

2024



# The State Of Risk In Creative Operations



Independent research study of creative  
teams – conducted in January 2024

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# How To Think About Risk In Creative Operations

As a company that's spent the last 30 years eliminating obstacles that hinder creative projects, we recognize the significance of risk management. That's because we know creative organizations of all sizes contend with the persistent challenges of employee turnover, tight deadlines, stiff competition, demanding stakeholders, and more—so the consideration of forward-looking risk management strategies isn't at the top of the agenda.

Which is concerning, because one area of risk that is often misunderstood is the inherent risk of merely using creative assets— which are subject to strict licensing— in projects. This is a gray area of awareness, where most seasoned professionals have a basic understanding of the risk and attempt to account for it through processes, but when the rubber meets the road, their processes don't always support risk mitigation.

Yet processes certainly should, because the discrepancy between how fonts and creative assets are **used** in projects as compared to the specific **terms** of the licenses as purchased has serious impacts. Ineffective processes for managing creative risk can lead to everything from missed deadlines and stressed individual contributors, to bleeding budgets and even legal action from type foundries.

So, what does Extensis do about risk's low-priority status and processes that serve as false proxies? We continue to listen to our customers—creative professionals and the skilled technical individuals working alongside them. And when we

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But we want to do more than reaffirm our belief. So, to gain insight into how awareness and prevention are put into play in actual processes, we conducted a third-party survey of established professionals in the creative industry. We asked them to reflect on their perceptions, individual processes, and team processes.

Regardless of role or creative industry sector, the statistics you're about to see may cause you to rethink your assumptions about licensing safety and operational efficiency within your creative organization.

It doesn't matter your role or sector of the creative industry. Our findings indicated that at every level, across the board, professionals who think they have creative risk under control are simply not as secure as they have come to believe.

We hope the enlightening insights we gleaned will productively inform your own processes moving forward.

# Executive Summary

The creative industry is booming! In March 2023, **Adobe surveyed more than 2,600 customer experience and marketing professionals spanning eight countries.\*** The results?

**88% of respondents reported demand for content grew by at least twofold during the previous two years. And about 66% said they expected demand to grow between 5X and 20X over the next two years.**

That growth is great news for creative enterprises, but growth doesn't come without challenges.

An uptick in projects will result in a higher demand for creative assets, which come with specific licensing and usage requirements. Creative professionals are usually mindful of the potential risks associated with licensing and using stock images, templates, and fonts. In fact, to manage these risks, they establish processes and utilize tools. Yet, assessing the effectiveness of these measures can be challenging.

So, we conducted a survey to assess how teams handle the challenges inherent in creative operations. We measured self-awareness of whether the challenges are handled well, mismanaged, or flat out ignored. We also measured the major challenges and risk areas that professionals were unaware of, including their respective impacts.

The survey looked at 245 individuals working in organizations of all sizes to get a sense of how well they understand the risks of doing creative business. That risk is more complicated than you might think.

## Types Of Risk Incurred By Creative Asset Use



- + **Inefficiency Risk:** Lost billable hours and missed deadlines due to inefficient systems.
- + **Legal Risk:** Mismanaged licensing can lead to cease-and-desist letters and even legal disputes.
- + **Accountability Risk and Reputation Risk:** Exposing your organization and clients to font and asset risks jeopardizes public reputation.
- + **Financial Risk:** This all adds up, ultimately, to serious financial risk.

\* Adobe Summit 2023



# Survey Demographics

We surveyed 245 individuals working in the creative industry, across the United States. Research was focused on individuals who have responsibility for creative operations, including professionals in production, project management, leadership, and IT/systems.

## TYPE OF CREATIVE ORGANIZATION

<b>Agency</b> 21.6%	<b>Marketing/Promotions</b> 18.4%
<b>In-House/Brand</b> 32.2%	<b>Other</b> 17.6%
<b>Publisher</b> 10.2%	

## HEADCOUNT

<b>1-5</b> : 5.3%
<b>6-25</b> : 14.7%
<b>26-100</b> : 30.6%
<b>101-300</b> : 22.9%
<b>301+</b> : 26.5%

### Notes:

Headcount is measured by the number of creatives under management.

Research was focused on participants that have responsibility for creative operations.

## ORGANIZATIONAL ROLE

<b>Owner/Founder/Executive</b> 10.2%	<b>Project Management/Operations</b> 18.9%
<b>Senior Leadership</b> 17.6%	<b>Creative/Producer</b> 5.7%
<b>Business Operations</b> 5.3%	<b>IT</b> 43.0%

## AGE

<b>&gt;30</b> : 4.5%
<b>30-39</b> : 52.5%
<b>40-49</b> : 32.4%
<b>50+</b> : 10.7%

## US REGION

<b>Northeast</b> : 4.5%	<b>South</b> : 32.4%
<b>Midwest</b> : 52.5%	<b>West</b> : 10.7%

Let's dive into the findings to get a sense of risk in the creative industry today. →



# Key Font Risk Findings

## Paradoxes In Perception

We found startling contradictions in how creative professionals talked about their font management processes and the details of their systems.

