

ICF Global Coaching Client Study

Executive Summary

April 2009



About the International Coach Federation

The International Coach Federation (ICF) is the largest worldwide resource for business and personal coaches, and the source for those who are seeking a coach. The ICF is a nonprofit, individual membership organization formed by professionals worldwide who practice business and personal coaching. The ICF exists to Build, Support and Preserve the integrity of the coaching industry through programs and standards supported by the individual membership. For more information on the ICF, write to, call or e-mail:

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About the Association Resource Centre Inc.

The Association Resource Centre Inc. is a full-service management consulting firm that specializes in meeting the diverse needs of the not-for-profit sector. Through its Research and Strategy Division, the firm provides a broad range of research services to associations and to the members they serve. The Association Resource Centre's extensive background in governance, strategic planning and association research enables it to interpret the data it receives and to provide insightful analysis as to what the data means.

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PricewaterhouseCoopers provides industry-focused assurance, tax, and advisory services to build public trust and enhance value for its clients and their stakeholders. More than 155,000 people in 153 countries across their network share their thinking, experience and solutions to develop fresh perspectives and practical advice. PricewaterhouseCoopers' International Survey Unit (ISU) is one of the leading providers of market research services and carried out the primary fieldwork for this research.

Disclaimer

Although the information in this report has been obtained from sources that the Association Resource Centre Inc. and PricewaterhouseCoopers LLP believe to be reliable, its accuracy and completeness cannot be guaranteed. This report is based on survey responses of coaching clients during the survey period of September 23, 2008 to November 30, 2008, as well as information collected in coaching client focus groups in May and June 2008. This report is for information purposes only. All opinions and estimates included in this report constitute the views of survey respondents and focus group participants combined with our judgment as of this date and are subject to revision.

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EXECUTIVE SUMMARY

In its role as a leader of the coaching industry, the International Coach Federation (ICF) exists to advance the art, science and practice of professional coaching. In 2006, the ICF conducted the *Global Coaching Study*¹ to develop a profile of the industry and to better understand the state of the industry. As useful as this information is, it represents only one side of the equation. The other side of the equation, and perhaps the more important part to understand, is the coaching client (the consumer).

Recognizing that significant knowledge voids still exist regarding credible research about the coaching client, the ICF commissioned the Association Resource Centre Inc. and PricewaterhouseCoopers LLP to jointly conduct a global study of coaching clients. The study provides comprehensive information about coaching clients, their decision making process and their opinions about professional coaching. This Executive Summary provides an overview of the key study findings.

The main purpose of the ICF Global Coaching Client Study is to generate a broad scope of reliable data on those individuals who have experienced professional coaching and the results they achieved from it. More specifically, the key questions this study is designed to answer are:

- What is the demographic profile of coaching clients?
- What are the characteristics of the coaching experience?
- Why do clients seek coaching services?
- What does the decision making process for choosing a specific coach look like?
- What are clients' perceptions of the industry and the service it provides?
- How do clients evaluate their experience?
- How are clients benefiting from the coaching experience?
- What is the return on investment (ROI) from coaching?

¹ICF Global Coaching Study can be found at: <http://www.coachfederation.org>

Research Methodology

The ICF Global Coaching Client Study was designed to gather information from and about coaching clients. It is important to note that the definition of what a “client” is varies depending on a coach’s area of focus.

For the purpose of this study, a coaching client is defined as the individual being coached.

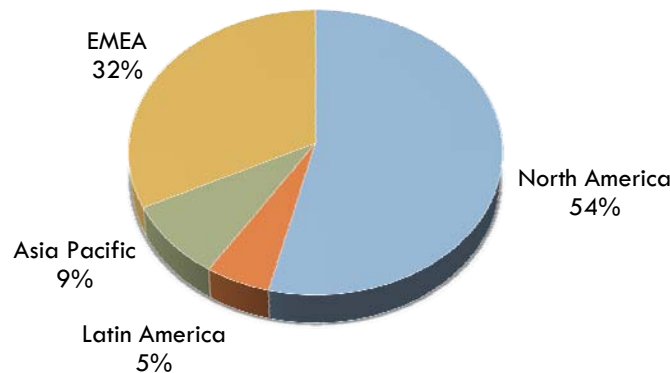
To fully address the objectives of the study, three distinct phases were undertaken:

