

Malt: the freelance platform riding the flexible wave

Malt - the digital freelancing marketplace - has already gained the trust of more than 450,000 freelancers and 50,000 clients. With the acquisition of Comatch in 2022, they became a leading European marketplace for both tech, digital and creative talents as well as independent management consultants, interim managers and industry experts.

Malt is a digital marketplace that connects businesses with freelancers, aiming to find the perfect match for every project. Their sizeable network allows them to service end-to-end business needs at scale. They help both parties manage their administrative, legal and payment processes in a safe and secure way, on their centralised platform

How has the freelance environment evolved since you began and where do you see it going?

[Charlie] I've spent well over 10 years working in the independent talent space in the UK. Now compared to then there is much greater acceptance of the use

of freelance talent amongst businesses. Indeed the size and growth of Malt's community reflects that, meaning it is now possible for us to offer integrated business capabilities at scale across Europe from technology through to execution. The growth of freelancing is a secular trend that is also noticeable in the general figures of freelancing. In October 2022, there were around 4.2 million self-employed workers, UK only. A figure that has grown steadily from just 3.2 million in December 2000. Another trend, which was in fact expedited by the pandemic, is that the new generation of workers are looking for flexibility and choice in what they do, meaning the freelancing trend is most definitely here to stay! However, restrictive legislation like IR35 can make the market seem unfavourable for some. So whilst clients and freelancers alike want to work together we are increasingly seeing UK clients look to freelancers who are based overseas who are not impacted by IR35 - a worrying trend with a negative impact on our local talent economy.

Tell me about the business – what it is, what it aims to achieve, who you work with, how you reach customers and so on?

[Charlie] Our purpose is to open the doors of companies of all sizes from SMEs to corporate enterprises to freelancers, in a direct and transparent way, avoiding layers of intermediaries. On the one hand, SMEs and startups can use our search engine to find freelancers autonomously, in a very similar way to Airbnb. On the other hand, FTSE 100 clients who require a more personalised approach have a dedicated account manager to find talents through our proprietary AI tool and our team of talent specialists.

In our community we see that 50% of our projects are conducted onsite, for durations of 3 to 6 months. This is only one reason why we also follow a local approach, connecting clients with freelancers in their very own region.

Tell us about the working culture at Malt

[Quentin] At Malt everyone is responsible for culture, no matter if they are working in a senior position or as an intern. We have four cultural pillars that translate into observable behaviours: Starting with "It takes a community", which refers to the way we look out for each other as we believe sharing is the best way of showing we care. Whether it's knowledge, networks or even a good meal. Secondly "Ambition is the Way" because it's our desire to have a big, positive impact on the world of work. Another pillar is "Own your choices",

which means everyone is free to act with autonomy, take smart risks and work their way. This makes us as a company stronger than the sum of the individual people. Last, but not least we believe that “Joy is our secret sauce”. We want to add a little bit of cheer in everything we do. Success comes more easily to those with an optimistic, can-do attitude

All of these pillars are not set in stone. As we are growing, we occasionally tweak them on employee’s feedback, which doesn’t mean that the culture itself changes. We only make sure that we stay true to ourselves and the course we have set.

You are actively expanding into new territories and markets, can you tell our readers how you planned for this – how many people, runway etc?

[Quentin] Dedicated teams are working across eleven regions and countries, including France, Spain, Germany, Belgium, Netherlands, the Nordics, Middle East and last but not least the UK.

The Strategy and Corporate Development team is in charge of prioritising new markets based on market size, product readiness, legal environment, investments required, competition etc. We are aiming for 1 billion euros business volume by 2024, and as we are closely monitoring our profitability, we don’t want to launch new countries too rapidly.

At Malt, we start by building our network of freelancers with our community team. Afterwards we hire a sales team and launch B2B marketing campaigns to attract customers. A market is usually profitable after 3-4 years, but we have been much faster recently in Belgium and the Netherlands.

One key element of our expansion methodology is to start with “country launchers” instead of waiting for the recruitment of a country manager. We also believe a lot in cross country mobility: you bring “know-how” to a local market as well as culture champions.

Can you share some of the challenges you have encountered? Both general

factors and those specific to the freelance working environment

[Charlie] The UK market is mature and highly competitive, although educating clients about the model and maintaining and raising brand awareness remains a key focus topic for us. Then there is the challenge of implementing hybrid working effectively which does not only apply to blended teams of freelancers and permanent employees.

We found the application process to obtain a visa licence so that we could sponsor employees from Europe to come to London very protracted, largely due to antiquated ways for obtaining key information. Post Brexit, a shame indeed that it is so difficult for talent to be mobile across Europe. The legal environment in the UK also comes with its own specificities. So navigating that has been a fun but essential part of providing insurance protection as part of our offering. Aside from that we help to solve our clients business challenges and find our freelancers great work.

What differences have you seen between Freelancing in France and in the UK?

[Quentin] For a similar population the UK has almost 2.5x the number of freelancers compared to France, so the market is much more mature !

But France is catching up and is the fastest growing market in Europe due to a combination of factors (simplification of admin with the auto entrepreneur status, lower starting maturity, favourable economic environment). When we started in France 8 years ago we had to explain to companies that freelancers were experts in their field, that they were engaged and could work on long term assignments, now they see Malt as an alternative to the largest IT consulting companies like Atos or CapGemini.

We don't need to educate the UK market in the same way, so we expect a faster growth. However, the environment is very competitive. There are more than 18,000 thousand recruitment agencies in the UK providing both permanent hires and freelancers.

Are freelancers the future for businesses?

[Charlie] I think the future is most definitely freelance! The operating market is evolving rapidly: digital transformation, war for talent, and low predictability for organisations due to more than two years of permanent crisis. These challenges can only be addressed by resilient, highly skilled teams.

HR managers are becoming increasingly aware of the advantages of flexible working and hiring talent as and when they need it, enabling them to bring in workers with specific skills and reducing headcount. That ultimately makes their company more agile and successful.

The set-up also taps in well to other trends such as digital transformation where the best solution will be focused on assembling holistic talent, where brand names potentially play less of a role. Focusing on trust and how well you know your resources. Delivery and its outputs will be key for success and survival at the company level.

Still we don't believe that everyone will move to freelancing as you need to have an entrepreneurial grasp and a diverse skill-set. You need to be a data scientist, a sales person, an accountant and a marketer. On top of that there is always a certain degree of financial uncertainty : monthly paychecks on the 27th are replaced by late payments and sometimes even clients who don't pay at all. On a side note, this is where Malt can help (escrow account and advance payment options)

What one piece of advice would you give other founders or future founders?

[Quentin] I think I would give the same advice to founders as to our managers. We have defined some leadership principles I really believe in for example that "failure is success in progress". A bad decision taken quickly is better than no decision at all. Try things, measure, adapt, improve... Or stop! Everyone wants to try things. That's not the hardest part. The trick is for managers to allow for failures, and even to encourage them. "well done, it did not work but you tried a new approach". Apart from that it's important to "always start with the who". You need to recruit great talents, people who are better than yourself. There is no one "too senior" for a position. You are not recruiting for today, but for tomorrow, when your company will be 2-3x bigger. This is why you will need experienced and versatile people. The last advice is something Christoph Hardt, founder of Comatch (the company we acquired last year) said at our last

offsite : “*don’t take yourself too f*#%@g seriously*” or to put it another way : have fun, be humble.

Charlie Gregson is the UK Country Head and Quentin Debavelaere is COO of Malt.

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