IN-HOUSE CREATIVE INDUSTRY REPORT

2019

cella

the boss group

PLAYERS

VS

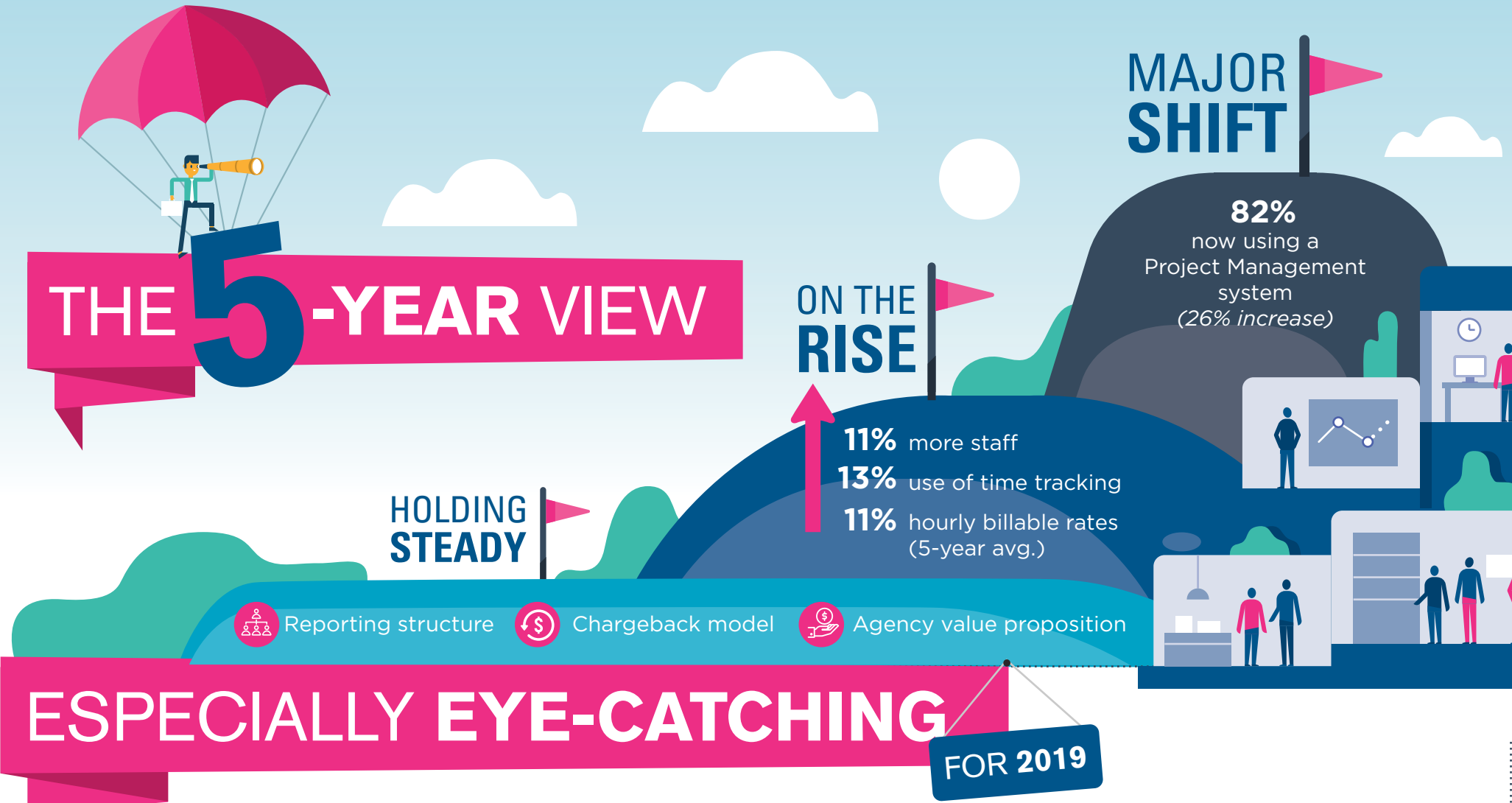# TEAM PLAYERS

Passion. Experience. Vision. Collaboration.

The qualities that make in-house agencies succeed also apply to people like us who are committed to growing them. So whether you need creative, digital and marketing staffing, or strategic thinking around talent, processes, technology and finances, trust the industry leaders at The BOSS Group and Cella. Our people put people first, starting with yours.
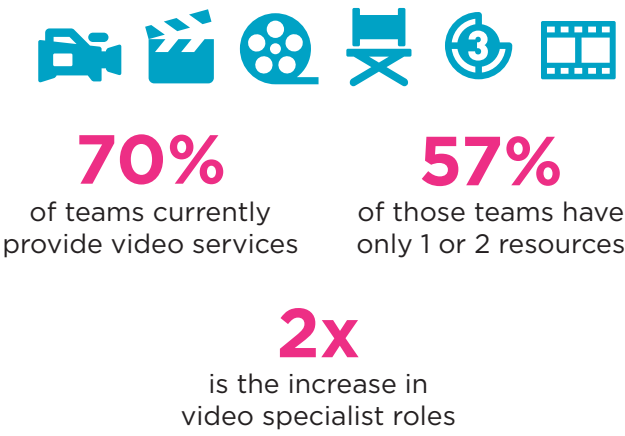
cella   the boss group

Proud authors of the 9th annual In-House Creative Industry Report.

Highlights from the 2019 In-House Creative Industry Report.

CHANGE IS CONSTANT.
DON'T BE LEFT BEHIND.

THE **5**-YEAR VIEW

MAJOR SHIFT
82% now using a Project Management system *(26% increase)*

ON THE RISE
11% more staff
13% use of time tracking
11% hourly billable rates *(5-year avg.)*

HOLDING STEADY
Reporting structure   Chargeback model   Agency value proposition

ESPECIALLY EYE-CATCHING FOR 2019

THE EXPLOSIVE GROWTH IN VIDEO. ARE YOU READY?

70% of teams currently provide video services

57% of those teams have only 1 or 2 resources

2x is the increase in video specialist roles

Video traffic will comprise **82%** of all IP traffic by 2022[1]

1 Cisco Visual Networking Index: Forecast and Trends, 2017-2022/November 2018

THE QUICK ASCENT OF AGILE. HOW FAST WILL YOU ADAPT?

23% of in-house teams using Agile

Top 3 reasons for adopting Agile methodology

- **64%** increase productivity
- **54%** enhance ability to shift priorities
- **51%** improve project visibility

TOP CHALLENGES
61% lack of experience
57% inconsistent Agile practices
41% general resistance to change

37% of marketers **use Agile**[2]
61% plan to build Agile into their workflow **within the next year**[2]

2 AgileSherpas.com, 1st Annual State of Agile Marketing Report, 2018.

THE RIGHT SKILLS FOR THE TIMES. HOW WILL YOUR TEAMS EVOLVE?

Not enough resources or the right skillsets

30% of teams on average believe there is **enough qualified talent available**

47% have **no dedicated client service role** and **17%** rely on **hybrid resources**

60% cite **lack of brand knowledge** as a drawback to using **offshore/offsite** partnerships

Not enough time for training
71% of leaders **don't have enough time** to develop team skills

Not enough budget
42% have **no training budget** or must get approval case by case

TABLE OF CONTENTS

Our goal is to benchmark the operations of creative teams and in-house agencies to gain insights into industry standards and best practices that will support you in driving your business decisions and validate the direction of your department to upper management. We encourage you to share the findings among your colleagues and industry peers.

ABOUT THE REPORT

The BOSS Group and Cella are thrilled to bring you the 2019 In-House Creative Industry Report, which benchmarks the in-house creative community and reports on strategies that leaders can use to guide the path of their departments/agencies. Benchmarking will help identify gaps in an organization and generate potential paths and solutions, but personal, innovative thinking and institutional knowledge should not be eliminated from the process.

We hope the data and insights included in this report continue to provide a source of validation and direction, contributing to a more effective and efficient operating model. The report is published annually, and we welcome your insights and ideas to help us continually improve.

The In-House Creative Industry Report was first published in 2010, with the goal of providing in-house creative leaders with a resource to support and inform their decision making, as well as tracking and reporting industry trends.

Survey Respondents

More than 425 leaders from creative teams and in-house agencies responded to our survey conducted in January 2019. These leaders represent Fortune 1000 companies, as well as middle-market and not-for-profit organizations and span multiple industries including, but not limited to, banking/financial services, consumer products, education, health care, manufacturing, technology and software. More information about the demographics of our survey respondents is available in the Appendix.

Perspectives From the Field

Included in this report are five Perspectives From the Field articles on shared challenges and goals across the industry, written by in-house creative leaders*. We asked these leaders to share their stories covering creative team leadership, managing remote workers, building a video team, partnering with external agencies and using augmented and virtual reality.

EXECUTIVE SUMMARY

We're proud to have produced the In-House Creative Industry Report for nearly 10 years. In that time, some aspects of these creative groups have remained remarkably similar, others have ebbed and flowed and some trends have spiked in recent years. The report has evolved to capture data on the new trends while maintaining some standard questions to allow for longer term comparison.

Over the past five years, a few things have remained remarkably similar—the reporting structure into strategic/nonstrategic organizations, the ratio of teams who chargeback to those who don't, and the number one attribute that clients recognize as the agency's value proposition, brand knowledge.

Among the trends on the rise over the past five years are:

11% of teams have increased their hourly blended rates, tipping the scales to rates over $81/hour compared with the previous five-year average.

11% of teams have increased staff size.

13% more teams are tracking time.

We saw a major shift toward the use of project management systems, with 82% of teams using them, a 26% increase in the past five years.

Two things caught our eye this year that speak to the continued growth and evolution of in-house teams.

70%
of teams provide
video services

With video traffic expected to comprise 82% of all IP traffic by 2022*, the demand on in-house teams (21-30 people) will continue to grow. Today, 57% of mid-sized teams have only one or two resources supporting video.

64%
believe Agile
practices will increase
productivity

Today, only 23% of in-house teams are using Agile methodologies, and the number one challenge is lack of experience. Your teams recognize the importance of this practice, and training is critical to your success.

Which leads us to the question—**HOW WILL YOUR TEAMS EVOLVE?**

71%
of leaders do not
have time to develop
their teams

Although we saw an increase in team size over the past five years, only 30% of teams believe that there is enough available talent, a drop of 20 percentage points from 2018.

*Cisco Visual Networking Index: Forecast and Trends, 2017-2022/November 2018

The Why Behind In-House Agency Closures

Jarrett King - Director, Coca-Cola Studios
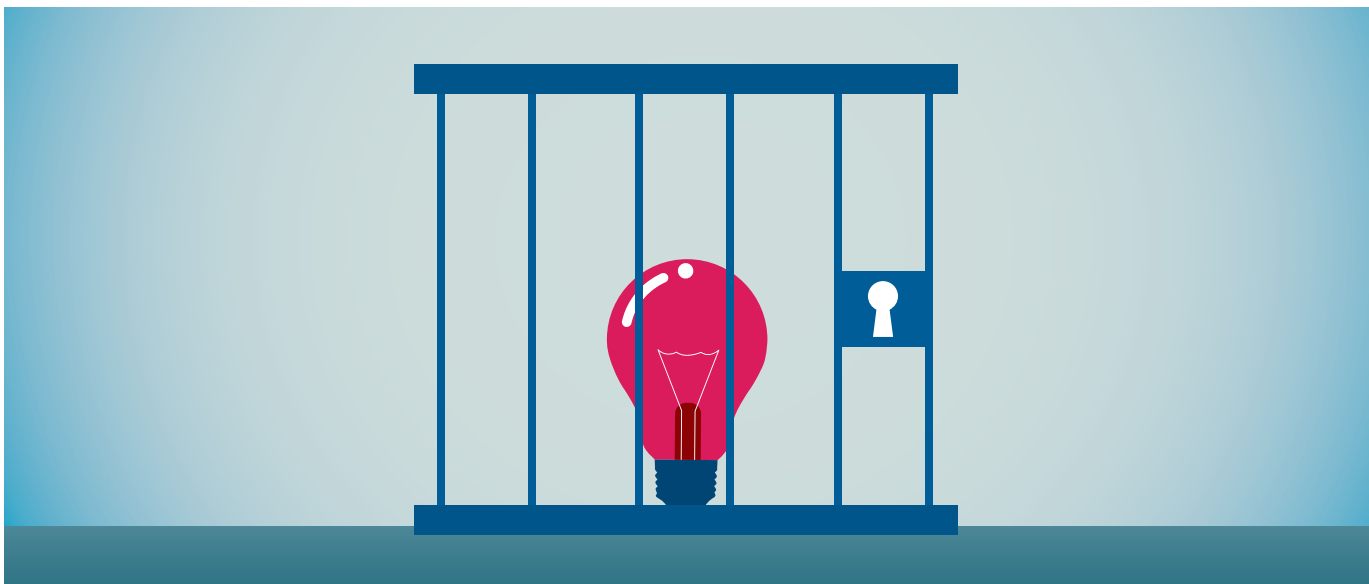
Throughout the first half of 2018, it seemed there wasn't a week that went by without some editorial piece touting the continued proliferation of in-house agencies. In fact, many argued that in-house teams were rapidly replacing external agencies. This lent credibility to claims many in-house leaders have been making for years— that our teams are equally capable creatively and are perhaps even superior in other ways by virtue of our insider advantage. Then the fourth quarter arrived, and several high-profile in-house agencies were disbanded in rapid succession, leaving many of us stunned and wondering what just happened. Was this a trend? Had the reported success and benefits of in-house teams been inaccurate or overinflated? Had external agencies reinvigorated their efforts to win back the business? I am probably not the only one who saw the rapid-fire announcements and found myself asking, "Why? Why did these in-house agencies fail and is my team at risk?"

While many of us outside the organizations involved were surprised by the news, I posit that not only was the demise of these in-house teams months or years in the making; it was likely the result of one (or both) of two serious operational errors. One has to do with

choosing the right leadership (covered here) and the other with failing to embrace "production" work as a team evolves toward a more strategic agenda (a topic for another time).

Obvious Choices Don't Always Work

Having now run three different in-house agencies, and with insight into many others through professional organizations and personal networking, my observation is that those charged with standing up in-house teams often lack the experience, perspective or foresight to hire the right leaders for these teams. In general, it seems decision makers go in one of two directions when faced with this critical business decision: choosing to hire either a talented creative director (CD) or, conversely, bringing in a marketing or other business leader who is well-versed in the business/operational side of creative work.

Going the route of CD as leader, companies can expect to see some high-impact creative in short order and, typically, a strong push to bring creative to the front of just about any business challenge. However, as a general

rule, CDs are usually quick to break with formalities such as timesheets and the related metrics that help continually reinforce the business value of the operation outside of the creative impact. On the other hand, appointing a leader who brings a heavy business or operations focus often means hiring someone with little or no creative background. These folks can be oblivious to the nuances related to running (and motivating) a creative team, and while they will likely achieve financial and business goals, there is high risk that they will lack the vision necessary to enable and promote world-class creative and pave the way for strategic evolution.

Take a Cue From External Agencies

I proffer that choosing a seasoned professional with a delivery background (client/account services) to lead an in-house team is an ideal solution. These are people whose careers include titles like account executive/director or program/project manager within agency environments. These individuals have generally spent a significant portion of their careers leading or influencing creative teams, understanding all of the creative disciplines, their deliverables and the dependencies between them; interfacing with clients of all levels; negotiating and managing budgets of all sizes; negotiating master services agreements and statements of work (both with businesses and clients) and managing supplier partnerships; building and motivating creative teams; and contributing to the creative strategy around campaigns and projects.

If we take our cue from a typical agency model, we don't often see CDs at the helm—they're generally occupied translating briefs, setting creative vision and overseeing conceptual work. However, I believe there exists pure magic in partnership between a strategic leader with a delivery background and an experienced CD who can lead in-house teams to great success. The fact is, in-house teams need both. Hire the most talented and strategically minded leader with a background in creative delivery you can find to lead your in-house team and let that person hire a phenomenal CD as a partner in shaping and executing the team's vision. You'll be well positioned to ensure your in-house team is demonstrating its value in ways that both executive leadership and stakeholders throughout the business demand and advocate for the long term.

Jarrett King currently serves as director, Coca-Cola Studios for The Coca-Cola Company in Atlanta. Her team of ~35 enhances engagement and drives growth through communication campaigns. Leveraging her experience leading agency delivery services, Jarrett specializes in the rehabilitation and transformation of in-house creative teams. Prior to joining The Coca-Cola Company, Jarrett served as vice president, creative, for Synchrony, where she led a 50-person in-house creative team.

DEPARTMENT ORGANIZATION

Eighty-three percent of responding creative leaders indicated their team reported through a strategic, value-adding department such as marketing, communications, advertising, brand or some combination of those divisions. When the creative team is positioned within one of these divisions, the organization is more likely to be considered strategic and value-adding. In contrast, when a creative team reports through a shared-services division, the department is often viewed as a commodity, which makes it more difficult to succeed in becoming a strategic partner. It is possible to overcome the disadvantage of not being aligned with the marketing (or a like) department; it just requires the creative team to create a brand for itself outside of its "home."

Leaders of in-house groups regularly face ongoing competing priorities, leaving them without adequate time to develop their leadership teams. It is important that leaders prioritize professional development for themselves and their direct reports to ensure the ongoing growth and success of the team members and group.

Q: Into which division does your creative team/in-house agency report?

- 1% print
- 1% IT
- 1% sales
- 17% non-strategic divisions
- 7% other[3]
- 7% operations/shared services
- 6% other[2]
- 15% hybrid[1]
- 53% marketing
- 83% strategic divisions
- 9% communications

n=406
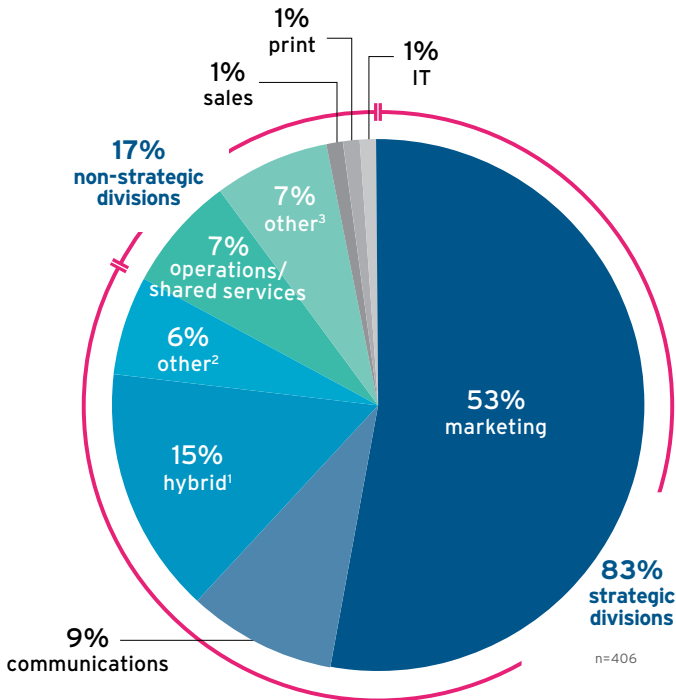
[1] Hybrid of two or more: advertising, brand, marketing, communications, sales
[2] Other strategic: advertising, brand, public affairs and HR
[3] Other non-strategic: product development, R&D and other stand-alone departments

Q: On the scale of order taker to strategic partner, objectively where does your creative team/in-house agency fall?

- 6% production studio – vast majority is tier 2 & 3
- 25% evolving production studio – some tier 1 and high-end tier 2
- 35% developing strategic partner – healthy mix of all three tiers with a growing base of tier 1
- 25% strategic partner - regularly included in planning and tier 1 work, includes some tier 2 & 3
- 9% organizational strategic partner – key stakeholder in marketing initiatives, liaison with external agencies; primarily tier 1

n=405

Q: How is your team organized?

- 4% other
- 14% by functional area with specific resources aligned by line of business
- 17% by line of business (dedicated teams)
- 65% by functional area (account services, design, copywriting, etc.)

n=402

Q: Which best describes your creative group's staffing mix? (select all that apply)

- full-time company employees 93%
- 30% contingent labor
- 22% partial outsourcing model
- 7% outsourced
- 5% part-time company employees
- 5% managed in-house agency
- 4% partial managed services
- 2% full-time staff managing outside agencies (no internal creative)

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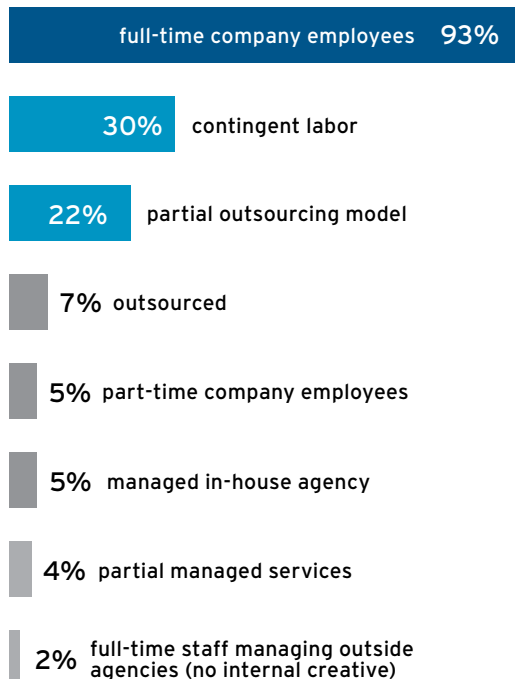
DEPARTMENT ORGANIZATION

Q: How many direct reports does the senior-most creative leader have?

- **3%** 1
- **21%** 2-3
- **41%** 4-6
- **15%** 7-9
- **20%** > 10

challenging number of direct reports

n=395
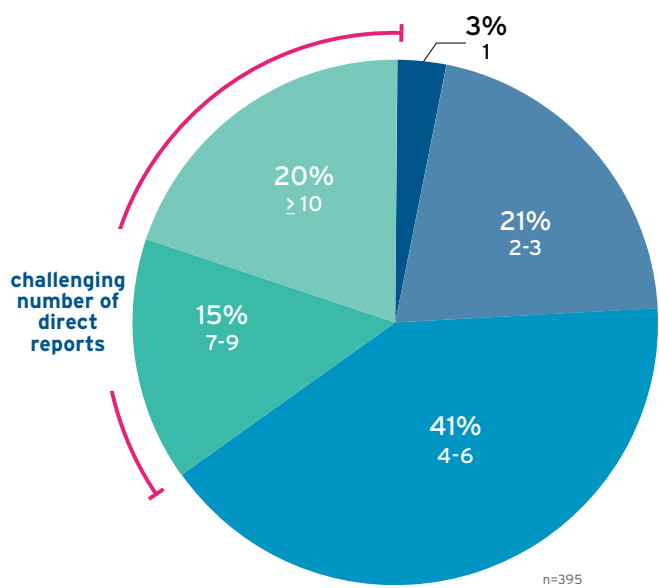
Q: On average, how many direct reports do first/front-line managers have?

- **14%** 1
- **31%** 2-3
- **35%** 4-6
- **14%** 7-9
- **6%** > 10

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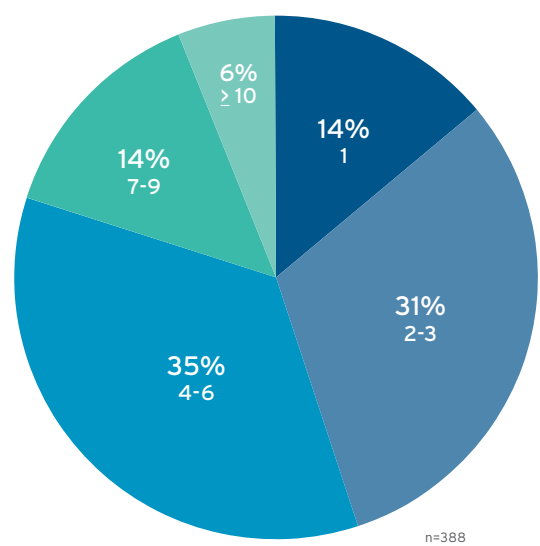
Q: Do you have adequate time to provide your team coaching and development?

