

Pep talking

While firmly entrenched in Australia's corporate psyche, coaching is now much more specialised and results orientated. **Mark story reports.**

Once the domain of a privileged few who could afford it, business coaching in Australia is now very much mainstream practice, used by individuals, groups and companies to help with business and personal development.

In just a few short years, the coaching industry has undergone significant growth changes overseas and locally. It's a fact that the growing acceptance of business coaching is driving a global trend for large numbers of people to enter the profession. Indicative of the growth, it comes as no surprise that International Coach Federation (ICF) figures suggest 66 per cent of their members have been coaching for less than five years.

Industry snapshot

As the coaching industry has evolved, and while there is significant overlap, the main coaching types are: 1) the business coach who works with managers/ owners of smaller companies to ensure they work on, not just in, their business

2) the corporate/executive coach who works with individuals/groups on a specific company issue
3) life coaches who work with individuals to help achieve specific goals.

Locally, two factors are driving some concerns about the quality of the coaching industry. One is simply the speed of the growth and the quality of the new coaches. The second factor is the proliferation of multinational coaching franchises. While the growth in franchises

has made business coaching more specialised and accessible, Melbourne-based small-to-medium enterprise (SME) coach Dr Greg Chapman of Empower Business Solutions claims that it could give coaching a bad name.

Chapman's prime concern is inconsistency in the quality of delivery of coaching services. He believes clients now have to wade through long lists of life, SME and executive coaches, often operating within each other's space. To Chapman, coaches are being polarised into two camps: the experienced older guard, and the newer brigade who often pay large sums to achieve ICF-recognised certification or purchase a coaching franchise.

Given the inexperience of many certified coaches, Chapman suggests the jury's out over the value of the certification issued by the 39 coach training schools accredited by the ICF worldwide. He suspects coaching courses are often marketed at younger people who think formal training will compensate for inexperience.

"Their orientation is more to life rather than business coaching, even though most training schools claim to cover both," says Chapman. "Older business coaches feel these courses, often conducted by people with less experience than themselves, have little to offer them."

Sydney-based SME coaching rival Owen Joyce, claims SME owners are shying away from newer franchise coaching operations due to disillusionment. It's not uncommon, says Joyce, for coaching franchises to use their charismatic founder to attract new clients, only to be handed over to coaches who are far less capable. "SME owners can also be intimidated by coaching franchises wanting to lock in 12-month agreements."

Evaluating outcomes

Elisabeth Gortschacher, a coach from Wellington, says while there's no clear demarcation between life, business and executive coaching there's a growing trend towards specialisation and branding. She says these categories serve a potential client as a starting point only when looking for a coach. Her coaching focuses on helping individuals gain clarity about their uniqueness and life purpose. "It's from that foundation that I guide clients in building their career or business. The ultimate benefit to clients is living an integrated, authentic and fulfilling life."

Mandy O'Bree, founder and Director of an executive coaching company, has a different take, believing that clients shouldn't look to personal coaches for advice on running businesses. While executive coaches have tended to be older managers offering "hands-off" advice to newer managers, O'Bree says corporations now expect executive coaches to get their hands dirty.

She's witnessing an increased desire from organisations to evaluate coaching outcomes and build accountability, both from the people receiving and the people delivering one-on-one coaching. "There's increasing demand from client organisations to build internal 'leader-as-coach' capabilities," says O'Bree. "They also see coaching as a leadership style they wish to embed within their organisation's leaders."

By comparison, Joyce says SME coaches focus more on bottom-line profitability and are usually directly involved in running a client's business, adding that he expects more of today's coaches to begin offering group sessions once they realise they can't deal with more than 10 to 14 individual clients simultaneously.

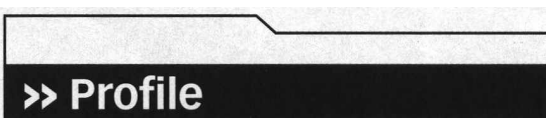
Coaching benefits

So how does coaching rate as a development tool? While there's no magic bullet for business success, Joyce says coaching is worthwhile if it allows owners to push forward and experiment until things improve. He cites his involvement with Sydney-based data management and warehousing company, Promtel, as a prime example.

