

Freelancers can deliver Huge Returns

24seven™

real talent for creative companies

by Celeste Gudas

Despite the myths, freelance talent can increase your ROI!

It's 6 p.m. on a Wednesday evening — do you know where your staff is? Tired and overburdened from doing the job of three, they've left the building already and figured those deadlines can wait until tomorrow. Welcome to the recession where worker burnout is a problem that doesn't make the headlines with the unemployment report. This is a business reality facing managers that are under intense pressure to get the job done with fewer resources.

In a layoff-driven market, rallying the remaining troops to do more with less is a very tough sell. So how do you control labor costs, maintain productivity, meet deadlines and deliver a solid return on investment (ROI) without further burdening your team? The answer is a workforce strategy that reflects your company's peaks and valleys and supports staff with outside help from freelance talent. If managed wisely, this extension of your team can actually increase your ROI if you plan and scale labor to the business cycles when you need them most.

But before we explore how you can strategically plan and manage these workers, let's first revisit the economics of why this strategy makes so much sense particularly in today's economy:

Strategic Staffing

Rising health care, benefits, payroll and other administrative costs makes long-term strategic temporary staffing a smart way for companies to contain costs. Today nine out of 10 companies use contract/freelance staffing to supplement permanent staff. This enables them to systematically control recruiting, hiring, training, employee turnover, absenteeism costs and bypass the additional 42% in expenses associated with permanent employees above and beyond salaries. (See chart). This isn't just a short-term fix, it's an all season strategy that just makes sound economic sense for employers.

Increased Productivity

90% of U.S. businesses that use contract staffing find freelancers efficient and productive*.

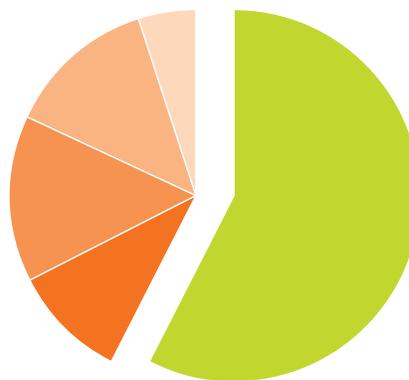
Do the Math!

Using Freelance Talent Saves You Money!

By the time you add up all the fixed costs that are associated with hiring the people you need to get your products out the door, it amounts to a significant amount of money.

Check this out!

	Full-time Salaried Employee Cost	% Added to Salary In Fixed Costs
Employee Salary	\$100,000	—
Payroll Taxes and Insurance*	\$10,000	10.0%
Company Paid Benefits	\$14,400	14.4%
Paid Time Not Worked	\$12,900	12.9%
Recruiting and Hiring Costs	\$5,000	5.0%
	\$142,300	+42.3%



- Employee Salary
- Payroll Taxes and Insurance*
- Company Paid Benefits
- Paid Time Not Worked
- Recruiting and Hiring Costs

Right now the availability of world-class talent is incredible. These are people that you couldn't otherwise afford to hire but can use to strategically impact your brand. Imagine the difference they could make at your company.

On Demand Talent = Scaleable Labor Costs

Whether you need talent for a special project, covering a maternity leave or just as part-time support, freelancers can fill the gap for just the specific hours you need them and not a moment more. Every hour billed is an hour truly worked. Plus you can save on overtime costs by letting freelance staff work the extra hours.

Reduced Cost of Burnout

Burdening important core staff is a big mistake that many employers make in their haste to slash costs. Companies can avoid staff burnout, reduce absenteeism and lost productivity and relieve worker stress by using freelance staff to

provide the extra hands needed to get the job done. Again—it's all about scale, and having talent on hand to fill in ONLY when you need them.

Payroll Solutions

Staffing firms offer payroll services to companies that choose to source their own contractors, freelancers and temps. This diverts the responsibility of pre-employment testing and verification, unemployment claims, Worker's Compensation, timesheets and health benefits to the staffing firm. This service is ideal for staffing special projects, accommodating seasonal peaks, rehiring employees, covering new employees during probationary periods and filling the gaps during training sessions. This is also a recommended course of action for employers to avoid worker misclassification risks associated with direct employment of contingent workers.

* Mandated FICA, Unemployment, Worker's Compensation Source: American Staffing Association and U.S. Chamber of Commerce



Here are a few ways to make the most of freelancers for your business

With these solid cost savings benefits working in your favor, you can further enhance your ROI by being strategic in the manner that you plan and manage this segment of your workforce. Here are a few ways you can make the most of freelancers:

1 Plan!

Businesses are cyclical and so are the initiatives that drive them. You know what your peak seasons are and the hands you need to get the job done. Now that your staff is leaner, what are the important gaps that you need to fill? And just how many hours, weeks or months will it take to complete the project? Plan early so that you have the right people in place when it's time to roll.

2 Get on board!

Make sourcing the right freelancers a turnkey process for your managers by fully utilizing the services of your talent firm. Leverage their vast business connections to get the ideal workers that fit your brand and culture. An interview or two and you have a staff that's ready to go.

3 Ready, set, go!

Make every hour count by having work lined up when your freelancers arrive. You don't want them standing around waiting for you or your staff to get the necessary materials together.

4 Measure and monitor!

Most staffing firms offer free management reporting tools that will enable you to track freelance hours and costs at the touch of a button. This will help you stay on top of labor costs and give you a closer look at the time required to execute various projects.

A workforce strategy that includes freelance talent can increase productivity and improve your company's return on investment.

Understanding the true costs and benefits associated with these workers is the first step to creating a flexible staffing strategy that offers returns in any economic climate.

Common Myths About Freelancers

- Freelancers are too expensive. If we didn't make the case above, get out your pencil and jot down the actual costs associated with hiring a full-time employee. Freelancers come with no strings attached.
- You can't get quality work out of freelancers. Thousands of talented people have lost their jobs and want to work. Those with world-class credentials you couldn't afford to hire, but could use on a freelance special project. Freelancers are "graded" on every assignment. Respectable staffing firms only send the best candidates.
- Freelancers don't have the discipline to meet deadlines. Are you kidding? Many of these people are highly creative and work best under deadline pressure. They thrive on change and challenge.
- Freelancers won't have loyalty to your brand. Talented people love a new challenge and they LOVE winning. Building a brand, creating something new or making over an old classic really gets them going. For them, it's all about their brag book (portfolio) and how they've contributed to a brand. This is exactly the kind of loyalty you need in this market.
- It takes too long to get freelancers up to speed with your company's system. In many instances, the freelancers in the mix here are used to change and new settings. They have a quick "get it" factor and can get with the program pretty quickly. The question is: Are you as organized as you can be about the processes you have in place to orient new people to your culture? What you and your company bring to the equation in these situations is just as important.



ABOUT THE AUTHOR Celeste Gudas is a leading authority on workforce strategy for creative-driven companies. A distinguished entrepreneur and recruiting industry innovator, Ms. Gudas has grown 24 Seven from a single New York office to 7 US locations and internationally to London, and has expanded the industries the firm serves. Today 24 Seven is the go-to talent source supporting the world's top teams in Fashion, Retail, Advertising, Marketing, Design, Interactive/Digital, Media, Beauty, CPG and Entertainment. A certified Women's Business Enterprise by the Women's Business Enterprise National Council, 24 Seven is also a recipient of the prestigious Ernst & Young Entrepreneur of the Year Award. For more information about how you can create a successful workforce strategy for your company call your local 24 Seven office or email President Celeste Gudas at cgudas@24seveninc.com.

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