- Qualitative coach research:** To ensure that the information collected through the study was relevant to practicing coaches, a series of 14 in-depth interviews were conducted with coaches from around the world to get their input on the types of questions that should be addressed by the research.
- Qualitative client research:** A series of focus groups with clients from around the globe were conducted. A total of 41 clients participated in five focus groups. The focus groups served two purposes. First they were used as a means of exploring in-depth client attitudes and opinions regarding the various research questions to help with the design of the quantitative survey. Second, the groups were used to answer some of the research questions that could not be effectively assessed through a quantitative survey. The focus group setting allowed for in-depth probing for areas that were more qualitative in nature.
- Quantitative client research:** The key component of the research was a 20 minute online survey of coaching clients. A total of 2,165 coaching clients from 64 countries participated in the survey from September to November 2008.

Who Participated in the Survey?

As mentioned above, the survey was completed by respondents in 64 different countries. For analysis purposes, the countries were grouped into four regions. As illustrated in **Exhibit 1**, the largest region in terms of respondents was North America accounting for over half (54%) of all survey participants. Europe, Middle East and Africa (EMEA) is next with almost one third (32%) of respondents. Asia Pacific (9%) and Latin America (5%) had considerably fewer respondents.

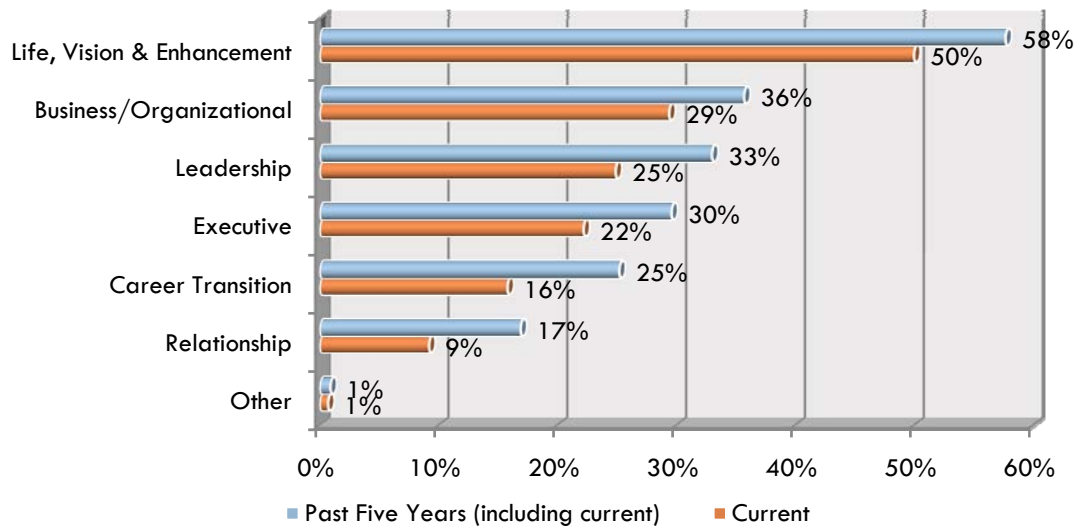
Exhibit 1: Survey Respondents by Region



Note: N=2165

Exhibit 2 illustrates the types of coaching experienced by survey respondents both currently and over the past five years. Life, Vision & Enhancement coaching is by far the most common among respondents with half (50%) of all current clients engaged in this type of coaching and more than half (58%) having been engaged in this type of coaching over the past five years. Business/Organizational coaching (29% of current clients and 36% over last five years) is next followed closely by Leadership coaching (25% and 33%, respectively), Executive coaching (22% and 30%, respectively) and Career Transition coaching (16% and 25%, respectively). At only 9% of current clients and 17% over the past five years, Relationship coaching is the least common among respondents. For analysis purposes, clients were grouped into two segments: Life, Vision & Enhancement and Business, Executive & Leadership. Results for each of these two groups are discussed throughout the main report.

Exhibit 2: Types of Coaching Experienced - Current and Past Five Years



Notes: Base for past five years is all respondents (N=2068).
 Base for current is only those currently in a coaching relationship (n=1233).
 Percentages sum to more than 100% due to multiple responses.

