



FORRESTER®

The Total Economic Impact™ Of CoachHub

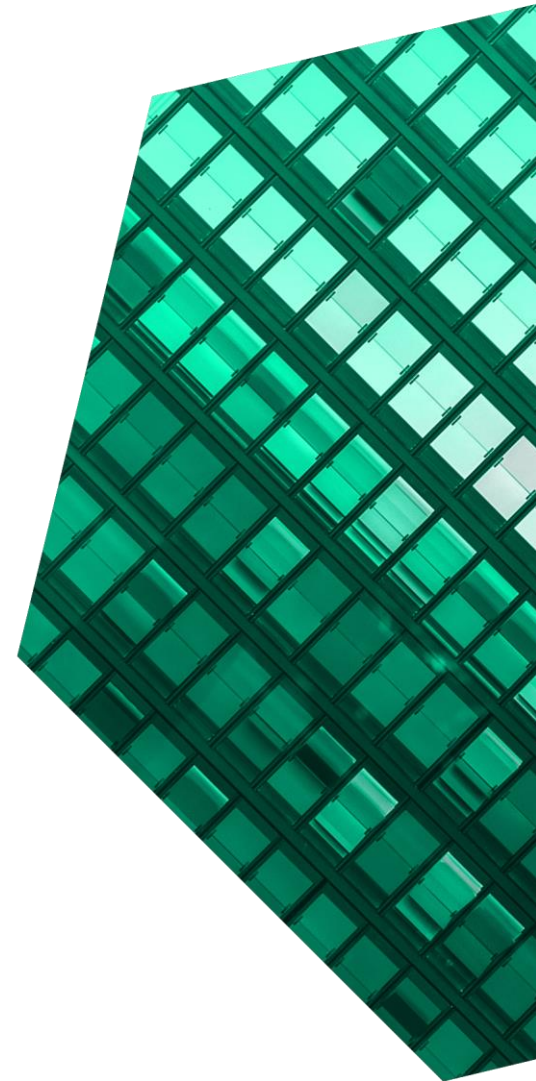
Cost Savings And Business Benefits
Enabled By CoachHub

JULY 2022

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ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Fueled by our customer-obsessed research, Forrester's seasoned consultants partner with leaders to execute on their priorities using a unique engagement model that tailors to diverse needs and ensures lasting impact. For more information, visit forrester.com/consulting.

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Executive Summary

Over the past decade, the coaching culture in businesses has grown significantly and has improved business transitions and employee experience. Its value to employee experience can be seen through its talent appeal and retention, employee reviews and productivity, customer experience and profitability. CoachHub's offering of a nontechnological tool is made more accessible to the wider workforce through its digital coaching platform, providing employees and equipping organizations with the right tools and techniques to be successful.

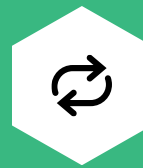
Businesses need to reevaluate and replace ineffective management practices and adopt new and inspiring behaviors to meet the demands of evolving workplaces.¹ Digital coaching tools provide a flexible and innovative way for organizations and their managers to support their staff and business development, enhance employee well-being, drive performance results, attract and retain talent, and reduce inefficiencies.²

[CoachHub](#) commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential financial impact enterprises may realize by deploying the CoachHub coaching platform.³ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of CoachHub on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using CoachHub. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that is a global organization with approximately 25,000 employees and revenue of €6.1 billion per year. The composite uses the CoachHub coaching platform for a period of 12 months per selected employee as part of its leadership and talent development program.

Prior to using CoachHub, interviewees noted how their organizations' budgets and time constraints restricted coaching access to their global teams as part of wider initiatives and development training. Key

KEY STATISTICS



Return on investment (ROI)
260%



Net present value (NPV)
€3.17M

results from the investment include cost savings from improved employee retention and productivity.

Through these customer interviews and data aggregation, Forrester concluded that the composite organization sees the following three-year financial impact: €4.39 million in benefits versus €1.22 million in costs, resulting in an estimated net present value (NPV) of €3.17 million and an ROI of 260%.

Key Findings

Quantified benefits. The following risk-adjusted quantified benefits are representative of those experienced by the companies interviewed:

- **Employee retention improvement of 3% to 5%.** The composite organization experiences an improvement in its employee retention levels of around 3% to 5% after rolling out the coaching programs. The effectiveness of the coaching allows the organization to offer a better workplace environment and support system for

its staff. This allows the organization to not only attract talent that fits best with the company's values and culture, but also to retain it. Forrester attributes 20% of this benefit to the CoachHub tool, which results in cost savings associated with expenses in replacing its workforce totaling €4.28 million over a three-year period.

