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2022 STATE OF THE MARKET

Benchmark Report for Offshore Creative Production

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Introduction: Rethink & Reshape Production Models

A combination of unpredictable market forces, radically changing consumer behaviour, a growing demand for sustainable practices and a global economy built on borderless talent, has driven companies to find new ways to survive, grow and flourish.

For agencies creating content at scale for brands and advertisers around the world, whether they be in-house, independent production studios or larger networks, the need to invest in offshore partners has never been more relevant or necessary.

With average cost savings of 42% across all omni-channel services, coupled with flexible, scalable resource solutions that help address the “great

resignation” in the US and talent shortages across UK and Europe, the search for offshore partners is on the rise.

As brands search for the right make-up of production model and look to find the balance between in-house, offshore and outsourced production, **49% of agencies are already managing between 10% and 40% of their production offshore.**

73%

of companies surveyed currently offshore creative production/post-production services

As various offshore models start to emerge including Smartshoring®; a hybrid model of low-cost production hubs and in-country client services, India continues to dominate as the most widely utilised production hub, with quality of work the number one benchmark, against which offshore partners are assessed.

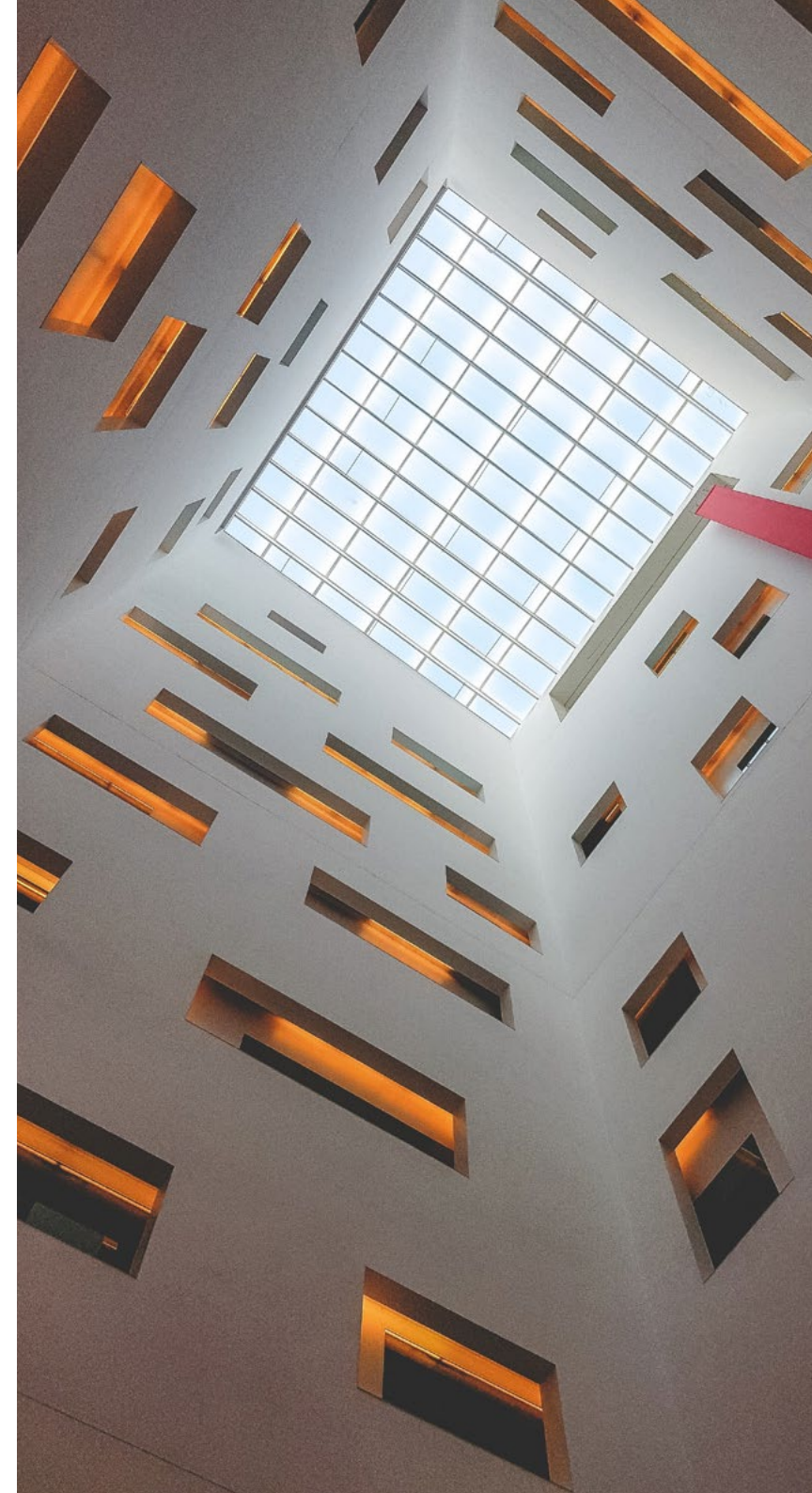
Methodology

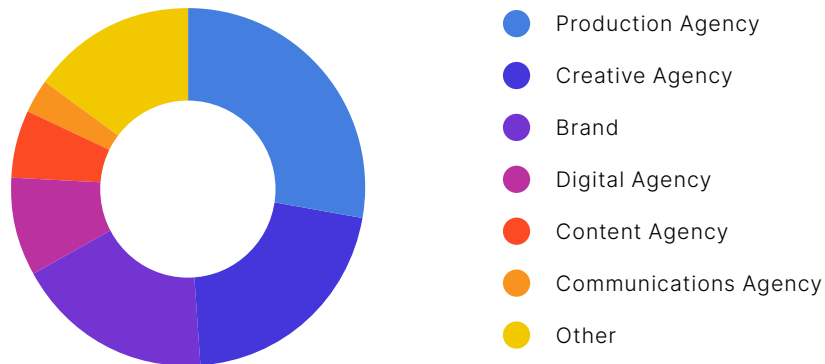
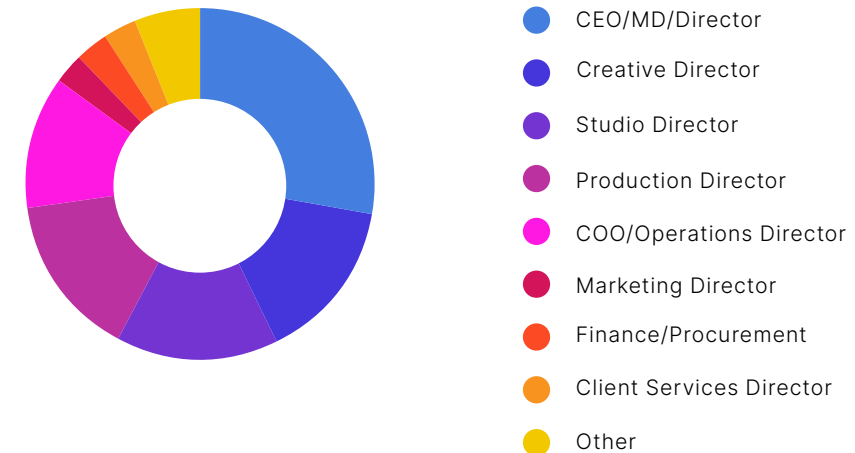
TKM Consultants work with leading brands and agencies around the globe to better understand the latest consumer trends and business insights impacting marketing, advertising and content creation.

This unique and fresh insight has been developed in partnership with We Are Amnet, pioneers in global offshore creative production and **the leader in Smartshoring®**; a progressive hybrid model of offshore creative production hubs and in-country client services teams that deliver commercial value, flexible resource and outstanding quality.

As brands evaluate their production models with in-house teams, external agencies and offshore partners all providing a variety of services to manage the significant uplift in digital, mobile, social and web (D2C) based content, we saw a need for fresh industry data to:

- **Establish how the offshore market is developing in terms of maturity, location and service**
- **Determine the primary business drivers for an offshore partnership**
- **Identify success factors when selecting an offshore partner and developing the relationship**
- **Classify commercial savings by service-line**
- **Define the technology must-haves as we look to the future**



RESPONSE BY AGENCY TYPE**RESPONSE BY ROLE**

By gathering insight, opinions and data from top executives at leading brands and agencies we were able to define and prioritise the criteria that in-house and outsourced agencies consider when building an offshore partner strategy. The research was a combination of both qualitative and quantitative analysis.