The vast majority of respondents have experienced coaching within the past two years. More specifically, 59% of respondents were currently being coached at the time of the study. Among the 41% not currently being coached, 80% completed their most recent coaching experience within the 24 months leading up to the study. While the vast majority of current clients (91%) are presently engaged in a single coaching relationship, it is not uncommon for clients to have had multiple coaches in the past (45% have had more than one coach in the past five years).

What Motivates Clients to Seek Coaching Services?

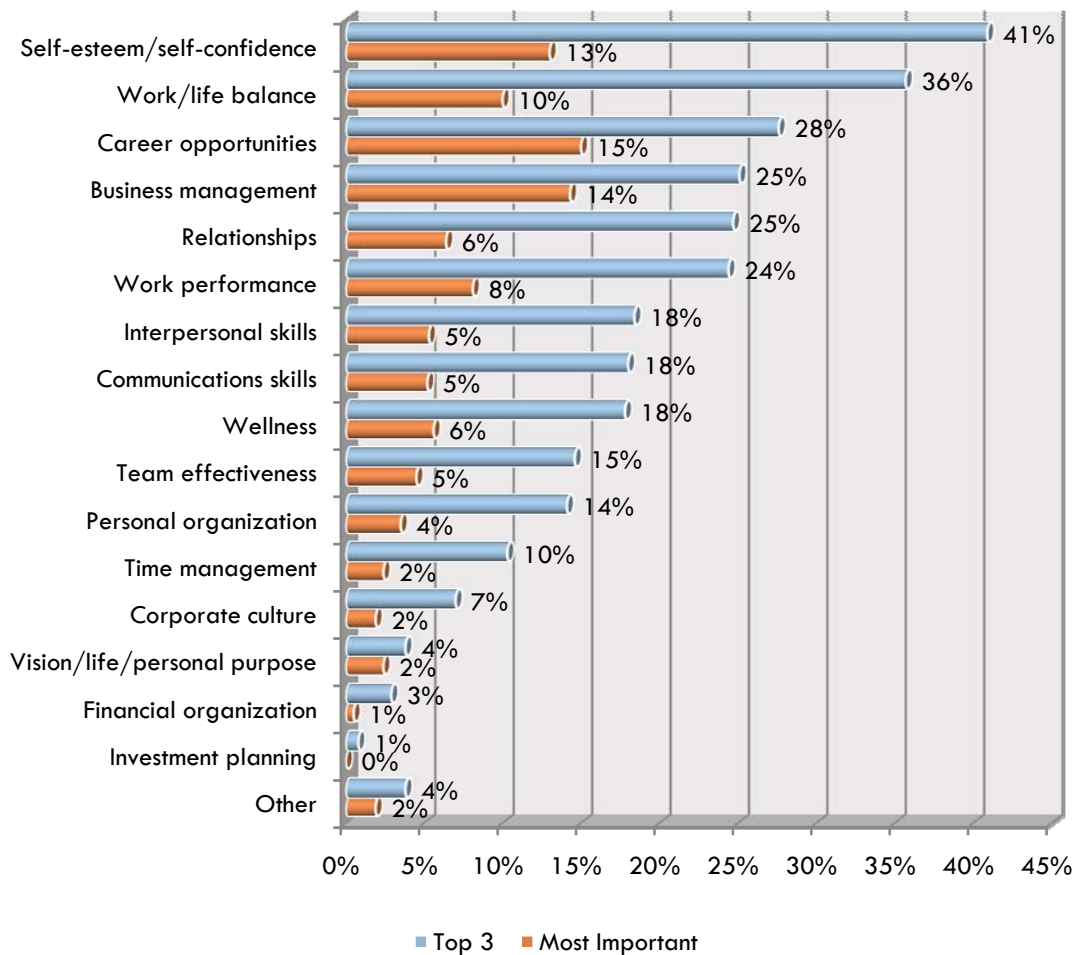
A key differentiator for the industry is that coaching is seen as an “action plan” rather than an exploratory process. When asked why they selected coaching instead of alternatives such as therapy or counseling, some focus groups participants indicated that coaching offered them an “action plan” rather than an opportunity to explore their “issues.” Educating consumers about how coaching is an “action plan” may lead those who “need a plan” to seek coaching services as oppose seeking an alternative.

