

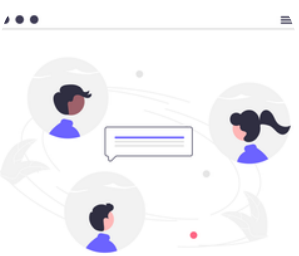
Staff on Demand Transcription



Staff on demand is one of the main attributes of many successful exponential organizations that use external resources for their business processes. While many businesses may be familiar with hiring contractors and freelancers to support their operations, one of the main benefits of Staff on demand is when it is used in business-critical processes. Examples include Uber or Lyft that use drivers for the core business of transporting people from A to B. The main advantage a well implemented Staff on Demand strategy can give an organization is flexible access to a vast pool of otherwise inaccessible global talent, at scale.



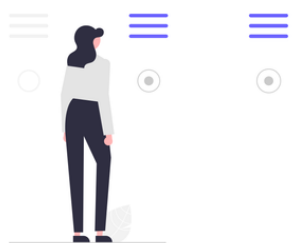
While it may still be necessary to maintain permanent staff in certain equipment and capital intensive industries, in an information enabled business a large internal staff seems increasingly unnecessary, counterproductive and expensive. When we think of staff on demand, we immediately think of Uber, that was founded on the idea of aggressive expansion. Just months after going live in New York City and Chicago, Uber stunned employees and investors by going online in Paris, London, Mexico City, and Taiwan soon after.



But something curious happened in the summer of 2014 when Uber had about 80,000 regular drivers in the US. By the end of that season, it had none. The ride-sharing company had switched from having drivers to having “partners” or “Independent, third-party transportation providers”. They switched from contracted staff to staff on demand.



Uber’s geographic expansion took off in earnest in 2013 and they soon realised that they would need a different strategy to get them to where they wanted to be. By 2015, the company had already brought Uber to 275 different cities. — today, it is in over 700 cities, providing about 16M trips every day.



While Uber has roughly 4 million drivers, or partners as they call them, the company only has 27,000 employees at a market cap of roughly 49\$ billion (down from 79\$ billion pre IPO).

We should note that of late, it has become obvious that staff on demand is an important attribute but just as important is understanding the context in which it is implemented and how regulation and other factors affects its use.



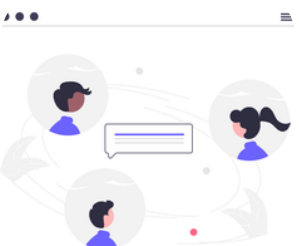
Uber and Lyft are under increasing pressure to fundamentally alter their business models in California for example, the state where both companies were founded and ultimately prospered. At issue is the classification of ride-hailing drivers as independent contractors.



Uber and Lyft say drivers prefer the flexibility of working as freelancers, while labor unions and elected officials contend this deprives them of traditional benefits like health insurance and workers' compensation. As such, there are still many open questions organizations and society will need to figure out around this attribute.



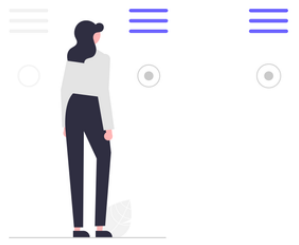
However, it is clear that for many companies today, having a permanent, full-time workforce is fraught with growing peril as employees fail to keep their skills up to date and are not continuously productive or even needed, resulting in the need to manage human resources.



In our fast-changing global and Internet-driven marketplace, increasingly desperate organizations are turning to external and temporary workforces to fill their talent gaps. One of the things that the Covid-19 pandemic showed us was that organizations with large work forces were most affected as they were shut down for over 2 months. This was further aggravated by the fact that the majority of SMEs had less than 30 days of cash flow. Less than a month of cash on hand.



Now, whether you need to rebrand, design a new app, build a website, create a specific design or access specialised developers or data scientists, double-sided marketplaces such as Upwork, 99 Designs, Task Rabbit, Roamler, Top Coder and Kaggle all assist organizations in finding talent rapidly, efficiently and most of the time, at a fraction of the cost compared to inhouse human resources.



These companies, which represent just the first wave of this new way to access outside talent, optimize the concept of paying for performance and lead to a reduced customer risk. Kaggle, for example, is an interesting example of a data science company that hosts private and public algorithm contests.



Algorithm specialists and students can join in the many open competitions whereby they compete for prizes and recognition whilst learning from each other in the process.

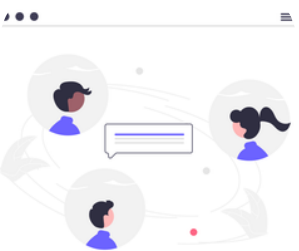
Kiva, a crowdfunding platform that offers loans and other financial services to poor and financially excluded people around the world, turned to Kaggle to run a competition to find out where and how they could best grant loans. Kiva gave access to their data pool of \$1 billion USD in loans that was granted to over 2 million people. This data was then used in conjunction with different public data sets in order to gauge and eventually maximise the impact of their financial offerings. The result was that Scientists at Kaggle were able to analyse the level of poverty in the regions where Kiva has active loans and use these new findings accordingly. So what are the advantages for staff on demand?



Overall, staff on demand, helps the organization be more flexible and adaptable to the external uncertainty and disruption. It also gives access to exceptional talent on-demand without the need for a regular employment relationship. The argument put forward is that online outsourcing makes workers more “accountable” as the relationship can be limited, adapted or terminated based on performance. This is often much harder when dealing with your own staff.



As we saw with Uber, another reason for adopting staff on demand is that it can enable an aggressive pace of growth where there is a limited window of opportunity to go to market. Though we shouldn't minimise the complexity of scaling through the lens of having an internal vs external team, staff on demand does permit you to flexibly scale staff as the need arises.



Additionally, in a competitive labor environment where many specific profiles are often in short supply, traditional Industries have great difficulty in attracting on-demand high-skill workers such as data scientists or talented developers. This is often the case as the positions available are perceived as low in opportunity and high in bureaucratic obstacles.



There are several other advantages such as the increase in the amount of learning an organization can have by regularly tapping into outside knowledge and experience. This greatly increases the capacity of the organization to deal with uncertainty about the future, perform business pivots and execute changes in strategy more effectively.



Staff on demand is an important attribute for any exponential organization, especially if it is complemented by other attributes such as an effective use of interfaces to train and manage your staff-on-demand-workforce. However, your Massive Transformative Purpose is even more important when working with a large flexible workforce. The MTP helps align the work of external teams with internal teams positioning the organization to excel in its long-game-plan in the market. The importance of alignment has become evident in many such organizations with Uber, as an example, facing several issues with their culture and how they manage Staff on Demand - something they continuously need to address as the operation scales in complexity and size.





There are four key steps to implementing staff on demand:

- Creating clear task specifications ensures shared understanding of the tasks
- Leveraging the use of external platforms gets you off the ground quickly
- Using the MTP to recruit the best people - those that are aligned with your purpose
- Creating an interface to automate staff on demand engagement



The Staff on Demand attribute enables Exponential Organizations to tap into the best available external talent in a scalable way which can often fuel a rapid expansion of their business or even become core to how their business is run. As Bill Joy, co-founder of microsun systems once said "no matter who you are, most of the smartest people work for someone else".

