

SHERPA EXECUTIVE COACHING

2010 Executive Coaching Survey

If crisis is a test for leaders, 2009 was a final exam. Some organizations didn't make the grade. There were those who didn't make it to 2010. Some senior executives opted for retirement, because it just wasn't fun anymore.

Those who remain as leaders in a recovering economy continue to develop senior leadership and invest in their people. It's a chance for them to exert tremendous leverage on the future of their organizations and create personal legacies. Those factors make executive coaching an essential development tool for leaders at every level.

When there is turnover in top management, there's a need for leadership development. Emerging leaders must learn how to listen and communicate well, deliver clear expectations and make accountability a positive force in the workplace. Ideally, executive coaching creates those positive changes in business behavior in a limited time frame.

Each year, the Sherpa Executive Coaching Survey offers insight into leadership development and executive coaching. For the fifth year in a row, the survey has gathered information from coaches themselves and from those who hire them.

Coaches bring different levels of training, skill and experience to the job. Choices must be made:

- Do I require a coach that uses a published process?
- Who should get a coach, and why?
- How should services be delivered?

The Sherpa Executive Coaching Survey helps people make those decisions and teaches them how to measure return on investment.

Since this survey deals with executive coaching, any findings or response rates attributed to coaches come from executive coaches only.

In some cases, we provide responses and data from life and personal coaches. These findings are always clearly identified as such.



Comments from a Coach

A new feature this year, "Comments From a Coach", shares what people told us about the state of coaching in 2010: Those comments are always clearly labeled and placed in a sidebar.


2010 Executive Coaching Survey

Table of Contents

Executive Summary.....	3
What Is Executive Coaching?.....	4
Why Are Executive Coaches Used?.....	4
Who Gets a Coach?.....	5
Do Coaches Use a Process?.....	6
Training and Certification for Coaches.....	8
Who Gets Coaching Credentials?	10
Standards of Practice for Coaching.....	11
How Is Training Delivered?.....	12
Does Training Make a Difference?.....	13
Who is Doing the Coaching?	14
Delivery Methods for Executive Coaching.....	16
How Long Does Coaching Take?.....	18
Return on Investment (ROI) for Coaching.....	19
Assessments and Coaching.....	20
The Credibility of Coaching.....	21
Survey Methodology.....	22
Survey Sponsors.....	24
Index.....	26

2010 Executive Coaching Survey

Executive Summary

 For those who survived 2009, things are looking up. In a time of recovery, leaders can afford to loosen up, look forward and be optimistic. Since America's largest generation is about to retire, leaders are paying serious and heartfelt attention to lifting up those who will follow them, and to creating new rising stars. It's a serious matter, and older executives take it as such. Change is in the air. Executive coaching is a personal service designed to help with those changes.

Executive coaching is a maturing industry, with more veteran coaches among the ranks than ever before. Those coaches are more highly trained, as well. People trust coaching. Coaching's credibility as a leadership development tool is rising. Standards for practice and process are being firmed up.

When you understand executive coaching, you'll have a better grasp of new services that spin off from one-on-one coaching. Coaches are offering workshops and seminars which teach coaching skills to managers and executives. They also offer team coaching, a process that gets an entire leadership team on the right track.



The 2010 report answers critical questions:

- What is executive coaching?
- Who gets a coach?
- How are services delivered?
- Who becomes a coach?
- How do coaches get their training?
- Do coaches follow a published process?

The Sherpa Executive Coaching Survey is in its fifth year. Based on an ever-increasing body of knowledge, the 2010 survey accurately identifies changes and trends in industry practices. Each year, questions are refined and questions are added, allowing for more precise isolation of trends and their root causes.

Over the years, most of our respondents have been from the USA and Canada, and findings have been more readily applied to the coaching scene in North America.

This fifth annual survey was professionally hosted by IQS Research, Louisville, Kentucky, USA. With over a thousand participants from forty-six countries, the survey has a 3% margin of error. Complete details about the survey's methodology are available at the end of this report.

Our thanks to our partners and colleagues: the journalists, researchers and university executives who helped us prepare our findings. You can learn more about them on pages 24 and 25.

In February, 2010, a report on earnings and fees for both life and executive coaches will be released. For the first time, we will be able to report rankings by major metro area in the USA and Canada. The report, as always, will be available at www.sherpacoaching.com.

2010 Executive Coaching Survey

What Is Executive Coaching?



It's not clear to everyone what coaching really is. Consultants, trainers, mentors and counselors are jumping on the bandwagon, using the term 'coach' to describe their work.

So you'll know what this report is about, let's share a widely-accepted definition of executive coaching:

“Executive coaching means regular meetings between a business leader and a trained facilitator, designed to produce positive changes in business behavior in a limited time frame.”

This definition clarifies:

- who coaches are
 - what coaches do
 - when things happen
- trained facilitators (not acting as consultants, counselors, trainers or mentors.)
produce positive changes in business behavior.
on a set schedule within a limited time frame.

Executive coaches, as a general rule,

- do not share their own experience (as do mentors),
- do not give advice (as do consultants),
- do not impart specific knowledge (as trainers do) and
- avoid personal issues. (the role of a counselor, therapist or life coach)

* coaching definition from 'The Sherpa Guide: Process-Driven Executive Coaching' , used/cited by the European Foundation of Management Development, Organization Development Journal, Coaching News, The Leading Coaches Center, the Executive Coaching Summit 2008 (Australia) and others.

Comments from a Coach

I have been in discussion groups with professional coaches and consultants who are unable to define what they do or identify the boundaries between the two processes.

Why Are Executive Coaches Used?



In the early days of coaching, an executive who wasn't living up to expectations was the most likely to be assigned a coach. There was a certain stigma attached to coaching: “You have a coach. You must be having some problems.”

For five years, the Sherpa survey has asked coaches, HR professionals and coaching clients to share the ways they saw coaching used. There's been a clear trend. Coaching is widely used as a leadership development tool. More coaching is now devoted to developing upcoming talent, and a smaller share of coaching is designed to address specific problems.

As a result, having an executive coach can be a status symbol, the mark of an up and coming leader being groomed for greater possibilities: “You have a coach. You must be something special.”

Over five years' time, the use of coaching 'primarily for leadership development' has picked up from 43% to 53%, while coaching to 'address a specific problem or challenge' dropped from 37% to 29%. A smaller group tells us that executive coaching is most needed by people in transition: promotions, transfers and new hires.

A significant shift towards leadership development was seen between 2006 and 2007, with a slight increase in the 2008 results. 2009 results showed no change, while 2010 showed an additional 3 percent shift away from remedial coaching.

2010 Executive Coaching Survey

Who Gets a Coach?

