

## Seven steps to measuring ROI in coaching

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It always strikes me that when attempting to measure return on investment (ROI) of coaching in an organisation, people get hung up on the accuracy of the results. This instantly undermines their efforts, given that it is impossible to accurately measure ROI of coaching.

There, I've said it! But it's true.

There are just too many variables. Factoring them all in is extremely complicated and time consuming, and often results in a meaningless report that is largely ignored by business leaders as irrelevant.

When it comes to evaluating coaching, organisations want something they can do routinely, that gives them meaningful results quickly, without costing too much money or using too much of their time. The key word here is 'meaningful'. Organisations want something that has credibility with business leaders and is of practical use in planning and decision making.

Of course, they want a report on ROI of coaching to be accurate but, more than this, they want it to be something they can actually use.

A 7 step approach measures the impact of our coaching on the coaching participants, those around them and the companies they work for. This approach involves the coaching participant and their line manager, meaning that the resulting report has credibility with them and with others in their company.

We use these reports to help leaders in our companies with planning and decision making, and to identify where else in their organisation they can use our coaching. This is good for our clients, who understand the ROI they get from our coaching, and good for us for marketing purposes.

The process we follow to measure the ROI of coaching can be used by both external and internal coaches. The 7 step process is:

### **1. Agree outcomes**

Not all coaches agree desired outcomes at the beginning of a coaching engagement. However, we believe doing so in a business setting is vital to maximizing what leaders can achieve through their coaching. To agree coaching outcomes you should explore a leader's vision for their part of the business, the challenges they face and what they need to get better at to overcome their challenges and achieve their vision. Then focus them on what they want to tackle first and get them to state this as outcomes that they will work towards achieving.

### **2. Make the outcomes measurable**

It is essential to identify how you will measure achievement against the coaching outcomes the coaching participant identifies. Get them to state what will be different, such as "I will be delegating more effectively", "Individual team members will be resolving issues on their own" and "My team will be communicating better". Help them quantify what this will mean in whatever ways seem most relevant to them. Such as time saved, reduced number of operational issues they get needlessly dragged into, fewer problems caused by poor communications, impact on other teams, impact on customers, reduction in stress.

### **3. Align with business objectives**

Go further still with making the coaching outcomes measurable. Get the coaching participant to identify which of their business goals are connected to their coaching. Help them identify how they are connected, what key performance indicators (KPIs) are relevant, and the extent to which they will be impacted.

### **4. Involve the line manager**

Arrange a three-way meeting with the leader's line manager. Ask the coaching participant to run through the coaching outcomes they have agreed and how they will measure results. Then ask for the line manager's view on what the participant has said. Get their input on how the participant's coaching outcomes connect with their business objectives, and the KPIs that will be impacted.

### **5. Review progress**

Having involved the line manager at the start of a coaching engagement, you want to keep them involved. About half way through, arrange another three-way meeting, where the coaching participant discusses progress they have made towards their coaching outcomes, what they still have to do and how the line manager can help them. Again, get the line manager's input.

### **6. Measure success**

At the end of a coaching engagement, get the coaching participant to assess their level of success against the coaching outcomes. Get them to identify how well they have done against the measures they agreed. And then have a final three-way meeting, involving their line manager, to get their view on the participant's success. Facilitate a performance review discussion, where the coaching participant and the line manager agree what the participant has achieved. Get them to identify qualitative and quantitative measures, linking to the participant's business objectives and KPIs, where possible.

### **7. Share results**

Once you have measured the results of your coaching write up a report. With coaching participant and line manager permission, share the report with key stakeholders in the coaching, such as the line manager's line manager, the budget holder who paid for the coaching, the decision maker on whether to pay for more coaching and human resources.

The content of the report will have a high level of accuracy, based on the coaching participant and line manager assessments. More than this though, the report will have credibility with the key stakeholders. They will feel confident in using the report as part of their planning and decision making.

Just in case you are worried about doing this, the information in this report is not content of coaching discussions and is therefore not confidential. The information you have gathered is output from the coaching, it concerns the performance of the coaching participant and, with coaching participant and line manager consent, can be shared.

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