

The Grand Redesign

How companies must adapt
their way of working to thrive
in a profoundly changed world

TIM SANDERS

Upwork VP of Client Strategy
NYT Best-Selling Author

Table of Contents

04 The Grand Redesign

06 Direct your future

07 Seize the timing

08 Redesigning the workplace

09 The workplace as a tool

10 Is remote work right for you?

12 Interview with
David Burkus

28 Redesigning the workforce

28 My career my way

31 My workforce my way

33 Skill sourcing vs outsourcing

34 Future-proofing employees

36 Talent as a variable cost

**38 Interview with
John Winsor**

62 Redesigning the workflow

62 The project economy

64 Resource early

**66 Interview with
Cara Bedford**

88 Conclusion

The Grand Redesign

How companies must adapt their way of working to thrive in a profoundly changed world.

When a disruptive event occurs, it provides opportunities to redesign around the disruption—so that lives change for the better.

Few events have affected the global population as much as the coronavirus pandemic. And yet an eerily familiar example happened with the great flu pandemic of 1918. That virus spread with such ferocity that by the time the pandemic ended in 1920, it had killed 50 million¹ people worldwide. Conservatives estimate if it had happened today, the toll would have been 150 million lives!

Between March 1918 and April 1920, businesses suffered a dire labor shortage. People stayed home more and spent less at restaurants, at stores, and on entertainment. Total world consumption dropped 8%, and the world gross domestic product (GDP) slid 6%.

The 1918 pandemic destabilized lives, societies, and economies at such scale that it compelled people to question how they could fortify their communities for the future. This led courageous and forward-thinking people to embark on major redesigns that improved people's day-to-day lives.

For example:

- Social norms, wherever possible, adapted so that more significance was placed on preventative care. People began coughing into handkerchiefs, washing hands, and opening windows for fresh air.

- Public health officials in the U.S. recognized that the stack-and-pack approach to urban housing contributed to disease spread. In the 1930s, apartments were required to have separate bathrooms, fire escapes, and main hallways at least three feet wide.
- Healthcare leaders realized populations couldn't thrive when individuals were blamed for getting sick and left to heal on their own. In the 1920s, a few European countries began offering a centralized system that provided free healthcare for all citizens.

Spanish philosopher George Santayana is credited with saying, "Those who cannot remember the past are condemned to repeat it." In developing a response to the pandemic, repeating the past is what you want to do.

Because the disruption of COVID-19 has also been joined by events ranging from Russia's invasion of Ukraine to inflation and recent fears of a recession, disruption is the norm. Making incremental changes now won't find the resistance it would otherwise. This means that you have an opportunity to be a forward-thinking leader and redesign around today's business challenges.

This is a once-in-a-generation opportunity to change work in a way that honors the demands of your workforce and safeguards your organization for the future.

The changes you make can be so game-changing, we call this fantastic opportunity The Grand Redesign.

Direct your future

The Grand Redesign is a strategy that recognizes the world of work has profoundly changed. How you approached work pre-2020 may no longer be effective.

Your concept of the workplace must transform.

Even as previously darkened offices fill up with life again, remote work isn't going away. People value their newfound flexibility and the work-life balance it brings. So how will you meet their ambition to continue working remotely after offices fully reopen?

Your workforces must adapt.

Although the rate of people quitting jobs will level off, the talent shortage is predicted to continue for years longer. One reason is until 2030, baby boomers will continue leaving the workforce at a faster rate than people entering.² Moreover, high-skilled talent are exiting the full-time workforce to own their own business as a freelancer or an agency. So how will you get the help required to keep your business moving forward?

Your workflows must modernize.

Nearly two out of three projects fail³ because they aren't designed to address their key dependency: people to do the work. Companies that cling stubbornly to legacy technologies, processes, and mindsets are greasing their slide toward obsolescence.

Seize the timing

Reconfiguring your workplace, workforce, and workflow may seem like a massive disruption to the status quo. It can be. But if you do it now, you'll be seen as a hero instead of an agitator.

Now is the ideal time to introduce change because events over the past few years were equal opportunity disruptors. Supply chain troubles, economic instability, the race to digitize, and talent shortages impact us all.

In all of this turmoil, now is the time to implement change as a positive action. If you wait a few years—after the world feels steady again—to redesign work, you will face tremendous pushback. You will be introducing change into an otherwise stable environment.

If you take action now, your solutions won't be seen as introducing change just for the sake of making things different. Your changes will be seen as a solution for adapting to the business challenges happening today.

You have a narrow window of time to redesign the key components of work that determine if you will accomplish your growth goals, achieve digital transformation, and remain competitive.

Chances are, the opportunity before you hasn't been seen during your career. I suggest maximizing the moment by redesigning your workplace, workforce, and workflow. Why all three? Because, as I explain, they all build upon and enable each other.

Redesigning the workplace

Before the spring of 2020, most business leaders felt work could be produced only by having people gather in a central office five days a week, and managers could manage only by seeing people in their seats. They believed that remote work was something that benefited a few scrappy tech companies.

This mindset was dislodged when the pandemic began threatening public safety in 2020. Across all industries, from manufacturing to mental health services, businesses transitioned as much of their operations as they could to remote work. And work continued. In fact, 94% of employers said productivity was the same as or higher than when employees worked on-site.¹

Business leaders soon realized that if work can be done from anywhere, then the workplace is no longer a mandatory location where employees must report daily.

Survey after survey shows the majority of workers agree. One survey of U.K. workers shows more than half would quit their jobs if not given some form of remote work as an option.²

The 6 types of remote work design options

Remote first

Working remote
100% of the
time is supported

Remote for now

Current remote policies
may change as people
become comfortable
with public gatherings

Remote-friendly

To attain and retain top
talent, a company may
allow select roles to be
100% remote

No remote, no deal

Consequences of forcing employees back to the office full-time

51%

of U.K. workers
would quit

39%

of U.S. workers
would quit

49%

of U.S. millennials
and Gen Z would quit

The desire for freedom is especially strong among younger generations. In a U.S. survey, nearly half (49%) of millennials and Gen Z said they'd leave their jobs if told to go back to an office full-time.³

The workplace as a tool

Tsedal Neeley, Harvard professor and author of "Remote Work Revolution," gets to the crux of how remote work changed the workplace. She says the workplace is no longer a place; it's a tool,

Remote by role

Employees, based on their level of experience, geographic location, or job function, can work remotely part- or full-time

Remote by day

Employees may work specified days remotely such as every Friday

On-site first

Everyone works in the office 100% of the time

one that workers use to facilitate their success, just as they would use technological tools such as email and video conferencing.

Used as a tool, the office might not be a daily destination anymore. It becomes a place where people can gather to socialize, solve problems, and carve out quiet spaces for deep focus.

When you look at the office from this perspective, your mind opens up to asking questions that are necessary for effective workplace redesign, starting with:

- How much do we need to require that people work in our offices for them to deliver their work?
- How much do employees want to commute daily to our offices?
- Are our local pockets of talent, where we have offices, sufficient to resource all the work our company needs to deliver?

Many organizations that take this opportunity to proactively balance their new needs will find it's time to permanently embrace some form of remote work.

Is remote work right for you?

Although many organizations, including Upwork, Microsoft, and Google, made offices fully optional, remote work is not the best solution for every organization.

There's a lot to consider when determining how remote work should look in your organization's future. It takes testing and time to quantify how remote work benefits employees and the organization.

For example, employees may say they want a hybrid workplace where they split their time between the office and home. But how many remote workdays per week lead to higher retention rates?

When determining your organization's remote readiness, ask yourself:

1. Can your managers lead based on outcomes versus attendance or effort? Outcomes-based management is critical for building a globally distributed workforce.
2. Have you invested in collaboration tools to enable distributed teams to work effectively?
3. Is your culture built through leadership conversations and example? Or is it facilitated only through proximity of the employees?

The "best" remote solution for your organization is one that's developed through exploring possibilities, challenging assumptions, and experimenting with different models-then repeating the cycle again and again so that your model adapts to changing talent demands and the business environment.

As you redesign the workplace to meet talent demands and leverage remote work, you'll come to realize that if people don't need to commute to the office to be successful, your search for talent can be more than a commute away.

The good news is your managers are prepared for it. When the pandemic forced businesses to operate remotely, leaders honed their skills at managing based on outcomes instead of attendance.

Managers became so comfortable focusing on the deliverable, it didn't matter where the work was done or who was doing it. In fact, 73% of those who support remote work also engage independent professionals.⁴

Following that line of thought opens the door to your next redesign opportunity.

73%

of managers who see the value in remote work
are engaging independent professionals

To understand what redesigning the workplace may look like for you, I interviewed David Burkus, my good friend and author of the best-selling book “Leading from Anywhere: The Essential Guide to Managing Remote Teams.”

During our conversation, David shared the best way to approach your remote work policy, how to present it to your employees for the least amount of pushback, the through line behind all successful workplace redesigns (even if all your employees are back in the office), and more. This interview has been edited for clarity.

“All great remote and hybrid cultures have a similar operating system. It’s the dysfunctional ones that are dysfunctional for all sorts of different reasons.”

Tim Sanders:

David, it's clear that work is no longer a place—it's an outcome. The office has emerged as more of a tool for a variety of things. For some companies, the essential tool. For others, like Upwork—we are remote first—we view the office as a tool for conscious collaboration. Talk about some of the insights you reveal in your book “Leading from Anywhere,” especially as they relate to where we are today.

David Burkus:

“Leading from Anywhere” discusses how to achieve max collaboration in remote first and remote-friendly organizations when you are used to being in close proximity to each other. One of the most interesting things that often gets overlooked is the role of culture. Culture wasn't something that a lot of organizations were building deliberately. It was sort of a reflection of their hiring and the work they're doing.

Great cultures were always deliberate, even the in-person ones. But the thing we learned during the pandemic is just how much emphasis we had to have on that deliberateness because now we can't rely on water cooler talks. We may go back to the office, but the water cooler just sounds totally unhygienic after everything we've been through, right? We can't rely on the office kitchenette or cookouts or little things like that or sharing lunch together on a regular basis. So we're going to have to do some other things to deliberately build culture.

And that's fine because culture has always been about much, much more than what we do when we're just hanging out. It's also how we work together, how we collaborate, how we give each other feedback, ask for help—all of those norms and behaviors.

I always liken culture to the beginning of one of Tolstoy's famous novels. He says all happy families are alike, but every unhappy family is unhappy for its own unique reason. In an organization, culture is kind of the same way. All great remote and hybrid cultures have a similar operating system. It's the dysfunctional ones that are dysfunctional for all sorts of different reasons.

When we look at the research on hybrid, remote first, or even fully remote teams, what we find is they may use a different terminology for it, but all of them are marked by a sense of shared understanding, shared identity, and psychological safety. Those are the three elements that we find in every one of these teams.

Tim Sanders:

Yes, that's a great way to think about how we use design thinking to figure out where our company lands on various options. What I want to talk about now are the six different workplace design options available to leaders today: Remote first, remote-friendly, remote for now, remote by role, hybrid-by-day mix, and of course in the office. What are some of the signals for a company to determine the best strategy for them?

David Burkus:

Two things to clear up first, right? The first might be signals on what might not be a good strategy for your company. I work with a lot of leaders who see these options presented to them and say, "Oh, well, we couldn't do that option here." Just because you don't know how doesn't mean it can't be done.

There is a decent option in probably a similar or adjacent industry to yours for each of these. So it's possible. It might take a learning curve.

And then the second thing I'd like to point out is that some options seem flexible but really are not. In particular, hybrid by day, where we're just going to pick your days: That's not really flex time. That doesn't really increase autonomy, because you still have to be there on certain days. Do you get to pick those days? There are a lot of people who would rather have a core hour strategy instead of being there a certain day; they'd

rather be there from 10 to 2. And then, they might want to disappear from the office before the Dallas traffic starts.

I think we need to think about certain elements of these options. Hybrid by day may be just hybrid by percentage of time, as opposed to day, and that might fit better. So to me, the number-one question to ask is really: Who do you want to make this decision?

One of the things I try and encourage a lot of leaders to do is to set guide rails across the whole organization of what we're going to do but recognize that functions change. The industry might create people who have certain roles that are not really all that hybrid-friendly and certain ones that are. And so that might tempt you to go hybrid by role.

But then there are people who have a hybrid-friendly job who want to be in the office, right? So probably the best thing you could do when picking these categories is make it as wide as possible. And then give your team leaders as much leverage to adjust to that as possible. And I'll be honest, I stole this from Nicholas Bloom, whose research—I know you're quite familiar with—on how we ought to be sort of rolling into return to the workplace, if we're returning to the workplace, or whatever our new arrangement is.

That really has to come out of a decent conversation that can probably only happen at the manager and employee level, not at the senior leadership level. So senior leadership's job here is to set the guide rails and talk about what's acceptable. But it's up to the team leader to help every person balance their desire for autonomy with a desire for the team's availability. We still have a responsibility to the teams that we're working on. And if that's doable, then you're probably in one of these middle categories.

