

QUALIA Intangible Asset Management, LLC



Case Study: Coaching Impact in Corporate Innovation Lab/140B Co 2.5 Year Project 2019 - 2021

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INTRODUCTION

This report is compiled and written by Ann Michael Dorgan and the analytics team at QUALIA Intangible Asset Management, LLC (QUALIA).

In 2019, a technology company contracted the Seattle, Washington, USA based company, now known as QUALIA, to supply coaching services to their technology innovation lab product leaders and teams. The intent was to pro-actively and significantly reduce the discontinuation of teams due to poor team dynamics.

According to the lab manager at the time of contract, an average 63% of all discontinued teams from 2016 to 2018 were discontinued in-part or in-whole due to poor team dynamics.

COACHING TARGETS

- ✓ Product leaders & teams find value from coaching
- ✓ Evidence of leader growth
- ✓ Reduce the number of teams discontinued due to poor team dynamics
- ✓ Build a coaching culture/coaching mindset

VALUE OF COACHING

Over the course of 30 months (2.5 yrs.), there were 5 cohorts (29 teams/new products) who were surveyed at the end of their initial 6-months. The number of people coached was a total of 109, and 64 of them responded to the survey (59% participation rate). Based on the survey participation size compared to the total number of people coached, the survey results have a confidence level of 95% with an 8% chance of error. The surveys were not mandatory and were deployed post 6-month reviews (vs pre-reviews).

The 5 cohorts were in part surveyed to assess their perception of the value of coaching. The following 5 coaching questions were asked and the overall averages of the 64 respondents were as follows.

Question	I would recommend coaching to others.	I rate my coach as effective.	I believe the coaching has been a value-add in terms of time invested	I believe the coaching has been relevant to my job.	I believe coaching has been important to my success at the present time.
*Leader	4.71	4.62	4.72	4.64	4.39
*Team	4.47	4.44	4.28	4.35	4.11

*Range 1 to 5, 1 is low and 5 is high.

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EVIDENCE OF LEADER GROWTH

Developing team leads into company ready leaders through coaching was also a target. At the end of each engagement, leaders self-assessed and teams assessed team leader competencies in 3 specific areas: *Leadership, Team Engagement and Mobilization, and Learning Agility*. The 3 competency areas encompassed 15 skills. The 15 skills were assessed by asking the question, “Compared to 6 months ago, to what degree have you seen growth in your leader’s ability to do ‘x’?” (To see the complete list of questions please see the *Coaching Assessment Methodology* section at the end of this document.)

The combined cohort data informed us that team leads and team members on average noticed some improvement in all 15 surveyed skills over the last 2.5 years.

The top 5 skills leaders claimed they improved most in were, from highest to lowest order:

1. Making use of team members’ unique skills & abilities
2. Leading by example
3. Coaching others to self-reliance
4. Employing decision making processes
5. Promoting and facilitating stakeholder conversations

Note: ALL top 5 growth areas self-perceived by leaders fell within the one competency area under ‘*Leadership*’.

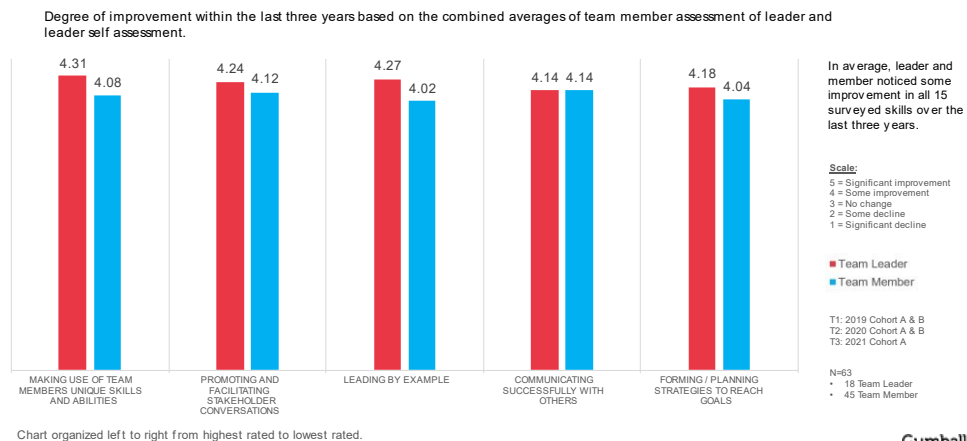
The top 5 skills teams claimed they saw their leaders improve most in were, from highest to lowest order:

1. Communicating successfully with others
2. Promoting and facilitating stakeholder conversations
3. Making use of team members’ unique skills & abilities
4. Establishing open-mindedness & tolerance
5. Forming & planning strategies to reach goals

Note: Two out of 5 perceived growth areas by team members of their leaders fell within the competency, ‘*Leadership*’, 2 of the 5 five fell within the competency, ‘*Learning Agility*’, and 1 of the top 5 fell within the competency of ‘*Team Engagement & Mobilization*’.

