



C WORTHY | White Papers



Priceberg Ahead!

Learn the *Actual* Cost of Writing
White Papers/Case Studies In-house

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Summary

If you need to develop substantial B2B marketing content, such as white papers and case studies, then you may be wondering whether to outsource this work to a specialist or keep it in-house.

This e-booklet will help you determine the *actual* cost of using in-house subject matter experts to write marketing content. When you know the actual in-house cost, you can properly assess quotes from freelance professional copywriters.

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Producing B2B Content?

Very few B2B sales transactions are the result of impulse buying. Buyers take their time, do their homework, ask lots of questions, and eventually try to negotiate the best terms possible.

B2B vendors who anticipate their customers' information needs during the sales process are able to strongly influence their purchasing decisions by proactively supplying them with substantial content, such as white papers and case studies.

Okay, We Need *Something* But...

Because information plays such a dominant role in the B2B sales process, vendors are under constant pressure to produce new, relevant content for their websites, e-mail marketing campaigns, trade show appearances, and other sales/marketing activities.

Many companies decide: “Okay, we need *something* for the website, etc., but we’re not going to pay an arm and a leg for it. Instead, we’ll save money by putting it together ourselves in-house.”

Let's Ask "Bob" to Write It

When the boss decrees “We need a white paper, a case study—*something*—to give away at this trade show”, Bob is the senior subject matter expert who gets tapped to write it.

Bob could be a software architect, design engineer, project manager, team leader, or technician. Bob is not a professional copywriter, has no marketing experience, and never speaks with senior decision-makers at client companies, aka the target audience.

How Much Does Bob *Actually* Cost?

At first glance, having Bob write the white paper or case study might seem like a no-brainer. After all, Bob is a subject matter expert, a salaried employee.

No doubt many folks simply assume that hiring a freelance professional copywriter would be much more expensive than getting Bob to do the job.

But is that really true? Do you know the *actual* cost of each employee at your company? Bob could be more expensive than you think...



Actual Employee Costs

If you've ever bought something online, you know that advertised prices seldom resemble what you're actually going to pay after shipping charges, taxes, and hidden fees have been added on.

Salary is like a price tag. By the time you factor in company payroll taxes, employee benefits, and all the other business overheads, you'll often discover that salary is actually the tip of the iceberg—or, in this case, the *priceberg*.

Salary is the Tip of the Priceberg

It's not uncommon for actual employee costs to be 1.5–2.5 times salary. Here's a cost breakdown:

Cost #1: Salary and Payroll Taxes

Cost #2: Benefits

Cost #3: Recruitment

Cost #4: Share of Business Costs

Cost #5: Employee-specific

Cost #6: Miscellaneous Other Costs

Intangible Cost: Missed Opportunities

Cost #1: Salary and Payroll Taxes

Salary is usually the single largest employee cost and certainly the most visible.

In Canada, a company's share of EI, CPP, and other payroll taxes is also significant, and should be included in any calculation of actual employee costs.

What is Bob's gross annual salary? What is your company's share of payroll taxes on that salary?

Cost #2: Benefits

To attract and retain quality employees, businesses commonly offer a range of *benefits*, such as:

Pension plans	Wellness programs	Group insurance
RRSP matching	Recreational perks	Survivor benefits
Healthcare plans	Company cars	Paid vacations
Drug plans	Subsidized daycare	Paid leave
Dental plans	Bonuses	Home internet

How much does your company spend on benefits for Bob every year?

Cost #3: Recruitment

Human resources (HR) departments regularly incur expenses finding and hiring employees:

These *recruitment costs* may include:

3rd party recruiters

Relocation allowances

Referral bonuses

Advertising

Signing bonuses

Drug testing

Screening/interviews

How much does your company spend per employee on recruitment every year?

Cost #4: Share of Business Costs

To properly assess the cost of an employee, you must consider all *business costs*, including:

Buildings

Insurance policies

Administration

Depreciation on
capital equipment

Consumables

Human resources

Utilities

Finance/payroll

Taxes

How much does your company spend every year just to keep a valuable, revenue-generating *knowledge worker* like Bob seated in your office?

Cost #5: Employee-specific

Some employee costs are specific to individuals and the role they play in your organization.

Examples include:

Computers

Training

Travel expenses

Mobile devices

Memberships

Ergonomic chairs/desks

Software licenses

Certifications

What annual costs are unique to Bob, your rockstar subject matter expert?

Cost #6: Miscellaneous Other Costs

There are several other common, potentially disruptive employee costs to consider, such as:

- Maternity/paternity leave
- Jury duty
- Wrongful dismissal claims

Can you think of other employee costs that you should factor in to your calculations?



Cost Calculations

Once you've identified all tangible employee costs and generated reasonable estimates, you can determine how much a white paper or case study actually costs to write in-house.

In this chapter, you'll learn how to calculate:

Total annual cost

Productive days

Apparent project cost

Total hourly cost

Project hours

Let's get started...

Total Annual Cost of an Employee

Total annual cost of an employee can be defined as:

$$\begin{array}{l} \text{Salary} \\ \text{Benefits} \\ \text{Recruitment} \\ \text{Share of business costs} \\ \text{Employee-specific} \\ + \text{Miscellaneous other costs} \\ \hline \text{Total annual cost of an employee} \end{array}$$

You can use the total annual cost of an employee to calculate the employee's *total hourly cost*.

