

EXECUTIVE SUMMARY

WEB PORTAL FOR CONTRACT JOBS

VERSION: 1

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Executive Summary

Portal for Contracting Jobs and Projects: Overview

This document proposes a Web Portal for the purpose of posting and hiring for B2C Contract jobs or projects to be made available to job seekers by organizations offering contracted work.

The Executive Summary presents rationale for the construction of a Web portal that will enable organizations to advertise and post Contract work requirements to the external job seeking public, evaluate contractor candidate profiles and initiate the hiring process. Job seekers can view and apply for contract jobs/projects and communicate with recruiters. Job posting companies will include end customers or agencies with contract work requirements. The platform will involve other intermediary agencies, or middle parties qualified to mediate and set up contractual work for the job seeker.

Discussion of the value and benefits from a dedicated “Contracting Job Portal” to meet business and work requirements is followed by competitive analysis. A high-level plan is presented whereby the site will provide the tools, services, and infrastructure to attract and recruit talented professionals on contract.

Need for Contracting Portals and Contract Recruitment

Contracting: - A way to raise macro-level labour productivity while keeping capital costs in check.

- Hiring people on contract presents a cost-effective strategy, especially effective during temporary slowdowns or in the opposite case, demand spikes.
- Contract jobs are considered bona fide “corporate” employment. These jobs/projects CAN and are recorded in a person’s resume whereas other types of non-permanent work may not even be “resume grade”!
- When faced with budget constraints, this is about getting maximum work done based on the “lean mean” approach.
- A viable approach for dealing with troubled times in industry.
- Contracting is a career-enhancing option for job seekers who are laid off or not in the permanent job pool for valid reasons.
- From the corporate standpoint, it is always better to re-hire people on contracts rather than totally laying off and rendering them jobless!

Industry Analysis

We consider the level of capability in two areas – first, where are the jobs and work requirements to enable external hiring by organizations currently being posted, and second, what are the resources available to contractors and organizations-- for contracting?

- Based on the Indo-US and India Inc job markets over the past two decades as our case study, we see the sites/portals offering work-- are predominantly of two categories i.e., Job sites and Freelancing. The many job sites that had sprung up about two decades ago, gradually consolidated into massive Job Portals that include all types of permanent or temporary jobs and cater to large populations. We also have job aggregators. Then there are jobsites that focus on a particular region, industry domain, etc.
- Currently most of these portals have postings for contracts too (though limited).
- In later years, freelance work sites and “gig” sites joined the race and gained a huge customer base. In addition to these portals, jobs posted on social platforms, career portals and professional networking sites have also gained popularity among job seekers.

TABLE 1 LEADING JOB AND CAREER PORTALS WITH JOB POSTINGS (INDIA) ¹²

Job Sites	Freelance sites	Job Aggregators	Career/Social Sites	Networking
Naukri	Upwork	Indeed	LinkedIn Jobs	
MonsterIndia	Freelancer	SimplyHired	Facebook	
Timesjobs	Flexjobs	Careerjet		
Shine	Peopleperhour	Mitula		

- In terms of contract management expertise, we see the level of knowledge is specialized. Contracting best practices and industry-specific contracting methods are widely practised and discussed. We have advanced contract management system (CMS) and these applications have been developed by major software vendors for managing every phase of the contract.
- Work modes that we refer to as “contracting” in this document are those commonly known as “contract staffing”, “temp” or “flexi time” jobs. We regard all the different types of contractual work modes across the ladder as “contracting”, from clerical to skill-based and extending to executive and management jobs, wherever it involves a contractual agreement.

¹ This is not a complete listing only some prominent examples of sites are shown per category.

² Most of these sites have an extensive global presence that includes India and other countries.

- We exclude freelancing jobs from our “contracting” classification as it already occupies a niche and freelancers today have standardized resources and supply chains to work with.
- Despite these advancements in industry, significant gaps can be observed when it comes to sourcing and hiring individuals on contract (B2C contracts) and this is especially true in the India job market. Contracts seem to form only a small percentage of hiring requirements.
- For general job seekers the available resources and facilities to search and apply for contracts are relatively few, fragmented and not easily accessible despite the fact there are so many contract staffing firms.
- Despite gaps in the supply chain, industry surveys indicate “contract staffing” in India is a profitable channel with high growth potential, which points to an area worth developing.