Set the guidelines, pick the category, but then push the ultimate decision about percentage of time or what days or how we're going to do it down to the team level, if you can.

Tim Sanders:

So let me play this back to you. So what you're saying is companies can end up having a set of policies that vary across different functions or business units?

David Burkus:

So what I would say is there is one policy, but let's keep it as wide as possible.

For example, we're going to do hybrid by role or hybrid by day. We might set the percentage of time. So you could spend up to the equivalent of 50% of your time working remotely. Or we go hybrid by day and we want everybody working remotely two days a week. It's up to the team leader and the teams to decide how much of that they actually want to do.

We work with a lot of senior leaders who are trying to pick the right one. I don't know the original speaker that I heard this analogy from, but there's this old analogy about a university president who's laying out new buildings and a new campus and is asked where to put the sidewalks. He says, "Don't do anything, just seed the grass. And then after the first semester, let's look at where the students were walking and let's put the sidewalks there."

So it's on you to decide what's an acceptable level. But I think if we can bring the individual teams into the conversation, we can help more people feel like they're getting autonomy out of this and having a say in it. And we can avoid the knee-jerk reaction. We're seeing a lot of times that as soon as the company declares "This is our policy," there's always some percentage of people in the company who go, "That's not for me. I'm out." And that's a problem.

Tim Sanders:

So I'm showing you an email* here from Elon Musk and he's basically telling his team, you need to be in the office 40 hours a week, at a minimum. I want to unpack that a little bit. You probably have thought a lot about this since it came out. I'm just going to ask you to react to that. Is this crazy like a fox? Is this crazy? Is this unique to having a manufacturing company?

**Musk wrote in a leaked email: "Anyone who wishes to do remote work must be in the office for a minimum (and I mean *minimum*) of 40 hours per week or depart Tesla. This is less than we ask of factory workers."*

David Burkus:

What I'll actually say is that the worst word in that tweet for me is "minimum." The idea that it's a minimum of 40 hours a week—we could do a totally different interview on that. The big thing that I see is—again, we're talking autonomy—we're deciding for them, which is a recipe for a knee-jerk reaction, right? People, even if you end up not going with what they decide, people are going to want to feel heard. The problem is he is taking that decision out and just declaring it.

By nature, you're going to set two different policies. He's in an industry where on-site work needs to happen to some extent. But also where on-site for office workers is not going to line up with on-site for all manufacturing workers. Automatically, we have the realization that we can't make one policy work for everyone.

Tim Sanders:

Yeah. I think you're right. And I think that for Elon, he wanted his leaders to model a behavior that is expected of the frontline workers. So I get that. David, tell us about the myths of management by walking around and being in the office.

David Burkus:

I actually like the idea of management by walking around; the problem is that it is poorly practiced. It becomes this misconception that presence equals productivity. You know, I was asked a couple months into the pandemic, how are leaders faring without being able to see their people? I said, “Well, what type of leaders? Good leaders or bad leaders?”

Good leaders are fine because they never assume presence equals productivity. It's the ones who use lazy proxies and lazy measurements for effort like: Did you get here before I'm here? And are you staying after? Those are the ones who struggled for the last two years. And those are the ones that are driving the move back to those lower-level options: remote by day or on-site primarily.

And again, that's a problem because top talent can pick what they want at this point. And they need your organization less than you need them. So whatever you decide, you have to make them feel heard.

“Top talent can pick what they want at this point. And they need your organization less than you need them. So whatever you decide, you have to make them feel heard.”

What I'm really worried about is there are still a lot of organizations that are going to talk the talk on flexibility, on being remote-friendly, but there's a stigma for requesting it. We know this from research even before the pandemic.

The other thing that happens is that people fight for face time. So if all of your senior leaders are back at the office five days a week, you don't actually have a remote-friendly or even a hybrid option. You have a couple-years-away-from-an-on-site-only option because senior leaders are there.

That means middle managers are going to know they need to be there to be responsive. That means anybody who wants to get into management knows they need to be there. And then we're right back at where we were in 2018, 2019, where we talk a big game about flexibility and about work-life balance or integration, but we don't actually practice it.

The difference though, is that won't stand for some of the top talent you're looking to recruit. Because they'll go somewhere where they can get the arrangement they want.

Tim Sanders:

Let's talk about top talent. McKinsey did a study last year and reported that the most difficult role to fill, the most difficult skill gap to solve, is developers. [Tim shares a slide on the screen] What's interesting, David, is that CodinGame reported that 66% of developers worked fully remote during COVID. When CodinGame asked developers how happy they were, based on how they are working today, the ones that are working fully remote, they're 90-something percent happy. The ones that are having to work at least one day remote are 20% less happy. And then the ones that are fully on-site, almost a third of them are unhappy. And unhappy means they're disengaged with their work. They're actively looking for a new job. And tech companies are probably recruiting them as we do this interview.

What's the solution for developers and hard-to-fill roles like that, in an organization that feels steadfast around being in the office? Is this the exception where you can be successful, like as a developer, but not be in the office around senior leadership?

David Burkus:

Yeah, it's interesting. I was talking to an executive last week whose company steadfastly believed that they want everyone back in the office. Actually, they've been back for a very long time. The only thing they've struggled with is filling some of their developer and IT roles. So the company came up with an interesting option: They're training members of their staff to be able to be coders, to be developers. So train people who already like being on-site.

Now, that's a very long-term and weird solution. If I'm being totally honest, maybe it'll work, maybe it won't. But it doesn't solve any short-term problems, which are, we need people now. And this is one of the reasons that I'm in favor of what we might call hybrid by role. I call it hybrid by team because it takes that conversation.

Instead of telling people to go back into the office one day a week, why not present the idea? We could say, "Hey, we work in a two-week sprint and we found that when people come out of that, when they need to sync up and run a scrum or a stand-up meeting or a couple-hour troubleshooting meeting, that works best in person. So every other Monday we'd like you back in the office just for that meeting." That can be one way of arranging it.

Tim Sanders:

Make the case for remote first and help us understand that, if you do choose remote first, what do you need to put in place for that to be a sustainable and competitive way to run a business?

David Burkus:

I don't know that remote first is for every single organization. But if it doesn't require relocation to interact with your customers, and the most valuable activity that you do can be remote, it stands to reason that almost everything else can be remote as well.

If that terrifies you, by the way, I don't know of a single pre-pandemic remote first organization that didn't get their people together every once in a while. It helps with the culture piece, helps with the shared understanding piece, et cetera.

“I don't know that remote first is for every single organization. But if it doesn't require relocation to interact with your customers, and the most valuable activity that you do can be remote, it stands to reason that almost everything else can be remote as well.”

In fact, one of my favorite remote first organizations has what they call a hub strategy where they only hire from certain cities that just happen to be international airline hubs. That way, not only can you get to each other quickly, but over time as they grew to a 500-person organization, the people who all lived in Dallas found each other; the people who all lived in New York found each other. They had this kind of collaborative culture, even though people were still working from home.

So don't get terrified at the idea that remote first just means everyone's going to be working from their spare bedroom and will never see each other. You are in control of that. Once you decide your most valuable positions, the ones that are interacting with customers and doing the most valuable rainmaker work, are possible to be remote, then there's not really a reason why the rest of it can't be. You just need to be willing to experiment with it.

As you're experimenting, the number-one thing, again, is planning: How are we going to build a deliberate culture? If everybody's used to doing in-person, what changes do we have to make, to make sure that it doesn't just dissipate?

Tim Sanders:

And this reminds me that there's a big difference between remote work and remote work during a pandemic, right? So remote work during a pandemic, you're in your house and you've got your kids because they're home from school. But remote work moving forward means I may work at home or my company may offer, like Upwork has to me, the ability to go to a WeWork and I'm still allowed to live wherever I want. Have you begun to see companies looking at these types of layered-on perks to autonomy and flexibility?

David Burkus:

I'm actually really encouraged that you said that, because it's something I've been advocating for about a year now. I think that can be that sort of

new perk, especially if your organization is deciding on remote first. The more remote the company, the more you want to provide for those people that don't want to work from home. Remote work does not equal work from home. It equals work from anywhere.

As long as we're giving people the tools to be able to do that, which may be a WeWork membership. Hey, it could be a list of like, if you're in New York City, give them a list of the best public libraries or other public spaces. You get to decide what it is, but make a plan for it.

Tim Sanders:

You know, your theme of autonomy really just pulls through this entire conversation. And I think that's the big takeaway. You've got to create autonomy. You've got to walk and talk the flexibility talk.

We're going to finish by coming back to psychological safety. One of our common friends, fellow author Dan Pink, told me that he believed that asynchronous collaboration was a skill that allowed organizations to scale their ability to work from anywhere. And he thought it was something that there was a lot of opportunity for improvement in.

He told me this two years ago, during a COVID interview for our Voices of Authority program. And I've been watching ever since then thinking, "Yeah, some people are better than others at remote collaboration, whether it's over Zoom calls or especially Google documents."

What I have been seeing is a breakdown in treating each other as equals. I've seen the chilling effect occur when a Google Doc, which much like a Zoom conference can be distributed to thousands and thousands of people, has participation from someone at the very top of an organization saying that's a stupid idea when a junior person's written something.

So final question: Based on your experience with organizational psychology, what's your advice to leaders on how to create a culture of psychological safety in a distributed working environment?

David Burkus:

You brought up a great example of something that crushes psychological safety. We tend to think of psychological safety as trust. Amy Edmondson, the discoverer and foremost researcher on it, talks about it as a shared sense of trust and mutual respect. Those might seem like really similar things—they're not.

They're basically what happens before and after someone shares something they disagree with or a different perspective. I have to trust the group in order to step out and take that risk of sharing a different opinion. Afterward, I have to feel respected. I have to feel heard if I'm going to do it again, right?

It's how you respond. For leaders, it's actually the respect piece, I believe, that matters more than the trust element of the equation. They work together to create either a virtuous cycle of psychological safety or a vicious cycle that degrades it.

For leaders, pay attention to how you respond to people. Are you asking them questions to elaborate more? Are you rephrasing what you're hearing from them so that they know you're heard? I actually learned this trick from you, Tim: If you're going to push back on the idea, are you pushing back on the idea or the assumptions behind the idea? One of them is a fight. The other is a collaboration.

How leaders respond to that moment, synchronous or asynchronous—but especially asynchronous because you have time to think about what the most respectful response is—that's going to set the tone for whether or not you hear from people more often. Or whether or not people think, Oh, the remote worker who stands up the tallest gets nailed down the first. That is a recipe for disaster.

Tim Sanders:

It is an absolute recipe for disaster. One thing I'll lay on you is a recent insight I found in some of my geeky research on psychological safety, and that was the idea of the uncommon knowledge trap.

In a collaborative environment, a person brings up uncommon knowledge. Oftentimes, they're junior in the organization so it gets smacked down by those who are more senior. But a lot of the uncommon knowledge is where all the innovation comes from.

How can a leader protect uncommon knowledge in an asynchronous environment? Is it something that they talk about up front? Is it something they rescue in a situation or is it really about learning how to take a look at those uncommon knowledge offerings in a situation and highlighting them for reconsideration? What's the secret? Because I feel like it's more vexing than ever.

David Burkus:

This is something I kind of looked at a lot in "The Myths of Creativity" almost a decade ago. One of the myths is the idea that experts don't always solve your biggest problems. They're trapped in what wouldn't work so that when new ideas come in, they just dismiss them too fast.

It's also what we call the mousetrap myth, which is that sometimes the ideas seem dumb to us. Actually, there's some great research from Jennifer Mueller, at University of San Diego, I think: that managers and senior leaders are actually worse at judging what customers want than (no surprise) people who interact with customers more often. And so, we think that if you build a better mousetrap, the world will beat a path to your door. It's not true. If you build a better mousetrap, often the world ignores you or shoots your idea down.

In those moments, how a leader responds when those ideas come out sets the tone. What's weird is sometimes the worst thing you can do is ask for an example, because there is none. So here I like to use a trick I learned from Roger Martin. It's sort of a version of questioning assumptions in order to invite them in to judge the idea. I like to say, "Don't judge the idea; ask it one question, ask what would have to be true for that to be our best option?" Because it's too easy to dismiss it from being from a different domain.

What has to be true here for that idea to be our best option? Like, what elements of it? And then let's go find that. It might be timing. It might be manpower capacity. It might be budget. It might be market conditions, but all of them are findable answers. So start asking that question.

What would have to be true for that idea to be our best option? Even if you find out the idea won't work, the person who submitted it still knows they're valued. And that means you'll get some genius from them next time as well.

Tim Sanders:

That's great. David, you are a wealth of information. This is David's website: www.davidburkus.com. He is one of the most in-demand speakers on the lecture circuit. I could not recommend him more. And I've got to tell you, if you do meet him, do what I did with him the first time we met: Take him out for a plate of nachos because this guy goes for the gusto.

