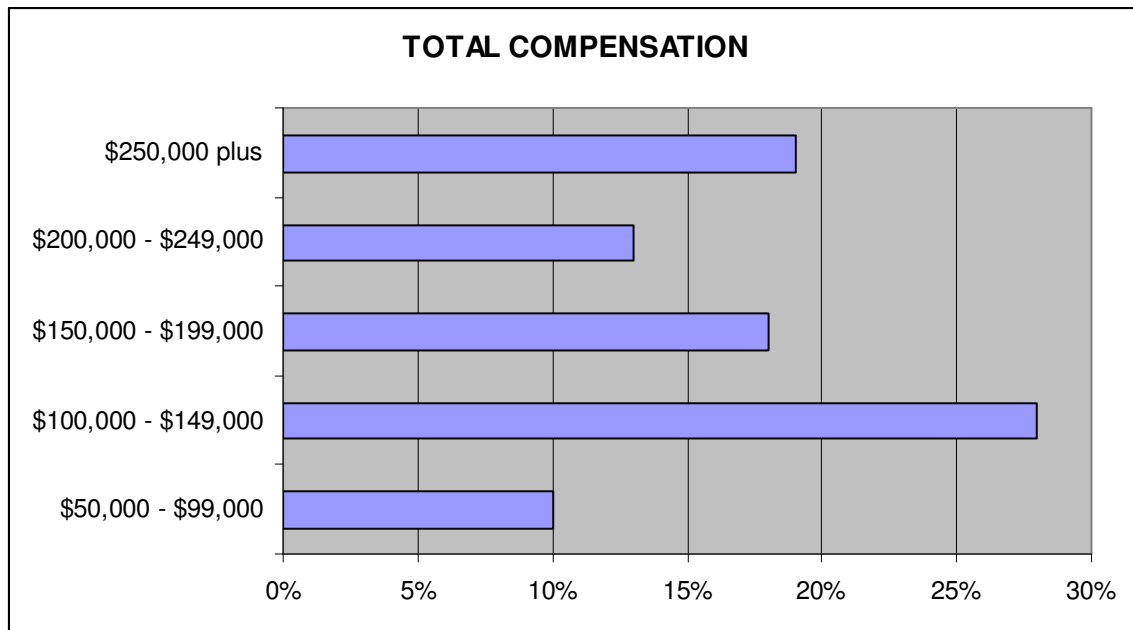


Item #3:

