

MAKE IT WORK

SMART ADVICE FROM
REAL-LIFE CLIENTS
WHO FOUND SUCCESS USING
ONLINE WORK



 QDesk®

MAKE IT WORK



FOREWORD

03 NILOFER MERCHANT

05 STOWE BOYD

INTRODUCTION

08 GARY SWART

FEATURED CLIENTS

10 AUSTIN L. CHURCH, *Founder & Chief Goofball // Bright Newt*

Tips for identifying trustworthy talent and inspiring great work.

Top takeaway: "Don't be a jerk."

16 JOSHUA WARREN, *Founder & President // Creatuity Corp.*

Why establishing company culture and values is critical.

Top takeaway: "Hire people who are passionate about work."

23 ADAM NEARY, *Founder // Activecell*

How to create and communicate within a "no meeting" culture.

Top takeaway: "You can't build a team without the right tools."

28 MARJORIE ASTURIAS, *President & CEO // Blue Volcano Media*

Ways to quickly evaluate and interview candidates, plus finding a great project manager.

Top takeaway: "The right hire frees you up to focus on your business."

33 JAY SHAPIRO, *Founder & Tribal Head of the Humans // Infinite Monkeys*

Rapid-fire, task-based hiring and how to use freelancers to manage other freelancers.

Top takeaway: "We shifted our mentality to hiring tasks, not people."

38 GOVIND DAVIS, *Co-Founder and CEO // MCF Technology Solutions*

How to continuously cultivate and motivate a remote workforce.

Top takeaway: "Invest in tried and true freelancers as if they were full-time employees."

42 MATTHEW OGSTON, *Co-Founder // JobPage, Founder // MemeRiver & PageDo*

Results-based work relationships and why hiring online offers maximum transparency.

Top takeaway: "Creative freedom leads to better work from your freelancers."

NILOFER MERCHANT

The one and only time I ever presented to Steve Jobs, he taught me more about winning in the marketplace, in one declarative statement.

Mind you, that sentence had a swear word, which maybe accounts for its brevity.

You see, I was about to present on how a particular channel-related program I led had been instrumental in growing the server business at Apple from \$2M to \$180M in 18 months with very high margins (running at about 50% when everyone else in the industry was in the 20% range). Before I even had a chance to say anything, he took one look at my cover slide which had the word “channel,” and said, “F*** the channel!”

It’s taken me many years to truly digest what happened in that moment, so let me translate this “F*** the something” statement. Back then, organizations like Trend Hunting were already reporting the need to have more intimate direct relationships between brands and consumers. I was looking at those reports and figuring out how to mitigate change. Steve Jobs was looking at that same report, and tilting toward the future, fearlessly.

And what I’ve come to realize since then is this: Just because something worked yesterday, and even works today, it’s not necessarily right for tomorrow. And you have to be willing to let go of things that work today to get ready for the next thing.

Too many organizations that I advise and have studied hold on to “today” with a vice grip and hope somehow that when the time comes, they’ll be ready. But, the truth is more this: You’re going to need to manage the present while you invent the future. Really. You’re going to have to let go of the ways you’ve always done things. Of the stuff you already do. Of simply continuing to deliver what you already know how to deliver. Prepare to shift rapidly from opportunity to opportunity.

For nearly 20 years, we’ve had a bunch of talented people, case studies, and marketplace evidence showing us the world is changing.

So, a few key facts you must know. First, the reasons firms first had an advantage—economies of scale and information efficiency—are fundamentally changed. As in “bye-bye,” gone for a great many types of industries and firms. If you are leveraging land, oil, and such, you can use the old rules. The rest of you, start thinking anew.

Today, connected individuals can create value in a way that once only centralized organizations could. This shift is radical, even tectonic, in its implications. I coined the term “Social Era” to signal just how much has changed since the Industrial Era, and why it warrants your attention.

“In the Social Era, loads of strategic things have changed, but it only means one thing: you’re going to need to build your organizations to be fast, fluid, and flexible.”

The second fact is that advantages have largely disappeared. It used to be that a firm could create and hold on to “competitive advantages” for 40-year arcs; today, those advantages are now transient advantages, with your ability to “hold” them for five years in fast-moving industries and 12 in slow ones.

So, in the Social Era, loads of strategic things have changed, but it only means one thing: you’re going to need to build your organizations to be fast, fluid, and flexible. The customer is no longer just the “buyer,” but also a co-creator. Competition has changed when individuals can create value through a centralized network of resources: for example, designing a product from anywhere, producing it through a 3D factory, financing it through community, and distributing it from anywhere to anywhere.

So how can a business redesign itself? In what follows next, you’ll see plenty of good ideas, but let me point out the big three:

1. First, you must invite talent. In the Industrial Era, the idea was to put a cog into a machine. The economic leverage was the machine, with people simply staffing it. In the Social Era, the economic currency is ideas—and those can and do come from everywhere and anyone. Each of us is standing in a spot only we occupy. It’s a function of our history and experience, vision and goals. If you can find a way to tap into this “Onlyness,” you will find an endless stream of talent and ideas to fuel results. *Tap into Onlyness.*
2. Second, to go fast you need to know where you’re going, without first having to check in. And so the purpose of an organization must be both shareable and shared. You don’t need to be told, you don’t need to check in, and you don’t even have to belong to the organization’s headcount to create value. Online platforms where these goals can be posted and questioned let the smart people who work with you actually be the smartest people who work with you, creating new kinds of outcomes. *Align people with purpose.*
3. Finally, you must build cultures where people can come together to create value. Culture is all that invisible stuff that glues organizations together. It’s the dark matter that holds up the stars in the sky. Culture will trump strategy every time. A healthy culture is one that allows you to produce something with each other, not in spite of each other. And the bottom line is that this is how a group of people generates something much bigger than the sum of the individuals’ outputs. Culture is the exponential element that, in a world where people and their ideas fuel the economy, is the key velocity factor for how companies outpace everyone else. *Create velocity with your culture.*

It’s time to swing toward the future. (You might even need this [soundtrack](#).)

ABOUT NILOFER:

Nilofer Merchant is a best-selling author and leading thinker of our day. After 20 years of operational experience running Fortune 500s as well as founding startups, she now sits on boards for both public and private companies. Her first book, *The New How*, published by Oreilly, was on collaboration within the enterprise. Her second book, *11 Rules for Creating Value in the Social Era*, was named by Fast Company as one of the best business books of 2012.

STOWE BOYD

The world of work has changed dramatically in the past 30 years, and on many levels. Although my job is trying to make sense of that, it is difficult to concisely summarize what has gone on, what is going on, and where it is leading us: for the simple reason that this is new territory. And as the saying goes, “there are no old roads to new directions.”

To wind up at the level of the individual and understand the forces that shape the lives of billions of workers, we have to zoom all the way out and look at the big picture: the macroeconomic restructuring of work.

I believe, like many others, that at some point in the past decade we slid over an invisible threshold into a new economic era, one that operates on a different foundation from those of the late industrial/postmodern age. The fall of communism, the end of colonialism, and the rise of increasingly interconnected global trade collectively led to tremendous changes in national economies across the world, starting in the late 1960s and early '70s. But what has come in this century—the social web, the rapidly mutating and risky financial sector, the unprecedented rise of China and other advancing nations, and a wholesale shift to knowledge work (“services”) in advanced economies—has led many to conclude that we’ve moved beyond the “new normal” into something more permanent, and more perplexing.

I have used the term “postnormal” for this new era to differentiate from the postmodern. And more recently, a new term has started to appear—the “new abnormal”—intentionally contrasted with the milder and less frightening “new normal”. The economist Noriel Roubini wrote an important essay recently, along with political scientist Ian Bremmer, describing the “new abnormal” as a system operating on the basis of an “unstable disequilibrium,” while the earlier “new normal” presupposed the world economy was merely a transitory “unstable equilibrium.”

The takeaway is we’re now in a time of overwhelming volatility, uncertainty, complexity, and ambiguity, where forecasting becomes nearly impossible, and even determining which of the risks confronting us are most significant is almost unimaginable. This near blindness confronts governments, global businesses, the local bank, the entrepreneur, and every person on Earth. We are driving a car whose engineering is unknown (and rapidly evolving, in real time, under the hood), a car that is inexorably speeding up, with only one flickering headlight, and no brakes, on a road headed to who knows where.

I will leave aside any speculation of what might be done to slow the car, fix the headlights, or get the brakes working. That’s a discussion for something grander than this foreword. But this stark context for our world hangs over us like a threatening cloud, darkening every action we take.

The most prescient of business leaders are aware of the threats of the “postnormal” economy. Even back in the early years of this century, when we thought this was just a new normal, those leaders began to take steps to make companies more resilient, agile, and innovative when it became clear that those characteristics were the keys to success in a violently changeable world. Actions of international trade associations, cross-government trade compacts, and the machinations of worldwide marketplaces have created a very different policy context in this century, and as a result we have seen a wholesale reorganization of capital and labor markets.

At the business level, organizations are operating in a different world, one in which a greater number of skilled workers are becoming freelancers. There are several trends involved. On one hand, many professionals actively choose to become freelancers for financial and personal reasons, citing the desire for independence. Many simply want to avoid office politics and commuting.