David, thank you very much for being part of our Grand Redesign series. Go buy his books, "Leading from Anywhere," "The Myths of Creativity," and I think you'll discover a new expert that you just can't live without. David, you're the bomb. Thank you.

David Burkus:

Tim, thank you so much for having me. When are we getting nachos again?

Tim Sanders:

Man, let's make it happen, buddy. I can't wait to see you again. And you know, I was thinking about it: If companies can retrain people that are willing to come into the office to be their developers, I think I'm going to retrain my poodle to be a cat because we've got a mouse problem. So there you go.

David Burkus:

Well, good luck with that. I think it'll probably work out like the retrained developers.

“Remote work does not equal work from home. It equals work from anywhere.”

Redesigning the workforce

Two developments are pushing organizations to redefine who makes up their workforce:

1. Workers desire greater control over their careers and earnings
2. Employers desire greater control over their budgets and production

These may seem like conflicting agendas. But look just a little deeper, and you'll see each party benefits by supporting the other in achieving what they want.

My career my way

A growing population of professionals are driven by an entrepreneurial spirit. They don't want to work for a single company or move from job to job within the same industry. They don't want to endure years of slogging through work they don't enjoy before rising up the ranks enough to do work they feel excited about.

They've seen family and friends lose jobs during downturns, and they don't want to concentrate their entire livelihood in one company. They seek income diversification just like their parents wanted investment diversification. With freelancing, they can have a handful of business clients that give them true financial security.

Rather than allow an employer to dictate their career trajectory, professionals are designing their own career paths and earnings potential. They're doing this by leveraging technology to deepen their knowledge, expand their skills, and build their reputation.

For example, a recently graduated software developer following a traditional, linear career path may experience something like this: Start as a junior developer, work five years to become a developer, then work another five years to become a senior developer, and eventually a lead.

A developer who's created their own career path may experience something like this: Start as a freelance junior developer getting projects on Upwork, join a decentralized autonomous organization (DAO), mine cryptocurrency, contribute to developer networks, and build an app. In two years, work full-time as a developer. Three years later, quit to start their own business as a freelancer, contractor, or virtual agency owner.

As they sharpen and level-up their skills, they adjust their pay rates to reflect it. A study done by Upwork shows that nearly half (44%) of people surveyed say they make more money freelancing than working as a traditional W-2 employee.¹

44%

of freelancers say they make more money working independently than as a traditional employee

68%

of new freelancers say the main reason they gave up their 9-to-5 job was to regain ownership of their career

“The whole reason I got into freelancing was because there weren’t a lot of emerging tech jobs around at the time. As a freelancer, I work with multiple Fortune 100 companies and have a ton of different types of projects I take on instead of being tied to a specific industry or into a specific task.”



Brad Martin

Augmented and Virtual Reality Specialist

“Freelancing gives me the power to grow my own business with clients who appreciate the work we do.”



Jacqueline DeStefano

Data Visualization Specialist

“Freelancing pushes you to be on top of your game all the time. You need to complete courses, discover new approaches... etc. You cannot sit back and relax. You have to keep improving yourself. I learned how to be patient. I learned how important resilience is. Now I am ready to conquer even more! I know anything is possible and I love being in this mindset, because it is liberating as hell!”



Dize Purde

Content Creator, Digital Marketing Specialist

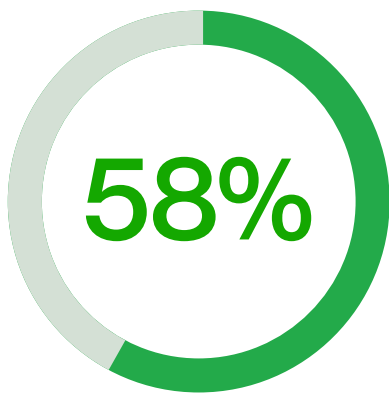
My workforce my way

The shelf life of skills is so short, employees can't upskill fast enough. HR leaders who responded to a study by Gartner said that over half (58%) of their existing workforce must be reskilled or retrained in order to perform their roles effectively.²

What those HR leaders don't realize is they're worsening their skills shortage by adhering to an outdated talent approach that focuses on hiring by role. Focusing on roles puts them at a disadvantage because the tasks required to stay ahead of the competition are changing quickly. Roles can't keep up with the velocity of change.

The shelf life for many technical skills is shrinking quickly. At the same time, the required time for on-the-job reskilling is taking longer than expected to workload. For many HR leaders, we are reaching a point where reskilling is too little, too late.

Employees can't upskill fast enough

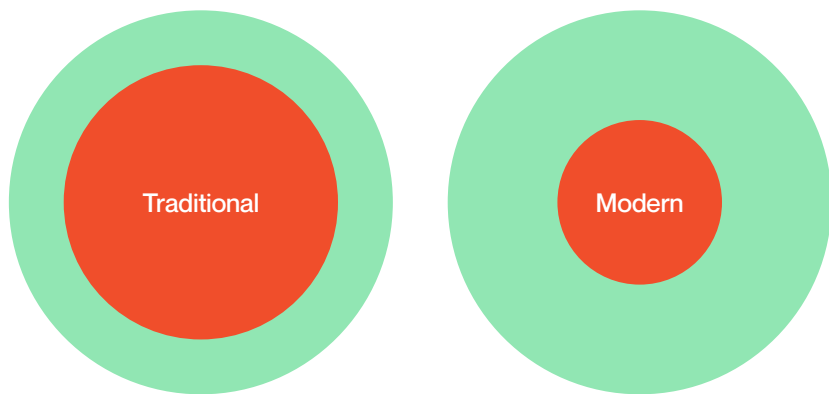


of employees must be reskilled or retrained in order to continue doing their jobs

In one survey, 40% of employees said they often complete tasks outside of their role,³ substantiating that if you want to drive business performance, your talent strategy should focus on skills, not roles. During business disruption, tasks change even faster, making it more vital for you to access skills on time.

Several industry leaders are already redesigning their workforce to be skills focused. The organizations maintain a small core team of generalists who have an evergreen skills set of people and program management. Then they bring in independent talent, who work remotely, to handle tasks that require specialized skills. These are the same independent talent who might be freelancers, contractors, or even virtual teams.

Develop a modern approach to building a workforce



“In this model, companies rely on a group of core employees, which the company plans to invest in and nurture while tactically leveraging networks of external on-demand talent.”



Melissa Valentine | Center of Work,
Technology, and Organization
Stanford University

-  Full-Time Talent
-  On-Demand Talent

They're professionals who want to take control of their careers by deciding who they work with and what they work on.

The modern hiring strategy maintains a relatively flat core of employees, even during growth periods. Often, specialized skills are needed only for the duration of a project, and this approach allows companies to move efficiently between projects that require different skill sets. These organizations are intentionally building a “talent cloud” to become more agile and change ready. (Read more about how this modern approach to building a workforce has a multiplier effect on valuation in my interview with John Winsor at the end of this section.)

This may sound like classic outsourcing with an obsession for cost cutting, but it's an entirely different approach. It's skill sourcing. Here's why that matters.

Skill sourcing vs outsourcing

When you skill source, you retain ownership of most aspects of the project. You engage an independent professional to contribute where you don't have the skill sets available.

When you outsource, you give up operational control of most of the project.

With skill sourcing, employees directly source what they need and, at the same time, build relationships with independent talent. They don't see independent talent as a threat to their jobs. These external experts are seen as resources who enable employees to scale and do their jobs better.

For Liz Elliott, Technical Project Manager at PGA of America, working with more independent talent boosts her career. She said, “Having high-quality talent available lets me focus on high-visibility projects while knowing the other projects are getting done and their stakeholders are receiving the support they need.”¹⁴

When Adam Hawes was the Senior Design Studio Manager at Microsoft Teams, he explained the benefits of skill sourcing this way, “we can quickly

augment skills as opposed to quickly augmenting staff. With a little bit of project management time, you can increase the production of what used to be 5 projects a month to 10 or 15 or 20. Then your job security is solidified, because you can't replace someone who is turning around 20 projects a month."

Skill sourcing is a digital age tool that can increase both the effectiveness and the satisfaction of your existing employees.

Future-proofing employees

The future of work is remote. When you redesign your workplace and workforce, you prepare employees for the future—such as when Kevin Scott, Head of Technology at PGA of America, gave the engineering team broad access to contract independent talent through Upwork.

"I basically said, 'I'm going to expect superhuman amounts of work from you. And it's up to you, as a capable engineer who's eager to grow, to figure out how to get that all done.' That actually worked unimaginably well," said Scott. "They were able to learn leadership. They learned self development. They learned how to manage people, how to work remotely. And at the same time, they were just cruising through work."

Should you acquire or access talent?

Talent acquisition isn't always a scientific or design-oriented practice. Many full-time job requisitions are opened because a manager "needs someone" and the manager didn't scope out the work to determine if who they really need is an employee or an independent specialist.

These two methods can be used with your current processes to determine if you should acquire (hire) or access (engage) talent.

Method 1: Time on task

Determine how much of the person's workday will be spent on the task you need performed, using their skills set. Let's say you think you need to hire a full-time designer to create graphics for space ads and sales presentations.

Ask yourself, What is the time on task?

Is it at least 30 hours a week, with the other 10 hours left for meetings and collaboration? If yes, consider hiring full-time.

If not, and if the work is suited to it, you might consider engaging a fractional worker or an independent professional for a quarter or two. If there's enough work long term, then it may be worthwhile transitioning the job to a full-time role. This fractional-to-full-time model brings true science and rigor to talent acquisition

Method 2: Tangible vs intangible

This method looks at tangible and intangible aspects of a job to determine whether a role can be broken down into tasks, which can be delivered by contract instead of employment.

Tangible work is measurable and specific. Time spent on tangible tasks results in easily recognized deliverables. Using the designer example above, tangible work might be time spent updating an icon and creating an infographic.

Intangible work is just as important. But how it results in deliverables isn't as specific or measurable. Intangible work includes time spent collaborating, contributing creative ideas, customer- or vendor-facing communications, and problem-solving with team members.

If at least 30% of the work is intangible, consider hiring full-time.

If less than 30% of the work is intangible, consider taskifying the proposed role. Then decide which tasks are best suited for an existing employee and which for independent contractors.

Talent as a variable cost

In addition to upskilling, scaling production, and expanding capabilities, there's still another significant benefit to redesigning your workforce. When you bring in independent talent with specialized skills only for as long as you need, you create a variable cost structure for talent. Here's why that's important.

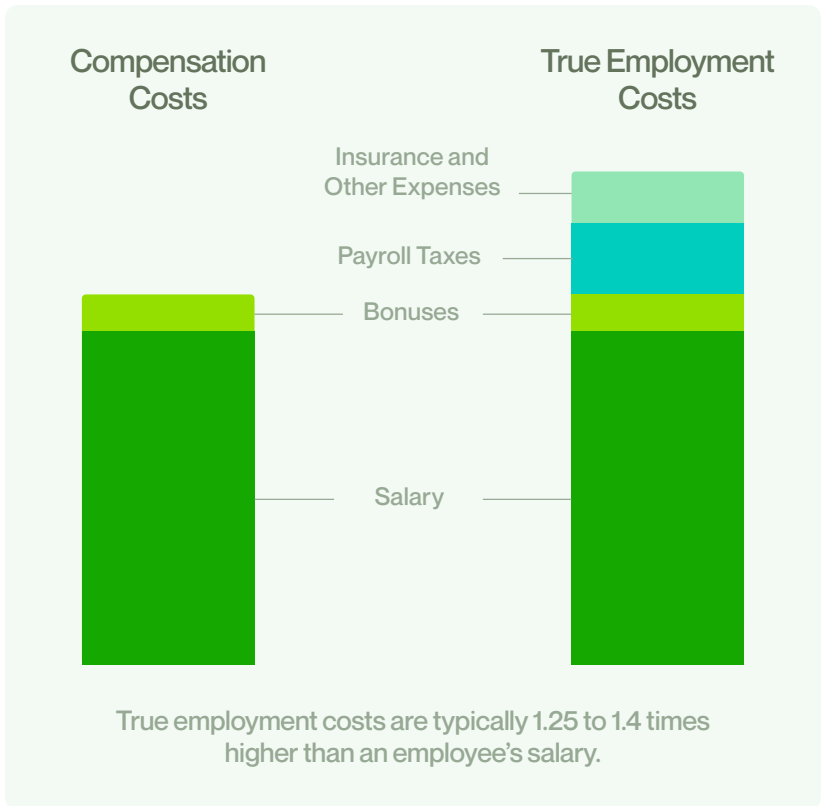
Traditionally, talent is a fixed cost; salaries, technology, and recruiting costs don't change based on the volume of hires. Turning a fixed cost into a variable cost increases what the organization can do, frees up cash, and allows you to respond faster to changing business demands.

The logic is similar to why organizations are moving from on-premise to cloud computing. Buying and maintaining your own servers to handle computing on-site is an expensive fixed cost. And the cost doesn't change as computing volume decreases. Your computing power is also limited to the servers available. When you need to expand, it can take months, or even years, to build out space, acquire new servers, and hire additional staff to maintain them.

