

Your Complete Guide to Understanding the ROI of Coaching

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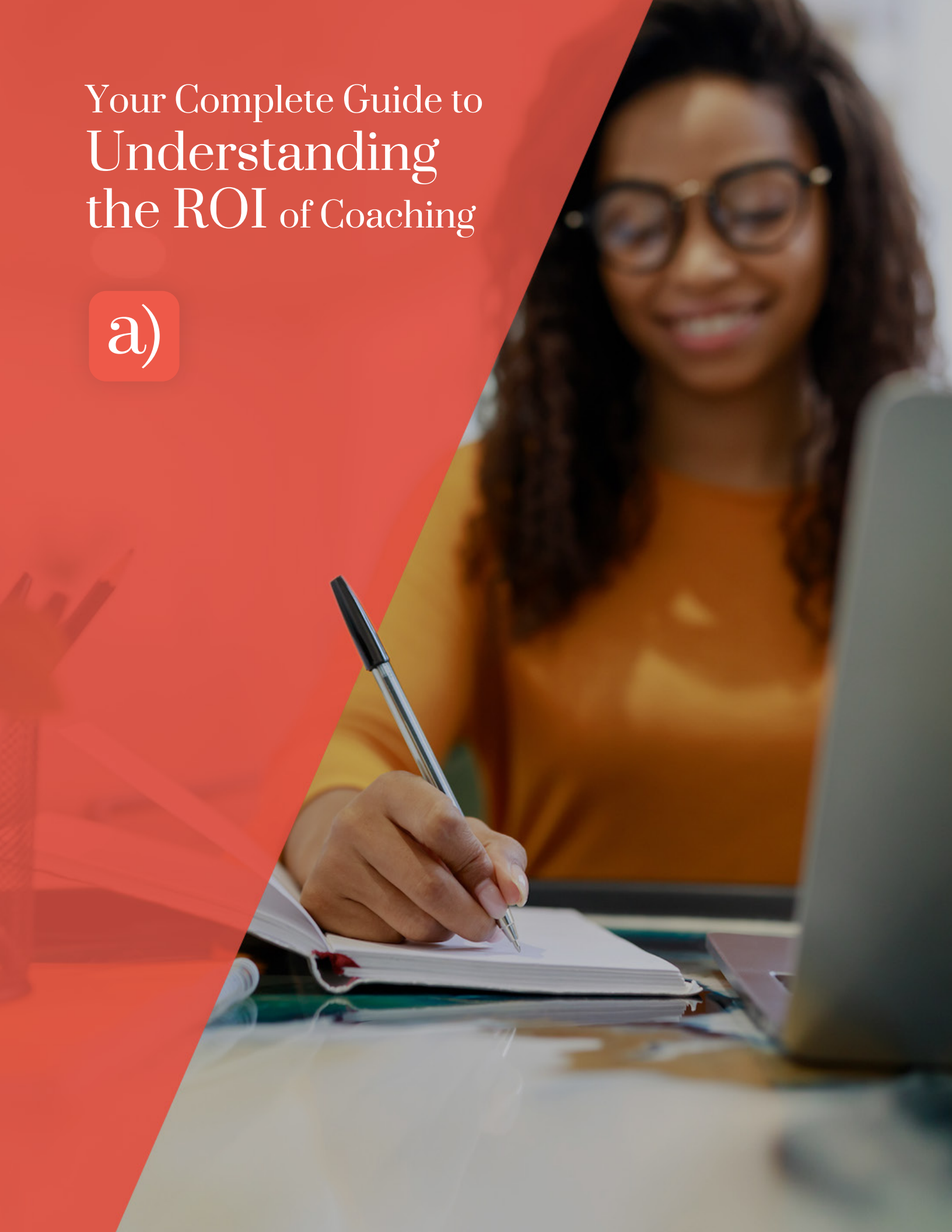


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Introduction

You often hear anecdotal evidence for the ROI of employee benefits like coaching:



Coaching brought a new buzz to our company.
People are generally showing up happier.

.....
Coaching leveled up our collaboration and
communication, unlocking new levels of productivity.



