

2013 IN-HOUSE CREATIVE SERVICES INDUSTRY REPORT



PRESENTED BY



About the Report

The BOSS Group, an interactive, creative and marketing staffing agency; InSource, the resource for creative in-house leadership; and Cella, a management consulting company exclusively serving the needs of in-house creative leaders, have partnered for a third year in a row to benchmark the in-house creative community. This edition of the In-House Creative Services Industry Report provides updated information on previous category data with some significant year-over-year differences. We also added new categories based on creative leaders' feedback and interests.

The results of this survey continue to provide valuable insights and a source of validation and direction to in-house creative leaders.

About the Findings

Creative Services teams are known for getting things done under all circumstances; regardless of the situation, we figure out a way and get the job done. That said, there are often opportunities within our processes for improvement that would contribute to a more effective and efficient operating model.

While this report includes key insights and identifies predominant strategies, leaders need to develop the best solution for their company based on the unique needs of their organization. Benchmarking can be used to generate potential paths and solutions, but personal, innovative thinking and institutional knowledge should not be eliminated from the process.

Survey Respondents

More than 425 leaders from in-house creative departments responded to our survey conducted in January 2013. 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, retail, government contracting, financial services, pharmaceuticals, higher education, and consumer packaged goods and services.

More information about the demographics of our survey respondents is available in the Appendix.

Perspectives From the Field

We asked in-house creative leaders to share their stories* as they relate to shared challenges and goals across the industry. Topics cover inspiring your team, offshoring, developing new services, and growing your team's capabilities. More stories like these, as well as a comprehensive article database, can be found at in-source.org, as well as at cellaconsulting.com/blog.

In Response to Your Need for More Information

We are proud to present you with the results of the 2013 In-House Creative Services Industry Survey. This is the third edition of our annual report on issues affecting our industry, offered to inform, guide, and empower you in the management of your in-house creative business. With 3 years of data collected and responses of more than 400 creative leaders, we are able to identify business trends in our industry.

To meet the growing needs of the leaders who have used this report, we have enhanced the level of detail in the reporting of specific metrics. For example, company revenue bands are now broken down to create even more levels in the 1B+ categories, making it clear how many Fortune 100, 500 and 1000 companies participated in the survey. Also, when reporting the size of creative services teams, we have added the 1, 2-5 and 6-10 categories to provide more detailed reporting.

So how can you use this report? As creative managers, we are positioned to work between corporate management and our creative teams. We often need to speak a different language to our leaders than we do to our creative folks. Our creative teams speak the subjective language of brand, tone of voice, composition and design. Senior corporate management speaks the objective language of facts and numbers, which they need to make business decisions. We need to bridge that gap, but often lack the tools or vocabulary to do so.

You know it's not enough to report to your boss, "We've had a very busy year." Instead, you need to demonstrate the upward trend and busy cycles over the past 18 to 24 months (see page 23; are you one of the 55% using project management software to help report this information?) through a PowerPoint slide with graphs and charts. This report can be used to understand what's happening throughout the industry so that you can make an informed and objective plan for the next year, or an argument to senior management about necessary changes to your process and resources.

Let's say you're studying whether or not you should ask for a mandate that clients use your team (page 6), comparing how many projects your team completes annually (page 17), wondering if you should be using creative briefs for all (or just some) projects (page 21) or considering if a chargeback model is the future for your organization (pages 29-37). This report shows you what other in-house creative teams are doing to aid you in determining the right business decisions and provides related resources to learn more about many of the topics beyond the survey results.

We hope you use this tool and find the information in its pages useful. If there is something you're looking for that we haven't reported, let us know. That's how we learn how to better serve your data needs and interests moving forward.

Enjoy!

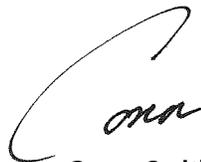
Andy, Jackie, and Conor



Andy Brenits
President
InSource



Jackie Schaffer
VP & General Manager
Cella



Conor Smith
President
The BOSS Group

the survey

**The Who, What, Where
& How of In-House Creative
Services Operations**

WHERE IT GETS DONE

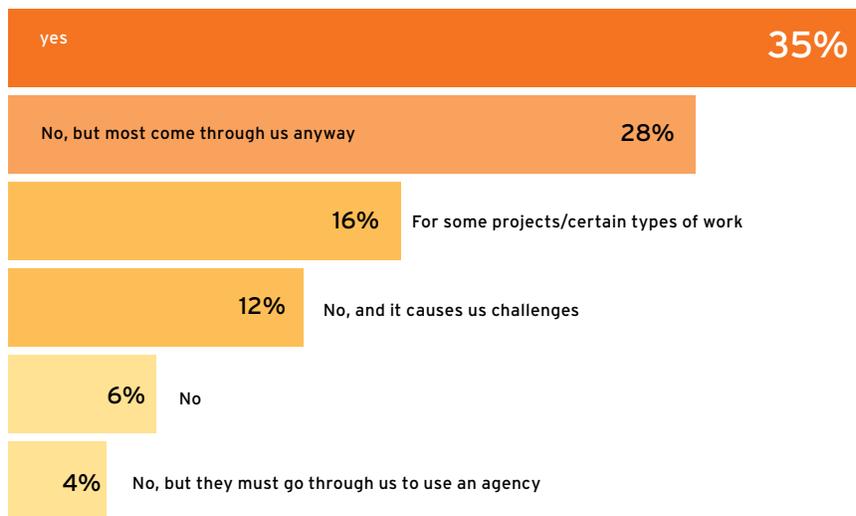
Company Mandate for Use

Most creative leaders prefer to be a service of choice versus a requirement to clients. As a required use your group may be viewed and therefore treated more as a commodity than an added-value organization. Whichever method is in place, the goal of the creative services team is to prove its value with its outstanding service and quality creative. This is simpler when you are the only in-house creative team at your company like the majority of respondents. When multiple groups exist, other variables need to be considered and sorted out such as clarity on the groups' services, who to initiate a project with and how the groups collectively function, to name a few.

RELATED RESOURCES

What makes you an "in-house agency"?
<http://bit.ly/11EuoiG>

QUESTION Are internal clients required to use your group?



66% of creative leaders responded that their teams are the only in-house creative services group within the company.

n=390

WHERE IT GETS DONE

Reporting Structure

More than 80% of responding creative leaders indicated their department reported in 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 in 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 like) department; it just requires the creative team create a brand for itself outside of its "home."

RELATED RESOURCES

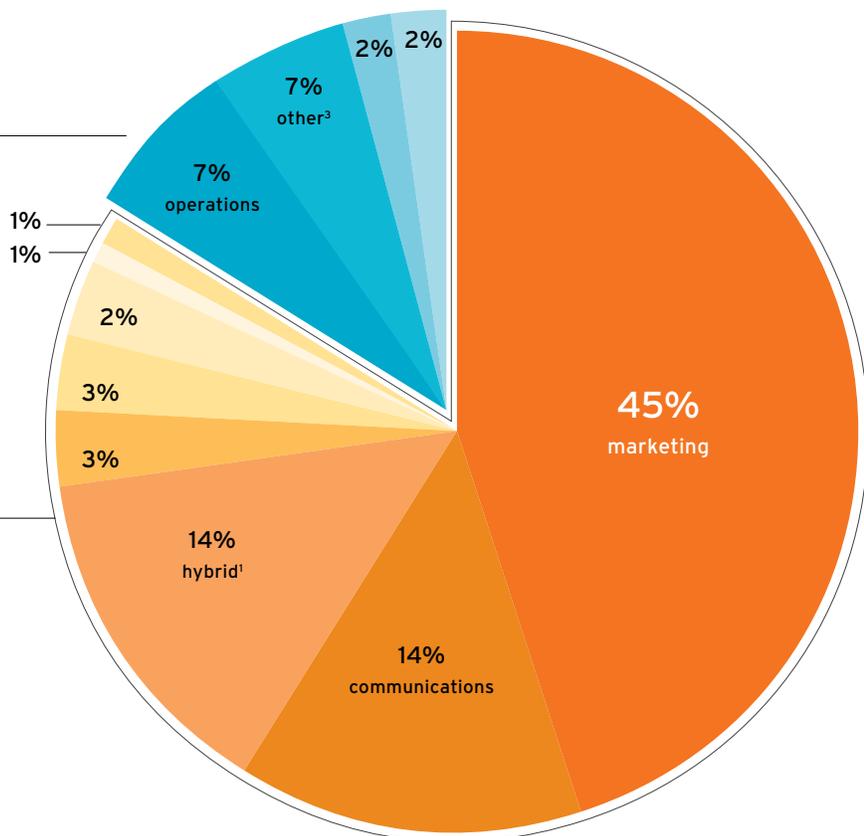
Location, Location, Location
<http://bit.ly/11CXWiI>

Where Should the Creative Department Reside?
<http://bit.ly/ZwAaFR>

QUESTION What division does your creative services department report into?

18% nonstrategic, shared-services divisions

83% strategic, value-added departments



- 1 Hybrid Marketing Divisions represent divisions that include multiple functions, one of which is marketing.
- 2 Other: print/production and product development.
- 3 Other: IT, Finance, Manufacturing and 14 other departments only noted by one respondent.

n=424
 3% independent/direct to CEO | 3% education/student affairs | 2% other²
 1% advertising | 1% publishing/public relations/brand 2% public relations | 2% sales

Note: percentages may not add to 100 due to rounding.

WHO GETS IT DONE

Staff Size

Whether your organization is part of the 69% in-house creative teams with 10 or less team members or the 7% with more than 50 members, 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 services teams support during peak periods without increasing staff size.

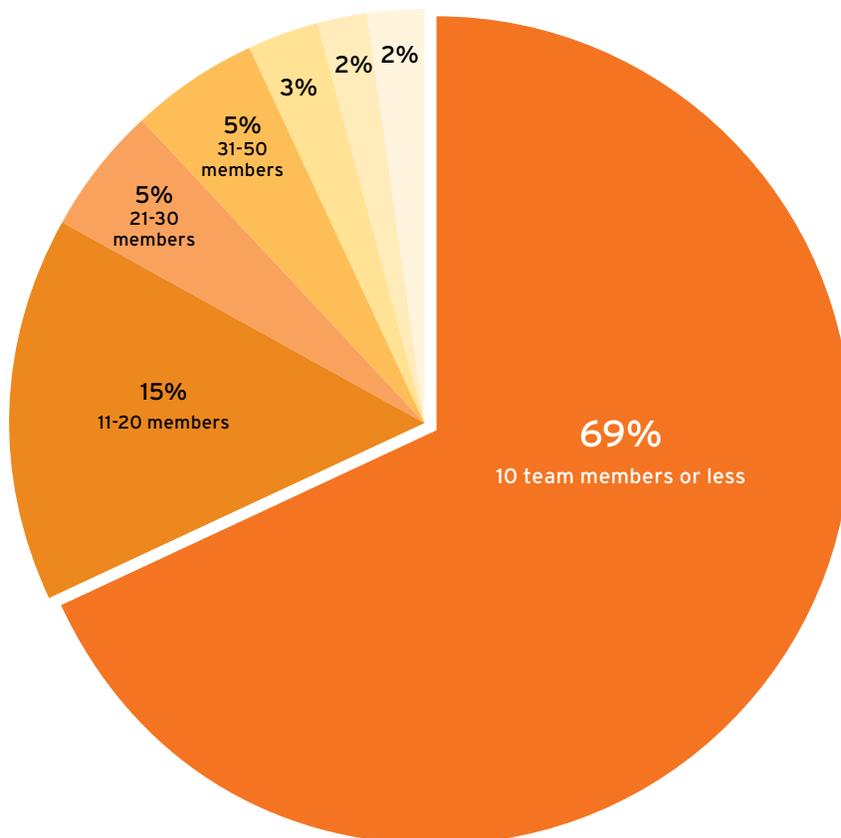
Creative leaders must be careful in demonstrating a desire to grow their team. Too often a desire to grow a team can be viewed as "empire building"; leaders must be prepared to substantiate headcount requests based on business need.

RELATED RESOURCES

Starting an In-House Creative Department
<http://bit.ly/13vdxA3>

What Drives Similarities in Creative Groups?
<http://bit.ly/14eDQib>

QUESTION How large is your creative services team?



84% of in-house creative teams have 20 or less team members. Of teams of 10 members or less, 30% are teams of 6 to 10, 30% are teams of 2 to 5 and 9% are teams of one.

77% of creative services teams are centrally located, while 23% are spread across multiple locations—domestically (15%) and internationally (8%).

3% 51-75 | 2% 76-100 | 2% 101+ members

n=392

Note: percentages may not add to 100 due to rounding.

WHO GETS IT DONE

RELATED RESOURCES

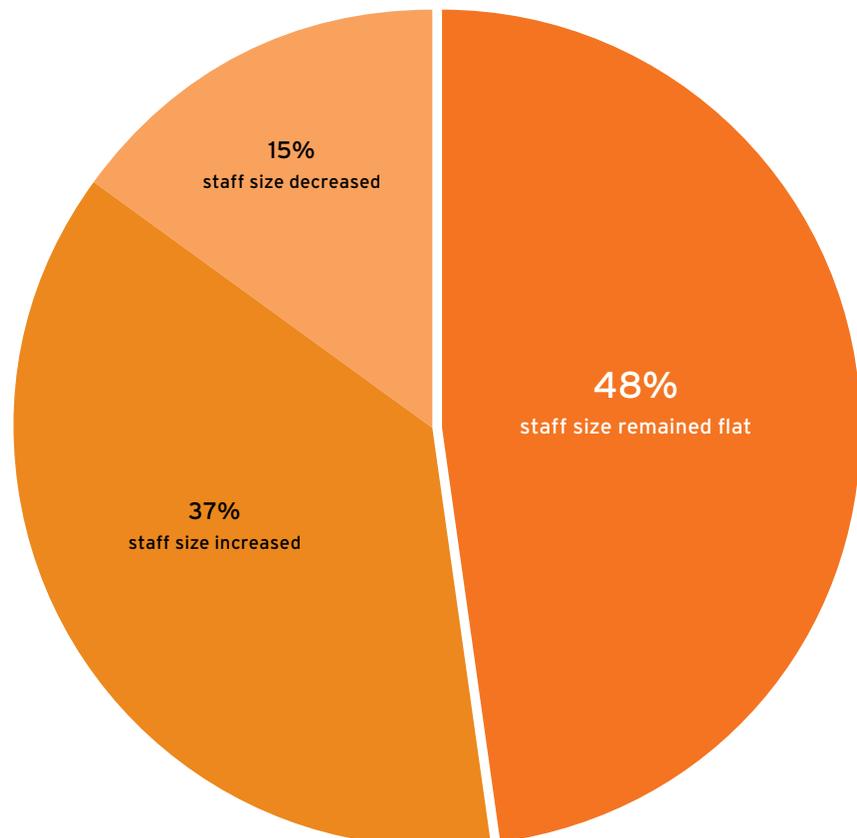
The In-House
Employment Advantage
<http://bit.ly/Y7pcqA>

Staff Size

Comparable to our last two reports, approximately 50% of the creative teams reported their headcount remained the same, with more than a third increasing in size and 15% losing headcount. This is a steady trend for the third year in a row, indicating the need to increase staff but a creative leader's responsibility to ensure it's appropriate and justifiable.

