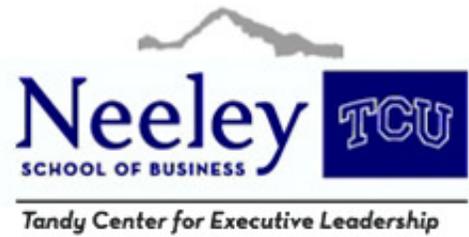


The 2008 Sherpa Executive Coaching Survey

The world's top line executives look forward to retirement, and a new generation of leaders is being groomed. Their growth will come from training and experience. Increasingly, their development will also come from a new style of personalized leadership development called executive coaching.

Each year, the Sherpa Executive Coaching Survey offers insight into leadership development and executive coaching. For the third year in a row, the survey has gathered information about executive coaching, from coaches themselves and from those who hire them.

The 2008 survey was conducted by Sherpa Coaching, an executive coach training and certification organization in West Chester, Ohio, and sponsored by the Tandy Center for Executive Leadership at Texas Christian University, Fort Worth, Texas.



Tandy Center for Executive Leadership



The Sherpa Executive Coaching Survey differs from other surveys in three important ways:

1. The survey focuses on executive coaching, to the exclusion of other coaching styles.
2. The survey is an annual event, enabling clear identification of industry trends.
3. Full results are released on a timely basis, at no charge, as a service to the industry.



Sherpa Guide author Brenda Corbett,
Sherpa Survey author Karl Corbett,
Sherpa Guide author Judith Colemon.

Since this survey deals with executive coaching, any findings or response rates attributed to coaches in the following report come from executive coaches only. In some cases, we provide responses and data from life and personal coaches. These findings are always clearly identified as such.

Sherpa
Coaching

The 2008 Sherpa Executive Coaching Survey



Executive Summary

As leaders look to improve their organizations, they pay special attention to developing those who will follow them, turning problem children into rising stars. Executive coaching is a personal service designed to help those transitions.

Executive coaching itself is in transition, and this report identifies those trends. Executive coaching is a maturing industry, with more veteran coaches plying their trade than ever before. Those coaches are more highly trained, as well. As the industry matures, its credibility as a leadership development tool is rising, and standards for practice and process are starting to emerge.

In executive coaching, there are major moves toward:

- Coaching as a leadership development tool, rather than a problem-solving mechanism.
- In-person coaching.
- Regular and structured meetings, with fixed-length engagements.
- Adoption of industry standards for training and certification.

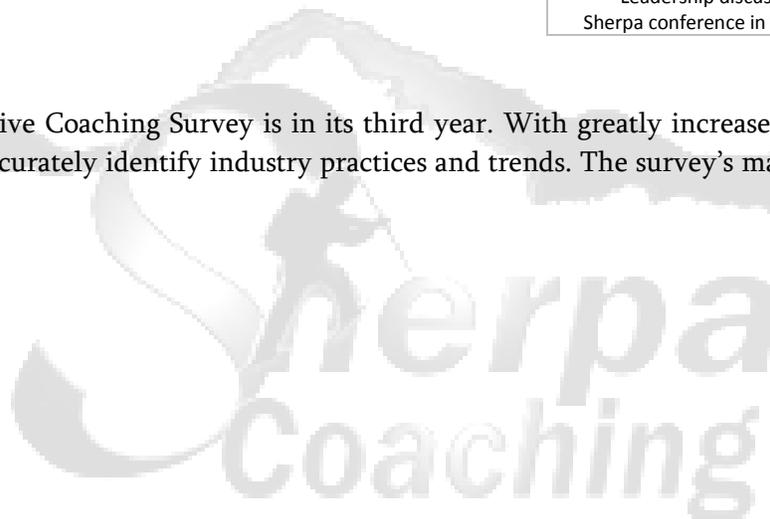
This 2008 global report answers critical questions about the industry:

- What is executive coaching?
- Who gets a coach?
- How are services delivered?
- Who becomes a coach?
- How do they get their training?
- How much does coaching cost?
- Is it worth the money?



Leadership discussion at a Sherpa conference in South Africa.