Survey respondents were given a list of 15 areas that are often addressed by different types of professional coaching and were asked to indicate how important each area was in their decision to seek out coaching services. While the results show that the motivations vary according to the type of coaching received, there

were a number of areas the surfaced as generally important regardless of the type of coaching. The top two motivations for seeking coaching services are self-esteem/self-confidence (79% rated as very or somewhat important) and work/life balance (76%). These are clearly core motivations for seeking coaching. While they may not be the “top-of-mind” or “ultimate” reasons that drive clients to seek their coach, these two factors are significant motivators for the vast majority of coaching engagements.

When asked to select the **top 3** reasons for seeking a coach for their current/most recent engagement (**Exhibit 3**), self-esteem/self-confidence (selected by 41%) and work/life balance (36%), which were identified earlier as core motivators for coaching, are again at the top of the list when considering clients’ “top 3” selections. However, they rank third and fourth respectively when looking only at the “most important” reason for seeking coaching services. Instead it is career opportunities (15%) and business management (14%) that top the list as the “most important.”

Exhibit 3: Top Factors in Seeking Coaching Services



Notes: “Top 3” percentages will sum to more than 100% due to multiple responses.
N=2072

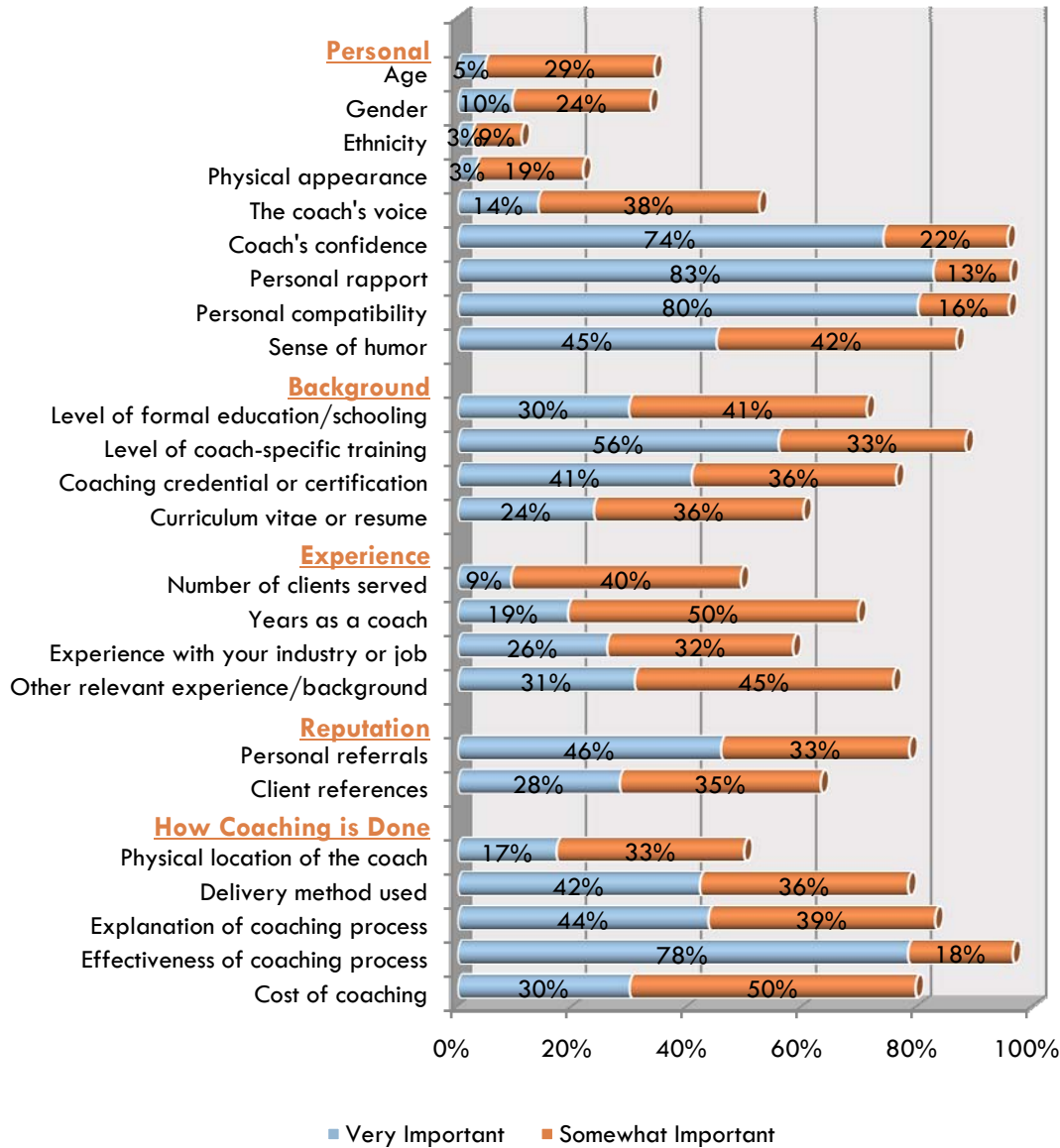
What Does the Coach Selection Process Look Like?

