

The Bottom Line Impact of Coaching & Training*

Do coaching & training really pay? Do they deliver real impact?

In short, can you really trace an increase in sales, profits or revenues to coaching and training?

All valid questions, deserving a response. But first, there are four misconceptions to clear up.

The first misconception is that “impact” always means financial impact. While it’s good to improve the bottom line, bottom-line numbers are not the only legitimate organizational effectiveness indicators. Every business has hundreds of intermediate indicators (manufacturing efficiency, cost of goods sold, speed of problem resolution, speed to market, order entry accuracy, etc.). Coaching and training does have an impact on these intermediate indicators.

The second, and related, misconception is that intermediate indicators are all “hard” numbers (statistical and financial business measures). The truth is that there are also many valid “soft” intermediate indicators. Countless research studies prove that soft indicators exist, factors such as emotional intelligence, employee satisfaction, and leadership methods. An increase or decrease in any of these indicators, through coaching and training, can impact the bottom line.

The third misconception relates to cause-and-effect. The idea that training has to deliver a direct cause and affect is wrong. Training and coaching have an *indirect* causality with results. For example, teach a leader communication skills and it can lead to clearer job instructions, which can lead to increased accuracy, increased productivity, and increased revenue.

The final misconception is that a single intervention is responsible for results. Just as no business unit or department can lay claim to being solely responsible for a profitable quarter, no single intervention can make that claim either. For example, increased sales can be due to a new marketing strategy, a competitor going out of business, and/or new sales training. It is often a combination of activities that drive the bottom line.

The “bottom line” of coaching and training is that it does have an impact on the bottom line. It can help drive financial results through intermediate factors, such as emotional intelligence or leadership practices. That impact, combined with other smart business activities, leads to increased revenue and profits.

*Paraphrased from “Embracing Evaluation”, Dean Spitzer, Ph.D. (performance consultant at IBM), Training Magazine, June ‘99