

India's Top Tier

Freelancers


What They Earn

July 2016


A report by **Flexing It™**


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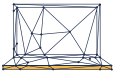
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Introduction

If you're a professional with a college degree, it's generally a given that your idea of a job, or career path, is markedly different to what your parents' was. In the global sharing economy today, Gen Y, Gen Z, and even veteran professionals are partnering with organisations to create new professional engagement models.

As the likes of Uber cranks its engines, the sharing economy brings freelancing to new shores. What was a stronghold of the technology and designer communities in the last decade, is now gaining acceptance among highly skilled business professionals and boutique services firms. This brings new opportunities for organizations and a unique way to tackle the pervasive talent shortage faced by corporates.

Tammy Erickson from London Business School observes that 'the re-gens do not recognise organisational boundaries and sharing is fundamental to the way they work.' Forward looking organisations and HR professionals are already tweaking their machinery and gearing up for a new breed of employees, that value flexibility and learning in their careers more than other factors including compensation growth.

In short, the where, how and for whom we work is changing fundamentally. But can independent working offer a real career? What does this new 'independent' professional earn? How does this 'flexible' professional fare when it comes to 'making a living'? While compensation benchmarks for full time jobs are easily available through platforms such as Glassdoor and Payscale, publicly available and reliable data on the compensation of independent consultants, and business freelancers is limited. Our report explores compensation trends for skilled professionals in India who have opted to work independently and take greater ownership to craft their careers and portfolio of work.

1.3 billion people will work virtually in the next few years—almost one in five people living today

The Third Wave of Virtual Work, Harvard Business Review, 2013

Within 10 years, we will see a global 2000 company with no full time employees outside of the C-suite

Accenture Liquid Workforce 2016 report

38% of businesses globally are struggling to find the right talent

Talent Shortage Survey, ManpowerGroup, 2015

34% (53 million) of the US workforce were freelancing during 2014-15

Mary Meeker's Internet Trends Report, 2015

Forbes forecasts this number to increase to 50% by 2020.



About the Report

Our research showed that 70% of independent professionals and freelancers relied on the client's budget to negotiate fees for assignments, and that 80% of companies did not have a structure to determine the fee levels for project based work. FeeBee, our community-driven smart fee benchmarking tool looks to address this white space by making available credible compensation benchmarks for independent consultants and business freelancers.

This report leverages FeeBee data collected over a period of 6 months from January 2016 to June 2016. We analysed data from 2,500 professionals from India that have worked on projects with varied organisations including MNCs, large Indian corporates, start-ups, not for profits, consulting firms and government run enterprises. Chart 1 and 2 show the breakup of our respondents based on their gender and work experience.

The experience range of our professional bench has been represented in four buckets-

- **Explorer** (work experience of 0-5 years)
- **Performer** (work experience of 5-10 years)
- **Leader** (work experience of 10-20 years)
- **Master** (work experience of 20 years and above).

Total respondents - 2,500

Chart 1 | Gender representation among professionals

Women Men

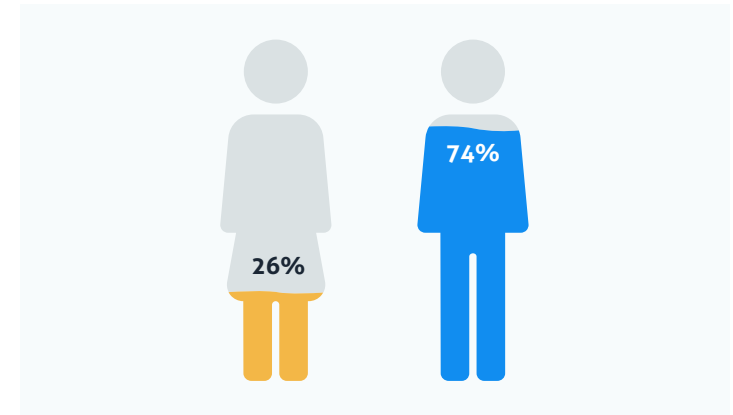
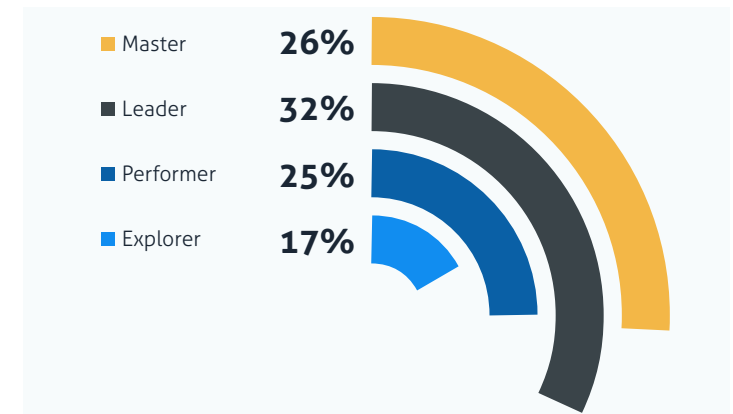