WHO RECEIVED COACHING

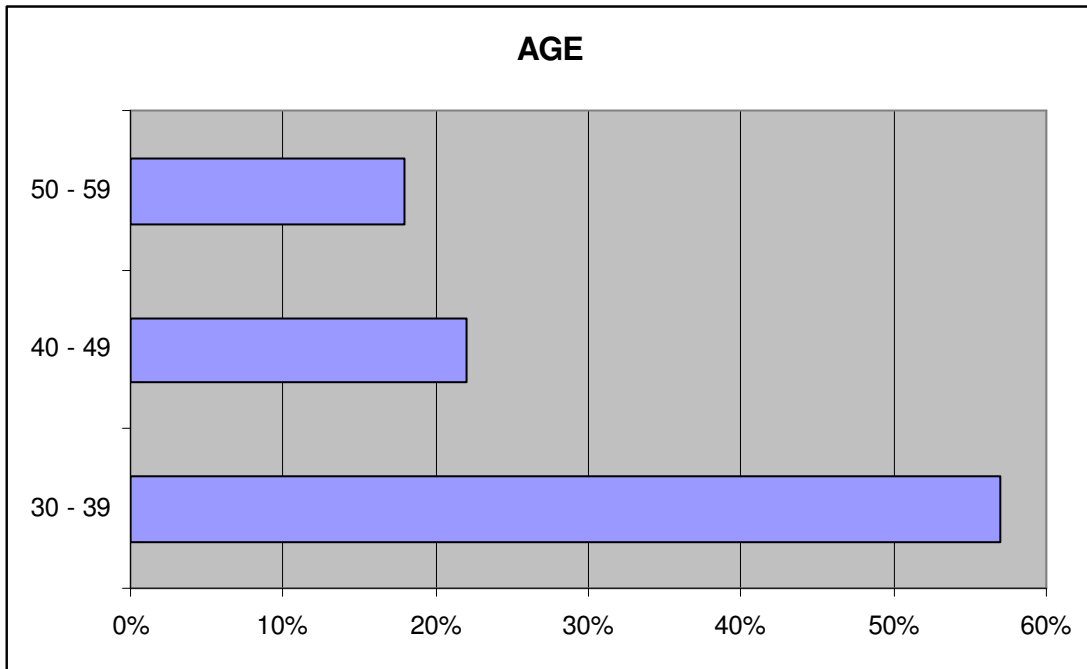


Half of the participants who received coaching held positions of V.P. or higher.

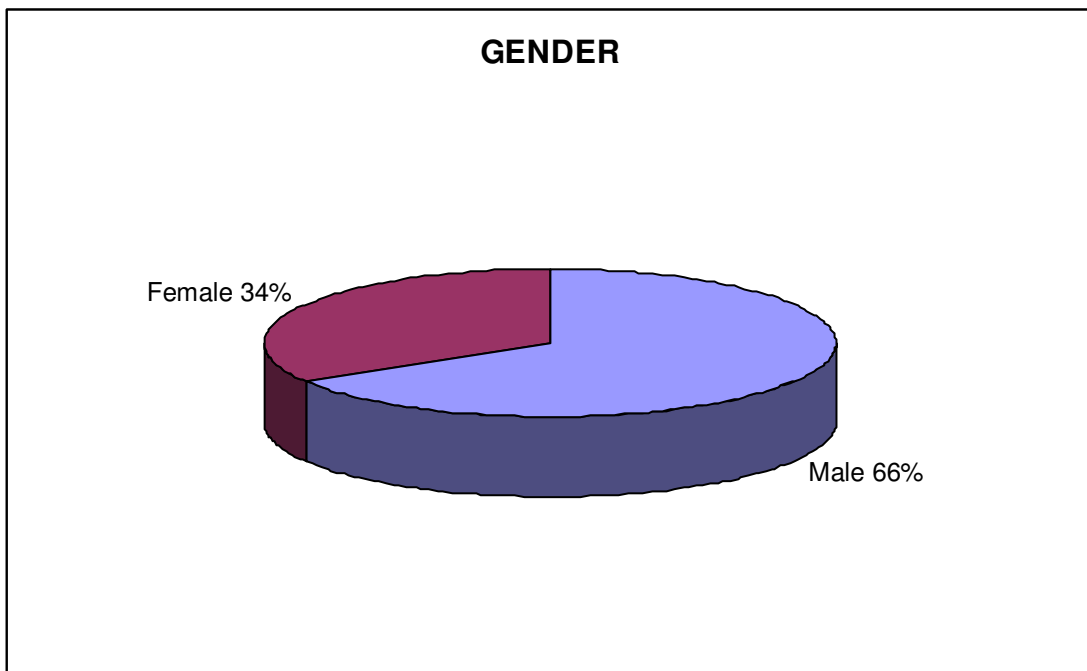


One-third of the participants earned \$200,000 per year or more, with almost 20% earning \$250,000 or more.