The Sherpa Executive Coaching Survey is in its third year. With greatly increased participation, the 2008 survey can accurately identify industry practices and trends. The survey's margin of error is less than 3%.



The 2008 Sherpa Executive Coaching Survey



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2008: Coaching Highlights



Sherpa Guide authors Corbett and Coleman launched a speaking tour with the world's leading executive coach, Marshall Goldsmith.

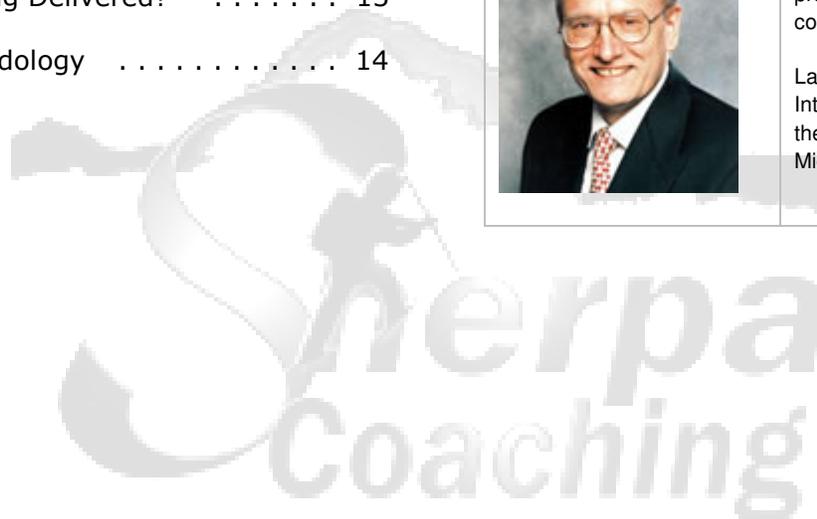


The 2008 Sherpa Survey saw participation from a record 37 countries this year.



David Lane tackled coaching's status as a profession at the WABC conference in Vancouver.

Lane directs the International Centre for the Study of Coaching, Middlesex University, UK.



The 2008 Sherpa Executive Coaching Survey



What is executive coaching?

There is a distinct activity that can be called ‘executive coaching’. It’s not always clear what that is. Consultants, trainers, mentors and counselors have adopted the term ‘coach’ to describe their work.

The Sherpa Survey’s sponsors believe it is important to create a clear definition of executive coaching, in order to avoid confusion with unrelated activities. They define executive coaching as:

“regular meetings between a business leader and a trained facilitator, designed to produce positive changes in business behavior in a limited time frame.”

This definition clarifies:

- who coaches are - (trained facilitators, not consultants, counselors, trainers or mentors)
- what coaches do - (produce positive changes in business behavior)
- when things happen - (on a set schedule with a limited time frame)

This definition is becoming widely recognized. It was originally published in *“The Sherpa Guide: Process-Driven Executive Coaching”* (Thomson 2005) . In 2007, the European Foundation for Management Development adopted this definition in communication with its members in seventy countries.

Is Executive Coaching a Profession?

Is coaching a profession or an activity? Experts will tell you that it lacks characteristics of some professions. It’s not unionized or government-licensed. To date, it lacks a standardized body of knowledge that serves to guide the practice of coaching. However, support for standards increases, year by year.

Well over half of executive coaches say ‘a recognized, standard process for coaching, similar to the accounting or financial planning professions’ is ‘very important’ or ‘absolutely essential’.

Over 60% of coaching clients and HR professionals agree. In firms with 100 employees or more, 80% of executive coaches support the concept of a standard process.

General business and consulting experience is one way to gain respect as an executive coach. By a narrow margin, HR professionals choose experience as the most appropriate background: 43% opt for general experience, and another 9% look for industry-specific experience.

Coach-specific training is another route to respect: 45% of HR professionals cite training and/or certification as the best background for a coach.

Three percent or less of our respondents feel experience as a therapist or counselor is a relevant background for coaching. This holds true for HR professionals, executive coaches, and even life coaches, who deal with personal issues far more often.

The 2008 Sherpa Executive Coaching Survey



Who Is Doing The Coaching?