Chart 2 | Work experience of professionals





Key Findings

Independent consultants and business freelancers achieve the highest growth rate in compensation as they move from Explorer to Performer phase.

Although men and women command similar compensation levels till the Performer phase, women consultants in the Leader phase earn 30% less as compared to men in the same experience range.

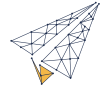
Representation of women professionals falls drastically in the Master phase to a meagre 10% of all consultants. However, they command 40% higher professional fees as compared to men.

As compared to short duration (less than 6 months) projects, longer commitment assignments (more than 6 months) command higher daily fee levels, irrespective of career stage.

For projects spanning over 6 months, organisations prefer to engage experienced professionals. Seasoned professionals however, seem to be equally comfortable with projects of all durations.

Strategy, Marketing, HR and IT are the top 4 'in demand' business management skills sought by companies on a 'plug & play' basis to get critical projects and priorities delivered.

Finance, General Management, Strategy, Human Resources and Sales are the most remunerative skills at the Master phase.



Gender matters & Experience pays

From our analysis, we find that compensation growth rate curve for professionals working independently and moving from Explorer to Performer phase is steepest. The growth rate in compensation then starts to flatten in the Leader and Master phase; the actual compensation however keeps on growing with experience.

In chart 3, the median pay for a skilled independent professional increases from INR 8,000 to INR 19,000 per day from Explorer to Performer phase, with a 143% growth rate. While the compensation rises to INR 33,000 and INR 46,000 per day in Leader and Master phase as the professional gains experience, the growth rate declines to 67 and 42 percent respectively.

The latest Monster Salary Index report 2016 finds that the gender pay gap in India is 25.4 percent. In our analysis of the compensation data by levels of experience, we found that the daily fee for men and women consultants in the Explorers phase is almost the same with women earning slightly higher than men. This indicates that they start off at similar levels.

However, a pay gap of 30% between men and women is observed as these professionals advance to Leader phase (10-20 years of experience) - the median fee for women is INR 25,000 per day as compared to INR 35,000 per day for men with similar experience. Interestingly our data reveals that the small proportion of women who continue to stay engaged in the workforce beyond 20 years command better compensation levels than their male counterparts.

Chart 3 | Median fees based on experience

■ Growth Rate

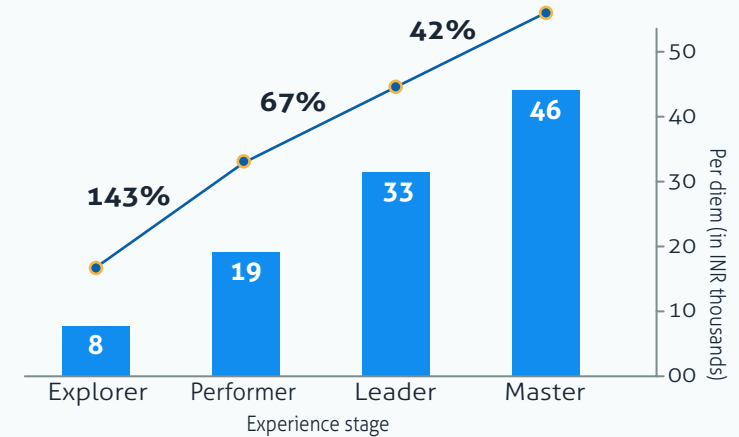
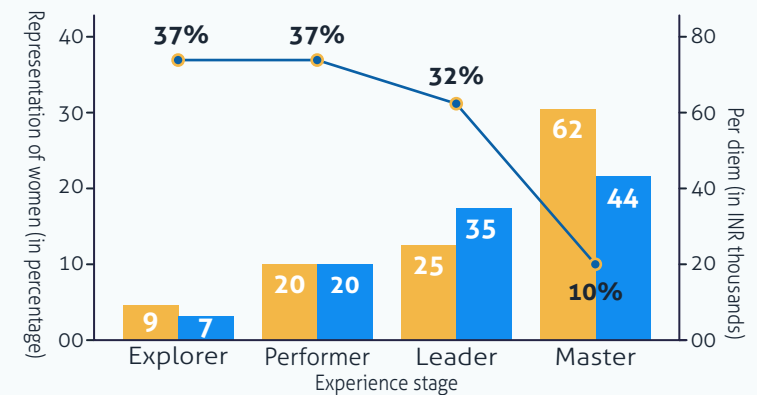