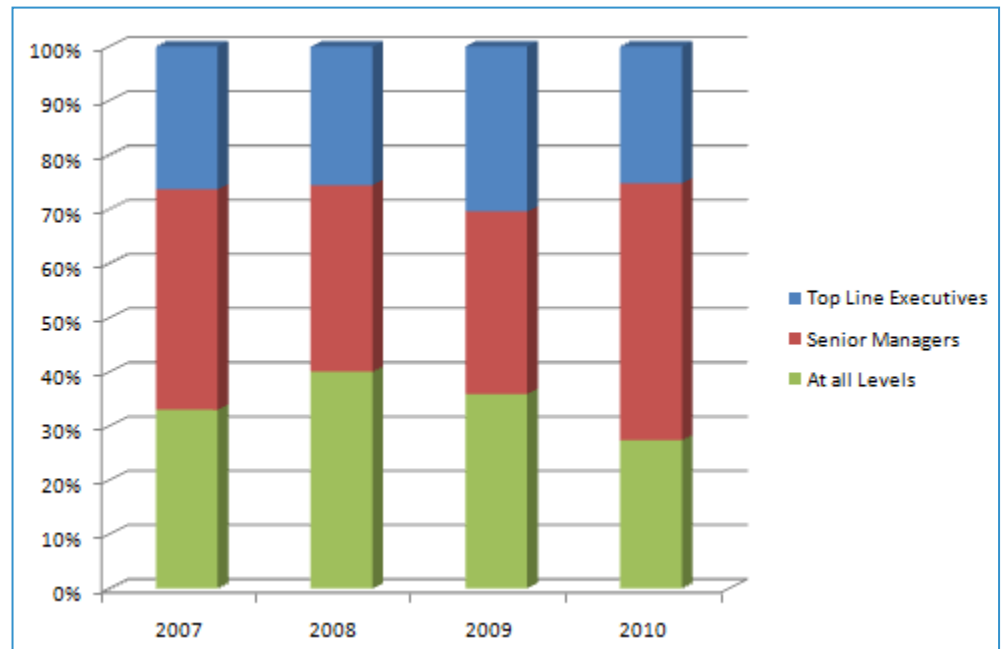


All ships rise and fall with the tides of the economy. Our 2010 report reflects a sea change in the way executive coaching is used. For several years, lower-level managers have received a larger share of coaching services each year.

Last year, we noticed a slight trend back toward coaching reserved for senior managers and execs, and offered: “If this is a function of tight budgets and a lean economy, we’ll see further changes in our 2010 study.”

We had no idea how large this shift would be. Last year, 34% of the organizations who used coaching allowed people ‘at every level’ to participate. That number fell to 27% this year.

That’s a relative change of 20% in the way coaching is allocated in just twelve months.



Executive coaching is seen, more and more, as part of succession planning. From VP level all the way to the top, a generation of leaders is ready to retire. Those we talk to are sincere in their desire to leave a legacy: a great place to work for those who follow them.

While only 61% restricted coaching to senior managers and executives two years ago, 73% of employer-paid coaching was directed strictly to senior managers and executives this year. Organizations realize how much leverage their top leaders have, and apparently keep investing in them, even as expenses elsewhere are being cut.


Comments from a Coach

Organizations are becoming more selective about who receives coaching.

They have become educated consumers.

2010 Executive Coaching Survey

Do Coaches Use a Process?

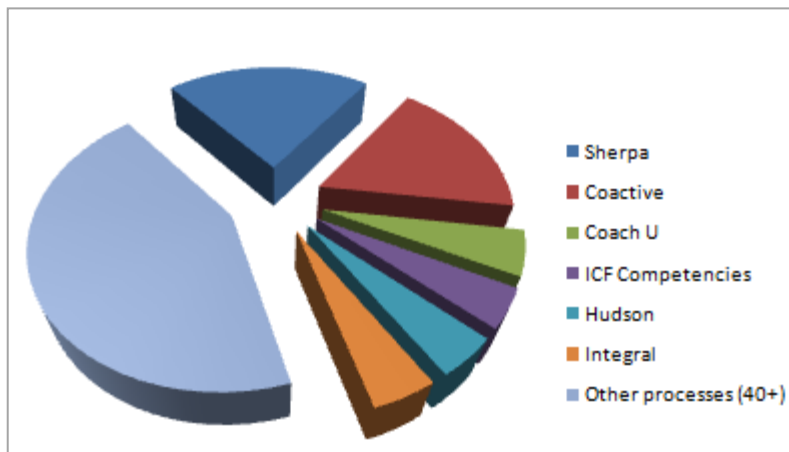
 Executive coaches around the world operate without regulations, without licensing and without trade unions to restrict their practices. That means coaches, clients and training organizations have to sort a few things out for themselves. Can every coach come up with their own methodology? Will a standard set of practices emerge similar to those in use by accountants and financial planners?

For the first time this year, we asked executive coaches whether they follow a published process. For those who select and hire coaches, the answer may be surprising:

- 40 percent of executive coaches 'develop a unique approach from one client to the next'.
- An additional 40 percent have 'developed their own process for coaching'.
- Only 20 percent follow a published process that guides their coaching engagements.



To make sense of this, the word 'process' itself has to be examined. Some coaches fight the idea that a process can guide their work, thinking a process will dictate the way they interact with a client. In fact, they might be using a process, even as they reject the notion that a process might be helpful (see 'Comments from a Coach' on the following page). Other coaches will claim use of a process, although the way they publicly describe it may seem vague and limited.



In business, a process is a predictable set of steps or operations that lead to a desired result. In nature, a process is a natural phenomenon marked by gradual changes that produce a result.

In coaching, 'process' is used in both senses: as a pre-defined set of events and as an organic phenomenon.

Coaches who follow a published process or have developed their own process fall in the organizational camp.

Coaches who develop a unique process from one client to the next lean toward the organic definition of 'process'.

2010 Executive Coaching Survey

Both life coaches and executive coaches who follow a process were happy to tell us what that process was. Over 45 processes or philosophies were cited, including 25 based on a specific course or curriculum.

For coaching overall (life and executive coaching combined), two processes lead the survey. Coactive Coaching and the Sherpa process each were listed by around 20% of the survey respondents. Only four other processes garnered a noticeable market share. The published processes in widest use by coaches, both life and executive, are shown in the table to the right:

All coaches, life & executive, processes cited:	
Sherpa Process	≈ 20%
Coactive Coaching	≈ 20%
Coach U	5%
ICF competencies	4%
Hudson Institute	4%
Integral coaching	4%
40 others combined	44%

Among executive coaches, one in five listed a specific process they follow. In all, over a hundred executive coaches told us what process they use to guide their coaching.

Comments from a Coach

I passionately disagree w/ the belief that there is a single "process" one should follow with every client.

