

Kantata

The Networked Economy

The Future of Freelance Work in Professional Services



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Introduction

Contract employees are more valuable than ever in the world of professional services.

What was once a quick and easy way to fill any skill gaps in your employee base is now a cornerstone of daily business operations, supplying a large portion of the specialized skills that clients look to agencies to deliver. But the challenge with depending on freelancers is that their availability and flexibility may not align with your critical work demands. Even a time-tested and dependable contract worker may not be there when you need them and, if you're suddenly in need of skills you can't access, project success can go out the window.

This is why success in the professional services industry doesn't just require finding great freelancers, but in connecting to and making the most of the Networked Economy of contract workers who will become a vital, dependable part of your organization. The question is, what is the Networked Economy and where does your company fit into this new, worldwide system of work and access to workers?

What Is the Networked Economy

As outlined in the [MIT Technology Review](#), the Networked Economy is the latest revolution in how entire industries are approaching work, communication, and the use of the liquid workforce, following previous revolutions including the industrial economy, the IT economy, and the Internet economy. Each of these brought about a seismic shift in the way business is done, and the Networked Economy is doing the same.

The Networked Economy builds upon the advances made in previous revolutions, converging the economies that came before in this new era of hyperconnectivity and flexibility, which is providing new possibilities for innovation in business processes. This new economic environment comes from modern technology digitizing the real-time connections between people, devices, and businesses through highly interactive online communication. Through the vast supply of tools available today, professional services firms are accessing a modern workforce and becoming accustomed to a faster, more adaptable way of doing business.

While businesses have long acknowledged the importance of resource management and the use of contract workers within their own small ecosystem, the Networked Economy is the new reality that every business operates within. It includes a larger web of contract workers, communication apps, and scaling resource pools.

The global Networked Economy is propelled by the modern and ever-growing liquid workforce, with contractors quickly moving between multiple companies, supported by real-time communication and ultra-fast project management solutions. In addition, [recent Kantata research](#) shows that full-time workers are attracted to the freedom of contract work.

76%

76% of independent contractors surveyed say they were full-time employees just one year ago

43%

43% of full-time employees say they have considered becoming an independent contractor or freelancer

Considering this data, it seems fair to state that contract workers will be more important to the success of services businesses than they've ever been before, and that trend is likely to continue. Some of the best talent on the market – people with the ideal skillsets to tackle the work businesses need done – have made the jump to the contractor workforce and they're not looking back.

The modern workforce — and the workforce of the future — is a hybrid workforce, not just remote and in office, but also an extended talent network of trusted internal and external resources. While every business must have their own private intranet of software solutions, processes, and communication tools, their connection to the larger external Networked Economy is what provides them with the resources they need to succeed in a fast-paced highly competitive modern world.

Businesses that tap into the Networked Economy are leveraging the liquid workforce more than ever to adapt and compete in an era of higher demand and faster turnaround times that require a new way of doing business.



How To Leverage the Networked Economy for Competitive Advantage

Tapping into the Networked Economy is about more than just using your traditional contract workers, it's about leveraging the resources and skills that exist in today's interconnected global talent network when you need them. Today's workforce is an ever-changing mix of full-time employees, contract workers, software solution service providers, external app developers, crowdsourcing, and much more. All of these resources play integral roles in delivering successful projects that delight clients, right down to the execution of the smallest tasks.

The Networked Economy creates real-time, highly interactive connections between people and software solutions that make up every business. While many professional services organizations already have dependable resource and project management solutions in place, many of these are still lacking the integration and business intelligence layers necessary to create a true interconnected network that supports all of the contributors that make their business successful, which is absolutely necessary to operate within the global Networked Economy.

To build an ecosystem of contract workers, a business must work to be continually connected in all forms of communication and management. Social media, mobile applications, and cloud computing are the first step in providing that continuous connection, but the next stage of digital connection needs more than just the traditional lines of communication. The Networked Economy melds business and consumer networks to dissolve the boundaries of what companies can do today.

Combining real-time communication and resource management solutions that provide the fastest possible insights into your team's skills, availability, and project progress allows businesses to fully leverage their full-time, part-time, and contract resources.

The advantage for businesses that can leverage the Networked Economy is the ability to adapt to changing demand and quickly fulfill resource demands, regardless of skill, size, or timeline requirements.

Optimizing Resources in the Networked Economy

Every professional services organization faces the constant challenge of balancing resources with projects, especially when the talent pool and project pipeline are constantly shifting.

The hyperconnectivity of the Networked Economy is designed to improve resource utilization through fast and accurate insights into both resources and projects, with both contract workers and full-time employees only a message away. And most importantly, it supports the elusive, often difficult-to-handle world of contract work, which depends on strong relationships, trust, and dependability.

