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TODAY'S CHANGING ORGANIZATIONAL AND OPERATIONAL MODELS FOR IN-HOUSE CREATIVE TEAMS

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The Creative Group
New York

Agenda – meeting format and rules

- Multiple meetings – 1 topic
- Multiple idea sharing
- Posted online by the weekend

- Introductions and review of meeting event format
- The Creative Group
- What is InSource?
- Point of view presentation
- Break
- Roundtable discussions
- Summary of key ideas
- Wrap up
- Networking

The Creative Group overview

What is InSource?

What is InSource?

Who We Are
InSource provides ***THE network*** for collectively sharing professional experiences, knowledge and best practices that help empower all inhouse creative leaders to run their business most effectively.

Point-of-Difference
Leadership focus – that's what makes us different from other "inhouse" oriented organizations. Our primary audience is comprised of those individuals who ***run inhouse creative organizations*** for their employers. We provide support, professional development, resources and advocacy for those in leadership positions and who aspire to move into leadership positions.

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What is InSource?

Models – Organizational and operational

They way we do business has changed. How do those changes impact us?
- The resources we have to meet the needs of our internal clients
- The design of our organization
- The make-up of our organization

- How it used to be
- What are the alternatives today?
  - Completely in-house
  - Completely external (agency/outsource)
  - Hybrid
  - Other?

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Corporate Model

- Organization's goals and objectives
- The pillars
  - HR
  - Finance
  - Manufacturing
  - Marketing
  - Sales
- Where does creative fit?
- How does creative fit?
  - Support (consultative versus art department)
  - Product development and innovation
- Models for management
  - Distributed
  - Centralized
- Define value add first
- Define department objectives
  - transactions filled by order takers
  - Proactive solutions providers contributing strategies to bigger picture issues

Changing creative business models – defining value

The value that creative and production teams provide is typically defined and measured in terms of time, cost, quality and occasionally other influencing factors.

Value Relationship Triangle
Choose any 2

Quality

Time   Cost
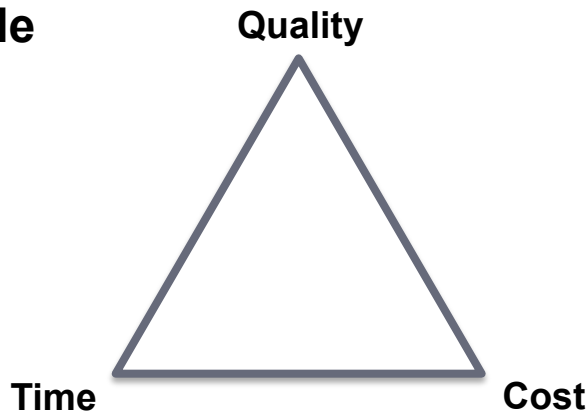
Quality – creativity, expertise, meets business objectives, error-free, on-brand
Cost – competitive for market/types of service
Time – responsiveness and turn-around time

Value proposition – Model 1: Inhouse only

value criteria	benefits	challenges
quality	– organizational stewardship – **aligned with client business goals** and company priorities – **consistent experience** - central point of contact – **leverage knowledge** across teams and company – **brand integrity** - across all businesses and media – corporate culture **engrained**	– **perception problems** - in-house group: not as creative, expensive, takes too long – **talent pool** can be limited – fresh ideas - long-term staff can **lose freshness** and/or proficiency as trends, techniques and tools change
cost	– **lower hourly costs** than outside resources – fiscal responsibility – **focused on saving** the company money – **financial transparency** - time accountability and line-item documentation	– focus on billing and staff utilization rather than value add – technology and facilities charges and infrastructure
time	– can **spend fewer hours** per project than external resources – **efficiency** - able to share knowledge, ideas, assets and resources	– longer cycle times due to **fixed capacity** – fixed full-time staff **limits flexibility** if work-load or work type mix changes
other	– **integrated** processes, project management and technology – **inside firewall** reducing issues with IT processes and file sharing – convenience – face-time and **accessibility**	

Value proposition – Model 2: External resources only

value criteria	benefits	challenges
quality	– attract **higher level of talent** than in-house teams – have access to **specialized talent** if needed – have **resources and capacity** to develop more creative solutions – **advisory/strategic** – must **compete** based on quality	– **strong internal management** is required to keep external resource arrangement effective – lack institutional stewardship and **understanding** of client/company priorities – do what clients want even if it's not **brand compliant**
cost	– willing to **negotiate pricing** for volume of work	– typically have **higher hourly rates** than in-house groups – separate interests - independent businesses **not always concerned with looking for cheapest options**
time	– **flexibility/scalability** - can add staff or different skill sets as needed – cycle-time – more **resources and capacity** to work on projects immediately	– typically take more time on projects than in-house groups (**not driven by efficiency**)
other	– many external resources meet **diversity** requirements	– all use **separate processes**, project management systems and technology – **technology** - file transfer and network security can add complexity/cost – **confidentiality** concern on sensitive materials

