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

We ask that you cite the source as:
About the Report

The BOSS Group and Cella are thrilled to bring you the 2017 In-House Creative Industry Report, which benchmarks the in-house creative community and reports on strategies that leaders can use to guide the path of their departments/agencies. Benchmarking will help identify gaps in an organization and generate potential paths and solutions, but personal, innovative thinking and institutional knowledge should not be eliminated from the process.

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

The In-House Creative Industry Report was first published in 2010 following a collaboration between InSource and Cella based on the shared goals of providing in-house creative leaders with a resource to support and inform their decision making, as well as tracking and reporting industry trends.

Survey Respondents

More than 375 leaders from in-house creative departments responded to our survey conducted in January 2017. These leaders represent Fortune 1000 companies, as well as middle market and not-for-profit organizations and span multiple industries including, but not limited to, banking/financial services, consumer products, education, health care, manufacturing and not-for-profit. More information about the demographics of our survey respondents is available in the Appendix.

Perspectives from the Field

Included in this report are four Perspectives from the Field articles written by in-house creative leaders on shared challenges and goals across the industry. We asked these leaders to share their stories across topics covering the new paradigm shift of in-house creative teams managing outside creative agencies, becoming a strategic partner and AOR, consolidating and evolving a large digital design team and the impact of process improvement. [www.cellaconsulting.com/Content-and-Community/Perspectives-From-the-Field/](http://www.cellaconsulting.com/Content-and-Community/Perspectives-From-the-Field/)

Resource Links

- [New Resource Links for 2017](#)
- [Previous Resource Links](#)
Executive Summary

Consistent Trends

Year over year, we see consistent trends across many of the subjects we survey. When consistent results occur several years running, we retire questions in favor of new ones—should we identify a need to bring a question back, we will. That said, some questions we retain as the results maintain importance even without year-over-year change. To that point for the fifth consecutive year, creative leaders’ top five challenges have not changed. Client behaviors, career pathing, gaining respect, value recognition and staff funding are still top challenges for in-house creative teams.

The number of teams with just one location (70%) has remained fairly consistent, as has the number of teams with locations both domestically and internationally (8%). Managing a team across multiple locations and time zones introduces challenges other teams rarely need to consider: comparable staff appreciation events, meeting times convenient to all parties, multi-location server access and building a shared culture, to name a few. However, these teams also have advantages, including business continuity during weather-related closings, a longer business day to spread work across minimizing overtime and a larger geographical recruiting base.

Changes of Note

Unfortunately, there’s been a small decline in the number of creative leaders who can utilize freelancers to support volume spikes. On a positive note, 98% of teams are expected to grow or remain the same size—a small increase over 2016 expectations. In addition, there has been a notable shift in team size: the percentage of mid-size teams (11–30) has increased by 5% at the expense of small teams (≤10). Also promising is the fact that more teams are utilizing digital asset and project management systems and slightly increasing the number of teams with dedicated account and/or project managers.

First-Time Results

As the talent market continued to tighten, we introduced two new questions to learn how many organizations were able to offer their team members flexibility in schedule and work location. We learned that 23% of teams’ companies do not allow flexible schedules and 12% do not allow any remote work—even on an ad hoc basis. On the end of the spectrum, 12% afford their employees complete schedule autonomy so long as their responsibilities are met, and 20% regularly practice remote work—these organizations have a competitive advantage when it comes to attracting and retaining talent.

We also broadened our question set in the final section of the report, “Creative Leader Job Market,” to include how long respondents have worked for their current employer and how much longer they anticipated staying with their current employer. Perhaps not so surprising is that senior team members tend to stay with an organization longer than their more junior counterparts. The most popular tenure response was 10+ years with the same organization (44%) with 6–10 years being the second-most popular response (24%). One-third of respondents indicated they expected to leave their current employer in less than three years. We also learned that 30% of creative leaders have worked in departments outside of their company’s creative organization.

2017 Outlook

Beyond this survey, we see creative organizations continuing to gain momentum within their organizations. Some groups are investing significant time and money into becoming full-service in-house agencies, while others are chipping away at it and making progress in a more measured manner. Regardless of method, creative organizations are identifying ways to increase their value to the greater organization. Augment in team size, broader service capabilities, investment in tools and hiring of account management and project management resources are all signs of growth. It would also behoove our industry to see an increased investment in professional development, a decrease in senior leader to direct report ratios, a greater focus on internal partner/client feedback and improved budget knowledge by creative leaders. This will enable our teams to adapt to the increasingly fast pace of business and change within the creative industry.
19% OF THE FORTUNE 500 PARTICIPATED

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

- 19% have a tool administrator
- 56% have a hybrid role with other functional responsibilities
- 75% have a dedicated or hybrid project management tool administrator role

93% IDENTIFY BRAND KNOWLEDGE AS PART OF THEIR VALUE PROPOSITION

Do you have a dedicated resource managing your DAM system?

- 20% have a DAM librarian
- 48% have a hybrid role with other functional responsibilities
- 68% have a dedicated or hybrid DAM librarian role

84% OF IN-HOUSE TEAMS SUPPORT ADVERTISING

- Facebook
- Twitter
- LinkedIn
- Pinterest
- Instagram
- YouTube

99% PROVIDE GRAPHIC CONTENT FOR SOCIAL MEDIA

63% PROVIDE VIDEO PRODUCTION SERVICES

- Video Editing
- Location Videography
- Webcasting
- 2-D Video Graphics
- Studio Videography
- 3-D Video Graphics

87% PRIMARILY USE HD RESOLUTION TO SHOOT AND EDIT IN

- 1280x720
- 1920x1080

51% have dedicated account and/or project managers
84% have some level of processes documented

$81-100 MOST COMMON BLENDED CHARGEBACK RATE

MOST COMMON BLENDED CHARGEBACK RATE

54% PROJECT MANAGEMENT

74% DIGITAL ASSET
There is no more exciting time to be a creative professional than now. If you haven’t noticed yet, we are in the midst of a paradigm shift in the creative industry. Some of the best creative work in design, advertising, photography and video has been coming from in-house teams for many years now. This has only escalated the shift of corporations leveraging in-house talent more than I can ever remember in my 25-year career. Those of us who are in-house, or serve the in-house community, have been saying it for longer than the seven years this report has been produced – in-house is growing. From my perspective, in-house is really just coming of age. We’re finding our stride, and the rest of the industry is settling into a new operating model.

When we say “in-house is growing,” we don’t just mean that in-house teams are growing per-se. In fact, many teams are about the same size now as they have been for the last few years. No, when we say “in-house is growing” we mean to say that our accountability to the companies we work for, and the responsibility to the brands we serve, is greater now – and increasing – more than ever before. More accountability naturally means more projects of all kinds are coming our way, but without increased headcount, how is it going to get done? We’re going to have to send it out.

That’s not really new information to us, but the real shift we are seeing is this: Outside agencies were once managed by marketing without the involvement of in-house creative counterparts. Now, thanks to years of sweat equity and proving themselves, in-house creative groups are tasked with managing those same outside agency relationships. The very same agencies we used to view as our competitors are now under our management. In this new era, we see the in-house creative leader partnering with the outside agency creative leader more often than they ever did in the past. And the work is better for it.

What’s more, the shift in accountability to in-house teams also brings a shift in the division of labor. As more in-house teams increase their project management – or should we say creative operations - capabilities, they find that it is often more effective (and less costly) to assign work out to smaller, specialized, nimble studios and freelance resources. As such, agencies are finding the need to change their models too in order to better support and partner with their in-house counterpart/clients.

Yes, it’s a brave new world. And any agency – in-house or outside - that isn’t adapting to the new model our industry appears to be settling into is going to find themselves facing greater challenges. It’s no longer us vs. them, in-house vs. outside agencies. No, the brands that win will have in-house and outside creative partnerships. And the work, and creative opportunities, will be better for it.

