In-House Agency
BENCHMARKING SURVEY 2023

CONTENTS

Foreword

Patrick Burgoyne

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Welcome to the results of the In-House Agency Leaders Club's first in-house agency benchmarking survey. When we started IHALC in 2020, what struck us immediately was the lack of research and data on the in-house agency sector in the UK and EMEA - particularly in contrast to what is available for the US. While there have been in-house studies in the UK before, they have tended to focus on the marketer's point of view: for the first time, this survey gives a voice to IHA leaders themselves.

The purpose of this survey is to enable our in-house agency community to understand how they compare to their peers in terms of the capabilities, resources and processes they have in place. We've looked at how teams are structured, which skills are most in demand, how IHAs organise workflows, the tech they use to support that and the volumes of work they do.

But in addition to the quantitative aspects of what we have discovered,

we have also revealed important ambitions, attitudes and challenges for the in-house agency sector. The Executive Summary which follows unpacks some of those findings while the analysis from WDC consultants Nicky Russell, Jo Rolfe and John Owen extracts important insights from the data.

My thanks to the IHA senior leaders at more than 50 brands who responded to the survey, including the likes of Citi, The Body Shop, Specsavers, Three, BP, Reckitt and Channel 4. Together, respondents represent a broad cross-section of the in-house sector, including almost all major in-house agencies working across UK and EMEA. And my thanks also to the generous support of Adobe without which we could not have conducted this important study.

If you would like IHALC to run a bespoke analysis of the survey data and findings for your in-house agency or organisation, drop me a line.

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Patrick Burgoyne
Co-founder
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Foreword

Ben Chan

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Adobe is delighted to be partnering with this year's IHALC IHA Benchmarking Survey and we're excited to share the findings with you. For us, this year is all about creativity, as customers continue to raise the bar for great experiences, it will be critical for in-house agencies to respond. They will need to be creative thinkers, collaborators and problem solvers. They'll need to find ways to quickly solve both the problems of their businesses and their customers. And above all, they'll need to imagine creative ways to inspire their teams, boost efficiency, and improve the workstream. All by aligning their people, processes, and technology – working with less while delivering more.

We hope you enjoy the insights in this report and look forward to connecting with you to drive the future of in-house agencies together.

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Ben Chan
Product Marketing Specialist - Digital Experiences, EMEA
Adobe

About WDC

WDC is the founding partner of IHALC. At WDC, we deliver change. We'll help you transform your marketing and creative operations to get better quality, more effective work, at less cost and with less pain. To know more about how we can help your business, contact Alex Walker-Sage at:
alex@wdc-london.com

About IHALC

The In-House Agency Leaders Club brings the in-house agency community together to learn from, support and inspire each other. Through events, content and research, IHALC helps in-house agencies to work better and do better work. It was launched in 2020 by ex-Creative Review Editor and D&AD Trustee and CEO, Patrick Burgoyne and founding partner, WDC. Our community now numbers over 600 senior in-house agency leaders from organisations across the UK, EMEA and North America, including LEGO, BBC, ITV, Channel 4, Disney, Lloyds TSB, Citi, Specsavers, Vodafone, The Body Shop, Pepsico, Three and more. Find out more about us and our upcoming events at **ihalc.com**

Executive Summary

Ambitious In-House Agencies are evolving

As confidence in their capabilities grows, IHAs are evolving, with almost 60% of IHAs working on above-the-line advertising.

Using WDC's four-part Capability Model, 57% of IHAs in our survey self-identified as Type 3 Creative Agencies, and 26% as Type 2 Creative Studios. Just 2% classified themselves as Production Studios while 15% claimed to be Type 4 Lead Agencies. When we asked agencies to tell us which of these models matched their future ambitions, almost 50% said they aimed to be a Type 4 Lead Agency in future. No-one chose Type 1.

We note that many IHAs are committed to doing an excellent job within a very clearly-defined, limited remit. However, this survey reveals an ambition to, where appropriate, build out capability.

What's holding them back?

The data shows us that IHAs want to be known for their creativity above all else, and see raising the standard of their creative work as their number one priority (see p44). However, the survey reveals significant gaps in both the capabilities and processes needed to achieve this.

The absence of senior strategy capability is the most glaring issue – only 35% currently have any kind of planning. Unsurprisingly, IHAs report significant challenges with briefing (54% of IHA leaders scored Marketing 4/10 or less for the quality of their briefs).

While communication between IHAs and marketers is generally good, as is collaboration (see p46), poor quality feedback and marketers' lack of understanding of the creative process are an issue (see p46). Only 40% of IHAs have client services or account management in place.

Operational issues compound the problem. Work produced is, in the majority of IHAs, not tracked, not costed, and not effectively governed. There are high volumes of ad-hoc or reactive work (see p28). It's no wonder then that IHAs report their biggest barrier to doing better work as 'a lack of time/forward planning'.

And while IHAs are generally happy with the tech they have, many report challenges from internal bureaucracy in getting systems approved by IT departments (see p35). Integration is also a challenge with only 25% currently having any integration between their DAM and work management solutions, for example. Underlining the operational issues cited above, what IHAs most want from their work management tech is help in planning and prioritising work and enabling better collaboration and smoother approvals.

External partners are still essential

While many IHAs have the ambition to be doing more Tier 1 conceptual creative work, external agency partners remain a vital part of the mix with 82% of IHAs turning to them for above the line campaign creative. IHAs mostly look to external agencies for access to skills and talent, to provide a fresh perspective and for their knowledge and expertise (see p41).

Most (64%) see external agencies as partners rather than rivals and feel that they collaborate well with them: "We work in total partnership with our external agency, developing and producing campaigns as one team," as one IHA leader told us.

So while the IHA-external agency relationship is often characterised as an 'either/or', with the IHA cast as a threat to the external agency world, success would appear to lie in effective collaboration. Each IHA will have its own ever-evolving recipe for the right mix of in-house and external capability.

Better understanding = better work

While IHAs told us that their main priority for the year ahead was 'raising creative standards', 'improving relationships with brief owners/stakeholders' was a very close second (see p44). Just behind that came 'improving effectiveness', 'improving processes' and 'reputation building'. Only 29% cited 'reducing costs' as one of their main priorities.

These are all inter-related essentials for success and growth. Better processes will help improve the effectiveness of the type of work that the IHA currently does. Improving relationships with business unit heads and brief-owners, listening to them, understanding their challenges and identifying opportunities to solve them, can open up the chance to take on additional 'stretch' projects which go beyond what the business might think the IHA is currently capable of. Making a success of those builds the reputation of the agency and creates the virtuous circle that can secure the buy-in, resource and confidence to evolve the IHA and its remit.

Every IHA is different, tailored to meet the needs of its business. But our survey reveals a desire to evolve and grow what IHAs are capable of. Successful IHA leaders are great advocates for their agencies, making its case every day, winning over colleagues and unlocking the potential that IHAs undoubtedly have. In their hands, In-House Agencies have an exciting future ahead.

About the survey

Our intention with this survey was to provide IHAs with much-needed benchmarking data, as well as to understand key challenges and ambitions for IHAs. To that end, we approached senior leaders at each IHA, with access to the relevant data, to respond to the survey on behalf of the aagency.

Respondents come from approximately 50 businesses and organisations within the UK and EMEA, including Citi, The Body Shop, Specsavers, Three, BP, Channel 4 and Reckitt. We believe that our respondents constitute a representative sample of IHAs according to sector, size and remit, with sectors including Charities, Media, FMCG, Financial Services, Retail and Tech. Research was carried out in March and April 2023.

Your IHA Model

In-House Agencies come in many shapes and sizes, dictated by the needs of the business, but it is possible to categorise them broadly in relation to the main focus of their remit and capability. Consultancy WDC, our founding partners at IHALC, uses a four-stage Capability Model to do this. Type 1 IHAs are defined as Production Studios, Type 2 as Creative Studios, Type 3 as Creative Agencies and Type 4 as Lead Agencies.

Not all IHAs fulfill the same remit

TYPE 1 | PRODUCTION STUDIO
Executes solutions by producing master artwork and adapts to spec

TYPE 2 | CREATIVE STUDIO
Originates design & copy solutions to simple/single channel briefs
Crafts & evolves brand guidelines

TYPE 3 | CREATIVE AGENCY
Activates big campaign ideas in multiple channels
Originates & develops tactical campaign ideas

TYPE 4 | LEAD AGENCY
Devises brand/campaign/channel strategy
Originates & develops big campaign ideas

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We asked agencies to tell us which Type most closely resembled their current IHA model (while recognising that IHAs typically have to respond to a broad range of business needs). 57% self-identified as Type 3 Creative Agencies, and 26% as Type 2 Creative Studios. Just 2% classified themselves as Production Studios while 15% claimed to be Type 4 Lead Agencies.

Which model most closely describes your IHA currently?

Type 4 **15%**
Type 1 **2%**
Type 2 **26%**
Type 3 **57%**
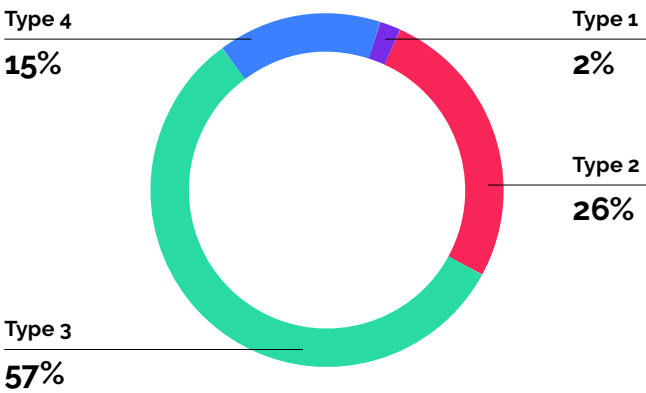
We then asked agencies to tell us which of these models matched their future ambitions. We wanted to see to what extent in-house agencies see themselves as being on a progressive journey through the Types, or whether they are content to continue with their current remit. Almost 50% said they aimed to be a Type 4 Lead Agency in future. No-one chose Type 1.

Which model most closely resembles the future ambitions of your iHA?

Type 3 **47%**
Type 4 **47%**
Type 2 **6%**
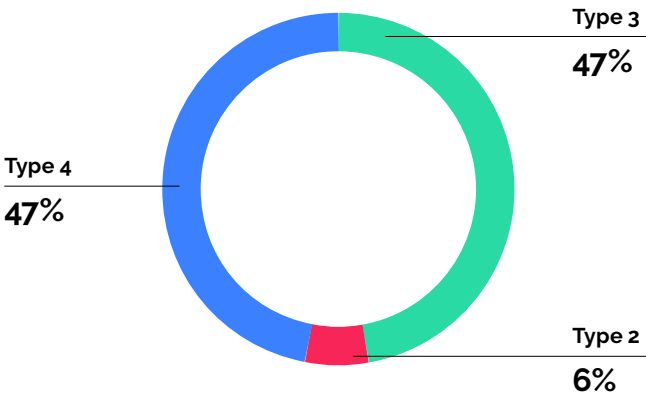
IHAs are most likely to report in to marketing, but an impressive 25% report direct to the board or senior leadership team of their organisation. 36% of IHAs responding to the survey have existed for ten years or more, while only 18% have been around for just 1 to 3 years.

Which department does your IHA report to?

Other **12%**
Communications **8%**
Marketing **55%**
Direct to Board/SLT **25%**
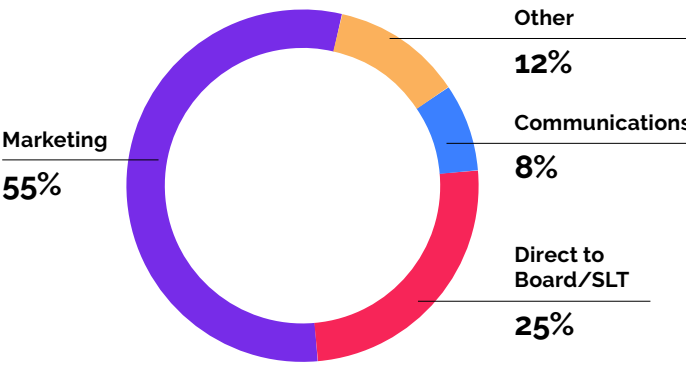
How long has your business had an IHA?

1-3 years **18%**
5-10 years **20%**
10+ years **36%**
3-5 years **26%**
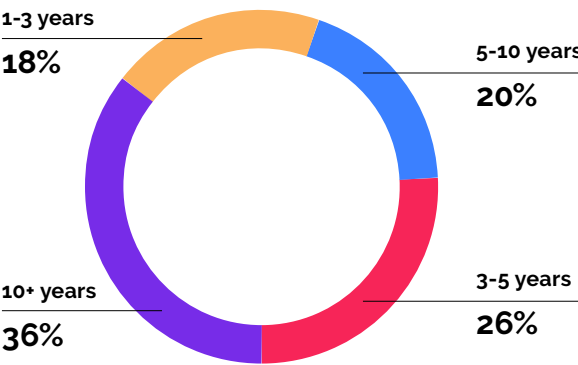
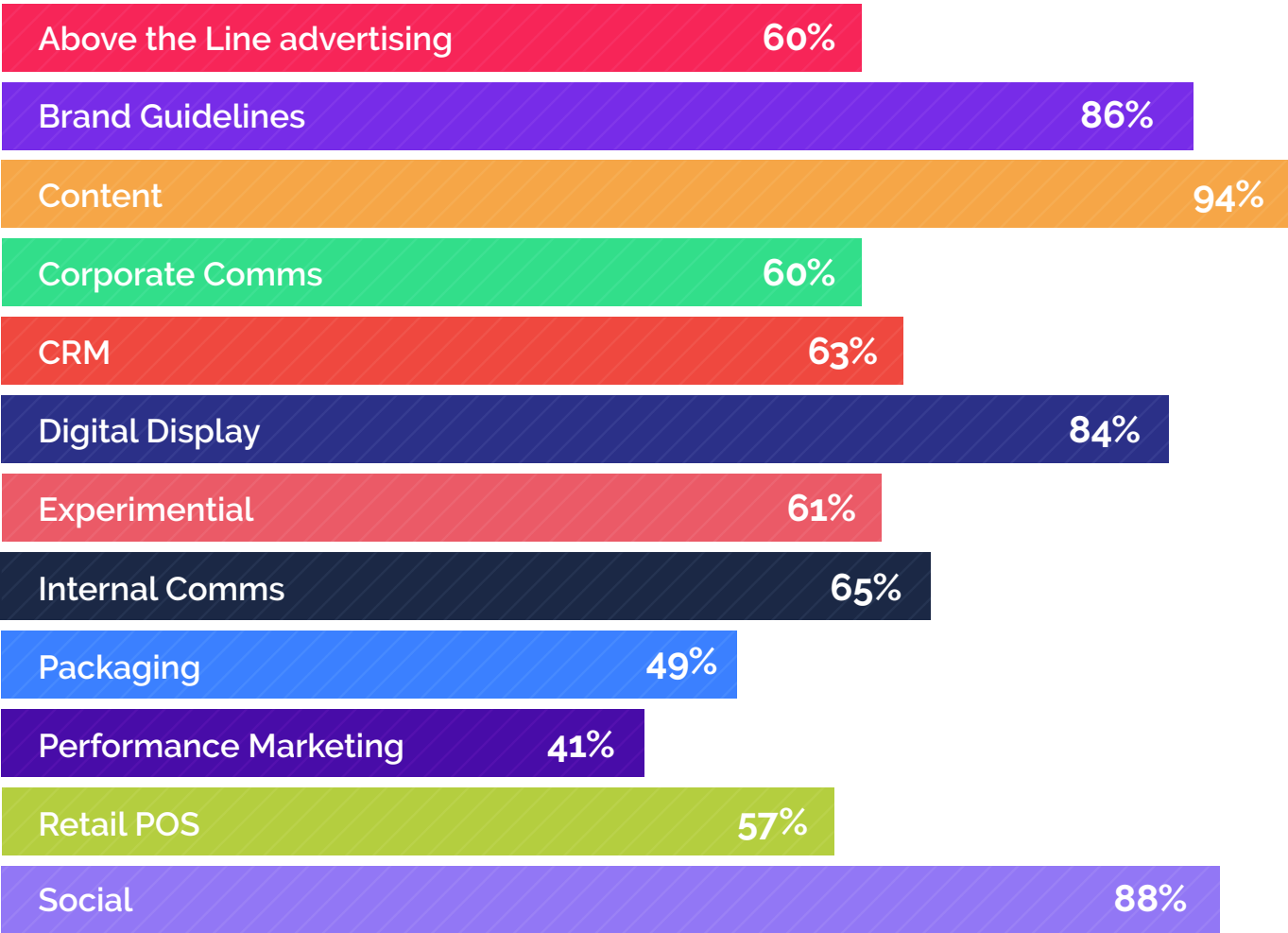Almost all In-House Agencies in the survey (94%) work on Content. Social, Brand Guidelines and Digital Display also score highly. 60% work on Above-the-Line Advertising, which belies the stereotype of IHAs primarily being devoted to lower-tier work.

What kind of work does it do?

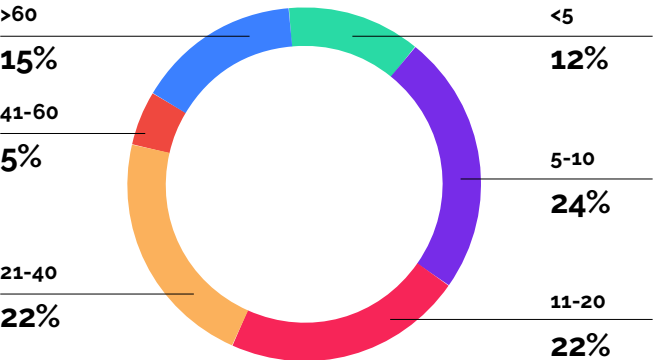| Category	%
Above the Line advertising	60%
Brand Guidelines	86%
Content	94%
Corporate Comms	60%
CRM	63%
Digital Display	84%
Experimental	61%
Internal Comms	65%
Packaging	49%
Performance Marketing	41%
Retail POS	57%
Social	88%

In terms of how those capabilities may be changing, in the year ahead, IHAs believe they will be doing even more Content, and Digital Display. Above-the-Line Advertising was also predicted to increase by the majority.

