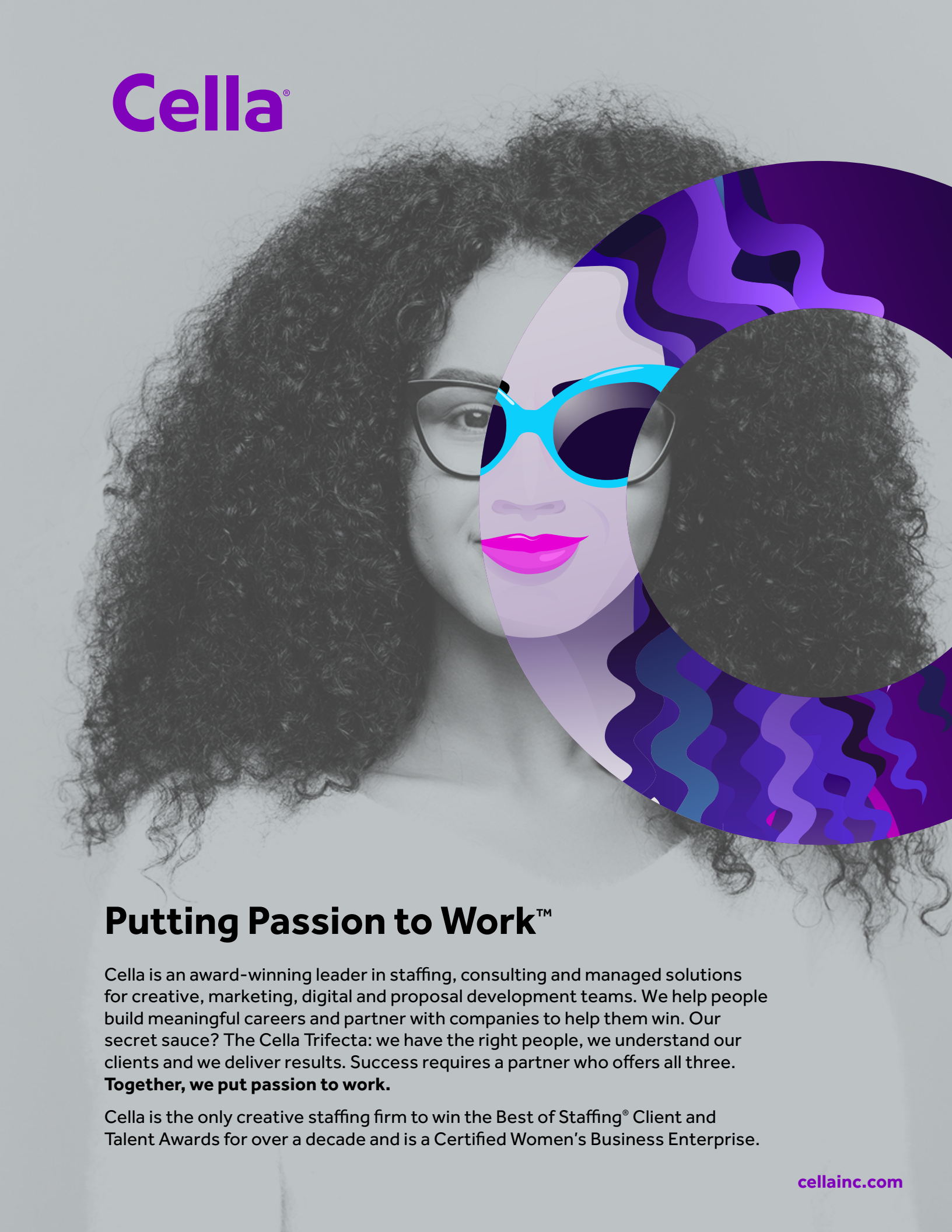
Cella®

2021

In-House Creative Industry Report

THE YEAR OF THE ADAPTABLE IN-HOUSE TEAM

Cella®



Putting Passion to Work™

Cella is an award-winning leader in staffing, consulting and managed solutions for creative, marketing, digital and proposal development teams. We help people build meaningful careers and partner with companies to help them win. Our secret sauce? The Cella Trifecta: we have the right people, we understand our clients and we deliver results. Success requires a partner who offers all three. **Together, we put passion to work.**

Cella is the only creative staffing firm to win the Best of Staffing® Client and Talent Awards for over a decade and is a Certified Women's Business Enterprise.

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Highlights from Cella's 2021 In-House Creative Industry Report.

The Adaptable In-House Agency

Fluid. Resilient. Ready.

FROM A SUDDEN PIVOT . . . TO ONGOING SUCCESS

Remote keeps on working.

80% still **work remotely** all of the time

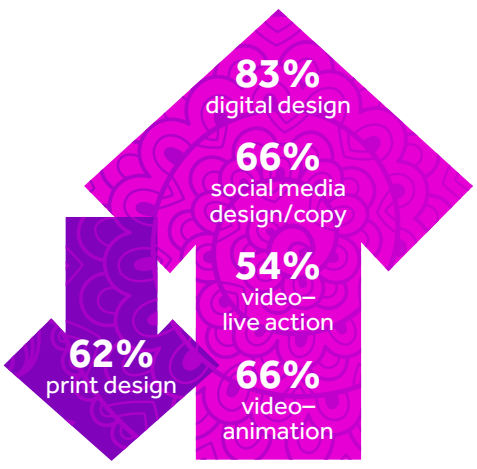
91% say **productivity** has **increased or remains unchanged**

*2/3 of leaders **expressed remote work concerns** about:*

- *maintaining and/or building **culture***
- *creating **strong relationships** with colleagues*

Digital dominates.

Changes in work during 2020:



*COVID-19 **fast-tracked a digital transition** that has been long in the making.*

Technology remains flat, but change is ahead.

64% are using a **digital asset management** system

> 80% utilize **project management software**, with **40%** selecting **Workfront**

*Companies are gathering requirements and exploring options for **potentially moving to advanced or new technology in 2022**–to better support remote workers.*

IHAs reacted quickly to adapt to the remote work and digital explosions, delivering excellence daily. Now they must step back and evaluate the talent, skill sets and technologies required to succeed moving forward.

LOOKING AHEAD AND BLURRING THE BOUNDARIES

Integration with marketing.

5-yr TREND

15% increase in teams **reporting to Marketing and Communications** groups

45% of IHA heads **meet with CMO** weekly

! *However, **22%** indicate **no relationship with CMO***

*IHA leaders should set a goal to **strengthen their relationship with the CMO** (or similar) over the **next 6 to 18 months.***

Significant investment in teams.

5-yr TREND

7% to 27% growth in **large** and **mega teams**

59% have **dedicated operations roles**

1 in 4 teams now includes **more than 30 people**

IHA leaders need to build strong relations with senior Marketing executives. Where today it's easy to draw a circle around the IHA in most organizations, that line will blur moving forward.

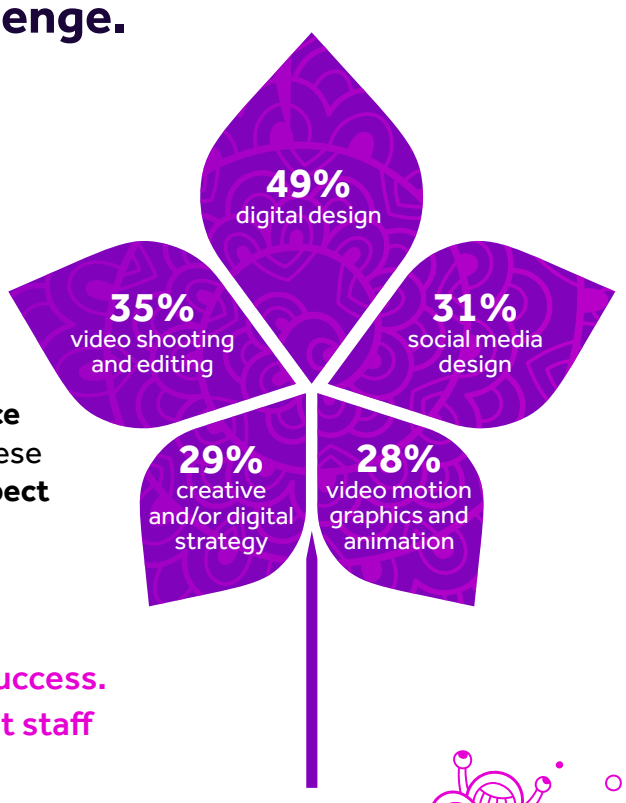
Resourcing remains the top challenge.

96% expect their teams to **grow or remain the same size in 2021**

90% plan to utilize **contractors/freelancers** to support their growing body of work

New technologies will help scale headcount and increase throughput as companies continue to execute their digital-first and growth marketing strategies

Talent demand is predicted to **outpace available supply** in these areas **where IHAs expect significant growth**



Putting the right talent in the right roles is absolutely vital for ongoing success. Find and retain those superstars who can lead the growth of your current staff and business.

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

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About the Report

Welcome to the Cella 2021 In-House Creative Industry Report, our 11th year in publication. This widely read report benchmarks the in-house creative community and provides insights that leaders can use to guide the path of their departments/agencies. Benchmarking will help identify gaps in an organization and generate potential solutions, but personal, innovative thinking and institutional knowledge should not be eliminated from the process.

The In-House Creative Industry Report was first published in 2011 and has evolved each year to stay current with trends in the industry that impact creative teams.

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.

Survey Respondents

Nearly 400 leaders from creative teams and in-house agencies responded to our survey conducted in January 2021. These leaders represent Fortune 500 companies, as well as middle-market and not-for-profit organizations spanning multiple industries including, but not limited to, banking/financial services, consumer products, education, health care, manufacturing, technology and software. More information about the demographics of our survey respondents is available in the Appendix.

Perspectives From The Field

Included in this report are four Perspectives From The Field articles, written by in-house creative leaders, on shared challenges and goals across the industry.* This year our stories cover expanding and rebranding an in-house creative group; successfully merging different disciplines, roles, processes and teams; elevating the IHA to AOR caliber; and a realistic look at project durations.

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* The opinions expressed in these articles are those of the writers and do not necessarily reflect the views of Cella, Inc.

Executive Summary

We are pleased to present this year's In-House Creative Industry Report, the result of our benchmarking survey that has become the standard for our industry. The 2021 edition, our 11th annual, documents the notable achievements of creative teams who turned on a dime last year and kept the excellence flowing. The report also updates other topics that can shed light on future developments.

Most companies doubled down on investing in their in-house agencies, as the teams' adaptable support was needed for creating COVID-19 responses and executing reformulated marketing plans. Digital demands surged forcefully, while the volume of print design showed a major decrease. One-third of the creative organizations also experienced contraction, but not a great deal more than usual—and resourcing remained teams' top challenge.

Through it all, the strong versatility of in-house agencies proved resilient. Quality, timeliness, cost, innovation and flexibility all called hard on their value proposition, yet they succeeded admirably. We believe you will benefit from the insights they've shared.

Flowing with the times

80% still work remotely

29% note **remote work** had a **positive effect on productivity**

24% report **remote work** had a **positive effect on quality**

COVID-19 substantially changed the way everyone does their job. The ease with which in-house agencies adapt—to where they work, what they create, how they create—has provided a firm foundation on which to build real accomplishments. The stage is set for continuing improvement in excellence and efficiency whether in a remote location, office or hybrid environment.

Resourcing remains challenging

69% experienced **increase in teams' work volumes**

42% aren't adequately staffed with FTE and contingent talent to meet demands

In terms of staffing up to ensure that 2021 deliverables are executed at peak performance, 41% plan to increase their current FTE headcount, with 37% reporting they will expand via the addition of both contractors and employees. Considering the skyrocketing volume of digital projects, and the fact that availability of digital creatives is becoming more scarce, is it any wonder resourcing remains IHAs' #1 issue overall?

5-year trends—spotlight on teams

Large and mega teams **grew from 7% to 27%**

25% of teams now include **more than 30 people**

15% increase in teams reporting to Marketing/Communications

Company investments in IHAs grew significantly, and so did their team size. We are also seeing a trending growth in the number of IHA teams reporting into Marketing Communications groups. Whereas today it's easy to draw a circle around the IHA in most companies, that line will blur moving forward.

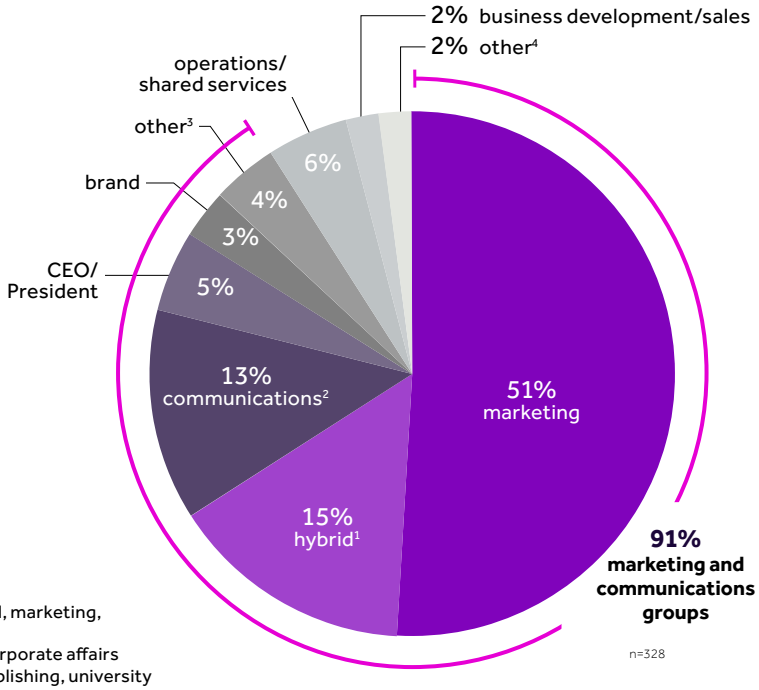
Looking ahead . . .

What steps are you taking to find qualified talent, and retain/up-skill existing talent to meet the needs of clients and the digital explosion? Are you evaluating and deploying the technologies that will help you in scaling headcount moving forward? How is your IHA addressing the need to forge stronger relations with senior marketing executives?

Read on to glean cues you can take from peers and colleagues who are navigating the same issues. Opportunities are coming. Be ready to bring it in 2021!

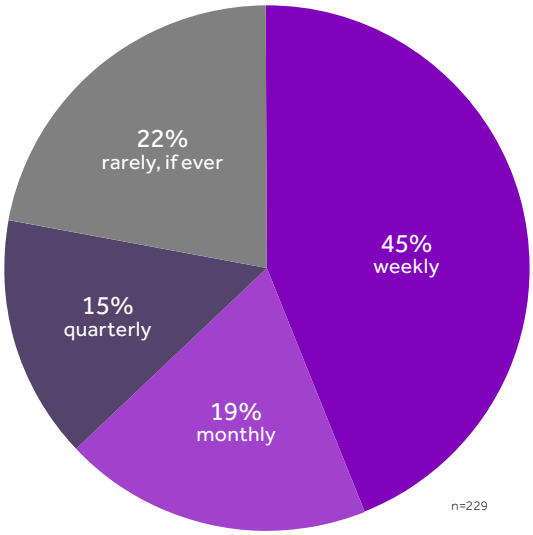
Organization & Resourcing

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

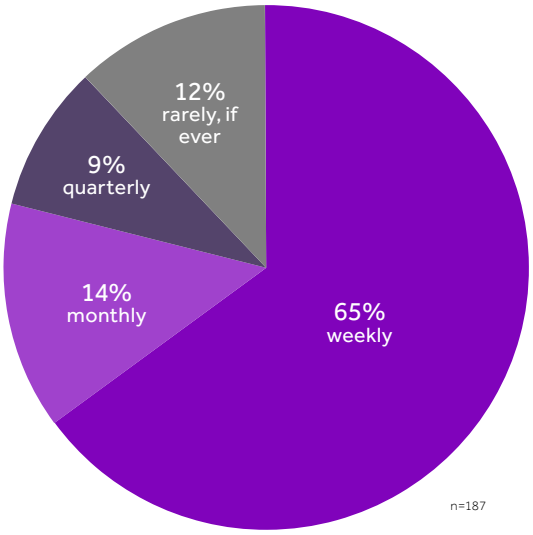


[1] Two or more of advertising, brand, marketing, communications and/or sales
[2] Also includes public affairs and corporate affairs
[3] Includes chief creative officer, publishing, university relations, e-commerce, advertising and others
[4] Includes human resources, manufacturing, information technology, finance and others

Q: How often do you meet either 1-on-1 or in a group setting with the CMO/Head of Marketing?



Q: How often do you meet either 1-on-1 or in a group setting with a direct report of the CMO/Head of Marketing?



