



WABC White Papers—Best Fit Business Coaching Series



# Contracting within the Business Coaching Relationship— a Guide and a Cautionary Tale!

January 2015



## **SITUATION:**

**Increased use of business coaching has created a greater need for accountability and clearer contracts.**

In this white paper, we explore the limited research available on contracting—the setting up, use and monitoring of the business coaching relationship. We do not try to develop a standard coaching contract as that would be too constraining for the majority of business coaches—each contract must be customized to the client's requirements. Instead we provide a list of factors that should be considered in developing an effective contract.

## **PROBLEM:**

**Poor contracting creates issues for all parties—business coaching contracts are much more than who, what, when and where.**

## **What is contracting?**

The business coaching interaction uses all the elements we associate with wholesome and effective human relationships such as dialog, reflection, enquiry and exploration of meaning. But this interaction takes place within a specific and unusual context—a learning conversation where the agenda for the interaction is determined by only one of the partners in the conversation. This mix of familiar and unique can lead to misunderstandings and dilemmas for both parties unless the implicit psychological contract that is operating is made explicit. The initial exploration of the terms of reference for the relationship and its continual monitoring are at the core of contracting.

Other disciplines and helping therapies such as counseling have a wealth of experience in the management of these areas. Our research identified good practice that recognizes clarity of mutual expectations as vital for a good working relationship.

We describe three types of contracts that invariably operate in any helping arrangement:

- Administrative
- Professional
- Psychological

## **SOLUTION:**

**Contract early using all three contract types—seek transparency for all—review the existing contract often.**

## **Critical elements**

The elements under each of these contracts are varied, and we have reviewed what communities of practice and professional associations have identified as critical. These groups include the International Coach Federation (ICF), the European Mentoring and Coaching Council (EMCC) and the Worldwide Association of Business Coaches (WABC). The Executive Coaching Forum, for example, provides a valuable service with the *Executive Coaching Handbook* where they have a competency model that describes the requirements of a coach, including a specific section on contracting. The complexity of this section illustrates the dynamic nature of the contract. One area of particular interest is clear accountability. Negotiating the coaching contract can be an ideal opportunity to engage the sponsor fully with setting the coaching goals and designing the evaluation criteria. Real sensitivities are, however, involved in such three-way contracts, and we suggest the use of a no-fault exit clause for both sides if it becomes clear that things are not working. Some practitioners have identified issues with the three-cornered contract specifically and even the four-cornered contract, where the line manager is not the direct manager of coaching.

In general, the business coach can effectively steer through the maze of who the client is in this relationship by maintaining transparency and appropriate ethics. For example, a mismatch

between the career aims of the individual and the requirements of the organization is not unusual. The business coach must negotiate goals based on the common ground between these two perspectives and use the business coaching intervention as a method of bringing them together.

The *WABC Professional Standards for Business Coaches* are explicit in the need to hold the potential tension between organizational and client agendas: “I will put the client first while at the same time respecting the objectives of the client’s organization.”

The issue of confidentiality is particularly marked in this regard as sponsors/line managers often assume they will receive reports of the progress of the coaching. Clearly this is not at the business coach’s discretion and a contracting conversation must take place with the sponsor and the executive to agree on the frequency and extent of reporting.

**RESULT:**  
**Proper business coaching contracting protects all parties (e.g., client, business coach, organization)—efforts are rewarded.**

## The contract

### Practicalities

- The duration, number, frequency and venue of sessions
- Fees, cancellation policy and the availability of the business coach both in person and for email/telephone discussions
- The business coach’s area of practice and the mechanism for onward referral. This is critical when the coach is able to competently provide more than one type of service (e.g., consulting, training, mentoring). A contract should be limited to one type of service unless the client requires a “master” or “broad” contract, in which case each service must be explicitly covered.
- Indication that the coach may be in professional supervision and will be discussing the intervention under the appropriate confidentiality agreement there
- A limitation of liability clause, information about the business coach’s professional indemnity insurance and a no-fault exit clause and process

### Purpose

- The goals of the business coaching, identifying the specific outputs and behavior changes required in a manner that is measurable and clear, including time, cost, quality and milestones

### Process

- The model of practice to be used, including its limitations and strengths. Identify if real-time coaching is expected and if observation of the client is required. Identify with whom any assessments will be undertaken and who will see the results.