At the same time, many people who would like to work full-time cannot find jobs that pay enough to make ends meet, and are forced to work one or more part-time or temp jobs, or in the worst case, to not work at all.

Business strategy has shifted in the past few decades, away from considering all skilled professionals as assets to be retained during downturn, as a means of retaining the value that had been invested in their training. Instead, the new normal (or new abnormal?) is to only hire workers who have the skills required for their job on day one, even in the case of new college graduates, as this quote indicates:

“To expect business to bring graduates up to speed,” Richard D. Stephens, senior vice president for Boeing human resources and management, says, “that’s too much to ask.”

And since companies don’t invest much in people’s training, those people aren’t considered a hard asset, so in a downturn they are let go, or they adapt by becoming freelancers who accept the need for self-advancement.

So this means a profound change in the work context for the great majority of skilled professionals, who find their labor to be a variable in a giant global equation when they thought their work was a constant.

Governments are changing their policies, moving back the social contract, and adopting few new programs to help the increasingly precarious workforce, even in the face of the recent economic adversity. Businesses are shifting their relationship with workers, transitioning full-time positions into variable relationships. Labor organizations have fallen from a central societal role. And the individual freelancer—whether willing or not—has been put in a position of disadvantage because of the power imbalance between client companies and the individual. All of this would read like a tragedy in the absence of some new factor.

Basically a huge empty space has formed at the crossroads between these groups, and those in the best position to do something about it can’t or won’t. Governments are too stretched, too polarized to take action, and are actually cutting back on programs that have been around for years. Businesses are too challenged by economics and uncertainty to make new bets on workers.

But there is a light at the end of the tunnel. A new actor is emerging to fill this gap, to better the situation in a real win-win-win fashion, and to make a profit while doing so. Entrepreneurs, like oDesk’s Gary Swart and others, are building software platforms that create new online marketplaces for work. oDesk calls their site an “online workplace.” I call it a placeform (marketplace + platform = placeform), and believe that work placeforms are making the situation better for both the freelancer and the client.

“The companies chronicled in this book are using the leverage offered by oDesk to make headway in difficult times, and in many cases, to reconfigure how their businesses work from the ground up.”

Because a work placeform manages the interactions between a large number of freelancers and businesses (millions of freelancers and companies, potentially)—a company like oDesk can find new ways to harness scale that neither the independent freelancer nor HR staffer can. What's the right wage for an iOS developer in London? What skills are needed for a call center staffer in the Philippines? Who are the best employers in Minneapolis for temp financial staff? Placeforms could accumulate this information as the natural outgrowth of the social business interactions of freelancers and businesses.

And in the final analysis, work placeforms are filling the gap absented by our governments, who are perhaps not yet up to the task of regulating today's rapidly shifting labor markets. Instead of the heavy hand of some hypothetical government agency, a work placeform might bar employers who don't pay on time, decrease the pay scale of workers who don't perform professionally, and ensure that government regulations for tax reporting and freelance status are met.

Most critically, at the foundational level, work placeforms like oDesk offer increased flexibility for both the freelancer and businesses, leveraging the scale of information available to the marketplace platform that neither individual professionals nor businesses can hope to gain on their own.

The efforts of the companies chronicled in this book are using the leverage offered by oDesk to make headway in difficult times, and in many cases, to reconfigure how their businesses work from the ground up.

These are only a few companies in a larger world, but we shouldn't forget what Margaret Mead said about the power of the few:

"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has."

A truly new factor has been introduced into the swirling chaos of the postnormal world of work, and it gives me new hope in a time with a lot of threatening clouds looming above us. At least in this one region of the new abnormal, we see what may turn out to be a way to decrease the underlying economic disequilibrium by a combination of big social data, large-scale social platforms, and entrepreneurs who see a way to make some money by saving more for others. And that—dare I say it?—makes things better for everyone.

ABOUT STOWE:

Stowe Boyd is an internationally recognized authority on social tools and their impact on media, business, and society. He is best known for his commentary on the social revolution, the rise of social tools, and the new world ahead of us at stoweboyd.com, reviews of work media applications at workmedia.ly, and his public speaking. Stowe is at work on a new book about the rise of a socially augmented world, "A Liquid, Not A Solid; A City, Not A Machine."

GARY SWART

If you're lucky in your career, you may help build a promising new company. But if you're very lucky, you may be part of building an entirely new industry.

Since joining oDesk in 2006, I've been fortunate enough to witness the rapid growth of the online work industry. Back then, the concept of hiring via the Internet was still in its early days. People were hiring programmers for discrete projects they could easily imagine being done from a home office, but hiring for anything larger than that seemed far-fetched and intimidating.

Today, people turn to the online workplace for anything imaginable, from legal advice and financial modeling to bioinformatics experts and data scientists. Businesses everywhere are realizing that hiring online isn't just a quick solution to an urgent need—it's a long-term strategy to tap into a broad pool of professional talent. At oDesk, we ourselves have more than 250 full-time equivalent team members who work for us every day, only they come to work via the Internet. There's no way we could have built our business without these professionals or without this staffing model.

Since you're reading this book, you're probably curious about hiring online. But what you're really doing is figuring out how to make your business more successful. I'm willing to bet many of you are:

- Building a business you envision as having big potential, but you want to start lean
- Taking your business to the next level and trying to figure out how to do so
- Managing a team that's already big and trying to remain competitive

Regardless of which category you fall into, you are first and foremost an innovator. You're reinventing how you staff and potentially even how you live. You could be building an entirely virtual company (like Govind Davis) or running a business while traveling the world (like Jay Shapiro). You're taking advantage of the freedom and flexibility of hiring online. In fact, when we asked those using online work what word first comes to mind when they think of oDesk, the word we heard most was "freedom."

But even beyond freedom, there's opportunity. It's easier than ever to build and grow a business, thanks to the rapid proliferation of mobile and cloud technologies. As a result, this new era is a highly entrepreneurial one. And many entrepreneurs (and entrepreneurially minded people at big companies) realize that nothing powers ideas and initiatives better than a good team, which is why we've seen online hiring grow at such an astounding rate.

When I sit down with a client, I ask two things:

"How can we help you?" and "What are your best practices for using oDesk?"

This book captures a wealth of practical advice gleaned from asking these questions.

As I write this, we've surpassed more than \$1 billion spent hiring on oDesk. Businesses are building distributed teams, going global earlier than ever, and adopting technologies that make work more mobile. But in many ways, we've only just begun.

Adoption of a disruptive way of working doesn't happen overnight; the last time we saw a shift this major was during the Industrial Revolution. So it's especially important to share insights from businesses paving the way, and it's my privilege to know many of the entrepreneurs, innovators, and executives running these companies.

Last year, I crisscrossed the globe, meeting clients and groups of entrepreneurs from Australia to Germany to Canada. I loved these meetings. Nothing is more inspiring than talking to people who are building something. And while I made these trips to share insights from years of building businesses (like at [this talk](#) in Los Angeles), I easily received just as much wisdom in return.

When I sit down with a client, I ask two things: "How can we help you?" and "What are your best practices for using oDesk?" This book captures a wealth of practical advice gleaned from asking these questions. No one is more in tune with how to work the online workplace than these clients, so we've turned the "virtual pages" of this book over to them.

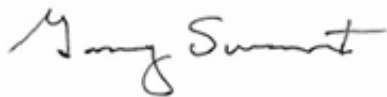
Each featured client uses different methodologies that fit their distinct personalities, management styles, and business needs. So it's less about recommending a "right" way to use online work, but rather to highlight a variety of practices that have developed organically to suit the needs of very different businesses.

I wanted to close with some thoughts on how to build your teams overall. Whether co-located, entirely virtual, or somewhere in between, your team can only be as good as you set it up to be. This means knowing what to look for when you hire (especially these [four dimensions](#)) and keeping your team motivated.

For teams with virtual members, it's especially important to:

- Treat them as equally valued team members
- Be an even better communicator than usual—you only get as much as you give
- Use the tools available to you (see the "Online Management Tools" detailed throughout this book)
- Create an engaging and inclusive culture

There is one simple truth underlying this change—work is no longer a place. We all want to break free of boundaries and maximize the opportunities that open up in response. I hope this book helps you do so, and I look forward to hearing about your success.



Gary Swart
CEO, oDesk
August 1, 2013



AUSTIN CHURCH

The Awesome Boss

AUSTIN L. CHURCH

Founder & Chief Goofball of Bright Newt

Based in:

Knoxville, TN

On oDesk since:

2011

Online workforce:

Up to 10, depending on demand

Skills hired:

App programmers, website developers, graphic and UI designers, transcriptionists, and data entry specialists

CORE INSIGHTS

- Evaluating candidates
- Team building
- Encouraging excellence

ONLINE MANAGEMENT TOOLS

- Basecamp
- Assembla
- Dropbox
- TestFlight
- Skype

AUSTIN'S STORY

A writer by education and trade, Austin is proof positive that a business founded on respect for great work—and for the people who do that work—can lead to a happy ending.

He came to online work by chance, learning about oDesk from a “mastermind” group of business mentors while attending a convention in San Diego where there was a lot of discussion about using freelancers to take care of business. The convention was a bit of an “aha!” moment, one that legitimized online work as a serious solution.

