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# SHOW YOUR IMPACT A NEW WAY TO MEASURE ROI

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# Executive Summary

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Organizations are investing heavily in leadership development, yet most still struggle to answer a simple question: **What's the impact?**

For years, traditional ROI methods have promised clarity, but in practice they've proven too technical, too time-consuming, and too rigid for the realities of today's business environment. Many companies still rely on anecdotes and satisfaction scores — not because they don't value impact, but because they haven't had an accessible way to measure it.

The ROI Estimator was created to change that. It requires less than 10 minutes of a leader's time, automates analytics for HR teams, and uses conservative, research-based formulas to translates domains of impact into credible financial terms.

To start, we've focused on the impact of Leader & Team Development activities, and this white paper shares early findings from 43 leaders who used the Estimator toward the end of a Leadership/Executive Coaching engagement between January and September 2025.

Among the highlights:

- Nearly all leaders reported **improvements** in communication, engagement, capability, and stress management.
- Financial ROI ranged from **34% to 1,684%**, depending on the domain.
- When coaching influenced strategic or revenue-generating work, ROI exceeded **9,000%**, reflecting the outsized value of even one high-impact initiative (in this case, coaching).
- Qualitative data showed **additional gains** in presence, confidence, trust-building, accountability, and stakeholder influence.

We believe organizations need a simpler, more credible way to measure the value of their talent investments. The ROI Estimator offers a practical, research-backed solution — flexible enough to scale across coaching, leadership and team development, and eventually, the broader human development ecosystem.

# For Context: ROI in a Nutshell

*ROI has long been the gold standard for demonstrating the value of training and development. The formula is simple:*

$$\text{ROI \%} = (\text{Net Program Impact} \div \text{Program Costs}) \times 100$$
<sup>1</sup>

But a simple formula doesn't translate to simple measurement. While organizations routinely measure satisfaction and short-term learning, fewer push through to genuine business impact or financial ROI.<sup>2,3</sup>

Recent surveys confirm the gap:

Many organizations “**don’t know where to start**” when asked to quantify financial impact.<sup>4</sup>

While **85%** of companies consider measuring leadership development impact important, nearly half are dissatisfied with their methods and most still focus on participant reactions rather than outcomes.<sup>5</sup>

A primary obstacle is “**the difficulty in quantifying the impacts on organizational performance**”.<sup>6</sup>

Despite more than \$60 billion spent globally each year on leadership development, **many programs fail to demonstrate measurable ROI**.<sup>7</sup>

# The Problem with ROI Measurement

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The challenge lies in calculating Net Program Impact. On paper, traditional ROI methods make it sound easy: define expected results, choose metrics, collect data, do the math. In reality, even seasoned talent professionals find the process time-consuming and complex. Research highlights **three** persistent barriers:

1

## ***It takes a lot of time and expertise***

Traditional **ROI** studies require *in-house* experts and *long-term* data collection — pre- and post-measures, stakeholder interviews, sometimes even control group comparisons. Few organizations have the bandwidth (or appetite) to take that on, and outsourcing it can cost as much as the program itself. The effort and expense often outweigh the perceived benefit, so many companies end up skipping **ROI** analysis altogether.<sup>8</sup>

2

## ***It's hard to put a dollar value on human change***

Leadership development — including coaching — is designed to accelerate growth in ways that matter deeply but are hard for the human brain to translate cleanly into financial terms. For example, a leader who improves their communication feels the benefits: They breathe easier because their team finally “gets it” without constant follow-up; they feel more connected as conversations shift from awkward or strained to honest and natural. They stop feeling like the bottleneck because others have what they need to move. But when asked to translate these changes into dollars, they don’t know how.

3

## ***The ground keeps shifting***

Traditional ROI models assume stable goals, but today’s leaders work in environments where priorities can change overnight. Picture this: a leader begins a nine-month coaching engagement to help save \$10M by aligning work with a new strategic plan. Two months later, the CEO leaves, and the new one scraps that plan entirely. Suddenly, the original ROI target no longer fits the reality on the ground.

*These challenges call for a more agile and practical approach — one that fits the dynamic environments leaders actually work in.*

# The ROI Estimator: A New Way Forward

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The ROI Estimator was built to make ROI measurement both credible and accessible — a research-based, scalable, user-friendly alternative to traditional methods.