We suggest including the following key elements in the business coaching contract. Additional elements are identified in the full paper.

The business coaching engagement...is a new type of relationship that steps out of our previous experience.

## What is contracting?

It is perhaps a truism to say that the conduct and content of all human interaction is governed by rules—both implicit and explicit. As we grow up and become part of adult human society, we enter into an understanding of the agreed system that regulates our interactions with others. This system allows us all to get along together with a relatively small number of mishaps. We know roughly how others are going to respond to our communications, and we are aware of the signals that indicate when, for example, a conversation is coming to an end or when more is expected of us.

The business coaching engagement, however, is a new type of relationship that steps out of our previous experience. It is neither based on an inequality of power and authority, as in our relationship with teachers or managers, nor is it a relationship between friends or peers. Its content is also unusual as it concentrates wholly on the agenda of only one person in the relationship yet includes an expectation of challenge and engagement in dialog and reflection, with freedom to express anxiety and doubts. These are demanding and different conversations requiring effort from both participants to achieve a productive outcome. Clearly a whole new definition of the terms of engagement is required

to identify the practicalities and content of the intervention.

In addition, a hidden or psychological contract also operates, full of expectations and assumptions yet perhaps not explicit to either partner. Within such uncertainty, it is clear that the “rules of engagement” or “contract” for a coaching interaction cannot be assumed but must be dealt with explicitly before the business coaching relationship begins. Negotiating a contract that fits the purpose (i.e., one that provides the container for the conversation without getting in the way of that conversation) is not a trivial piece of work.

In this white paper, we will look at contributions from practitioners to the dialog on contracting and the limited research available on the subject. We do not provide a sample contract for reasons that will become clear (i.e., the need to customize to each client's requirements). **Our aim** is to provide a list of factors that business coaches and their clients should take into account when developing a contract.

## Learning from other disciplines

Helping professionals require an agreement between the two (or three) people involved in an interaction covering the purpose of the interaction, how it will (at least in some part) proceed and the expectations from all sides. Generally such an agreement holds fairness at its center. The professional agrees to provide some service to the client in a particular way for a specific fee, and the client undertakes to participate in the intervention in an agreed manner and pay the fee.

The inclusion in the contract of both engagement and operational aspects of the interaction is common. For instance, contemporary psychotherapy thinking and research argue that both client and therapist are active participants in the relationship, responding to each other and shaping each other's experience (DeYoung, 2003; see also Orange, Atwood, & Stolorow, 1997; Hycner & Jacobs, 1995).

...it is clear that the "rules of engagement" or "contract" for a coaching interaction cannot be assumed but must be dealt with explicitly before the coaching relationship begins.

## Types of contracts

Eric Berne (1910–70), the founder of transactional analysis, very elegantly described a contract as "an explicit bilateral commitment to a well-defined course of action" (Stewart & Joines, 1987). This recognizes that **clarity of mutual expectations** is vital for a good working relationship. Berne describes three types of contract that invariably operate in any helping arrangement:

- **Administrative**
- **Professional**
- **Psychological**

...clarity of mutual expectations is vital for a good working relationship.

