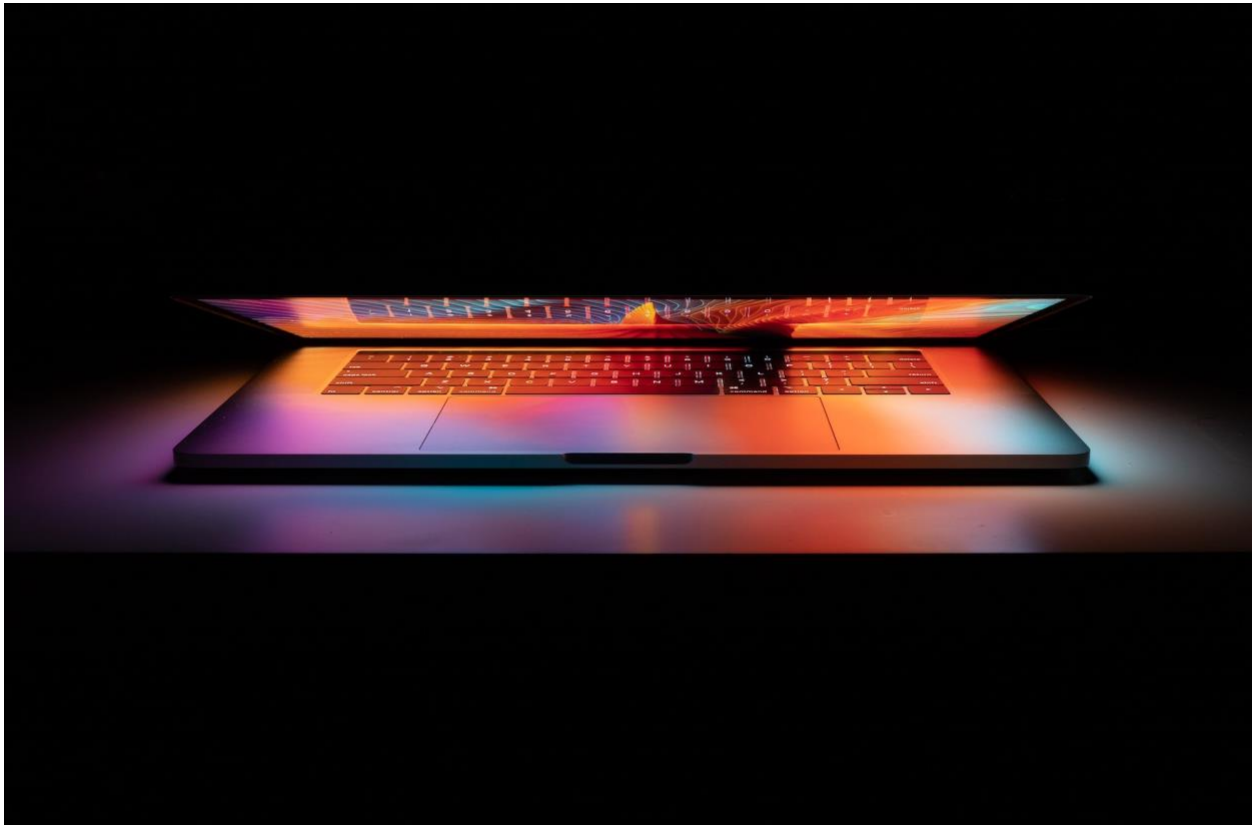


The Future is now: Digital Coaching Industry reviewed



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Abstract

Recent years have seen a marked increase in digital coaching platforms, many engaging thousands of coaches and becoming billion-dollar businesses. In this article we critically review this new market of platforms, software providers and AI offers. We offer insights on the leading providers, from EZRA to BetterUp and from UExcelerate to AceUp, and how coaches and therapists can select the best routes to market for their services in this new digital world.