Austin's first project using online freelancers was to build a website for his father's insurance agency. His dad knew nothing about website creation and had little money set aside to get it done, so Austin wrote the copy himself and went out and hired the people he needed. The result? A custom WordPress site created on a shoestring budget that managed to thrill both Austin and his dad.

And so began a mutually beneficial relationship between entrepreneur and online work. Today, Austin's company, Bright Newt, is a thriving marketing, branding, and app development shop doing great work for clients far and wide. He and his confederacy of creative conspirators even created a ridiculously fun app called Mustache Bash in April 2012, which continues to bring smiles to folks both with and without facial hair.

Evaluating Character: Beyond skills and experience

As Austin's company took off and he found himself with a rapidly growing cadre of freelancers, the importance of hiring the right people became clear. "As I progressed from hiring people for my projects to hiring people to help me with client projects, suddenly my reputation was on the line in a way it wasn't before and the people I hired became that much more important. Because they are either helping me build my reputation, helping me create the perception of value in the services that I provide...or detracting from it."

For Austin, the single most-important thing he looks for in a freelancer—and ultimately the most critical component of a long-lasting work relationship—is trust. And the only way to determine trustworthiness is to become an extremely good judge of character.

"I don't have to be the best at anything if I can just be great in calling out greatness in other people. There are probably a lot of people who are better, smarter, more talented than me...I just need to find them, and hire them for my projects!"

So he set about creating a framework for evaluating a freelancer's personality, developing an interview process that focuses on casual conversation as well as a series of specific questions designed to provide insights into a candidate's character, leading to valuable character insights.

Austin's Interview Questions

1. What's your availability now?

Basic, but important. Top freelancers are often very busy.

2. Can you make my job a priority?

Basic, again, but the answer may be telling. If the freelancer says "No...not immediately because I'm finishing up another project," this shows that they are professional and honest, and probably worth waiting for.

3. What's the best way to communicate with you?

Some prefer email, and others, Skype. Learning your freelancer's preferences ensures that fewer details get lost in the shuffle of multiple modes of communication.

4. When it comes to mobile app development, do you publish apps in the app store?

Important when talking to a developer who will have your source code. If they say yes, ask how they ensure that the apps they publish aren't in direct competition with the apps their clients publish. (For more tech-centric questions, Austin recommends the book *App Empire* by Chad Mureta.)

5. Are you familiar with Basecamp, Dropbox, Assembla, or other tools needed for this project?

Austin usually asks that freelancers not track time when they're learning how to use services or platforms he uses.

6. Would you sign a nondisclosure agreement?

In reality, an NDA for someone in Vietnam or Ukraine or Philippines is impossible to enforce. But he asks anyway because if they try to talk him out of it, it would set off an alarm.

7. Are you willing to share references?

Honest people will say they'd be happy to and give you names and email addresses. Another equally valid answer is that their clients prefer that they not share their contact info. People who are up to no good will typically say, "Sure, I'll send them" and then never follow up.

8. What's a big frustration you have when working with clients?

Austin asked this question recently and the candidate said, "I get frustrated when I don't get clear directions. If you can give me a to-do list and clear instructions, that would be great." And that was exactly what he was looking for. If someone says "Oh, I don't ever have frustrations with my clients," then chances are they're not being honest—consider moving on.



"Skills in my mind come last as the minimum requirement for the job. I'm trying to evaluate character. I'm trying to evaluate personality. To evaluate attitude and motivation. And at the end of the day, after a successful project I'd like to have become friends with the person I hired."

Hello, A-Team: Building your best bench

Once Austin has asked the questions and had the conversations that lead to a better understanding of personality and character, he sets about assembling his freelance A-team. One of his first hires was a programmer named Kostiantyn, who is still his all-star app developer to this day. But one great hire does not a team make.

“I quickly learned that on oDesk, you needed a deep bench of talent. You don’t just need one star point guard, you need multiple people who can play each position well,” Austin says. So after he has gone through his rigorous evaluation of character, the final step is to hire freelancers for a short test project in order to vet skills and determine if they’ll work well together.

An additional point Austin makes when hiring a team is to pay fairly. “I don’t want to make people bid

\$200 on a job that I know scope-wise should cost \$500,” he said. “People don’t like feeling like you’ve squeezed every last drop of work out of them for a rock-bottom price. I hate it when my clients do that to me, so why would I do that to my freelancers if I know it creates resentment?”

Once assembled, Austin keeps his team engaged by creating multiple milestones within a project and dispersing part of the project payment for each milestone. “This means money is still on the line and they are motivated to finish. Having a bonus at the end when they meet all the milestones and deadline is great because it incentivizes them, but at the end of the day, money is limited in its ability to motivate people to do their best.”

Which leads us to Austin’s next big message: don’t be a jerk.

“Trust is the currency of business. You’re either making a deposit in the account or you are making a withdrawal. The choice is up to you.”

FAVORITE TIP: MATCH TIME ZONES TO YOUR TIMELINE

For short jobs, Austin changes his hiring tactics depending on his timeline. “If I need something done quickly, I’ll typically pick somebody in the US so I know that we’re working on the same hours. If I need someone to do something overnight, I’ll pick someone several time zones ahead so that I know when I’m sleeping, they’re working on the project.”



Don't Be a Jerk: How to get the best out of your team

Think back to a time when you worked with a bad boss. Chances are he or she had an unfortunate combination of arrogance and incompetence, was demanding but not encouraging, and took credit while passing blame. Now consider your favorite boss. Your input was both expected and respected, your responsibilities clear, goals challenging, and work appreciated.

Now, which of these bosses did you work hardest for?

A leader is only as good as the people they lead, just as a great manager inspires greatness. And this applies equally to the managers of remote team. As Austin puts it, "I don't have to be great at anything if I can just be great at calling out greatness in others. And if you treat

people with respect and are decent to them and give them some autonomy to help you improve your ideas, they'll make stuff better than it would ever have been if you had done it on your own."

"I have found that people actually work harder for you if they like you. So, just be nice. Don't be a jerk. Apologize if you do something wrong. If you misunderstood something then say, 'Sorry, I misunderstood, that was my fault.' Decency motivates people to do good work, and I take it for granted that people want to do good work. My job is to clear out all the obstacles so that they can succeed."

One of Austin's top tips for getting the best work from his freelancers is to ask the very simple question "Do you think this can be better?" He'll ask it when he's discussing his project with potential hires, he'll ask it when a freelancer delivers some work. According to Austin, "Just because they created it doesn't mean they think it's the best they can do. So I ask the question all the time: Do you think this can be better? Do you like this? You'll find that people have sent you stuff they don't really like, and then you say 'Well, send me something you like!' Typically, what they send will be better than your original vision."

"There are too many people—project managers, small business owners—who think other people aren't as good at what they do as they are. I go into it thinking there are probably a lot of people more talented than me. So, am I going to let my ego get in the way? Or am I going to let a love of excellence and a desire to create great stuff win out?"

FREELANCER FOCUS: KOSTIANTYN SOKOLINSKYI



Austin is the first person to admit he lucked out when he hired Kostiantyn to develop his first big app, Mustache Bash. To date, they have completed six apps together, with Kostiantyn's wife, Tanya, who is also a programmer, helping on several of them. Well educated with multiple advanced degrees, Kostiantyn worked on Mustache Bash while traveling through Asia. "I received communications from him from 10 different countries," Austin recounts. Now, Kostiantyn is on the entrepreneurial path, with clients like Austin encouraging him to hire junior programmers to handle lower-level work, freeing him up to focus on business development.



AUSTIN'S TOP TAKEAWAYS

- When evaluating candidates, trustworthiness trumps skills.
- Design interview questions to access insights into character and personality.
- Seek out and build a deep bench of talented freelancers.
- Treat freelancers well and you'll be rewarded with excellent work.
- You'll get better results by simply asking "Do you think this could be better?"



JOSHUA WARREN

The Team Builder

JOSHUA WARREN

Founder & President of Creatuity Corp.

Based in:

Dallas, TX

On oDesk since:

2009

Online workforce:

13 remote freelancers throughout US and Poland

Skills hired:

Magento programmers, bookkeeper, researchers

JOSHUA'S STORY

With experience both as a contractor and client, Joshua Warren brings a unique perspective to the world of online work.

When the economy took a dive, he found work on oDesk as a freelance web developer, earning \$15/hr. As his experience and reputation grew, he was able to command a rate of \$95/hr and began hiring other freelancers to help with overflow work. The requests kept on coming in, and in 2008 he founded Creatuity, an eCommerce development and optimization firm specializing in Magento.

CORE INSIGHTS

- Hiring expertise
- Culture & values
- 24/7 productivity

"I was just a single freelancer getting absolutely overwhelmed with the amount of work, and realized that I needed help. Instead of looking for someone locally, I wanted to find the absolute best person that could help me no matter where they were in the world," says Joshua. "So I found a project—just a personal project that I hadn't made a lot of progress on and didn't have a lot of time for—and put it out there as a test project and hired a few different people. That's actually how I ended up finding someone that to this day I'm still working with."