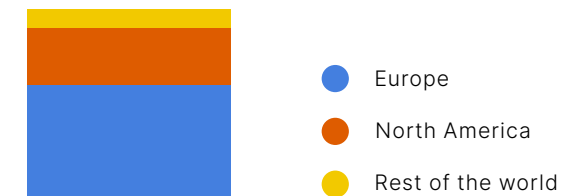
This report is primarily based on an invitation-only survey sent to global

senior marketing, agency, creative and production executives, as seen above.

'Other' included in-house agencies and marketing consultancies.

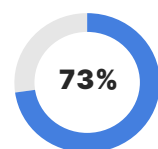
To ensure we received a wide representation of thoughts, ideas and opinions a range of senior executive roles were polled.

Participants are spread across four continents, with Europe and the US providing the greatest representation.

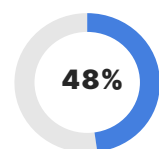
RESPONSE BY LOCATION

A Snapshot

THE MATURE LANDSCAPE

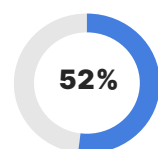


of companies currently offshore creative production/post-production services



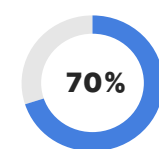
of companies have been offshoring for 5 years or more

LOOKING TO THE FUTURE



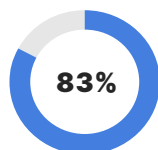
of respondents see more investment for both in-house and offshore creative production

LOCATIONS MOST WIDELY USED



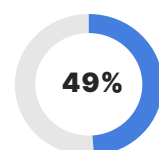
of responses stated they have an offshore provider in India

THE SMARTSHORING APPROACH



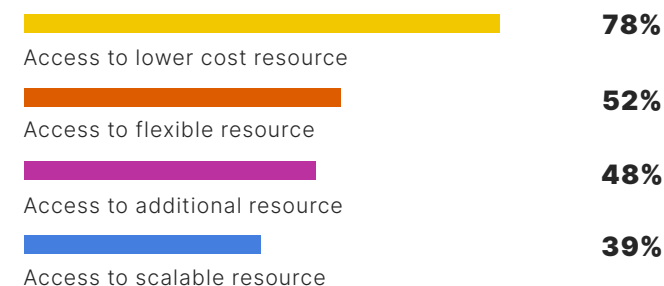
of respondents strongly agree with the Smartshoring approach

MANAGE CONTENT AT SCALE OFFSHORE

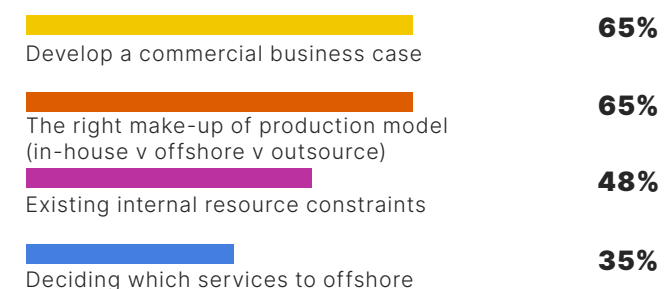


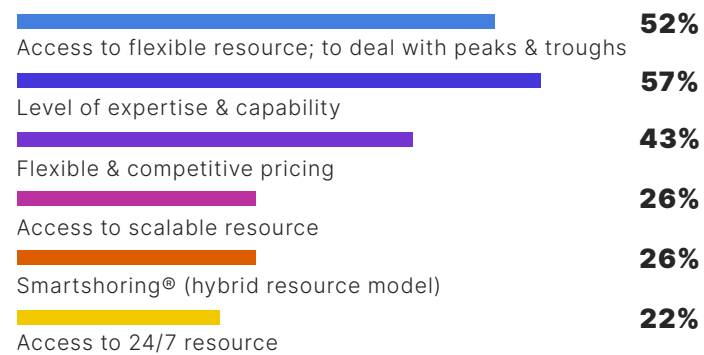
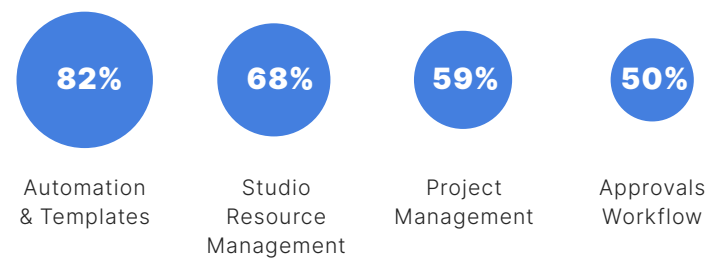
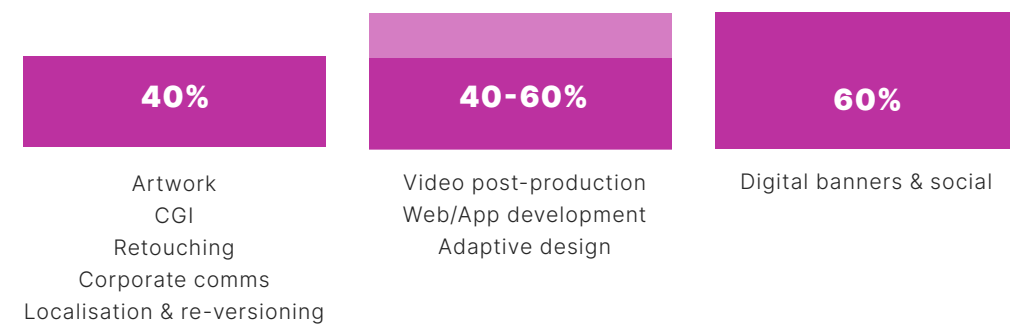
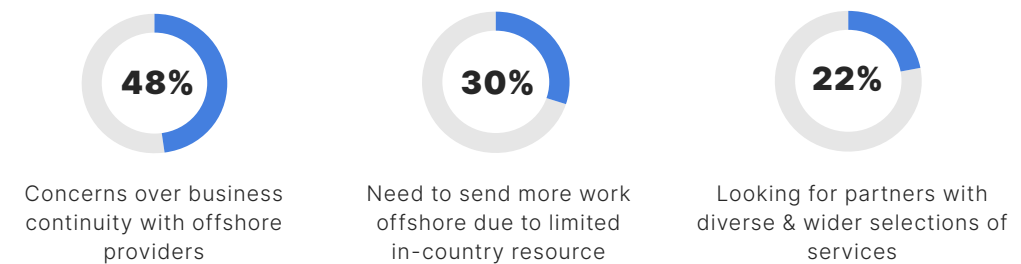
of responses send between 10-40% of their creative production offshore

WHY AGENCIES START THEIR SEARCH FOR AN OFFSHORE PARTNER



FACTORS TO CONSIDER WHEN PLANNING FOR AN OFFSHORE PARTNERSHIP



**MOST IMPORTANT FACTORS WHEN
SELECTING AN OFFSHORE COMPANY****TECHNOLOGY MUST-HAVES****MOST POPULAR EXPECTED SAVINGS****HOW HAS COVID IMPACTED YOUR OFFSHORE STRATEGY**

HOW DO YOU MEASURE THE SUCCESS OF AN OFFSHORE PARTNERSHIP?

BENCHMARK 1

QUALITY OF WORK IS TO EXPECTED STANDARD

BENCHMARK 2

COMMERCIALLY EFFECTIVE & COST SAVINGS ACHIEVED

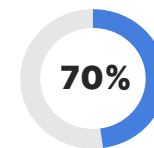
BENCHMARK 3

FORMED TRUSTED RELATIONSHIPS

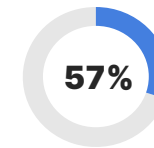
BENCHMARK 4

WORK IS DONE TO DEADLINES (SLAs HIT)

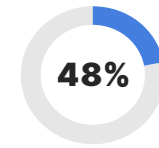
BARRIERS TO SUCCESS



Concerns over quality

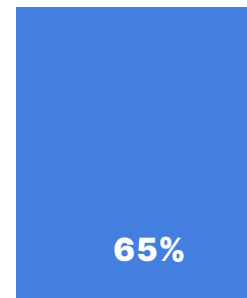


Communication based issues

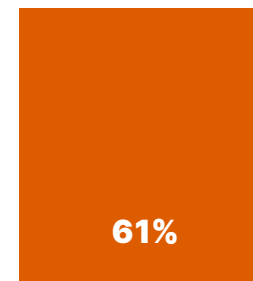


Immature processes

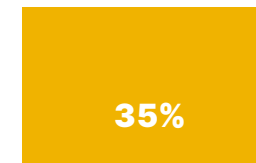
MOST IMPORTANT FACTORS TO ONBOARDING



Implementing rigorous SLAs, QA & Brand Guardians



Structured communication planning & regular reviews



Robust client workshops for knowledge transfer

Key Findings

Q1: Looking to the future, how do you see the creative production industry evolving?