Introduction

Technology has become an integral part of coaching services over the last few years. In spring 2020, COVID-19 transformed what was a gradual migration into a stampede. The emergence of Skype and the development of Zoom and similar tools during the 2010s made working online more convenient, and offered useful additional tools for coaches wishing to connect with clients. The pandemic and associated lockdowns meant that coaches who were not already experienced in using online tools, or who were not able to adapt quickly, saw a reduction in their coaching hours and income.¹ Since the pandemic, the shift to an online mode of delivery has continued. Data from the 2021 global coaching survey noted that more than 80% of coaches are engaged in online coaching and expect this shift to be sustained into the future.²

As many of us discovered during the pandemic, online delivery offers significant advantages, from having a telehealth consultation with our doctor to ordering groceries or chatting to our elderly auntie via Zoom. According to the 2021 global survey², coaches highlight the convenience of meeting clients in a digital space, the benefit of reduced time and travel costs, and the ability to earn on average a higher income as a result of reduced travel time between face-to-face meetings.¹ In addition, many coaches enjoy the flexibility that online coaching offers, with the opportunity of delivering four or five coaching sessions in a single day to clients from different organisations in between the school run and other commitments.

What is digital coaching?

Digital coaching is a technology based, live, coach-client collaboration, using audio and visual channels of communication, enabled by secure digital communications protocols, which enables scalable and measurable outcomes for individuals and organisations. It offers many coaches the opportunity to coach globally, working with senior teams, whose members may be situated across the globe, or coaching managers from the same organisation, operating out of offices in London, Paris, Berlin and Istanbul – or, for those willing and able to work late or start early, to coach leaders from as far afield as Sydney or San Diego.

The other trend that has accelerated since COVID-19 has been the growth of digital coaching platforms. Many of these launched following the gradual trend towards online learning and development in 2017 and 2018. The pandemic lockdowns of 2020 and

2021 gave these businesses an unexpected turbo boost. For corporate clients, they offer coaching unaffected by lockdowns, by hybrid working, the ability to scale coaching from a few to many across multiple geographical territories, while also collecting data on contract performance.³ The acceleration of these businesses during 2020 and 2021 generated the need to increase from a few dozen coaches to hundreds, and in some cases thousands, of coaches to manage the growing demand.

As a result of this success, three players dominate the market: EZRA, BetterUp, CoachHub, each with revenues in the hundreds of millions. In addition to these global players, there has been a proliferation of smaller start-ups, some operating at a local level, such as UExcelerate (India) and Sharpist (Germany). Others focus on particular sectors, such as Sounding Board (executive coaching), or provide a platform for coaches to use with their own clients in exchange for a membership fee (Coaching.Com and Delenta).

Digital coaching platforms and coaching software providers

In Table 1 we summarise many of the industry players in both the digital platforms and coaching software sectors of the online market.

The first group, which we call digital coaching platforms, are effectively online coaching providers. They provide coaches both with access to their platform and with clients, thus removing the need for coaches to find their own work. They manage the corporate client relationship and collect payments. To do this they employ hundreds of employees, scattered across the globe, to win coaching contracts, manage the corporate relationship and collect payments, and take care of the multitude of compliance issues, from insurance to GDPR and sustainability and anti-slavery policies, which many large-scale corporate clients demand. While these coaching platforms provide the clients, they also set the rate of pay, which tends to vary by region and by type of coaching, with different rates for executive and general coaching. These rates are invariably lower than most coaches command, reflecting the work undertaken behind the scenes. Access to the platform can be competitive, as most require professional qualifications and experience, as well as undertaking observed coaching assessments as part of their selection process. For these organisations, the main source of revenue is from organisational clients, with their largest cost the development of the software, sales and service. Examples of these firms include EZRA, BetterUp and CoachHub, who together have come to dominate the market for global coaching.

The second type of providers are those offering coaching management software. These firms allow the coach to decide on their rates but also leave them to secure their own work. In many cases they have an active learning community and provide courses, some included in an annual membership fee, others paid as a supplement. These providers are thus more akin to a club, with their main income derived from coaches. These providers are typified by Coaching.Com and Delenta.

Table 1: Coaching industry market segment review

Market segment	Digital platforms	Coaching management software	VR software (suitable for team coaching)
Providers	AceUp BetterUp Bravely CoachHub EZRA Coaching (LHH) Pluma Sharpist Sounding Board Torch uExcelerate	Coaching.com Delenta Honeybook Optify Paperbell Profi Simply.Coach	MeetinVR

(Note: This table contains a selection of providers and is not a comprehensive list)

With such a large number of providers in the digital coaching industry, there is also much variety. The terms used themselves can also be confusing. To help, we have set out some of the key terms and explain what they mean.

Given the development of the industry, many coaches have felt the need to reconsider how they work: Should I migrate online? Should I join a coaching platform? Should I join a software provider? If so, which one? These are not easy questions to navigate as the answers depend on a whole range of factors. For some coaches, working independently, and meeting people face to face is part of the attraction of coaching; for others, maximising the number of coaching hours is more important.