While 50-60% of my own approach might be called a process (repeatable steps, done consistently each time) but the balance is very specific to each client, based on THEIR agenda versus the coach's prescription.

A good coach, IMHO, will have at their disposal a toolbox, with different tools used according to need. Too many programs still teach "this is the way", but if the only tool you have is a hammer, everything looks like a nail, eh!?

Seven processes were cited more than others. Lesser players were Coach U, Hudson, ICF competencies, Integral and Vistage, each listed by six or fewer coaches in our sample. 'Emotional Intelligence' was listed by several coaches who had developed their own process based on EI/EQ assessments.

Among executive coaches, Coactive and Sherpa were the top two processes cited. To remove bias in our sample, we removed all known graduates of Sherpa classroom programs, based on the contact information respondents supplied. This leveled the playing field, and created a dead heat between the Sherpa and Coactive processes.

We compared four groups of executive coaches to see whether process matters: adherents of Coactive Coaching, the Sherpa process, other processes and coaches who did not cite a specific process.

Use of a widely accepted process appears important to organizations with an internal coaching staff. Around 25% of Coactive and Sherpa Coaches are internal coaches.

Less than 15% of coaches with a different process worked internally. Fewer than 10% of coaches without a process work internally.

Apparently, use of a particular coaching process doesn't lead to more client work. Across all four groups, coaches spend about the same amount of time coaching and promoting their coaching services. Hourly rates don't follow along with a process, either. Coactive and Sherpa coaches actually charge slightly less per hour, as a group. This slight difference comes from internal coaches who work with private pay clients on the side.

Training makes a difference in the structure of a coaching engagement. Sherpa coaches typically meet weekly with their clients. Coactive Coaches meet every other week. Both groups favor a time limit on engagements. Coaches who do not follow a published process are far more likely to meet 'as needed', and opt for open-ended engagements.

2010 Executive Coaching Survey

Training and Certification for Coaches



The people who hire executive coaches want to have some idea of what they are getting into. As a result, training and certification for executive coaches is gaining momentum. 76% of HR professionals and coaching clients say that formal training and certification is either 'very important' or 'absolutely essential', up from 62% three years ago. That level of support is also true among executive coaches.

What's the difference between training and certification? Executive coaches who are certified, at least theoretically have demonstrated mastery over the material they have been taught. Certification is training with verification. Last year, larger organizations clearly said certification is important for an executive coach. In our 2010 report, smaller and midsized organizations are catching up in that assessment.

Percent saying formal certification is very important or essential:

Company size	1-9	10-99	100-999	1000+
% response	60% (steady)	72% (+6%)	81 (+13%)	75% (steady)

What do coaches think about the importance of certification? Overall, the number of executive coaches who consider certification 'very important' or 'absolutely essential' rose 5 percent over the past year. Female coaches, at 85%, value certification more than male coaches, at 68%.

Opinion around certification is getting more well-defined among HR professionals. Last year, they were asked 'Who is most qualified to certify a training program?' 72% choose 'no opinion'. This year, we added an option for those who do not think certification is necessary. This year, 50% of HR pros still have no opinion, while 10% say certification is not necessary.

Comments from a Coach

Coaching certainly has become an accepted practice for executives. I believe we need to insist on training and certification. Coaching is a powerful, life-changing tool. It should not be taken lightly or provided by someone who is not trained and personally aware of the importance of their role.

That means that one in eight HR professionals have formed an opinion since last year. University-based training and ICF (International Coach Federation)-accredited programs enjoy equal favor, with both near 20%. The Worldwide Association of Business Coaches drew a rating of 6%. Some of the options offered in prior years' surveys fell off the map due to low response rates.

Several European certifications have been suggested as survey choices for next year. To reflect the global nature of this survey, the top European programs will be added to our list of options.

2010 Executive Coaching Survey

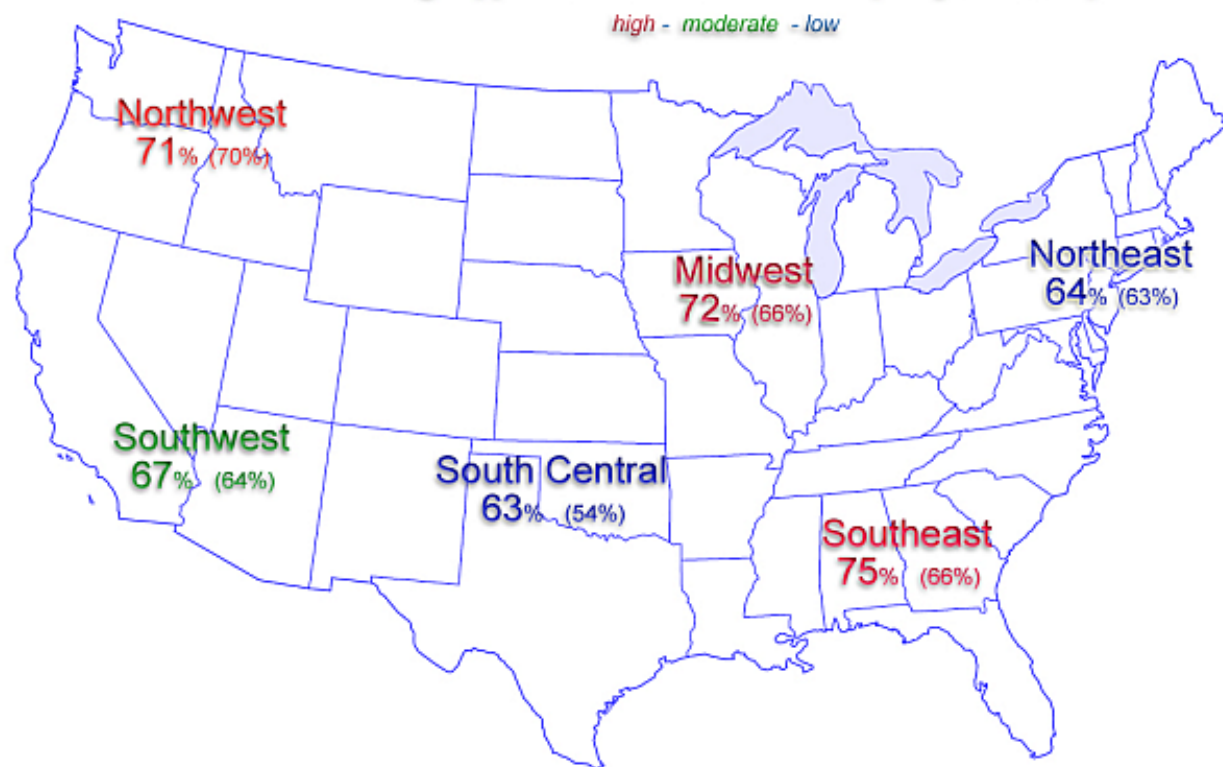
Overall, there's very strong support for formal certification. Worldwide, 76% of executive coaches say formal certification is either 'very important' or 'absolutely essential'. This support is up 14% over the last four years.