The covid pandemic continues to shape our lives, influence our lifestyle choices and impact the global economy; as the covid fog starts to lift we see the start of a “covid recovery”, which will sway and define marketing investments as we move through 2022.

52%

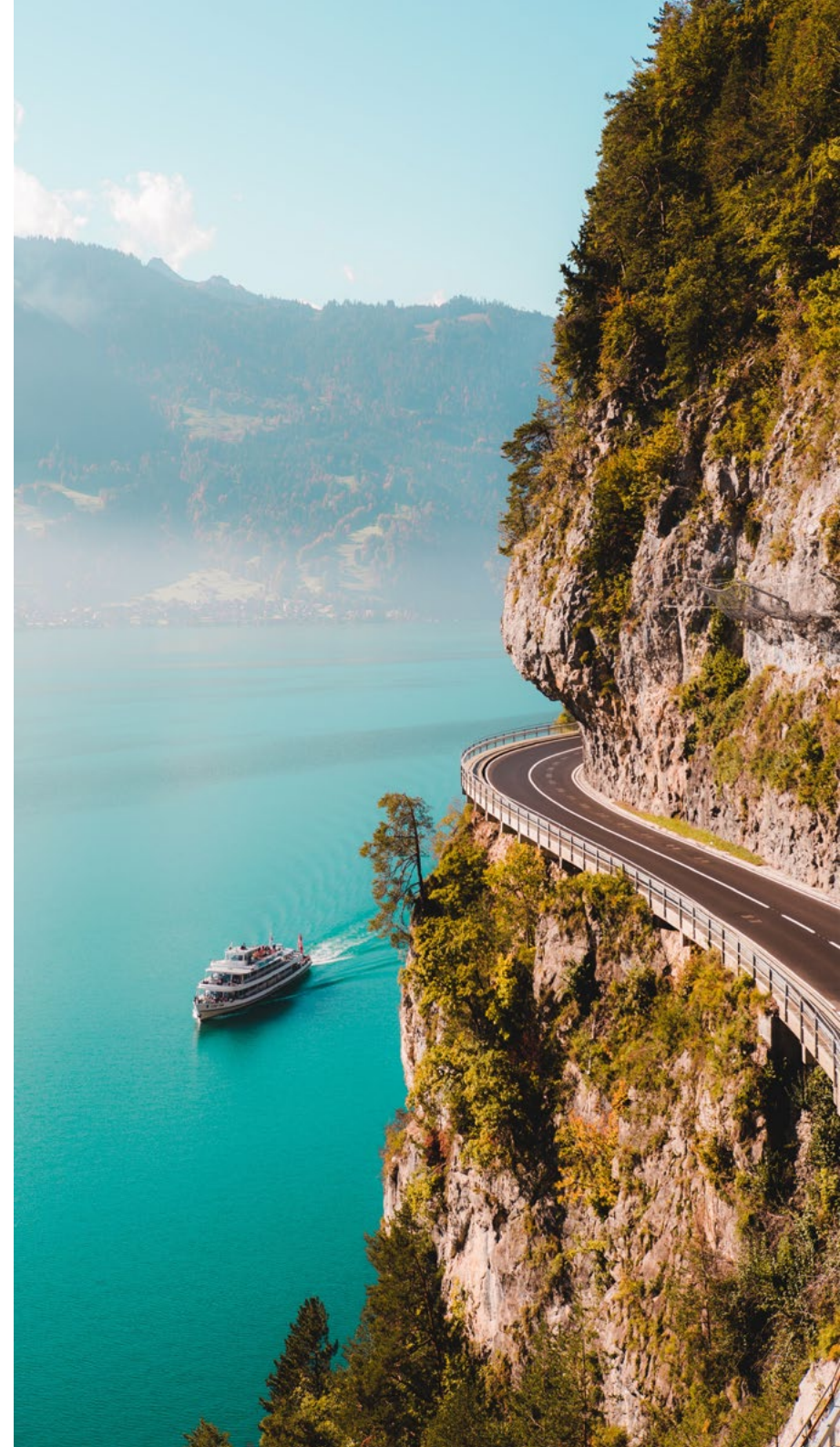
of companies see more investment in offshore and/or in-house creative production

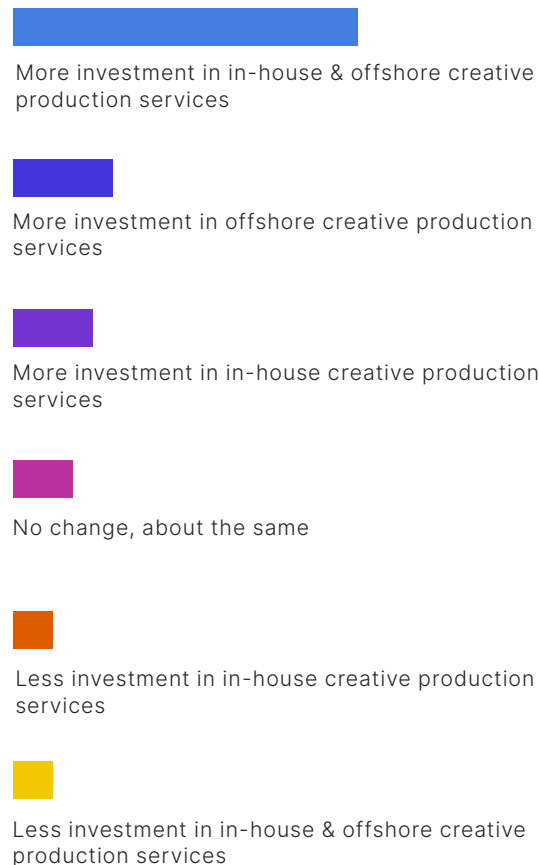
2021 was challenging for many marketers as budgets were slashed, with revenue allocation to marketing

almost cut in half, from an average of 11% in 2020 to 6% in 2021 (Forbes.com).

However, the significant shift in consumer behaviour to embrace digital content, opened up opportunities for many companies to build and accelerate their direct to consumer (D2C) strategies, forcing a greater reliance on performance marketing, motion graphics, short form video, social content and CGI.

Companies are looking to embrace more efficient, sustainable practices, often centred around simpler agency eco-systems and more technology enablement.



LOOKING TO THE FUTURE, HOW DO YOU SEE THE CREATIVE PRODUCTION INDUSTRY EVOLVING?

With marketers and marketing always needing to “be on”, more agile, flexible and fluid models are needed to service this growing need.

This has resulted in more agency consolidation and multiple levels of decoupling as brands look to generate more content and subsequently hire diverse digital skills, often with reduced budgets.

1

The move to offshore; particularly effective where agile and flexible resource is required, at low cost, where re-versioning, reformatting and more localisation is needed.

Two models have naturally developed and continue to be areas of investment in 2022.

2

The continued growth of in-house studios, to generate greater efficiencies across all content tiers, as well as bringing in more access to customer data, generating intelligent content for hyper-personalisation and higher levels of engagement.

Q2: Do you currently offshore any creative production services?

The offshore market is stable and starting to reach levels of maturity particularly for in-house teams and outsourced agencies looking at greater access to flexible resource.

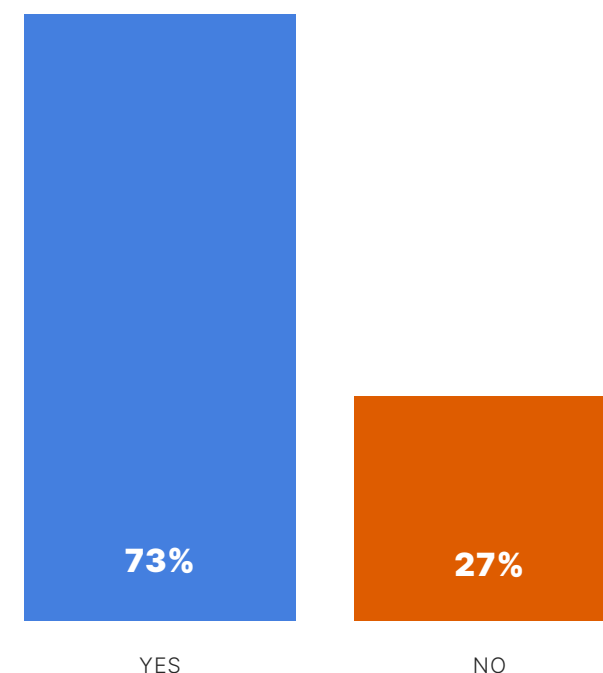
73% of respondents stated they currently offshore creative production services

Procurement teams within larger brands are also reviewing their direct offshore relationships, as a means to drive cost-effective content marketing, at scale, often focusing on content tiers 3 and 4.