However, coaches should be wary of rushing into any agreement. Instead, it is best to shop around, just as you may do with your groceries. You will discover that, like supermarkets, each provider has its own business model: a different way of engaging with its customers, with varying prices (fees), levels of service and ethical standards. Just as Tesco and Waitrose are different businesses and successful in their own ways, so you may need to think about which model suits you and your particular needs.

Table 2: Digital coaching terms

Term	Definition
Online coaching	This term has been used to apply to all forms of coaching that are delivered through digital communications, combining audio and visual channels, but has largely been replaced by the term 'digital coaching'.
Telephone coaching	This is coaching using an audio channel only. Once popular in the US where distances are large, but now almost completely replaced by online communications.
Digital coaching	This term relates to technology based, live, coach-coachee collaboration, using audio and visual channels of communication, enabled by secure digital communications protocols, which enables scalable and measurable outcomes for individuals and organisations.
Coaching platform	A provider of software that enables audio and visual communications, usually combined with other tools to facilitate record keeping, diary management and learning.
AI coachbot	A computer-generated response, which either follows a predetermined script or has been coded with multiple options from which the software selects a response. In some instances, the software may learn from your preferences and thus generate greater and greater personalisation, or become increasingly sophisticated by drawing on a massive data set of millions of coaching transcripts.
VR	A three-dimensional, computer-generated environment that can be used by a group of people, and which may include a board table, office space or a lecture hall. These also usually offer interactive features, such as a whiteboard, or other coaching tools, such as strengths cards.

To help you think through the choices available to you, we offer 10 questions to guide you through the process. These are a starting point for your own enquiry, so your final choice is one that fits you.

Which provider? 10 questions to get you started

1. What do I want to get from the relationship?

The first part of this decision is whether to opt for a platform that offers the means to connect and work with your own clients, like Coaching.Com, or to join a platform that provides clients for you. The answer to this depends on factors such as how easy it is for you to secure sufficient work to fill the time you have available. Secondly, how much you enjoy the chase of the sale and the administration of management and billing. While

some coaches are experienced sole practitioners with a bulging 'black book' of contacts, others may have few contacts or loathe the whole administrative aspect of their work.

If you opt for a platform that will provide you with clients, it's helpful to understand that different platforms focus on different market segments. Be clear about the focus of the work you want to do and match this to the platforms you are approaching. Some platforms have a global focus, while others have adopted a regional strategy. For example, AceUp, is based in New England and is a US-focused provider, while EZRA has offices in the US but is a global provider with multiple office locations and coaches across the world. This may bring implications in terms of each provider's ability to offer a variety of languages and time zone availability.

2. What criteria do they set for new coaches?

Different organisations set different standards for the coaches they recruit. While coaching management software providers have an open-door policy, they require a fee to use their software. In contrast, digital platform providers will put you through a robust assessment process with criteria that will probably include coaching credentials, hours of coaching experience, previous managerial experience, and delivery of an observed coaching session. Furthermore, many also now monitor performance through client ratings; fall below a certain threshold and the number of sessions may start to decrease. Get multiple low client ratings and you will find the work comes to an end.

3. What insurance do I need?

If you are securing your own clients and effectively running your own business using the management software, you will need professional indemnity insurance. However, if you are acting on behalf of a digital platform, the platform provider should maintain the appropriate insurances, although it's best to check what insurance arrangements they have in place and what risks they are passing onto you.

4. What rates per hour do they offer?

As with most aspects of practice, the different platform providers operate different business models and offer different rates of pay. Some pride themselves on paying the best rate to coaches, some on making the best return for investors. Ask about the rates they pay for specific types of work, such as general coaching to UK and EU, or executive coaching to US clients. Check how long sessions are. Some provide 40 minutes, others 50 minutes and pay a pro-rata rate for the 50 minutes you coach, while offering a headline hourly rate. You may find rates vary by region and by levels of coach experience, with master coaches being paid more than less experienced or qualified coaches. Depending on the region of the platform, you will also want to know in which currency they pay, and if there will be any deductions made as a result of conversion from one currency to another. Also ask if there are any bonuses, commissions or other payment clauses and if these rates of pay are fixed for the year. Ask when coaches last received a pay increase and what it was. You may find that not all companies will be transparent so, as in most aspects of life, trust those who are most open and be cautious about those who see such matters as 'confidential'.