The following chart illustrates the degree of perceived skill improvement within the last 2.5 years based on the *combined averages of leaders’ self-assessment and team members’ assessment of their leaders*

Top 5 Ways Leaders Grew According to Leaders & Members



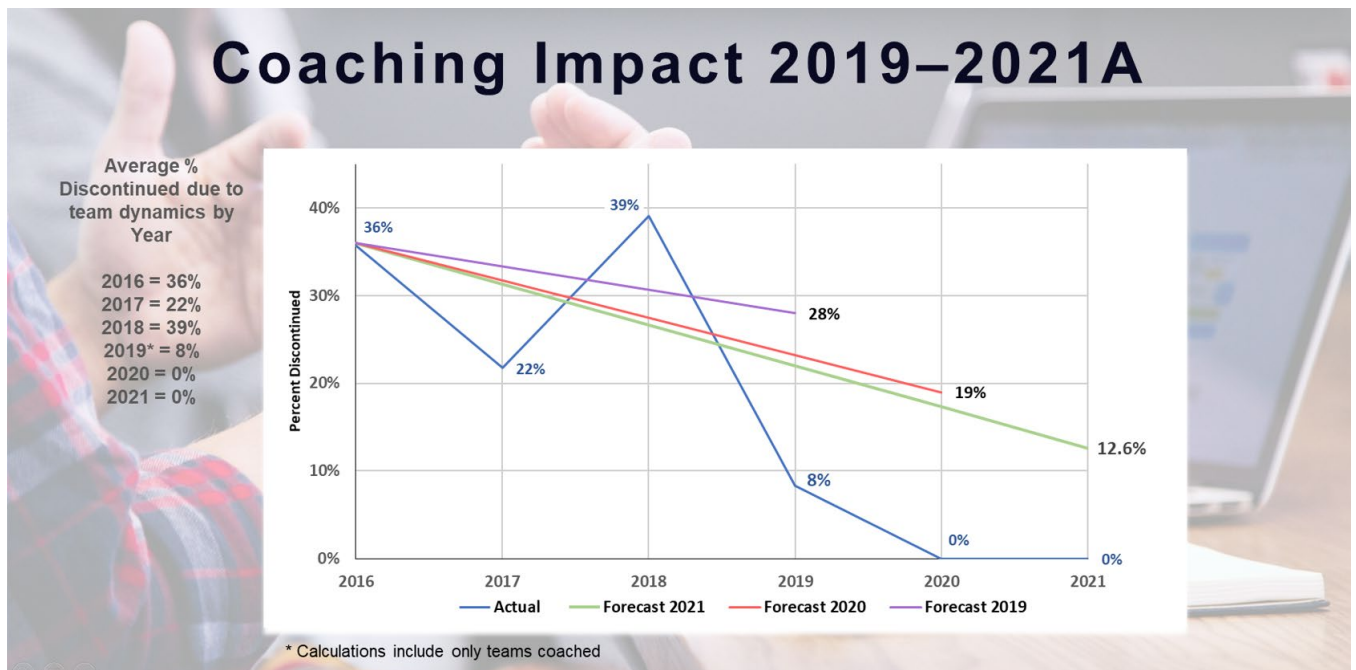
Gumball

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DISCONTINUED TEAMS

Twenty-nine product teams were coached over the course of the past 2.5 years. The following graph illustrates the reduction of discontinued teams over the course of those past 30 months.

The trend analysis in 2019 predicted a 28% discontinuation rate, in 2020 a 19% discontinuation rate, and in 2021 a 12.6% discontinuation rate. The actual discontinuation percentages landed at 8% in 2019, 0% in 2020, and 0% in 2021 to date.



FINANCIAL ROI

In addition to the growth in leaders and reduction in teams being discontinued due to team dynamics, the following table illustrates the monetary return on coaching investment from 2019 through 2021A. *Note: 2020 Cohort B (5 product teams) only had leaders coached (no team members).