- **8%** no time at all
- **29%** adequate time
- **63%** not enough time

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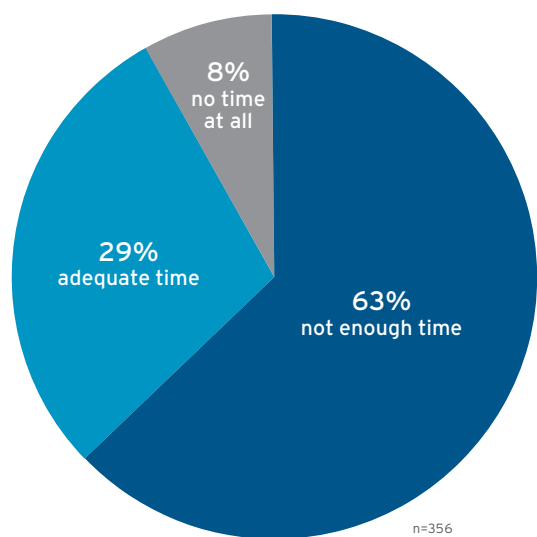
TREND

Heads of in-house creative agencies and teams continue to take on a significant number of direct reports, while being kinder to the managers who report to them who, on average, have fewer direct reports.

Q: Which of the following best describes your group's ability to practice flex-time?

1%
other

9%
complete autonomy with defined expectations

14%
my company does not allow flex-time

45%
flex-time ad hoc with management pre-approval

31%
flex-time in practice within agreed upon limits

85%
practice flex-time

n=397
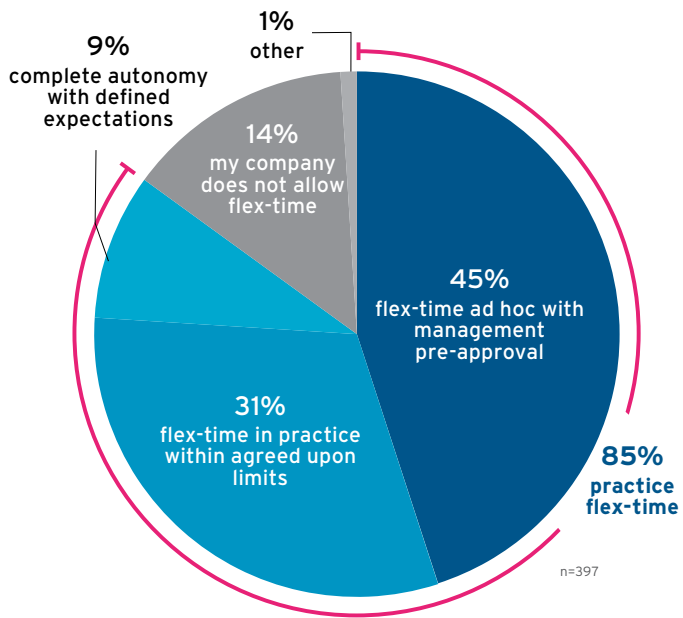
Q: Which of the following best describes your group's ability to work remotely?

1%
other

6%
complete autonomy with defined expectations

9%
remote not allowed

24%
regularly with predetermined schedule

60%
ad hoc basis with pre-approval

90%
work remotely

n=396
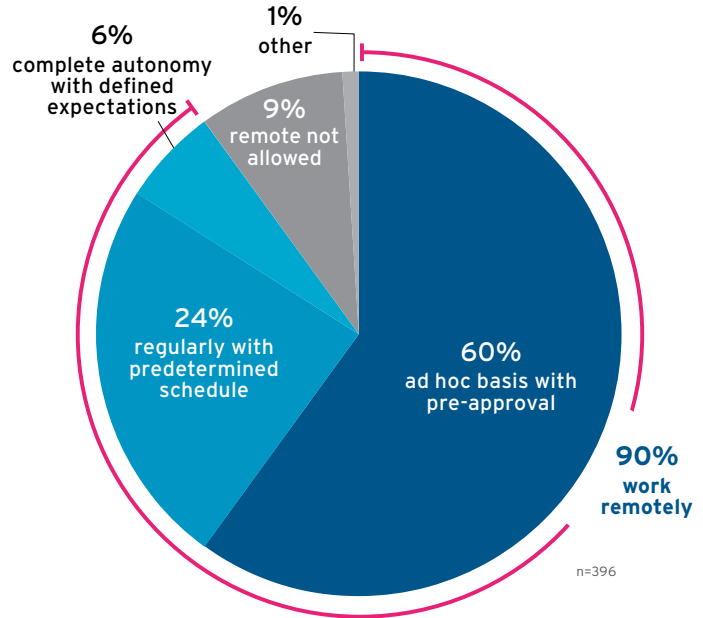
TREND   Consistent with industry trends, teams are increasingly embracing flex-time and remote workers.

No Office Required

Christine Molinaro - Director of Creative Services at BD

Day after day, companies prove that a remote workforce can lead to more innovation, more efficiency and better overall experiences for both the company and its team members. Less overhead and more flexibility are the future and, as it turns out, a perfect blend.

That's not to say remote work comes without any challenges. Like any staff in any traditional office setting, creating the right team and environment for remote work to flourish requires determination and insightful planning. To start, you need to hire wisely and have a robust onboarding process. Make collaboration simple, so you can easily track work progress and encourage thorough communication.

How do you accomplish all this? Try these simple techniques to get you going in the right direction.

Hire Self-motivated Employees

Managing a remote employee is not always the issue, but finding someone who is self-motivated can be. Productivity doesn't depend on a worker being within eyesight, but it is enhanced when progress is visible and work completion is transparent. You need to find resources that have traits such as structure and self-discipline, or what I call the "doers." No one is looking over someone's shoulder in a remote work environment, and a successful remote worker doesn't need to be micro managed—he or she needs to be responsible and responsive.

Onboarding

Once you find the right candidate, proper onboarding is essential. Just because your staff is not working on-site doesn't mean there shouldn't be a formal process in place. It may be a little harder to do because of colocation, but utilizing video conferencing as a way to make new employees familiar with coworkers and start building relationships is a great first step. Partner with HR to help prepare comprehensive onboarding that includes the basics as well as team/role-specific information.

While the lack of face-to-face communication makes it harder to onboard and train remote employees, you can overcome this challenge—a little planning and a lot of organization are all you need. At a minimum, the new employee should be assigned a mentor, provided

mandatory training and assigned low-risk tasks for two weeks, which will help the new employee (remote or not) ease into his or her job. You don't want to overwhelm someone in the first few days. Although he or she may be perfectly capable, it can be stressful and could even lead to your new employee being unhappy and leaving.

Connectivity and Communication

Your remote workers want to feel connected. They need to sense that they're part of the conversation and that their input is valued. In a remote environment, when you don't communicate it can seem as if you don't exist. So, it's vital to over communicate. Help your remote employees feel more connected and overcome some of the potential challenges of isolation and disengagement by establishing a cadence of regularly scheduled communications and/or a collaborative workspace.

You can achieve this by video conferencing, creating an online community, having a regular cadence of meetings and (if your budget allows) face-to-face meetings. Public recognition for a team member's accomplishments can also help remote workers feel connected.

Host Meetings with Purpose

Don't make remote team meetings a chore in the workplace. Whether the failure was due to not being able to connect or the technology crashing, you've probably been in a meeting—video or otherwise— that you considered a total waste of time.

Meetings are essential for teams to stay connected, brainstorm, improve productivity and get help with what they are working on, but only if the get-together is held properly. Always include an agenda and be prepared several minutes before the call so that you can start on schedule. This sends the message that other people's time is valuable, allows you to avoid potential connection issues and also helps to jump-start conversations with a team that's fully prepared.

Get Together in Person

Virtual meetings are critical, and meeting in person once in a while is preferable. At least once a year, travel budget permitting, gather as many remote employees as you can afford in one place to socialize and collaborate. You will be amazed how remote teams will leave these gatherings feeling more connected and better able to sustain relationships over time.

As a creative leader of remote workers, I am often asked, "Which is better, a remote workforce or one that's in-house?" The real answer is neither. No matter where your employees work, today's employees are looking for fulfilling career experiences and companies that align with their values and goals. In addition, hiring outside your geographic location will allow you to hire the best talent for your organization and not just the best in your area. A remote workforce hired with the right expectations and motivated by trust, accountability, transparency and clear communications can offer many benefits to both your company and to talented employees.

Christine Molinaro has 16+ years of experience in leading creative teams. As the interim director of creative services at BD, she manages colocated internal creative teams that develop high quality, effective creative solutions and supports BD's brand and visual identity. Prior to joining BD, she was the studio manager for Cella at Novartis and the associate studio manager at Merck, implementing from the ground up their strategic project management team and overseeing the creative studio. In addition, she played a key role in helping Verizon stand-up their in-house agency in NYC.

DEPARTMENT FUNDING

Regardless of an in-house agency's financial model, proving the group's value is a constant expectation. Tangible results stem from managing your group's budget and demonstrating cost savings against external agencies—in addition to providing on-time, high-quality creative.

Instituting a chargeback funding model is a natural evolution for an internal creative organization and an important step in eliminating a number of challenges common to "free" creative services. Typically, this shift is due to several factors, including department size, project volume/workload, resourcing and competition with outside agencies. This evolution requires many organizational changes that include standardization of processes and procedures, internal marketing activities, realignment of resources and improved project management. Moving to a chargeback model signals the team will operate more like a creative agency in both business operations and creative direction.

Being a cost center (non-chargeback department) can be a great thing—the creative leader can focus on the value of the creative that his or her team is creating and won't be burdened by financial pressures. However, the most significant challenges for non-chargeback departments still remains affecting client behaviors.

Q: Which of the following best describes your ownership of the department's overall budget?

3%
not privy to budget outside of headcount

3%
manage team's budget but no input into creation

8%
not privy to any of it

13%
create and manage team's budget

22%
manage team's budget and significant input into creation

36%
input but do not manage team's budget

15%
manage team's budget and limited input into creation

50% have greater control

n=393
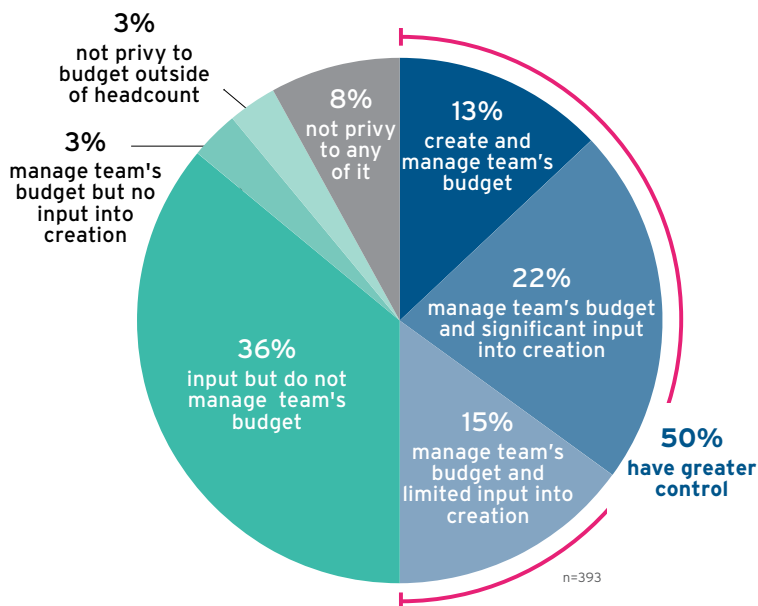
Q: Does your creative team work with an aligned procurement partner who specializes in optimizing your company's creative/marketing spend?

10%
I'm not sure

27%
yes

63%
no

n=393
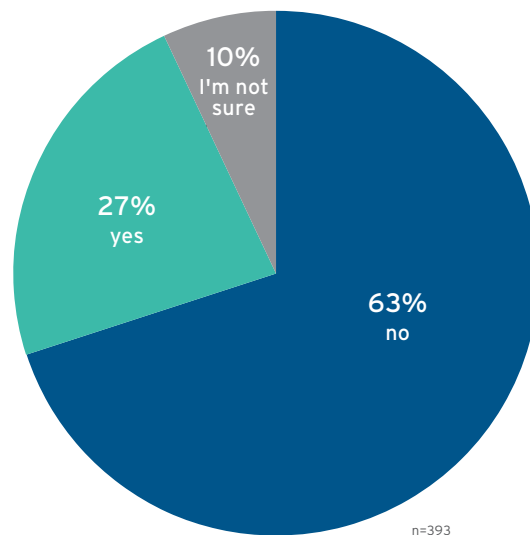
Q: Have you ever been asked to provide a cost comparison between your in-house team and comparable external agencies?

50%
yes

50%
no

n=394
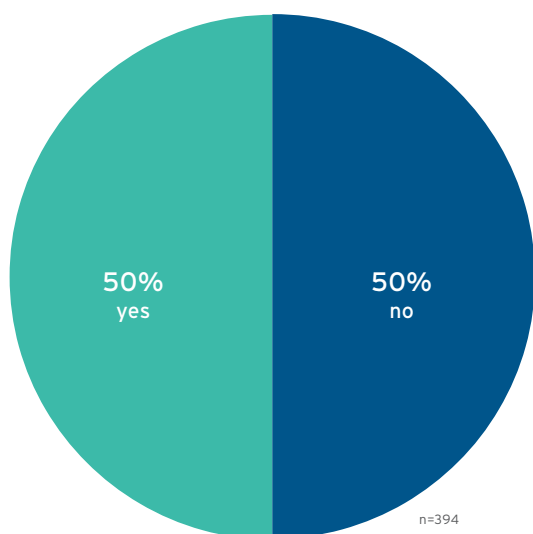
Q: Is your department a chargeback organization for creative projects (not including any pass through costs)?

18%
yes, for specific clients and/or services

18%
yes, we charge back

64%
no, we are not a chargeback organization

n=394
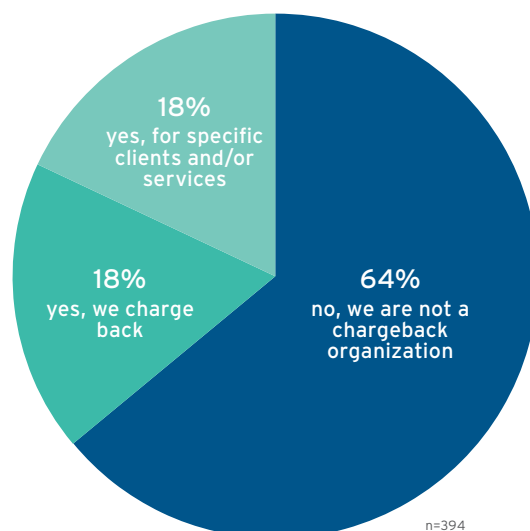
TREND In-house teams are increasingly being asked to provide competitive estimates, up 7% from 2018. And, consistent with 2018, larger teams are more likely to charge back for their services.

DEPARTMENT FUNDING

Q: What is the most common method used to charge clients?

71%
recover through an hourly model

13%
other

16%
flat project rate

48%
blended hourly rate

23%
service specific hourly rate

n=149
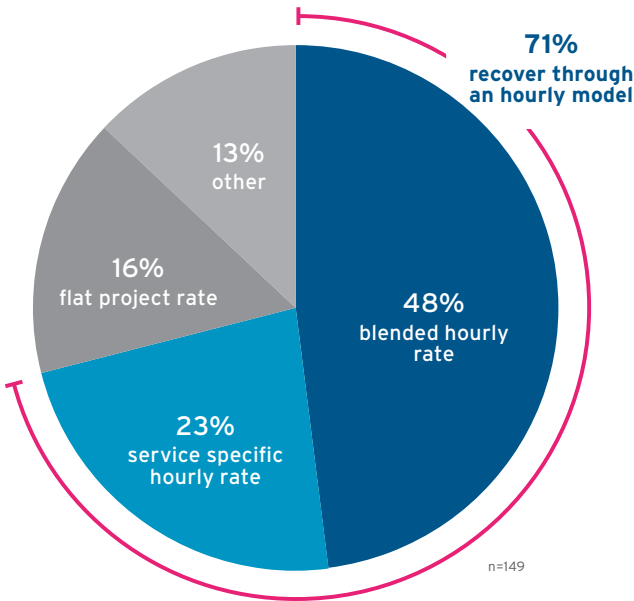
Q: Which most accurately describes your chargeback model?

7%
profit requirement

29%
full-cost recovery

64%
subsidized chargeback

n=150
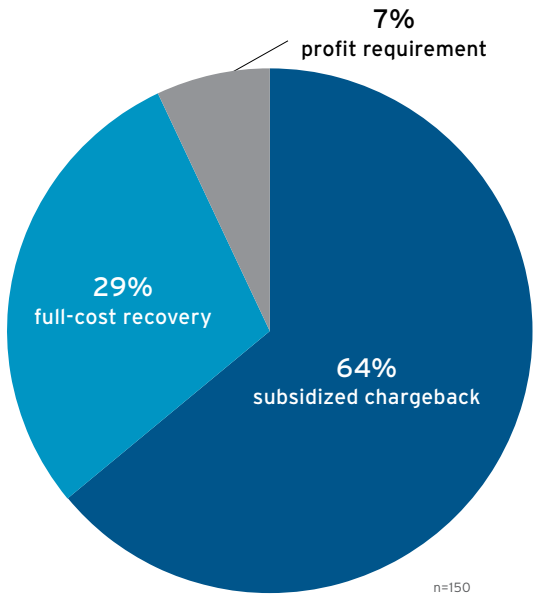
Q: What is your blended hourly rate for creative services?

ANSWER OPTIONS	<$50	$51–$65	$66–$80	$81–$100	$101–$120	$121–$140	$141–$160	>$160	n=
Blended Hourly Rate	12%	11%	11%	34%	13%	9%	8%	2%	66

TREND

Overall rates are increasing. 66% of teams are charging $81–$160/hour or more, an increase of 17% over 2018.

Teams with higher rates tend to work for Fortune 500 companies, in high-cost regions and are required to recover a larger percentage of total costs.

Q: What is your hourly rate for the following services?

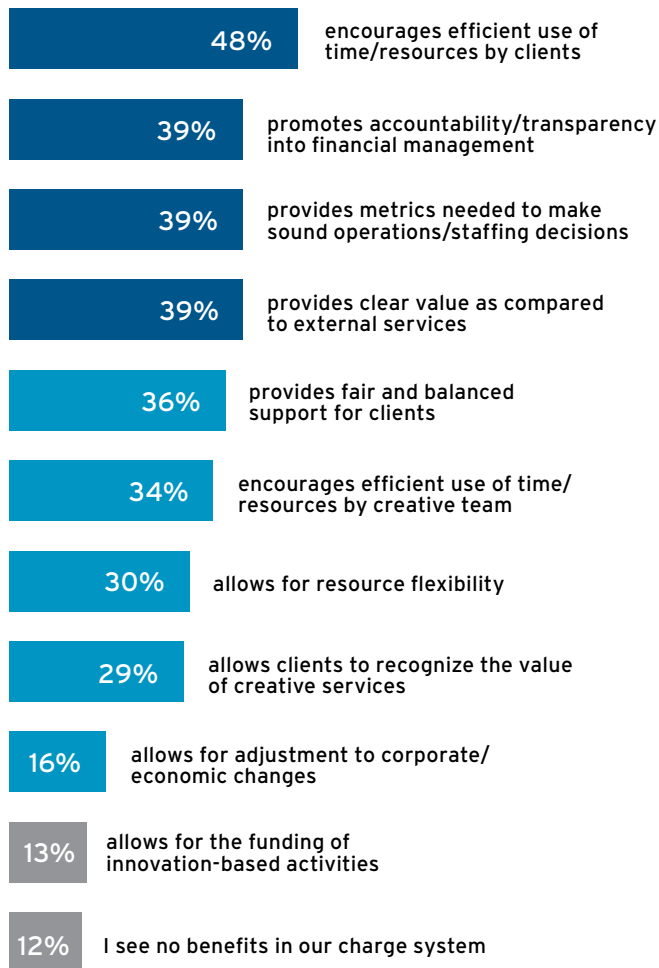| ANSWER OPTIONS	We don't charge for this	<$50	$51–$65	$66–$80	$81–$100	$101–$120	$121–$140	$141–$160	>$160	n=
Account management	34%	7%	7%	10%	17%	14%	3%	7%	0%	29
Project management	34%	3%	9%	13%	22%	9%	9%	0%	0%	32
Production design	13%	3%	19%	34%	16%	13%	3%	0%	0%	32
Graphic design	9%	9%	12%	33%	24%	9%	3%	0%	0%	33
Web/Multimedia design	14%	0%	10%	28%	17%	14%	10%	7%	0%	29
Creative direction	26%	0%	6%	13%	26%	13%	6%	0%	10%	31
Copywriting	24%	0%	12%	24%	20%	20%	0%	0%	0%	25
Copyediting	23%	0%	23%	31%	15%	8%	0%	0%	0%	26
Proofreading	35%	0%	27%	23%	8%	8%	0%	0%	0%	26
Print procurement services	48%	5%	14%	19%	9%	5%	0%	0%	0%	21
Video production	17%	3%	7%	13%	27%	20%	10%	3%	0%	30

NOTE: ADDITIONAL RESPONDENTS CHOSE "WE DO NOT PROVIDE THIS SERVICE;" THOSE RESPONSES WERE ELIMINATED TO FOCUS THE RESULTS ON RATES.

TREND

Teams are increasingly charging for strategic services such as account and project management, creative direction and video production.

