

# ©Budgeting and beyond: Questions to ask before you develop your EDI budget

Full Colour Briefing

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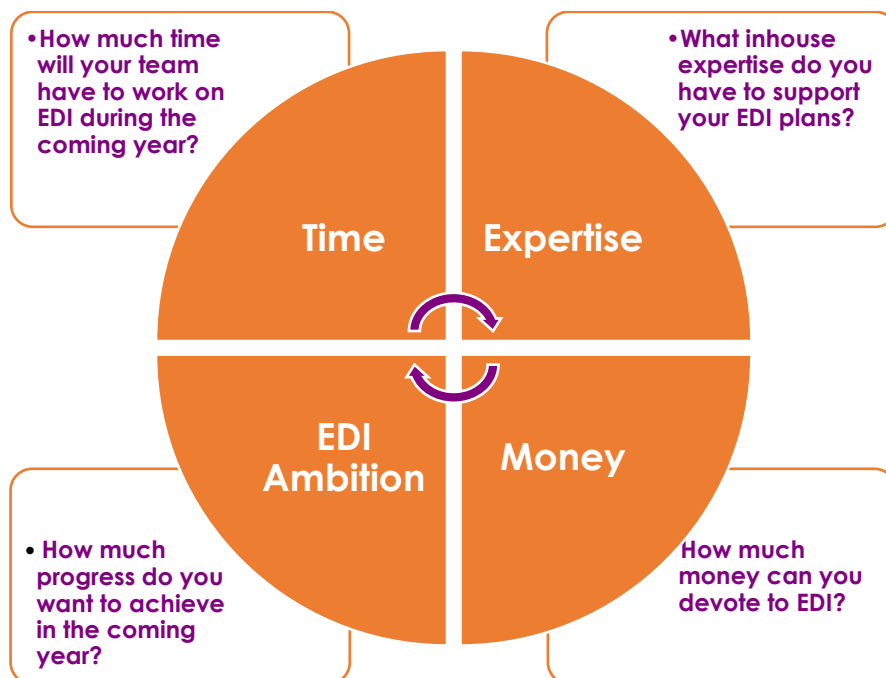
## Introduction

If you are about to set your budgets for next year, you may be thinking about how much to include for work on equity, diversity and inclusion.

Often the amount you put in your EDI budget will depend on available funds, and that's fine. Nevertheless, there are four interrelated areas to consider when setting your EDI budget. This Full Colour Briefing offers questions to think about in these areas. The questions are there as prompts and we hope they stimulate further questions in your mind.

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## Four interrelated areas to consider when budgeting for EDI



Each of these areas interrelate. E.g. If you have large ambitions for what you want to achieve in a year, a £5K budget won't do it. E.g. If you can't devote inhouse colleagues' time to engaging in the change process, there is little point spending lots of money on external agencies as they won't be able to achieve the change without your people's engagement.

Therefore, to budget effectively you have to consider all four areas in setting a financial amount.

## Questions to ask about time

- **If you use external suppliers, what do you want them to achieve?**
  - It doesn't help you to commission external support on the basis of how many days you want to pay them for. It makes much more sense to hire them based on what outcome you want them to achieve and let them tell you how much that will cost. Besides, day rates vary so you won't be able to compare like for like. At Full Colour, for example, we cost on the basis of value. There are some projects that require a higher level of expertise than others, and we cost accordingly, not just on a simple calculation of how many hours something will take. And commissioning on counting hours rather than assessing quality is not going to give you the best approach.
- **How much time do inhouse colleagues have to contribute to and/or implement whatever it is you are spending money on?**
  - If your colleagues are maxed out with their day job it would be better to rein back the scale of your ambition. It will cost you less in money spent on external support and will move you forward more effectively.
- **Do you need to achieve everything in one year?**
  - It takes time to lay the foundations for change. Is there a way of setting out what you want to achieve across more than one year? And if so, how much money do you REALLY need for the coming year?