Almost half of IHAs are serving Global Markets, while 37% are focused purely domestically. There's a real mix in terms of how many clients they work with – over half work with fewer than 20, only 20% work with more than 40.

Who do you deliver to?

- Domestic markets **37%**
- Regional markets **14%**
- Global markets **49%**
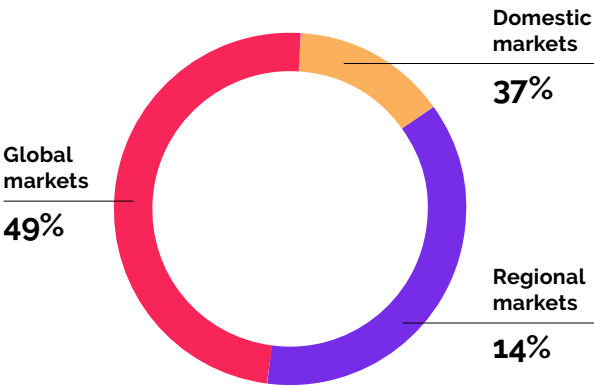
How many internal clients do you have?

- >60 **15%**
- 41-60 **5%**
- 21-40 **22%**
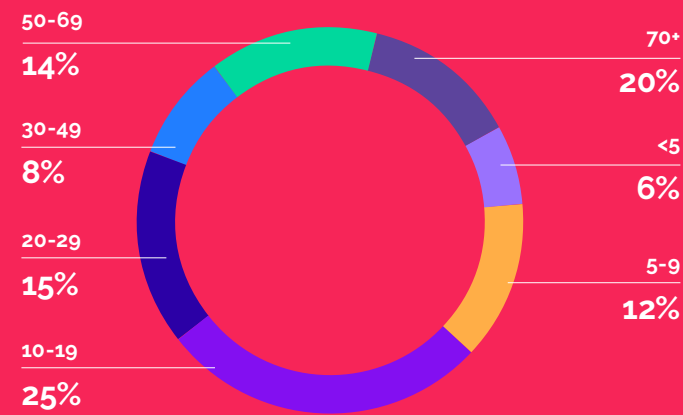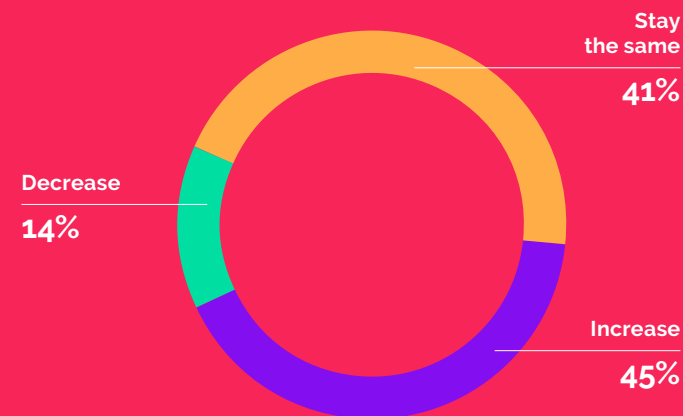- <5 **12%**
- 5-10 **24%**
- 11-20 **22%**

Resource & Talent

We wanted to understand the mix of talent at IHAs, how they are employed and what roles are present now and in demand for the future. Bearing in mind that the IHAs we spoke to for the survey come from some of the biggest brands in the world, it's perhaps surprising that more than half of them have under 30 permanent staff in the agency. This certainly highlights a difference with the US market where IHAs at leading brands can employ many hundreds of staff.

We know from our regular In-House Life events that getting the balance right between permanent and freelance staff is a key challenge for IHAs. The survey reveals that the most common mix is 70/30 or more in favour of permanent staff (65% of agencies reported this split). 17% of IHAs operate with a proportion of 50% permanent staff or under. Almost half say that permanent headcount has increased over the past year, with a similar percentage believing that will increase again in the next 12 months. Almost half believe freelancer numbers will stay the same in the coming year.
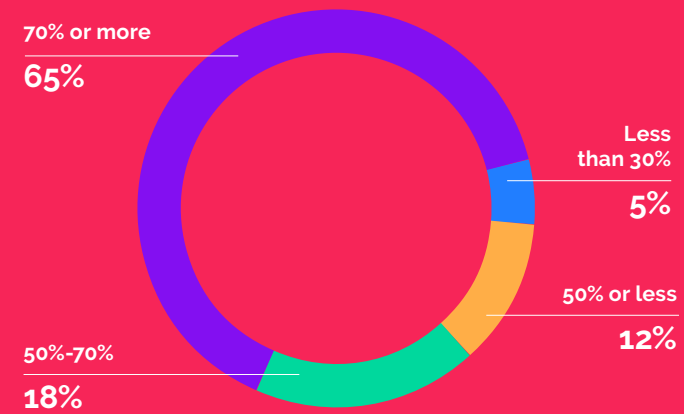
What proportion of your IHA staff is on permanent contracts?

- 70% or more **65%**
- Less than 30% **5%**
- 50% or less **12%**
- 50%-70% **18%**

On average how many freelancers work in your IHA in total?

- 10-19 **13%**
- 70+ **4%**
- 50-69 **2%**
- 30-49 **8%**
- 20-29 **6%**
- <5 **48%**
- 5-9% **19%**

How many permanent employees currently work in your IHA in total?

- 50-69 **14%**
- 70+ **20%**
- 30-49 **8%**
- <5 **6%**
- 20-29 **15%**
- 5-9 **12%**
- 10-19 **25%**

Compared to the previous 12 months, has that:

- Stayed the same **44%**
- Increased **41%**
- Decreased **15%**

Compared to the previous 12 months, has that:

- Decreased **24%**
- Stayed the same **29%**
- Increased **47%**

Over the next 12 months do you anticipate permanent headcount to:

- Stay the same **41%**
- Decrease **14%**
- Increase **45%**
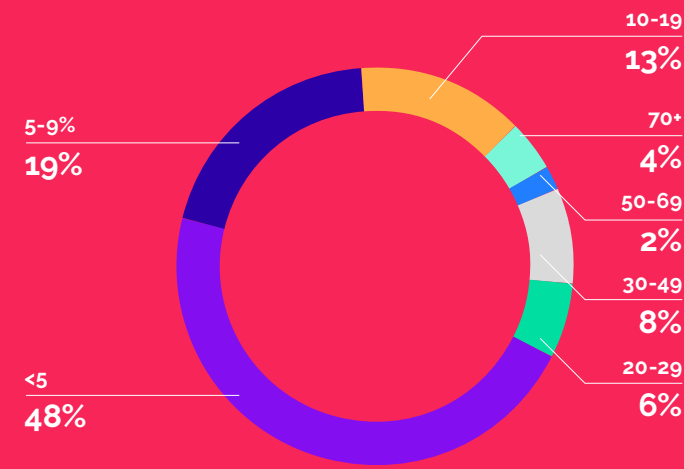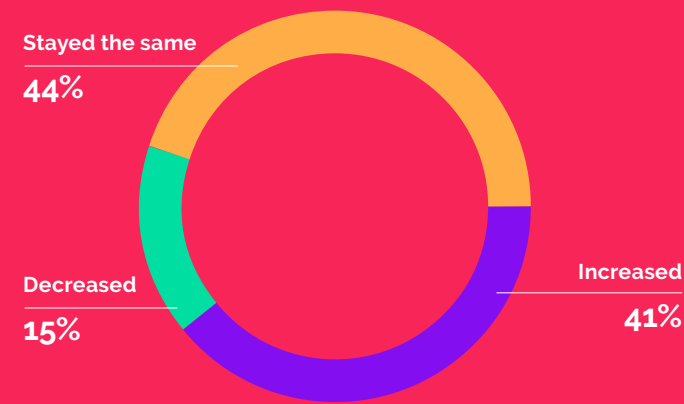
Over the next 12 months do you anticipate freelancer numbers to:

- Stay the same **47%**
- Decrease **16%**
- Increase **37%**
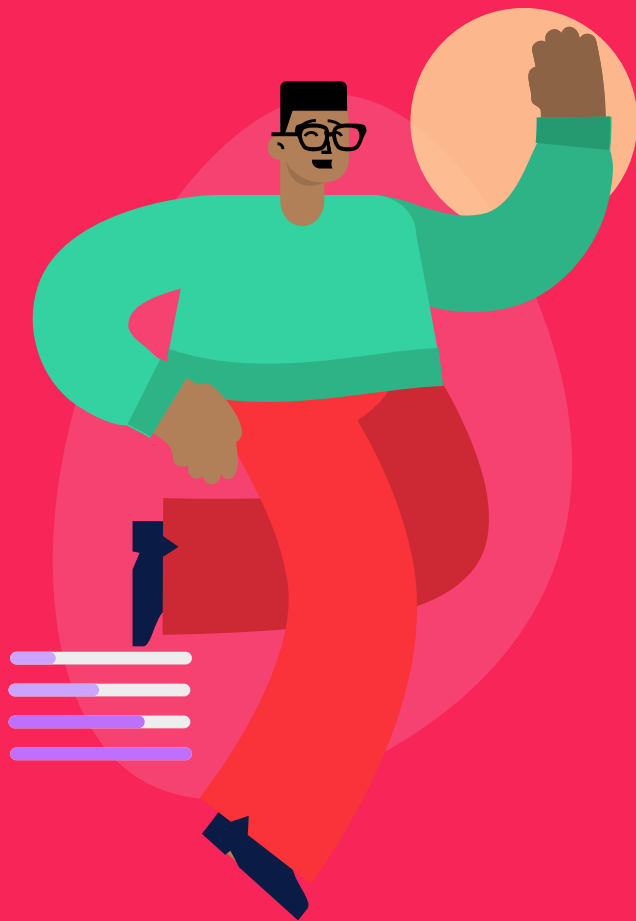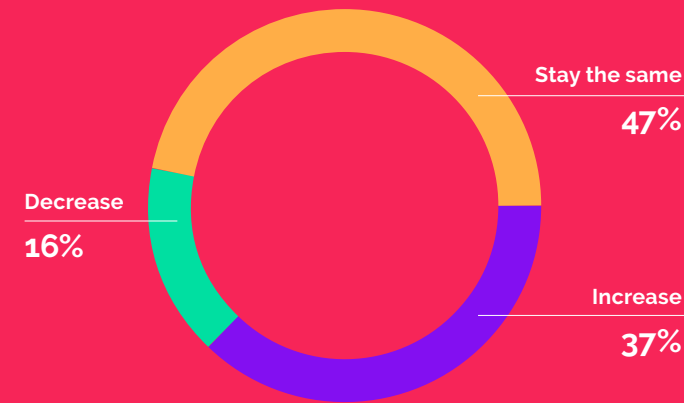
Next, we looked at the range of capabilities that IHAs include. 94% have graphic design, making it the top result. Other high scorers are creative direction (86%), motion design (80%) and digital design (80%). Low scorers are data analysis (12%) and media planning (15%) and media buying (10%).

In our online sessions, the role of account management is always a point of debate. Many IHA leaders we speak to see it as a vital bridge between the IHA and the business, but others worry that it puts too much distance between creative and client. In the survey results, only 37% reported having Client Services (account management) as a capability.
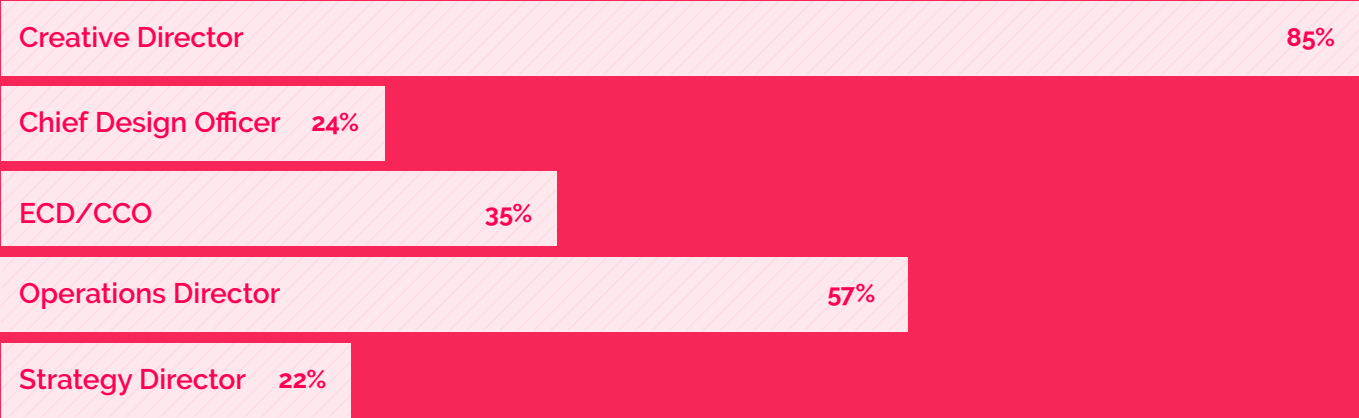
Which roles do you have in your team? (permanent or freelance)

| Role	%
Art Buying	12%
Art Direction	45%
Campaign Management	28%
Client Services	37%
Comms Strategy	31%
Conceptual Creative Teams	61%
Copywriting	61%
Creative Direction	86%
Data Analysis	61%
Digital Design	75%
Graphic Design	94%
Media Buying	10%
Media Planning	16%
Motion Design	80%
Operations	51%
Production Management	71%
Project Management	67%
Resource Management	65%
Social Media Management	24%
Strategy	35%
UX Design	14%
Video/Photo Editing	69%

While our results show a desire for IHAs to take on that lead agency role in the future, it is notable that one of the key roles necessary in order to make that leap is missing in almost 80% of IHAs: Strategy Director. It is no surprise then, that when we asked as a free text question *"Are there any new roles which you would like to bring in to the IHA?"* Strategy Director was by far the top answer, cited by 40% of respondents.

Which of the following do you have?

| Role	%
Creative Director	85%
Chief Design Officer	24%
ECD/CCO	35%
Operations Director	57%
Strategy Director	22%

If IHAs are going to deliver lead agency-level work in future, they will need to be able to invest in the talent to do that. One significant challenge revealed by our survey is pay. We asked IHAs to tell us the pay range for their most senior creative director at the agency. 22% are paying under £75,000 a year, with the same number in the £75-£100,000 bracket and just over a quarter in the £100,000-£125,000 range. Only 30% are paying above that. We also asked which capabilities IHAs think will be more in demand over the next 12 months. The overwhelming favourite here was Conceptual Creative Teams (cited by 66%).

What is the salary range for your Senior Creative Lead/Creative Director?

- 100k-125k: 26%
- 125k-150k: 18%
- 150k+: 12%
- <50k: 2%
- £50k-£75k: 20%
- 75k-100k: 22%
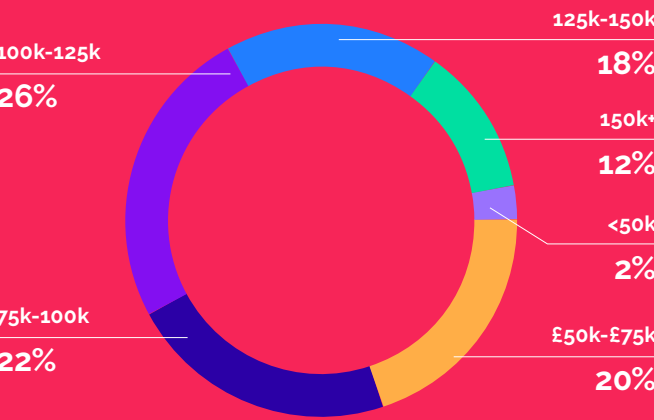
Another challenge is access to freelance talent. Some 57% of IHAs told us that they have difficulty or great difficulty in accessing freelance talent when needed. Some IHAs cannot use freelancers at all.

How easily can you access freelance talent?

