Design Industry Voices

How it feels to work in British digital
and design agencies right now

Report published 7 January 2013 by Fairley & Associates,
Gabriele Skelton and On Pointe Marketing

The headlines:

1. More staff than ever intend to change job within a year (59%).
   Agencies are employing fewer permanent staff, more freelancers
   and more interns.

2. The widest perceived delivery gap is for 'has a management team
   that demonstrates strong leadership skills' (-53.1%). Owners have
   a rosier view of agency performance than their staff. *(The delivery
   gap is the difference between the perceived importance compared to
   perception of how well an agency currently performs in relation to
   an agency attribute.)*

3. More staff than ever write their personal thoughts about work on
   social networking sites (34.6%).

4. Clients expect more work for less money to make up for budget
   cuts. Agencies are expected to do more work for
   free to win pitches and the pitch process is taking longer.
   Clients want 'safer' work.

5. Only 9% of respondents say clients demand accessible designs and
   fewer than half (45.7%) agree that they understand how to design
   in a way that improves accessibility for people with disabilities.

The Implications

A crisis of leadership

There is an ever increasing instability within agency workforces. There are fewer permanent staff, more freelancers and interns. A record number of people are intending to change job within a year (59%). This year almost half of respondents (49%) have been with their agency less than two years, so it appears that unhappy employees are following through on their intention to change job.

A substantial change in those responsible for the day-to-day client relationships and client satisfaction may have an impact on the agency's ability to service and farm existing clients, as well as to seize new business opportunities as the market begins to pick up. The resulting churn means agencies are spending precious budgets on recruitment fees and investment in getting people up to speed on their way of working and building staff knowledge of the agency's clients.

This makes clients nervous that the 'A' team pitched but an unstable or more junior 'B' team are delivering. And feeling like you aren't on the 'A' team is demotivating, giving employees another reason to consider leaving.

The movement of people between agencies can make or break reputation through word of mouth. This is increasingly true as a growing number of respondents are using social media to talk about their professional experiences (34.6%, up from 18.8% in 2009).

Respondents perceive a crisis of leadership. For the first time the perceived delivery gap is widest for 'has a management team that demonstrates strong leadership skills' (-53.1%). Part of the issue is that owners have a rosier view of agency performance than their staff. Staff complain of inappropriate staffing levels, a lack of strong sense of teamwork throughout the organisation, their ideas and opinions not being valued, and they are not being rewarded for going the extra mile.

Sorting the wheat from the chaff

Clients expect more work for less money to make up for budget cuts. Agencies are expected to do more work for free to win pitches and the pitch process is taking longer. This is having an impact on the quality of work and client servicing. More work is being produced for less budget, by a changing workforce that is less experienced in the agency's specific approach and less knowledgeable about the clients.

 "I wish that the design industry would get together regarding the issue of free pitching. The amount of work that is expected is shocking. It can put small firms out of the running and out of business", explained one strategist.

A designer agency-owner added: *"We are a profession and like any profession we should have a strong professional body to support the industry, lobby on behalf of the industry. The design agency world is guilty of continually under valuing itself and as such clients, including the public sector, are asking for more and more but for less and less fee. It's a tough industry that in my view needs a strong professional body to stand up for the SMEs in particular. To my mind no such body currently exists."*

Clients asking for 'safer' work will do nothing to enhance an agency's reputation as being at the forefront of innovation (or their own), and safer solutions may not achieve the client's business objectives.

"This recession is sorting the wheat from the chaff. Which is a good thing. We're still suffering the client backlash from over-selling to them pre-recession", noted an account manager.

UK design industry failing to help businesses access the Blue Pound

10 million disabled people live in the UK with a combined annual spending power in excess of £80 billion - the Blue Pound. Nearly three-quarters (73%) are heads of households and 48% are principal shoppers.*

Business opportunities are being lost to secure the Blue Pound because clients and agencies are failing to understand and address their needs, resulting in a 'walk away pound'.