DEPARTMENT FUNDING: CHARGEBACK MODEL

Q: What are the key **BENEFITS** your department experiences as a result of charging your clients for services? (select top three)

48%	encourages efficient use of time/resources by clients
39%	promotes accountability/transparency into financial management
39%	provides metrics needed to make sound operations/staffing decisions
39%	provides clear value as compared to external services
36%	provides fair and balanced support for clients
34%	encourages efficient use of time/resources by creative team
30%	allows for resource flexibility
29%	allows clients to recognize the value of creative services
16%	allows for adjustment to corporate/economic changes
13%	allows for the funding of innovation-based activities
12%	I see no benefits in our charge system

n=135

Q: What are the key **DRAWBACKS** that your department is experiencing as a result of charging your clients for services? (select top three)

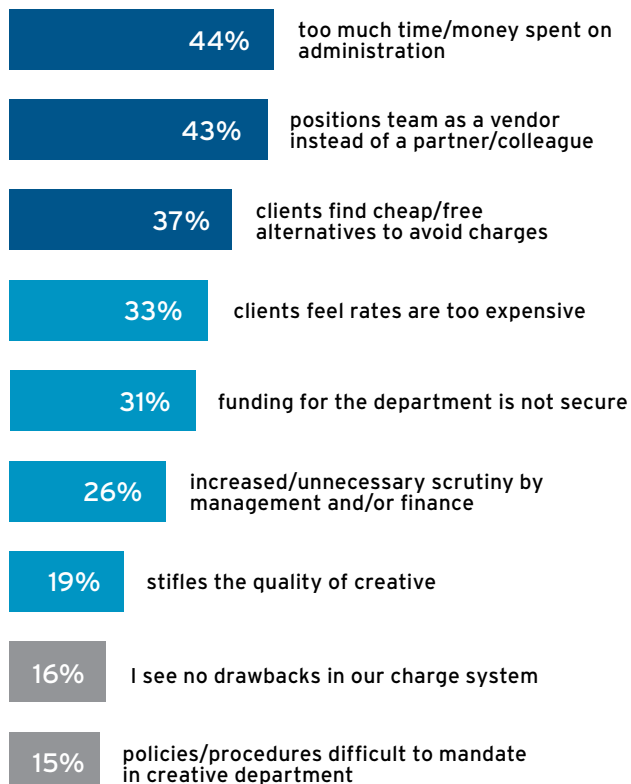|	
44%	too much time/money spent on administration
43%	positions team as a vendor instead of a partner/colleague
37%	clients find cheap/free alternatives to avoid charges
33%	clients feel rates are too expensive
31%	funding for the department is not secure
26%	increased/unnecessary scrutiny by management and/or finance
19%	stifles the quality of creative
16%	I see no drawbacks in our charge system
15%	policies/procedures difficult to mandate in creative department

n=132

Q: What are the key **BENEFITS** your department experiences as a result of **NOT** charging your clients for services? (select top three)
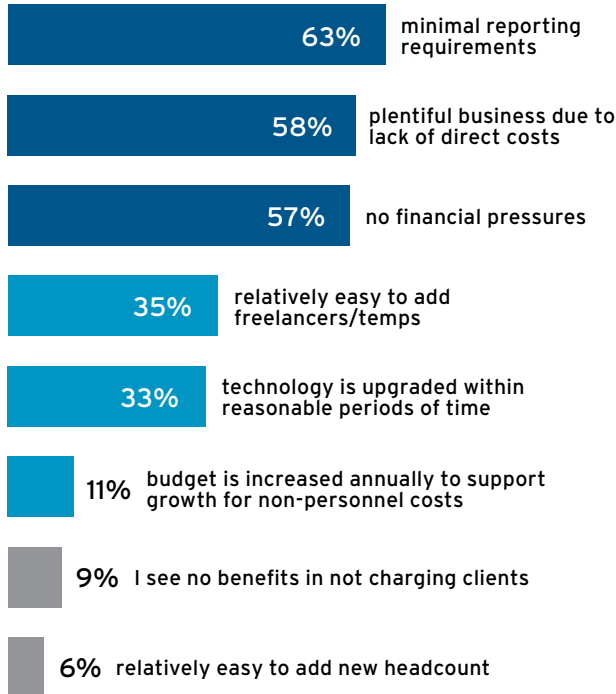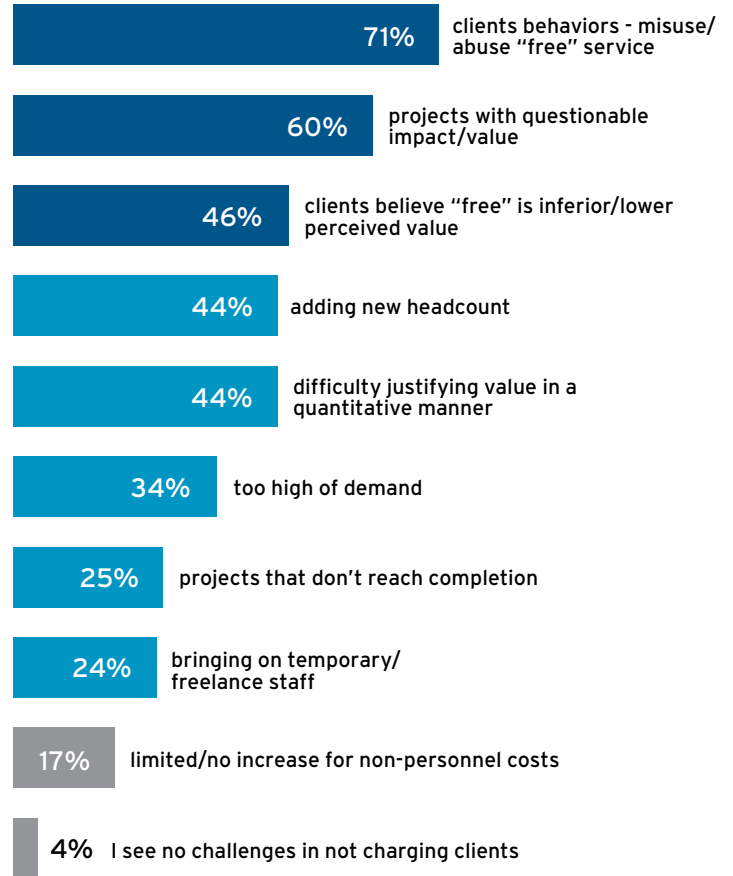
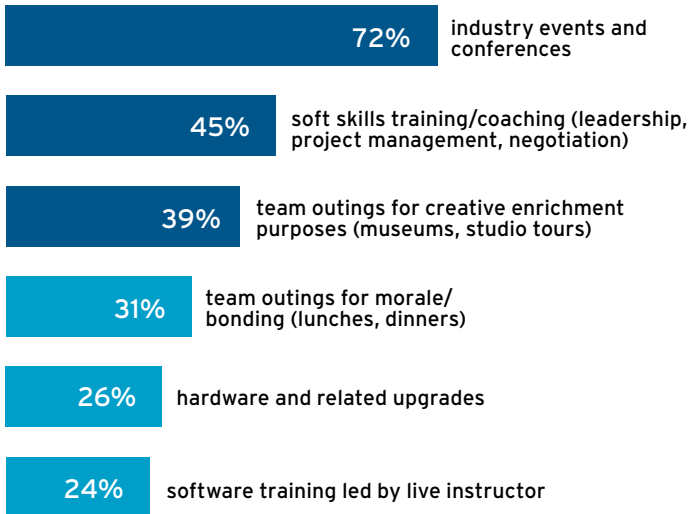|	
63%	minimal reporting requirements
58%	plentiful business due to lack of direct costs
57%	no financial pressures
35%	relatively easy to add freelancers/temps
33%	technology is upgraded within reasonable periods of time
11%	budget is increased annually to support growth for non-personnel costs
9%	I see no benefits in not charging clients
6%	relatively easy to add new headcount

n=245

Q: What are the key **CHALLENGES** that your department experiences as a result of **NOT** charging your clients for services? (select top three)

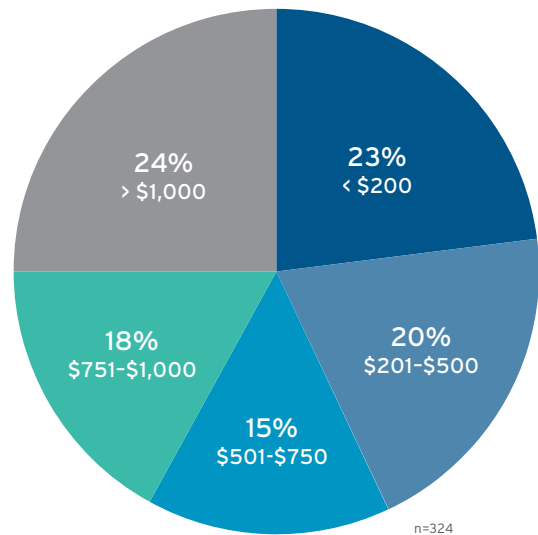|	
71%	clients behaviors - misuse/abuse "free" service
60%	projects with questionable impact/value
46%	clients believe "free" is inferior/lower perceived value
44%	adding new headcount
44%	difficulty justifying value in a quantitative manner
34%	too high of demand
25%	projects that don't reach completion
24%	bringing on temporary/freelance staff
17%	limited/no increase for non-personnel costs
4%	I see no challenges in not charging clients

n=248

Q: If you had more money in your non-personnel/
direct operating budget, which three things would
you like to prioritize? (select top three)

72% industry events and conferences

45% soft skills training/coaching (leadership, project management, negotiation)

39% team outings for creative enrichment purposes (museums, studio tours)

31% team outings for morale/ bonding (lunches, dinners)

26% hardware and related upgrades

24% software training led by live instructor

>24% were consulting services, software and related upgrades, travel/
transportation, online training (e.g., lynda.com), stock art, and other.

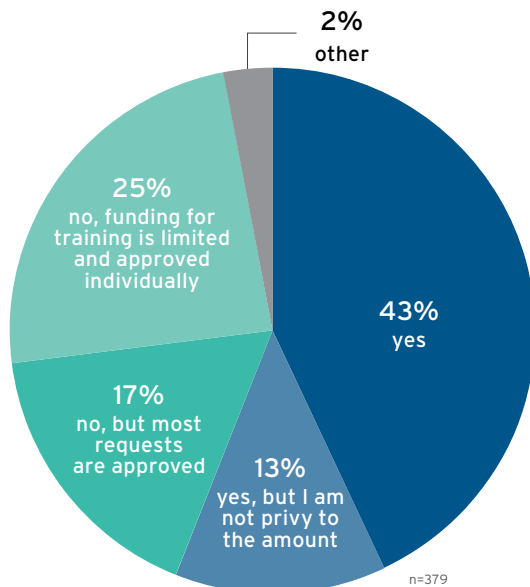n=378
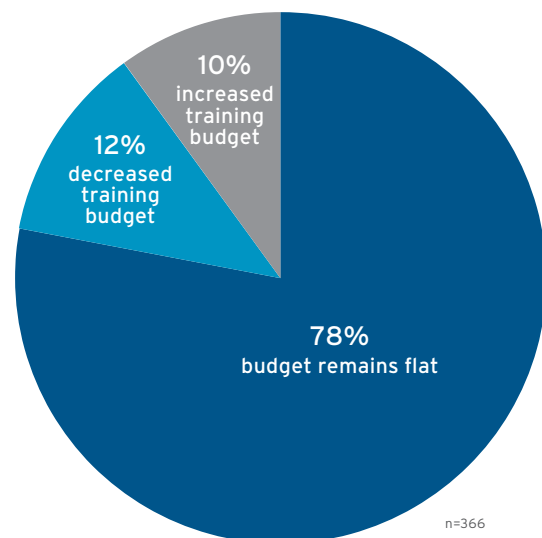
Q: What is your annual training budget per individual?

24% > $1,000
23% < $200
20% $201–$500
18% $751–$1,000
15% $501–$750

n=324

Q: Does your team have an established training budget each year?

2% other
43% yes
25% no, funding for training is limited and approved individually
17% no, but most requests are approved
13% yes, but I am not privy to the amount

n=379

Q: For 2019, what changes do you expect in your training budget?

10% increased training budget
12% decreased training budget
78% budget remains flat

n=366

TREND **Training budgets are essentially flat** as compared to 2018, and if teams had more budget they'd increase soft-skill training and creative enrichment outings in addition to events/conferences.
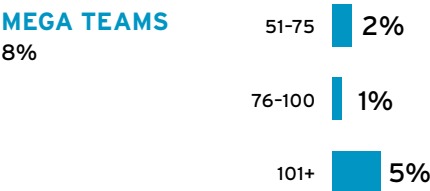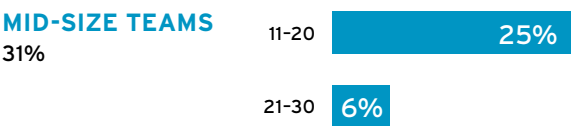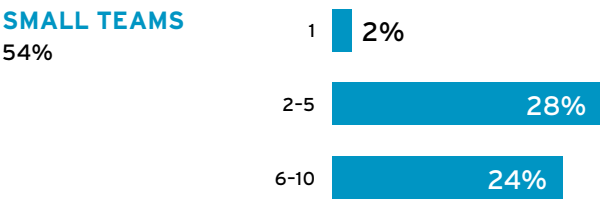
DEPARTMENT RESOURCING

Creative leaders must be careful in demonstrating a desire to grow their team. Too often this can be viewed as "empire building," so leaders must be prepared to substantiate headcount requests based on business need. In addition, leaders need to be prepared to promote the adoption of new processes and tools to support the growth in order to grow in a mature, scalable manner.

Ensuring you're appropriately staffed is a constant balancing act creative leaders face on a day-to-day basis. Flexible staffing models and principal partnership agencies continue to provide creative teams and in-house agency support during peak periods without increasing staff size. Including a budget that allows for flexibility is critical—in fact, your budget may be better spent in not hiring a full-time employee (FTE) and instead using the same funds to pay several temporary workers during peak periods.
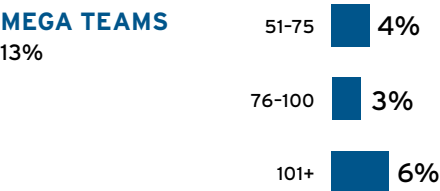
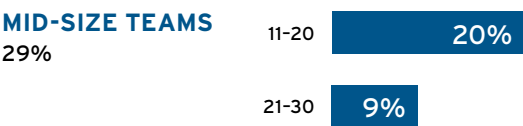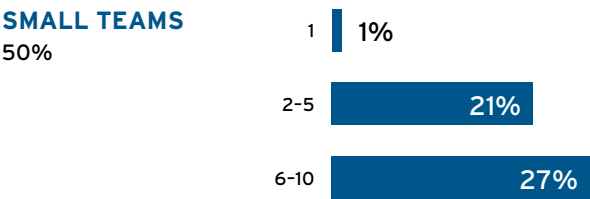**Q:** How large is your creative team/in-house agency? (combined FTEs and contingent workers)

2018

SMALL TEAMS
54%

1	2%
2-5	28%
6-10	24%

MID-SIZE TEAMS
31%

11-20	25%
21-30	6%

LARGE TEAMS
8%

31-50	8%

MEGA TEAMS
8%

51-75	2%
76-100	1%
101+	5%

n=352

2019

SMALL TEAMS
50%

1	1%
2-5	21%
6-10	27%

MID-SIZE TEAMS
29%

11-20	20%
21-30	9%

LARGE TEAMS
8%

31-50	8%

MEGA TEAMS
13%

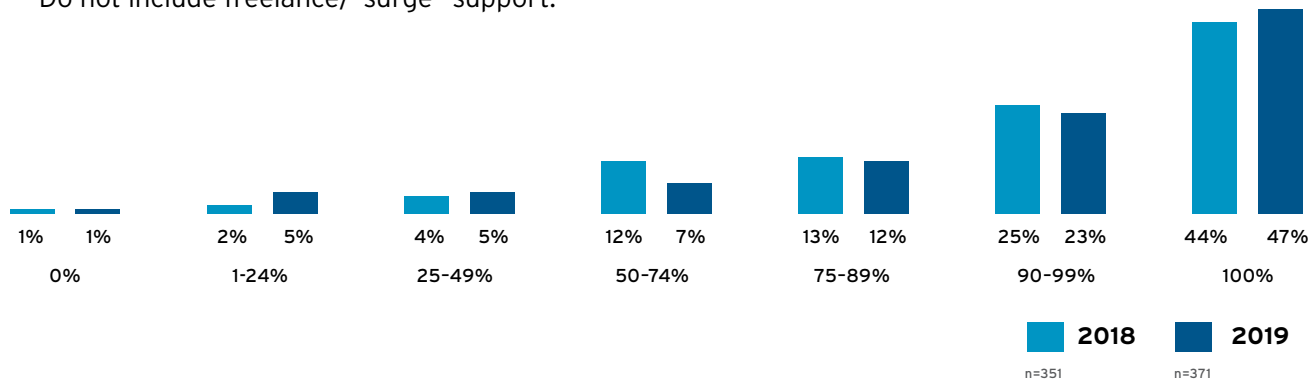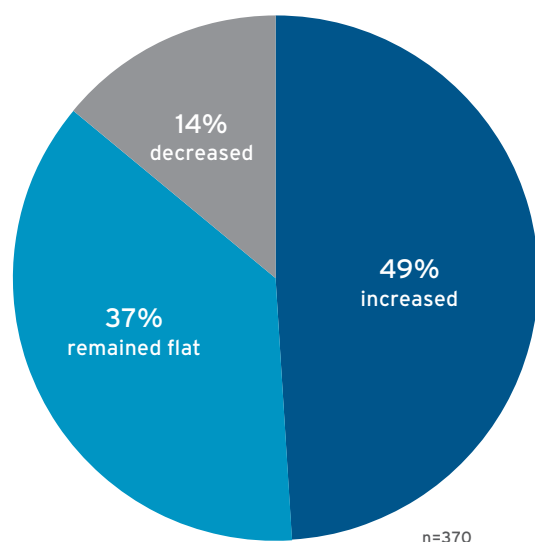|	
51-75	4%
76-100	3%
101+	6%

n=371

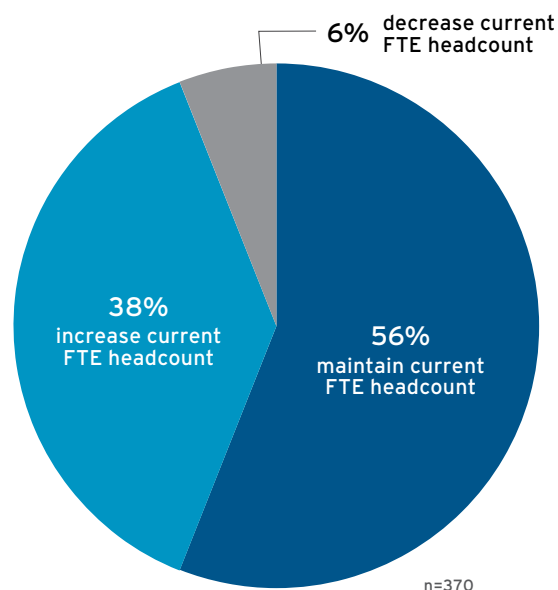**Q:** What percentage of your full-time team members are employees of your company?
Do not include freelance/"surge" support.

	0%	1-24%	25-49%	50-74%	75-89%	90-99%	100%
2018	1%	2%	4%	12%	13%	25%	44%
2019	1%	5%	5%	7%	12%	23%	47%

■ 2018   ■ 2019

n=351   n=371

Q: How did your total team size change between 2017 and 2018?

49% increased

37% remained flat

14% decreased

n=370

Q: What are your full-time hiring plans for 2019?

6% decrease current FTE headcount

38% increase current FTE headcount

56% maintain current FTE headcount

n=370

Q: What is your perception of the available talent in the marketplace right now?

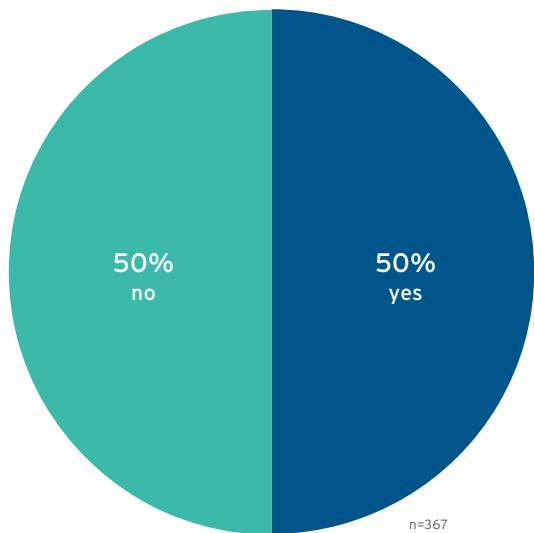| Answer Options	There's an abundance of highly qualified talent	There's enough qualified talent to choose from	There's limited qualified talent	Having trouble identifying qualified talent	I have not hired for this role in the past year
Graphic design	16%	47%	18%	8%	11%
Digital design	10%	35%	17%	10%	27%
Mobile design	6%	21%	21%	9%	44%
Developers	6%	18%	18%	11%	48%
Account management	7%	30%	15%	4%	43%
Copywriting	5%	27%	25%	13%	30%
Editing/proofreading	5%	33%	14%	6%	42%
Project management	7%	32%	21%	6%	34%
Traffic coordination	4%	29%	21%	6%	40%

n=362

TREND

Across these roles, on average only 7% feel there is an abundance of talent. And the belief that there is enough qualified talent dropped by nearly 20% from 2018. Developers and account management saw the biggest change in confidence about enough available talent.

Q: Is there a **DEDICATED** operational role?

(dedicated to focusing on the department's processes, systems and technology, vendor management, financial management and reporting)

50%
no

50%
yes

n=367

Q: How many hours per week does your staff work on average?

2%
51-55 hours

1%
56-60 hours

1%
>60 hours

13%
46-50 hours

29%
≤40 hours

54%
41-45 hours

83%
have a reasonable work-life balance

n=371
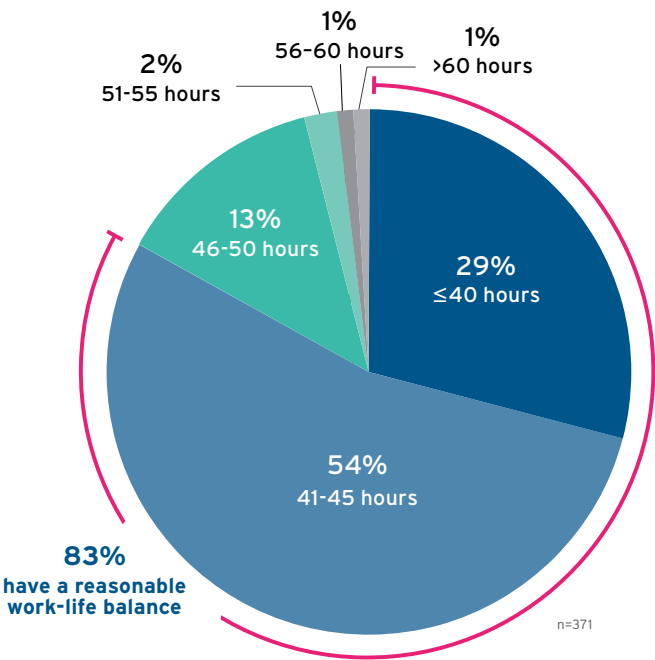
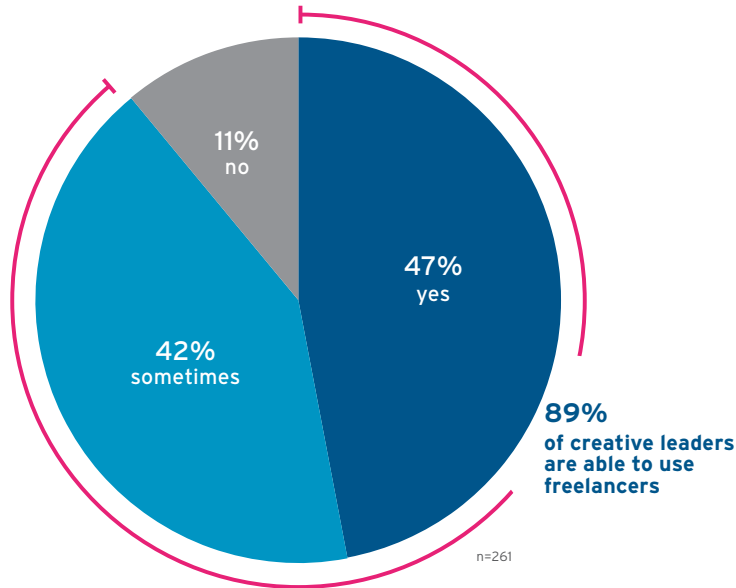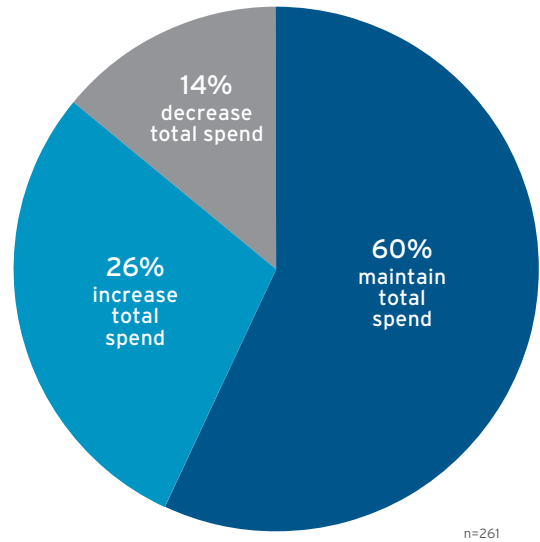**Q:** Are you able to use flexible staffing options such as freelancers and temporary/contract workers during periods of peak demand?