This may affect the decrease of 5 percentage points from last year's respondents indicating, their teams were appropriately staffed to meet client demand when considering full-time employees, as well as temporary resources. That number directly correlates to the percentage of creative leaders who are able to use flexible staff options (90%) during periods of peak demand. Including a budget that allows for flexibility is critical—in fact, your budget may be better spent in not hiring an FTE and instead using the funds for the employee to pay several temporary workers during peak periods.

QUESTION How has your staff size changed between 2011 and 2012?



57% of creative leaders indicated their team was appropriately staffed when considering full-time and contingent staff—this is 5 percentage points lower than last year.

n=392

Note: percentages may not add to 100 due to rounding.

WHO GETS IT DONE

Staffing Strategy

Having a flexible staffing model, including contingent workers (defined as freelancers, contractors and temporary employees—basically all nonpermanent employees at an organization) for supplementing FTEs, continues to be a tendency and critical to the success of an in-house creative services group. With co-employment risks remaining a constant matter and ever increasing business needs, creative leaders regularly struggle with finding the right equilibrium in their staffing strategy. However, if done effectively, benefits can include capacity flexibility, cost savings and creative infusion from new team members.

RELATED RESOURCES

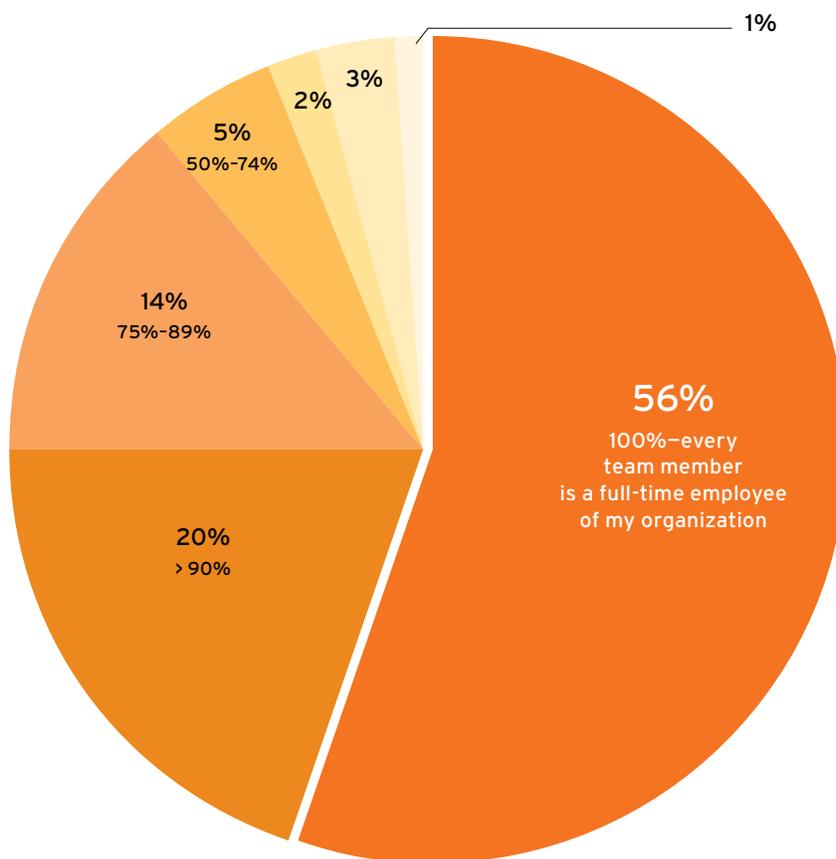
Effectively Managing Just-In-Time Creative Resources
<http://bit.ly/10Aiiyv>

Creating Positive Permalancer Experiences
<http://bit.ly/17ZT6yF>

The “New Normal” in Staffing Strategies: Contingent Workers
<http://bit.ly/ZPct69>

Don't Let MSP or VMS Programs Obstruct Your Access to Great Talent
<http://bit.ly/ZNrwOu>

QUESTION What percentage of your full-time team members are FTEs of your company? (versus sourced staff)



To support their FTEs, more than 90% of creative leaders are able to bring in temporary staff during periods of peak demand.

30% of creative leaders with freelance budgets indicated plans to increase their spending, 13% plan to decrease it and 57% aim to maintain their current 2012 spending.

2% 25%-49% | 3% 1%-24% | 1% 0% | 0%-teams fully outsourced

n=391

Note: percentages may not add to 100 due to rounding.

Inspiring and Motivating Your Team

Inspiring and motivating team members to give their best is a complicated issue, as evidenced by the thousands of articles and books produced by writers and bloggers on the subject each year. It is as much about interpersonal relationships, as it is about design and software skills to meet job challenges at hand.

Consider these five basic, yet critical, tasks when inspiring and motivating your team:

Take the time to get to know each member well, both as individuals and as members of the team.

Develop a friendship based on sincerity, and loyalty will follow. One of the keys is frequent personal interaction. Find a connection and share information, links, resources or cool blogs based on mutual interests. Meet for lunch or after work events. Be aware of body language and listen actively. Give yourself time to see, really see, and understand the dynamics of the team.

Motivate colleagues to be invested in the process.

Keep the focus, goals and initiative under control. Create preparation buy-in. Prior to presenting your idea or goal to the larger audience, invite your team to critique the thought. It is far better to respectfully engage any adversaries and prepare yourself and your team for what will be thrown at you. Allow people to surprise you in this venue.

Empower team members to express their ideas and enable members for continuous improvement. Focus your attention and efforts on the process so training your team will be equally invested. Keep the team spirit enthusiasm. Engage members in order to build confidence and attack both task- and skill-oriented obstacles previously thought impossible. Use humor to turn interactions into productive outcomes. Keep courtesy and consideration for others foremost in your mind. Sincerity, optimism and inspiration are more appreciated than sarcasm, passive aggressiveness and negativity.

Be yourself.

Understand that your goal is to satisfy not everyone else's expectations, but your own. You give your best to inspire others to do the same. Trust yourself.

Have patience and the belief that things will work out as they should.

Success is giving 100% of your effort, but also inspiring and motivating others to participate. Believe that you are in control of your own success. It is up to you.

As graphic designers, art directors, writers, creatives and IT team architects, we have become so sophisticated in our work that we forget to observe and reflect on life. We are respectful and can identify consumer, end-user, colleague and leadership needs,

but sometimes fail to understand the obvious. We have an obligation to not only inspire and motivate ourselves, but also our team and other teams, to plan our progress more effectively and address how to bring out the best in all areas of life.

BARBARA MOSER

Barbara uses her 20+ years of agency experience and applies it to the corporate healthcare industry, serving on development and educational teams as well as integrating digital and creative projects. She is part of the team of graphic designers at Tampa General Hospital (TGH) with strong project management skills who deliver expert informational corporate brand solutions.

TGH is named the #1 Hospital in Florida by the U.S. News & World Report's Best Hospitals 2012-13.

WHO GETS IT DONE

Agency Partnership

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: keeping up with a dynamic business environment, “integrated” creative excellence, career development for your team and efficient delivery.

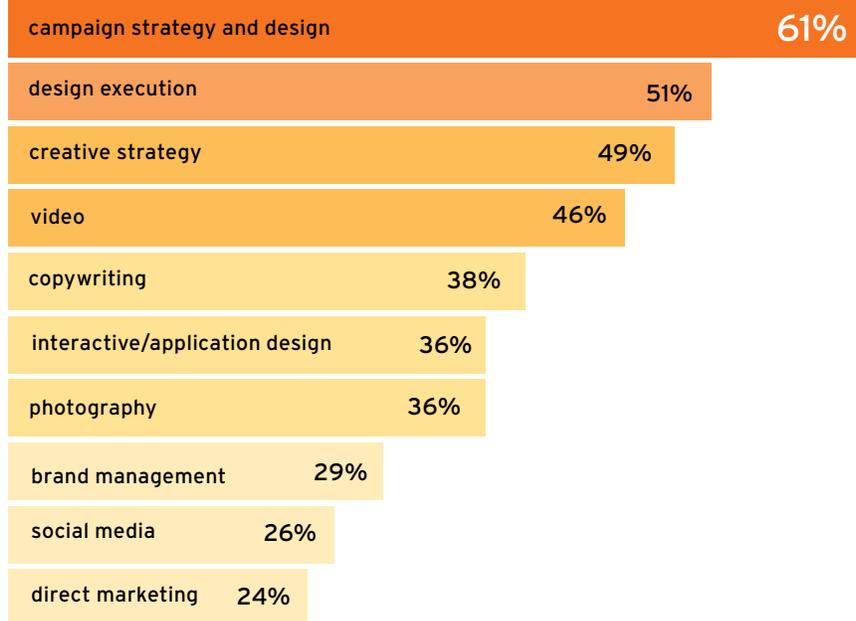
(Taken from Jenni Heerink, Creative Director, Newell Rubbermaid–DYMO brand. Read more at in-source.org/3037)

RELATED RESOURCES

Partner With Agencies to Provide Increased Value

<http://bit.ly/XXrTJ4>

QUESTION What services does your agency partner provide?



65% of survey respondents indicated their department partners with agencies to accomplish creative goals for their clients.

64% of creative leaders indicated maintaining the current headcount while 33% plan to increase and 3% plan to decrease

n=242

WHO GETS IT DONE

Overtime

Typically, creative team members don't have a lot of influence over when overtime is required, as they are often waiting on their client and, regardless of when content is Received, the team has a hard deadline to meet (whether a production schedule or a live event). Creative leaders can provide the team support in a few key ways: (1) partner with clients to reduce surprises, (2) allow team members to flex their schedules to meet the client's needs, and (3) make overtime less painful by ensuring the team has dinner and beverages available.

In-house creative services groups' overtime hours are consistent with last year's results, in which 75% of creative teams worked 5 hours or less of overtime per week. The majority are not paid overtime rates or premium rates. Constant monitoring and managing of the groups' staffing needs to meet business requirements, as well as delivering quality work, continues to provide results and a happier team with a consistent work-life balance. In appreciation, a happier and healthier workforce will pleasantly work through high-peak periods.

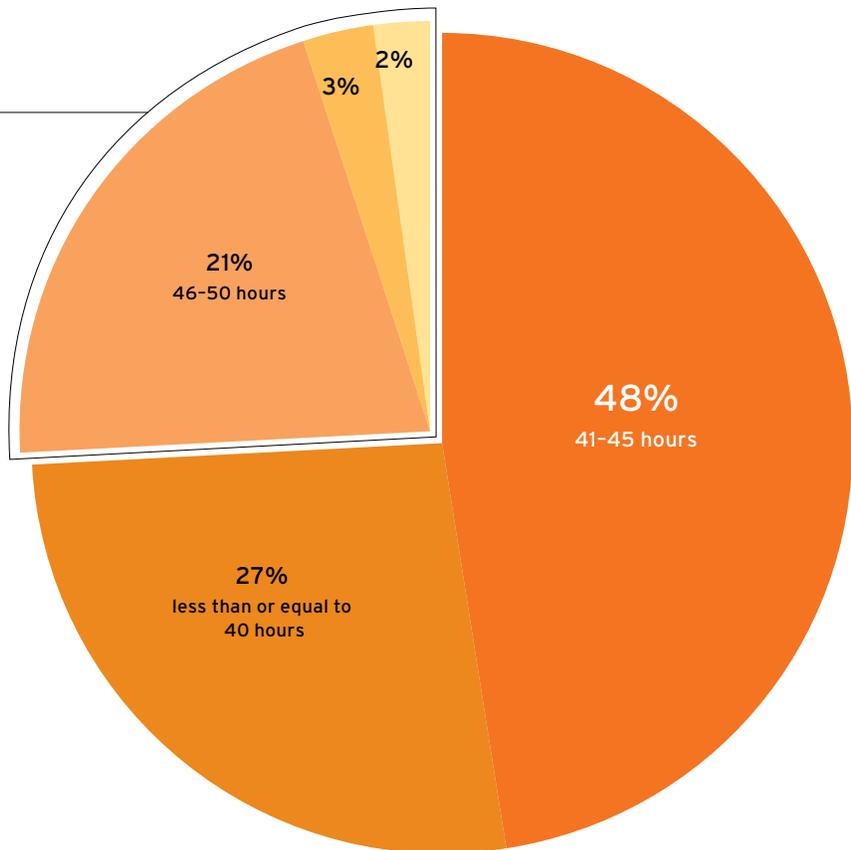
If reducing overtime is a goal for you and your creative team, the "low-hanging fruit" first step is to review if flexible schedules will provide improved work-life balance for your team. For example, if a client won't be prepared to provide content until Friday, can a designer take off on Thursday and work Saturday instead?

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

Approximately 26% of teams average more than 5 hours of overtime each week.

Creative leaders attributed deadlines (37%), temporary spikes in demand (36%) and insufficient staffing (21%) as the primary causes of overtime.

With 63% of teams not growing in staff size, overtime as a result of insufficient staffing increased by 30% in 2012.



n=391

3% 51-55 hours | 2% more than 56 hours

Note: percentages may not add to 100 due to rounding.

PERSPECTIVES FROM THE FIELD

The Pros and Cons of Outsourcing Overseas

Shrinking budgets. Shorter turnaround times. Extended hours of support. Increased scale. Expanded scopes of work.

Do any of those sound familiar? I'm positive they do!

As in-house Creative Services leaders, we are constantly striving to balance the different needs and objectives of our clients, our staff and our executive management teams. And while we have many strategies at our disposal to help effectively manage these conflicting objectives, there are few as effective—and challenging—as outsourcing projects and resources to an offshore partner.