Annual employee turnover improvement

Before	After
10%	7%

- **Improved employee efficiency.** Efficiency gains from improved employee engagement can be a very challenging metric to capture, and measuring the impact of a coaching program and digital coaching tool can be even more challenging. A team's productivity from a manager who has been coached spills into a number of elements and factors, and it will widely vary from organization to organization. For the purpose of this case study, the composite organization's productivity gains due to increased employee engagement attributed to CoachHub total €110,000 over the three-year duration.
- **HR time savings of 1 hour per coachee.** Deploying CoachHub streamlines some manual tasks involved in coordinating coaches and coachees' schedules, resourcing expertise and other admin-related tasks. The composite sees an average time saving of 1 hour per coachee for its HR teams. As CoachHub organizes and manages this task, the time savings result in €3.59K in benefits.

Unquantified benefits. Benefits that are not quantified for this study include:

- **Improved overall employee morale.** Including coaching in leadership development programs often empowers managers to tackle issues and improves communication with their employees. This enhances employees' experiences and therefore boosts morale.⁴ Increased morale and employee motivation improve business performance and culture, and they also have a positive role on the brand and company reputation.⁵ Decision-makers can share the impact of CoachHub with shareholders to increase appetite and attract further investment.
- **Increased reach and accessibility of coaching.** CoachHub's digital coaching platform provides better accessibility and reach to employees based in locations and time zones not usually supported by physical coaching or coaches tied to a specific locale. CoachHub offers organizations a range of coaches that are based in a variety of regions, and they support employees in many different languages. Coachees have familiar, common ground with their coaches, which also leads to more success.
- **Increased receptiveness to business processes and change transformation.** Employee support and assistance with business change transformation is important for business growth.⁶ Coaching provides an open culture and a receptive mindset for employees to collaborate better and to understand the bigger picture and their individual role in their company's growth. A frictionless transition in different business transformation scenarios (e.g., mergers and acquisitions) means organizations spend less time and money on change transformation overall.
- **Improved business initiatives from feedback and analysis.** The CoachHub tool provides analysis that enables businesses to proactively tackle a variety of HR policies and initiatives (e.g., burnout, employee well-being, diversity and

inclusion, etc.) before they affect the company or its reputation. Managers and HR teams are able to address any employee concerns more quickly and effectively by investing in improvements from the feedback analysis.

- **Lower carbon footprint with digital coaching.** Digital alternatives to physical coaching sessions provide a better solution for organizations that are environmentally conscious by lowering the carbon emissions associated with traveling to and from coaching sessions. CoachHub offers a number of initiatives to offset the carbon footprint for every coachee using the platform to support each organization's own environmental footprint reduction plans.

Costs. Three-year, risk-adjusted PV costs for the composite organization include:

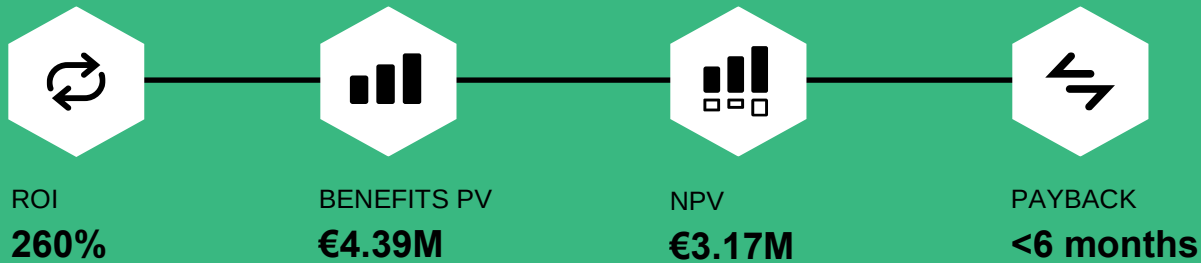
- **CoachHub subscription costs and ongoing platform and program management.** The cost of the subscription varies on usage and number of users. Ongoing management of the CoachHub platform involves at least one program manager and one assistant. Tasks include conducting an initial system setup that requires a minimal number of hours, ensuring coachees utilize and attend the coaching sessions, and obtaining feedback. All costs for the composite organization translate to over €1.22 million over the three-year term.

