SiriusDecisions

Intelligent Growth™

Calculating the True Cost of Content

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The Road to Content Measurement

SiriusPerspective: Everyone wants to determine the return on content investment, but few organizations have real insight into the initial investment.

The Road to Content Measurement

SiriusPerspective: Everyone wants to determine the return on content investment, but few organizations have real insight into the initial investment.

IF YOU CAN'T SEE MY MIRRORS – I CAN'T SEE YOU
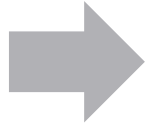
Content Activation Investment

Content Factory

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Executive Summary

- ## Key issues
  - The majority of b-to-b content creation is done internally across functions, representing a huge blind spot in the marketing budget
  - Most b-to-b organizations have a hunch they're wasting money on content creation, but have no ability to capture the total spend – never mind analyze waste
  - It's impossible to even begin to think about return on investment without having a good handle on what the investment truly is

- ## What you will walk away with
  - A model for calculating the total amount an organization spends on content today
  - A methodology for analyzing and benchmarking content spend
  - A preview of the SiriusDecisions Cost of Content benchmark

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Content Creation: Defined

SiriusPerspective: The creation phase of content determines the potential of an asset to create value when and if it is activated.

CONTENT CREATION

| Ideation: *Content is conceived of as a set of raw materials.*	Design: *The packaging for a content asset is conceived and planned for.*	Build: *The phase in which a content asset or set of assets is produced.*
Examples: - Primary research - Messaging creation - Copywriting	Examples: - Template development - Creative concept development	Examples: - Video production - Graphic design - Editorial

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Assumptions

SiriusPerspective: In order to calculate true content creation costs, we need to build in assumptions about the creation process and the value of internal time.
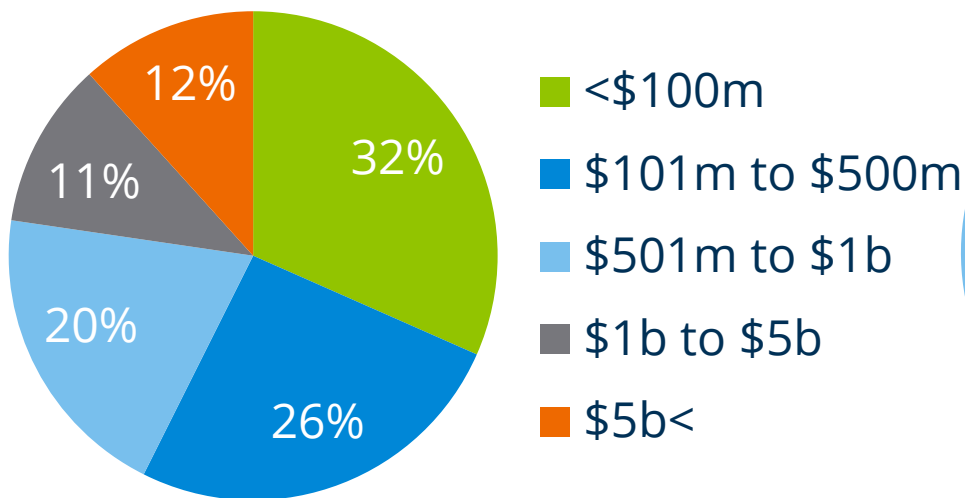

1. IDEATION vs. DESIGN/BUILD

2. INTERNALLY GENERATED CONTENT ISN'T FREE

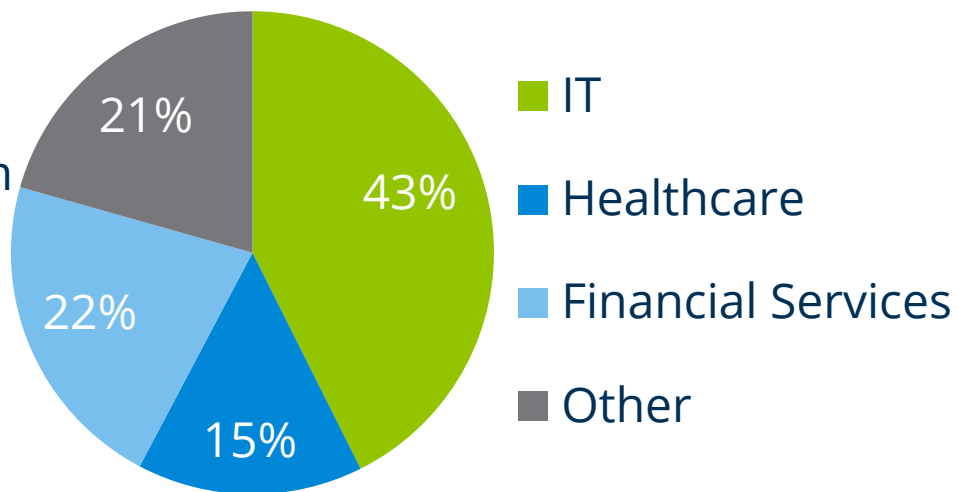**Functional Hourly Rate (FHR)**
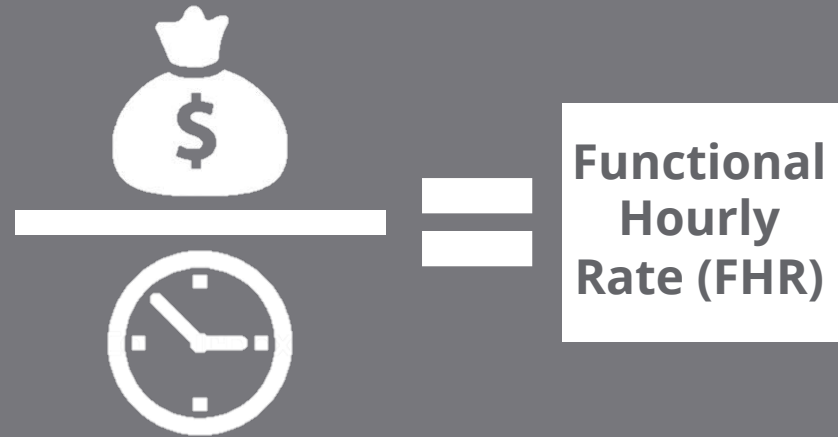
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2015 Cost of Content Survey

