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## FEATURE ARTICLE

### Business Coaching in South Africa

by Sunny Stout Rostron

Business coaches in South Africa face unique challenges in this very diverse society, only now recovering from a fraught, divisive past. Sunny Stout Rostron provides an overview of business coaching in South Africa, and describes how it is making a difference in the transformation of this exciting new multi-racial democracy.

➤ [Complete Article](#)



## COLUMN

### The ROI of Business Coaching Revisited

by Bronwyn Bowery-Ireland

Numerous models are available to measure the ROI of business coaching. Some are adaptations of Donald Kirkpatrick's or Jack Phillips', while others afford new and refreshing methods of evaluating the coaching process. This column examines Mel Leedham's Coaching Scorecard, which is based on the way purchasers measure the effectiveness of external business coaches.

➤ [Complete Column](#)

## COLUMN

### Building Business Through Partnerships

by Denise Trifiletti

Strategic business partnerships can increase client satisfaction, client referrals, and long-term client retention—a combination which can generate a substantial increase in your bottom line.

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## FROM THE EDITOR

Even the most stalwart entrepreneur can benefit from a support network. Expand your team beyond professionals and specialists-for-hire who possess the expertise you lack, and reap the benefits of reciprocity.

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## TO THE EDITOR

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## COLUMN

### Assessment Corner

by Roberta Hill

What is a "360-degree" assessment? This column provides a brief answer to that question. While not intended to explain the proper implementation of a 360 program, nor to provide an analysis of the various 360 instruments, this article does highlight the benefits of using a 360-degree assessment as a coaching tool.

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## MOVERS AND SHAKERS

### An Interview with Marshall Goldsmith

by Wendy Johnson and Donna Mills

Leadership coach Marshall Goldsmith shares some perspectives on business coaching for results-based behavioral change, and offers some suggestions to advance the careers of both novice and experienced business coaches..

↘ [Complete Article](#)

## SUCCESS STORY

### From Monopoly to Market Leader

by Anne Geneviève Girard, PhD and Michel David

Faced with the challenge of privatization, Maison des Futailles's CEO Roland Prud'homme engaged the services of Anne Geneviève Girard and Michel David to coach him and his executive team. The result: A highly successful transition from government-owned monopoly to thriving, market-driven enterprise.

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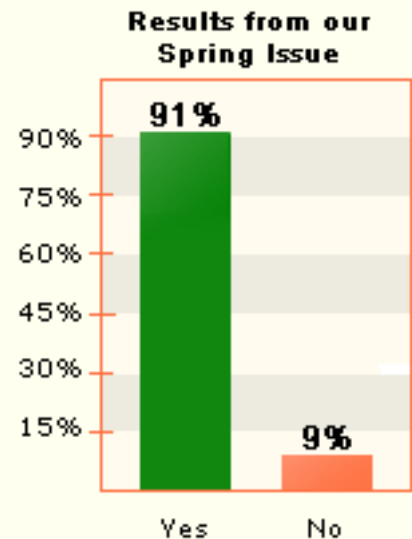
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No

*Select Yes or No  
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## POLL RESULTS

I use a specific coaching model in my coaching practice.



## DID YOU KNOW?

...That employee theft is a significant business problem?

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## GET THE EDGE

### **Don't Be a Lone Ranger: Coaching Tips for the Entrepreneurial Client**

by Lyn T. Christian

Most entrepreneurs could be categorized as rugged individualists. Since they operate as their own bosses, they sometimes need reminders to ask for assistance when they need it. This article describes one strategy coaches can use to help their entrepreneurial clients tackle this issue.

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## HOT TOPICS

### **Improving Innovation: How Coaches Can Help Companies Turn Ideas Into Profits**

by Kim Benz and Heidi L. Smith, PhD

While most executives say they intend to increase spending on innovation this year, most express dissatisfaction with the efficiency and ROI of their innovation efforts. Skilled business coaches can facilitate greater return on innovation by systematically identifying and intervening at stages where the complex innovation process is likely to break down or stall.

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## BUSINESS BOOK REVIEWS

### **The 360-Degree Leader** **Developing Your Influence from Anywhere** **in the Organization**

By John C. Maxwell

In **The 360-Degree Leader**, John C. Maxwell exposes the myths and succinctly defines the principles leaders can use to bring value and influence to and from anywhere in the organization, enabling them to lead up, lead across, and lead down. Once leaders can incorporate these principles into their own style of management, they will be able to influence others in every direction.

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## Coming In Our Next Issue!

**Feature:** Ton de Graaf, MCC, has been conducting a coaching program designed to alter the culture in the Netherlands' prison system. He will be sharing the aims and the results of the initial phase of that program. Learn more about Ton in the [WABC Coach Directory](#).

**Hot Topics:** Multi-tasking has become a common business buzzword. Regular contributor H. Les Brown shares the results of his research into the actual mental processes that underlie multi-tasking. Learn more about Les in the [WABC Coach Directory](#).

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## FEATURE ARTICLE

### Business Coaching in South Africa

by Sunny Stout Rostron

Business coaching, like much else in South Africa, was isolated from mainstream professional development due to international restrictions during the years of apartheid. Thus, it is only in about the last five years that coaching has sprung to prominence in South Africa.

However, as might be expected, many of the problems and inequalities from the past remain. In 1994, South Africa held its first democratic presidential election. Although Nelson Mandela—after 27 years of imprisonment—became president, the demographic imbalances created by 50 years of dictatorial white supremacy still hang heavily on the country. In this context, coaching in South Africa faces daunting challenges. At the same time, coaches have unique opportunities to significantly engage and intervene in the on-going process of transforming the country from a racial tyranny into a free, open and democratic society.

South Africa is a land of enormous diversity. Of the 11 official languages, the main ones include English, Afrikaans, Zulu, Xhosa, Tswana and Sotho. The variety of languages reflects the country's wide ethnic and cultural differences. Language can also represent a minefield of cultural and power politics, since it was used in the past to promote minority racial groups and suppress the majority. The white population, who are still the main beneficiaries of coaching, tend to be monolingual, or, at best, bilingual (English and Afrikaans). Africans, on the other hand, commonly speak not only English, but several African languages as well. The choice of language in professional settings is often viewed as a reflection of past power dynamics, and must be negotiated with sensitivity and tact.

In a country in which racial differences were the main driving force of daily life for so many years, it is inevitable that color still plays a major role in public discourse and personal sense of identity. This is a potent issue to which coaches must be highly sensitive, and they must learn to navigate these delicate waters with flexibility and skill.

Coaches in the developed world would probably be startled to discover how often, both in private conversation and in public debate, the issue of color predominates. The main identifiers are obviously "white" and "black." But in South Africa, there is a third category, defined by a term that western societies would regard as offensive or unacceptable. "Colored" refers to mixed-race individuals, most of whom so define themselves. They are predominantly Afrikaans-speaking. These racialized categories are a source of personal, educational and business friction and misunderstandings. Thus, for coaches, there are minefields to negotiate when dealing with either personal or professional issues.

For me personally, this represents an unusual opportunity to be part of the changing landscape in a fledgling democracy. In other more privileged and wealthier societies, the coach probably does not encounter such raw personal hurts and structural imbalances; here, open and frank discussion is gradually dismantling them. In this sense, it is an exciting time to be a coach in South Africa, working with individuals and leaders at the cutting edge of this crucial transformation.

### **Multicultural and diversity issues**

Difference—of gender, race, culture, language and education—creates huge challenges in any workplace. Emerging from its traumatically divisive past, South Africa is in the early stages of trying to work with these complexities and its own unique burden of history.

As currently practiced, coaching is viewed as a privilege far beyond the hopes of all but an elite few. This presents an ethical dilemma. Previously privileged executives are still the ones who benefit from all that coaching offers. The irony is that many who would also benefit are working in the same organizations, but as "previously disadvantaged" (i.e., black men and women), they may not yet qualify for coaching. Often they are not employed in sufficiently senior executive positions to qualify; with coaching they might be.

In South Africa, most organizations remain subject to male culture and assumptions. Corporate culture continues to be dominated by white male norms, language and behavior. Although women have made serious inroads through the glass ceiling and into the boardroom, most South African organizations still reflect the culture and values of a male point of view. Women face complex and difficult challenges in the workplace.