Facts & Figures

- "According to industry reports, the temporary workforce is likely to account for 10% of India’s formal sector employment. By 2025. Indian staffing market is set to become world’s largest" (Source: posting on quora)
- "The total number of formal jobs in the country now stands at 74.9 million and is projected to increase to 102 million by 2021. Formal jobs are those in which workers get access to benefits like provident fund and insurance" (economictimes.com)
- With convergence of multiple objectives of different stakeholders, Flexi-staffing will help India gain ability to harness its manpower optimally and this could become a win-win situation for all parties involved. (<https://www.zyoin.com/contract-staffing-india-changing-perception/>)

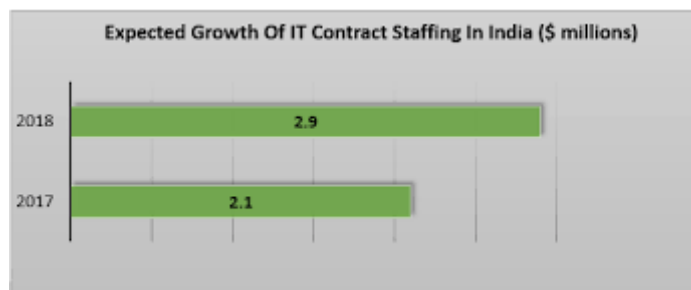


FIGURE 1 (SOURCE: [HTTP://ZYOIN.COM](http://zyoin.com))

- "The Indian Staffing Federation (ISF), an association for the recruitment sector, said that flexi-staffing grew at 16.3 per cent to reach 3.3 million in 2018, out of the total 463.4 million total workforce".

- "This industry is expected to grow at 22.7 per cent to reach 6.1 million strong workforce by 2021" (<https://www.thehindubusinessline.com>)
- The Indian flexi staffing market size is to be valued at USD 4.19 billion, according to data from the Indian Staffing Federation.(May 2018, <https://www2.staffingindustry.com/>)
- The staffing sector now over 1000 contract staffing firms, including the 15 leading firms that account for Rs 270 billion in revenues.
- Sometime in the middle of the past decade (2010-2019) a leading Indian Job portal had "a database of about 49.5 million registered job seekers", an "average of 15,000 resumes added daily", and an estimated "51000 corporate customers".
- When searched, the above portal showed a total jobs count of about 400,000 at one time. Of that, about 16,000 were contract openings. At another time, this site boasts of about 45000 "contract basis openings" i.e., the total number in their database at a given time.
- Another leading professional networking site which also provides job postings had about 10,000 contract jobs. (number of job users for this site from India about 65,090,000 in 2020). This site gets "100 million job applications" every month, "over 30 million companies"..."20 million open job listings", "100 million job applications" every month and these are totals across all geographies.
- From this data it can be seen that:-
 - In terms of numbers there is a large market of people for temporary or contract jobs. Staffing firms are present, and contract requirements are available in IT and several other industries. So, the structural eco-system for contractual jobs is fairly well established and growing. Yet the jobs portals have at best only about 10% job postings in each site showing jobs of contractual mode.
 - We may infer that the online contract hiring supply chain is not currently developed, standardized, or utilized enough. Specialized online portals for contracting work- are an obvious solution, but we find very few such portals (online search in 2020 reveals less than three (3) contract job portals in the India market)
- We may conclude that online portals for sourcing individual contractors from the external environment is an under-played space where an integrated "Contracting platform" solution can greatly formalize, standardize, and expedite the contract hiring process.

Contract Hiring as a Niche

Contracting versus Permanent Jobs and Freelancing

Now in this type of industry, we examine the benefits of a more focused strategy: - splitting contract work as distinct from other permanent jobs or freelance work and having a separate dedicated portal for posting contract work requirements to the general public.

Given the scale/ size of projects involved in the jobs and recruitment value chain, we estimate that Contract sites will occupy a niche somewhere between permanent jobs and freelance work. In this context, significant observations can be made on how different contracting is from other work modes such as permanent jobs, and freelancing.

➤ *Differences between Contracting and Freelancing:*

- As the average contract project is typically longer and more complex than a freelance gig and different in many ways from freelancing, it should be positioned separately. Contracting often involves working on-site (unless specified as remote-work or in other special cases).

➤ *Differences between Contract and Permanent jobs:*

- Contracting people for work at a given company involves an entirely separate process at least to start with—different types of contract paperwork, and different recruitment procedures. Specific HR policies and other hiring criteria are usually involved in scoping and fulfilling contract requirements and managing the contract lifecycle.