In cloud computing, setup is relatively quick. Computing becomes a variable cost because you pay by use, so the price goes down when volume decreases. When computing volume spikes, you can expand capabilities on demand.

Whether you're looking at computing or talent, they share the same advantages in turning from a fixed to a variable cost. You pay according to use, you expand capabilities on demand, you increase organizational agility.

So far, you've seen how this is the ideal time to redesign the workplace to meet the demands of a changing world.



You've seen how a redesigned workplace enables you to redesign your workforce to keep up with the dizzying pace of change.

Now you can complete the cycle by redesigning the workflow so that your workforce remains highly effective, no matter if they're employees or independent professionals. This enables them to continue to maintain high-quality standards as work becomes increasingly complex.

One of the leading experts on workforce transformation is my friend John Winsor. John is an entrepreneur, a thought leader, and a global authority on the future of work. John is the executive-in-residence at Harvard Business School's Laboratory for Innovation Science at Harvard. He is also the founder and chairman of Open Assembly.

Recently we sat down to dive deeper into what a redesigned workforce may look like, the unexpected advantages, and where organizations may stumble in its adoption. This interview has been edited for length and clarity.

Tim Sanders:

So as you think about this concept of The Grand Redesign, give me a few of your initial impressions, especially around this concept of redesigning the workforce.

John Winsor:

Karim Lakhani and I are working on a book right now on what the redesign of the workforce looks like. We believe that it's going to be remote. It's going to be open. It's going to be fractional. And it's going to be much more diverse. So I thought your analysis [in the Grand Redesign white paper] was spot-on thinking about all the things that companies need to do. My sense is that we're just at the start of the starting line. It's been 20 years in the making of the starting line.

Tim Sanders:

What are some of the building blocks you've seen over the last 20 years that have put us at this starting line?

John Winsor:

A lot of it's been driven by new technology. As bandwidth and storage have increased, the ability to kind of verify identification, verify employment and experience is so much easier.

Back in the day, most of us used crowdsourcing in the context of how do you create a compliant and secure environment so you can protect your IP? Crowdsourcing really worked in a very powerful way because you were buying outcomes and not so much engaging people in fractional work or in time-based work. But there were some limits.

It was successful because you could buy an outcome and buy the IP for that outcome and you didn't really care who came up with that. I'm going to own the IP. I can take it. I don't have to worry about compliance because I'm paying for results.

As technologies advanced—and you guys have certainly been on the forefront of that at Upwork—how do you fit the current paradigm of employment? Crowdsourcing was so controversial. I think that's what we really struggled with in the early days. I mean, it produced amazing results, but people's mindset was: Wait a second, you're going to put a bounty up and the people are going to compete and one person's going to win. How is that fair? Is that really possible? Do you have good results? And we see this even today.

I know you and I have talked a lot about the NASA program. NASA is still firmly based in the contest side of open innovation because they're looking for extreme results. They're looking for things that nobody in their community or in their employment can solve. And so they need these kinds of leapfrog innovations that really make a huge difference in open innovation contests, and crowdsourcing really resulted in that.

I think you're seeing a whole new world of work and I think we'll continue to see that develop really quickly in the world of Web 3.0.

Tim Sanders:

You're such an expert on how NASA has leveraged open talent over the years. Give me some highlights of what NASA has accomplished from an innovation, cost savings, and other types of standpoints.

John Winsor:

Yeah, let me give you a little background; I think a lot of the audience will resonate with this. So in 2007, a gentleman by the name of Jeff Davis took over as the head of health and human services. And one of the first things

that happened is he got his budget cut by 80%. And so here he was with 20% of the budget and the same goal to keep astronauts alive in space. And so he was really worried about that.

The first thing he did is he called Karim Lakhani, who had done some work on contests at Harvard. He said, “I’ve got this problem I want to solve.”

In 2007, they had a really extreme problem: If you were on a space walk outside the International Space Station and there was a sunspot, chances are the radiation from the sunspot would kill you.

Over a 10-year period, eight heliophysicists from NASA had a budget of \$2 million annually. They’ve been able to advance an algorithm that could predict sunspots an hour and a half in advance and with 50% accuracy. That was really great. But still, the idea of getting somebody from outside the space station back in through the airlock, take all their equipment off, and get to the secure part of the space station was still cutting it super close.

“[NASA] spends about \$175 million a year on open talent to solve really difficult problems.”

And so, Jeff and Karim came up with the idea of let’s just ask the world, “How can we advance this algorithm to save astronauts’ lives in the context of protecting them against radiation?”

In 30 days, a retired cell phone engineer in New Hampshire came up with an algorithm. Now for context, he was a cell phone engineer and he played around with radiation and cell phone towers. And he had a little bit of undergraduate work in heliophysics. But in 30 days, he came up with an algorithm that was eight hours of prediction time and 85% accurate.

So here you have a situation where a retired cell phone engineer spent \$30,000 in 30 days to solve a problem that NASA had spent 10 years and \$20 million with the best minds in the world. That was really kind of an ultimate moment. NASA then went on to fund the lab at Harvard, which, at the time, was called the NASA Tournament Lab. And then it became the Laboratory for Innovation Science at Harvard. And NASA still firmly believes and uses it. They spend about \$175 million a year on open talent to solve really difficult problems.

Tim Sanders:

It's a great example. And it seems to me, though, that they had to undergo some change management internally. Because at least in my experience, organizations like NASA have a strong talent acquisition mindset. They've got a strong, "I need rocket scientists and PhDs" mindset. How did they work about change management to make this such a big part of their innovation formula today?

John Winsor:

Yeah, I think that's a great question. It's certainly in my experience that it's the mindset and culture around, "We've always done it this way; it's pretty efficient. It might leave a lot of stuff on the floor as we come up with those innovations, but it's a secure way of acquiring talent."

There are a couple of things that have happened and that have helped. First of all, there's a talent shortage and there's been a talent shortage at the very high end of science for a long time. So Steve Rader likes to talk about the fact that, "if I want to go hire the very best quantum computing expert or quantum computing scientist, it would take me months, if not years." He means to find that person, acquire them, and get them to a place-based organization.

I can do all that in a matter of minutes with the right platform. I can go to a platform, find the best in the world. Now, I'm not hiring them full-time. I'm hiring them on a fractional basis. But I can hire everybody that's really awesome that has their shingle out there to do the work. And most of the best scientists and these kinds of thinkers in the world want to freelance. One of the reasons that's so attractive is they are pushing the limits of a subject and they want to work on a variety of subjects.

So that's been one really big success. The other really, I think, really important part of adoption has been their NASA@Work platform. Now, their NASA@Work platform is an internal platform. And there's a really wonderful story about it. Early on, a scientist inside NASA—just one—just got approved for a \$5 million budget to detect the amount of uric acid in urine. The idea was to create some kind of mechanism that figures out if an astronaut is dehydrated as they're out on a space walk or busy doing their thing. He had the idea of, maybe I should ask the community through NASA@Work, our internal platform.

He put an email out on the platform and a day later, somebody from NASA raised their hand and said, "I'm working on the exact same problem. Not urine and water content, but the idea of separating two liquids in a confined environment and how those would measure." So he saved \$5 million just by asking that question.

So that really helped accelerate the acceptance of "Wow, I've got a great team here and it's not threatening the team. It's actually accelerating the idea, so I have more money to spend on more things and I could do more innovation. I can speed up those cycles of innovation."

Tim Sanders:

So let's talk a little bit about the open talent economy. It is one of your core narratives. What is the open talent economy?

John Winsor:

There are two challenges that we face as what we call the open talent economy. And that is creating common language and creating common processes. We see with our clients, our clients continually say, “There are 800 platforms out there.”

Every platform talks about their business differently. Every platform talks about what they do differently. Sometimes it’s gigs, sometimes it’s freelance. Sometimes it’s crowd. It’s all different. And so we tried to create a term at the lab that kind of encompasses everything. The “open,” as in so many different ways. And then “talent” is, it’s kind of a different kind of talent.

We work with four of the largest outsourcing companies that need to hire 150,000 people to fulfill their enterprise contracts in the next year. They’ve come to us and said, “We can’t hire them ourselves. We can’t find those through traditional contingent workforce solutions. So we need to have an open talent solution.” Their goal is to fill 10% of their needs through open talent this year and 25% of it next year. It’s going to be a massive shift for the whole industry.

When we look at the open talent economy, what we’re talking about are three specific pillars. It’s the external talent cloud: How do I create an extension of my teams? Upwork is the leader and does an amazing job of interfacing with enterprises. The internal talent marketplaces like NASA@Work or Gloat are a great example.

Tim Sanders:

Gloat, a great example at Unilever.

John Winsor:

Yeah, exactly. Unilever and Gloat is something we write about in our upcoming book. And it’s really amazing. One of the things I love about

the internal talent marketplace is that it's almost an early stage of adopting external talent clouds. Now, it's interesting, right? It's like, pre-COVID, that's the way it worked. Post-COVID, what we're finding is that it's actually flipped.

Because there's such a talent shortage, internal managers are reluctant to allow their teams to work on other things in a lot of organizations. Much easier to go out and say, "We're going to extend our team, we can't find these people. Let's go to Upwork—create really great resources with adjacent knowledge." That's really powerful really quickly.

Then the third pillar is the open innovation capabilities. And so we're seeing in organizations like UST, where we're building all three of those. We're building an external talent cloud to fill their need of trying to find—right now they have a deficit of 12,500 people. How do we find those people? The interesting thing with UST is they've developed a pretty

“Most of the best scientists and these kinds of thinkers in the world want to freelance. One of the reasons that’s so attractive is they are pushing the limits of a subject and they want to work on a variety of subjects.”

robust system. So now they're going out to their clients and saying they can solve their clients' talent needs through the open talent system that they've built. So that's one stool.

The next stool is how do we use internal talent marketplaces to make sure that we can capture the cognitive surplus? And give more self-determination to employees? If you're stuck in one side of the business with maybe a boss you don't really jive with, or a subject that you're tired of after 10 years, isn't it awesome to have a platform that gives you upskilling opportunities? That gives you the ability to do project work in different areas? To explore a future inside the company?

Before these kinds of internal and talent marketplaces, it was almost a foregone conclusion that if you felt like your career had run its trajectory, you were going to leave. And now in places like Unilever, it's the beginning. It's like, "Wow, I can stay here and I can get paid. And I don't have to have that risk of leaving and trying to find something new. And I can explore all these new options as I have the security."

A lot of our clients are asking for open innovation capabilities, the ability to find those extreme examples. And what we're seeing there is that there's so many projects for companies in the innovation space that have said, "Man, we've tried to crack this thing for 10 years and we can't do that."

There's a great example with a pharmaceutical company. They went out to a platform for a drug they've been trying to develop for 15 years. They ran a contest for 30 days and had two really great answers that they pursued into trials.

But more important, this community with adjacent knowledge failed exactly the way the pharmaceutical company did over a 15-year period. It just took the company 15 years to fail on all those projects. Versus on a platform, they could fail in 30 days with all those ideas coming in simultaneously. Every organization needs to be able to experiment faster to solve their problems in today's environment.

Tim Sanders:

Let's go back to the external cloud. You work with the top outsourcing organizations. One of them is UST; they're also one of our enterprise customers. What can you share with us about some of the success that UST has had using external open talent networks to scale their business?

John Winsor:

So first of all, the success is only there because of the great partnership we have with Upwork. You guys have done a masterful job. I think that one of the criticisms throughout the industry is that most platforms are not enterprise-ready. They don't have the experience to be able to negotiate the terms and conditions. To be able to understand the indemnification, to understand the risk profile. Upwork's done an amazing job of creating that kind of momentum in that area. And I think that it bodes really well for the industry because somebody's gotta figure this stuff out first.

One of the things I love about the relationship that's happening with the three of us is that we're all becoming very co-creative. UST has created a new VDI solution, a video desktop interface, that's really powerful. I know you guys are starting to look at it as a solution. So I feel there's a lot of success and momentum that happens when customers and providers switch roles. Customers start saying, "Wow, I love what you're providing me, but here's something that I'm doing over here that can actually accelerate that and take some friction out of the process."

UST aspires to go public. UST is thinking about it strategically. They're saying, "I can create more value for my shareholders, for my stakeholders, by recontextualizing the company." There are two ways they can do that: They could go and be a traditional managed service, digital transformation company, worth one and a half to two times revenue. Or they could be a networked organization that uses a global ecosystem of talent and have an eight to 10 times multiple on the revenue, on their earnings.

How does the C-suite change the mindset around what open talent is? They can change it from a cost savings or value creation or some kind of value arbitrage to a value creation in value arbitration. It becomes a really powerful motivator. So I think that's one of the things that UST's done a brilliant job of cracking.

“There's this really great excitement at the C-level. And there's this really great excitement at the mid-to lower level because it's transformative. People can get their work done faster. They can solve their problems.”