SiriusPerspective: We surveyed 291 b-to-b professionals with strong knowledge and/or decisionmaking authority over content creation, across revenue bands and industries.

Revenue

- 32% <$100m
- 26% $101m to $500m
- 20% $501m to $1b
- 11% $1b to $5b
- 12% $5b<

Industry

- 43% IT
- 15% Healthcare
- 22% Financial Services
- 21% Other

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Cost of Content Methodology

SiriusPerspective: The amount of money an organization spends on content creation is a combination of internal and external costs.
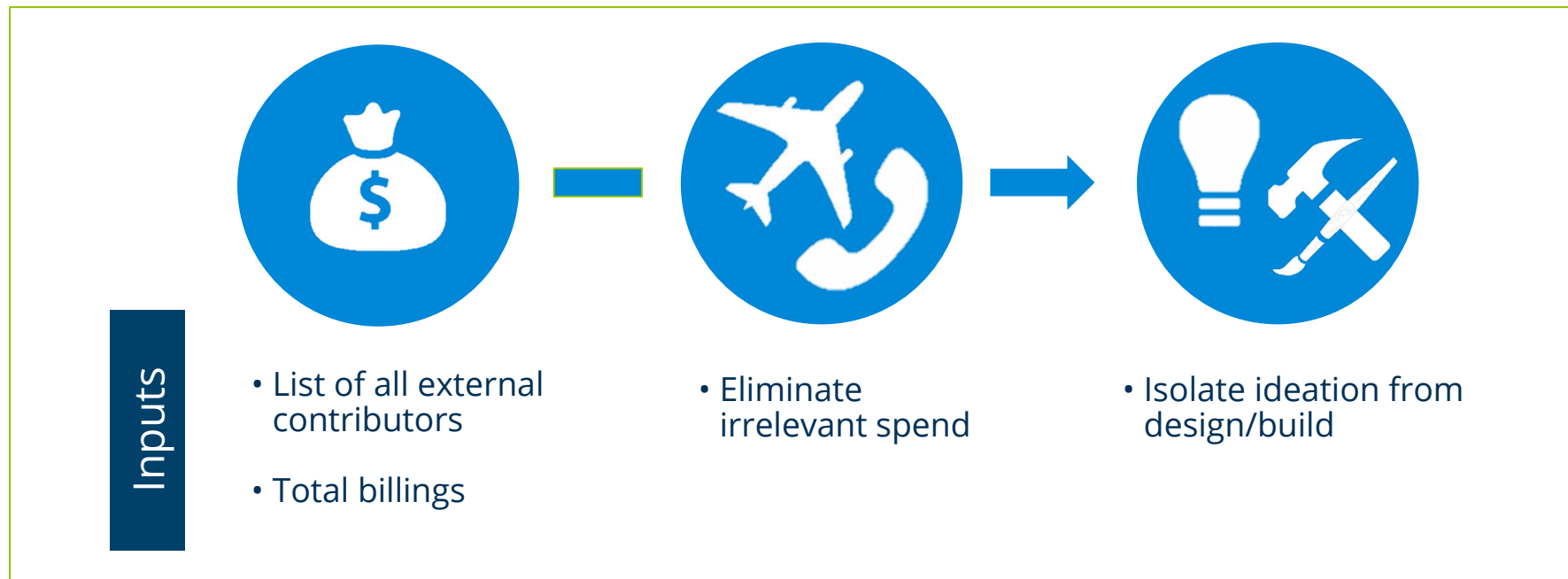
Billings	+	Salary	=	BSN*
External		**Internal**		**Content Creation**
Price		**Time**		**Investment**

BSN = big scary number

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Calculating the External Cost of Content

SiriusPerspective: External content costs can still be difficult to parse from other billed expenses such as account management or consulting deliverables.

Inputs

- List of all external contributors
- Total billings

- Eliminate irrelevant spend

- Isolate ideation from design/build

The True External Cost of Content

SiriusPerspective: As organizations grow, they rely much more heavily on external agency partners to support content creation needs.

How much does your organization spend on external content creation annually?

SiriusDecisions 2015 Cost of Content survey
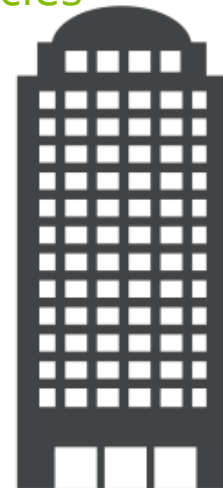
$175K
3.5 agencies

<$100M<

$4M
8.3 agencies

<$1B<

$8.2M
10.4 agencies

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Calculating the Internal Cost of Content

SiriusPerspective: Calculate internal costs by understanding internal contributors to content creation, how much of their time is required, and how much that time is worth.