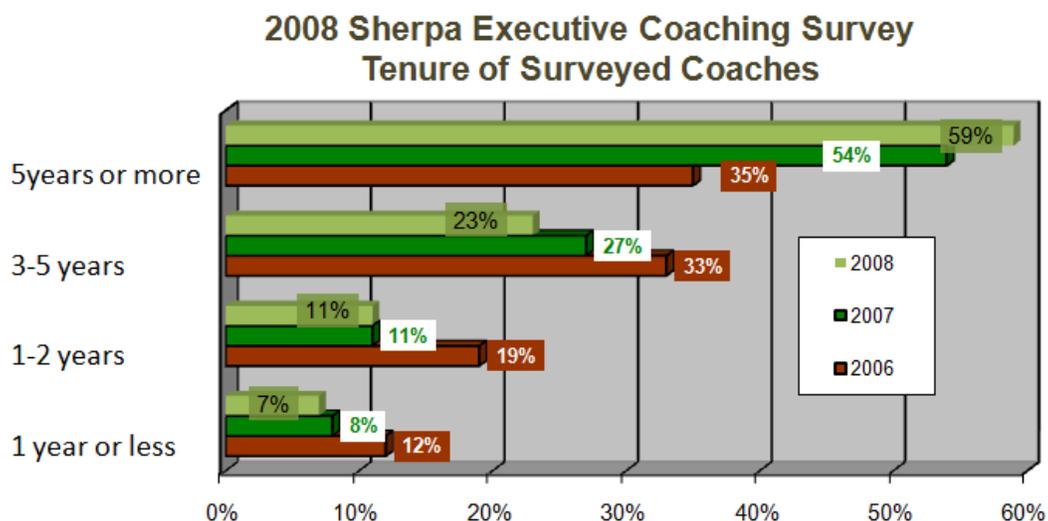
Executive coaches come in two types: employees of an organization who provide services to colleagues (internal coaches) and independent service providers (external coaches).

More than two out of three organizations who hire coaches use a combination of internal and external service providers. One in ten relies exclusively on external coaches. This division of labor hasn't changed in the last two years.



Toyota graduates Certified Sherpa Coaches in a 2007 in-house program.

The field of coaching seems to be stabilizing. Looking at executive and life coaches as a group, the number of 5-year veterans is growing, and new entrants form a smaller percentage of the industry. This does not necessarily mean that growth is slowing. It simply shows that coaching as an industry is maturing, and a growing number of coaches are established veterans who managed to break into the industry when it was younger and make a career of it.



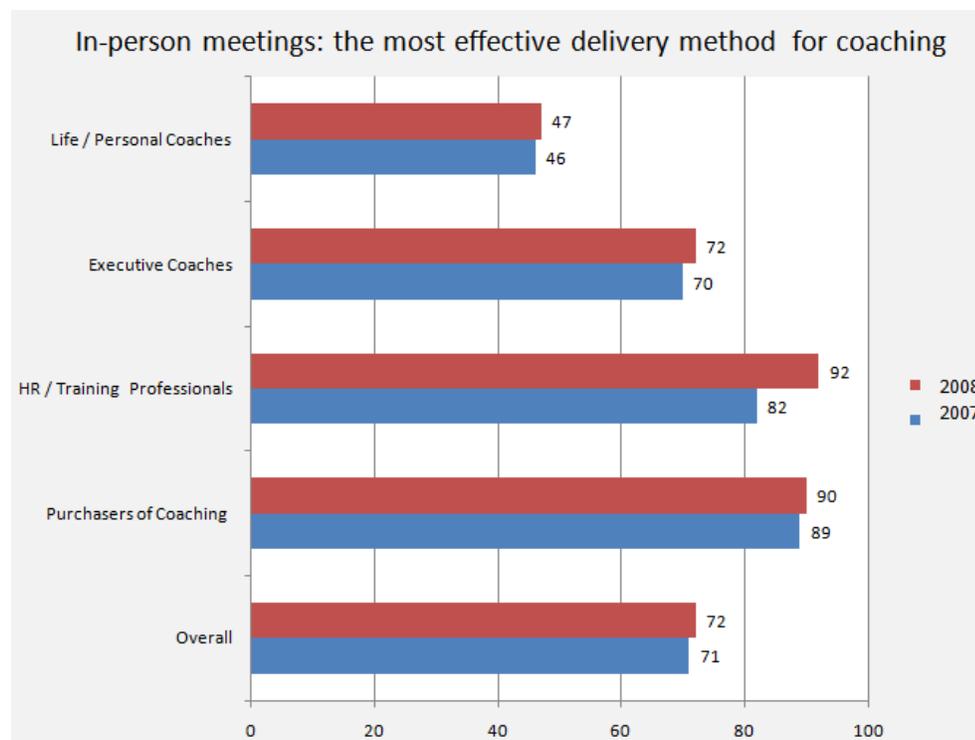
The 2008 Sherpa Executive Coaching Survey



