Build or Buy?
Increasing – or Outsourcing –
Your Marketing Capabilities

Executive Summary

When does it make sense to invest in strengthening the internal capabilities of an organization? When does it make sense to work with an external partner to augment without taking on such a commitment? Every situation is unique, and there are compelling reasons to do each, at different moments.

Build: Increasing In-House Marketing Capabilities

Reasons to build your own team include:

Proximity. An internal team can offer better visibility, more control, and direct access to drive efficiency or increase quality.

Lower bills. Bringing extensive expertise in-house can offer a savings in expenses over time, when compared to an external partner.

Simple tasks. It can be especially efficient to have frequent, routine, low-complexity tasks accomplished in-house.

Accelerate modernization. The digital landscape is rapidly evolving, as are ways to nimbly deliver market-leading and sophisticated experiences. At times, some external partners may have outdated practices. An internal shift provides a great opportunity to level up and modernize.

Evolving as an organization. Your company may want to adjust its capabilities and focus, and may need new personnel to make that evolution happen.

Buy: Outsourcing Marketing Capabilities

Driving factors behind outsourcing include:

Getting productive, fast. It can be far easier to ramp up a new capability by partnering with an external team of experts than it is to begin to build it from scratch internally.

Getting productive, fast, without the up-front investment. When you outsource, you’re buying a share in that provider’s investment in their already-created infrastructure, knowledge, and capabilities.

Scalability, knowledge, and growth. A healthy bench of interconnected experts can be priceless.

First-mover, bleeding edge & limited-instance projects. In-house teams can be great with routine and simple delivery. One place where external partners can shine is where it’s risky or incomplete to rely on generalists, particularly if your team has limited experience or if specialized expertise is needed. An analogy: Your in-house handyman might be great for some jobs, but it’s wiser to get an expert in for solar panels or restructured plumbing.
Ability to focus on what you do best. Your organization’s core business probably isn’t the minutia of a marketing project or program management, experience implementation, QA, or digital-experience hypercare. A health sciences company with a great depth of experience delivers innovative medicines and serves patients – and it’s possible that more value may be found in using company resources to expand your strengths, rather than developing and running a full-service agency that you hope can match external groups that do nothing but that.

Circumventing bureaucracy. No company is safe from internal bureaucracy. Leveraging external partners in the right places can be a healthy way to avoid inefficiencies and issues of scale that can arise when owning delivery internally end-to-end.

Quality and timely service: When you outsource, your vendors are in the business of pleasing their clients and delivering, on time, on budget, and at the highest quality. They are incentivized and motivated to do this.

Industry-spanning wisdom: While an in-house person may feel siloed or have limited exposure to the wider world, external SMEs often have a wealth of recent experience and a wide network to learn from and ideate with.

Considerations

As you weigh your options, it’s important to realize that the decision is more complicated than an either/or – hire staff or hire a vendor.

Whether you’re building or buying, what matters is the people. External partners should, above all else, bring specialized, highly skilled talent to the table. Getting and sustaining the right talent for the task is the single trickiest element of in-housing.

Hiring isn’t easy. It can be challenging to ensure that candidates have the depth of expertise and are the people you need. This can be particularly true if the role is new to your organization, so one in your organization has the skills you’re looking to hire.

Peers and a bench matter. Your organization may need one or two people in this role. However, an external company specializing in this work may have many. This offers:

- **Scalability**, which can save the day when you need coverage in times of increased workload.
- **Troubleshooting**, with experience. Swift, experience-based troubleshooting (or, better yet, preventative action) can have serious cost, time, and risk implications.
- **Growth and perspective**, gained from a group of experts, which can be priceless.

But it’s not only about the people. It’s tempting to hope that internalizing a process or deliverable is as easy as hiring a team. In reality, you need a combination of people, process, governance, and tools.

Do you have operational frameworks? Particularly in companies with multiple brands, broad cross-functional teams, and demanding deadlines, new in-house personnel need predictable structure and frameworks for operations, communications, and delivery so that they can work smoothly and deliver the intended efficiency and savings.

Do you have process blind spots? Do you have full visibility and accounting of every step along the way that your external team(s) now handle on your behalf? You might be surprised.

Do you have the ability to invest in, and train on, the tools? You may need new, specialized tools to ensure that your team can deliver, particularly at scale. From documentation, to trafficking, to implementation, a lot of many specialized tools can come into play.

The Third Option: Both

It doesn’t have to be one or the other. A blended model may be what you need. Developing a structure and a process that easily allows you to plug in experts, when and where needed, to your in-house machine can be very beneficial. Identify options for both in-house capabilities and external vendors, and use the best of each for their situation.

Also, consider the long-term potential benefits of a blended model. Working with an external team of experts can accelerate the internal learning curve, and make it possible to have an immediate impact while carefully building in-house capabilities.

Questions to ask yourself. When you’re looking to expand your capabilities, trying to decide when and where to build internally, and when and where to outsource, a few questions can help you figure out the right balance.
Are we prepared to undertake the necessary investment of time, resources, and money that are required in:

- finding and training the right talent and building harmonized teams?
- the creation, documentation, and ongoing optimization of process?
- the tools/infrastructure the in-house team will need to be successful?

Even if it has to be full of assumptions and estimates, do we have a holistic business case that suggests where we’d find meaningful cost/time efficiency?

Can we orchestrate a pilot to test our assumptions and estimates in the business case?

What is the total scale of the work? Can we build a practice that we’re able to scale up or down to meet demand?

Do we have leadership to orchestrate the program management (and not just individual project delivery)?

Conclusion

Often, the decision isn’t “A or B.” Binary choices sound simple, but forcing an either-or decision can sometimes cause more trouble down the road! All too often, the decision of whether to go in-house or to go to outsourcing is more like: “A for some things, for now, and B for other things, for now, and probably C, too, in certain situations.”

Your unique situation deserves more than a reflexively binary decision. Think it through, ask yourself questions like these, and you’ll be able to feel confident that you’re doing what’s best for your brands!

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