



FROM

CREATIVE SERVICES

TO

IN-HOUSE AGENCY

HOW TO CONVERT YOUR SERVICES
TEAM TO AN AGENCY MODEL

Introduction

With automation, and digital transformation as the headlining topics for most modern enterprises, ideas for streamlining, cost saving, and vertical integration aren't far behind. Which is why the number of internal creative services teams rebranding and shifting to in-house agencies grew 16 percent from 2008 to 2013.¹

Perhaps more compelling than the number of organizations that are already embracing this trend, however, are their reasons for doing so. In 2017 Booking.com made the announcement that they were going completely in-house. Pepijn Rijvers, Booking.com's chief marketing officer claims it's simply: speed and data.²

Booking.com and so many other enterprises are part of a new brand of marketers. Like many of their employees, these "digital native" brands were born with the internet from the very beginning. They crave direct relationships with customers and have a desire to invest in a fully-functional internal team that knows their brand inside and out. In fact, 93 percent of in-house agencies claim that brand knowledge is part of their value proposition.³

This heightened strategic and creative value puts in-house agencies in a much better position to compete with outside firms. Additionally, this increased business value and new business wins go a long way toward justifying the team's existence. Thus providing more job security to defend the in-house agency against personnel cuts when budgets are lean.

What does all this mean for your in-house creative services team? Does it make sense for your team to restructure as an in-house agency? This guide will help you understand what it takes to undergo this transition by answering the following frequently asked questions:

- Creative services vs. in-house agency—is there really a difference?
- What are the motivations for and benefits of rebranding?
- What factors should we consider before deciding?
- When does or doesn't it make sense to make the transition?
- How can my team get started?

Creative services vs. in-house agency: Is there really a difference?

It's true, there are many in-house teams that currently consider themselves in-house agencies while continuing to manage and execute work in the same way they always have. But in order to win the respect your team deserves from the rest of the company, you'll need to do more than just change the name of your agency. The key is to start viewing and doing work in a different way. This is a change that takes careful planning and a well-executed transition. The most notable differences between creative services teams and in-house agencies are team structure, service offerings, and team branding.

Team structure

A typical creative services team sits in a convenient place in the business where any and all departments can make requests—big and small, relevant and pointless—at any time. Depending on the size of the organization this may not be a significant pain, but for many creative teams it creates a lot of frustration.

A mature in-house agency, on the other hand, is structured similar to an external agency where account or project managers and, perhaps, traffic managers act as liaisons between the internal client and the writers and designers, thus helping to protect the time and resources of the creative team (see figure 1 on the next page). With this structure, writers and designers only receive relevant and strategic work, allowing them more time to focus

on creative execution. Becoming an in-house agency may also mean that you include the entire marketing team in your restructuring. This way you can have more resources and can offer more services.

Service offerings

Creative services teams work mostly on small-scale or one-off services such as collateral copy and design, corporate stationary and swag items, landing page copy and design, banner and print ads, etc., as needed. Project types vary depending on team structure, team size, and company goals. Creative services teams often have the talent and ability to execute on large strategic campaigns, but due to incorrect perceptions and misunderstandings, may lose the opportunity to work on these projects as internal clients outsource to external agencies.

A mature in-house agency has a documented “menu” of service offerings and perhaps even a specialization or two. This allows for a team that can deliver full-service integrated advertising campaigns and focus on more strategic work. In fact, the most recent In-House Creative Industry Report found that 41% of in-house agencies see an increase in marketing and communication strategy in the future for their group.⁴

In-house agency organizational structure

In-house agency org charts will vary depending on service offerings, company size, and industry. This is just a basic skeleton to help you visualize the structure that will work best for your agency.