- With difficulty: 43%
- With great difficulty: 14%
- We cannot bring in freelancers: 3%
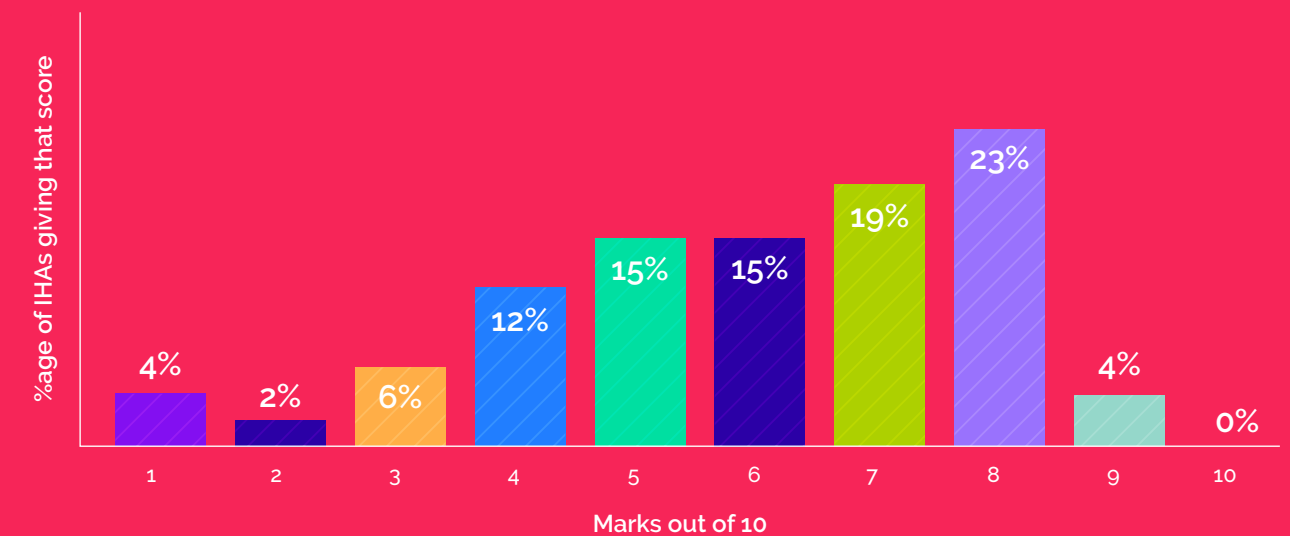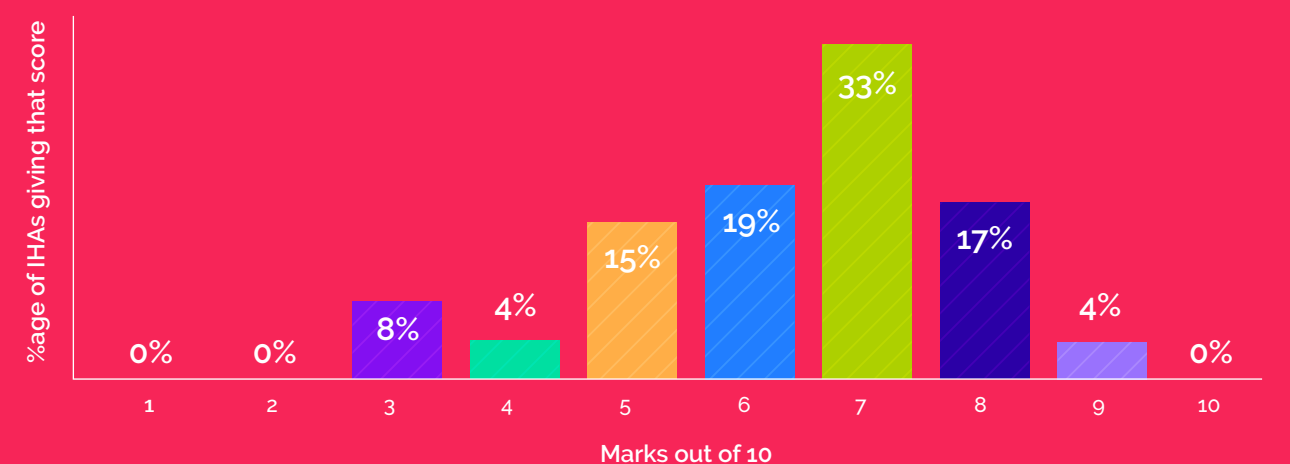- Very easily: 12%
- Easily: 28%
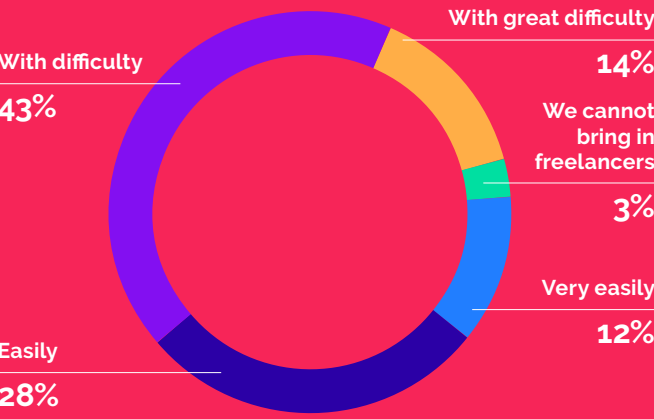
The most common reasons cited for problems accessing freelancers are around internal corporate bureaucracy. HR processes, including onboarding, can be burdensome but some of the issues also arise because of the nature of the businesses concerned - heavily-regulated sectors require all staff to go through vetting and clearance procedures which make it difficult to bring in talent quickly. Another factor can be payment procedures and terms where IHAs have to conform to corporate-wide policies.

This is where third party freelance talent suppliers have proved a useful solution as their talent is 'pre-approved' and the supplier handles payments.

Despite these challenges, IHAs report that they are well equipped to handle demand (over 60% give themselves a score of 6/10 or above on that metric) and that they are capable of attracting the talent they need (over 50% score themselves 7/10 or above for that). Better forward planning comes through strongly as the key to improving their ability to handle demand in future.

Based on staffing levels, how well are you able to meet demand? (where 1 is unable to meet demand)

%age of IHAs giving that score

Mark	%
1	4%
2	2%
3	6%
4	12%
5	15%
6	15%
7	19%
8	23%
9	4%
10	0%

Marks out of 10

How would you rate your IHA's ability to attract the quality of talent needed? (Where 1 is poor and 10 is excellent)

%age of IHAs giving that score

Mark	%
1	0%
2	0%
3	8%
4	4%
5	15%
6	19%
7	33%
8	17%
9	4%
10	0%

Marks out of 10

What is the major barrier to your IHA being able to bring in freelancers when needed?

"Our arcane contracting system - soon to change."

"Availability and getting them access to internal systems and equipment."

"Corporate recruitment systems."

"Bureaucracy and accessing the right talent pool speedily."

"We are a regulated company, which means we have stringent controls around vetting candidates."

"Time frames of HR processes."

"Payment. We now use a third party to pay freelancers."

"Our payment terms are not very favourable to freelancers and we only book at the last minute, so getting good talent is hard."

"We work outside of the company process as the HR process is slow and not flexible. Working with my own budget outside of the process gives me control and the ability to say yes to last-minute, urgent needs."

What factors influence your ability to attract talent – positively or negatively?

"Salary is the biggest barrier because we pay less than most external studios for similar roles."

"We're a creative brand so relatively easy, but some resistance from talent to work in-house and we only use internal recruiters and Linked-In so no head-hunters."

"We have hired well so far but struggled with the creative lead role as the benchmarking was too low. We are now having to seek business approval for the benchmarking to be done again."

"Our head office isn't in Central London, and we require two days a week attendance."

"We are a strong, well-known brand with a healthy marketing spend so work has great visibility. We sometimes fall down with candidates when it becomes apparent that we (the IHA) don't always have full creative autonomy."

"We have a good team but sometimes can recruit 2-3 times for a role in order to find the right people."

"The brand has a fair reputation, however, the thought of entering a huge corporation can put talent off."

"Not particularly attractive brand, work often seen as possibly a bit dull (although it actually isn't) and risk-averse; it is public sector which can be seen as not the best environment to work in. That and pay of course, public sector pay. There is little room for negotiation and rates are lower than private sector, although the pension, security and other benefits can attract."

"Being associated with a well-known brand, our IHA attracts good talent when we need it."

"More candidates are keen to work in-house, and we're doing some interesting work, which helps attract candidates."

"We have a good internal agency culture and a good network of industry people to tap into. Salary and package is very, very good compared to agency world. Work is varied and hybrid working and support is excellent. [But] not everyone wants to work solely on one brand.

"We are increasingly able to add top talent to the team."

"We are constantly fighting the assumption that In-House Agencies only produce adaptations of the work coming from Lead Agencies. However, our company own amazing brands which are very attractive to people."

Ambition & Evolution

By John Owen, Partner, WDC

John Owen

WDC's Capability Model is one that has proven useful to a lot of IHA leaders since we made it public last year. So, when IHALC used it as the basis for the Benchmarking Survey's questions about agency remit, I was fascinated to see the responses.

The majority (57%) see themselves as a Creative Agency today. And almost as many (47%) have a stated ambition to become Lead Agency. At the same time, just 2% classified themselves as a Production Studio and literally none of them see themselves in that role in the future.

Not all IHAs fulfill the same remit

TYPE 1 │ PRODUCTION STUDIO

Executes solutions by producing master artwork and adapts to spec

TYPE 2 │ CREATIVE STUDIO

Originates design & copy solutions to simple / single channel briefs
Crafts & evolves brand guidelines
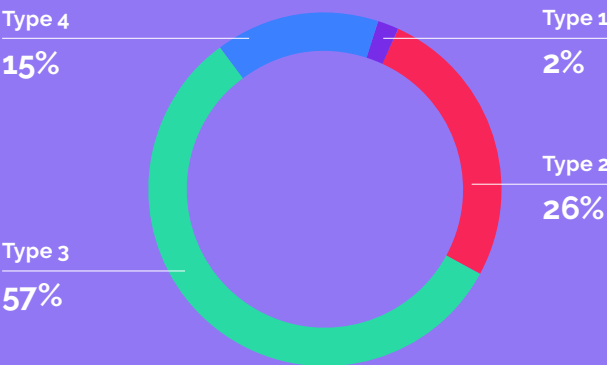
TYPE 3 │ CREATIVE AGENCY

Activates big campaign ideas in multiple channels
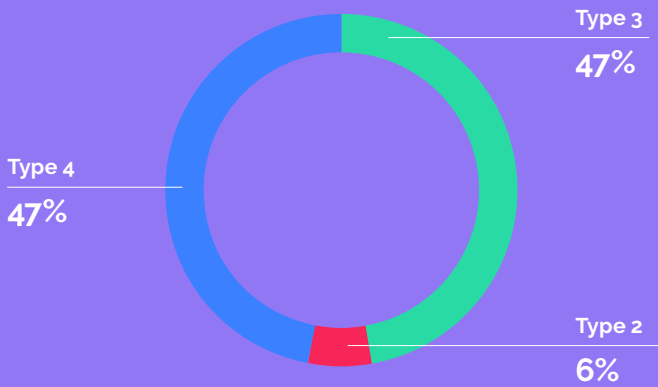Originates & develops tactical campaign ideas

TYPE 4 │ LEAD AGENCY

Devises brand / campaign/ channel strategy
Originates & develops big campaign ideas

Which model most closely describes your IHA currently?

- Type 4: 15%
- Type 1: 2%
- Type 2: 26%
- Type 3: 57%

Which model most closely resembles the future ambitions of your iHA?
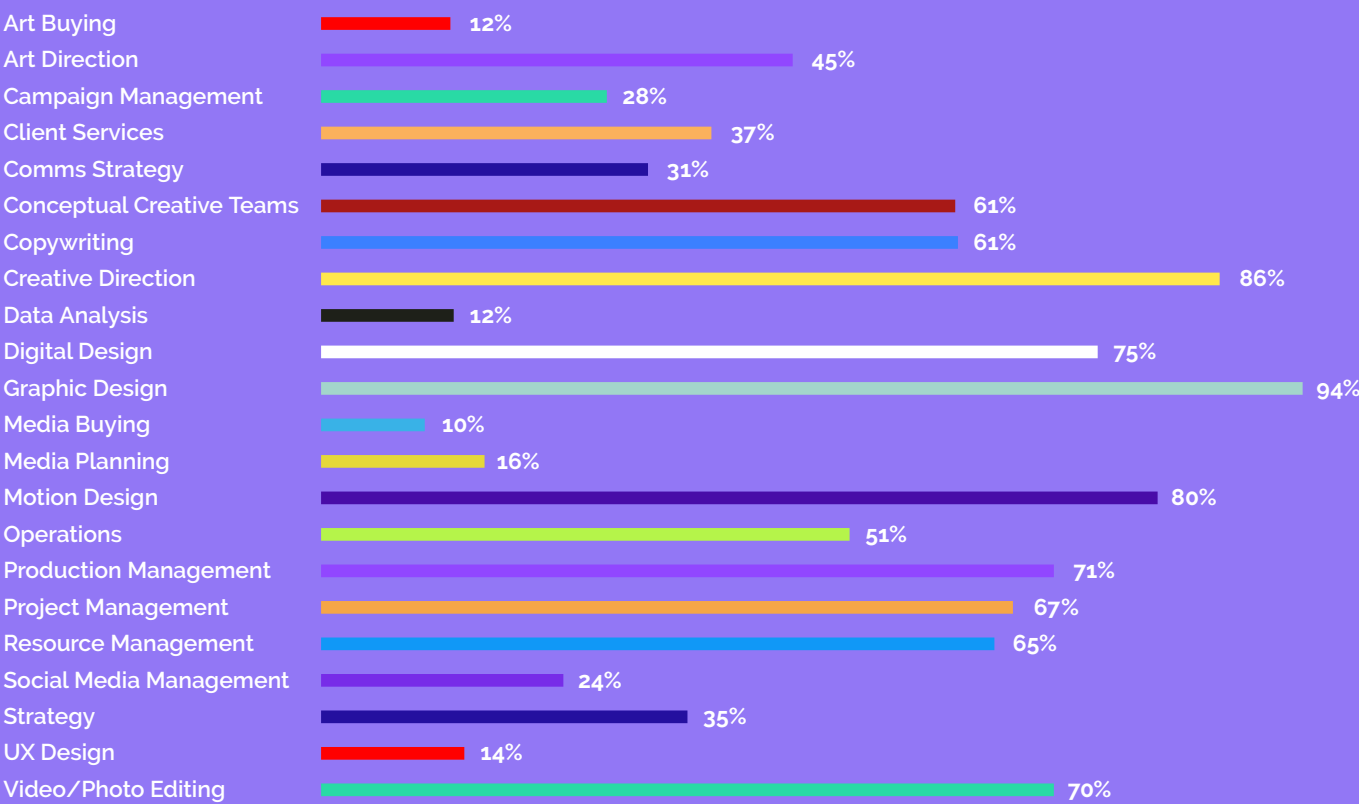
- Type 3: 47%
- Type 4: 47%
- Type 2: 6%

The clear message is one of ambition – to become more strategic and creative, to grow in stature and maturity and to be more pivotal to the marketing effort. But how do you achieve this?

The simple answer is you need the right talent. Indeed, it's called a Capability Model because we developed it to help identify whether individual IHAs had the right skills in their team for the work they were being asked to do.

Creative Studios are typically craft-led – peopled by designers, copywriters and, depending on the specifics of the outputs, an array of other specialist talent such as animators, photographers, videographers and editors. They think conceptually, they devise content, and they may work on multi-channel campaign and brand ideas, but these types of ideas tend to be originated in Creative Agencies. Why? Because they contain different skills – namely, strategic planners and creatives (either in the form of art director/copywriter teams or talented individual ideas people). What distinguishes the *Lead* Creative Agencies is the quality and seniority of the talent, rather than any additional skillsets.

Which roles do you have in your team? (permanent or freelance)

- Art Buying: 12%
- Art Direction: 45%
- Campaign Management: 28%
- Client Services: 37%
- Comms Strategy: 31%
- Conceptual Creative Teams: 61%
- Copywriting: 61%
- Creative Direction: 86%
- Data Analysis: 12%
- Digital Design: 75%
- Graphic Design: 94%
- Media Buying: 10%
- Media Planning: 16%
- Motion Design: 80%
- Operations: 51%
- Production Management: 71%
- Project Management: 67%
- Resource Management: 65%
- Social Media Management: 24%
- Strategy: 35%
- UX Design: 14%
- Video/Photo Editing: 70%

It's interesting, then, to look at the survey's findings in the area of talent. The most prevalent capability in the IHAs we surveyed was Graphic Design, which was present in 94% of respondents. Next came Creative Direction (86%), Motion Design (80%) and Digital Design (75%). Creative ideation was a more modest 61% and Planning/Strategy was down at 35%.

What does this tell us? That most IHAs are still on a journey from Studio to Agency. While the 61% figure for ideation talent correlates to the 57% self-identifying as a Creative Agency, the relative absence of planning talent suggests there is still a way to go before most IHAs can truly perform an Agency role. This analysis is reinforced by the revelation that 60% of IHAs surveyed are spending less than half their time on creative origination briefs.
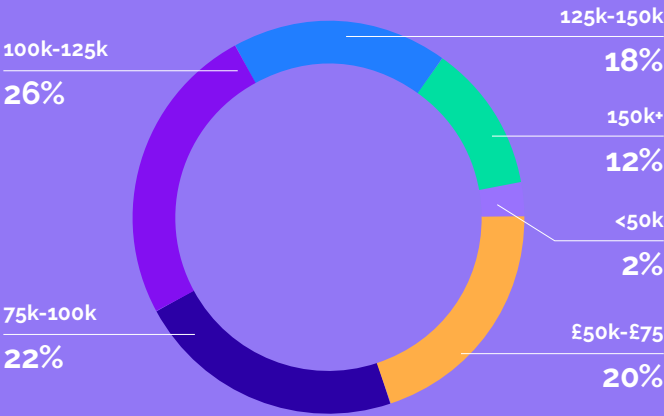
The need for more strategic talent is widely recognised, which is why around 40% want to bring in a Strategy Director. But this won't automatically unlock those Lead Agency ambitions. Rather, it is the key to performing the somewhat humbler Creative Agency remit. It's important to recognise that pushing for Lead Agency status without having first established strategic, as well as creative, credentials may be harmful to long term credibility.

Salary levels and reporting lines are two other useful indicators of 'lead' status. Lead Agencies tend to pay their senior leaders more (which makes them able to attract a higher level of talent); and the IHA leader is less likely to report into the marketing director, but rather to be their 'equal' – ideally reporting into the same individual, perhaps a CMO but more often a broader role, such as a Chief Customer Officer. This is crucial to the ability to build a meaningful partnership between creative and marketing, where creative pushback is tolerated in the pursuit of shared ambitions.
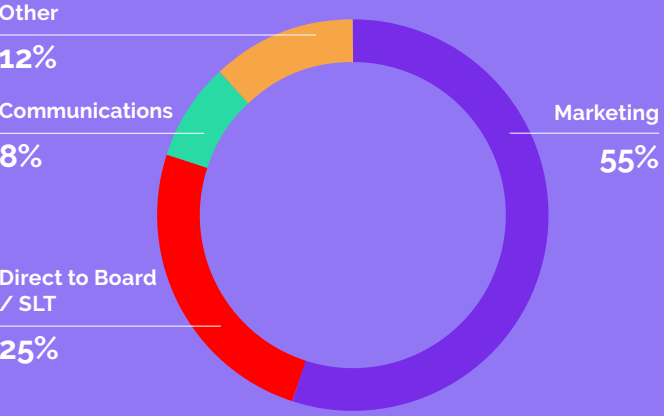
However, the survey findings suggest that salary levels are not yet at a level where it's realistic to operate as Lead Agency. And over half (54%) still report into marketing.

