



IN-HOUSE VS. OUTSOURCED:

# Adapting your Marketing Department to Tough Times



## These are challenging times for modern marketing leaders.

The economic downturn coupled with a global pandemic means any previous roadmaps are rendered useless. In times like these, consumers (businesses and individuals) reduce their spending, set rigid priorities, and increase their expectations. Businesses often react to decreased sales revenue by cutting costs, reducing headcount, lowering prices, and placing projects on hold.

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## “... **marketing** is no longer optional”

In today's digital marketplace, marketing is no longer 'optional'. Any disruption to essential marketing efforts, even temporarily, jeopardizes revenue over the long-term. And yet, marketing departments are often hit hardest by cost-cutting efforts. According to a recent study conducted by CMO Council, “Nearly half of marketers are bracing for marketing spending cuts. Another 26 percent don't know what's going to happen.”. In order to adapt, agile marketing teams need to pivot their strategy, tactics, and resources. Any solution needs to address the three primary resourcing challenges:

- **Scale**
- **Knowledge loss from turnover**
- **Skill gaps**





## Challenge #1: Scale

During the good years, sales come easy. A solid marketing strategy with average execution can yield adequate revenue growth. During a recession however, marketers must work harder to maintain performance, which results in more to be done.

With more to do, your marketing team can easily get distracted from the things that matter most to the business. In an “all hands on deck” situation, your top-tier talent isn’t being utilized to their best potential. Instead, they are focused on the tasks in front of them.

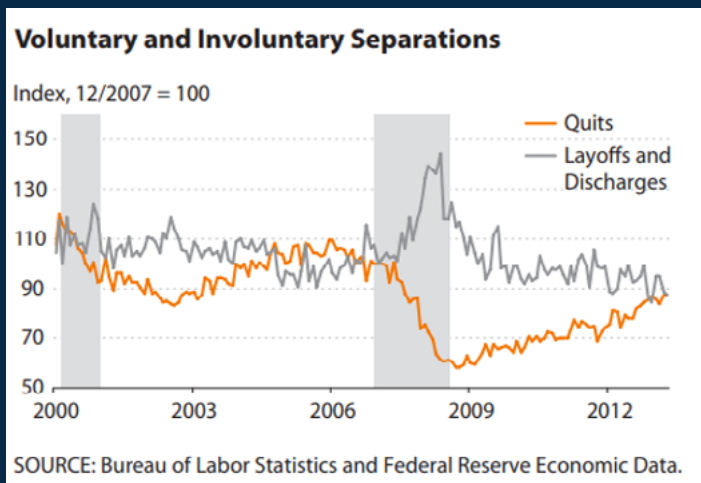
Having a massive backlog of work can also lead to a loss of innovation and creativity because the team doesn’t have time to think, plan, and strategize. Eventually, the continuous fast pace required to meet the new challenges can result in employee burn out, which will slow your department even more and can lead to more lost opportunities.





## Challenge #2: Knowledge Loss from Turnover

Average turnover in organizations in 2018 was 22% (15% voluntary, 6% involuntary, 1% retirement), which is expected during a thriving economy. During the Great Recession of 2008, the total turnover percentage was similar but the % of involuntary separations was disproportionately high.



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Every employee who leaves (whether voluntary or involuntary) takes their institutional knowledge with them. According to [HR Daily Advisor](#), “42% of the skills and expertise required to capably perform in a given position will be known only by the person currently in that position. In other words, should that person leave, their remaining colleagues won’t be able to do 42% of their work, and someone hired into that role will need to learn 42% of it from scratch.”. This means that your marketing team becomes marginally less effective for a period of time after someone leaves and rebuilding that institutional knowledge can be slow and frustrating.



## Challenge #3: Skill Gaps

Digital Marketing Institute conducted a study in 2018 to evaluate the skill gap within digital marketing professionals across a variety of industries. 51% of participants in the US rated themselves as ‘fairly competent’ in digital marketing, but only 38% were able to demonstrate entry level competency. Their research highlighted what many CMOs have echoed - as the use of marketing technology has grown, so has the skill gap within their digital marketing department. This gap directly affects the ability of organizations to successfully leverage digital capabilities.

This issue is made worse by the global pandemic. Marketing plans will have to change; in fact, 90% of CMOs surveyed recently expect to make changes. For example, company hosted events, tradeshow, in-person sales meetings, and industry conferences are critical marketing tactics for many organizations. Only with strategic experience will marketing teams be able to adapt. They will need to go beyond the norm to replace the demand normally driven by these tactics.