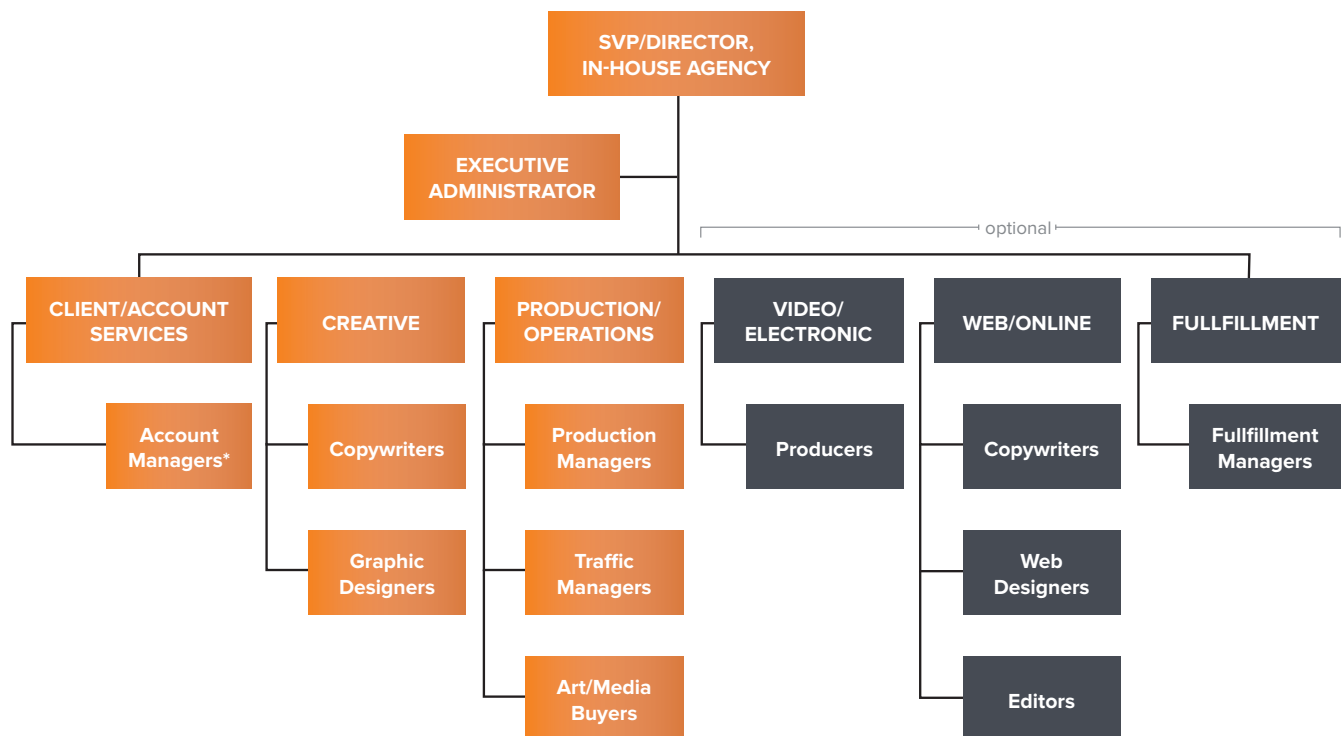


FIGURE 1. *There should be one account manager for each internal client group (perhaps one per department).

Separate Branding

Many companies that have transitioned to in-house agencies have distinguished the restructure with a separate brand for their teams. Their brands still reflect the overall company brand, but they have enough individuality to differentiate them as agencies and not just regular in-house teams. Wells Fargo's in-house agency, for instance, calls

itself the Wells Fargo Enterprise Creative Group instead of the Wells Fargo Creative Services Department. Differentiating a company's in-house agency typically includes a unique logo and perhaps even a separate website that lists their service offerings and showcases their top creative work.

Five benefits of rebranding as an in-house agency

The idea of making such a big change can be daunting, but companies that have successfully made the switch have reaped significant benefits.

