

Budgeting for communication research

Angela Sinickas provides tips for getting the money and spending it wisely

Last month's column offered ideas on finding ways to conduct communication research at little or no cost. But how can you best approach requesting budget money for more comprehensive research that will require spending hard currency?

How much should you budget?

To determine what amount to budget, discuss with an outside consultant the ballpark ranges for the types of research you want to conduct. Use the high-end numbers, plus estimated expenses, as your first budget recommendation.

After the budget is approved, ask the consultant for a written, detailed proposal that will match the final amount that was allocated.

If your communication budget, including salaries, adds up to the US equivalent of multiple millions of dollars, you should plan on spending about five percent of it on research to make sure the total budget is being spent as effectively as possible. For smaller communication budgets, the cost of research may very well be a bigger percentage. This is because there are some fixed costs for certain types of research, regardless of the audience size. For example, it will cost the same to develop a survey form and do the bulk of report writing regardless of the number of people surveyed.

Also, remember that the amount you budget for research may vary quite a bit from year to year. While some measurements will be ongoing, others may be occasional, such as conducting a survey and focus groups in alternate years.

Increasing the odds your budget will be approved

Showing the value of measurement through some initial no-cost research can help to demonstrate the added value to be gained from measurement that requires an increase in your budget. For example, you may find out on an informal, qualitative basis that a

surprisingly large number of employees haven't heard of something the CEO has been talking about for a long time, or haven't ever seen his or her monthly e-mail messages. That can be a springboard for finding out through a survey exactly where the distribution problems are or where in the face-to-face management "cascade" of information the flow is trickling dry.

Point out to management that research may identify less effective communication approaches that can be cut out of future budgets, which would more than cover the cost of the research itself. For example, in one client communication audit, we found that a five-year-old, quarterly video news magazine had never been seen by over half of employees. Managers, who received the video cassettes, watched the program but didn't have time to show it in staff meetings because it was too long and on the wrong topics. The video department replaced the video news magazine with shorter, single-topic videos on the subjects that were being discussed at staff meetings. While the audit cost US\$60,000, the client saved over US\$100,000 every following year because they were no longer paying freelancers to produce local video segments that had been tacked on to the corporate-wide news magazine.

If a broad organizational survey shows low numbers on communication, you can use that as a springboard for appropriating additional budget to gain actionable research data on how to fix the problem. This approach may be especially effective if your organization has done research that connects employee and customer satisfaction. For example, one company found a correlation between having employees who felt well-informed and how easy customers said it was to find an employee to answer their questions.

If you work at an organization with several business units, see if

communicators at the corporate office and all the units can pool their resources for a single research budget that allows versions applicable to the different units' needs. Similarly, if your organization has a market research department, find out if they can allocate money in their budget for your research projects.

In an acquisition, propose communication research on both merging organizations as part of the acquisition budget. In many countries, acquisition costs have favorable tax treatment. If you can quickly conduct the communication research within the time limits under your own tax laws, you may have little or no problem getting budget approval. If you know your company has plans for future acquisitions, talk with a manager in your finance department now to understand how the tax laws affect your own company. Then work with a consultant to develop a research plan that can be instantly put into action when a merger is consummated.

Squeezing the most from approved budgets

When you do receive approval for a research budget, begin the work as soon as the fiscal year begins. Organizations have a tendency to begin cutting budgets several months into the year if revenues are lower than expected. If your research is already underway when cutting time comes, you have a better chance of being able to complete the project.

Finally, at the end of a fiscal year, you may find that you have some money left. Instead of letting it evaporate, contact a research consultant and see if their billing system will allow an advance payment. You could pay at the end of the year for a project that actually begins a few months later. **TCM**



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Angela Sinickas answers more measurement FAQs on www.melcram.com

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