Chart 4 | Gender pay gap and representation of women

■ Women ■ Men ■ Representation of women



Women make up 37% of professionals in the the Explorer and Performer phases.

We see womens' representation drop to 32% in Leader phase and to an alarmingly low 10% in Master phase. This lower participation of more experienced women in the workforce is not limited to independent professionals, but is true across the full-time workforce as well.

In fact, according to the IndiaSpend 2016 analysis, participation by Indian women in the workforce is only 27%. This is a worrying sign and a potential loss of GDP.

Several organisations such as Hindustan Unilever, General Electric, Deloitte and TATA to name a few, have made gender diversity their agenda and are developing innovative initiatives to retain and bring women back to work through various programs.

However, much more needs to happen to reverse this trend and get more qualified women to stay in/return to the workforce. Freelancing and project-based consulting assignments offer a unique opportunity for women to balance work and personal commitments, stay productive and add to their portfolio of work.

We analysed the latest statistics on independent women professionals who have registered on Flexing It™ and found that *over 80% of these women have more than 10 years of experience.* These are professionals with expertise in solving key business problems (Chart 5). We enable them to find professional opportunities and work with flexibility with different engagement models such as diversity roles, consulting projects, opportunities with start-ups and remote roles.

Chart 5 | Top 5 skills of women professionals on Flexing It™





Duration of the project: Long term vs Short term

We observe that across all career phases and skills, the daily fee received during longer projects is considerably higher than for short-term projects. Despite this, a majority of the professionals choose short-term projects (72%). See chart 6.

We also noted that 73% of all longer projects were delivered by professionals with more than 10 years of experience. From this we infer that organisations prefer highly seasoned professionals for projects involving longer commitment periods.

Longer projects however, make up only 36 of the total assignments taken up by experienced professionals, indicating that professionals show no special proclivity towards duration of projects focusing more on content and learning.

Chart 6 | Median fees based on project duration

■ Project Duration ■ Proportion of projects undertaken

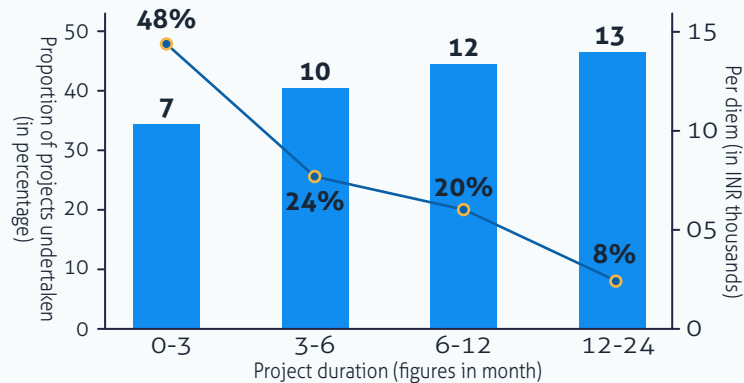


Chart 7 | Proportion of professionals (by experience) delivering short and long term projects