The representative interviews and financial analysis found that in the specific composite organization which was constructed the experiences benefits of €4.39 million over three years versus costs of €1.22 million, adding up to a net present value (NPV) of €3.17 million and a return on the financial investment of 260%.

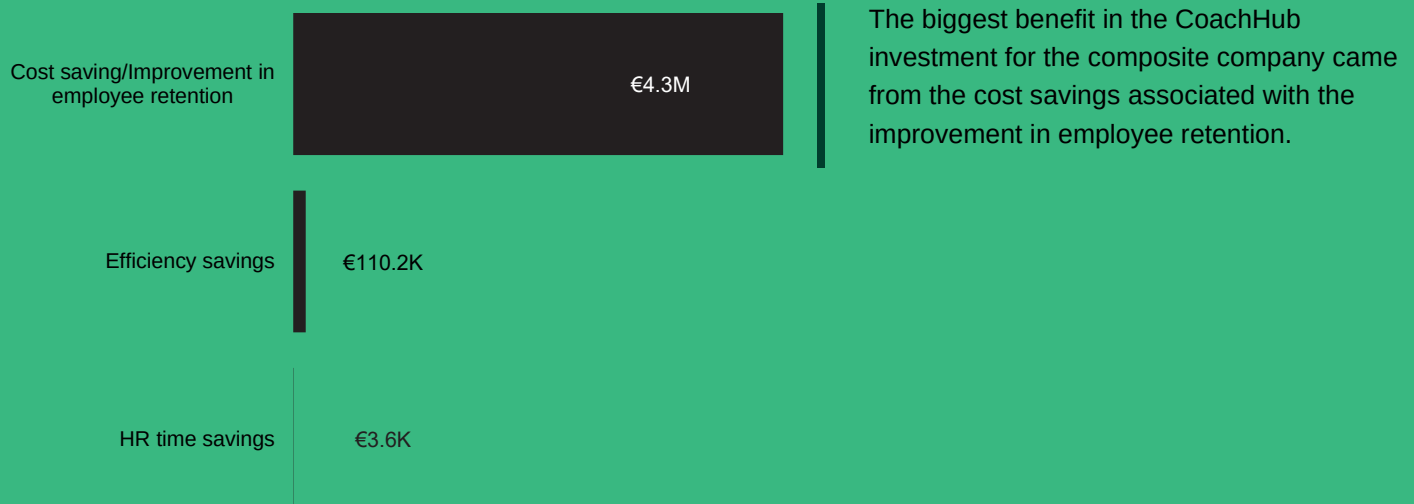
Annual time savings on HR-admin-related tasks over three years is equivalent to:

€3.59K





Benefits (Three-Year)



“I’ve recommended them to a couple of external people at L&D networks. We have talked to other multi nationals, and I definitely promoted them, which I wouldn’t do if I wasn’t totally convinced that this is a good thing for the company, our people. People are happy, they see the whole program and that coaching is a key part of it as a life changing experience. We have heard that a couple of times.”

— Global L&D partner, construction

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in CoachHub.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that CoachHub can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by CoachHub and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the study to determine the appropriateness of an investment in CoachHub.

CoachHub reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

CoachHub provided the customer names for the interviews but did not participate in the interviews.



DUE DILIGENCE

Interviewed CoachHub stakeholders and Forrester analysts to gather data relative to CoachHub.



INTERVIEWS

Interviewed four representatives at organizations using CoachHub to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewees' organizations.



FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewees.



CASE STUDY

This study employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

The CoachHub Customer Journey

■ Drivers leading to the CoachHub investment

Interviewees			
Role	Industry	Region	Revenue
HR head of department (talent, L&D, D&I)	Humanitarian services	Global	€1.8 billion
L&D HR specialist	Sports and lifestyle retailer	Western Europe	€150 million
Global L&D partner	Construction	Global	€22.3 billion
Group head of L&D	Music label	Global	€200 million

KEY CHALLENGES

The interviewees did not have robust digital coaching solutions with a full global reach, as much as the CoachHub offering. Any physical coaching that was offered, was only offered to a few select executives.

