# Freelance Outsourcing

With freelance offshoring, individuals offer their talents globally, primarily through freelance Internet sites. Internet portals that already have a significant number of registered freelancers and buyers include [www.elance.com](http://www.elance.com), [www.guru.com](http://www.guru.com), <http://www.net4manpower.com>, and [www.rent-acoder.com](http://www.rent-acoder.com), and [www.vworker.com](http://www.vworker.com). The original Rentacoder.com (now vworker), for example, had nearly 80,000 registered buyers and 200,000 registered coders in July 2007. The company had nearly 2500 open bids on July 11, 2007. On that same date, Guru.com boasted over 700,000 registered gurus and 80,000 registered buyers. More than 60% of the “gurus” are from low wage countries. Research by Evalueserve estimates that this market was worth $250 million in 2007, but will grow at least 25% annually to research over $2 billion by 2015.

***The task for your group is to help general managers understand the promises, pitfalls, and best practices associated with hiring freelance ITO or BPO workers.*** If your topic gets too large, you might want to focus on a particular group of freelances, like programmers.

Your presentation may begin by answering these questions:

* How big is the freelance outsourcing market today and how big is projected to be?
* Which types of processes are most frequently outsourced to freelancers?
* What are the real risks to a client company as opposed to perceived risks in freelance outsourcing?
* Who are the top outsourcing suppliers (probably websites) in this space?
* Can you provide some examples of customer firms that hire freelancers? Are they mostly small firms?

Your presentation should proceed with one to three case studies of freelance outsourcing. My guess is that it will be easiest to select one to three websites and try to contact people associated with the site, such as a freelancer, or a corporate manager of the site. Ideally, it would be great to contact a customer, but I realize that may be difficult in this space.

Studies should include the Company Background:

* Size of company in terms of sales and profits (if possible) or number of freelancers, projects, and or clients
* Major services the company brokers
* History of the company
* Service guarantees to customers
* Rating systems used
* Other innovations you found through your research.

The group should end the presentation by comparing the cases and providing some best practices or important lessons for general managers. Your group should also cover the trends in the freelance market.

If you have other creative ideas, please feel free to discuss them with me.

Here is a very interesting academic article:

[**IS THE WORLD REALLY FLAT? A LOOK AT OFFSHORING AT AN ONLINE PROGRAMMING MARKETPLACE**](http://proquest.umi.com/pqdweb?index=2&did=1496326031&SrchMode=2&sid=2&Fmt=2&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1295887879&clientId=45249)  
David Gefen, Erran Carmel. MIS Quarterly. Minneapolis: Jun 2008. Vol. 32, Iss. 2; p. 367.