



The Voice of the Coaching Profession

Calculating the Value of a Coach



Synonyms for Value:

1. Value is that quality of anything which renders it desirable or useful: the value of sunlight or good books.
2. Utility denotes usefulness and versatility.
3. Worth implies intrinsic excellence or desirability. esp. spiritual qualities of mind and character, or moral excellence.
4. Cost, price.

Through this seminar I will:

- Share what clients say based on the findings from the recent ICF Global Client study.
- Examine some corporate examples of coaching ROI (return on investment).
- Explore with you how you can add value to multiple-stakeholders through a coaching initiative.

Background of the Client Study

- Companion research to the 2007 *ICF Global Coaching Study*.
- **Objective: learn more about those who have experienced coaching.**
- PWC and ARC.

Research Method

- **Phase One**: *qualitative coach research;*
- **Phase Two**: *qualitative client research; and*
- **Phase Three**: *quantitative client research.*

Highlights of the Study Findings

- 96.2% of coaching clients report they **would repeat their coaching experience.**
- 82.7% of coaching clients report they are **“very satisfied” with their coaching experience.**
- The **top three motivations for obtaining coaching** are 1) Self-esteem/Self-confidence (40.9%); 2) Work/Life Balance (35.6%); and Career Opportunities (26.8%).

Highlights of the Study Findings (cont.)

- The largest cluster of coaching clients are **between the ages of 36 and 45** (35.9%).
- The majority of coaching clients have acquired an **advanced level of education** (a post graduate degree such as a master's degree or Ph.D.).
- The duration for the **average coaching relationship** for survey participants was *12.8 months*.
- 65% of coaching clients are **female**.

Highlights of the Study Findings (cont.)

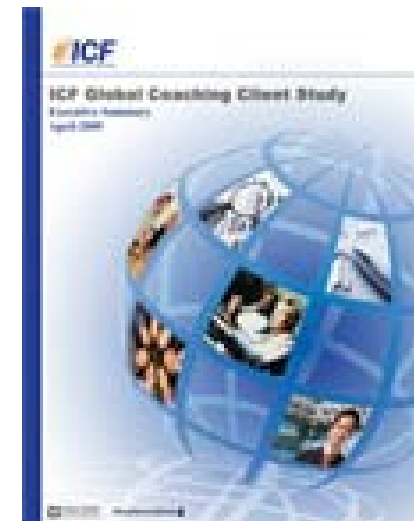
- Individual ROI: 68% of individuals indicated that they had at least made back their initial investment.
- Company ROI: 86% indicated that their company had at least made their investment back.
- Return on Expectations (ROE)

Final Report-Table of Contents

- Introduction
- Respondent Profile
- Client Perceptions of Coaching
- Motivations for Seeking Coaching Services
- Coach Selection Process
- Characteristics of the Coaching Experience
- Evaluation of the Coaching Experience
- Coaching Results
- Conclusions

Materials Available

- Executive Summary free for ICF members and \$15 for non-members.
- Complimentary data sheets also available for ICF members
- Final Report ICF members: \$75 USD; Non-members: \$275 USD



Marketing Companion Piece

- Available for ICF members.
- Explains how to use the client study data for marketing.

Your value proposition..

- Positioning you and your brand - so the potential client understands what makes you tick.
- Work through with a coach to define your unique combination of “technical” and human skills

Return on Investment Sherpa Formula

1. Estimate the value of resolving an issue.
2. Multiply by the percentage of the improvement attributable to coaching
3. Factor in our degree of confidence in our estimates.
4. Subtract cost of coaching.
5. Calculate ROI: Divide net benefit (step 4:) by coaching cost.

1. Estimate the value of resolving an issue:

Save \$65,000 in turnover + Increase productivity \$45,000,
So total benefit: \$110,000

2. Multiply by the percentage of the improvement attributable to coaching (say 50%). So coaching benefit is \$55,000 (\$110,000 times 50%)

3. Factor in % confidence in our estimates: (E.g. 80% sure). So adjusted coaching benefit: 44,000 (\$55,000 x 0.8)

4. Subtract cost of coaching (say, \$18,000) So net benefit \$26,000

5. Calculate ROI: Divide net benefit (step 4: \$26k) by coaching cost. So ROI (\$18k) = 144 % or (26/18 = 1.44)

Return on Investment in Coaching Culture Relationships



- **Total ROI for Cohort 4**
 - Group total = 5731%
 - Average = 716%

- **Kirsten Radunz**
 - Performance & Development Manager
 - development academy - Lending Services NSW
 - October 2008

ROI for major bank

- “A very conservative calculation of net benefit represents approximately \$30,000 per person per annum. 60% to 90% of the improved talent retention, reduced absenteeism and increased productivity, were directly attributed to the skills learned.”
- Helen Thompson
- Head of Customer Experience
- Organisational Capability, The Academy
- National Australia Bank

We learnt that ICF members..

Care about:

- their career and well-being
- their colleagues and clients
- the coaching profession
- the greater good

BIG Audacious Goal...

- Coaching is an integral part of society and ICF members represent the highest quality in professional coaching.

Initiatives in broader community:

- Leadership Arlington
 - Not-for-Profit Leaders
 - Metro DC Chapter coaches
 - Project Management
 - Some free then paid
 - Raise awareness
- UN World Food Project

Next Steps

- Clarify your Brand and align your marketing materials to, in turn, align your unique offering to client needs
- Using the Sherpa ROI formula helps you price your coaching service
- Design a coaching initiative that can highlight coaching and leverage marketing opportunities to a broad audience

Contact the ICF

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Advancing the Art, Science and Practice of Professional Coaching.