The interviewees noted that their organizations struggled with common challenges, including:

- **Low employee retention.** The interviewees experienced an inability to keep talented and skillful employees in their organization due to a number of reasons. These organizations couldn't innovate or respond to their staffs' needs and potentially had disengaged employees with low morale. One interviewee even reported some resistance from managers when implementing new policies during their company's change transformation. The interviewees stated that they had very decentralized processes and no real transparency on employee concerns, which was a major challenge for retention.
- **Costly alternatives, such as physical coaching sessions.** The organizations endured high costs related to any physical coaching sessions that were offered. They also wanted to reduce the associated time and resources spent coordinating any coaching sessions. Many of these physical sessions placed a prohibitive

financial burden and strain on employee schedules, HR admin resources, and travel.

- **Limitations on support being offered to a select few.** The organizations that did offer coaching could only offer it to a limited number of employees. This would usually be senior executives, or employees who could easily access coaches in common time zones/regions and languages. The imbalance of coached leaders versus uncoached leaders in fast growing organizations led to unprepared and inexperienced leaders.

“Coaching was always this great individual toolkit that was limited to an exclusive circle of leaders. It was super expensive. It wasn't flexible.”

L&D HR specialist, sports and lifestyle retailer

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four interviewees, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. A global €6.1 billion revenue organization with European headquarters and a workforce of approximately 25,000 employees.

Deployment characteristics. The composite organization has deployed CoachHub across all its global operations to approximately 50 nominated employees as part of the 12-month talent leadership program that it runs every year. It increases the intake and adds another 50 employees to the program in Year 2 and continues with this number in Year 3.

Key Assumptions

- **€6.1B annual revenue**
- **25,000 employees**
- **Global organization**
- **Part of 12-month program per employee**

“We have managers everywhere in the world; we have many languages as well, so we need to be able to provide coaches that speak the local languages.”

Group head of L&D, music label

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Cost savings/improvement in employee retention	€1,689,375	€1,723,163	€1,757,626	€5,170,163	€4,280,427
Btr	Efficiency savings	€26,500	€54,060	€55,141	€135,701	€110,197
Ctr	HR time savings	€863	€1,761	€1,797	€4,421	€3,590
	Total benefits (risk-adjusted)	€1,716,738	€1,778,984	€1,814,564	€5,310,286	€4,394,214

COST SAVINGS/IMPROVEMENT IN EMPLOYEE RETENTION

Evidence and data. The effectiveness of the coaching allowed the interviewees' organizations to offer a better workplace environment and support system for staff. Creating an encouraging and supportive workplace environment improved morale and communication and offered an overall better employee experience. Organizations and employees addressed and resolved any potential issues and concerns proactively, which allowed the interviewees' organizations to not only attract talent that fits best with the company's values and culture (from its employee reviews), but also to retain it.

Modeling and assumptions. For the composite organization the model reflects that:

- The composite organization experiences an improvement in its employee retention levels of 3% after rolling out the coaching programs.
- Forrester assumes the costs associated with replacing each employee is 25% of the employee's fully burdened salary.
- The CoachHub tool has a 20% attribution toward this total employee retention benefit.

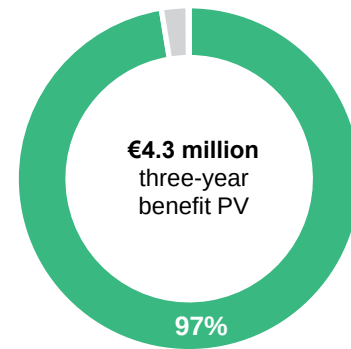
Risks. The potential risks that can impact this benefit are:

- Variation in salary ranges of an employee.
- Other external influences and circumstances causing an employee to move out of the organization.
- Variations in the extent of impact of coaching and coaching program such as time and effort involved from a coachee.
- The size of a company's workforce.

"It's a big retention tool. The perception has totally changed to now getting coaching when the company thinks you're a valuable resource that they want to keep."

Global L&D partner, construction

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of €4.3 million.



Cost Savings/Improvement In Employee Retention

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Workforce	Composite	25,000	25,000	25,000
A2	Turnover levels before coaching/program	Interview	10%	10%	10%
A3	Turnover levels after coaching/program	Interview	7%	7%	7%
A4	Number of employee turnover after Coaching/program	A1*(A2-A3)	750	750	750
A5	Average fully burdened salary of FTE (across whole organization)	TEI standard	€53,000	€54,060	€55,141
A6	Average costs associated with replacing workforce per employee	Assumption	25%	25%	25%
A7	Attribution to CoachHub for uplift in retention rate	Interview	20%	20%	20%
At	Cost savings/improvement in employee retention	A4*A5*A6*A7	€1,987,500	€2,027,250	€2,067,795
	Risk adjustment	↓15%			
Atr	Cost savings/improvement in employee retention (risk-adjusted)		€1,689,375	€1,723,163	€1,757,626
Three-year total: €5,170,163			Three-year present value: €4,280,427		