For Leadership & Team Development activities, including coaching, the Estimator captures impact across nine domains:

**Capability**  
value of improving  
one's overall job  
capability



**Communication**  
value of adopting  
more effective  
communication  
practices



**Stress Management**  
savings due to  
navigating stress more  
effectively



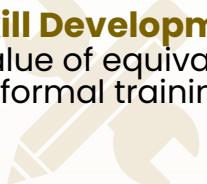
**Engagement**  
value of more active  
engagement in the  
workplace



**Retention**  
savings from ability  
to retain top talent



**Skill Development**  
value of equivalent  
formal training



**Efficiency**  
value of changes  
that save own and  
others time



**Strategic Thinking**  
financial outcomes  
attributed to  
strategy



**Business Revenue**  
direct revenue gains  
when applicable



Why  
these  
nine

**They are the outcomes leaders most often describe** on reflection of what Leadership & Team Development changed for them.

**They have solid research behind them** — existing studies offer credible data we can use to connect these impacts to measurable, financial value.

**They're distinct.** Each domain captures something unique, so we can see how different aspects of growth contribute to overall ROI.

## How It Works

The ROI Estimator is built for a user-friendly experience. Leaders complete a short, interview-style survey at the end of their experience. Stakeholders can optionally add their perspectives. The platform then:

- Translates responses into financial terms using formulas grounded in empirical research,
- Aggregates results into a confidential Client Report, and
- Provides Cohort Reports for organizations once at least three leaders have participated.

For example, for a leader earning \$250K whose coach helps them improve their communication, reduce their stress, and strengthen their engagement:

|                        |   |                        |
|------------------------|---|------------------------|
| Reduced stress         | ► | <b>\$21,000</b> impact |
| Improved communication | ► | <b>\$6,300</b> impact  |
| Engagement             | ► | <b>\$30,000</b> impact |

Assuming the company invested \$20,000 in this leader's coaching engagement, the ROI of their investment equates to about **150%**

## Key Differentiators

Traditional impact evaluations can make even the experts' heads spin. The ROI Estimator changes that by simplifying the process in four key ways:

- Real Financial Translation — Converts impact into dollars through domain-specific formulas grounded in robust, conservative research.
- Automation for HR Teams — Streamlines data collection, automates analytics, and generates insight-rich reports — removing the heavy lift.
- Low Burden, High Value for Leaders — Takes just ten minutes of a leader's time while deepening their reflection on growth.
- Built to Evolve With Customer Needs — From a 360° version to pilot options that capture domain overlap, we add features based on what users ask for, making the tool adaptable and responsive.

# From Design to Data: Initial Findings

While the ROI Estimator can be used for any Leadership and/or Team Development activity, the earliest adopters have been coaches. Here we share findings from 43 senior leaders — ranging from Directors to Senior VPs, who were engaged in Leadership/Executive coaching between January and September 2025. The table below summarizes impacts across this cohort of leaders.

At the highest level, our data shows:

- **Five domains** — revenue, retention, strategic thinking, engagement, and stress — **consistently drove the majority of financial impact.**
- **Communication and Stress & Wellbeing** showed **nearly universal improvement.**
- While only a small % of leaders reported a *direct impact* on **Business Revenue**, the ROI was massive.

Below, we unpack what these results mean across each domain.

| Domain of Impact   | % ROI  | Frequency of Impact |
|--------------------|--------|---------------------|
| Business Revenue   | 9,103% | 7%                  |
| Retention          | 1,684% | 67%                 |
| Strategic Thinking | 1,031% | 60%                 |
| Engagement         | 788%   | 91%                 |
| Stress & Wellbeing | 748%   | 98%                 |
| Overall Capability | 69%    | 86%                 |
| Communication      | 53%    | 100%                |
| Skill Development  | 50%    | 86%                 |
| Work Efficiency    | 34%    | 65%                 |

For leaders who were in a position to directly impact **Business Revenue** (e.g., sales leaders) and who leveraged their coach support these efforts, the ROI dwarfed every other impact. This shows how support for revenue-generating initiatives can create dramatic ROI (over 9000%).

**Retention** was the next-largest driver of financial impact, reflecting not only leaders' intention to stay but also their estimate of how many others are more likely to stay because of the changes they made. The resulting ROI (a remarkable 1,684%) aligns with the well-documented cost of turnover.<sup>9</sup>

**Strategic Thinking** was the third-highest impact (just over 1000%) and was relevant for 60% of leaders. This underscores the value that leaders bring when they shift from day-to-day execution to longer-term and enterprise-wide thinking.

**Engagement** was relevant for 91% of this sample and produced an ROI of 788%, reflecting the strong link between employee engagement and job performance.<sup>10</sup>

Impacts on **Stress Management** showed up for 98% of our sample. Despite the common fear that coaching is “one more thing on the plate,” every leader in our sample reported reduced stress. That reduction translated into a 748% ROI, driven by the known costs of stress<sup>11</sup> and the ripple effects of a less-stressed leader on their team.