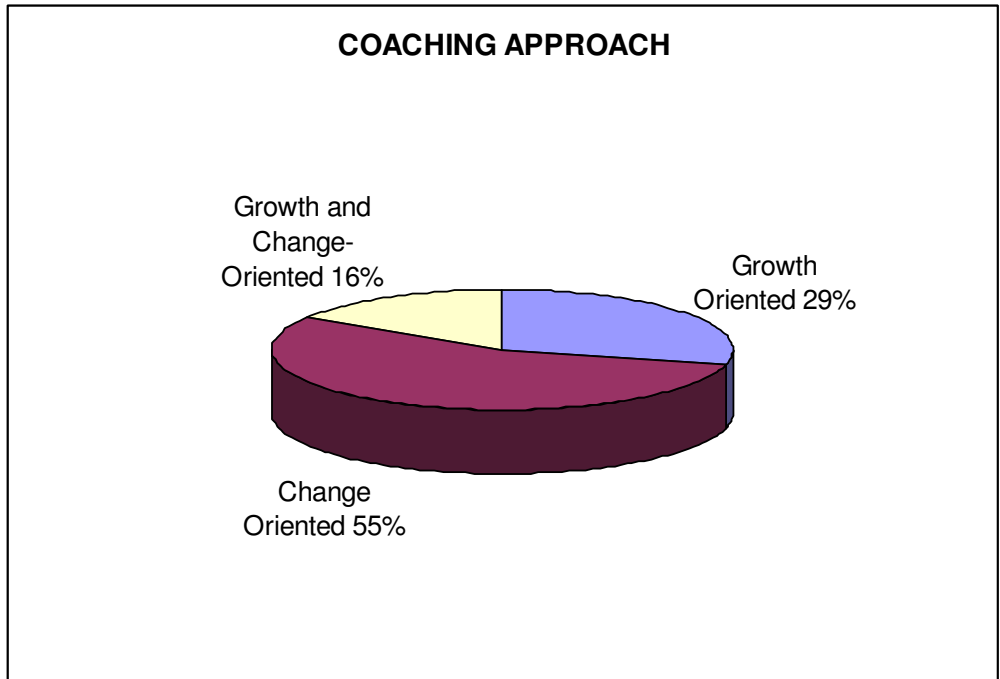
57% of participants were in their thirties.



Two-thirds of participants were males.

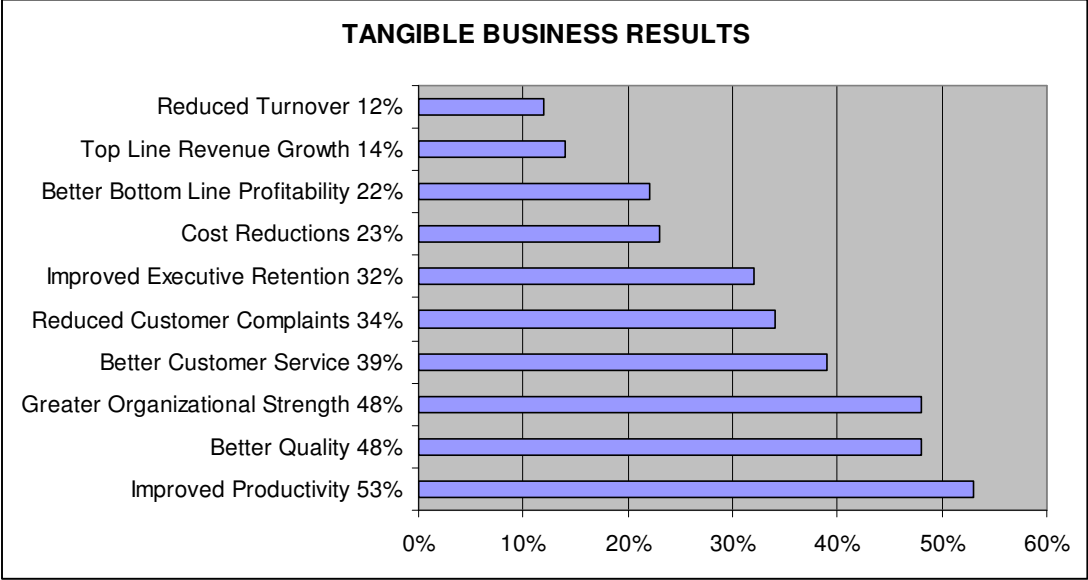
55% of participants were engaged in change-oriented coaching, with an emphasis on supplementing and refocusing participants' skills. 29% participated in growth-oriented coaching, with an emphasis on accelerating the learning curve for high-potential or recently promoted managers/executives. 16% combined the two areas of emphasis.