A survey of the opinions and shopping habits of disabled customers by Business Disability Forum and Disability Rights UK people found that 83% of disabled people had 'walked away' from making a purchase, unable or unwilling to do so – 'the Walk Away Pound'. What emerged was a picture of informed consumers who will reward good customer service and punish providers who don't make any effort to meet their needs. Amongst the cited factors that discouraged disabled consumers from spending were poorly designed products, inaccessible premises, and poor or inappropriate communications including inaccessible websites and printed information.

Only 9% of Design Industry Voices respondents agree that clients ask for all designs to be accessible to people with disabilities. Fewer than a quarter (21.9%) agree that clients ask for website designs to be accessible to people with disabilities. Fewer than half (45.7%) agree that they understand how to design in a way that improves accessibility for people with disabilities.

The European Commission proposes that all public sector organisations will be required to ensure that disabled users of their websites have the same access to certain content and services as other internet users by the end of 2015.** This offers market opportunity for designers who understand accessibility.

Sources:
*Business Disability Forum website. Business Disability Forum and the Royal Association for Disability and Rehabilitation (now Disability Rights UK) Survey 2006.
** http://www.theregister.co.uk/2012/12/05/web_access/

The Findings

1.

More staff than ever intend to change job within a year

- Over half (59%) of staff intend to change job in the next twelve months. In last year's survey 58.3% of respondents said they intended to change job within a year.

- Over a third (34.2%) have been with their agency for less than a year.

- Those not intending to change job are more likely to endorse their agency as performing 'very well'.

- The proportion of respondents writing their thoughts about work online has increased again this year. Over a third (34.6%) write their personal thoughts about work on online social networking sites. This compares to 30.4% in 2011, 26.9% in 2010 and 18.8% in 2009.

Quotes from respondents:

"I think employers in design and architecture like the idea of flexibility in the workplace (whatever that means!) but in reality their employees are frightened into holding onto their jobs because of the state of the economy and so the designers get to do boring and mundane projects. It is a fear-based workplace on both ends; employers sticking with what is safe and employees being frightened because they de-value themselves. This does not fare well for innovation…"

New business/marketing, coordinator, freelance, male, aged between 30-39.

"You generally have to work long hours for not much pay. And the more creative the job, the more desirable it is and generally therefore the less you get paid. I've been toying with going more corporate to get paid more but actually can't make myself do it. I enjoy my job and love the people I work with… I think our employees know this."

Design, executive team, permanent, with current agency for less than five years, sometimes writes thoughts about work on social networking sites, considering changing jobs within twelve months, female, aged between 30-39.

"A serious lack of HR and/or structure within smaller independent agencies."

Account management, director, not currently working, sometimes writes thoughts about work on social networking sites, female, aged between 30-39.

2.

Agencies are employing fewer permanent staff, more freelancers and more interns

- Around two thirds of respondents agree that 'agencies are using more freelancers' (66.2%) and 'employing less [fewer] permanent employees' (61.4%). About two-fifths (41%) agree that 'agencies are using more unpaid interns'.

- Permanent staff are more likely than freelance staff to agree their agency is 'performing well'.

- Owners (and to a lesser extent, the executive team) are consistently more likely to rate their agency's performance as higher than other groups.

Table one: extent to which whole sample agrees with the following statements comparing today to 2007, i.e. before the current economic crisis.

	Statement	*Agree (%)*
1.	Clients expect more work for less money	87.0
2.	Client budgets have been reduced	80.8
3.	Clients expect more work in pitches for free	70.8
4.	Agencies are using more freelancers	66.2
5.	Agencies are employing less permanent employees	61.4
6.	Clients prefer working with specialists	58.6
7.	Pitch processes are longer	58.3
8.	Clients want 'safer' work	53.0
9.	Clients are more digitally savvy	52.5
10.	Agencies are using more unpaid interns	41.0
11.	Clients prefer integrated agencies	40.3
12.	Agencies are focusing more on existing client development than new business	33.3
13.	Quality of work we produce has declined	28.7

NB: Total respondents includes in some cases a sizeable minority who registered a don't know/no opinion.