ABOUT THE AUTHOR

Andy Brenits

Andy is the President of InSource, the professional association for in-house creative leadership and management. He is an experienced branding and creative strategist with extensive in-house leadership experience. He has built and led several creative teams for major brands such as Banana Republic, The Gap, National Football League, KPMG, and Arizona Public Service. He is also an advisor to the HOW Design Live conference who speaks, writes and consults on creative management issues.
Survey Results
Seventy-four percent of responding creative leaders indicated their department reported through a strategic, value-adding department such as marketing, communications, advertising, brand or some combination of those divisions. When the creative team is positioned within one of these divisions, the organization is more likely to be considered strategic and value-adding. In contrast, when a creative team reports through a shared-services division, the department is often viewed as a commodity, which makes it more difficult to succeed in becoming a strategic partner. It is possible to overcome the disadvantage of not being aligned with the marketing (or a like) department; it just requires the creative team to create a brand for itself outside of its “home.”

Leaders of in-house groups regularly face ongoing competing priorities, leaving them without adequate time to develop their leadership teams. It is important that leaders prioritize professional development for themselves and their direct reports to ensure the ongoing growth and success of the team members and group.
Q: Into which division does your creative services department report?

- 25% nonstrategic divisions
- 74% strategic divisions
- 44% marketing
- 7% operations
- 11% communications
- 12% hybrid
- 12% other 2
- 7% other 1
- 2% information technology
- 2% business development sales
- 1% print production services
- 1% human resources
- 2% business development sales
- 1% other 3

1 Hybrid of two or more: Advertising, Brand, Marketing, Communications and/or Sales
2 Other includes advertising, brand and public affairs
3 Other includes but is not limited to: legal, finance, misc. executive

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.

RELATED RESOURCES

- The Missions of In-House Creative Teams
  bit.ly/2p71PB
- What it Means to be a Creative Center of Excellence
  bit.ly/2p0XNJv
- Where Should the Creative Department Reside?
  bit.ly/ZwAaFR
- Our Invisible and Sometimes Forgotten Clients
  bit.ly/24rPcvE
**DEPARTMENT ORGANIZATION**

Q: To which senior executive does your division report?

- **41%** Chief Marketing Officer
- **10%** Chief Executive Officer
- **10%** Chief Communications Officer
- **7%** Chief Operating Officer
- **6%** Head of Shared Services
- **5%** Unspecified VP, SVP, EVP or President
- **4%** General Manager
- **4%** Sales & Marketing
- **3%** None of the above, we are a Higher Ed group
- **2%** Chief Technology Officer
- **2%** Other C-Level
- **2%** Chief Financial Officer
- **2%** Other
- **1%** Chief Information Officer
- **1%** Marketing & Communications
- **1%** Human Resources

n=353

Q: Which best describes your in-house agency model?

- **37%** full-time staff
- **36%** full-time staff + contingent labor
- **20%** full-time staff + contingent labor + partial outsourcing
- **3%** full-time staff + contingent labor + partial managed services
- **2%** full-time staff + contingent labor + partial outsourcing + outside agencies
- **1%** full-time staff + contingent labor + partial managed services + outsourced
- **1%** Managed in-house agency
- **28%** Outsourced

n=353

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.*
Q: How many direct reports does the senior-most creative leader have?

→ 7 or more direct reports is simply too many for the head of creative as his/her responsibilities are typically broad and strategic in nature; a high number of direct reports distracts from his/her core responsibilities.

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

→ While there is not an overwhelming majority response to the number of direct reports per role, there is a strong correlation between seniority and number of direct reports.

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

Q: How is your team organized?
Q: Which of the following best describes your group’s ability to practice flex-time?

- 23% my company does not allow flex-time
- 59% we have flex-time in practice, with starting and finishing times chosen within agreed limits by the employee(s) and management
- 12% we afford complete autonomy to our employees with defined expectations of task completion
- 6% other

n=341

Q: Which of the following best describes your group’s ability to work remotely?

- 12% my company does not allow working remotely
- 72% we are able to work remotely on an ad hoc basis with management pre-approval
- 20% we regularly work remotely with a predetermined schedule
- 7% there are several designated roles that are full remote roles

n=338

1 Other includes exception and on an ad hoc basis
Department Funding

Regardless of an in-house agency’s financial model, proving the group’s value is a constant expectation. Tangible results stem from managing your group’s budget and demonstrating cost savings against external agencies.

**Funding Models**

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

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

**Non-Personnel Budget**

Outside of labor, creative leaders’ budget items typically fall into three main categories: technology, professional development and supplies. Most tellingly, 35% of creative leaders have very limited funding for training – the most critical component of a creative department’s non-personnel budget, as our team members must continue to develop their skills in order to meet expectations in the changing communications environment.
DEPARTMENT FUNDING

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

- 30% I have input but do not manage our team’s budget
- 13% I am not privy to it
- 12% I create and manage my team’s personnel and operating budget
- 21% I manage my team’s personnel and operating budget and have significant input into the creation of the budget
- 13% I manage my team’s personnel and operating budget and have limited input into the creation of the budget
- 4% I manage my team’s personnel and operating budget but have no input into the creation of the budget
- 1% I am not privy to my team’s budget outside of headcount allowances
- 3% I am not privy to my team’s budget outside of headcount allowances and a few other buckets of spending (e.g., training and contractors)
- 3% other

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

- 61% no
- 39% yes

Q: Does your creative group work with an aligned procurement partner who specializes in optimizing your company’s creative/marketing spend?

- 70% no
- 23% yes
- 7% i’m not sure

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

- 68% no, we are not a chargeback organization
- 17% yes, we charge back
- 15% yes, for specific clients and/or services

→ The smaller a creative services team, the more likely they are to not charge back. Case in point: only 26% of departments with fewer than 30 team members charge back, whereas 48% of teams with 30+ members do.

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.

RELATED RESOURCES

How to Calculate Cost Savings bit.ly/InKAzI
Challenges to Cost Savings Metric bit.ly/1OBANSN
The Appeal of a Hybrid Funding Model bit.ly/15J0fTy

2017 In-House Creative Industry Report
**DEPARTMENT FUNDING**

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

- **48%** blended hourly rate
- **29%** service-specific hourly rate
- **9%** flat project rate
- **14%** other

→ Three-quarters of chargeback teams recover through an hourly model.

**Q:** Which most accurately describes your chargeback model?

- **70% subsidized chargeback**
- **25% full-cost recovery**
- **5% profit requirement**

→ Cost savings is becoming one of the most prolific metrics in the industry. If not currently tracked, consider implementing in 2017.

**Q:** What costs are you required to recover through your chargebacks?

- **35%** there is no specific recovery goal
- **14%** a flat number provided by finance/other that is not substantiated to us
- **16%** a flat number or % of operating costs provided by finance/other
- **3%** personnel salaries only
- **3%** total personnel costs (salary, benefits, taxes, etc.)
- **5%** total personnel costs + a portion of direct operating expenses
- **6%** total personnel costs + total direct operating expenses
- **1%** total personnel costs + total direct operating expenses + a portion of overhead (rent, utilities)
- **11%** ALL COSTS: total personnel costs + total direct operating expenses + total overhead
- **6%** all costs plus profit

→ Almost half of creative leaders 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.

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.*

**RELATED RESOURCES**

- Building a Chargeback Model: [bit.ly/2oikZPI](bit.ly/2oikZPI)
- Determining Your Chargeback Rate: [bit.ly/10DrrDy](bit.ly/10DrrDy)
DEPARTMENT FUNDING

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

<table>
<thead>
<tr>
<th>ANSWER OPTIONS</th>
<th>&lt;$50</th>
<th>$51–$65</th>
<th>$66–$80</th>
<th>$81–$100</th>
<th>$101–$120</th>
<th>$121–$140</th>
<th>$141–$160</th>
<th>&gt;$160</th>
<th>n=</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blended Hourly Rate</td>
<td>23%</td>
<td>10%</td>
<td>15%</td>
<td>28%</td>
<td>8%</td>
<td>6%</td>
<td>8%</td>
<td>2%</td>
<td>48</td>
</tr>
</tbody>
</table>

→ While the $81–$100/hr was the most frequently selected response, almost half of respondents indicated a chargeback rate below that range. Of the teams charging less, almost 90% are subsidized chargeback teams.