EFFICIENCY SAVINGS

Evidence and data. Efficiency gains from improved employee engagement can be a very challenging metric to capture and the impact of a coaching program and digital coaching tool even more challenging.⁷ Interviewees reported that the feedback on their coaching programs was always positive and overall employees' confidence and competence in their jobs had improved.⁸

Modeling and assumptions. The model reflects:

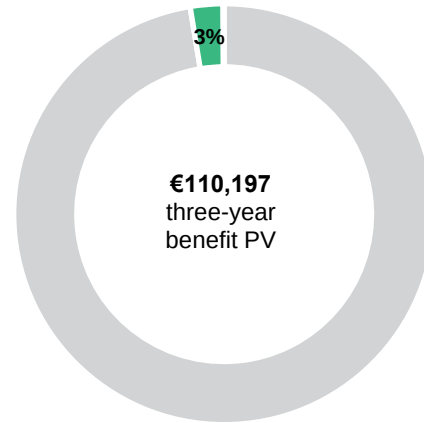
- The composite organization enrolls 50 employees on the coaching program for 12 months in the first year and 100 employees in Years 2 and 3, with access to coaching sessions on CoachHub for the 12-month duration.
- For every coached employee, a further 10 employees are impacted by the coached employee for that year (ripple effect on a team).
- The productivity gain is captured as a percentage of the employee's salary.

- A 5% attribution to the CoachHub tool of the impact from the program on an employee's productivity.
- A 50% productivity recapture rate to account for real productivity, since not all of the saved time would be invested back into productive, work-related tasks.

Risks. A team's productivity from a manager that has been coached spills into a number of elements and factors and will widely vary from organization to organization. The potential variations impacting this improved efficiency benefit from the CoachHub tool are:

- The extent of effectiveness of the coached leader on themselves and others.
- The number of other employees (team size) impacted.
- The variations in salaries, job role and duties, industry of an organization.
- External influences and circumstances affecting an employee's production rate and capacity.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of €110,200.



Efficiency Savings					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of coachees	Composite	50	100	100
B2	Average number of employees impacted from program (knock-on effect)	Composite	10	10	10
B3	Productivity gains due to higher engagement impact from program	Assumption	5%	5%	5%
B4	Average employee fully burdened salary	A5	€53,000	€54,060	€55,141
B5	Attribution to CoachHub	Assumption	5%	5%	5%
B6	Total cost savings	$B1*B2*B3*B4*B5$	€66,250	€135,150	€137,853
B7	Productivity recapture rate	TEI standard	50%	50%	50%
Bt	Efficiency savings	$B6*B7$	€33,125	€67,575	€68,927
	Risk adjustment	↓20%			
Btr	Efficiency savings (risk-adjusted)		€26,500	€54,060	€55,141
Three-year total: €135,701			Three-year present value: €110,197		

“People improve their efficiency as leaders and try out new things. They’re more committed, more aware, and communicate better. Good employees become better and more successful employees.”

— L&D HR specialist, sports and lifestyle retailer

HR TIME SAVINGS

Evidence and data. Deploying CoachHub streamlined manual tasks involved in coordinating coaches and coachees' schedules, resourcing expertise, and performing other admin-related tasks. The interviewees reported an average time saving of 1 hour per coachee for their HR teams.

Modeling and assumptions. When creating the financial model, Forrester utilized the following information:

- A time saving of 1 hour per coachee is saved from admin-related tasks due to CoachHub.
- The time savings is reflected as a proportion of one HR FTE admin's fully burdened salary.
- A 50% productivity recapture rate to account for the real productivity of the HR FTE, since not all of the saved time would be invested back into productive, work-related tasks.

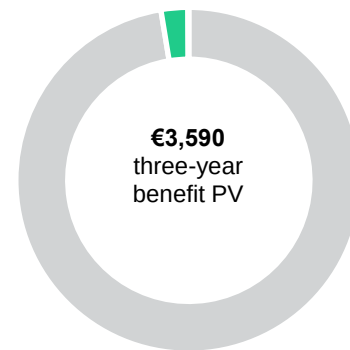
Risks. The potential risks that can impact this benefit are:

- Variation in salaries and number of people working on admin related tasks.
- Amount of admin, processes and tools involved to manage leadership programs, from company to company.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of €3,.59K.