Quotes from respondents:

"The summer of 2012 was the slowest I can remember for the freelance/contract side of the business. As bad as 2001."

Account management, manager, freelance, sometimes writes thoughts about work on social networking sites, male, aged between 40-49.

"Whilst helping an agency put together a pitch I have experienced an A team CV sourced from recruitment agencies and placed as key members of the proposed agency team. When asked if these people will work on the project they said no they are too expensive, only if the client specifically wants to meet them then we'll only get them in as consultants, we usually get one of the juniors to do it!"

Designer, freelance, sometimes writes thoughts about work on social networking sites, female, aged between 40-49.

"Placements and interns entering the industry arrive with a sense of entitlement and don't want to do anything other than concept work on prime projects. Making tea and coffee, mounting work and general support is beneath them. Clients are prescriptively and iteratively designing work for us which weakens design and strains the relationship because a) it shows a lack of respect for our skills and b) they are not qualified to design. In my agency, the management team and directors are more concerned with their own bonuses and salary freezes than they are with making things better for an overworked, dissatisfied, unhappy team. This used to be a really fun, creative and exciting industry to work in but it is becoming increasingly corporate and stressful."

Account management, manager, permanent, been with agency less than four years and intends to change job within twelve months, sometimes writes thoughts about work on social networking sites, female, aged between 30-39.

"Still seems to be a reluctance to take on junior designers, the two years of placements is an expected part of a designer's CV. At least the good junior designers are being offered long-term placements of 2-3 months in one place. Big salaries are still being spent on big hitters from the old boys network. Probably more for their contact list than anything else. Would be nice to see that money distributed elsewhere in the company. The company I'm working at currently seems a rare thing where everyone pulls together, is rewarded equally and the owner listens and acts on employee feedback. The culture is fantastic, so many other companies I've worked at just don't seem able to create that kind of environment. Which is a shame because it's not difficult, a little time, transparency and teamwork goes a long way."

Designer, coordinator, permanent, been with agency less than one year, sometimes writes thoughts about work on social networking sites, male, aged between 30-39.

3.

For first time the need for 'management team that demonstrates strong leadership skills' is attribute with highest delivery gap

- The 'delivery gap' is the difference between the perceived importance of agency attributes and the perception of how well the respondent's agency actually performs against those attributes.

- There is a delivery gap in respect of all agency attributes. Performance is always seen to lag behind importance. For the first time since the survey began the widest delivery gap (53.1%) is smaller than the widest gap last year (58.9%), but is still higher than it was in 2009 (40.6%).

- There is a wide range between the attributes with the smallest and largest perceived delivery gaps: -11.6% for 'a brand that is compatible with my own values' to -53.1% for 'has a management team that demonstrates strong leadership skills'.

- The most important attribute 'values ideas and opinions' has an importance rating of 89.3% and is also one of the highest delivery gaps (-50.6%).

- This year the attribute with the highest delivery gap is 'has a management team that demonstrates strong leadership skills' (-53.1%).

- Last year's attribute with the highest delivery gap 'rewards people for going the extra mile' has lessened in importance (73.4% in 2011) and improved in performance (14.5% in 2011), resulting in a lower delivery gap this year of -50.3% (-58.9% in 2011).