Once a client has decided to get a professional coach, how do they find and select a specific coach? Following is a summary of some of the key factors in the decision process:

- **Who selects the coach?** A significant majority (72%) of respondents indicated that they were solely responsible for selecting their coach. Only 13% indicated that their employer selected a coach for them while 7% indicated it was a joint decision between client and employer.
- **Is the coach an employee of the client's company?** Only 7% of clients reported that their coach was an employee of their organization. However, results vary considerably based on who was responsible for selecting the coach. Specifically, when the employer chooses the coach (17%) or helps make the decision (15%), the likelihood of the coach being an "Internal" coach within the client's organization is significantly higher than when the client selects the coach on their own (4%).
- **How many coaches does a client contact and interview before making a selection?** Less than one third (29%) of respondents reported that they contacted and/or interviewed more than one coach before entering a coaching engagement; while, a further 13% did not participate in the coach selection process. A very significant 58% of clients engaged the first (and only) coach they contacted. More often than not, if the first coach meets their criteria, the client's search is over.
- **What information sources do clients consult before selecting their coach?** By far, the top information source used by almost half (46%) of clients in general is personal referrals/word of mouth. The next closest source is the coach's Web site which was used by only 20% of clients. When asked to indicate which information source was the **most influential**, personal referrals/word of mouth was again the most often cited at 38% of respondents. This is more than four times the number citing coaching seminars or workshops (9%) and knew before/worked with before (9%); the second most commonly cited sources.
- **What do clients look for in a coach?** Respondents were asked to rate the importance of 24 coach attributes they might consider when selecting a coach. These attributes can be divided into five categories; personal, background, experience, reputation and how the coaching is done. The results, which are summarized in **Exhibit 4** on the next page, show that there is a large variance in the importance of the different attributes both overall and within the different groupings. The attributes can be divided into four consideration tier groups based on their importance as follows:
 - *Critical Considerations (more than 90% rated very or somewhat important):* Attributes in this tier group are most critical to the selection process for the client. Only coaches who meet the client's standards in these areas will be considered for the assignment.
 - *Usually Considered (75% to 89% rated very or somewhat important):* These are attributes that potential clients will definitely consider when looking for their coach. If not satisfied with a potential coach in these areas, a client will likely keep looking. However, if they do not quickly find what they are looking for, they may be willing to overlook one or two of these.
 - *Often Considered (50% to 74% rated very or somewhat important):* Items falling in this tier group have been identified as important and may potentially be a deciding factor. Clients might be willing to overlook these; but given the choice between two coaches where everything else is equal, these attributes may become the determining factor. These attributes are very or somewhat important to more than half of all clients; but the portion in the very important category is 30% or less.

- *Rarely Considered (less than 50% rated very or somewhat important):* The attributes within this tier group may be sometimes considered in the decision, but are not key factors. For most clients, these attributes are not likely to impact the decision.

Exhibit 4: Importance of Coach Attributes in Selection Process



Note: N=2023

What are the Characteristics of the Coaching Experience?

The following provides a basic profile of the coaching experiences on a global basis. It is important to note that there are some significant differences in the profile among segments such as region, client type and type of coaching. These are discussed in detail in the main report.

- **Are written agreements used for coaching engagements?** Almost two thirds (64%) of all respondents reported that they do have a written agreement or contract for their coaching services.