Ironically, one place where women are beginning to feel equality is in South Africa's parliament, which is predominantly black and 50% female. However, women still face disempowering behavior and stereotypes from both female and male colleagues at work, regardless of their occupational field.

### **Research and development**

Important academic research is underway in South Africa. A growing number of masters and doctoral students have recently completed, or are in the process of completing, current market research projects, and their papers are circulating worldwide.

Some of the difficulties in the marketplace stem from the lack of enough qualified, certified coaches to service the needs of small, medium and large organizations. Purchasers of coaching services demand measurable results, value for money, recognized accreditation, sustainable ethics, standards, and continuing professional development.

One development is the creation of the Coaches and Mentors Association (COMENSA), whose mission is to create an umbrella association in South Africa to provide for the regulation of local coaching, to develop the credibility and awareness of coaching as a profession, and to promote the effective empowerment of individual and organizational clients. One of the roles of COMENSA has been to build relationships and alliances between

purchasers and providers of coaching services. This has encouraged collaboration across many different functional areas, such as the training and development of professional coaches.

A second area of development is inside organizations. Companies such as Standard Bank, Old Mutual, Woolworths, Netcare and Pick 'n Pay are in the process of creating their own standards and competencies to regulate the hiring of external coaches, ensuring their alignment with the specific ethics, standards and competencies of those organizations. These corporate bodies are also beginning to investigate the possibility of developing their own internal coaches.

A final development is the collaboration among business coaches themselves, who are forming alliances to offer coaching services to corporate executives and their teams.

### **Coach training and certification**

Two key issues in South Africa today are the dearth of black coaches, plus a lingering perception that coaching is "exclusive" (i.e., not dissimilar to South Africa's recent history under apartheid). On the other hand, there is a new range of quality coach training programs, both commercial and academic, which are often influenced or supported by international coach training programs. However, because the young, aspiring black managers are busy gaining their years of experience in the business world, many are not yet ready to step into the position of executive or business coach. They want to build their competence, expertise and credibility before tackling the task of coaching other aspirant leaders.

Another issue which has surfaced—and one of the underlying reasons for setting up an organization for coaches and mentors—is that any new profession attracts mavericks as well as pioneers. With the development of coaching as an identifiable, legitimate profession in South Africa, and with international support and pressure, some of the problems of unregulated and untrained coaches will begin to recede.

### **Challenges coaches face today**

In South Africa four types of coaching have emerged: *executive* coaching, providing one-on-one services to leaders or senior management within organizations, *entrepreneurial* coaching, one-on-one coaching for entrepreneurs building their own businesses, *management* coaching as the primary way for managers to develop people and achieve results, and *life* coaching to support individuals wishing to make significant changes in their careers or personal lives.

The key challenge remains overcoming the legacy of apartheid. With such a diverse work force—in terms of language, race, culture and history—we still do not have enough black coaches working at senior management levels. Due to the country's destructive history, this is only the second generation of skilled and "in demand" black business leaders. First generation business leaders were often forged in the anti-apartheid struggle.

## Looking to the future

Business coaching in South Africa has a positive and powerful future. That bright future is attributable to the explosion of coaching inside organizations, the development of coach training programs, the inclusive, democratic process of COMENSA's creation of ethical codes and standards of competence, the development of a supervisory framework, the collaboration of executive coaches, and the benefits of international partnership.

The coaching profession is still in its formative stages in South Africa, in the process of becoming a profession in its own right. Over the next few years, we will see increased regulation of coaches, with a demand for qualifications, specific standards and ethics, and recognized certification. There is an exponential explosion of coach training within the country, both academic and commercial/corporate.

Coaching is the trend of the moment. If it continues to develop at its current rate, conforming to internationally accepted standards, coaching will make a significant difference in helping to develop individuals, executives, their teams and their organizations. It will usher South Africa into the future with the very best of inclusive and transformational business practices.

**Sunny Stout Rostron, MA**, is an executive coach and the author of six books, including *Accelerating Performance*, *Powerful Techniques to Develop People* (2002). She is one of the founding members of the Coaches and Mentors of South Africa (COMENSA). Read more about Sunny in the [WABC Coach Directory](#). Sunny can be reached by email at [express@iafrica.com](mailto:express@iafrica.com).



## THE ROI OF BUSINESS COACHING REVISITED

### Models of ROI - The Business Scorecard

by Bronwyn Bowery-Ireland

My last column discussed the importance of collecting data throughout the coaching process in order to evaluate the ROI at the conclusion of the coaching engagement. As I researched the many different metrics coaches use to measure ROI, I discovered a wide range of evaluation models. Some coaches are adapting Jack Phillips' or Donald Kirkpatrick's models, while other coaches are designing their own systems.

This triggered a thought—wouldn't it be wonderful to collect all of these evaluation models in the WABC resource area? This wealth of knowledge would allow us as members to review the options available and determine what works best for the different clients we serve. Since different clients seek different results, a variety of ways to measure those results is optimal. So it only makes sense to have a range of evaluation tools at our disposal. To that end, if you are using any ROI models in your business coaching practice, please contact me at [bron.bi@icoachacademy.com](mailto:bron.bi@icoachacademy.com), so your ROI model can be considered for inclusion in future columns. With many contributors, we can begin to build a wealth of alternatives!

This column outlines the Coaching Scorecard (Leedham: 2005), another option for evaluating the ROI of business coaching. This model is an adaptation of Kirkpatrick's model.

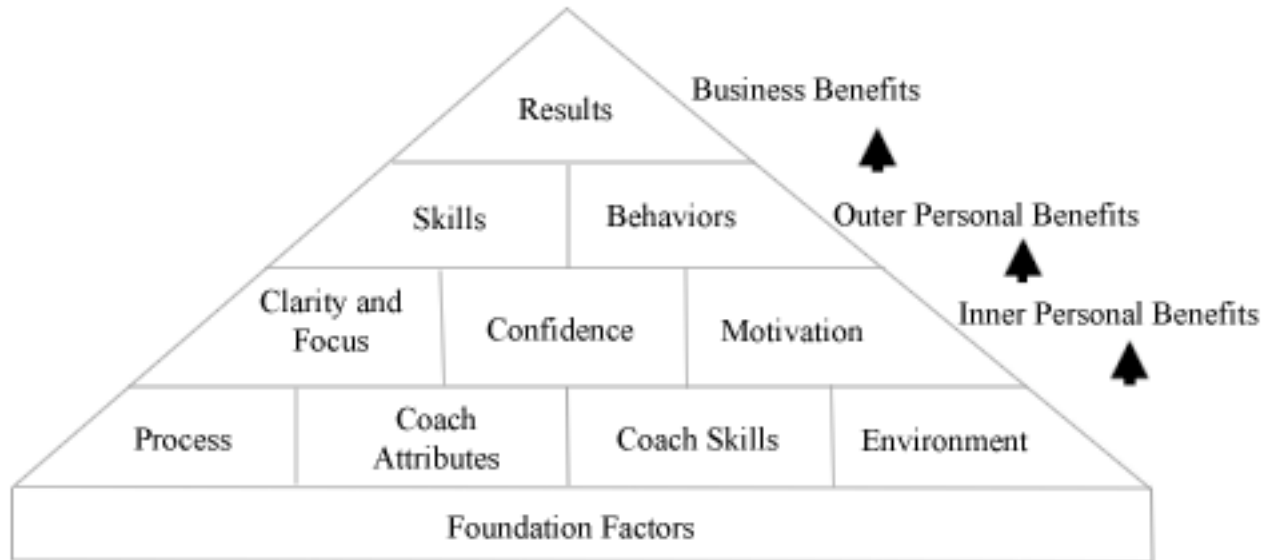
Using a small UK case study, Mel Leedham conducted a survey to identify the criteria a group of purchasers of external business coaching services used in selecting the coaches and measuring their ultimate effectiveness. Of the several factors considered, the following lists the purchasers' selection criteria in order of perceived importance:

- Evidence of the coach's prior experience with similar coaching work;
- The individual coach's personal capability and relevant organizational experience;
- Flexibility in working with a wide range of tools, organizations and individuals;
- The coach's focus on delivery of improved business results;
- Cost effectiveness; and
- The coach's personal qualifications and professional affiliations.