Table two: *2012 perceived delivery gap from highest to lowest.*

Agency attribute	Importance to respondent % rating 'very important' (rank)	Agency performance % rating 'very well' (rank)	Delivery gap % rating 'very well' - % rating 'very important'	Delivery gap ranking
Has a management team that demonstrates strong leadership skills	79.5 (13)	26.4 (8)	-53.1	1
Appropriate workload for staffing levels	69.7 (8)	19.0 (4=)	-50.7	2
Values ideas and opinions	89.3 (15)	38.7 (15)	-50.6	3
Rewards people for going the extra mile	69.8 (9)	19.5 (6)	-50.3	4
Supports professional development and growth	69.1 (6)	19.0 (4=)	-50.1	5
Has a strong sense of teamwork throughout the organisation	82.9 (14)	33.0 (14)	-49.9	6
Provides feedback that helps improve my performance	66.2 (5)	18.9 (3)	-47.3	7
Clear strategic goals	71.0 (10)	23.9 (7)	-47.1	8
Has a good pay and benefits package	65.5 (4)	18.5 (2)	-47.0	9
Does work that is stimulating	76.2 (12)	30.2 (13)	-46.0	10
Shares information and knowledge openly	71.3 (11)	27.0 (9)	-44.3	11
Trusts employees to make decisions	69.6 (7)	29.4 (12)	-40.2	12
Helps employees to manage stress	49.1 (2)	13.5 (1)	-35.6	13
Holds people accountable for the quality of the work they produce	62.6 (3)	28.7 (11)	-33.9	14
A brand that is compatible with my own values	40.2 (1)	28.6 (10)	-11.6	15

Table three: *Perceived delivery gap from highest to lowest in 2012, compared to 2009, 2010 and 2011.*

Agency attribute	Delivery gap ranking	Delivery gap % rating performance 'very well' - % rating attribute 'very important'			
		2012	2011	2010	2009
Has a management team that demonstrates strong leadership skills	1	-53.1	-53.1	-47.8	-27.4
Appropriate workload for staffing levels	2	-50.7	-50.8	-44.5	-33.6
Values ideas and opinions	3	-50.6	-49.8	-46.3	-13.3
Rewards people for going the extra mile	4	-50.3	-58.9	-55.6	-39.3
Supports professional development and growth	5	-50.1	-48.0	-46.3	-40.6
Has a strong sense of teamwork throughout the organisation	6	-49.9	-49.8	-42.0	-17.2
Provides feedback that helps improve my performance	7	-47.3	-50.7	-44.8	-31.5
Clear strategic goals	8	-47.1	-43.4	-43.2	-20.2
Has a good pay and benefits package	9	-47.0	-47.2	-44.5	-22.9
Does work that is stimulating	10	-46.0	-48.8	-46.2	-11.4
Shares information and knowledge openly	11	-44.3	-43.8	-42.6	-22.2
Trusts employees to make decisions	12	-40.2	-41.3	-38.1	-22.7
Helps employees to manage stress	13	-35.6	-34.4	-28.9	-35.4
Holds people accountable for the quality of the work they produce	14	-33.9	-39.2	-31.7	-20.7
A brand that is compatible with my own values	15	-11.6	-14.9	-14.6	-5.8

Quotes from respondents:

"The industry is very unprofessional and, sadly, of late has become increasingly slow. Leaders within the industry are usually entrepreneurial and lack the management education, skills and knowledge to allow our industry to grow in stature."

Strategy, manager, freelance, male, aged between 40-49.

"Extremely volatile at the moment and a sense of insecurity pervades many organisations, including client and agency."

Strategy, executive team, freelance, female, aged between 50-59.

"I believe that for experienced practitioners, many organisations still do not have a model of how to engage and value senior, specialist practitioners who are not that interested in building an exclusively management career."

Designer, owner, who sometimes writes thoughts about work on social networking sites, female, aged between 50-59.

"Leadership is not appropriately assigned, leaders are not adequately equipped, leadership is not strong enough to deal with changes in the industry and outdated. Leadership prefer yes-men. Clients appear to respond better to account handlers that are creatively eloquent."

Account management, director, permanent, been with current agency less than three years, who sometimes writes thoughts about work on social networking sites, male, aged between 30-39.

4.

Clients have reduced budgets and expect more work in pitches for free and more work for less money

- Almost nine out of ten respondents agree that 'clients expect more work for less money' (87%) and four fifths believe that 'client budgets have been reduced (80.8%).