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YEAR	2019	2020	2021A
Trendline analysis: % of teams likely to be discontinued due to team dynamics based on 5 years of historical data	28%	19%	12.6%
Actual percent of discontinued teams due to team dynamics	8%	0%	0%
Percent of teams saved from discontinuation.	20%	19%	12.6%
Number of teams coached	12	13	4
Number of teams saved from discontinuation.	2.4	2.47	0.5
Cost of teams / loss financial investment avoided, estimated at \$800,000 per team. Financial cost assumptions: a) \$400k annual cost per team member; b) average 4 members per team; c) 6-months productivity loss due to backfilling	\$1,920,000 (\$800,000 x 2.4)	\$1,976,000 (\$800,000 x 2.47)	\$400,000 (\$800,000 x 0.5)
Cost of coaching for 'x' teams	12 teams \$197,000	13 teams \$159,000	4 teams \$56,000
Monetary ROI	975% (9.7 x ROI)	1243% (12.4 x ROI)	714% (7.1 x ROI)

BUILD A COACHING CULTURE

The company conducted its own research that indicated coaching and the ability to coach others is a primary characteristic of the best managers. Simply put, a good manager knows how to coach others. So, in addition to the first 4 targets above, a final target of building a coaching culture for longer term sustainability was set. Over the past 2.5 years there were three indicators that pointed to the development of a coaching culture. First, 12 out of the 29 teams coached requested, and budgeted for themselves, coaching beyond their initial 6-month coaching experience. Second, the leaders and teams who continued coaching were surveyed and continued to find value in coaching. Third, lab core team (lab staff and selected partners) requested coaching for themselves.

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CONCLUSION

Coaching began in 2019 in the lab as a pilot project to evaluate the value of coaching on product teams within an innovation lab with the intent to decrease the number of discontinued teams due to poor team dynamics. Thirty months later the cumulative results indicate all set targets were met with an average 9.8x return on the financial investment.

QAULA brought added value to the program in ways not formally contracted. Here are some examples. In the post 6-month surveys, now known as QAULA collected feedback from the leaders and teams on lab partners and program operations as well as data collection on specific team health per team.

This feedback informed the lab core team members and partners of systemic patterns they could celebrate and consider for improvement. For example, a few themes that arose were the need for faster hiring processes, less adversarial legal support, and greater assertive HR response were identified and reported to the lab management.

RECOMMENDATIONS

There is a strong case that coaching does play a role in positively impacting the health of teams, growth of leaders, and reduction of discontinued teams due to team dynamics within an innovation lab of a large corporation. Given this case, we encourage the continuation of coaching support and cultivation of a coaching culture throughout the lab, and encourage coaching for program staff, partners, and founders in residence (FIRs).

There is also a potential data point related to monetary ROI based on the monetary ROI of coaching teams who have passed the initial 6-month mark, as well as products that graduate. We recommend these potential data points be taken into consideration going forward.

Regarding skill development, over the course of the past 2.5 years, repetitive needs from teams became thematic. They were the need for: a) clarification of roles and responsibilities, b) values and norms setting, c) decision making methodology, d) retrospectives, e) pre-mortems, f) managing through team phases of development, and g) conflict avoidance. It's recommended these areas of skill development be proactively developed in a more formal manner. For example, offer a 'Lab Fundamentals' one day development course during orientation. Leverage coaches for delivering this content to their assigned teams so leaders and teams may get equipped with these skills before the 6-month acceleration begins. This also enables teams to get acquainted with their coaches during the initial orientation process.

Cohort leader coaching (meeting with all leaders from a cohort at the same time) one time per month is another exponential approach to coaching for greater systemic impact. Coaching the cohort can facilitate cross team pollination, retrospective sharing, and collective learning, resulting in the elimination of redundancies and acceleration of product and team development cohesiveness.

Finally, we recommend leveraging the data beyond the lab. After the current CohortB-2021 completes its cycle in April 2022, the lab will have 3 years of coaching impact assessment data. This data can support the case for coaching in the larger 'lab' environment currently being built throughout the company. A strong story can be told publicly related to coaching in lab environments. This data is in support of research already conducted by the company, so it may contribute to a larger body of work.

ASSESSMENT METHODOLOGY

For information on the methods for assessment used during the coaching engagement contact info@qualiaia.com.