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

<table>
<thead>
<tr>
<th>ANSWER OPTIONS</th>
<th>We don’t charge for this</th>
<th>&lt;$50</th>
<th>$51–$65</th>
<th>$66–$80</th>
<th>$81–$100</th>
<th>$101–$120</th>
<th>$121–$140</th>
<th>$141–$160</th>
<th>&gt;$160</th>
<th>n=</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account management</td>
<td>43%</td>
<td>21%</td>
<td>0%</td>
<td>21%</td>
<td>7%</td>
<td>0%</td>
<td>0%</td>
<td>7%</td>
<td>0%</td>
<td>14</td>
</tr>
<tr>
<td>Project management</td>
<td>36%</td>
<td>18%</td>
<td>9%</td>
<td>23%</td>
<td>9%</td>
<td>0%</td>
<td>5%</td>
<td>0%</td>
<td>0%</td>
<td>22</td>
</tr>
<tr>
<td>Production design</td>
<td>8%</td>
<td>28%</td>
<td>16%</td>
<td>32%</td>
<td>8%</td>
<td>0%</td>
<td>8%</td>
<td>0%</td>
<td>0%</td>
<td>25</td>
</tr>
<tr>
<td>Graphic design</td>
<td>4%</td>
<td>20%</td>
<td>20%</td>
<td>32%</td>
<td>12%</td>
<td>0%</td>
<td>12%</td>
<td>0%</td>
<td>0%</td>
<td>25</td>
</tr>
<tr>
<td>Web/Multimedia design</td>
<td>8%</td>
<td>13%</td>
<td>13%</td>
<td>29%</td>
<td>21%</td>
<td>8%</td>
<td>8%</td>
<td>0%</td>
<td>0%</td>
<td>24</td>
</tr>
<tr>
<td>Creative direction</td>
<td>28%</td>
<td>4%</td>
<td>12%</td>
<td>8%</td>
<td>12%</td>
<td>24%</td>
<td>12%</td>
<td>0%</td>
<td>0%</td>
<td>25</td>
</tr>
<tr>
<td>Copywriting</td>
<td>31%</td>
<td>13%</td>
<td>13%</td>
<td>19%</td>
<td>6%</td>
<td>13%</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
<td>16</td>
</tr>
<tr>
<td>Copyediting</td>
<td>28%</td>
<td>17%</td>
<td>11%</td>
<td>22%</td>
<td>17%</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>18</td>
</tr>
<tr>
<td>Proofreading</td>
<td>42%</td>
<td>11%</td>
<td>16%</td>
<td>26%</td>
<td>0%</td>
<td>5%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>19</td>
</tr>
<tr>
<td>Print procurement services</td>
<td>40%</td>
<td>5%</td>
<td>25%</td>
<td>20%</td>
<td>5%</td>
<td>5%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>20</td>
</tr>
<tr>
<td>Video production</td>
<td>13%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>31%</td>
<td>25%</td>
<td>13%</td>
<td>0%</td>
<td>0%</td>
<td>16</td>
</tr>
</tbody>
</table>

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

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.
Q: What are the key **BENEFITS** your department experiences as a result of charging your clients for services?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>65%</td>
<td>promotes accountability and transparency into the financial management of the department</td>
</tr>
<tr>
<td>64%</td>
<td>encourages efficient use of time and resources by the clients</td>
</tr>
<tr>
<td>63%</td>
<td>provides metrics needed to make sound operations and staffing-related decisions</td>
</tr>
<tr>
<td>58%</td>
<td>encourages efficient use of time and resources by the creative department</td>
</tr>
<tr>
<td>56%</td>
<td>allows departments to provide fair and balanced support to a variety of clients</td>
</tr>
<tr>
<td>54%</td>
<td>allows for resource flexibility</td>
</tr>
<tr>
<td>47%</td>
<td>clear value recognition as compared to using similar services on the outside</td>
</tr>
<tr>
<td>43%</td>
<td>clients recognize the value of creative services</td>
</tr>
<tr>
<td>32%</td>
<td>allows for adjustment to corporate and economic changes</td>
</tr>
<tr>
<td>28%</td>
<td>allows for the funding of innovation-based activities</td>
</tr>
<tr>
<td>8%</td>
<td>I see no benefits in our charge system</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>51%</td>
<td>positions team as a vendor instead of a partner and colleague</td>
</tr>
<tr>
<td>51%</td>
<td>clients find cheap or free alternatives for creative communication to avoid the charge for services</td>
</tr>
<tr>
<td>50%</td>
<td>too much time and money spent on administrative requirements of the charge system</td>
</tr>
<tr>
<td>48%</td>
<td>clients feel rates are too expensive</td>
</tr>
<tr>
<td>31%</td>
<td>funding for the department is not secure</td>
</tr>
<tr>
<td>28%</td>
<td>increased and unnecessary scrutiny into the operation by management and/or finance</td>
</tr>
<tr>
<td>22%</td>
<td>stifles the quality of creative</td>
</tr>
<tr>
<td>17%</td>
<td>The associated polices and procedures are difficult to mandate in the creative department</td>
</tr>
<tr>
<td>9%</td>
<td>I see no drawbacks in our charge system</td>
</tr>
</tbody>
</table>

n=89

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.*

**RELATED RESOURCES**

Chargebacks: A Double-Edged Sword  
bit.ly/17Z14Cz
### DEPARTMENT FUNDING: NON-CHARGEBACK MODEL

#### Q: What are the key BENEFITS your department experiences as a result of NOT charging your clients for services?

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimal reporting requirements</td>
<td>59%</td>
</tr>
<tr>
<td>Plentiful business due to lack of direct costs</td>
<td>55%</td>
</tr>
<tr>
<td>No financial pressures</td>
<td>50%</td>
</tr>
<tr>
<td>Relatively easy to add freelancers/temp to team when demand dictates</td>
<td>31%</td>
</tr>
<tr>
<td>Technology is upgraded within reasonable periods of time</td>
<td>31%</td>
</tr>
<tr>
<td>I see no benefits in not charging clients</td>
<td>13%</td>
</tr>
<tr>
<td>Budget is increased annually to support growth for non-personnel costs</td>
<td>7%</td>
</tr>
<tr>
<td>Relatively easy to add new headcount to team (throughout and/or in new budget year)</td>
<td>6%</td>
</tr>
</tbody>
</table>

#### Q: What are the key CHALLENGES that your department experiences as a result of NOT charging your clients for services?

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client behaviors are difficult to manage because there is no implication to misuse/abuse</td>
<td>77%</td>
</tr>
<tr>
<td>Projects with questionable impact/value</td>
<td>69%</td>
</tr>
<tr>
<td>Difficulty justifying value in a quantitative manner</td>
<td>59%</td>
</tr>
<tr>
<td>Adding new headcount</td>
<td>57%</td>
</tr>
<tr>
<td>Clients don’t highly value our services because “free” is inferior/lower perceived value</td>
<td>50%</td>
</tr>
<tr>
<td>Too high of demand</td>
<td>49%</td>
</tr>
<tr>
<td>Projects that don’t reach completion regardless of effort exerted</td>
<td>48%</td>
</tr>
<tr>
<td>Bringing on temporary/freelance staff to support peak periods</td>
<td>25%</td>
</tr>
<tr>
<td>Limited or no increases to funding for non-personnel costs</td>
<td>24%</td>
</tr>
<tr>
<td>I see no challenges in not charging clients</td>
<td>4%</td>
</tr>
</tbody>
</table>

*Note: Percentages may not equal 100% due to rounding.*
**Q: How do you use your non-personnel/direct operating budget?**

- **industry events and conferences**: 67%
- **software and related upgrades**: 65%
- **online training (e.g., lynda.com)**: 64%
- **stock art**: 63%
- **hardware and related upgrades**: 63%
- **team outings for morale and bonding purposes (lunches, dinners)**: 49%
- **travel/transportation**: 43%
- **soft skills training/coaching (leadership, project management, negotiation)**: 32%
- **software training led by live instructor**: 23%
- **team outings for creative enrichment purposes (museums, studio tours)**: 22%
- **consulting services**: 17%
- **other (please specify)**: 6%

n=312

~ 4 out of 10 creative leaders find their non-personnel budgets to be inadequate.