- More than two thirds agree that 'clients expect more work in pitches for free' (70.8%), and more than half agree that 'pitch processes are longer' (58.3%).

- More than half agree that 'clients want safer work' (53%).

See table one.

Quotes from respondents:

"It's exciting to see smaller, leaner agencies coming through. The energy is still there and it's more focussed than it used to be. Clients are, rightly, more demanding on the bang for their buck front but they need to be managed well. Good client relationships based on trust and transparency are absolutely crucial for any agency when there are so many hungry competitors waiting to pounce."

Strategy, freelance, sometimes writes thoughts about work on social networking sites, female, aged between 40-49.

"The UK design industry has become a commodity, with breakaways and non-traditional set-ups being created almost daily, undercutting longer established agencies. In creating sustained revenue, the savvy UK agencies are locking down lengthy mutually beneficial contracts with clients, making it impregnable for others. Survival of the fittest. However I'm no longer convinced the best creatives are in London/UK. Lots of brilliant creativity coming from South America, the US, Far East."

New business/marketing, director, freelance, female, aged between 40-49.

"The UK design industry needs to work more with the design industries in other countries. UK agencies still have problems understanding overseas cultures and the fact that these cultures have a different perception of design, brands and communication. I have often led international meetings where you can sense a separation between UK and non-UK participants. There seems to be more openness and understanding between the non-UK countries. Even though culturally there can be major differences, the understanding is there, and the UK remains an outsider. On the long-term, this will not work to the advantage of the UK, and international projects will be awarded to non-UK teams/agencies. An example: For my (British) agency team as well as the 100% British client, it was impossible to understand that the picture of a cup of tea could in Germany or Scandinavia not be perceived as a moment of rest or anything similar, but as health conscious. I think the UK needs to realise that although they have a strong culture and design skills, these are suddenly less relevant when they go beyond the UK border."

Account management, director, freelance, male, aged between 30-39.

"[Design] is more important now more than ever. In the early days, accessing pieces of technology for effective design and marketing those ideas effectively to an ABC circulated audience or specific demographic was not an exact science and very costly. Now it has almost become an exact science, with designers spending years to become design specialists in their own right. Both in not only how to manage the design process but also refine it and improve it day-to-day for their clients. Now when you enter into design work with your client, you are effectively creating a long-term relationship like never before. No matter what the technology, the design world is extremely fast-paced and accelerating all the time and it will always needs to be forced up the priority chain. Otherwise in this market place the client will simply get left behind."

Production, executive team, freelance, sometimes writes thoughts about work on social networking sites,
male, aged between 30-39.

*"We have grown in terms of size, turnover and client numbers during the recession.
The one benefit of the recession is designers have had to understand the commercial value
and consequences of the work they produce."*

New business/marketing, director, permanent, been with current agency for less than two years,
male, aged between 30-39.

"In their incessant search for lower costs, clients have become yet more deluded in the misplaced faith they have in their own design ability. Not content with doing their own job (rarely with any convincing skill or aptitude) they insist on doing mine too. I am heartily sick of artworking ill-conceived, surface executions which NEVER solve the communication problem they think they have. Add to this the constant internal politicking, the lack of any convincing attempt at a brief, a reluctance to own any project but a swift hand to apportion blame, and we experience the perfect storm of an argument for the further reduction in input of branding and design. Sorry, you touched a nerve."

Designer, permanent, been with agency five years or more, may change job within twelve months,
male, aged between 40-49.

"In my experience as clients become more design savvy (they know about fonts etc from using computers etc) they become more and more opinionated and think they know more than the designers. This can result in designers having to create many options the client wants even though they know it won't work which is demoralising and wasteful of time and money. Unless clients give the design professionals the respect they deserve they will never get the best result for their product/brand."

Designer, manager, permanent, been with agency less than five years, may change job within twelve months,
female, aged between 40-49.