47% yes

42% sometimes

11% no

89% of creative leaders are able to use freelancers

n=261

Q: What are the freelancer/temp hiring plans for 2019?

14% decrease total spend

26% increase total spend

60% maintain total spend

n=261

Q: Are you able to directly contact staffing firms for your creative staffing needs?

14% no, I must use an enterprise technology tool such as a VMS (Vendor Management System)

5% no

51% yes

30% no, I must go through my HR department

n=262
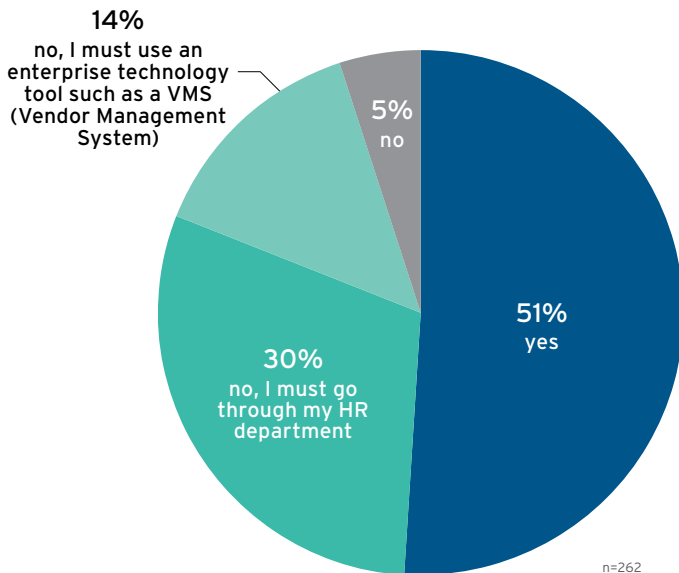
Q: What are your company's term limits for contractors?

5% other[1]

4% >24 months

8% 19-24 months

8% 13-18 months

43% there are no term limits

32% 12 months or less

n=260
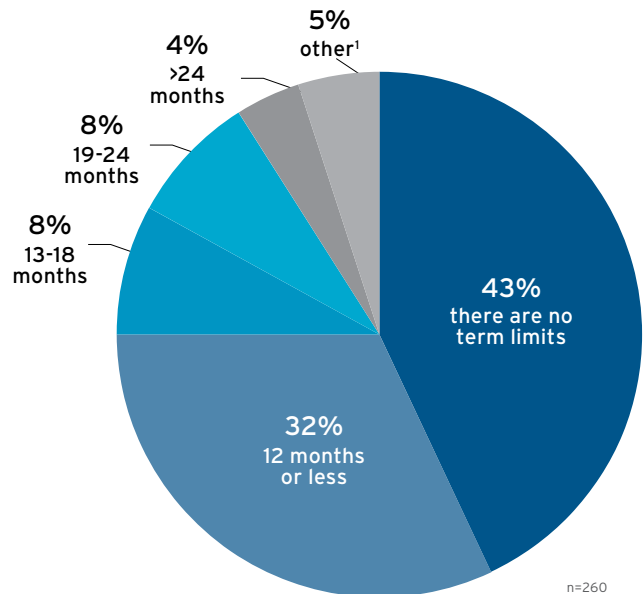
[1] Other includes hours-based models, project-based limits and unknown lengths.

XR: The Best Time, The Best Way to Face the Impossible

Frank Buck - Manager, Creative Studio, The Boeing Company

At Boeing, we know a little something about dreaming BIG. For more than a century, our company has literally changed the world in ways that are apparent to anyone who contemplates what is possible.

So, how do you show someone what's possible when it doesn't exist yet?

Then, Now and All That's Ahead

In the past, we employed the old tools: a charismatic presenter; charts; data; an avalanche of papers in a conference room. At one time, those were the only means to move the needle to the next big thing.
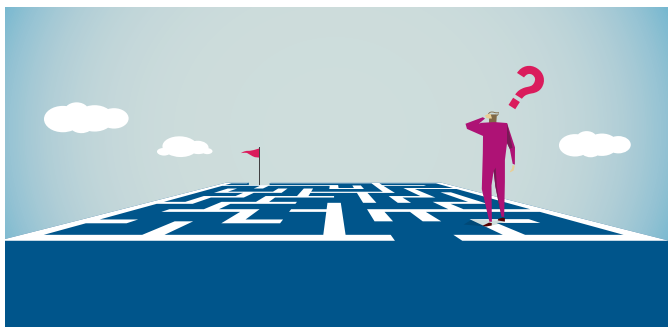
Thankfully, tools have changed and caught up with our ambitions. We use the term virtual reality (VR) on a generic basis, but XR—where X represents any number of possibilities—is gaining steam. For us, this term encompasses VR, augmented reality (AR) and mixed reality (MR).

As an in-house agency, we see more work in the areas of marketing and high-level company events, and that's where we want to be.

Presenting Skyview

One of our VR projects, Skyview, gives users an immersive tour inside our commercial airplanes. It lets users anywhere "walk through" Boeing aircraft to see features—such as seating for the different classes, bins and galleys—they may have previously seen only in print, on an airplane at an airshow or in a physical mock-up.

We've continued to grow and add to this app, giving it extended life beyond its introduction more than two years ago.

In addition to its use on sales visits with airlines, Skyview has also been featured at airshows and in exhibits, as well as numerous company-sponsored events such as the Business Roundtable, Tech Titans and Out and Equal. We get great feedback at these events, as a large part of the population has not yet tried VR. The response? "This is so cool!"

Opportunities to Experiment, Share and Learn

Recently, we moved from Samsung GEAR VR that used phones and headsets to the standalone Oculus Go, which is much easier to use and does not include the worry of phone updates every 8–12 months. Technology changes rapidly; deciding where to invest and how long to use a particular product is a key decision. But the cost is much lower for some of this technology as well, so you can experiment. We also work with vendors, as they will have products we don't.

A challenge we face is getting the big picture out to everyone. With numerous VR, AR and MR projects going on across Boeing, we are doing our best to share what we know. Sharing has been a big part of the process for us in the last year as we have reached out to see what others are doing, to connect and to have conversations, so that we can continually learn more.

It's been said that designers, like aerospace engineers, are dreamers. Frank Buck embodies that characterization. As a manager with The Boeing Company Creative Studio, Frank is responsible for XR and 2D/3D renderings and animation, helping to optimize the visualization of practically anything (current and yet to come) in the world of aviation. In previous roles over the years, he has overseen a variety of other creative disciplines for the studio, including video production, AV and webcasting. Frank has worked out of the company's Seattle and Chicago offices.

SERVICE OFFERINGS

The number of projects creative teams and in-house agencies produce annually is loosely linked to their size. While it's interesting to discuss volume in terms of number of projects, it's not an apples-to-apples comparison across organizations. Service offerings continue to evolve and expand, providing growth for creative teams and in-house agencies. However, the new complexities require specific expertise and skill sets. Volume in its truest form should be discussed in terms of the number of "billable" or "utilized" hours per year. In addition, the various complexities in the work itself are not captured under project count and are better evaluated with hours in assessing the level of effort put into the project.

Staying current with, let alone ahead of, the growing complexities of our ever-evolving service offerings opportunities is no easy feat. Determining which service offerings to expand into is a process, and you shouldn't set your team's goal to "be everything to everyone." Be selective in your core competencies and stick to them, regularly reevaluate them and adjust as needed. Don't be afraid to identify work to be outsourced to third parties. There is still value in your team art directing and project managing projects; creative execution of all media types doesn't have to be within your core competencies.

Q: How many projects did your team work on in 2018?

	SMALL TEAMS ≤ 10	MID-SIZE TEAMS 11–30	LARGE TEAMS 31–50	MEGA TEAMS > 50
< 500	27%	12%	3%	5%
500–999	34%	17%	17%	3%
1000–1999	27%	31%	14%	10%
2000–2999	5%	16%	17%	25%
3000–3999	7%	14%	21%	5%
4000–4999	1%	5%	3%	8%
5000–5999	1%	2%	0%	5%
6000–6999	0%	1%	7%	3%
7000–7999	0%	1%	0%	0%
8000+	0%	0%	17%	38%
	n=177	n=98	n=29	n=40

Q: Based on the total number of PROJECTS your team worked on in 2018, what percentage were Tiers 1, 2 and 3?

ANSWER OPTIONS	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Tier 1: creative concepting	27%	31%	16%	10%	7%	5%	1%	1%	1%	0%
Tier 2: design adaptation	4%	14%	34%	22%	13%	10%	2%	0%	1%	0%
Tier 3: pure production	6%	18%	24%	18%	17%	10%	5%	1%	1%	1%

n=344

Q: What percentage of your team's HOURS were spent on Tier 1, 2 and 3 work?

ANSWER OPTIONS	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Tier 1: creative concepting	20%	22%	20%	18%	10%	4%	4%	2%	1%	0%
Tier 2: design adaptation	6%	18%	28%	23%	12%	8%	4%	0%	0%	0%
Tier 3: pure production	13%	24%	24%	16%	10%	7%	4%	1%	1%	0%

n=339

TREND Most teams have a diverse mix of work across tiers.

Q: For which audience does your team create the **MAJORITY** of their work?

16%
internal
audience

28%
equal to internal
and external
audiences

56%
external
audience

n=336
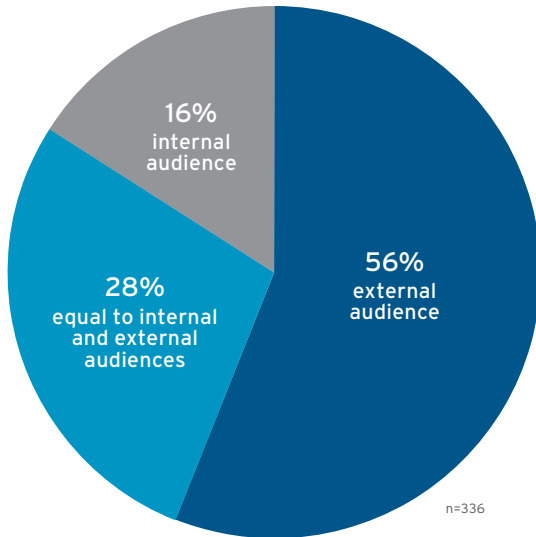
Q: Does your team provide a **DEDICATED** client service role?

9%
yes, both dedicated
account and project
managers

17%
hybrid account
managers/project
managers

13%
yes, dedicated
account
managers

14%
yes, dedicated
project managers

47%
no

36%
have dedicated
AM/PM roles

n=339

TREND Nearly half the teams do not have a dedicated client service role. Mega teams are more than twice as likely (37%) to have a dedicated account manager as large and mid-si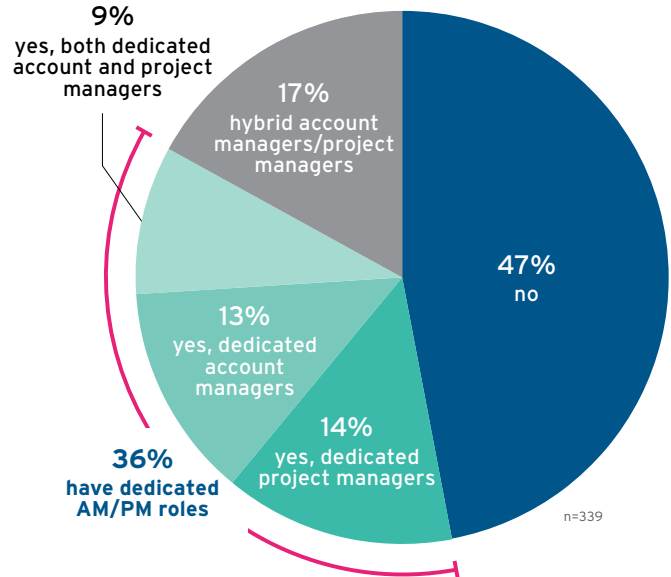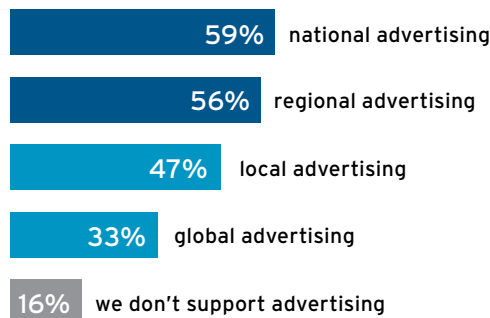zed teams. Based on this survey, those with dedicated AMs are more likely to be doing Tier 1 work, use creative briefs and capture metrics.

Q: What type of advertising does your group support? (select all that apply)

59%	national advertising
56%	regional advertising
47%	local advertising
33%	global advertising
16%	we don't support advertising

n=336

TREND Dedicated support for digital project management has declined with hybrid AMs/PMs, traditional PMs and creative resources managing this work.

Q: How often does your company commission custom photography?

2%
do not know

8%
never

19%
rarely

8%
every few
years

9%
1 time
per year

11%
2 times
per year

43%
3 or more
times a year

n=338

SERVICE OFFERINGS

Q: Which of the following **TRADITIONAL** services does your team provide? (select all that apply)

Service	%
graphic design	98%
production design	89%
infographics	86%
PowerPoint	77%
video production	75%
brand management	73%
photography	73%
print procurement	66%
copywriting	61%
account/project management	61%
copyediting	60%
proofreading	56%
marketing/communication strategy	54%
audio production	46%
fulfillment services	34%
proposal production	28%
proposal development	23%
other	4%
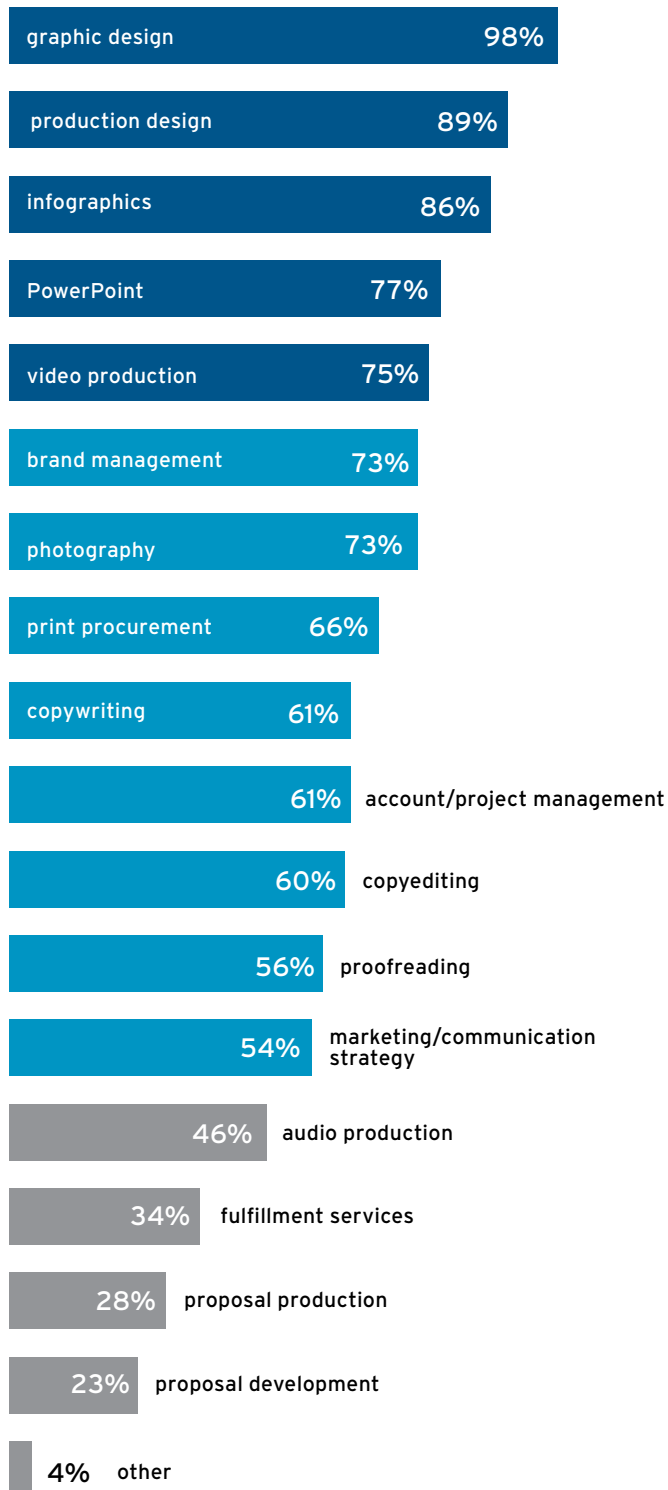
n=349

Q: Which of the following **DIGITAL**-specific services does your team provide? (select all that apply)

Service	%
digital design	85%
ad banners	80%
HTML emails	67%
web design	61%
online video	61%
web copywriting	50%
mobile design	49%
web content management	43%
user experience	41%
SEO	26%
eLearning design/services	18%
360° video	15%
app development	12%
augmented reality	10%
virtual reality	9%
other	3%
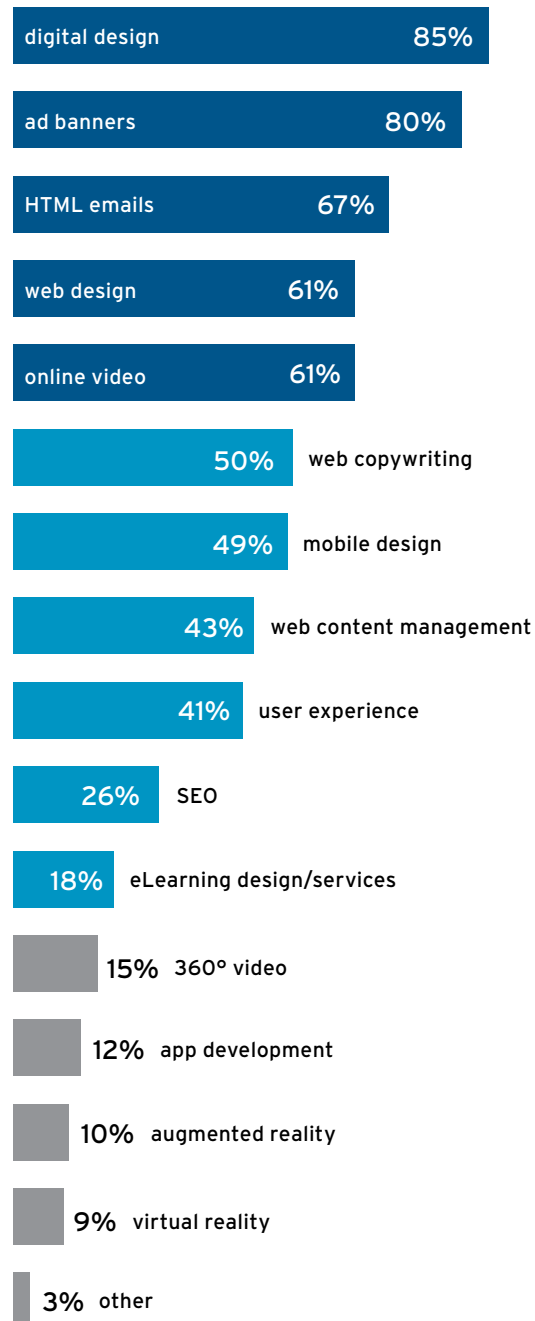
n=343

Q: What is the percentage of team hours spent on digital projects vs. print projects?

70-100% of the work is digital

28% more digital than print

34% more print based

Up to 30% of the work is digital

38% somewhat equal print and digital

40-60% of the work is digital

n=336
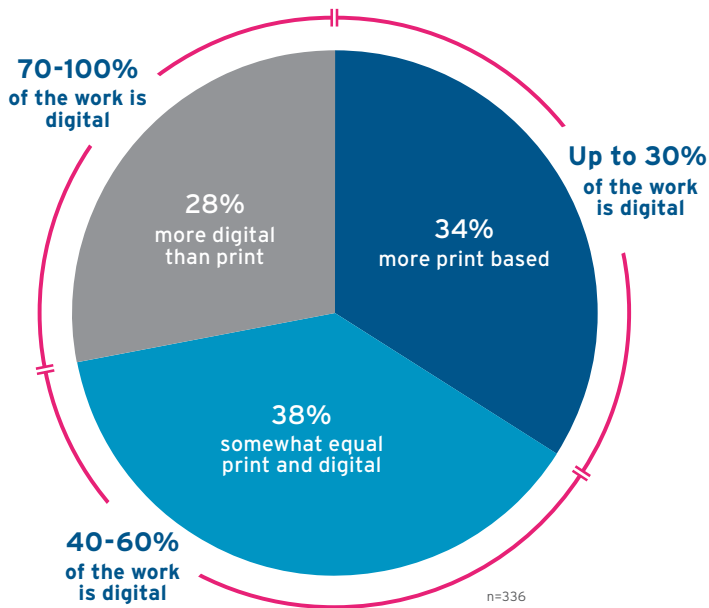
Q: Does your creative team/in-house agency support any aspect of social media?

14% no

86% yes

n=354
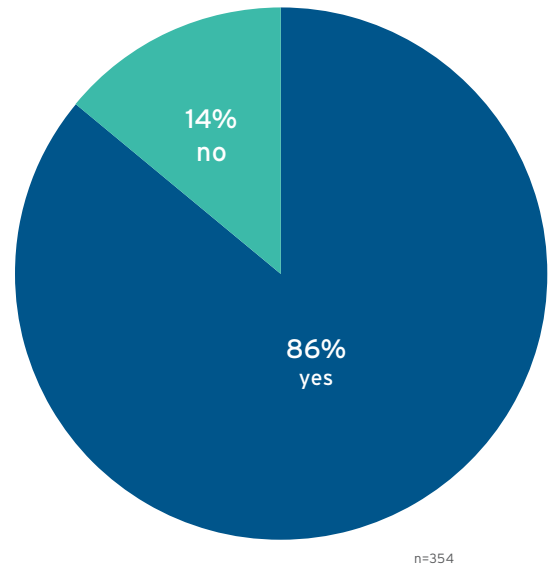
Q: Where does social media **CONTENT** reside within your company's organization?