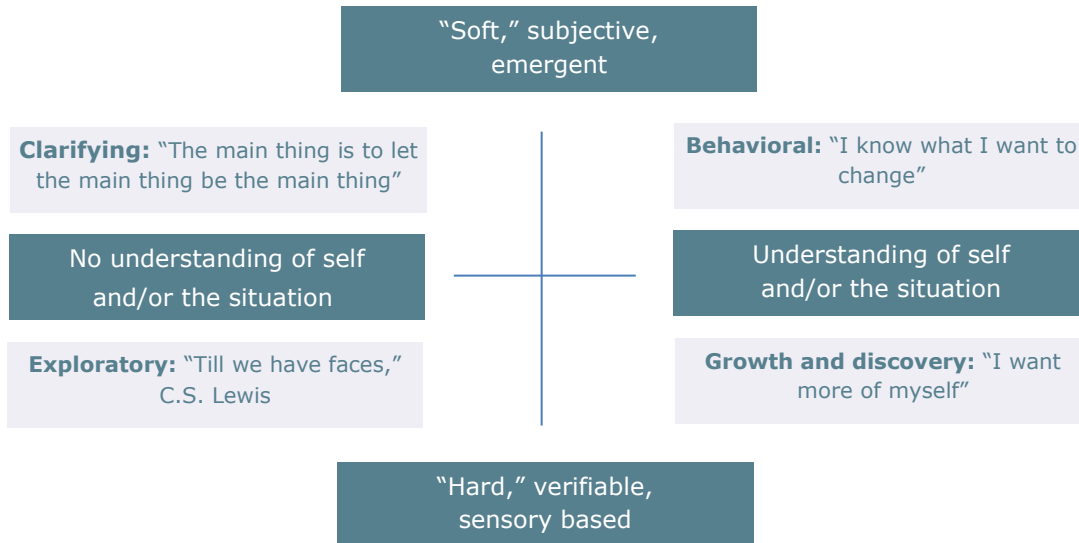
The *administrative contract* speaks for itself as the place where the operational aspects of practice (timings, fee and venue) are agreed.

The *professional contract* is concerned with the exploration of the mutual competencies to coach and be coached. Julie Hay (1995) breaks this down further into professional, purpose and personal.

The professional contract describes the skills the coach brings, as well as the ability of the person being coached to make use of the business coach's skills. It is an exploration of the depth and breadth of the coaching that goes beyond simply naming the focus. It looks at the real expectation of the level of work and learning entailed—transformational, developmental or skills enhancing. The professional contract also contains an agreement on how the business coach and client will treat one another (for example, with openness, clear communication and mutual respect) and finally sets out the direction the client wants to take. We will discuss the *psychological contract* later in this section.

A recent exploration of the professional area of contracting, with an emphasis on purpose, is supplied by Charlotte Sills (de Haan & Stewart, 2011) where she proffers the following model (Figure 1), which "seeks to address the limitations of goal-led coaching while retaining the benefits of clear contracts."

Figure 1. The Sills model of types of contracting. Adapted with permission.



The vertical axis describes the continuum between the “hard” contract, which is observable, verifiable and sensory-based—and the “soft” contract, which allows the unknown to emerge, [and] is subjective and intangible. The horizontal axis reflects the degree to which the client has a clear idea of what changes he [or she] needs or wants to make. (p. 102)

The matrix in Figure 1 (above) has four quadrants identifying four types of contracts, varying according to the needs, style and awareness of the client. Clearly these are not set in concrete and will change with time and coaching but the categorization is useful in identifying where the interaction is going in the broadest sense.

### Clarifying Contract

The *clarifying contract* (top left in Figure 1) is one where there may be a definable goal but the route to that goal is less well defined. An example is the man who referred himself to a coach in despair about being overlooked once again for promotion.

### Behavioral Contract

The *behavioral contract* (top right in Figure 1) is concerned with the achievement of explicit goals, often described in behavioral terms. This sort of contract is usually associated with mentoring or “expert” coaching where the coach is presumed to have some experience and knowledge in the area.

At the bottom of the matrix lie two types of contract that do not set out measurable outcomes.

### Exploratory Contract

The *exploratory contract* (bottom left in Figure 1) may be suitable for someone who can identify dissatisfaction with their work, but is not at the stage of having a definable goal. The contract is represented by words from the author C.S. Lewis: “Till we have faces.” The full quotation is: “How can we come face to face with the gods until we have faces.” (Lewis, 1978). In other words, how can we come face to face with our potential self until we know the face of our present self? How can we face the challenges of our lives and decide who and how we want to be until we know who we are now? (p. 103)

### Growth and Discovery Contract

The fourth contract (bottom right in Figure 1) is what might be called a *growth and discovery contract* where a client does not necessarily have a problem to solve but wants to explore their full potential. As identified by Sills:

The process of agreeing [to] a contract should be [a] relational and ongoing affair. Clarifying the details and renegotiating the direction can prove to be the meat of the coaching. (p. 104)