Delivery Methods for Coaching:

The delivery of both executive coaching and training for coaches is moving toward in-person encounters. Despite technology that allows people to talk and to teach without any personal contact, in-person communication is gaining in favor:

- In-person delivery accounts for 49% of executive coaching, up from 40% two years ago.
- 72% of executive coaches believe in-person delivery is most effective, up 5 % since 2006.
- 92% of HR professionals and coaching clients believe in-person delivery is the most effective.



Overall, about 40% of executive coaching takes place on the phone. Coaches in small firms (fewer than 10 employees), use the phone about equally with in-person meetings. A third of them will tell you that telephone coaching is more effective than in-person meetings.

Among coaches in companies of over 25 employees, use of the phone drops to 25% of coaching, and support for the telephone as the

most effective coaching method virtually vanishes.

The webcam, which can introduce facial expression and body language into a remote conversation, has a market share of less than one percent.

Email is used for about 10% of coaching activity, but is rated near zero as the most effective delivery method for coaching.

The 2008 Sherpa Executive Coaching Survey



Why Are Executive Coaches Used?

In the early days of coaching, most efforts were directed toward problem-solving and “career saves”. An executive who wasn’t living up to expectations was the most likely to receive coaching. This created a stigma, in certain circles, about coaching: “There must be something wrong, or you wouldn’t need a coach.”

There’s now meaningful movement toward providing executive coaching as a pro-active move. More coaching is now devoted to developing leadership, and a smaller share of coaching is designed to address specific problems. As a result, having an executive coach is not a sure sign of trouble any more. In fact, it’s become a status symbol, the mark of an up and coming leader being groomed for greater possibilities.

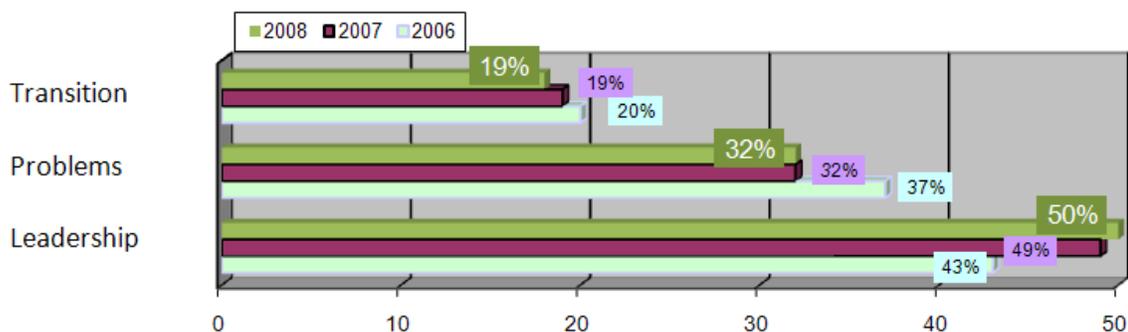
The Sherpa survey asked coaches, HR professionals and coaching clients to share the ways they saw coaching used. Coaching is becoming a more widely used leadership



‘Sherpa Guide’ authors Corbett and Coleman put executive coaching in the spotlight at Clear Channel outlet WKRC.

development tool. Over three years’ time, the use of coaching primarily for leadership development has picked up from 43% to 50%. In the same timeframe, coaching to address a specific problem or challenge has dropped from a previous high of 37%, down to 32% in the 2008 survey. The remaining 19% of respondents tell us that executive coaching is most needed by people in transition: promotions, transfers and new hires.

