



The Future Is Freelance

*How CFOs Can Leverage the
Workplace Revolution*





Contents



Page 3: The Freelance Revolution Was a Long Time Coming

Page 4: How Technology Transformed the Way We Work

Page 5: What's Motivating the 'Future of Work'?

Page 6: How the C-Suite Can Learn to Love Freelancing

Page 7: The Value of Working With a Freelance Marketplace

Page 8: Why You Should Adopt a 'Future of Work' Mindset

Page 9: How Your Company Can Get Started

Page 10: Paro Can Help

The Freelance Revolution Was a Long Time Coming



There's an unfortunate truth that every generation eventually confronts: As people gain a certain amount of professional momentum, they become convinced that their approach to work is the only viable option. In their certainty, they disdain alternative approaches and struggle to empathize with workers from other generations.

We see this play out at old-school companies that are reluctant to accommodate the expectations of Millennial workers. Today's young professionals crave autonomy, flexibility, and meaning in their work. That's why they flock to startups and tech companies that cater to their needs with unlimited paid time off, remote work arrangements, and work-from-home options.

Unfortunately, workers from past generations — who often hold decision-making positions in many growing and middle-market U.S. companies — don't have the same priorities. When they were developing their own careers, their main concerns were a consistent paycheck and job security. They don't understand why young workers would demand more, and that disconnect surfaces in workplace trends. As of 2016, Gallup reported that **21% of Millennials** had switched jobs in the past year, which was more than three times the rate of their non-Millennial peers.

21% of Millennials had switched jobs in the past year, which was more than three times the rate of their non-Millennial peers.

Fear also plays a role, as many leaders are convinced workers will slack off when they're not in the office or worry that they don't have the tool set to manage people from afar. Millennials resent these preconceived notions, which causes them to seek new positions where they can work on their terms.

Meanwhile, Gen Xers get stuck in the middle of this Millennial-Boomer tension. Gen Xers struggle to relate to both groups because they see Millennials as entitled and lacking in work ethic, but they also recognize and crave the benefits of remote and freelance work.

The tragedy of these tensions is that they're rooted in a desire to do right by the company and employees. Boomers pride themselves on offering full-time employment and stability because that's what their generation values. Meanwhile, Gen Xers and Millennials are less concerned about consistent work hours than they are about work-life balance and autonomy.

Rather than put up with unaccommodating policies, Millennials are opting to join the freelance workforce. Gen Xers are more cautious about embracing freelance work because they are married, they have children, and they need to make mortgage payments. They fear the perceived instability of freelance work, but they'll likely gravitate toward it as it becomes the norm and a viable way to build their careers. As Boomers **continue to retire** at increasing rates, these older workers will continue to look for opportunities to engage with project work on their terms. As a result, the freelancer pool will continue to expand.

Generational Views of the Workplace



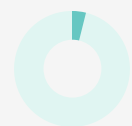
Baby Boomers

About 83% of Boomers describe themselves as loyal to their companies. More than 62% self-identify as workaholics. And more than 66% say work is a priority.



Gen X

Although they're committed to their careers, Gen Xers are less devout than Boomers. Roughly 55% say they're loyal to their companies, and only half of those surveyed consider themselves workaholics.



Millennials

Only 4% of Millennials express loyalty to their employers, and a scant 15% claim to be workaholics. Millennials view work-life balance and control over their careers as better indicators of success than salary or longevity, and they're willing to keep switching jobs until they have achieved those ideals.

Source: "Different Generations' Attitudes Towards Work and Management in the Business Organizations"



How Technology Transformed the Way We Work



Remote work might be the gold standard today, but it used to be more of a burden than a perk. The faxes, the costly long-distance calls, and the absolute nightmare of endless email threads — it's no wonder older generations are so skeptical of remote work.

What they don't realize, however, is that technology has made remote work infinitely more achievable. Videoconferencing allows for face-to-face conversations no matter where you are in the world. Screen sharing enables team members to collaborate regardless of their time zones and locations. Making edits in Google Docs is a pleasure cruise compared to older word-processing platforms. And Slack has eliminated the need for endless email threads by providing a platform for real-time conversations. Even accounting and finance software supports remote work arrangements. Because everything is cloud-based, you can access all your financial data at any time.

The list goes on. Telecoms offer affordable smartphone and data plans that provide worldwide coverage, which is a considerable boost to companies that operate internationally. A few years ago, you had to spend \$1,000 for a week of data coverage while traveling to Europe. Now, a platform

like Google Fi gives you unlimited data in 180 countries for \$100 a month. Companies are continually offering new connectivity options at increasingly appealing rates.