Offshore production is becoming a crucial component in the creative services model. Access to borderless talent continues to thrive based on the growth of remote working and a need to decouple post-production including formatting, adaptation, localisation and transcreation.

Of the 27% that do not currently offshore production services, some of the more common themes included an inability to find reliable partners, concerns over centrally managed brand guidelines translating to local production, a strategic intent to upskill the in-house agency and procurement challenges including logistics around contracts and payments.

DO YOU CURRENTLY OFFSHORE CREATIVE PRODUCTION SERVICES?

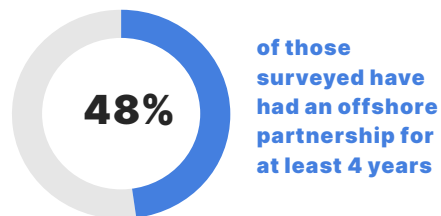


Q3: How many years have you been offshoring creative production services for?

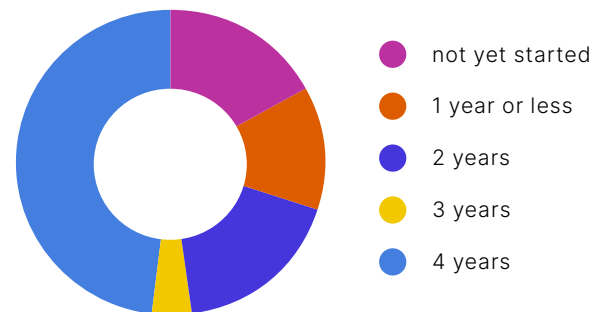
Almost one in two of those companies surveyed have had an offshore partner for at least four years, reinforcing the maturity of the market.

It is apparent we are now past the “emerging” phase and are in the “growth” phase for offshore production.

This level of maturity and knowledge transfer for omni-channel services has significantly improved digital processes, communication, briefing, production quality and reporting.



HOW MANY YEARS HAVE YOU BEEN OFFSHORING CREATIVE PRODUCTION SERVICES?



Establishing an offshore model has become a strategic imperative for many companies, fuelled by:

- 1) the commercial advantages associated with low-cost economies
- 2) the growth of consumer spend across Asia, making these locations desirable for local marketing, creative services and content teams.





We have been Smartshoring for over 5 years now. Finding a partner who works like an extension of our studio has meant we can expand our business by offering additional services and capacity.

PIPPA WALSH
SALES & MARKETING DIRECTOR
BRAND IMAGING SOLUTIONS

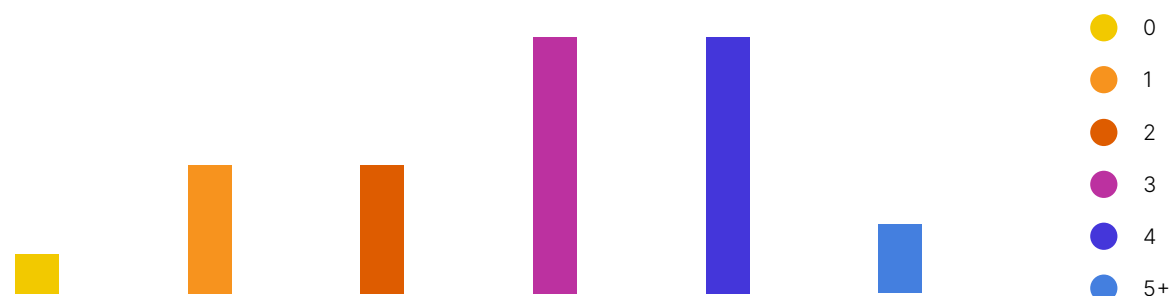
Q4: How many offshore partners do you have?

For the majority of companies one or two offshore partners is the right amount. Companies recognise that with the right partnership they will often have access to a full service from digital, social and motion graphics to accessibility, packaging and CGI.

In addition, onboarding an offshore production partner should be seen as an investment of time and knowledge to ensure maximum value is obtained – juggling too many can be a strain on internal resources and create inefficiencies.

Specialist partners will of course always be required, especially as organisations invest more in immersive (AR/VR), performance and real-time content, but this should be factored in as part of any offshore strategy.

HOW MANY OFFSHORE PARTNERS DO YOU HAVE?



Having an offshore partner is now essential to staying competitive and it means we keep our creatives engaged doing creative work and our Smartshoring team focused on the more repetitive tasks.

ANDREW MCQUEEN
A LEADING UK MARKETING EXECUTION AGENCY

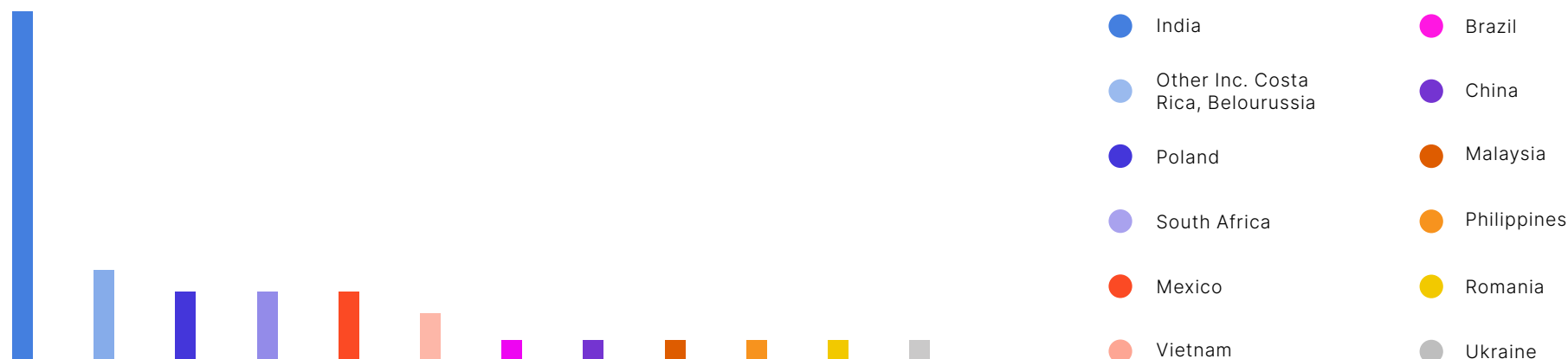
Q5: In what location is your offshore provider based?

India continues to dominate the creative production offshore market, with over two thirds of respondents (70%) working with an offshore partner in India.

There are a host of reasons that India will almost certainly retain the top berth as the most popular offshore location due to:

- An unmatched talent pool: led by companies setting-up studios in established offshore production cities
- On-going support from higher education institutions investing in creative qualifications.
- An ingrained understanding of the international outsourcing market and strong infrastructure.
- Well positioned to fulfil overnight work for North America and Europe and maximise the time difference, while providing 24/7 production shifts.
- Strong language skills.
- A highly developed mobile and digital market.
- Commercially competitive.

IN WHAT LOCATION IS YOUR OFFSHORE PROVIDER BASED?





In addition to India, Mexico, Poland and South Africa rank well as locations to build offshore partnerships.

Mexico has been servicing the Americas successfully for a number of years, as an alternative to India, and continues to be a popular choice due to its fast-growing creative economy.

Mexico holds the number one spot for being the top exporter of creative assets in Latin America.

Combined with a strong web development footprint and competitive salaries, Mexico will continue to be a popular destination for offshore creative production.

Poland's established, comprehensive and large-scale development capability is well suited to companies looking to invest in offshore or nearshore (for Europe) partners, where web, data and digital applications are paramount. With 50,000+ tech graduates each year

and time zone advantages for Europe, Poland has carved out a niche in the offshore market.

South Africa has been a location to watch for a number of years and continues to grow in maturity, supported by a number of government incentives.

It's rise up the rankings in the World's Economic Forum's Global Index has helped develop its role as an offshore hub, as analysts predict South Africa will be more open to global markets in the coming years.