## The psychological contract

This leads us finally to consider the *psychological contract*. This is perhaps the most powerful of Berne's three contracts. It is what happens outside the awareness of the coach and client—it is unspoken and is fueled by hidden hopes, aspirations and fears. Stewart and Joines (1987) significantly explain that “in any relationship, the parties may exchange ulterior [hidden] messages. This is especially true where personal or organizational change is being sought.” They continue:

Such changes usually mean a challenge to someone's frame of reference. Both practitioner (therapist) and client (patient) are likely to come into their working relationship with a covert agenda.... One important function of a contract is to make the covert agenda explicit. (p. 220)

It is clear that both sides must be transparent about what they want and how they are thinking.

Transactional analysis recognizes that a good working relationship cannot exist without the therapist giving proper consideration to the patient's “frame of reference.” This equates to the coach's identification of how the client sees themselves, their life and their world, including their work and employer.

So we are left with a paradox of needing to be transparent about issues that are implicit. Nevertheless, the likelihood of problems arising in the psychological contract increases with lack of transparency. Covert agendas—hidden or unknown motives and needs on both sides—tend to produce conflicts, misunderstandings and mistrust, which all obviously undermine good working relationships. As Peter Bluckert (2005) identifies, “anyone who supervises coaches will tell you that many problems further down the line have their origins in the contracting stage.”

If we do take the time and effort to be explicit, then the enhancement of the relationship is well

documented: Transparency, openness and exposure all foster trust, which in turn enables further transparency and clarity. Mutual understanding grows and a strong psychological contract develops. However this is NOT a tool as such and one size will definitely not fit all. Such a contract is a dynamic agreement between both partners and one that requires constant updating, as discussed later in this paper. The psychological contract can be seen as a working framework, in the sense that it provides a guiding philosophy—essentially that of fairness—to the encounter.

“Anyone who supervises coaches will tell you that many problems further down the line have their origins in the contracting stage.”

## Current practice and advice on contracting from the research

Business coaches are concerned with facilitating individual change through a learning interaction with another, so it is perhaps not surprising that most coaching models have a number of elements in common. Dingman (2004) provides a dated but still very interesting summary of the executive coaching process, identifying six common components that can be combined in different orders:

- **Formal contracting**—a form of “contract” or agreement between the business coach and executive, or the business coach, the executive and the organizational sponsor (if necessary)
- **Relationship building**—sessions dedicated to developing a “fit” between the business coach and the executive while building mutual trust and respect

- **Assessment**—any form of review by the business coach of the executive's strengths, weaknesses and overall developmental needs
- **Feedback and reflection**—delivery and consideration of the results of the assessment; setting the stage for goal-setting
- **Goal-setting**—determination of the goals and outcomes that the executive seeks to achieve while in the coaching relationship and development of the action plan to achieve these goals
- **Supportive implementation and evaluation**—the beginning of the formal business coaching sessions; establishment of a schedule for evaluating the plan (often using specified time frames) and termination

- Reaches agreement about what is appropriate in the relationship and what is not, what is and is not being offered, and about the client's and coach's responsibilities
- Determines whether there is an effective match between his/her coaching method and the needs of the prospective client

The European Mentoring and Coaching Council (EMCC) also identifies the core place of contracting within practice and the need to manage its development. However, it does not explicitly discuss contracting further within its competency framework, even though a contract is assumed to be in place within its code of ethics.

Other communities of practice and associations have contributed to the resources available to business coaching practitioners. The Executive Coaching Forum (2012), for example, provides a very valuable service with the *Executive*

*Coaching Handbook*. It has opted for a competency model to describe the requirements of a business coach and interestingly includes a specific section on contracting (Table 1).

The complexity of this section illustrates the dynamic nature of the contract. It includes appropriate goals and a timescale as well as the system perspective and the management of the stakeholders concerned with the coaching. This level of understanding will not become clear in the first few minutes of an encounter nor will it remain static as the coaching continues. It will constantly be revisited during the course of the work.

“...contract early...  
and often.”

## Advice from professional organizations

All the models we have found in the literature have generally had contracting as an explicit step in the process. This has led to all major professional associations, including WABC, having explicit advice on contracting.