Nearly 100% of Coactive and Sherpa coaches emphasize formal certification, in contrast to just 70% of coaches who do not use a published process.

84% of women (up from 77% last year) and 68% of men (up from 65%) show strong support.

Here's how support for certification breaks out in the US, comparing this year with last:

2010 Sherpa Survey: US Executive Coaches showing strong support for: formal certification (this year vs last)



Canadian coaches support certification and a standard for practice in numbers greater than any region in the US.

The International Coach Federation (ICF), certifies training courses for both executive and life coaches. Most life coaches favor the ICF as an accrediting body. Among executive coaches, however, support for the ICF has dropped from 62% to 44% in four years' time.

A similar trend is underway with HR professionals, coaching clients and those who hire coaches. For the first time last year, university-based executive education edged out the ICF as 'most qualified to certify a training program' among non-coaches. The ICF regained a slight lead in the 2010 report.

2010 Executive Coaching Survey

Who Has the Credentials?



Who are clients going to work with? Who's coaching, and who holds the credentials? More and more, coaches hold certification, particularly newer entrants into the field. Certification implies mastery of the material delivered in a training program.

Seven out of ten US executive coaches now have formal training and certification in the classroom. More than nine in ten coaches with formal training are now certified, up from just 50% four years ago.

Comments from a Coach

I have certifications in executive, business and life coaching to complement my business and consulting background.

The combination is a great asset when working with business owners, executives and mid-managers.

In the past, coaches in the largest companies held certifications at a far higher rate than anyone else. Now, smaller coaching companies have matched them, and the highest rate of classroom training and certification is among one-person shops, at 77%.

Almost all certification programs require continuing education and recertification every few years. The Sherpa Executive Coaching Certification requires annual recertification. Most programs associated with the ICF recertify at the three year mark.

Oh, Canada. Where are the most highly trained coaches? You'll find them in Canada. 78% of Canadian coaches have formal classroom training and certification. 82% of Canadian coaches say formal certification is 'very important' or 'absolutely essential', while Americans say so at the rate of 65% to 70%, depending on region.



2010 Executive Coaching Survey

Standards of Practice for Executive Coaching



What are coaches learning? There are dozens of models for coaching, and dozens of schools with unique curricula. Will any of them become an industry standard?

If coaching is to become a true profession, experts say it will need one of three things:

- government licensing,
- a trade union with the power to dictate service delivery,
- or widely accepted set of standard practices.

Support for certification is high, but support for a single, unified model that would guide all executive coaching is not universal. Overall, support was lower for a standard practice model for coaching, 'similar to accounting or financial planning'. The number of people of all types, coaches, clients and HR professionals, who said a recognized and standard practice was either 'absolutely essential' or 'very important' fell from 60% to 54%.

Comments from a Coach

Coaching is developing professional standards, and is still very open and free as a profession. We are still developing guidelines and standards for excellence. There are many schools and approaches to coaching. Setting coaching practices in stone at this time would greatly limit the profession.

Among executive coaches, a majority of both men and women favor a recognized, standard process. Women support practice standards slightly more than men do, at 87% to 75%.

Among executive coaches in the US, support for practice standards is strongest in the Southeast and South Central regions, and lowest in the Western states.

Comments from a Coach

A lot of people claim to be an executive coach, while offering a very different service, with very different results. Without an industry standard, it's difficult for purchasers to value anything but the individual's credentials as they relate to the problem I am trying to solve.

85% of Sherpa and Coactive coaches strongly favor use of a standard process. 70% of coaches who use other processes agree.

Among coaches who don't use a published process, 40% think standards are 'highly important'. Another 40% say standards are 'somewhat important', and 20% say standards are 'not necessary'.

Clients and purchasers of coaching services want standards. 70% of coaching clients and HR professionals support a standard process, a number that has been constant over the last few years.

2010 Executive Coaching Survey

How Is Training Delivered?



Coach training schools offer three ways to learn: live in the classroom, online and over the phone. Several programs use a combination of the three. Most coaches get their training in the classroom, rather than opting for distance learning or virtual settings. Two-thirds of executive coaches studied on campus or in the classroom, double the percentage of four years ago.

For an executive coach who is selecting a training/certification program, quite a few questions must be answered.

- Do I study on the classroom, or on my computer or on the phone?
- Is content 'king', or is it important to know something about my instructors?
- Is a private coaching school as good as a university?

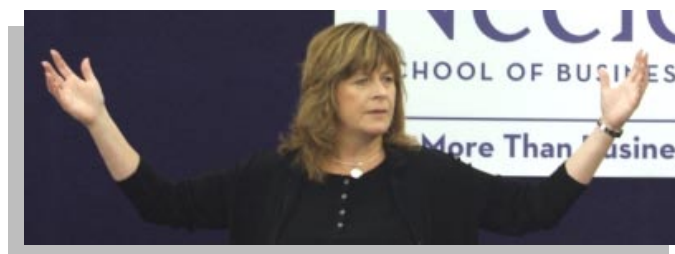
Coaches must choose between programs who will tell you who's teaching, and those that don't. Instructors, if they are announced, may or may not be published authors in coaching and leadership. Coaches must decide between classes with widely available texts, or programs using proprietary materials that you can't see until you've signed up.

For executive coaches who would prefer to work on a university campus with authors who are published in the field, there are currently three options: The Sherpa Coaching certifications at the University of Georgia, at Miami University (Ohio), and at Texas Christian University.

Overall, classroom certified coaches are beginning to dominate the field, with their ranks swelling by 5% in the past year. Women studied in the classroom more often than men (79% vs. 58%).

In four years' time, the number of coaches whose training was primarily online or by telephone has dropped from 38% to just 5%. That level doesn't necessarily reflect everyone who received coach training. Instead, it reflects the number of coaches who have managed to stay in the business over time.

A complete analysis of fifty coach training programs, including links to the websites of all the programs studied, is available on request from info@sherpacoaching.com.



2010 Executive Coaching Survey

Does Training Make a Difference?



Years ago, as coaching was taking shape, there was little formal training for executive coaches. People who have been in the business longest had few options for training when they were first starting out. Accordingly, half of the coaches who rely on 'personal experience' as their background have been in business 10 years or more, and 75% in the 'personal experience' camp have been in the business for 6-9 years. The same is true among coaches who rely on 'formal education not related to coaching': 84% of those coaches have been at it for 6 years or more.

Is there a difference in the business models and experience of coaches with and without formal training? What kind of training helps a career the most?