The second thing they've done is set up a center of excellence. The center of excellence, which we recommend, is actually taken from our work at NASA. The idea is to create one hub that allows for all of the negotiations with platforms, all of the knowledge sharing.

One of the things that we've developed and we're talking about in our book is this six-step process that a center of excellence needs to do to

assess the current business situation. Who are the innovators inside the organization? Who will take the journey of innovating with open talent? Next is learning the ecosystem. What's out there? How does it work? Which, how, what are the differences between platforms? Start setting those platforms up and with relationships.

The third is to start experimenting. Let's start dropping in little experiments and piloting programs that really work. Then once we have those three taken care of, it's really a center of excellence function. Then we're starting to build the real bulk of the offering, which we're in the middle of doing right now inside of UST. That is to build an external talent cloud with great partners like you guys, to build an internal talent marketplace and to build open innovation capabilities. And then once that's happened, we believe that UST starts to become a networked organization.

And when you're a networked organization, the next two steps are to really scale that. How do I scale that so it's not just in pockets, but it's also, it's an overall strategy? Now, I would say on the journey for UST, we're seeing very typical reactions. There's this really great excitement at the C-level. And there's this really great excitement at the mid- to lower level because it's transformative. People can get their work done faster. They can solve their problems.

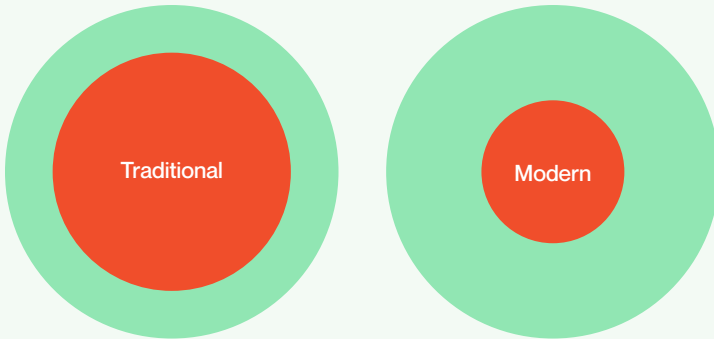
It's this kind of middle layer that is kind of later on in their career, they've been doing it in a certain way for a long time. And they want to continue to do that for a much longer time. If you're near late 50s, you're not too psyched to kind of throw everything against the wall.

So that's what we're seeing. We're seeing a lot of success, but still it's a culture change issue. And I think that's the big issue going forward for most organizations: a lot of excitement from C-level and a lot of excitement for people on the line that need to solve problems with their clients. But all that middle layer that's already being really mediated by technology is really scared and really worried about these new ways of working.

Tim Sanders:

Yeah, that's my experience as well. You talk about, in the case of UST, the multiplier effect on their valuation that occurs when they make that leap to becoming this networked organization. I want to show you something here. I've got to tell you, this is one of my favorite illustrations of the increase in valuation. This comes from the book "The Technology Fallacy," as a result of the author's work with your friend, Melissa Valentine at Stanford Center of Work. What we're looking at here is a modern approach to building a workforce.

Develop a modern approach to building a workforce



“In this model, companies rely on a group of core employees, which the company plans to invest in and nurture while tactically leveraging networks of external on-demand talent.”



Melissa Valentine | Center of Work, Technology, and Organization
Stanford University

 Full-Time Talent

 On-Demand Talent

Read more about the advantages of building a talent cloud in the previous section.

So on the left would be your traditional talent model, the talent acquisition mindset. That green layer you see becomes that outsourcing layer, whatever you want to call that—the open talent model. On the right, it looks a lot more like Google’s workforce today, which has been a journey for them. It’s a much more compact core of full-time team members. And quite frankly, an ever-expanding cloud of skills and talents coming in from the open talent economy.

Talk to me a little bit about why the organization on the right should be valued significantly higher than the organization on the left.

John Winsor:

Yeah, I think it’s just very simple like when you have an organization and it has very high fixed costs. We all know that labor is usually the highest fixed cost for any organization. It’s not only the fixed cost of labor; it’s the fixed cost of the talent industrial complex—all of the ways that HR and procurement historically have worked with talent. It’s very expensive. And so I think it’s a very simple equation of moving talent. You could even call it moving from fixed costs to variable costs.

And to solve problems on demand. Now, my sense is that when you have any kind of industrial complex—military industrial complex, a talent industrial complex—that there’s a way of working. There’s a mindset and culture. But CEOs have to become much more thoughtful about outcomes, and the tasks to get those outcomes, and put that ahead of talent itself. It’s more about how do we go from taskification to figuring out what work needs to be done? And then finding the best talent in the world to do those specific tasks?

One of the difficulties is that most HR departments are set up for employee happiness and longevity. Those are really admirable goals. But I’m not sure if those are really aligned to the mission-critical outcomes that organizations have.

Speaking for myself, if there are 10 things that I needed to do as a chief innovation officer, I probably could do five of those things well. And I could

do three of those things exceptionally. But I may be really horrible at two of those things. And so, instead of having a traditional job where you're kind of mediocre at five, exceptional at three, horrible at two, why not find 10 individuals that are exceptional at all 10 of those things? Wouldn't you think that an organization would accelerate their success and accomplish their mission much quicker?

But the deal is that's changing the job. Instead of giving me a job to figure out what innovation is, I need to create a system around all those things that I might not be the greatest at. I need to build an ecosystem around a few individuals that really excel at those things. But that's a huge mindset shift.

One of the mindset shifts that you can relate to, and that I write about in the book, is imagine today that a new CEO of a Fortune 500 company comes in and says, "Wow, artificial intelligence is a super-important thing for us in the future." And so, traditionally, they would go to the CHRO, chief HR officer, and say, "I need to find the best AI executive in my category."

Well, that might take six months to do. And then it might take three more months to onboard her and then she would get there and she would say, "I need to get the best team of AI specialists." And that might take six months to eight months to do that. And then it would take another six months to create the strategy from that team that's been put together. Now you're 18 months in, and the world's changed in the world of AI. It's over.

Why not instead go to a platform like Upwork? Talk to Hayden Brown or Eric Gilpin and say, "Hey, I'm the CEO. I want to implement artificial intelligence in my organization. I want to do a two-day workshop with the 10 best people in the world and come up with the best strategy for AI for my organization. And come up with a hundred tasks that need to be done." And from that, I need to hire, off of the platform, specific people to accomplish those 100 tasks. And in three weeks, I have a fully baked strategy.

So that's what you're looking at. The old way of working: Talent comes first, tasks and outcomes come second. That takes months, if not years.

Whereas when you flip that paradigm by putting outcomes and tasks beforehand, then talent to accomplish those, friction gets removed from the system and the company can really focus on the things that it needs to focus on.

Tim Sanders:

Yeah, and I think that if I were an investor or if I covered investments, the way I decode what you just said is that an organization that has adopted open talent and made that a strategic part of go-to-market has much higher velocity. That's in all areas: product development, territorial expansion, process improvement, et cetera. Velocity is going faster in a desired direction, because they're focused on outcomes.

And the latency period between what I call injury and health is lower. Four or five months to recover from turnover via talent acquisition. Four or five days to backfill with open talent. That's what I hear. So from a design standpoint, how does open talent differentiate from staffing services? Or contingent labor?

John Winsor:

I think that's a really important question. And what we're seeing, through 20 years of trials and tribulations of trying to implement this into enterprises, is it's a difficult process to overcome all of that inertia. We've talked about how you've got traditional staffing or HR that is very much connected to employee well-being, employee longevity, all those things.

And then you've got procurement that works with outsourcing companies that are really used to buying bulk labor in a very simple way. My sense is that the first chip to fall, or at least what we're seeing is the first big chip to fall, is going to be that the outsourcing companies are going to start adopting this in a massive way.

Because as we talked about, our clients are short 150,000 people. They can't hire themselves. They then go to the traditional contingent workforce

“When you flip that paradigm by putting outcomes and tasks beforehand, then talent to accomplish those, friction gets removed from the system and the company can really focus on the things that it needs to focus on.”

folks like Adecco and they're not getting as much as they need. And they're coming to us and they're saying, “Can you help us change the paradigm around talent?”

Now, one of the real benefits of this path is that because these contracts are long-term with the enterprises, what's transpired is that the outsourcing companies already have the trust of enterprises for compliance and IP and security.

And so they're just bringing another service offering. They're saying, “Hey, we have employees and we have a contingent workforce and we have this amazing new thing called open talent that's platform-based with amazing partners like Upwork. And we can solve things much faster at a much more reasonable rate than you used to be able to do. And we can offer so

much more flexibility for you as an organization. And it's going to meet our standards of compliance and IP and security." I think that's going to be a really important part of the growth for the industry.

So yes, that's what I envision is the first big chip to fall. Obviously, all of us work with lots of enterprises and there is lots of momentum. But as we all know, a lot of those are very innovative, especially at the enterprise level. Very enterprise-focused or innovative organizations that actually can go in and use a self-serve platform and understand how to make it work.

But when you get kind of further down the diffusion curve from early adoption to early majority, it's going to take a lot more process and hand-holding. At least that's what we're seeing at UST, now that they're starting to work with their own clients. It may be because they're providing this new talent source at the same quality under the same contract with compliance and IP and security that they always provide. And they're going to curate open talent in a much larger way for organizations to say, "Wow, it's not as scary as I thought. And the performance is so much better. But it's done in a way that I can trust my partner in a large outsourcing company."

Tim Sanders:

I was in a recent meeting with some CHROs and they were trying to tackle this issue of how do we think about on-demand talent, open talent, fractional talent. How do we implement that without threatening people? Meaning, we don't think you can do your job, so we're going to bring in external talent, et cetera. And I heard a really crisp answer from one of the CHROs who has been leveraging the open talent economy for some time. Here's the way she explained it. She said, "Think of it as augmentation versus enablement." In other words, she says staffing is a prescriptive solution.

So a manager says we can't deliver our work. They go to a staffing firm. An account executive, aka recruiter, rounds up a bulk quantity of talent. And they are augmenting the work stream. She says that's different from how platforms like Upwork are.

Upwork's an enablement tool. In this case, it's not prescriptive, it's a tool that's given to the hiring managers and the project managers and the program leads. And they then proactively reach out to these external talents. And she used this phrase, "They skill source from the platforms."

John Winsor:

I love that.

Tim Sanders:

And they have complete autonomy and they have agency over their work. So you've got augmentation on the one side; you've got enablement on the other side. That, for me, just to kind of go back and agree with you, is one of the best answers I've heard to your point.

John Winsor:

I love it. I come from the advertising business. So back in the day, advertising was considered radio, TV, and magazines. And then this new thing called digital came along. Well, nobody that did serious advertising—serious firms—wanted digital.

And so digital became its own thing. These little digital companies like Razorfish and several other companies kind of came up. And all of a sudden, because of the growth of the industry, the digital agencies became bigger than the traditional and they all merged together. And then all that's called advertising again. So digital then got dropped.

And so, the same thing happened with social media. Social media came up. There were specialty social media agencies because no digital or traditional advertising agency would want to touch social media. And they got big enough.

You're seeing the same thing in the marketplace. A couple of weeks ago, WorkGenius just bought a staffing firm. Now this is a platform buying a staffing firm to actually bring platform-based, networked organizational skills to a staffing firm—the new buying the old. And what I'm hearing in the market is that these platforms—that are valued at eight to 10 times revenue—can go out and buy staffing companies at one times revenue and then be able to play value arbitrage and be able to actually innovate.

Now, the other really interesting thing is there's a new company out of Israel called Ubeya. And Ubeya is actually taking the opposite. They're actually offering a service to help current staffing firms solve and become, or have, an open talent offering.

And so I think what you're going to see emerge is that outsourcing and contingent labor is all going to be open talent in the future.

“What you're going to see emerge is that outsourcing and contingent labor is all going to be open talent in the future.”

When we started, we thought that there were these big three granddaddies of talent. There's HR, there's outsourcing, there's contingent. And over here, there's a little thing called platform-based open talent. And that was, to me, a pre-COVID perspective. Now what's happened is that open talent is going to be described as the future of all talent, just like digital advertising is the future of all advertising. Because it's platform-based and it's networked and it's based on ecosystems.

It's about solving the problem for the company. Now, if a great employee solves it, awesome. If a great contingent worker solves it, awesome. If it goes out to a contest, then that's the best way to solve it, awesome. If somebody comes off a great platform like Upwork, awesome. Let's all solve these problems together and have this kind of ecosystem approach.

One of the things that I love about Deloitte's perspective is they've got this new idea of workforce ecosystems. And I think that's really spot-on thinking about it. And I think that's one of the issues that you and I have discussed when you talk to the HR departments and the leaders, and you ask them about outsourcing talent, always their answer is, "Oh, that's not my deal. That's the procurement department."

They do it. Nobody's thinking about it in a total talent perspective. And that's, to me, the most important thing that we're going to look at, the world of talent. A total talent ecosystem approach, but using platforms and networked organizations to think about how all of it comes together.