The International Coach Federation (ICF) (2012) provides a short description within their competency framework:

1. **Establishing the Coaching Agreement**—Ability to understand what is required in the specific coaching interaction and to come to agreement with the prospective and new client about the coaching process and relationship
  - Understands and effectively discusses with the client the guidelines and specific parameters of the coaching relationship (e.g., logistics, fees, scheduling, inclusion of others if appropriate)



**...buyers of coaching have become more knowledgeable... The sophistication of the [business coaching] contract has improved to mirror these developments.**

Table 1  
*The Executive Coaching Handbook Competency Framework for Contracting*

<b>Contracting</b>	
<p><b>Basic</b></p> <ul style="list-style-type: none"> <li>• Evaluate the readiness of the coachee for coaching</li> <li>• Engage all appropriate constituents in goal setting and agenda setting for the coaching (coachee, boss, HR, others)</li> <li>• Obtain commitment and support from all appropriate constituents</li> <li>• Establish guidelines for confidentiality</li> <li>• Establish the boss's and HR's role in the coaching</li> <li>• Facilitate agenda-setting and goal-setting meetings between the coachee, his/her boss and the HR professional</li> <li>• Develop realistic and challenging coaching goals</li> <li>• Set realistic time frames for accomplishing the coaching goals</li> <li>• Re-contract when appropriate</li> <li>• Tailor the coaching process to the unique needs of the coachee and organization</li> </ul>	<p><b>Advanced</b></p> <ul style="list-style-type: none"> <li>• Play multiple roles without crossing key boundaries or compromising the guidelines for practice</li> <li>• Challenge the coachee's commitment</li> <li>• Contract with the boss for feedback to him/her</li> <li>• Negotiate and write three forms of coaching contracts: the learning contract with the coachee, his/her boss and an HR professional; the business/legal/financial contract with the coachee's organization; and the personal/relationship contract with the coachee</li> <li>• Manage times of low and high demand in one's own coaching practice so as not to negatively impact client service</li> </ul>

## The necessary elements of a contract

When first used, business coaching contracts were quite restricted and mainly covered the practical and ethical issues of providing a service. Issues such as fee payment, hours of coaching, venue and cancellation policy were high up the list of "must haves." Gradually as business coaching practice has developed, the impact of the psychological contract has become more apparent and buyers of coaching have become more knowledgeable about what can be achieved and what they require and expect from business coach practitioners. The sophistication of the contract has improved to mirror these developments. Below we give a brief overview of the published opinions of some consultants and practitioners on the range of critical and must-have elements of a coaching contract. Generally contracting is not given prominence in business coaching books or literature, presumably because it is perceived to be fully covered by professional consulting practice. The following discussion identifies specific issues brought forward from practice.

In their published discussion on contracting, the UK consultants OPM (2013) consider the operational elements as described above but also insist on a shared and clear understanding between the coachee, manager and coach about the potential and limits of business coaching. They encourage routine, constructive feedback between the coachee and the manager about how they work together.

Diedrich (1996) seems to have been ahead of his time with the richness of the contract elements he considered essential. Specifically he suggested coaches should do the following:

- Engage in a very detailed discussion with the “requesting sponsor” before developing a proposal for and agreeing on a contract for coaching an executive
- Contract for an extended time line, recommend a 12-month or longer program, and do not accept an assignment of less than 6 months in duration
- Make sure all parties view the data collection, feedback and coaching processes as ongoing activities
- Outline their process in detail and in writing, and then discuss the proposed process again with both the sponsor and the executive before beginning
- Agree on who gets what; that is, what data are privileged versus public. Be sure they (and the executive) know what the sponsor wants to know regarding the coaching process.
- Let the executive participate in defining the specific process they will use (the data to be collected as well as the structure of the tutorial process)
- Make sure that all parties agree on the expectations and the format for developmental planning
- Allow for regular (perhaps quarterly) review sessions with the executive and his or her sponsor and for some three-way meetings during the process
- Agree that they will have several opportunities to view the executive at work with his or her subordinates during the coaching process

At the time of Diedrich’s work, the evidence base for some of these contract elements was weak but we now have better data on elements such as duration of business coaching. The U.S. study of 24 executives from various organizations conducted by Harder + Company Community Research (2003) found that the rate of improvement in performance was maximum at six months. As the business coaching continued, the rate of improvement decreased.