Billings	**+**	Salary	**=**	BSN*
External **Price**		**Internal** **Time**		**Content Creation** **Investment**

*BSN = big scary number

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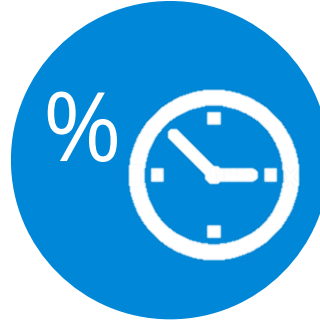
Calculating the Internal Cost of Content

SiriusPerspective: Calculate internal costs by understanding internal contributors to content creation, how much of their time is required, and how much that time is worth.

Inputs

× ×

- List of internal contributing functions
- Number of employees per function

- Average % of time for ideation
- Average % of time for design/build

- Functional Hourly Rate (FHR)

The True Internal Cost of Content

SiriusPerspective: Internal content costs are a hidden expense, but internally generated content is not free and actually represents the majority of b-to-b content expenditure.

Billings + Salary = BSN*
External Price | Internal Time | Content Creation Investment

How much of the content creation process is executed internally?
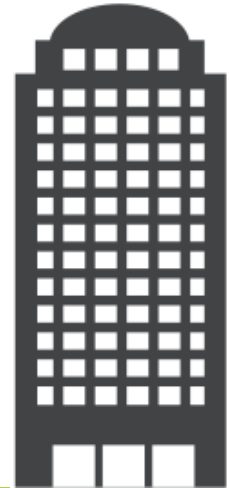*SiriusDecisions 2015 Cost of Content survey*

80%
<$100M<

63%
<$1B<

53%

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The True Internal Cost of Content

SiriusPerspective: Internal content costs are a hidden expense, but internally generated content is not free and actually represents the majority of b-to-b content expenditure.

Total costs of internally generated content
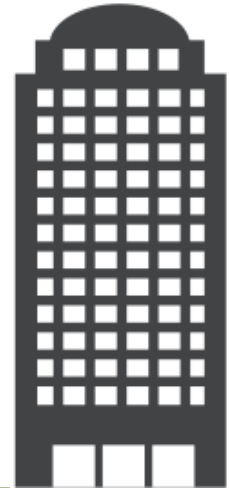*SiriusDecisions 2015 Cost of Content survey and Cost of Content Benchmark Model*

$0.7M

$6.8M

$9.3M

<$100M<

<$1B<

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Top Internal Content Creators

SiriusPerspective: Product management tops the list because it is a large function that spends almost half its time – which is expensive – creating content.

SiriusDecisions 2015 Cost of Content survey	% of total content-creating headcount	% time spent creating content	FHR	% total cost
1. Product Management	40%	45%	$69	47%
2. Field Marketing	22%	43%	$47	18%
3. Portfolio Marketing	15%	40%	$63	15%
4. Marcomm	6%	54%	$40	5%
5. Corp. Comm	5%	43%	$48	4%
				89%

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The True Cost of B-to-B Content

SiriusPerspective: Enterprise-size organizations spend roughly twice what they think they do on content − emerging growth organizations spend more than 10 times!