“We don’t have to take care of anything; it’s super-easy. People sign up, they get coached, and they’re happy after. Everything is taken care of.”

L&D HR specialist , sports and lifestyle retailer



HR Time Savings					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Hours no longer spent on tasks per coachee/staff member due to CoachHub	Interview	1	1	1
C2	Number of coachees/staff members	Composite	50	100	100
C3	Fully burdened average for one HR FTE salary	TEI standard	€69,800	€ 71,196	€ 72,620
C4	Cost of HR hours spent on resourcing and admin tasks	$C1 \times C2 \times (C3/48 \times 5 \times 8)$	€ 1,818	€ 3,708	€ 3,782
C5	Productivity recapture rate	TEI standard	50%	50%	50%
Ct	HR time savings	$C4 \times C5$	€909	€1,854	€1,891
	Risk adjustment	↓5%			
Ctr	HR time savings (risk-adjusted)		€863	€1,761	€1,797
Three-year total: €4,421			Three-year present value: €3,590		

“Employees are more motivated, more engaged, more empowered. They’re just happier all around. ... You retain and develop more engaged and more motivated employees.”

— L&D HR specialist, sports and lifestyle retailer

UNQUANTIFIED BENEFITS

Additional benefits that customers experienced but were not able to quantify include:

- **Improved overall employee morale.** The interviewees reported that including coaching in their leadership or development programs empowered their managers to tackle issues and improved communication with their employees more effectively. This enhanced the employees' experiences and therefore boosted morale. Interviewees reported that boosted morale and employee motivation contributed to improved business performance and culture and also had a positive affect on the brand and company reputation. One interviewee shared the impact CoachHub had on their organization with shareholders, to increase appetite and attract further investment.

zones, and local languages. Interviewees reported that their coachees had familiar, common ground with their coaches, which led to better success of their goals.

“The biggest impact we’ve seen is on performance. Our ambition was to have managers who perform well. Managers who are more able to set objectives and motivate their teams.”

Group head of L&D, music label

“We noticed a huge improvement in terms of the adoption of HR processes; before, they [leaders] didn’t see the value in HR processes as much. Now they do.”

Group head of L&D, music label

- **Increased reach and accessibility of coaching.** One interviewee stated that CoachHub’s digital coaching platform provided better accessibility and reach to employees based in locations and time zones not usually supported by physical coaching or coaches tied to a specific locale. CoachHub offers a range of coaches that are based in and support employees in a variety of different regions, time

- **Increased receptiveness to business processes and change transformation.** One interviewee observed that their employees were more receptive to new business initiatives and adopted organizational changes more easily after they had undertaken the coaching program that incorporated the CoachHub platform. Employee support and assistance with business change transformation is important for business growth. Coaching provided an open culture and receptive mindset for employees to collaborate better and understand the bigger picture and their individual role in a company’s growth. A frictionless transition in different business transformation scenarios, (e.g., M&As), meant organizations spend less time and money on the change transformation overall.
- **Improved business initiatives from feedback and analysis.** The analysis provided by the CoachHub tool enables businesses to proactively tackle a variety of HR policies and initiatives (burnout, well-being, D&I, etc.) before they affect a company or its reputation. The interviewees explained that their managers and HR teams were able to address any employee concerns

more quickly and effectively by investing in improvements from the feedback analysis.

- **Lower carbon footprint with digital coaching.** Some of the interviewees specifically sourced digital solutions for their coaching needs. Digital alternatives to physical coaching sessions provide a better solution for organizations that are environmentally conscious in wanting to lower the carbon emissions associated with travelling to and from coaching sessions. CoachHub offers a number of initiatives to offset the carbon footprint for every coachee using their platform, to support an organization's own environmental footprint reduction plans.

“We have seen better engagement both internally and externally in leadership skills, making the employee more confident and competent in their jobs.”

HR head of department, humanitarian services

easily implement training development programs around those needs. One interviewee described the flexibility achieved from coaching as being able to adapt to new situations easily. Companies need to assess and think about what they want to tackle with coaching so that they can target and measure the impact. Understanding this helps an organization decide how to move forward with further business improvements and developments. Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in [Appendix A](#)).

“Having a coach offers an employee an impressive amount of flexibility about what they want to work on. You can close a lot of gaps with CoachHub. So it definitely allows for flexibility in terms of using it and adapting to new situations.”