1. Gain respect and trust from internal clients

A full team transformation will attract the attention of the entire company. In a way, it will give you the chance to start fresh with your reputation; it's a chance to prove the talents and abilities of your creatives by showcasing your best work and top performing projects. Your internal clients will begin to trust your team to deliver agency-grade results and will recognize you as an organized, talented group that consistently delivers high-quality work.

2. Prove your team's value

From the beginning of this growing trend, cost savings are typically cited as a big reason why brands decide to build an in-house agency.⁵ The 2017 In-House Creative Services Report also showed that creative leaders identified brand knowledge and high-end creative quality as the top two value drivers from clients' perspectives.⁶ With in-house agency structures and processes in place, there's a new opportunity to establish KPIs, track work, and measure client satisfaction to prove to the organization that your team provides real, measurable value to the company.

3. Compete with external agencies

Mature in-house agencies have the potential to match the high-quality work of external agencies but at a lower cost, with more flexibility, and in less time. Because an internal group knows the messaging and strategy of its company forward and backward, it can provide a branding consistency that external groups struggle to replicate. In-house agencies can also build clout by pitching winning ideas against external agencies as well as entering, and winning, regional and national ad/design competitions alongside their external competitors. Discovery Channel's in-house agency, Discovery Communications, won a gold ADDY in AAF's 2014 National ADDY awards competition. Discovery Communications, alongside other internal agencies, have proven that in-house teams not only hold their own against external competitors, but can also outperform them. With a portfolio that rivals external agencies and a job-stability that only corporations can offer, in-house agencies can attract the best talent and win more work from prospective internal clients.

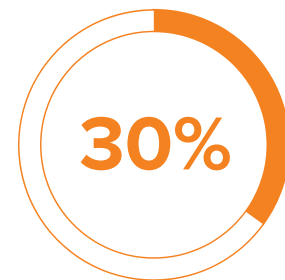
4. Boost team morale

Nearly a third (30 percent) of creative leaders are less than satisfied in their current roles.⁷ Streamlining creative work to the mission of the company helps creatives feel accomplished, giving the team a sense of pride and confidence in its work. But as a full-service, internal agency, the team can also seek external design opportunities to keep everyone inspired and on their best creative game. In-house agencies can pitch to internal clients in competition with external groups, experiencing the same excitement and benefits of agency life without the instability. The Lego Group, for example, occasionally pits agencies against their internal team as healthy competition to inspire greater creativity internally.

5. Be a strategic partner, not an order-taker

The increased austerity of an in-house agency means no more drive-through abuse for the creative team. Restructuring like an agency puts account or project managers in place to help prioritize requests against strategic initiatives. This acts as a buffer between the client and the creative execution team, ensuring that creatives spend time on the most relevant work. With this arrangement, creatives can work together with internal clients by providing expertise, ideas, and knowledge of best practices instead of just being dictated to, making the relationship more of a partnership.

Clients consider brand knowledge and high-end creative quality as the top two value drivers of an in-house agency.⁶



30% of creative leaders are less than satisfied in their current roles.⁷

Six factors to consider before you begin

The conversion from creative services team to mature in-house agency is no small task, and there are many factors to consider before jumping in head first. Here are some of the biggest factors to be aware of:

1. The change will be significant

You will have to restructure your team and, most likely, the way they are used to doing work. This will include some change management within your existing team regarding new processes, new service offerings, and new team structures. It will likely require changes in budgets and spending to invest in additional headcount to fill in any gaps in agency structure.

2. Success will require broad buy-in

Because of the impact this transformation brings to the entire company, it has to be an all-or-nothing procedure. If the existing creative team, executives, and company-wide stakeholders can't see the value and excitement in making this transition, the ship will never sail.