The company's Managing Director Lynne Fisher needed guidance through the process of increasing revenue to meet higher operating costs associated with moving to bigger premises. She engaged Joyce to help refine internal processes, find and address weaknesses, plan and execute marketing strategies.

Describing him as a mentor and general manager in one, Fisher says Joyce helped her become more detached from daily processes and more involved with managing the business. Having a business coach helped Fisher to see the business, and her own role as director, differently. "I realised that rather than spending large amounts of time doing operational tasks, I should be performing management and leadership tasks," Fisher says. "I knew this, but needed someone like my coach to help me achieve it."

From the corporate perspective, O'Bree says executive coaching is a development tool if it can be customised, "just in time", be flexibly scheduled, and offer continuity, accountability and support while new skills are being mastered. She says the biggest adopters are organisations willing to invest in the future of their people. Her clients include National Australia Bank, the Institute of Chartered Accountants Australia, *ETRADE and Rural Press.



Results from a 2001 Manchester Consulting survey of 100 executives participating in coaching programs suggested that coaching can deliver strong returns. In fact, participants said that coaching delivered them an average return on investment (ROI) of over \$100,000, almost six times the initial cost. Seven out of 10 put ROI at \$100,000 plus, while three in 10 valued the ROI between \$500,000 and \$1 million.

Tangible business results

Improved productivity	53%
Better quality	48%
Greater organisational strength	48%
Better customer service	39%
Reduced customer complaints	34%
Improved executive retention	32%
Cost reductions	23%
Better bottom-line profitability	22%
Top-line revenue growth	14%
Reduced turnover	12%

Intangible business results

Better relationships with reports	77%
Better relationships with supervisors	71%
Improved teamwork	67%
Better relationships with peers	63%
Greater job satisfaction	61%
Reduced conflict	52%
Improved organisational commitment	44%
Better relationships with clients	37%

Source: ROI For Executive Coaching: Executive Summary, Right Management Consultants.

"These companies realize the value of coaching for maximizing performance, retaining, motivating and engaging their people," says O'Bree.

When it doesn't work

When can coaching fail? Chapman says coaching risks backfiring the moment the coach steps outside their area of expertise. "Unless they've had their neck on the line running a business, I don't see how a coach can seriously advise a business owner whose whole future might be riding on their input."

Gortschacher says that it's not always the coach's fault when coaching fails; it's equally important clients are fully committed to the coaching program. Before working with any client she recommends a complimentary coaching session to explore what the client wants to achieve and whether there's a personal match.

"This is important because coaching is a relationship business, and as a coach you need to know there's compatibility," explains Gortschacher. "This is especially important when there are two clients, the individual and employer (who wants to know what they're getting for their money)."

O'Bree adds that coaching can also fail without a partnering philosophy between coach provider and the client organisation. She says coaching is marginalised when it's applied as a band aid solution. "A few people simply aren't coachable, especially those with low self-awareness, where there's no incentive to improve or where honest feedback isn't provided to underperforming employees by the client organisation."

O'Bree claims that coaching is equally ineffective when people need a different form of intervention such as counselling, when coaching isn't well integrated into the organisation's needs, and when it's viewed as a last resort.

So what is management doing with the coaching tool to develop their managers today?

O'Bree says a lot of good work is being done in the remedial, performance and skills-based coaching space, especially where good managers need to bootstrap certain weaknesses. She's also witnessing the rise of developmental coaching; for example, where a second in charge is being groomed for the top job. Also on the rise is the linking of psychometric tools, like 1SI 360 feedback, into the coaching process, and three-way partnering between manager, employee and executive coach.

In addition to re-energising executives who find themselves in a rut, O'Bree says coaching can also enhance clarity. "It provides confidence and a sense of calm to people feeling overwhelmed or suffering from paralysis by analysis," she observes. "Coaching also helps break large unmanageable workloads into small manageable chunks, and provides a supportive and confidential environment to unload and then focus on moving forward."

In the end, despite the rather simplistic view that coaches simply fall into one of two camps - either as advisers or motivators - Greg Chapman believes that today's best business coaches sit somewhere between these two extremes. "Business coaching isn't the same as flipping burgers so direct personal business experience is essential for the coach; most SME owners seek a 70:30 ratio of advice and support. Clients will select a coach in the spectrum that most meets their specific needs for knowledge and support." **MT**

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