

Case Study

Evaluating ROI of a Team Coaching Program

A consultancy in intellectual property law invested in a team coaching program in order to improve their business operations. Courego was assigned to evaluate Return on Investment of the program. The evaluation showed that the program created an ROI of 43%.

Background

The client is a Swedish patent agency within the intellectual property area. At the start of the program the company consisted of eight people of which three were owners.

The aim of the assignment was to increase the chargeability (billed hours/day) for five key persons.

Team Coaching Program

The program included two assessments, a two-day workshop, consulting input and four follow-up meetings with the team, carried out over a year. The assessments gave the team a picture of how they view 14 team competencies concerning productivity and positivity, at the beginning of the program and at the end. The result from the first assessment served as a map for coaching the team. The assessments were carried out using the Team Diagnostic™ tool. The whole company - all eight people - participated in the program.

The structure of the program is shown below.

ROI Process

Courego carried out an ROI process based on the ROI Methodology™ developed by the ROI Institute.

Main characteristics of the process:

- Runs parallel with the team coaching program from the start and serves as sparring partner
- Addresses five levels of evaluation, from Reaction to ROI
- Applies Operating Standards to ensure consistency and replication of evaluation studies

The process includes planning, data collection, data analysis, documentation and reporting.

In addition, Courego acted as an observer and provided feedback to the team facilitators.

Evaluation Levels

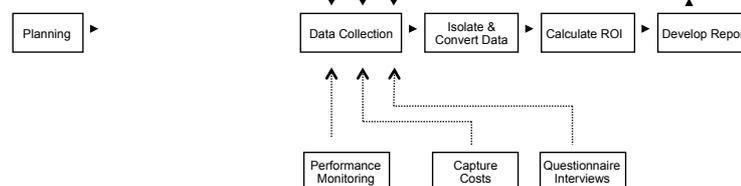
The team coaching program aimed at increasing the number of charged hours, thus it was decided to focus the evaluation on Business Impact and ROI. In addition, the effect of the program was evaluated on the lower levels of Reaction, Learning and Application.

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Team coaching



ROI process



Data Collection

Data was collected and assessed by means of

- Data from the business/accounting system (regarding costs and charged hours)
- Questionnaire
- Interviews with CEO and CFO

The questionnaire comprised questions regarding

- Overall impression of the program
- Reaction, Learning, Application and Business Impact
- Enablers and barriers

Data Analysis

Operating Standards

The following standards were applied:

- The evaluation focused on Business Impact thus the evaluation on lower levels is not comprehensive
- The effects of the program are isolated
- Only the first year of annual benefits are used
- All costs of the program are loaded

Isolating Effects and Confidence Estimates

The effects of the program were isolated by means of trend-lines regarding charged hours.

Confidence estimates were obtained from discussions with the CEO and the CFO.

Converting Data to Monetary Value

In order to calculate the labour cost an internal cost per hour was used.

Cost of Program

The total cost of the program amounted to SEK 422 100 including the costs invoiced by the contractors, expenditures and hours reported by all participants for the whole program.

Results

The program generated a nominal benefit of SEK 1 137 414. The net benefit, after isolating effects of the program and confidence estimates, is SEK 605 697.

The ROI is calculated as follows:

$$\text{ROI} = \text{Net Benefits} / \text{Program Costs}$$

The net benefit from the program of SEK 605 697 and program costs of SEK 422 100 gives:

$$\text{ROI} = (605\,697 - 422\,100) / 422\,100 = 43\%$$

The program also generated results on the lower levels, among others:

- Own work valued more highly
- Time allotted for internal meetings
- Performance reviews implemented

Reporting

The results of the ROI evaluation, including intangible benefits, barriers and enablers, were documented in a preliminary report that was sent to the owners for review. The final results were presented at a meeting with the whole company. Based on questions and feedback received at this meeting, a final report was developed.

Contact

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