Leedham then examined the factors the purchasers used to evaluate the success of the coaching at the end of the coaching engagement. Those factors, in order of perceived importance, were:

- Contribution to business results;
- Improved personal capability of the coachee;
- Adherence to process (the coach delivering what was promised in the agreed-upon timeframe);
- Satisfaction of the coachees with the coaching relationship; and
- Responsiveness to change (the coach's flexibility with regard to scheduling issues).

From these two sources of input, Leedham developed the Coaching Benefits Pyramid Model:



Coaching Benefits Pyramid Model (Leedham: 2005)

The model is based on the principle that in order to be fully effective, a business coaching relationship must be built on a firm foundation of four key factors:

1. The skills of the coach (listening, questioning, giving clear feedback, establishing rapport and providing support);
2. The personal attributes of the coach (knowledge, experience, qualifications, ability to inspire and belief in the coachee's potential);
3. The coaching process (clearly structured and disciplined, providing mental challenge and growth opportunities for the coachee); and
4. The coaching environment (a safe, supportive place to discuss confidential and sensitive issues, providing time and space for the coachee to think and reflect).

The next stage of the model suggests that, when those four foundational factors are in place, the coachee can realize a number of personal benefits:

- Clarity and focus (allowing for personal insights, exploration of self, values and beliefs, leading to a clear purpose and sense of direction);
- Self-confidence (leading to increased relaxation, less stress, and improved morale); and
- Motivation to achieve (generating self- and organizational improvement and increased follow-through).

Having realized these internal benefits, Leedham believes that the coachee is then mentally prepared to produce the personal benefits that can be easily perceived by others:

- Enhanced skills, knowledge and understanding, both in job-related skills and in the ability to learn and develop him/herself; and

- Improved behaviors with individuals and teams, in all forms of relationships.

The apex of the pyramid is attained when, with these enhanced skills and/or improved behaviors, the coachee is equipped and empowered to achieve business results. These business results include improvements in performance, increased productivity, enhanced career progression, and resolution of specific problems or issues.

This model provides an opportunity to view the coaching relationship in a more holistic way. It also provides opportunities for all stakeholders to be involved in the effectiveness of the coaching.

One of the important aspects of using different models in measuring the effectiveness of business coaching is that it encourages a broader view of all areas of the coaching engagement, including the coaching contract. Models such as these not only highlight the potential results of the coaching relationship, but they also provide great management and learning tools for all parties involved.

*Source:*

Leedham, Mel. 2005. "The Coaching Scorecard: a holistic approach to evaluating the benefits of business coaching." *International Journal of Evidence Based Coaching and Mentoring* 3.2:30-44.

**Bronwyn Bowery-Ireland** is the CEO of [International Coach Academy](#), an international coach training school. She has been an executive coach for over 10 years. Read more about Bronwyn in the [WABC Coach Directory](#). Bronwyn can be reached by email at [bron.bi@icoachacademy.com](mailto:bron.bi@icoachacademy.com).



## **BUILDING BUSINESS THROUGH PARTNERSHIPS**

# **The Power of Partnerships: Your Key to Greater Client Satisfaction, Referrals, and Retention**

by Denise Trifiletti

In my last column, I explained how partnerships in business can be the key to increasing sales, margins and profits. This article takes the next step by discussing how to increase client satisfaction and retention, obtain business referrals, and increase your client revenues through the power of partnerships.

First, you know it is a tough world out there, and you face a lot of competition. Your competition is knocking on your clients' doors and seeking the same returns that you are looking for. In view of this fact, it only makes sense for you to forge as many strategic business partnerships as you possibly can. This is already a strategy of virtually every one of the Fortune 500 companies—why not a strategy for you?

A "Power Partnership" in business is one in which you and your partner leverage each other's talents for the benefit of both. It is a partnership in which you leverage what you each bring to the marketplace in order to add value for your respective clients. Let's explore this from the perspectives of client satisfaction, referral business, and client retention.

- Client satisfaction: An axiom of business is that a satisfied client is "gold in the attic." Another axiom is that every client has the potential to become dissatisfied with your products and services. Never assume client satisfaction. Remaining client-centric and keeping in close contact with your clients is key. Continuously ask and learn about their changing needs—then meet them, either through your own products and services, or through those of your Power Partners.

Present your value proposition clearly and frequently, and measure your progress with your clients. Do you have an ongoing client feedback process? Do you have a written tool to capture quantitative and qualitative data about how you are addressing your clients' needs? Do you solicit feedback about what they like most about your products or services, and in what areas you can improve your offerings? Do you ask about their greatest challenges and the ways in which their businesses have changed so you can continually and creatively find ways to add value and provide solutions to their problems? Do you satisfy their needs by referring your clients to your Power Partners if you cannot solve those problems on your own?

- Client referrals: How often do you ask your clients for referrals? Do you have a scheduled process and system for doing so? What if you combine your feedback and referral process? If your clients are highly satisfied with what you do for them, that's surely the time to ask for a referral. How about asking for a referral when you first establish your business relationship, during the "honeymoon period"?

How much is a qualified referral worth to you? If you are maintaining excellent client satisfaction, and continuously assisting your clients in growing their businesses and meeting their objectives, they will be delighted to share the great news of the results they are gaining with you! They will be your champions, your ardent fans—and you

will be amazed at just how many referrals you can garner. If you refer your clients to your quality Power Partners, your clients will be even more satisfied, and so will your referral partner, resulting in an "all-win" situation! Here is some food for thought: If you are highly successful in giving and receiving quality referrals, and those referrals in turn become the source of more referrals, how much business could you handle?

- Client retention and revenues: How much is your average client worth revenue-wise on an annual basis? What is your average retention (i.e., how long does an average client do business with you)? What if you could double the lifetime of your client relationships? That additional retention could increase your revenues by 10, 20, or even 50%. If your network of Power Partners helps you by providing solutions for your clients, you are differentiated as a "value-added" solution provider in the marketplace.

Would these strategies allow you to realize increases in client satisfaction, retention, referrals, and revenues?

**Denise Trifiletti**, a business coach and an accomplished leader in the fields of sales and training, is the co-founder of [Dynamic Destiny Partnerships, LLC](#) and the founder of [Women's Community, LLC](#). Her most recent book is *Create the Business Breakthrough You Want: Secrets and Strategies of the World's Greatest Mentors* (Mission Publishing, 2004). Denise can be reached by email at [denise@womenscommunity.com](mailto:denise@womenscommunity.com).



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## ASSESSMENT CORNER

### What Is a 360-Degree Feedback Assessment?

by Roberta Hill

The concept of 360 degrees makes me crazy. Let me get this off my chest ... there is no such thing as

"720 degrees." A circle has 360 degrees. That's it. That's all.

"A **degree** (in full, a **degree of arc**, **arc degree**, or **arcdegree**), usually symbolized  $^{\circ}$  is a measurement of plane angle, representing 1/360 of a full rotation. When that angle is with respect to a reference meridian, it indicates a location along a great circle of a sphere (such as Earth, Mars, or the celestial sphere). The number 360 was probably adopted because of the number of days in a year." (*Wikipedia*)

Now that that issue is settled, let me take you through some of the basics of what a multi-rater means.

#### 1. What is 360-degree feedback?

The term has become synonymous with feedback from multiple sources. Other names are multi-rater, multi-source, full-circle, group performance review, 180 degrees and, finally, the infamous 720 degrees. Someone coined the term "360 degrees" to represent a full circle of feedback from all angles, and we have been stuck with the misnomer ever since. Over the years, many consultants and organizations have tinkered with the 360 approach, creating 180-degree versions that collect feedback from limited levels, or a 720-degree approach which provides for two rounds of feedback (a pre- and post-test).

"The (360-degree) feedback process ... involves collecting perceptions about a person's behavior and the impact of that behavior from the person's boss or bosses, direct reports, colleagues, fellow members of project teams, internal and external customers, and suppliers." (Lepsinger 1997.)

#### 2. Where do 360's come from?

The Booth Company suggests that in 1973, Clark Wilson, PhD developed the first 360 feedback survey instruments for management development. The first instrument was the "Survey of Management Practices<sup>TM</sup>," and it has been used and studied since 1973. The origins of multi-rating can be traced back to the employee attitude surveys of the 1950s and 1960s.

