

Should you invest in coaching? © Jennifer Selby Long, April 13, 2007

Executive coaching is a one-on-one process dedicated to the development of the leader. Ninety-seven percent of our executive coaching services are sponsored by the leader's employer, however the opposite is true for the general population of professionals, with 97% of all coaches hired by the individual.

We have found that the value of coaching is exponentially increased when sponsored by the employer, aligned with the employer's goals, and involving the employer at key points in the leader's growth. As many go-getters know, however, these resources are often not sponsored by their employers. If you are an employer, carefully consider the guidelines below in making your decision. If you are an individual seeking guidelines for your own investment, stay tuned for our upcoming article on choosing an individual coach.

Inside organizations today, the name *executive coaching* is actually a misnomer in many cases, as more and more executives invest in their directors and managers years in advance of promotion to the executive level. This is a savvy investment, as it allows the budding leader to take current performance to a new level while preparing for executive responsibilities, and smoothing the transition to a much larger role. It's also an outstanding retention tool. As you can see, if you're not coaching your go-getters, someone else is, and the more they invest in their own careers with their own funds, the less likely they are to see your organization in their futures.

Although coaching investment is small compared with other employee costs, such as salary, bonus, and stock, we take the investment seriously, as it represents not only money, but the most precious resource of all, time. Strange as it may seem, Selby Group consultants at times respectfully reject requests for executive coaching, because there is inadequate evidence that the value to the employer is great enough to justify the investment of time and money.

Considerations for Investment in Executive Coaching:

1. What will this individual's growth allow you to do that you can't do now? Examples:
 - gain new sales
 - turn him loose with the investment community to raise three times the funds he is raising now
 - reduce my direct involvement in her team and focus my efforts on new business
 - improve morale and decrease attrition of our highest-paid and hardest to replace professional staff

2. What is the value of this change? How will your condition be improved if the leader hits or exceeds his or her development goals? Examples:

- We can reduce rate of manufacturing errors at least 30%, which totals \$2.4 million over five years and finally brings our costs in line with our competitors
- We can leverage her C-level relationships to build new business and take key accounts from our top competitor
- Once this person can take the reigns, I can move on and move up

3. What is at risk if you don't develop this leader? Examples:

- Lost opportunity; our competitors are already ahead of us on 12 fronts
- Loss of key accounts; decision-makers want a more senior-level discussion from our Client Services VP; our key competitor has just landed a seasoned VP and is going after our accounts
- Lost revenue

4. Which outcomes are most important to you?

5. How will you know the leader has achieved success? How will you measure progress toward the outcomes?

- Steady increase in case value
- Steady reduction in turnover in Engineering
- Fewer new hires let go in first six months due to poor performance

6. Why now? Examples:

- Pending promotion
- Unique opportunity in the competitive environment; if we don't leverage it now, it will be gone
- Realized we have a huge gap in succession planning for VP of Marketing
- Losing our best people and want to invest in remaining top performers to show we're serious about providing opportunities for growth at our firm
- Excellent track record in bringing in revenues, but a recent blip in performance, want to get him back on track and develop his potential to double revenues
- Individual is a star in own field, but has lost 50% of team members because they can't stand working with her big ego, and we can't convince others to transfer into her department for the same reason

7. Why Selby Group? What are you looking for in a consultant? Experience? Credentials? Leadership? Empathy? Support? Willingness and finesse in delivering tough feedback?

8. Why coaching? Coaching alone is not the best solution to challenges involving more than one person. Team development, restructuring and realignment, staffing changes, or change management are some of the many powerful alternatives to address more complex challenges.