5. What privacy standards and ethical practices does the platform operate?

Privacy has been a central feature of coaching, but in the technology industry personal data is a potential source of revenue. As a result, this is a hotly contested space in digital coaching companies. While some firms, specifically those outside of the GDPR zone of operation, have been recording coaching conversations, others place a focus on the confidentiality of coaching. Ask the provider if they record calls or if they have ever recorded calls (inside or outside of the GDPR zone). You can also ask them about their general privacy and security policies; for example, have they achieved ISO 9001 or have they undertaken a SOC2 certification process? We would advocate that coaching providers should not record calls without express written consent, and that such data should only be held for a short pre-determined period, such as three to six months, to be used for training, after which it should be deleted. Further, we believe the best providers should be GDPR-complaint, as well as putting in place robust data privacy policies evidenced by compliance with SOC2 and ISO 9001.

Like privacy, ethical codes are at the heart of coaching practice. You could ask if the provider has signed up to abide by one or more of the ethical codes of practice, such as the Global Code of Ethics (adopted by the Association for Coaching, the European Mentoring and Coaching Council and multiple other professional bodies, the International Coach Federation (ICF) Code of Ethics, the BPS or BACP's Ethical Framework. We would advocate organisations should publicly commit to following at least one ethical code of practice and also publish their complaints procedure and an annual complaints report.

6. What restrictions does the provider apply to your other work?

Some platforms are keen to create a team of exclusive coaches. These providers may invite their coaches to sign exclusivity agreements. Others are more relaxed and are happy to see their coaches working across more than one platform. If the platform does offer exclusivity, what benefits would that bring and what are the downsides of not signing, such as a lower ranking on the platform algorithm that offers you as a match to prospective clients? We know some coaches who are dedicated to one platform and others who fill their schedule working for many platforms.

7. In what ways does the provider use evidence-based research to underpin its work?

It may be unsurprising, but for us science and evidence is central to good coaching. Most digital platforms talk about this but, in making your selection, you might ask them how research has informed the development of their coaching model. Simply asking this question will sort the wheat from the chaff, but does the response sound informed? Does their approach or model match your own approach to coaching? Finally, you might ask what research studies the organisation has undertaken and published over the past year. Many claim that science informs their approach, or point to high profile names who sit on their board but, in many cases, this is simply external wrapping. The best organisations, however, are undertaking research and publishing their work. For us, one best practice example of this is SilverCloud Health, an online therapy platform that is

showcasing the way for digital coaching providers in building and sharing evidence of their impact.

8. What arrangements does the platform provider offer for training and development and supervision?

Most coaches recognise the importance of both continuous professional development (CPD) and of supervision. Some of the software providers, like Coaching.com, have placed CPD at the heart of their offer. Others, like EZRA and CoachHub, have created coach learning communities that provide free CPD and learning events. Ask to see a copy of the learning plan for the current year, what conferences, events and activities are available and at what cost. Finally, ask if the organisation provides supervision, as well as mentoring; who delivers it and at what cost (or is it free to their coaches)?

9. What values guide the business?

Many large corporations set out their values. Some live by them, but for others the values stop where the large writing on the wall finishes. Check the values that underpin the organisations you are reviewing. Ask the coach relations team what examples they can give of how the organisation has lived out that value in the last year. Some are doing amazing work; others less so.

10. What do other coaches say about the experience of working for them

The final, and perhaps the best, test is to ask three or four different coaches about their personal experience of working with the platform or software provider. In many other sectors, customer reviews play a large part in customer decisions. For employees, Glassdoor offers employee reviews, which may be worth checking out anyway. But for the coach experience, only another coach can give the inside story of what it's like to use the software or to work as an associate for the company. Connecting with colleagues via professional social media platforms such as LinkedIn can offer interesting insights, as well as useful tips on how to navigate the way into and within the platform.

Conclusions

Coaching has changed significantly over the last five years. From an industry dominated by sole practitioners, it is fast becoming a modern industry akin to professional services or accounting. This doesn't mean there are no longer opportunities for solo coaching entrepreneurs. Sole practitioners can survive but to do so they need to think about their unique differentiators. They need to provide personalised service such as outdoor coaching or psychometrics, focus on a market niche and draw on their black book of contacts. For others, understanding the digital market, and being choiceful as to which providers to select, will make for a happier and more fulfilling coaching experience. The coming decade looks to be one where adaptation will be key.

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