Billings **+** Salary **=** BSN*

External
Price

Internal
Time

Content Creation
Investment

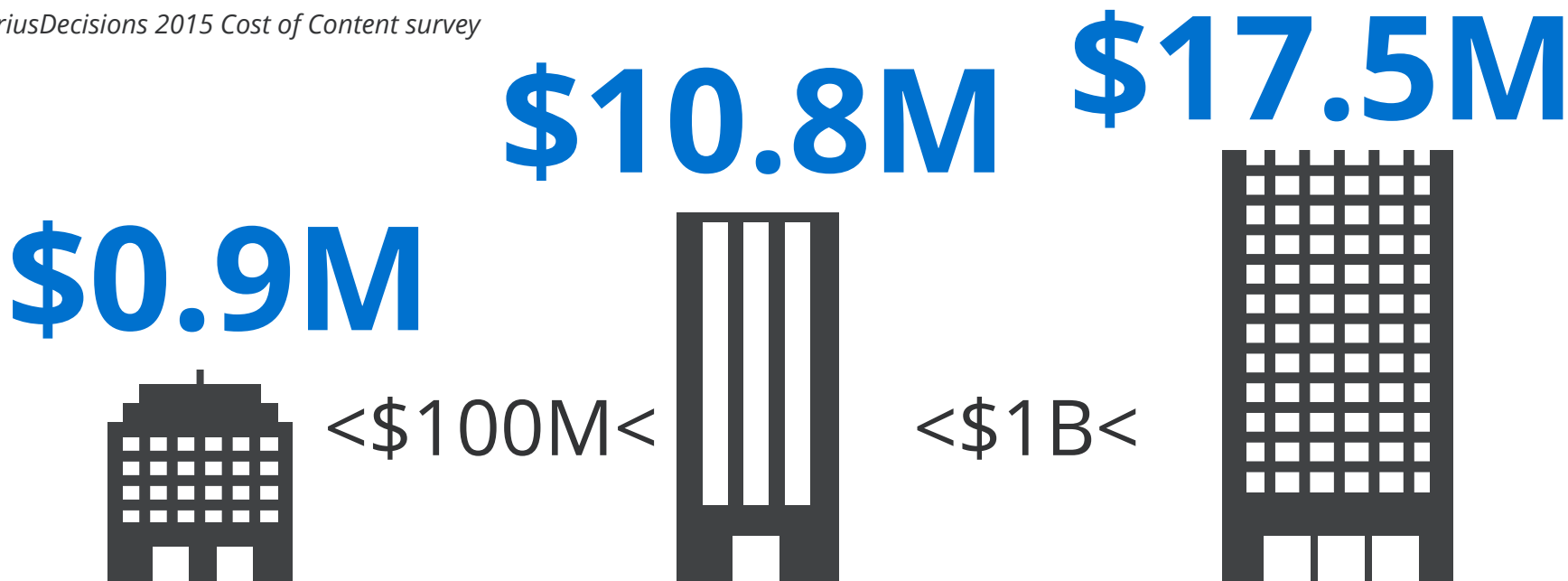*BSN = big scary number*

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The True Cost of B-to-B Content

SiriusPerspective: Enterprise-size organizations spend roughly twice what they think they do on content – emerging growth organizations spend more than 10 times!

SiriusDecisions 2015 Cost of Content survey

$0.9M   **$10.8M**   **$17.5M**
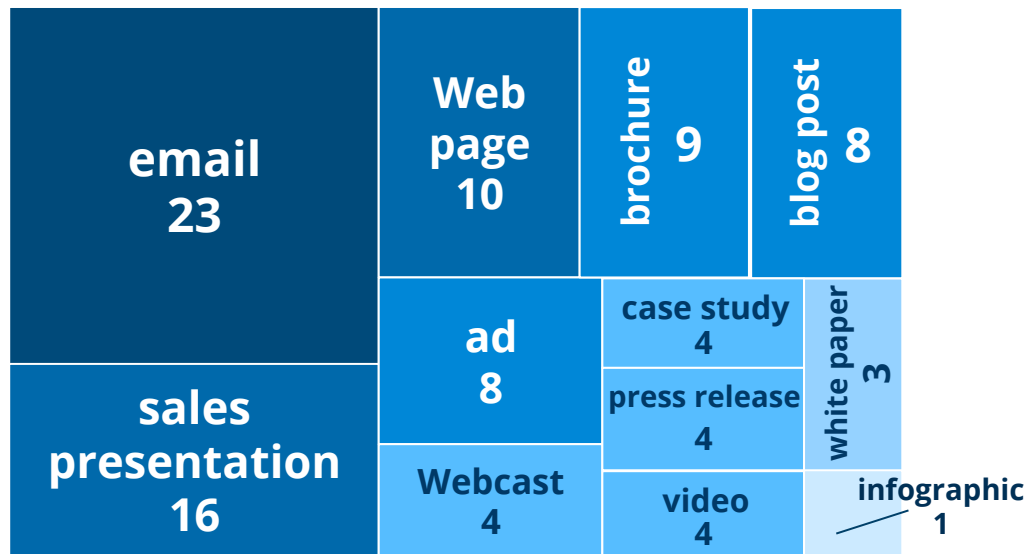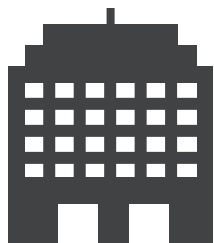
<$100M<   <$1B<

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Emerging Growth Content Marketing Mix

SiriusPerspective: Smaller organizations' marketing mix is heavily weighted toward common internally generated outbound assets such as emails and sales decks.

Billings	+	Salary	=	BSN*
External Price		**Internal Time**		**Content Creation Investment**

$0.9M {

email 23	Web page 10	brochure 9	blog post 8
sales presentation 16	ad 8	case study 4 / press release 4	white paper 3
	Webcast 4	video 4	infographic 1

SiriusDecisions 2015 Cost of Content survey

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Mid-Sized Content Marketing Mix

Billings — **External Price** + Salary — **Internal Time** = BSN* — **Content Creation Investment**

SiriusPerspective: Mid-sized companies' marketing mix is outbound-heavy, with a focus on email and sales collateral, but inbound content is on the rise.

