

Future predictions of in-house agency models



There is a developing trend towards corporates and brands creating in-house agencies, while the industry grapples with increasing client demands and ever-tightening budgets.

In May we explored this trend in greater detail, in a co-hosted panel discussion with [Ciesco](#), titled [#FuturePredictionsOfInHouseAgencyModels](#)

Insights and shared experiences of the advantages and disadvantages of in-house models, what agencies need to do to evolve and what this trend means for the industry's future were discussed. Our expert panel included a mix of in-house creatives and corporate stakeholders, including Ajoy Roy-Chowdhury, Agency Lead EMEA at Facebook; Karen Boswell, Chief Experience Officer at VMLY&R; Bobi Carley, Head of Media at ISBA; and Matt Girling, Head of Europe Tech at Ebiquity.

It was an honest and thought provoking panel discussion, a summary of the key points which emerged are outlined below:

General Considerations – what's needed for successful in-housing?

- Board level buy-in is essential
- Clarity over what services the Corporate/Brand wants to bring in-house, particularly where the proposal is for a "hybrid" type model, and where some tasks remain with the agency
- A good understanding of what skill sets would be best brought in-house and those which are more specialist and therefore maybe better outsourced to the agency world
- Identification of, and investment in the specialised technology which is needed to successfully deliver the

relevant functions in-house

- Understanding that ‘in-house’ will hold responsibility for service delivery and need to demonstrate ROI internally
- Carry out a thorough IP audit early on, to better understand where legal ownership lies
- Good knowledge of data protection and advertising law
- The ability to keep up-to-date with cross market developments
- Understanding and delivering on brand safety issues (challenging in the digital environment)
- A well-managed ‘separation’ – a brand will need to keep good relations with agencies to ensure it has a trusted advisor when needed.

Talent – recruitment and retention challenges

- Large Corporates and Brands can typically offer higher salaries than agencies, but may not have the same scope for career progression within the field, or be able to offer similar variety within a role
- In-housing requires careful integration of the in-house team with the rest of the business, whilst retaining a culture within the team which encourages creativity and competes with that offered by the agencies
- Corporates and Brands need to ensure HR has plans for succession/replacement
- Corporates and Brands located outside London may struggle to tempt talent from the London market

How can agencies prevent in-housing of clients?

- Increasing trust and transparency (particularly around scope of services and how they are remunerated)
- Highlight expertise in areas like brand safety, data protection and compliance
- Invest in the latest tech and show its value to the client – for example by spreading the cost over the client book to reduce direct costs to individual brands
- Be flexible to the needs of the brand, and be proactive – consider offering the hybrid model as well as new additional/complimentary services
- Demonstrate “client focused” outcomes and highlight ROI consistently
- Become “trusted advisors” and “business partners” with brands, providing strategic and impartial, expert advice, demonstrating deep understanding of market trends because you are engaging with so many other brands that you learn from every day
- Demonstrate the value of their relationships with media owners and the difficulties for brands dealing directly.

What does the future look like?

- The hybrid model is here to stay in some shape or form, but specifics will vary by Brand/ Corporate
- The model will evolve and fluctuate – sometimes with more in-housing, sometimes less
- The focus for in-housing will likely be of offline rather than on-line, because of brand safety concerns