3% external agency

3% lines of business

5% other

10% shared across several departments

38% marketing

13% in-house creative team

28% communications

92% of social media content management resides within the company

n=350
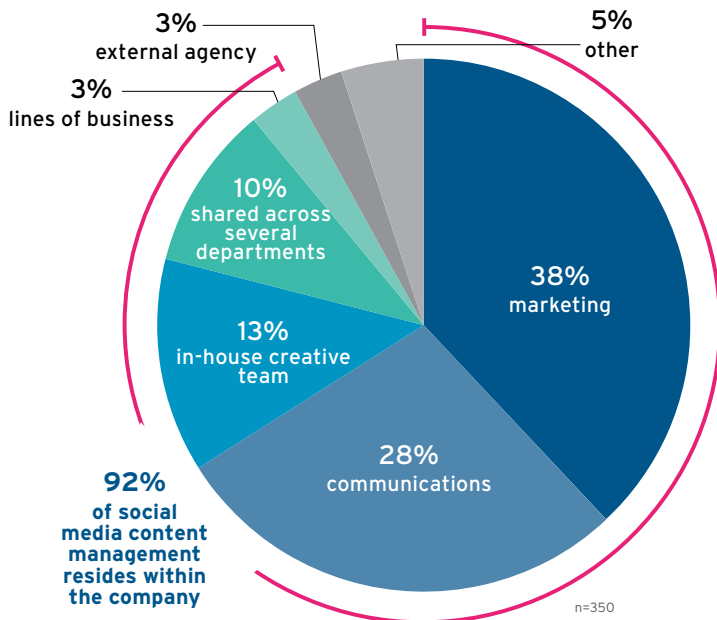
Q: What social media services does the creative team support? (select all that apply)

Service	%
graphic content	97%
photography	72%
video	67%
verbal content (blog, tweets, etc.)	40%
publishing	27%
response	18%
listening	15%
other	2%

n=303
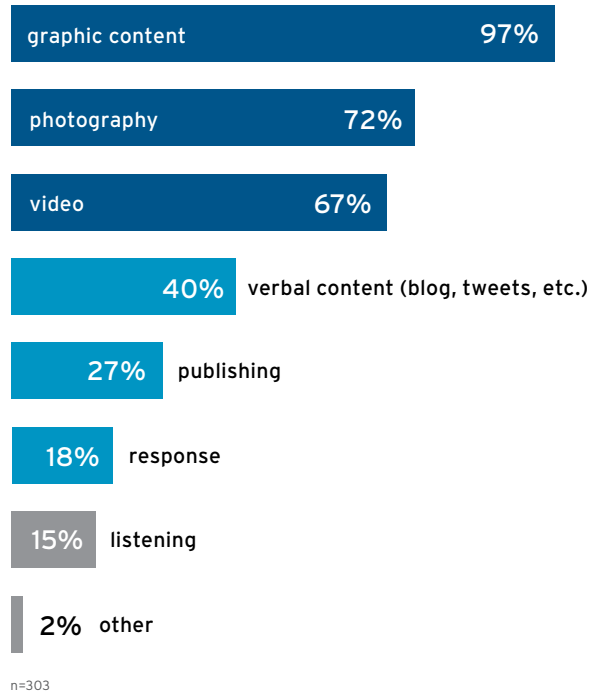
SERVICE OFFERINGS

Q: Which of the following service offerings do you see greatly INCREASING in the future for your group?

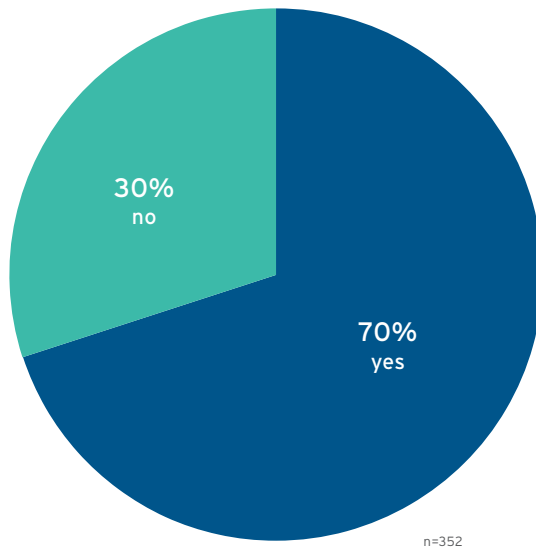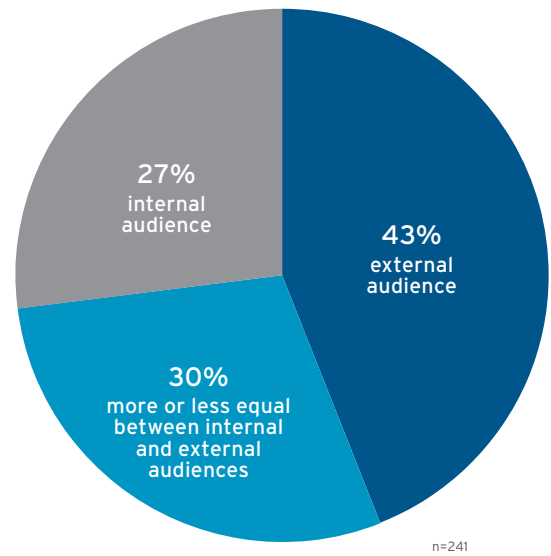|	
55% video production	15% production design
40% marketing/communication strategy	13% PowerPoint
35% social media support	12% audio production
34% graphic design	10% eLearning
34% online video	9% augmented reality
31% brand management	9% SEO
31% web design	7% proofreading
30% interactive/multimedia design	7% virtual reality
29% infographics	6% proposal production
27% user experience	6% copyediting
24% photography	6% 360° video
23% web content management	6% proposal development
21% mobile design	6% print procurement
21% account management/project management	6% app development
20% copywriting	5% fulfillment services
18% copywriting (for web/digital)	3% other

n=333

TREND As in-house teams are asked to take on new types of deliverables, it's important that they clearly define their niche so that they are best positioned for success.
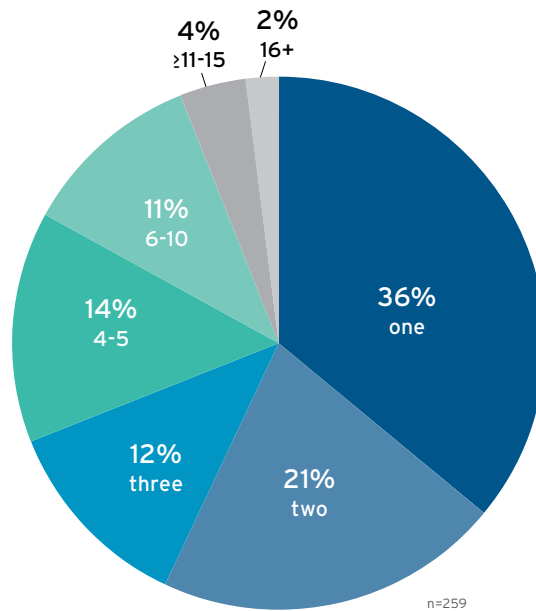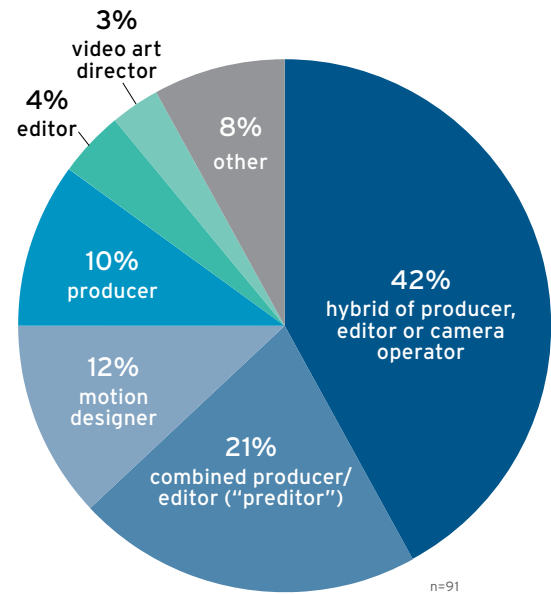
Q: Do you provide video production services?

30%
no

70%
yes

n=352

Q: For which audience does your team create the **MAJORITY** of their video work?

27%
internal
audience

43%
external
audience

30%
more or less equal
between internal
and external
audiences

n=241

Q: How many dedicated team members support video services?

4%
≥11-15

2%
16+

11%
6-10

14%
4-5

12%
three

36%
one

21%
two

n=259

Q: If you have only one resource, what is that role?

3%
video art
director

4%
editor

8%
other

10%
producer

12%
motion
designer

42%
hybrid of producer,
editor or camera
operator

21%
combined producer/
editor ("preditor")

n=91

TREND

55% of small teams have 1 resource

57% of mid-sized teams have 1-2

63% of large teams have 4+

66% of mega teams have 6+

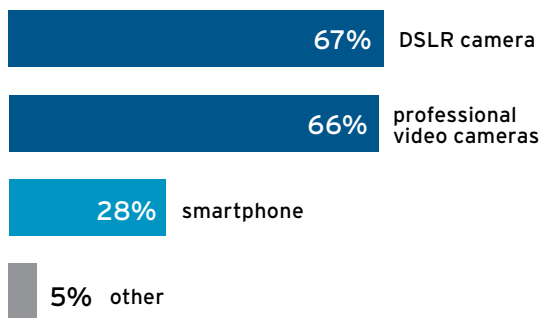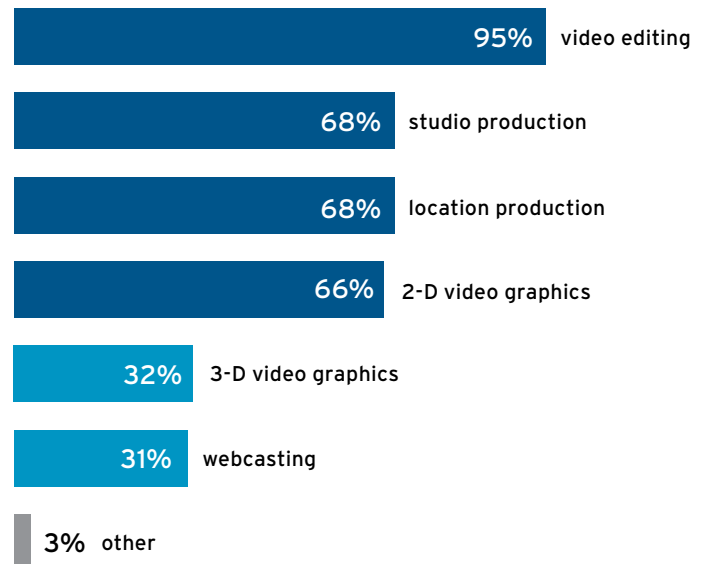**Q:** Which of the following are video FTE roles? (select all that apply)

47%	hybrid of producer, editor or camera operator
39%	combined producer/editor ("preditor")
37%	video graphic designer
36%	producer
29%	editor
28%	director
23%	video art director
21%	camera operator
9%	other
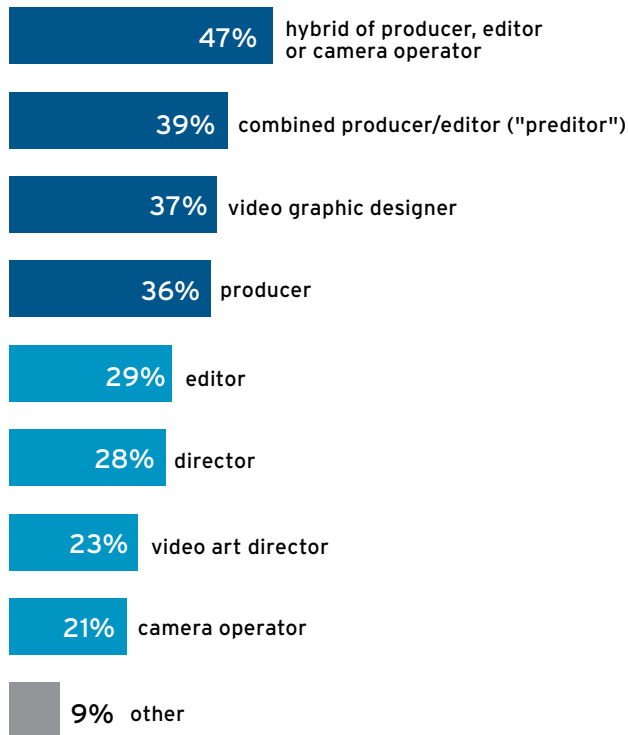
n=235

Q: What video cameras do you use?

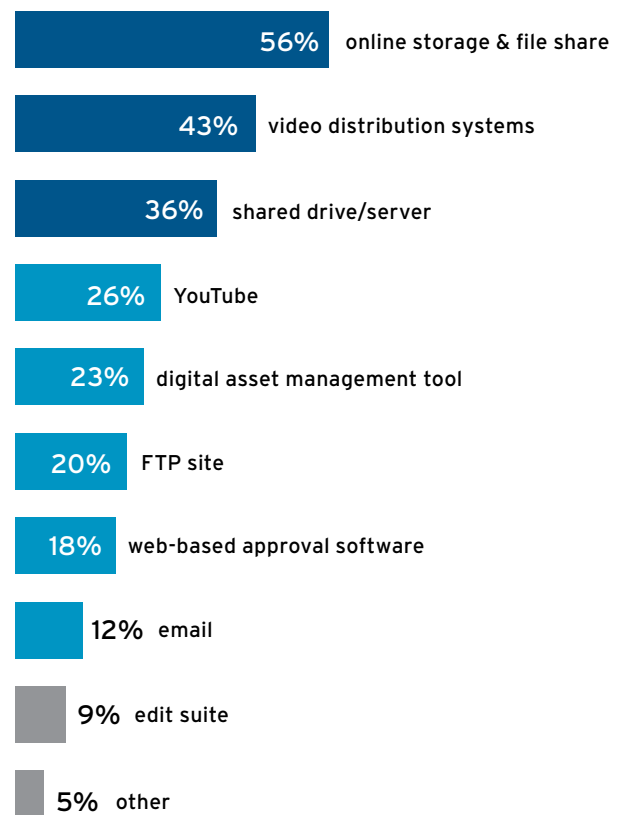|	
67%	DSLR camera
66%	professional video cameras
28%	smartphone
5%	other

n=236

NOTE: 74% use HD and 57% use 4K resolution to shoot and edit in.

Q: Which of the following **VIDEO PRODUCTION**-specific services does your department provide? (select all that apply)

95%	video editing
68%	studio production
68%	location production
66%	2-D video graphics
32%	3-D video graphics
31%	webcasting
3%	other

n=240

Q: How do you most often distribute video for review? (select all that apply)

56%	online storage & file share
43%	video distribution systems
36%	shared drive/server
26%	YouTube
23%	digital asset management tool
20%	FTP site
18%	web-based approval software
12%	email
9%	edit suite
5%	other

n=241

Principles of Partnership

Matt Galemmo - Interactive Team Leader, Cella Studios at Merck

In a marketing landscape increasingly fragmented by functional and industry-specific specialization, the need for internal and external teams to partner is on the rise. As an in-house agency, when we enter into a project knowing we will require collaboration from multiple vendors, we must craft a process that will ensure success. At Cella, we've taken a hard look at exactly what makes for a good partnership and have developed these four principles:

1. A Strong Scope of Work

To effectively initiate our projects, we need a definitive scope and clear roles for each partner. One of the most critical roles is that of the strategic partner who owns the responsibility to complete the discovery phase of a project and document it for the greater team. When it comes to defining the scope, the perspectives of all the partners are extremely valuable, but brainstorming across multiple organizations can become confusing or political and requires that this process be handled with tact and care. While there are many nuances to this process, the most important practice to put in place is one of a "joint ownership" approach to defining the scope as discussed below.

2. Extensive Onboarding

There are two simple truths about the execution of every project: Projects are almost always more iterative than we think and individual partners will need to take responsibility for individual decisions. Only by thoroughly understanding the thought process behind what was decided before their involvement in a project will partners be set up to consistently make good executional judgment calls and decisions. It is not enough to merely send documentation along to partners and expect that they will understand it. The strategic agency needs to take responsibility for adequately onboarding partners by thoroughly explaining the thought-making process behind a project's strategy and scope.

3. Joint Ownership

Having clear roles in the scope of work is very important, but it is equally important to instill a culture of joint ownership among the project teams. When we have rigidly defined roles, we assume those roles have no gaps between them, which is a dangerous assumption and rarely true. All of the teams should be supportive

Principles of Partnership (continued)

of each other by assuming a level of responsibility that encourages ownership and accountability for the entire execution of a project. We want partners who generously define their engagement in a project from a holistic standpoint while simultaneously respecting the roles of their partners.

4. Purposeful Overlap

To help reinforce joint ownership, we will purposely overlap phases of projects. If we are the creative team, we will request a participant from the technical team be included in our reviews so that they may have firsthand knowledge of our thought process and get a head start on considering the specifics of how they will accomplish their own responsibilities farther downstream. This also adds the value of potentially improving the creative by providing technical insights and options we would have otherwise missed.

These four principles create feedback loops where good ideas lead to better outcomes. However, as powerful as these four principles are, we often find ourselves bringing on partners mid-project, when the ideal opportunity for using these principles has passed. In those instances, even if time is short, teams must backtrack. Rushing partners to action without onboarding them to their role will end up costing time instead of saving it, and work quality is certain to suffer without joint ownership or purposeful overlap.

Who Takes the Lead

Finally, it is critical to establish governance and leadership of our partnerships. Giving the authority to one of the external partners is often perceived as a challenge to the other agencies, adding an air of competition that's not helpful, and the brand or marketing teams typically don't possess the creative executional expertise needed to "herd the cats" in a multi-team project. So, more often than not, our in-house teams are best positioned to take on the lead role, ensuring that accountabilities don't become blurred or even vanish over time.

Most in-house teams have a breadth of expertise across multiple disciplines, insights into key environmental factors and deep organizational roots that offer the credibility and competence needed for a project's success. Having the in-house agency govern the partnership is not a random or competitive choice, but rather one based on the fact that in-house teams are uniquely qualified to create the culture needed for successful partnerships.

Matt Galemmo, the interactive team lead within the Cella Studio at Merck Creative Services, grew up embracing the internet revolution in the 90s and has dedicated his professional career to discovering practical applications from the technological to the theoretical. Having worked in publishing, commercial marketing, learning and development, and now pharmaceuticals, Matt has made it a practice to habitually rethink challenges, embracing change and drive organizational evolution.
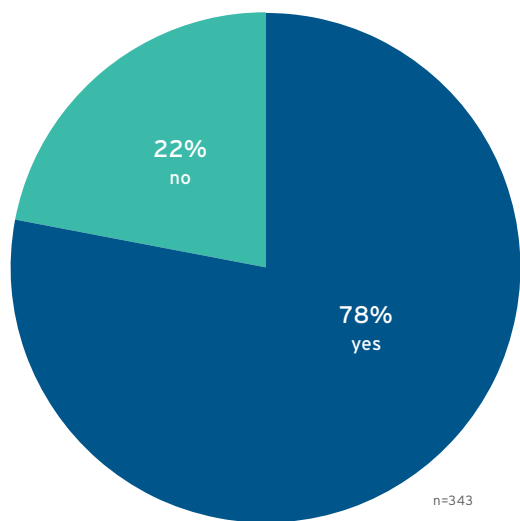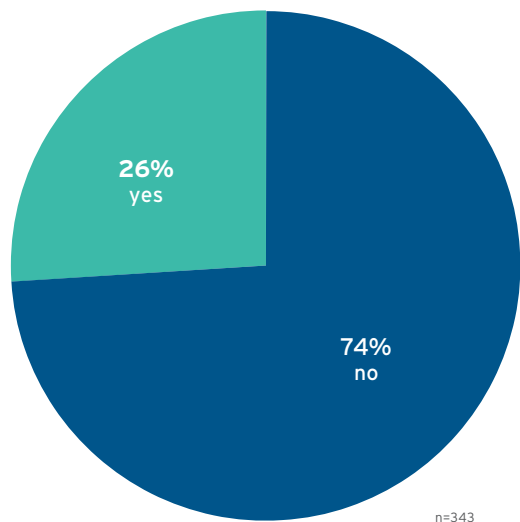
PARTNERSHIPS

Partnering with agencies is often in the best interest of the business or organization and your internal team. So, as a leader you must work to take away the fear of bringing in outside expertise and embrace the possibilities. It is difficult to do everything on your own. Beyond simply sharing the workload, there are other key reasons to further agency relationships, including keeping up with a dynamic business environment, "integrated" creative excellence, career development for your team and efficient delivery.
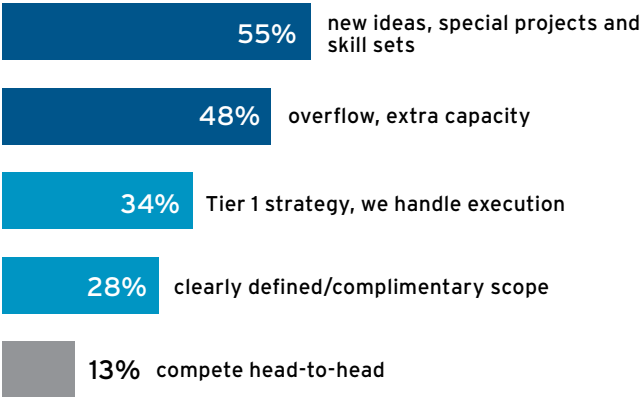
PARTNERSHIPS

Q: Does your creative team/in-house agency partner with external agencies?

22% no

78% yes

n=343

Q: What is the nature of your in-house team's working relationship with external agencies? (select all that apply)

55% new ideas, special projects and skill sets

48% overflow, extra capacity

34% Tier 1 strategy, we handle execution

28% clearly defined/complimentary scope

13% compete head-to-head

n=262

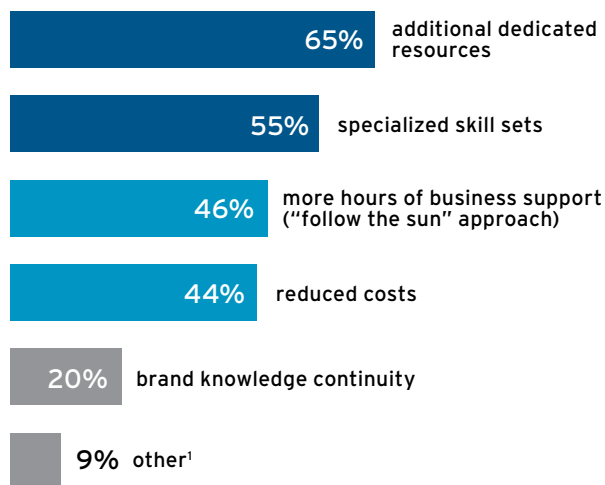**TREND**

In-house teams typically partner with external agencies to complement their service offering—predominantly campaign strategy, creative strategy and design execution—and are increasingly leveraging offshore/offsite creative and production for T1 and 2 digital work.
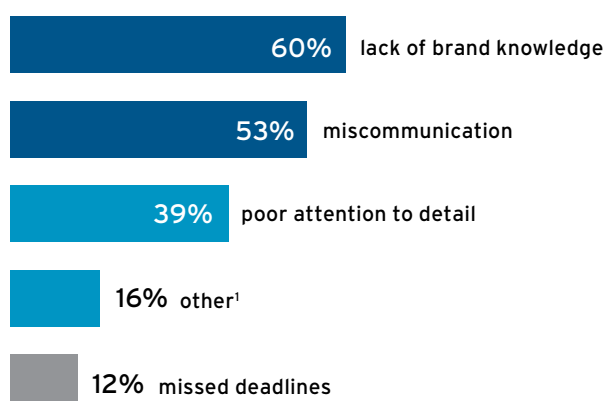
Q: Does your group partner with offshore/offsite creative and production services providers?

26% yes

74% no

n=343

Q: What are the BENEFITS of working with your offshore/offsite partner? (select all that apply)

65%	additional dedicated resources
55%	specialized skill sets
46%	more hours of business support ("follow the sun" approach)
44%	reduced costs
20%	brand knowledge continuity
9%	other[1]

n=83

[1] Other includes: specialty services, global offices, overflow work.

Q: What are the DRAWBACKS of working with your offshore/offsite partner? (select all that apply)

60%	lack of brand knowledge
53%	miscommunication
39%	poor attention to detail
16%	other[1]
12%	missed deadlines

n=77

[1] Other includes: skill set, management time, and some see no drawbacks.

TREND While overall satisfaction is good and miscommunication has improved, partners' lack of brand knowledge has increased 15%.

GLOBAL OPERATIONS

Firms are taking two approaches with global operations. Some teams are choosing to use a global approach in low-cost markets to take advantage of cost savings and offer a more "24/5" approach, while others are serving global creative needs by positioning their teams in global offices close to their customer base.