$10.8M

- email 52
- brochure 39
- sales presentation 31
- blog post 17
- press release 24
- case study 23
- white paper 14
- infographic 8
- web page 13
- ebook 12
- ads 18
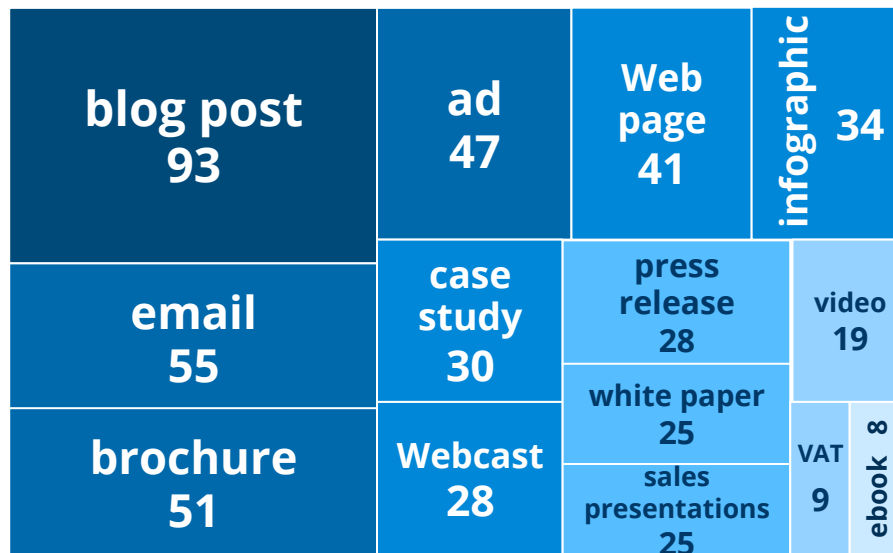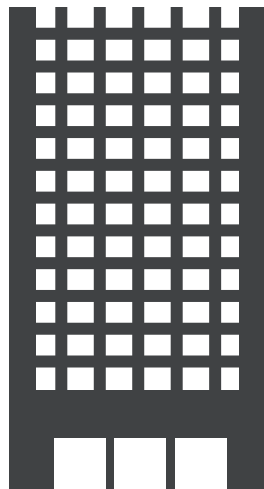- webinar 11
- video 10
- VAT 6
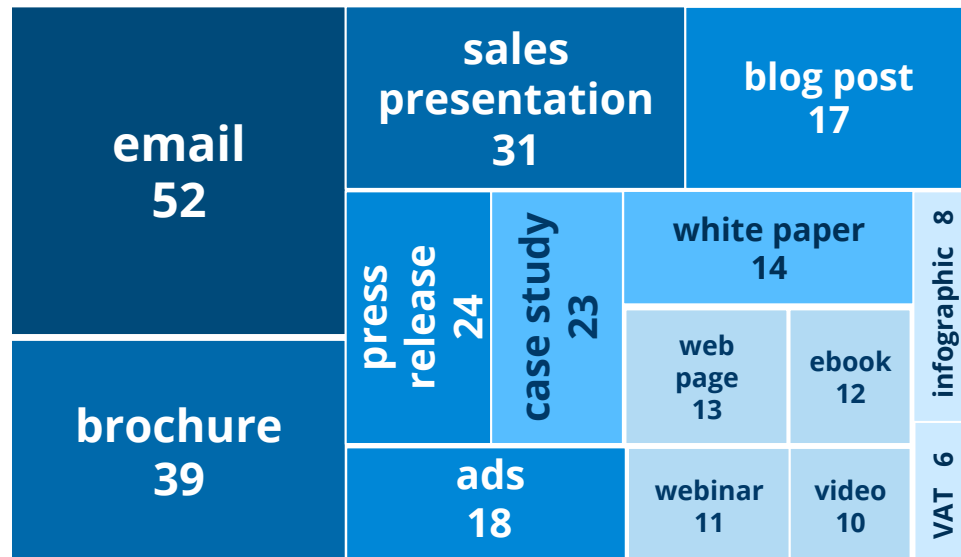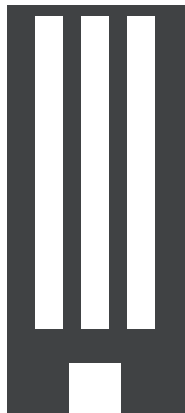
SiriusDecisions 2015 Cost of Content survey

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Enterprise Content Marketing Mix

SiriusPerspective: Enterprise-size organizations have shifted efforts from outbound to inbound and have the financial means to pioneer trendier and more expensive formats.

Billings +	Salary =	BSN*
External Price	Internal Time	Content Creation Investment

$17.5M

blog post 93	ad 47	Web page 41	infographic 34
email 55	case study 30	press release 28	video 19
brochure 51	Webcast 28	white paper 25 / sales presentations 25	VAT 9 / ebook 8

SiriusDecisions 2015 Cost of Content survey

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Spend Analysis

Productive vs. unproductive content spend

The Two Faces of Content Spend

SiriusPerspective: Productive content spend is fuel for the revenue engine; unproductive content spend is evil and might be plotting to murder you.

Productive	Unproductive
————	————
Spend on content that is activated by internal audiences and consumed by external audiences.	Spend on content that isn't used because it can't be activated as is or can't be located.

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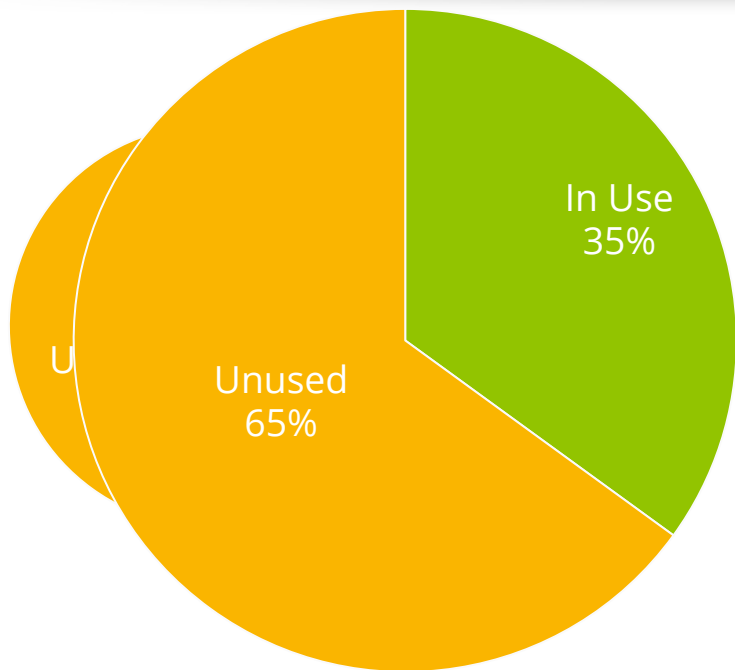
Analyzing Total Investment

SiriusPerspective: We don't necessarily want to invest less in content; we want to think about savings in terms of reducing unproductive and increasing productive spend.