What's truly exciting about these innovations is that talented, motivated people from around the globe have access to great career opportunities. Outsourced tech hubs have sprung up in places like **India**, **Ukraine**, and **Africa**. The trend has also been **on the rise in the U.S.** Tech once drove economic growth in concentrated areas like Silicon Valley, but its impact is extending to previously disadvantaged communities.

Founders realize that cloud-based services, virtual conferencing, chat platforms, and other tools are liberating them to set up their companies in unconventional (and more affordable) locations. These innovations also enable remote and freelance workers to connect with clients around the world, regardless of location.



What's Motivating the 'Future of Work'?

Two factors are driving the freelance trend: the desire for a career change and the desire for career control. Salary also plays a role, with **54% of self-employed workers** reporting that they earned more working for themselves than they did in a traditional job.

But what does this freelance wave mean? In short, you'll have access to the best talent available. The ability to work with freelancers regardless of location means you can tap into talent pools that previously were not available. For major companies that operate in small towns, this change means they can now access the sort of top talent they have always dreamed of recruiting (but could never convince to make the move to a small town). Additionally, the numerous virtual tools now available allow for faster onboarding.

Instead of scheduling multiple in-person interviews and onboarding sessions, you can hop on a call instantly, have documents signed within hours (if not minutes), and find the right talent for the right jobs. No more settling for one candidate who needs to become a jack-of-all-trades (and master of none). Instead, you can outsource tasks to freelancers who are experts in their given areas.

The key to connecting with these talented professionals is to listen. Too often, CFOs rely on their preconceived notions about the structure of a workplace. By looking to Millennial workers, you'll find that their desire for autonomy is not incompatible with your company's needs. In truth, their drive to perform meaningful work for clients can massively benefit your organization — as long as you're willing to accommodate their workplace expectations.

54% of self-employed workers reported that they earned more working for themselves than they did in a traditional job.





How the C-Suite Can Learn to Love Freelancing

Freelancers can provide enormous benefits to your business, but you need a plan in place to work with them effectively.

Deloitte researchers found that freelance and contractor relationships are on the rise. In its “[2018 Global Human Capital Trends](#)” survey, Deloitte reported that 50% of business leaders saw a “significant number of contractors” in their workforces and 23% said there was a “significant number of freelancers.” Although many companies said they planned to work with more contractors and freelancers, only 16% had created policies and workflows that support these relationships.

Neglecting to plan for freelance and contract workers sets you up for failure. When companies don’t map out an onboarding experience and a set of policies for their freelancers, they end up with confused and disillusioned workers — both freelancers and in-house employees. Business leaders must set clear expectations for freelancers and understand how their workflows complement their own.

More importantly, these people must be in contact with all of the relevant stakeholders who will work on a project. That means helping in-house employees understand why freelancers were brought in and how they’re expected to

collaborate. When companies don’t consciously blend their team members, redundancies and frustrations can lead to lost productivity.

Many companies remain reluctant to use freelancers because they worry about [legal and compliance issues](#). This is no reason to avoid freelancers, however, as you can work with your legal team to determine how best to protect yourself and ensure your freelance contracts include all the necessary clauses and qualifications.

Remember that freelancers depend on client satisfaction and success for repeat business, so they’re motivated to help you succeed. Careful planning and communication can mitigate many potential problems and help you enjoy the benefits of the freelance workplace.

Although many companies said they planned to work with more contractors and freelancers, only 16% had created policies and workflows that support these relationships.



The Value of Working With a Freelance Marketplace

One way to ease into freelance hiring is to use a managed marketplace specific to your needs. These marketplaces provide a pool of talented candidates you can choose from when you urgently need to fill a role or staff up for a project.

You might also consider working with a marketplace that specializes in connecting freelancers and clients. When you're weighing potential partners, pay careful attention to how they do (or do not) vet their freelancers.

At Paro, for example, we require all freelancers to have a minimum of four years of experience in their fields, excellent communication skills, and a demonstrated aptitude in their core offerings. We also ask them to complete a test project before they interview with our talent director and undergo a reference check as the final step in the process. Only 2% of applicants make it through this process, but we believe it's crucial to offer only the highest level of talent to our clients.

Once a freelancer is approved, we use machine learning algorithms to match these highly competent workers with client companies. This approach increases the odds that a partnership will be successful because it draws on data to recommend the best fit. We know that freelancers' and clients' time is valuable, so we strive to connect professionals as scientifically as possible.