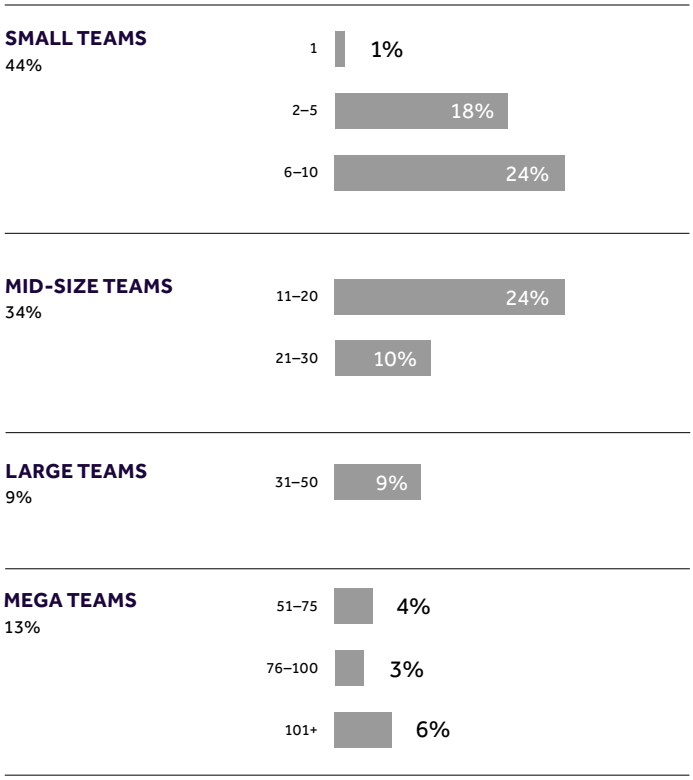
While it is more common for IHA leaders who report outside of marketing groups to not meet with the CMO regularly, being within marketing does not guarantee IHA leaders access to the CMO, either. Gaining direct access to the CMO needs to be a priority for IHA leaders who are looking to expand their team's value proposition.

18% of survey respondents are direct reports of the CMO/Head of Marketing.

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Q: How large is your in-house agency? (combined FTEs and contingent workers)

2020



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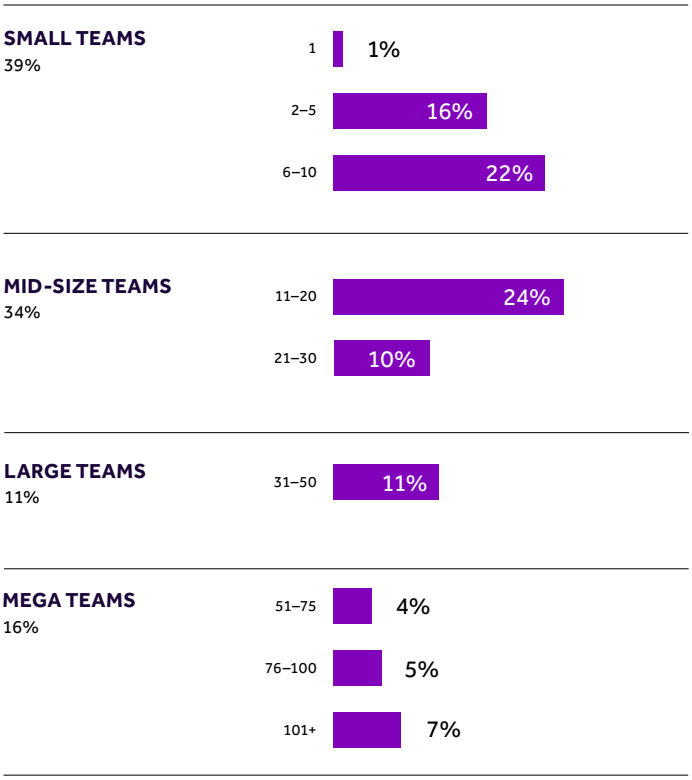
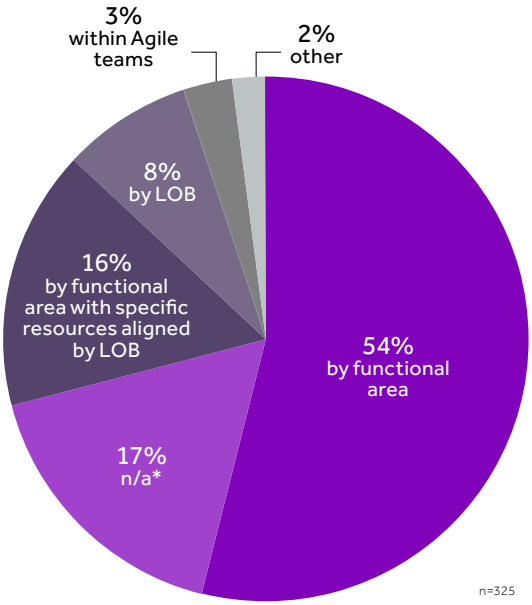
2021



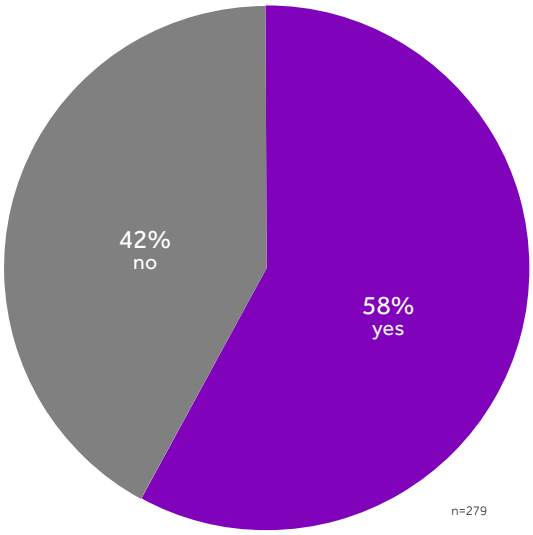
n=281

Q: How is your team organized?



n=325

Q: For the most part, is your team adequately staffed to meet client demand, considering both full-time and contingent staff?

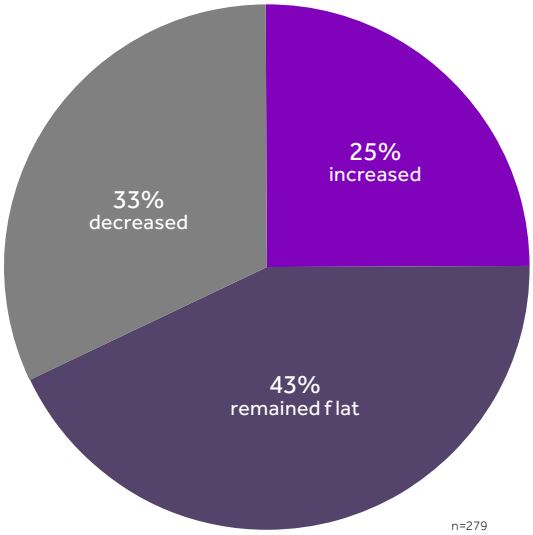


n=279

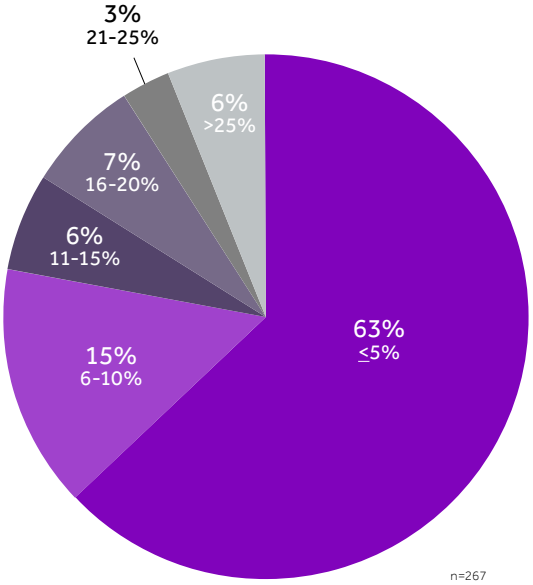
* We're a small team with minimal structure/a relatively flat structure

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

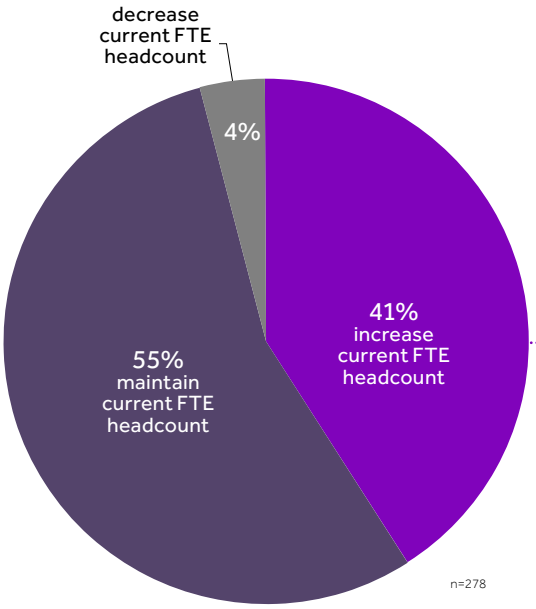
Q: How did your total team size change between Dec. 2019 and Dec. 2020? (regardless of whether the team member is an employee of your company or contingent staff)



Q: What was your 2020 attrition rate?



Q: What are your hiring plans for 2021?



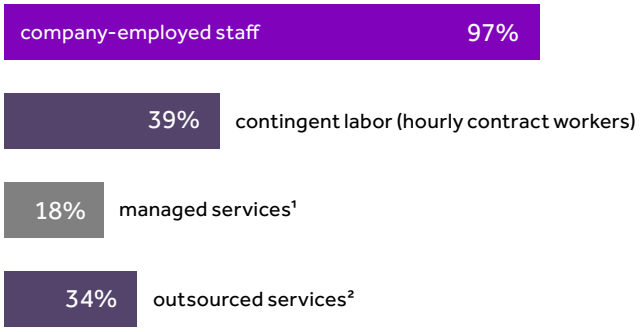
For the IHAs planning to add headcount:

35% will add headcount via employees.

48% will add headcount via contractors.

37% will add headcount via both employees and contractors.

Q: Which best describes your in-house agency's resource mix? (select all that apply)



n=326

¹ Includes specific scopes of work and/or teams managed by an embedded third-party partner

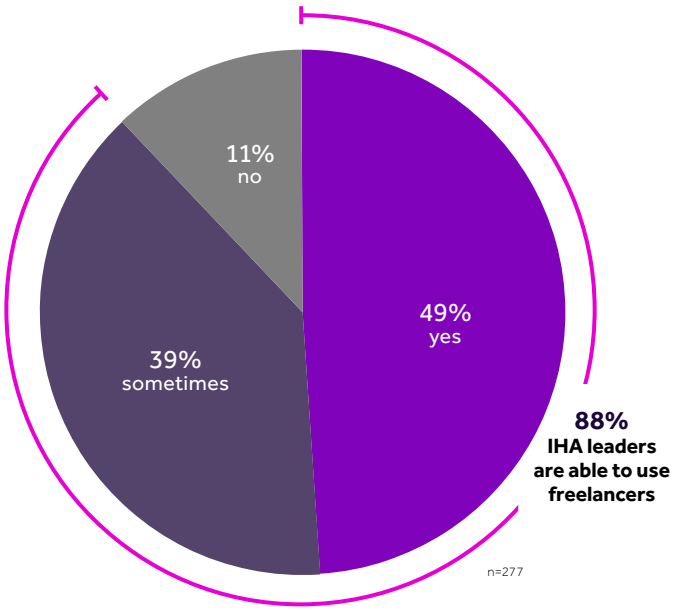
² Includes off-site outsourcing partners who deliver a specific scope of work; does not include strategic agencies

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

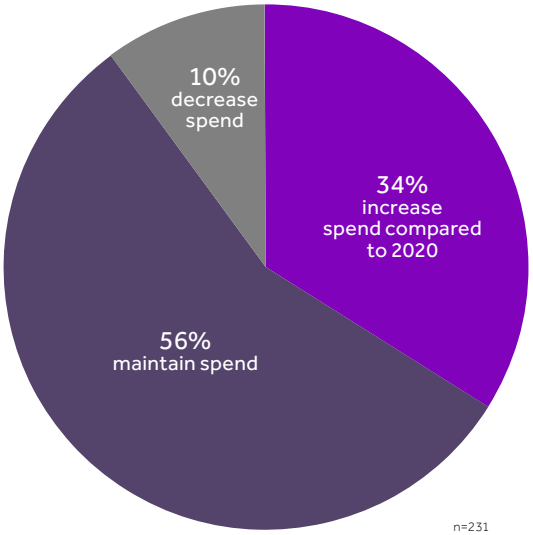
Q: What is your perception of the available talent in the marketplace right now?

Role	There's an abundance of highly qualified talent	There's enough qualified talent to choose from	There's limited qualified talent	Having trouble identifying qualified talent	n=
Graphic Designers	17%	62%	16%	5%	215
Digital Designers	13%	56%	24%	7%	189
UX Designers	13%	46%	31%	11%	142
Art Directors	11%	54%	29%	6%	160
Copywriters	11%	46%	30%	14%	183
Proofreaders	13%	53%	26%	9%	141
Project Managers	16%	53%	22%	10%	167
Digital Project Managers	13%	52%	24%	11%	143
Account Managers	14%	62%	19%	5%	134
Video Producers	8%	53%	32%	8%	158
Motion Designers	10%	40%	36%	14%	153
Data Analysts	9%	43%	26%	23%	105

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



Q: If you plan on utilizing contingent staff (e.g., freelancers and contractors), what are your spending plans for 2021?

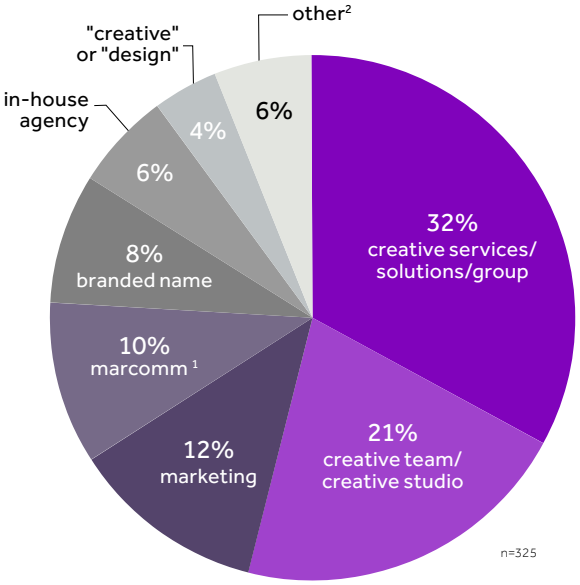


Only 1 in 3 in-house agencies is required to turn over contractors after specific lengths of service (i.e., are restricted by term limits).

15% of IHA leaders anticipate zero spend on contingent staff in 2021.

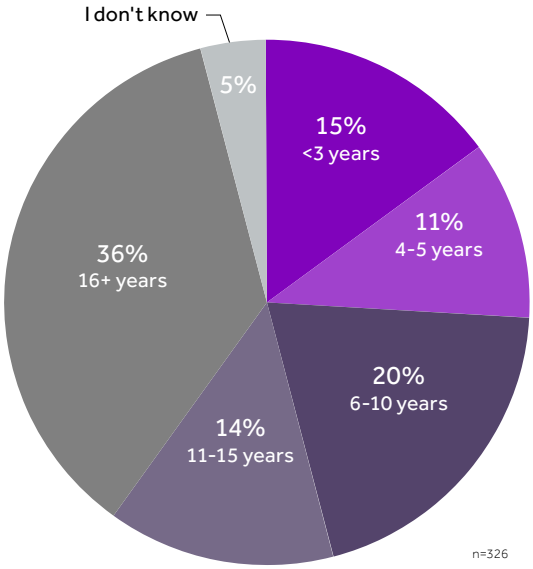
NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Q: How is your creative organization referred to internally?

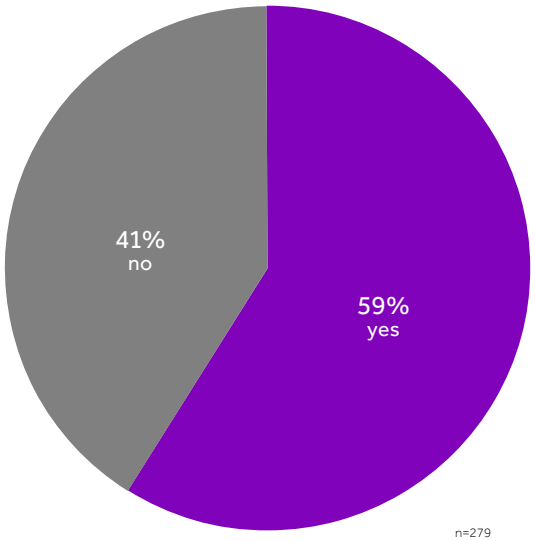


[1] Marketing communications
[2] Includes communications, content studio, user experience, center of excellence and others

Q: How long has your team been in existence?



Q: Does your in-house agency have a dedicated operations role*?



* Someone dedicated to focusing on the agency's processes, systems and technology, vendor management and/or financial management and reporting

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

PERSPECTIVES
FROM THE FIELD

Meren Tabora is the Brand and Creative Leader at Owens Corning. As a designer and brand advocate, she possesses more than 25 years of experience on the client and agency sides of marketing and corporate affairs. During her tenure at Owens Corning, Meren has elevated the prominence of the company's brand through a refreshed brand strategy/identity, and by leading the formation of an in-house creative group serving the global enterprise.