What is the salary range for your most senior Creative Lead/Creative Director?

- 100k-125k **26%**
- 125k-150k **18%**
- 150k+ **12%**
- <50k **2%**
- £50k-£75 **20%**
- 75k-100k **22%**

Which departemnt does your IHA report in to?

- Other **12%**
- Communications **8%**
- Marketing **55%**
- Direct to Board / SLT **25%**

None of this is to say that In-House Agencies in the UK and EMEA aren't making enormous strides. As a sector, it's come a long way in a short space of time and there is considerable momentum towards Creative & Lead Agency status. Getting there will require a clear vision and a steady hand. Above all, it will need investment in the right people at the right time – and making sure those people are afforded the status to do their jobs.

The vital role of the planner in-house

By Liz Baines, Head of Planning – The Agency at Specsavers

Liz Baines

Having previously worked at agencies including Engine, WCRS and TBWA, Liz Baines joined Specsavers in December 2021.

"We've had planning in Specsavers for about three and a half years now," she says. "As with most things here it's grown quite organically to support the evolving needs of our business. We're a really small team (of four) but our remit seems to be becoming ever broader."

From the launch of 'Should've Gone to Specsavers' in Canada

'Run by locals': a campaign in Australia to increase consideration

IHALC: Why do you think there is a lack of planning as a discipline at IHAs?

LB: A lot of in-housing has been born out of necessity – at Specsavers it started with the need for some pamphlets and has grown to where we are today! In this context you don't technically *need* planning in the same way that you need a designer or artworker and so often it wasn't in the original line-up. But I think as In-House Agencies lift their sights slightly more, and start to really think about effectiveness, and the consequences of the work that they're creating, that's when you get a shift. They start to think 'actually, yes, I can make anything, but if I'm really going to be focused not only on what I'm making, but how it's working', then that's where planning comes in.

IHALC: How do you build awareness of the value of planning in the business?

LB: Actions speak louder than words. I think education only goes so far really; you've got to show impact. Make better, more effective work. When this is socialized and shared people think 'I want some of that on my projects, actually', and then it starts to spiral. People ask you questions, you solve them, and then they might ask you more. You grow awareness by doing a good job.

IHALC: How does planning help alleviate some of the issues around briefing highlighted in the survey?

LB: We all know that briefing's an issue across the entire industry. In an in-house agency, I would argue it's more of an issue because you can lack some of the formality and structure. You've got such familiarity, and you've got such collegiate relationships, that some of the worst aspects of briefing can really bubble up. The first real advantage of having planning in the mix at that point is there is someone in that conversation who has that desire to dig into the real problem and desire to keep digging

into that problem until it's clearly defined. You've then got someone who has that theoretical background to understand how communications should and will work, and therefore the ability at that stage to define the shape of the solution.

IHALC: And how does having planning impact creative teams?

LB: I hope it's making their job more interesting, because there is always going to be a limited number of marketing briefs. Say we have a brief where we need to increase awareness of our audiology offering. Put a planner into that mix, that marketing brief suddenly becomes something that could turn into a hundred different creative briefs. So even if you are a creative who has been here a while, it gives you more interest and excitement. It's new ways of looking at old problems. And we're also here to support the work.

IHALC: For those IHA leaders who want to make the case for bringing in planning, what would you suggest they do?

LB: The effectiveness argument would be your strongest case. CMOs want to make ads that work and that is 100% the job of a planner – to turn what is a business issue into something that is going to change people's behaviour. That's by far the main reason why you would bring in planning. But I also think that planners have a real role to play in agency culture. Part of our role is to protect the integrity of the idea and give myopic focus on the reason the idea exists. We shepherd the idea from a strategic perspective, making sure the people who come in and out of contact with that idea along the way understand it and get behind it, and collaborate with it. One of the things I love about this industry is that it's a team sport and if everyone understands the goal and feels that they're able to add value in the process they're a much happier team.

Operations

A lack of rigorous, fit-for-purpose processes is frequently held up as a major challenge for In-House Agencies when we consult leaders at our IHALC events. We wanted to find out what people currently have in place but, before doing that, we needed to look at the volume and nature of the work respondents are doing.

How many briefs did your team complete in 2022?

1000-5000
21%

500-1000
15%

5000-10000
6%

10000 +
2%

200-500
21%
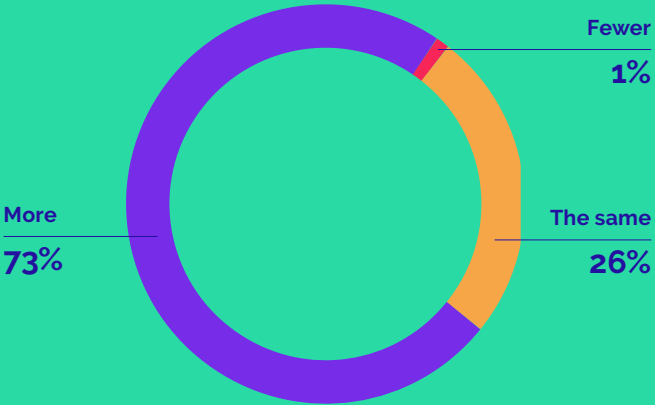
<50
14%

100-200
15%

50-100
6%
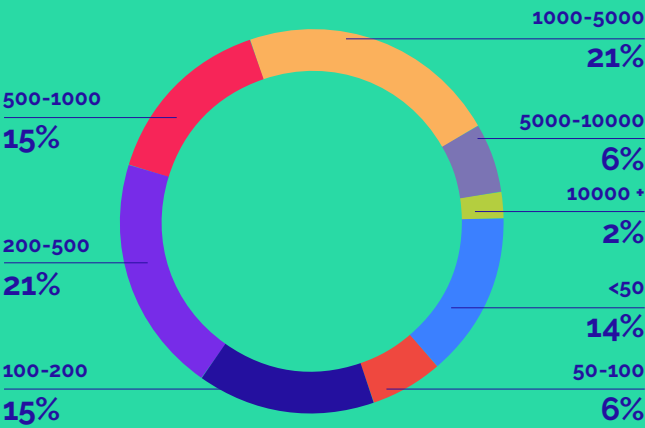
There was a wide variety in the number of briefs being tackled over the course of a year. 20% tackle under 100 briefs a year, suggesting their work is on higher tier campaigns rather than fast turnaround asset creation or versioning. 36% work on between 100 and 500 a year, while 21% take on between 1,000 and 5,000 and a very busy 6% complete between 5,000 and 10,000. 2% do over 10,000.

We then asked IHAs to tell us how much of their work is either Tier 1, Tier 2 or Tier 3, where Tier 1 is work that requires creative origination from brief, Tier 2 is work that involves activating and executing work within existing creative concepts/guidelines and Tier 3 is work that involves adapting or amending existing creative assets with new copy/sizes.
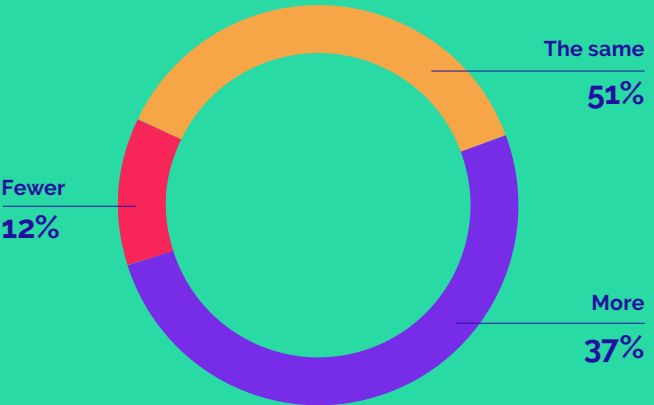
For Tier 1 projects, compared to last year, over the next 12 months, do you anticipate doing:

Fewer
1%

More
73%

The same
26%

For Tier 2 projects, compared to last year, over the next 12 months, do you anticipate doing:

The same
51%

Fewer
12%

More
37%

For Tier 3 projects, compared to last year, over the next 12 months, do you anticipate doing:

The same
39%

Fewer
28%

More
33%

What proportion of the agency time is spent on each type of work?	Tier 1 work	Tier 2 work	Tier 3 work
0-25% of time	40%	17%	41%
25-50% of time	27%	53%	14%
50-75% of time	26%	28%	38%
75-100% of time	7%	2%	7%

67% of respondents said they were currently spending half their time or less on Tier 1 work. 45% are spending the majority of their time on Tier 3 work. When asked to predict what they will be doing more of in the coming year, 73% thought they would be doing more Tier 1 work, while only a third thought that Tier 3 work would take up a greater amount of their time. This again supports the notion that IHAs are ambitious to evolve but we have to ask how much of this is wishful thinking and how much based on strategic development agreed with the business: perhaps next year's survey will give us the answer.
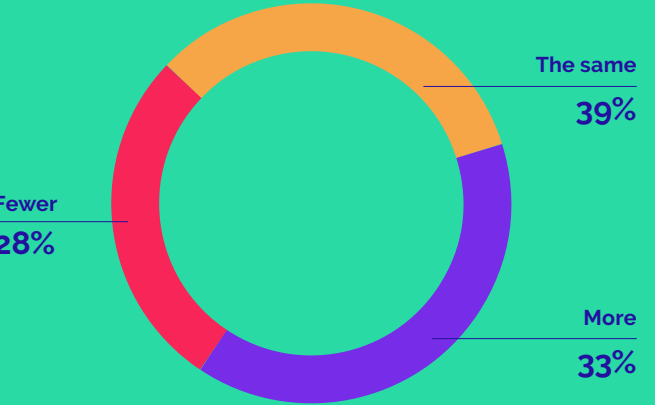
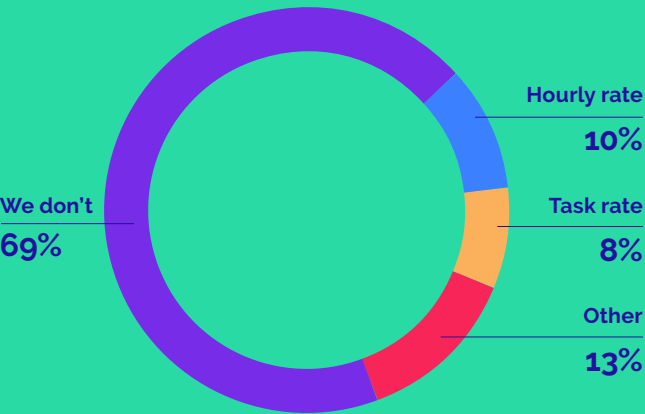Given the challenges that IHA leaders have outlined to us at our events, it perhaps wasn't surprising to learn that 27% reported that they do not track time and costs on projects. 68% make no charge for work, not even cross-charging or using 'wooden dollars' ie methods to recognise internal costs.

How do you track time costs?

We do not	28%
We use timesheets	41%
We track 3rd party costs	24%
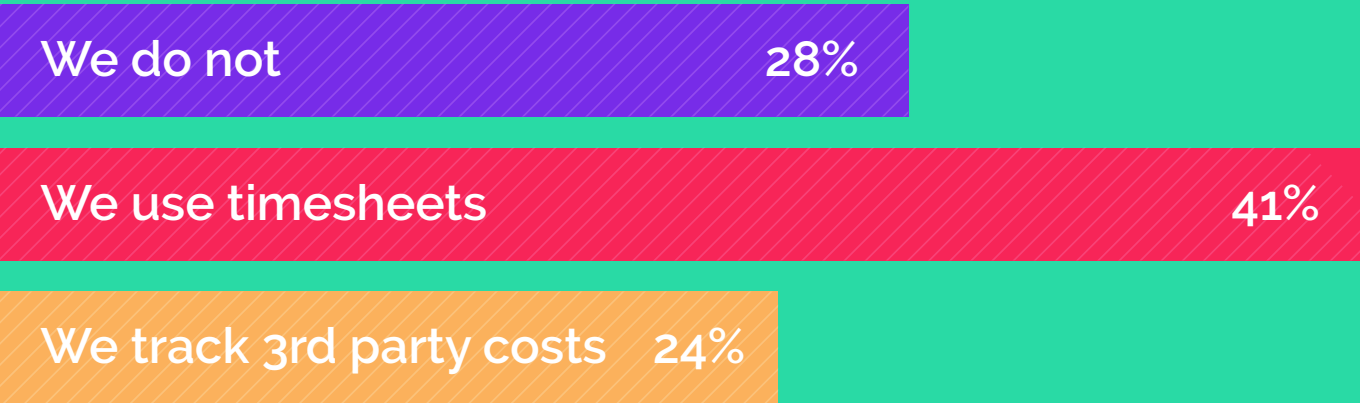
If you charge for work, how do you do it?

We don't
69%

Hourly rate
10%

Task rate
8%

Other
13%

Further process issues were flagged when we asked how IHAs agree time and/or costs in advance of work starting: over 30% do not. And nearly 60% have no Service Level Agreement in place before starting work on a project. Furthermore, 22% of IHAs reported that over half of their work comes in as ad-hoc requests: 45% said that they get between 30 and 50% of work this way.

How do you agree time and/or costs in advance of work starting?

We do not	31%
We provide fixed scope of work	33%
We provide an estimate	37%
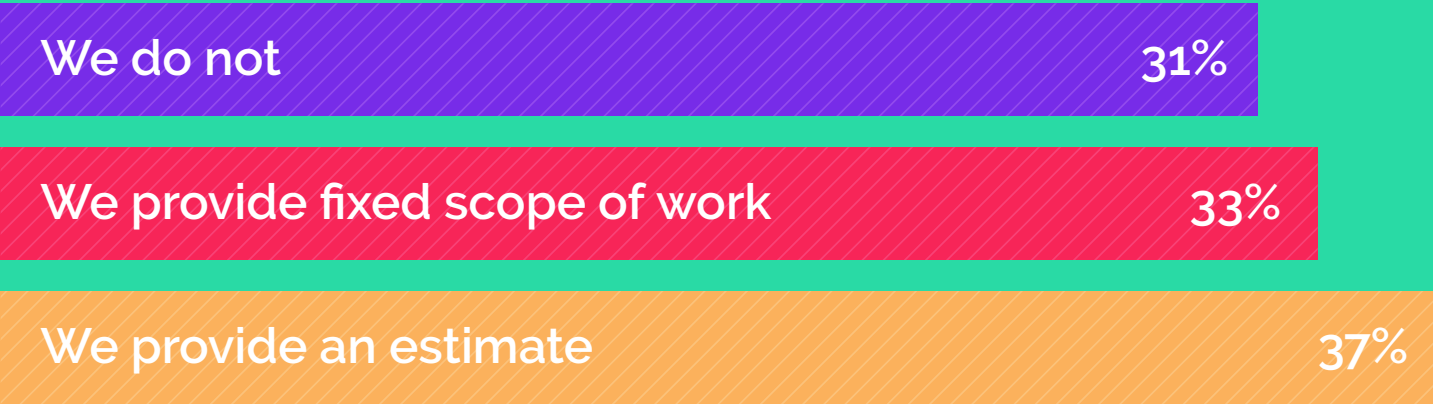
Do you have an SLA in place before starting work?

Yes
41%

No
59%

What proportion of work in the last 12 months was ad-hoc/reactive as opposed to planned?

50%-70%
12%

>70
10%

<30%
33%

30%-50%
45%
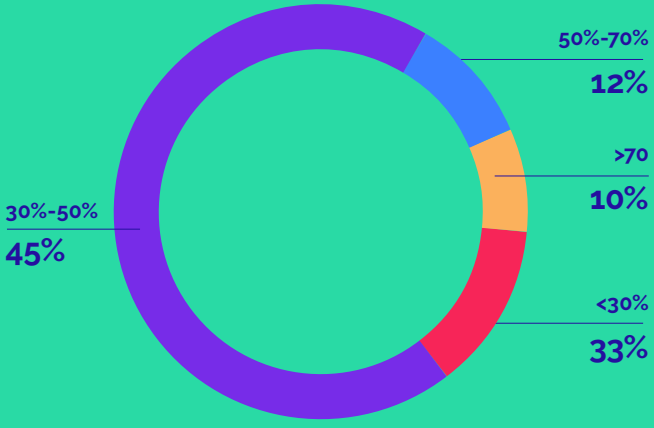
How Ops unlocks IHA potential

'Undeveloped processes and systems risk undermining IHAs' ambitions to evolve,' says WDC Partner Nicky Russell

Nicky Russell

If the big theme of this IHALC survey is the ambition of IHA leadership, what it also reveals is that, operationally, processes and systems have not yet evolved to meet that level of ambition. Instead, many IHAs are working with the operational legacy of being treated as a 'service provider' rather than a 'strategic partner'.

This is never more evident than when it comes to the planning of the activity that IHAs are being asked to produce, with a clear lack of collaboration and alignment between Marketing and the IHA. Asked to identify the biggest barrier to them doing better work, the reason cited more than any other by IHA leaders was a lack of time and planning ahead. Furthermore, individual IHA leaders cited the lack of a 'structured approach to campaigns' and 'ad-hoc, last minute' thinking coming from Marketing as significant challenges.
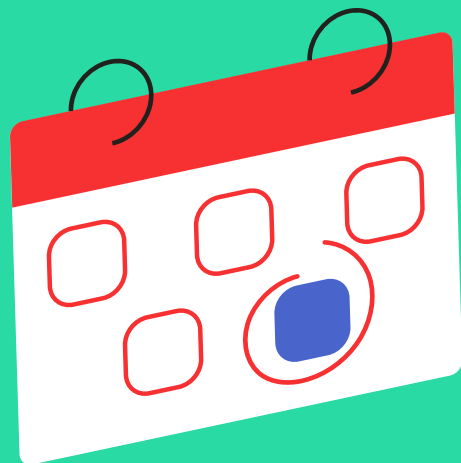
In fact, 24% told us that more than half of their work is ad hoc or reactive as opposed to planned: 44% said that between 30 and 50% of their work comes in this way. That's a staggering amount of work that is being rushed through. It clearly shows the legacy of an IHA which is being treated as a 'studio' and not a partner. True partners collaborate on the brief and influence thinking, and then respond in a way in which they can structure their internal talent - and time - in order to best serve the business, themselves and the work.