It's rich diversity of cultures, native English speakers, a well-developed infrastructure, convenient time-zone and competitive cost of hiring continue to ensure South Africa is well placed as an offshore creative production location, that is sought out.

Q6: How much work do you send offshore?

The high levels of confidence in offshore production and the established role offshore now has in creative production models is apparent with **one in four companies sending more than 40% of their creative production and post-production offshore.**

Up to 20% of production and post-production is the most likely volume being offshored, with fifty-two percent of

responses suggesting this was a typical scenario (this is marginally higher than the results from the 2021 benchmark report, but comparable).

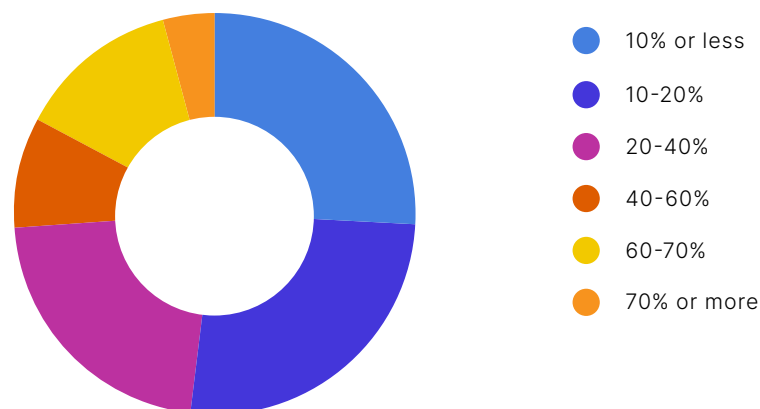
Just over one in five companies offshore between 20% and 40%.

The fairly consistent results we are now seeing from one year to the next illustrates the continuous improvement

on speed, communication, quality and service delivery from offshore production teams, coupled with improved briefing, approvals and remote working processes developing on the client side.

As advances in technology and automation improve, we expect to see these volumes increase over the next 3-5 years.

HOW MUCH WORK DO YOU OFFSHORE?



52%

of agencies now manage at least 20% of all their creative production offshore

Q7: Why did you start searching for an offshore partner?

The commercial benefits available to companies utilising a Smartshoring or offshore model are still the primary driver for partner “search and selection” **(78%, up from 69% in 2021).**

However, the resource challenges facing many organisations using in-house or third party agencies has become a fundamental driver to develop and invest in an offshore strategy.

Five “resource led” triggers have become apparent as budgets are squeezed, campaign volumes and timings become more unpredictable and erratic and the shortage in digital skills starts to bite.

This is further compounded by the demand for “D2C” content marketing skills which have been sent soaring through the pandemic, as well as the “Great Resignation”, a US phenomenon that saw an average of 3.9 million employees quit their job each month.

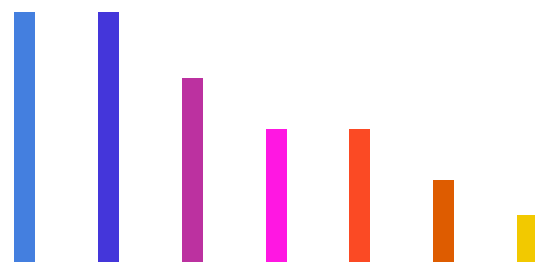
5

RESOURCE CHALLENGES ADDRESSED BY THE OFFSHORE PRODUCTION MARKET

1. Access to flexible resource (52%); to manage campaign peaks & troughs.
2. Access to additional resource (48%); as talent pools become stretched.
3. Access to scalable resource (39%); especially for content at scale versioning, formatting and localisation (tiers 3 and 4 post-production) being fully decoupled from in-country or centralised teams.
4. Access to 24/7 resource (17%); always on marketing, requires an extremely quick turnaround of content where low-cost production studios can run 24/7 shifts, often delivering over-night work.
5. Access to these expertise (9%) in specific services; as budgets shift to short form video content (CGI, animation, Final Cut Pro, Flame, Resolve, Premier Pro) and social/digital content (HTML, dynamic display) access to this expertise to help build core competencies is more vital than ever. Offshoring bridges the gap that may exist in agencies and in-house studios.

Q8: Which of these factors did you consider when planning to offshore?

TOP 3 FACTORS WHEN PLANNING TO OFFSHORE?



- Commercial business case
- Determine the right make up of my eco-system
- Existing resource constraints
- Deciding which services to offshore
- Ensuring operation/studio team bandwidth to support
- Technology needs
- Reviewing existing offshore capability with my current agencies

There were two stand-out factors to consider when planning to offshore:

1. Commercial business case (65%)

With typical savings of between 40% and 60% across all omni-channel services, the commercial business case continues to drive the offshore agenda.

With content re-use a high priority to build sustainable practices, utilising offshore services to re-version and reformat, rather than re-shoot and originate locally, has led to an even stronger commercial business case.

2. Determine the right make-up of my eco-system; in-house v offshore v outsource (65%)

As companies strive to have more effective production models, areas being prioritised include:

- rationalise the existing agency eco-system generating less hand-offs, tighter collaboration and streamlined project management
- support in-house teams with greater scale and access to more diverse production/post-production skills
- generate a more effective production ROI, with greater scrutiny on studio resource management
- create a new level of decoupling, moving content tiers 3 and 4 offshore and decoupling further from existing in-house or outsourced production teams
- Support the on-going trend of decentralised production to enable hyper-personalisation and localisation, helping facilitate the evolution of decentralised production.

The additional factors that scored highly included:

3. Existing resource constraints @ 48%

Offshore production can assist with internal resource constraints as campaign volumes fluctuate, social content scales and localised production grows.

4. Ensure operations/studio have the bandwidth to support @ 35%

Onboarding a new offshore partner is similar to working with an outsourced agency, in that there are multiple activities relating to:

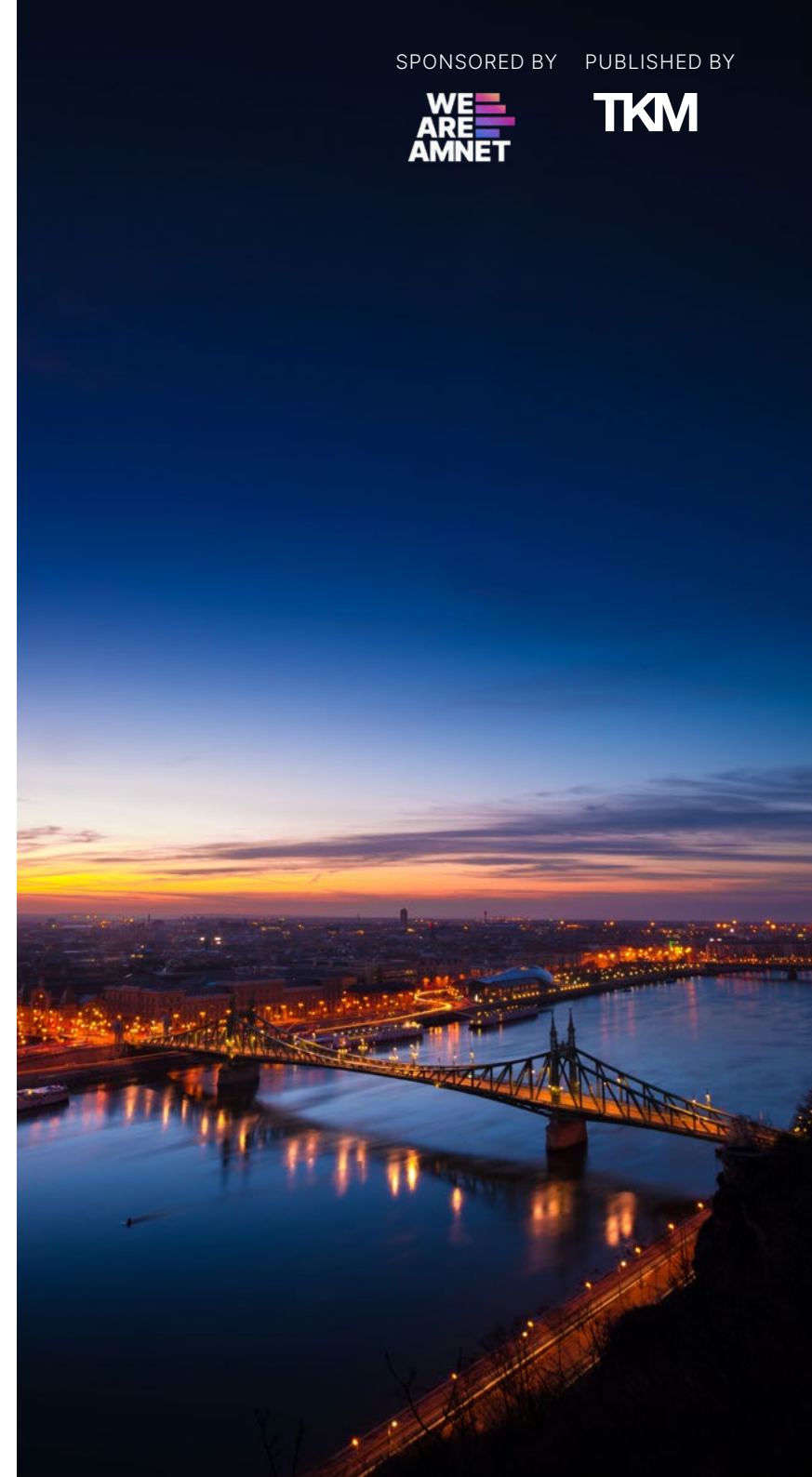
- Knowledge transfer
- Recruitment and training
- Communication planning
- Agreeing processes
- Technology adoption
- Managing volumes and skills/capacity
- Reviewing metrics and SLAs