Total Hourly Cost of an Employee

To determine the apparent cost of writing a white paper or case study in-house, you need to know the total hourly cost of each employee.

Total hourly cost of an employee can be defined as:

$$\text{Total hourly cost} = \frac{\text{Total annual cost}}{\text{Productive days} \times \text{Hours/day}}$$

The annual number of *productive days* per employee depends on several variables...

Productive Days

Since there are 261 weekdays in a year, each employee can have a maximum of 261 *productive days* annually (assuming a 5-day work week).

Of course, in practice, this maximum number of productive days is considerably reduced by:

Vacation days

Sick days

Training days

Statutory holidays

Personal days

Unproductive time

Here's an example...

Example: Productive Days

Let's calculate the number of productive days that Bob, the subject matter expert, works every year.

Typical annual stats for Bob are:

20 vacation days

3 sick days

5 training days

9 statutory holidays

2 personal days

10 days of assumed
unproductive time

Subtracting these 49 days from the theoretical maximum, 261 days, yields 212 productive days.

Example: Total Hourly Cost

Let's calculate the total hourly cost of employing Bob, assuming a total annual cost of \$150,000:

$$\text{Total hourly cost} = \frac{\text{Total annual cost}}{\text{Productive days} \times \text{Hours/day}}$$

$$\text{Total hourly cost} = \frac{\$150,000}{212 \text{ days} \times 7.5 \text{ hours/day}}$$

$$\text{Total hourly cost} = \$94.34 \text{ per hour}$$

(Bob's annual salary could be as low as \$60,000.)

Project Hours

To calculate the apparent cost of writing a white paper or case study in-house, you also need to estimate the number of *project hours* required for:

Research

Interviews/meetings

Notes/transcription

Planning

Management

Writing

Review

Correspondence

Be realistic about the number of hours each task will likely consume. Track estimates for in-house editing, graphic design, and SEO separately.

Apparent Project Cost

The *apparent cost* of writing a white paper or case study in-house can be defined as:

$$\begin{array}{r} \text{Total hourly cost} \\ \times \text{ Estimated project hours} \\ \hline \text{Apparent project cost} \end{array}$$

The cost of editing, graphic design, and SEO are not included in this estimate. Note that the *apparent project cost* is so-called because it doesn't account for *opportunity costs*, which can be significant.

Online Employee Cost Calculators

Seems like a lot of work to calculate the actual cost of an employee, doesn't it?

You can save yourself some time by adapting one of the many available online employee cost calculators to meet your needs.

For example, using Art & Logic's [Employee Cost Calculator \(for Programmers\)](#), you should be able to generate a reasonable estimate of how much Bob actually costs your company every year.



Opportunity Costs

An *opportunity cost* is the value of something you give up to pursue your chosen course of action.

Although opportunity costs are often difficult to quantify in dollars and cents, they can be significant and should be taken into account when you assess the actual in-house cost of writing a white paper or case study.

Let's look at four major opportunity costs...

I. Value of Work Not Done

When you ask an in-house subject matter expert to write a highly specialized piece of B2B marketing collateral, what you're really saying is, "Stop doing the productive, profitable work that matches your training and experience. Instead, write compelling marketing copy that generates sales leads. Go!"

The opportunity cost is highest—and easiest to quantify—when subject matter experts participate at the expense of lucrative billable work.

2. Value of a Good 1st Impression

If Bob wrote a white paper or case study, what expectations would you have about the quality of the finished piece?

Would you expect Bob's copy to be as readable and effective as content developed by a successful professional copywriter?

How do you think B2B buyers would react to the *gap in quality between what you're offering and what they expect* from a world-class B2B vendor?

3. Value of Specialized Expertise

Beyond contributing technical information, Bob the subject matter expert is not in a position to add much value to any marketing communications project. A distinctly different skill set is required.

A professional writer specializing in white papers and case studies can target the right audience, select appropriate information, structure arguments more effectively, integrate your marketing message, and produce compelling copy that engages readers.

4. Value of Clear Writing

Reviewing the work of an amateur writer usually requires extra effort because of spelling mistakes, grammar issues, structural flaws, wordiness, vagueness, and other distracting language problems.

Also, the copyeditor must spend more time fixing the text, so you pay more for this service. If the manuscript is especially weak, the copyeditor might recommend structural editing and/or extensive rewrites, driving up the project cost even further.



In-house vs Outsourced

When you know the actual cost of writing a white paper or case study in-house, you're in a position to properly evaluate detailed quotes from freelance professional copywriters.

As you compare in-house and outsourcing options, keep in mind that the actual cost of each one is a function of both *price* and *value*, including opportunity costs.

4 Questions You Need Answered

To properly assess a freelance copywriter, you must ask yourself four simple questions:

1. Has the writer produced high-quality content that's similar to what I need?
2. What do other people say about the writer?
3. How much does the writer charge?
4. Can I work well with the writer?

The answers to these questions will reveal what you need to know about price and value.



Competitive Fixed-fee Services

We challenge you to compare our fixed-fee writing services to your best in-house cost scenario.

To get started, please visit www.cworthy.biz.

If you have questions, or you'd like to discuss an upcoming project, please contact us directly:

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