

Measuring and Communicating ROI in Executive Coaching

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We've all heard horror stories of seemingly great executive or business coaching arrangements that have ended suddenly, seemingly without reason. Everything seems to be going well. Clients are responding to the coaching and making progress toward their goals. Then suddenly, the budget is cut or new leadership ends the partnership.

There are many factors that contribute to maintaining a business coaching arrangement. Obviously, excellent coaching is a primary component, but don't underestimate the importance of establishing program measures of success and how those will be communicated.

Being able to measure and communicate return on investment (ROI) in executive coaching is crucial to the success of the coaching arrangement. As coaches, we intrinsically know the return is huge for our clients, but if we don't establish practical, objective ways to measure and communicate that return, we might struggle to keep our coaching arrangements over long periods of time.

ROI would be fantastically easy to define if we could always tie our coaching to financial results. Sometimes this is possible, but typically we need to work with our client to develop measurable goals that are not directly tied to financial numbers.

We can look to the coaching agreement as our model for establishing ROI. You'll likely have partial answers to most of these questions from your sales process. Once you have a signed agreement, you'll want to have an in-depth, meaningful conversation to kick off the coaching engagement with clear expectations.

Below are questions you can use to invite the client to establish expected ROI with you.

What are our primary goals for the coaching engagement?

Take the time to deeply understand their expectations. Use your excellent coaching skills to dig down to the truth below their initially stated expectations. Continue to restate and reframe the goals until there is agreement and then write these goals where everyone can see them.

How will we measure the success of the coaching engagement?

Again, take the time to dig into deeper thoughts and opinions here. Your goal is to get agreement on the key performance indicators (KPIs) and have ways to gather those measurements on a regular basis. You can use SMART goals as a framework to guide the KPI conversation.

- **Specific** – This can be each individual goal as stated above, but you may need to break the goals down into smaller chunks to get appropriate measurements.
- **Measurable** – Determine exactly what the measurement(s) will be, how they will be conducted, and who will do the measuring.
- **Achievable** – You’ll want to address this in the initial goal exploration conversation. Goals that are not achievable should not make it this far in the process.
- **Relevant** – Since you’re already using stated goals, the relevancy has been established.
- **Time-bound** – How frequently are measurements happening? What’s the date by which this specific goal is to be achieved?

Why are these goals important?

At this point, you’ve already gathered a lot of the purpose behind the goals. Approach this question with a recap of the goals, the measurements, and the “whys” that you already know. Then ask questions to gain a more complete understanding.

Allow the room to fully explore and take ownership of the reasons behind the coaching agreement. This is your opportunity to get full buy-in from everyone. Read the room for anyone who is not completely on board and ask questions to draw out and address their hesitations.

What is your preferred method and frequency of communication?

Establishing a regular rhythm of communication is crucial. You can create amazing goals and expectations up front and have full buy-in from every decision-maker, but if you aren’t communicating the success of the program on a regular basis, they will forget.

You’ve established the measurements. Reporting those measurements regularly will continually remind the decision-makers of the investment they’ve made and what they’re getting for that investment. Use your regular communication to reinforce the “why,” as well as the “what” and “how” of the coaching process.

You already have your own ways and preferred frequency of communication. Present this to the client, explain how you typically communicate, what they can expect in those communications, and what responses you expect from them. Let them buy in to your process or work with them to create an alternate communication process that works for everyone.

Every time you communicate, you have an opportunity to provide value to your client. When appropriate, use your regular communication to present a bigger vision of what can be accomplished after the current set of goals are achieved.

We know coaching is an amazing and wonderful journey for our clients. We create opportunities for everyone involved to be successful when we clearly establish expected ROI, the measurement process and regularly communicate these with our clients.

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Aimee Bucher, ACC, is the founder and CEO of Harrison Latham. Harrison Latham creates happier workplaces through a unique combination of coaching, consulting and technology. Aimee holds several degrees and certifications (MA, CPC, ACC, ELI-MP, EIQ, PI and PGI) and has worked with a wide range of organizations, from single-person startups to established Fortune 500 companies. Aimee is a classically trained pianist, mother of four and founder of the improv group, #SorryNotSorry.