For in-house groups with multiple locations, tactically evaluating the benefits and drawbacks of each location's operations is critical. Most commonly you will find trends demonstrating a need for brand continuity and increased cost savings, which lead to shifting more capabilities and roles to a lower cost labor market, either domestically or internationally.
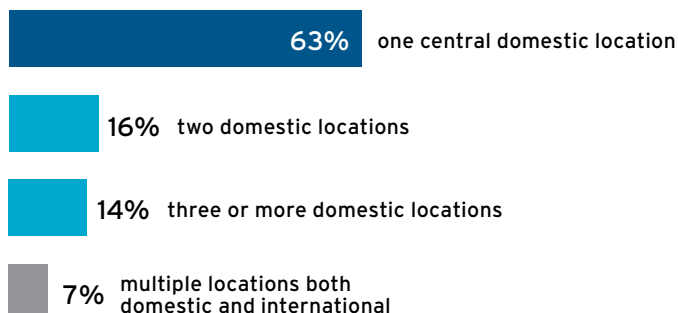
Following are challenges to prepare for with global operations:

Technology: Remote teams often experience slowness in the shared network, which is something that may not be able to be improved.

Process: There is a critical need for effective and efficient project hand-offs across locations. Communication of project details and creative direction is a constant challenge.
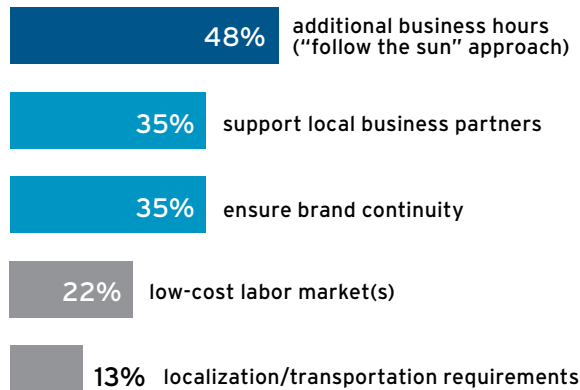
The clock: Depending on the global locations, short or nonexistent time zone overlaps create hurdles in connecting and clarifying, which in turn can negatively impact turnaround time.

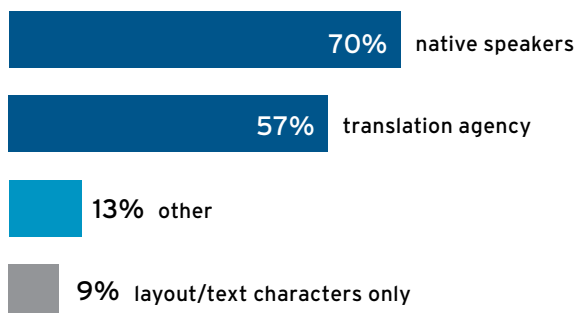**Q:** At how many locations do your team members reside?

63%	one central domestic location
16%	two domestic locations
14%	three or more domestic locations
7%	multiple locations both domestic and international

n=339

Q: What are the primary reasons for international creative teams? (select all that apply)

48%	additional business hours ("follow the sun" approach)
35%	support local business partners
35%	ensure brand continuity
22%	low-cost labor market(s)
13%	localization/transportation requirements

n=23

Q: How do you manage language support? (select all that apply)

70%	native speakers
57%	translation agency
13%	other
9%	layout/text characters only

n=23

TREND

85% of teams reside within the U.S., with England and India the most common international locations.

Outside of English, the three most commonly supported languages are French, German and Spanish, all at 48%.

Q: How do you share files between locations? (select all that apply)

70%	shared intranet/servers
52%	email
46%	external services such as Dropbox/Google Docs
38%	SharePoint site
29%	DAMs
29%	virtual project management tool
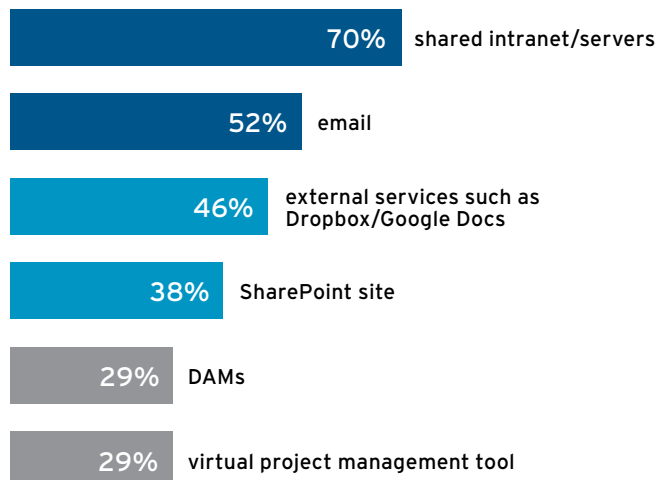
n=123

FTP, mirrored servers and file replication are less than 25%

PROCESSES

Standard operating procedures, workflows and systems are usually an afterthought and come into play when a creative team and in-house agency group's volume of work is significantly increasing, and so is its size. But if implemented early, these tools provide transparency, clarity of roles and resp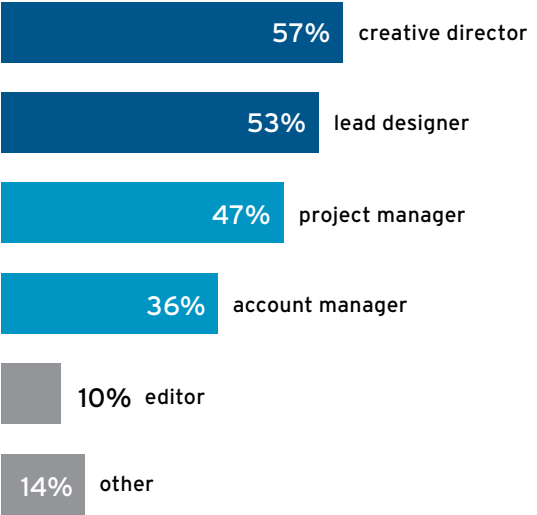onsibilities, automated support and efficiencies, resulting in increased productivity—and a stronger foundation to support growth.

Q: Does your team use creative briefs?

58%
yes, for Tier 1 projects
(non-standard, non-iterative,
highly conceptual projects)

30%
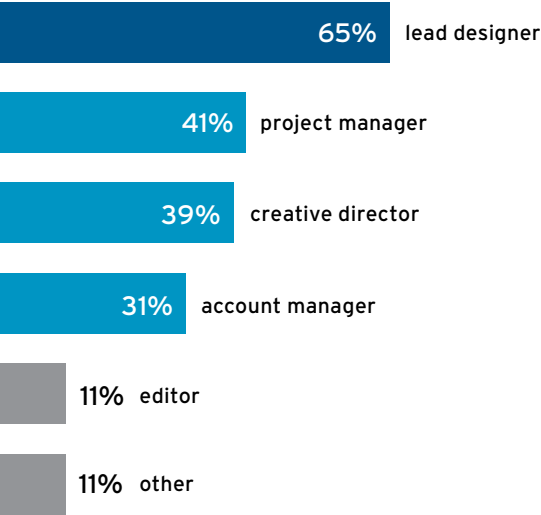yes, for all
projects

12%
no

n=336
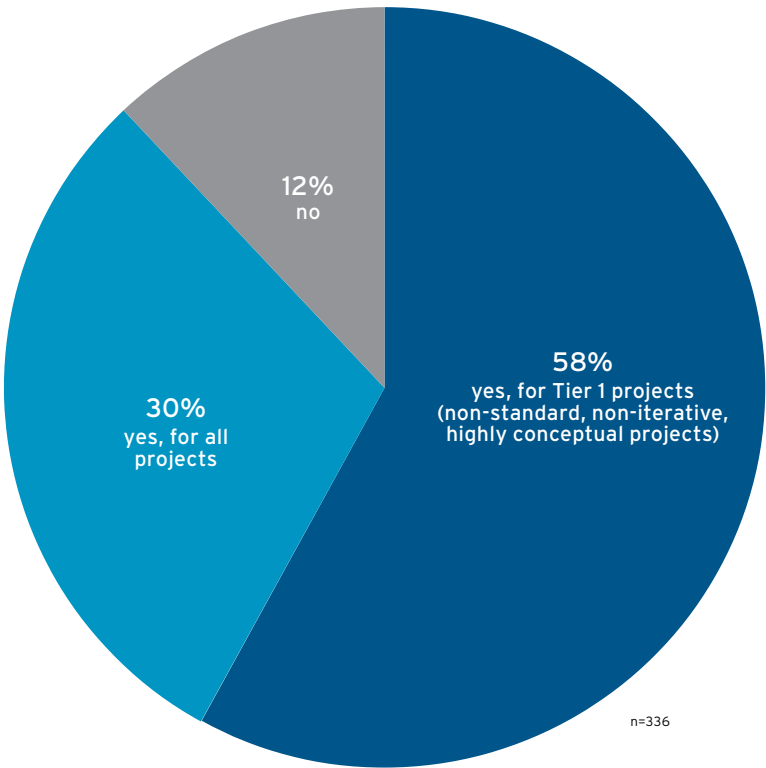
TREND
Teams with dedicated account managers are more likely to use creative briefs (98%) and have account managers take the lead meeting with clients on new projects/iterations (>80%).

Q: Who meets with the client to scope a new project?
(select all that apply)

57%	creative director
53%	lead designer
47%	project manager
36%	account manager
10%	editor
14%	other

n=335

Q: Who meets with the client to review iterations?
(select all that apply)

65%	lead designer
41%	project manager
39%	creative director
31%	account manager
11%	editor
11%	other

n=334

PROCESSES

Q: Are your workflow processes documented?

- 13% few, if any, are documented
- 45% yes, everything is documented
- 42% some of our major ones

n=336
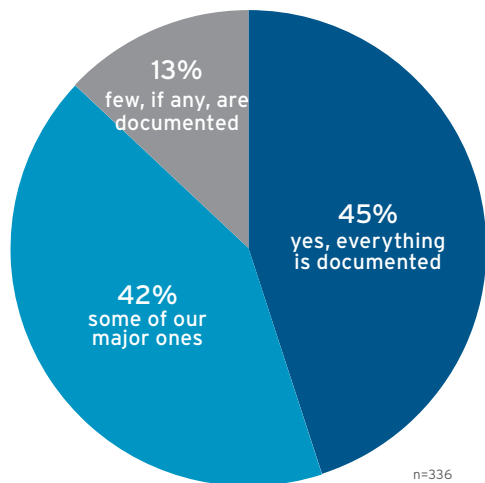
Q: What are the most important criteria considered to prioritize your group's assignments?

- 3.97 strategic importance
- 3.84 deadline
- 3.33 project visibility
- 3.08 client status/hierarchy
- 1.88 project budget

n=336
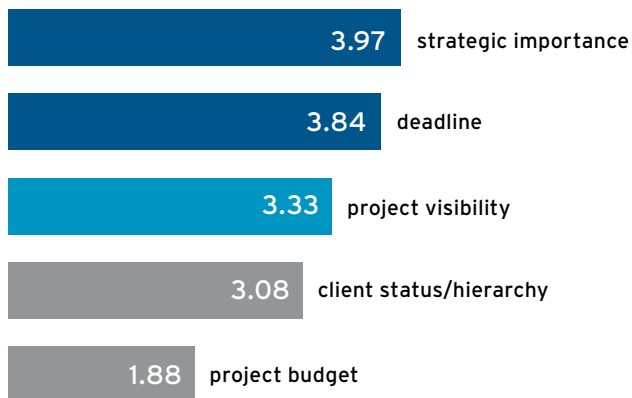
(average score on a 0–5 scale, in which 0 is not important and 5 is extremely important)

Q: Do you have a fast-track process in place to accommodate quick-turn projects?

- 37% no
- 47% yes
- 16% yes, with dedicated team/resources

n=326
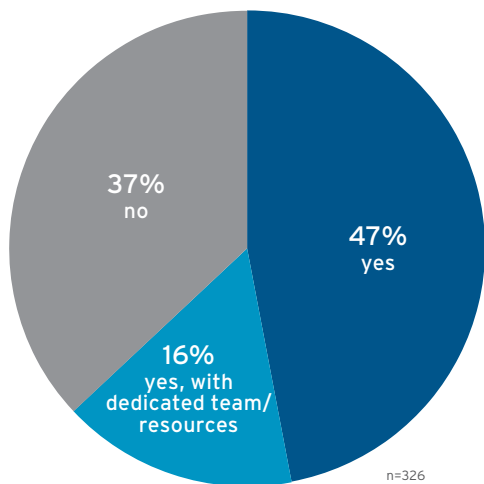
Q: How often do you survey your clients?

- 5% after every project
- 6% quarterly
- 10% after most projects
- 46% never
- 7% semi-annually
- 26% annually

n=329
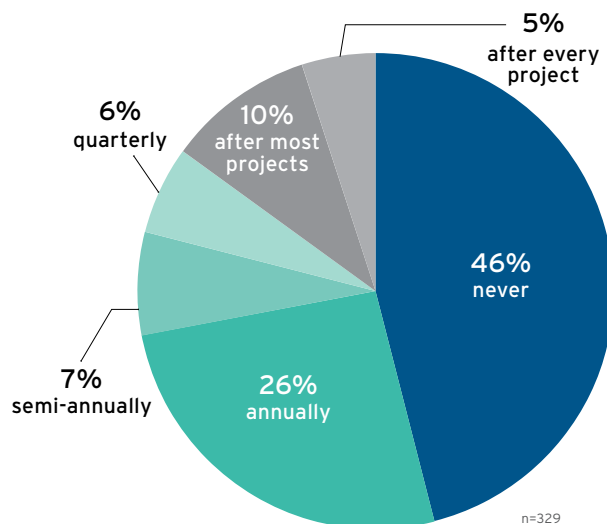
TREND An additional 8% of in-house teams are surveying their clients, over 2018. This is an industry best practice which along with capturing overall metrics can help shape your agency value proposition.

Q: Does your team capture and report on metrics?

33%
no

67%
yes

n=340

Q: What type of financial metrics does your team capture? (select all that apply)

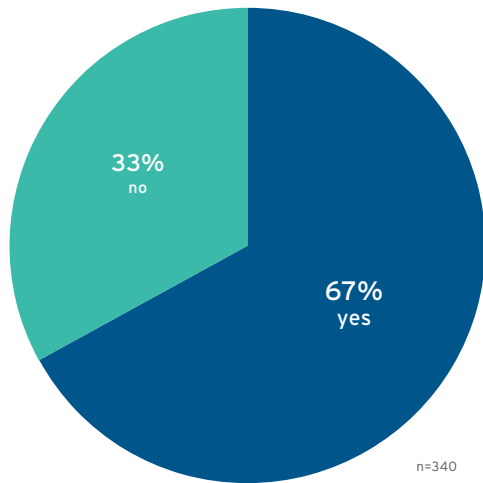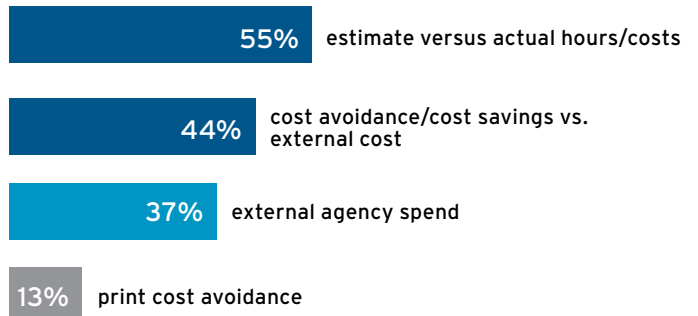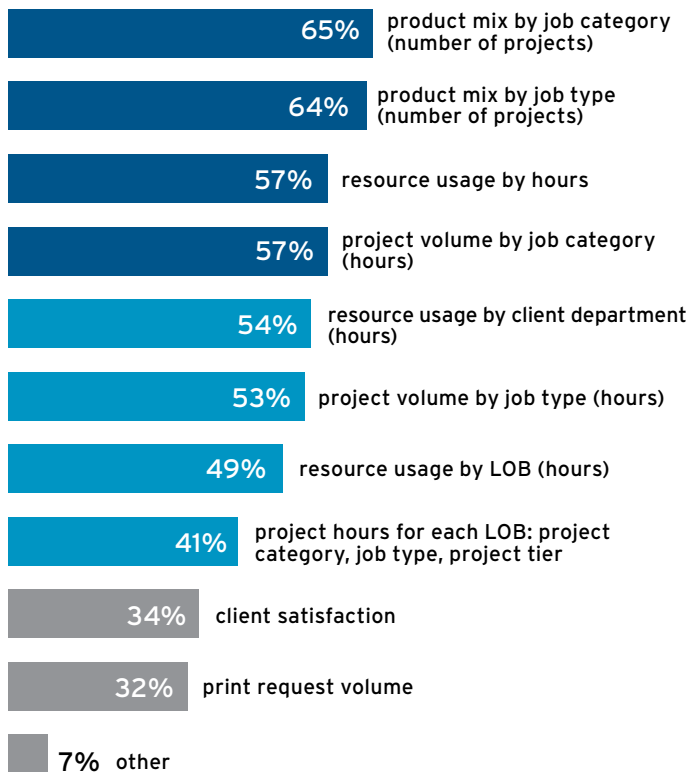|	
55%	estimate versus actual hours/costs
44%	cost avoidance/cost savings vs. external cost
37%	external agency spend
13%	print cost avoidance

n=167

TREND

Large and mega teams are over 20% more likely to be capturing and reporting on metrics.

Large teams capture cost avoidance 71% of the time, and mega teams capture estimate vs. actual 79% of the time.
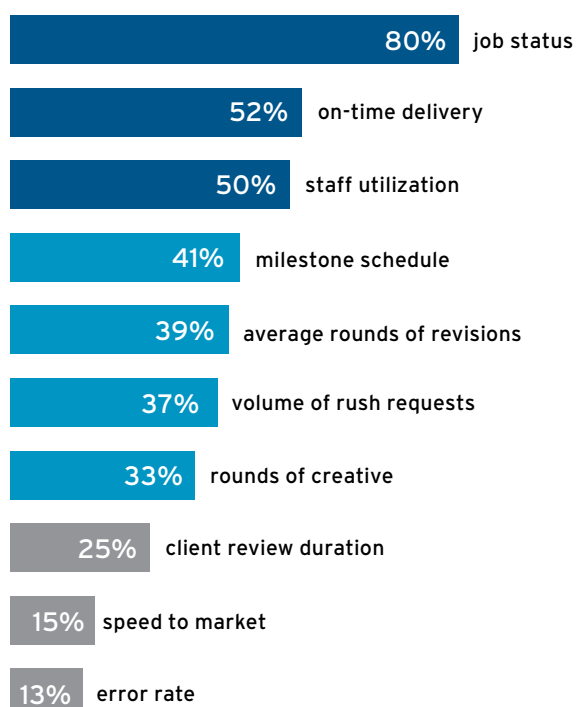
Q: What type of product/service metrics does your team capture? (select all that apply)

65%	product mix by job category (number of projects)
64%	product mix by job type (number of projects)
57%	resource usage by hours
57%	project volume by job category (hours)
54%	resource usage by client department (hours)
53%	project volume by job type (hours)
49%	resource usage by LOB (hours)
41%	project hours for each LOB: project category, job type, project tier
34%	client satisfaction
32%	print request volume
7%	other

n=211   Job category is print versus digital. Job type is brochure, banner, direct mail, etc.

Q: What type of process metrics does your team capture? (select all that apply)

80%	job status
52%	on-time delivery
50%	staff utilization
41%	milestone schedule
39%	average rounds of revisions
37%	volume of rush requests
33%	rounds of creative
25%	client review duration
15%	speed to market
13%	error rate

n=205

Q: How are these metrics used?
(select all that apply)

71%	future planning
70%	managing team capacity
63%	general staffing/resources
59%	evolving process
57%	identifying inefficiencies
56%	promoting the value of the team
45%	tracking trends/seasonability
37%	increasing transparency (cost) for business partners
34%	demonstrating cost avoidance/savings vs. external agencies
33%	evaluating resource skills against work type
17%	benchmarking against industry standards
2%	other

n=209

Q: How do you report on or present these metrics? (select all that apply)

62%	within the in-house team and marketing leadership
55%	within the creative/in-house leadership team
47%	reports are distributed to senior leadership
40%	metrics are used ad hoc for departmental presentations
24%	dashboards are available to all for self-service review
19%	business reviews are conducted in person with designated teams
4%	other
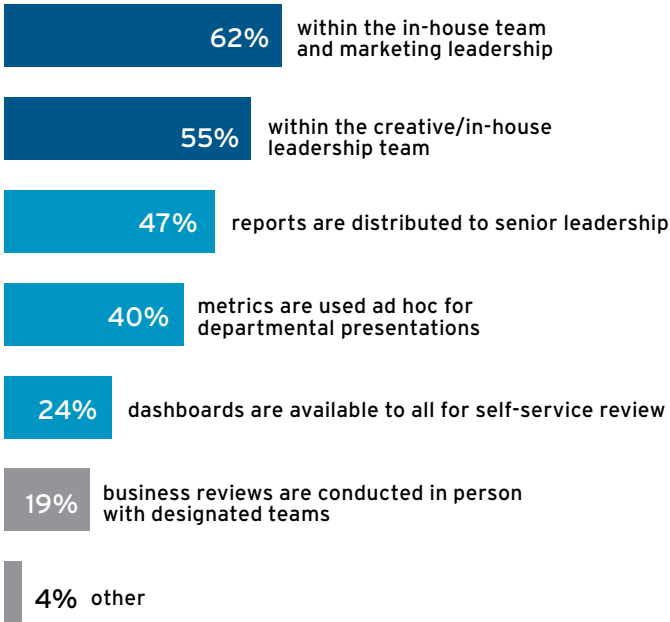
n=212

Q: On average, how often are your reports distributed?

- 1% daily
- 11% other
- 11% yearly
- 12% weekly
- 35% quarterly
- 30% monthly

n=212

TREND
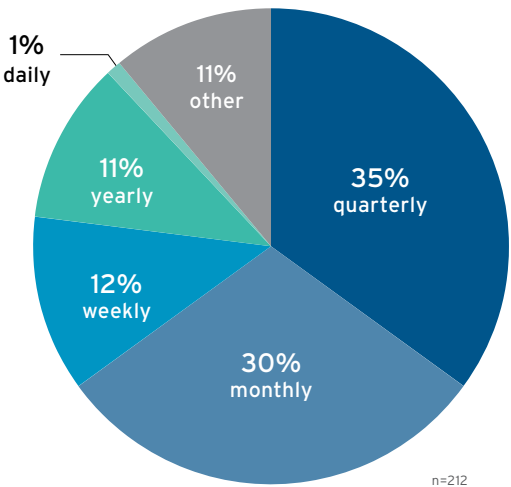
Mega and large teams are using metrics to a greater extent to:

1. measure team capacity, planning and staffing
2. benchmark against the industry
3. increase transparency for business partners

Large teams distribute reports quarterly almost 20% more often than teams of other sizes. Mega teams are most likely to distribute reports on demand.
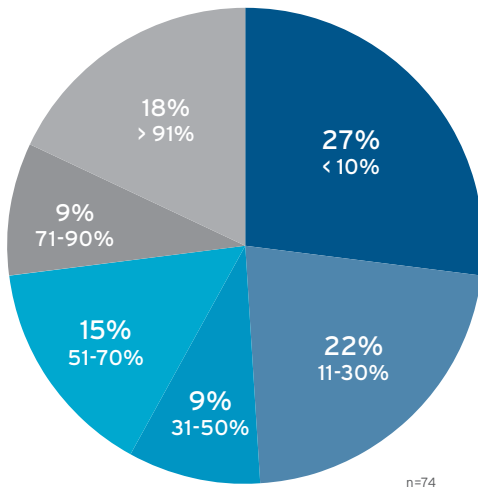
Q: Do you use Agile methodologies?