Content Creation Investment

Analyzing Total Investment

SiriusPerspective: We don't necessarily want to invest less in content; we want to think about savings in terms of reducing unproductive and increasing productive spend.

In Use
35%

Unused
65%

U
U

SiriusDecisions 2014 State of B-to-B Content survey

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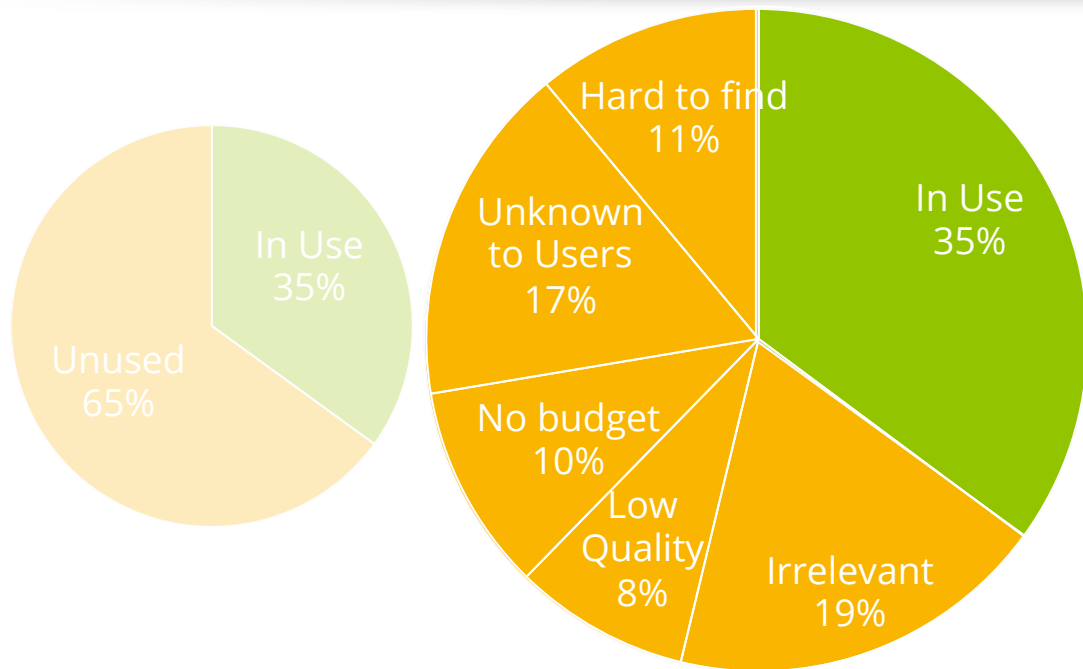

In Use 35%

Unused 65%

In Use 35%

Hard to find 11%

Unknown to Users 17%

No budget 10%

Low Quality 8%

Irrelevant 19%

SiriusDecisions 2014 State of B-to-B Content survey
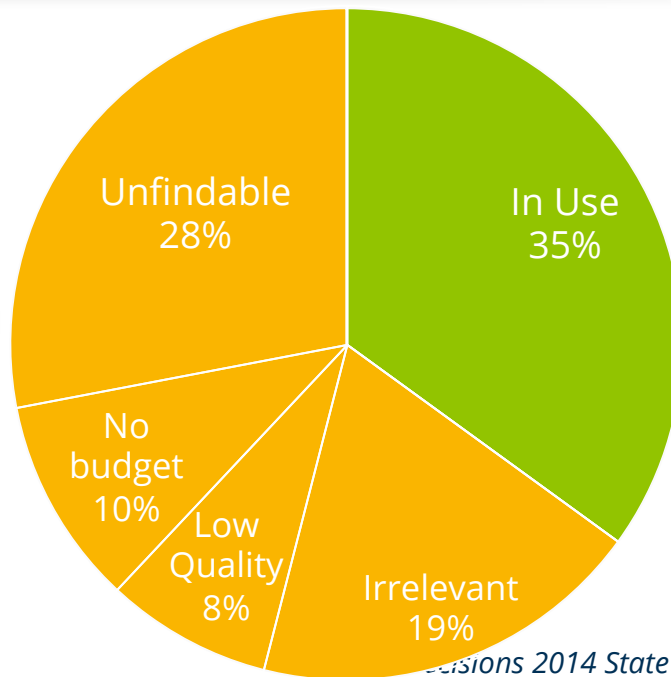
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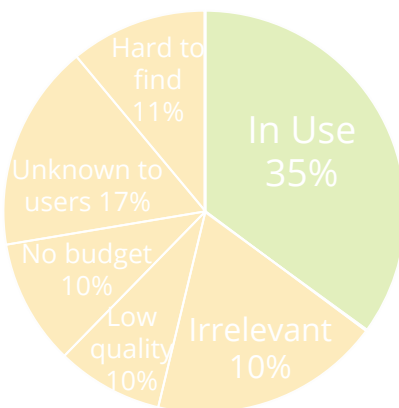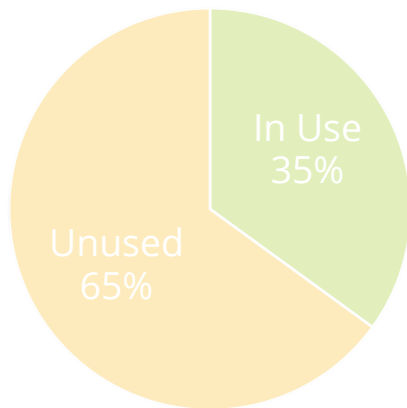
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In Use 35%
Unused 65%