We have found that coaches with classroom training and certification get employer-paid engagements more often than coaches who studied remotely. 60% of classroom-certified executive coaches work exclusively with employer-paid clients. That's true for just 50% of coaches who studied online.

Comments from a Coach

Some sort of training is beneficial, but practice and experience with overcoming one's own hurdles are the most critical components of successful executive coaching.

Classroom certified coaches also earn more, although earnings for coaches who studied online are getting closer to parity each year. A detailed report on coach earnings overall, for both executive and life coaches, will be released in February 2010 at sherpacoaching.com



Does gender determine what route a coach will take for professional development? As a matter of fact, there's a difference. 80% of women were trained and certified in the classroom, compared to just 58% of men. 42% of men in the business rely on personal experience, self study or distance learning.

2010 Executive Coaching Survey

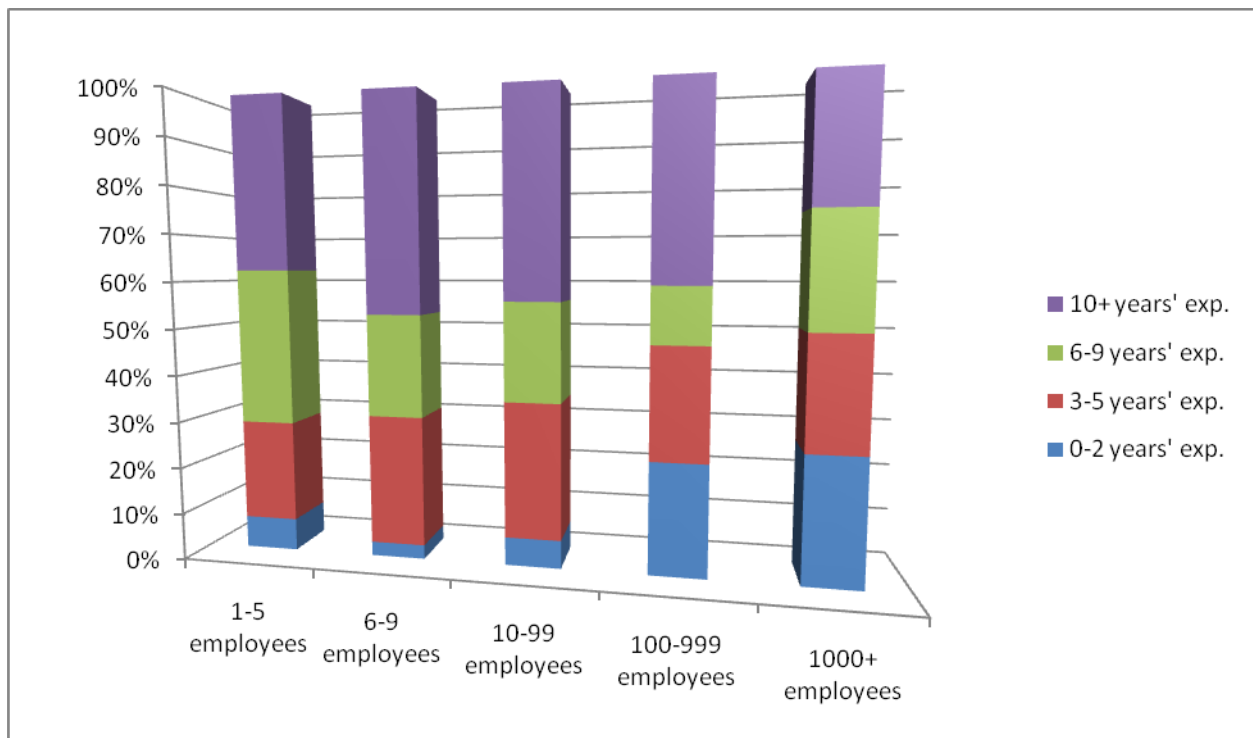
Who Is Doing The Coaching?



Despite a tough economy, we haven't seen the demise of the 'one-man shop'. For our 2010 report, over 40% of the executive coaches we surveyed were one-person shops, and another 35% + reports a company size of 2-5. That's no different than last year.

Where will you find the most experienced coaches? To hire a veteran, should you look to larger coaching concerns or smaller ones? There are far more veteran coaches among smaller firms (100 employees or less) than among larger firms. Apparently, larger coaching firms are becoming a training ground for independents. In firms of 1000+ employees, half of all executive coaches have 5 years or less seniority. In firms of 100-999 employees: 44% of coaches have 5 or fewer years' experience. Most coaches with under 2 years' experience work in forms of 100 or more employees.

Seniority of executive coaches, by company size:



In smaller firms, coaches with 3-5 years' experience can gain a foothold, but the number of coaches in smaller firms who have 2 years' experience or less drops to less than 10%, as compared to 25% in the largest firms.

The number of male and female coaches taking part in this year's survey was almost exactly equal. Both men and women in the field can carve out a career in executive coaching, with men in the business five years or longer at 71% of our sample and 5-year veteran women at 67%, a narrower gap than in years past.

2010 Executive Coaching Survey

As an industry matures, so do its practitioners. For a number of reasons, the average age of coaches is increasing. 80% of women and 85% of men in the field are 46 and older, as opposed to 71% and 81% last year. Female executive coaches, on average, are 49 years old, while men's average age is 53.

Men have a slightly higher number of employer-paid clients, as opposed to self-pay, but the gap is small and falling. Overall, women's private-pay clientele fell from 23% of their business down to 14% this year, while men's fell from 22% to 18%, reflecting a drop in coaching services paid for by individuals.



Coaches, of course, know a lot about training programs. Even if a coach has never taken a class, they are aware of the options, and they know who's out there placing their blessings on various programs. Now, HR professionals are getting more savvy about coaches' qualifications. This year, 40% of our HR professionals had an opinion about 'who is most qualified to certify a training program', up from 30% last year. General business and consulting experience still counts a great deal, but formal training and certification as a coach has surpassed experience among HR professionals in larger firms, by a significant margin.

Comments from a Coach

My background is psychotherapy. Conventional 'professionalization' has resulted in watered-down education, a glut of providers, declining possibilities for making a living and declining quality for consumers.

Despite the fact that psychologist and psychiatrists are well-versed in modifying behavior, only two percent of our respondents say that therapy or counseling is the 'best background for a coach'. This opinion comes from HR professionals, executive coaches, and coaching clients and even life coaches, who deal with personal issues far more often.

Those who come from a background of psychology or psychotherapy are quite active in the field. According to a number of passionate comments made by our respondents, psychologists and psychotherapists have taken a large voice in the way several trade associations and organizations are run. The differences of opinion between the two camps have created sparks, as shown by the two 'comments from a coach' on this page.