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

- **yes**: 35%
- **yes, but I am not privy to the amount**: 17%
- **no, funding for training is limited and approved individually**: 26%
- **no, but most requests are approved**: 18%
- **other**: 4%

n=313

*Note: Percentages may not equal 100% due to rounding.*
**Q:** What is your annual training budget per individual?

![Training Budget Pie Chart](chart.png)

- Training budgets do not vary greatly based on team size. However, on average, creative teams from the not-for-profit, government and education sectors have lower budgets.

**Q:** How has your total spend on printing changed in the past year?

- 7% of teams have an offset press in house.
- In line with the continued reduction of printing, 1/3 of creative leaders, again, reported an increase in the size of their digital staff.

Q: How has your total spend on printing changed in the past year?

<table>
<thead>
<tr>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decreased by more than 50%</td>
<td>4%</td>
</tr>
<tr>
<td>Decreased by 10%-50%</td>
<td>25%</td>
</tr>
<tr>
<td>Pretty much the same, plus or minus 10%</td>
<td>60%</td>
</tr>
<tr>
<td>Increased by 10%-50%</td>
<td>10%</td>
</tr>
<tr>
<td>Increased by more than 50%</td>
<td>1%</td>
</tr>
</tbody>
</table>

n=253

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.
Department Resourcing

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. In addition, leaders need to be prepared to promote the adoption of new processes and tools to support the growth in order to grow in a mature, scalable manner.

Ensuring you’re appropriately staffed is a constant balancing act creative leaders face on a day-to-day basis. Flexible staffing models and principal partnership agencies continue to provide creative services teams support during peak periods without increasing staff size. Including a budget that allows for flexibility is critical – in fact, your budget may be better spent in not hiring an FTE and instead using the same funds to pay several temporary workers during peak periods.
**DEPARTMENT RESOURCING**

**Q:** How large is your creative services team? (combined FTEs and contingent workers)

### 2016

**SMALL TEAMS**
- 1 FTE: 3%
- 2–5 FTEs: 30%
- 6–10 FTEs: 25%

**MID-SIZE TEAMS**
- 11–20 FTEs: 20%
- 21–30 FTEs: 8%

**LARGE TEAMS**
- 31–50 FTEs: 6%

**MEGA TEAMS**
- 51–75 FTEs: 3%
- 76–100 FTEs: 2%
- 101+ FTEs: 2%

- n=370

### 2017

**SMALL TEAMS**
- 1 FTE: 4%
- 2–5 FTEs: 23%
- 6–10 FTEs: 25%

**MID-SIZE TEAMS**
- 11–20 FTEs: 24%
- 21–30 FTEs: 9%

**LARGE TEAMS**
- 31–50 FTEs: 7%

**MEGA TEAMS**
- 51–75 FTEs: 3%
- 76–100 FTEs: 2%
- 101+ FTEs: 3%

- n=310

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

- 2016
  - ≤24%: 5%
  - 25–49%: 4%
  - 50–74%: 7%
  - 75–89%: 13%
  - 90–99%: 21%
  - 100%: 48%

- 2017
  - ≤24%: 6%
  - 25–49%: 4%
  - 50–74%: 9%
  - 75–89%: 15%
  - 90–99%: 22%
  - 100%: 44%

→ 56% of teams utilize contingent workers to comprise their full-time team.

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.

**RELATED RESOURCES**

- Developing the Right Resourcing Strategy to Support your Organizational Model
  bit.ly/2oDCWeq
- Drivers to Rethinking a Creative Team’s Make-Up
  bit.ly/1SS5QQOB
- Don’t Let Growth Become Your Kryptonite
  bit.ly/1hGtjwG
- The Practical Tactical Side of Growth
  bit.ly/1KQ7wbH
- Managing People in a Growing Organization
  bit.ly/1dQ7wH
**Q: How did your full-time team size change between 2015 and 2016?**

- Consistent with 2015, 85% of teams stayed flat or grew in size in 2016.

**Q: What are your full-time hiring plans for 2017?**

- 63% of teams experienced an attrition rate of 5% or less; depending on team size this may be too low for teams hoping to bring in new skill sets, experience and/or styles.

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

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>There's an abundance of highly qualified talent</th>
<th>There's enough qualified talent to choose from</th>
<th>There's limited qualified talent</th>
<th>Having trouble identifying qualified talent</th>
<th>Response count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graphic design</td>
<td>23%</td>
<td>49%</td>
<td>23%</td>
<td>6%</td>
<td>301</td>
</tr>
<tr>
<td>Digital design</td>
<td>14%</td>
<td>48%</td>
<td>28%</td>
<td>9%</td>
<td>288</td>
</tr>
<tr>
<td>Mobile design</td>
<td>10%</td>
<td>34%</td>
<td>46%</td>
<td>11%</td>
<td>274</td>
</tr>
<tr>
<td>Developers</td>
<td>10%</td>
<td>42%</td>
<td>34%</td>
<td>15%</td>
<td>268</td>
</tr>
<tr>
<td>Account management</td>
<td>12%</td>
<td>53%</td>
<td>29%</td>
<td>6%</td>
<td>264</td>
</tr>
<tr>
<td>Copywriting</td>
<td>11%</td>
<td>46%</td>
<td>35%</td>
<td>7%</td>
<td>279</td>
</tr>
<tr>
<td>Editing/proofreading</td>
<td>11%</td>
<td>55%</td>
<td>29%</td>
<td>5%</td>
<td>274</td>
</tr>
<tr>
<td>Project management</td>
<td>13%</td>
<td>53%</td>
<td>30%</td>
<td>4%</td>
<td>272</td>
</tr>
<tr>
<td>Traffic coordination</td>
<td>9%</td>
<td>50%</td>
<td>36%</td>
<td>5%</td>
<td>273</td>
</tr>
</tbody>
</table>

When responses within multiple categories were close, multiple responses were identified as a majority response. n=301

Survey respondents have indicated that, across the board, there are qualified candidates available; this may be due to the low number of openings per the low attrition.

*Note: Percentages may not equal 100% due to rounding.

**RELATED RESOURCES**

- Make Your Group a Destination [bit.ly/1NPe65]
- "It’s Impossible to Fire Anyone Here" [bit.ly/1Vl5A1]
- Creating Positive Permalancer Experiences [bit.ly/17ZT6yF]
- Increasing Your Quality Hires [bit.ly/17iPFBR]
- Attracting Top-Tier Talent [bit.ly/17IRgQy]
**DEPARTMENT RESOURCING**

**Q:** Is there a DEDICATED operational role?  
(dedicated to focusing on the department’s process, systems and technology, vendor management, financial management and reporting)

- The larger a creative services team, the more likely it is to have a dedicated operational role. Case in point: 83% of departments with more than 30 team members have this role.

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

- While approximately 80% of creative leaders estimated their team members work less than 45 hours per week, only 56% of creative leaders indicated their team was appropriately staffed when considering full-time and contingent staff.
- Overtime continues to be attributed to temporary spikes in volume and deadlines.

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.*
Q: Are you able to use flexible staffing options such as freelancers and temporary/contract workers during periods of peak demand?

- 86% of creative leaders are able to use freelancers.

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

- 44% yes
- 41% no, I must go through my HR department
- 8% no
- 7% sometimes

Q: What are the freelancer/temp hiring plans for 2017?

- 57% maintain total spend
- 29% increase total spend
- 14% decrease total spend

Q: What are your company’s term limits for contractors?

- 59% there are no term limits
- 26% 12 months or less
- 9% 19-24 months
- 2% 13-18 months
- 2% more than 24 months
- 2% other

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.*

RELATED RESOURCES
Thank you Microsoft... Term Limits & the Creative Leader bit.ly/1Qi4OMj
The “New Normal” in Staffing Strategies: Contingent Workers bit.ly/1WNODSY
Effectively Managing Just-In-Time Creative Resources bit.ly/1OAilvy
Don’t Let MSP or VMS Programs Obstruct Your Access to Great Talent bit.ly/ZNRwOu
PERSPECTIVE FROM THE FIELD

Becoming a Strategic Partner and AOR for a Line of Business

As a 17-year veteran of account management for pharmaceutical advertising, I have learned that your ability to think strategically is key to being successful. The number of creative concepts presented, or the analysis and understanding of the science behind a brand, is what will secure the business. While these contribute to the success of the account and the team, the relationship and ability to connect on a personal level is what really seals the deal.