What further compounds the problem is that IHAs find it difficult to access talent when these ad hoc requests come in. Every business has the challenge of what is the right amount of 'fixed' (full-time) talent vs 'flexible' (freelance or contractors). This is never more true than when it comes to creativity. Ensuring you are building consistency in the right places and subsidising that with additional talent, whether that be casting expertise to a specific brief or managing peaks in the workload, is essential for the success of the work - and the health of a team.

However the survey revealed that the internal systems that serve corporate business well, make it very difficult for IHAs to get access to talent. Some 60% of IHAs told us that they have 'difficulty' or 'great difficulty' accessing freelance talent, with bureaucracy and red tape being the main blocker. If you can't bring in the freelancers you want, how can you ensure there is diversity of thinking in the work and how can you raise creative standards when there is a need to do so quickly? It makes managing the inevitable peaks and troughs of activity a difficult task.

Finally, the survey confirmed that, in the majority of IHAs, work is not tracked, not costed, and not effectively governed. 69% of IHAs don't charge for work, 59% have no SLA in place before starting work and 31% don't agree on time and/or costs before the start of a project. When we asked, 'How do you track time and costs?' 28% said that they don't and only 41% use timesheets.

If you don't track time and costs and you are seen as a 'free service', how are you ever going to assemble the ammunition to make a business case to secure more resources, or even protect the resources you currently have?

Creativity is nuanced. It needs to be a bit messy in its conception (counter-intuitive to how a corporate business likes to run) and it needs vulnerability and rigour in different places in order to be successful. And that needs to be carefully managed by Creative Operations. However, only 50% of IHAs have Creative Operations in their IHA set-up. Which means that only half have the expertise and support in order to run effectively and efficiently. So is it any wonder so many are struggling with what they are being asked to deliver?

It has never been more important to have strong, empowered experts to manage talent, control the budget, steer the process and support the growing ambitions of the IHA. If the ambition is to scale, Creative Operations is a vital ingredient in making that step change.
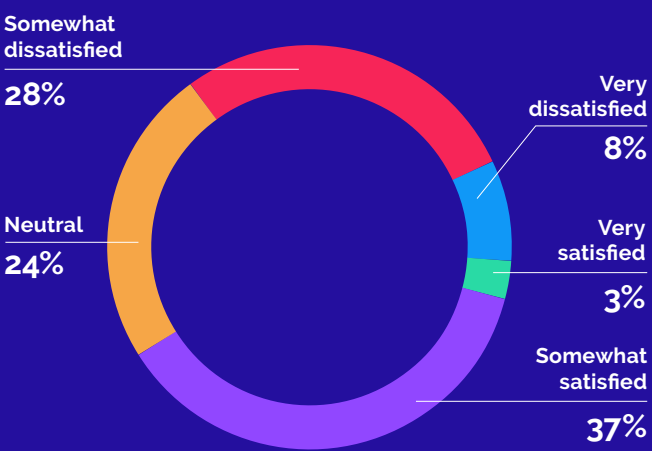
69% of IHAs don't charge for work, 59% have no SLA in place before starting work and 31% don't agree on time and/or costs before the start of a project.

Tech

Having the right tech solutions in place can alleviate some of the process issues that are common to IHAs. 40% reported that they were somewhat satisfied or very satisfied with the tech systems which support their IHA. However, 36% are less than happy with what they have.

How satisfied are you with the tech systems which support your IHA?

Somewhat dissatisfied
28%

Very dissatisfied
8%

Neutral
24%

Very satisfied
3%

Somewhat satisfied
37%

**Do you use a Digital Asset Management System?**

Yes
77%

No
23%

77% use a Digital Asset Management system with a very wide array of providers cited. This includes Adobe, Bynder, and bespoke solutions. Satisfaction levels were relatively high with 46% scoring their DAM 7/10 or better.
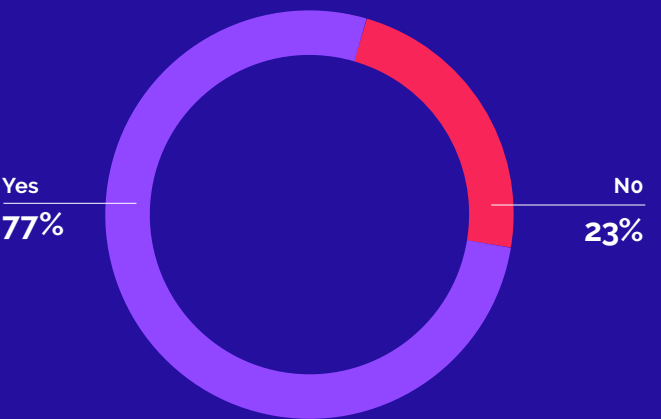
Asked which features they would most like improved, Automation Capabilities came top (cited by 52%) reflecting organisations' push toward automated content creation and distribution. Then came Integration and Performance.
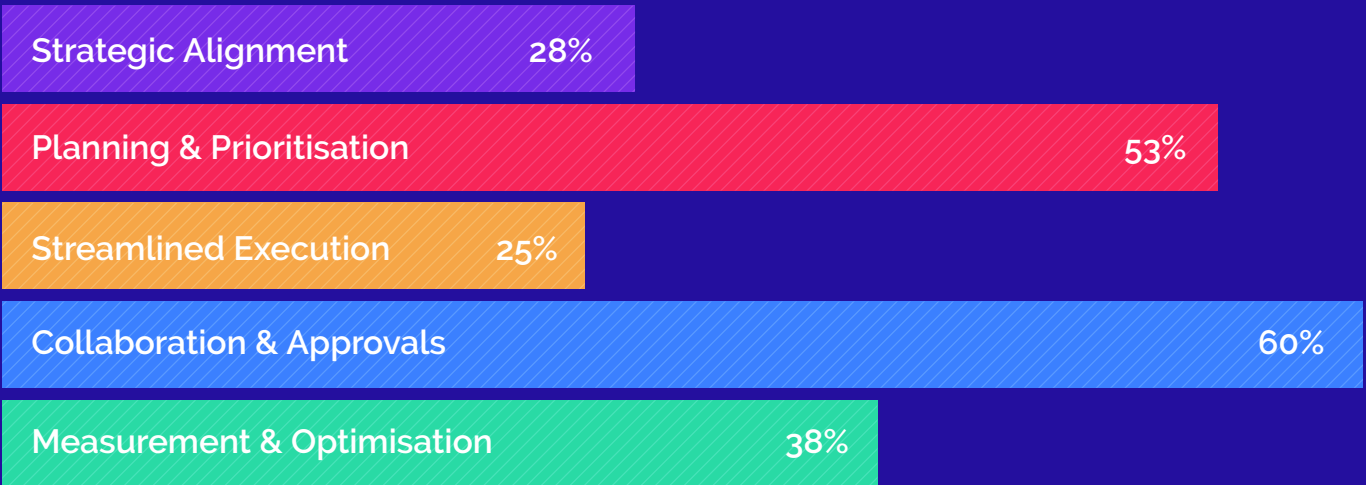
Which specific features of your DAM would you most like to be improved?

|	
Scalability	25%
Performance	35%
Automation Capabilities	52%
Integration Capabilities	45%
Rich Media Delivery	31%
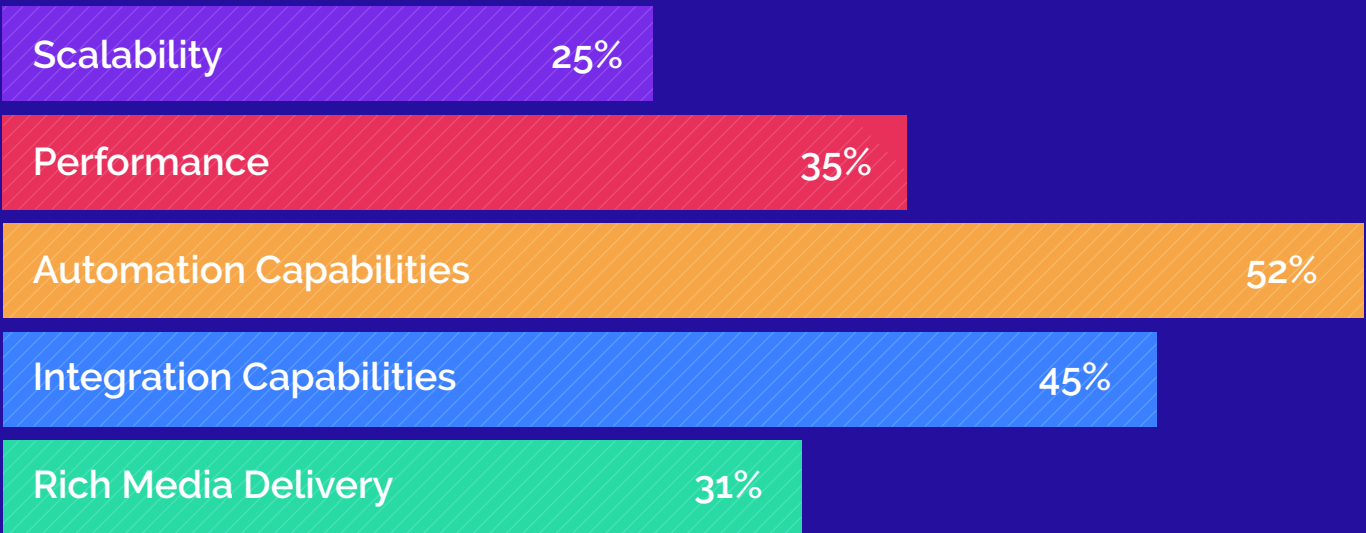
Almost all (96%) of IHAs use project management/work management software. Adobe Workfront was the clear frontrunner here with 33% using it. Next came Monday (25%) and then a very long tail of systems such as Wrike, Microsoft SharePoint and bespoke solutions.

Again, satisfaction levels were quite high with over 60% giving their system 7/10 or above. Collaboration and Approvals is the feature that most would like to see improved, followed by Planning and Prioritisation, then Measurement and Optimisation.

Which specific feature of your Work Management Software would you most like to be improved?

Strategic Alignment	28%
Planning & Prioritisation	53%
Streamlined Execution	25%
Collaboration & Approvals	60%
Measurement & Optimisation	38%

Challenges exist around integration with only 22% reporting having integration in place between their DAM and Work Management solution. Furthermore, 75% report having no integration in place between their DAM and/or Work Management solution with any other internal platforms.
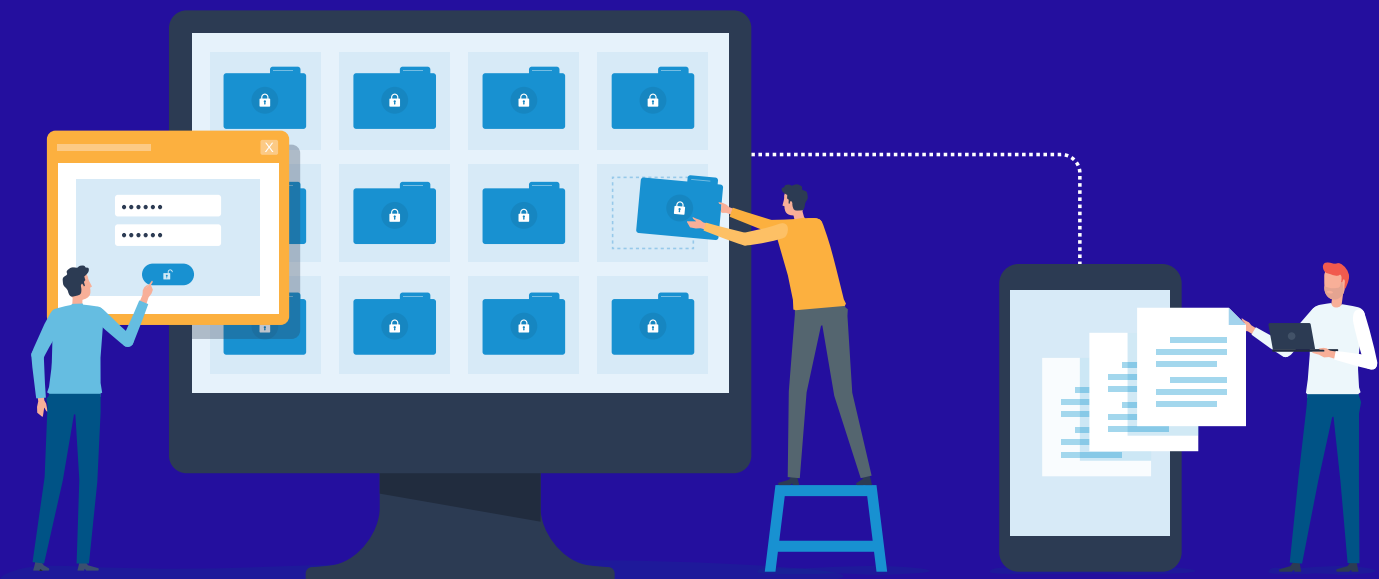
Do you currently have any integration in place between your DAM and Work Management solution?

No
78%

Yes
22%
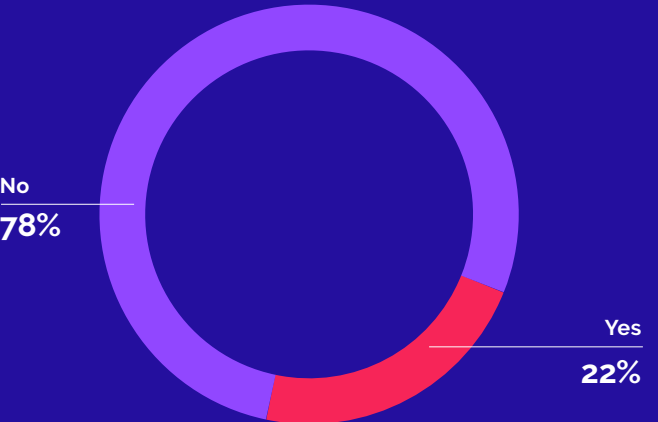
Do you currently have any integration in place between your DAM and/or Work Management solution with any other internal platforms?

No
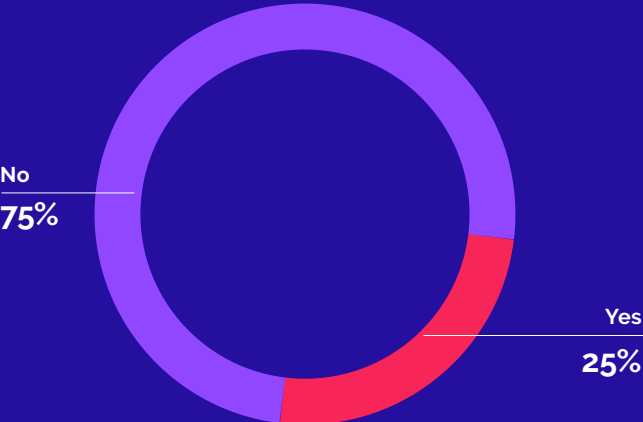**75%**

Yes
25%

What are the biggest frustrations/challenges on tech that you currently have?

"Getting it set up and making sure it's being used properly across multiple parts of the business."

"Our internal clients not using the systems."

"IT do not like external systems and heavily control the procurement process. It makes it very hard to be progressive and innovative, quite often it's a 'stick with what we give you' story."

"Integrating with our IT systems - at the moment, single sign-on for our project management system requires separate tickets to be raised with IT for each new user."

"Integration and workflow complications."

"Security won't allow third party apps and software without a 12 month review, meaning that off-the-shelf software normally can't be used."

"No one version of the truth for file management and approvals."

"Time for training and adoption for teams outside of the agency."

Xfinity:
Creating a new model rooted in innovation

By Richard Whitehead, Product Marketing Leader, Adobe

Richard Whitehead

Xfinity Creative is a phenom — they're an award-winning, very young, and very successful creative agency. But what adds real heft to their accolades is the context in which the agency was born. Tasked with helping to pull together a creative team capable of fulfilling market giant Comcast's creative asset demands, Ephraim Gerard Cruz, director of operations and software initiatives lead for Xfinity Creative, knew he and his fellow leaders had their work cut out for them when they were told the agency would need to be completely remote.

March 2020 COVID-19 pandemic lockdown mandates meant the launch team had to think on their feet — not only about how to build robust digital workflows in the cloud, but also how to create a collaborative, creative team environment that top talent would want to be a part of. They leaned into cultivating a cohesive agency culture that would help creatives do their best work and then keep the team connected as pressure to perform grew.

"We knew we needed to focus on the culture from the start — culture has the single greatest impact on an agency's bottom line," says Cruz.

Navigating cultural growing pains

There was an immediate need to reimagine agency life and develop new ways of working. "The majority of our team members came from strong agency traditions where meeting up, going out to events, collaborating in meeting rooms, and going over ideas in person was the only way to do good work," Cruz says, "so finding ways to fill that void was a huge challenge."

At first, the leadership team thought they could create online iterations of that traditional agency culture — just take what had worked for past teams and give it a digital spin. "We were trying to replace remote culture with what worked traditionally, but we saw pretty quickly that working remotely was not the same as working in-office," says Cruz. They had to start thinking differently and began experimenting with an updated remote meeting etiquette, hosting different types of virtual events, and emphasizing the importance of mental health. "As we scaled and added more team members, there was a need for different culture-driven initiatives, which resulted in a ton of learning and educating," Cruz says.

A different work environment wasn't the largest hurdle, however. Encouraging a mindset shift proved to be a greater challenge, says Cruz. "We needed to get the team to look at remote and hybrid not only as the future of work but the future of living."

The leaders got clear about their vision for team culture. "To me, a great team culture is really enjoying the people you spend your time with and having respect for each other's work, which ultimately drives success for any business," Cruz says. "A great work-life balance needs to exist first to support a positive mindset as that directly impacts our work and our customer experience."