### Bridge the Gap by Tapping into Outsourced Support

There are countless articles, webinars, and other content pieces debating whether you should outsource or maintain an in-house team. There are pros and cons to both options, but the answer to the question “which is best?” is, both. An all or nothing approach to supporting your marketing team creates undue risks for the business. Combining the strengths of each approach yields all the benefits while minimizing the risks.





## Strengths of In-House Marketing Team

The primary benefit of an in-house marketing team is a deep understanding of the brand, products/services, target audience, goals, and competitive landscape. Other benefits of an in-house marketing team include:

- Speedy team input, control, coordination and direction.
- Employees may be more vested in the long-term vision of the company.

## Strengths of Outsourcing to a Reputable Partner

Over the years, the term 'outsourcing' has become associated with low cost resources in foreign countries or questionable freelancers offering bargain pricing. Although inexpensive, these types of relationships come with much risk. Instead, engage with a trusted consulting partner or agency. Then, outsourcing becomes valuable and low risk.

The benefits of working with a reputable partner are plenty, but the key strengths correlate directly to the top resourcing challenges. A trusted partner is:

- **Adaptive and scalable.** Consultancies and agencies operate in agile environments able to shift priorities and resources with ease. They can easily scale up the available resources to lean in more when volume is high or reduce support during slower business cycles.
- **Consistent and a source of knowledge.** Often, the tenure of a consultant is longer than the tenure of an employee thereby retaining critical business knowledge over a longer period. A common consulting practice is to maintain a client knowledge base. This in-depth knowledge and low rate of turnover help to reduce the knowledge gap when employees depart. Partners can also provide training and refreshers to new/returning employees.
- **Cost effective for expertise across disciplines.** A skilled marketing consultancy has experts across multiple marketing functions and technologies. You are partnering with a team of marketing experts who are already trained to deliver results.
- **Strategic and full of ideas.** Seasoned consultants start as seasoned marketers. They've seen the evolution of the industry and have a vast experience solving difficult marketing challenges.



## 5 Success Measures for Outsourced Marketing

In order to obtain the best results, it is imperative that you find a reliable and credible company to outsource to.

Here are five criteria that we recommend assess the success of a (current or future) partner relationship.

- 1. Areas of Expertise:** The partner needs to be able to match and extend your current capabilities. Creating redundancy in skillset between you and your partner allows you to scale your team's capacity. However, it is also imperative that your partner also be able to extend your capabilities to drive faster growth and efficiency.
- 2. Access to Resources:** You want a key contact so that your team has a single point of contact to go to. However, you don't want to be limited to just one person who does all the support work. Although you may have an immediate set of requirements for a subject matter expert, your needs and strategy will evolve over time. You need to feel confident that you have the support of a full team.





3. **Service Delivery Approach and Turnaround:** One of the biggest complaints about outsourcing is the disconnect between the internal and outsourced teams. Challenges in how information, requests, and updates flow can be a distraction if there isn't alignment. Be sure the partner can work the way that your team is used to working. A good partner will have multiple ways of collaborating with your team.
4. **Contract Terms:** The question to ask is "How do I want to contract so that I have the best people and my desired experience?" and not "How much will it cost?". Your contract with a partner goes far beyond pricing; it can include service level agreements, access to more or less resources, a deeper level of support, expectations of availability and more. You must consider what is most advantageous for your budget and your team's needs.
5. **Look for Chemistry:** One of the most important and yet most overlooked aspect is how you feel about the company and the team you are working with. Mediocre may work in times of surplus, but synergy is required to thrive in tough times. You should enjoy the relationship you have with your partner, they should consistently bring ideas, be comfortable pushing back when needed, and genuinely feel like an extension of your team.



Many organizations who choose to outsource parts of their marketing efforts do so through an RFP process. The RFP seeks to provide an apples-to-apples comparison of a potential vendors' expertise and pricing. These RFPs are most often developed and executed by procurement without enough marketing involvement. This approach, or any approach that only focuses on expertise and price opens your organization up to risk and potential dissatisfaction.





## Conclusion

Despite many marketing departments seeing fewer resources and more demands, modern marketing leaders can still thrive in tough economic times. By partnering with the right consultancy to work alongside in-house experts, you can adapt your marketing department to meet the new expectations.



### Brandi Starr

Chief Operating Officer | Managing Consultant at Tegrita

Brandi Starr is a true Modern Marketing Maven. She believes marketing magic happens at the intersection of strategy, creativity, and technology. Brandi's career has spanned a variety of industries and marketing disciplines. Her expertise include demand generation and nurture strategy, agile marketing planning and marketing process refinement.





1.800.771.3302

[learnmore@tegrita.com](mailto:learnmore@tegrita.com)

[tegrita.com](https://tegrita.com)

[activate.tegrita.com](https://activate.tegrita.com)