#### 3. Why use 360's?

The 360 combines input from supervisors, peers, and direct reports to provide a broad perspective on an employee's strengths and developmental needs. It has also been used extensively as part of an organization's performance appraisal system.

In addition, the aggregate data (cumulative results for a group) provide an organization with crucial information for effective strategic planning, overall training needs, improved team building and effective customer service.

#### 4. Who uses 360's?

These days, the question should be, "Who isn't using 360's?" Not that they are being used necessarily well, but that is a separate issue. Most Fortune 500 companies have been using some form of multi-rater system for over 15 years. It is found less commonly in smaller organizations, and it is just beginning to migrate beyond North America.

## 5. When are 360's used?

On an individual basis, a multi-rater process—either from an online assessment or through the more involved structured interview process—can be invaluable for someone embarking on a coaching program. It is useful to conduct a second round (that "720 degrees") nine to twelve months later.

A number of factors need to be considered before pursuing any organizational 360-degree feedback program. The data collected **MUST** be based in clear and concise behaviors, criteria and competencies. The design elements and communications are as important as the implementation. Some other questions to be answered are:

- Is the organization ready?
- Is there trust?
- Is the purpose clear?
- How will the data be used?

## 6. How can a multi-rater assessment leverage the coaching experience for your clients?

- It allows your client to gain perspectives from others in an objective, non-threatening, confidential manner.
- It provides the individual with qualitative and quantitative data for self-reflection and enhanced awareness.
- It assists in identifying the individual development needs and action items the organization deems important.
- It can help to expose patterns of behavior, both positive and negative, especially when used in conjunction with other assessment tools.
- It creates a platform and "language" for dialogue between coach and client.
- It ensures that the coach has separate objective data, thus avoiding acceptance of the client's interpretations at "face value."
- When initiated and implemented properly, it engages the support of others in the process.

If you are interested in pursuing this subject in greater detail, I strongly recommend David Lassiter's *A User's Guide to 360° Feedback*. Some additional information sources are:

- *The Thin Book of 360 Feedback: A Manager's Guide* by Michelle Leduff Collins
- *Getting 360-Degree Feedback Right* by Maury A. Peiperl
- *Maximizing the Value of 360-Degree Feedback: A Process for Successful Individual and Organizational Development (Center for Creative Leadership)* by Walter W. Tornow and Manuel London
- *Power of 360 Degrees Feedback: How to Leverage Performance Evaluations for Top Productivity (Improving Human Performance)* by David A. Waldman, PhD and Leanne E. Atwater, PhD
- *13 Common Mistakes Using 360-Degree Feedback* by Scott Wimer and Kenneth M. Nowack

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**MOVERS AND SHAKERS**

**An Interview with Marshall Goldsmith**

by Wendy Johnson and Donna Mills

*Marshall Goldsmith is a world authority on helping successful leaders achieve positive, measurable change in behavior for themselves, their people, and their teams. He also works extensively in the field of executive education. Last month, California's Alliant International University named their management school after him—the Marshall Goldsmith School of Management. Marshall plans to work with the school to develop a program which provides practical education at all levels, including a premier leadership development website.*



*In addition to writing numerous articles and columns, Marshall has authored or co-edited 20 books. The most recent, co-edited with Laurence Lyons, is the second edition of "Coaching for Leadership: The Practice of Leadership Coaching from the World's Greatest Coaches." Released in October 2005, it shares the well-researched best practices of the world's greatest leadership coaches.*

*Marshall's articles and videos are available at [www.marshallgoldsmithlibrary.com](http://www.marshallgoldsmithlibrary.com). You can also read more about Marshall in the [WABC Coach Directory](#).*

**By any objective measure, you have had an extremely successful career. What are the highlights?**

Often, people complain because they don't get enough credit, so I guess someone has to get too much credit. That's me! My work has been recognized in *The Wall Street Journal*, *Forbes*, *Business Week*, *The Economist*, *Fast Company*, *Business Strategy Review*, *Project Management Magazine*, and by most professional organizations in our field.

My professional work involves four basic activities: Executive education, executive coaching, writing and editing, and providing executive coaching services through our coaching network, Marshall Goldsmith Partners.

My mission is to help successful leaders achieve positive, lasting change in behavior. My greatest success comes when my clients reach that goal, and help their co-workers do the same. Those leaders serve as role models in their organizations, effectively working with and through others to accomplish objectives. This is what constitutes "good leadership skills." Great achievement is about "me"—great leadership (or great coaching) is about "them."

**Who are your clients?**

I have worked in all sectors—corporate, non-profit, military and education—with a worldwide client base. Today, my personal coaching is strictly with C-level executives in major organizations. As a pioneer in customized 360-degree feedback, my executive coaching only addresses behavioral change. Coaching helps leaders turn feedback into positive changes in behavior, and changes in behavior lead to changes in attitude. People may change through training, but are much more likely to change through coaching.

**What differentiates you from other business coaches?**

I only charge my clients if they achieve positive, lasting change in agreed-upon behavior, as determined by agreed-upon co-workers. I don't get paid for "activity" or "time." Prior to an engagement, the CEO agrees that major improvement in pre-selected behaviors is worth the time and money invested in the coaching process.

### **How did you decide to offer this guarantee?**

By accident. A CEO client grunted, "It would be worth a fortune to me if this guy would change."

I replied, "I like fortunes. Maybe I can help him."

He laughed and said, "I doubt it!"

I thought for a second, and took a leap by replying, "If he gets better, pay me. If he doesn't get better, it's all free!"

The CEO said, "Sold!"

I have been paid only for results ever since.

### **How has the results guarantee impacted your practice?**

Since my clients have high personal integrity, and are definitely results-oriented, the guarantee makes them more likely to do the work necessary to obtain the result. They want to meet and exceed the measurement.

I get paid for about seven of every eight client engagements. When I don't get paid, it's my fault. No one makes me work with anyone, and I always learn when I don't get paid. Perhaps I was just the wrong person for the job or company—there wasn't the right "fit."

### **How do you translate your personal spiritual practice of Buddhism into your coaching work?**

There are many schools of Buddhist thought, and mine has been very important in influencing my coaching process. Letting go of the past and "feed *forward*" are Buddhist concepts. I have also realized that most of the "issues" I see in the world are simply aspects of myself that I have trouble accepting. Almost every time I become self-righteous or judgmental, I am making more of a statement about my own problems than I am about the conditions of others.

### **How do you see the links between world issues and self issues?**

In 1984 I spent nine days in Africa with the Red Cross, and I saw lots of people who were starving to death. If we want to get upset about the unfairness of life, we can always be upset. When we are upset at what is happening in the world, we are often illustrating aspects of our own ego that we are having trouble dealing with.

## **What was your best preparation for your work as a business coach?**

Experience has been my best preparation. I have worked with over 70 major CEOs and their management teams, and most of what I've learned has come from that experience.

## **What advice would you give to a novice business coach?**

Determine what type of coaching is the best fit for you. Then, either establish a great personal reputation or work with someone who has already established one. Meet the world's experts in your chosen niche and learn from them. Pay your dues.

## **How about a more experienced coach seeking the next level of success?**

Write, speak and network. If you believe in yourself and in the value of what you do, work hard to do the marketing required to establish a great brand and invest in it. Don't be ashamed to market yourself. It is not complicated—it just requires a lot of work!

## **What issues do the business coaching industry and the WABC need to address?**

We need to be clear on the various types of business coaching available. Each type of coach needs to be clear on how success is measured. The WABC can offer examples of great coaches who provide different types of services that meet different client needs, expanding beyond "generic" coaching to include specialists in strategy and organizational execution.

## **As a proficient self-marketer, what are your top five self-marketing strategies? Are those strategies available to the "average business coach"?**

- My first suggestion is to get published—books, articles, columns and/or interviews. Get writing—someone will read it!
- Speaking is a great way to promote yourself. Consider keynotes, concurrent sessions at conferences, or local Chamber of Commerce or networking groups. Start speaking—someone will listen!
- Teach in executive education programs, particularly if you have opportunities at colleges or universities. Start teaching—someone will want to learn!
- Research (especially on the impact of your work) is very powerful. Research lends high credibility to your work. Start measuring—someone will care about what you discover!
- Try to "hang out" with people who know more than you do. Many of the top thought leaders in our field are very generous, open and giving people. More experienced coaches may be willing to let you "follow them around" and learn from them.