3. Changing perceptions isn't easy

Your company has likely already established firm perceptions of the creative services team and changing those perceptions won't be quick or easy. However, it is possible. Joseph Gies, creative director in a major retail company's in-house agency, shares his experience with changing perception:

"Unfortunately perception is very real, and being on the 'inside' can make breaking the old perception that we are 'in-house production' and all of the strategic, creative work must be done outside with a true agency, difficult to change. It is achievable! If your department can behave and deliver

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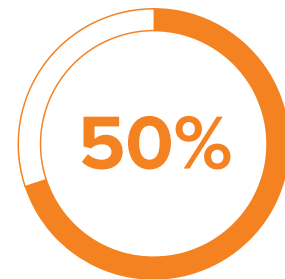
in the executional-sense like an experienced agency, then you can compete with the external agencies and have internal victories with your clients. These victories will begin to get noticed, and the modified perception will follow. (Caveat: this usually takes time to undo years of the other perception).”

4. You need to be able to offer something different than before

One of the keys to changing perception is changing deliverables. If your team continues providing the same services as before it rebranded as an in-house agency, then you really haven’t changed much at all, and the company’s perception of your team will go unchanged, too. So, you’ll have to sit down with decision makers and decide how your team’s brand and deliverables will be different and better than before.

5. The smaller your team, the less advantageous this could be

If a successful transition brings in an abundance of new business, can your team handle the increased workload? Over 50 percent of in-house pros already work more than 40 hours a week,⁸ and resourcing is the biggest challenge for almost 54 percent of teams.⁹ If your crew is already understaffed and overwhelmed, transitioning may not be in your best interest. Most creative services-to-agency shifts work best for teams of 10 or more, although including the entire marketing team or supplementing with freelancers are also options.¹⁰ Take stock of your existing capabilities and capacity.



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6. You'll need to prepare for the costs

Increasing headcount, implementing new processes, and other expenses will add up quickly if you decide to transform. You’ll need to make sure you can project the ROI of making this change and put a plan in place to make your transition as lean as possible.

Seven steps for transitioning to an in-house agency model

Over the last decade, more and more companies have converted their creative teams into in-house agencies—some successfully and others not. To ensure you avoid the common pitfalls of transitioning to an in-house agency:

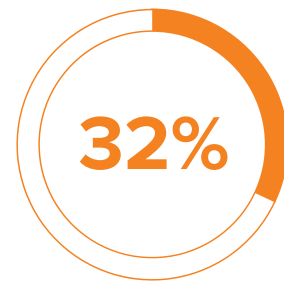
1. Make a rebranding plan and get buy-in from executives

Brand – Bring some key players together and determine a brand for your agency that will distinguish your team from its previous identity. Choose a look, logo, and name that will demand respect from the company and instill pride in your team, but that will also complement your company's brand. Once you've decided on your new brand, develop a brand guide to add structure and consistency to creative execution.

Service offerings and billing – Decide what services your team will offer and make sure everyone knows about it. Will you offer full marketing and communication campaigns, brand management, and/or web marketing? Once this is in place, you won't have to deal with potential clients requesting projects you aren't prepared to offer. If it's not in line with your service offerings you can say no.

You'll subsequently have to decide how you will bill your clients for the different services you offer. In-house creative teams are typically considered "free services," but free services can cause serious frustration in the team's interactions with clients and fails to put any responsibility or accountability on the shoulders of the client. As a best practice, determine a way that you can "charge" your clients—whether by billing with time and hours, implementing a charge-back system, or something different that suits your organization.

Among in-house agencies, 32 percent bill clients using a chargeback system.¹¹ With a charge-back system you'll



32% of in-house agencies bill clients using a charge-back system¹¹

5 Benefits of charge-back billing:¹²

- Promotes accountability and transparency into the financial management of the agency
- Encourages efficient use of time and resources by the clients
- Provides metrics that inform operations and staffing-related decisions
- Encourages efficient use of time and resources by the agency
- Allows departments to provide fair and balanced support to a variety of clients

still need to decide whether you will charge based on an hourly rate, service-specific, flat project rates, some other basis, or a combination of these. The charge-back model is most common among agencies that track hours; of those that track hours, 3/4 of chargeback teams recover through an hourly model.¹³

Budget Plan – This won't be an inexpensive transition, but if you do it right it will pay itself off quickly. Make sure there's a detailed budget for each step of the switch. Not only will a budget help you stay on track financially, but it's also a must when convincing executives to support the transition.