If we could assign monetary value to every such comment, the ROI of coaching would jump off the page. **But instead of saying “just trust us,” this guide gives you everything you need to understand the expected ROI of coaching for your organization.**

For the ROI of **a)plan coaching** in particular, jump to the end where you can see real data on how major organizations like Tides Foundation, Autodesk, and Lovevery felt **a)plan's** ROI firsthand.

The First Layer of the ROI Roadmap

Employee-Level Benefits

“Transforming Organizations by Empowering Individuals”

There’s a reason we use this slogan at **a)plan coaching**. It concisely captures the layers of value that generate positive ROI for our customers. It starts with the individuals of an organization and it ends with the organization as a whole, providing value to both parties in the process.

To conceptualize these multiple layers of ROI, we’ll refer to the **a)plan coaching ROI Roadmap**. We’ll build the roadmap piece by piece throughout the course of this guide, starting first with employee-level benefits, then mapping those benefits to measurable value for organizations.

At **a)plan**, we’ve led coaching programs for thousands of individuals at hundreds of organizations. As a result, the outcomes of coaching for individual employees are well documented and consistent. When employees have the support of a coach, they gain value in multiple ways:

- **A coach helps employees understand how to show up as their best selves.**
- **A coach helps employees uncover challenges, blind spots, and roadblocks.**
- **A coach helps employees set goals and map out action plans to achieve them.**
- **A coach gives employees space to practice leadership development.**
- **A coach helps employees find new ways to succeed in the workplace.**

In total, coaching is the ultimate resource for supporting employees’ happiness and fulfillment, sense of belonging, and work engagement. The **a)plan** coaching model was designed to generate these results for clients.

With an understanding of these employee-level coaching outcomes, we can fill in the first layer of our roadmap.

The a)plan coaching ROI Roadmap



Coaching for Employees

Increase in employee
happiness and
well-being

Increase in
employees' sense
of belonging

Increase in
employee
engagement

Let's pause here to really consider these employee-level outcomes and what they mean for your organization. Helping us out are recent findings from research firms McKinsey, Harvard Business Review, and Gallup.



McKinsey & Company

McKinsey & Company is a global management consulting firm, widely regarded as one of the most prestigious research firms in the world.

According to McKinsey...

**Happiness and well-being make a
6x difference on retention.**

In a 2022 study of nearly 15,000 employees and 1,000 HR leaders, McKinsey revealed the massive costs of poor employee happiness and well-being.

According to the study, those who report experiencing high levels of toxic behavior at work are 8x more likely to experience burnout symptoms, including tiredness, reduced ability to regulate cognitive and emotional processes, and increased mental distancing.

As a result, respondents experiencing these symptoms of poor well-being are 6x more likely to report an intention to leave their employers in the next three to six months.





Harvard Business Review

Harvard Business Review is a general management magazine published by Harvard Business Publishing, a wholly owned subsidiary of Harvard University.

According to the Harvard Business Review (HBR)...

Belonging makes a \$52M difference on performance and retention.

In a 2019 study, HBR revealed just how critical it is to champion belonging in the workplace. The findings are nothing short of eye-opening. A sample of about 2,000 U.S. employees revealed that feeling a high sense of belonging was tied to the following:

- **56% increase in job performance**
- **50% reduction in turnover risk**
- **75% reduction in employees taking sick days**

According to the study, for a company of 10,000 employees, these belonging-related improvements can add up to \$52M in savings per year.

GALLUP

Gallup, Inc. is a Washington D.C.-based analytics and advisory company best known for its worldwide public opinion polls.

According to Gallup...

Engagement makes a \$60.3M difference on productivity.

In a 2020 study, Gallup found that a striking 67% of the global workforce is not engaged in their work. As a result, unproductive employees cost companies millions of dollars per year.

According to the study, for a company with 10,000 employees averaging \$50,000 salaries, the annual cost of disengagement to that company is \$60.3M per year.

Gallup notes that strategies supporting engagement simultaneously encourage productivity. Relative to the \$60.3M number, engagement strategies like coaching typically represent small investments, despite having major impact.