ONLINE MANAGEMENT TOOLS

- Basecamp
- Mavenlink
- activeCollab
- Pivotal Tracker
- JIRA

Flash forward three years, and he's at the helm of a booming business that currently employs 23 people, of which 13 are remote and deliver all work online.

Recruiting Philosophy: Cast a wide net

Joshua puts his perspective as a former freelancer to good use whenever it's time to grow his team, using lessons learned while being recruited by former clients to inform his hiring process. He begins by casting a wide net, focusing more on skills and quality as opposed to limiting applicants by hourly wage, and recognizing that getting it done right is sometimes more important than getting it done cheaply.

"Instead of finding the best balance between price and quality, a lot of people were just looking for the best price. I realized that it's important to get as many candidates as possible by not narrowing down on money up front and leaving the job open,"

"By making the right hires, we literally built a company online...and we built it based on working with people all over the world."

he says. "Sometimes you'll find someone that is a great fit for the job and maybe even has skills you can use in other ways beyond that individual project that, but you would have missed out on them if you had specified \$8/hr or less. What if they are at \$9.50? What if just that small difference in price made a big difference in the quality of the project?"

FAVORITE TIP: NARROWING THE FIELD



The result of a wider search is a larger applicant list, and it's critical to have tools in place to narrow down quickly. An easy but effective way to whittle down your applicants is to include a very specific instruction or question to be answered in your job post. Maybe it's as simple as asking applicants to "tell me your favorite color" or include the word "unicorn" in their cover letter.

If the freelancer doesn't follow directions when they apply, discard their application. If they can't take the time to read your job post thoroughly, then odds are they won't be the most thorough or detailed in their work.

FAVORITE TOOL: THE TEST DRIVE



To choose the best candidate, hire your top picks to perform a small amount of work that can be accomplished fairly quickly. (If your project is already small, then you can still hire multiple candidates as a way to compare their work and identify which freelancer is best for your next job.)

This will give you firsthand experience about how the freelancer performs, communicates, and delivers before you hire them for a larger job.

Hiring Right: Equal parts communication and passion

When it comes to choosing the right person, Joshua starts by evaluating traditional indicators like cover letters, skills, and work history. He pays special consideration to feedback, ruling out those with negative ratings from clients. (And because he remembers what it was like starting out, he's happy to consider qualified new freelancers without client feedback.)

Over time, Joshua has hit on his own formula for evaluating potential hires based on equal parts communication and passion.

"Finding someone I can work well with can be just as important as finding someone with the technical qualifications," he says. "So, I'll look to see if they included something about themselves in their application? Did they say something that shows me they're passionate about what they do, that they are interested in it, that this isn't just another contract and another few hundred dollars? Is this something that is their craft, that they enjoy doing? Those are the people that stand out to me, and those will usually be the very first ones I'll invite to interview."

His emphasis on communications can be found in his unique way of interviewing, which focuses on the written word over verbal capabilities.

"Except for a few rare cases, I do everything via email. I basically have a set of questions that I always include in my job posting that I want to see in all applications. Then I'll usually have one or two more sets of questions that I'll send out in the

"With remote work, communication is different than if you're working in an office. You're going to end up writing more, especially if you're dealing with someone who has a large time difference. So you need someone who isn't afraid to send you a detailed daily email, and who will also understand when you reply."

interview process and ask for some sort of work sample, portfolio, or something I can look at to see what they've done.

"Anywhere from half to two-thirds of the people will never respond to those questions because they are too busy applying for too many jobs. They don't have the time or just don't want to spend the energy on it. I feel like they should be doing everything to impress me, so if they won't even take the time to answer those questions, then they aren't someone I'm interested in hiring."

Another thing Josh pays attention to is the quality of a candidate's English. "A lot of people immediately think 'Oh, you're trying to weed out people who don't speak English as their first language'," he says. "But no. I'm looking for people with good writing abilities because, in my experience, the person that writes well tends to work out better."



FREELANCER FOCUS: WIKTOR JARKA



Joshua and web developer Wiktor Jarka have worked together for three years, building a long-lasting remote work relationship that has been mutually beneficial.

"I figured out very quickly that, even though he's from Poland, Wiktor and I had a very similar outlook and personality," Josh says. "And I realized that would serve us very well working together. He had things that he was interested in, not necessarily just to make money, but to hone his craft, and that really stood out to me.

"And his role has evolved into the management of Creatuity's team of Polish developers—which is an extremely valuable skill he brings to the table, as he knows the culture, the work norms, and what they are accustomed to. He has become a trusted team member whose knowledge is put to great use when it comes to hiring local talent for a global team."

Company Culture: A team-building touchstone

A prominent misconception about online work is that company culture doesn't count when working with remote workers. In fact, creating a company culture is just as, if not more, important when working with dispersed teams. Why? It grows trust, builds loyalty, and creates the kind of long-term work relationships that contribute to the combined success of both clients and freelancers.

"I think one of the biggest challenges of remote work right now is figuring out how to build a culture."

After reading the book *Delivering Happiness* by Zappos' CEO Tony Hsieh, Joshua was determined to translate a face-to-face-based company culture into the online workplace. "Hsieh believes that you can't build a company culture on remote work and that is the one thing that I absolutely disagree with," Joshua says. "I think there is more value in stopping and spending some time really investing in the contractors you have and investing in your culture."

"So we went through a value-setting process, just as Tony outlines in his book, but we did it remotely using email and online polls. This allowed us to discuss our shared values, and come up with a set of core company values that we use to this day as the basis for our decision making, hiring, everything."

These eight core values guide Creatuity's culture, brand, and decisions—from day-to-day operations to hiring and even which projects they accept.

- | | |
|--|--|
| 1. Honesty & Trust | 5. Responsibility & Honor |
| 2. Positive Attitude & Fun Environment | 6. Always Learning, Innovating & Sharing Knowledge |
| 3. Respect & Empathy | 7. Constantly Improving |
| 4. Family, Friendship and Loyalty | 8. Cooperation & Collaboration |



“Time and time again, I’ve seen that when projects fall outside of our core values, they end up costing us more money than they ever make us.”

According to Joshua, taking the time to cultivate their culture paid off. “It really surprised everyone we had hired because they’d never seen remote workers treated that way—they were used to being treated as these contractors that you kind of use up on a project and then move onto the next thing. I think it’s helped more with retention than bonuses or raises or anything else really could.”

The end result is that Joshua puts a premium on his people, investing in their success whether they’re on-site or local, full-time or freelance. It has also forced him to walk the talk of his values, which includes making some tough decisions.

“It took me a long time to be OK with passing on a contract that didn’t mesh with our core values,” Joshua says. “When you’re bootstrapping a business, your instinct is to never turn down work! But I recently passed on a job where it was clear that several of our core values weren’t important at all to the client, and they had a ‘do it my way or don’t do it at all’ attitude.

“It was probably a several thousand dollar contract, but I know that it would’ve had a negative impact on our team, which in turn has a negative impact on our other clients. However, just a few hours after that, another project we had been hoping to land for a while closed, and that project is going to be at least 10 times as valuable and is with a client that really understands and accepts our core values.”

Success Secret: 24/7 productivity

Working with remote contractors in vastly different time zones can be a challenge, but it also presents great productivity opportunities.

First, the challenge—communication. This is where being able to write an accurate and detailed account of the day's work becomes extremely important. All work must be properly documented, noting what state the task is in and what's left to be done, so that another developer in a different time zone can pick up the project and continue where the other person left off. It takes discipline and good communication skills, but it leads to the kind of opportunity that is only available to those with a global online workforce: 24/7 productivity.

By creating teams covering multiple time zones, Creatuity is currently running at 18 hours of productivity per 24-hour cycle. Joshua plans on recruiting in China, Australia, and Japan to become productive 100% of the day.

“Our clients are amazed because they will bring us something at 5:00 p.m. and they're thinking ‘Hey, you know, it's 5:00 p.m. here in Dallas, we're going home and it's going to be a little while before I hear back on this.’ We'll hand it off to someone in Poland, and by the time the client is back in the office at 8:00 a.m. the work is done. The clients are just blown away because they think someone was up all night working on it!”

“We're really using time zones to our competitive advantage. If you literally have twice as many productive working hours in a 24-hour cycle as your competitors, you can get much further ahead than they can in one day.”

JOSHUA'S TOP TAKEAWAYS

- Don't narrow your talent search by hourly rate—the perfect contractor might be out there for just a little bit more.
- Look for candidates with passion for what they do and that you'll personally enjoy working with.
- Written communication is a key indicator of overall job performance.
- Establish and articulate a clear company culture to guide your hiring and management decisions.
- Double your productivity (and gain a killer competitive advantage) by building a network of global freelancers to cover all time zones.



ADAM NEARY

The Miracle Worker

ADAM NEARY

Founder, Activecell (formerly Profitably)

Based in:

New York, NY

On oDesk since:

2012

Online workforce:

Up to 20 engineers; now at 14

Skills hired:

Rails engineers, JavaScript engineers, virtual assistants, bookkeepers, data entry

CORE INSIGHTS

- Leveraging skills
- Workflow processes
- Online management

ONLINE MANAGEMENT TOOLS

- Skype
- HipChat
- Trello
- GitHub

ADAM'S STORY

Turning to the online workplace to power his company was Adam Neary's Hail Mary.