Having your team embedded in the business you support, fully understanding the company your clients work for and their mission and goals, living that mission and supporting those goals yourself are all invaluable to an in-house team. Being where your clients are when they need you is an essential advantage for an in-house team. After all, you are not a vendor, but a colleague.

Merck Creative Studios (MCS) was recently named “Lead Creative Agency” for a group of brands that are part of the Merck Animal Health division. Recently, colleagues have asked, “What did you do? How did you get the coveted ‘seat at the table?’ What’s the secret?”

This win came about through being on location and it took time, more than four years, to be honest. It has taken determination, hard work, time and being present. A little over a year ago, I was in the office and a client asked me to introduce myself to one of her colleagues. I stopped by his office and, to his amazement, said I was part of MCS, the in-house agency team. He said, “I knew it! There had to be an in-house team here!”

As he (and almost his entire team) was new to the organization, being there that day made something easier for him. I gave him the elevator speech about what MCS could do, scheduled a capabilities presentation for his team of 10 the following week and walked out of his office with our first job. Fast-forward 10 months or so, and we’ve provided flawless customer service and quality work, but more importantly, we’ve been there. The clients saw my face and those of my team regularly and stopped us in the hallway to chat, ask for help or request work.

Additionally, a client we had been working with on a limited basis had begun to realize the benefit of working with our team and requested a capabilities presentation. She had had a rough year with her AOR and wanted to know if MCS could take on the lead role. That conversation, which happened when I “stopped by,” lead to MCS being appointed the new lead agency for her brands.

The ability to make their office your office and their business your business is where relationships start. Being a part of their everyday lives and seeing the faces of your team builds relationships. Never underestimate the power of “stopping by.”

ABOUT THE AUTHOR

JENNIFER MANS

Jennifer is an account lead for Merck Creative Studios and has been with the company for five years. Jennifer currently supports the Merck Animal Health division and leads a dedicated team of project managers and creatives. Prior to joining Merck, Jennifer spent 12 years in pharmaceutical advertising working at Torre Lazur McCann and Ogilvy CommonHealth.
Service Offerings

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

Core Competencies

Staying current with, let alone ahead of, the growing complexities of our ever-evolving service offerings opportunities is no easy feat. Determining which service offerings to expand into is a process, and you shouldn’t set your team’s goal to “be everything to everyone.” Be selective in your core competencies and stick to them, regularly reevaluate them and adjust as needed. Don’t be afraid to identify work to be outsourced to third parties. There is still value in your team art directing and project managing projects; creative execution of all media types doesn’t have to be within your core competencies.
### Q: How many projects did your team work on in 2016?

<table>
<thead>
<tr>
<th>SMALL TEAMS £10</th>
<th>MID-SIZE TEAMS 11-30</th>
<th>LARGE TEAMS 31-50</th>
<th>MEGA TEAMS &gt;50</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>28%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>500-999</td>
<td>28%</td>
<td>18%</td>
<td>0%</td>
</tr>
<tr>
<td>1000-1999</td>
<td>27%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>2000-2999</td>
<td>8%</td>
<td>20%</td>
<td>35%</td>
</tr>
<tr>
<td>3000-3999</td>
<td>5%</td>
<td>13%</td>
<td>5%</td>
</tr>
<tr>
<td>4000-4999</td>
<td>1%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>5000-5999</td>
<td>1%</td>
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<tr>
<td>7000-7999</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>8000+</td>
<td>1%</td>
<td>2%</td>
<td>5%</td>
</tr>
</tbody>
</table>

n=154

n=102

n=20

n=24

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

- Responses to this question were broad with no prevailing trend. The key takeaway is that 80% of creative teams are spending at least 30% of their time on digital projects.

- 44% digital projects
- 57% print projects

n=301

*Note: Percentages may not equal 100% due to rounding.*
**Q:** Which of the following **TRADITIONAL** services does your department provide? (select all that apply)

- Graphic design: 99%
- Production design: 89%
- Infographics: 84%
- Photography: 75%
- PowerPoint: 74%
- Brand management: 74%
- Print procurement: 71%
- Copywriting: 66%
- Video production: 66%
- Account/project management: 64%
- Proofreading: 63%
- Copyediting: 63%
- Marketing/communication strategy: 62%
- Audio production: 33%
- Fulfillment services: 33%
- Proposal production: 30%
- Proposal development: 25%
- Other (please specify): 3%

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

- Digital design: 84%
- Web design: 69%
- Web copywriting: 55%
- Mobile design: 48%
- Online video: 47%
- Web content management: 46%
- User experience: 45%
- SEO: 22%
- App development: 14%
- E-learning design/services: 12%
- Other: 6%
- HTML emails: 3%
- Ad banners/artwork for infographics: 2%

n=306

Top five services provided by other departments (not within creative services) include social media support, video production, print production, brand management and fulfillment services.

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.*
**SERVICE OFFERINGS**

**Q: What is your group’s PRIMARY scope of work?**

- 57% Tier 2: creative development (conceptual work)
- 39% Tier 1: design production (execution of previous work across deliverables)
- 4% Tier 3: pure production (edits/revisions/templated work)

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

- 62% equal to internal and external audiences
- 26% external audience
- 12% internal audience

**Q: Where does social media CONTENT reside within your company’s organization?**

- 43% marketing
- 28% communications
- 17% in-house creative services group
- 8% other or shared responsibility
- 4% lines of business
- 4% marketing
- 27% publishing
- 19% listening
- 18% response
- 2% other

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

- 99% graphic content
- 40% verbal content
- 27% publishing
- 19% listening
- 18% response
- 2% other

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNING.*

**RELATED RESOURCES**

What Does Social Media Mean for Marketing Infrastructure?
bit.ly/1mdfWgc
Q: Do you provide video production services?

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

Q: How many dedicated team members support video services?

Q: Do you have dedicated video producer roles?

→ 39% of teams are supporting video with 3 or more team members.

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.

Related Resources

Starting a Video Team
bit.ly/1QkJWk9

The Level of AWESOME
bit.ly/1Qi9Vw3
**SERVICE OFFERINGS**

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

- 24% director
- 33% producers
- 25% editors
- 25% combined producer/editor ("preditor")
- 25% video graphic specialist
- 26% videographers ("shooter")
- 49% hybrid of producer, editor or videographer
- 14% more than one of the above and/or other

n=174

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

- 94% video editing
- 84% location videography
- 73% studio videography
- 65% 2-D video graphics
- 33% 3-D video graphics
- 30% webcasting
- 4% other (please specify)

n=189

**Q:** Do you shoot video with conventional or DSLR cameras?

- 6% conventional cameras
- 43% DSLR cameras
- 3% other
- 82% we use both conventional and DSLR cameras

n=185

→ 87% of creative services groups primarily use HD resolution to shoot and edit in.

**Q:** What software solutions do you use to edit video? (select all that apply)

- 82% Adobe Premiere or Premiere Pro
- 41% Final Cut Pro
- 8% Avid Media Composer
- 3% other

n=185

→ 87% of creative services groups use Macs to edit.

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.*
Q: How do you most often distribute video for review? (select all that apply)

- 39% Box/Dropbox
- 38% shared drive/server
- 33% YouTube
- 26% Vimeo
- 20% FTP site
- 19% web-based approval software
- 13% other (please specify)
- 13% email
- 4% edit suite

n=186

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

- 51% video production
- 41% marketing/communication strategy
- 39% social media support
- 38% brand management
- 37% web design
- 37% interactive/multimedia design
- 36% graphic design
- 34% infographics
- 30% mobile design
- 30% online video
- 27% copywriting

n=288

→ If your goal is to expand into increasingly complex digital or video production work, sourcing and hiring specialists and subject matter experts is critical to the success of your new service offering. As your team does more of this type of work, demand will quickly increase and complexities start to creep in.