Negotiating a contract that fits the purpose (i.e., one that provides the container for the conversation without getting in the way of that conversation) is not a trivial piece of work.

Many practitioners include in the contract the goals of the business coaching in varying degree of specificity. Mary Beth O’Neil (2007), for example, identified three key factors she considers must be identified when setting up the coaching contract:

- Business results that leaders must achieve
- Leadership behaviors that leaders must exhibit
- Team communication and staff dynamics required to achieve the desired results

She explored the meaning and route to achieving these in some detail but as a well-defined list, they allow evaluation of the coaching to be achieved as an intrinsic part of the process.

## Three- and four-cornered contracts

In their paper “The Wild West of Coaching,” Sherman and Freas (2004) developed a great slogan in “contract early... and often.” They suggested that three specific goals be included within the initial contract to maximize the mutual interests of the sponsor and the client. This facilitates clear accountability that is identified as critical to success. They also consider negotiating the business coaching contract to be an ideal opportunity to engage the sponsor fully with setting the coaching goals and designing the evaluation criteria. As well, they identify the real sensitivities involved in such three-way contracts and suggest the use of a no-fault exit clause for both sides if it becomes clear that things are not working.

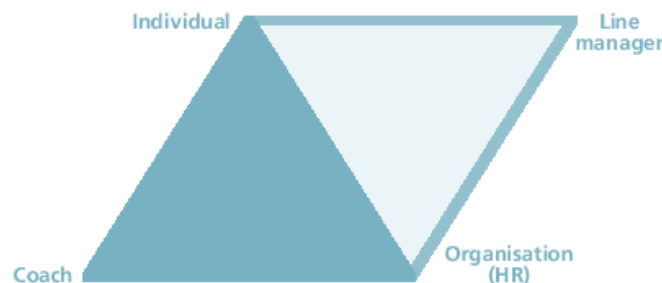
Others (Hay, 1995) have picked up the issues of the three-cornered contract specifically and even identified the four-cornered contract when the line manager is not the direct manager of coaching within the organization (Figure 2).

**This throws into stark relief the question: When a business coach is brought into an organization to work with executives, who is the client—the sponsoring organization, line manager or individual client?**

In general, the business coach can steer appropriately through this maze by maintaining transparency and appropriate ethics. For example, a mismatch between the career aims of the individual and the requirements of the organization is not unusual. The business coach will need to negotiate goals that leverage the common ground between these two perspectives and use the coaching intervention as a method of bringing them together.

The WABC *Professional Standards for Business Coaches* are explicit in the need to hold the potential tension between organizational and client agendas: “I will put the client first while at the same time respecting the objectives of the client’s organization” (Worldwide Association of Business Coaches (WABC), 2013).

Figure 2. The four-cornered contract (Hay, 1995)



Some business coaches still maintain that they will give full confidentiality to their client. This is naive as a variety of potential issues may arise that would place them in ethical dilemmas.

## Confidentiality

The issue of confidentiality is particularly marked in this regard as sponsors/line managers often assume they will receive reports on the progress of the business coaching. Clearly this is not at the coach's discretion and a contracting conversation must be undertaken with the sponsor and the executive to agree on the frequency and extent of reporting.

There are also issues of confidentiality in general that must be made explicit. Some business coaches still maintain that they will give full confidentiality to their client. This is naive as a variety of potential issues may arise that would place them in ethical dilemmas. Examples include the client revealing that they are causing harm to a family member or colleague, or the client divulging that they are contravening their employment contract through the use of alcohol during work time or falsely claiming expenses. The contract needs to specifically deal with what will happen if the coach hears such admissions.

The *WABC Professional Standards for Business Coaches* (WABC, 2013) explicitly identify areas of concern. Fielder and Starr (2008) identify the issues of confidentiality and ownership rights for information and intellectual property. Interestingly they also identify issues when the client can be harmed by the business coaching—a potential blind spot for us all! As an example, they cite the real situation where an executive with a serious narcissistic personality disorder was able to use coaching to hide the disorder and do grave harm to the company before a psychiatrist correctly diagnosed the executive's condition.