Tim Sanders:

I agree. Personally speaking, I think that road runs through the CHRO. I think what I've seen in companies like Flexera is this paradigm shift where you no longer have a global head of talent acquisition; you now have a global head of talent access. And that procurement is still a partner in cost, spend, and management. But at the end of the day, there's a single source of truth for resourcing the work. So I couldn't agree with you more.

John Winsor:

One of the magics of UST is that it just so happens that Manu [Gopinath] is the COO, chief operating officer, and the CPO, the chief people officer. It's aligned the operation: the procurement side of things with the talents, with the HR side of things and at the C-level. So he's looking at not just accomplishing what he needs to accomplish from tasks and goals but also

how talent fits into that. And I think that's an important move that the CHRO needs to actually rise up and be much more involved with the tasks and the solutions that companies are trying to provide.

Tim Sanders:

Well, here's the good news. The recent Deloitte Fortune research revealed that CEOs have ranked the CHRO as more important to their personal success than even the CMO, the chief strategy officer, or the CTO. It looks like only your divisional presidents and CFOs are ranked higher than the CHRO to a CEO's perceived level of success.

It reminds me of an old management saying that I still believe is true today and that is: Strategy must follow structure.

John Winsor:

Yep. There's no doubt.

Tim Sanders:

All right, final question. It's going to be a curveball here. I've seen Open Assembly published content recently about fluid talent. Is that the same as open talent? Talk to me just a little bit about that.

John Winsor:

Yeah, it is. I mean Boston Consulting Group has been really pushing that idea and we feel like it's another way to express open talent. Now, I think fluid talent is probably a better description of total talent because we've been trying to focus on this whole ecosystem: internal, external, and out and open innovation.

A lot of people are using the idea of liquid talent. I just love the idea of talent being like water in that it kind of fills all the cracks, solves all the problems, creates the foundation for everything. And I think that's going to be the future for sure. Whether you call it fluid talent or liquid talent or open talent, it's all kind of the same idea.

Tim Sanders:

This is a great way to finish this conversation. So everybody now is really finding phrases: on-demand talent, open talent, fluid talent, liquid talent. You know what that really reminds me of in the 1980s in my early days with Dr. Deming when quality became a revolution. Quality became a movement. There was the Six Sigma mountain you had to climb, et cetera. And I'll never forget what Dr. Deming would always say. He would say, "I just reject all these jargony terms. What we're talking about here, Tim, is modernization." So the leap from an inspection to quality by design isn't some super-complicated idea. It's just modernizing the enterprise based on the tools and technology that are available. So I think that's a great way for us to finish.

John Winsor:

Yeah. I love that. I was talking with one of our mutual friends, Peter Sheahan, about this field and he said, "You guys don't work in the future of work. You're actually really focused on the future of how work gets done." And I love that. It's about outcomes.

Tim Sanders:

Yeah. Just improve how we work on the work. John Winsor, you've been a wealth of information. I can't tell you how much we appreciate our partnership with you and Open Assembly. Thanks again for being part of the program.

John Winsor:

Thanks, Tim. And likewise, we're just so honored to be partners with you to solve some of these problems. As Steve Rader likes to say, "This is a revolution." We can all work together to get it right, and everybody can win. But if we get it wrong, there's a lot of collateral damage for a lot of people.

And so I feel, really, that this is not just a business strategy or a business opportunity. This is a movement to solve the future of work for so many people. And I'm so happy and honored to be on this journey with you. Thank you so much.

Redesigning the workflow

Do you ever feel as if all the projects you're pulled into are getting in the way of doing your regular job? The way work is progressing, you may not have a regular job much longer.

According to Antonio Nieto-Rodriguez, former Chairman of the Project Management Institute, projects are how more work is getting done—this includes everything from small administrative tasks to global initiatives. He predicts a future where job descriptions will come to an end because work has gotten so complex, it is increasingly being done by cross-functional project teams.

The project economy

Job descriptions are already changing as robots and AI continue taking over repetitive administrative and operations tasks. As more jobs are handled by technology, the roles that remain will be what only humans can do: project manager.

You may have seen early stages of this where a 20-person team shrinks down to two or three people as more tasks become automated. Since smaller teams don't require as many managers, they're often moved to other roles where the job description is mainly to manage a project.

Between automation and the increasing complexity of work, Nieto-Rodriguez predicts, "Organizations will shift their focus more than ever to projects and project-based work instead of roles and their job descriptions. Projects are the new norm for creating value and, indeed, for staying in business."¹ He calls this new future the project economy.

Nieto-Rodriguez believes that to succeed in the project economy, employees must become skilled generalists and bring in independent specialists according to project needs.

Since you're redesigning your workforce so that employees become adept at skill sourcing, you're already ahead of the curve. But there's still a problem.

The problem is that 65% of projects fail.²

They fail because most employees don't have the technical skills to lead projects or the time to do so effectively. Many companies have only a few dedicated project managers. The rest of project work is usually delivered by people who are part of an operation stack. They're doing their regular job—what they were hired to do—and they're also juggling several projects across multiple functions.

Some call it “the matrix” and others talk about “one team” when referring to volunteer-reliant projects. Really, it's the favor economy meets the project economy. And that's not a recipe for reliable execution.

Now is the time to redesign your workflow so that it matches how work is really getting done—as an aggregation of projects.

Resource early

A successful workflow ensures that every project uses skill sourcing from the beginning. You need to break the mental habit that your team members will deliver all the components. They're already stretched thin, and they may not have all the skills required.

Focus employees on core work and offer noncore work to independent talent. To know who you need to bring in, start from the end, then work backward to the beginning of the project or program planning process.

Determine what the main project deliverable is, such as a new product. Then ask yourself:

- What are the component deliverables that ladder up to that deliverable?
- For each component, what are the tasks that deliver that component?
- For each task, what can I skill source? Who can I grab from a work marketplace to own the task?

After you identify who you must bring in, then you can ask, "What can I assign to someone here on the team?"

By starting from the end, you'll find employees will maintain more manageable workloads and still be able to deliver projects on time, if not sooner.

That's what Flexera, a technology company, experienced when it committed to using independent talent sourced through Upwork. CEO Jim Ryan envisioned integrating Upwork so deeply into Flexera's business strategy that Upwork became "part of the water supply."³

The result: Flexera engages talent 24x faster and saves 60% over traditional talent sources. But the true benefit is even greater. CEO Jim Ryan explains:

“In talking to other C-level executives, my message is clear: Using Upwork isn’t so much about cost as it is about fast access to ready-made, cutting-edge talent. Having access to an unprecedented pool of super-talented professionals enables us to increase our velocity by 50% and, as a result, our competitive posture in the market.”

Cost estimate comparison: freelancer vs in-house employee

1

Get hourly rates from
the top freelancers

2

Set the annual salary you're
willing to pay an employee

3

Multiply that annual
salary by 1.325⁴

4

Divide that
number by 1,779⁵

5

Compare these
hourly rates

6

To compare annual rates,
multiply the hourly
differential by 1,779

Cara Bedford spent nearly 10 years perfecting the redesigned workflow and is helping her clients achieve tremendous success with it. In her previous role as Director of Marketing at CompuVision, a leading managed services firm, she led a company-wide workflow redesign, which resulted in the company tripling its output, and at a savings. Cara is now the founder of Infinite Marketing, a strategic consulting firm helping companies maximize their effectiveness by leveraging freelance talent.

I sat down with Cara to see how she leverages the project economy and prioritizes empathy to build a loyal team made up of the best independent experts in the world. Together, they do the impossible for clients in often incredibly short timelines. This interview was edited for length and clarity.

Tim Sanders:

I want to start out by having you talk a little bit about your consulting work and how you leverage your experiences with Upwork to add strategic value for your clients.

Cara Bedford:

Yeah, thanks. With Infinite Marketing, I took the big dive as everyone kind of made shifts in the pandemic. I left CompuVision as their Director of Strategic Marketing. And really, over the past seven and a half years, had honed this scalable marketing firm underneath CompuVision as the department. So it was me and 12 other freelancers that ran everything. Plus all the ones we did project work with on our talent bench.

The model just made sense to me. And I knew that the traditional way of working would never be what would be in my future ever again, because I was absolutely hooked. This is a tried-and-true method that I've perfected over the years and I know the ins and outs. And so what is really interesting about our firm at Infinite Marketing is we really look at this idea of endless possibilities. If you can dream it, we can do it.

And yeah, we really want to look at not just the consulting and the strategic piece, that's super-important, but also the execution of work. A lot of consultants will come in and they'll tell you what to do. But what we do is we marry the two. We're not just being like, "This is your plan," but "this is your plan and this is how we're going to execute it with you." We break that into really manageable chunks that businesses can then start to get their feet wet into the gig economy and then they get hooked. It's such a great, synergistic relationship.

Tim Sanders:

Yeah. So you give them a strategy for the marketing program, but you also give them the tools for execution. Give us an example of how one of these relationships really moves through your process. Talk to us about, say, the beginning steps of this relationship you have and then how that project is launched. And then how you see that through to its go-to-market.

Cara Bedford:

We have three kinds of product offerings. One is on retainer, where we really get into the business as kind of your fractional CMO. At the end of three months, you get this really big plan that's going to take you three to five years into the future. And then we build out your scalable team underneath that, on how you can run that scalable team either with the existing marketing team or, if you don't have one, use freelance talent as your existing marketing team. We set that cadence and that team up for success, whether you're using them kind of scale up, scale down, or you're using them kind of straight across in building the work.

The next thing that we have are these in-a-box products. We've got identity in a box, brand in a box, SEO in a box. With that, you would get a team of freelancers. For example, brand in a box goes around four continents. By the time that one's done with that team, it touches about 16 freelancers' hands in different time zones to create a 24-hour engine so that we're able to really get that trifecta effect, which is really fast, really high quality, and really affordable.

And then I also consult on just how to build a scalable team. You might not need the strategy. You've got this all-star team, but they just need a little bit of extra oomph and a little extra power. Well, if you kind of sit our team underneath your team in your org chart, now you're producing 24/7 results, right? And so we really look at the different ways that we can scale up your creative work for any business.

“At the end of the day, the only thing that matters is that outcome. It’s not that it was your idea, or her idea, or whatever.”

Tim Sanders:

So you say the in-a-box products, you actually have a curated selection of freelancers that come with that service, correct?

Cara Bedford:

Correct. Each in-a-box product has a different team of freelancers who’ve worked together and perfected the art. They know how to push work across the time zones so it’s always chugging along. We’re able to build brand identity in weeks rather than months.

Tim Sanders:

Yeah, because you provide the actual skills. I call it skill sourcing, by the way. You provide the actual skills that are required to actually execute the plan. And you can also guarantee the quality because this is a curated, if not vetted, talent cloud that you’ve developed.

Cara Bedford:

It's a 100% vetted talent cloud. And everybody we're working with has been working with big names: Microsoft, Nike, Lenovo... The amount of talent that is at my fingertips and who I've built relationships with over seven and a half, eight years really speak for themselves. I love my team. I treat them just like any other employee, or colleague, or relationships. They have birthdays, I send them baskets. It's a love relationship, but I always come to them saying we're equals.

I have this business and I have these clients, and you have your business and you have your clients and we're coming at this as equals. There's no hierarchy in the way that Infinite Marketing works. Everybody just wants to do good work. And that's why I say the possibilities are endless. When you fuel that with passion and skill, the results that we're getting are amazing.

Tim Sanders:

I have to just point out, you mentioned this idea of treating each other as equals. I've researched collaboration for, gosh, over a decade, even wrote a book about it. My point of view is that most leaders think they collaborate. They don't. They procure services from team members. They confer. Sometimes they get people to cooperate.

In my view, Cara, collaboration occurs when two or more people work together as equals, pursuing a shared vision that transcends either one of their roles. I think in addition to the value you're generating with your relational approach, you're also getting a lot of collaborative value from the freelancers. Because psychological research suggests that when they see you as an equal, they're psychologically safe and they're fearless in sharing what they know and revealing what they think.

Talk to me a little bit about some examples of where you've gotten real collaborative value from a freelancer in a project environment, either currently at Infinite or previously when you were at CompuVision.

Cara Bedford:

I actually have a term for this. I call this outcome-centric work. Everything we do has an outcome-centric approach. A freelancer that comes on my team watches a 30-minute video about me making fun of myself through marketing language and terms. It's bringing in that level of humility and vulnerability to say: "We're not perfect. And we're all human and we're going to sometimes get it wrong."

But if we can do this together and we keep the communication open... at the end of the day, the only thing that matters is that outcome. It's not that it was your idea, or her idea, or whatever. Whatever it is that our ego feeds ourselves, right? We're not in this to do ego work.

A lot of the time, creative work gets ego fed. I really want to break that stereotype. I mean, I've seen the agency model and I've worked in the agency model and that's not something that serves me. We're really looking at what is that outcome-centric approach and how can we then move that at the quickest way with the highest results.