In terms of the "average business coach," I contend that staying "average" is a choice. There is nothing wrong with average, but no one has to live there. I have made huge investments in marketing that produced absolutely no immediate revenue, and have spent hours writing, speaking and networking as an investment in my future. In life, we "get what we pay for," and some coaches want to get the benefits of being well known without paying the price. Life seldom works this way!

One of my friends was upset because another speaker was making \$10,000 per day, while he was making only \$1,000. He asked the client, "If my customer satisfaction scores are higher than his, can I make as much money as he does?"

The client replied, "Definitely not! He is famous and you aren't."

Some people's reaction would be, "That isn't fair!"

My reaction was, "Get famous!"

**In addition to your professional role as a business coach, what are your other life roles, and how would you personally define success in each of those roles?**

- I am a Buddhist. My philosophy is to be happy now. I believe that happiness is our choice, and it is determined by what we have on the inside, not by what we possess on the outside. We cannot be happy by having more or by having less. We can only be happy with what we have.
- I am a husband and father. I've been married for 31 years, love my wife and kids, and ask them at least once a week, "What can I do to help you have a great life?" I make no judgments about anyone else as a partner or parent. I have been lucky.

Material possessions make no difference in my happiness. People from 119 countries have visited my website in the past four months to review my material and take away whatever they want at no charge. Some of these people are from very poor countries. What is this worth? It is worth a lot to me.

If I died tomorrow, I would be more than satisfied. I was brought up poor. My whole life has seemed like a happy dream. For example, I had dinner with Bono several months ago. It turns out that he was also brought up poor, and he feels the same way that I do—he is just trying to make the world a little better.

**What personal and professional legacy would you like to leave?**

I would like to make my coaching process available at no charge to people around the world. Ultimately, my goal is to help as many people as possible to have better lives.

**What would you most like to be remembered for?**

I'd like to be remembered as a nice Buddhist guy with a great family who gave all of his knowledge away to anyone who wanted to use it—who wandered around the world being happy and helping other people to become the persons that they wanted to become.

That would be enough for me!

## Any final advice?

This is a great field. Do good. Help others. Life is short—be happy now!

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### SUCCESS STORY

## From Monopoly to Market Leader

by Anne Geneviève Girard, PhD and Michel David

### The Business/The Organization

The Maison des Futailles ("MDF") was originally the wine-bottling arm of the SAQ, the state-owned liquor monopoly in the province of Quebec. In 1999, the government decided that this operation should be privatized in order to eliminate a perceived conflict of interest with its other wine and liquor suppliers. At that point, the only two remaining smaller private wine bottlers merged into MDF, creating a stronger player to compete with the giant Vincor, a multi-national major liquor and wine distributor.

MDF was facing a difficult situation. On one hand, it had inherited the culture of a government monopoly. It was very product-oriented, but had a low sense of urgency and minimal client focus. On the other hand, it faced a powerful competitor in the marketplace. Its market share was gradually decreasing and cost cutting was the only driver of profitability.

The issue facing MDF: How can a spin-off with a government attitude survive and compete successfully against well-established, aggressive competitors?

### The Partnership

Dr. Anne Geneviève Girard provided psychological assessment services to the Liquor Board for several years prior to the spin-off. As a result of her support of a succession-planning exercise at the Liquor Board, she was engaged to assess high-potential candidates and propose internal coaching plans to improve their skills in preparation for promotion to senior management positions.

Mr. Roland Prud'homme, a chemist in charge of a production plant, was one of these candidates. By focusing on improving his self-confidence and leadership skills, he earned numerous promotions. In 2002, Mr. Prud'homme was nominated and confirmed as President and CEO of MDF.

In his new position, it quickly became apparent to Mr. Prud'homme that the company needed a renewed strategy and a consequent realignment of resources in order to arrest its decline and become a winner in the marketplace. Mr. Prud'homme retained Anne Geneviève Girard to coach him and his team.

As she began her work with MDF, Anne Geneviève realized that there were gaps to address in the area of corporate strategy. She therefore called on her colleague, Michel David, a

consultant who had developed a unique approach to coaching on strategic issues. The two collaborated to jointly coach MDF's management team in their particular areas of expertise.

## **The Challenge**

At its core, MDF had a strong foundation of expertise in sourcing products worldwide, and the logistics to provide consumers with quality products. What it lacked was competitive spirit. While quite understandable and acceptable in a monopoly, this lack was a dangerous deficit in the open market.

In order to regain market share and build profitability, MDF would have to:

- Define clear, specific and challenging goals;
- Segment different markets;
- Define positioning and competitive strategies;
- Align organizational resources; and
- Significantly increase accountability for results.

In summary, the what, the how, and the who all had to be addressed. Incremental thinking, which traditionally led to missed goals and lots of excuses, had to be abandoned in favor of focusing on the target and working backwards. With the end in mind, key steps could be identified and turned into breakthrough projects to be completed under tight schedules.

As Mr. Prud'homme put it, "It is essential to have a formal process, an effective methodology. You then realize that the same system will produce the same results. The gaps appear clearly and the problems become evident. In addition, if you put the right people in the right job, there is no limit to what you can achieve."

## **The Approach**

Building on Dr. Girard's long-term coaching relationship with MDF, a participative team process was implemented. Regular interaction in this workshop-driven process forced many problems to the surface. It became plainly apparent to the President and CEO that not every employee would be able to survive in the new strategy-driven business environment.

The keys were a combination of effective business strategies and employee alignment with those strategies:

- Top management was assessed in the areas of growth potential and team skills.
- The current strategy was assessed based on questionnaires (High Performance Assessment™) and interviews.
- Through the coaching process, senior management improved their interpersonal communications, transparency and co-operation skills.
- By working closely with Mr. Prud'homme and four of his Vice Presidents, a more effective team was created.
- Two crucial executives (Sales Vice Presidents) who didn't accept the new priorities and expectations of performance, and who failed to move in alignment with strategic

objectives, were successfully replaced.

- A number of senior executive posts were filled with individuals who possessed significant food sector experience, particularly in the area of competition for shelf space.
- A precise marketing/sales strategy was designed and implemented.

## The Value Delivered

In the two-year period following implementation of the coaching program, MDF's market share increased from 30% to 36%, and EBITDA (Earning Before Interest, Taxes, Depreciation and Amortization) increased by 18%. MDF became a recognized market leader externally, and functioned with a much stronger team internally.

The final impact: Success breeds success. New investors are coming on board in 2006 to bring added market expertise and take MDF to the next level.

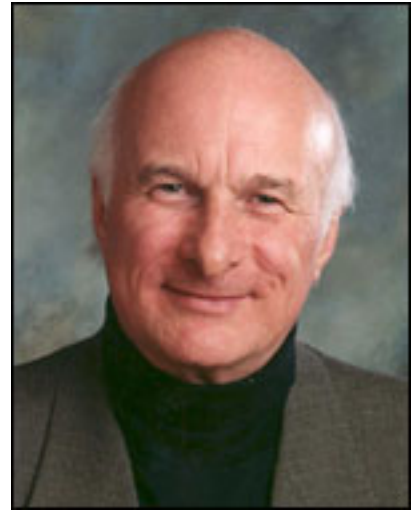
The real value is stated directly by the President and CEO himself:

"Through Dr. Girard's direct coaching, and the coaching of some of her colleagues focusing on specific issues, I can honestly and modestly assert that I have become a good President. I fully and confidently embrace my role. While keeping my people-oriented philosophy, I am now very results-oriented as well, and I am strongly convinced that under my leadership we will attain the results outlined in our strategic plan."

**Anne Geneviève Girard, PhD**, owner of [Anne Geneviève Girard et associés Inc.](#), utilizes her eclectic background as a certified psychologist, management consultant and coach to identify talent and develop individuals in their organizations. Learn more about Anne Geneviève in the [WABC Coach Directory](#). Anne Geneviève can be reached by email at [agg@aggirard.com](mailto:agg@aggirard.com).



