

Introduction

The market for freelancers has significantly grown over the past decade. A proxy of this culmination can be the hiring marketplaces for general freelancers going public in the past three years (Upwork and Fiverr). These businesses continue to perform well and even more so during Covid. General hiring marketplaces for freelancers are not the only kind of markets for freelancers that have grown. Verticalized marketplaces such as Toptal (software engineering), Design Pickle (designers) have also been gaining traction. There is increased competition in this space and that will only continue.

A talent-first approach

While hiring marketplaces continue to grow and sprout to connect remote talent with opportunity with a bias to monetizing, I think there is a real opportunity to be more talent-focused as opposed to client-focused (hiring manager / purchaser of freelancers' service).

Demand will ultimately go to wherever the talent is. Particularly when there are large, sophisticated verticals such as software development, talent is not an indispensable resource. Here are a few themes that stick out based on my time at Upwork and to a smaller extent, LinkedIn (which has attempted to enter this space in the past).

1. De-risk freelancing:

- Existing freelancers and contractors yearn for these benefits and just like FTEs want important coverage policies such as health insurance.
- Freelancing is becoming more and more mainstream but until FTEs are less hesitant on the risks of freelancing and have (exclusive/) easier access to benefits of corporates, the freelancing talent-side of the marketplace will always miss out on some of the best freelancers. Health insurance, financial services, taxes, etc will help more people make the jump into freelancing.

2. Talent-first marketplace or at the very least, a more even marketplace

- Most talent gets harassed at some point by a client and platforms like Fiverr or Upwork generally stand on the client's side.
- Making it easier for new talent to get started on a platform. Dynamics on these platforms heavily skew towards higher-rating, more platform experienced talent. This needs to change as more and more people become interested in becoming a freelancer.
 - Particularly - experienced talent to bring their offline reputation and not start from scratch. New talent on a platform can take months to actually land a job and experienced, skilled talent may quit long before that.
- Circumvention is one of the biggest revenue losses for these platforms and often trumps any new product launch in a year. Delighting and listening to freelancers will go a long way than any anti-circumvention product feature.

Others:

- **Learning & development:** Freelancers are some of the most versatile workers in an economy and often have to self-teach to keep their skill-set relevant. As leading corporates have prioritized their employees learning & development, freelancers also want to progress in their development and . I believe the first two themes will gain more traction in the short/medium term. *SkillHub* from Brazil seems to have started working in this space.
- **Payroll:** Legal, immigration, taxes are all issues that prevent businesses from hiring workers abroad. Payroll-focused companies to truly enable seamless access to the global talent pool will be one of the biggest trends (and hopefully drivers to democratize opportunity). Companies such as *Deel* and *Remote* are fresh off funding rounds and will be interesting to watch.