



Executive Briefing: The Business Impact of Leadership Coaching at a Professional Services Firm

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The Leadership Center of this professional services firm provides executive development solutions to the partners and principals. One such solution, the executive coaching program, enabled leaders to quickly engage with an executive coach to accomplish development goals. The Center was interested in enhancing the utilization of coaching and engaged MetrixGlobal, LLC in order to better understand how people applied what they gained from coaching to create intangible and monetary value for the business. Staff members from MetrixGlobal, LLC and the Center personally interviewed each leader to understand what they learned from coaching, how they applied what they learned to the work environment, and the impact that these actions had on the business.

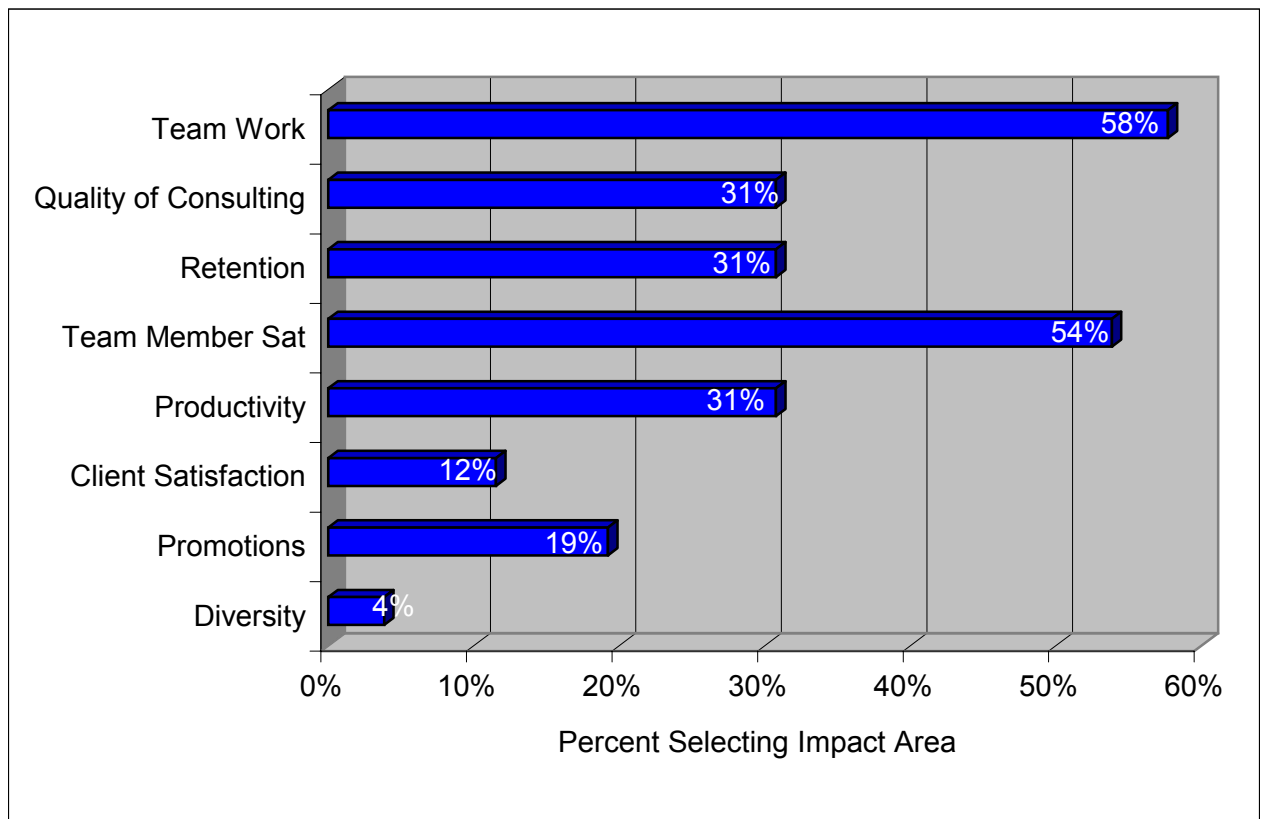
1. 55% of the leaders worked with a coach for nine months or less and 45% worked longer with a coach; 25% working with a coach for over a year.
2. The main competencies that coaching assisted leaders to develop included:
 - a. Leadership behavior, cited by 82% of the respondents
 - b. Building teams, cited by 41%, and
 - c. Developing staff, cited by 36%.
 - d. Less frequently cited were developing leaders (23%), client and market development (14%), business management (5%) and leadership in professional industry community (5%).
3. The leaders were very satisfied with their coaching experiences:
 - a. 86% rated coaching as very effective
 - b. 95% are doing things differently as a result of coaching, and
 - c. 95% would recommend coaching to other Company staff.

The results indicated that all leaders readily applied what they gained from their coaching experiences to make significant strides in self-development while over half (53%) of the respondents went even further to make significant improvements in their relationships with peers and team members. Some (18%) of the leaders even went on to significantly improve client relationships; gaining greater clarity about how their behavior impacted clients and being better able to respond to client issues.

The Business Impact of Executive Coaching

Senior leaders identified eight business areas that they expected executive coaching to impact. Figure 1 shows that, of these eight areas, two were cited as being especially impacted by at least half of the leaders who were coached: teamwork (58%) and team member satisfaction (54%). Three other areas were selected by 31% of the leaders as having been impacted: quality of consulting, retention and productivity. Accelerating promotions (19%) and increasing client satisfaction (12%) were cited to a lesser degree. Only one leader (4%) credited coaching with increasing diversity.

Monetary benefits were rigorously documented, isolated from other potential influencing factors and discounted for error of the estimate and other factors. The total monetary benefits were \$3.3 M with four impact areas each producing at least a half million dollars of annualized benefit to the business: improved teamwork (\$981,980), quality of consulting (\$863,625), retention (\$626,456) and team member satisfaction (\$541,250). Factoring in the fully loaded cost of the coaching (including opportunity costs, or the time leaders spent being coached), the ROI was 689%.



Leaders Selecting One or More Business Area Impacted by Their Coaching Experience
Figure 1

The Business Impact of Executive Coaching

The Bottom-Line

Coaching has positively impacted the ability of leaders to build competencies and deliver bottom-line value to the business. While all competencies were positively impacted, leadership behavior, building teams and developing staff were especially improved. The data suggest that building these competencies led directly to positive impact on the business. Teamwork and team member satisfaction were the top business impact areas cited by leaders. Combined, these two areas alone produced over \$1.5 M in annualized benefits. Better integrating executive coaching as a centrally managed initiative with other corporate human resources initiatives and development activities could potentially further accelerate building the required competencies.

The very positive ROI for coaching indicates that any further investment in coaching will more than pay for itself. The focus of decision-making regarding the future of coaching should shift from just what the *cost* of the coaching would be, to focus on the kind of *value* that coaching can provide to the business.

ROI and Learning Evaluation, Leadership Coaching and Consulting

MetrixGlobal, LLC is a consulting and leadership coaching company dedicated to improving the performance of people and organizations. We create sustainable value and bottom-line results through our ground-breaking work in learning evaluation, leadership coaching and ROI studies. Whether we are working with an individual or an entire organization, we take an insightful approach to creating strategic change. Our award-winning work has been conducted with clients in over twenty-four countries.

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