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### GET THE EDGE

## Don't Be a Lone Ranger: Coaching Tips for the Entrepreneurial Client

by Lyn T. Christian

Most entrepreneurs could be categorized as rugged individualists. We wanted to be in charge of our own destinies. We wanted to be our own bosses and call the shots. Now that we do, being alone feels like our normal *modus operandi*. We are so in charge, and willing to be so in charge, that we have forgotten, or never learned, that we don't have to work alone. To successfully work with the entrepreneurial breed, coaches must remind their Lone Rangers to find sidekicks, mentors, and success teams—people with whom to dialogue about specific fears and concerns, to help with generating and exploring ideas, and to give advice. Linking our clients with excellent support is imperative. Here is how one scenario in my practice recently played out:

Candice is an accountant by trade and an entrepreneur by choice. She owns several small businesses, including a hair salon. Since she purchased the salon three years ago, it has done relatively well. The salon is a destination location tucked inside a large, inner-city mall. Unfortunately, the mall is dying. As the walk-in numbers drop, so does the morale of the stylists, who anticipate the potential plunge in personal earnings. Caught between the constant push to keep the stylists in a positive emotional state and the pull of the growing fears and concerns of the owner, the salon manager is burning out. Much to our surprise, the profits and growth of the salon seem healthy.

Having coached her through the acquisition process, Candice came to me again when she was confused and afraid. The panic was growing—she didn't know what to do. Relocate? Initiate a stronger marketing push? Hire a new manager? She didn't want to lose a business that was just beginning to show signs of offering her a good profit margin. At the same time, she feared losing her confidence along with her key stylist.

While I jumped in to do my part as a coach, I could also see that Candice was trying to make the sorts of decisions that should never be made in a vacuum. I linked her with a professional mentor—another owner of three successful salons who was willing to take her under his wing and provide answers to vital questions. Through a joint series of consulting/

coaching sessions, shadow visits to the salon, and a session or two with the manager and key stylists, our combined support afforded her a safety net.

When Candice asked for help, she got it—including the valuable answers she needed. Her fear of losing her salon business diminished daily, and her confidence in her own ability to keep the business growing increased.

Instead of allowing our clients to worry in silence and shiver in a corner, it is crucial that we help them to find the best experts available to provide assistance. We should ensure that our clients settle for nothing less than the most qualified, legitimate aid they can get. Give your entrepreneurial clients the following guidelines to help them perceive when asking for assistance is imperative.

### **Coaching Suggestions: When to Ask for Help**

Ask for help when:

- Your inner dialogue indicates that you are **struggling** in some area of your work. When you struggle, this is a time to specifically ask for **support** and **encouragement**.
- You discover that you are **in need of specific information**. **Ask** for it!
- You feel **outnumbered**. That is the time to call for a **helping hand** (or a **posse!**).
- You're feeling like you need someone to **cheer for you**. Call the best fans you can find and **request an acknowledgment** or two.
- You feel **too ashamed to ask** for help. That is the very time to **pick up the phone and ask someone to walk you through your concerns**.

**Remember** to assure your clients that there is a huge difference between asking someone to rescue us, and asking someone in a direct manner for the help we sincerely need. It is self-defeating NOT to ask for help. Winning entrepreneurs ask loudly and clearly enough to be heard. When we persist with earnest intent, our request will eventually be directed to the right source. Don't ever give up. Get help!

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## HOT TOPICS

# Improving Innovation: How Coaches Can Help Companies Turn Ideas into Profits

by Kim Benz and Heidi L. Smith, PhD

Innovation needs renovation!

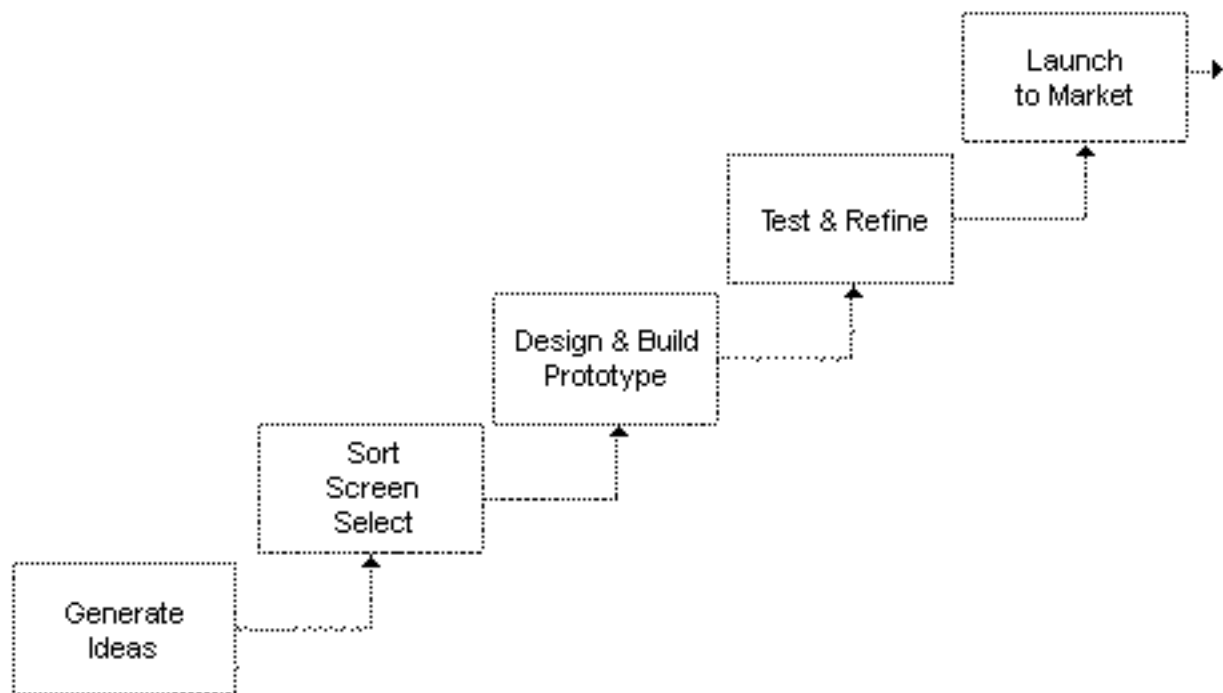
In a recent Boston Consulting Group survey of 940 executives from 68 countries, 90% of respondents agreed that generating growth through innovation is essential to success in their industries, and 74% plan to increase spending on innovation this year. Yet fewer than half the respondents are satisfied with the financial results of their innovation efforts. The survey represented all major industries, including energy, consumer and industrial goods, financial services, technology, telecommunications, and healthcare.

This paradox—plans to increase spending despite growing dissatisfaction—was evident in responses worldwide. While executives from North America were most strongly represented (53% of the sample) executives from Europe (27%), Asia (14%), and Australia/New Zealand (5%) agreed that fierce competition, coupled with a need to demonstrate potential growth to investors, compels them to increase their investment in innovation despite high risk and low rates of return.

In these trying times, intense pressure to generate profit through increasingly fast-paced innovation cycles will likely lead some executives to seek expert assistance. Business coaches can help companies improve the innovation process by understanding where this complex process most often stalls or breaks down completely. Opportunities abound for business coaches to improve innovation worldwide in small and large, product- and service-oriented companies from every industry.

First, coaches must understand that innovation is more than creativity. While creativity involves the production of new and valuable ideas, innovation is turning ideas into profits—innovation impacts the financial bottom line. A simple diagram describing the innovation process is provided below.

At each stage of the process, creativity must be directed towards the tasks that are appropriate to that particular stage. Coaches can assist in this effort by more explicitly defining each stage, suitably aligning the team to facilitate the process, and assessing progress and results.



Innovation begins with idea generation. At this stage, coaches can help direct creativity toward the generation of a volume of novel and diverse ideas, including helping companies identify and cultivate both internal and external sources of ideas. While small companies may be focused on internally generated ideas, they may benefit from systematically tapping into external sources, such as market trends, customer needs, and supplier-identified innovations. Larger companies may be focused on their competitors and customers, and may benefit from building a process for employee involvement at this stage.