The best way to start exploring an overseas outsourcing strategy is to assess the pros and cons of shifting work offshore. Here are a few important items to consider:

Pro: Cost Savings

Offshore creative resources almost always deliver significant cost savings over in-house resources or freelancers and are a strategically sound option to consider for production-focused design work. The lower resource expense will allow you to push the savings to your bottom line or reinvest in other onshore resources or tools that add more value to your creative capability.

Pro: 24-Hour Support Model

Offshore resources can help your Creative Services capability offer a 24-hour support model—an important point of distinction for your team that can help you better manage rush project requests or better support your company's satellite offices and business development activities around the globe.

Pro: Ability to Quickly Scale Resources

As a Creative Services leader, you will inevitably need to handle an increased demand for creative support as your company grows or positions itself to drive new revenue streams. Outsourcing your production design workload to offshore resources is a cost effective way to quickly increase your resource pool, since offshore partners typically have access to large pools of inexpensive resources with specific training in production design.

Con: Complexity of Training

One of the most challenging aspects of outsourcing offshore is the complexity of training your overseas resources. Language barriers can make it hard to assess how well your offshore resources are assimilating their training and can lead to quality control issues or decreased production efficiency if your training strategy is not closely managed. In addition, the distance and time gap can make training onerous on your domestic-based team.

Con: Complexity of Technology Setup

When outsourcing to an overseas resources, you will need to solve complex technology issues to ensure your offshore team has full access to your local servers, DAMs, workflow tools and other networked systems. You will also need to account for the network latency your offshore team will encounter; otherwise, you run the risk of miscalculating your production allocations and missing project deadlines.

PERSPECTIVES FROM THE FIELD

The Pros and Cons of Outsourcing Overseas (cont.)

Con: Onshore Stakeholder Concerns

Outsourcing to overseas resources can have a negative impact on your onshore team's morale. Your clients and internal stakeholders may also express concerns that outsourcing overseas will reduce the quality and level of support they are accustomed to receiving.

There is no "one size fits all" answer for deciding if offshoring is the right decision for your creative team, and there are multiple factors to consider that are specific to your business needs and engagement model. For many companies, the benefits of engaging in an offshore production model are numerous and can lead to significant cost savings for your organization while also enhancing your Creative Services support model. The best approach you can take to ensure your creative department's success is to carefully weigh all the pros and cons of outsourcing overseas and develop a plan to address to challenges you will encounter before you begin to migrate work offshore. Be sure to speak with other creative leaders who have offshored design work to learn from their experiences.

MATT STEIN

Matt has over a decade of experience leading Creative Services capabilities. He currently serves as Senior Director, Creative Services, for a loyalty-based marketing company in St. Petersburg, Florida, where he leads a global team of 40 creatives with a focus on operational management and creative development for online, mobile and print media channels.

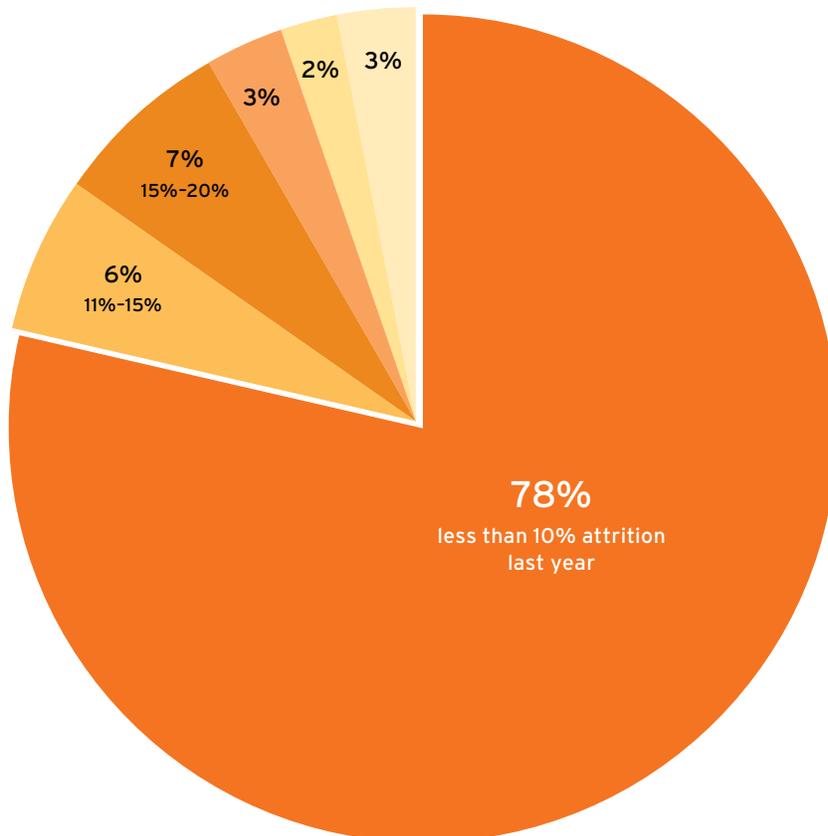
WHO GETS IT DONE

Attrition

For the majority of creative teams, attrition remained a non-issue again in 2012. Attrition rates were decreased by half in the 10%-15% range, going from 13% to 6%, and increased 3 percentage points in the 15%-20% range—overall, still a manageable attrition rate. In fact, some attrition is good for your organization. Non-regretted attrition is healthy and should be encouraged—if a job is not a fit for the individual, both parties should be invested in making a change. In addition, attrition allows creative leaders the opportunity to bring in fresh thinking and increase the team’s capabilities by hiring staff with strengths that complement the in-place team.

Creative leaders need to define what level of attrition is acceptable to their organization and then design hiring and staffing strategies to support that rate. If a department is production-heavy, it may find that 2 to 3 years is the average tenure as its production artists may be seeking advancement opportunities that are not available in the organization. But if that same creative team experiences 30%+ attrition each year, the hiring practices may need to be evaluated as the turnover rate may be costing the business too much in terms of recruiting and onboarding efforts.

QUESTION What was your 2012 attrition rate?



RELATED RESOURCES

Increasing Your Quality Hires
<http://bit.ly/17iPFBR>

Attract Top-Tier Talent
<http://bit.ly/17iRkYg>

3% 20%-25% | 2% 25%-30% | 3% >30%

n=379

Note: percentages may not add to 100 due to rounding.

WHAT GETS DONE

Volume

The number of projects creative services teams produce yearly is usually linked to their size. 92% of creative teams doing 2,000 projects or less are small teams who are seeing an increase in volume. This may be attributed to these teams improving efficiencies and productivity and/or increasing their capacity.

While it's interesting to discuss volume in terms of number of projects, it's not an apples-to-apples comparison across organizations. Volume, in its truest form, should be discussed in terms of number of "billable" or "utilized" hours per year.

RELATED RESOURCES

Content Development: Social vs. Traditional Media

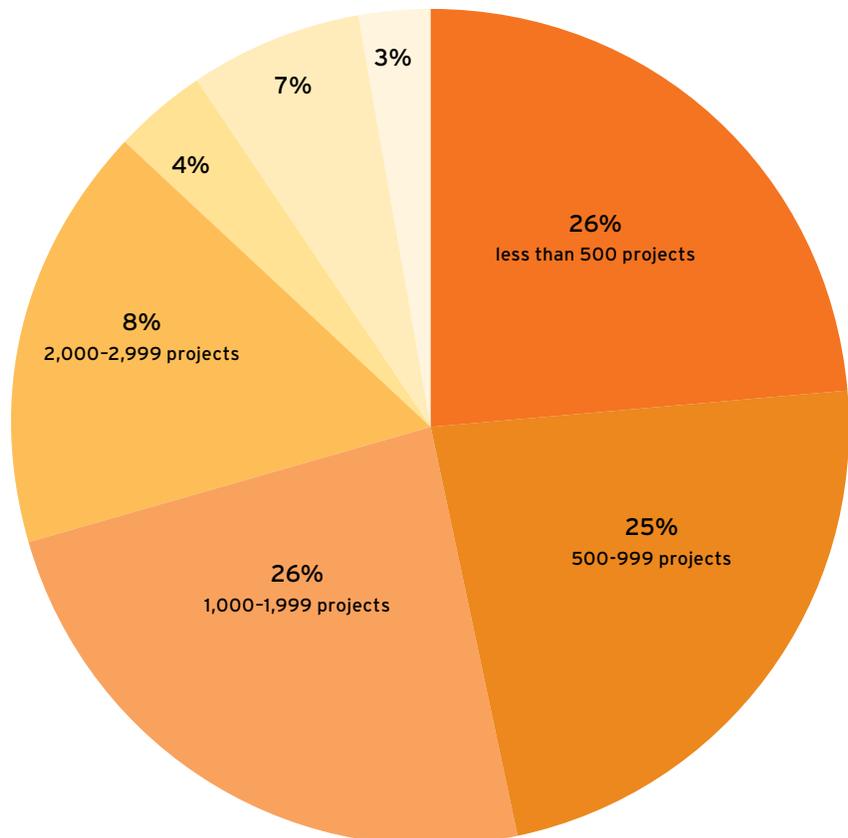
<http://bit.ly/11laeK9>

Maximize Your Clients' Communications Spend

<http://bit.ly/11QEFqz>

QUESTION How many projects did your group complete in 2012?

85% of teams of 20 or less people do 2,000 projects or less. Of large teams 70% do 4,000 projects or more and 35% do 8,000 or more projects. Midsize teams cover the full spectrum of minimum to maximum number of projects.



n=382

4% 3,000-3,999 | 7% 4,000-7,999 | 3% more than 8,000 projects

Note: percentages may not add to 100 due to rounding.

PERSPECTIVES FROM THE FIELD

Developing In-House Video Capabilities

Nearly everyone is a videographer these days, thanks to the availability of Web cameras and the popularity of social media websites. But what if your organization wants more professional-looking videos? Is outsourcing the only option? Absolutely not! Below are four tips for in-house creative leaders interested in adding video to their team's capabilities.

1. Invest in the basic hardware and software. You do not need to spend a ton of money, but you do need the basics, including:

- An HD video camera and tripod
- At least two lights (more if you will be using a green screen)
- A camera-mounted microphone
- Video editing software

There are decent inexpensive software options, such as Apple iMovie and Adobe Premiere Elements, that will more than meet your needs initially. Once your team gains some experience and your customers begin looking for more "bells and whistles," you can upgrade to a software package that has more advanced capabilities, such as Adobe Premiere or Apple's Final Cut Pro.

Some optional equipment you may consider is a boom microphone for improved sound quality, especially when shooting videos in large rooms, and a green screen. Learning to produce and edit videos filmed with a green screen sounds advanced but, with a bit of practice and training, it is

not that difficult. And, if done well, it will impress your customers and make your team look like video pros!

2. Identify and train internal resources. If you do not have the budget to hire someone with video experience, identify a team member with the necessary desire and aptitude and provide him or her with the basic video production and editing training. Many online resources and tutorials are available through sites such as Lynda.com and DigitalTutors.com. At a minimum, he or she will need to learn how to:

- Properly set up and light shots
- Improve the audio quality (such as removing background noises)
- Perform basic color correction
- Add graphics and text
- Render the video for optimized playback

3. Start small. Gain experience shooting simple one- or two-person, interview-style videos. Once the team has mastered the basics, aim to add one new element with each subsequent video project. Try a different camera angle. Learn how to add text and graphics. Experiment with background music or sound effects.

4. Manage your customers. This is the most important tip I can give any in-house creative leader. Your internal customers are probably familiar with what is involved in

designing a brochure or a website. But more than likely, they do not have any video experience. Hold a pre-production meeting to thoroughly plan the video scene by scene and to discuss timelines, expectations and requirements such as file formats and size limitations, call-out text and graphics. During the meeting, be sure to agree on roles and responsibilities. Who is writing the script? Who is responsible for props? Who is directing? This is new territory for both the creative team and your internal customers so it is extremely important to communicate early and often.

My team began offering video capabilities 3 years ago with only a camera and a subscription to Lynda.com. Now we produce professional-looking videos with animated transitions and text; custom backgrounds and effects; and multiple camera angles. It did not take a lot of money, just a strong desire to learn and a willingness to try. Good luck!

SARAH M. HALGAS

Sarah is the Director of Global Creative Solutions at ESI International, a global project-focused training company. She leads a 12-person in-house creative team responsible for designing and producing everything from sales and marketing collateral to elearning courseware. Sarah has more than 15 years of experience in graphic and multimedia design, print production, marketing communications, project management and creative direction.

WHAT GETS DONE

Service Offerings

Print spending has continued to trend downward with 87% of creative teams indicating that print spend has either remained flat or has decreased in the past.

44% of respondents indicated that their in-house print options were restricted to standard printers and copiers alone. But almost 46% of respondents have access to color digital printers, and 27% have access to large format printers. 18 organizations reported having an offset press in house.

While graphic design and production design remain two of the top three services provided by in-house creative services teams, print production no longer is, with a noticeable decrease of 9 percentage points over last year. Brand management now falls in the top three services provided, with increased service offering in mobile and social media support as well. To complement growth in these services, 25% of creative leaders indicated their staffing mix has shifted such that the team increased its interactive/digital staff across the past year.

QUESTION Which of the following services does your department provide? (select all that apply)

RELATED RESOURCES

If Your Creative Team Isn't Supporting Your Company's Proposals, Both You and Your Company are Missing an Opportunity

<http://bit.ly/YRPml>

What Does Social Media Mean for Marketing Infrastructure?