- How long do coaching engagements last?** While the average length of a coaching engagement is 12.8 months, a significant majority (73%) last one year or less.
- How often are coaching sessions held?** Clients reported an average of between two and three (2.5) coaching sessions per month throughout the course of their engagement.
- What is the most common primary method of conducting coaching sessions?** Globally, there is a fairly even split between in-person coaching (50%) and telephone coaching (47%). However, this varies greatly by region.
- What method of coaching do clients prefer?** While the majority of clients (60%) prefer in-person coaching, there is a significant portion that prefers telephone coaching (35%). The vast majority of clients reported that they receive(d) their coaching sessions in their preferred format.
- How long do coaching sessions last?** Clients reported an average length of 70.6 minutes for in-person sessions and 48.2 minutes for telephone sessions.
- How much are clients paying for coaching services?** On average, clients reported paying an hourly rate of \$171 USD and a total for the engagement of \$4,353 USD. However, results vary considerably by region and type of coaching.

Are Clients Satisfied With Their Experience?

Following is a brief summary of how clients felt about their coaching experience:

- Were clients satisfied with their coach?** Respondents were asked to rate their coach based on 13 criteria which were deemed extremely important to the coaching process. With 95% or more of respondents providing ratings of “good” or “excellent” for these criteria, coaches rated well in all areas tested.
- How satisfied are clients with their coaching experience?** Virtually all (99%) of clients indicated that they were very or somewhat satisfied with the overall experience.
- Would clients choose to be coached again?** Given the same circumstances that previously lead them to seek coaching, almost all (96%) clients indicated that they would indeed repeat the process.

What Results do Clients Achieve From Coaching?

The main report presents a detailed analysis of the benefits of coaching including two industry performance metrics: one to measure **return on investment** (monetary benefits) and the other to measure **return on expectations** (non-monetary benefits). Only the basic benefits and ROI are discussed here.

