

# Executive Coaching: What Is It & Why Do It?

## Interview of CoachSource CEO Dr. Brian Underhill

Brian O. Underhill, PhD, is the Founder and CEO of [CoachSource.com](https://CoachSource.com), the world's largest executive coaching organization. It has over 1,000 coaches in over 45 countries. In this interview, Dr. Underhill explains what executive coaching is, why it's become so popular and how to maximize coaching ROI.

**JATHAN JANOVE:** Let's start with a definition. What is executive coaching?

**DR. UNDERHILL:** Executive coaching involves the one-to-one development of an organization leader. It's a confidential process that focuses on development of the leader's skills in all relevant aspects of his or her job.

Typically, the employer pays the cost of executive coaching. The coaching engagement maintains a development focus within the context of the organization's goals, needs and priorities. Essentially, it's a way for an employer to maximize its investment in an important human asset.

**JANOVE:** How has executive coaching evolved?

**DR. UNDERHILL:** It used to be that organizations hired coaches when they wanted to fix people; it wasn't to make valuable employees more valuable. Coaching was a form of corrective action where the company wanted to try something before jettisoning the problematic employee.

Although these coaching engagements still exist, they're down to about 25% of the referrals we receive. The overwhelming majority of coaching engagements today involve high potential employees whose employers want to invest in them to become more valuable.

**JANOVE:** What's behind this trend?

**DR. UNDERHILL:** Increasingly, companies have learned that an incremental improvement in an executive's performance can have a large impact on company success. Executive coaching has received a lot of good press regarding its ROI. This includes stories about people such as Michael Dell, Alan Mulally (the CEO credited with Ford Motor Co.'s turnaround) and Eric Schmidt (former Google CEO). Each of these enormously successful CEOs have described how executive coaching improved their effectiveness and by extension, their companies' success.

Also, in the competition for talent, organizations have learned that executive coaching can be an important retention tool. Talented, ambitious employees greatly appreciate growth and development opportunities. When their employer says, "We want to invest in you as a leader," that message really resonates.

**JANOVE:** What goes into an executive coaching engagement?

**DR. UNDERHILL:** Typically, the coach starts with an assessment phase, gathering information about the executive, working environment and conditions, personality type or style, and how that executive is perceived by others. Goals are identified as well as steps to achieve them. Thereafter, the coach provides support. At the end of the engagement, results are measured to determine if goals were achieved as well as to identify future

growth and development opportunities.

**JANOVE:** How long is a typical coaching engagement and what is the cost?

**DR. UNDERHILL:** Coaching engagements typically range from 3-12 months with six months the most common. Cost ranges as well. At CoachSource, a six-month coaching engagement typically runs \$20-30k.

**JANOVE:** Wouldn't it be cheaper to schedule some training classes or send the executive to a training program?

**DR. UNDERHILL:** Yes. However, the evidence is pretty compelling that the ROI on executive coaching is superior to the ROI on leadership training. Brain science research shows that we have a limited capacity to digest new ideas, habits and skills. Coaching enables one to identify the ideas, habits and skills that would matter most and allows the new learning to be digested in small bites. Also, in coaching there's the follow-up that often makes a critical difference in whether the new learning sticks.

When it comes to training and coaching, it doesn't have to be an either-or. A study by Baruch College researchers showed that training alone increased productivity by 28%; when follow-up coaching was added, productivity increased 88%.

Most of the executives we coach have six-figure compensation packages. Some even have seven-figure packages. That's an enormous amount of money to invest in a single person. Companies do this because they believe the ROI justifies it. In this light, an additional investment of \$20-30k doesn't seem like much, yet its return can be substantial. Given the size of company's investment already, you could ask instead, "What's the cost of **not** providing executive coaching?"

**JANOVE:** What advice would you give a company contemplating getting coaching for its executives?

**DR. UNDERHILL:** First, find out the prospective coach's methodology — what exactly is their process and how do they measure results? Second, the executive should interview several candidates before selecting one — look for someone with whom you personally feel comfortable, yet at the same time will push you out of your comfort zone.