Those first few months were spent feverishly assembling a centralised, seamless toolkit in Adobe Workfront for the creative distributed team. This effort met two vital goals — to facilitate the successful remote production and delivery of high-quality creative work, and to make that workflow as effortless and automated for the team as possible. This savvy consideration for both workflow efficiency and employee happiness has paid huge dividends in terms of team investment and loyalty. "Since our inception, we've had an 89% retention rate of full-time employees within Xfinity Creative." This rate of retention is all the more striking when set against a backdrop of unprecedented Great Resignation turnover.

3x
Target savings in agency fees from previous year

7x
Delivered project velocity

89%
Retention rate of full-time staff

Xfinity Creative uses these solutions:

Adobe Workfront

Adobe Experience Manager Assets

Adobe Creative Cloud for enterprise

Frame.io

Assembling a workflow powerhouse

Though Xfinity Creative has exceeded expectations in almost every way, the start-up didn't necessarily hit the ground running in terms of process. "The biggest pain point we needed to address initially was reworking ineffective existing systems and processes — there were all kinds of issues to sort out, from data gaps to the need to scale," says Cruz. "Before Workfront, we were double and even triple booked for one-off training and onboarding meetings, which was exhausting. Our project intake conversations only lived in emails and chats, which meant dealing with silos and things getting lost in translation."

To avoid decentralized and inefficient workflows, the new agency needed something more integrated, unified, and accessible to distributed team members. "Where Comcast was end-deliverable-focused, we needed the ability to track and report in real time. Xfinity Creative's workflows needed to be not only compliant with Comcast's existing enterprise suite of tools — we needed to prioritize support of virtual and hybrid creative collaboration," says Cruz.

Workfront played a crucial role in all aspects of successfully standing up the agency. Onboarding and training became smooth, consistent, and more than twice as fast — slimming down the process from five days to two with the new approach.

Up-to-the-minute data collection and reporting were also a high priority for the growing team. Cruz built dashboards at key points within the leadership of the organization that communicated real-time data. "Big data is great, but fast data is actually way more impactful when we can get real-time accuracy," Cruz says.

Delivering a lasting impact

By relying on powerful integrations to do much of the heavy administrative lifting, the small creative startup saw first-year growth beyond their wildest expectations.

Xfinity Creative has built a talented, cohesive, highly collaborative remote agency whose team members are happy to report they won't be going anywhere anytime soon. And if evidence is needed to prove that investing in culture really can impact the bottom line, the numbers speak for themselves. Xfinity Creative exceeded their external agency fee savings goals by 300% in their first year without compromising creative excellence — and per internal employee surveys, workplace satisfaction has doubled since 2021.
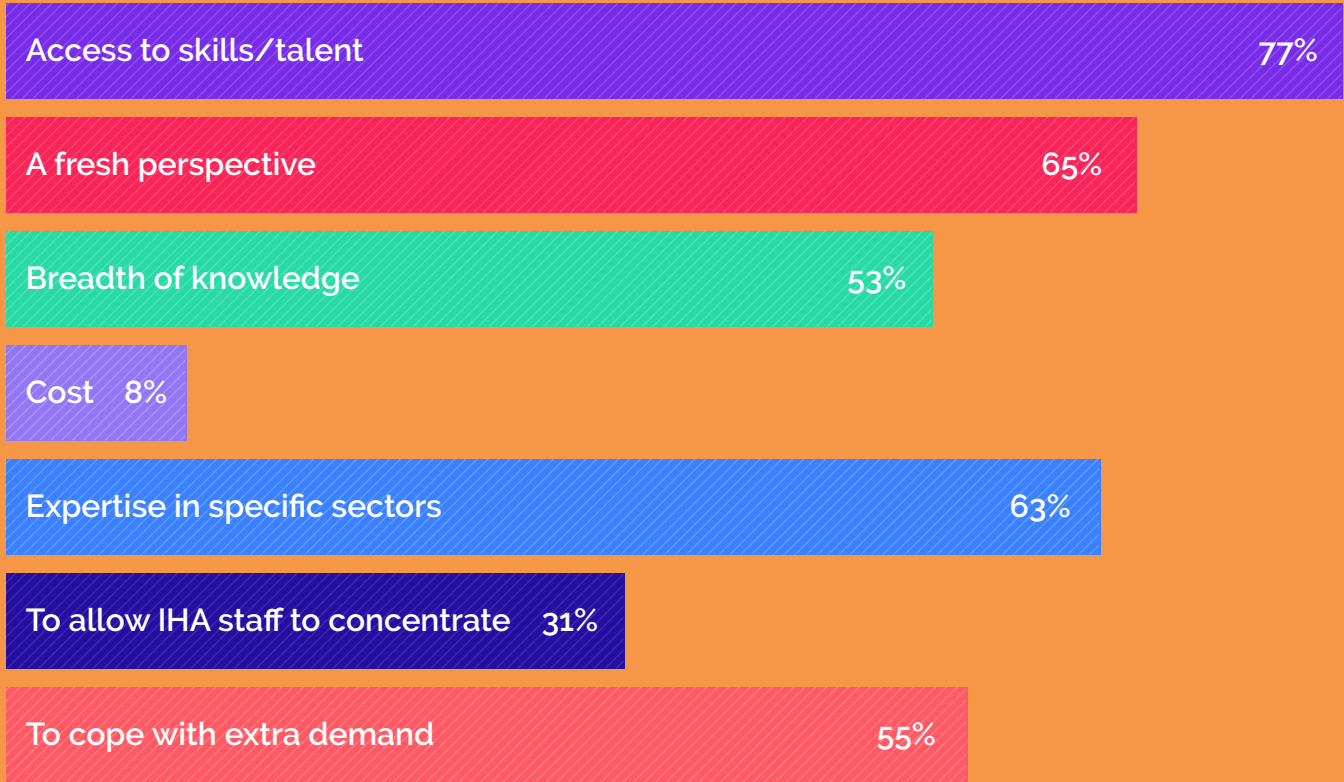
"My hope is that everyone on the team continues to bring the positivity we've cultivated here into other parts of their life to encourage healthy living all around," says Cruz. "We strive to create a supportive culture where it's not solely about the work, but everything in between too."
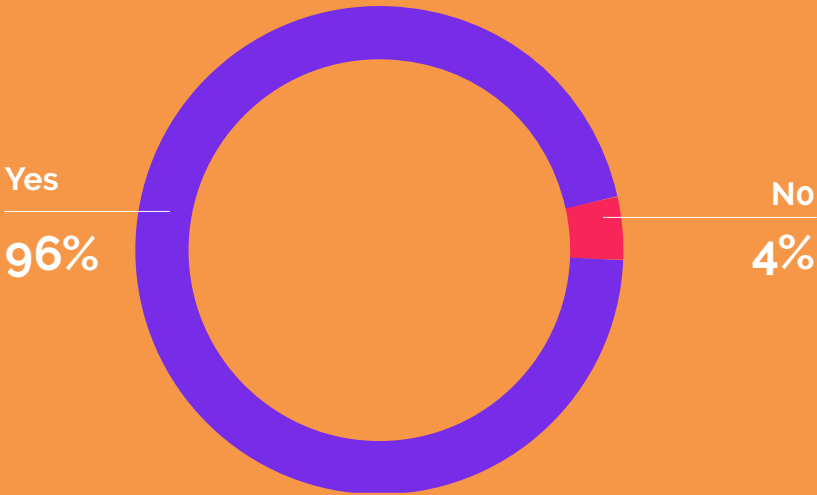
External Agency Partners

IHAs are certainly not self-sufficient: 96% use external agency partners according to our data. What for? Above-the-Line Campaign Creative comes top (82% report using them for this). Next we have Branding and Design (63%) and Production (55%). Content and Social score lower: over 60% of IHAs do not use external agencies for either.
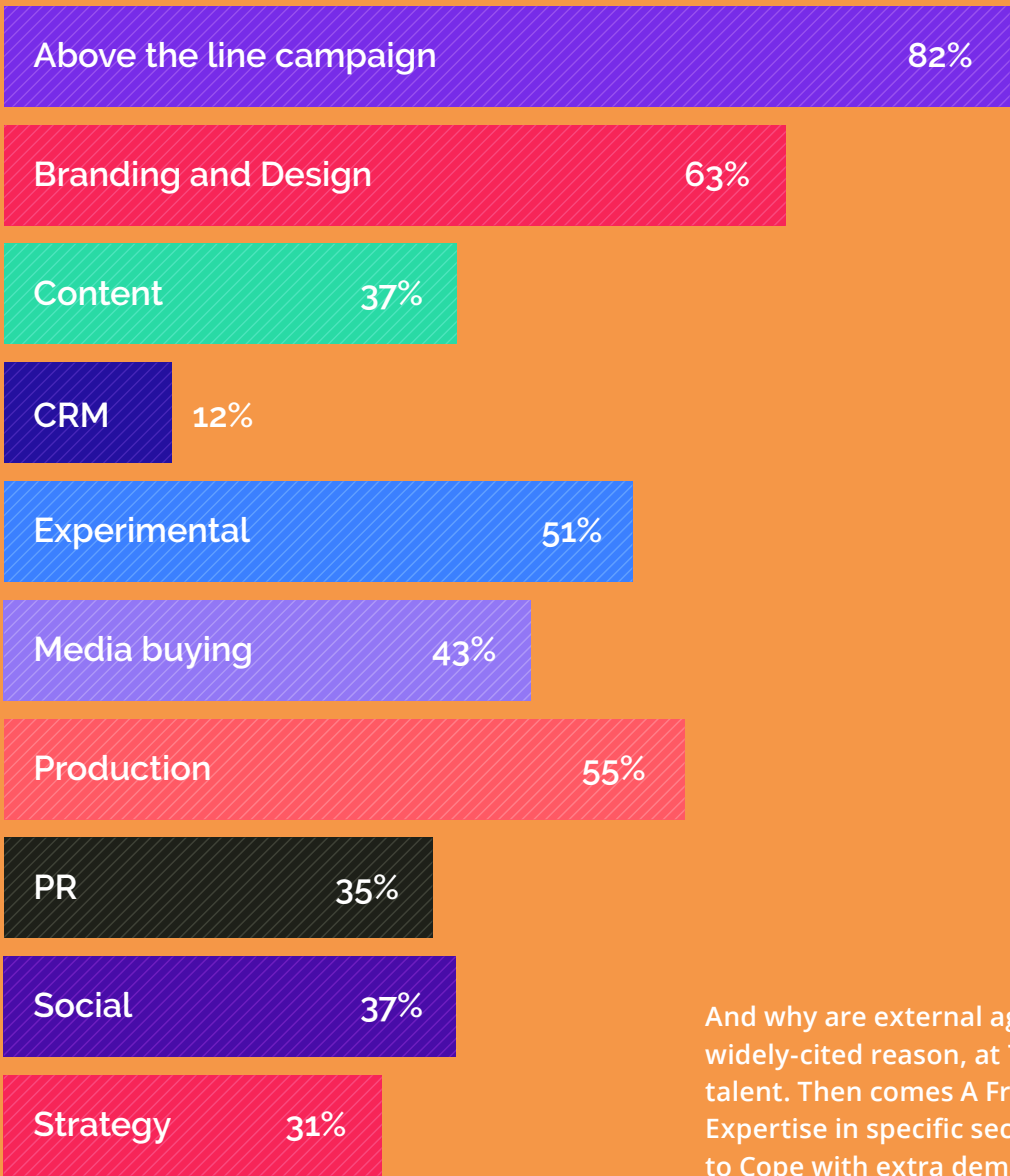
Reasons for using external agencies:

Reason	%
Access to skills/talent	77%
A fresh perspective	65%
Breadth of knowledge	53%
Cost	8%
Expertise in specific sectors	63%
To allow IHA staff to concentrate	31%
To cope with extra demand	55%

Does your business use external agency partners?

Yes **96%**   No **4%**

If yes, what do you use them for?

Use	%
Above the line campaign	82%
Branding and Design	63%
Content	37%
CRM	12%
Experimental	51%
Media buying	43%
Production	55%
PR	35%
Social	37%
Strategy	31%

And why are external agencies used? The most widely-cited reason, at 77%, is Access to skills/talent. Then comes A Fresh perspective (65%), Expertise in specific sectors (cited by 63%) and to Cope with extra demand (55%).

Please rate how well you feel you collaborate with external partners

%age of IHAs giving that score

Marks out of 10	%
1	2%
2	4%
3	0%
4	6%
5	6%
6	17%
7	19%
8	23%
9	21%
10	2%
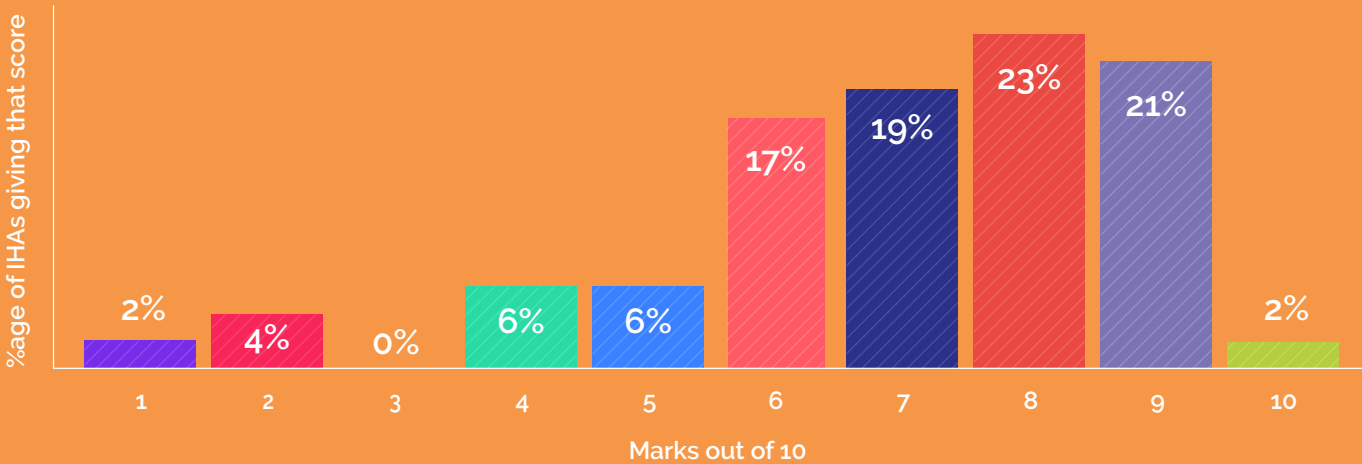
Our respondents generally feel that they collaborate well with external partners - 65% of respondents scored themselves at 7/10 or above on this.

The majority of IHAs (63%) view external agencies as partners, with only 2% seeing them as competitors and the rest as both. Given IHAs' stated ambition to challenge for the role of Lead Agency, it will be fascinating to see how attitudes change by next year.

Do you view external agencies as partners or competitors or both?

Competitors
2%

Both
35%

Partners
63%
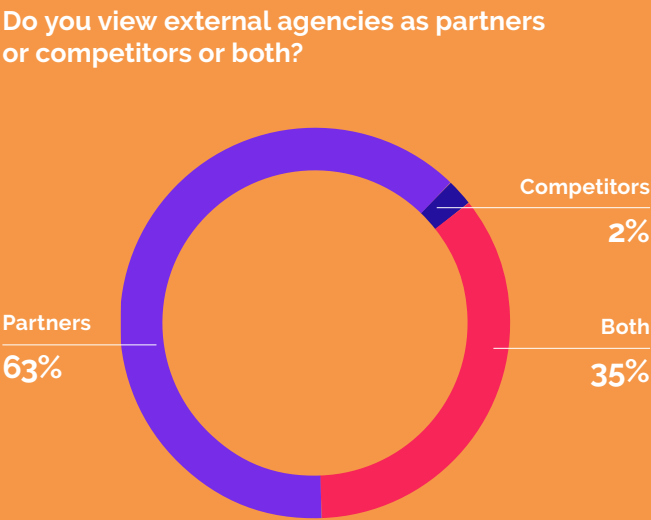
We also asked respondents to comment further on their working relationship with external agencies.

"Naturally, to build a good agency or in-house culture to produce a high level of creative work you need a competitive spirit, but the external agency don't want this, so there can be some conflict. They don't want to pitch against, or have their work reviewed by, another agency, especially if it's the In-House Agency. Also In-House Agencies have enough clients to manage and don't want to have an external agency as a stakeholder in work. It adds too many layers and doesn't make for a good relationship or better work.

The key for us so far has been to be very clear up-front, on each brief, what each agency's role is, and agreeing who is the Lead Agency on that brief. It means as an In-House Agency you sometimes have to bite your lip and roll over to keep the peace. But it also means external agencies have to change their approach and can't lead on every brief."

"My view of agencies and the way they operate has changed greatly since working client-side. My eyes have been opened to how bad some of the agency practices are – the attitude 'we know better than anyone else', 'we are bigger and better' has to change. In-house, you see through it all.

Agencies need to learn to be better friends and make a partnership with the In-House Agency, with a common goal for the good of the brand. If they do this, they will thrive and succeed, otherwise in-house will take everything from them and bring in big-thinking support when it's needed."

"The biggest danger in-house is you become complacent, so you need competition to fuel better work and a continued striving to be better. You need and want to win admiration from Marketing for creating the best work. This is good for everyone, external agencies who up their game, in-house who are challenging, and marketing who get more choice and better work all round."

"It's not a competition, it's a partnership where two minds come together to create great work. It's healthier to look at it that way. It also positions my team as the brand-owners - and provides distinction in our roles.

We use agencies to fulfill capabilities we don't have - for example, we don't have the set up for big global brand-led ATL campaigns - but we can deliver small ones for particular markets. This may change as our creative quality and capability increases, but in the meantime, it's up to us to ensure consistent creative output from our brand - which includes the work we do with agencies. We can be just as much help to marketers consulting that way."

"There's definitely room for improvement when we collaborate with external agencies. Now that we have a seasoned, global CD things are definitely heading in the right direction. Creating a collaborative and strong relationship between both external and in-house agencies is key."