Productivity Plan – Develop a plan to make sure your team doesn't let work slip through the cracks or push project deadlines back during the inevitable disorder (and excitement) of the switch. Remember, this is a chance to make new first impressions and earn the trust of the company. Production cannot and must not halt while your team is restructuring.

Mission Statement – Consider this advice from the former Senior Director of Creative at Marriott Vacations Worldwide, Tony Fernandez Jr., who played a key role in the development of MVW's in-house agency process:

"I would begin your journey with a mission statement that spells out your goals for the agency. This lets upper management know that you have a long-term vision that includes ROI for the company. Once you can demonstrate that you understand the company's need, you can gain their trust to build the team that meets that need."

2. Promote your brand internally

Once your plan has the approval and support of your executives, it's time to unveil it to the rest of the company by launching your brand internally. You can make the change more exciting by organizing a brand awareness campaign. Consider these campaign tactics to increase internal awareness:

- Brand your area of the office.
- Create a "direct mail" piece to distribute to all potential in-house clients that outlines your new brand, your offerings, and your achievements.
- Hold a department open house and invite potential internal customers to attend. There you can showcase your work, announce your new brand and service offerings, and hopefully get commitments for new projects.

3. Reorganize your team to function like an agency

The model on page four gave you an idea of what an agency structure looks like. Now it's time to make that model come to life. Appoint account or client managers, project managers, traffic managers, etc. This may mean adding a few more heads to your team. If you're going to expand your service offerings, you'll also need to hire the appropriate number of designers and or copywriters.

4. Get the right tools

Running an in-house agency will require a massive amount of coordination, from resource management, execution and production, and multi-channel promotion to team collaboration, work management, tracking and measuring, etc. Fortunately, there are cloud-based tools that help keep everything in sync. Most agencies use some or all of the following tools:

- Request Management
- Work, Workflow, or Project Management
- Digital Proofing
- Time Tracking
- Resource Management
- Collaboration
- Approval Tracking
- Digital Asset Management (DAM)

Consider implementing a modern work management solution that connects all these capabilities in one place and provides collaboration and visibility to all relevant team members in real time.

With your tools chosen (and remember, the fewer disparate tools the better), build your new workflow processes using the tools available to you and keep in mind how you will address every step of the marketing work lifecycle, from initial request to delivery and measurement. If you've selected more than one tool to manage your work, make sure the tools can integrate and play nicely together.

Throughout this process, keep your team involved. The more involved they feel in making these decisions, the more apt they are to use a tool and stay engaged in their work.

Make sure that any tool or tools you implement will be able to help you manage your work through the entire marketing work lifecycle, seamlessly.

Running an in-house agency will require a massive amount of coordination from resource management, execution and production, and multi-channel promotion to team collaboration, work management, tracking and measuring, etc.

5. Create and implement a standardized intake process

Select a “gatekeeper” for your team.

This person could be the creative director, traffic manager, or equivalent. She will manage all incoming work requests for your team to alleviate your team from random requests that distract and interrupt team members from their prioritized creative work.

Choose a single location for your clients to submit work requests to your team.

Generally referred to as a “request queue,” this location could be a feature of your work management software. This should not be an IT helpdesk tool. Designating a single location for the submission of work requests to your team will help eliminate the chaos that results from random work requests that come to your team at all hours of the day. Your team will have a holistic view of all that is being asked of them and will have the power to prioritize requests based on strategic objectives and available resources instead of by which request is the next or current “emergency.”

Include a standardized creative brief in your process.