For companies to engage effectively with an offshore partner, having suitable bandwidth internally is imperative to maximise the opportunity.

5. Deciding which services to offshore @ 35%

Services most suited to the offshore production studios are those that have matured over time and have large volumes of tier 3 and tier 4 content which includes applying concepts to different channels, as well as more mechanical than creative work, often templated and formulaic.

- digital banners
- artwork & retouching (digital, advertising and packaging)
- content localisation (social, digital & video)
- PowerPoint & financial reports
- short form video & motion graphics post-production
- animation & CGI
- web/app development (availability of low-cost development)



Q9: What are the most important factors when selecting an offshore partner?

Three stand-out factors top the list when selecting an offshore partner:

Expertise & capability (57%)

Ensuring you get the right level and type of expertise across the various post-production and editing requirements. Running pilots with potential partners will ensure that a comprehensive capability audit can be managed prior to making a decision.

Access to flexible resource (52%)

Ensure your potential partners have capacity to fulfil the work requirements, include strong HR teams, resource ramp up plans and a robust database of potential hires.

Flexible & competitive pricing (43%)


Any offshore partner must have multiple pricing models to fit in with your business needs from transactional and fixed term pricing to captive management models.

During the selection process, speaking to existing reference clients will give you a feel for culture, responsiveness, quality and communication.

The hybrid model of in-country client services and offshore production hubs, better known as Smartshoring® is also becoming a more important factor, up from 23% (in 2021) to 26% (in 2022).

WHAT ARE THE MOST IMPORTANT FACTORS WHEN SELECTING AN OFFSHORE PARTNER? (TOP 3 SELECTIONS)



A person is sitting at a white desk, working on a laptop. The laptop screen displays a grid of colorful posters or advertisements. To the right of the laptop is a small vase with pink flowers. In front of the person is a tablet with a stylus. There are two white mugs on the desk, one with coffee. A large sheet of paper with handwritten notes in green and pink is on the right side of the desk. A magazine titled 'Seasons' is also visible. The background shows a plant and some decorative items.

"We have very high quality standards and needed an offshore partner who could match up to those standards and also meet tight deadlines, through Smartshoring® we are able to access exceptional talent and make use of 24/7 shift patterns to maximize the time we have, meaning the work can be briefed in the afternoon and be back to us by the morning.

MARCELO GANDOLA
FOUNDER OF EDISEN (FORMERLY CHIMNEY)

Q10: Smartshoring® is a fast-growing trend for offshore creative production. Do you agree with the Smartshoring approach?

The accelerated utilisation of borderless talent brought on by the pandemic, has undoubtedly opened up opportunities to manage parts of the creative production cycle offshore.

However, to mitigate any risks associated with communication and language, cultural nuance and empathy as well as brand knowledge, companies that engage with the Smartshoring® philosophy have access to in-market client services. This proximity of talent and support, can also ensure:

- another layer of quality assurance
- align to a client's time zone
- easily familiarise themselves with existing processes and procedures
- sit within the client's own offices, operating as an implant or part of the in-house team

83%

of respondents agree or strongly agree with the fast-evolving hybrid model of Smartshoring.

DO YOU AGREE WITH THE SMARTSHORING APPROACH ?



The Evolution of Smartshoring®

The hybrid Smartshoring model combines agile, efficient and flexible production hubs, while, at the same time, delivering enhanced communication, effective briefing and excellent project management, by client services.

Smartshoring allows companies to utilise the best talent wherever they are in the world, at the best value.

Smartshoring is a progressive offshoring model that helps companies find the balance between in-house teams, outsourced agencies and marketing teams, whether production is managed globally, regionally or locally.

83%

of respondents agree or strongly agree with the fast-evolving hybrid model of Smartshoring.

IDEAL FOR SMARTSHORING

- Artwork Production
- Retouching
- Digital Banner Advertising
- Video Post-Production
- CGI, Motion & 3D
- Adaptive Design
- Repro/File Prep
- Data Services
- Automation
- Web/App Development
- Accessibility
- Publications
- Social Content
- Corporate Comms
- PowerPoint Presentations
- Annual Reports

Q11: What technology should be provided by your offshore partner?

The technology investment among offshore production studios continues to grow and is seen as an important enabler to production efficiency.

For many brands and in-house teams, there is a steadily growing expectation for greater levels of automation (82%) to facilitate scale especially on high volume adaptation of digital and display advertising/banners (82%), social content versioning (59%) and video editing/localisation (45%).

Content versioning especially for display advertising and video production allows for thousands of versions to be created quickly, with more personalised content and then published to the relevant social channel.

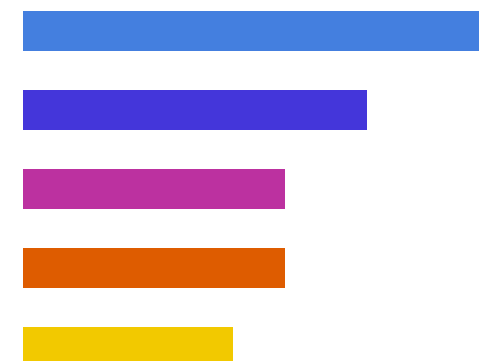
The importance of automation and templates has grown significantly since the 2020 benchmark report, when it was much lower down the pecking order, behind approvals workflow, project management and digital asset management.

Clearly 2022 will be the year that automation starts to take hold and act as a catalyst for content at scale.

As in-house teams grow and resource metrics are compared to outsourced agencies and offshore teams, access to studio resource management (68%) is high on the agenda.

Capacity and utilisation is closely monitored to ensure costs and pricing are accurate, audit trails are available for compliance and real-time resource and project tracking is available.

WHERE WOULD YOU EXPECT TO SEE AUTOMATION?



- Digital & Display Advertising (banners)
- Social Content Versioning
- Video Localisation
- Packaging Artwork
- Print & Point of Sale



As producers and advertisers around the world strive for production efficiency, sustainable practices and solutions to the many resource challenges that exist, there is little doubt that offshore studios and the Smartshoring model will continue to grow in importance and become a crucial component in the production ecosystem, working alongside in-house teams and external agencies.