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Hard to find 11%
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Low quality 10%
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In Use 35%
Unfindable 28%
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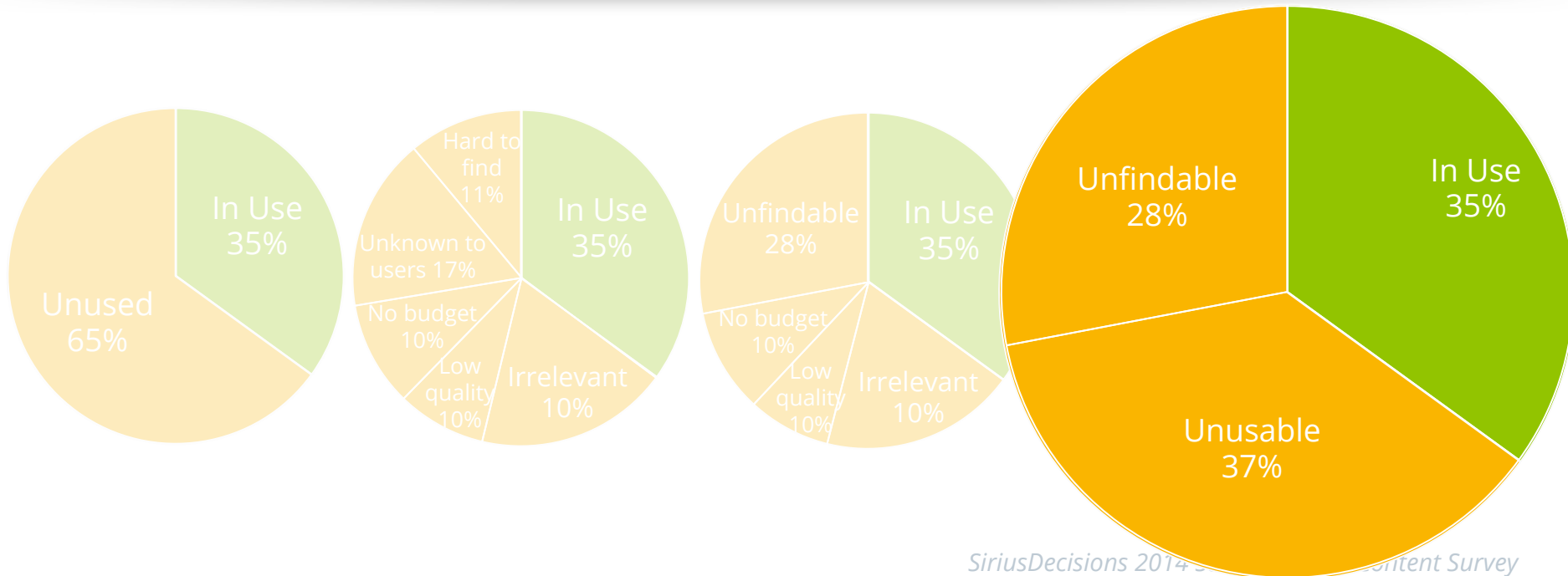
Analyzing Total Investment

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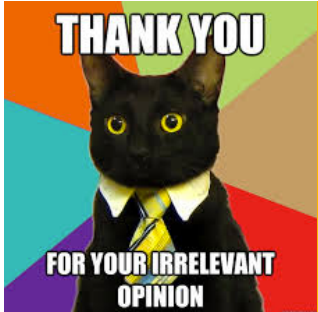*SiriusDecisions 2014 ... ntent Survey*

The Price of Unproductive Spend

SiriusPerspective: The waste generated by unfindable content is considerably less than it is for unusable content; the path forward for resolving each scenario differs.

|		
	Unfindable	**50 percent of design/build efforts and costs coming out of sales and field marketing could have been avoided if the content had been findable.**
	Unusable	**100 percent of design/build efforts were wasted on this piece of crap. Because the basis for the content was flawed, roughly 50 percent of ideation costs were also a waste of money.**

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Benchmarking Content Spend

SiriusPerspective: Don't benchmark content spend against a total; benchmark the ratio of productive to unproductive spend and set targets for qualitative improvement.