<http://bit.ly/ZNvA1b>

The Art of Socializing and Mobilizing: Best Practices and Talent Solutions for Creative Leaders

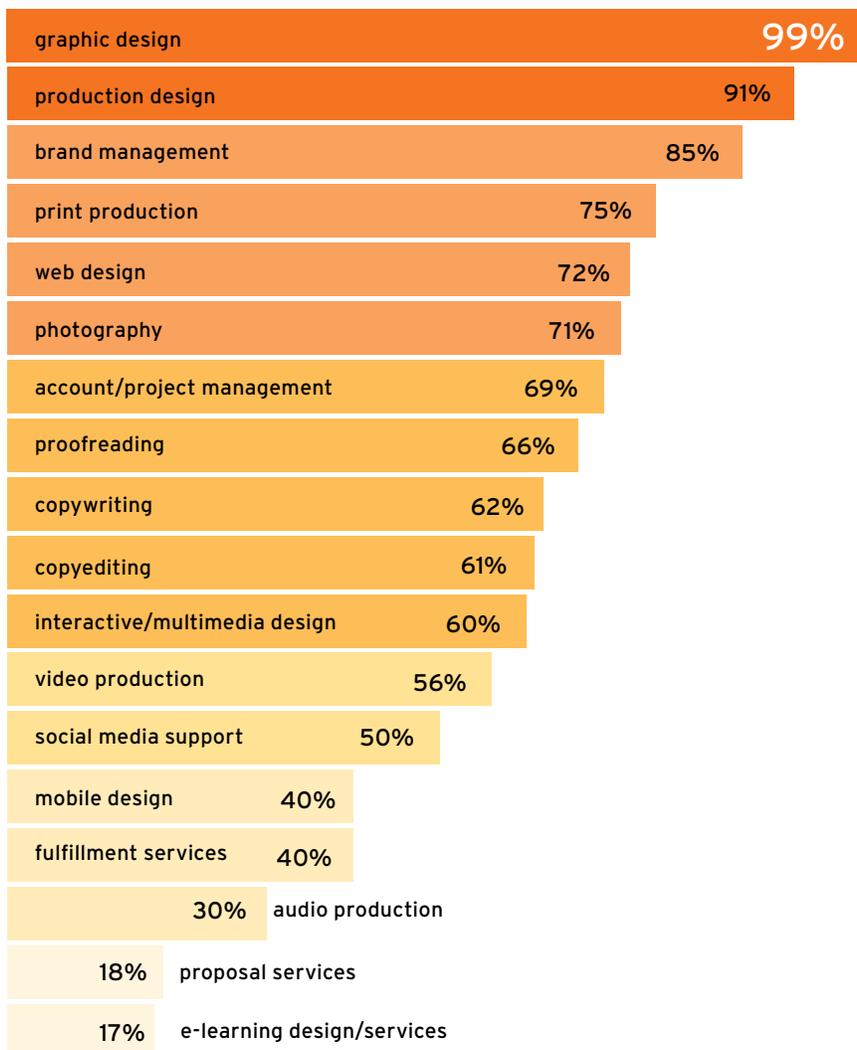
<http://bit.ly/10AnKyh>

Launch that New Service...Under the Radar

<http://bit.ly/ZnJifO>

Evolving Your Department's Service Offerings--The Talent Question

<http://bit.ly/11FZgRb>



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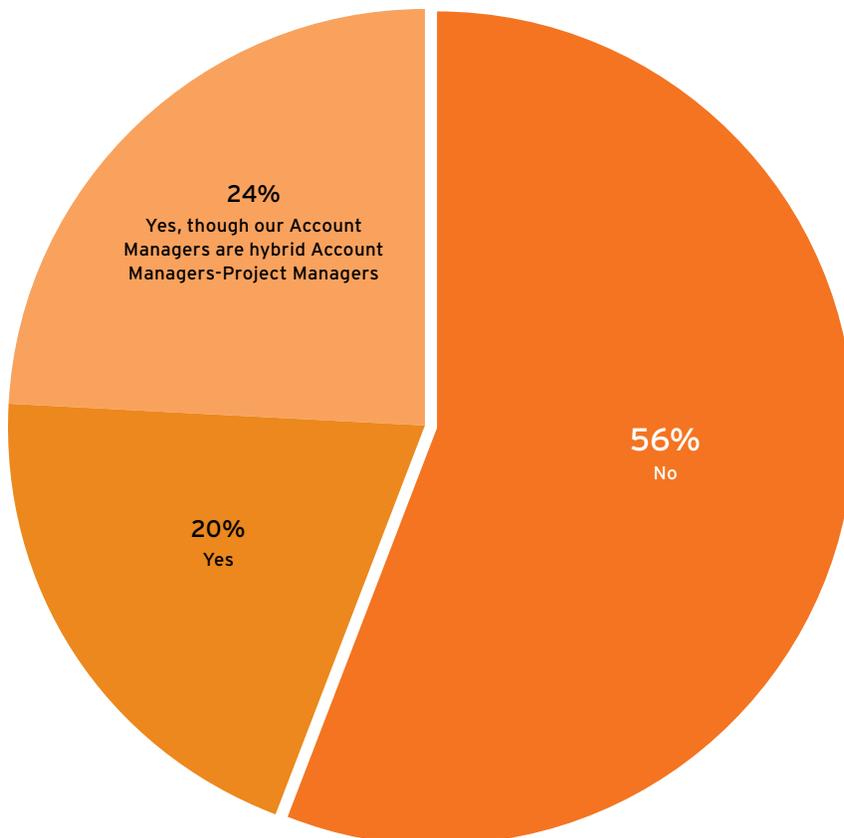
Note: percentages may not add to 100 due to rounding.

HOW IT GETS DONE

Account and Project Management

Less than half of in-house creative services teams have a dedicated account or project management role providing exclusive service to clients. Though these roles sometimes may be viewed as unnecessary, they bring tremendous value to the greater group, allowing for others to concentrate on their specialty areas and work at hand. Given that the majority does not have these roles in place, it is not surprising to see Creative Directors and Lead Designers in client-facing roles taking in projects and reviewing iterations.

QUESTION Does your team provide dedicated account management services to your clients? In other words, do you have team members responsible for serving client needs and not wearing another hat (e.g., designer, writer, etc.)?



RELATED RESOURCES

Building a Successful Full-Service In-House Agency Requires Vision
<http://bit.ly/147dgr8>

The Promise of Project Management
<http://bit.ly/15HIKEm>

Has the Traffic Manager Role Hit a Dead End?
<http://bit.ly/YW3kcT>

Account Management—How It Impacts the Creative Leader’s Role
<http://bit.ly/12oDqBQ>

Justifying Account Management
<http://bit.ly/11nVTfO>

Creative leaders indicated that 65% of the time, their Creative Directors meet with clients to scope a new project, and 62% of the time, Lead Designers review iterations with clients.

n=385

Note: percentages may not add to 100 due to rounding.

HOW IT GETS DONE

Creative Briefs

Creative briefs are best when created in partnership between the creative team and the client. While it may make sense to ask the client to take a first stab at the brief in advance of a meeting, be sure to always include an in-person review and collaboration to finalize the brief.

All projects should not be treated the same. Projects differ in complexity, creative leeway, timeline and impact. Projects with high amounts of those characteristics are considered “Tier 1” projects and require the most support and should receive “white glove” treatment—which includes a creative brief. Requiring a creative brief for non-Tier 1 projects may require too much effort on the part of your team or clients. Consider creating an abbreviated brief for your Tier 2 projects and simply an intake form for your Tier 3 projects.

RELATED RESOURCES

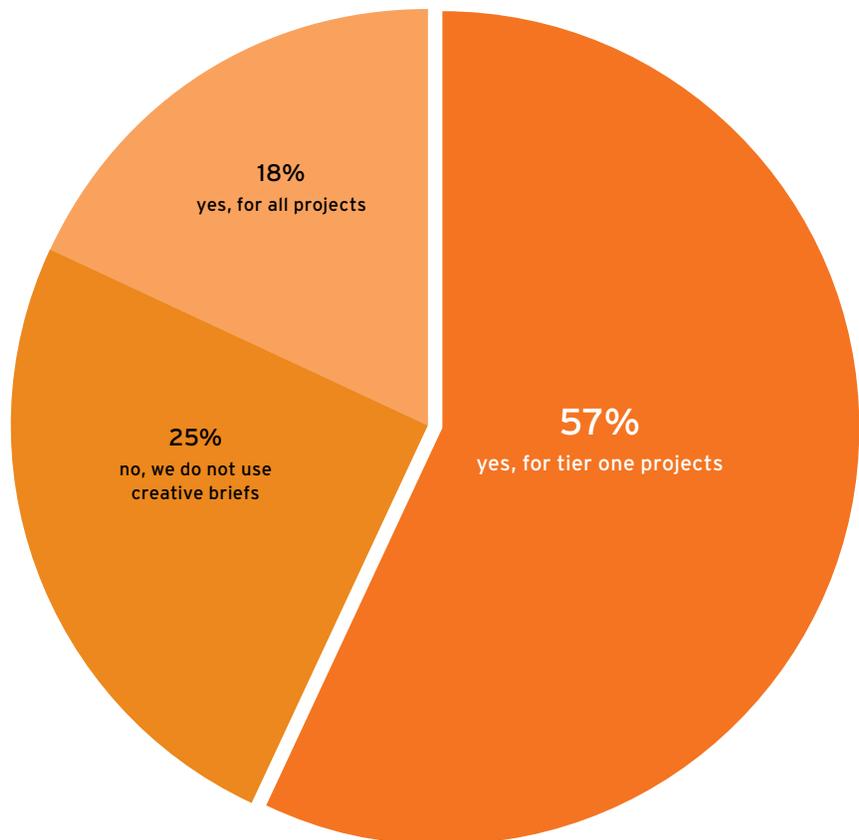
Your Creative Brief Ambassador
<http://bit.ly/10Aoi7p>

Project Tiering Systems
<http://bit.ly/12iMmlX>

50% of creative teams provide clients with three concepts following the creative brief stage. It’s a common practice to provide one comp that the client would expect, one that pushes the envelope and one in between the two.

73% of creative teams have 1 to 2 designers creating comps.

QUESTION Does your team use creative briefs?



n=386

Note: percentages may not add to 100 due to rounding.

HOW IT GETS DONE

Time Tracking

Metrics and reporting can only be captured and produced by tracking data including time; yet only a little over half of in-house creative teams are doing so. Having the right tool in place and consistent utilization produce metrics that can provide valuable insights to creative leaders as the strongest validation that can be leveraged to support their decision-making and persuade senior management of any necessary changes.

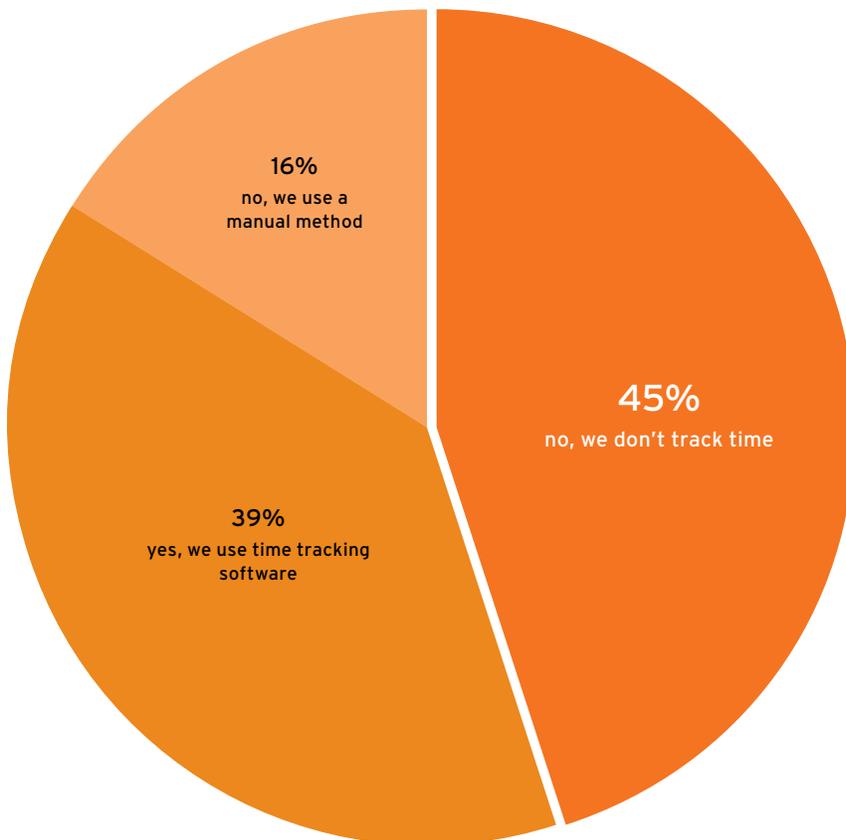
Many creative leaders feel tracking time and managing the related reporting can be onerous, but when the right tool is selected that meets the needs of the department, time tracking and reporting become natural activities of the department.

RELATED RESOURCES:
Tracking Hours Is Not Only for Chargeback Organizations
<http://bit.ly/11QHVG>

Implementing Creative-Friendly Time Tracking
<http://bit.ly/15MuODY>

A Love-Hate Relationship with Time Tracking
<http://bit.ly/Y7pyxp>

QUESTION Does your team use time tracking software?



Of teams with 31+ team members, time tracking software use increases to 84%. For teams greater than 20 members, 69% are using software tracking and an additional 12% track manually.

n=385

Note: percentages may not add to 100 due to rounding.

HOW IT GETS DONE

Project Tracking

Tracking project data continues to be a requirement for creative teams, no matter which mechanism you use. Every creative team needs to be tracking at the least the following data points in one central location: project name, project start and end date, project type, client name and business unit, and project tier.

The majority of creative teams use an electronic solution to collect this data, which allows the creative leader and his or her team to more easily report on the data.

RELATED RESOURCES:

Reflecting on 2011: What I've Learned
<http://bit.ly/10dQSEg>

Tips for Evaluating Workflow Tools
<http://bit.ly/11ldG7B>

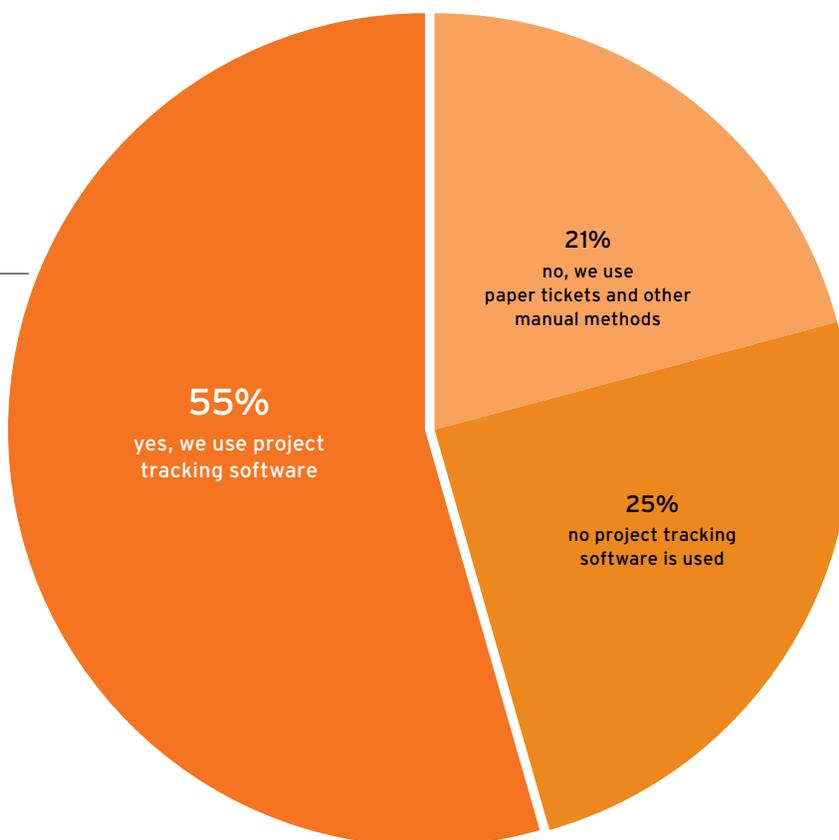
Collecting Critical Data Begins at Project Intake
<http://bit.ly/147sDQd>

CreativeExecs Roundtable Recap: Project Management & Time Tracking Technology
<http://bit.ly/11EJmoV>

The Importance of Capturing and Communicating Metrics
<http://bit.ly/13vn5Lz>

QUESTION Does your team use project tracking software?