These complexities require specific expertise and skill sets. Taking on digital or video production work without investing in team members with specialized experience limits your team’s potential.
**SERVICE OFFERINGS**

**Q:** Does your team provide DEDICATED account management services to your clients?

- **yes, we have both project and account managers:** 7%
- **yes, we have project managers:** 15%
- **yes, though our account managers are hybrid account managers/project managers:** 22%
- **yes, we have account managers:** 49%
- **no:** 49%

→ Only 14% of creative teams have dedicated digital project manager roles such as web producer.

**Q:** How often does your company commission custom photography?

- **never:** 9%
- **do not know:** 3%
- **every few years:** 4%
- **1 time per year:** 8%
- **2 times per year:** 12%
- **3 or more times a year:** 48%

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

- **global advertising:** 27%
- **national advertising:** 60%
- **regional advertising:** 55%
- **local advertising:** 48%
- **we don't support advertising:** 16%

→ 84% of creative teams support external advertising of some sort.

**RELATED RESOURCES**

Is PMP Certification Beneficial for In-House Creative Project Managers? bit.ly/2o9RU8N

Benefits of Instituting Project Management bit.ly/ZornUGk

World-Class Creative Services Teams Include Account Management bit.ly/Zp1sHq
The Perpetual Evolution of a Digital Design Team

The digital media landscape is evolving at an incredibly rapid pace. It’s more complex today than ever before with an endless stream of new platforms, devices and screen sizes, and new ways to consume content are being added every day. To keep up, you and your team need to evolve right along with it or be left in the digital dust.

Evolution Needs to be Part of the Culture
The digital media design team at A+E Networks has been rapidly transforming along with the industry over the past few years. We have changed our process, structure and tools. We are constantly building upon our skill sets and have transitioned to a (rapid and lean) product design mindset with the user at the core of it all.

Why change everything? Because everything around us was changing. To be successful, we needed to be able to respond to changing user behaviors, new consumption patterns (aka binge watching) and be able to iterate and improve upon our products based on new insights and data.

From Waterfall to Agile
In order to keep up with the pace of a rapidly changing landscape, as well as stakeholder and user needs, we changed our process to allow for constant feedback, assessment and iteration. We have introduced the Agile framework and use Scrum to deliver value across our portfolio of digital products to tens of millions of people. We are now launching minimal viable products and iterating on them versus launching two-year-old ideas that may or may not be useful to our users.

From Brand Teams to Product Teams
Gone are the days a designer was assigned to work on one thing (like designing a website) for one brand. We have created multi-disciplinary product teams consisting of a product owner, scrum master, UX/UI designers and developers who work across various brands.

Designers are embedded within the teams and collaborate directly with all team members on a daily basis. This allows them to be a part of every phase of the product lifecycle - from early research and discovery, to product release, to iteration.

From Comps to Prototypes
The days of using Photoshop to create a static comp seem like ancient history. I still love Photoshop, don’t get me wrong, but the toolkit we are using has expanded drastically. We have moved to Creative Cloud which gives us access to Adobe’s new Experience Design app, but we have also added a bunch of new tools to the mix.

Sketch seems to dominate every designer’s monitor - I couldn’t tear it away from the team if I tried. We have also incorporated prototyping and collaboration tools like InVision, Zeplin, Proto.io, Marvel, Framer, Atomic and a few others. The tool used depends on the designer’s preference or problem they are trying to solve.

The bottom line is that the expanded tool set allows us to get quick versions of ideas or prototypes in front of people to test our assumptions. They also allow us to work seamlessly with our developers every step of the way. And perhaps my favorite...they make the design process highly visible to everyone involved.

From Designers to Product Designers
I am a huge supporter of professional development, and this fast-paced digital world we have chosen to design in requires everyone on the team to continuously evolve their skills. The entire team is becoming more well-rounded, and the lines between disciplines like UX designers and visual designers (or UI designers) are becoming increasingly blurred.

UX and UI designers are coding, UX designers are taking visual design classes, visual designers are taking UX classes, everyone is prototyping, everyone is involved in user testing, everyone is doing research and story mapping; it’s totally amazing. The end result is the emergence of the product designer.

Don’t Go It Alone
All of this change has been crazy to navigate and difficult to manage at times. In the beginning, we were not good at many of the things mentioned above. Thank God we got some help. We brought in an Agile coach and a Discovery coach to help us apply the practice, adopt the changes and get better at building products.

ABOUT THE AUTHOR

BOB CALVANO
Bob is currently the vice president of design at A+E Networks and oversees product design for A+E’s portfolio of properties, including History, A&E, Lifetime, LMN, FYI and more. Bob’s focus is on the digital media side of the business, which includes executions on desktop, tablet, smartphone and emerging platforms such as Apple TV, Roku, Amazon Fire TV and whatever comes next.

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Partnerships

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

- The five most common services agencies provide are campaign strategy & design, creative strategy, design execution, video and copywriting.

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

- 56% we use them for new ideas, special projects and skill sets
- 41% we use agencies for overflow, extra capacity
- 38% they handle Tier 1 strategy, we handle the execution
- 23% we have a clearly defined and complimentary scope to the agency’s scope
- 8% we compete head to head

Q: Does your group partner with offshore/offsite creative and production services providers?

- These creative teams are leveraging offshore/offsite creative and production services providers for both digital and traditional services across the spectrum of production through conceptual work.

- 61% of in-house creative leaders are satisfied with the quality of work from their offshore/offsite partner.

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.

RELATED RESOURCES
External Agencies Are Not Your Enemy bit.ly/2or5qp0
Principal Partnership Agencies (“PPAs”) bit.ly/2ow8Wk5
Cracking the Offshoring Nut bit.ly/1hGtsjG
Outsourcing Approaches bit.ly/1m1PKc
PARTNERSHIPS

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

- 58% additional dedicated resources
- 45% specialized skill sets
- 43% reduced costs
- 38% more hours of business support (“follow the sun” approach)
- 11% brand knowledge continuity
- 11% other

n=65

→ Other includes: close to local regional offices, cultural knowledge and language familiarity

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

- 65% miscommunication
- 65% lack of brand knowledge
- 52% poor attention to detail
- 15% missed deadlines
- 16% other

n=62

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.*
Global Operations

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

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

Following are challenges to prepare for with global operations:

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

Process: There is a critical need for effective and efficient project hand-offs across locations. Communication of project details and creative direction is a constant challenge.

The clock: Depending on the global locations, short or nonexistent time zone overlaps create hurdles in connecting and clarifying, which in turn can negatively impact turnaround time.
Q: At how many locations do your team members reside?

- 70% one central domestic location
- 13% two domestic locations
- 9% three or more domestic locations
- 8% multiple locations both domestic and international

86% of respondents indicated their team was primarily based in the U.S. Canada was the next largest creative services headquarters location for respondents.

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

- 68% to support local business partners
- 45% to provide more hours of business support (“follow the sun” approach)
- 41% to take advantage of low-cost labor market
- 18% to support localization/transportation requirements
- 14% other

(Cont.) England and China are the most common non-U.S. locations when multiple locations of a team exist.

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

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

Outside of English, the most commonly supported languages are Spanish (70%), French (48%) and German (43%).

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

- 66% shared intranet/servers
- 59% email
- 47% external servers such as Dropbox/Google docs
- 31% FTP
- 31% SharePoint
- 26% virtual project management tool
- 20% DAMs
- 16% mirrored servers
- 8% other
- 1% file replication

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDOING.
PERSPECTIVE FROM THE FIELD

The Impact of Process Improvement

Life is a process, and just like life, our work too is a series of continuous, repeatable and sensible actions. By practicing and improving upon our processes in our daily work, we can become more successful. Over the past few years, as we have progressed and grown to a healthy team of over 150, we have learned that we must continually evolve our processes. With multiple specialized teams comprising our in-house department, working collaboratively has sometimes been quite challenging.

For many years, we never focused on operations. As a creative team, we thought that making things look pretty was good enough, but this in fact wasn’t the case. We needed to take a hard look at our systems and processes. After assessing the variety of projects we tackled every day, we realized that one defined process does not suit all. We engaged with Cella’s team of in-house agency consulting experts to kick start and solidify our momentum for change. With their help, our one original process became the foundation of many.