As massive projects increasingly become atomized at the skill and task level, it's incredibly advantageous to pull in freelancers with varying expertise to handle your rapidly evolving needs. Freelancers should be able to dive in quickly and take over specific responsibilities, allowing you to free up internal resources for other priorities.

We recommend working with a trusted marketplace when beginning to work with freelancers. You want to ensure that you're working with the most qualified people available and that you're establishing a productive, compliant infrastructure for working with freelance talent.



Why You Should Adopt a ‘Future of Work’ Mindset



Professional freelance networks are a relatively new phenomenon, but we anticipate a sharp difference in performance among companies that use them and those that don't.

Freelancers provide expert insights and skills that are difficult to find in the average candidate. Instead of settling for someone who might be great at one facet of a job and mediocre in another area, companies can bring on people who have the expertise necessary to tackle particular problems. Freelancers have no problem offering contrarian opinions if they're in the best interest of your company's future, and they're cheaper than full-time employees. You can leverage a freelancer's value on an ongoing basis while avoiding the equipment, healthcare, and benefits costs you would need to pay a full-time employee.

There will eventually come a time when business leaders will need to outsource their most pressing projects. These tasks will arise so quickly that companies will not have the luxury of recruiting and hiring a full-time employee to handle evolving duties — they will need an expert who can come in and fix the problem as efficiently as possible. With a massive pool of trusted freelancers at the ready, there will be no situation your company is not equipped to handle.

We've seen a freelance-focused approach work well for a number of our clients. For example, CFOs are often overburdened with closing their monthly books and day-to-day management tasks, which takes away from critical strategic initiatives.

These CFOs have worked with us to bring on part-time controllers, enabling them to shift from a reactive mode to proactive value creation. The controllers take over monthly close and reporting tasks so the CFOs can direct their energy toward growth strategies and long-term planning.

At Paro, we aid in situations like this frequently. One great example is a company we worked with whose only existing controller unexpectedly gave notice, leaving the organization scrambling to find a replacement before the employee's quickly

approaching departure date. On top of that, the company was struggling to find a replacement who was qualified to navigate its needs.

The company didn't need a CFO and already had a valued in-house bookkeeper, which put it in a difficult position. So we identified and contracted a controller to act in the interim. In doing so, we filled the full-time position that the company couldn't afford to leave vacant with an expert who needed less than half the time to close the books every month.

With a massive pool of trusted freelancers at the ready, there will be no situation your company is not equipped to handle.

The freelance model works throughout accounting and finance teams. A company might have a brilliant, organized, and accurate accounting team but lack the analytical horsepower to create robust financial models. Or it might be in high-growth mode and need additional part-time accounts receivable clerks. Our freelancers — from clerks and bookkeepers to CPAs, financial analysts, and CFOs — come in and provide assistance for far less than it would cost to bring on full-time help.

If you're uncertain about which types of companies hire freelancers, know that you're in good company by embracing the gig economy. Major global businesses such as GE, Samsung, and Airbnb listed more than 30,000 freelance projects on the Upwork marketplace in 2017. The freelance revolution is catching on, and your company will benefit tremendously from participating.



How Your Company Can Get Started

When wading into the freelance world, it's important to know the difference between a transactional marketplace and a managed marketplace.

In a transactional marketplace, you hire freelancers directly by weeding through dozens of applicants at various price ranges with little insight into whether they would be a good fit for your specific project. This increases the chances of hiring unvetted professionals who deliver inconsistent results.

Managed marketplaces are more actively involved in the process. The primary benefit is that they vet all the freelancers in their network, which means you're matched to a much narrower and higher-quality pool of freelancers. When working with a managed marketplace, you can trust that you're getting the highest-quality recommendations and that you'll have support as you navigate the freelance relationship.

These marketplaces are also preferable to temp and staffing agencies because these candidates often seek permanent positions rather than ongoing contract work. In some cases, their decision to rely on an agency rather than build a freelance or contract career could indicate minimal ambition and creativity. More alarmingly, staffing agencies rarely verify that workers have the skills and experience they claim to have.

In summary, there are a few key reasons to hire freelancers. Technological innovations have created access to qualified talent across the globe. Advances in this technology and social changes mean that companies can set up shop anywhere they choose, and they can leverage the skills of a new generation that is eager to do meaningful work and not just take up cubicle space until it's time to retire. It's also easier than ever to find vetted professionals who are suited to do specialized work, so take advantage of the talent at your fingertips. Don't be a company that fails to innovate and evolve, or you'll risk being left behind in the future of work.

When working with a managed marketplace, you can trust that you're getting the highest-quality recommendations.





PARO

The future is freelance.
Hire your first finance
freelancer today.

sales@paro.io

872-216-7276