■ Work experience less than 10 years
■ Work experience more than 10 years

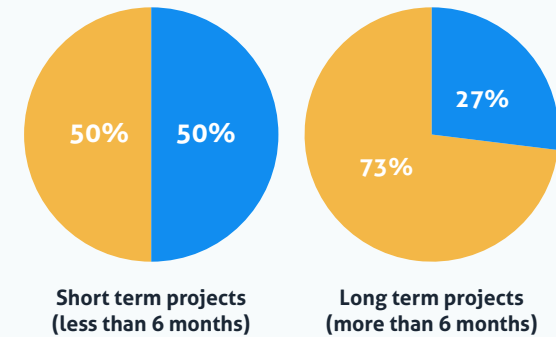
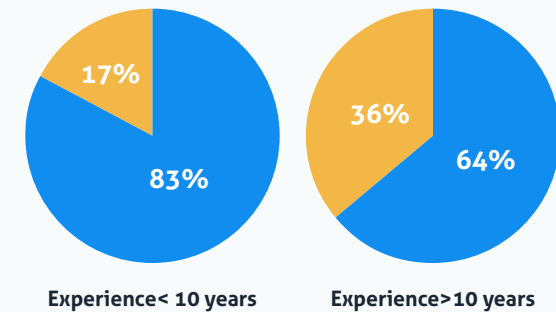


Chart 8 | Proportion of short/long term projects done by professionals at various experience levels

■ Short term projects (less than 6 months)
■ Long term projects (more than 6 months)





Most remunerative skills & industries

India's Top Tier Freelancers
- What They Earn

We compared earnings for business freelancers across skills and industries and present our findings for two parameters: the daily fee rate for Explorers, and the Growth Factor defined by the median rate for Masters, divided by median rate for Explorers.

Charts 9 & 10 show the Growth Rate of the five skills and industries with the highest growth factors respectively.