It’s imperative that you require all incoming requests to be accompanied by a standardized creative brief based on your most typical deliverables and workflows. If you’re using a modern work management solution, you should be able to customize a “custom form” when setting up your request queue that can act as your built-in creative brief. A solution like this should also allow your clients to attach documents or links to their request, if desired.

Take care to enforce this new process.

Building out a standardized request management process will not succeed unless you effectively communicate to your entire team and all potential clients about the new process—and then enforce it. Your team should be trained to be strict about not accepting work requests unless submitted in accordance with your standardized process.

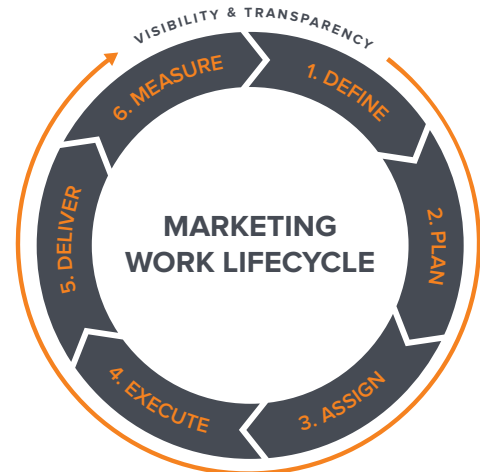


FIGURE 2. The Marketing Work Lifecycle

“The one thing that we can provide which outside agencies can’t is the knowledge base of our company. At the end of the day, it is not so much if you are an Agency or Creative Services, but that your team has gained the trust and respect of your clients. If you achieve that, then you have a winning team!”

Charles Bory

Sr. Director Operations, DIRECTV

6. Determine KPIs

Remember, one of the primary appeals for becoming an in-house agency is to earn more trust and respect from the company. Perhaps the most important avenue for achieving this goal is determining which key performance indicators (KPIs) will prove your value. Typical agency KPIs include:

- Planned vs. Actual Costs
- Client Satisfaction
- On-time Delivery Rate
- Projects Completed Annually
- Planned vs. Actual Hours

Kent Thompson of the Lego Group suggests using what he calls the “Perfection Rate” metric—measuring the number of solutions without complaints delivered per year against the number of projects per year. Keep in mind this is not a comprehensive list—your company’s values and goals should dictate your agency’s KPIs.

7. Focus on earning trust to become a strategic partner

Here are four tips to be treated like a strategic partner:

- Be prepared and equipped to provide transparency to your internal clients, stakeholders, and executives.
- Use your KPIs to help you build credibility and make solid projections on deadlines and budgets. Decision makers love metrics. If you can prove with numbers that your work is cost effective and on schedule, you’ll make many influential friends.
- Be able to guarantee your deadline commitments. There’s no quicker way to lose trust than to make a promise and not deliver. If your work happens to run behind schedule, be open and transparent and discuss what’s going on with your client. Otherwise, your client is free to assume that your team can’t be trusted to get things done on time and will look to an external agency next time.
- Decide on your competitive advantage—how will you ensure that you always provide value to your clients? Remember, external agencies can’t offer what your team can—brand knowledge and consistency, cost efficiencies, proximity, etc. Make your client’s experience with your in-house agency unforgettable.

“Value is the point at which an in-house agency goes from being a vendor that works fast and cheap to a strategic partner that is essential to the business. The question for in-house agencies is, are you willing to do what it takes to become an essential business partner?”¹⁴

Marta Stiglin

In-House Agency Forum board member, Principal of Stiglin Consulting

Transform into an in-house agency with Workfront

Transitioning to an in-house model requires your team to have the right resources, processes, and workflows in place. Get the right structure in place with Workfront Modern Work Management. Trusting Workfront as your operational system of record will allow you to make a smoother transition to an in-house agency model, as well as:

- Improve team productivity
- Build credibility and client satisfaction
- Increase visibility into your team's work
- Focus more time on creativity

I'D LIKE A DEMO

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