Often, companies have more than enough new ideas, but struggle with transforming those ideas into profits. They may have difficulty evaluating and selecting ideas for further development. When executives have difficulty deciding which ideas to pursue, they may pursue all ideas simultaneously. This "shotgun approach" decreases time and resources allocated to development of any one idea which, in turn, decreases the chance that the project will be successful. In this high-risk, low-return environment, coaches may help companies identify criteria and adopt decision-making strategies to determine which projects are pursued and how they are resourced.

Once a company decides to develop an idea, concept variations must be iteratively refined and tested until the innovation is ready to be introduced in the marketplace. At this stage, coaches can help direct creativity towards solving problems in development or execution—moving from a focus on divergent thinking to a focus on convergent thinking. Truly creative minds can figure out how to solve extremely challenging executional problems, thus keeping the innovation process from breaking down.

In small companies, parts of the development, testing, or marketing process may require outsourcing if internal expertise is lacking. Large companies may leverage business allies to outsource tasks such as statistical analysis of consumer data or parts manufacturing and assembly. Identifying necessary expertise is crucial, and business coaches may facilitate critical business-to-business connections. While companies may be most comfortable

keeping innovation "in-house," outsourcing only after initial testing and development, companies that outsource earlier and smarter may benefit tremendously by reducing time to market and slashing costs.

Regardless of company size, coaches can help define and manage the stages of the idea-to-cash process to facilitate efficiency and effectiveness. There is no "one-size fits all" innovation process. Rather, the process depends on the type of innovation (industry/product vs. service vs. application) and the functional organization of the people involved.

Aligning people around the innovation process is critical. Regardless of the company's structure (flat, matrixed or hierarchical), communication is key to successful innovation. Conscious effort to increase communication quality and timeliness is especially important in organizations with complex structures and complicated functional relations. Coaches can help companies build cross-functional project teams or strategies for sharing and evaluating project progress across functions (e.g., supply chain, R&D, customer service, marketing, and operations). Successful innovation requires interaction, and coaches can facilitate connections and exchange of information.

Ultimately, executives' dissatisfaction with innovation may stem from inadequate assessment. In fact, fewer than half the executives surveyed carefully track return on innovation efforts. Assumptions about the causes of process derailment may be inaccurate. It is difficult to identify problems without good measurements, and meaningful metrics are hard to find.

Although companies can measure time-to-initial-sales, number of new product launches, development costs, and overall revenue increases, they have difficulty tracking specific costs of innovation and tying them to resulting profits. When projects start and stop, costs are shared across functional units with separate budgets and different executive leadership. The time frame for measuring financial success is not obvious, so metrics are hard to come by. Smaller companies may have an advantage here; the relationship between innovation expenses and profits may be easier to evaluate when efforts are focused around only one or a few projects and a simpler organizational structure facilitates information flow.

Few creative ideas make it from concept to marketplace, and fewer still produce significant, sustainable, bottom-line results. Companies must continually re-evaluate the expected project returns to decide wisely whether to continue development, effect a product launch, or abandon a project and shift resources to more promising projects. Business coaches may assist executives by building skills needed to identify important sources of information, articulate decision-making criteria, and deal with inherent uncertainty.

Even expert coaching will not eliminate the anxiety and frustration associated with trying to predict the next big breakthrough and get it to market faster and more cheaply than the competition. However, innovation offers opportunities for business coaches to make significant contributions to business people and business profits.

Source:

Andrew, James P. "Innovation 2005." March 25, 2005. *Boston Consulting Group*. Available at [http://www.bcg.com/publications/publications\\_search\\_results.jsp?PUBID=1312](http://www.bcg.com/publications/publications_search_results.jsp?PUBID=1312).

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## BUSINESS BOOK REVIEWS

### The 360-Degree Leader

### Developing Your Influence from Anywhere in the Organization

By John C. Maxwell

*Review by Susan Williams, Business Book Review™*

The frustrating tensions battled every day in leadership are universal, and leaders today face the challenge of influencing people from all sides of an organization. Ninety-nine percent of all leadership occurs not from the top but from the middle of an organization.

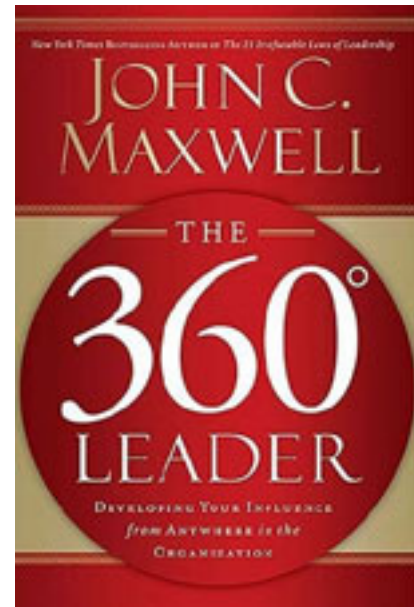
John C. Maxwell, author of **The 360-Degree Leader** explains the principles leaders can use to bring value and influence to and from anywhere in the organization, enabling them to lead up, lead across, and lead down.

Many managers with leadership responsibilities feel that because they are not the main leader, that they cannot influence their bosses, peers, and subordinates. Even if managers report to someone else, they can use the three different skills of leading up, leading across, and leading down the enterprise. Once leaders can incorporate these principles into their own style of management, they will be able to influence others in every direction and become a 360-Degree Leader.

Leaders at the top of an organization may be able to choose what they do, but they also feel the weight of success or failure of the whole organization. While leaders need to be able to do many things well, top leaders need to do fewer things with outstanding skill. People in the middle of an organization experience demands from leaders at the top, customers, expectations from followers, and vendors, all on a daily basis. These leaders have to get along with everyone and survive the dynamics of leadership. The right attitude, strong relationships, and a desire to win with the team lead to fulfillment anywhere in the organization.

Leading up is the process of influencing a leader. The principles of leading up greatly increase the chance for success. Success in this case would mean leaders above will learn to trust and rely on subordinates in addition to seeking advice from them. As mentioned earlier, leadership is an ongoing process that takes time and energy. This is especially true when working with peers. The term "leadership loop" contains the following seven elements: caring, learning, appreciating, contributing, verbalizing, leading, and succeeding. The challenge here is to practice all of these components to help others succeed without taking short cuts. The leadership loop needs to be addressed constantly to lead across the organization successfully.

Leaders who lead down help people realize their potential, become a strong role model, and encourage others to become part of a higher purpose. Exceptional leaders develop their



people so that those people get the job done at the highest level. Successful leaders find strength zones in their people. If employees are continually asked to work in their areas of weakness, they will quickly become demoralized and less productive.

No matter how many leaders an organization has, it always needs more 360-Degree ones to add value to the company. Good leaders build teams by being willing to hire people better than themselves, staying secure in their own roles, and by listening. The ongoing development of strong teams enables members of these groups to be leaders at every organizational level.

Organizations depend on leadership for them to be successful, and they must have 360-Degree Leaders. These leaders make an impact no matter where they are in the organization. Being a 360-Degree Leader is about winning respect and influencing peers to build a successful team environment. People can usually trace their successes and failures to the relationships in their lives. The quality of the relationship people have with their leaders impacts this success or failure, and is certainly worth the investment.

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## FROM THE EDITOR **Got Connections?**

by Donna Mills

In reviewing the articles contained in this issue of *Business Coaching Worldwide*, one common thread runs through virtually every one—the concept, in one form or another, of "team." From Lyn Christian's article on coaching entrepreneurs, to Marshall Goldsmith's advice on finding mentors, to Denise Trifiletti's "Power Partnerships," the message is that everyone needs a support network.

I asked my high-school-aged daughter what she thought made the ideal team for a successful student. She listed good teachers, student group problem-solving, supportive parents, and, as a last resource, "the book." In essence, she was describing mentors, co-workers, and information sources.

In a large corporate environment, my husband believes that a good team consists of executives who understand the priorities of the project, co-workers who communicate well

and accept responsibility for the quality of their work, and subordinates who can take a "skeleton" provided by management and exercise the initiative to "put flesh on it."

As business coaches who may run our own businesses, we all know that we need the help of others—lawyers, accountants, or web designers—who have the specialized expertise we lack. But do we believe we should be able to handle everything else ourselves? Or is there some internal stigma we associate with asking for help? Our team doesn't consist exclusively of experts. It also consists of those individuals who can provide encouragement, share information, and pool resources.