Comments from a Coach

Some coaching programs are too heavily rooted in psychotherapy. Coaches who complete these programs seem to feel they are qualified to being all things to all clients. This leads to dissatisfied clients and to the reputation of coaches being diminished.

2010 Executive Coaching Survey

Delivery Methods for Executive Coaching



Should you work with a coach over the phone? Is that the best way to get the job done? A few years back, that was a controversial question. Since 2006, delivery of both executive coaching services and training for coaches has moved decidedly toward in-person encounters. In our first four annual surveys, support for the effectiveness of in-person coaching grew across all demographics. In this year's survey, we've seen a change in practice that goes against the tide: phone coaching held steady, while webcam coaching took a couple of percentage points away from in-person engagements.

What stalled the trend toward live coaching? 2009 was an unusual year, based on budgets drawn during a stock market crash in late '08. The call for cost reductions favored remote coaching, hence an increase in webcam engagements.

As compared to phone, email and webcam delivery, both men and women deliver more of their coaching in person.

- In-person delivery accounts for more coaching than any other method: 45% of the total, up from 40% in 2006.
- Live coaching is more common than phone coaching at every size of client firm, from sole proprietors who hire a coach all the way to firms of 1,000 or more.
- Larger firms are more likely to have full-time staff coaches on site. Their use of in-person meetings is accordingly higher, at 62% of all delivery.
- 75% of executive coaches say in-person delivery is most effective, a figure that has increased every year since 2006.
- Over 90% of HR professionals and coaching clients believe in-person delivery is the most effective.



The total amount of executive coaching done on the phone was steady this year, at 37% of services delivered. Women coach by phone more often than men, and they have stronger opinions about the phone as a delivery method. Women coach on the phone almost 40% of the time. Just 28% of women feel it's the best way to coach, down sharply from prior years. Men coach by phone 34% of the time, but only 18% feel it's most effective.

Coaches do change their delivery methods from year to year. We tracked 250 coaches who responded to this year's survey and last. We found that almost a third had adjusted or completely changed their delivery methods. Here's how the changes looked, reporting the number of coaches who shifted from the method on the left to one of the methods in the three columns which follow:

2009 survey status:	2010 switched to: LIVE ONLY	2010 switched to: LIVE and PHONE	2010 switched to: PHONE ONLY
Phone coaching only	2	12	-
Phone and Live	24	-	8
Live coaching only	-	23	2
Total Shift:	26	35	10

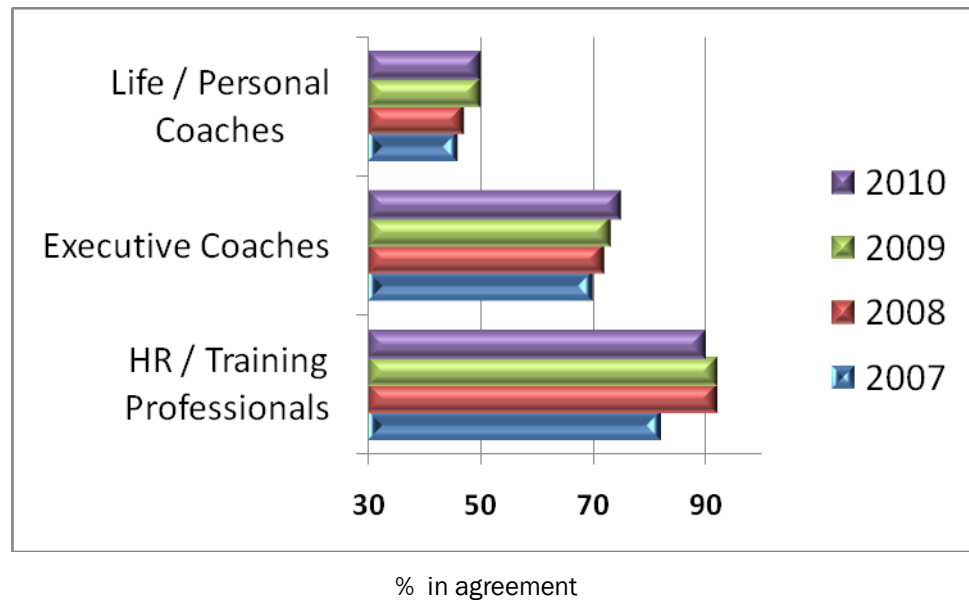
2010 Executive Coaching Survey

Delivery methods follow along with the process used. Sherpa coaches work in person 70% of the time, compared to 45-50% for other coaches, regardless of process. 100% of Sherpa coaches say in-person coaching is the most effective method, while 70-75% of other coaches say in-person meetings are best. Coaches who studied online also did more of their work by phone (40% phone, 39% live). Live coaching held an 8% advantage among all other coaches.

Life coaches work differently than executive coaches. 75% of life coaches' clients are private pay and billing rates are far lower than those of executive coaches. Keeping costs low is important, and travel costs time and money. Globally, life coaches do about 42% of their work on the telephone vs. 36% in-person. As a group, life coaches say that in-person coaching and phone coaching are equally effective.

Percentage of respondents, by type, who say that in-person coaching is the most effective.

In-person coaching is most effective.



Executive coaches in small firms (under 100 employees) work in person 10% more often than they coach on the phone. Coaches in larger firms (100 employees and up) coach in person 20% more often than they do on the phone.

70% of small-firm coaches say in-person coaching is most effective. 90% of large-firm coaches favor in-person coaching. This may reflect the fact that larger companies are more likely to have an in-house coaching staff, which makes personal meetings more convenient.

2010 Executive Coaching Survey

How Long Does Coaching Take?



How long should a coaching engagement last? A majority in every group favors limited-term engagements lasting six months or less. The trend is running in favor of shorter, limited engagements, too.

There's a potential conflict between the interests of the coach, the client and the employer who's paying for services.

- Coaches can't always predict the length of an engagement, especially if they develop a unique, organic process for each client.
- Clients want to prove positive results quickly, to earn favor with their employer.
- Employers need to know how long and how much before they commit the firm's money and an executives' time.

How does it all sort out? 62% of executive coaches say a coaching engagement should run six months or less. That's an increase from 53% in our 2006 results. HR and training professionals favor limited engagements at a 73% rate, an increase over years past.

Only 17% of executive coaches favor 'open-ended' arrangements, a number that's dropped from 25% in our 2006 survey.

Personal and life coaches favor 6 months and under, with a 59% score. They prefer open-ended arrangements 36% of the time.



Comments from a Coach

Too many in the field do not 'move' clients. They have adopted the old-school method of long-lasting relationships rather than helping clients as quickly as they should.

Coaching on a schedule is the norm, and the way services are delivered has been constant over the years. Most coaches and clients meet once a week (26%) or every other week (38%). Some meet at 3-week or monthly intervals.