Should companies switch to Contracts instead of Permanent jobs?

Not completely, that is not recommended as such a move would obviously not appeal to all job seeking segments. Young people in their 20's, 30's or even older may prefer permanent jobs rather than contracts for the long-term stability, brand value and career growth that comes from working directly for a company.

And the online freelancing sites, having gained an incredibly talented and impressive fan base that can provide results quickly, is another niche that is sure to continue profitably in future.

- Even so, not all work modes make “corporate careers”- Contracting can and often does.
- Contracts usually involve the corporatized work force, working directly or indirectly through agencies. And allow people to fulfil work demands across the spectrum, that are challenging and a great value-add for companies.

Benefits of Contracting

Why should Companies augment their Contracting strength?

The view forwarded here is that a company should take steps to optimize its work force and adapt to changing times, by hiring more people on contract. Despite some limitations, it can be seen that benefits of contracting will far outweigh the costs. A contracting strategy can surely benefit the company for taking in talented and hard-working people. An organization should meticulously plan its contracting work requirements, then implement these plans through the HR department or an external Agency to source the right contractors. The benefits of contracting are enumerated below.

Benefit to Companies offering Contract jobs

- Major cost savings that allow them to continue hiring even in an economic slowdown and optimize the talent pool even in recessionary times.
- Ability to tap into diversified talent across a wider spectrum of the task force.
- Ability to maximize utilization of certain segments of the work force better suited to contracting than permanent roles.
- Can ramp up staff strength with minimal risk of redundancies and lay-offs.
- Special situations and demand spikes can be addressed through contract hiring.
- Contractors have been proven a globally competitive asset in situations where—innovative and off-beat contributions are required at short notice, performance levels need to be raised, or specialized skill sets are required- and to fulfil a host of other requirements.

Benefit to Job seekers taking up Contract jobs

- Certain job seeker segments may be ideally suited to contracts based on demographics and other factors --e.g., higher age groups. And there are skill types, personality types or people going through special life stages who can deliver far better value on contract.

Limitations & Overheads of Contracting

- Cost overheads are involved in contract management and setting up dedicated HR resources. And there is investment required for setting up quality control and other functions that govern contract agreements and policies.
- Among job seekers, the general view is that contractors miss out on the growth and stability that permanent employees enjoy. Not to mention the perks and long-term benefits.

Contracting Portal: The Value Proposition

Why is a dedicated Contracting Portal/ Platform - the Need of the Hour?

As noted earlier, the process of hiring, working, and managing work contracts is different from other work modes, high in complexity and involves organizational resources. But a dedicated contracting portal can bridge this gap for organizations and industry.

- Convenient and quick solution to fulfil contracted work requirements across all levels.
- Organizations can minimize their investment in setting up the contract hiring process.
- The portal serves as a hub, bringing together the primary stakeholders, intermediaries, and other groups to successfully initiate and conclude the hiring for contract work.
- Job portals today usually combine requirements for different work modes into a standard job description format. But this limited design does not allow specification of key contract agreement terms, or contract types. It does not provide enough information or resources to negotiate, initiate and manage contract hiring in a more efficient and focused way.
- Contract management is now a specialized area involving systems and process to manage the contract lifecycle (CLM). But not all companies have contract management.
- An organization that is used to contracting projects should have set up procedures that are fair and progressive for contractors while being cost-effective and efficient.
- Where a company is considering taking in contractors for the first time, a platform can definitely work to outsource contracting requirements and speed up hiring. In other words, organizations lacking prior experience taking in contractors can avail comprehensive contracting services through this platform.
- Even those that have an internal contract management system (CMS) in place, would benefit from an external portal that provides inputs to their own system for supplying contractors and participates in automating and tracking the initial stages of contract hiring.

Transition to Contracting: A Roadmap for Organizations

- The organization should conduct a needs assessment to accurately forecast and estimate their contracting requirements.
- For the given time frame, this will give an idea of which job requirements can be contracted, how the current employee force is positioned to meet these requirements, and what type of contractors can be added to bridge the gap.

Market Players

The Contracting portal must be designed to benefit a wide range of contract providers and job seekers in industry. As noted earlier, this platform would serve as a hub for all the stakeholder groups and individuals involved in contract hiring based on a B2C model.

Contract Job Providers

- Organizations that post vacancies (directly or through agencies) based on their contracting work requirements.

Contract Intermediaries

Middle-party agents- both firms and individuals can play a pivotal role in contracting.