His company, Profitably, a financial analytics platform for small and midsize businesses, was just two years old and suffering a deep backslide. His six full-time employees had quit, and investors had lost confidence. With just \$100k left in the bank, he made one last bid to stay afloat. As Profitably's Founder and CEO (and its sole remaining employee), Adam upended his business model and turned to oDesk. "At the time, it felt like the worst-case scenario, but it happened to be the best thing ever," he says.

What Adam found revolutionized his business, revealing a new way to leverage both himself and the assets of his fledgling company. "I discovered a labor market where very talented people are available for an hour, or for a fixed-price project or full-time if you need them," he says, comparing oDesk to a buffet, where "you can build exactly what you need. That's totally different than the in-person marketplace."

"I discovered a labor market where very talented people are available for an hour or full-time if you need them. It's like this little buffet, and you can build exactly what you need."

“What we were not able to do with nearly \$1.5 million in person, we’ve done there and back again for literally less than 10% of the cost. Instead of having six generalists in New York City, we found an army of specialists on oDesk. It has been huge for us. The product we’ve built is great, customers are amped, and investors have followed on with additional funding to keep us moving. It’s a great indicator that we’ve really nailed this.”

The product is just now launching under a new name, Activecell, and while Adam is the only full-time employee, he contracts between 14 and 20 engineers on an ongoing basis. “It’s a very different model from what you see in a startup, but so far it’s been very successful,” he says, adding: “To achieve what we needed to with \$100K was all sorts of impossible. And we’ve done the impossible.”

Filling the Gap: Leverage for hire

Activecell is a new platform for helping small businesses analyze historical financial performance and build a rolling forecast for where their business is headed. The company’s SaaS-based software features advanced interactive charting capabilities and stunningly fast user interaction with otherwise complex financial models. To do this, Adam requires highly specialized programmers who are in exceptionally high demand, particularly in startup hotbeds like New York and San Francisco.

“We’re not solving basic web problems. We are solving highly technical, cutting-edge, difficult challenges that even people in New York, quite frankly, weren’t able to crack,” he says, adding: “We just can’t take any engineer. We really need a very specialized set of skills and oDesk made it easy to find those people, recruit them, bring them on, and pay them.”

Adam discovered this early on when he was trying to fill the gap caused by the exodus of his Manhattan staff. The benefits were immediately clear. “I would be the lead engineer and then use them to sort of provide leverage for me,” he recounts. “They would be able to solve problems that I would probably be able to solve on my own, but they could solve them much faster with a little guidance from me. It was very successful.”

“How absurd is it to presume that the 10 people that are best suited to help you in your company are all within a 30-mile radius of you?”

In retrospect, Adam says it’s only logical that the model has resulted in a staff with more skill and depth than his former local team.

The bonus is that the online workplace allows him to contract top talent at hourly rates, meaning that regardless of the size of a business, he never pays for superfluous work—a truism that isn’t typically possible in a conventional hiring scenario.

“You can hire 10 hours a week of project management, 20 hours a week of quality assurance. You can hire five hours a month of search engine marketing expertise. We’re going to hire 10 hours a month of copywriting. You can just order what you want,” he says. “The better you understand your requirements, the better you’re able to find someone who is able to execute on them. It’s a lever, a force multiplier—and it’s very powerful.”

Divide and Conquer: Create a task matrix

Adam admits that understanding how to optimize that leverage has a learning curve. Now a veteran, he divides tasks into an “urgent” and “critical” matrix and hires accordingly. “In a startup you have to focus—everyone is really expensive and no one has time, so you just try to do the stuff as urgently as possible and you just burn and burn and burn. But with the online work model, there are lots of different types of people there.”

With the fixed-price project option available on oDesk, Adam can afford to gamble.

“There are guys on the platform that are not necessarily consistent, not necessarily good communicators—imagine mad scientists with crazy hair. You can take tasks that are really important and high value but not urgent, and you can hand them to these dreamers,” he says. “They might

come back in a month and have solved nothing, or they may come back in a month with a diamond in their hands.

“In a startup with people working in person, you don’t have the luxury of just letting someone go off for a month...because you’re paying them no matter what. But when it comes to hiring online, if you’ve got a fixed-rate project for something really off-the-wall, it’s OK to send folks off into the tall grass.

“That’s the kind of thing that is a very different skill to have. It’s not something you often see in a young startup.”

For Adam, the flexible nature of remote work makes the prospect of leveraging a diverse array of its facets that much more attractive.

Hiring IQ: The learning curve

When it comes to settling on the right prospect, Adam’s approach is a blend of the traditional and the nouveau.

He starts with the interview, typically via Skype, “just to check the boxes and make sure that they have the skills they posted about.” Of course, it’s not always possible to verify the aptitude of a potential contractor when time zones and language barriers are at play. For this reason, he rarely dismisses a candidate because the interview didn’t go smoothly.

“There are some amazing engineers that aren’t good speakers and can’t structure a good sentence—that’s true in Brooklyn, not just in Croatia,” he says, adding: “And they’re brilliant. So you go into this interview and you’re like, ‘Oh God, miserable.’ But it’s not a good gauge of someone’s talent. The flip side is true as well—you get guys who are so good at talking about what they’re doing and you really think they are just lined up to hit a grand slam. And they either never respond ever again or struggle with the most basic tasks you hand them. At least on oDesk you can start everyone out with a fixed-scope, fixed-price gig, and you see them actually deliver real work before hiring. That’s a game changer.”

One of his basic mandates is that all of his hires have good feedback and proficiency in English, so Adam uses a mix of oDesk freelancer tests and ratings as a guidepost. “They have to have between four-and-a-half and five stars and a number of positive ratings from clients they have worked with in the past,” he says.

For all his success and despite his efforts to refine his hiring strategies, Adam has suffered some bumps along the way.

“I’ve had engineers sign up to do work for me, have me explain the work in incredible detail, and then they just go totally nonresponsive,” he says. “But the positive outweighs the negative. We have had really good output at incredibly low rates, and it improves as we learn to get better at insisting on seeing quality output before investing time and energy. For those that succeed...I keep giving people raises because they are doing so much better a job than you’d expect, once you find them.”

He recommends that new users have patience when using the platform and to remember that hiring is often fraught with challenges regardless of whether the subject is a remote or physical employee.

“You don’t want to put too many eggs in one basket. The number one thing is you don’t want to trust anyone with something important until they have proven themselves.”

Making It Work: Constant communication, zero meetings

Central to Adam’s streamlined operations is what he calls a “no-meeting culture.”

“There are people who believe you need to have a daily video conference where attendance is mandatory. I do not believe that,” he says, adding: “There are no meetings—zero. If someone has a question, they pose that question, then work on something else until they get an answer.”

Instead, Adam has chat lines set up to enable near-constant communication, accountability, and to streamline workflow.

“We use group chat (HipChat, specifically) as our office. We have messages piped in from all of our services: the global engineering team is working 24/7, so there is a continuous dialogue. When you start your day, you can read everything that happened since you left. Fantastic.”

The chat software he favors enables private or group chat settings; he divides “rooms” into task-specific categories. He considers this process a

“must-have” for a large remote team. As a bonus, having a written record for private chats obviates any “he said, she said” later. You always know what was communicated.

“You can’t build a house without the right tools,” he says, adding: “You can’t manage a remote team over email.”

Adam is fastidious about optimizing his team’s processes, ramping up new engineers with a blazingly fast goal of “five minutes to contributing.” Still, he is mindful that remote work is an emerging culture, one that remains more casual than physical workplaces tend to be.

“Working with a contractor long term is sort of like being in a committed relationship, but choosing not to get married because, hey, why ruin a good thing?” This might be hard to swallow for some, but for him the payoff is worth it. “We’re running a company that has now raised over \$2 million in funding and I don’t have any depreciating assets, not one,” he says.

ADAM'S TOP TAKEAWAYS

- Take advantage of the “pick and choose” nature of online work.
- Borrow from traditional interview processes to round out your hiring strategy.
- Don't rule out a candidate whose spoken English isn't perfect, but do pay attention to their past clients' feedback.
- Use software like HipChat to help manage your team efficiently.
- Ax the meetings but amplify constant communication.



MARJORIE ASTURIAS

The Savvy Manager

MARJORIE ASTURIAS

President & CEO of Blue Volcano Media

Based in:

Dallas, TX

On oDesk since:

2009

Online workforce:

4

Skills hired:

Project manager, social media managers, web developers, graphic designers, SEO consultants

MARJORIE'S STORY

Marjorie Asturias didn't think opening up her own business was a possibility.

But while working with a Dallas-based marketing firm that used oDesk to augment an on-site staff, she saw a way to build a company while avoiding the barrier of overhead. Starting as a one-woman shop, work quickly picked up and Marjorie took the entrepreneurial plunge. Today, she is the driving force behind her own social media marketing agency, Blue Volcano Media.

Marjorie currently supplements her staff with four oDesk freelancers located throughout the US and Canada, while also working with an oDesk-based web development agency in India. Depending on her client needs, she frequently employs an additional three to five freelancers at a time, again all through oDesk. She taps into the online workplace because it "creates a huge savings for small business and gives me scalability; that's important when you have such a small budget."