Executive coaches have to manage a calendar and provide services predictably and efficiently. Accordingly, only 25% of executive and life coaches favor 'as needed' meetings, while 35% of clients and HR professionals would opt for this flexible arrangement.

2010 Executive Coaching Survey

Calculating Return on Investment for Executive Coaching



Leaders operate in a challenging economy. Decisions have to be reasoned, sharp and focused. If we spend money, does it add to revenues? Reduce costs? Boost productivity? A great deal of our decision-making is driven by numbers.

Return on investment. ROI. How much money is gained or lost, compared to an amount invested? 87% of HR professionals and coaching clients see the value of executive coaching as 'somewhat high' or 'very high'. They see value, but 82% do not have any prescribed process to measure that value.

Just 18% of HR professionals calculate ROI. That's up from 7% in our first survey, but it's still just a fraction. Four out of five use anecdotal evidence, or they don't monitor ROI for coaching. In 2010, as in years past, larger companies (1000 employees and up) don't try to measure ROI any more than smaller firms do.

The amount of money spent on coaching is significant, and it's growing. HR professionals say coaches are usually engaged for people who need leadership development, and they tell us demographics will boost demand for coaching. Despite all the expense, few people seem to track return on investment. Here's one common way to do it.

1. Estimate the total value of resolving an issue or issues:

Example: *Avoided \$55,000 in turnover costs, increased productivity by \$45,000*
Total benefit: \$100,000

2. Multiply by the percentage of the improvement attributable to coaching
(In this example, 50% of the improvement comes from coaching)
Coaching benefit \$50,000 (#1 times #2: 50% of \$100 K)

3. Factor in our degree of confidence in our estimates:
(In this example, we are 90% sure that our estimates in steps 1 and 2 are correct.)
Adjusted coaching benefit: 45,000 (#2 times #3: \$50,000 times 0.9)

4. Subtract the total cost of coaching (say, \$15,000)
Net benefit \$30,000 (#3 minus #4)

5. Calculate ROI: Divide net benefit (step 4: \$30k) by coaching cost (\$15k)
ROI = 200%. (#4 divided by #3: 30K/15K = 2.00)

Granted, there are value judgments involved in this ROI calculation. How much is a project or an achievement worth? How much contribution did coaching make? What's the total landed cost of coaching? That is why this ROI formula factors in a degree of certainty, in effect reducing the calculated value of coaching directly, to account for subjectivity in the other variables in the formula. To get the best results, coach, client and executive contact should all contribute to the calculations.

Comments from a Coach

As economic conditions worsen, companies are forced to reassess their leadership development efforts. The significant dollar amounts spent on coaching are increasingly scrutinized and measured for their return on investment.

2010 Executive Coaching Survey

Coaching Assessments



How does a coach get to know a client, get a 'running start' on an effective engagement? Executive coaches often use a formal assessment of a client and their working environment.

Competition among vendors of assessments and evaluations has always been fierce, whether an HR professional orders the assessment or it's directed by the coach. For the first time this year, we asked executive coaches and HR professionals what types of assessments they used in a coaching engagement.

Some assessments are self-directed. They allow an individual to answer questions, and a report on personality or communications style is generated. DiSC, Meyers-Briggs and Enneagram assessments take that approach. In a different approach, feedback from superiors, peers and subordinates is compiled to create a picture of a manager's working style. That approach is commonly called the '360'.

Here's what our respondents said about the assessments they rely on:

- Popularized by Marshall Goldsmith, 360 degree assessments netted a top score of 29%.
- The DISC model and the Myers-Briggs approach ended up in a dead heat, with an 18% market share.
- 'No assessment' came in at 8%.
- Enneagrams netted 5% of the market.
- A combination of more than 100 other assessments is in use 21% of the time.



In future surveys, we will add additional choices and track changes in the popularity of these instruments.

2010 Executive Coaching Survey

The Credibility of Coaching



Executive coaching is becoming a stable and respected profession, with more 10-year veterans than ever.

Coach training is shaking out, with less influential players falling by the wayside. In the last half of 2009, Sherpa Coaching commenced a study of fifty commonly-referenced coach training programs. By the end of the year, five had closed their doors.

Based on experience, 91% of HR professionals and coaching clients see the value of executive coaching as 'somewhat high' or 'very high', a record-high rating in our survey. That high positive rating is true across the spectrum: from small shops to employers with a thousand or more employees.

Those who rate the credibility of coaching as 'very high' or 'somewhat high' stands at 75%, up ten percent in three years' time. Only two percent rate either the value or the credibility of coaching as 'low' or very low'.

Comments from a Coach

Coaching is becoming more and more recognized by companies and organizations and individuals as a valuable resource to help individuals reach their full potential.

The battle for public opinion is about mediocrity: 15% of our respondents see the value of coaching as high, but its credibility as mediocre. If coaching is valuable, shouldn't it be equally credible? Actually, you can't expect that. Coaching is not a monolithic field. The field has 20-year veterans who work with the top CEO's in the world, and it has author/educators and major universities working for standards of practice. These practitioners add value and credibility to the industry.

Comments from a Coach

Too many people are calling themselves coaches with no education, certification, experience or track record.

It confuses potential clients, creates bad experiences and gives the industry a bad name.

There are also self-styled coaches who enter the field with no credentials, no training and no experience, with varying degrees of success as coaches and marketers. Many last just long enough to leave a bad impression.

Over time, the best executive coaches will be the ones hired. They will create value. They will stick around. Unusual crossovers from other fields will tend to leave the marketplace. That is already happening, and the credibility of executive coaching has started a move that will eventually see perception match reality.

2010 Executive Coaching Survey

Survey Methodology

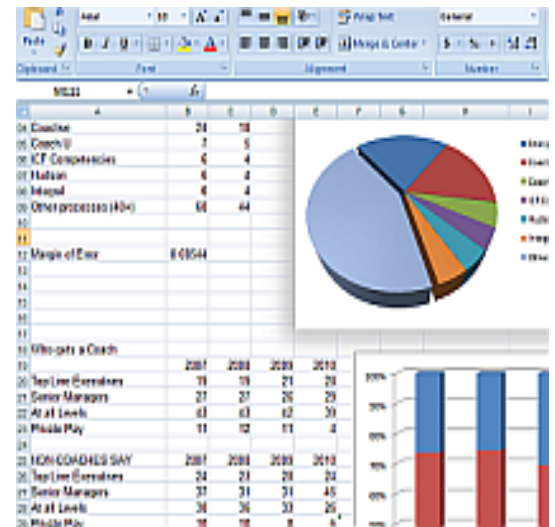


Every year, the Sherpa Executive Coaching Survey gathers information about executive coaching, from coaches and those who hire them.

Email invitations go to a worldwide list of thousands of coaches, clients, HR professionals, trainers and executives in mid-November. Data is collected until December 15, and this report released in mid-January of the following year.