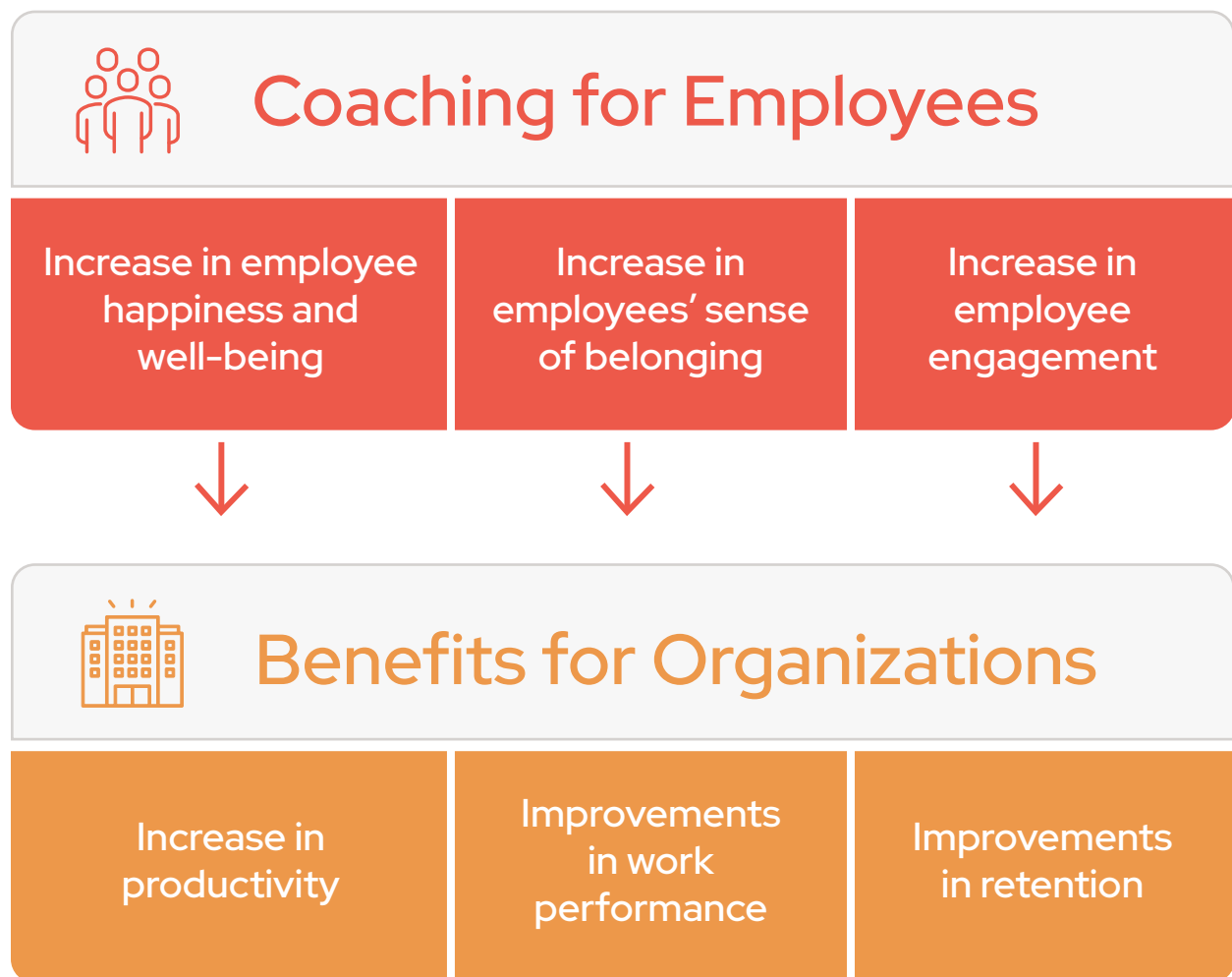


The Second Layer of the ROI Roadmap

Organization-Level Benefits

With this data and research, we can now see the clear link between individual-level and organization-level coaching benefits. This is exactly how *coaching transforms organizations by empowering individuals*.

The a)plan coaching ROI Roadmap (cont'd.)



Quantifying the ROI of Performance and Retention

So, coaching leads to happier, more engaged employees, and that leads to improvements in organization-level metrics, like productivity and retention. But what are those outcomes worth?