It is at these times that being a member of a professional body with a code of ethics is a real and necessary benefit to the professional business coach. The contract can state that the business coach adheres to a specific code of ethics, and the coach can provide a copy of the code for the other signatories of the contract. In this way, the business coach is highlighting their professional practice and providing a framework within which ethical issues can be discussed and final arbitration could be sought. The "Safe Harbor Conciliation and Adjudication Process" provided within the *WABC Code of Business Coaching Ethics and Integrity* (WABC, 2007) is a case in point.

## Maintaining boundaries

The issue of ethics becomes significant in regard to the boundaries of the business coaching relationship. There is evidence that business coaches find maintaining these boundaries problematic. In a study of critical moments in the coaching relationship (Day, de Haan, Sills, Bertie, & Blass, 2008), participants often reported that the critical incident contained a dilemma or ethical concern in managing the boundary of the coaching relationship. It is part of professional practice to be aware of the limitations of our own capability; being in professional supervision can help that awareness enormously. In the same study, coaches were using supervision to test out these concerns and maintain an ethical frame for their practice.

The boundaries are not only between an area of competence and one of non-competence but can also exist between competencies. If a business coach is also a consultant or counselor and the client wishes to use them in these capacities (either with a single coachee or multiple coachees), then a different contract must be negotiated for this different work. While it may seem cumbersome in the abstract, it need not be a problem in practice. As identified above, re-contracting is “the meat of coaching” and provides for discussion of when and how the interaction happens and what happens within it.

Movement of the interaction away from business coaching to counselling, advising or any other type of services (e.g., consulting, training, mentoring) should be clearly identified and acknowledged within the process.

## Subcontracting considerations

Business coaches who are acting as associates of coaching consultancies should give special consideration to their own contracting issues as they may be working under a broad contract that has been negotiated at a higher level by the consultancy.

Movement of the interaction away from business coaching to counseling, advising or any other type of services (e.g., consulting, training, mentoring) should be clearly identified and acknowledged within the process.

Very little has been written about such situations but experience suggests that care is needed. Specifically these business coaches may find they are working under quite restrictive arrangements in regard to individual contracting and therefore should take little for granted.

1. The business coach should obtain a copy of the overall contract before starting work with their clients and should have a contracting conversation with the consultancy to identify any parts of the contract that are implicit and are not clearly identified. This can then form the basis for their individual subcontract with the client.
2. Specifically the business coach should be clear about the goals of the coaching intervention as a whole and how they cascade down to the individual coaching engagements. In all major interventions, issues can arise, such as clients wishing to have coaching to exit the company, and there should be a clear process in place to identify if this falls within the range of work the company has sponsored.
3. The business coach should be clear about the supervisory requirements within the contract as some consultancies require internal supervision. At a minimum, a senior coach should be available who is familiar with the contract and can provide direction/explanation when required.
4. The business coach should continue to hold their individual contracting conversations with each client irrespective of what the client has already been told. Being explicit—even at the risk of repetition—encourages trust and establishes a good basis for relationship development.

## Protect your interests and business coaching success by contracting early and comprehensively

### The contract

#### Practicalities

1. Duration, number, frequency and venue of sessions
2. Fees and cancellation policy
3. The availability of the business coach both in person and for email and/or telephone discussions
4. Identification of the area of practice of the business coach and the mechanism for referral onward. This is critical when the coach is able to competently provide more than one type of service (e.g., consulting, training, mentoring). Ideally a contract would cover one type of service. However if the client requires a “master” or “broad” contract, each service must be explicitly covered.
5. Indication that the business coach may be in professional supervision and will be discussing the intervention under the appropriate confidentiality agreement there
6. A limitation of liability clause and information about the business coach's professional indemnity insurance
7. A no-fault exit clause and process

#### Purpose

1. Goals of the business coaching, identifying the specific outputs and behavior changes required in a manner that is measurable and clear including time, cost and quality
2. Milestones to be met and their timing