CORE INSIGHTS

- Hiring expertise
- Project management
- Virtual team Building

ONLINE MANAGEMENT TOOLS

- Basecamp
- Skype
- WebEx
- TypicalTracker
- Email

"We are a virtual company. I had an office a couple of years ago...until I remembered part of the reason I started this business was because I hated going into an office!"

Get Their Attention: How to attract the best candidates

With nearly four years experience on oDesk, first as a freelancer and then as a client, Marjorie has become an expert at hiring the right person—and for good reason. As a small business owner, she’s learned that any bad hire is more than just a bad personal experience—but that it can have a tangible negative effect on her business. In the worst case scenario, it could lead to a lost client.

Because making the wrong choice is not an option, Marjorie has honed her hiring process to a tee. And it all begins by attracting the best candidates with a truly effective job post.

“With oDesk, there is already this huge talent pool with portfolios, ratings, resumes...so when I write my job post, the more detail, the better,” she says. “I’ll be sure to include specific requirements like ratings, a certain number of hours, specific skills, a portfolio to view, etc. It actually helps me when I’m sorting through candidates—I can easily dismiss applicants who don’t fit the requirements or who just sent out a generic cover letter.”

One thing Marjorie doesn’t include is a set price. Why? Because there might be someone who is a little beyond her budget, but after meeting and talking with them, she’ll work with them for a week or two and see how it goes.

“I’d be willing to pay a little bit over my budget if I think they can make my job and my work better,” Marjorie says. “If they can make my company look really good, I see that as an investment.”

“I always put my website in my post so that people, if they’re interested, can check out my company. This way they know that I’m legitimate.”

FAVORITE TIP: EVALUATING CANDIDATES



No image, no interview. Freelancers without profile pictures are automatically disqualified. Not having a picture conveys an anonymity that won’t fit in with Marjorie’s close-knit, small company culture. It also sends a sign that the freelancer doesn’t take their career seriously.

Well-written always wins. Weigh the quality of a candidate’s writing. “It can be three sentences or three paragraphs,” Marjorie says. “If it’s well-written and without mistakes, they go to the next round.”

Focus on feedback. Always read a freelancer’s feedback and ratings for a candid snapshot of their past work performance.

Look for the intro. Because Marjorie signs her job posts and invitations with her name, she looks for cover letters that address her by her name, saying “if they personally address me in their letter, it is a sign that they are really interested in the job.”

The Interview Process: More is better

Once Marjorie narrows down her list, she will interview up to 25 remaining candidates. Does that seem like a lot? Sure. But compared to the pain of hiring the wrong person, she sees it as an integral part of finding the best candidate for her positions.

To effectively interview a large number of freelancers, you have to have a serious process in place. “I’ll start by blocking out a full afternoon, and interview one after one, fifteen minutes each,” she says. “My assistant has hiring and recruiting privileges on oDesk, so I usually ask her to make the appointments for me. Then I’ll just knock them out, boom-boom-boom, one by one. From there, I can narrow it down to those who merit another interview...usually about four or five.”

Her initial interviews are done via Skype, but without the video function. “I have a lot of folks who have turned out to be really, really good employees, but they didn’t come across well on Skype...and I totally understand!” she says. “So



“Always look for people that can grow with your company.”

now I don’t do video at the beginning. I’ll just start with a casual conversation, and then we go into their portfolio. I tell them about the position, give a description of what we’re looking for, ask them about their last job—what they liked, what they didn’t like.” Once her top choices are in place, she’ll move on to a face-to-face video interview.

Professional Plus: Hire a project manager

Like any business owner, Marjorie occasionally has to hire outside her comfort zone. And she admits that finding and managing SEO specialists, website developers, and other freelancers with tech-centric skills can be a daunting task—which is why she has come to depend upon an online agency to project manage her site development and maintenance.

“I hire agencies that are very well-established,” says Marjorie, adding that she looks for those that have excellent feedback and have been working on oDesk for a significant amount of time. “They have project managers that are client-facing and know what clients are looking for. They understand the language the clients use, whereas with developers, if I work with them individually it could take a while just going back and forth. Developers are great at what they do—they just may not be the best in terms of managing their time and managing their client. Project managers know how to manage both.”

Even if you don’t go through an agency, Marjorie believes that “if you have the resources to hire a project manager who has the skill set you’re looking for, you should definitely take advantage of it. If you don’t, actually, I think you end up doubling the work. Sometimes my project manager manages me, which is great.

He's like 'Marjorie, I need this!' And the whole reason for hiring people is to free you up to do the things that business owners and entrepreneurs are supposed to do—run their business.”

At the end of the day, a project manager can take care of details and keep things on track, freeing you up to focus on the core functions of your business.

“A lot of business owners are just not that organized, whereas the project manager can create processes and quickly put those processes into place, ensuring delivery and client satisfaction.”

Virtual Management: Finding your balance

Marjorie has honed her management style over the years, adjusting to the unique needs of wrangling a virtual workforce. Part of her evolution has been to find a balance between a more hands-on style of oversight and still giving her team enough room to operate independently.

“I didn't used to be as assertive,” she says, “but now I've learned that it helps if we have regular meetings, so we usually get together over Skype at least once a week if not more. We work on Basecamp and have developed a workflow process, so that there are no questions about when something is due and what the expectations are. I try to give as much advance notice as possible to my team and not stress them out.”

But within this clearly delineated structure and communication plan, she's built in a culture of freedom, respect, and camaraderie.

“I do try to inculcate folks with this idea that we're a team. And it's in our meetings that we really create and get a sense of our culture...they tend to be 50% laughing and joking around and sharing stories, and 50% talking about business. And I try to be a boss that doesn't breathe down their neck all the time, and they appreciate that. I balance trusting that they know what they're doing with not letting them go too much off the rails.”

MARJORIE'S TOP TAKEAWAYS

- Attract excellent candidates with highly detailed job posts.
- Look for telltale details (Do they have a portfolio picture? Did they address you by name?) when narrowing down initial applications.
- Conduct rapid-fire interviews when narrowing down potential hires.
- A good project manager will free you up to focus on core business concerns.
- Build an assertive management style with regular meetings and crystal-clear processes.
- Create a team-centric environment built on professional trust and respect.



JAY SHAPIRO

The Digital Nomad

JAY SHAPIRO

Infinite Monkeys

Based in:
US

On oDesk since:
2011

Online workforce:
More than 140 since launch; usually 20-40 contractors at once

Skills hired:
bookkeepers, developers, designers, customer support, project management, advertising management, marketing and promotion, research, designers, transcriptionists, and data entry specialists

CORE INSIGHTS

- Project management
- Task-based staffing
- Cultivating culture

ONLINE MANAGEMENT TOOLS

- | | |
|-------------------|----------|
| • Evernote | • Zoho |
| • Google Docs | • 15Five |
| • Google Hangouts | • GitHub |

JAY'S STORY

Jay Shapiro had his head in the cloud.

A Canadian-born theatrical carpenter turned digital advertising guru, Jay sold off his award-winning, Singapore-based digital marketing agency, BLUE, in 2007. The move freed him up to launch a five-year trek around the world with his young family. Their chariot: a WiFi-equipped 33-foot carbon-neutral camper that quickly began to double as Jay's mobile office when the idea for a new startup began to unfold. At its core was a novel concept: "Never have any staff."

Would it be possible to build an entire company in the cloud? He was determined to find out. With an MBA in marketing as well as degrees in communications and computer science, Jay mapped out a plan to build his new company with an entirely remote, non-permanent staff, using oDesk as his cornerstone. He signed onto the platform in January 2011 and began doling out a series of small contracts to programmers and developers.

"With oDesk, my family and I can be anywhere in the world, and still hire and manage the best talent in the world. Rather than hiring the best people who coincidentally live within 30 miles of some arbitrary office, we go out and hire THE best people anywhere."



“The strength of oDesk is not that it saves you money but that it gets you better people...who coincidentally happen to cost less money.”

Ultimately, the former theatrical carpenter assembled the mass of work into Infinite Monkeys, a drag-and-drop mobile app platform that allows users to create their own free apps. Since launching in 2012, the company has hired more than 140 online contractors. While Jay generally works with 20 to 40 contractors at a time, he is currently engineering an expansion that could quadruple his workforce. Nearly all of the growth will be remote, with no plans to return to the old bricks-and-mortar style of work.

“With my former company, I had offices and leases and had to negotiate with governments to be licensed in their country. I was dealing more with bureaucracy than I was with the creative process,” he says. “With oDesk, I can hire people from anywhere—wherever I find the best talent. I don’t have to open offices. I just find talent and hire them. And I go back to the creative end of running my business.”

Project Management Secret: Contract it out

Jay and his Chief Technology Officer, David Hoare, are Infinite Monkeys’ only permanent full-time staff; they are backed, though, by a crack team of virtual project managers they have come to rely on to corral their globally distributed workforce.

“Most of our oDesk contractors at this point work with our company via a manager; that manager may be another oDesk contractor,” Jay explains. In total, Infinite Monkeys has about 10 project management contractors. Most started with the company on small contracts and graduated to more complex, management-oriented tasks.