Succeeding in the Networked Economy isn't just about having access to a large pool of resources with a wide variety of potentially-needed skills. It's about creating a work environment that will keep them engaged and wanting to work with you over the competition.

Competing for Talent in the Networked Economy

The reality of having so many freelance workers in your network is that they can come and go as they please. The Networked Economy provides a variety of choices for freelancers to match their work preferences regarding schedules, deadlines, type of work, and company fit. With so many options available, you want to be sure these these common mistakes aren't driving talent into the arms of the competition:

Repetitive, Unchallenging Work

We all want work that we are confident we can deliver, but that doesn't mean we want to do the same type of work over and over. If your company only gives a contractor the same tasks again and again, they could quickly get bored and find a place that will be fresh and challenging.

Unrealistic Expectations

A company wants to get the type of work they paid for from a contract worker, and freelancers want to receive the pay that their work deserves. Working on unrealistic deadlines and being asked to provide a type or volume of work that doesn't match their pay can cause major freelancer frustrations.

Poor Communication

Vague and even conflicting communication over project needs can cause unnecessary complications for freelancers and lead to frustration. If this happens often, they might start looking for a company that is easier to work with.

Inconsistent Pay

Freelancers depend on being paid on time and as promised by the companies they work for. If a business doesn't pay according to the contract details they have agreed to, the welfare of a contract worker can be suddenly compromised. Working for a company that a freelancer can't trust to pay them on time is often simply too dangerous.

Lack of Project Support

Preferred freelancers are often highly sought after because they can work independently with little support from a company. But even the most seasoned contract worker needs the right project

information and support from managers. If a freelancer feels like they've been thrown to the sharks as soon as a task starts, they're likely to search for safer waters.

So the question is, how can you retain your contract workers and create a competitive, attractive business opportunity in a constantly changing, unpredictable professional services world?

Consider the following actions to build and maintain healthy business relationships so that when you need a contractor, it will be easy to find one.

01

Incentives For Larger Projects

Knowing that working on a specialized project or one that requires a bigger time commitment will bring financial rewards or a desired assignment in the future will help freelancers stay committed.

02

Healthy Communication

Clear and timely communication on project updates, access to the resources and information they need, and consistent recognition for their great work will go a long way in building loyalty.

03

Recurring, Dependable Work

A contract worker will be more committed to a company when they know that the end of a project will soon be met with the start of another one, and if they become the go-to for a specific skill, even better.

04

Manageable Workloads

Freelancers want enough work to live the life they want, but there is such a thing as too much work. Finding the right balance between what a freelancer wants and what your organization needs is critical in a long-term relationship.

05

Easy-To-Use Project Processes

It's likely that your freelancers are working for other companies. How does your project management process compare? If it's not great, it will look even worse in comparison to a business that provides smoother, easy-to-use project processes.

Understanding what you are doing well and where you can improve to proactively create a positive work environment will help you attract and retain freelancers within the Networked Economy.

Leveraging the Networked Economy Through Purpose-Built Technology

Integrating with the Networked Economy takes internal processes and software solutions that can support a constantly changing team and an evolving way of doing business. And while using legacy software solutions that have been part of a company for years may seem like the safe choice, these solutions are often designed for outmoded ways of working and are misaligned with the [resourcing needs of businesses](#) in the professional services industry today.

Businesses need to quickly adapt to changing realities to field the best team, every time so projects run smoothly, predictably, and profitably. But to achieve that, every firm needs the right software solution that goes beyond the limitations of traditional professional services automation, resource management, and work management solutions. The path to sustainable workforce optimization is only possible with [purpose-built technology](#) — that is, SaaS solutions that

have been specifically designed to address the unique challenges that professional services organizations face. Not every solution on the market is built to handle the demands of the professional services workforce. Adopting generic solutions that don't address the specific needs of services organizations can hold businesses back from their workforce optimization goals by making it difficult to gauge the interest of resources in upcoming work, get clarity into the availability and capabilities of external talent, and keep internal and external team members on the same page while collaborating on projects.

Today's purpose-built professional services software solutions give professional services organizations the power to maximize, adjust, and better understand usage of all resources across all projects and divisions in real time. This gives resourcing decision-makers the ability to continuously and actively manage the ongoing workloads of every resource on every project to make the most out of everyday work at every level—for the client, for team members, and for the business.

Because access to the Networked Economy is so crucial for the continued growth and success of your company in a highly competitive world, it is important to invest in technology that gives you the tools you need to streamline how you onboard, plan and collaborate with your external talent, saving your organization time and money. This is where networked-enabled solutions like the Kantata Cloud for Professional Services™, purpose-built for the next generation professional services organization, come in.

Learn more about what a **highly adaptable approach to resource management** can do for you and how you can thrive in the Networked Economy through the transformative power of Kantata.

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