

Verizon, Chobani and Trunk Club Execs on the Challenges and Successes of Operating In-House Agencies

Article

The term “in-house agency” can mean many different things. It could mean a brand is expanding its internal operations to include in-house creative and media teams. Or it could be associated with a company that is expanding its partnerships to include consultancies and tech vendors that help set up and staff those in-house agencies. There is no one-size-fits-all approach to how the modern advertising ecosystem operates.

For our [recent report on the brand-agency relationship](#), we spoke with leaders of in-house agencies at Verizon, Chobani and Trunk Club to find out how their operations are structured and how they work with external partners.

What are some of the major advantages of having an in-house agency?

Warren Chase, Vice President and Chief Operating Officer, 140—Verizon's In-House Agency

When you have an in-house team, you are in much closer proximity to where the decisions are being made. As an advertiser, it depends on how close your relationship is with your external agencies. Sometimes they'll bring you further upstream in the creation stages of a brief or of an initiative. But when you're in-house, you see it firsthand, you're right there. You hear what's coming directly from the CEO or the CMO, so by the time an idea or initiative is coming down the pipeline, the creative teams are already iterating around it. It's a very fluid process.

Leland Maschmeyer, Chief Creative Officer, Chobani

In our industry, the brand is incredibly important. Creative strategy and brand work is our competitive advantage, and we don't and won't outsource what sets us apart. It's also something that helps us uncover and make determinations on higher-order strategies for the organization. At the end of the day, the strategies are often just hypotheses that have yet to be proven or disproven. And the more quickly you can grab a strategy and execution examples, or specifics of how it would come to life, the more quickly you can assess whether or not that strategic hypothesis is viable, feasible or even desirable.

Maureen Boyle, Senior Director, Creative Services and Events, Trunk Club

One of the biggest benefits is that we have a team that is fully dedicated to the brand. The in-house agency understands the personality of Trunk Club, the tone of voice, the visual guidelines and can enforce those standards across the business. They are constantly working to not only carry those out, but also elevate them in the process. Speed and flexibility are also

really huge benefits. If there's something that is business-critical, we're able to very quickly shift priorities and address any of those needs at a moment's notice. And sometimes when working with external agencies, there's a little bit more of a hierarchy ranking that you have to go through to even get your project scheduled within an agency's resources.

What are some of the challenges of moving agency work in-house?

Chase, Verizon

We built this team from scratch; there was no one here two years ago. The first challenge that we faced was getting people excited about the idea of what we wanted to build. Because even around two years ago, going in-house wasn't seen as something that creatives would aspire to. It was not seen as a place where you would extend your creative capabilities. But that has obviously shifted. Lately, it has gotten easier to find talent because, for creatives, going in-house is now an opportunity to actually see more of the work that you create hit the market. At an agency, a lot of new ideas end up in a drawer.

Maschmeyer, Chobani

While we were onboarding all of these new capabilities and rethinking how we approached creativity, brands and marketing, there was a need to figure out how it all works together. Because it wasn't just about how you get new people to work better within the department, but also how you get the department to work with a broader organization. And there was no muscle memory or legacy on how that was done or how it should be done. Over the course of about four or five months, we kept designing it, trying it, redesigning it, trying it on repeat until we just said something's not working. This was because, every time we tried to lock down a process, each first project that came through that process was an edge case. We eventually moved toward a model where we would have small teams that were given large amounts of responsibility.

Boyle, Trunk Club

A big challenge that a lot of in-house agencies experience, and we're certainly no different, is aligning and streamlining the process. Every company operates differently, but I think there are some process fundamentals that in-house agencies really need to gain control over to operate efficiently. I attend a ton of in-house agency events, and the same conversation happens time and time again about process. What is the right process? How do you evolve process? How do you get your clients or your internal stakeholders to abide by a process and

make sure that it's done consistently? So, process is always at the top of people's list of challenges and frustrations.

In what areas do you still use external agency resources?

Chase, Verizon

We are responsible for everything that relates to our retail environment and retail stores, everything that lives online—all our websites—and social media. We are the look and feel, the design of how the brand shows up across all of our own channels. But, for example, we don't do things like big TV. We don't do the big campaigns. McCann is our very successful and capable partner in developing all of those ideas. But we cooperate with them, and there's no confusion or anxiety between us and external agencies over who's going to do what.

Maschmeyer, Chobani

We outsource the work we occasionally need to have done when there isn't a consistent-enough cadence to justify building the capability in-house. For us, that means digital platforms, like website maintenance, building a specific app for our cafe, and more of the backend aspects of digital.

Boyle, Trunk Club

For the most part, we are managing everything in-house. There are times when our resources are at capacity, and we will contract out certain projects to either creative resources on a contract basis, or we will work with a creative agency that focuses strictly on creative development to fulfill those needs.

What can agencies and consultancies do to provide support and stay competitive in this shifting ecosystem?

Chase, Verizon

If I could've tapped into an external company or an agency that would offer in-housing some of its talent within our team, I think that would have been very effective for a couple of different areas of our business. I think this is a great way of the industry and external agencies reacting and evolving to what advertisers are looking for right now. And I think that there's an opportunity for growth in that space.

Maschmeyer, Chobani

The question isn't really "Are agencies going to have work to do?" It's "Are they able to figure out a way in which they can be more nimble, where they can be on-site more, where they can be more collaborative, or less biased in the types of solutions they bring to the table?" There will always be a huge economy of clients who need the help of agencies. So there is no issue there.

Then, in terms of the consultant, this is a really interesting one because consultants are very much connected to cost saving. And they are very connected to executive-level conversations. So, what they need is an arm for execution, where they can provide all the strategies in the world and get paid handsomely for that. (This is something I've had lots of conversations with consultancies about over the past five years.) But they're getting pressured on how to execute this—because the brilliance and the bravery with which you execute a strategy is really the one remaining competitive advantage.

Boyle, Trunk Club

External agencies will always be necessary. The in-house group will sometimes lean on these partners for fresh ideas, and they are considered an extension of the internal unit. In-house agencies also don't always have the luxury of having these huge head counts, or certain things like TV production or some of the more technical needs. The agencies provide those a little bit more fluidly than in-house can, so I think whether it's an agency of record or you're on a statement of work/project basis, there will always be the need for external agencies.