A hypothetical breakdown of coaching value

Using an example, we can approximate the value of improved performance and retention metrics. From there, we can effectively measure the ROI of coaching.

Consider a director-level employee who receives one-on-one coaching as an ongoing benefit at her company. Let's call her Erica. Using a base salary of \$170,000 as a proxy (not a literal measure, but a rough "bookmark" of the value that Erica provides), we can estimate some key values driven by coaching.

Improvements in performance and retention, as they relate to Erica, generate three clear sources of value:

1. Return from Erica's performance improvement:

As a result of her coaching, let's assume a conservative 5% improvement in Erica's performance over the next year. This yields a return of at least \$8,500 based on the \$170,000 proxy value.

+ \$8,500

2. Return from Erica retaining an employee:

According to research from Gallup, the cost of replacing an individual employee can exceed 200% of their annual salary. If Erica's coaching results in improvement in her management behavior that allows her to retain just one person on her team (with a salary of, say \$70,000) who would have otherwise left, the resulting cost savings would be \$140,000.

+ \$140,000

3. Return from retaining Erica:

With the same measure of 200%, we can calculate the estimated value of the company retaining Erica herself—something that becomes more likely thanks to her one-on-one coaching. With a salary of \$170,000, we estimate that the value of retaining Erica is at least \$340,000.

+ \$340,000

So ... what was the coaching worth?

If we combine the value generated from the three sources above (**\$8,500 + \$140,000 + \$340,000**), we end up with \$488,500 in value for the company.

If we conservatively estimate that coaching played a 10% role in these outcomes, coaching for Erica would be the source of \$48,850 in value per year.



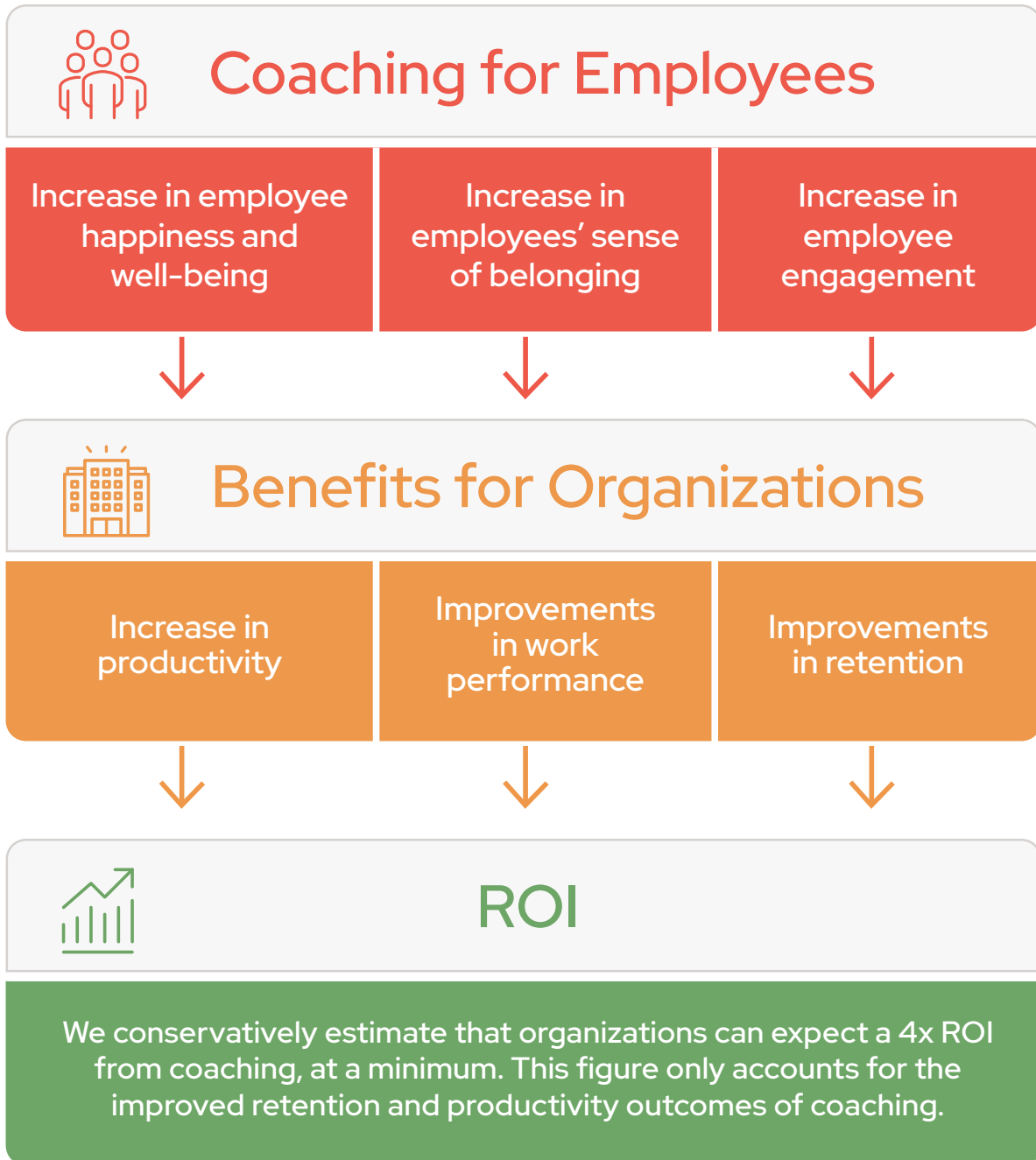
With a)plan, Erica's coaching would cost her employer \$1,000 per month at most, or \$12,000 per year. This generates an ROI of about 4x.