SiriusDecisions 2014 State of B-to-B Content survey

- 🟩 Productive Spend
- 🟧 Unproductive Spend

$0.9M

$10.8M

$1___M

$2.3M

$2.0M

$100k

$15.2M

$800k

$8.8M

<$100M<   <$1B<
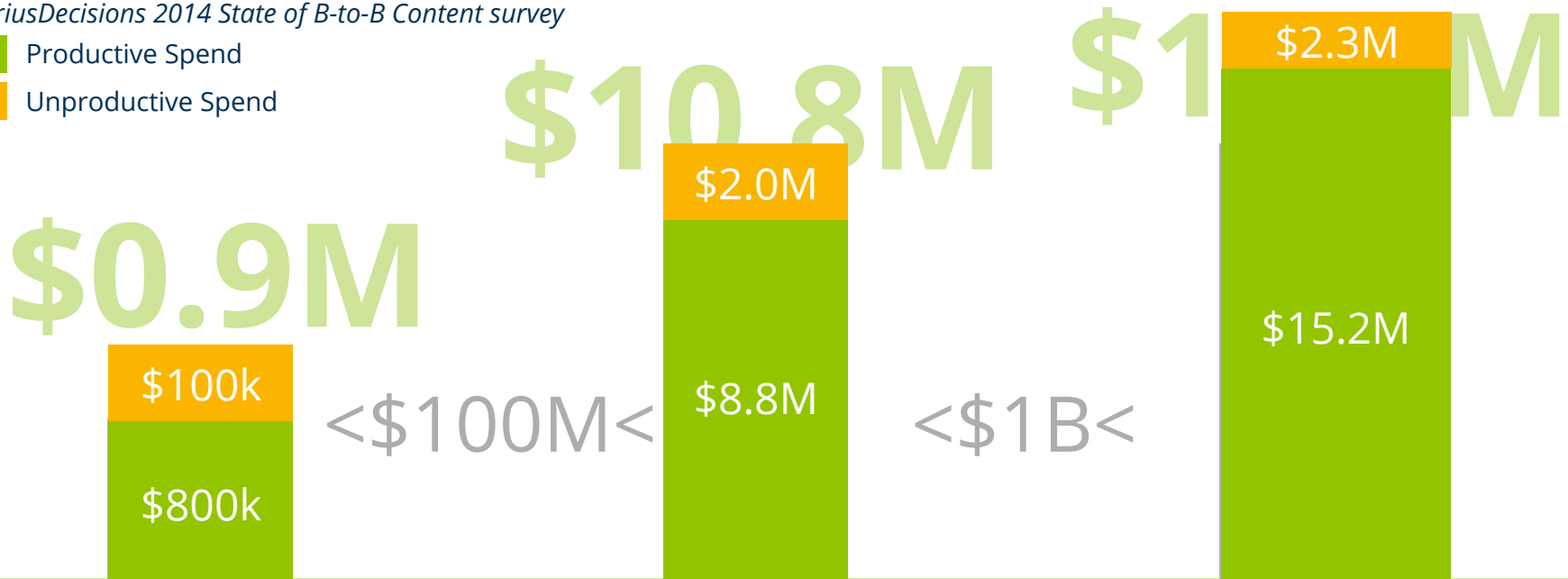
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Sneak Preview

The SiriusDecisions Cost of Content Benchmark

The Cost of Content Benchmark

SiriusPerspective: The SiriusDecisions Cost of Content Benchmark allows organizations to benchmark content productivity and output against a peer set.

If you do this…	…and give us this data…	we can show you this.

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The Cost of Content Benchmark

SiriusPerspective: The SiriusDecisions Cost of Content Benchmark allows organizations to benchmark content productivity and output against a peer set.

1. Time-and-motion study 2. Internal research on average salary and total headcount 3. Implement procurement codes to gain better insight into third-party spend 4. Regular content audit	**...and give us this data...**	**we can show you this.**

SiriusDecisions

The Cost of Content Benchmark

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1. Time and motion study 2. Internal research on average salary and total headcount 3. Implement procurement codes to gain better insight into third-party spend 4. Regular content audit	1. Time spent internally on aspects of content creation, by function, by asset 2. Headcounts 3. External content spend broken out by ideation vs. design/build 4. % content used, % content unfindable, % content unusable	**we can show you this.**

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The Cost of Content Benchmark

SiriusPerspective: The SiriusDecisions Cost of Content Benchmark allows organizations to benchmark content productivity and output against a peer set.

1. Total content costs broken out by internal vs. external (vs. peer set)

2. Functional content costs (vs. peer set)

3. Average cost per asset type

4. Total unproductive costs (vs. peer set)

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Action Items

- **Marketing**
  - Conduct a time-and-motion study to understand allocation of internal content creation efforts
  - Conduct regular content audits for ongoing insight into productivity of content efforts
- **Sales**
  - Reconsider the idea that marketing-generated content is free and disposable
  - Realign with marketing in an effort to increase content usability and findability in the field
- **Product**
  - Eliminate incentive structures that encourage quantity over quality in content creation
  - Align content creation incentives to increase adoption through increased findability and relevance

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Recommended Research

- Introducing the SiriusDecisions Content Model
- The SiriusDecisions Content Model: Definitions
- Content Operations: The Hub for the B-to-B Content Process
- The Pulse: The State of B-to-B Content
- Sales Enablement and Content Operations: Building the Relationship
- Maximizing Content Value Through Reuse
- Conducting a Field Content Collection Week
- An Introduction to Content Marketing Software
- Select Practice: Illumina: Cutting Through Content Clutter
- Conducting a Content Process Gap Analysis
- Building a Persona-Based Content Framework
- Building and Using a Content Blueprint

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