"The way to get the best for the business/consumer is to work in partnerships and share strengths, so it's always best to be collaborative. Plus, you're more likely to learn from external agencies that way and bring the best bits in."
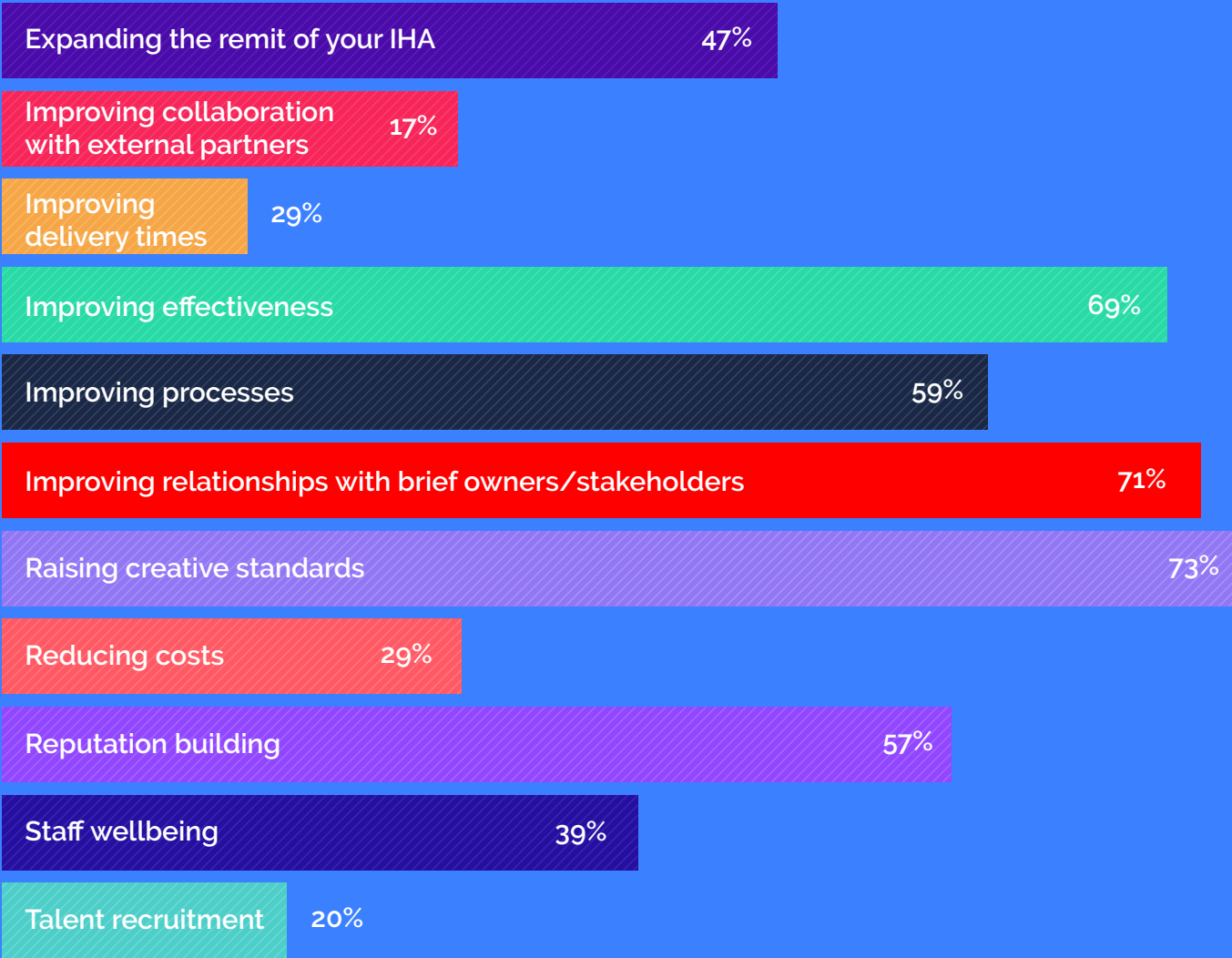
"For 80% of the work that heads to external agencies we could produce better, quicker and more on-brand work. For the final 20% they are essential to pull the creative execution to a bigger and better thing than we're currently capable of."

"They make great partners but they will jump on any other work they can get their hands on and can be quite sly about doing so. I find myself constantly policing the use of agencies that find their way in through the back door."

Priorities & Challenges

In the final section of the survey, we asked IHAs to tell us about their priorities and challenges, and to examine their relationship with Marketing colleagues.
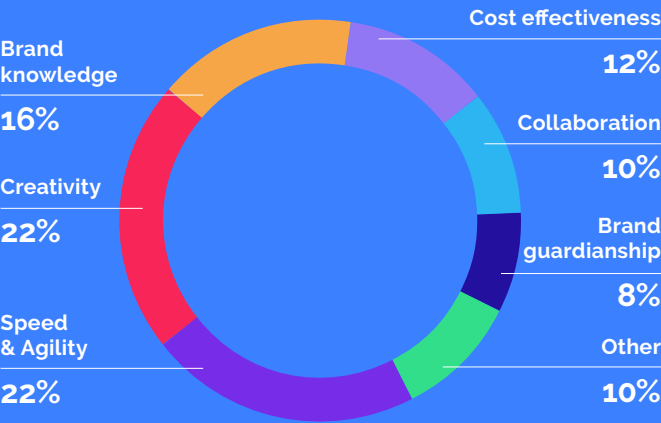
What are your main priorities for the next 12 months?

Expanding the remit of your IHA	47%
Improving collaboration with external partners	17%
Improving delivery times	29%
Improving effectiveness	69%
Improving processes	59%
Improving relationships with brief owners/stakeholders	71%
Raising creative standards	73%
Reducing costs	29%
Reputation building	57%
Staff wellbeing	39%
Talent recruitment	20%

The priority cited most often by IHAs is 'raising creative standards' (cited by 73%). This doesn't necessarily mean it is the number one priority for all of that 73%, but is the one chosen more than any other. Next (at 71%) comes 'Improving relationships with brief owners/stakeholders', which is absolutely key to a successful IHA. Then 'improving effectiveness' (69%) which is always a very important KPI for IHAs and something they may be expected to beat external agencies on.
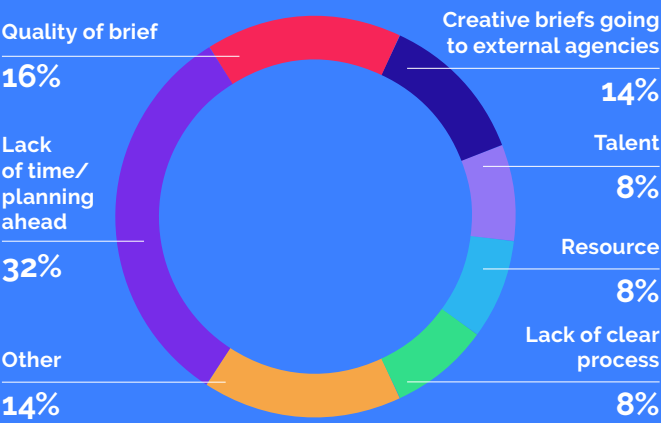
Also scoring highly are 'improving processes' (cited by 59%) – not a surprise given what we saw in that section – and 'reputation building' (57%), another key challenge identified in many of our conversations with leaders at our events.

Talent recruitment was only cited as a priority by 20%, underlining what IHAs told us previously about being confident in their ability to attract talent into the agency. Reducing costs, often expected of IHAs, was only cited as a priority by 29%.

What do you think the business values most about your IHA?

- Cost effectiveness **12%**
- Collaboration **10%**
- Brand guardianship **8%**
- Other **10%**
- Speed & Agility **22%**
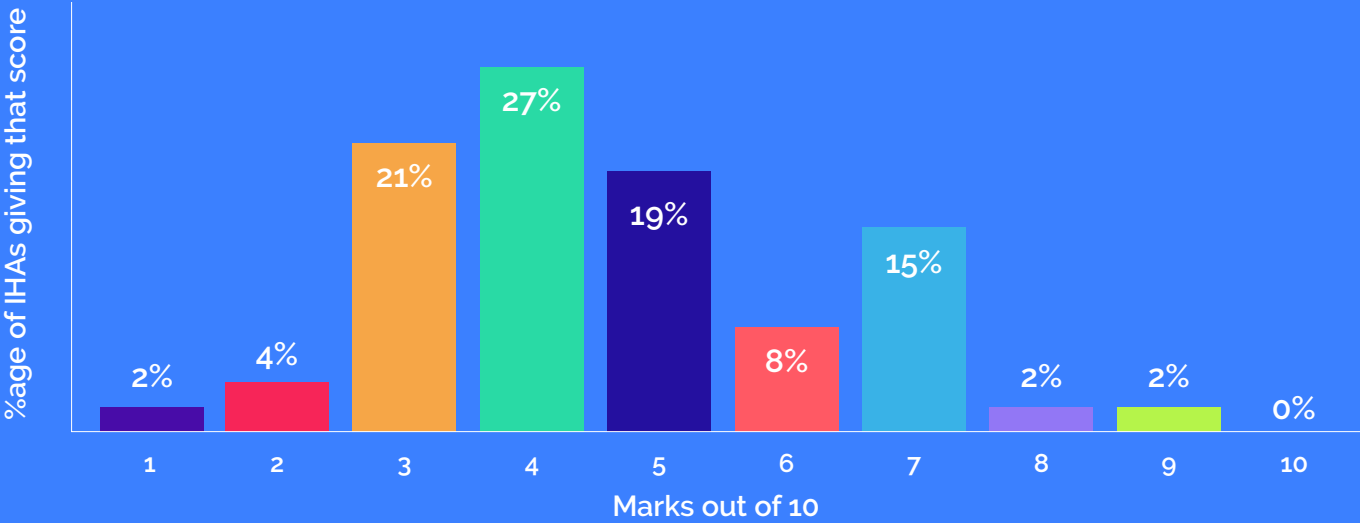- Creativity **22%**
- Brand knowledge **16%**

IHAs want to be valued for their creativity above everything else, but how does the business see their value? We asked 'What do you think the business values most about your IHA?' Although Creativity was the joint top answer, alongside that was Speed and Agility. Brand Knowledge and Cost Effectiveness were also significant scorers.

If creative excellence is the goal, what is the biggest barrier to achieving it? 'Lack of time/planning ahead' was the clear favourite here with 32% choosing it as the most important. 'Quality of brief' was the second most commonly-cited reason (16%), then 'Creative briefs going to external agencies' (14%).

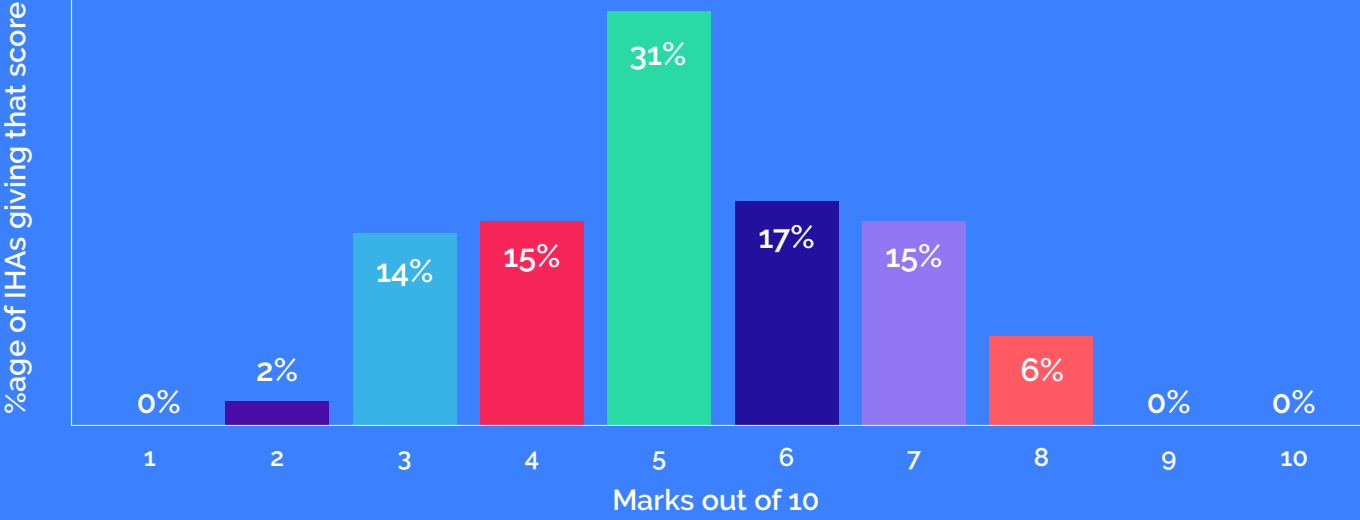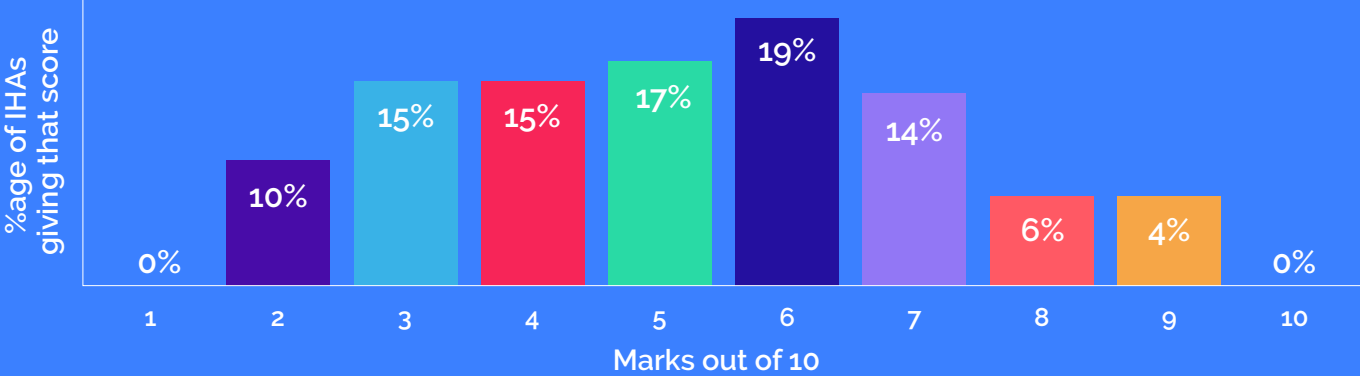## What is the biggest barrier to your IHA producing better creative?

- Quality of brief **16%**
- Creative briefs going to external agencies **14%**
- Talent **8%**
- Resource **8%**
- Lack of clear process **8%**
- Other **14%**
- Lack of time/planning ahead **32%**

How would you rate your clients/brief-owners on the quality of briefs they submit?

%age of IHAs giving that score

- 1: 2%
- 2: 4%
- 3: 21%
- 4: 27%
- 5: 19%
- 6: 8%
- 7: 15%
- 8: 2%
- 9: 2%
- 10: 0%

Marks out of 10

How would you rate your clients on the quality of feedback they provide on creative?

%age of IHAs giving that score

- 1: 0%
- 2: 2%
- 3: 14%
- 4: 15%
- 5: 31%
- 6: 17%
- 7: 15%
- 8: 6%
- 9: 0%
- 10: 0%

Marks out of 10

How would you rate your clients on their understanding of the creative process and their role in it?

%age of IHAs giving that score

- 1: 0%
- 2: 10%
- 3: 15%
- 4: 15%
- 5: 17%
- 6: 19%
- 7: 14%
- 8: 6%
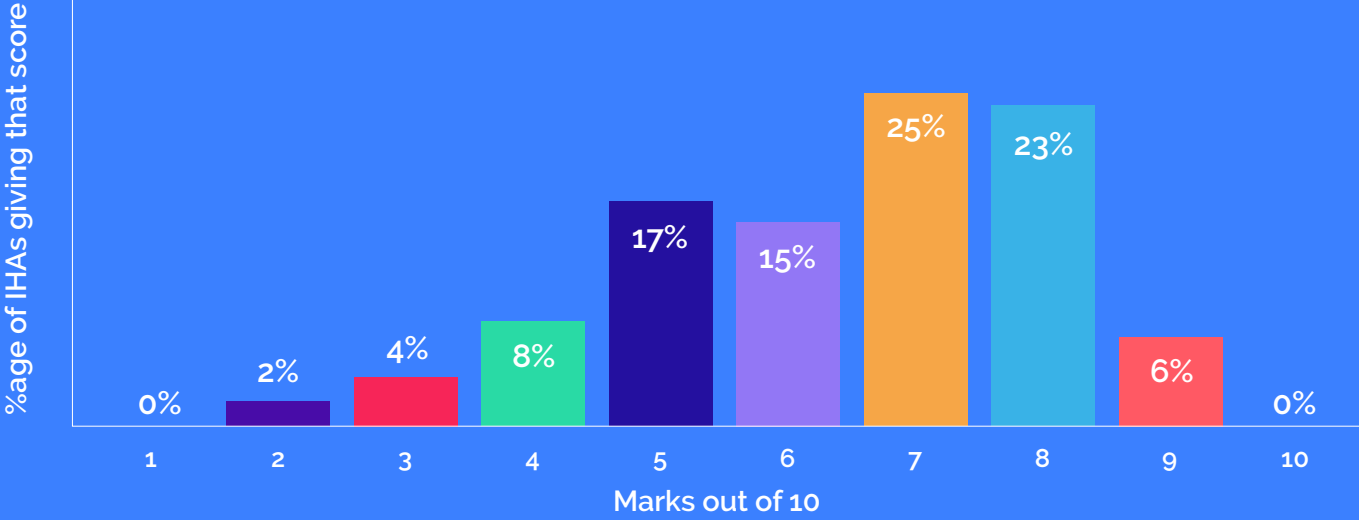- 9: 4%
- 10: 0%

Marks out of 10

Briefing is definitely a problem. Asked to rate the quality of briefs they receive, 54% of respondents scored their Marketing colleagues 4/10 or lower. Just 19% gave a score of 7/10 or higher. Quality of feedback is also an issue with over 62% scoring their Marketing colleagues a 5/10 or lower and just 21% giving them 7/10 or higher. Marketers are also given a low score for their understanding of the creative process, with only 24% getting 7/10 or higher.