When Is Coaching Called For ?



Compared to 2006, about seven percent of coaching has moved from specific problem-solving to general leadership development. In a billion-dollar business, that represents re-allocation of \$70 million dollars over 2006.

Among those who purchase or use coaching services, 70% feel executive coaching is most appropriate for people who need leadership development.

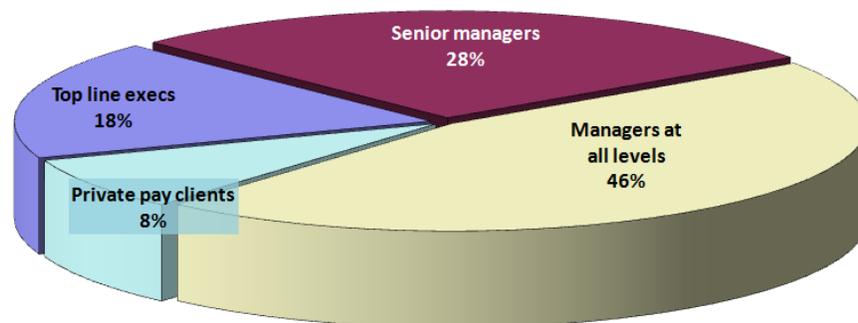
The 2008 Sherpa Executive Coaching Survey



Who Gets a Coach?

Half the organizations who use coaching allow managers at every level to participate, while an equal number limits coaching to senior managers and executives. Among executive coaches, less than ten percent work mostly with private-pay clients.

2008 Sherpa Executive Coaching Survey:
Coaches Work With:



How Long Will This Take?

How long should a coaching engagement last? The trend is running towards shorter, limited engagements. 59% of executive coaches say a coaching engagement should either begin with a limited scope, or last 6 months or less. Personal and life coaches agree, with a matching 59% score.

Customers favor limited engagements even more, at a 65% rate. 34% will tell you that coaching engagements should run less than 6 months. An additional 31% of HR and training professionals say coaching should begin with a limited scope.

Coaches are getting together with their clients less often, it would seem. In our 2006 survey, 35% of all coaching ran on a weekly basis. This year, that's down to 30%, with 44% opting for twice-a-month coaching.

Executive coaches have to provide coaching services predictably and efficiently, and they have a calendar to manage. Only 19% of executive and life coaches favor 'as needed' meetings, while 45% of clients and HR professionals would opt for a flexible schedule.

The 2008 Sherpa Executive Coaching Survey



How Much Is This Going To Cost?

Over the last two years, the number of executive coaches who report employers paying for services has remained constant, at just over 75%. How much do they pay? HR professionals reported paying an average of \$285 per hour coaching services. Executive coaches reported average earnings of just above \$300 per hour.

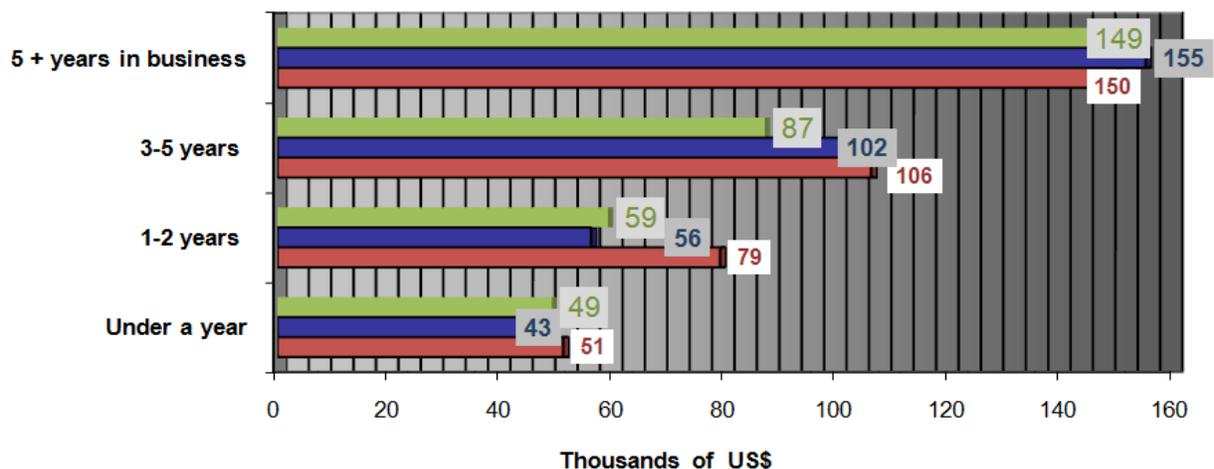
As with any trade, more time in business means more money. Here are the hourly and annual earnings for executive coaches, by the length of time they have been in business:

A year or less:	\$245,	\$ 49,248
1-2 years:	\$255,	\$ 59,000
3-5 years:	\$260,	\$ 87,221
5+ years:	\$361,	\$149,400

Over the last three years, however, an interesting trend has developed. While earnings have remained steady for 5 year veterans, annual revenues have actually dropped for coaches in business less than 5 years. The big boost in revenues comes at the five year mark.

Average Annual Income, Executive Coaches

Green, 2008 - Blue, 2007 - Red, 2006



The 2008 Sherpa Executive Coaching Survey



The Value of Executive Coaching

Today's business decisions have to be reasoned, sharp and focused. If we spend money, does it add to revenues? Reduce costs? Boost productivity? Much of our decision-making is numbers driven.

Surprisingly, a mere twelve percent of HR professionals have a formal process to measure their return on investment. That's up from seven percent, two years back, but it's still a small fraction. As in years past, over half our respondents rely on anecdotal evidence, and a

third report no formal monitoring of the return on investment for coaching.

The amount of money spent on coaching is significant, and it's growing. In increasing numbers, coaches and HR professionals say coaches are engaged for "people who need leadership development". So, we have a growing industry, a shift toward coaching for every emerging leader, and nobody seems to be tracking return on investment.

The Sherpa ROI formula goes like this:

1. Estimate the total value of resolving an issue:

Example: Avoided \$65,000 in turnover costs,
 Increased productivity by \$45,000
 Total benefit: \$110,000

2. Multiply by the percentage of the improvement attributable to coaching (in this example, 50%)

Coaching benefit \$55,000 (half of \$110 K)

3. Factor in our degree of confidence in our estimates:

(in this example, we are 80% sure that our estimates in steps 1 and 2 are correct)

Adjusted coaching benefit: 44,000 (\$55,000 times 0.8)

4. Subtract cost of coaching (say, \$18,000)

Net benefit \$26,000

5. Calculate ROI : Divide net benefit (step 4: \$26k) by coaching cost (\$18k)

ROI = 144 % . . (26/18 = 1.44)

Granted, there are value judgments involved here. How much is a project worth? How much contribution did coaching make? That is why the Sherpa ROI formula factors in a

degree of certainty, in effect reducing the calculated value of coaching directly, to account for subjectivity in the other variables in the formula.



Sherpa VP Rubi Ho shares research as a conference speaker.

The 2008 Sherpa Executive Coaching Survey



The Credibility of Coaching

Based on experience, what do people think about executive coaching? Among HR professionals and coaching clients, 90% see the value of executive coaching as 'somewhat high' or 'very high'. That echoes last year's findings.

The number of business people who rate the credibility of coaching as 'very high' or 'somewhat high' tops out at 73%, up seven percent from last year. That's an improvement, but coaching's credibility is much lower than its perceived value.