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Value proposition – Model 3: Hybrid

value criteria	benefits	challenges
quality	– organizational stewardship and **aligned** priorities – **consistent experience** - central point of contact – **leverage** knowledge across teams and company – **brand integrity** - across all businesses and media – access to **specialized talent** if needed – **resources and capacity** to develop more creative solutions – **focused on solutions**	– **strong internal management** is required to keep external resource arrangements effective – **consistent structure**, processes and technology
cost	– able to evaluate and use **most cost effective** resources appropriate for situation – **fiscal responsibility** - in-house team focused on saving company money – focused on efficiency, productivity, **value**	– requires **rigorous financial management** of internal and external resources
time	– **flexibility/scalability** - can add resources or different skill sets as needed – cycle-time – **more resources and capacity** to work on projects immediately	– **managing relationships** with a greater number of internal and external partners adds complexity and may be time-consuming
other	– **integrated** processes, project management and technology – **inside firewall** reducing issues with IT processes and file sharing – convenience – face-time and **accessibility**	

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Value proposition – Benefits comparison

Benefits	Inhouse	External Resources	Hybrid
Organizational stewardship	✓		✓
Brand integrity and advocacy	✓		✓
Aligned business priorities	✓		✓
Leveraged knowledge/ systems	✓		✓
Top talent		✓	✓
Scalability		✓	✓
Access to specialized resources		✓	✓
Perceived as advisory/ strategic		✓	✓
Cost conscious/fiscal responsibility	✓		✓
Financial transparency	✓		✓
Productivity – efficient hours per project	✓		✓
Cycle-time		✓	✓
Convenience/accessibility	✓		✓
Confidentiality	✓		

Challenges	Inhouse	External Resources	Hybrid
Infrastructure investment	✗		
Technology barriers		✗	
Additional management		✗	✗

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Responsibilities – Organizational and operational

- Determine **level of service** you want to provide
- Integration – Creative Services have become a **central** hub
- Participation in agency **selection and management**
- Other?

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Responsibilities – Level of service

Organizational maturity levels – **inhouse creative/production**

5 — **Drives company priorities** - leads development of brand, products and new business opportunities

4 — Serves as **primary counsel to executive team** and clients in developing business initiatives

3 — Serves as **expert** - develops integrated solutions to best support business priorities

2 — **Measures effectiveness** & adds value through best practices

1 — Provides **tactical services** at request of business

Business builders

Innovators

Strategists

Advisors

Service providers

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Responsibilities – Integration

Responsibilities – Financial management

model	pros	requirements	cons
corporate pays no direct charge-backs to business units	– easy/quick to establish – appropriate for newly established creative teams w/o usage data		– perception of "free resource" drives usage – no ability to add when needed resources – no cost accountability to business no link between cost of projects and business value (metrics)
allocation by projected usage annual creative team budget allocated to business units based on *projected creative* usage - no cost reconciliation by job	– some cost accountability to business units – appropriate in environments w/o infrastructure for billing/ budget transfer	– accurate planning and resource projections – revisit cost allocations mid-year	– no cost accountability to project owners – no link between cost of projects and business value
chargeback by project creative team charges back to business units *actual cost of each project* – with accountability to upfront estimate	– full cost accountability to project owners/business units – directly links cost of project to business value – up-front approval of cost supports utilization of flex/ specialized resources	– accurate estimate and billing processes – on-going budget tracking – training and communication on estimate approval requirements	– greater administrative burden – perception that creative "costs too much"
self-sustaining organization creative team charges back to each business unit the *actual cost* of resources (as above) PLUS a mark-up - to cover infrastructure reinvestment	– same as above – supports reinvestment/ optimization of equipment, technology	– accurate estimate and billing processes – on-going budget tracking – financial leadership	– same as above

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Roles – Organizational and operational

- **Traditional roles** and creative team structure – business is changing
- **New** creative roles – because business has changed
- Relationship management – **across functional areas**
- Operational management – **staff chemistry** and effectiveness
- Other?

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Roles – Traditional roles and team structure

"Typical" **agency structure** oftentimes similar to outside firms
- Account Services
- Media Buying and Planning – traditional and online
- Creative Services
  - Creative/Art direction
  - Design
  - Art Production
  - Copywriting
  - Print Production
  - Traffic

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Roles – New creative roles

- Creative **innovations**
- Online **strategy**
  - Social media
  - Content
  - User experience
  - Relationship management
  - Creative operations
- Other?

Role – Relationship management

- Proactively **consult with clients** on their business and communication objectives
- Provide options, planning tools and examples of potential **solutions**
- **Understand** strengths of inhouse team and all external resources
- Act as **subject matter expert** on brand
- **Communicate often** about creative offerings, what's new, and how it's valuable to them
- Provide **continuity** across creative services
- **Educate** requestors on options - ways to execute, timing, costs, trade-offs, etc.
- **Educate** requestors on how to work with inhouse team and external resources
- **Educate** external resources on how to work with inhouse creative and clients
- **Facilitate** strategic project initiation with inhouse or external resources (including brief development)
- **Facilitate** meetings to reach actionable outcome

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Roles – Operational management

- Building strong relationships, raising company-wide **awareness** of creative team role and offerings
- **Staff** planning, hiring and management
- Vetting, selection and on-boarding of **external resources**
- **Process** planning and management
- Selection, implementation and management of supporting **technology**
- Budgeting and **financial** management
- **Metrics** and reporting, department and project level
- **Training**
- **Proactively engaging** clients in planning
- **Advising** clients on best options
- Understanding strengths of the inhouse team and external partners; and directing projects to the **best resources**
- **Managing interactions** between clients and inhouse or external agencies

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Break

Take 15 minutes

Roundtable discussions

Groups of 5 – share your story

Summary of ideas

Let's recap and collect all your great ideas

Wrap-up

Drinks, networking and continued discussions

Notes online

Email with links to notes from all meetings