# Why a freelance team is your secret weapon in the future of your business

*David Odier of LaunchMappers explains why deploying a team of freelancers can be a more effective way to keep your business functioning and growing than more traditional agencies or in-house alternatives.*

Temps de lecture : minute

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We consider a group of freelancers that work together for the same client to provide the same outcome as a freelance team. Freelancers decide to join forces as a team to work on bigger projects and serve their clients better. They usually work together under a flagship brand that makes it easier for them to be seen as a team.

A lot of teams start as duos that see obvious complementarity in their skills (eg. a website designer and a front-end developer, a UX researcher and a UX designer...) before increasing their team size based on their clients' requirements.

By nature, freelancers are independent small business owners who are managing their own P&L. For the majority of them, they have agency experience or in-house experience which makes it easier for them to understand their clients’ from a business perspective.

It is very striking with software engineers. In my experience working with freelancers for the past 5 years, I saw freelance software engineers that had nothing to envy to business consultants in terms of their business

understanding and capabilities.

At first sight, there isn't much difference between a freelance team and an agency. In fact, they both provide services - usually based on a daily rate - but they differ in their operations and their business models give companies the possibility to choose which approach suits them best.

In fact, according to a study conducted by The Creative Group, in 2019, freelancers amount for 23% of the overall workforce of any small and mid-cap agency.

If you've been working with an agency in the past few years, chances are that you've been working with freelancers without even knowing it.

## Current problems clients and agencies face when working together

By definition, an agency is structured like any other company with a leadership team, a big office to impress prospective clients and back-office staff (eg. finance director, internal HR).

In-house talent is paid with a salary but on projects, they are usually staffed under a daily rate while the company takes a high margin off them. These costs are at the client's expense and one shouldn't think that the daily rate displayed in the agency's proposal is what that person will get.

The most successful agencies have a wide range of in-house talent who do not always have a 100% staffing rate (ie. working on a client's project) which affects the agency profitability.

As a result, agencies are strongly biased to staff their team even if it doesn't always go in their clients' best interest.

There are countless examples of agencies offering Instagram marketing services for B2B companies and if you were wondering, no it’s not something that will make a difference for B2B businesses.

Another point lies in agencies’ business model: because of high fixed costs, they’re hoping for fixed revenues. The infamous retainers. Why are they infamous? Because you’re asking to be paid for work you haven’t done yet, and you’re asking to do so continuously.

On one side, it gives everyone a clear view on cash flows for the year to come but they are by definition highly inflexible. Companies commit to a 6 months workload as a minimum but in most cases, it’s very difficult to predict an actual workload for six months or more than early in the collaboration.

For startup businesses or companies that operate in a fast-paced environment, retainers are simply not tailored to them.

## From the talent perspective

Apparently, the average salary for agency talent is around £27K per annum. As a contrast, the average for freelance digital marketers is around £40K.

However, from the client’s perspective, if we were to convert rates into yearly salaries, the same talent will cost a client much more than £40K per annum mentioned above. This is one of the main reasons many agency talents decide to go freelance.

The most advanced company that provides on-demand teams of freelancers, coops.tech,  has even gone further. They are structured as a cooperative and each employee owns some of the company’s shares which makes everyone involved and accountable for the company

success.

## What makes freelance teams more desirable that agencies?

The first one is the absence of overheads, premium and staff costs that are added to each project. Second of all, most people that become freelancers do it only once they feel they can be considered as subject matter experts. Hence, a functioning freelance team is a team of subject matter experts.

A freelancer’s reputation is crucial to its long-term success and it is not rare that they refuse projects if they feel they’re not the best person to perform. Which is where team working comes in. As a freelancer, if you can redirect your client towards one of your fellow freelancers, you:

- Help the company do the project better
- Show your client you are not a “take all” service provider
- Allow other freelancers to make business
- Increase your chances that the client will ask more from you

When freelancers are working through a flagship company, they usually give back a commission to allow the company to find more leads and ultimately more projects for them.

So as a freelancer, you’re reinvesting your money directly into projects that will help you gain new business.

## Common traits of successful freelance teams

Their structure is often similar: a portion of their team is made of generalists and they are the ones who onboard new businesses. Just like doctors, they can issue a first diagnostic and redirect them towards the

right subject matter expert of their team which is the bigger proportion of their team.

This is the way we are structured at LaunchMappers but other freelance teams like Mozza - focused on end-to-end product design - operate in the same way.

Whenever there's a new inquiry, the company's need is carefully studied and from then, they are able to assign the project to the best people in their team to deliver. The word *team* can be misleading. In fact, for the bigger part, freelancers that work in teams have more "solo" business than teamwork. They keep their existing client portfolio but joining a team makes the work-life less stressful and nicer.

Loneliness is a common issue for freelancers and joining a team slack, doing weekly updates and catch up with fellow freelancers is something they value.

Another point is the freelancer's learning curve when joining a multi-skilled team: an interface designer has everything to win by working with a UX designer and both can learn from each other. Freelancers are learning freaks and there's no better type of learning than from 1-on-1 discussion with an expert.

# Conclusion

I believe that more and more freelancers are looking for an alternative path than pursuing a solo career. Working in teams solves that pain and it allows freelancers to take on bigger challenges. Obviously, it remains extremely difficult for freelance teams to chase Fortune 500 businesses but in time, I'm sure they'll become serious contenders for small and mid-cap agencies who are not innovating enough on their business model.

The current COVID-19 crisis is making leaders from all around the world review their updated version of capitalism. Just like in any other industry, service providers will have to keep innovating to remain competitive with the rise of new solutions available.

*David Odier is the founder of LaunchMappers, a growth marketing consultancy powered by freelancers. They help startups and SMBs in unlocking new revenue opportunities. He's been an advocate of freelancing for years and is passionate about the future of work.*

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