The majority of participants said that they had a system in place to manage licenses, which is crucial for mitigating incorrect usage and licensing noncompliance risk.

However, nearly half of those systems were described as analog processes. Shared spreadsheets, stored folders, and written communication processes are more time-consuming, prone to human error, and difficult for new team members and freelancers to adopt.

### What are font EULAs and why do they matter?

Font End User License Agreements (EULAs) answer two major questions:

How many people can use each license of this font?

What are you allowed to do with this font?

**49%**

are using spreadsheets, stored folders or written communications to manage font licenses

**79.2%**

of organizations have a system for managing font licenses

**39.2%**

of participants stated they had had an issue arise from misusing a font

Over a third of participants had experienced failure of their systems to prevent licensing problems. In events such as this, the company will need to work with the type foundry in question to properly compensate them. Financial resolution is often manageable, but depending on the discrepancy severity, it can also be a serious blow to the bottom line. Unresolved licensing conflicts can even lead to serious legal action.

# False Confidence Around Unlicensed Fonts

We learned that perception is very different from reality. About two thirds expressed concerns about unlicensed fonts entering their environment – meaning they're aware of the inherent risks associated with font licensing. And yet, nearly the same number indicated that designers could bring fonts from their personal collections.

**This is actually one of the most common ways that unlicensed fonts enter projects.** Fonts are introduced into a work environment from a personal collection, rather than the organization purchasing them and selecting the appropriate license. From there, these fonts may move through the entire production phase without proper licensing, and it's possible for the fonts to linger in the team's collection and expose the organization to risk on future projects.



**82%**

**of organizations allow fonts to be supplied to printers, output providers, etc.**

**65.7%**

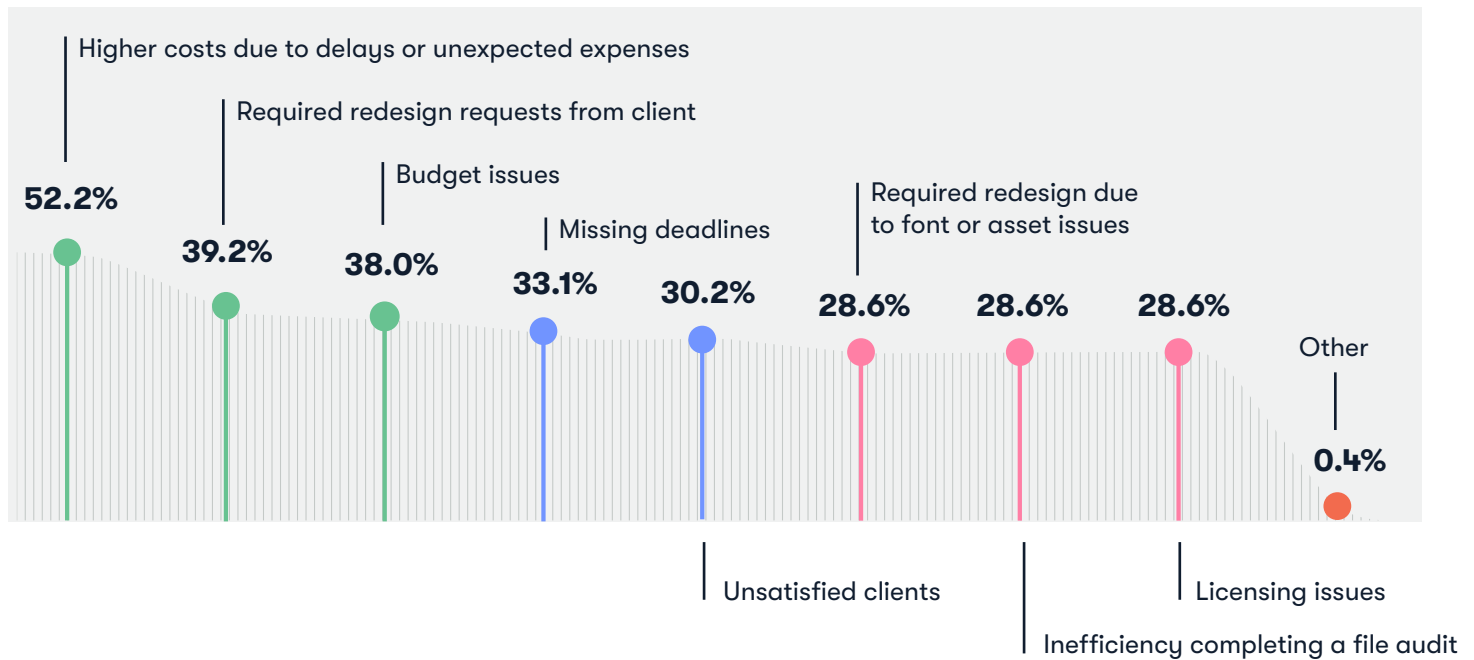
**of organizations allow designers to bring personal fonts into the system**

**62.4%**

**of organizations worry about unlicensed fonts/creative assets**

Additionally, 82% of those surveyed said they allowed fonts to be supplied to third party collaborators, such as printers and output providers. But font EULAs typically prohibit distribution to separate entities. Best practices dictate that the third party should source and license the fonts in question separately.