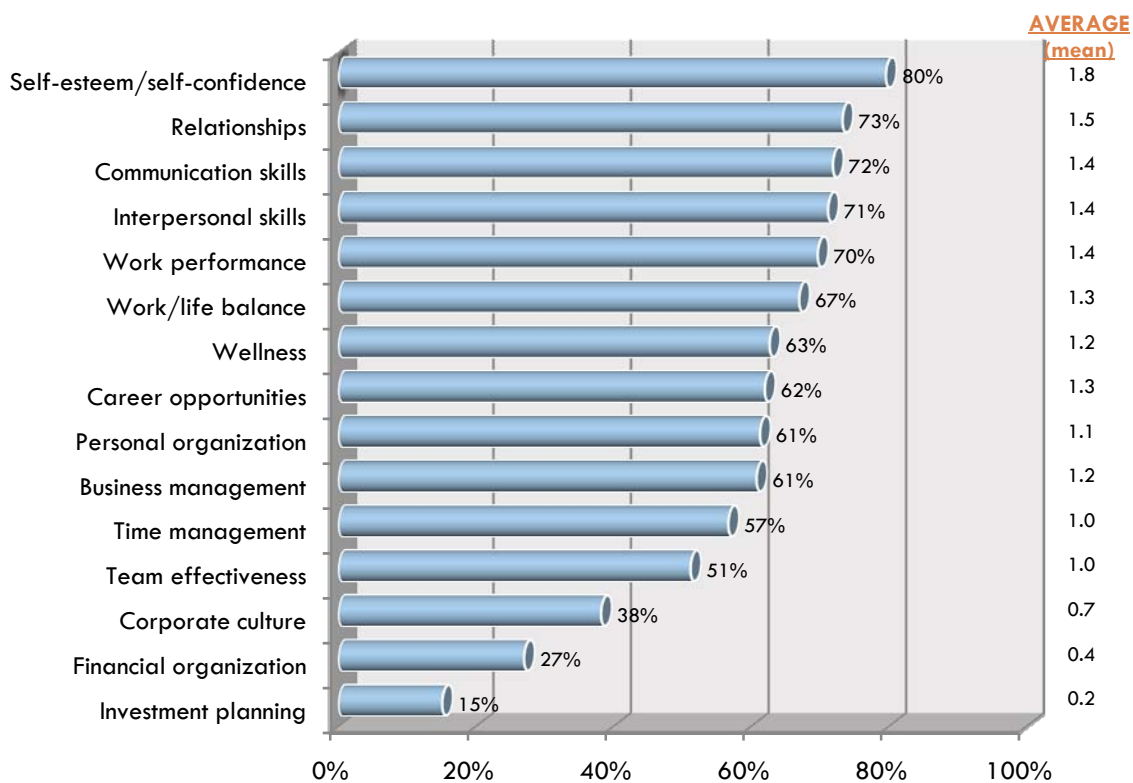
Benefits of Coaching

Respondents were given a list of 15 areas that are often addressed by different types of professional coaching and were asked to indicate the degree of improvement they had experienced in each using a “-3” to “+3” scale (7 point scale). The rated items were identical to those presented earlier as motivations for seeking a coach. A rating of “-3” indicated that the client was “much worse” in this area than before coaching; while, a rating of “+3” indicated that they were “much better.” A rating of “0” indicated that there was “no change” as a result of coaching. The overall positive results for the impact of coaching are presented in **Exhibit 5** on the next page.

Using the portion who experienced a positive change, the items can be broken into four tiers of benefits for the coaching industry in general. These benefit tiers are:

- *Primary Benefits (80% positive change or higher):* This is a benefit that results from virtually all coaching regardless of type or primary objectives.
- *Core Benefits (65% to 79% positive change):* Like primary benefits, these areas may not be the primary objective of coaching; but a significant majority of clients will experience a benefit.
- *General Benefits (50% to 64% positive change):* These benefits are common to more than half of clients; but not a significant majority. While not always, these benefit are more likely to be specifically targeted by certain types of coaching
- *Niche Benefits (less than 50% positive change):* Less than half of clients will experience these benefits. Generally, only coaching that specifically targets these areas will create a benefit.

Exhibit 5: Overall Positive Impacts of Coaching



Notes: Percentages represent the portion of respondents awarding a positive rating on a scale of “-3 (much worse)” to “+3 (much better).”
N=2130

Return on Investment

When asked if they or their company had experienced any financial changes (gains or losses) as a result of coaching, 40% of clients indicated that a financial change had occurred while 19% were unsure. While many clients were aware that financial gains or losses had been achieved, only 9% (189 respondents) were able to provide details on both how much was gained (or lost) and how much they spent on coaching. Accordingly, *the results of the ROI should be interpreted with caution due to small sample sizes.* **An ROI value of**

100% means that the investor earned their money back. The key findings for individual and company ROI include:

- *Individual ROI:* Just over two thirds (68%) of individuals indicated that they had at least made back their initial investment. The median suggests that a client who achieves a financial benefit from coaching can typically expect an ROI in the range of 344% or 3.44 times the amount spent.
- *Company ROI:* The vast majority (86%) of those able to provide figures to calculate company ROI indicated that their company had at least made their investment back. In fact, almost one fifth (19%) indicated an ROI of at least 50 (5000%) times the initial investment while a further 28% saw an ROI of 10 to 49 times the investment. The median company return is 700% indicating that typically a company can expect a return of 7 times the initial investment.

Conclusions

A number of conclusions and implications for the coaching industry can be drawn from the study findings. Some of the key conclusions from this study include:

- **Clients are generally satisfied with the coaching experience.** In addition to awarding very high ratings to all of the coaching criteria tested, the vast majority of clients also indicated that they were very satisfied with their experience. Further confirming the success coaches are having is the fact that **almost all (96%) clients indicated that they would repeat the coaching experience** given the same circumstances that lead them there in the first place.
- **When monetary gains are an expected outcome, coaching generates a very good return on investment (ROI) for clients.** By design, not all types of coaching lead to monetary gains for the client (or their company). Accordingly, only 40% of respondents indicated that they had seen a financial change (personally or company) as a result of coaching. Almost two thirds of those who experienced a personal ROI indicated that they had at least made their investment back. The median personal ROI indicates that those who seek a financial gain can expect a return in the range of 3.44 times their investment.
- **The ROI for companies can be significant.** The vast majority (86%) of those able to provide figures to calculate company ROI indicated that their company had at least made their investment back. The ROI for companies is quite a bit higher with a median return of 7 times the initial investment. In fact, almost one fifth (19%) indicated an ROI of at least 50 (5000%) times the initial investment while a further 28% saw an ROI of 10 to 49 times the investment.