Asking the Right Questions

Meren Tabora, Corporate Affairs, Brand and Creative Leader

I am a problem-solving designer at heart, fueled by a hunger to identify and deliver the most effective solutions to the tasks at hand. This mindset was ingrained in me from the beginning of my professional journey at the Happy Valley studios of Penn State—where graphic design was driven by conceptual purpose and choices were based on reasons. Over the course of my career, this solution-based approach has remained my guide. From designing logos and writing marketing plans to my role today in leading brand and a team of creatives for a Fortune 500 company, asking the right questions and relentlessly seeking to solve a problem have consistently steered me to successful outcomes.

For more than 80 years, Owens Corning has leveraged its legacy as a pioneer in glass science. Always leaning forward through innovation and ingenuity, the company has evolved into a growth-minded, global leader in its chosen markets. Owens Corning is no longer the company some associated solely with the pink attic insulation it made famous decades ago. In keeping with this reality, we determined that a brand refresh was necessary. So, in 2017, we set out to craft an enterprise brand strategy and refreshed brand identity to accomplish just that.

In parallel with co-leading this project, I began to also examine our creative team to assess whether we had the right resources to support this effort. The questions to solve were varied. Did we have a team equipped to support the growth of the company and a refreshed brand? Did we have the right talent with the right skills in the right roles? Did we have the right model and infrastructure to support them? And did we have the right staffing agency to support us?

Each question provoked the same response: no. We had an in-house Creative Services team, but its structure was outdated. Order in, order out.

Confronting this challenge revealed the opportunity to fundamentally rethink how we handled creative at Owens Corning. Our objective was clear: a creative team with a new vision and purpose, positioned as brand and creative experts rather than order takers. Our charge was to refresh an iconic brand and mold the ideal team to support it, beginning with the proverbial blank sheet of paper. If this sounds like a designer's dream job, it's because it was!

Based on my experiences in working for and with agencies, owning my own business, and being a part of various in-house groups, I had clear thoughts on how a creative team should be structured. Framing the right question and ensuring I had the right priorities to address it would be my North Star in building a new team.

The strategic priorities I landed on were:

- **Elevate the creative function** to provide high-quality, innovative ideas and solutions.
- **Create an operational model that supports the growth of the team** while providing a more efficient process focused on client services and exceptional work.
- **Define the team by the capabilities and talent required to amplify the brand** and elevate the quality of work.
- **Position the group as the Owens Corning Brand and Creative Team** by acting as the employee's best partner in bringing the brand to life to support the growth of Owens Corning.

The next step was choosing the right staffing partner to support these priorities and provide industry expertise. Cella was soon identified as the best fit for us. Starting from scratch, we began recruiting talent to assemble the capabilities needed to structure our team: visual communications, video, digital design and operations. By the fall of 2017, I brought on my first designer and began building a team that would soon be branded as the OC Studio.

The in-house contractor model suited us best with its inherent ability to flex up or down according to volume and project needs. The on-site Core Team focused on our core capabilities. And I developed a separate remote team: the Creative Hub. This team was focused on overflow work and the gradual introduction of new capabilities. The flexibility of building a network of freelancers enabled me to identify and monitor these growing capabilities over time in a cost-effective manner to determine the potential value of bringing them in house. Investing in these relationships also provided these creatives with a clearer understanding of the Owens Corning brand and our team's processes, reducing the number of freelancers we onboarded and trained.

By the fall of 2018, we added capabilities and doubled our in-house core team from three members to six. The new brand strategy was developed in parallel, and throughout 2018 we were able to leverage this brand identity work to position the OC Studio as brand experts and partners in elevating the quality of our work and our reputation.

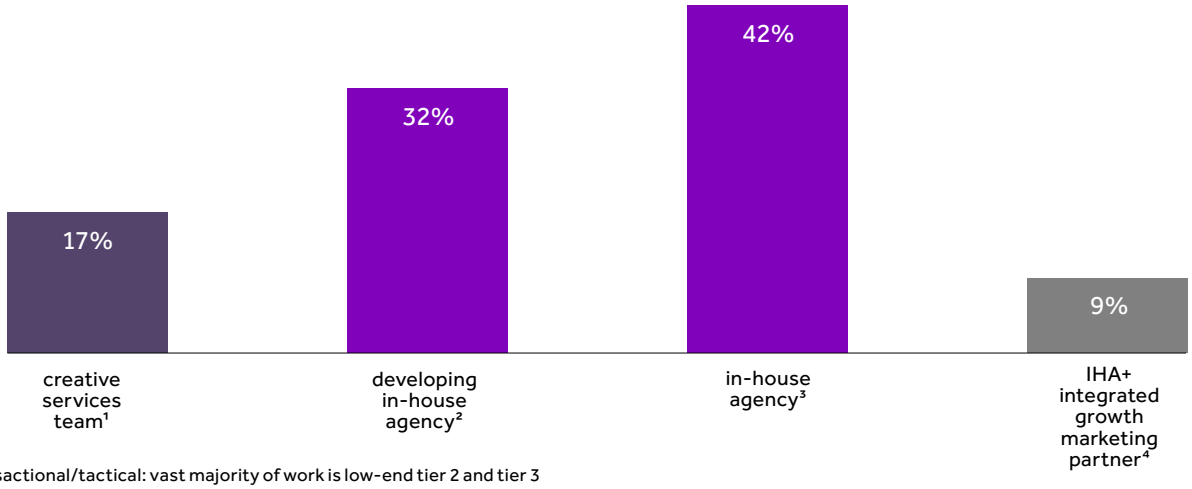
We quickly overcame prior "order-in, order-out" perceptions and were recognized as a new highly skilled, in-house creative group. Not only did the volume of our work grow, but so too did the profile of our projects. Our tier 1 projects eventually surpassed our tier 2 and 3 activities, becoming more visible and recognized throughout the company. Requests increased, and our portfolio broadened. We were delivering on our value proposition and the company was recognizing it. We were viewed as brand experts providing agency-quality work at more reasonable costs.

Now, more than three years later, we have experienced continued growth, expanding our capabilities to include account/project management, writing/proofing, illustration and photography. We have nearly tripled our size, now a great team of 17 creatives. Cella is still our staffing agency and the value they bring has contributed to our success.

Throughout this short period of speedy growth, I have found myself revisiting the questions that informed our initial success. Do we have the right talent with the right skills in the right roles? And do we have the infrastructure and partners to support our goals? Problem-solving never stops. Asking the right questions to ensure I am evolving and solving the right problem is critical to continued growth. And relentlessly pursuing the right answers is the solution to successful outcomes.

Capabilities

Q: Within the below options, objectively where does your in-house agency fall?



[1] Fully transactional/tactical: vast majority of work is low-end tier 2 and tier 3
[2] A healthy mix of all three tiers of work with a growing base of tier 1 projects
[3] Regularly included in planning and tier 1 scope of work; work likely also includes tier 2 and tier 3 projects
[4] Same as footnote 3, plus designated content creation team and strategic digital media channel partners

Q: How many projects did your team work on in 2020?

	SMALL TEAMS ≤ 10	MID-SIZE TEAMS 11–30	LARGE TEAMS 31–50	MEGA TEAMS > 50
< 500	34%	11%	0%	10%
500–999	35%	28%	10%	15%
1000–1999	16%	20%	31%	10%
2000–2999	9%	19%	14%	8%
3000–3999	1%	7%	17%	13%
4000–4999	1%	7%	7%	8%
5000–5999	1%	5%	14%	3%
6000–6999	1%	1%	3%	5%
7000–7999	1%	0%	0%	3%
8000+	1%	1%	3%	28%
	n=95	n=83	n=29	n=40

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Q: For 2020, based on the total number of PROJECTS your team worked on, what percentage were tier 1, 2 and 3 work? (total must equal 100%)

	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Tier 1: creative development	21%	31%	22%	8%	8%	5%	3%	1%	0%	1%
Tier 2: design adaptation	3%	11%	32%	25%	15%	11%	3%	0%	0%	0%
Tier 3: pure production	9%	18%	28%	15%	18%	6%	3%	2%	1%	0%

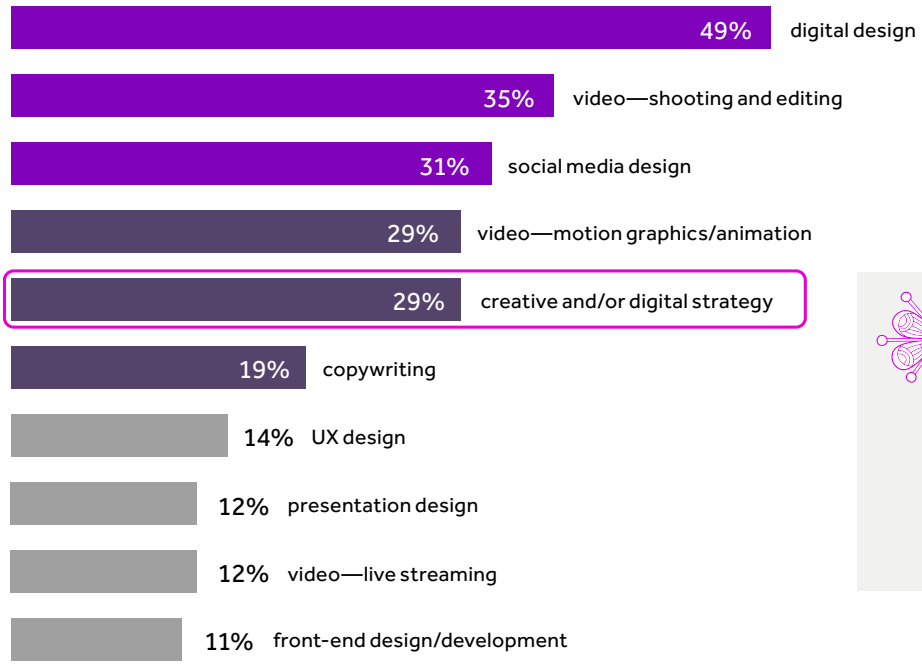
n=240

Q: What percentage of your team's HOURS were spent on tier 1, 2 and 3 work? (total must equal 100%)

	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Tier 1: creative development	13%	23%	24%	15%	13%	8%	3%	1%	0%	1%
Tier 2: design adaptation	5%	17%	31%	20%	15%	6%	6%	0%	0%	0%
Tier 3: pure production	13%	28%	19%	16%	11%	6%	2%	3%	2%	0%

n=234

Q: In which of the following capabilities do you expect the most growth? (top 10 results)

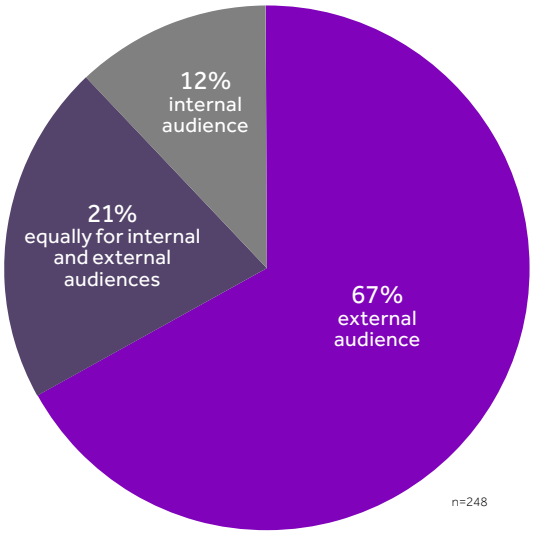


n=249

Originally surveyed separately, creative and digital strategy both resulted in top 10 placements. However, we've chosen to emphasize the combined result as it is indicative of a growing requirement of leading IHAs.

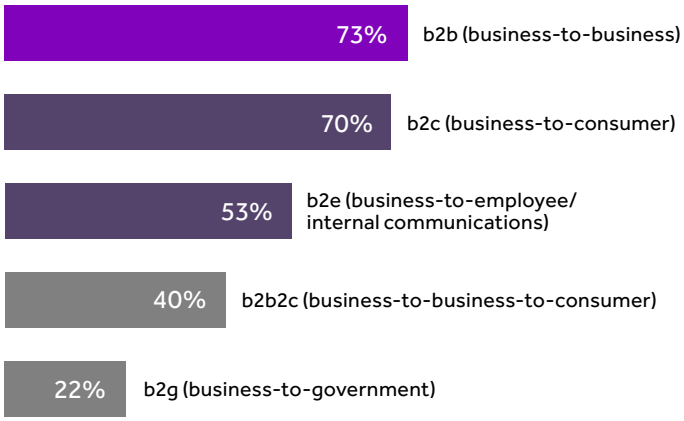
NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

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



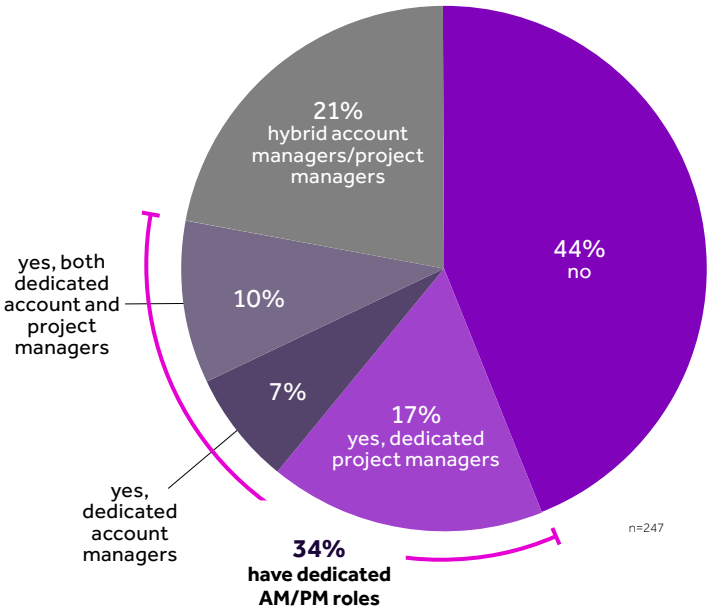
n=248

Q: Which markets does your in-house agency support? (select all that apply)



n=338

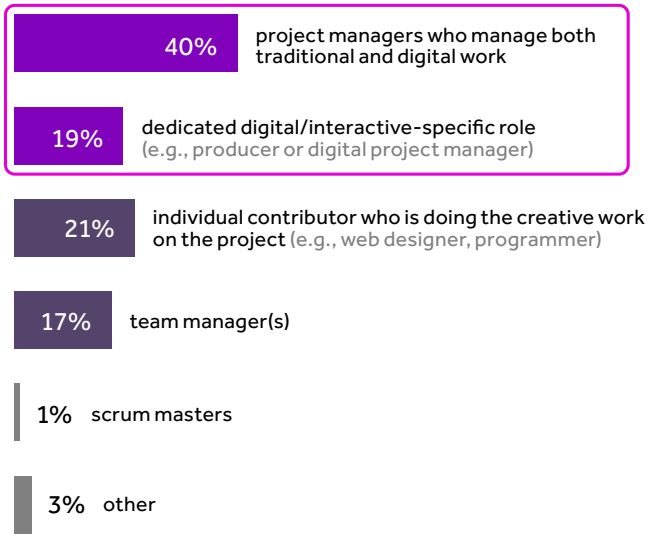
Q: Does your team provide a DEDICATED client service role*?



n=247

* Team member(s) responsible for serving client needs and not wearing another hat (e.g., designer, writer, etc.)

Q: Who is primarily responsible for the project management of digital/interactive work?

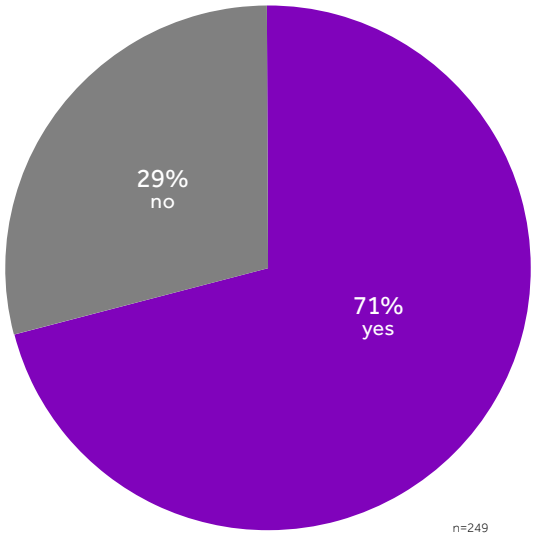


n=248

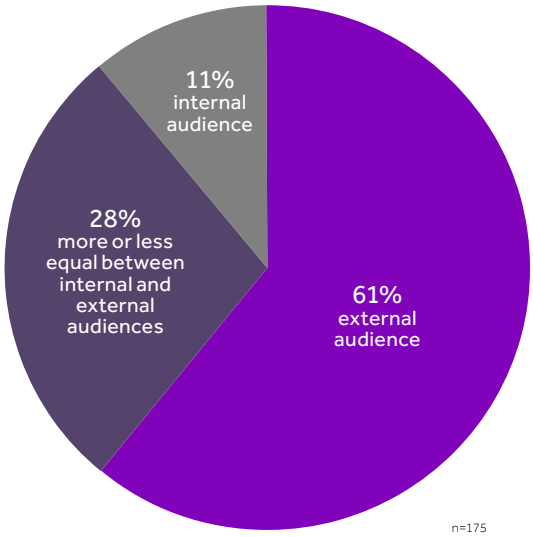
59% of teams have dedicated project managers to support digital work.