23%
yes

77%
no

n=335
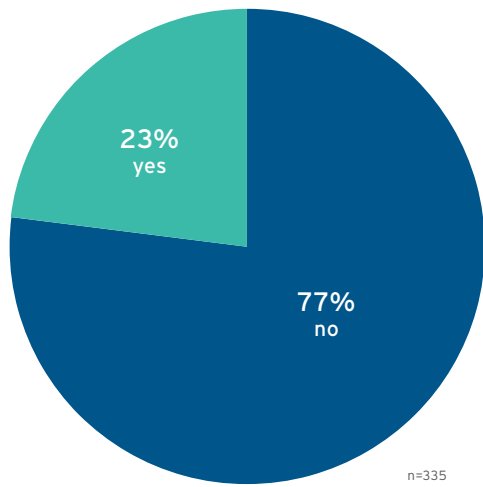
Q: What Agile methodologies do you use?
(select all that apply)

54% scrum

38% hybrid

32% kanban

6% scrumban

4% other

n=72
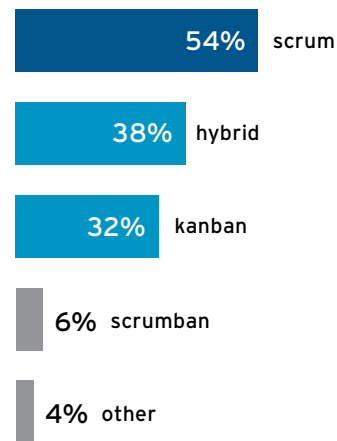
Q: What percent of work is done using
Agile methodologies?

27%
< 10%

22%
11-30%

9%
31-50%

15%
51-70%

9%
71-90%

18%
> 91%

n=74

TREND

Small and mid-sized teams use Agile practices
for the majority of their work.

Large and mega teams use Agile practices for
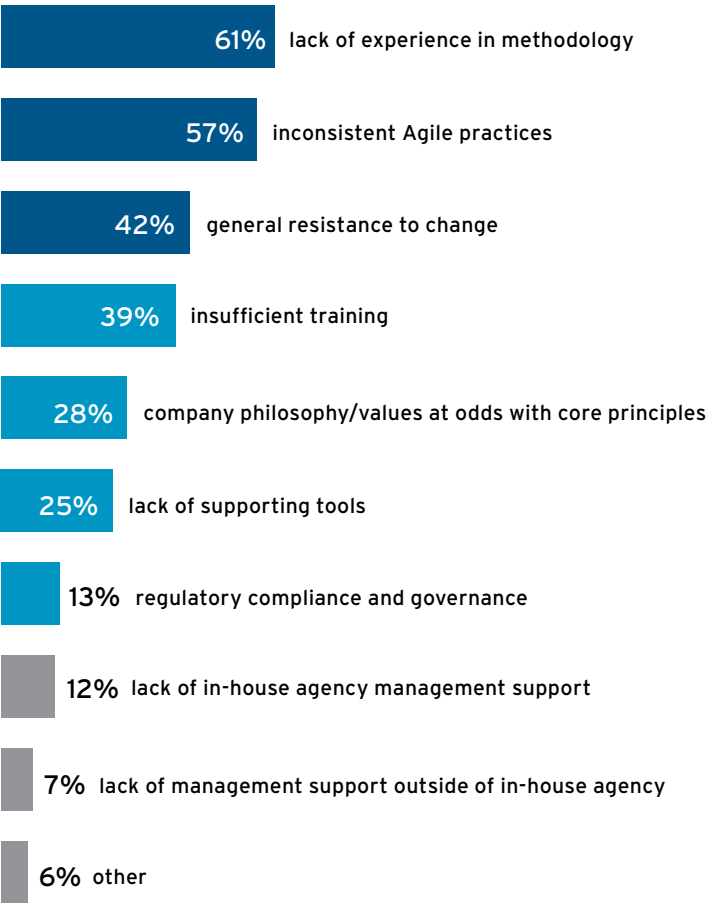50% or less of their work.

Q: What are your reasons for adapting Agile methodologies? (select all that apply)

64%	increase productivity
54%	enhance ability to manage changing priorities
51%	improve project visibility
43%	accelerate product delivery
35%	mandated by management
33%	reduce project risk
29%	improve business alignment
11%	improve morale
11%	reduce project costs
7%	other

n=72

Q: What are the challenges using Agile methodologies? (select all that apply)

61%	lack of experience in methodology
57%	inconsistent Agile practices
42%	general resistance to change
39%	insufficient training
28%	company philosophy/values at odds with core principles
25%	lack of supporting tools
13%	regulatory compliance and governance
12%	lack of in-house agency management support
7%	lack of management support outside of in-house agency
6%	other

n=67

Building the Right Video Team

Danny Rickard - Cella Practice Lead

The demand for video continues to explode. Globally, video traffic will comprise 82% of all IP traffic (both business and consumer) by 2022. This is up from 75% in 2017*, signaling that the video movement is far from over. The fact that the average viewer remembers 95% of a message that is watched, as opposed to only 10% of one that's read**, is a strong driver of video's popularity. As the demand, interest and enthusiasm for video increase, many organizations are looking to bring this capability in-house.

Yet, while there is clearly a need, some companies are hesitant to begin building in-house video capabilities due to uncertainty about the type of talent, equipment and processes required. In fact, as reported in our 2018 in-house creative industry benchmarking survey, while 59% of teams project their demand for video will grow, 40% of those teams had only one resource dedicated to this medium. Last fall in a series of CreativeExecs Roundtables specifically focused on video, creative leaders conveyed that their hesitancy toward building a video team was rooted in the uncertainty of where to start.

If you're the lead of one of those groups that are a bit paralyzed by fear of the unknown of standing up a video group, know that while it will require effort and focus, you don't need to be a video expert to achieve your goals. Following are some best practices to help you get started.

Do the Research

Begin with defining your organization's appetite for video content. What types of videos do your stakeholders want produced? The variety can range from social media content to employee engagement videos to various types of marketing messages—and use styles such as motion design, live-action and/or animation. Once you better understand the types of video needed, then gauge the demand for each one.

After determining future needs and expectations, evaluate the work currently being done for your organization. Is an outside vendor producing work for which the quality is low and the cost is high? Is the work you're seeing misaligned with your brand? Does the work take a long time to deliver? All of these issues may point to the need to beef up internal resources.

Whatever the drivers you uncover for video are, you must have an enthusiasm for the medium that shouts "We can do it better!"

The next step is to think through other factors involved in launching your video production team. What space is available? What types of hardware will you need? What types of software? But keep in mind, a high-end production studio with the latest and greatest equipment isn't actually necessary to start a team.

Start Small and Think BIG

The most important consideration when standing up your video capabilities is your people. You should begin with a really good video producer. The person in this position knows every role that's needed (or not) in various productions. He or she should also have a network of A-team resources with whom he or she likes to work. The efficiencies, cost savings and agility that will be expected of your in-house video team, coupled with the fact that we are often expected to do more with less, dictate that you find that producer who knows how to do a lot with a little.

Building the Right Video Team (continued)

When it comes to infrastructure, a quiet office can be your "studio" and a desk space can be your "graphics lab." Then as the demand increases, you can look for opportunities to build a more permanent studio. As far as equipment is concerned, ask your in-house creative team and also your network of freelance talent what they are seeing out in the industry. Ensure you get a healthy mix of perspectives and then combine that with the types of projects you are going to be producing to figure out what equipment you will need.

We Want our Creators to Create... Not be Operators

As your projects increase and teams become more complex, processes, data storage, project classification, resourcing and detailed financials need to already be in place. This way, the creative process can remain your paramount focus and not be overshadowed by the operational aspects of running the department. It's also critical to identify someone outside of the creative executional team to orchestrate your video group's operations.

At the leadership level, you should consider tracking time from the start. Time tracking is the root of multiple metrics that can be leveraged to support a successful, healthy video team. From there, start thinking through and establishing continuous improvement initiatives, such as having your team attend conferences and workshops to keep the creative process alive and fresh.

The best practices touched on above will assist you in developing your business plan, determining a staffing strategy and forecasting needed investments to benefit your business.

However you choose to launch and advance your video team, always ensure you have the enthusiasm to lead the change.

Key Takeaways:

- **RESEARCH** the project types being produced by your (soon to be) clients. Look for projects that an outside vendor is creating; is there an opportunity to bring them in house? Pay close attention to the quality and cost of the work to help build your business case.

- **PARTNER** with departments in your organization, such as finance for payroll processes and vendor payments and IT for storage of assets and infrastructure requirements, so that your video team will have the operational support they need to stay focused on producing awesome creative.

- **DECIDE** how you're going to market your team, who will be leading capability presentations and how you're going to continuously educate clients on workflow, video strategy and creative.

- **MAP** out processes so you know what to do when the requests start coming in. Don't overengineer this stage; things will shift once the process goes live. Gather feedback from both your team and your clients and then modify the processes if necessary.

- **BUILD** your team in phases. Start with a full-time hire and supplement with amazing freelance talent to create the work. As you better understand the types of work and volume, you can add to your full-time in-house resources.

- **EVOLVE** the creative, the team and the operations continuously. Never stand still.

*Cisco Visual Networking Index: Forecast and Trends, 2017-2022/November 2018

** Medium: This Is Why Video Is the Most Engaging Type of Content/August 2017

Cella practice lead Danny Rickard brings more than a decade of experience leading video, digital and creative teams both on operational as well as tactical levels. He has an extensive background in building teams, client management, creative experiences and development of talent in organizations ranging from boutique production companies to Fortune 100 businesses. As a result of both his creative and operational thinking processes, Danny is looked to as a strategic partner in multiple roles that he sees as crucial to any leader of an in-house environment.
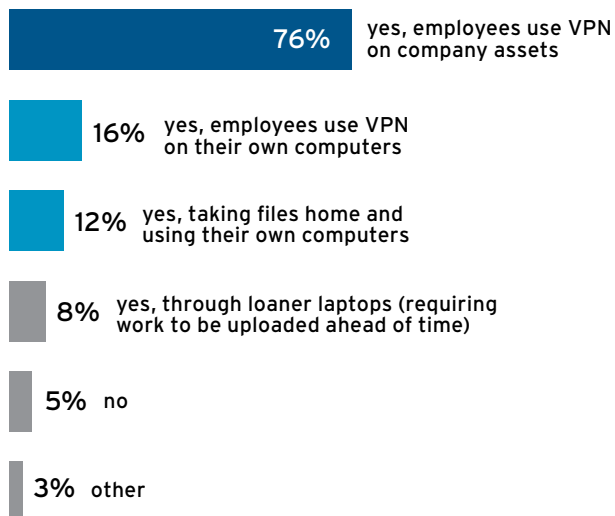
TECHNOLOGY

Across the last decade, there has been a revolution in supporting technology aimed at improving the efficiency and effectiveness of creative operations. As these systems continue to develop to meet our needs, they continue to add functionality. But in doing so, the complexity and the lines of distinction between these systems are blurring, making it more difficult to design the appropriate tech ecosystem for our teams.

Today, we have project management systems (PMS), content management systems (CMS), document management systems (DMS) and digital asset management (DAM) systems. To make it more confusing, much of the functionality of these systems overlap. Each of these systems manages creative assets and workflows but has a different purpose or focus. They all have unique functionality that can be used in conjunction with other systems to develop a comprehensive end-to-end solution. When looking for a new system, it can sometimes be difficult to know where to start if the primary focus or functionality is not clear.

While technology complexity is increasing, creatives still desire simple, yet aesthetically pleasing, tools with which to work. In this ever-changing environment, creatives teams must learn to adapt and embrace this technological change or be left behind. It is no longer possible to concentrate only on creative output; we must also concentrate on the delivery of this output and how it impacts the success of the organization.

TECHNOLOGY

Q: Is technology available for your team to work remotely as needed? (select all that apply)

76% yes, employees use VPN on company assets

16% yes, employees use VPN on their own computers

12% yes, taking files home and using their own computers

8% yes, through loaner laptops (requiring work to be uploaded ahead of time)
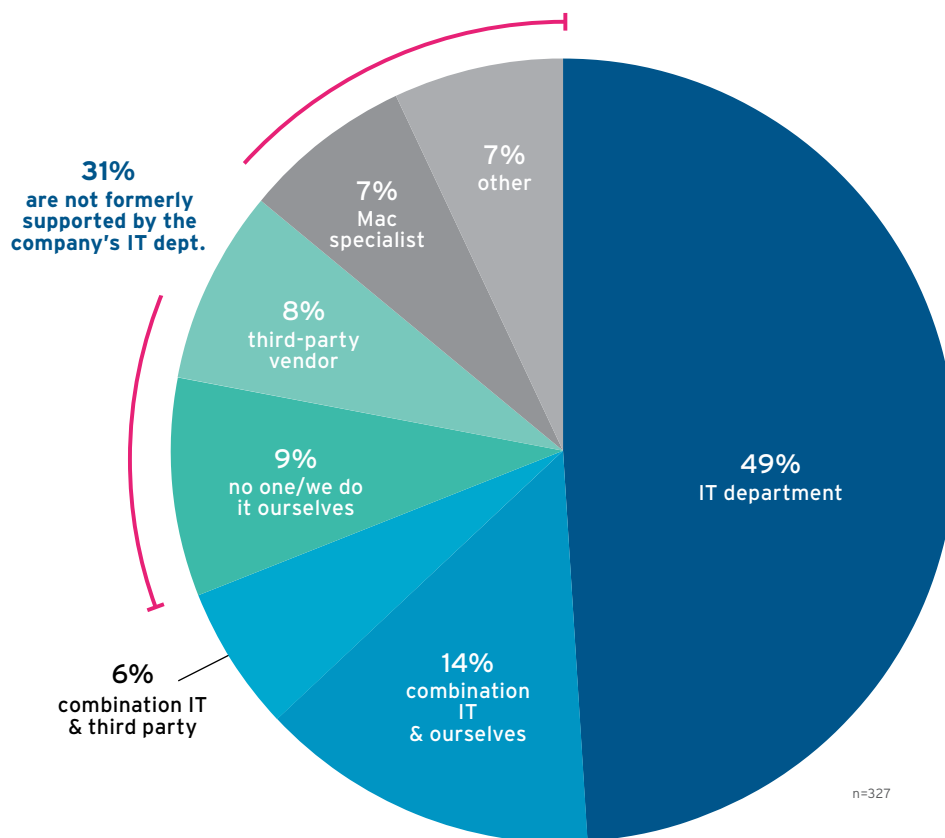
5% no

3% other

n=329

TREND

The steady rise of remote workers continues, with 5.2% or 8 million people working from home in 2017.
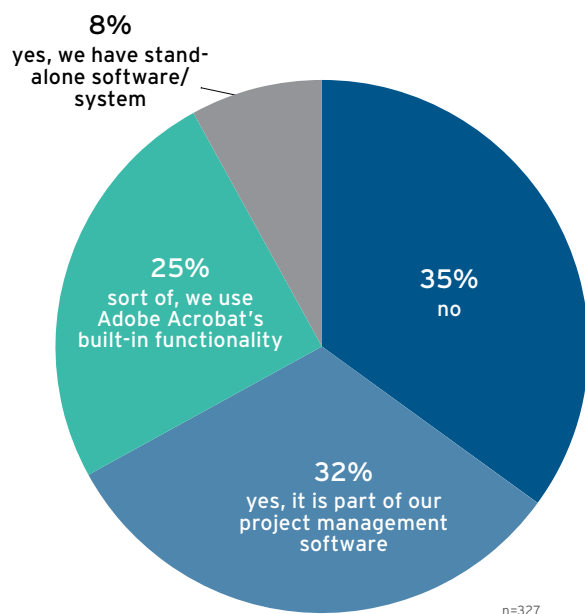*US Census, Sept. 17, 2018.*

Three top benefits include:
- Reduction in unscheduled absences
- Increased productivity
- Reduced real estate costs

Q: Who provides technical support for your Macs?

31% are not formerly supported by the company's IT dept.

- **49%** IT department
- **14%** combination IT & ourselves
- **6%** combination IT & third party
- **9%** no one/we do it ourselves
- **8%** third-party vendor
- **7%** Mac specialist
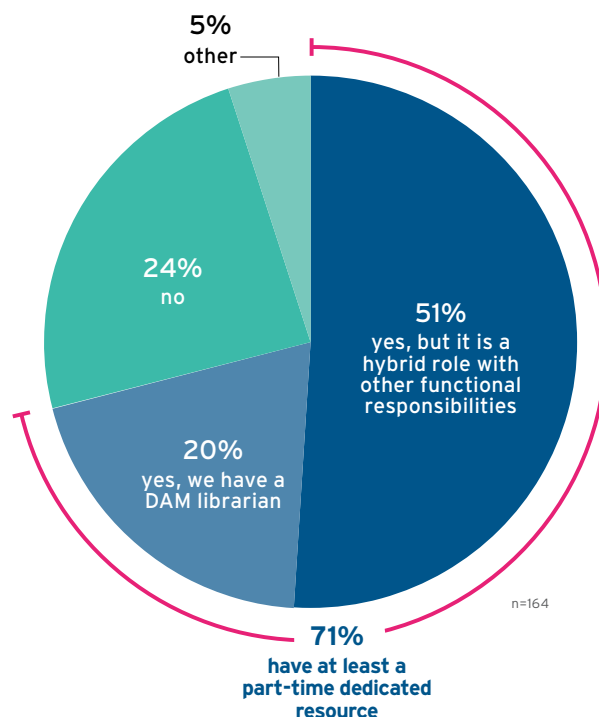- **7%** other

n=327

NOTE: 5% of the 'Other' category are not using Macs.

Q: Does your team use soft proofing software to collaborate with clients and collect/track feedback?

35%
no

32%
yes, it is part of our project management software

25%
sort of, we use Adobe Acrobat's built-in functionality

8%
yes, we have stand-alone software/ system

n=327

Q: Do you have a dedicated resource managing your DAM system?

51%
yes, but it is a hybrid role with other functional responsibilities

20%
yes, we have a DAM librarian

24%
no

5%
other

n=164

71%
have at least a part-time dedicated resource

Q: Does your team use a digital asset management system?

48%
no

32%
yes, enterprise-wide system

20%
yes, for our team/division

n=333

52%
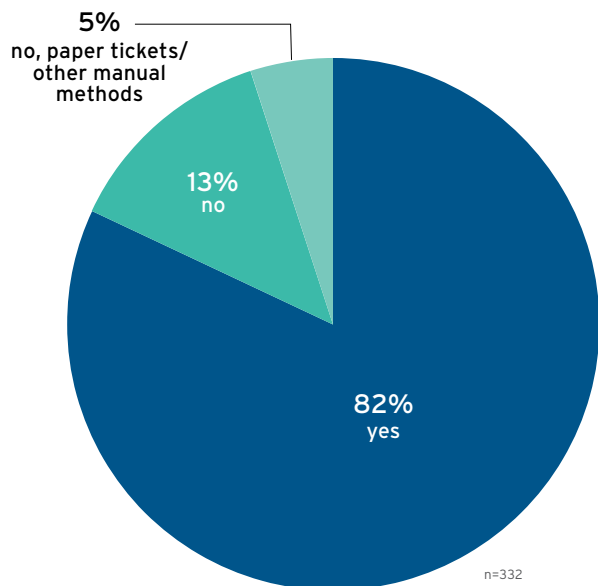**are using DAM systems**

TREND
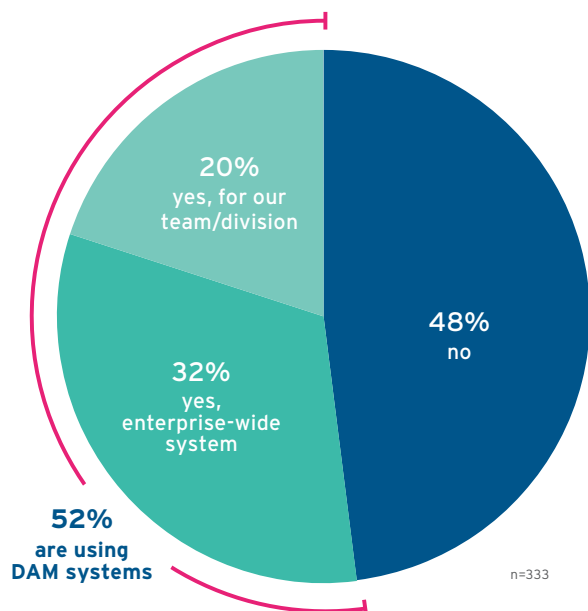
The most commonly used proofing systems: Workfront Proof, Inmotionnow and Wrike.

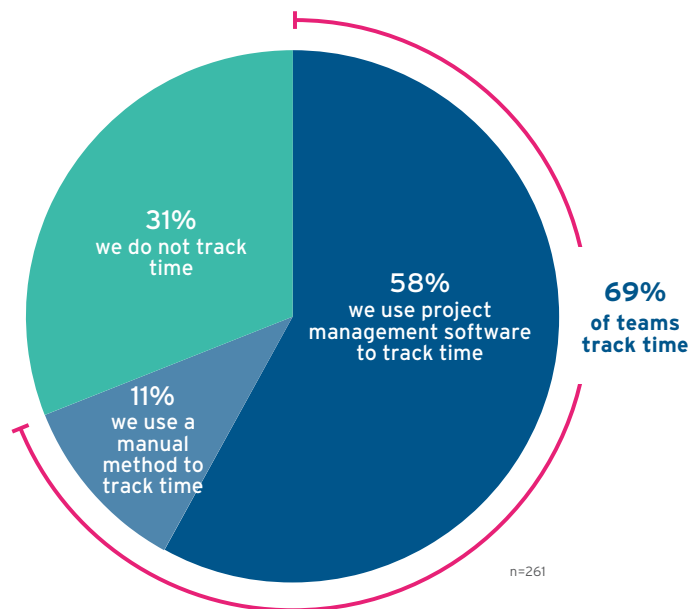**The most commonly used DAM systems:** SharePoint, Widen (Media Collective), Adobe Experience, Workfront DAM and Webdam (Bynder).
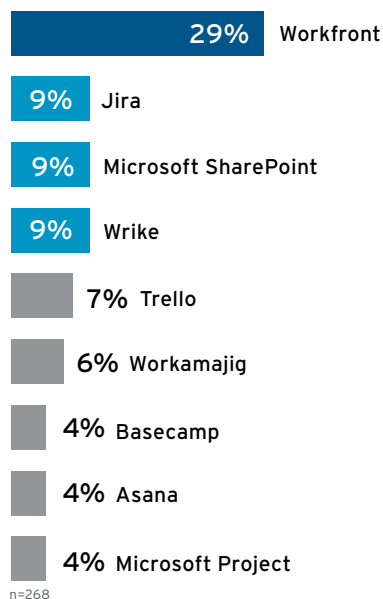
Q: Does your team use project management software?

5%
no, paper tickets/
other manual
methods

13%
no

82%
yes

n=332

Q: How does your team track time?