The benefits of having a team are myriad. Collectively, we can generate a level of energy, focus and purpose that is much harder to maintain on an individual basis. Having a sounding board can be invaluable in the decision-making process; an accountability partner can provide some external motivation that may be just the push we need to accomplish a goal. Team members can share complementary knowledge, provide honest feedback, and contribute geographical and cultural perspectives.

In this vein, I want to welcome two exceptional new *Business Coaching Worldwide* team members. Researcher Sasmita Maurya will be investigating the emerging business coaching field in her native India. Our new Assistant Editor, Dr. Heidi L. Smith, collaborated with researcher Kim Benz to produce this issue's article on innovation. She is also working on reviewing submissions and content for our eZine, providing that invaluable sounding board.

*Business Coaching Worldwide* operates in a team environment—sharing ideas, contrasting viewpoints, and soliciting opinions. This publication is designed to provide our readership with the best we can give. Please join our team by offering your suggestions, grinding your axes, or voicing your accolades. Without feedback, we have no way of knowing how well we're fulfilling our mission of "delivering solid, practical and relevant leading-edge international content about topics associated with business coaching"!

**Donna Mills, BA, CFCC**, is editor of *Business Coaching Worldwide*. As the owner of Creative Clarity, Donna helps her clients to discover their authentic purposes, define goals that are aligned with those purposes, and design and implement strategies for their achievement. Read more about Donna in the [WABC Coach Directory](#). Donna may be reached by email at [editor@wabccoaches.com](mailto:editor@wabccoaches.com).



## LETTERS TO THE EDITOR

"I want to congratulate you on the best issue yet of *Business Coaching Worldwide*. Not only is the content excellent, but the look and navigation are terrific. I like the brief descriptions and the buttons to click for more details; it gives an overall picture of richness and value. You've done a wonderful job of making this publication worthwhile for members and elevating newsletter quality for coaching."

**Rey A. Carr, PhD**  
President, Peer Resources

"I am happy to see this edition and compliment you on your efforts."

**June Davidson**  
American Seminar Leaders Association

Do you have a comment or question about *Business Coaching Worldwide* or any of its content? Do you have a suggestion about what you'd like to read in our eZine? We would love to hear from you! Email us at [Editor@wabccoaches.com](mailto:Editor@wabccoaches.com).

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### Did You Know...

#### **That employee theft is a significant business problem?**

Employee theft impacts every industry and is committed by all kinds of employees, from entry-level to executive. While theft is most frequent in low-level employees, higher-level employees do the most damage, since they typically have greater access within the company. Thefts range from small office supplies, personal photocopies, and long lunch breaks to embezzlement or shoplifting. In one recent U.S. case, an employee, inspired by the 2002 movie, "Catch Me If You Can," obtained do-it-yourself business forms from the Internet, worked from an executive's signature found on a regular paycheck, and allegedly stole 1.9 million shares of stock from the Kmart Holding Corporation. In another, an Indiana hospital worker was charged with stealing more than \$200,000 in medical equipment and selling it on eBay.

"Inventory shrinkage" is the term used by retailers to capture losses due to shoplifting, employee theft, vendor fraud and administrative error. Surveys of retailers in the U.S., Canada, Mexico, Australia, New Zealand, and Western Europe typically report shrinkage rates ranging from 1.3-1.8% of inventory. The economic losses are staggering. A 2002 report from the Centre for Retail Research at Nottingham University estimated shrinkage costs European businesses \$29 billion annually. In the U.S., data from the National Retail Security Survey suggest retailers lose \$31 billion annually.

Total shrinkage includes both customer and employee theft. Studies in the U.S. and Canada show that employee theft accounts for nearly 50% of shrinkage, while shoplifting accounts

for 30%. A study of U.S. supermarkets found 4% of employees were apprehended for theft or fraud.

According to the Association of Certified Fraud Examiners:

- Employee theft and fraud costs U.S. businesses \$660 billion annually;
- The average company loses 6% of its annual revenue to fraud and abuses by employees;
- More than 46% of workplace fraud happens to small businesses with fewer than 100 employees; and
- On average, fraud accounts for more than 69 percent of the cost of all crime in Australia, with an estimated national price tag of AUD\$13.7 billion—3.4 percent of their gross domestic product (GDP).

The U.S. Chamber of Commerce reports that:

- 75% of all employees steal at least once and half of those employees will take company property at least twice;
- Up to 75% of employee theft goes unnoticed; and
- Only 2% of business owners report these crimes due to embarrassment.

### **What You Can Do ...**

A clear employee ethics policy that directly addresses the issue of employee theft may be enough to stop the basically honest employee who is tempted to pilfer office supplies. Other employees will be undeterred. To guard against employee theft:

- Use background checks to screen applicants;
- Implement internal controls (separation of duties and restricted access);
- Perform unscheduled audits on a regular basis;
- Involve employees in ethics policy development and ethics training;
- Encourage employees to report suspicion of wrongdoing; and
- If you suspect you have a problem, hire an investigator or a forensic accountant.

Employees are less likely to steal from those they admire or respect, so take time to cultivate relationships with your employees. If you find an employee guilty of theft or fraud, report it to legal authorities for prosecution. In one recent case, the bookkeeper for a Washington dentist swindled \$130,000 from the company, gave herself a \$20-an-hour raise, and falsely reported working 50-hour weeks. Her employer dismissed her but did not report the crime. Instead, he provided solid references and helped her get another bookkeeping job. Crimes against businesses will continue unless employees are held accountable.

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## Join the Conversation

Are you a WABC Member? Did any of the *Business Coaching Worldwide* articles stimulate thought or a desire to take action? Discuss it with your business coaching colleagues in the Worldwide Association of Business Coaches All Members' eCommunity!

Your eCommunity is the place where you can collaborate with other professionals online, where we encourage open and uncensored discussions and where you can receive immediate notification whenever someone responds to your postings.

Want to ask a business question? A business coaching question? WABC eCommunity offers you one of the fastest and easiest ways to connect with and learn from your colleagues around the world!

<http://www.wabccoaches.com/members/forum>

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## WABC Coaches In the News!

**Barry Zweibel, MBA, CEC**, had an article published in the April 2005 issue of T+D Magazine, a publication by American Society for Training & Development (ASTD). The article, "A Strategic Coach," described the benefits of coaching, defined how coaching works, and gave some guidelines for choosing a coach.

View the article at <http://www.ggci.com/publications/ASTD-April-2005.pdf>. | [WABC Coach Directory Profile](#) | [View all WABC Coaches in the News!](#)

Are you a WABC member who has been recently featured in the media? Submit the information about your media exposure at [WABC Coaches In the News!](#) and let us tell the world!

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## UPCOMING WABC EVENTS, EDUCATION & TRAINING

### FEATURED EVENTS

#### WABC Round Tables In Hong Kong

Launched in 2005 in Hong Kong, China, these events have been and continue to be very popular in this region! WABC Round Tables are high-powered, structured meetings led by Dr. Keith To, an experienced and successful business leader, coach and facilitator. Designed to advance your coaching skills, develop your businesses and network with your peers and business colleagues, WABC Round Tables are part think tank, part mastermind group, part round table meetings directly based on participants' needs. [Register Today!](#)

#### WABC Business Coaching Conference--Save the Dates--May 18 - 19, 2007

Join us for this dynamic two-day event to celebrate the 10th anniversary of WABC in beautiful Vancouver, British Columbia in May 2007. Our business coaching conference will include innovative marketing ideas to grow your business in a competitive environment and some super content solutions to help you help your clients. The conference will be packed with expert presentations from elite business coaches, educators, corporate executives and more. [More Details!](#)

### FEATURED EDUCATION & TRAINING

#### WABC Registered Corporate Coach (RCC) Designation

WABC is pleased to offer the Registered Corporate Coach (RCC) designation. This designation is awarded to those individuals who pass a screening interview, successfully complete an *accelerated business and corporate focused coach* training program that includes demonstrating both fundamental and advanced coaching skills, and join the Worldwide Association of Business Coaches (WABC). To date, this designation has been obtained by hundreds of professionals seeking to learn how to effectively coach in businesses and organizations. [Register Today!](#)