Chart 9 | Skills: Median fee per diem (in INR) and Growth Factor

■ Growth Factor ■ Fee in Explorer Phase

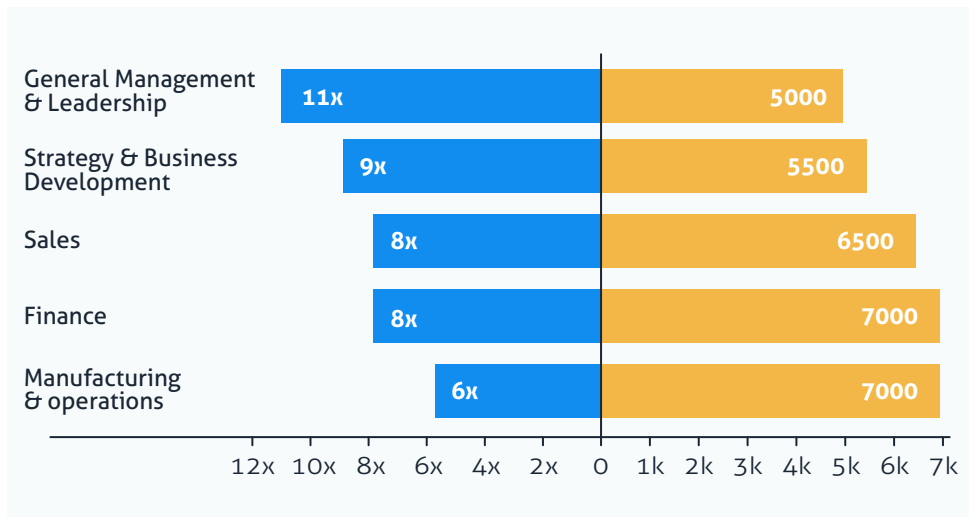


Chart 10 | Industries: Median fee per diem (in INR) and Growth Factor

■ Growth Factor ■ Fee in Explorer Phase

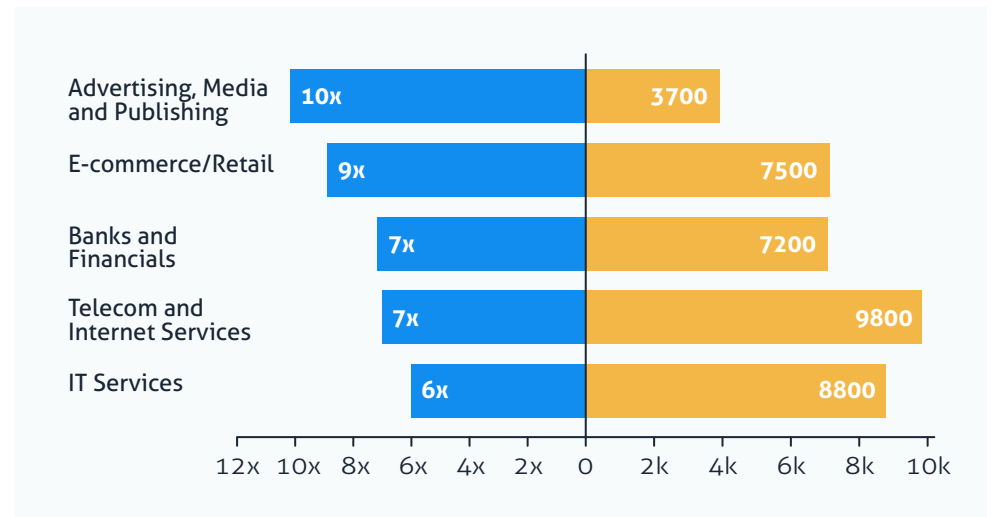
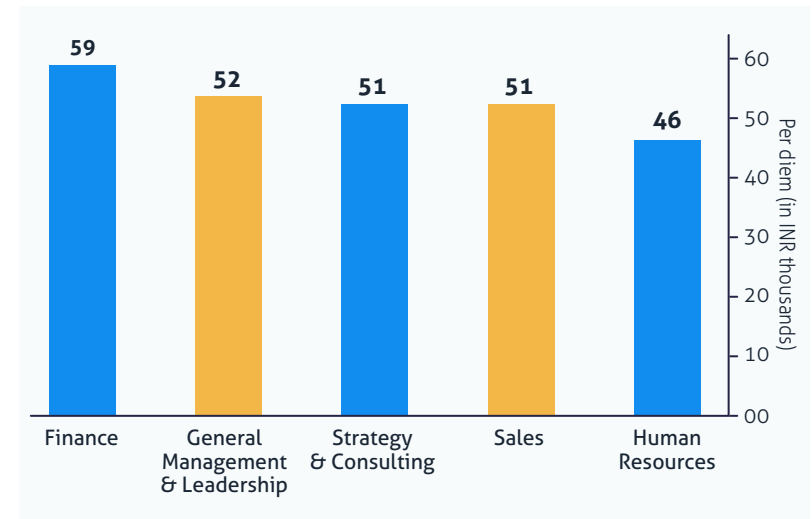


Chart 11 displays the five functional areas that achieve the highest professional fees at the Master phase.

We can see that Finance, General Management, Strategy & Consulting, Sales and Human Resources are skills that provide the highest compensation at the Master phase and also have the highest growth in fees from the Explorer to the Master phase.

In the following sections, we analyse compensation trends for Strategy & Consulting and Marketing.

Chart 11 | Median fees for highest paying skills in the Master phase





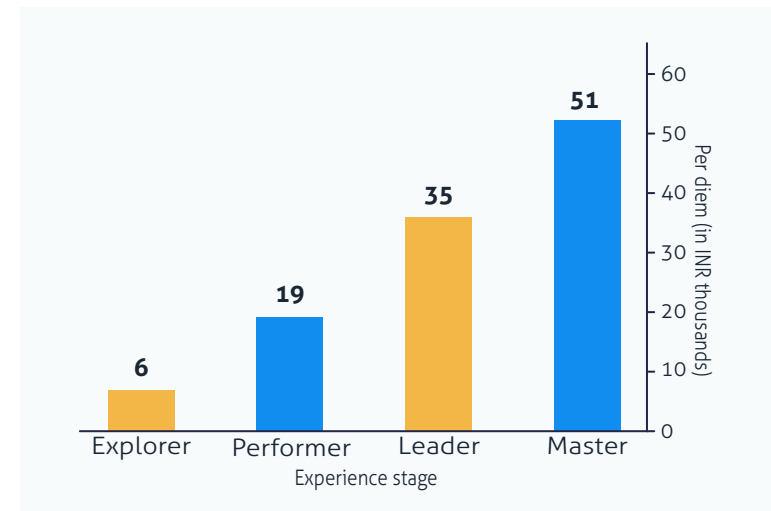
In Focus: Strategy & Consulting

The smarter way to operate for organisations going forward will be to source talent on demand. The benefits of getting readymade expertise on an as-needed basis to help expand business or add flexible resources cannot be ignored.