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

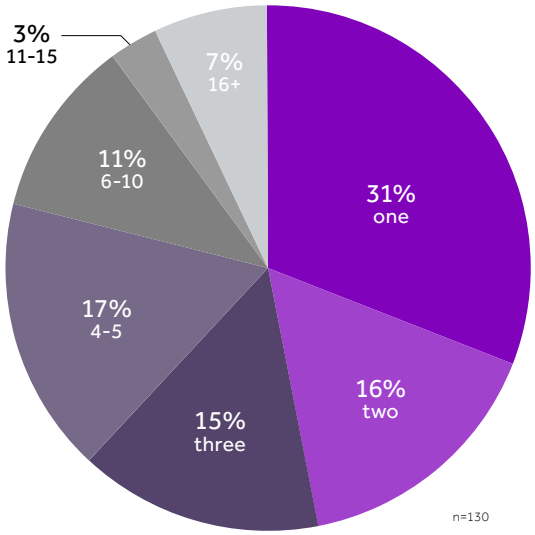
Q: Do you provide video production services?



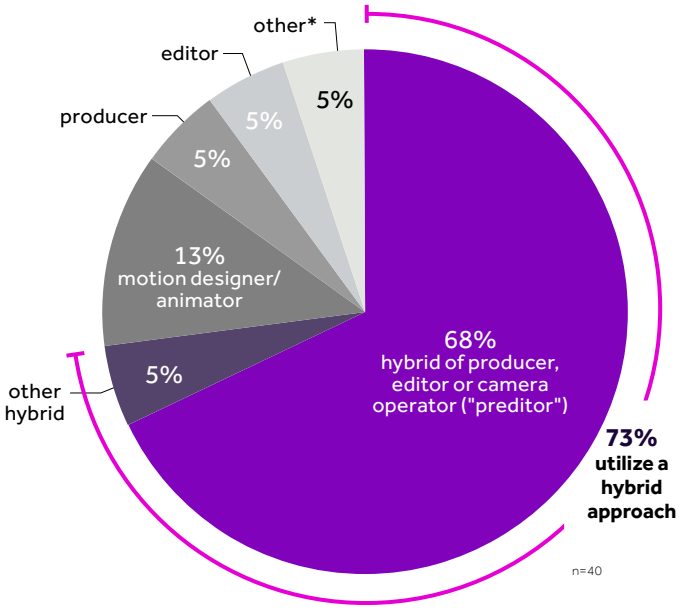
Q: For which audience does your team create the MAJORITY of their video work?



Q: For IHAs with dedicated video staff, how many team members are on the video team?



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

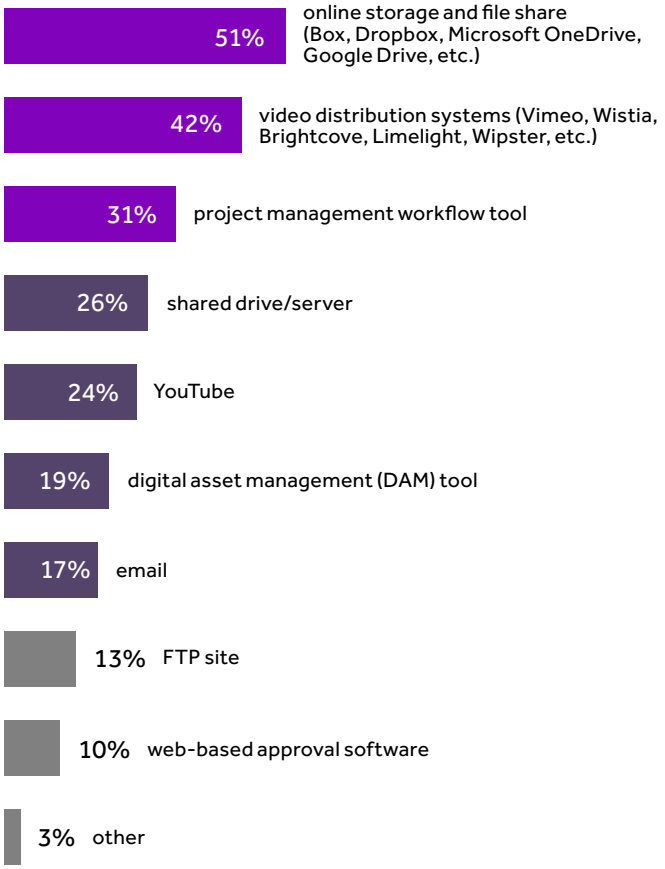


*Other includes video art director and camera operator/shooter (still and video)

In-house agencies are growing their dedicated video staffs; it is now common to have at least three people fully dedicated.

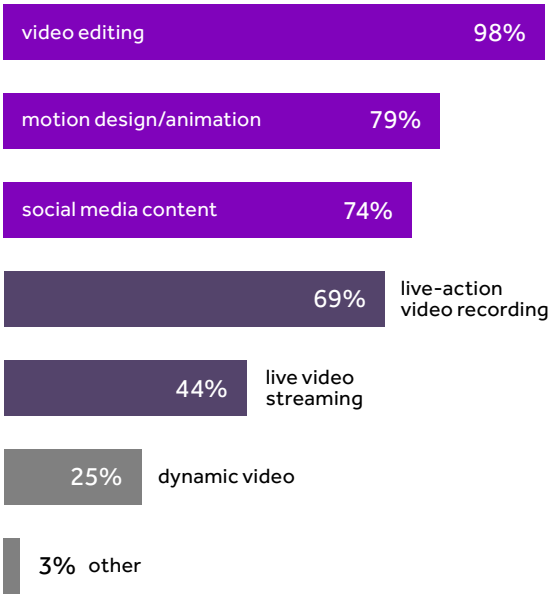
NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

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



n=173

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



n=173

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

PERSPECTIVES
FROM THE FIELD

Nanci has been in the ad world for more than 25 years, making her mark as an account leader at premier NYC agencies such as Young and Rubicam, Lowe & Partners, McCann Health, Grey, and FCB. She prides herself on being attached at the hip with the creative team and selling great work that works for clients. As an SVP managing director at FCB, Nanci developed direct-to-consumer campaigns for several pharmaceutical companies. These campaigns uncovered deep emotional patient insights that led to great work. Nanci received MMM's GOLD AWARD for her outstanding work. She has served as an EFFIE judge and is currently a judge for the 2021 ANA REGGIE awards.

From Project Work to AOR Caliber: The Evolution of Merck's In-House Agency

Nanci Silverman—Director, Merck Creative Studios

It's not surprising that a global pharmaceutical industry leader with a 130-year history would also have a robust in-house ad agency. In fact, Merck Creative Studios (MCS) has been around for more than 30 years.

When I arrived at Merck in 2018 as the new MCS director, our in-house agency was high performing, with a solid team of creatives and account managers who delivered more than 8,000 projects for five company divisions. At the time, we focused on internal employee communications, leadership town halls, and websites that housed shareable content. The focus was on operations and efficiencies with a value proposition based on cost savings.

However, we were missing a vision. What did we want to be and how could we get there?

Back to Basics

We dusted off the basics of good marketing practices and held a positioning workshop for the MCS brand. We discussed our competitive threats, our sources of new business, our culture and our tone of voice. The research was fun—looking at the core values of brands outside of pharma for companies like Zappos and Crocs among others. After our workshop was complete, it became clear that our focus should be brand work for external audiences, primarily health care providers.

After communicating our North Star to all MCS team members and mapping out a communications strategy, we began to tell our story to new clients, which drove unprecedented growth.

Talent—Key to Transformation

As part of our transformation, we brought on new talent from the best Madison Avenue agencies—specializing in video production, account management, project management, development, digital UX, art direction, change management and medical illustration.

Our team grew from 90 full-time staffers to more than 200. We were assigned the annual scope of work for four of our mature pharmaceutical brands. MCS experienced unprecedented double-digit growth while providing our business partners with high-quality work, timely results and unparalleled partnership.

Now, we make sure innovation is at the core of our agency. In a short time, our innovative team has piloted and launched self-service video, Agile processes, digital video walls, remote directing and backpack-sized TV satellite feeds for our executives.

Driving Our Evolution

To drive this transformation, two elements were critical to our success. First and foremost was hiring great account talent with a service mindset and recent creative agency experience. Several

new account directors joined our team, and those client-facing leaders started to change the perception of our in-house agency. They act as client partners and problem solvers who challenge the status quo. They strive for outstanding results and do not hesitate to send work back to the creative team if it is not of the highest standards.

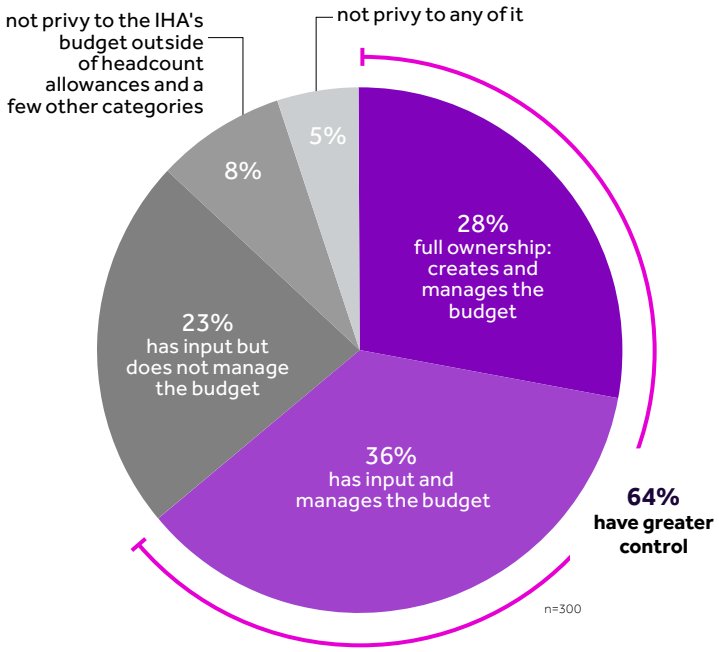
Our second critical element was hiring talented writers and art directors recruited from the best of the best agencies. As our transformation took shape, almost immediately we received positive feedback from our clients. They noticed that the work was better and said it was not what they expected, not what they asked for—but that was a good thing—and they could not have done it by themselves. By walking the walk of an agency of record (AOR), we started to get noticed. The word spread across the enterprise to various departments and teams. We began to earn the "seal of approval" from MCS advocates who believed in our services and our capabilities. This created organic word-of-mouth publicity about our evolving in-house agency. That was only the beginning. To take it a step further, we designed eblasts and distributed them weekly to showcase our work, our team's experience and our industry thought leadership.

Now in 2021, we are revisiting who we want to be. What should stay in our scope and what should be out of our scope? What new capabilities should we develop and offer to bring high value to our external business clients? Should we extend our reach globally?

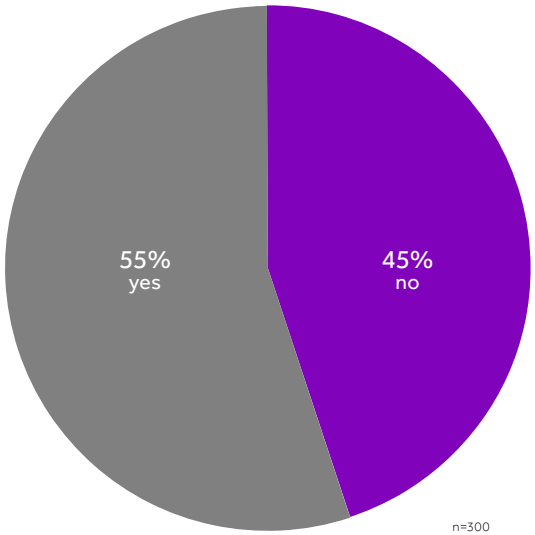
It's an exciting time to be part of a strong-performing and talented in-house agency. For others living the in-house model, we encourage you to think outside the box, reinvent who you want to be and work differently. We are the leaders of this important industry trend, and it's incumbent upon us to drive innovation as well as our reputation—as in-house will only continue to grow and become *the* model for the industry.

Funding

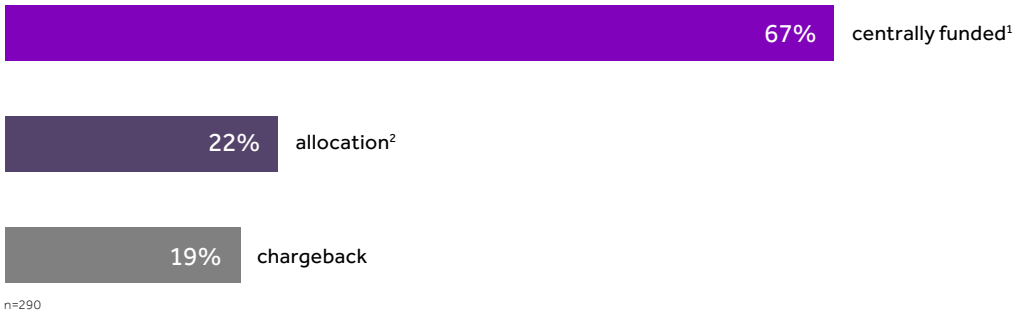
Q: Which of the following best describes the head of the IHA's ownership of the department's overall budget?



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



Q: What is the funding model for your in-house agency (not including any pass-through costs)? (select all that apply)

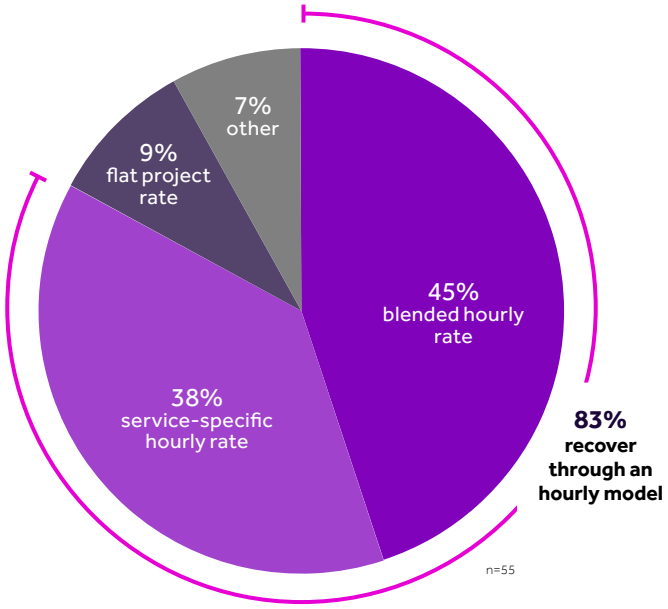


[1] The IHA is funded as a percentage of G&A, marketing, etc.
[2] Business units contribute budget based on historical or projected use of IHA services

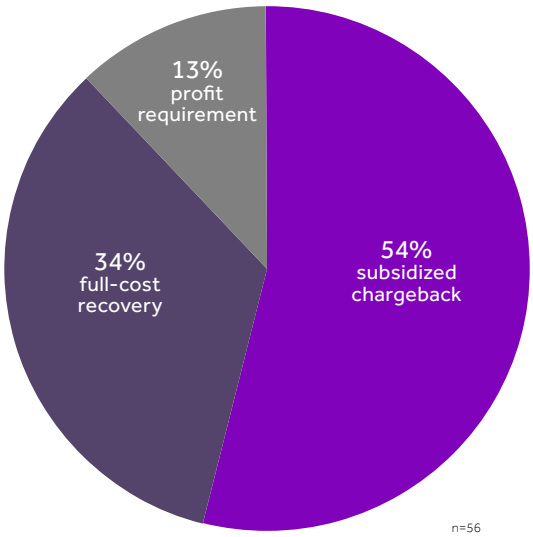
Historically, teams larger than 30 were much more likely to be chargeback organizations than their smaller-sized peers, but as companies have become more at ease with large teams being centrally funded, that correlation has weakened.

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

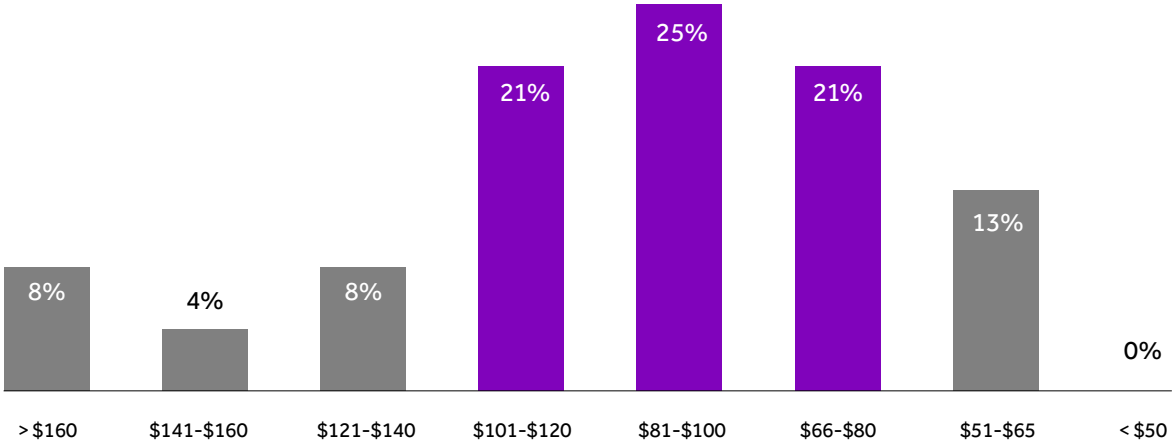
Q: What is the most common method used to charge clients?