These respondents were asked to provide the name of the system their teams use; no single system was dominant in the responses as 28 different solutions were represented.



n=385

Note: percentages may not add to 100 due to rounding.

PERSPECTIVES FROM THE FIELD

Scaling When Headcount Is Not an Option

Since forming our in-house Creative Services department at Villanova University 5 years ago, our mission has always been clear: committing ourselves to providing the kindest, most accessible and strategic service to our university community, while using the creative talent of our team. Our success in this mission was evident immediately. Our department of 6 people grew to a team of 10 professionals in 3 years' time, and the number of jobs grew from 400 to more than 800 jobs per year. While the success on paper was terrific, the pain we felt from growing so fast was evident in our low department morale and lack of staff development. Time spent in meetings to manage the evolution of each job was inefficient. In addition, the volume of jobs to bill each month via individual Excel spreadsheets, which were then manually recorded into a separate form for Accounts Payable, became so burdensome that we began to fear the influx of new jobs.

By racing to keep up with demand, we neglected the importance of creative inspiration and strong communication. In order to fix this so that we could continue to meet the goals of the community at large, we had to achieve better efficiencies and approaches to our work. Although it was not possible to hire new team members, whether in project management or job traffic roles, our proposal for a formal project management

system was accepted so we began implementation.

Now in place for 3 fiscal years, our internal system enables us to capture all aspects of a design job into one container. While our former manual "system" worked for an average of 400 jobs per year, it was incredibly cumbersome and linear. None of the spreadsheets we created for each job was connected to one another, and we had no way to collate data in an efficient manner. In the midst of our rapid growth, we needed a way to look at activities in past years; assess patterns; analyze time reports, fiscal reports, and job types; and make projections for the years ahead.

We have found that our graphics team is also positively impacted by the utilization of formal project management software. They are able to save administrative time managing their jobs and therefore spend more time in creative space. They have time back in their days to approach an old job in a new way or think more strategically for a client, who may benefit from our team's ability to see another way to communicate a message. With the time saved in opening jobs, referencing old jobs and making decisions based on running a quick report, we are able to get back to our original mission of being the kindest, most accessible and strategic in-house department for our community. Since we know our team of

10 creative professionals will stay where it is, without the addition of project or traffic managers, our project management system fulfills that need for both capturing and disseminating that information so integral to every design job, yet so distracting from the overall goal, which is a well-executed, effective visual solution to a communication need.

ELIZABETH WOOD

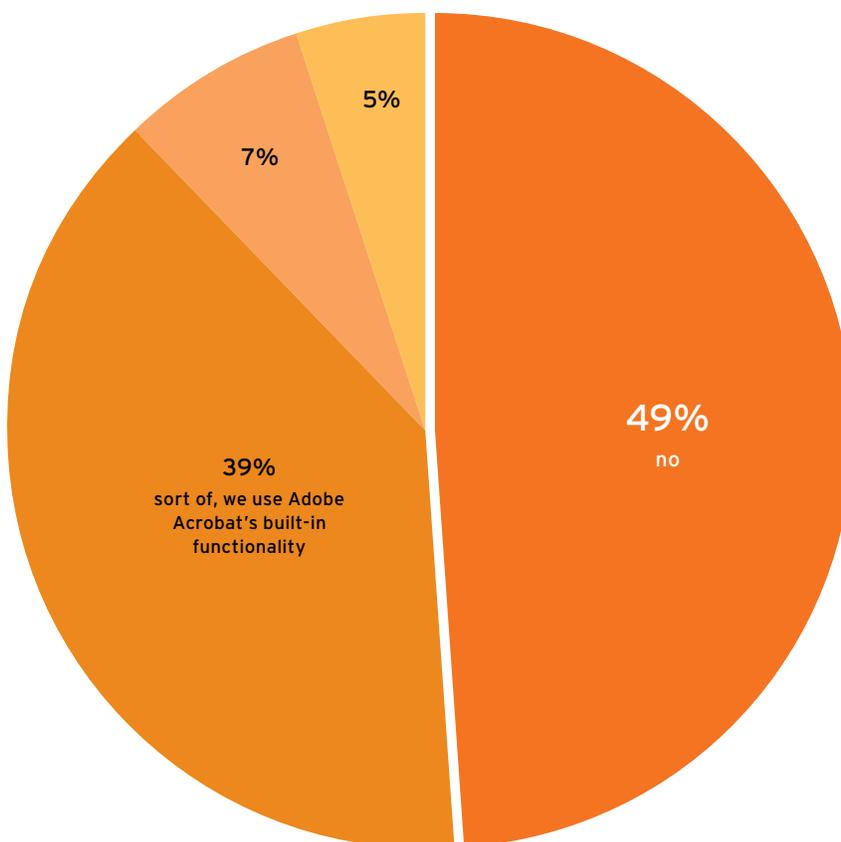
Elizabeth is Assistant Director of Operations for the in-house creative team at Villanova University. Villanova's Creative Services executes strategic visual communications through collaboration among its director, three managers, four graphic designers, photography specialist and creative services coordinator. She has over 8 years of experience with in-house creative teams in higher education. This is the second position where she has had the pleasure of assisting in and implementing in the transition from an informal to formal project management system.

HOW IT GETS DONE

Soft Proofing Software

In a growing regulated environment, soft proofing software provides enhanced quality control, quicker turnaround times and stronger client collaboration without impacting staff size. If heightening your technology to increase efficiencies and productivity is part of your planning strategy, soft proofing software should be a strong consideration.

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



n=383

7% yes, it is part of our Project Management Software
5% yes, we have a standalone software/system

Note: percentages may not add to 100 due to rounding.

HOW IT GETS DONE

Digital Asset Management Systems

A DAM (Digital Asset Management) system creates greater efficiency on the part of the creative team. The creative team needs to be able to store their work in a way in which files are easy to find and asset sharing with other team members is easy; in addition, they need to have complete control over the file types, versions and the relationship of files for particular projects.

With increased capabilities the right DAM system can be an invaluable resource to the greater organization, providing real-time access to assets worldwide including rights management.

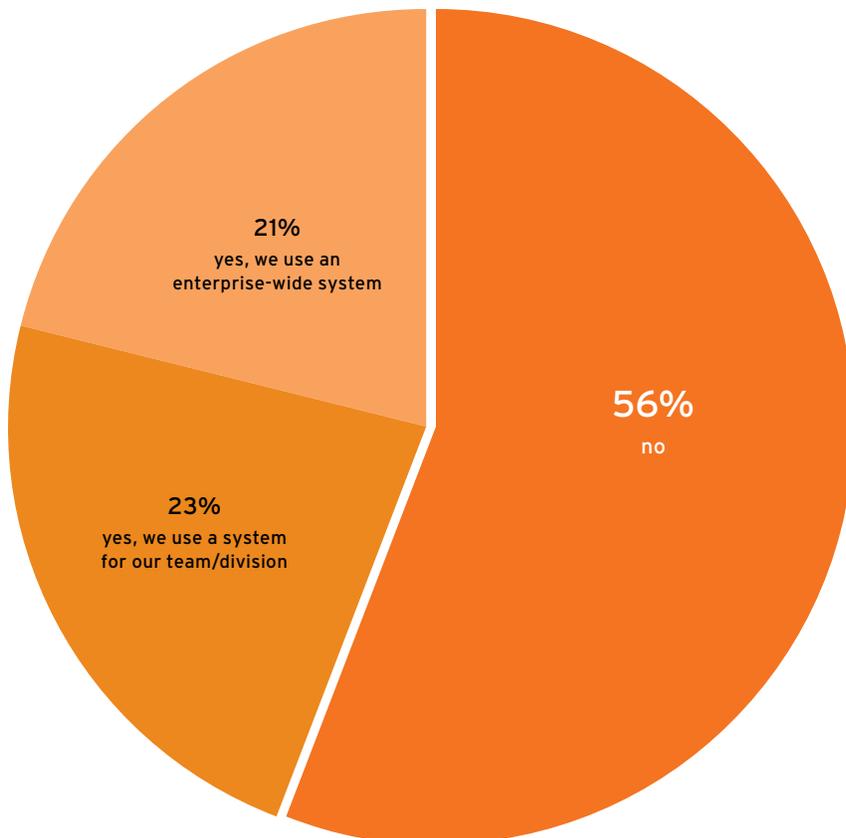
RELATED RESOURCES:

Do you need a DAM (Digital Asset Management System)?
<http://bit.ly/11GRGEu>

Take Control of Your Digital Assets
<http://bit.ly/14cEgqg>

Digital Asset Management in 2013
<http://bit.ly/11HNIL0>

QUESTION Does your team use a digital asset management system?



Common DAM systems used are Cumulus, Mediabeacon, Portfolio and Widen.

n=384

Note: percentages may not add to 100 due to rounding.

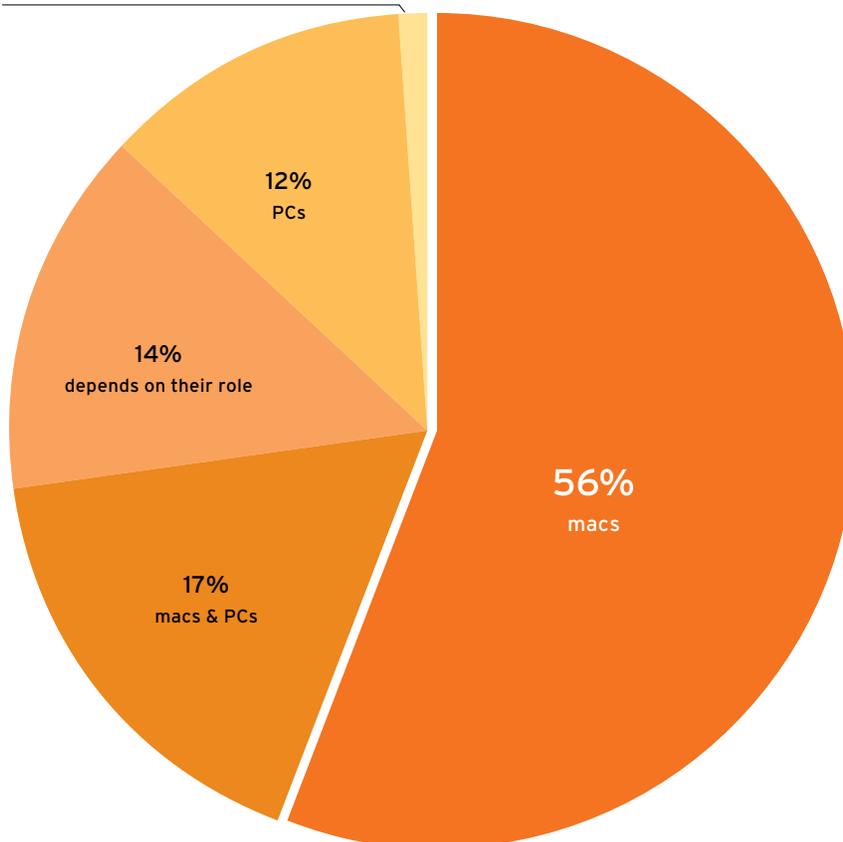
HOW IT GETS DONE

PC Versus Mac

It's still predominantly a Macworld at in-house creative departments, as just 12% of teams work exclusively on PCs or 17% have both a PC and Mac. It's common for roles such as account managers and project managers to be PC-based as their roles may require software that is only available on the PC (e.g., Microsoft Project) or their roles don't require using the Creative Suite or other graphic software, and therefore there is not a business need to invest in a Mac when basic PCs are less expensive. That said, if you're considering moving your team to PCs (whether it's your choice or not), know that designer-appropriate PCs cost just as much as Macs. The PCs the Finance or Sales teams use are not adequate to support creatives, who should be considered technology "power users." The Adobe Creative Suite requires a powerful machine with adequate memory to run its products efficiently.

QUESTION Does your staff work on Macs or PCs?

1% depends on their location



n=386

Note: percentages may not add to 100 due to rounding.

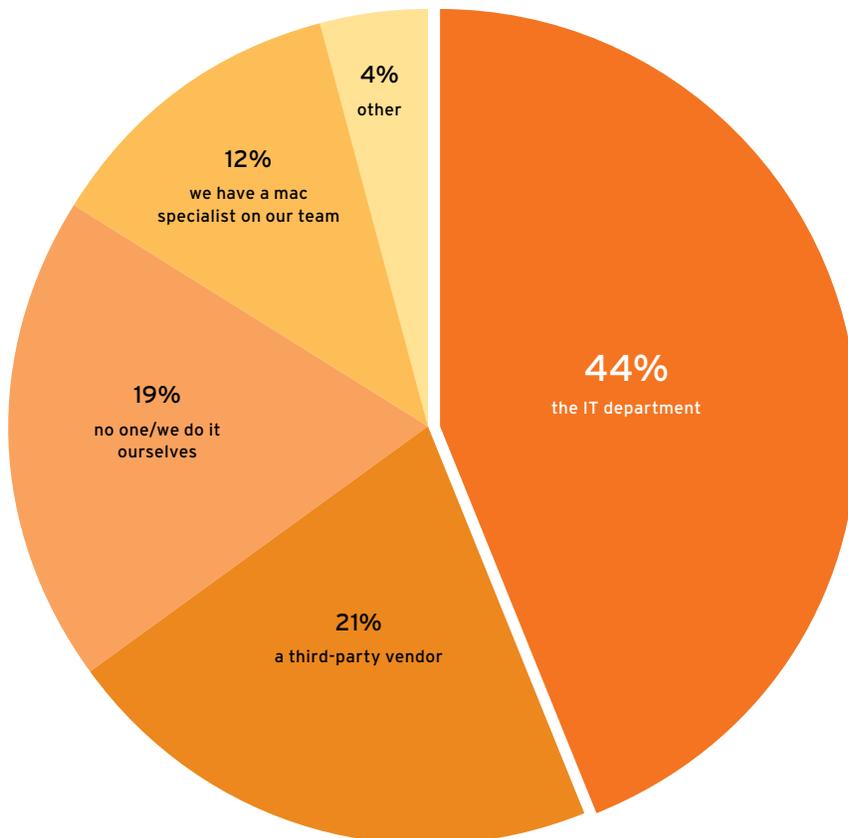
HOW IT GETS DONE

Mac Technical Support

Most in-house creative services organizations' IT departments are not equipped to provide Mac support, and if they do, service is limited and sometimes inadequate, leaving the creative teams to fend for themselves. And in other cases, creative teams engage with third-party vendors or have a Mac specialist on the team. Whatever technical support service you have in place for your Macs, having one is critical.