Cultivating a team of reliable managers has enabled Jay to step away from what he calls “day-to-day hand-holding and operational issues” and focus instead on creative development and tasks he

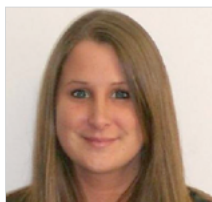
enjoys (those still include ferrying his family around the globe). His managers decide on the frequency and means with which they communicate with their teams. This often varies by field and may include basic tools, such as email or video chat, or more complex communication software.

When it comes to deciding who to hire into management roles, Jay lives by one philosophy: “Always be able to do every job in your company, but only hire people who can do it better than you.”

This is especially true when relying on managers to hire for jobs he does not have personal expertise in. “For example, I never talk to developers,” he says. “I have a computer science degree, but that was from a while ago. I can’t speak the language, but my CTO can,” he said, adding: “I rely on him to draft the position and to verify the quality.”



FREELANCER FOCUS: LISA RUFFINO



Lisa Ruffino, a Louisiana-based project manager, has worked with Jay for more than a year. She started out writing app reviews and quickly graduated to managing an entire team of reviewers. “I realized that she is actually a great team manager,” Jay said, adding that he was able to recognize Lisa’s talent and subsequently manage her promotions without ever physically meeting her in person or even talking on the phone.

“She started hiring the reviewers and managing the oDesk contracts for them and we just sort of extended from there,” he says, adding that Lisa now manages translators and voice-over people who are spread around the world, from Turkey to Saudi Arabia, China and India. “She has just grown and grown, and it’s fantastic.”

Hiring Strategy: Task-based contracts

Jay has come to view his current remote workforce differently than he viewed his nearly 200 employees at BLUE, the digital agency he previously helmed. As a result, his approach to hiring has evolved.

“In a regular office we hire heads and those heads will sit at desks 12 months of the year whether they are busy or not,” he says. “Now, rather than hiring a developer and keeping them for 18 months, we’ll break it up into individual tasks and hire the best person for that task. So they tend to be bite-sized jobs and an individual contractor may have five or 10 contracts with me, but we start a new contract based on the work available at that time.

“I have a designer, for example, in Bulgaria. When I have a job for her, I hire her, she does it, and then we finish it and close up that contract. A month later, if I have something else, I’ll hire her again and do a rehire rather than just sort of keeping the contract open.”

This approach is vastly easier on the bottom line, and enables Jay, who is always on the lookout for new prospects, to stay nimble.

“What oDesk allows you to do is not hire the best person for the role who coincidentally happens to live within 30 miles of your office. It allows you to hire the best person for the role,” he says, adding: “We are totally global. We have contractors literally on six continents...if there is a contractor in Antarctica, we’ll hire them.”

Jay has refined his hiring practices to remain receptive to this global stream of applications. While all applicants have to have 100 hours or more oDesk hours under their belts (he also stipulates that they have to have worked within the last two weeks, passed some qualification tests, and logged good reviews), few undergo verbal interviews. Instead, Jay gauges whether to hire someone via email chatting and test projects.

“In a lot of countries where we hire, English fluency is not necessarily someone’s best thing and there may be shyness issues,” he says. “A great developer but might not be comfortable getting on Skype and talking in an interview. I’ve found that it’s not really a good predictor of whether someone is going to wind up being a good resource or not.”

Remote Culture Building: A developing story

Despite the transient nature of his workforce, employee retention is increasingly important and has driven Jay to focus on creating a good company culture in a remote setting.

“While I think we have people who are dedicated to us and are happy to work for us and work hard, I would say there is no clear culture to the organization yet. And that is something we are going to have to develop,” he says.

“I think every one of our contractors who has worked with us for more than six months had received a raise. They have been proactive raises by us—not scheduled. It’s much better to give somebody a raise based on merit and accomplishment.”

To cultivate relationships, Jay encourages his staff to use, among other apps, 15Five.com, a space that acts like a virtual water cooler. Still, technology isn’t a complete replacement for one-on-one contact. “There are nuances in tone and benefits of being able to look somebody in the eye that are hard to replicate via IM chats and emails. The humor is obviously a big part of it...being an inspirational leader and motivating your team, that’s hard to do via IM and email,” he says.

To inspire loyalty, Jay does give regular raises and bonuses. And occasionally he goes well above and beyond. After learning that Lisa, his Louisiana-based project manager, was forced to stop working because she had been put on pregnancy-related bed rest, he stepped up and sent her a “maternity bonus” to make up the lost income, help with her hospital bills, and just say thank you. “We have no legal obligation to provide her maternity leave, but I felt like we had a moral or ethical one,” Jay acknowledges.

Another employee, a project manager based in the Philippines that Jay refers to as “my Swiss Army knife” because of her versatility, recently asked her boss to be in her wedding. While he’s not sure if he can attend, the spirit of the invitation means a lot. “It’s a great testament to the remote work relationships that can be built,” he says.

JAY'S TOP TAKEAWAYS

- Remote hiring opens up a global pool of talent that is deeper than your local resources.
- Hiring globally could save your bottom line: wages vary by field and country.
- Project managers are ideally suited to remote employment and can smooth the transition to an all- or semi-remote workplace.
- Hire for skills or tasks rather than for personality and portfolio.
- Test your recruits with a small but meaty piece of work.
- It pays to focus on culture-building and loyalty.



GOVIND DAVIS

The Virtual CEO

GOVIND DAVIS

Co-Founder and CEO of MCF Technology Solutions

Based in:

Cleveland, OH

On oDesk since:

2011

Online workforce:

26 (and growing quickly)

Skills hired:

project managers, software developers, technical writers, graphic designers, sales representatives, administrative assistants

CORE INSIGHTS

- Growing a virtual business
- Grooming freelance talent
- Creating a “watercooler” culture

ONLINE MANAGEMENT TOOLS

- Intuit QuickBase
- Microsoft SharePoint
- WebEx
- Microsoft Lync
- Intalio|Create
- Box

GOVIND'S STORY

Ever dream of holding your company meetings in Jamaica or Costa Rica? For entrepreneur Govind Davis, that dream is a reality.

The co-founder and CEO of MCF Technology Solutions—a specialized systems integrator that designs, develops, and implements cloud-based platform solutions—Govind has built an almost entirely virtual company. Aside from three local employees, his staff of approximately 60 people works remotely from around the world.

Like many oDesk clients, Govind started small and then realized the potential of online work. In 2011—four years after MCF Tech was founded—he was struggling to find graphic design talent to help with client deliverables.

He came across oDesk, and successfully found and hired some skilled graphic designers. Then another need popped up, this time for software developers. By then—and from then on—he knew where to look.

“With oDesk I have an army. We went from trying to figure out how to get stuff done to, ‘This is so much fun.’”

Organizational Structure: Follow the talent

Aside from being entirely virtual, MCF Tech has a unique organizational structure—or lack thereof.

Because the company is project-based, the management structure takes a backseat to focusing on flexible, client-centric teams that come together for each client project and then dissolve. As a result, the company's most important resource is its talent, and it operates accordingly.

The company recently appointed a Talent Manager, whose primary responsibility is “cultivating talent”; specifically, “making sure that we do a really great job of giving people an opportunity to succeed in our company,” Govind explains.

The Talent Manager is tasked with two important roles: helping to recruit the right people, and then

“We are growing so fast that we never want to be caught off guard, so we are constantly posting and recruiting and trying people because we want to be in a position where, if we need someone, we’ve already had them around for a while. It’s like continuous recruiting.”

ensuring that they have the tools and information access they need to be successful.

This investment in talent is also reflected in the company's hiring strategy. Instead of hiring for each individual role, project, or need, MCF Tech is continually recruiting and testing freelancers.

Building a Flexible Bench: Assessing and onboarding talent

This hiring strategy is certainly justified by the company's rapid growth, but it is also made possible by its streamlined recruiting and assessment process.

When interviewing a new freelancer, a pre-designed test is given based on that person's function. So when bringing on a web developer, for example, they pay the freelancer to do a 10-hour web development test project. From there, the freelancers who do well are given another small project, and as long as they continue to do good work, they keep getting larger and larger projects until they are “fully part of the culture.”

The ones who fail to meet expectations are let go, so the company keeps cultivating, training, and refining talent as it goes. And because Govind is continually building out the company's talent bench, they are able to identify and onboard only the best people, without being pressured by an immediate need.

“When you're growing fast, it's impossible to make perfect hiring decisions. So it's almost like an apprenticeship. Somebody will come in and we say ‘We're giving you a shot here. Show you can do great work and you'll end up in a higher level of the company, and we will take great care of you.’ Once they have proven themselves, we buy them equipment and let them work as many hours as they want.”



FAVORITE TIP: THE TRIANGLE OFFENSE

To keep work on track, Govind uses a “triangle offense” strategy, meaning that each project has three key roles, one of which must be filled by a senior, trusted team member. This allows new people an opportunity to grow, but if it doesn’t work out, a senior leader is there to help the team recover quickly.

Management Focus: Invest in company culture

Govind’s focus on training and testing talent has led to an advancement trajectory, as high-performing freelancers are given a timeline for becoming full employees. But that’s not the only signal to freelancers that they are a valued part of the MCF Tech team.