* Note: With a)plan's variable pricing, this ROI figure maintains accuracy among lower-level employees for whom coaching costs less.



With this ROI estimation, we can now complete our ROI Roadmap.

The **a)plan coaching** ROI Roadmap (completed)



Note that this ROI metric only factors in a couple of the measurable outputs of coaching. Our customers should also expect to see value via less measurable outcomes like stronger innovation, teamwork, and employee morale. For these reasons, a 4x ROI should be viewed as the very low end of the range.

ROI in Action

with a)plan coaching Customers



ROI in Action with a)plan coaching Customers

Looking at Three Customers by the Numbers

With every **a)plan coaching** customer, we take periodic surveys to see how the engagement is trending. These surveys give the customer a clear window into the ROI they are experiencing from their coaching programs.

We ask coaching clients if they are, in fact, realizing the types of needle-moving outcomes that drive high ROI—from belonging to engagement to performance. And we explicitly ask if **a)plan** has been a good investment of their time and energy. Here are some insights from three of our customers.

Coaching at a Nonprofit Powerhouse



About Tides Foundation

Founded in 1976, Tides is a philanthropic partner and nonprofit accelerator dedicated to building a world of shared prosperity and social justice.

a)plan Services Used:



1-on-1 Coaching



Team Coaching



Training



360° Reviews

Tides Foundation's ROI:

Worthwhile Investment

100%

reported that "coaching with **a)plan** was a good investment of my time and energy."

Enhanced Performance

93.3%

reported that "through working a coach, I have improved my performance."

Reduced Turnover

35% → ~0%

Tides credits **a)plan** with its incredible reduction in employee turnover from 35% to nearly 0%.

Coaching at a Publicly Traded Fortune 500



About Autodesk

Founded in 1982, Autodesk Inc. is a publicly traded international corporation that makes software products and services.

a)plan Services Used:



1-on-1 Coaching



Team Coaching



Training

Autodesk's ROI:

Worthwhile Investment

93.3%

reported that "coaching with a)plan was a good investment of my time and energy."

Improved Retention

73.3%

reported that "through working with an a)plan coach, I feel more likely to stay at Autodesk."

Enhanced Performance

83.3%

reported that "through working with a coach, I have improved my performance."

Coaching at a Rapid-Growth Startup



About Lovevery

Founded in 2015, Lovevery is a thriving growth-stage startup that produces children's toys inspired by the Montessori method of education.

a)plan Services Used:



1-on-1 Coaching



Team Coaching



Training

Lovevery's ROI:

Worthwhile Investment

95.6%

reported that "coaching with a)plan was a good investment of my time and energy."