We had a customer who had to turn out a sales PDF in literally 24 hours to a market they had never ever segmented to. It was a brand-new market, huge opportunity, million-plus-dollar contract. They phoned me in a panic at 11:00 PM and I said, "No problem. Take slow, deep breaths, go to bed. In the morning, you'll have draft one."

And, literally, that's what we did. I put together the little organization of it. I sent it off to the team, because it's a curated team—it's not just one individual. And each one of them figured out how to take a piece and make it into that full PDF. It wasn't small. It was a 27-page sales PDF for a product the next morning, in that CEO's inbox.

Tim Sanders:

That's huge. And that really speaks to the idea that when you have this globally distributed team, it is a 24/7 shop.

So in this case, while the client slept, this globally based team solved the problem. I think that's a really interesting facet of what happens when you leverage two things: You leverage remote work, people working from a distance; and you also leverage freelance talent, people working independently.

Do tell us, though, what are some of the secrets to success when it comes to working with a globally distributed team where you've got people that are 10, 12 hours away from you in terms of time zone and you've got cultural barriers? Talk to me about how you've really figured out how to solve for a globally distributed team.

Cara Bedford:

My biggest thing is I still do weekly huddles with my main set of teams. I just do them in either different time zones or we get video. For example, if I can't be live, because it's 4:00 AM their time, I'll video the questions in the huddle and I'll send it back to them and they'll video it back. And it's there in the morning. A lot of the time, we at least will come together on a monthly basis or a quarterly basis. Again, depending on the work. It's just one of us has to stay up later one night. That's okay. We really try to make it work in that medium.

But I think the biggest secret, Tim, is project management. I think we set the expectation up. We set the goals, the objectives. It's creative work, so we have to be really clear. We really set up that creative brief or project description right at the start. Everyone knows what to expect when they're coming on a job.

It's expectations and outcomes and project management. And I think where people fail, or they don't see the project all the way through, is they don't set the freelancer up for success. And I want to say that again, right? You are setting up the freelancer, not your job. It is not their job to read your mind. You are setting the freelancer up for success, just like you would an employee.

“Where people fail, or they don’t see the project all the way through, is they don’t set the freelancer up for success.”

And to think that they can do it without anything is an impossible ask. One of my big things is that project brief or that creative brief and then high communication, especially at the beginning when they’re receiving their brief.

If we have to jump on a call or we have to send videos back and forth, we do it. I feel I send videos three times a day at this point. It’s a lot of video work, but video is so much more intuitive in how you speak than them reading an email or reading a brief. Sometimes you just need that human interaction.

Tim Sanders:

You talked about project management being key and I couldn’t agree with you more. There’s an article I read a few months ago in Harvard Business Review about the project economy. It’s by former Project Management Institute chairman Antonio Nieto-Rodriguez.

He says that projects, inclusive of programs, produce most of the company’s value. He says that when you look at the work streams at

a company, you've got an operations work stream that kind of keeps things going. And then you have a project program work stream that introduces change and new things for the organization.

The problem, he says, is that frequently the projects are designed poorly in terms of resourcing, where we depend on people with operational responsibilities to complete all the work. He points out, and this just floored me, two out of three projects fail to make their deadline. They failed to deliver on their promise. They fail to deliver value. What's your take on why more than half of all projects—which are most of our economy's value creation—fail?

Cara Bedford:

It's because they're underskilled. We all can't be octopuses with all of our eight tentacles going everywhere. We only have two arms. If you break out your day into 100% of a pie, you're hired for 20% of your ability, right? And then your day gets filled up with 80% of tasks that slow down what you're really, really good at.

And I think this is, again, back to that really skill-driven, outcome-driven work. I want people to play where they give a damn. I want people to be working where they're passionate, where they're inspired, where I know they're giving me 120%. That they love what they do. Life's too short to not do what you love to do.

And what's amazing about the gig economy, and Upwork in general, is when you find that passion-driven talent that has hustle and genius and outcome-centric approaches, you've hit the jackpot. And that person can feel it from you too. It's like kindred spirits coming together. And I think when you expect that level, you'll get that level back.

I really believe where projects fail is in the expectations of what the project is supposed to do or what the person is supposed to do. I mean, at CompuVision—working in a large team and also having a freelance team—there were times I was kind of in the middle. I was trying to take

someone's idea and then direct it to the creative talent of my team of 12. I was the translator. Sometimes you need that. You need to translate between the two.

And when there isn't somebody overseeing the project because they're so in it, that's when projects fail. It's almost like you need that helicopter view always. Are we on track? Yeah. Where is this falling flat? Where do you need help? I literally spend most of my day now asking my freelancers, "Hey, do you need clarity? Hey, do you need help? I'm seeing this one taking up too much time; can I send you a video or a drawing or whatever of this?" It's just really being that higher-level viewpoint, because marketing lives in vision.

Tim Sanders:

Yeah, it reminds me of a quote from a great book called "Play Bigger" where the authors say sometimes we spend so much time working in the business, we don't have time to work on the business. And I think that when I look at how most projects are resourced at companies, I call it the favor economy. The corporate term is the matrix, or some companies have more of a "rah, rah, one team" kind of mentality when it comes to resourcing projects.

But here's how it currently works for most projects: We get in a room. We say we're going to produce this deliverable. We delegate a bunch of work to people that aren't even in the room. We get people with full-time day jobs to promise us they'll work extra to get it done. And then, guess what happens? We get back together 60 days later on a 90-day plan and little of the work is done. So now it starts to become an emergency. And at that point we say, "Who can we get? Do we need to bring in an agency now?"

You didn't have that problem at CompuVision. Talk about how you designed projects to ensure the right talent was on tap from the beginning of the process.

Cara Bedford:

We talk about almost business modeling, right? We talk about, you just said, operational talent, sales talent, marketing talent—whatever talent who needs to be part of that. And who are all the stakeholders and how do you align it?

This is really big when you think of change management 101. It's getting in front, being proactive rather than reactive. And that's how you provide that value. At CompuVision, what the marketing team did really well was always being ahead.

We were always ahead on the innovation curve. We were always ahead for the next thing that came out of the departments. We were never in that reactive mode. We had time to build, and we did that because we were resourced from the beginning. Those projects would have my team, the innovation team, someone from operations, as the stakeholders.

And then we'd put the talent in underneath that to support those outcomes. It didn't matter how many. I think where people get stuck is they think they only want two people on this project. No, no, no, no, no. Think: "I want X skill." It's not people.

We need to stop thinking about people being the doers. That's not it. It's: "How do we take the skills that we need—seven, eight, or nine of them—and match them to the right people so that we can get the job done?" And I think that's the different way of thinking.

Tim Sanders:

I think so too. Now let's look at this from a design standpoint. So when you think about that project management lifespan, there's the defined deliverable that becomes approved and, hopefully, a promise date gets scheduled. And then there's a very critical piece of the puzzle—I'll just call it taskification, for lack of a better phrase, where that deliverable gets broken down into discrete tasks, which require a skill to execute.

At CompuVision, and I am sure at Infinite Marketing, you've taken this design approach where you figure out that taskification at the very beginning, right? And you kind of go through it saying, "Can I Upwork it? Can a team member do it? Can we automate it?" Talk a little bit about how doing it that way makes it easier to land your deadlines at the quality you've expected.

Cara Bedford:

At Infinite right now, we're averaging around 25 projects a day. And they can go anywhere between small tasks like creating a one-page PDF, to developing key messages, and building and launching new websites. What we do on the setup is there's a minimum of a two-page brief that gets done for every project that will then go out to a team.

But what we've also done is we've really taken that talent bench approach that you guys launched, and we've gone one level deeper. We take the bench's talent and then we build the teams. We have teams of talent underneath.

“We need to stop thinking about people being the doers. That’s not it. It’s ‘How do we take the skills that we need and match them to the right people so that we can get the job done?’”

We're almost making mini agencies of the skills that we need. And each one of them, we've prefaced with, this is the development direction we want it to go. These are the timelines that we want to give it. And here's the intended outcome or desired outcome. And that always has visual representation. We have visuals right with all of that, because again, how can people get in your head?

And so that one-page PDF—it's small, but like I said, it'll touch four or five people. It'll touch a writer. It'll touch a graphic designer, a copy editor. And then if they need it for digital, usually someone that does optimization, or hashtag, or market research kind of digital asset accumulation. Again, we're really skilling it out to that menial detail. A client will say, "I want a banner." But what they don't realize is that banner goes through the top skills of those four or five people.

Tim Sanders:

Well, let's take a look at your work with Disruption magazine in Canada. We've just talked through this process; show it to me in play in producing an issue of Disruption. How does it work out?

Cara Bedford:

Disruption's a really interesting magazine because we have myself as managing editor and a new publisher, Joanne Fedeyko. She owns Connection Silicon Valley and Canadian Women's Network. We're at about 100,000 subscribers now as well. Just in case people go and look at past case studies about how we've done this, let me preface it with the original intent was to tell stories that would otherwise go untold, that were geared toward technology. We want to continuously build on it, and having this new publisher who's been wanting to really grow their voices as well is really important.

We were really looking at how we could take those technology stories and really give them voice where they would never normally be on a cover or

have a spread. We were doing this for an event happening in four days' time and we still had no product. And so we literally created a 20-page magazine in four days and four nights. This was, as well, getting interviews and scheduling those.

We did this by building out art layout in two countries—again, different time zones so that they could pass off the work to each other. All of our writers were purposely selected to be within 12 to 8 hours apart so they could pass off work to each other. The workflow was continuous. And then we had an overseeing editor on both time zones so that they would go and build that out. And then check the work, the quality of the work, and make sure that it was filling out the way it should.

That was our original approach to producing the magazine. We are nicer to those freelancers now. We give them at least a couple of weeks to get it done now. But still, think about making a 20- to 26-page magazine in two to three weeks. We're still able to pull that off. The cycles are way quicker, way faster.

Tim Sanders:

That's great. That's great. So your journey on the Upwork platform started out when you were director of marketing at CompuVision and you were posting some projects. Along the way, you started to really gain trust in using freelancers. And then, ultimately, you made them a key component in your project management at the company.

How did you navigate that journey, from trying it out with a few postings to betting your job on it?

Cara Bedford:

I will say that not every job originally went right. I didn't know what to ask for. I remember us doing a banner and that was before you guys had the nice cheat where it says this job takes this amount of money. You guys now

have that on the platform where it informs the person that's posting the job that normally this talent is in these ranges.

Before, we were really guessing. It was like, I need a graphic designer. Is \$25 too little? Is \$50 too much? And so we really had to try it out. Please don't think that we hit it out of the park every single time, because that would just be silly. But what we did, when we failed, is we would document the job at where it failed and why it failed.

And we would ask ourselves these questions of, What worked? What didn't work? What was tricky? What would we do differently next time? I still use those four questions, and I can thank Ryan Vestby, CEO of CompuVision, for that. That's his debrief. He would debrief with me and those are the questions he would fire at me. And I loved them.

We would use those four questions, and I still use them today on the end of projects. We debrief every single project. Whoever's the project manager on that account has to debrief it with the client. We need to know.

We're really looking at taking those tasks and taking those pieces. And if you read "Atomic Habits," as that's the trendy book these days—

Tim Sanders:

James Clear, great book.

Cara Bedford:

The one percent, right? We just want to get one percent better on the next job and another percent. We just want to get a little bit better each time. And you blink and it's been seven and a half years. And I can really say we've perfected that success criteria setup, but it doesn't just come overnight. You've got to work on it.

But for those companies that don't want to work on it, this is where a firm like mine, Infinite Marketing, comes in. You get to jump in right where we're at and not go through that trial and tribulation.

Tim Sanders:

That's right. As our mutual friend, Chief Technology Officer at PGA of America Kevin Scott, likes to say, "Turning money into results."

You had a talent cloud of approximately 12 freelancers, but then you had a bench behind that cloud of 80-plus freelancers. Talk about how you design and shape that talent cloud and then the virtual talent bench. And what's the difference between the two?

Cara Bedford:

If you are in a department, you're working in a company, the quickest way to do this is you ask HR for an org chart of your department. And then you go and you start researching other ways that those departments are built out at other companies. So bigger than you, right? The ones that you want to grow toward.

For us, we looked at Microsoft. We're a Microsoft firm at CompuVision. We wanted to know, what does that look like? How many staffers does that take? And so again—marketing person led with vision—it's like, whoa, what would that look like? And how do I get excited about that?

You take the skill sets of all of those roles and you start to research it. What does the job description say? What do the role requirements say? And you need to break that down into a skill list rather than a people list. And then we take the existing org chart and we flop in the skills underneath. And that's when you start to build those clouds of talent underneath the original org chart.

That's if you're working in a company. Now, if you're wanting to build your own bench for yourself, that you just want to use as an individual to build your business, create a department, or whatever, you don't have the luxury of that org chart to break down skills. What you need to do is you put yourself in a bubble and you think about what it is that you're really good at. What am I really good at? What jazzes me? What's that 20% that I love doing? And you break that out.

