

# THE ROI OF EXCEPTIONAL LEADERSHIP

Getting Quantifiable Results from Executive Coaching

BPI group 5

### Exceptional leadership starts with measurable goals.

Is executive coaching a black box in your organization? You see time and money going in, but how do you measure the output?

Executive coaching can equip leaders with the competencies and skills they need to achieve your organization's strategic goals. It can prepare executives for challenging new assignments, retain and develop top talent, and help new leaders quickly assimilate with their teams. Coaching can also arm your organization with the nimble and engaging leaders you need to keep up with change today.

Achieving these results requires aligning the individual and organizational goals of a coaching partnership and maintaining a consistent focus on the business impact. A methodical approach to measuring progress can help you assess the growth of your leaders and quantify the return on your coaching investment.



## Executives report an average of

### \$6.7 million in ROI

on their BPI group executive coaching experience

From bottom-line profitability to increased productivity and reduced turnover, the impact of coaching is quantifiable.

### How to calculate the ROI of coaching



### 1. Exceptional leadership starts with measurable goals.

What are yours? Partner with your coach to identify your coaching goals. SMART goals are Specific, Measurable, Achievable, Realistic, and Time-oriented.

If your coaching objective is to expand your leadership from subject matter expert to strategic leader, a SMART goal might look like:

I will effectively delegate my routine activities to the appropriate people on my team by the end of Q2 in order to reserve 5 hours a day for strategic planning and analysis.



#### 2. Make an action plan.

Work with your coach to create a detailed action plan with time frames and checkpoints on your progress toward your goals.



### 3. Get to work and track your progress.

Work with your coach to achieve your goal. Track your progress against your time line. Review your results on a regular basis. Are you meeting your leadership goal as well as business targets? Are your results meeting your expectations?



### 4. What will be the business impacts when you achieve your leadership goal? Consider both tangible and intangible impacts, such as:

- Productivity
- Quality of work
- Organizational strength
- Customer service
- Reduced complaints
- Personal retention
- Cost reduction
- Bottom-line profitability
- Top-line revenue
- Reduced turnover

- Improved relationships with direct reports, stakeholders, peers, or clients
- Improved job satisfaction
- Reduced conflict
- Increased organizational commitment
- Improved teamwork



### How to calculate the ROI of coaching



#### 5. Calculate your ROI.

A) Classify your tangible and intangible business results. For each measurable area, did your coaching achieve a high, medium, or low impact?

#### B) Identify your representative examples:

Reduced Turnover = \$250,000

Delegating high-profile financial responsibilities to the VP of Client Services elevated his engagement and leadership behaviors. He is no longer considering a potential opportunity outside the organization, saving the organization \$250K in turnover cost.

*Productivity = \$2.3M* 

Applying techniques learned through coaching to frame and clearly communicate our goals and strategy empowered team members' leadership, in turn improving total productivity 4% above projection, equivalent to efficiency savings of \$2.3M.

Top Line Revenue = \$4.15M Improved production efficiencies and strategic focus of the leadership team increased sales by 7% over goal, resulting in additional revenue of \$4.15M.

#### C) Calculate your ROI:

Total ROI:

\$250,000 + \$2.3M+ \$4.15M= \$6.7M



### 6. Identify post-coaching goals.

The impact of coaching does not end when your program ends.

Did you develop new skills?

Remove roadblocks?

Reduce conflict?

Improve your team's productivity?

Apply these newfound capabilities to set new goals and unlock greater future potential.



# Transforming people and organizations in extraordinary ways



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