Improved Retention

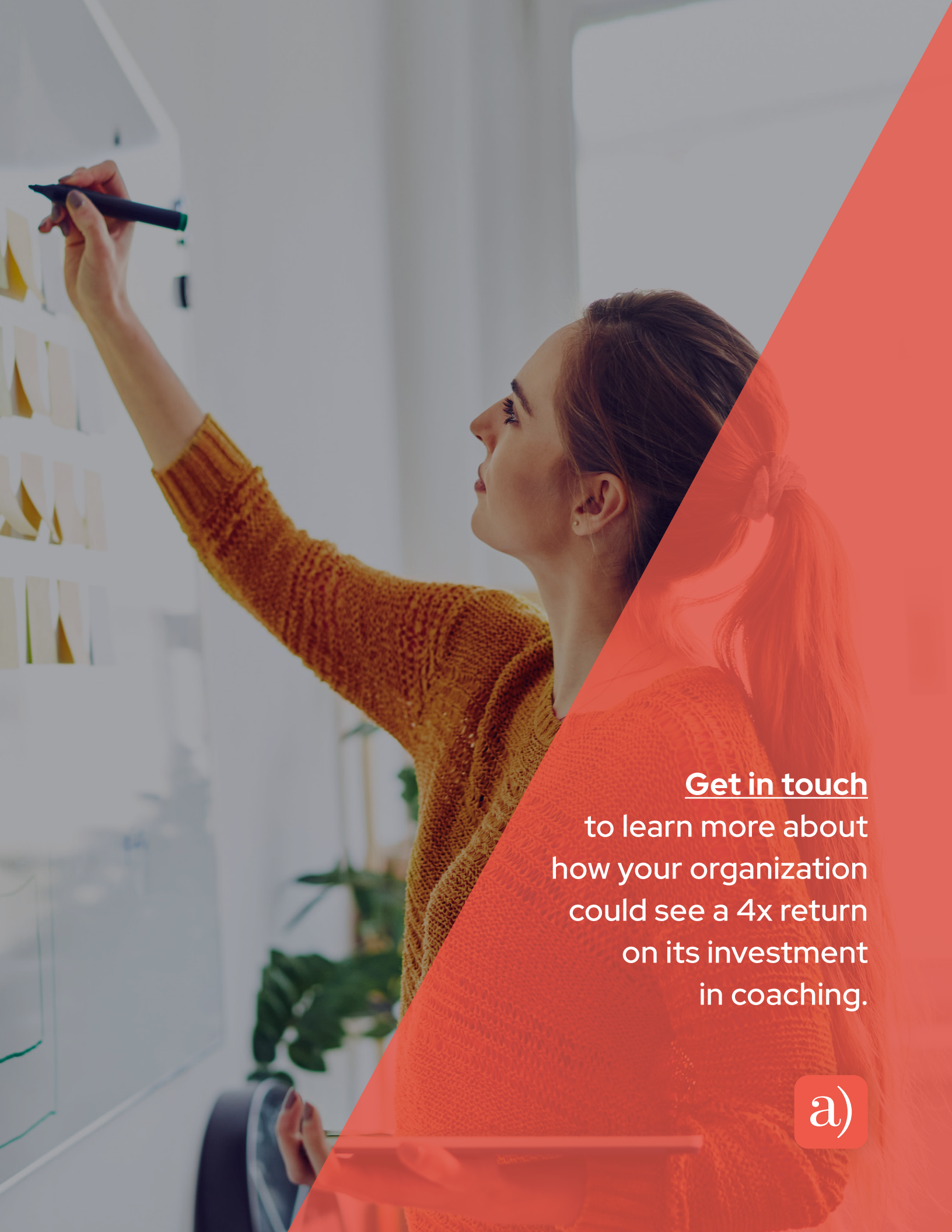
84.4%

reported that "through working with an a)plan coach, I feel more likely to stay at Lovevery."

Enhanced Performance

86.6%

reported that "through working with a coach, I have improved my performance."



Get in touch
to learn more about
how your organization
could see a 4x return
on its investment
in coaching.

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