And then you think, what do I really not like to do? What am I okay at but I don't love doing? And then you break that out. And then you have a third column, which is, I really don't want to touch this. Please don't make me do this.

You have it all broken out into your style of tasks. And then you start to ask yourself, what can I Upwork? And you circle all the ones that you think you can Upwork, and you find the skill that takes that task.

Then you put a budget around that for yourself. Know how much you're willing to pay to make it not worth it for you to do tasks that you're okay at but don't love doing. Put a number to it so that you don't go back to your old ways of taking everything on. Where it's like, "No, no, no. I said to myself it would be worth it if I could find talent to do this at \$50 an hour," or whatever it is.

And then give it a month. Take everything that you have in that first bucket, build it out for a month, and then see how it's going. Adjust it if it's needed. If, by the end of that month, you've kind of got that talent hemming and hawing, or you need another month, then start on that second chunk when you're ready. That second chunk of "I don't ever want to touch this."

And the reason why I separate the two chunks is because it's easier for you to learn the project management skills on things you actually still like. You could better communicate the things that you really don't like, because then you're just passing off. And you want to learn those skills.

Tim Sanders:

That's great. I think that the heart of this conversation is just that design view into how the work is done. Great stuff. Two more questions for you: I read in one of your recent LinkedIn posts that you get to know the person, as well as their skill set, prior to having them work on your project—even if you've seen their portfolio and their ratings and reviews. What's your get-to-know-you process? And why is that so important to how you work with the freelance economy?

Cara Bedford:

I talked to you about this little video that I said makes fun of myself. I think that's really important. I'm Canadian. I think having that life-and-work balance is kind of ingrained in who we are as Canadians. I kind of, not test them, but talk to them about that.

“I think the part that people forget is that this is all about connection. This is all about building relationships. And people are going to do good work for you if they feel like you give a damn about them.”

I talk to them about their value and I talk to them about their vision and what they want out of life. Maybe this is because I have a degree in psychology, but I try to get the psychological motivators out of my freelancers. So that when the job is really tough, I can say, “Hey, you know what? This one’s really tough, but I remember you telling me that your goal was that you wanted to go to Italy next month. Here’s an extra bonus toward Italy.” Not just, here’s a bonus; here’s a bonus toward your dream. Here’s a bonus toward what makes you tick.

We’ve seen this with other platforms where it’s just jobs in and jobs out. And you never use the same one. That’s not what Infinite is or what I’m trying to do. What I’m trying to do is build the best team in the world. It’s really that simple. Back to that endless possibilities statement, I want the best of the best while I can sit here in Edmonton, Alberta, Canada.

I want those who have worked with Fortune 500 companies to come and work for my clients. It’s talent they would never get access to normally. And I think the part that people forget is that this is all about connection. This is all about building relationships. And people are going to do good work for you if they feel like you give a damn about them.

Tim Sanders:

You mentioned access. And I love that, because in the old way of working, our paradigm was led by talent acquisition. I want to acquire a person, all of their capability and time 100% so they only work for my stuff. And that’s getting harder and harder for a bunch of reasons.

Talent access is different. I want to access a person’s skill in a project environment to get work done. But access comes down to availability, which comes down to relationships, right? Because when you are going for the best freelancer available, that freelancer’s already getting a lot of other offers from a lot of other clients.

These relationship investments you’ve made have caused freelancers to pick you when you needed them the most, despite the fact they might have

had other options. Is that something you've seen over the course of the last decade or so since you've been doing this?

Cara Bedford:

A hundred percent. In my world of marketing and PR and comms, there are emergencies, right? Crisis comms, those kinds of things that happen. And I want the best talent when those types of situations occur for my clients.

A really good example of this is I have a freelancer that does web scraping. I needed to know a certain topic really, really well, really, really quickly. I needed every piece of information that was out there on the web about this certain topic. And I needed it in 12 hours because we were going to press in the next day. And I just said, "Hey, superstar," and I put the smiley face with the stars on it. "You always come through for me. I know I am asking the world of you right now, but I really need you to do this." And you know what? She said, "I will always do work for you because you're grateful for it, because you say thank you." She'd just finished a project that took seven months of web scraping for this other firm. They didn't even say thank you.

It's such a small thing, but we need to treat people like people, whether they're at a screen or not. And your humanity and the way that you treat people is the way that your life is going to be. If you are not going to treat the freelancers with respect, why should they pick up and fix your problem? It's your problem.

Tim Sanders:

And I think for so many here, that's one of the big breakthroughs that you can have. If you learn that freelancers, contractors, virtual teams...they are not second-class citizens of your corporate community just because they're working independently. They're team members. And when you learn to make it indistinguishable, this full-time versus fractional, this acquired versus access, then I think you do have a chance to build an enduring long-term relationship.

I also think that your personal approach really speaks to what author Dale Carnegie wrote about, gosh, almost a hundred years ago. He said in his seminal book that many of us have read, “How to Win Friends and Influence People,” “You will accomplish more developing a sincere interest in people than trying to get people interested in you.” And I think that your approach, while technical, is also quite personal. I think it’s the blend of the two that makes you so successful at this space and helping your clients.

Cara, we appreciate your time today. There have been so many insights and takeaways. Frankly, I’m not surprised. But I think the thing I’m going to take away the most is this idea that you’ve got to have that two-page project brief, and that you are not alone. Tom Kelley, co-founder of IDEO Labs, inventor of everything from pump soap to the original Apple mouse to the Palm Pilot, said that the secret to IDEO’s success was that every project brief had clear expectations. Briefs were really the guidepost for the entire project life. And I think that’s the main thing I just got out of this great conversation.

Cara Bedford:

Great, Tim, thank you so much for your time. And I love talking to you; it’s so great. Again, I take these things for granted. Thank you for asking such great questions that remind me of all the thanks I need to give after this call.

Tim Sanders:

There you go. Gratitude is a muscle, not a feeling. If it was a feeling, we’d feel it all the time. You clearly exercise that. Cara, thank you.

Cara Bedford:

Thanks, Tim.

“What I’m trying to do is build the best team in the world. It’s really that simple.”

Conclusion

Your grand redesign should meet the needs of the talent and the organization equally. Because work isn't a bunch of deliverables and datasets. Work is an outcome of its people—people who have the potential to deliver phenomenal results fueled by bottomless passion. But only if the organization designs the workplace, workforce, and workflow from a human-centered perspective.

When introducing new solutions, think about how the changes you're proposing will impact existing team members. Do your changes help employees feel trusted and secure? Do your actions help external talent feel valued? Do your processes complicate or add value to your team's day?

Remember, this is a test, iterate, test again process. Throughout the journey, be transparent. Be collaborative. Be compassionate.

Most important, redesign with empathy. View the new world of work with fresh eyes, so you can understand the needs of the organization and the workforce without bias. Then you'll truly be able to redesign work to honor the desires of your people as you strengthen your organization for the future.

As a leader, what you need to employ here is design thinking. Some of industry's greatest innovators, such as Henry Ford, Steve Jobs, and Meg Whitemire, all put this approach to use.

What is design thinking? IDEO Labs co-founder David Kelley put it best: "Design thinking is a human-centered approach to innovation that draws from the designer's toolkit to integrate:

- The needs of the people,
- The possibilities of technology,
- The requirements for business success."

So capture this moment, this once-in-a-career opportunity, to rethink how your company works. It can expand your horizons, lift your company's velocity, and separate you from the competition for years to come.

Notes

The Grand Redesign

1. Steve Mass, "Social and Economic Impacts of the 1918 Influenza Epidemic," National Bureau of Economic Research (May 5, 2020)
2. Bureau of Labor Statistics analysis (October 2021)
3. Antonio Nieto-Rodriguez, "The Project Economy Has Arrived," Harvard Business Review-The Magazine (November-December 2021)

Redesigning the workplace

1. Roy Maurer, "Study Finds Productivity Not Deterred by Shift to Remote Work," Society for Human Resource Management (September 16, 2020)
2. "More than half of UK workers would consider quitting their job if hybrid working was axed, research reveals," Microsoft News Centre UK (December 9, 2021)
3. Anders Melin and Misyrlena Egkolfopoulou, "Employees Are Quitting Instead of Giving Up Working from Home," Bloomberg (June 1, 2021)
4. "Future Workforce Pulse Report: Trends & Statistics on the Growth of Remote Teams," Upwork (December 2020)

Redesigning the workforce

1. Dr. Adam Ozimek, "Freelance Forward Economist Report," Upwork (2021)
2. "Gartner HR Research Finds 58% of the Workforce Will Need New Skill Sets to Do Their Jobs Successfully," Gartner (February 4, 2021)
3. Jackie Wiles, "Build the Workforce You Need Post-COVID-19," Gartner (May 22, 2020)
4. "Championing Innovation at PGA of America," Upwork (2019)

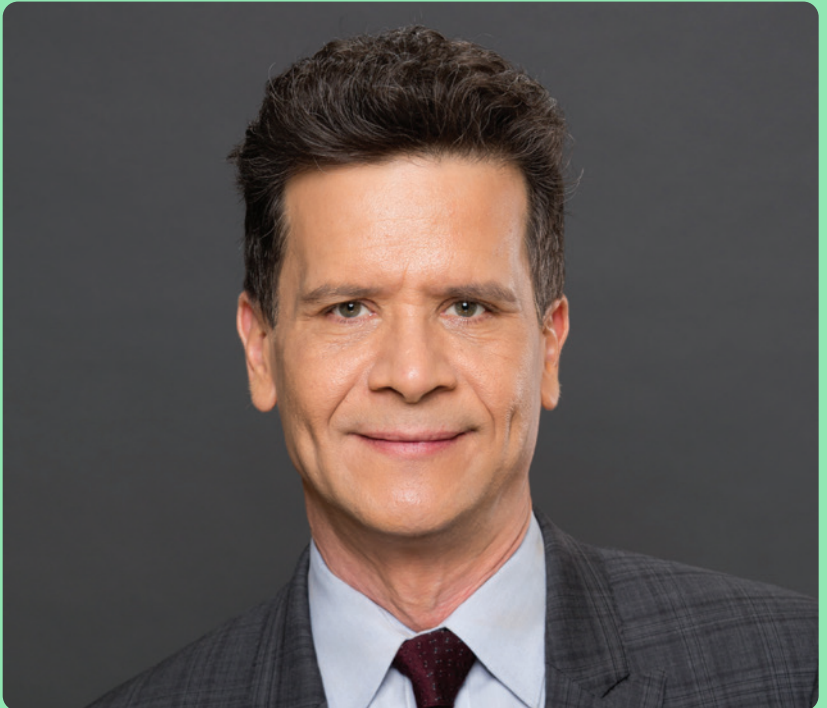
Redesigning the workflow

1. Antonio Nieto-Rodriguez, “The End of Job Descriptions and the Rise of the Project Economy,” Project Cubicle (November 15, 2021)
2. Antonio Nieto-Rodriguez, “The Project Economy Has Arrived,” Harvard Business Review-The Magazine (November-December 2021)
3. “Staying Secure While Engaging Remote Talent at Scale,” Upwork (2019)
4. Barbara Weltman, “How Much Does an Employee Cost You?”, U.S. Small Business Administration (August 22, 2019)
5. “Average Annual Hours Actually Worked Per Worker,” Organisation for Economic Co-operation and Development (2022)

About the Author, Tim Sanders

As VP of Client Strategy for Upwork, Tim helps businesses implement better ways of working through the adoption of on-demand talent solutions. He has more than 25 years of experience working with companies on innovation and change management and served on the advisory boards for several startups, including Goodreads.

Tim began his career as an early-stage member of Mark Cuban's broadcast.com and, after it was acquired, he became the chief solutions officer at Yahoo!. He is also the author of five books, including the New York Times best-seller "Love Is the Killer App: How to Win Business and Influence Friends."



Businesses must redesign their workplace, workforce, and workflow to compete in a modern world.

How work gets done now, and in the future, cannot be accomplished using the outdated mindsets, processes, and tools that businesses have relied on since the 20th century.

The Grand Redesign” offers game-changing ways to rethink how your business works. Drawing on global research and innovative talent solutions from leading enterprises, Tim Sanders describes how the key components of work are changing, the shifts required for businesses to remain competitive, and why now—during disruption—is the opportune time to transform work.

Businesses that redesign how they work gain an advantage over the competition:

Having access to an unprecedented pool of super-talented professionals enables us to increase our velocity by 50% and, as a result, our competitive posture in the market.”

Jim Ryan
CEO at Flexera

In the past, we were heavily constrained by the number of people within the team. It’s liberating to know that now, we can scale and build our team dynamically as needs indicate. That’s hugely powerful.”

Conal Gallagher
CIO and CISO at Flexera

When employees aren’t limited by internal skillsets and resources, they can leverage their time to create bigger improvements and change that help the team overall.”

Kevin Scott
Chief Technology Officer at PGA of America

It has changed the way we get work done every day—no matter what market the project is in, or what the scope requires.”

Adrienne Young
Lead Art Director at Amway