- Contracting Agencies connect the client company to the job seeker. In a lot of cases this is the contract staffing firm that would link the end company and contractor.
- Agents would coordinate the contracting process (as required)-- initiating the selection process, locating contractors with skills and competencies to meet the work demands, facilitating discussions between job providers and seekers, performing quality assurance checks on the information being exchanged, and even coordinating agreement signing and payment transactions.
- Certain job postings may require the Agent to assist the end company by providing other high-end services along the contracting process, e.g., guaranteeing confidentiality to certain end clients, providing documents for contractual agreements and compliance, legal paperwork to enforce terms and conditions, and participating in negotiations.
- Agencies acting as contract mediators and coordinators may be arranged by the site i.e., the job provider can choose an agent from the site listing. Alternatively, a contractor can just nominate their own contracting agency.
- Consider an Agent for IT/ Software Consulting contractors -- this could be a company that locates consultation work for registered contract consultants as per their field, and coordinates contract agreements and payment.
- The agent will also help to eliminate redundancy -- one of the greatest drawbacks to jobsite registration, is entering exhaustive information as a job-seeking candidate, and then be "lost" in a big database if one never gets selected.

- Contracting agents will actively scout for the type of work that a contractor is looking for and locate opportunities for the contractor.

Other Contract Intermediaries

- Placement firms may register on the site and serve the same purpose as agencies.
- General recruiters may also act as contract intermediaries for a project.

Contract Job Seekers

- Individuals seeking contract jobs or projects.

Contract Service Providers

- Service providers may be required at various points in the contracting process.
- For example, Legal advisors, insurance providers, documentation, and other industry-specific experts.

Business Partnerships

- Technology companies that can provide the Tech, mobility, and communications infrastructure for setting up the online portal-based contract sourcing and hiring process may form partnerships with the portal to deliver value-adding products and services.
- Contract Management Software (CMS) vendors can participate in this business model. For example, after hiring a candidate through this portal, a small business or start-up may decide to manage and administer the contract lifecycle through a hosted solution provided by the CMS vendor.

FIGURE 2 CONTRACT PORTAL STAKEHOLDERS



Competitive Landscape

The current landscape for online recruitment is dominated by the mega jobsites, portals for freelancers, temp jobsites, professional/ social networking, and skill sites. And yet, we see that a *focused online Contracting platform with services* for individual contracting- this opportunity stands unexplored and still offers immense potential for business!

- While it is true that current job sites have impressive databases and are able to provide job requirements of all types- permanent, temp jobs and contracts, we can see the *contracting supply chain* is so distinctive and different from other job types, and also offers such a potential value add that a dedicated site should attract enough customers and provide a sustainable advantage.
- It should be noted that many companies have internal (intranet) sites and networks for the procurement of contractors, typically based on a B2B model.
- Contract Management Systems (CMS) that automate all stages of the contract lifecycle are also in use, and many of these cater to industry-specific requirements of each company.
- Even so, the space for a platform with services for individual B2C contract hiring in the external business environment remains unsaturated.

Marketing Strategy

Projected market size for this type of platform is large, and as outlined previously, many points of demand can be identified. Of course, the success of the venture hinges on how effectively the portal is marketed.

To attract customer groups, this portal should be advertised through the main channels for an online service (e.g., internet and banner ads, targeted marketing campaign lists, online and traditional media). Additionally, business partnerships will be sought with established major product and services.

Strategic incentives for drawing contract job providers and seekers to the site would include:

- Access to vacancies posted for Contract jobs or projects.
- Access to specialized contracting resources available through the site to job providers and seekers. For example, list of third-party Contracting agents, guidance, and assistance for preparing contract agreements, and tools for managing the contracting process.

- Wider professional exposure - *[choice-based and subject to privacy]* Contractors, Agencies, and service providers would have an additional channel to showcase their skills and area(s) of Specialization.
- Professional networking resources offered through the site.

