

Coaching is hot. Is it right for you?

August 29, 2011: 5:00 AM ET

Once seen as the last step for an executive about to fall off the ladder, leadership coaches now help smooth a promotion, teach outsiders about their new culture, and tune up talent.

By *Vickie Elmer*, contributor

FORTUNE -- When Ryan Harris, 44, started working with an executive coach two years ago, he knew he needed to delegate more work and act more like a strategist. The top human resources exec at a New York City-based health company saw his challenges as "managing up and managing sideways." So, on his own initiative, he began meeting with his coach, Nancy Mercurio, about once a month. Since then, Harris says, he has learned to focus on results and approach more experienced executives with confidence. "He's become a more effective leader who holds people accountable," says Mercurio. So much so that he's sold his boss, the CEO, on offering company-paid coaching to other senior executives.



Once seen as a last-chance effort to turn around flagging careers, coaches for top talent are going mainstream. They're being brought in for newly hired senior executives, as well as for newly promoted department heads who suddenly must manage many more people. "Leadership coaching is the hottest thing these days," says Kate Wendleton, president of the Five O'Clock Club, which has turned some of its outplacement and career coaches into executive coaches because demand has been so strong.



According to a July 2011 American Management Association survey, almost half of participating companies use coaching to prepare individuals for a promotion or new role. While half of companies provide coaches to midlevel or senior staff only, 38% make them available to anyone. Coaching's three most common uses, according to the AMA survey: leadership development, remedial performance improvement, and optimizing strong contributors. "A coach is like a personal trainer for business," says Erika Andersen, author of *Being Strategic* and coach to many media executives.

Most coaches meet with executives in person or by phone, either every other week or once a month for about a year, though they increasingly are available for emergency consults. At WellPoint (WLP), the



\$58-billion-in-revenue health insurance giant, about one-fourth of the senior leadership works with coaches, says Judy Wade, executive talent director. Typically Wade recommends a few, and then the individual chooses the best match. Hiring a coach "is an investment in people who we see as very solid performers," says Wade, who is taking coaching classes herself.

It's okay to ask for a coach rather than wait for someone to offer you one. But if you want your company to pay -- at \$200 or more per hour -- you should make a business case just as you would with any other budget item, Andersen suggests.

Does coaching actually work? For all its popularity, companies are still struggling with how to measure its effectiveness. Some use 360-degree-feedback before and after sessions to look for changes in behavior or relationships. Others rely on evaluations from both the subject and his boss. The biggest mistake, says Charles Feltman, a leadership coach in San Luis Obispo, Calif., is expecting immediate results. Another huge error: not taking the experience seriously or cutting short or skipping coaching appointments.

Another challenge is making sure that you have the right match. One-fourth of respondents in a 2009 AMA-Institute for Corporate Productivity research survey say they have terminated a coaching relationship. Indeed, Ryan Harris's first coach was a bust, in part because their backgrounds and perspectives were too similar.

Mercurio, however, has proved invaluable. Now when he's in executive staff meetings, Harris is willing to lay out the drawbacks to an idea, even when he knows his CEO favors it. He's restructured his department and set performance standards and timetables; when one person couldn't meet them, he terminated the employee -- something he would have delayed in the past. "[Mercurio] has helped my career by leaps and bounds," he says. "I'm certainly more effective as an executive."