"Our skills (as graphic designers) have become less and less valued over the years. Think this is a lot down to digital technology and what people can produce themselves with nifty software and also the plethora of websites offering up templates, images, fonts, illustrations etc for next to no money and sometimes freely."

Designer, permanent, been with agency five years or more, considering changing job within twelve months, male, aged between 30-39.

"Clients, get organised! Get a decent budget together. Don't waste time messing around and have a definite solution before hiring people in. Don't give me a glazed expression when I meet you and ask what are we producing! Hire project managers who can deliver, manage people and workload, and don't employ moody creative directors or ones with precious egos."

Designer, owner, been with agency five years or more, sometimes writes thoughts about work on social networking sites, male, aged between 30-39.

"Payment terms have become a big issue also, 30 days never happens, 60 days is more common, but 90+ days are quite common."

Designer, director, permanent, been with current agency five years or more, sometimes writes thoughts about work on social networking sites, male, aged between 40-49.

5.

Accessible design neither demanded by clients nor a widely held skill

- Only 9% of respondents agree that clients ask for all designs to be accessible to people with disabilities. Nearly a quarter (23.6%) responded 'don't know/no opinion'.

- Fewer than a quarter (21.9%) agree that clients ask for website designs to be accessible to people with disabilities. More than half (50.5%) disagree and 27.6% 'don't know/no opinion'.

- Fewer than half (45.7%) agree that they understand how to design in a way that improves accessibility for people with disabilities. Over a third (35.9%) responded 'don't know/no opinion'.

Methodology

We asked people who work within design or digital agencies to share their views anonymously about how it feels to work within their agencies right now.

The research was carried out online between 3-7 October 2012 by Rachel Fairley of Fairley & Associates and Professor Stephen Platt of University of Edinburgh, working in collaboration with Gabriele Skelton and On Pointe Marketing.

459 of a possible 5643 people invited to participate did so (8.1%). All respondents are either clients or candidates of Gabriele Skelton.

The majority of questions were statements where respondents were asked for their point of view on how important an attribute was to them personally (very important, quite important, not important, not sure) and how well the agency they work for currently or most recently was performing in relation to each of the attributes (very well, quite well, not well, not sure).

About the participants

Management function: 14.6% are owners, 8.0% are on the executive team, 22.4% are director level, 23.6% are managers, 31.4% are in non-management role.

Role: 51.2% are designers, 9.2% strategists, 18.1% work in account management, 7.2% in production, 5.4% new business/marketing, 1.3% human resources, with 7.6% classing their roles as being in other parts of their organisation.

Employment status: 62.5% of respondents are permanent employees; 33.3% are temporary/freelancers and 4.1% currently not working.

Length of service: 29.8% of participants have been with their employers for more than 5 years, 6.5% for 4-5 years, 4.1% for 3-4 years, 10.5% for 2-3 years, 14.8% for 1-2 years, and 34.2% under 1 year.

Age: 11.5% were aged under 30 years, 36.8% 30-39 years, 38.3% 40-49 years, and 13.3% 50+ years.

Gender: 59.5% of the sample was male and 40.5% was female.

About us

Fairley & Associates works with companies and agencies to effect change, solve immediate business challenges and build long-term capabilities in brand, marketing and engagement. Our clients report greater traction within their organisations and in the marketplace.

www.fairleyassociates.com

Gabriele Skelton is a specialist design and digital recruitment agency. We're matchmakers; we connect the right candidate with the right client to create something new. We love working with creatives, account handlers, consultants and thinkers, techies and developers. It's about making the right connections to get the right reaction – unusual combinations that make the magic happen. That's what we mean by chemistry.

www.gabrieleskelton.com

On Pointe Marketing works with agencies to build external and internal reputation to drive the business development pipeline and retain and attract talent. We create business and brand-led marketing plans and ongoing implementation consultancy. In a world where agencies sometimes wear the worst shorn shoes, we are the cobbler.

www.onpointemarketing.com