In February 2010, a report on coaches' earnings and breakout reporting by metro area will be released at sherpacoaching.com.

IQS Research of Louisville, Kentucky (USA) validated the survey and its design and hosted the survey. IQS Research flagged and discarded responses deemed invalid or duplicated. Once data was collected, Sherpa Coaching analyzed the results using software developed specifically for this project.



Survey sponsors included the Georgia Center for Continuing Education, Miami University's Community & Corporate Institute and the Tandy Center for Executive Leadership at Texas Christian University. They also invited HR professionals and training specialists.

Organizations including Peer Resources (thanks to Rey Carr), the Leading Coaches Center (thanks to Suzi Pomerantz) and HR Net (thanks to Steve Browne) extended the invitation to their extensive membership rosters. Each invitation encouraged recipients to forward the invitation. As a result, a third of the survey's respondents were not from the original invitation list. This broader sampling produces more reliable results.

The survey differentiates between respondent types, and asks different questions of coaches and non-coaches. When questions involve a subjective multiple choice, choices were displayed in random order.

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This year's 1,050 participants doubled the number in the first year's study. The 2010 level of participation guarantees accuracy of ~97%.

- Accuracy -	2010 (year 5)	2006 (year one)
Number of participants	1000	550
Margin of error	+ / - 3.08%	+ / - 4.2 %

Respondents included:

- 530+ executive coaches,
- 200+ HR and training professionals,
- 150+ life or personal coaches,
- 100+ trainers, consultants and others.

2010 Executive Coaching Survey

Participants came from the US, Canada and 45 other countries.



Responses were particularly strong in North America, so we can draw more conclusions about the state of executive coaching in the US and Canada, and even divide US responses by region and metro area.

Of 750 participants from North America, over 300 were executive coaches who told us specifically where they live and work. Here's the regional breakout of North American coaches' responses:

Location	Coaches
Canada	50
USA - Midwestern	64
USA - Northeast	93
USA - Northwestern	31
USA - South Central	16
USA - Southeast	37
USA - Southwestern	54

HR professionals from a wide range of environments also participated in the survey, including:

Government:

City of Calgary, Canada
 City of Hawkes Bay, New Zealand
 Council of State Governments, USA
 County of Riverside, California
 County of Roanoke, Virginia
 Province of Saskatchewan, Canada
 State of Kentucky
 State of Michigan

Industry:

CSX Railroad
 Duke Energy
 John Deere
 McAfee
 Republic Services
 Toyota

Healthcare:

Humana
 Kaiser Permanente
 Pfizer
 Texas Tech Health System

Finance:

Allstate
 Discover
 Nationwide Insurance
 Price Waterhouse Coopers
 Visa
 Wells-Fargo

Education:

Cornell University
 North Carolina A&T
 Rollins College
 University of Louisville
 University of Missouri
 University of Sydney, Australia

Services:

Fort Worth Housing Authority
 Girl Scouts of America
 Goodwill
 San Francisco AIDS Foundation
 Tampa Chamber of Commerce

2010 Executive Coaching Survey

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Sherpa Coaching is based in Cincinnati, Ohio, USA.

- For managers and executives, Sherpa offers one-on-one coaching.
- For leaderships groups and teams, Sherpa conducts workshops based on their university texts.
- For coaches, Sherpa offers training and certification on campus at several major universities.

More information is available at sherpacoaching.com



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The University of Georgia Center for Continuing Education in Athens, Georgia, USA, provides programs and services which connect the University with lifelong learners throughout the world.

The Center designs, develops and delivers a variety of educational programs to meet the learning needs of a diverse population. With a luxury hotel, restaurants, meeting rooms and banquet facilities, The Center offers a dynamic learning environment for classes, conferences or special events. More information at georgiacenter.uga.edu/is/coach.



Miami's Corporate & Community Institute, in West Chester, Ohio, USA, provides customized programs taught by a core group of instructors and consultants who are highly skilled educators, researchers and experts in their fields.

They leverage their business expertise and field-based research to expose participants to multiple perspectives and challenge their thinking on many levels. The result provides learners with knowledge, tools and techniques that can be applied back on-the-job to enhance productivity. Visit regionals.muohio.edu/ccj/ for more.

2010 Executive Coaching Survey

Survey Sponsors



Tandy Center for Executive Leadership at Texas Christian University, Fort Worth, Texas, USA, provides executives with training and development opportunities to help them advance their professional and leadership effectiveness.

The Center provides high-level training customized to client needs; consulting services that produce relevant results, and executive coaching to help achieve tactical goals.



Headquartered in Louisville, Kentucky, IQS Research delivers research on markets, customers, and employees, with studies designed to identify issues and opportunities, and map a path to success.

IQS Research collects and analyzes data to provide the information needed for reliable, fact-based decisions that lead to profitable outcomes. For customer satisfaction, employee feedback and market studies, visit iqsresearch.com/services.htm. For the Center for Healthcare Reimbursement, go to www.center.iqsresearch.com/



Special thanks to Rey Carr,
Peer Resources Network,
Vancouver, British Columbia, Canada.

Mr. Carr is a leading writer and researcher on coaching and mentoring. We are grateful for review and constructive criticism which has helped us improve this survey for five years running.

For access to the Peer libraries on coaching and mentoring, visit www.peer.ca.

Special Note:

In February, 2010, a report on earnings and fees for life and executive coaches will be released. For the first time, we will be able to report rankings by major metro area in the USA and Canada. The report, as always, will be available at www.sherpacoaching.com.

2010 Executive Coaching Survey

Index

A

Assessments Used by Coaches · 25

C

Coaching Credentials · 10
Coaching Processes · 6
Coach Training · 8
Coach Training, Benefits of · 13
Coach Training, Delivery Methods · 12
Credibility and Value of Coaching · 21

D

Definition of Executive Coaching · 4
Delivery Methods for Coaching: · 16
Demographics of Coaches · 14

E

Executive Coaching, Definition · 4
Executive Coaching, Processes · 6
Executive Coaching, Standard Practices · 11
Executive Summary · 3

L

Length of Engagements · 18

R

Return on Investment for Executive Coaching · 19

S

Sponsor
Miami University CCI · 24
Sherpa Coaching · 24
TCU's Tandy Center · 25
University of Georgia · 24
Standard Practices for Coaching · 11
Survey Hosting
IQS Research, Louisville · 25
Survey Methodology · 22

T

Telephone vs. Live Coach Training · 12
Telephone vs. Live Coaching · 16
Training and Certification · 8
Training and Certification, Credentials · 10
Training Delivery · 12
Training, Benefits of · 13

W

Who Becomes a Coach? · 14
Who Gets a Coach? · 5
Why Coaches Are Used · 4