## Questions to ask about expertise

- **What inhouse skills do you already have?**
  - Many of the skills you need to drive organisational change you will already have, e.g. how to develop effective strategies, how to analyse data, how to lead effectively etc. When thinking about how much money to put into external support on EDI, also think about what you will bring to the mix.
- **Is it a specific skill you want to buy on EDI or are you filling a capacity gap?**
  - Both are legitimate uses of your EDI budget, but without thinking this through carefully, you may waste money on commissioning external suppliers to do tasks that colleagues in house could do. If your budget is limited this is a particularly important question to think about. It may be better to use limited resources on high quality advice rather than on an external agency to do all the work.
- **If you are commissioning external support, do you have the inhouse skills to commission effectively?**
  - Dare I say, most of the EDI tender documents I have read make it clear that those commissioning work do not understand what they are commissioning and why. I shiver at the amount of money that will have been wasted on external support that has led to little change because of poor commissioning.

It is worth spending a little time and money getting the commissioning right. It will save you money in the long run and give you a much greater chance of success.

- **Are you clear what kind of external support you need?**
  - There are a variety of different types of EDI consultancies. Those that are great at upgrading your systems and processes maybe less good at facilitating deep conversations or developing systemic change programmes. If you know what you are already good at inhouse, specifically look for the gap you are seeking to fill in hiring external support. And be prepared to spend more, the greater the complexity of skill and expertise you need to commission.

## Questions to ask about money

- **How much does expertise cost?**
  - I was recently approached by a well-meaning potential client who had £2K to do what was effectively £50K's work. If you are going to market, do your homework. E.g. Before you issue a tender document, ask some consultancies for a ballpark figure (not a full proposal) for the kind of work you are commissioning. We at Full Colour are always happy to help prospective clients clarify what they want and need and offer back of an envelope costings. We don't charge for this, because in the long run, a well-crafted tender document makes writing a proposal a lot easier and time efficient. E.g. Speak to other organisations doing similar work. If what you want costs more than you have, then reduce the scale of your ambition. There will always be agencies prepared to offer cut price deals but the quality is what suffers and can lead to greater problems if you get things wrong as a result.
- **What level of competency do you need from external support?**
  - You wouldn't hire a CEO at the same salary level as a receptionist. The same applies to hiring external support. Experienced leadership and strategic EDI experts will have years' worth of expertise and will charge accordingly.
- **What should you spend the money on?**
  - There are a range of ways to spend money on EDI. Examples include buying in capacity for things like rewriting internal policies; training colleagues to give them the skills to plan and drive change; bringing in experts on particular issues, such as carrying out audits on where you are now in relation to your EDI ambitions; paying inhouse staff additional responsibility allowances if they are taking on tasks on top of their day jobs; subscriptions and memberships to give you access to resources; books and reports.

## Questions to ask about ambition

- **Where are you starting from and therefore what is realistic to achieve?**
  - Too many tenders I see describe organisations with long-standing deep-seated issues that they want "fixed" with a three month programme of

external support. If it took years to create the culture and issues you have now, it will take years to address them. That doesn't mean change is not possible. It just means you need to get real about what you can achieve in one financial year. E.g. if you don't know your starting point, it would be better to spend money on an audit to establish where you are now.

- **Based on data, how can you be clear about your "endpoint"?**
  - A wonderful aspect of EDI work is that people who want to create change are wildly ambitious. However beyond utopian statements they cannot articulate precisely what change they wish to achieve by a specific point in time given where they are now. If you don't know that, you cannot effectively decide where to spend your budget in the best ways.
- **What other strategic goals does your EDI ambition relate to?**
  - Leaders often put EDI into a standalone box, but the reality is equity, diversity and inclusion will help you achieve other organisational goals. How can you think creatively about how wider goals and budgets connect to EDI? E.g. if you have employee retention issues, greater inclusion is likely to help you reduce attrition. So can you combine budgets or veer spending from one budget heading to another?

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## About Full Colour

Full Colour are specialists in helping leaders get the best from their teams and create great workplaces. We build leaders' skills and confidence, design clear pathways to change and embed practical approaches to creating the workplace culture you crave.

Equity, diversity and inclusion are at the heart of all we do. Our track record shows that EDI is the key to unlocking your success.

Founder and CEO Srabani Sen OBE has several decades' senior leadership experience including 30 years' Board service, four chair roles and three CEO roles. She understands the messy reality of a leader's life and what it takes to create lasting change.

Follow Srabani Sen on Linked In at <https://www.linkedin.com/in/srabani-sen/>

**If you need support on driving change on EDI, feel free to reach out to Izzy Taylor on [info@fullclr.com](mailto:info@fullclr.com) to arrange a chat.**