InDesign is used as the primary desktop publishing software among 92% of creative teams.

QUESTION Who provides technical support for your Macs?



n=340

Note: percentages may not add to 100 due to rounding.

HOW IT GETS DONE

RELATED RESOURCES:

Building a Chargeback Model

<http://bit.ly/12KmQxp>

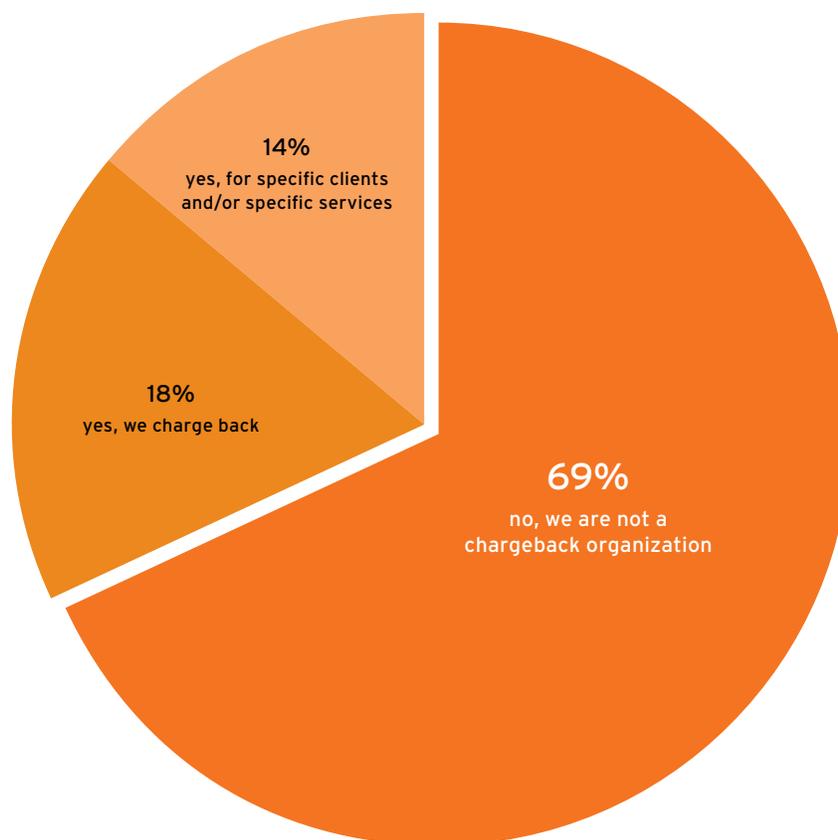
Determining Your Chargeback Rate

<http://bit.ly/10DrrDy>

Chargeback Status

While only 32% of in-house creative teams are chargeback departments, the likelihood a department charges back increases with department size. The majority of these groups use subsidized chargeback models followed by full cost recovery. Independent of the chargeback model in place, creating an environment in which use of the creative team is judicious and in line with company strategy is the overarching goal of your executive or Finance team.

QUESTION Is your department a chargeback organization?



n=423

Note: percentages may not add to 100 due to rounding.

HOW IT GETS DONE

Benefits of a Chargeback System

Instituting a chargeback funding model is a natural evolution for an internal creative services organization and an important step in eliminating a number of challenges common to “free” creative services. Moving to a chargeback model signals the team will operate more like a creative agency in both business operations and creative direction. 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. And it’s important to remember: A chargeback model is not a silver bullet to eliminating all of your funding and client challenges.

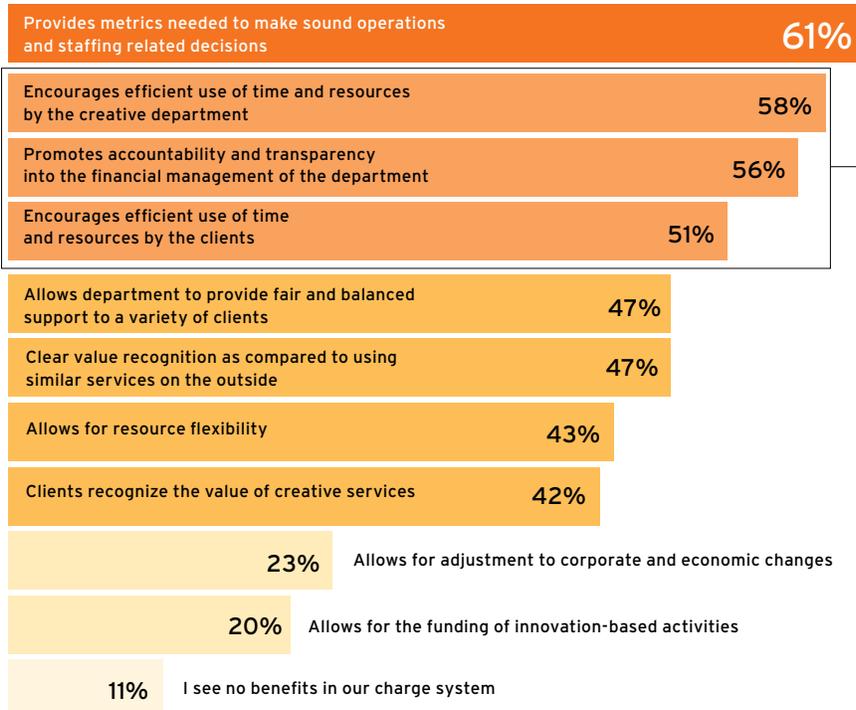
RELATED RESOURCES:

Chargebacks:
A Double-Edged Sword
<http://bit.ly/17Zf4C2>

The Appeal of a Hybrid
Funding Model
<http://bit.ly/15JDtfy>

QUESTION What are the key benefits your department experiences as a result of charging your clients for services?

(select all that apply)



Top three *most significant benefits* of a chargeback system are identified by survey respondents.

n=126

Note: percentages may not add to 100 due to rounding.

HOW IT GETS DONE

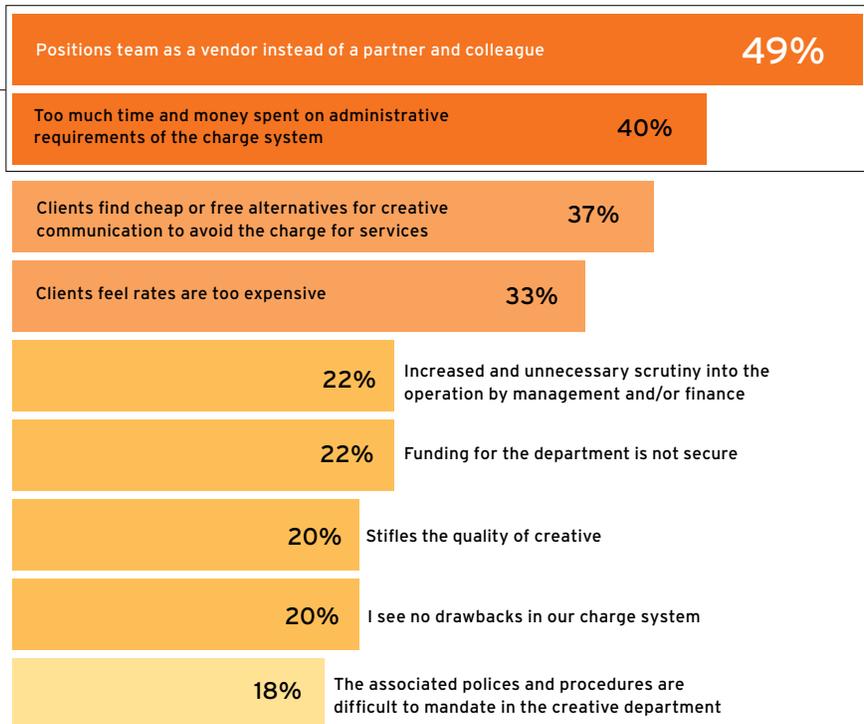
It's extremely important the data associated with the department's performance not be shared without context. Often creative leaders in chargeback departments have access to more data about how their team operates than most other leaders in their company, which can be a double-edged sword—for example, a CFO might question why a department's utilization rate is just 80%, when, in fact, this rate is considered a good billable rate in most professional services environments and is likely higher than other departments' rates, but they are unaware of their rates.

Drawbacks of a Chargeback System

Even in a chargeback system, creative leaders can struggle to add staff or have enough funds for investments they need to make (e.g., hardware, software, training, innovation). There can be a regular concern of “hitting budget,” instead of focusing on the quality of the creative. And if the creative leader is dedicated to running the operations of the creative team, this is OK and can help the greater organization manage corporate funds best. But if the creative leader is a hybrid creative leader-operations manager, a chargeback system can create pressures and administrative tasks that detract from the greater value a department provides. For this reason, it's important for chargeback groups to invest in automation to support billing.

QUESTION What are the key drawbacks that your department is experiencing as a result of charging your clients for services? (select all that apply)

Top two *most significant drawbacks* of a chargeback system are identified by survey respondents.



n=123

Note: percentages may not add to 100 due to rounding.

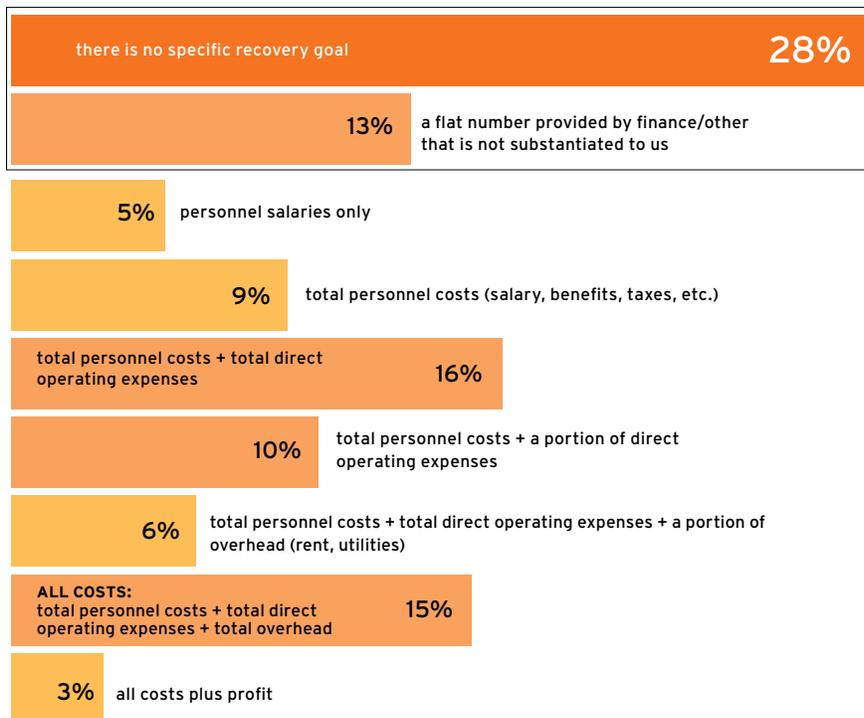
HOW IT GETS DONE

Chargeback System Cost Recovery Goals

Every creative leader in a chargeback system ought to understand the fiscal goals of his or her annual chargeback, i.e., how much “revenue” must the department earn. Ideally, that revenue goal is founded on something the creative leader can control or is of an amount that the creative leader is not concerned with the goal. The majority of creative teams are required to recover at least total personnel costs (salaries, benefits, taxes, etc.). And less than a quarter of all chargeback departments are required to recover all costs (total personnel costs + total direct operating expenses + total overhead), which is also known as “total cost recovery.” Overhead can be a challenging cost to recover as the creative leader has little control over this category—rent, corporate IT expenses, utilities and allocated costs such as HR and Finance department funding.

If you are just setting up a creative department or are reviewing your funding model and have the opportunity to lobby for one over another, a chargeback-funding model that requires personnel total costs, total direct operating expenses and potentially a fixed portion of overhead is the most fair compromise between the Finance department and Creative Services—it demonstrates fiscal independence, but alleviates the concerns of the creative leader in managing to costs they cannot control.

QUESTION What costs are you required to recover through your chargebacks? (select all that apply)



41% of creative leaders in a chargeback model are working without a goal or substantiated goal; if you fall in this category, make it a priority to change this in the beginning of your next fiscal year.

n=128

Note: percentages may not add to 100 due to rounding.