System Design

- We can assume the site design for this portal will have some basic features similar to that of a regular job platform. Job seekers will have contract search facility, applications, candidate profile maintenance, and career services. Job providers, recruiters and placement firms can post contract requirements, search candidates, and communicate with candidates.
- The following advanced functionalities will differentiate this Contracting platform: -
 - Ability to specify the type and nature of the prospective Contract Agreement such as Fixed time, fixed cost, Retainer- based, Blanket agreement, and related attributes to describe a contract opportunity in detail. (E.g., is it remote-work or onsite?)
 - Ability to specify contract-specific terms and conditions that determine the contract lifecycle e.g., is this a Contract to Hire (C2H) requirement?
 - Where some agreement details are still to be decided, these points can be left open for discussion and negotiation over the platform.
 - Ability to specify the type of intermediary agency managing various phases of the contract life cycle. In some cases, there may be multiple Contracting firms, placement agencies, and/or independent recruitment professionals involved.
 - Ability to specify structural aspects concerning the primary and secondary stakeholders e.g., is this a direct contract or sub-contract? In direct contracts the contractor will directly work for the end company.
 - There can be complex sub-contracting structures involving for example- a recruitment firm, legal advisors, and two intermediate agencies through which the contractor executes the project work.
 - While it may not be possible to specify the full details when the contract opportunity is initially posted online, the portal can certainly accelerate and standardize the process of planning, negotiating, and closing the contract sourcing deal.

Technology & Infrastructure

The focus should be on providing cutting-edge technology and tools in these critical areas:-

- Advanced tools for resume/profile information uploading, processing and maintenance.
- Adding and maintaining comprehensive contract information.
- Convenient communication between prospective contract providers, agents, and seekers.
- Contract/ candidate search engines, and to enable quick and convenient applications.
- Site planning also calls for the integration of software to drive Intelligent search.
- Analytics for contractors to view their search activity, application status and other metrics.
- Analytics for contract providers- to assess and plan their goals, activity and status related to contract hiring.
- Artificial Intelligence and ML would definitely play an important role in empowering the above functions.

Operating Plan

- The project implementation for the portal development can be split into 6-month phases.
- Phase I will officially begin with the launch of the platform (i.e., complete construction and submission to search engines). Widespread marketing and advertising will be undertaken to build the customer base, and to implement changes based on customer feedback.
- The scope of this phase will be limited to candidate sourcing, selection and enabling support services toward hiring on contract.
- At the end of 6 months, the customer feedback, registration statistics, and total transaction value will be analyzed to ensure that minimum performance thresholds are met, which will allow continuation to Phase II.

Return on Investment (ROI)

The Contracting Portal strategy would offer a high return on investment if offering an optimal choice of contract-based design, services, and tools.

- If not “the first mover” a company that forays into this space can enjoy being “among the first movers” in this sparsely populated niche.

- Revenue will depend on what the contract job provider wants to pay for the posting and related services, what the job seeker will pay, and the commission fees from service providers and business partnerships if any.
- Suggested business model for the initial phase - Registration will be free for job seekers.
- Job providers will be charged for access rights to the contractor databases (prospective buyers will be charged monthly subscription for use of the database).
- They would also pay for various contract hiring services availed through the site (contract initiation, coordination, and management).
- Commission fee will be paid to the contracting agents for successfully closed deals.
- If the registered buyer selects contractor(s) from the portal and obtains Services, a commission will be charged on the transaction.

Execution

Execution Phase

Phase I activities will consist of the following milestones:

1. Official launch of fully constructed portal with registration functionality.
2. Marketing and advertising for building customer base.
3. Expanding the Database of clients and job seekers.
4. Web site technical maintenance and support
5. Quality Control and Customer Support Services.

Table 1. Estimated Phase I Development & Maintenance activities

Activity	Estimated Duration
Contracting Portal and App Construction	6 months
Marketing & Advertising	3 months
Site Maintenance with secure E-Commerce activation	3 months
TOTAL	12 months

Sales Forecast

- Based on the above plan, the goal is to build a database of at least 300 registered companies who are Contract Providers, 100 Contracting intermediaries and 30,000 registered Job seeking Contractors at the close of 6 months (Phase I).

Projections

Best Case:

Based on this fundamentally strong value proposition, it will be able to offer numerous resources to its members and to general visitors.

- Within the first six months of launch, this site will make an entry and establish itself as a distinctive presence in the Contracting jobs and services marketplace.
- Investment funding is sought as development and maintenance capital. Subject to the first phase performance and growth factors (measured by number of site hits, number of registered buyers and sellers, and number of service transactions) being positive and profitable, the plan is to grow and evolve as a Contracting jobs and services platform.

Worst Case:

Operated based on a robust and efficient plan the Contracting site will be beneficial to users even in its most rudimentary form.

- In the event the site does not attract the anticipated number of customers, the fundamentally strong value proposition will ensure its presence as a secondary or support service to other players in the job market.
- Technical infrastructure incorporated into the site should continue to attract revenue.