We customized our processes according to categories, creative needs, deliverables, timelines, etc. We also assessed the availability of our resources, the needs of our clients, the capability of our people—especially our leadership, and the vision of our company to come up with a few different, fluid processes. By improving our processes not only did our team’s morale increase, but we now produce more beautiful and higher quality end products.

Where did we see the biggest impact?

1. EFFICIENCY - We are no longer wasting time with redundancy. With new technological advancements and ever-changing trends and needs, we need not be stuck in the 1980s.

2. ACCOUNTABILITY - We are now more aware of expectations on every level. This limits frustrations and surprises on all sides and helps us know the quantity and capability of staff required to get the job done.

3. MORALE - We now take the time to stop and listen to what’s circulating on the floor. By listening, working towards efficiency and holding everyone accountable, we are challenging people, and they are rising to the challenge.

4. BETTER RESULTS - We are a creative department, which means beautiful visuals are our bread and butter. A good team with a good process in place works together and creates a higher quality product.

5. BETTER CLIENT RELATIONS - We eliminated redundancies and improved communication, which led to faster turnaround times. Making our designers happier has also led to better quality products for our clients.

Process improvement does need to have limits. We cannot make hasty changes whenever something goes wrong. Instead, we must assess and patiently work out the kinks. Listen to your team; they are the cogs in the machine and live in the process every day. Process can become a double-edged sword, and we should be careful not to become its slave. Especially in the creative world, processes should be workable and continuously reevaluated, not rigidly adhered to.

Overall, the greatest impact I have seen is that we have grown tremendously as a department. We are in a much better place today than we have been in years, and our leadership team has gained a better perspective on how we can continue to grow.

Process improvement wasn’t an overnight fix. It has been a wonderful challenge for us, and we are so much stronger working as a whole rather than working individually. We continue to build trust and camaraderie each day.

ABOUT THE AUTHOR

CHEE WEI POTTER

Chee Wei is the executive director of the art/creative department for Hobby Lobby, the arts and crafts retail chain. Her team consists of over 150 talented graphic designers, crafters, photographers, writers and various management and support staff. With over 20 years of experience with Hobby Lobby, Chee Wei mentors and develops the team throughout the process of cultivating an extensive catalogue of exclusive designs for Hobby Lobby products, packaging and branding. She also leads strategic design teams conceiving and producing customer inspiration across project sheets, video tutorials and inspirational photos for the web.
Processes

Standard operating procedures, workflows and systems are usually an afterthought and come into play when a creative services group’s volume of work is significantly increasing, and so is its size. But if implemented early, these tools provide transparency, clarity of roles and responsibilities, automated support and efficiencies, resulting in increased productivity – and a stronger foundation to support growth.
**Q:** Does your team use creative briefs?

- **58%** yes, for Tier 1 projects (non-standard, non-iterative, highly conceptual projects)
- **27%** yes, for all projects
- **15%** no

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

- **60%** creative director
- **56%** lead designer
- **42%** project manager
- **32%** account manager
- **14%** other

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

- **67%** lead designer
- **40%** project manager
- **34%** creative director
- **25%** account manager
- **10%** editor
- **9%** other

*Most often 2-3 concepts are shared with clients.*

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.
Q: Are your workflow processes documented?

- 16% few, if any, are documented
- 44% yes, everything is documented
- 40% some of our major ones

Q: What are the most important criteria considered to prioritize your group’s assignments?
(average score on a 0–5 scale, in which 0 is not important and 5 is extremely important)

- Strategy: 4.05
- Deadline: 3.86
- Project visibility: 3.30
- Client status/hierarchy: 3.18
- Project budget: 1.71

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

- No: 44%
- Yes: 46%

Q: How often do you survey your clients?

- Never: 53%
- Annually: 23%
- Semi-annually: 9%
- Quarterly: 6%
- After most projects: 5%
- After every project: 3%

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.*

RELATED RESOURCES

- Process Documentation—More Than Just Pretty Pictures
  bit.ly/1I8zwpJ
- Getting Started With Process Documentation
  bit.ly/1pi2VNA
- 5 High Impact Hacks to Immediately Increase Efficiencies
  bit.ly/Zp6qjR
- How do your clients really view your in-house creative team?
  bit.ly/ZnJ9swq
Technology

Creatives, more than most of their corporate colleagues, crave to work on the newest technology and software packages. In fact, organizations that lag behind in these areas have at times found themselves with recruiting challenges.

While creative leaders do not have the same business need for the latest and greatest technology items, they do have a need for creative-specific project management systems. In addition to facilitating the department’s workflow, these systems are key to providing creative leaders with tangible metrics they can leverage in their decision-making process and senior management communications.
TECHNOLOGY

Q: Is technology available for your team to work remotely as needed?

- 71% yes, we have VPN using company assets
- 19% yes, we have VPN using their own computers
- 16% yes, taking files home and using their own computers
- 9% yes, through loaner laptops (requiring work to be uploaded ahead of time)
- 7% no
- 5% other

n=287

Instituting remote working environments is not just for disaster recovery precautions anymore. Employees who are able to work remotely are said to have higher levels of productivity and job satisfaction.

Q: Who provides technical support for your Macs?

- 63% supported, at least in part, by their IT department
- 41% IT department
- 15% combination IT & ourselves
- 7% combination IT & third party
- 11% no one/we do it ourselves
- 9% third-party vendor
- 8% Mac specialist
- 10% other

n=284

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.*
Q: Does your team use soft proofing software to collaborate with clients and collect/track feedback?

- 38% no
- 33% sort of, we use Adobe Acrobat’s built-in functionality
- 21% yes, it is part of our project management software
- 8% yes, we have stand-alone software/system

-> ProofHQ is the most commonly used soft proofing software, followed by Workfront (which bundles in ProofHQ) and InMotion.

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

- 27% yes, we use an enterprise-wide system
- 27% yes, we use a system for our team/division
- 46% no

-> The most commonly used DAM systems are Adobe Experience Manager Assets, Canto Cumulus, FileMaker Pro, Extensis Portfolio, SharePoint, Widen Media and Workfront.

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

- 48% no, yes, but it is a hybrid role with other functional responsibilities
- 29% yes, we have a DAM librarian
- 20% yes, we have a DAM librarian
- 5% other
- 68% have at least a part-time dedicated resource

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.

RELATED RESOURCES
The Changing Landscape of Digital Asset Management bit.ly/1HHNLO
DAM Systems: Before You Buy bit.ly/2orrQHn
Q: Does your team track time?

- Tracking time is an industry best practice and a fundamental necessity to produce your department’s KPIs.

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

- Workfront: 26%
- Microsoft SharePoint: 9%
- Basecamp: 8%
- Jira: 8%
- Workamajig: 7%
- inMotionNow: 6%
- Trello: 6%
- Asana: 5%
- SmartSheet: 4%
- Custom App: FileMaker Pro: 4%
- Microsoft Project: 4%

- Functionfox and Robohead are being used by 3% of the respondents; Adobe/Neolane, Wrike, and Clients and Profits 2%.

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

- 75% have an assigned administrator
- 56% yes, but it is a hybrid role with other functional responsibilities (project manager, traffic, etc.)
- 19% yes, we have a tool administrator
- 21% no
- 4% other

RELATED RESOURCES

- Can Workflow Systems Replace Project Management and Traffic Management?
  bit.ly/1Cam3d5
- The Technology Eco-System for Creative Teams
  bit.ly/1CaiX5X
- Project Management Systems: Setting Up For Success
  bit.ly/1Q80PEp
- Tips for Evaluating Workflow Tools
  bit.ly/1ldG7B
Values & Challenges of In-House Teams

Many creative groups stand on the value proposition of being lower cost (whether that is free or a chargeback rate that is lower than agencies), and while that value will open doors, it won’t keep them open. It’s extremely important that creative leaders identify and preach the team’s value outside of cost. Institutional knowledge and shared company values and goals are other highly recognized values of an in-house group, with the greatest value being brand knowledge.