Q: Which most accurately describes your chargeback model?



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



n=24

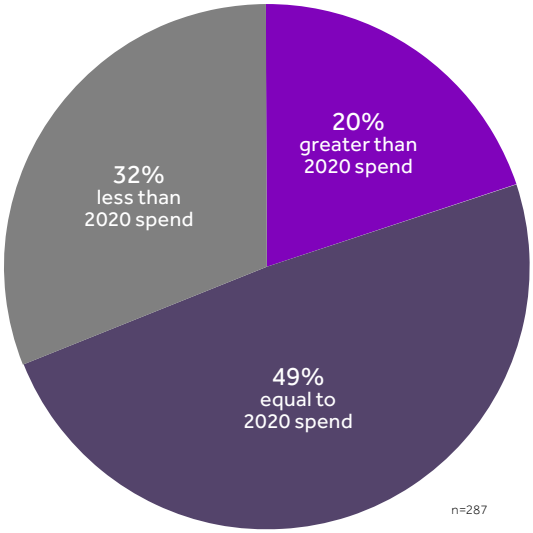
Note: the sample size for chargeback teams is small and should be taken into account when evaluating responses by percentages

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

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

	We don't charge for this	<$50	$51–$65	$66–$80	$81–$100	$101–$120	$121–$140	$141–$160	>$160	n=
Account management	36%	3%	6%	11%	17%	14%	8%	3%	3%	36
Project management	29%	5%	5%	15%	20%	15%	5%	5%	2%	41
Graphic design	8%	5%	8%	20%	30%	18%	5%	3%	5%	40
Digital design	8%	5%	8%	18%	25%	23%	8%	3%	5%	40
Creative direction	15%	2%	2%	15%	22%	22%	7%	7%	7%	41
Copywriting	9%	0%	6%	18%	30%	21%	9%	3%	3%	33
Copyediting + proofreading	12%	3%	9%	30%	15%	15%	9%	3%	3%	33
Video production	11%	6%	6%	17%	23%	17%	11%	6%	3%	35
Video animation	6%	6%	6%	18%	26%	21%	6%	6%	6%	34

Q: What is your expectation for your 2021 training and development budget?



n=287

Q: What measures are being taken to help manage and motivate today's workforce? (select all that apply)

Flexible work schedules	70%
Private (1-to-1) recognition	66%
Increased personal conversations with direct reports/team members	62%
Informal virtual team-building meetings/get-togethers	59%
Physical and mental health resources/awareness	55%
Public recognition on channels such as Slack or intranet	49%
Increased team-wide messaging and updates	49%
Leadership-driven videos and podcasts	33%
Increased training and development	31%
Team challenges/contests	25%
Goodwill/social projects	22%
Other*	3%

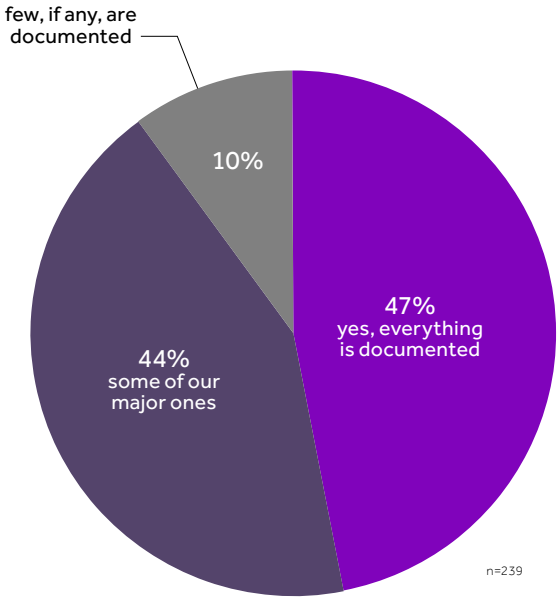
n=291

* Includes bonuses, Calm app subscriptions, none/not enough, gift cards/gifts, more effective meeting requirements, Diversity, Equity and Inclusion initiatives

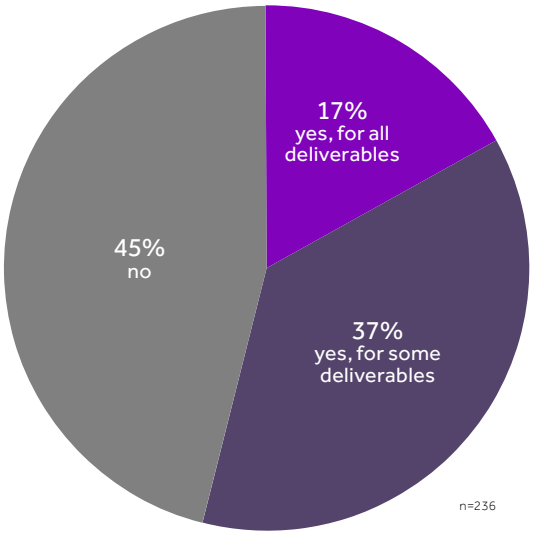
NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Process & Performance

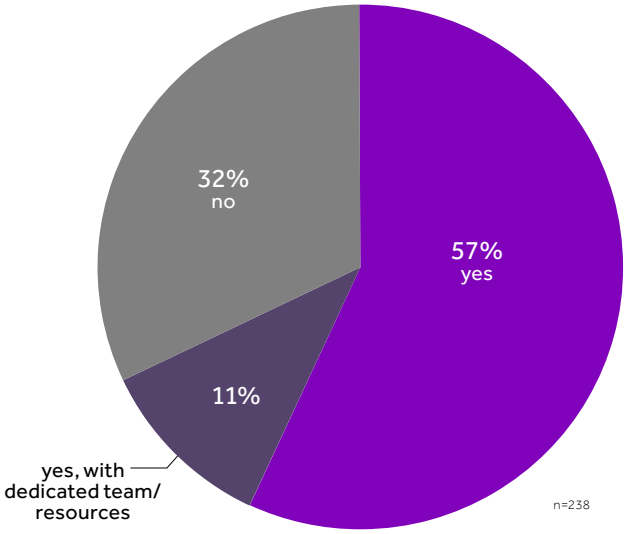
Q: Are your workflow processes documented?



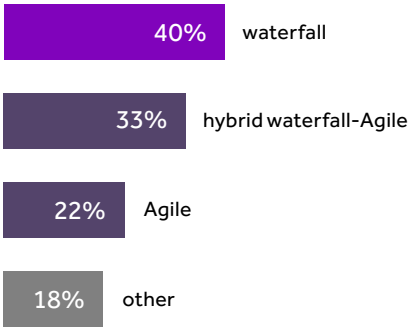
Q: Does your team have established/published service-level agreements for creative deliverables?



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



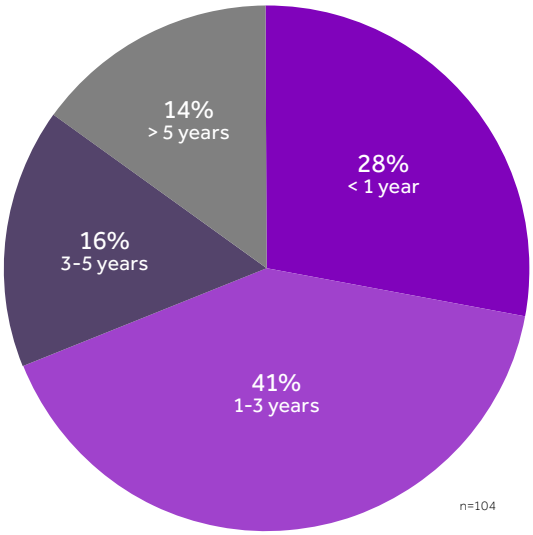
Q: What process methodologies does your team use? (select all that apply)



n=211

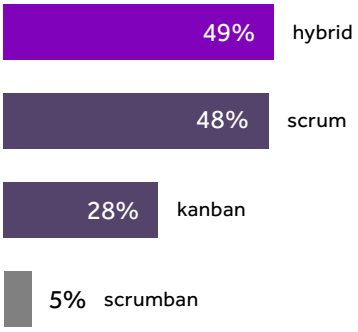
NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Q: How long has your in-house agency been using Agile methodologies?



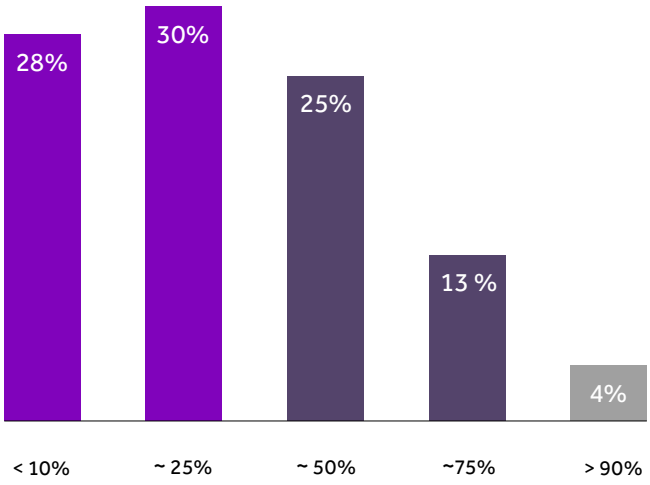
n=104

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



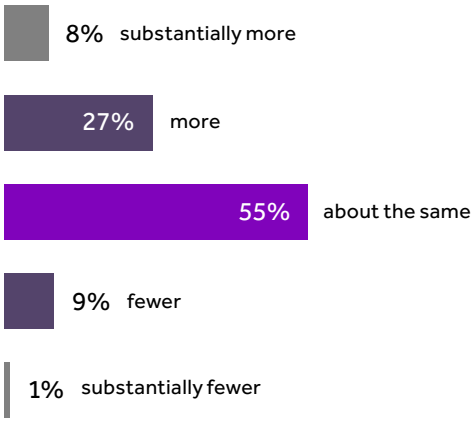
n=87

Q: What percentage of work is done using Agile methodologies?



n=100

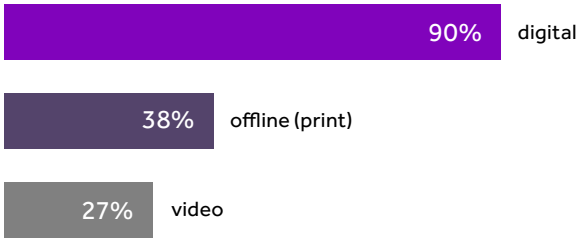
Q: Did your IHA do more or fewer projects utilizing Agile methodology in 2020 (vs 2019)?



n=97

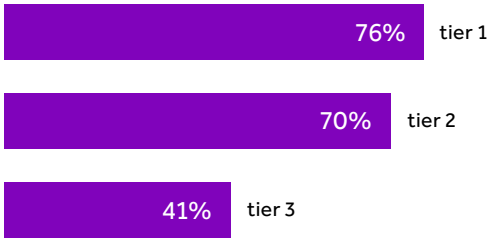
NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Q: Which project types are managed with Agile?
(select all that apply)



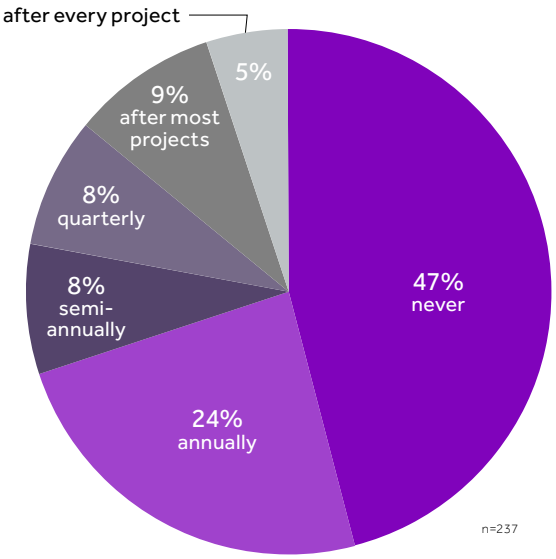
n=93

Q: Which tiers of work are managed with Agile?
(select all that apply)



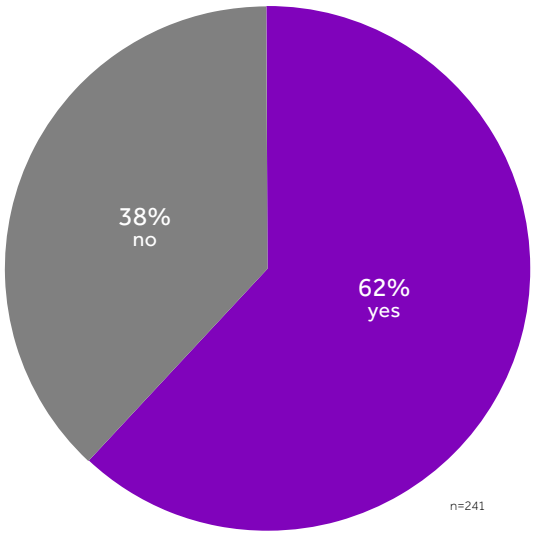
n=92

Q: How often do you survey your clients?



n=237

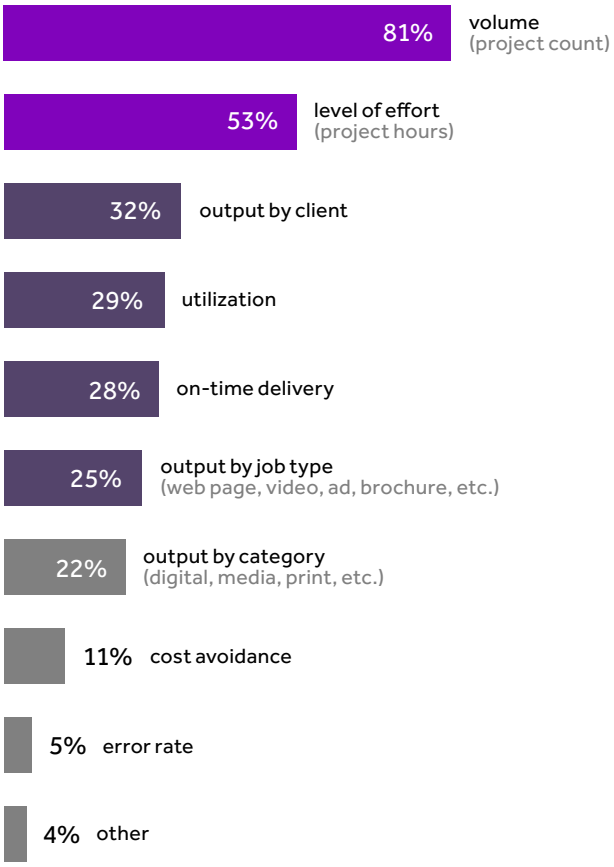
Q: Does your team capture and report on operational metrics (such as utilization, volume and cycle time)?



n=241

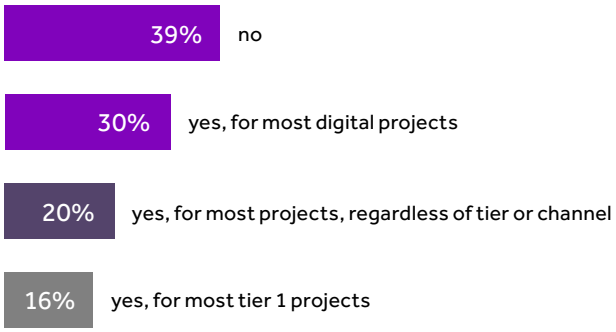
NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Q: What are the three most important operational metrics you measure/track? (select up to 3)



n=148

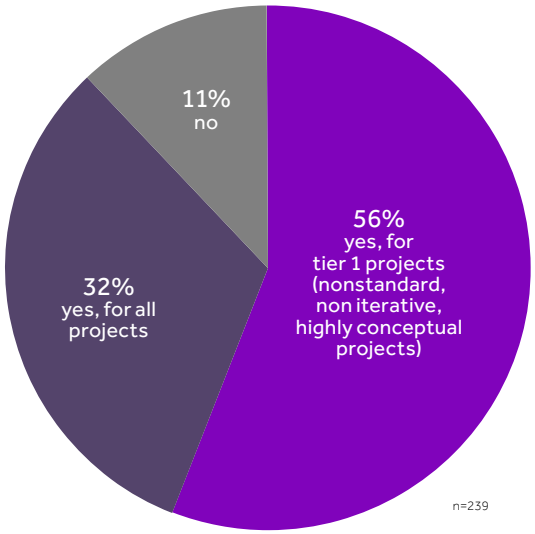
Q: Does the in-house agency measure/receive performance metrics on the external-facing assets it creates?