Organisations are discovering the abundant and wide-ranging benefits of engaging freelancers and independent professionals on a contractual or project basis. Not every project needs a full team of strategy consultants from a top-tier firm with a million dollar budget. There are often strategic initiatives, new product launches, project management requirements that could do with support from one or two seasoned consultants instead. Hiring these consultants can give the firms a natural advantage over competition. They can be brought on-board and made to understand the task quickly and can hit the ground running, thus allowing firms to grow and expand their business. *Experienced freelancers can be contracted to complement the existing workforce.*

The freelance and independent consulting model works extremely well for professionals experienced with this skill-set. The pace of work is fast and there is access to quality, high impact assignments. The payout for independent Strategy Consultants is competitive with the the daily compensation rate ranging from INR 6,000 to 51,000 as one gains more experience. Refer chart 12 to see how much a professional can charge based on their experience levels.

Chart 12 | Median fees for Strategy & Consulting professionals across experience



Charts 13 & 14 identify the top sub-skills that pay the most and the industries seeking the highest numbers of Strategy & Consulting professionals.

Chart 13 | Highest paying strategy & consulting sub-skills

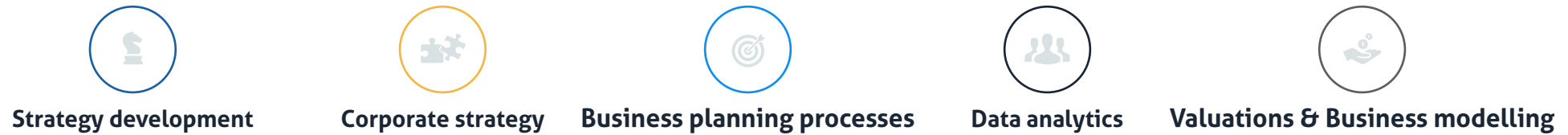
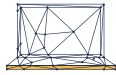


Chart 14 | Industries driving highest demand



This pattern is borne out by the projects posted on Flexing It™ and we mention some samples below:





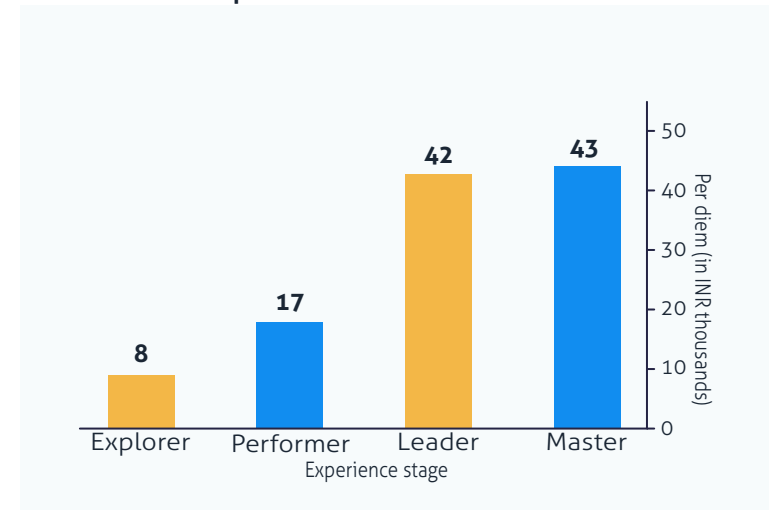
In Focus: Marketing

Marketing professionals play a key role for fast growing organisations and we see that opportunities for flexible, short-term assignments in the marketing and branding domain are on the rise.

This is a critical focus area for companies including a lot of high-growth start-ups and SMEs, and experienced marketing professionals can pitch in to add tremendous value in a time-bound manner i.e. short projects or on a part-time basis. They can start from defining the marketing strategy in line with the business priorities and customer insights, work with advertising and media agencies to efficiently craft brand campaigns, help devise a medium-term PR and external communications plan and execute parts of this. They can also be invaluable in establishing the customer engagement channels through social media platforms. Marketing is a domain specific exercise and organisations, stretched for time, can use the services of independent consultants to solve the pressing problems they face.