“We treat our freelancers like employees,” Govind says. “We give raises, we have conversations about their long-term role with us, they join our company meetings, they are part of the company reward programs. All of the cultural things we do as a company to make our employees feel valued, we also do for our freelancers.”

One culture-building program stands out: Every month, staff members nominate a colleague to receive an award. At the end of the month, nominations are presented and winners selected; the top winner gets a \$100 gift certificate, and the two runners-up get \$50 gift certificates. Each quarter, staff members decide on a bigger reward for unique criteria, such as whoever has racked up the most travel miles.

And it doesn’t stop there. Money saved by having less office overhead is used to hold company off-site meetings in vacation spots like Jamaica, Costa Rica, and Lake Winnepesaukee in New Hampshire. There the team plans for upcoming projects, strategizes about overall direction, and builds relationships face-to-face.

Govind has also invested in creating a virtual “watercooler environment.” This includes the aforementioned off-site meetings (which take place about twice a year), in addition to having remote oDesk team members come to work at the company office, all of which are based on the belief that “a cornerstone of making a virtual business work is to have some physical connection.”

Because in-person meetings are not always possible, MCF Tech has also perfected the art of virtual communication and team building. Govind holds all-hands meetings every week via GoToMeeting, where the entire company gathers to share business updates, company news, technological discoveries, noteworthy client deliverables, and personal news.

They are also in the process of implementing a weekly “watercooler hour” where everyone signs on to Lync—the video and instant messaging platform that MCF uses—and just chats informally. “Using these kinds of collaboration tools is an absolutely critical piece of making this work,” Govind says.

To pass on institutional knowledge, MCF Tech has weekly “Use Cases Sessions” on topics from the technical to the just plain cool. Team members tune in via WebEx, and the presentation videos are posted on the MCF YouTube channel. This creates a repository of video tutorials available to everyone and is particularly helpful for getting new team members up to speed.

GOVIND'S TOP TAKEAWAYS

- Don't limit your hiring to times of immediate need—continuously cultivate your talent pool based on recurring needs.
- Ramp up freelancers gradually—start with small test projects and increase responsibilities as they prove their worth.
- Embrace collaboration tools, and make sure they are used across the company to be most effective.
- Treat freelancers like employees; involve them in company meetings and programs, talk about their long-term career goals, and reward them for a job well done.
- Don't be afraid to try out newer team members on projects, but make sure you have trusted, established team members there with them to mitigate any problems.



MATTHEW OGSTON

The Serial Solopreneur

MATTHEW OGSTON

Co-founder, JobPage
Founder, MemeRiver and PageDo

Based in:

London, UK

On oDesk since:

2010

Online workforce:

varying numbers of contractors in Poland, England, and Scotland

Skills hired:

programmers, web developers, online marketers, copywriters

CORE INSIGHTS

- Hiring top talent
- Encouraging excellence
- Results-based relationships

ONLINE MANAGEMENT TOOLS

- Pivotal Tracker
- Skype
- Google Docs
- iPhone app

MATTHEW'S STORY

The U.K.-based entrepreneur describes himself as “a product manager, technical web manager and online marketing consultant, and problem solver.” After leaving his leadership position at one of Europe’s largest recruitment agency groups to pursue his entrepreneurial passions, Matthew quickly realized he needed a means of increasing his productivity to achieve startup success.

The golden tip came from a designer friend Matthew had approached to help develop the user interface for a new project. “He was working with a team of coders and developers using this platform called oDesk,” Matthew recounts, adding that his friend described his virtual team as an extension of himself.

“And he talked me through the process of how he uses oDesk on a daily basis to manage his team whilst still maintaining his day job as a successful UX designer.”

“It opened my eyes to the fact that there was a whole world of highly skilled people that could actually help out. All of a sudden it just offered up a new way of working. I could see that almost anything was possible.”

For Matthew, who was consulting by day and coding or building by night, his friend's tip was a boon. "I had left my job and had actually been coding everything myself. But there's only one of me," he says. "And it dawned on me that there was a whole world of other people that could actually help out. That there was a platform that not only made it easy to find these people, but to also manage their daily work priorities and tasks, and tightly control the quality of their output."

Matthew opened his oDesk account that evening and started hiring the same day. Favoring freelancers for programming and web development work, he began hiring to ensure work was being produced around the clock, even while he was asleep.

The strategy has paid off: he has since launched JobPage, a U.K.-based job site that has been shortlisted for the recruitment industry's Onrec Technical Innovation Award two years running. His other startup, PageDo, which lets users build and test landing pages of marketing and social media campaigns, has been shortlisted for a TechCrunch Europas award and was a mini Seedcamp London finalist.



*"Most people want to feel like they're creating something.
Give them some constraints and then ask them to fill in the blanks
and come back with their best solutions."*

Basics of Success: Quality freelancers and creative freedom

When it comes to finding the right freelancer, Matthew often works with an agency that can perform the talent search and provide him with qualified candidates. From there, he typically makes a bid for the top people in the category he is hiring for—even if that means spending more on a job. “Why would I want to work with people who are not in the top 10? I’d rather build a great product than cut corners on costs where quality of work is key.”

Working with higher-quality candidates enables him to hand over more creative freedom, a factor that drives productivity and original solutions all around. Matthew believes that “allowing somebody to put their own creativity in when they are building something actually creates a better product, because you’ve got two heads going into it rather than one person telling someone else exactly how it should be.”

This approach also lends itself to longer-term relationships with his freelancers—though it took some time for him to perfect his formula. “I didn’t get it right the first couple of times,” he recounts. “I was too prescriptive and it was a bit like a factory: I say this, you do that. Most people, particularly when they’re building something, like to feel like they’re creating something. I’ve learned it definitely helps with retention if you give the person you’re working with some creative freedom.”

For this approach to work, though, Matthew, who primarily hires programmers and web developers, has to have confidence in his hiring decisions. To ensure this, he is meticulous about using oDesk’s tools to check candidates’ work histories.

YOUR BEST VET: INDICATORS OF TOP-QUALITY FREELANCERS



Over time, Matthew has pinpointed a few key metrics to determine a freelancer’s work quality.

“The key thing is to check out their work history over the past six months and look at the number of jobs they’ve done. Then look at the cost of each of those jobs. If they’ve done six jobs at \$5,000 each and they got five stars from their client, that’s a really good indication that they can actually do really good work,” he says. Matthew also suggests searching for hidden comments within a freelancer’s client feedback. “Have they got any hidden comments? The hidden comments just raise eyebrows.”

Matthew also considers whether the candidate has completed jobs similar to the one they’re being evaluated for. He also likes to offer a one-week trial to determine quality and speed of work, and to see if they work well together before hiring full-time.

“When I start out, I do paid trials, where, say, I will assign a task I know will take someone experienced three days. I’ll be precise with what I want and give them a week to deliver. Then I can gauge and measure how well they did,” he says, adding: “As time goes by and I trust the people I work with even more, I actually give very loose briefs and allow them to put their expertise into the project.”

Virtual Pros: Working well in the remote mind-set

Despite the virtual nature of his workforce—since almost all communication takes place via Pivotal Tracker, email, or Skype chat, there are some freelancers whose voice he’s never heard—Matthew believes hiring online offers more transparency to the process compared to a traditional, offline setting.

“When you use oDesk, you actually get into who they are before you even exchange emails or Skype because you can actually see the history of that person’s work. You can see the ratings from different clients, you can see how good a job it was. If they have populated their profile fully, then you can link to the website they worked on.

“When you hire in a traditional office setting, an applicant will come in with a portfolio and you have to hire them based on what they say in that portfolio and CV and trust it. With oDesk, from the client perspective, you put the trust in the rating system you’ve got on the platform. You look at the work they have produced so far and that’s your metric.”

And this, Matthew claims, can be a more scientific process. “When you use oDesk, you’re

not hiring somebody necessarily to fit in with the culture of your company or the atmosphere of the office. With oDesk it’s purely about ‘I need something to be done and I need to know if that person can achieve that.’ That’s the key thing,” he says. “With oDesk what you actually see is who they are based on the work they’ve done.”

Once he is working with a freelancer, Matthew bases his working relationship strictly on results. It is the quality and accuracy of their work—not necessarily a personality or a shared company culture—that keeps them on his active roster of (mostly) programmers. Working remotely, he says, is “purely about ‘I need something to be done’ and I need to know if that person can achieve that.”

That said, Matthew’s biggest corporate cultural concern is to cultivate an environment of trust and flexibility.

“It’s really about transparency, trust, positivity, honesty, and actually working hard,” he explains. “When you have that as part of your culture, then you can count on that person to look after things for you.”

FAVORITE TOOL: PIVOTAL TRACKER

One of Matthew’s secret weapons is Pivotal Tracker, a collaborative project management tool. “I use it to manage all of my work,” he says. “It allows you to save exactly what you want—free flow notes, free flow upload, requirements, and PDFs.”



MATTHEW'S TOP TAKEAWAYS

- Giving your freelancers creative freedom can pay off with a better product.
- Look for candidates with a detailed job history, including work in the past six months, five-star feedback on high-level projects, and past success with projects similar to yours.
- Cultivate results-based work relationships and a culture of trust.