L&D HR specialist, sports and

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement CoachHub and later realize additional uses and business opportunities, including:

- **Deploying CoachHub for multiple development programs.** This means adapting to external industry influences and trends and being able to quickly address concerns raised; adapting to workforce needs easily; having well-equipped coaches to help support an organization's staffing EAP needs in the most up-to-date and effective way; and being able to

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	Total CoachHub subscription costs and ongoing platform and program management costs (risk-adjusted)	€5,455	€298,909	€597,895	€597,973	€1,500,232	€1,220,585

TOTAL SUBSCRIPTION COSTS AND ONGOING PLATFORM AND PROGRAM MANAGEMENT COSTS

Evidence and data. The interviewees' organizations deployed CoachHub as part of various development programs. The selected users could access unlimited digital coaching sessions over the duration of the program; some even chose to extend and continue on with the coaching after their program ended. These cases required approval from the relevant cost center of the organization, to provide cover for the costs toward the coaching. Because CoachHub is a cloud-based system, any implementation and ongoing management that the interviewees experienced was mainly from an administrative point of view for their global operations. Interviewees stated this could have been from ensuring employees had signed up and making use of the sessions to procurement integrations feedback analysis. It was common between the interviewees to have one to two HR admin staff or program managers to oversee these tasks.

Modeling and assumptions. The model summarizes:

- The cost for unlimited coaching sessions for selected employees on a 12-month program as outlined for the composite organization.
- The number of employees on the program increases in Years 2 and 3.

- One L&D program manager and one L&D assistant are required to oversee and undertake admin-related tasks associated with the CoachHub tool.
- 1 to 2 hours is initially spent setting up each coachee on the program and tool.
- A total of 30 minutes is spent on admin-related tasks involving the CoachHub tool, throughout the year per coachee.

“The more people you sign up for coaching, the better the pricing gets. This covers everything, from software necessities, upgrades, add-on features.”

L&D HR specialist, sports and lifestyle retailer

Risks. The potential risks that can impact the subscription and ongoing management costs are:

- Variation on duration, usage, and number of users.

- The scale of the program. The average time, effort, and staff required to complete tasks involved in the associated processes of setup and management of the CoachHub tool in each development program.
- Coachees' adoption and use of CoachHub (and any assistance that is required).
- Number of development programs requiring coaching from the CoachHub tool.

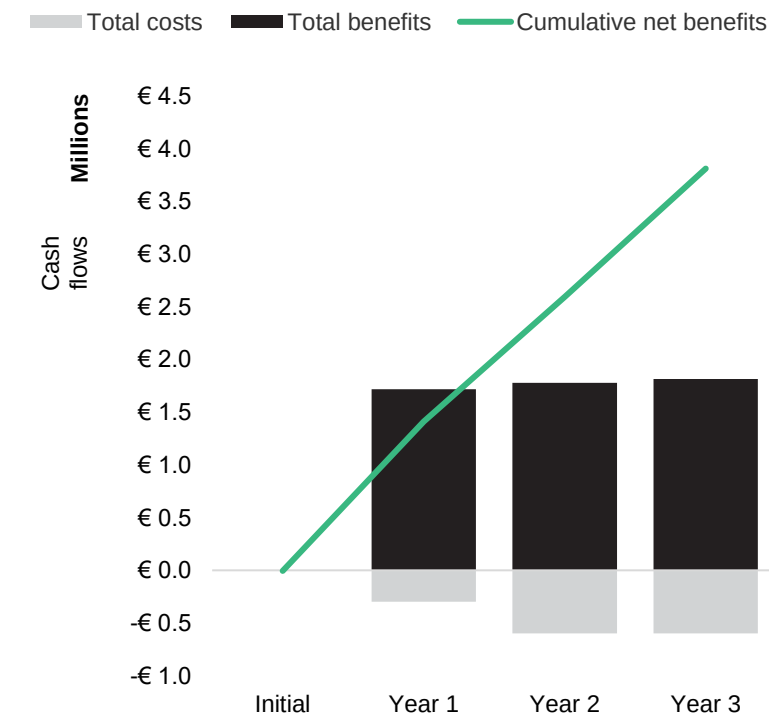
- Analysis of the data provided from coaches and the CoachHub tool.

Results. To account for these risks, Forrester adjusted the subscription cost upward by 10%, and the ongoing management costs up by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of €1.22 million.