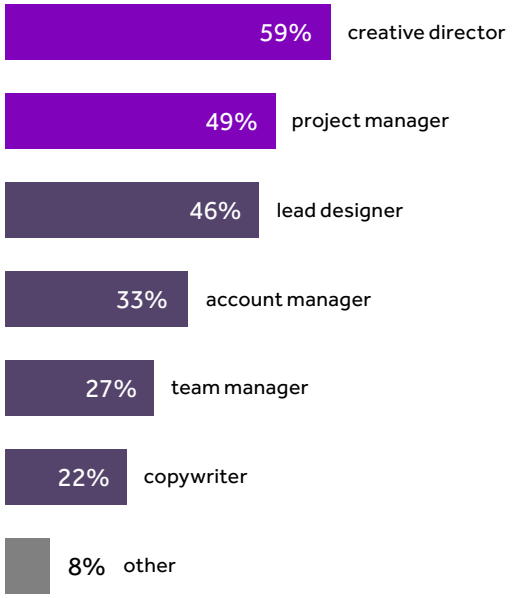
n=233

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Q: Does your team use creative briefs?

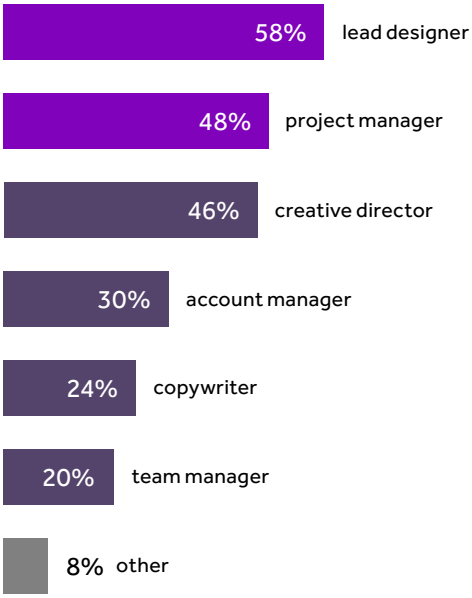


Q: Who meets with the client/business partner to scope a new project? (select all that apply)



n=237

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



n=237

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

PERSPECTIVES
FROM THE FIELD

Matt Griffin leads the Account Management team at Chevron's in-house agency, Bluehouse. As the face of Bluehouse, his team ensures that Bluehouse has happy clients by helping to solve business problems with innovative communications. Matt's previous roles at Chevron include leading the corporate brand team and managing corporate advertising in international markets. Prior to joining Chevron, Matt spent his time in various account roles at DDB, working on McDonald's, JanSport and Amtrak. Matt is an Alaskan and a RuPaul's Drag Race fan.

Stopping the Nose Game

Matt Griffin, Head of Account Management

Last March, Bluehouse was born. Chevron's reimagined in-house agency brought together two distinct organizations—the legacy in-house agency and corporate marketing functions. As a result, Bluehouse not only owned creative services, but also Chevron's corporate-owned social and paid-media channels, as well as the corporate brand. With all these disciplines under one roof, we now had a powerful value proposition—the ability to deliver consistent messaging for the brand and a simpler experience for our internal business partners.

In reality, our experience those first couple of months was anything but simple. Existing processes and systems were built on delivering our clients more tactical work that didn't require collaboration across teams to be successful. But now our in-house agency was being tasked to deliver more strategic, integrated solutions; yet there were no standard processes or workflows for projects, and role clarity was lacking at times. It felt like we were all playing the "nose game" as we tried to get a project done—whoever was last to place their index finger on their nose took on the project or task.

We needed a new way to work—one that would bring our team together and produce great ideas for Chevron.

The Dreaded RASCI

Confession time—I've always disappeared or gotten quiet when the conversation in meetings shifted to developing processes or defining roles. Everything was perfectly clear in my own mind, so why waste the time? Well, that's changed.

We knew things weren't working, but we couldn't see a clear solution. So, we decided to go back to the basics—and created a step-by-step RASCI matrix that codified responsibilities for our most complex tier 1 projects. It took our leadership team more than two painstaking months to complete this one RASCI—and it was worth every minute. As we worked through the daunting task, we identified gaps in our organization and surfaced overlapping roles. It forced us to have tough conversations about our individual teams across the in-house agency, and ultimately, ensured that we were aligned to a common vision of how we should work.

Through this process, we identified three big opportunities.

1. Client Advocates

Our Account Management team had become de facto, high-end Project Managers (or the losers of the nose game). They were spending their time focused on internal "sausage making" and didn't have time to focus on building relationships. So, we started by resetting expectations for their role and how they should spend their time. Our team of Account Directors would now be hyper-focused on their business partners. Like an external agency, they would strive to simplify the Bluehouse experience and earn the partners' trust. Inward facing, the Account Management team would become business-partner advocates, ensuring that agency work delivered on business objectives. But they couldn't be effective advocates while managing projects at the same time.

2. Integration Managers

While our studio team had a strong bench of Project Managers who were focused on specific deliverables and organized by medium

(print, digital, etc.), we lacked seasoned Project Managers with the skills and experience required to plan the execution of more complex, integrated projects. We needed a Project Manager of Project Managers, or what we eventually called a Senior Project Manager. This new role would be responsible for project planning and facilitating cross-discipline integration for the agency.

Our Account Directors and Senior Project Managers would become an inseparable duo. Account Directors would define the ask from the client and then hand off the execution to the Senior Project Manager. Senior Project Managers would create an integrated project plan and assemble the resources to complete the project. Freed from project planning, Account Directors could now focus on building relationships.

3. Strategic Advisors

Adding the Senior Project Management role not only allowed our Account Directors to be more successful, it also enabled our Strategists to be more effective. Like many agencies, Bluehouse has a variety of strategists—including Content, Channel, Social and Paid Media Strategists. The RASCI process also clarified their roles, allowing them to focus on providing strategic counsel at the onset of a project, while handing off execution to our studio teams. They now have more time to think strategically about assignments and develop solid frameworks to guide project execution by the rest of the team .

Making Change Stick

One of the biggest challenges with implementing a new way of working is that it's a new way of working. Replacing old habits with new ones, even when they are better, doesn't happen overnight. And let's be honest; sometimes it's just easier to do it the way we've always done it.

When we implemented these changes last fall, we conducted a series of training sessions tailored to each team. This was an important step in resetting expectations. In 2021, we've individualized this approach, establishing a plan to continuously improve. It includes:

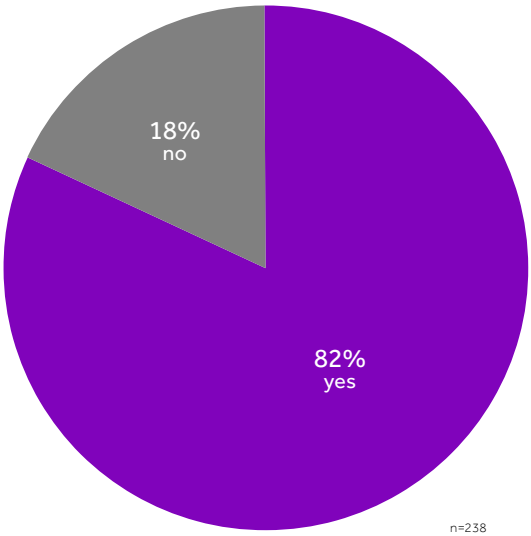
- Setting performance goals – As the saying goes, what gets measured matters, so each Account Director has a goal tied to their successful implementation of this new way of working, which is included in their performance review.
- Conducting health checks – Managers will conduct check-ins with each Account Director, Senior Project Manager and Strategist. During these meetings, we ask two simple questions. Is everyone doing the job that they are supposed to do? Or are they doing someone else's job, too? This helps us identify opportunities and/or see trends across teams.
- Continuing education – Refreshers are held with teams to keep the new roles and responsibilities top of mind. Where appropriate, team members also participate in external training to close any skill gaps they may have.

It's been about six months since we started our change journey. Things aren't always perfect and don't always go the way we'd like. Situations arise that we may not have thought of, but even in those cases we can always turn to our RASCI. It keeps us from swirling, focuses our discussion, and leads us to an eventual solution.

And most importantly, it's making the nose game obsolete.

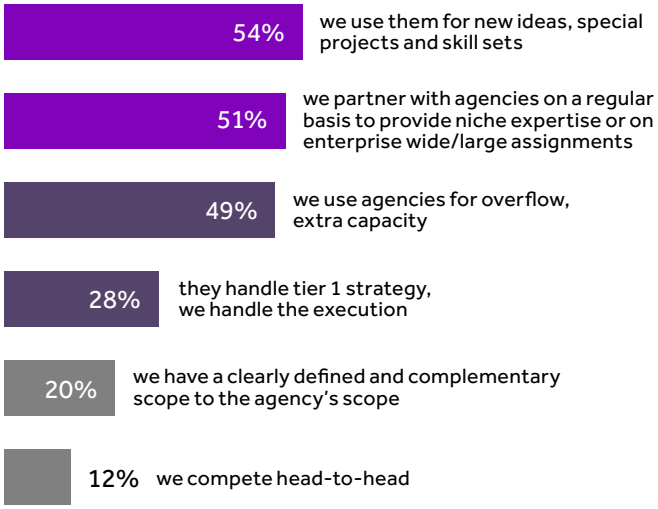
Partnerships & Global Operations

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



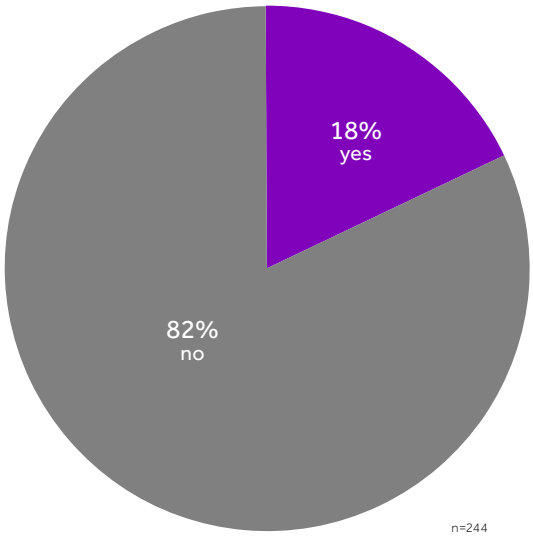
n=238

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



n=191

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



n=244

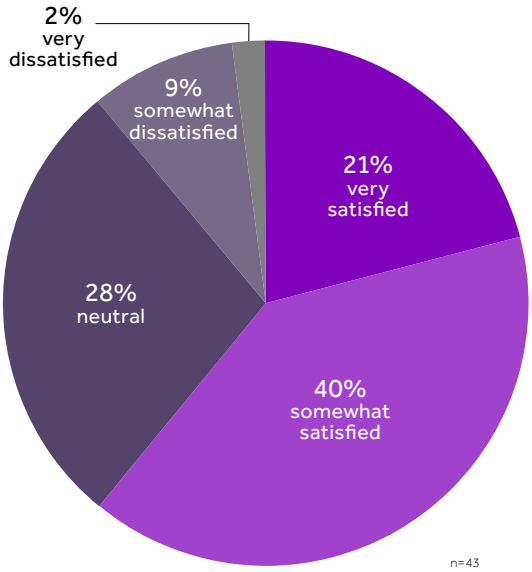
Q: What services does your offshore outsourcing partner provide? (select all that apply)

	graphic design	digital design	development
Tier 1: creative development	65%	65%	59%
Tier 2: design adaptation	62%	62%	45%
Tier 3: pure production (edits, revisions, templated work)	59%	59%	51%

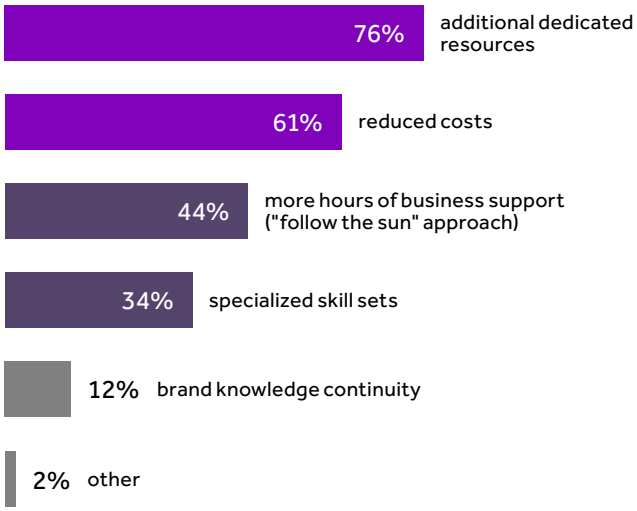
There is no predominant category (tier or type of work) that is being executed by outsourcing partners. Companies are utilizing these services for varied purposes to meet their needs.

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

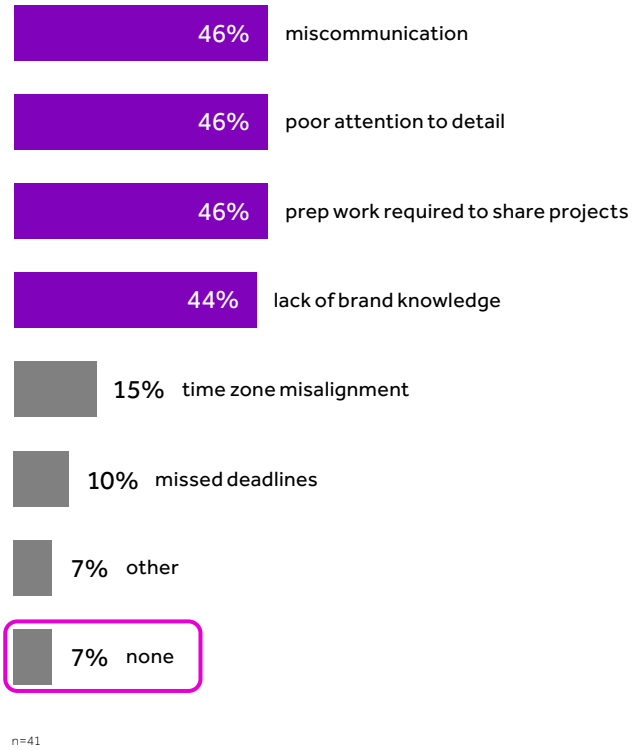
Q: How satisfied are you with the quality of work from your offshore/offsite partner?



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



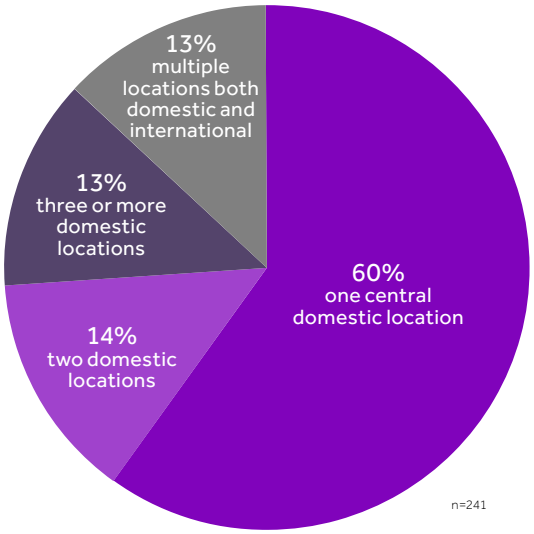
Q: What are the DRAWBACKS of working with your offshore/offsite partner? (select all that apply)



NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Q: In how many locations do your team members reside? (with at least three people at the location)

The most common locations outside the U.S. for an IHA to have a presence are England (14 teams), India (9), China (7), and Germany (6). Sixteen other countries were also listed.