How would you rate your clients on their communication with you and your team?

%age of IHAs giving that score

- 1: 0%
- 2: 0%
- 3: 2%
- 4: 10%
- 5: 15%
- 6: 23%
- 7: 21%
- 8: 21%
- 9: 8%
- 10: 0%

Marks out of 10
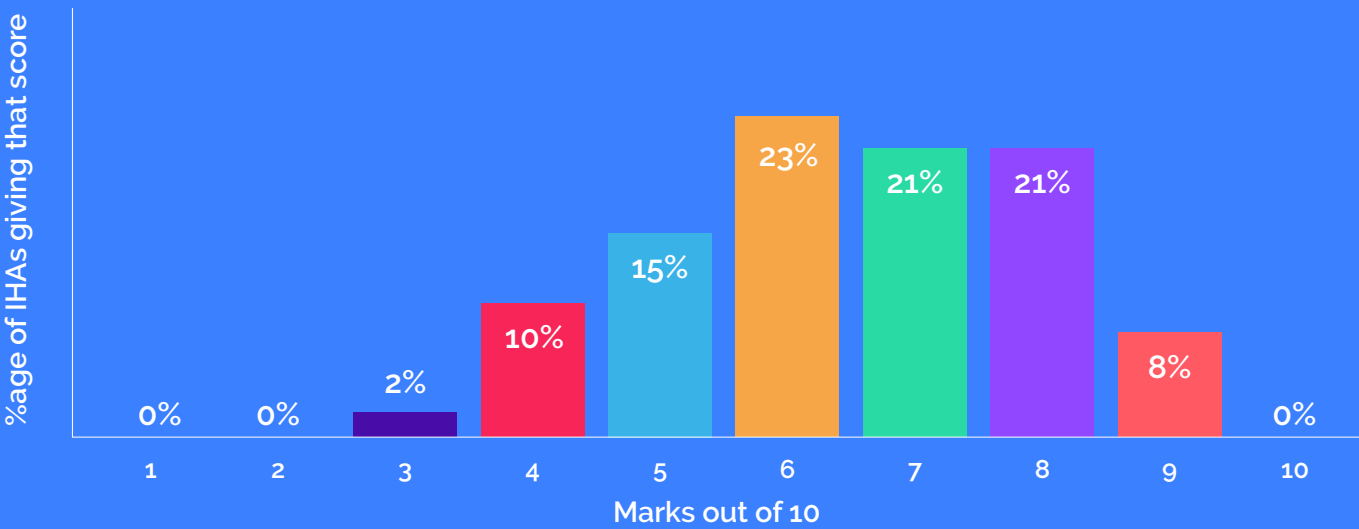
How would you rate your client on their collaboration with you and your team?

%age of IHAs giving that score

- 1: 0%
- 2: 2%
- 3: 4%
- 4: 8%
- 5: 17%
- 6: 15%
- 7: 25%
- 8: 23%
- 9: 6%
- 10: 0%

Marks out of 10

But marketers do score better when it comes to communication and collaboration. 50% get 7/10 or better for communication and 54% the same score for collaboration.

What would you like from clients in order to improve work and/or efficiency?

"Strong briefs, born from real insights. Expertise in channel strategy and clarity of the end-use. Decisive and confident decision-making required from the brief through to pre-production. And less of a design by committee approach!"

"An understanding of what creatives need to get the best out of them."

"More bravery. More rigour. More understanding of craft and process."

"You can't dream big and create standout work with a conservative mindset."

"Better briefs, better feedback and better understanding of the creative process. But I think we, in our transition from studio to agency, need to educate marketers better. And we need to make space for it."

"Some advance thinking about the 'what, why, who' and how to feed into the briefs up-front, taking things up a step, moving out of instructions and into questions."

"A better understanding of the creative process. Scamp stages in particular are tricky – some marketers have little or no ability to visualise the final output. Our briefs are also very prescriptive when in fact they want us to push the boundaries. It's taken a while but we can see through this for most of the clients now."

If you had a magic wand, what one thing would you change to make your IHA better?

"Better understanding and a clear direction from above to move into that lead agency space over the coming months/years. For those people to understand that spending more internally on expanding the team will ultimately lead to greater external savings... and then more team members to truly reflect an agency set-up."

"Get the In-House Agency right into the heart of Marketing. Get rid of the many marketing layers and old practices. Work closely with the key stakeholders to define the brief directly."

*"To be considered in the company as bringing as much value as the brand teams."*

"A seat at the top table."

"A senior creative to help push barriers and drive ambition."

"I would change our cost model, so that our people were funded centrally. At the moment we have a 'net-zero overhead' model, which means we have to recover the full cost of running our global department, through service charges."

Marketing and the IHA: building a better relationship
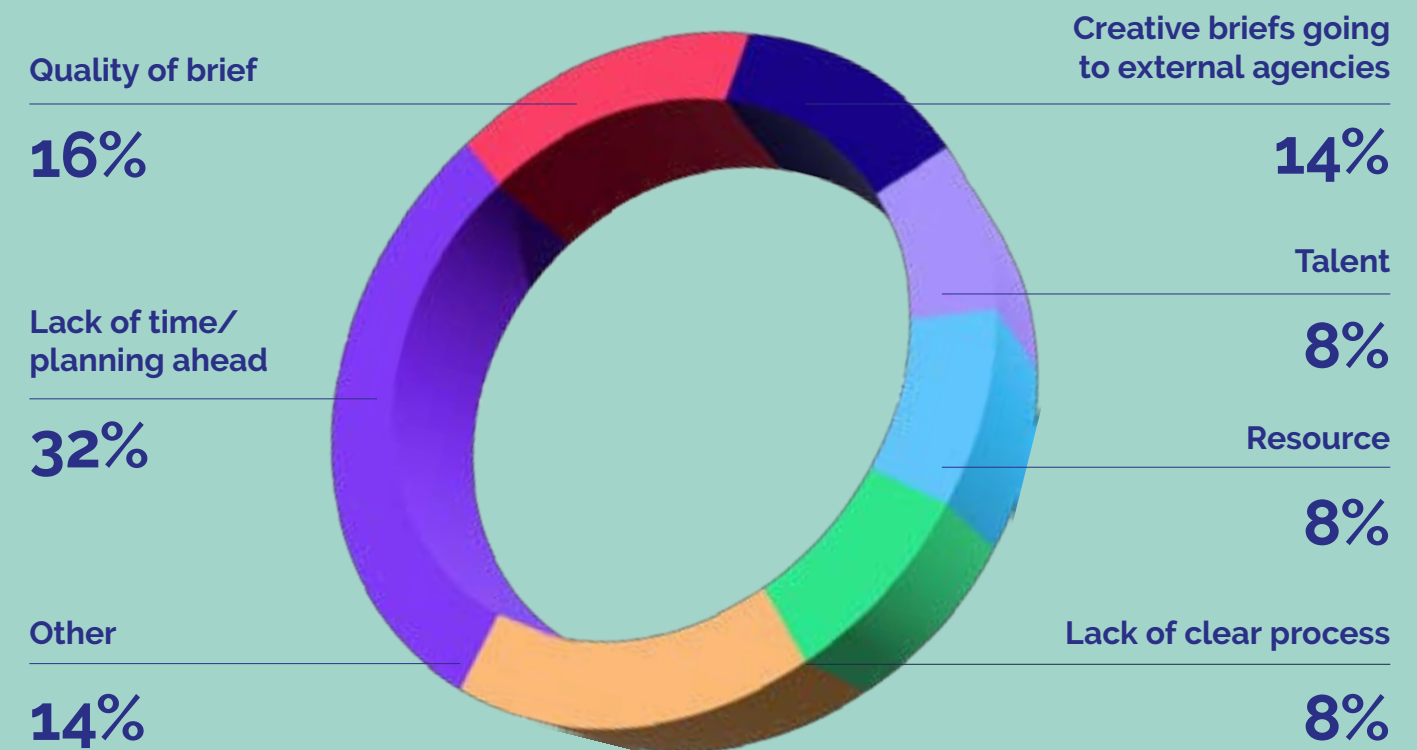
By Jo Rolfe,
Senior Consultant, WDC
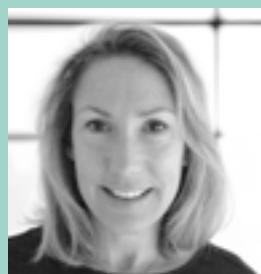
Jo Rolfe

Much of the previous research into the in-house sector in the UK and EMEA has concentrated on the marketer's point of view. In this report, we finally hear from the other side. So what are IHAs saying they need from their colleagues in Marketing?

With the majority of IHAs reporting in to Marketing, getting that relationship right is key to present and future success. From the survey results, we can see that IHA leaders are ambitious to do better creative work: it's their top priority. But the relationship with Marketing colleagues is throwing up some significant barriers to achieving that ambition.

What is the biggest barrier to your IHA producing better creative?

Quality of brief
16%

Creative briefs going to external agencies
14%

Talent
8%

Lack of time/ planning ahead
32%

Resource
8%

Other
14%

Lack of clear process
8%

A 'lack of time/planning ahead', and 'quality of brief' were cited by IHAs as the biggest barriers to better work. Overcoming both will require a better relationship with marketers. In fact the poor quality of 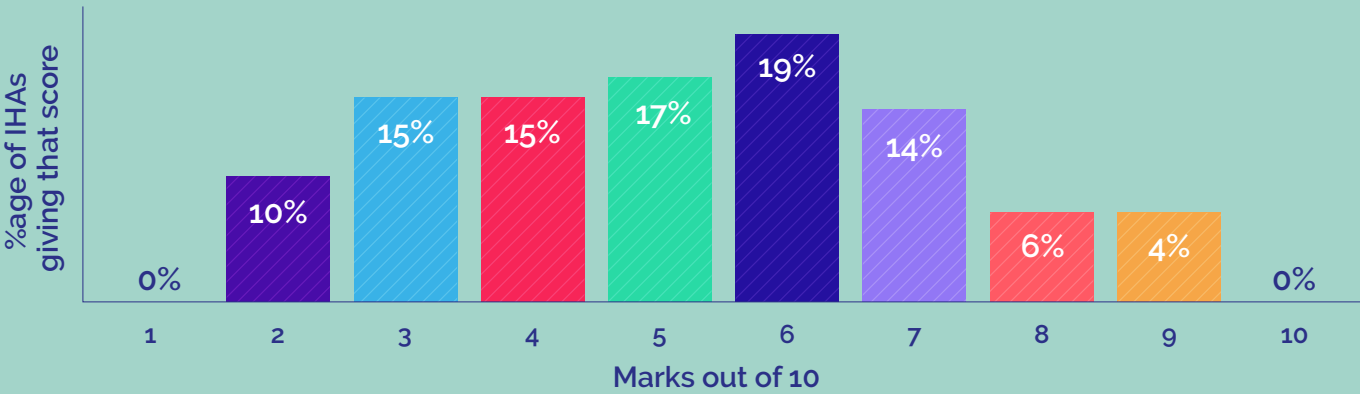briefs is reinforced as a problem elsewhere in the survey, with 54% of IHA Leaders scoring brief quality at 4/10 or less. This data supports a recurring theme in our IHALC sessions – of IHAs feeling like the 'poor relation' compared to external creative agencies.

How would you rate your clients/brief owners on the quality of briefs they submit?

%age of IHAs giving that score

1	2	3	4	5	6	7	8	9	10
2%	4%	21%	27%	19%	8%	15%	2%	2%	0%

Marks out of 10
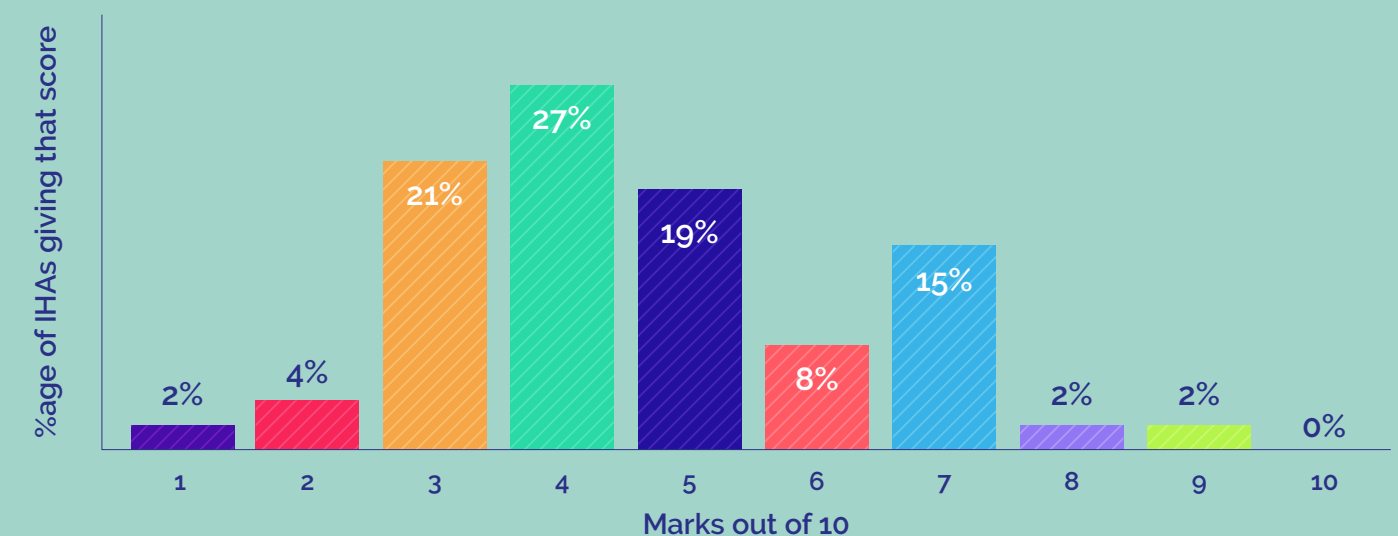
It's possible that the current perceived value of in-house agencies is impacting the time and effort that is invested in briefing them. Marketing teams must consider whether they give their IHAs the same respect as they give their external agencies in terms of inputs and time. However, we should also note the recent research from Better Briefs which highlights poor quality briefing as a problem for external agencies too – it's not just IHAs that are suffering!

Marketers also score poorly in terms of their understanding of the creative process - some 40% of IHAs gave their Marketing colleagues a score of 4/10 or less for this in our survey. Education around the creative development process is essential for creating better work. All employees need to be clear on what the vital ingredients are and the role they personally play in the process.

So how can a successful partnership between IHAs and marketers be accomplished? In our experience you need to approach building this partnership with real intent.

How would you rate your clients on their understanding of the creative process and their role in it?

In essence, the partnership between marketers and their creative agency is no different from a partnership between two people. It is built on a foundation of trust, where both parties have clear expectations, and it is kept alive by effective communication. An agency relationship – whether in-house or external – requires nurturing just like any other human relationship.

But there are key differences between an external agenc-Marketing team relationship versus an in-house agency-Marketing team relationship; which means the latter has to face up to some unique challenges.

As business colleagues, the relationship can get too relaxed, indeed practically horizontal. The lack of planning and being briefed late are both pain points that evidence this and feature strongly in the survey. Arguably, a degree of 'separation' – a healthy characteristic of the third party supplier relationship – actually drives better behaviour.

Then there is the issue of briefs. The client 'marketing' brief and the 'creative' brief are not the same thing. The 'marketing' brief looks at the problem from the business perspective, whereas the 'creative' brief looks at it from the consumer perspective. A big problem we see time and time again (and which also comes through loud and clear in the survey) is the lack of audience insight in the briefs. In external agencies, the role of the planner is well-established.

However, in-house, less than a third said they had strategy expertise, something that external agencies have proven over the years to be essential for creative effectiveness.

So how can Marketing teams get the best out of their IHA?

1. Treat them like an equal

One of the key themes from the responses to the survey question 'If you had a magic wand, what one thing would you change to make your IHA better?' was wanting a more equal relationship. "To be considered in the company as bringing as much value as the Brand Team". The best IHAs are strategic partners to the business, not service departments there to be handed tasks to complete.

2. Define shared goals, build a phased plan to accomplish them equally

When Marketing works with an external agency, that agency will have a contract and a clear remit. Too often, IHAs operate on an 'all-you-can-eat' basis, with no means of charging for their time with a very woolly remit.

What is the IHA there to do, and what are the creative outputs? It's vital to have a clear, shared creative ambition for the work aligned with measurable goals. Don't confuse marketing objectives with creative ambition, be aligned on the type of work you want to produce, as well as the effects you want to see.

3. Establish strong communication patterns

All successful partnerships are open and honest. Marketers should discuss their preference for the frequency and content of agency updates. And IHAs should outline their expectations for joined-up, longer-range planning and communicating deadlines. Investment in account management can help.

Take the time to brief IHAs properly and invest in planners. If marketers are getting clearer, sharper responses from external agencies it may be because those agencies are working to more insightful briefs. Agency planners turn a marketing brief into creative brief, whereas in IHAs, a marketing brief often goes straight into creative. Planners will help you get to better, more effective work.

Controversial opinion and debate should be respected during creative discussions. Giving feedback on creative ideas is a skill: learn how to do it, how to express it.

Marketers should expect to be challenged by their IHA partners. You wouldn't expect your external creative agency to be passive or complacent so why would you expect your IHA to act like this?

4. Take advantage of being close to the business

IHAs have the fundamental advantage of proximity to marketing teams. As one IHA Leader urged in the survey responses, "Get the in-house agency right into the heart of Marketing".

The best IHAs work together with Marketing to support one another. This ensures that the creative thinkers in the IHA can add real value where it is most needed; spotting opportunities for pro-active problem-solving. It's helpful to view agency partnerships through the lens of the human connections we all personally engage with daily.

If Marketing and IHA teams consider the above steps, they will be able to establish a strong foundation for a successful and lasting partnership, delivering great business results.

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