#### Process

1. The model of practice to be used, including its limitations and strengths; identification of real-time business coaching and observation of the client if expected or required. At this stage, it can be useful to identify with whom any assessments will be undertaken and who will see the results.
2. The accountabilities and commitments in regard to actions and tasks
3. The ethical code the business coach follows
4. Confidentiality and its specific nature in regard to each stakeholder in the contract. This should also extend to the method of storage and filing of information concerning the client and the business coaching engagement.
5. The monitoring that will be in place in regard to the business coach/executive, the business coach/executive/line manager, and the business coach/executive/line manager/human resources
6. The specific evaluation criteria of the intervention and how these will be rated. Care should be taken to make sure that all stakeholders agree what “satisfactorily” looks like when considering the goal “complete project satisfactorily.”

The evidence shows that a business coaching contract should be negotiated early in the relationship and revisited often. It should cover the *WABC Code of Business Coaching Ethics* (WABC, 2007) and the *WABC Professional Standards for Business Coaches* (WABC, 2013) along with the practicalities, purpose and process as outlined below.

In this paper, we have shown that the overwhelming conclusion from practice and the literature is that a clear contract provides a professional and transparent framework that protects both the coach and the client. When used well, it is a valuable tool in the business coaching process.

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### Dr Annette Fillery-Travis

Annette is Programme Coordinator for the Professional Doctorate at Middlesex University where she is a senior coach educator, researcher and author

In her first career Annette was a senior scientist and developed an extensive research publication list with over 60 peer-reviewed journal publications. After obtaining a Masters in Professional Development and Science Management, Annette began a second career with the Professional Development Foundation (a not-for-profit research trust) as Programme Director and then as CEO.

Annette has worked for many of the coaching professional associations. She was part of the development team for the European Mentoring and Coaching Council's training course accreditation and standards development in 2006 and served as moderator for the accreditation process from 2006–2009. She has also worked extensively with the Worldwide Association of Business Coaches (WABC) since 2008. Her roles have included providing expertise in accreditation, standards and training development, chairing various WABC accreditation panels and boards and becoming special advisor to the WABC President/CEO, Wendy Johnson, in 2009. In 2013, she became WABC's Program Accreditation Director.



#### **A Selection of Coaching Publications**

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## WABC BEST FIT BUSINESS COACHING SERIES

Our Best Fit Business Coaching Series is a collection of evidence-based white papers on leading-edge topics of interest to professional business coaches, those thinking about a career in business coaching and other key stakeholders around the world when they screen, hire, train and evaluate business coaches.

The series is based on the premise that no single, universal approach to business coaching can serve the needs of all organizations and individuals. Instead, the series advocates the “best fit” approach. This equips readers with information to help them tailor strategies to their individual, organizational or corporate needs, while maintaining and promoting the utmost professional and academic rigor in their individual approaches.

All white papers in the WABC Best Fit Business Coaching Series are based on evidence from the best international research available. The papers are written by leading academics, experienced business coach practitioners, senior researchers or recognized experts in related fields with the purpose of contributing to the ongoing professionalization of the business coaching field.

### WABC

The Worldwide Association of Business Coaches (WABC) is the first global professional association to exclusively represent the business coaching industry. Since its inception in 1997, WABC has dedicated itself to raising the profile of business coaching—still an emerging profession—and to differentiating it from coaching in general. By engaging in disciplined self-regulatory activities to increase public trust in our industry worldwide, WABC has done more than any other organization to identify the tasks, qualities and skills of the business coach.

We’ve built our reputation as a leading global authority on business coaching by insisting on the best: the highest membership standards, the most rigorous evidence-based programs, the most advanced business coaching credentials. Our activities set the gold standard for business coaching and help decision-makers around the world when they screen, hire, train and evaluate business coaches. Our membership—now spanning over 40 countries and steadily growing—includes internal and external business coaches who work with entrepreneurs, managers, CEOs, presidents and professionals from all industries in the public, private and non-profit sectors—from start-ups to Fortune 100 companies.

Whether you are a business coach, trainer of business coaches, someone thinking about a career in business coaching or an organization wanting to hire a business coach or expert to help you build a coaching program or culture, WABC is your leading global resource.

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