We note that expertise in this domain commands INR 21,000 per day and can vary from INR 8,000 to INR 43,000 per day based on a professional's level of experience. Chart 15 indicates how much marketing professionals working independently are charging as their daily fee.

Chart 15 | Median fees for Marketing professionals across experience



Charts 16 & 17 represent the top sub-skills that pay higher daily fees and the industries majorly engaging with freelancers.

Chart 16 | Highest paying marketing sub-skills

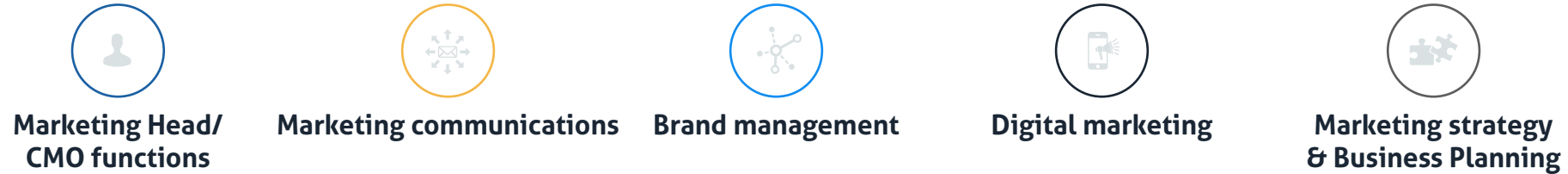


Chart 17 | Industries driving maximum demand



The largest number of professionals registered on Flexing It™ are from marketing domain and a sample of the marketing projects we have seen recently are outlined below-





Brave New World

Work, as we know it, is changing. The 9-to-5 is starting to be replaced by a new style of thinking from both organizations and companies. With the Internet connecting us and lowering transaction costs, key functions of businesses can easily be managed by external consultants and freelancers, leading to a more efficient organization and an optimized workforce. We are seeing shifts in the way companies and professionals think about and organize work that is leading to the creation of a new industry and ecosystem - one that revolves around an independent professional and the services needed to make them productive.

The future is already here - from global conglomerates to one-week old start-ups, the trend to this model is gaining traction across functions, industries and geographies

Symbiotic model - both organisations and professionals increasingly value learnings and skills, and each project executed builds on these, and increases the value organisations can get from experienced professionals

The salary is dead, Long live the new salary - Savvy independent professionals can outearn their peers engaged in full time jobs by taking up new, flexible work arrangements

Addressing gender parity - The new professional engagement models will lead to improvement in the gender gap in pay and enable women professionals with freedom in personal and professional commitments

Evolution of the Ecosystem - the friction in the system will go down with time, as organizations, regulations and infrastructure move towards supporting these models more

The new freelance economy has significant implication for professionals and on the manner in which they organize their careers. This is likewise true of the manner in which organizations, while needing skills and capabilities at a certain time and place, need to adapt to these changes and adopt new practices.



About us

Our FeeBee story

The beta version of FeeBee, our community-driven fee benchmarking tool was launched in January 2016 for business freelancers and independent consultants. The tool allows professionals to find out what their peers charged for similar projects in their area of specialisation, and companies can be guided on how much they should budget for any specific project.

The main aim of the product is to remove a key source of ambiguity from freelancing and working independently i.e., how to price one's time and services. The data collected through FeeBee is regularly updated to provide credible fee benchmarks and ranges to freelancers and companies both. It's been compared to Glassdoor.com for freelancers and is free of charge at the moment.

Flexing It™: Talent on demand, Work on your terms

Flexing It™ is India's first online marketplace for highly skilled and curated 'on-demand' workforce of independent consultants, experts and experienced freelancers. A technology driven start-up, Flexing It™ is utilising the power of technology to connect organisations with high caliber professionals beyond the traditional workforce planning models by giving them access to flexible, project based, part time, consulting assignments.

This global platform allows high calibre independent workers to discover work and projects of their interest and creates a marketplace for companies to source intelligent crowd-sourced talent. Started in end 2012, Flexing It™ is headquartered in New Delhi and has offices in Bangalore & Singapore.

For more information visit
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