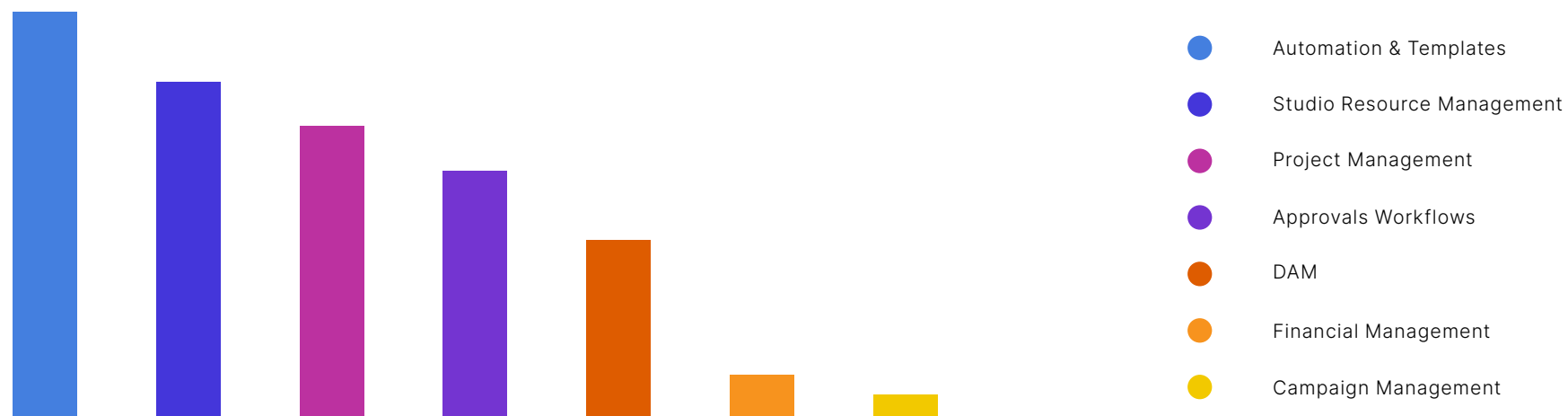
ANIL NOORANI
MANAGING PARTNER
TKM CONSULTANTS

Project management (59%) continues to be recognised as a necessary technology enabler, delivering transparency, control and compliance across multiple projects, campaigns and jobs.

Finally approvals workflow, while no longer scoring as highly as other requirements, due to the maturity of on-line approvals technology, for 1 in 2 companies (50%) it is still considered a must-have for offshore

studios, to reduce amendment cycles and increase speed to market.

WHICH TECHNOLOGY SHOULD BE PROVIDED BY YOUR OFFSHORE PARTNER?



Q12: How has Covid-19 impacted your offshore strategy?

HOW HAS COVID-19 IMPACTED YOUR OFFSHORE STRATEGY?

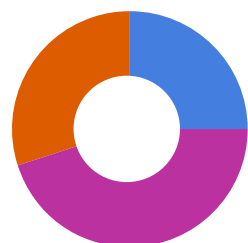


The pandemic continues to influence “marketing predictability” and this in turn dictates how marketers plan campaigns and how agencies execute content. It is undeniable that the last couple of years has impacted companies offshore strategies in terms of:

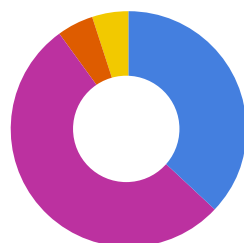
- Ensuring business continuity is robust, as the pandemic’s peaks and troughs vary considerably from one country to the next (48%).
- A need to send more work offshore, as in-country production and post-production teams come under increasing pressure due to workforce shortages and isolation rules (30%).
- A need to utilise existing partners for a wider selection of services, as companies pivot to more digital, video, motion and CGI based content to engage with their consumers (22%).
- Greater flexibility and agility, as forecasting becomes more unpredictable and the lead time on briefing to production shortens dramatically to respond to changing consumer behaviour (22%, other).

Q13: What percentage of savings would you expect to make?

WHAT SAVINGS DO YOU EXPECT TO MAKE FROM OFFSHORING PRODUCTION & POST-PRODUCTION?



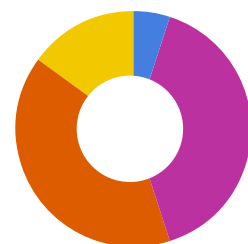
Digital Banners
& Social



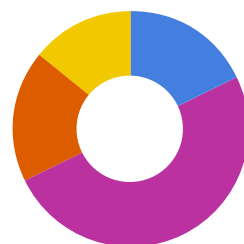
CGI



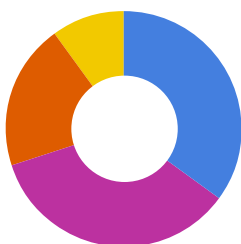
Video Post Production



Retouching



Artwork



Web/App
Development



The large savings available by taking advantage of an offshore model are undeniable, across all omni-channel services.

42%

**average savings
attributed to this
model, across all
services lines.**

80%

**savings
expected in
some cases.**

A wide-angle photograph of the Chicago skyline at sunset. The sky is a mix of orange, pink, and blue, with wispy clouds. The city's skyscrapers are silhouetted against the bright horizon. In the foreground, the calm water of Lake Michigan reflects the colors of the sky. The overall mood is serene and professional.

95%

**of respondents
expected a saving
of 40% or more for
digital content.**

63%

**of respondents
expected a saving
of 40% or more for
CGI.**

30%

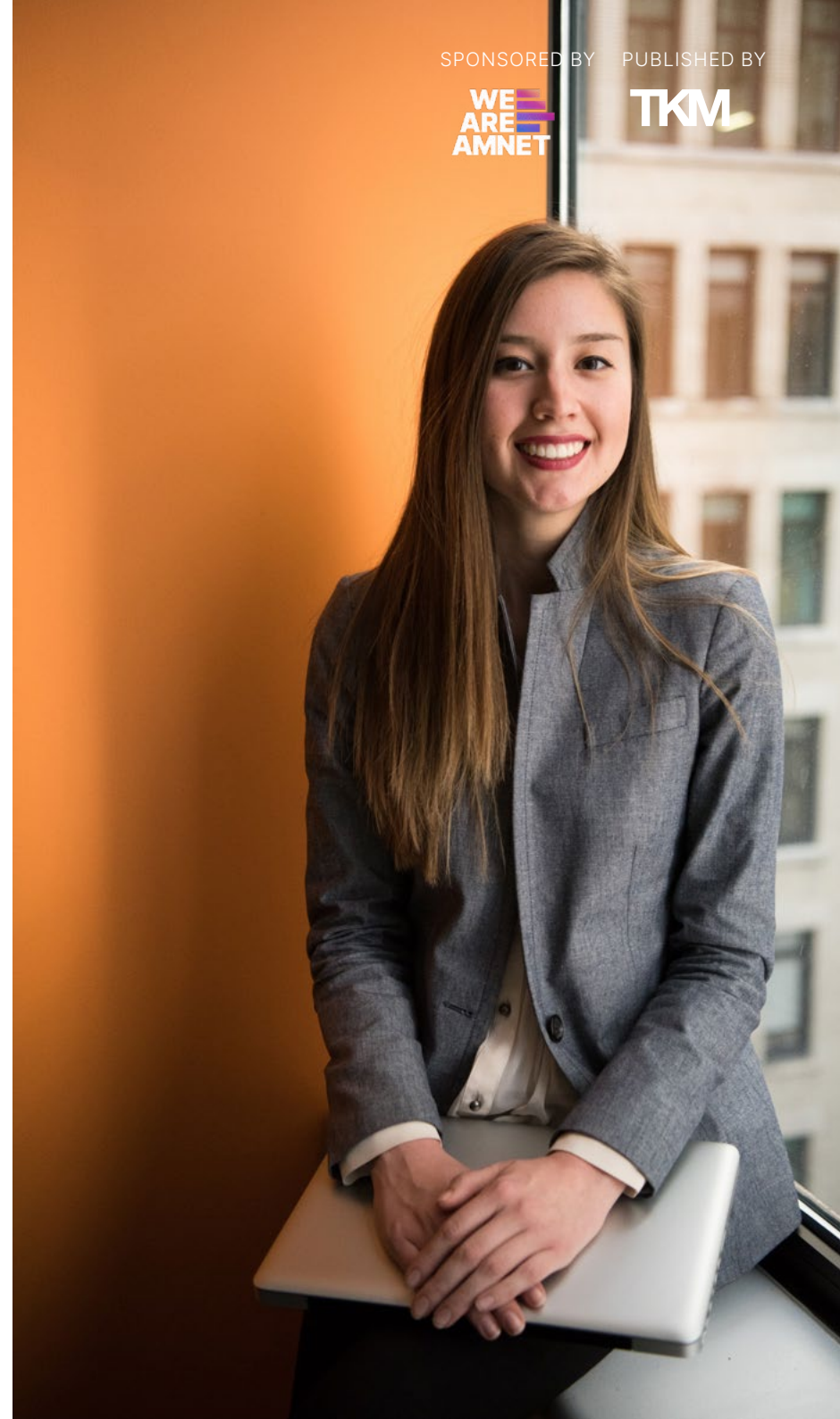
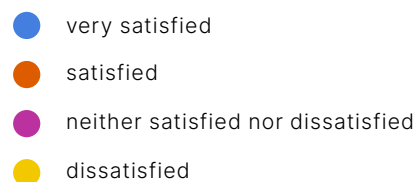
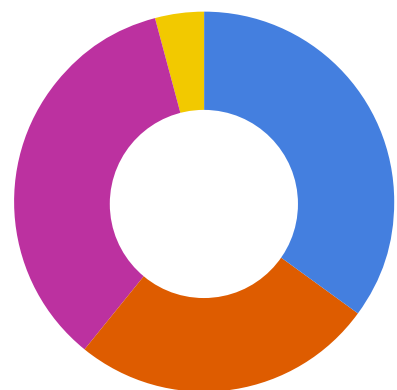
**of respondents
expected a saving
of 40% or more for
video post-production.**

Q14: How happy are you with your existing offshore partner?

