

STAFFING UP FOR GROWTH

Outsourcing vs. Hiring In-House Marketing Talent



When a company is looking to invest in marketing—whether for the first time or to embark on a more comprehensive marketing initiative—the question of when to hire versus when to outsource marketing inevitably crosses the minds of executives. There are numerous considerations based on a company’s stage, go-to-market model, and the type of marketing needed to support the business.

Once a new marketing need is identified, many companies have a natural tendency to want to hire in-house, but there are definitive scenarios when other solutions can prove to be more beneficial.

Companies can go three routes when determining how to organize their marketing: hiring all in-house staff, outsourcing the entire function, or building a hybrid solution.

THE HYBRID MODEL WORKS WELL IN MULTIPLE SITUATIONS.



In scenario one, a company hires a senior in-house marketer who can help drive company strategy but then outsources program management and execution support to agencies or contractors.



In scenario two, a junior or mid-level marketer is hired who can lead basic marketing tasks and program manage the relationship with an outside provider for the more strategic or specialized skills.

Knowing what's right for your company based on your stage, growth objectives, and marketing requirements is critical, and the key is to pick the path that brings the right resources to the table in a cost-effective manner.

The next few pages outline key considerations when determining the right structure for your firm.

CONSIDERATION 1

STAGE OF COMPANY

The marketing needs of a company change as a firm evolves. Early-stage companies in particular are in a constant state of flux—prioritizing target markets, building out a successful go-to-market model, and understanding the marketing mix needed to achieve results. The marketing needs of a company first getting ready to scale are very different across the various stages in that 6-24 month window.

Experienced startup leaders are generally well-versed in managing these dynamics and outsourcing the marketing expertise they need to implement. But many companies spend too much of their marketing budget on hiring in-house staff and then find they don't have sufficient resources to execute against business objectives. No single person has all of the skill sets needed for companies at this stage, and it's critical to leave room in the budget for program costs such as events, advertising, tools and software, and other marketing expenditure.

Early-stage firms can often benefit from outsourcing through the early stages, until their business matures and they require a narrower set of marketing skills in order to succeed.

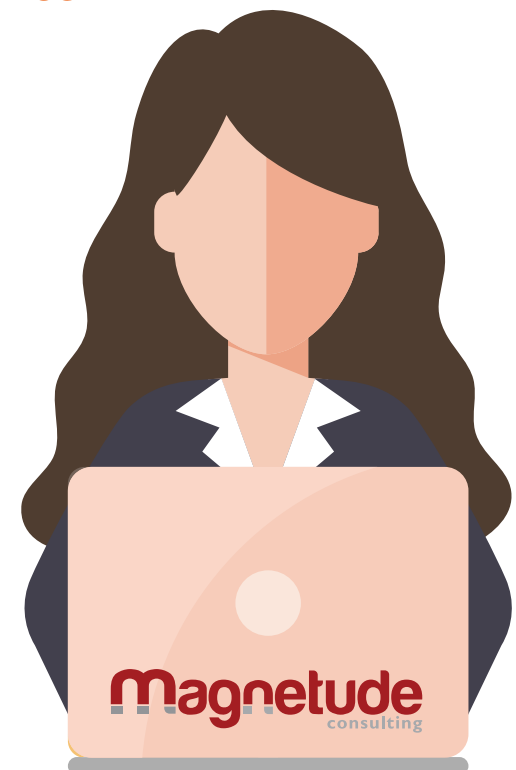


STAGE OF COMPANY

Established companies who haven't invested in strategic or integrated marketing in the past tend to have comparable needs to that of an early-stage firm where the marketing skills needed are still broader than the skill sets of a single marketing individual.

On the flip side, a firm that already has a proven model for generating marketing leads in a scalable, predictable manner can benefit from hiring a mid-level marketer who can heavily dedicate themselves to this effort. In those cases, a full-time hire can be more cost effective and outsourced support might only be needed for more tangential or specialized needs, such as search marketing, web development, or content development.

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CONSIDERATION 2

TYPE OF MARKETING SUPPORT NEEDED

A consideration that is often overlooked is an examination of the type of marketing a company needs to be successful. ***What is the role marketing is expected to play in driving the business forward?***



IS MARKETING VIEWED AS A COMPETITIVE ADVANTAGE?

Marketing can drive significant competitive advantage. For companies who truly understand that, many will make the appropriate investments in hiring best-in-breed marketing talent both in-house and outsourced. But even firms that don't view marketing as one of their competitive advantages needs to ensure they don't get out-marketed by the competition and at least do what's needed to keep pace.



WHAT IS THE RANGE OF SKILL SETS REQUIRED?

Does your marketing require mainly tactical activities that rely on a fairly narrow skill set that a small team (or team of one) can deliver? Or do you need a broader range of skills and programs to market effectively, such as public relations, graphic design, and content development.

TYPE OF MARKETING SUPPORT NEEDED



IS YOUR BUSINESS UNDERGOING CHANGE OR EXPLORING A STRATEGIC SHIFT?

If a business is evolving its offering, expanding or altering its market focus, or exploring new strategic directions or market positioning, the marketing needs are likely to change dramatically. Companies undergoing these shifts require marketing expertise that can rapidly toggle from strategy to execution in order to effectively work through the cycle of strategize, plan, build, pilot, optimize and scale.



HOW MUCH MARKETING DOES YOUR COMPANY NEED?

Whether the answer to this is driven by true need or simply by financial capacity, budgets can help determine the appropriate hire. Not all companies need 40 hours a week of marketing support, especially if it means not having sufficient budgets for paid expenditure such as digital advertising or event participation.

Other factors must also be taken into account, such as a company's growth model (how rapidly is the company looking to scale?), the business environment (how dynamic or predictable is the industry or market landscape?), and the broader organizational structure (how will marketing need to interact with the rest of the organization?).

CONCLUSION

It's important to understand that there's no one-size-fits-all approach when it comes to the decision of when to hire in-house vs. outsource. Some firms opt to outsource for a few years until their marketing needs are stable enough to hire the right in-house resources. Other firms who have in-house marketing staff choose to bring in a full-service agency to serve as an extension of the in-house team. And others have realized the benefits of fully outsourcing the marketing function altogether.



The bottom line is that multiple approaches can work, and the ultimate decision boils down to the company's strategy, tactical needs and financial resources. We have clients who were set on hiring in-house before bringing us on but simply couldn't find a single person who had all skill sets they needed. We have other clients who knew they were looking for a full-service, fully outsourced partner. And we also have clients who choose to build a predominantly in-house team who only rely on us to help build the team and associated programs or for specialized work they don't have the in-house expertise to deliver.



Are you trying to figure out what's best for your firm? [Drop us a line](#) and we can tell you more about **Magnetude Consulting's** unique model to see if it's a good fit for your needs. We've worked with dozens of clients on marketing planning, helping them determine the right structure, budgets, and other requirements needed to fulfill the marketing function.

We work as our client's fractional or outsourced marketing department, breaking the traditional agency mold and providing the value of an in-house team with the expertise and breadth of experience of a full-service marketing agency.

MAGNETUDE CONSULTING is a full service, marketing firm that specializes in working with small and mid-sized B2B tech companies, providing a fractional or outsourced marketing department spanning strategic and tactical support.

Interesting in hearing more about our capabilities? [Contact us.](#)

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