**Capability** gains were reported by 86% of leaders, generating an ROI that nearly covered the full cost of coaching on its own.

**Communication** was the only domain where every single leader – 100% – reported meaningful impact. This isn’t surprising, as communication is one of the most universal and difficult aspects of leadership,<sup>12</sup> and the costs of communication missteps are high.<sup>13</sup>

85% of leaders reported that coaching helped them develop **Specialized Skills**, for example, leading across cultures and executive presence. The ROI of these skills covered just 50% of the cost of coaching, suggesting skill development shouldn’t be the primary objective for 1-on-1 coaching.

**Work Efficiency** was relevant for 65% of the sample and generated an ROI of 34%, reflecting both the leader’s improved ways of working and the time saved by their team.

Finally, a thematic analysis of open-ended testimonials points to improved self-confidence, self-awareness, and growth mindset, greater follow-through and accountability for outcomes, more peer influence and ability to build trust, and stronger networks. It’s unclear whether incorporating these areas would generate additional ROI beyond what is already captured – but they paint a compelling picture of the broader value leaders attribute to coaching.

## **But... Why are *ROI* figures so large?**

Upon seeing ROI percentages like the ones reported here, a natural question emerges: **How can the numbers be this high?**

The answer isn't a flaw or a quirk of the tool. The ROI Estimator is intentionally conservative: it (1) asks leaders to estimate how much their development experience (e.g., coaching) contributed to each outcome, without pressure or influence from the program provider, and (2) uses formulas grounded in the most conservative financial assumptions available.

Still, when program costs are modest and organizational impacts are meaningful, ROI percentages can look dramatic.<sup>14,15</sup>

### **A quick example helps illuminate this:**

A \$20,000 coaching engagement that prevents one high-performing employee from leaving — at a turnover cost of roughly \$75,000 — produces an ROI of 275%.

To help interpret these high values, the key is understanding how to use your ROI data.

# How to Use Your ROI Data

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ROI figures aren't meant to be precise financial statements. Instead, they help organizations see where Talent Development creates the greatest business leverage, compare impact across domains, cohorts, or programs, prioritize investments in the areas that matter most, and communicate a research-backed, credible story of value. For example, you can use your ROI metrics to:

## **Guide strategic decisions**

- Identify which leadership capabilities generate the highest returns and align future development efforts there.
- Redirect low-impact spending toward programs or cohorts that consistently show stronger results.
- Normalize evidence-based decision-making in leadership development.

## **Demonstrate accountability to senior leaders**

- Bring ROI insights to executive meetings to show how leadership development supports business outcomes such as retention, engagement, and well-being.
- Use data to justify continued or expanded investment during budget planning.

## **Inform program design and continuous improvement**

- Compare results across experiences (programs, coaching, etc.) to identify what worked, what didn't, and what should be modified.
- Use ROI trends to calibrate program length, sequencing, content, or target population.

## **Support external communication and brand reputation**

- Highlight credible ROI findings in talent, recruiting, and employer-brand messaging to attract purpose-driven candidates.
- Use ROI results in board reports and stakeholder updates to show how leadership development strengthens organizational health.

**The takeaway:** don't focus on the exact number — focus on the direction and magnitude of impact. Then use those insights to make smarter, more targeted decisions about where, how, and for whom development efforts will have the greatest return.

# Our “Why” – and an invitation to join us

We created the ROI Estimator because too many coaching and leadership development decisions are being made in the dark. HR teams are being asked to justify investments without the data they need, and Talent Professionals — coaches and beyond — are delivering transformative work that remains invisible on a balance sheet.

Every budget cycle reminds us: it's critical to **translate development to dollars**.

*If you're exploring ways to demonstrate the real value of your coaching, leadership development, or broader talent initiatives, we invite you to connect with us and see how the ROI Estimator can support your success.*



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## About the Author

**Carylynn Kemp Larson, Ph.D., PCC**, is an Industrial–Organizational Psychologist and executive advisor who specializes in strengthening leadership systems for measurable impact. With over two decades of experience—including developing leadership assessments, conducting large-scale evaluations, and receiving multiple National Science Foundation Director's Awards for program excellence—she brings deep expertise in translating human behavior research into practical, evidence-based tools.



The ROI Estimator traces its roots to 2015, when Dr. Larson co-authored *The Coaching Companion* and first introduced her approach to measuring the impact of coaching and leadership development. After years of colleagues jokingly asking when she would automate her method, she debuted the first Excel-based version in 2020. Today, as the architect of the ROI Estimator, she brings a measurement-driven approach that helps organizations quantify the real value of leadership development and make more confident, evidence-based investments in their people.

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