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Analysis (Risk-Adjusted Estimates)						
	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(€5,455)	(€298,909)	(€597,895)	(€597,973)	(€1,500,232)	(€1,220,585)
Total benefits	€0	€1,716,738	€1,778,984	€1,814,564	€5,310,286	€4,394,214
Net benefits	(€5,455)	€1,417,829	€1,181,089	€1,216,591	€3,810,054	€3,173,629
ROI						260%
Payback period (months)						<6

Appendix A: Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

TOTAL ECONOMIC IMPACT APPROACH

Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.



PRESENT VALUE (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.



NET PRESENT VALUE (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made unless other projects have higher NPVs.



RETURN ON INVESTMENT (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.



DISCOUNT RATE

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.



PAYBACK PERIOD

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

Appendix B: Endnotes

¹ Source: “PEAK Coaching: Level Up Your Leaders To Drive Performance,” Forrester Research, Inc., August 2, 2021.

Source: Joy McGovern, Ph.D., Michael Lindemann, Ph.D., Monica Vergara, M.A., Stacey Murphy, Linda Barker, M.A., and Rodney Warrenfeltz, Ph.D., “Maximizing the Impact of Executive Coaching: Behavioral Change, Organizational Outcomes, and Return on Investment,” The Manchester Review, 2001
(<https://www.performanceconsultants.com/document/maximizing-the-impact-of-executive-coaching.pdf>).

²Source: Andromachi Athanasopoulou, Sue Dopson, “A systematic review of executive coaching outcomes: Is it the journey or the destination that matters the most?,” The Leadership Quarterly, February 2018
(<https://www.sciencedirect.com/science/article/pii/S1048984317301431?via%3Dihub>).

³ Total Economic Impact is a methodology developed by Forrester Research that enhances a company’s technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

⁴ Source: “The CIO’s Guide To Employee Experience,” Forrester Research, Inc., April 8, 2019.

⁵ Source: “Coaching in a Business Environment,” SHRM, 2022 (<https://shrm.org/>).

⁶ Source: Heike Thomas, Jonathan Passmore, “Coming together: A grounded theory study of the role of coaching in the mergers & acquisitions process,” International Coaching Psychology Review, Spring 2021
(<https://shop.bps.org.uk/international-coaching-psychology-review-vol-16-no-1-spring-2021>).

⁷ Source: “Introducing Forrester’s Employee Experience Index,” Forrester Research, Inc., February 14, 2019.

⁸ Source: “Improve Employee Experience To Better Your Business Performance,” Forrester Research, Inc., March 12, 2021.

Appendix C: Supplemental Materials

Quantified cost data analysis as applied to the composite for illustration purpose.

Total CoachHub Subscription Costs And Ongoing Platform And Program Management		
Ref.	Metric	Source
E0	Total subscription costs of CoachHub for program duration	Interview
	Risk adjustment	↑10%
Etr1	Subtotal subscription costs of CoachHub for program duration (risk-adjusted)	
E1	Number of L&D program managers	Interview
E2	Fully burdened salary per L&D program manager	TEI standard
E3	Number of hours required to integrate CoachHub for program per coachee by PM	Interview
E4	Number of hours required to manage CoachHub for program per coachee by PM	Interview
E5	Number of coachees	Composite
E6	Cost of L&D set up for CoachHub (PM)	$E1 * (E2 / (48 * 5 * 8)) * E3 * E5$
E7	Cost of L&D oversight management for CoachHub (PM)	$E1 * (E2 / (48 * 5 * 8)) * E4 * E5$
E8	Number of FTE assistants per L&D program	Interview
E9	Fully burdened salary per FTE assistant	TEI standard
E10	Number of hours spent on set up of CoachHub for program by assistant	Interview
E11	Number of hours spent on managing CoachHub for program by assistant	Interview
E12	Cost of L&D setup for CoachHub (assistant)	$E8 * (E9 / 48 * 5 * 8) * E10 * E5$
E13	Cost of FTE assistant oversight on CoachHub (assistant)	$E8 * (E9 / 48 * 5 * 8) * E11 * E5$
Et	Total cost of managing CoachHub/coachees	$E6 + E7 + E12 + E13$
	Risk adjustment	↑5%
Etr2	Subtotal cost of managing CoachHub/coachees (risk-adjusted)	
Etr	Total CoachHub subscription costs and ongoing platform and program management	$Etr1 + Etr2$
Three-year total: €1,500,232		Three-year present value: €1,220,585

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