Almost regardless of industry, company size and team size, the challenges of creative leaders are very consistent. Year over year, affecting client behaviors remains the greatest principal challenge. Resourcing, innovation and skill sets are also top challenges. Ensure your group’s value proposition by proactively creating a strategic plan with these challenges in mind.
VALUES & CHALLENGES OF IN-HOUSE TEAMS

Q: Of the provided choices, which are your group’s greatest challenges?

- resourcing: 54%
- innovation: 42%
- skill sets: 35%
- keeping up with market trends: 31%
- technology: 23%
- other: 12%

n=285

Q: Which of the following topics provide the greatest challenges for you as a creative leader?

- client behaviors: 71%
- career pathing for self and staff: 43%
- gaining respect from internal clients: 37%
- value recognition/executive support and buy-in: 33%
- adequate funding for staff: 33%
- keeping staff engaged: 20%
- getting the “good” work: 18%
- splinter groups: 16%
- branding: 15%
- prioritizing training: 15%
- technology/Mac support: 15%
- adequate funding for non-personnel costs: 15%
- gaining approval for technology spend: 12%
- succession planning: 11%
- connecting team to the corporate mission: 10%
- compliance processes and requirements: 9%
- recruiting: 9%
- retaining staff: 7%
- other: 4%

n=287

→ The top five challenges remain the same for the fifth consecutive year.

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.

RELATED RESOURCES

- Building a Successful Full-Service In-House Agency Requires Vision bit.ly/147dgr8
- Yes, We Can Be Great bit.ly/1erRCnu
VALUES & CHALLENGES OF IN-HOUSE TEAMS

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

- 93% brand knowledge
- 85% historical knowledge of products/deliverables
- 83% shared values/goals for company
- 71% cost savings
- 67% speed/cycle time
- 66% high-end creative quality
- 55% compliance/legal requirements knowledge
- 33% innovativeness
- 33% low error rates
- 6% other

n=287

Creative leaders identified brand knowledge, high-end creative quality and cost savings as the top three value drivers from the clients’ perspective.

Q: Are internal clients required to use your group?

- 31% yes
- 30% no, but most come through us anyway
- 18% for some projects/certain types of work
- 10% no, and it causes us challenges
- 7% no
- 5% no, but they must go through us to use an agency

n=353

35% of creative leaders responded that other creative services groups exist within their company. 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.

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.
Creative Leader
Job Market

Though 70% of in-house creative leaders are mostly or extremely satisfied in their current roles, almost half responded that career pathing for themselves and their teams is one of their greatest challenges. It’s not surprising to learn that almost half of creative leaders aren’t confident in the job market for roles similar to the ones they are in.

Although in-house creative services groups are on the rise – both in size and number – there still aren’t an abundance of them, let alone open senior roles. So for the 54% of leaders who responded that their next career move could most likely be another in-house creative services group, they may be looking at relocation or alternative options.
Q: How long have you worked for your current employer?

- 10+ years: 44%
- 6-10 years: 24%
- 3-5 years: 20%
- 1-2 years: 9%
- ≤1 year: 3%

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

- 10+ years: 18%
- 6-10 years: 31%
- 3-5 years: 25%
- 1-2 years: 10%
- ≤1 year: 1%

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

- I’ve only worked in the in-house creative services group: 70%
- Marketing: 26%
- Communications: 14%
- Sales: 5%
- IT: 7%
- Other: 13%

*NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING.

RELATED RESOURCES

The In-House Employment Advantage
bit.ly/Y7psqA
CREATIVE LEADER JOB MARKET

Q: How satisfied are you in your current role?

- 70% are satisfied in their current roles
- 15% mostly satisfied
- 13% neutral
- 11% passively looking
- 6% actively looking

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

- 51% mostly confident
- 30% not confident
- 13% highly confident
- 6% do not know

Q: Your next career move would most likely be?

(Select all that apply)

- 54% other in-house creative service agencies
- 11% within marketing (not creative services)
- 7% external agencies
- 12% none of the above
- 16% other

→ Self-employment and retirement were the most popular “other” responses.

*Note: Percentages may not equal 100% due to rounding.
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. Responses were further narrowed down to eliminate duplicate responses and ensure one unique response per company and/or each in-house agency residing within an organization.

Q: Which of the following best describes your title?

<table>
<thead>
<tr>
<th>Title</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>creative/marketing services manager</td>
<td>26%</td>
</tr>
<tr>
<td>creative director</td>
<td>23%</td>
</tr>
<tr>
<td>director/business unit head</td>
<td>14%</td>
</tr>
<tr>
<td>art director</td>
<td>9%</td>
</tr>
<tr>
<td>design/production manager</td>
<td>9%</td>
</tr>
<tr>
<td>operations manager/director</td>
<td>9%</td>
</tr>
<tr>
<td>vice president</td>
<td>6%</td>
</tr>
<tr>
<td>other management role</td>
<td>5%</td>
</tr>
</tbody>
</table>

n=375

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

<table>
<thead>
<tr>
<th>Revenue Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>education, government, not-for-profit</td>
<td>17%</td>
</tr>
<tr>
<td>≤ $250M</td>
<td>14%</td>
</tr>
<tr>
<td>$250M–$999M</td>
<td>20%</td>
</tr>
<tr>
<td>$1B–$5B</td>
<td>22%</td>
</tr>
<tr>
<td>$5B–$10B</td>
<td>8%</td>
</tr>
<tr>
<td>$10B–$30B</td>
<td>9%</td>
</tr>
<tr>
<td>&gt; $30B</td>
<td>10%</td>
</tr>
</tbody>
</table>

n=375

→ 19% of respondents are from the Fortune 500.
## Industries Represented

<table>
<thead>
<tr>
<th>Industry</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>aerospace/defense</td>
<td>1%</td>
</tr>
<tr>
<td>architecture/construction/engineering</td>
<td>2%</td>
</tr>
<tr>
<td>automotive/transportation</td>
<td>1%</td>
</tr>
<tr>
<td>associations, events &amp; tradeshows</td>
<td>1%</td>
</tr>
<tr>
<td>banking/financial services</td>
<td>9%</td>
</tr>
<tr>
<td>construction</td>
<td>1%</td>
</tr>
<tr>
<td>consulting/professional services</td>
<td>5%</td>
</tr>
<tr>
<td>consumer products</td>
<td>6%</td>
</tr>
<tr>
<td>education</td>
<td>8%</td>
</tr>
<tr>
<td>energy</td>
<td>1%</td>
</tr>
<tr>
<td>food/food services</td>
<td>3%</td>
</tr>
<tr>
<td>government</td>
<td>2%</td>
</tr>
<tr>
<td>health care</td>
<td>10%</td>
</tr>
<tr>
<td>insurance</td>
<td>4%</td>
</tr>
<tr>
<td>legal</td>
<td>3%</td>
</tr>
<tr>
<td>manufacturing</td>
<td>5%</td>
</tr>
<tr>
<td>marketing/advertising</td>
<td>2%</td>
</tr>
<tr>
<td>media and entertainment</td>
<td>2%</td>
</tr>
<tr>
<td>not-for-profit</td>
<td>7%</td>
</tr>
<tr>
<td>oil and gas</td>
<td>1%</td>
</tr>
<tr>
<td>pharmaceuticals</td>
<td>3%</td>
</tr>
<tr>
<td>real estate</td>
<td>1%</td>
</tr>
<tr>
<td>retail</td>
<td>4%</td>
</tr>
<tr>
<td>retail: fashion apparel</td>
<td>2%</td>
</tr>
<tr>
<td>sports and fitness</td>
<td>1%</td>
</tr>
<tr>
<td>technology and software</td>
<td>6%</td>
</tr>
<tr>
<td>telecommunications</td>
<td>2%</td>
</tr>
<tr>
<td>travel, hospitality &amp; leisure</td>
<td>3%</td>
</tr>
<tr>
<td>utilities</td>
<td>1%</td>
</tr>
<tr>
<td>other</td>
<td>4%</td>
</tr>
</tbody>
</table>

n=375

*Note: Percentages may not equal 100% due to rounding.*
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