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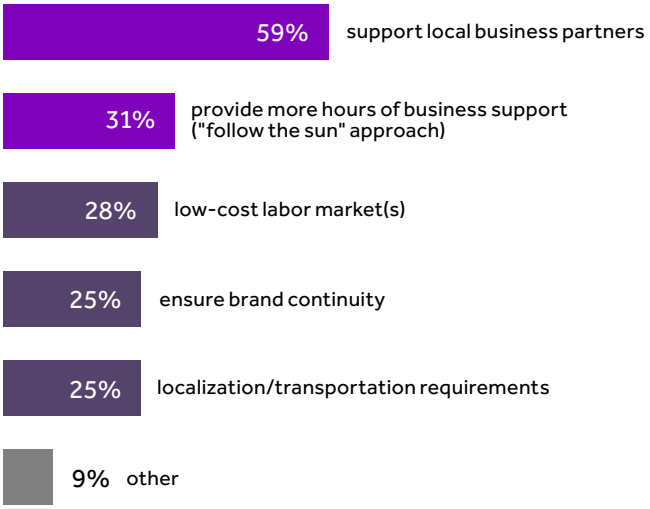
Q: What are the primary reasons for international creative teams? (select all that apply)



n=32

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

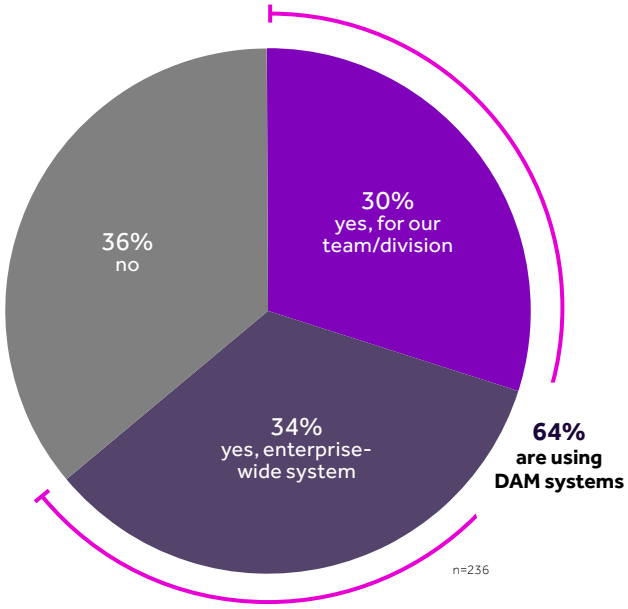
Shared intranet/servers	57%
Email	53%
External services such as Box/Dropbox/Google Drive	53%
DAMs	45%
Project management tool	41%
Sharepoint site	40%
Microsoft OneDrive	38%
Slack	20%
FTP	16%
Other	11%
Mirrored servers	9%
File replication	3%

n=95

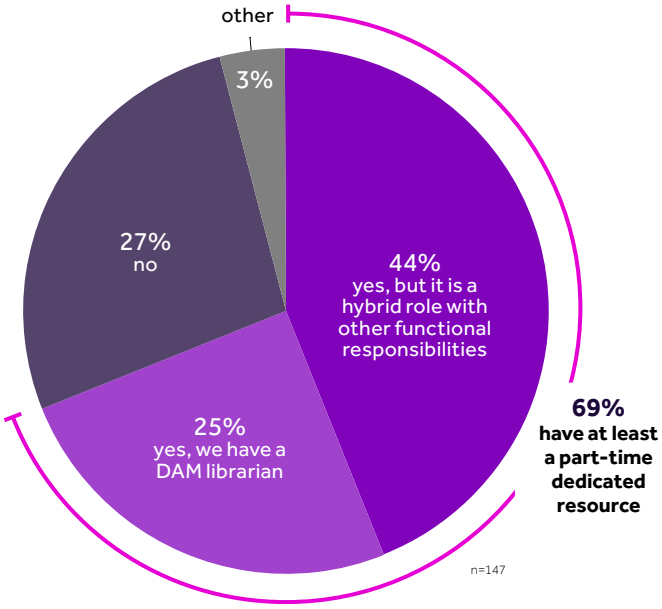
NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Technology

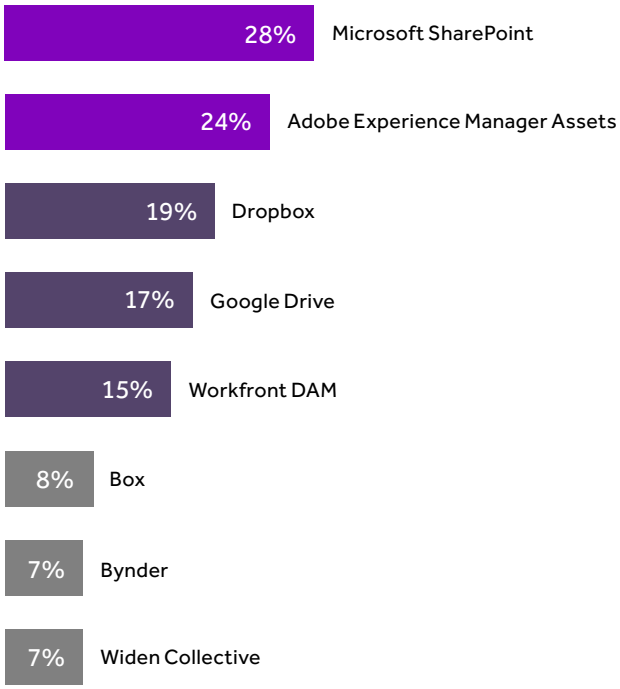
Q: Does your team use a digital asset management (DAM) system?



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



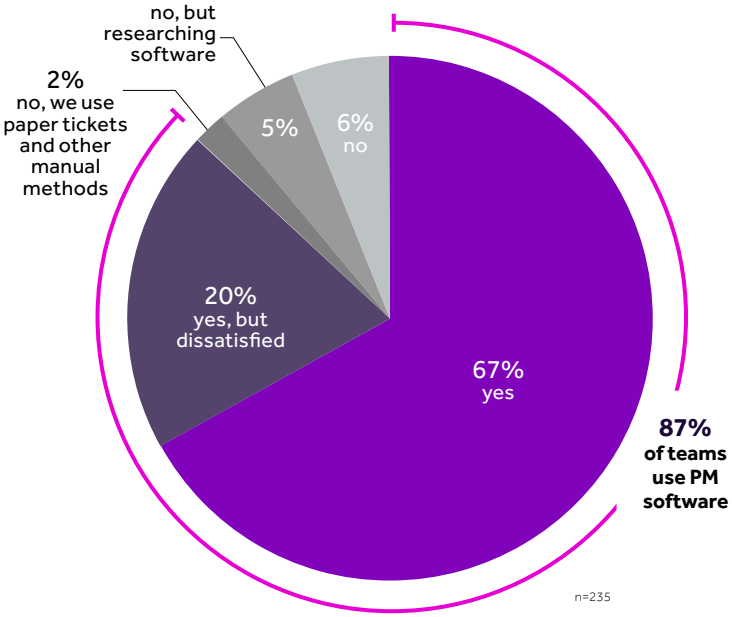
Q: Which DAM system(s) does your team use? (select all that apply)



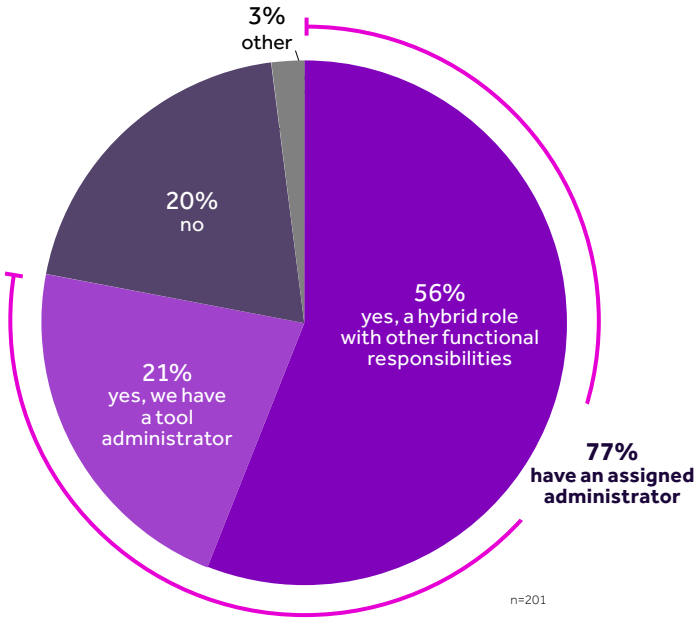
While DAM market leaders are emerging within the IHA space, in addition to the digital asset management systems listed, another 20 were identified as in use by survey respondents.

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

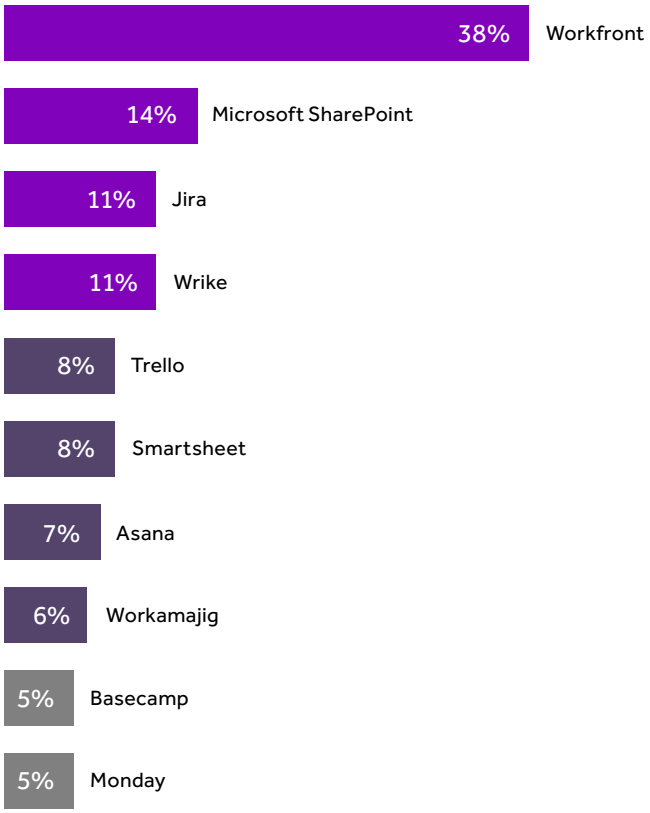
Q: Does your team use project management software?



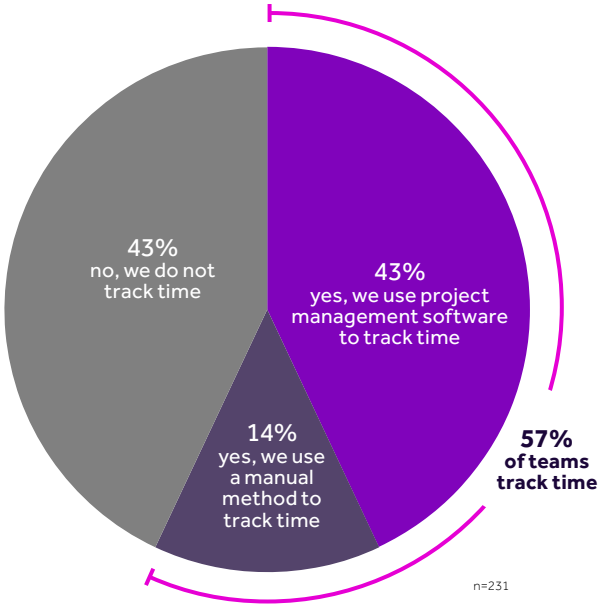
Q: Do you have a dedicated resource managing your project management system?



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



Q: Does your team track time?



For the first time, we asked about satisfaction with project management systems. More than one in five teams are unsatisfied with the tool they chose, pointing to the importance of the selection process and ensuring a right fit.

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

PERSPECTIVES
FROM THE FIELD

Mike Ukstins is a Creative Studio Director currently leading Cella's in-house agency at Fresenius Medical Care. He began his career as a graphic designer and has more than 20 years of creative-industry experience across agency and corporate settings. He holds an MBA degree, and finds that his days are currently awash with creative strategy, client relations, operations and supporting a passionate team. Mike resides in the Boston area with his wife and three energetic daughters.

Project Timing—Perception and Expectation

Mike Ukstins, Creative Studio Director

"I feel like creative projects take too long." I've heard this sentiment from clients, in some shape or form, many times throughout my career. It's such a simple statement, ultimately centered on personal perception and misaligned expectations. So, when we started hearing this last year in our three-year-old in-house agency, we decided to unpack it a bit. Turns out, a couple of things were going on.

First, the word "feelings" hints at a lack of evidence. It's simply someone's perception, based on some amount of interaction and observation. We all remember the nightmare projects that go 17 rounds, but does that mean 17 rounds is the norm?

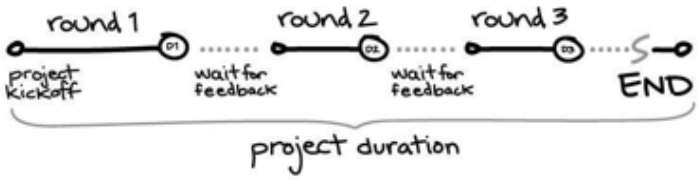
Second, "too long" means simply "longer than expected." If a client expects a draft in five days and it's delivered in three, then you're a winner. If they expect it in two and you deliver in three, then that's "too long."

Finally, it's worth understanding precisely what constitutes a "creative project" and who has influence over the timeline. Spoiler—not just the creative team.

At the heart of all our clients' comments was dissatisfaction. Some were unhappy because they perceived that their creative projects took longer than a creative project should. We like our clients and want them to be happy, so we tackled their concerns head-on.

Dissecting the Timeline

Our first step toward evaluating client concerns on timing was to precisely identify each phase in our creative process...



- **Project Duration** refers to the period from kickoff (initial briefing to the creative team) to final release (handing off files to a print vendor, deploying via web, etc.). Simply, start to finish.
- **D1 Time** is our initial creative development, from kickoff to sharing our first draft (D1) of work. Depending on the project's creative tier, first drafts can be high-level concepts or production-ready files.
- **Turn Times** are the number of hours or days we spend on subsequent revisions, from when we receive client feedback to when we send back a new draft after making edits.

- **Feedback Time** refers to how long our work is out with clients for review and approval. It's the portion of project duration that we can't control and, in our case, it's highly unpredictable.
- **Rounds** represents the number of times we go back and forth with the client before final approval. This is a helpful metric for evaluating project efficiency, since every round adds time to the overall duration.

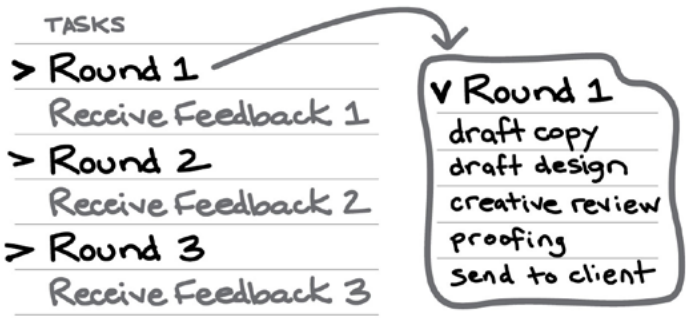
Breaking out project timelines to this degree helped our clients clarify their pain points. Some clients felt the time from kickoff to seeing a first draft took too long. Others commented on the speed at which we turned around edits. A few, who were further removed from day-to-day creative development, commented on the overall time it took to bring new work to market.

More Than a Feeling

Once we dissected the timeline, we put in place a system to measure every piece of our process. Each of our projects boils down to a collection of tasks. And, while the length of every project varies, almost all follow the same cadence. We work on something, then share it for review and feedback. We take the feedback, make adjustments and share again for review and feedback. Rinse and repeat.

In Workfront, we built a collection of project templates that mirror this back-and-forth cadence. Grouping our internal tasks into folders (Parent Tasks) resulted in a series of top-level tasks whose durations could each be independently measured.

From here, we were able to build reports based on the duration data. For example—*show me the average duration of all parent tasks with the term "Round" in their name.*



We wanted the flexibility to eventually change task names on complex projects, so we assigned milestones to each task. Now we're able to generate reports based on the milestones. For example—*show me the average Round 1 milestone duration across all projects last quarter, grouped by creative tier.*

Our account team is assigned tasks to "receive feedback from clients." Our project managers update the duration of these tasks to match actual performance. As a result, we can report on the time work is out with clients for review—by round, in total and with some manual calculation, by percentage. We discovered that, on average, projects are in creative development for 30-40 percent of the time and are out for client review for 60-70 percent.

An Effective Response

By better understanding exactly which parts of the creative process cause concern, backed by the ability to consider actual performance data, we're able to have more meaningful conversations about the "feeling that creative projects take too long." It also helps us consider different tools to address different parts of the process.

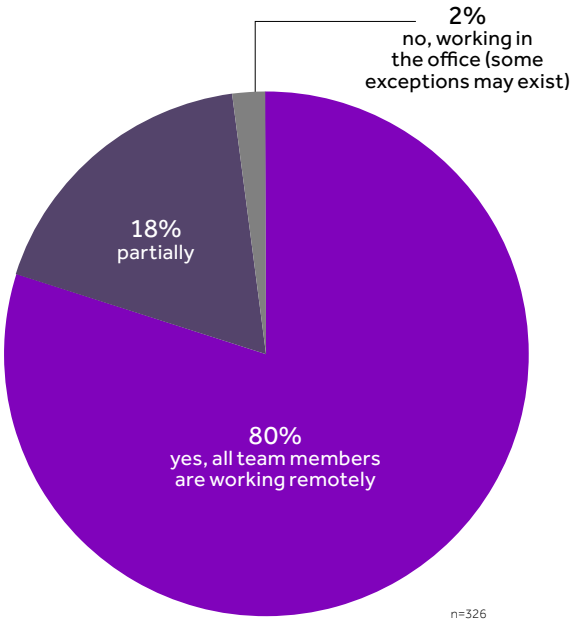
For example, to clients who see only overall project durations, a response could be, "Are you aware how much time work is out for review? Do you know how many rounds projects take, on average? Could we together discuss ways to reduce overall project durations?" Some tools include efficient project intake, clear alignment of expectations, and adherence to schedules. Our team added a proofing/quality-control check for all pieces to improve the accuracy of our work, thereby eliminating unnecessary rounds of revisions.

For others who comment on the length of time it takes to return edits, a response could be, "Are you aware of what our actual turn times are? Are they quick enough? Should we together discuss what it takes to improve reaction times?" Some of our time-improvement tools include staffing adjustments, an escalation process for priority conflicts, internal process adjustments, and examination of quality expectations. We've done them all, to some degree.