HOW IT GETS DONE

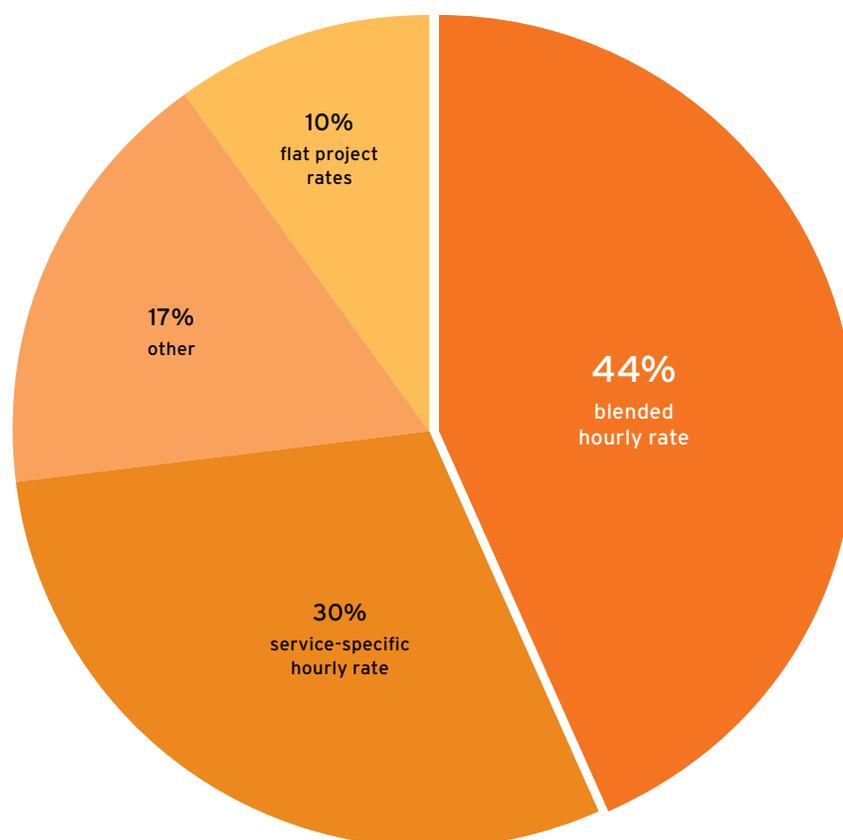
Groups that identify themselves as “chargeback groups within an allocation system” generally can also be called “prepay” or “retainer” groups. Based on prior year’s usage, business units are charged an upfront fee equal to their percentage of use as a portion of the creative department’s budget. Some groups in this funding model have true-up requirements, others do not.

Chargeback Rate Approaches

In-house creative teams who charge customers generally charge in one of three methods: hourly rates, project rates and an allocation method. Hourly rates are assessed in one of two methods:

- 1) a blended hourly rate in which all services are the same fee, or
- 2) service-specific hourly rates, where, for example, multimedia design is one price and copywriting is another. Flat project rates can be created based off a project estimate or, more commonly, based off historical data of common project types. Project rates should include standards for rounds of revision that are explicitly included in the rate—it must be clear that any additional rounds of revision, unless the direct result of staff error or misunderstanding, will be added to the original estimate. The allocation method, which we did not include as a response option, means different things to different people and is likely captured within the “other” category.

QUESTION How do you charge clients?



n=124

Note: percentages may not add to 100 due to rounding.

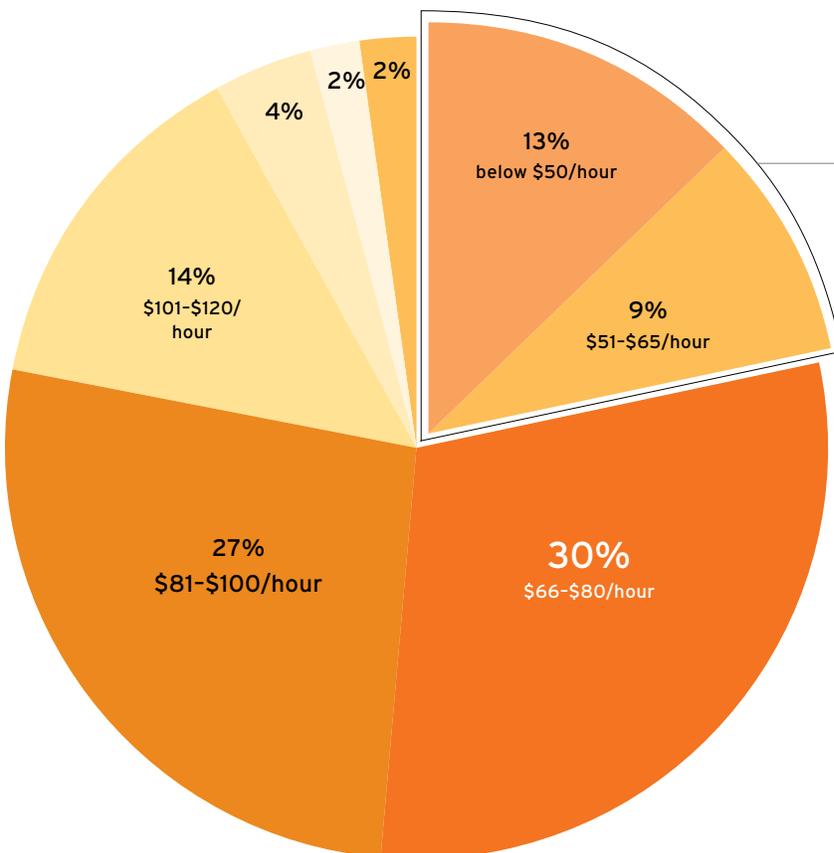
HOW IT GETS DONE

Blended Chargeback Rates

Cost savings is one of the greatest values customers consider in-house teams provide; to continue to ensure this, creative leaders recognize that agency fee structures are different and therefore any rate comparisons must be comparable. Of the respondents who identified as a blended chargeback rate department, 79% charge \$100 or less per hour—which insures cost competitiveness with external agencies. Most departments fell into the \$66-\$80 or \$81-\$100 hourly rate groups.

RELATED RESOURCES:
 In-House Versus Agency Rates
<http://bit.ly/11naVma>

QUESTION What is your blended hourly rate for creative services?



Lower rates tend to be charged by groups without specific recovery goals, whereas teams with full cost recovery goals charge the higher rates.

Departments with an hourly rate less than \$66 have no specific recovery goals while departments with higher hourly rates are required to recover personnel total costs, total direct operating expenses and at least a portion of overhead.

4% \$121-\$140/hour | 2% \$141-\$160/hour | 2% >\$160/hour

n=56

Note: percentages may not add to 100 due to rounding.

HOW IT GETS DONE

Service-Specific Chargeback Rates

The responses provided by service-specific chargeback teams point to three main conclusions:

- Account Management, Project Management and Print Production Services are often not charged for—at least not explicitly. Most likely the costs associated with providing those services are bundled into the cost of other services.
- Production Design and Graphic Design are the lowest cost services. Production Design and Graphic Design may be attributed to more entry-level/lower-paid team members performing these services.
- Graphic Design and Web/Multimedia Design rates fall into the same rate as the average blended rate (\$81-\$100/hr).

QUESTION What is your hourly rate for the below services?

ANSWER OPTIONS	Not a service we provide	we don't charge for this	<\$50/hr	\$51-\$65/hr	\$66-\$80/hr	\$81-\$100/hr	\$101-\$120/hr	\$121-\$140/hr	\$141-\$160/hr	<\$160 /hr	response count
account management	22%	47%	6%	16%	6%	3%	0%	0%	0%	0%	32%
project management	9%	24%	12%	18%	9%	12%	12%	3%	0%	0%	34%
production design	3%	3%	21%	27%	12%	21%	12%	3%	0%	0%	34%
graphic design	0%	0%	21%	24%	18%	24%	9%	3%	0%	0%	34%
web/multimedia design	3%	6%	18%	12%	22%	18%	15%	3%	3%	0%	33%
creative direction	0%	9%	21%	12%	18%	12%	12%	3%	6%	0%	34%
copywriting	27%	9%	9%	18%	12%	12%	15%	0%	0%	0%	34%
copyediting	21%	9%	9%	24%	9%	21%	9%	0%	0%	0%	34%
proofreading	18%	12%	15%	21%	12%	15%	6%	0%	0%	0%	33%
print prod. services	12%	33%	12%	15%	9%	9%	6%	0%	0%	3%	33%

When responses within two rate categories were close, both responses were identified as a majority response.

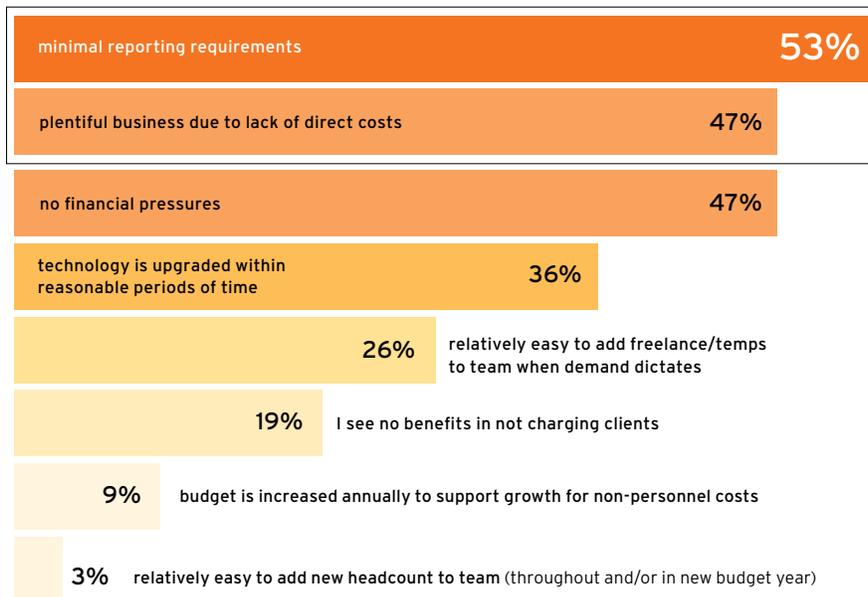
HOW IT GETS DONE

Benefits of Not Charging Customers

Being a cost center (non-chargeback department) can be a great thing—so long as challenges such as adding new headcount and the need to affect client behaviors don't exist. In a cost center, the creative leader can focus on the value of the creative his or her team is creating and is not burdened by financial pressures. In addition, few creative leaders are excited to talk about budgeting and funding models, and in a non-chargeback environment those creative leaders can focus on business priorities closer to their passions.

More than 50% of respondents indicated that “minimal reporting requirements” is a key benefit of not charging for services, and 27% of the respondents indicated this was the most significant benefit of not doing so, but the reporting requirement can actually be quite minimal when a project management solution is in place.

QUESTION What are the key benefits your department experiences as a result of not charging your clients for services? (select all that apply)



Top two *most significant benefits* of not charging for services are identified by survey respondents.

n=276

Note: percentages may not add to 100 due to rounding.

HOW IT GETS DONE

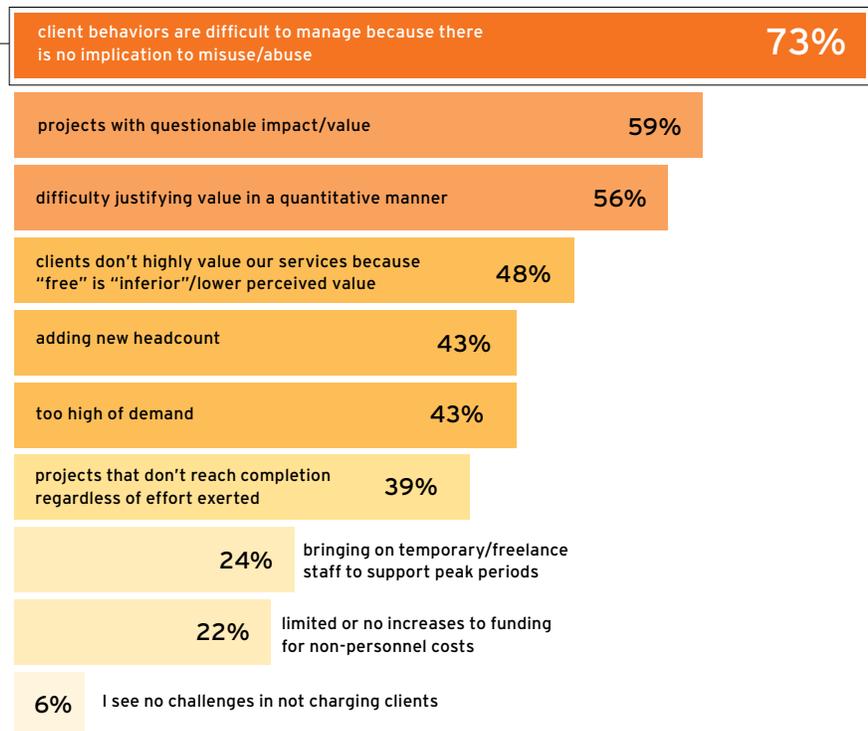
Key Challenges of Not Charging Customers

The challenges non-chargeback departments experience are predictable, and some are more easily overcome than others. Consistent with last year’s survey, creative leaders indicated there were more challenges with not charging clients than with charging customers—it appears chargeback department leaders are more satisfied with their funding model.

The most significant challenge identified is the ability to impact client behaviors due to a lack of repercussion for misuse/abuse of creative services—73% identified this as a challenge and 31% indicated this was the most significant challenge with their funding model. But it must be pointed out that a chargeback model is not a guaranteed prescription for this challenge: Some clients feel chargeback dollars are “funny money” or they aren’t held to a specific budget. A more effective way of affecting clients’ behavior is to encourage good stewardship of the organization’s funds and the department’s resources.

QUESTION What are the key challenges that your department experiences as a result of not charging your clients for services? (select all that apply)

In addition to being selected most often as a challenge, affecting client behaviors was also indicated as the *most significant challenge* of not charging for services.



n=284

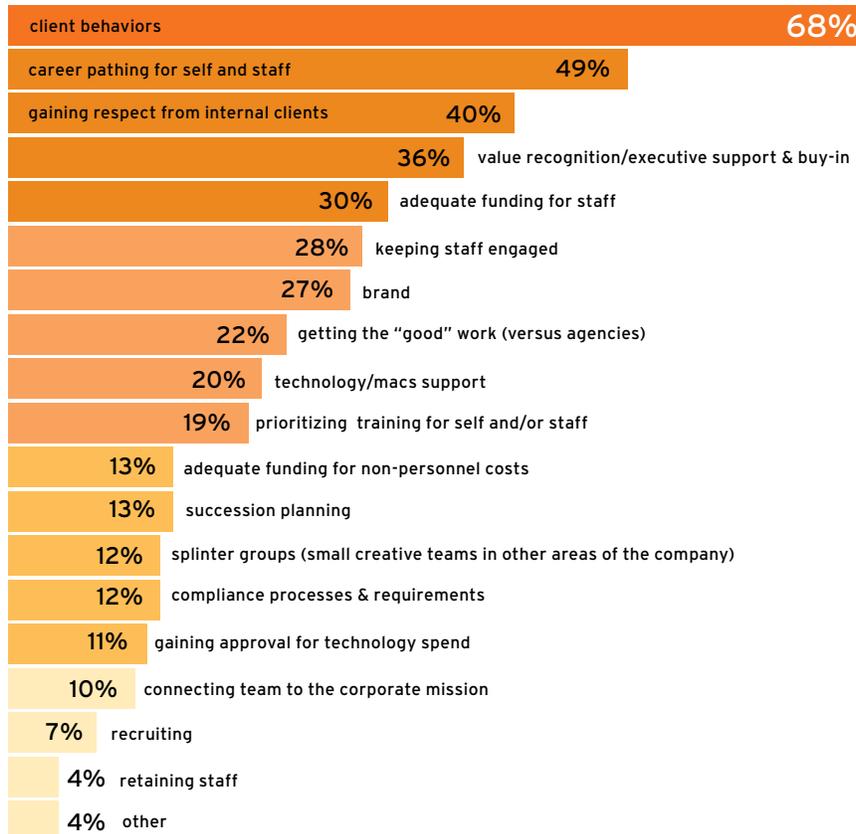
Note: percentages may not add to 100 due to rounding.