If coaching is valuable, shouldn't it be equally credible? Actually, no. Why the difference? Coaching is not a monolithic field. The field has 20-year veterans who work with the top 100 CEO's in the world. The field has

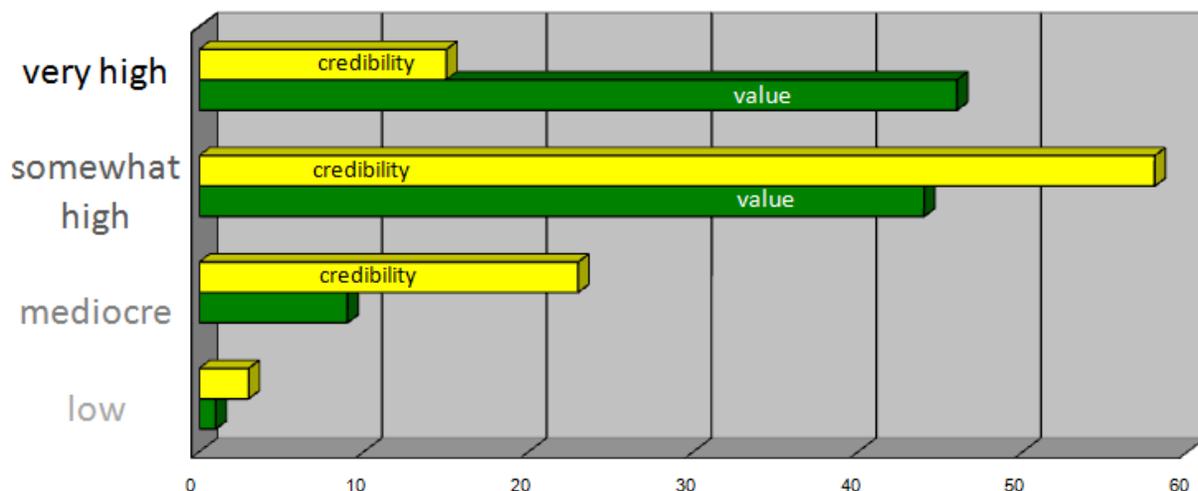
author/educators working for standards of practice. These practitioners add value and credibility to the industry.

There are also self-styled coaches who offer services to business people which help clients tap into the 'energy centers of the earth'. Not likely to win any contracts, but enough to make people look askance at the next coach who walks in the door, regardless of their process, credentials or track record.

Over time, the best executive coaches will still be around. Unusual crossovers from other fields will tend to leave the marketplace. That is already happening, and the credibility of executive coaching has started a move that will see credibility catch up with value.

2008 Sherpa Executive Coaching Survey

HR Professionals' View of Coaching



The 2008 Sherpa Executive Coaching Survey



Training the Coaches

Training and certification for executive coaches is gaining momentum. The number of coaches who see formal certification as either 'absolutely essential' or 'very important' stands at 75%. Among purchasers and clients of executive coaches, 84% hold the same opinion.

Most qualified to certify a training program? That's a wide open question. When asked to name the highest authority, 70% of HR professionals choose 'no opinion'.

The oldest trade association, the International Coach Federation (ICF), works with both executive and life coaches. Although 54% of life coaches favor the ICF as an accrediting body, less than half of executive coaches do. Support for the ICF among executive coaches has dropped from 62% to 45% over the last two years.

Executive education programs at the university level gained votes of confidence for the second year in a row, building an 11% share after just a few years on the scene. Coaches working for firms with over 250 employees hold the ICF and the university programs in equal regard.

However, 'no opinion' still beats both the universities and the ICF, among coaches from every sized company, one-person shops to multinationals.



Marshall Goldsmith, world's leading executive coach, addresses the executive coaching program at Texas Christian University, 2007.

The Worldwide Association of Business Coaches (WABC), dedicated to executive coaching, earned a 4% share of support this year. Their certification of training programs was just introduced in 2007.

Not included in this year's results:

- The International Consortium of Coaching in Organizations (ICCO), a relatively new organization, does not endorse any particular school or philosophy.
- The International Association of Coaching (IAC). No specific course of training is required to earn IAC credentials.

The 2008 Sherpa Executive Coaching Survey



How widespread is formal training?

In the Northeastern US and along the West Coast, more than 70% of life and executive coaches are certified, while less than 60 % are in the rest of the US and in Canada.

This year, as in years past, 72% of executive coaches have at least some formal training in the craft.

Nearly seven of eight coaches with coach-specific training are now certified, up from half the pool just two years ago. Coaches in the largest companies hold certifications at a far higher rate than anyone else.

Does training help a coaching career?

People without industry-specific training find it hard to get started in the business as an independent.