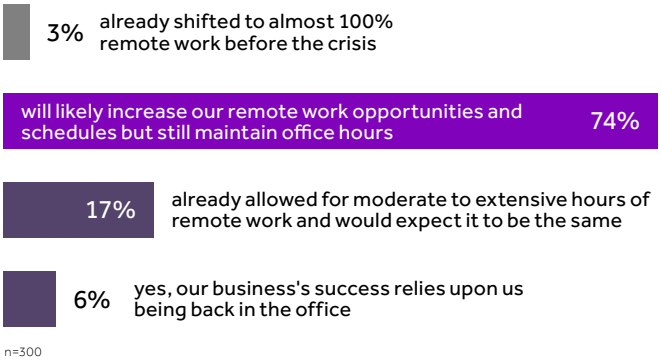
Ultimately, clients are happy when we meet or exceed their expectations for creative quality, budget, service and timing. Their view of how we perform against those expectations is a matter of perception. To the degree that we can anchor perceptions with data and establish realistic expectations through collaboration, we ensure that future interactions will continue to positively influence client satisfaction.

COVID-19 Impact

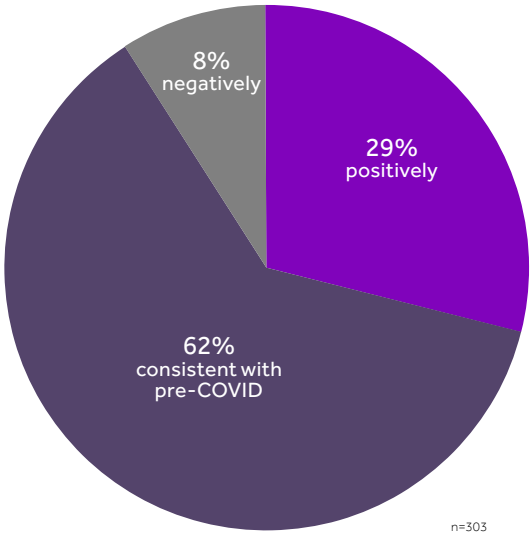
Q: Is your team currently working remotely due to COVID-19?



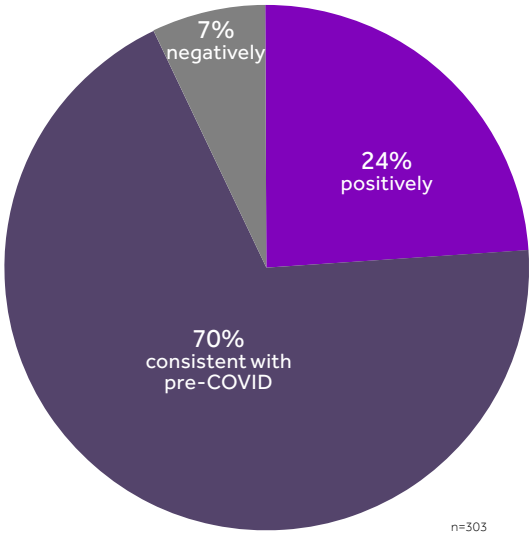
Q: When a formal return to work occurs, will you revert back to your prior remote work policies?



Q: How has productivity been affected since the team began working remotely?

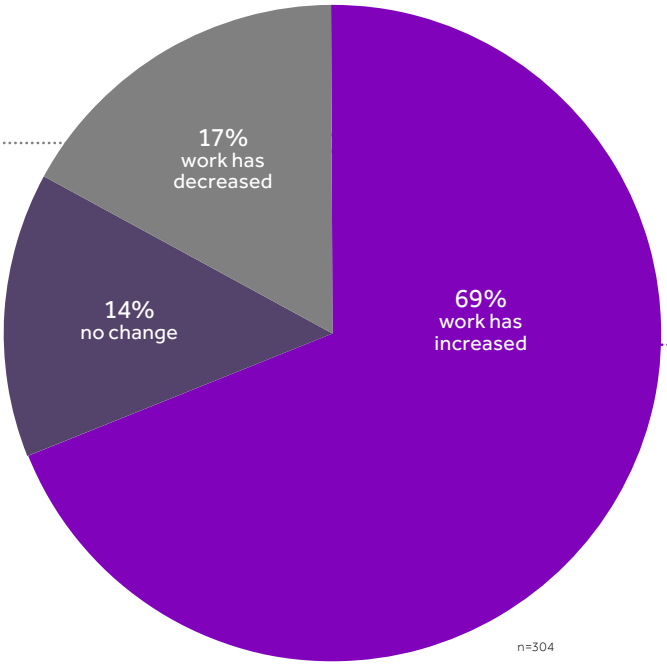


Q: How has the quality of your team's work been affected?



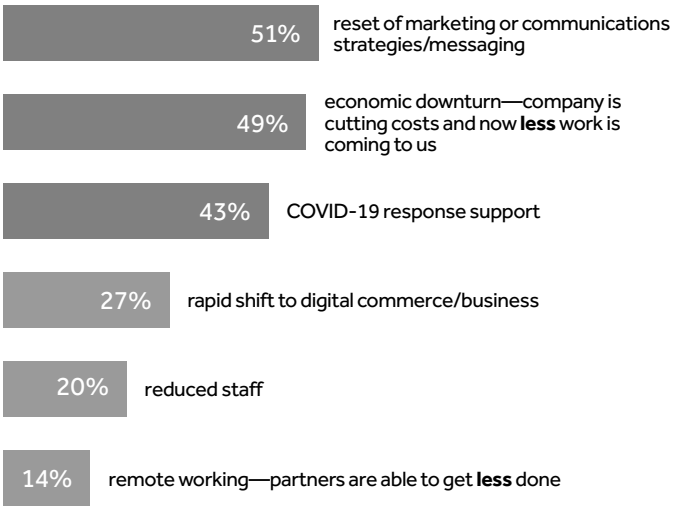
NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Q: Since March, how has the volume of work changed for your team?



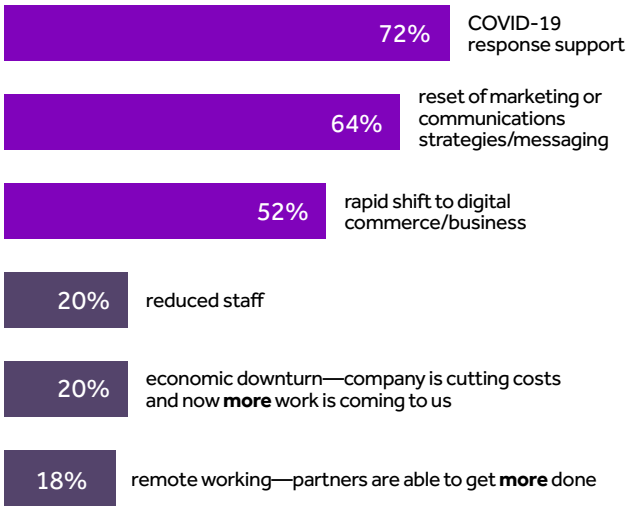
n=304

Q: What do you attribute the DECREASE to?
(select all that apply, top 6 shown)



n=51

Q: What do you attribute the INCREASE to?
(select all that apply, top 6 shown)



n=210

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Q: Since March, how has the type of work the IHA does changed?

	increased	no change	decreased
Print design	8%	30%	62%
Digital design	83%	14%	4%
Presentation design	41%	49%	10%
Social media design and/or copy	66%	30%	3%
Video—live action	54%	28%	18%
Video—animation	51%	43%	6%

n=301

Q: What, if any, are your concerns about long-term remote working?

n=302

* Within "other" the three most common concerns were: onboarding, burnout and mixed technology approach

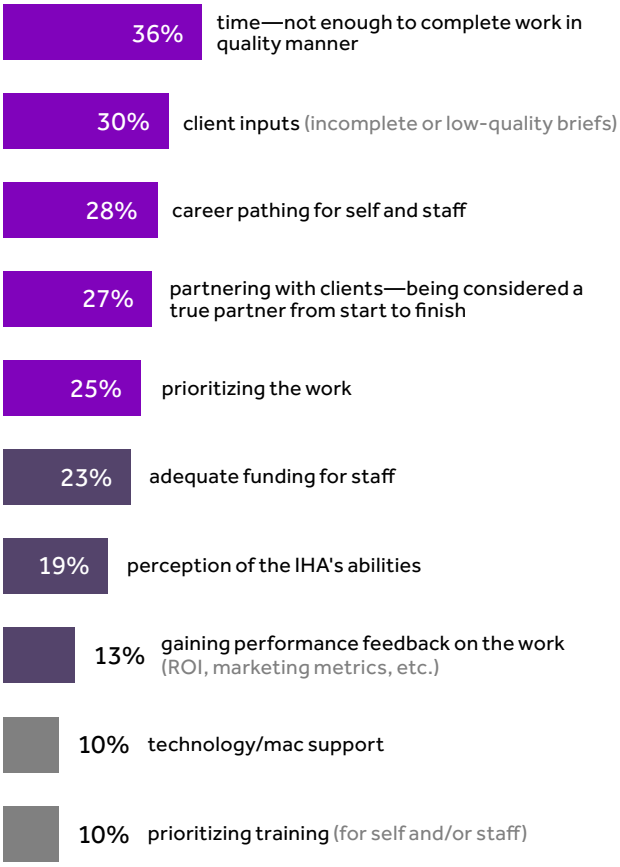
NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Creative Team Leader

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

n=226

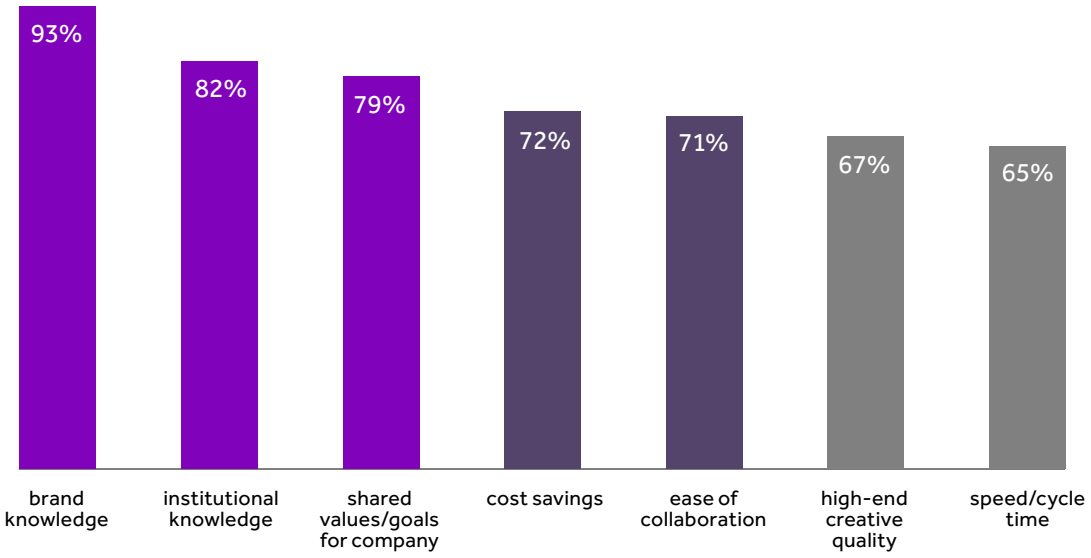
Q: Which of the following topics provide the greatest challenge for you as a creative leader? (select top three)



n=232

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

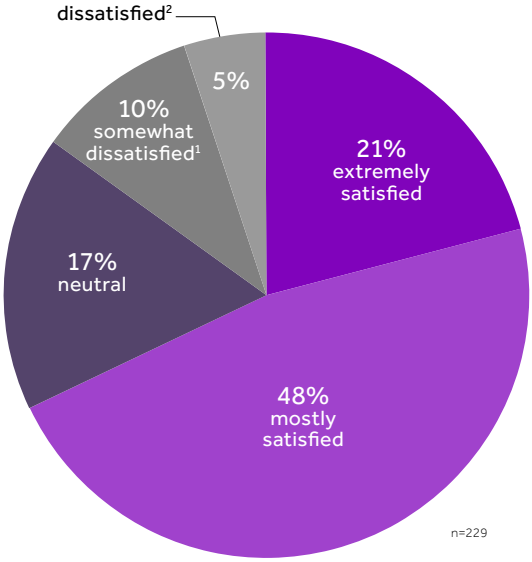
When limited to one selection in evaluating what clients consider to be the IHA's greatest value, brand knowledge was identified as the most common top-value driver.



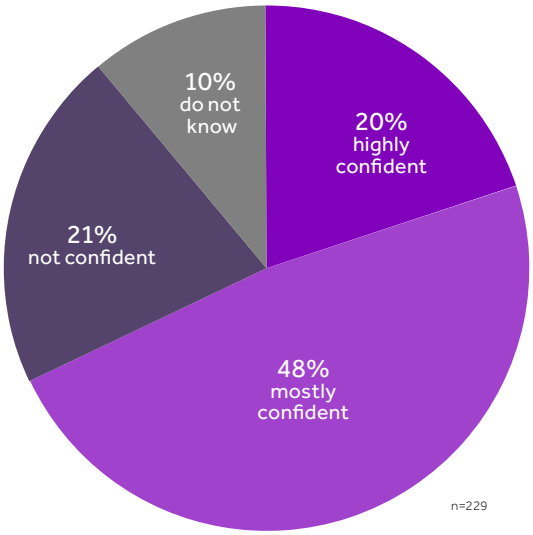
n=227

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

Q: How satisfied are you in your current role?

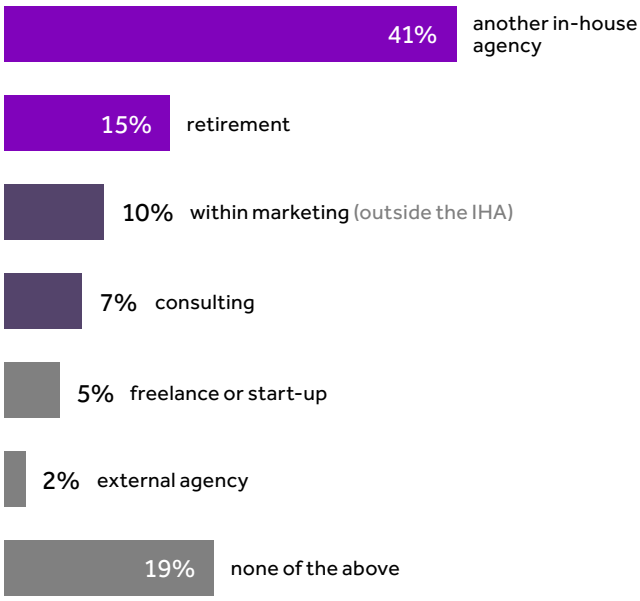


Q: How confident are you in the job market and opportunities available for someone in your role?



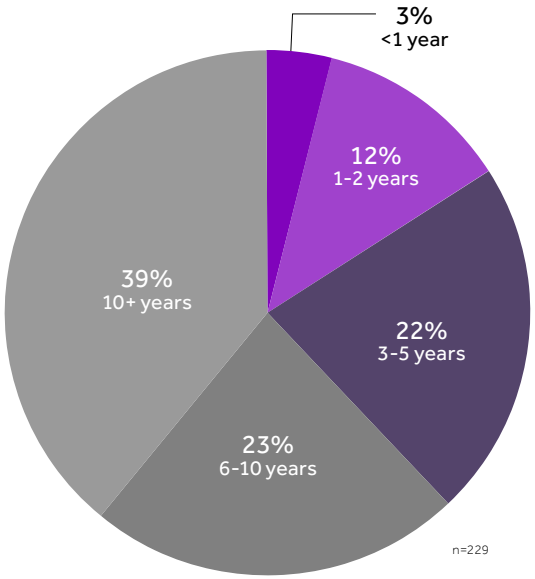
¹ I'm passively looking for a new role
² I'm actively looking for a new role

Q: Where do you anticipate your next career move?



n=228

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



NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

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 to eliminate duplication 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?

Vice President/Executive	9%
Head of the In-House Agency	29%
Creative Director (not Head of the IHA)	19%
Operations Director/Manager	18%
Functional Leader (Design Manager, Head of Copy, etc.)	18%
Other Management Role	8%

n = 360

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

Education, Government, Not-for-profit	13%
< $250M	16%
$250M–$1B	16%
$1B–$5B	19%
$5B–$10B	11%
$10B–$30B	11%
> $30B	15%

n = 348

Industries Represented

Aerospace/Defense	1%
Associations, Events and Tradeshows	2%
Automotive/Transportation	1%
Banking/Financial Services	8%
Biotech/Health Care Products/Medical Devices	3%
Consulting/Professional Services	6%
Consumer Products	5%
Education	5%
Energy, Oil and Gas	1%
Food/Food Services	3%
Government	2%
Health Care	9%
Insurance	5%
Legal	2%
Logistics	1%
Manufacturing	5%
Marketing/Advertising	1%
Media and Entertainment	2%
Not-for-profit	7%
Pharmaceuticals	2%
Real Estate	2%
Retail	6%
Retail: Fashion/Apparel	2%
Sports and Fitness	1%
Technology and Software	10%
Telecommunications	2%
Travel, Hospitality and Leisure	3%
Other*	3%

n = 348

* Includes Agriculture, Construction, Engineering, Educational Services, Non-Governmental Organizations (NGOs), Nutrition and Utilities

NOTE: PERCENTAGES MAY NOT EQUAL 100% DUE TO ROUNDING

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