While commercial savings are crucial to building an effective business case, the satisfaction of a working relationship is often impacted significantly by the quality of work, responsiveness of the team, effectiveness of the communication and overall service.

It is promising that 61% of responses showed a high level of satisfaction with their offshore partners, with a number of participants unable to provide a response due to the early phase in their offshore strategy. While only a tiny percentage (4%) are currently dissatisfied.

HOW HAPPY ARE YOU WITH YOUR EXISTING OFFSHORE PROVIDER?



Q15: What were the most important factors in the onboarding process for you?

Onboarding any partner is a crucial stage in the relationship. Defining those factors that will measure the success of a relationship, at the start of the engagement, will deliver greater long term success.

Implementing rigorous SLAs and QA with 65% (up from 54% in 2021), was considered the most important factor when onboarding an offshore partner. This was closely followed by Structured Communication Planning and Regular Reviews with 61% (down from 69% in 2021).

Close to 1 in 3 respondents had the hybrid model of Smartshoring® (in-country client services alongside offshore production hubs) as the key element, which in itself supports better structured communication, especially as in-country account teams can act as another gate keeper on QA.

Producing work in parallel, also scored well with 30%. Pilots or test work ensure effective ways of working, and allow for briefing, approvals and reporting to be bedded in effectively.

Finally, and perhaps most encouraging as the covid fog starts to lift, is the willingness to visit offshore offices as an important onboarding factor. Getting to know the team, building relationships and factoring in cultural appreciation all contribute to long term success.

Perhaps surprisingly, sustainable practices is still fairly low down the pecking order, with only 13% identifying this as part of the onboarding process. This, we are certain, will increase over the next two years.

WHAT WERE THE MOST IMPORTANT FACTORS IN THE ONBOARDING PROCESS FOR YOU?



Q16: What are your barriers to success?

Perhaps unsurprisingly the number one potential barrier to success is centred around concerns over quality (70%).

This of course isn't a challenge just for offshore companies, but all production teams whether they are in-house, outsourced or offshore.

Effective briefing, transparency around skills and capabilities coupled with agile communication all contribute to alleviating issues around quality.

Ensuring quality based metrics that are measured consistently and regularly will assist in issue identification and resolution.

Technology platforms, which include digital workflow, robust management dashboards and analytics can assist with the data capture and transparency.

Ensuring brand guardians are available in the team to examine assets against guidelines, along with robust QA procedures centred around six sigma,

"First Time Right" and ISO processes, will assist with any quality challenges.

Communication issues are also considered a barrier to success (57%); this could relate to both language challenges and interpretation of the brief.

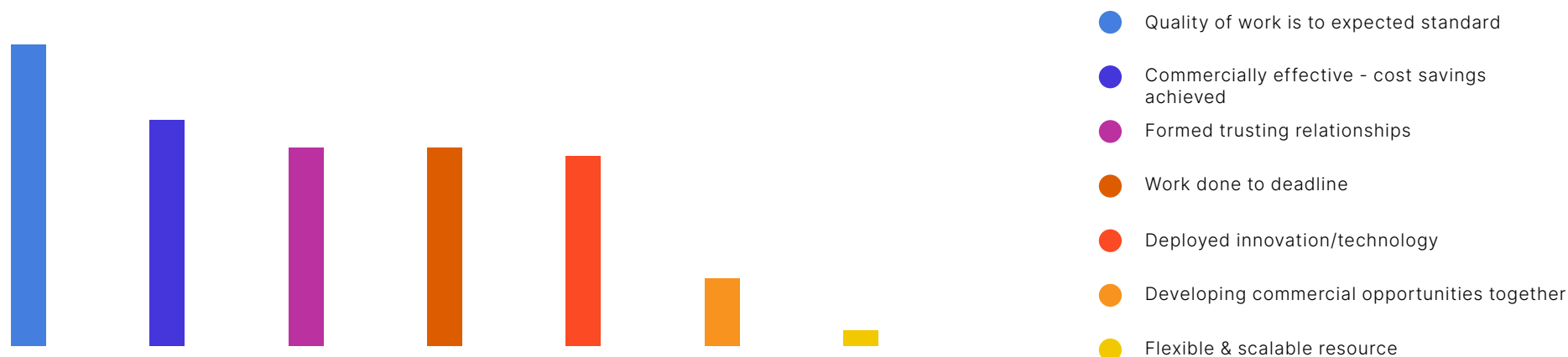
The Smartshoring® model, with in-country clients services teams, invariably mitigates some of these challenges providing an interface that accommodates and bridges the gap between language, time-zone and culture.

WHAT ARE THE BARRIERS TO SUCCESS?



Q17: How do you measure success?

HOW DO YOU MEASURE SUCCESS?



Our final question relates to future offshore success and how we measure this.

Quality (76%, up from 73% in 2021) continues to outperform cost saving as the primary measurement of success. Forming trusted relationships (50%) and work being done on time (50%) closely follow quality.

The need to develop trusted relationships continues to reinforce the long-term strategic importance of offshore partnerships, as part of the evolving production eco-system.

The resource angle, and the ability for offshore teams to commit and execute on

providing flexible and scalable resource, again ranks well as a measurement of success (48%), as resource challenges dominate the agenda for many in-house teams and outsourced agencies as they attempt to service the surge in demand for digital, video and social content.



The team at We Are Amnet have come up with a (Smartshoring) protocol which grabs my attention as a forward thinking approach to solve the types of challenges many of us have seen or feared, which will only grow bigger as our data and segmentation needs grow alongside the need for speed.

CATHERINE MCINTYRE-VELKY
FOUNDER, MCVELKY LLC, EXECUTIVE CONSULTANT
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Conclusion

52% of companies are looking to invest more in offshore creative production over the coming 12 months, this requirement has been galvanised by the need to address the growing resource constraints relating to more flexibility, lower costs, additional skills and more scale.

As a result, one in two companies now send up to 40% of their creative production offshore, with a focus on content tiers 3 and 4 (post-production), relating to re-versioning, multiple formats, mechanical artwork, retouching and editing.

The surge in spend across social, motion and display advertising continues to fuel this growth and ensure offshore production is developing a prominent role in the production models favoured by brands and agencies. India is the most dominant and mature of

the offshore locations, favoured by over 2 in 3 companies, with Mexico, Poland and South Africa also faring well as an offshore destination. Philippines, Vietnam, Brazil, China and Costa Rica were also all identified as potential offshore locations.

The commercial business case continues to stack up averaging 42% savings across channels, for adaptation, localisation, re-formatting and re-versioning.

Companies consider a number of benchmarking criteria when conducting their search, selection and onboarding to ensure a successful outcome.

Determining the right model and make-up of the production eco-system is crucial and companies strive to find the right balance of offshore, in-house and outsourced teams.

Implementing rigorous SLAs, QA processes, structured communication and robust client workshops for knowledge transfer were selected as the most crucial factors to successfully onboard an offshore partner.

Quality, cost savings, trusted relationships and work being done to deadlines were considered the greatest measure of on-going success once the offshore model was deployed.

With offshore satisfaction levels steady, in-house teams decoupling post-production offshore, and the pandemic accelerating the “D2C” model, the offshore production market and Smartshoring is set for strong growth over the next 5 years.

About Us



We Are Amnet is a global leader in creative production.

We Are Amnet deliver unmatched expertise in multi-channel content production and post-production.

We Are Amnet are pioneers in Smartshoring®; a hybrid model based on global production hubs and in-country client services teams.

Smartshoring® has become essential for brands, in-house teams and agencies to stay competitive, deliver unparalleled quality and increase profits when implementing global campaigns.



TKM is a sales and marketing growth accelerator.

We deliver marketing excellence, efficiency, and effectiveness by advising, building, and implementing the right marketing strategy, operational and technology model aligned to revenue and growth targets.

We enrich this process by capturing market leading B2B insight and provide a platform for thought leadership.

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