# Top Concerns In Creative Risk



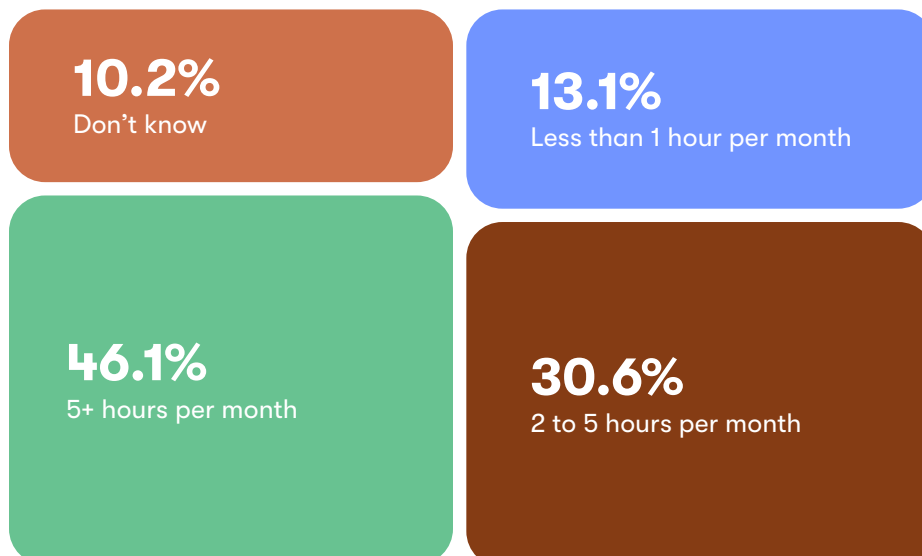
Over half of those surveyed listed higher costs due to delays and unexpected expenses as being a top concern.

However, the remaining concerns are—in aggregate—also a function of hard and soft costs, whether direct expense, allocation of billable hours to profitless activities, or loss of good will/status/reputation.

Best practices dictate building contingencies into creative operations to improve visibility for all internal stakeholders. Optimized tech stacks with proper tools can illuminate areas of uncertainty with insights.

## How Much Time Do Creatives Spend On Font Issues?

These numbers indicate that auditing licenses for projects takes a lot of time and effort, and that approaches vary by team.



With nearly half of survey participants saying that designers spend upwards of five hours a month managing font issues, we feel there is definite room for improvement overall. Streamlining processes and optimizing your tech stack to reduce busywork can provide creatives with more time to focus on execution.



# Insight Into Audits



**33.1%** audit at the start of a project



**18.4%** audit at the end of the project



**47%** audit throughout projects, either at convenient times or at project milestones

The majority of teams opted to continually audit, which safeguards against complications caused by substitutions, scope changes, pivots, and shifting strategy.

## How much time does it take to audit projects?

**17%**

spend 1-2 hours per week auditing creative projects

**30.6%**

spend 3-4 hours per week auditing creative projects

**16.3%**

spend 12+ hours per week auditing creative projects

**31%**

spend 6-11 hours per week auditing creative projects

**4.5%**

spend no time per week auditing creative projects

Teams are taking their audits seriously. However, with 47% of those surveyed spending over six hours weekly on audits, there is serious value to be found in investing in solutions to streamline the process and free up time. This approach is likely more cost effective than dedicating billable hours to profitless activities.

**44.9% of teams have one individual responsible for auditing each project.**

The weight of accountability is too heavy to fall on a single person. At the same time, for manual processes, this may be the only way to ensure transparency. Certain tools will reduce human error, as well as empower more individuals to be involved in auditing without the process becoming overly time-consuming.



## Conclusion

Survey results show that most creative teams are aware of the risks that fonts and other creative assets introduce into their operations. However, the data also suggests a sense of overconfidence, with individuals feeling secure in their practices despite major risk red flags existing in their processes.

To address this, review best practices, reflect on and optimize processes, and ensure team-wide adherence to protocols. Additionally, take advantage of technological solutions to streamline your process. Adopting the right tools can reduce manual labor and errors. Increased awareness and new tools can help teams optimize workflows, mitigate risk, save time, improve consistency, and encourage collaboration.

The right solution can make a world of difference for your team. If you'd like to learn how you can create efficient creative operations while reducing the risk therein, we're happy to be your guide.

**TALK TO US →**

## About Extensis

Extensis, a Monotype company, established its roots in Portland, Oregon in 1993 with the express goal of solving complex problems for creative enterprises through innovative font and creative asset management technology solutions. Extensis has helped hundreds of thousands of creative professionals—from individual designers to global brands and large creative teams—maximize the efficiency of creative operations, mitigate risk and provide analytical insights to enable creative teams to take informed action.

To learn more about Extensis, visit [extensis.com](https://www.extensis.com)