Among coaches relying on personal experience or a non-coaching education, just 25% have broken into the field in the past five years. The remaining 75% are veterans, those who developed a reputation and a stable of clients before training and certification were widely available.

There's a larger number of trained coaches in early-stage careers. Out of all coaches with training and certification, 40% have started in the last five years.

Some newer coaches have gravitated to internal coaching positions, because large companies tend to hire less experienced coaches for staff positions. Veteran coaches more often work in an independent small practice.

How is Training Delivered?

Just like their clients, executive coaches see the value of in-person encounters. Coaches are getting their training in the classroom, rather than opting for distance learning or virtual settings. Two thirds of our certified executive coaches studied on campus or in the classroom, up from 35% two years back. The number of coaches whose training was primarily on line or by telephone has dropped from 38% to just under 10%.

Only one executive coaching certification has been adopted by multiple universities. Using *The Sherpa Guide: Process-Driven Executive Coaching* as a text, and the book's authors as instructors, seven universities, most recently Penn State, the University of Georgia and Texas Christian, have agreed on a standard course for certification. The authors advocate in-person coaching, so they deliver 80 hours of in-person classroom instruction.

"If we advise people to coach in person, we certainly owe it to them to offer in-person training and certification", says Judith Colemon, Sherpa Guide co-author and instructor. "Coaching is an in-person endeavor. How can someone learn the nuances of coaching unless they interact directly with their instructor? That's the very best way to learn the skill set."

The 2008 Sherpa Executive Coaching Survey



Survey Methodology

The Sherpa Executive Coaching Survey gathers information about the state of executive coaching, from coaches and those who hire them. Email invitations go to a worldwide list of practicing coaches. The survey is offered in English, French, German and Spanish.

Survey sponsors Sherpa Coaching LLC in Cincinnati and the Tandy Center for Executive Leadership at Texas Christian University also invited HR professionals likely to hire coaches.

The survey differentiates between respondent types, and even asks different questions of coaches and non-coaches. When questions involve a subjective multiple choice, respondents are shown the choices in random order.

This year's 1,292 participants more than doubled the number in the first year's study.
The 2008 level of participation guarantees accuracy of better than 97%.

- Accuracy -	2008	2007	2006
Number of participants	1292	800	550
Margin of error	+ / - 2.7 %	+ / - 3.5 %	+ / - 4.2 %

Respondents included:

- 786 executive coaches,
- 229 HR and training professionals,
- 181 life or personal coaches,
- 65 trainers, consultants and others, some using the title 'business coach' or 'career coach'.
- 31 who purchase or use executive coaching services.

150 respondents reported the same email address this year as last, and 75 have participated three years in a row.

Participants came from the US, Canada and 35 other countries. Over 1,100 participants, coaches and business people, told us their location (map on page 3):

Location	Responses				
		Belgium	2	Netherlands	3
USA - Midwestern	207	Brazil	2	New Zealand	3
USA - Northeast	201	China	1	Poland	1
USA - Northwestern	69	Colombia	2	Portugal	1
USA - South Central	67	France	5	Scotland	2
USA - Southeast	183	Gibraltar	1	Serbia	1
USA - Southwestern	145	Greece	1	Singapore	6
.. (US total – 872)		India	1	South Africa	5
		Ireland	6	Spain	4
Canada	116	Israel	2	Switzerland	4
		Italy	3	Thailand	1
UK	40	Japan	2	Trinidad and Tobago	1
Australia	35	Latvia	1	Turkey	3
Sweden	23	Malaysia	3	Venezuela	1
Norway	11	Mexico	5		
Denmark	10				

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The 2008 Sherpa Executive Coaching Survey



Of the 872 participants from the USA, 462 were executive coaches who told us what part of the country they come from. Here's the regional breakout of North America coaches' responses:



Again for 2008, IQS Research of Louisville, Kentucky (USA) hosted the survey and validated results. IQS Research flags and discards duplicate responses, based on IP and email addresses. Once data is collected, Sherpa Coaching analyzes the results using software developed specifically for this project.

Data is collected annually between mid- November and mid-December, with publication of results on the following January 15th. Those who respond to the survey receive the results directly by email, the day they are released.

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