31%
we do not track
time

58%
we use project
management software
to track time

11%
we use a
manual
method to
track time

69%
of teams
track time

n=261

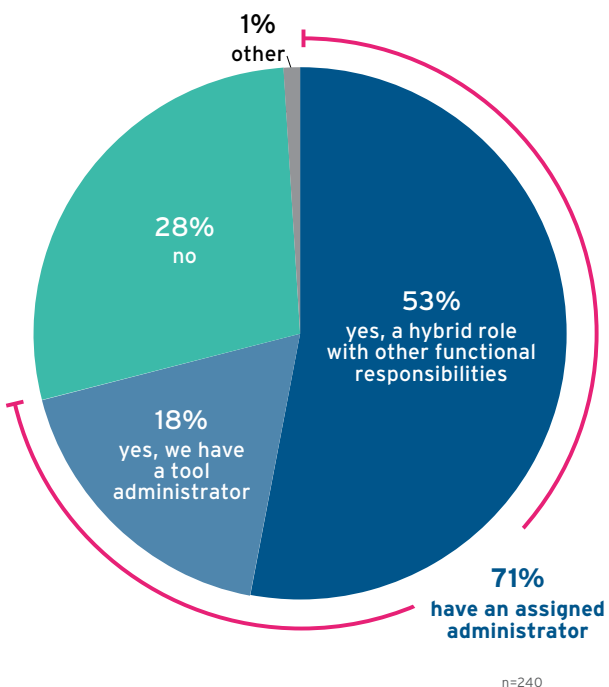**TREND** Time tracking increased 13% over 2018.

Q: Which, if any, of these systems does your team use? (select all that apply)

- 29% Workfront
- 9% Jira
- 9% Microsoft SharePoint
- 9% Wrike
- 7% Trello
- 6% Workamajig
- 4% Basecamp
- 4% Asana
- 4% Microsoft Project

n=268

Q: Do you have a dedicated resource managing your project management tool?

1%
other

28%
no

53%
yes, a hybrid role
with other functional
responsibilities

18%
yes, we have
a tool
administrator

71%
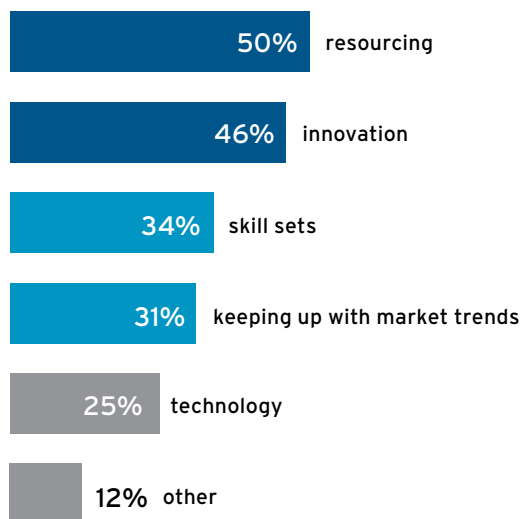have an assigned
administrator

n=240

VALUES & CHALLENGES OF IN-HOUSE TEAMS

Many creative groups stand on the value proposition of being lower cost (whether that is free or a chargeback rate that is lower than agencies), and while that will open doors, it won't keep them open. It's extremely important that creative leaders identify and preach the team's value outside of cost. Institutional knowledge along with shared company values and goals are other highly recognized aspects of an in-house group, with the greatest advantage being brand knowledge.
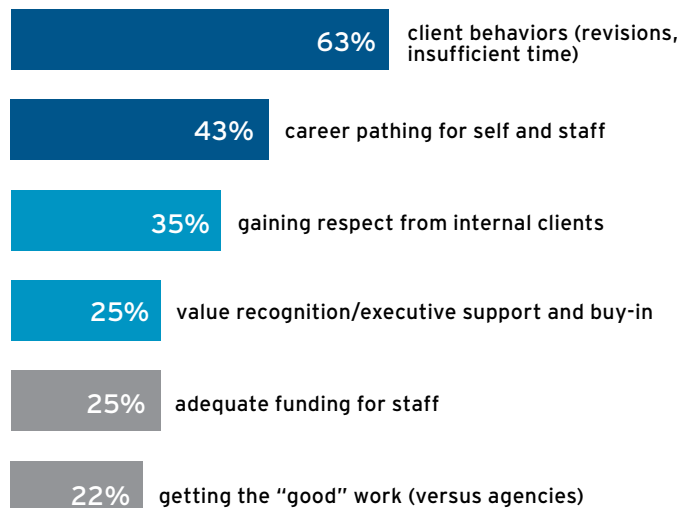
Almost regardless of industry, company size and team size, the challenges of creative leaders are very consistent. Year over year, affecting client behaviors remains the greatest principal challenge. Resourcing, innovation and skill sets are also top challenges. Ensure your group's value proposition by proactively creating a strategic plan with these challenges in mind.

VALUES & CHALLENGES OF IN-HOUSE TEAMS

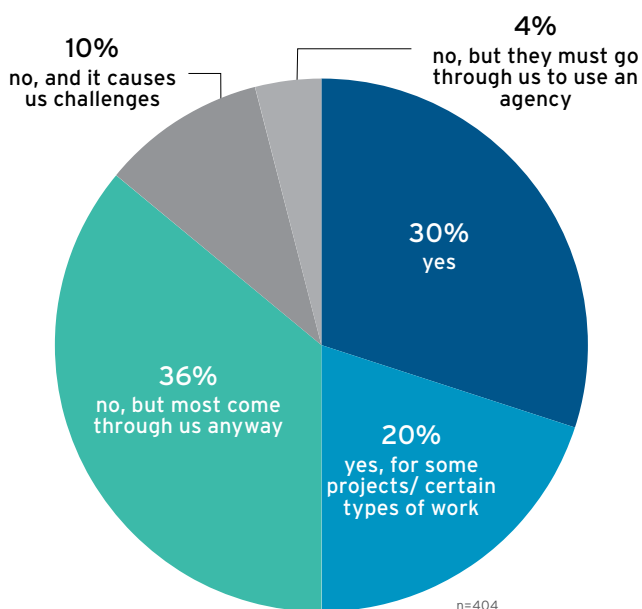**Q:** Which of the following are the greatest challenges within your group? (select all that apply)

- **50%** resourcing
- **46%** innovation
- **34%** skill sets
- **31%** keeping up with market trends
- **25%** technology
- **12%** other

n=321

Q: Which of the following topics provide the greatest challenge for you as a creative leader? (select top three)

- **63%** client behaviors (revisions, insufficient time)
- **43%** career pathing for self and staff
- **35%** gaining respect from internal clients
- **25%** value recognition/executive support and buy-in
- **25%** adequate funding for staff
- **22%** getting the "good" work (versus agencies)
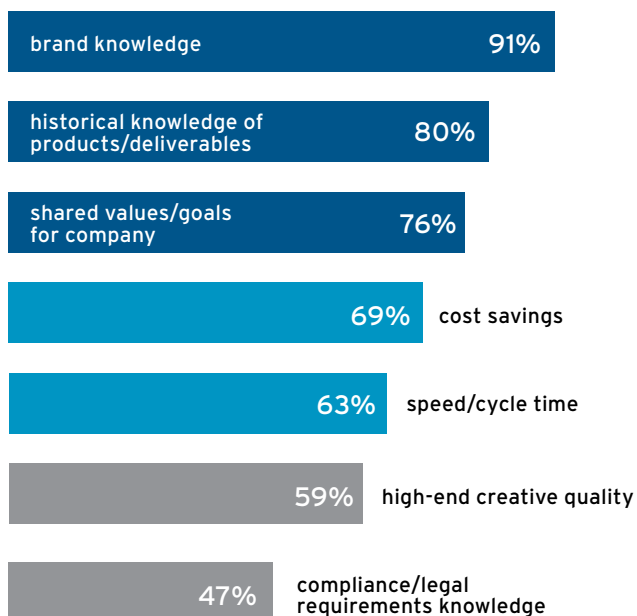
n=326

TREND Teams with account managers saw a significant drop in "client behaviors" as a top challenge of their in-house agency.

Q: Are internal clients required to use your group?

- **4%** no, but they must go through us to use an agency
- **10%** no, and it causes us challenges
- **30%** yes
- **20%** yes, for some projects/ certain types of work
- **36%** no, but most come through us anyway

n=404

TREND 39% of creative leaders indicated other creative groups exist within the company. This means that each group needs to have clearly defined roles and rules of engagement with clients as well as each other.

Q: Which of the following do your internal clients recognize as part of your value proposition? (select all that apply)

- brand knowledge **91%**
- historical knowledge of products/deliverables **80%**
- shared values/goals for company **76%**
- **69%** cost savings
- **63%** speed/cycle time
- **59%** high-end creative quality
- **47%** compliance/legal requirements knowledge

n=324

NOTE: Compliance/legal knowledge and low error rates are less than 50%, and only 28% cited innovation as recognized by clients.
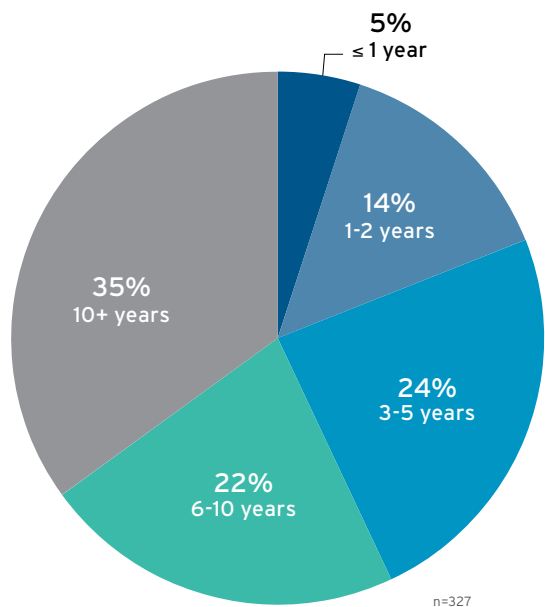
CREATIVE
TEAM LEADER

Career pathing for in-house leaders and their teams remains one of the greatest challenges. Leaders are also slightly less satisfied in their current roles and more optimistic about the job market for roles similar to the one they're in today.
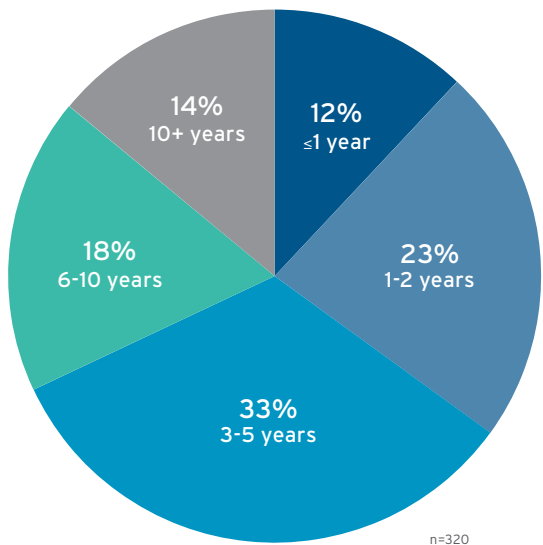
Although creative teams and in-house agencies are on the rise—both in size and number—there still isn't an abundance of them, let alone open senior roles. While the majority responded that their next career move could most likely be another in-house team, others expressed interest in freelance or consulting roles.
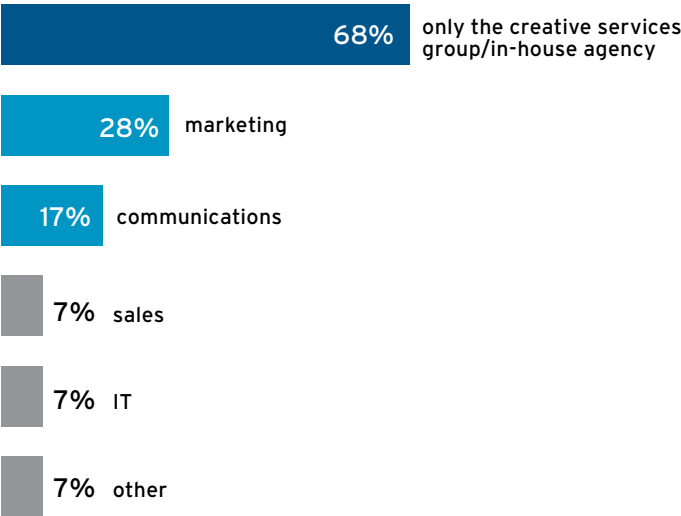
CREATIVE TEAM LEADER

Q: How long have you worked for your current employer?

5%
≤ 1 year

14%
1-2 years

35%
10+ years

24%
3-5 years

22%
6-10 years

n=327

Q: How much longer do you expect to stay with your current employer?

12%
≤1 year

14%
10+ years

18%
6-10 years

23%
1-2 years

33%
3-5 years

n=320

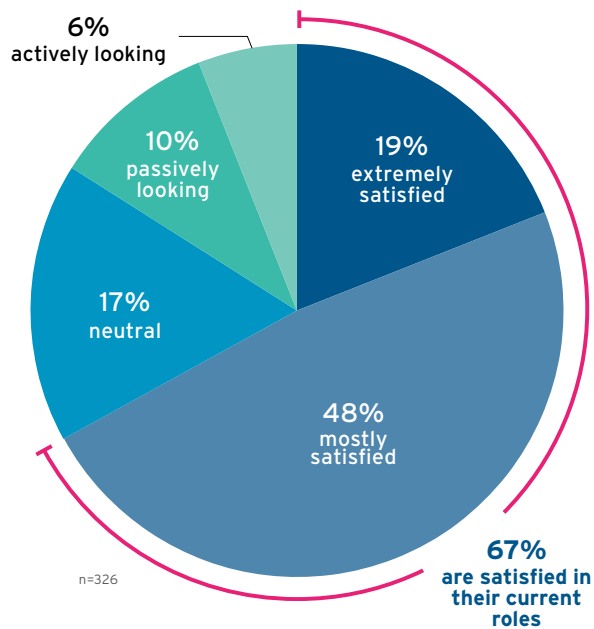**Q:** What departments outside of the creative team/in-house agency have you worked within at your current company? (select all that apply)

|	
68%	only the creative services group/in-house agency
28%	marketing
17%	communications
7%	sales
7%	IT
7%	other

n=326

Q: How satisfied are you in your current role?

6%
actively looking

10%
passively
looking

17%
neutral

19%
extremely
satisfied

48%
mostly
satisfied

67%
are satisfied in
their current
roles

n=326

Q: How confident are you in the job market and opportunities available for someone in your role?

5%
do not know

14%
highly
confident
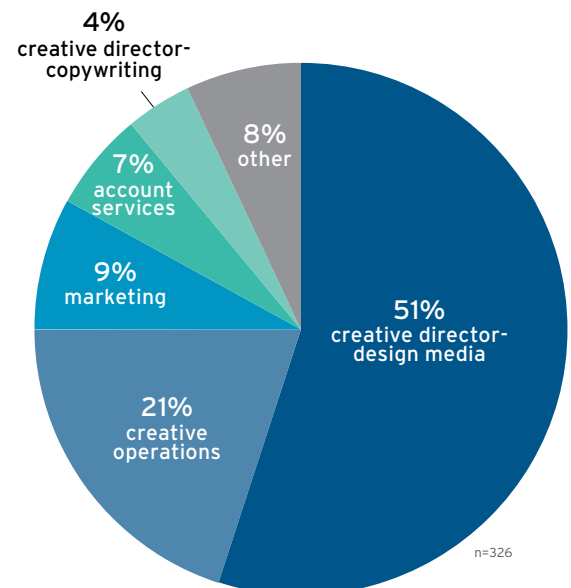
20%
not confident

61%
mostly confident

n=264
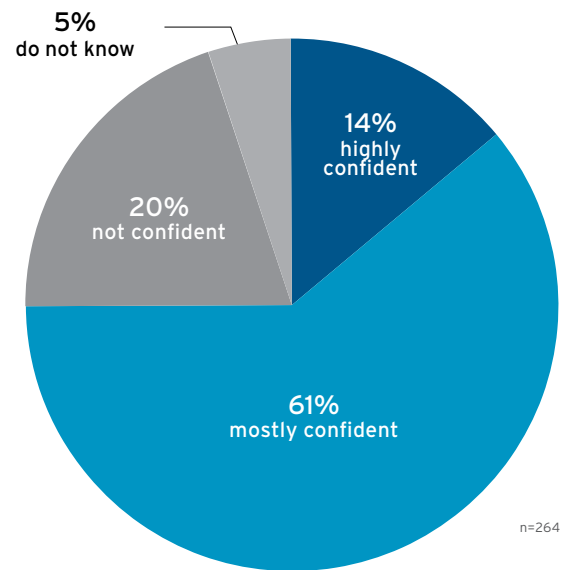
TREND Leaders' satisfaction has dropped slightly, with a corresponding uptick in confidence about the job market.

Q: Your next career move would most likely be?

18%
none of the
above

12%
other

6%
external
agencies

9%
within marketing
(but not within
creative team)

55%
other in-house
creative teams

n=324
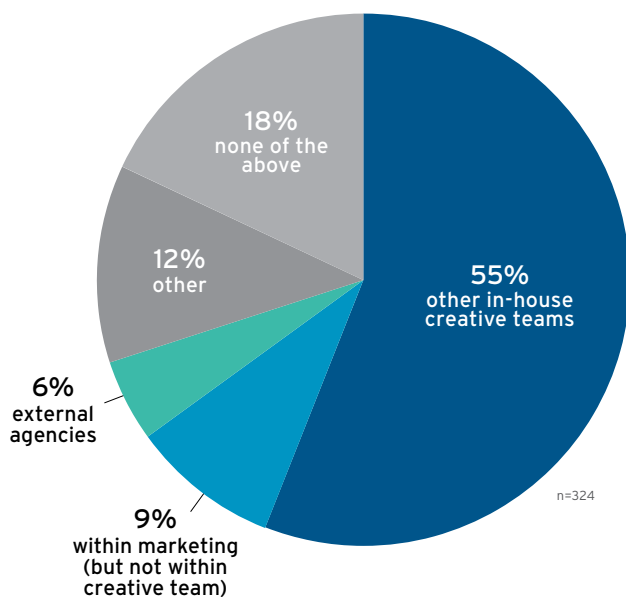
Q: In what discipline is the majority of your background and experience?

4%
creative director-
copywriting

7%
account
services

8%
other

9%
marketing

51%
creative director-
design media

21%
creative
operations

n=326

APPENDIX
Survey Participant Demographics

SURVEY PARTICIPANT DEMOGRAPHICS

Survey responses were filtered to represent only responses by in-house creative leaders. To identify leadership-level responses, we filtered titles per the chart below. Responses were further narrowed to eliminate duplicate responses and ensure one unique response per company and/or each in-house agency residing within an organization.

Q: Which of the following best describes your title?

Creative/Marketing Services Manager	24%
Creative Director	21%
Director/Business Unit Head	19%
Operations Manager/Director	13%
Vice President	7%
Art Director	6%
Design/Production Manager	5%
Other Management Role	5%

n = 428

Q: Please identify your company's/organization's annual revenue.

Education, Government, Not-for-Profit	16%
‹ $250M	16%
$250M–$999M	15%
$1B–$5B	17%
$5B–$10B	8%
$10B–$30B	12%
› $30B	15%

n = 428

INDUSTRIES REPRESENTED

Automotive/Transportation	2%
Banking/Financial Services	9%
Biotech/Health Care Products/ Medical Devices	2%
Consulting/Professional Services	5%
Consumer Products	4%
Education	7%
Food/Food Services	2%
Government	2%
Health Care	11%
Insurance	6%
Legal	2%
Manufacturing	7%
Marketing/Advertising	2%
Media and Entertainment	2%
Not-for-profit	7%
Pharmaceuticals	2%
Real Estate	2%
Retail	4%
Technology and Software	7%
Telecommunications	2%
Travel, Hospitality and Leisure	3%

n = 428

RESOURCES

Department Organization

Our Invisible and Sometimes
Forgotten Clients
http://bit.ly/InvisibleClients

The Missions of In-House Creative Teams
http://bit.ly/InHouseMission

Drivers to Rethinking a Creative
Team's Makeup
http://bit.ly/TeamMakeup

Get Serious About Professional
Development
http://bit.ly/ProfDevSerious

Department Funding

The Challenges to Cost Savings Metrics
http://bit.ly/CostSavingsChal

Don't Let Your Funding Model Run Your
Creative Team
http://bit.ly/CCFundingModel

The Appeal of a Hybrid Funding Model
http://bit.ly/HybridFunding

Chargebacks: A Double-Edged Sword
http://bit.ly/CCChargeback

Department Resourcing

Don't Become a Victim of Your
Own Success
http://bit.ly/CCSuccess

Drivers to Rethinking a Creative Team's
Make-Up
http://bit.ly/TeamMakeup

"It's Impossible to Fire Anyone Here"
http://bit.ly/ImpossibleToFire

Build a Cultural Safe House For Your
Team
http://bit.ly/CulturalSafeHouse

Overcoming Corporate Hiring Hurdles
http://bit.ly/CCHiringHurdles

Developing the Right Resourcing Strategy
to Support your Organizational Model
http://bit.ly/ResourceStrategy

Effectively Managing Just-In- Time
Creative Resources
http://bit.ly/CCJustInTime

Service Offering

Benefits of Instituting
Project Management
http://bit.ly/CCBenefitsPM

Don't Undervalue Digital Expertise
http://bit.ly/CCDigitalExpertise

Speaking in Code
http://bit.ly/SpeakingInCode

Top 10 Signs that You May Need
A QA Program
http://bit.ly/QAProgram

Content Strategy
http://bit.ly/CCContentStrategy

The Level of AWESOME
http://bit.ly/CCLevelofAwesome

Video

Starting a Video Team
http://bit.ly/CCVideoTeam

Metrics

The Metrics Mine Field
http://bit.ly/MetricsMineField

Agile

A New Vision of Agile for Marketing
and Creative Teams
http://bit.ly/AgileforMarketing

Partnerships

Cracking the Offshoring Nut
http://bit.ly/OffshoringNut

External Agencies Are Not Your Enemy
http://bit.ly/ExternalAgencies

Outsourcing Approaches
http://bit.ly/CCOutsourcing

Principal Partnership Agencies ("PPAs")
http://bit.ly/CCPartnerships

Processes

Getting From Process Definition to
Efficient Process Execution
http://bit.ly/ProcessDefinition

5 High Impact Hacks to Immediately
Increase Efficiencies
http://bit.ly/CCIncreaseEfficiency

Getting Started With Process
Documentation
http://bit.ly/ProcessDocumentation

Process Documentation—More Than
Just Pretty Pictures
http://bit.ly/CCPrettyPictures

Size Doesn't Matter
(when managing an in-house agency)
http://bit.ly/CCSizeDoesntMatter

Technology

DAM Implementation Best Practices
http://bit.ly/DAMBestPractices

DAM Systems: Before You Buy
http://bit.ly/CCBeforeYouBuy

Can Workflow Systems Replace Project
Management and Traffic Management?
http://bit.ly/WorkflowSystems

Values & Challenges of In-House Teams

Creating Positive Permalancer
Experiences
http://bit.ly/Permalancer

The New In-House Agency Success Story:
Adapt or Die, Part One
http://bit.ly/CCAdaptOrDie

Building the Foundation for Improved
Client Interactions
http://bit.ly/ClientInteraction

How Do Your Clients Really View Your
In-House Creative Team?
http://bit.ly/CCCreativeTeam

The Jujitsu Approach to
Client Management
http://bit.ly/JujitsuApproach

Leading Creative Teams

The In-House Employment Advantage
http://bit.ly/InHouseAdvantage

Career Pathing for Creatives –
Is There Life After Corporate Creative?
http://bit.ly/CorporateCreative

Tips for Creative Leaders Looking
for New Jobs
http://bit.ly/CCNewJobs

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CreativeExecs®
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CREATIVE MANAGER
BOOT CAMP

Professional development training for in-house creative managers and team leads who are transitioning to a more operational and leadership-centric role. Learn the foundational skills necessary to be effective leaders of creative services teams and in-house agencies.

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BOOT CAMP

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NETWORKING HAPPY HOURS
FOR THE CREATIVE COMMUNITY

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cella

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CREATIVE TEAMS FOR SUCCESS**

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Visit creativeindustryreport.com

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