

*Coaching high achievers*

## Future for Coaching: a five year horizon

### Growing demand

The demand for professional coaching is growing. And it is likely to continue to do so, as the value of this discipline to individuals and to their organisations becomes ever more apparent. This means that, inevitably, the profile of the coaching market, and kinds of coaching services available, will develop and mature to meet the needs of an increasing, and increasingly knowledgeable, clientele.

Wise companies will want to keep up to speed with this market in order better to position themselves to get the best from it in the years to come.

### But at the moment coaching is still in its infancy

The future for coaching is bright. But, currently, as a recognised business sector, coaching is still in fact in its infancy. Economists would label it immature. It's highly fragmented and there are almost no barriers to entry. There is no accepted form of qualification standards or accreditation – a real danger to its credibility, in my view – and there are no statistics on size, growth rate and market share.

There's not even an accepted definition of 'coaching'. What's the difference, for example, between a life coach, an executive coach, a business coach, a performance coach and a mentor?

### Where's it going?

All of this, you might say, points to a business that's not sure where it is now. So how, you might ask, can anyone forecast where it will be in 5 years' time?

The short answer is 'with difficulty', but let's try.

Coaching is largely about helping individuals and teams stay ahead of the frenetic, fast moving game that business has become. So it behoves its exponents to 'take their own medicine' and try to foresee the changes that the coaching business will face as it develops over the next five to ten years.

It's a given that this embryonic business, with its potential to make significant positive improvements to the performance of both private and public organisations, needs to think ahead and needs to plan. Equally, those organisations that already use coaching, or might do so soon, also need to look ahead and decide how they are going to include coaching in their management development strategies.

Let's look separately at the two key forms of coaching: Executive Coaching, which supports people who are either CEOs, Directors, or potential Directors of their organizations, and Management Coaching, which is specifically for the management levels immediately below, down to and including junior managers.

*Continued*

*Coaching high achievers*

### **Executive Coaching will be largely carried out by external professionals**

My forecast is that Executive Coaching will be carried out, almost exclusively, by external coaches who will themselves have experience of operating at or near to the level of the people they are coaching and in similar environments.

Professor Gordon Hewitt, Professor of International Business and Corporate Strategy of the University of Michigan Business School, says that today's business world is characterised by ambiguity, complexity and volatility. Executive coaches need to be able to coach executives who operate in that culture – and do to so with credibility.

Such coaches will have important strengths. They will have empathetic, non-threatening skills; they will have real understanding of behaviour change, of leadership development, of team development; and, importantly, they will also have a powerful intellectual understanding of corporate strategy, market dynamics and corporate culture.

### **Market leaders**

I believe that in 5 years the coaching business will have 5 or 6 market leaders, organisations to whom FTSE 100 companies will automatically turn, in much the same way as they now do in Search and Outplacement. The size of these top coaching companies will, I believe, be much smaller than that of their search and outplacement cousins, principally because of the challenge of finding sufficient coaches with the skills and experience I mentioned above.

These 5 or 6 market leader coaching companies will each have no more than 40 full time coaches. Additionally, I believe there will be 20 or so niche coaching companies with up to 6 or 7 full time coaches. Finally, there will be a multitude of individual, sole trader, coaches.

### **Large companies will use coaching extensively**

My next prediction – and it's not rocket science – is that the blue chip, FTSE 100 companies will be using coaches extensively, and they will primarily turn to the 5 or 6 leading coaching companies. They will cherry pick individual coaches from within these companies and supplement them with some use of the niche players and, on a smaller scale, sole traders.

To enhance their international pedigree and scope, this premier division of coaching companies will be affiliated with similar companies outside the UK (primarily across the States). However these coaching companies will typically not be integrated international companies as is currently the case with many of the leading search companies.

Today, with the odd exception, these 'premier division' coaching companies do not exist. So we have to ask where the coaches they will employ will come from.

I think it's unlikely that the coaches will come from current search consultancies, principally, because the skills and experience needed here are different from those highly specialist skills required of a successful executive coach.

Neither will the coaches come from the major management consultancies. There are, in my view, two major reasons for this: first, because client organisations would consider these to be too big to control quality, and second, because the consultancies will see coaching as being too small to interest them.

*Continued*

*Coaching high achievers*

Nor, I believe, will these executive coaches come HR/Management Development/Training consultancies. Why not? Again, two reasons. Professionals within these HR and Training Consultancies, though highly skilled in their own areas, will simply not have the necessary skills set and experience. Furthermore, their contacts with client organisations tend to be at a different level.

**Where will these premier division executive coaches come from?**

Some may come from the outplacement world, but only if the coaching businesses are set up as separate entities.

But more likely these executive coaches will emerge from existing, as yet small, specialist coaching companies who have the leadership and aspiration to grow either organically or by acquisition.

**Quality will be all**

But, however their coaches are acquired, there will be a consistent theme to all 'premier division' coaching companies – and that theme can be expressed in one word, 'quality'. They will need a reputation for quality in order to attract outstanding people, in order to develop those people further, and, importantly, in order to demonstrate to clients excellence and relevance of the service they provide.

From wherever these top level executive coaches are sourced, one thing is clear: executive coaches with the right mix of skills, approach and experience are rare birds. Companies who may wish to start using coaching should set aside time now to examine and explore both the concept and the practice of executive coaching.

Those who are already convinced of its value should be scouring the market to find coaches who meet their needs. In such a fragmented market, I fear that's not easy, but networking can work wonders.

**Management Coaching will be largely carried out in house**

For Management Coaching I see a very different scenario.

The sheer size of this potential market – possibly up to fifty times the size of the Executive Coaching market – means that cost becomes a major factor. For that reason alone (though there are others) I see Management Coaching being carried out almost exclusively in-house.

So where will these management coaches come from? Quite probably from under the client company's nose!

The HR and/or Management Development teams in many companies already have people who have the right skills and who are already playing a formal coaching role to identified individuals. This role could be extended into that of a full time management coach.

Another sensible option will be to utilise the 'over 50s' who might otherwise be made redundant (I'm shorthanding appallingly when I use the 'over 50s' definition, but hopefully my point is clear!). Some of the potentially redundant people will have exactly the right skills and experience to become management coaches. They'll also have the knowledge of the company that's necessary to help managers do their jobs well and progress in the organisation. An extra bonus is that such coaches don't necessarily have to be full-time in their coaching roles. And I suspect that many such people would welcome the continued involvement in 'their' company, whilst also moving on to perhaps an external career in coaching or consultancy.

*Continued*

*Coaching high achievers*

Clearly coaches from an internal background will need to develop their coaching skills, to be supported in their coaching work and to be monitored to ensure that their work is of appropriate quality. While the HR function could possibly carry out this training and monitoring role, there is, in my view, also a role here for external coaching companies. They have the skills to train, support, and monitor and would also be able to add their external experience and perspective to the 'internal' experience of the in-house coach.

I'm confident that such a combination of skills and experience would be a cost effective and high quality way to support and develop the many managers – from junior manager/supervisor level up to senior manager level – who want to do a better job, who want to progress within their company and who, in the business world of today, get precious little training and development.

**What do companies need to do now to begin to develop a new cadre of management coaches?**

In my view they should focus on four key areas.

First, integrate the concept of in house coaching into their management development strategy. Second, begin to identify some people who could become internal coaches. Thirdly, create an opportunity to carry out a pilot scheme. Finally, find an external coaching company which has the ability to nurture and monitor the in house coaching skills.

Companies that take such steps, in my view, will stand a far better chance of prospering in an increasingly unpredictable, if increasingly exciting, future.

*Bill Pitkeathley*