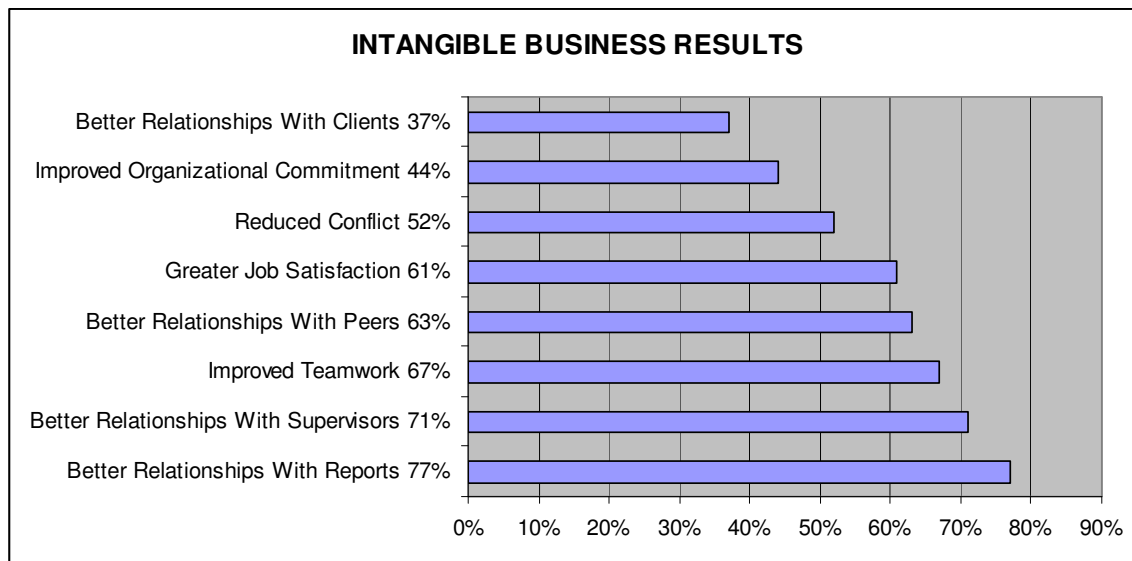
Item #4:

The following items are tangible business results realized by participating companies.



More than half of the businesses providing coaching to people within their company reported improvements in productivity, with nearly half reporting improvements in quality and organizational strength. Other tangible business results included improved customer service, reduced complaints, cost reductions, a greater likelihood of retaining individuals who received coaching, better bottom-line profitability and top-line revenue, and reduced turnover.





More than three-quarters of individuals who received coaching reported better relationships with direct reports, and 71% reported better relationships with immediate supervisors. More than 6 in 10 reported improved teamwork, relationships with peers, and job satisfaction. Other intangible business results included reduced conflict, greater organizational commitment, and better relationships with clients.

Item #5:

ABOUT THE COACHING PROCESS

In today’s fast-paced, competitive business world, it is no longer enough to be skilled and knowledgeable about your own business and business processes. To distinguish yourself from other successful people, and to maintain your competitive edge, you need to be continuously honing your management and leadership skills. In short, elite business people need consider themselves (and business) as a work in progress.

David Carter is President of Scramjet Strategies®, and is a certified Gazelles coaching partner. Gazelles is the premier executive education and coaching program for leaders of mid-size firms with 30 to 2000 employees. Our goal is to bring you:

- Actionable and practical tools and support for managing growth
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Over 100,000 executives and their companies have benefited from our programs, books, DVDs and online educational products since 1997.

RE-DISTRIBUTED BY:

David Carter, MBA
 Certified Gazelles Coaching Partner
Scramjet Strategies
 P: (215) 732-2230
www.scramjetstrategies.com
dcarter@scramjetstrategies.com

SOURCE:

1700-6 ©2004 Right Management Consultants
 World Headquarters
 1818 Market Street, Thirty-third Floor
 Philadelphia, Pennsylvania 19103-3614