CHALLENGES TO GETTING IT DONE

Top Challenges for Creative Leaders

Almost regardless of industry, company size and team size, the challenges of creative leaders are very consistent. In our 2012 survey, we provided respondents with an increased number of choices as to their greatest challenges. Affecting client behaviors remains the principal greatest challenged faced by creative leaders. Clients of in-house creative departments can be demanding—there are often too many revisions, not enough time to complete work in a quality manner and too many emails or phone calls that interrupt work. Affecting and, ultimately, changing these behaviors are imperative to the success (and happiness) of the in-house team, so it’s understandable why this may keep creative leaders up at night.

QUESTION Which of the below topics provide the greatest challenge for you as a creative leader? (select three)



RELATED RESOURCES

Are You in Control of Your Creative Work?
<http://bit.ly/XZkhpD>

The #1 Challenge in Transitioning to Strategic Partner
<http://bit.ly/15QtIkV>

Being a Strategic Partner ≠ Working on Strategic Projects
<http://bit.ly/10CBqZP>

Market Your Team as If Your Job Depends on It
<http://bit.ly/14cLTMt>

Supporting the Career Growth of Designers
<http://bit.ly/14cMCgr>

You Are Not Alone...Common "Battles" of the In-House Creative Team
<http://bit.ly/17ZTs8F>

Getting Promoted—What’s Driving the Desire?
<http://bit.ly/ZRtNY2>

CreativeExecs Roundtable Recap—Five Areas that can Positively Affect Client Behaviors
<http://bit.ly/ZwBOCz>

Other responses included:

- Hiring constraints
- Outsourcing
- Maintaining quality with increased demand and same size staff
- Keeping up with changing technology

n=388

Note: percentages may not add to 100 due to rounding.

CHALLENGES TO GETTING IT DONE

The never-ending battle of wanting to be known for creative quality versus cost savings continues. The majority of creative leaders responded that high-end creative quality, closely followed by cost savings, is the greatest value customers consider their teams provide.

RELATED RESOURCES

Positioning Your In-House Team as the Vendor of Choice

<http://bit.ly/17Xc1Hy>

Ten Value Propositions for In-House Creative Departments

<http://bit.ly/15Qvq0g>

Value Proposition of In-House Creative Groups

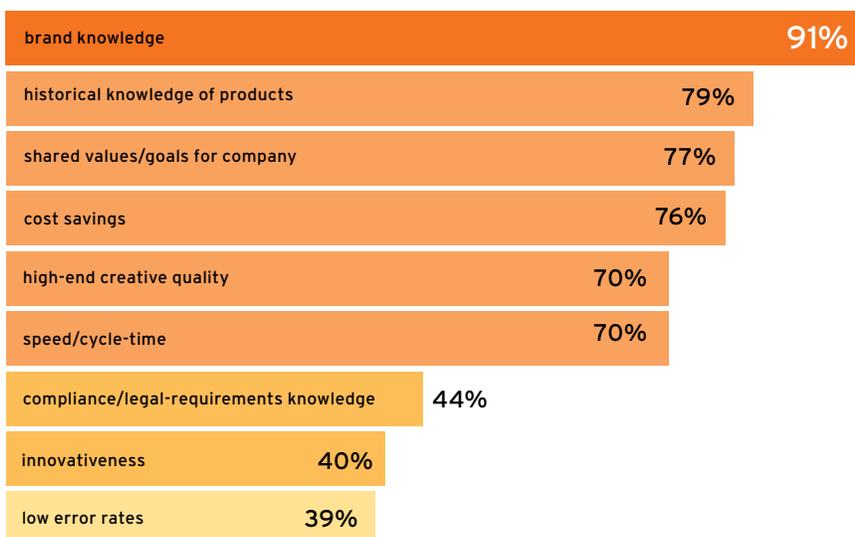
<http://bit.ly/ZPj1m5>

Value Proposition

Large corporations accept certain beliefs at face value. Among them is the myth that in-house organizations can never be as good or as responsive as outside agencies/vendors, particularly creative services groups. It is a daily battle to overcome the built-in prejudice against internal creative organizations. In addition, a small subset of in-house creatives need to regularly justify their existence, as in most cases the department is not considered “core” to the company’s business, meaning we don’t produce or sell the cogs, we support the people that do.

In-house creative teams often have to satisfy all three aspects of service: time, cost and quality, which can be extremely challenging. Often our agencies’ competitors and partners only have to satisfy two: “yes, you can have it tomorrow, and yes, it will be amazing, BUT it will cost you.” In-house groups typically do not have this option and must deliver high-quality creative on a quick turnaround for a low cost. 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 value will get you in the door, it will not retain business. It’s extremely important creative leaders identify and preach the team’s value outside of cost.

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



n=422

Note: percentages may not add to 100 due to rounding.

PERSPECTIVES FROM THE FIELD

An Unexpected Path to Strategic Partner

Monday, October 4, 2010

We had just returned to work from our Creative Director's Riverbend home after a relaxing and refreshing creative retreat. Our department (at two different locations, including two account executives, a copy manager, a creative manager, a traffic manager, six designers, one Web designer, one developer, five writers and two traffic coordinators) was teeming with creativity. It seemed like, for once, we had everything we needed and wanted in order to finally be a strategic partner. Everyone was pumped to finish the year-end's onslaught of projects while setting new goals for 2011.

Fast forward one week later—

Tuesday, October 12, 2010

Our department was asked to assemble for a video conference. When we arrived, we were met by our boss's boss and HR. Not a good sign. While the exact events of that hour are still a blur to me, our department was divided into two separate departments—and what remained in mine was a creative manager (me), a senior writer, a copywriter, a traffic manager and a developer—with no creative director, no account executives and no designers. So much for becoming a strategic partner—or so I thought.

For the next few months we did what we do best—we brainstormed, problem-solved, compromised and developed a new plan for how to survive. We eliminated what was unnecessary. We prioritized. We sought efficiencies. But most of all, we struggled to let go of the way things were. Eventually, a very short list of priorities rose to the top:

1. Provide creative strategy—not execution.
2. Own the brand.
3. Become a technology advisor.
4. These became our mantras.

So, one by one, we began to attack our list.

We started outsourcing all kinds of projects, even the ones that would be quicker to do ourselves. We spent a lot of time developing “freelance packets” with the requirements for every project: branding guidelines, logos, templates and other assets. What we learned was that it required more assets, more communication, more effort. We took for granted our biggest asset: our company insight. So we began developing creative briefs for campaigns with sections for company history, marketing history, audience history and, most importantly, the creative strategy for the campaign. We provided this to our marketing partners as a way to help them understand our role, while helping our agency partners focus on creative execution. We knew we were headed down the right path when we started hearing things like “I don't know how we'd get anything done without you!” from our clients.

Next, we revisited our branding.

We listened to our clients' complaints about the constraints and confusion the brand guidelines provided. We evaluated the feedback we received from our vendors. And we weighed in, too. We rewrote the messaging guidelines as only internal creative could. We reorganized our brand identity into a system of elements instead of a set of inflexible templates. We expanded the brand by reaching outside our marketing structure to find brand supporters on the product development side of the business. And slowly but surely, we became the group that was called on for consultation every time a logo was needed, a product was being developed or designed, a site was launching and so on. We had become the brand leaders.

While working on branding, we were also looking for opportunities to get involved in any technology initiatives. We listened to our clients' frustrations with other departments and volunteered to come up with better solutions where appropriate. We also invented projects such as a “self-serve” interface

PERSPECTIVES FROM THE FIELD

An Unexpected Path to Strategic Partner (cont.)

where sales could generate a branded PDF flyer instead of asking our marketing clients to produce them. These projects were not quick wins, but they were big wins. Marketing now seeks our advice before beginning any technology project.

As we began to really focus on our short list, and let go of trying to do everything, we found we actually had time for the things that really mattered. We could participate in marketing initiatives, planning meetings, strategy meetings and any spontaneous collaboration that ensued.

So, a year and a half later, although we still feel the void of our former department, we also feel the strange success of moving away from a cost-savings value proposition by becoming the indispensable, strategic partner we always wanted to be!

Our efforts have even been acknowledged—

Our department is now made up of an Executive Creative Manager, a Senior Creative Manager, a Creative Manager, an Operations Manager, a part-time Traffic Coordinator and a Developer. It is not the plan I envisioned when dreaming of leading a creative team, but isn't that the beauty of being in creative? Turning problems into amazing results!

TRACY SULLIVAN

Tracy is Executive Creative Manager at Elsevier NHP Creative Services.

Creative Directors by trade use their background in effective design, writing and strategy to lead their teams in producing captivating work that motivates their target. She describes her situation: "With my five-person department, however, it takes a little more to keep our 3,000 yearly projects afloat—more hat wearing, more compromising and a lot more chocolate. So, while I could list all of the awards we've received in my nearly 20-year career, it's the terms of endearment such as 'you're my creative Pepto-Bismol' that truly make me feel accomplished."

CHALLENGES TO GETTING IT DONE

Non-Personnel Budgets

Only 55% of creative leaders felt their budget for non-personnel costs, such as training and team events, was adequate. The majority of a creative team's direct operating budget is being allocated to hardware, software and related upgrades—which is understandable as these are big ticket items. Encouragingly, 63% of creative leaders are allocating funds for industry events and conferences and 61% toward online training. Investing in professional development activities such as these are critical to employee satisfaction.

RELATED RESOURCES

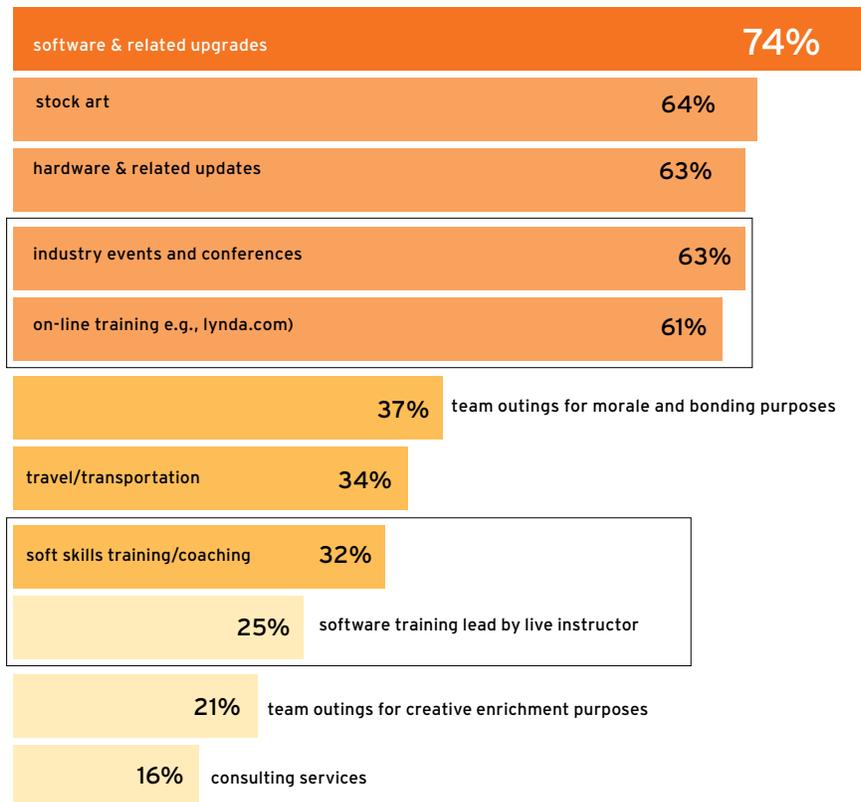
How to Transition Designers From Print to Interactive
<http://bit.ly/XZmwJc>

The Value of a Business Coach
<http://bit.ly/1OCCZqx>

Avoid Extinction: Keep Your Skills and Your Team's Skills Sharp
<http://bit.ly/Y7pMoj>

On Professional Development
<http://bit.ly/1ODrKyO>

QUESTION How do you use your Non-Personnel/Direct Operating budget? (select all that apply)



Only 45% of creative leaders have an established training budget each year, and an additional 25% indicated most training requests are approved regardless.

Creative leaders indicated their training budgets mainly go towards the four boxed training categories.

n=382

Note: percentages may not add to 100 due to rounding.

the survey

Appendix

Survey Participant Demographics

APPENDIX

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. Leadership responses were further narrowed by limiting responses to respondents who indicated they worked for an in-house creative department for a corporation, education institution or nonprofit organization. Almost half of the respondents indicated their role as a Creative/Marketing Services Manager or Creative Director.

RELATED RESOURCES

The Importance of Charisma and Passion in Leaders

<http://bit.ly/13xXRfu>

QUESTION Which of the following best describes your title?

creative/marketing services manager	26%
creative director	24%
director/business unit head	14%
art director	12%
design/production manager	12%
vice president	5%
operations manager/director	4%
other management role	3%

n=435

QUESTION Company size (Please identify your company/organization annual revenue.)

more than \$1 billion	43%
\$250M-\$999M	18%
less than \$250M	17%
education, government not-for-profit	23%

n=414

APPENDIX

Industries Represented

accounting	0.5%
aerospace/defense	1.1%
agriculture	0.2%
automotive/airline/transportation	0.7%
banking/financial services	9.9%
construction	0.7%
consulting/professional services	3.9%
consumer products	5.3%
education	9.4%
educational services	0.2%
energy	2.1%
food/food service	2.8%
government	1.6%
health care	9.9%
human resources	0.2%
insurance	3.2%
legal	0.2%
manufacturing	6.7%
marketing/advertising	1.1%
media and entertainment	2.8%
not for profit/association	9.7%
pharmaceuticals	2.1%
real estate	1.1%
retail	3.9%
retail: apparel	0.5%
technology & software	3.9%
telecommunications	0.7%
travel & hospitality & leisure	1.6%
utilities	1.1%
other	12.9%

n=435

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