Address Critical Skill Gaps With On-Demand Knowledge
Find The Right Talent To Deliver On Key Business Initiatives
Firms Must Find The Right Skills To Drive Business Results

Organizations need to find and retain the right experts — those whose skills will allow them to thrive in a changing business environment. In this Forrester survey commissioned by Catalant, 88% agree that specialized talent is essential to the long-term viability of their organization. Moreover, 66% agree that the primary barrier to their long-term success is having the right talent.

However, these high-demand skills are often not easy to come by, and firms struggle to fill their needs internally. The solution may exist outside of traditional staffing models, where skilled experts can work independently. On-demand work — the “gig economy” — has begun to disrupt traditional staffing strategies and has the power to transform whole industries. To find expertise essential to their success, organizations need to think holistically about finding talent.

In April 2017, Catalant commissioned Forrester to conduct a study of 113 strategy, operations, marketing, and sales professionals who are seeking to augment their department’s ability to execute key business initiatives with additional personnel.

Skilled experts who seek work as part of the gig economy, rather than as traditional employees, are also known as on-demand knowledge workers.
Companies Struggle To Find Critical Talent Internally

Finding the right talent to succeed in today's marketplace is paramount, but essential skills are in high demand — making them difficult and expensive to find and retain.

Even though almost all firms try to find these critical capabilities internally, when asked about their ability to execute on key business initiatives:

- 55% say that they don’t have the right talent in their internal workforce to get the job done.

When relying on traditional staffing methods, firms come up short on key skills — not due to insufficient in-house recruitment resources (only 22% report this challenge), but rather because the market for these skills is highly competitive and costly, leaving a skill gap at many firms.

48% see competition for specific skill sets as the top challenge in attracting and retaining talent for key business initiatives.
Firms Use A Patchwork Of Staffing Methods To Fill Crucial Talent Gaps

The majority of the firms we surveyed face critical talent gaps that they are unable to fill internally. To address this challenge, hiring decision-makers look to a variety of external sources to find what’s missing. To meet their capability requirements, companies use some combination of independent subject-matter experts, boutique consulting firms, large consultancy firms, and outsourcing/offshoring companies (see figure right).

THIRD-PARTY RESOURCE STRATEGY

These external parties vary greatly in working style, price, availability, and value. Firms must understand the differences between potential partners in order to select the best one for the job and leverage its capabilities most effectively.

At least half of the expertise used to size new markets and identify potential process improvements comes from external knowledge workers.
More Than One In Three Firms Use On-Demand Workers — And Are Satisfied When They Do

Of all the external methods companies are using to bridge gaps in their capabilities, independent subject-matter experts — otherwise known as on-demand knowledge workers — are used the least today:

- 35% of companies overall are using on-demand knowledge workers to support key business initiatives, although firms with 5,000 or more employees are more likely to go on-demand than smaller midsize firms.

Although a sizeable portion of the market uses on-demand workers, the vast majority of firms have yet to take advantage.

SATISFACTION WITH ON-DEMAND WORKERS IS HIGH

Adoption of the on-demand workforce may be moderate, but 78% of those using on-demand workers are satisfied with the talent they’ve recruited.

Firms utilizing on-demand workers to staff key business initiatives report high levels of satisfaction.

Base: 40 US-based hiring and strategy decision-makers at firms with 1,000 or more employees who currently use on-demand knowledge workers
Source: A commissioned study conducted by Forrester Consulting on behalf of Catalant, May 2017
Navigating The On-Demand Workforce Proves Difficult Today

If more than 75% of organizations using on-demand knowledge workers are satisfied with them, why is adoption low? One possible explanation is that it’s still difficult for firms to find the right knowledge workers at the right price. Of firms using on-demand workers:

› 50% face challenges in finding the right person or skill set for the job.
› 45% find that the cost is high.
› 40% face challenges with workers’ lack of company-specific knowledge.

It is likely that these challenges are hindering the broader use of on-demand knowledge workers.

Firms report challenges in finding the right fit for a good price when considering the on-demand worker option.
Address Critical Skill Gaps With On-Demand Knowledge

On-Demand Workers Can Inject Fresh Thinking, Allowing Firms To Adapt And Innovate

Firms use on-demand knowledge workers to fill high-demand skill gaps, making them valuable partners to any organization. But the on-demand worker model provides additional benefits: Firms agree that on-demand workers are likely to bring fresh thinking, more flexibility, and a quicker pace of innovation to both individual projects and the overall business.

The benefits of agility and innovation are essential to future business success, helping firms serve customers faster and more seamlessly.

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<tr>
<th>What <em>project-specific</em> benefits does or would your company gain by filling capability gaps with on-demand knowledge workers?</th>
<th>What key <em>business</em> benefits does or would your company gain by filling capability gaps with on-demand knowledge workers?</th>
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<tr>
<td>Fresh thinking</td>
<td>Fresh thinking</td>
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<td>Flexibility</td>
<td>Faster innovation</td>
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<td>Faster innovation</td>
<td>Faster delivery</td>
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<td>Objectivity without the influence of organizational politics</td>
<td>The ability to expand into new markets</td>
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<td>The ability to respond to changing priorities</td>
<td>The ability to adapt to market changes</td>
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60% 39%
45% 33%
30% 32%
29% 21%
29% 21%

Base: 113 US-based hiring and strategy decision-makers at firms with 1,000 or more employees
Source: A commissioned study conducted by Forrester Consulting on behalf of Catalant, May 2017
To Embrace On-Demand Workers, Firms Seek Transparency On Capability And Price

To take advantage of the many benefits that on-demand workers can provide, firms must be sure that they are getting the right skills — and, importantly, the right fit for their organization — at a competitive price. To use on-demand knowledge workers successfully, firms must be sure that they completely and accurately understand:

› The quality of potential workers’ previous work
› The overall price
› How similar functions have used on-demand work (via case studies)

Hiring decision-makers who use platforms or partners that add clarity to the recruitment of on-demand knowledge workers will have more certainty up front of the caliber of work — and potential benefits to the business — that they will receive.

Which of the following does your organization wish it had more of when deciding whether to hire on-demand knowledge workers?

- The ability to measure the quality of their previous work: 50%
- Case studies of how similar functions have used on-demand work: 32%
- References for independent professionals: 32%
- The relative total cost of on-demand versus the alternatives: 31%
- Transparent pricing: 31%

Base: 113 US-based hiring and strategy decision-makers at firms with 1,000 or more employees
Source: A commissioned study conducted by Forrester Consulting on behalf of Catalant, May 2017
Use The Methods Of The Future To Find The Skills Of The Future

As customer needs rapidly evolve, the needs of business are evolving in tandem. Companies seeking to serve the ever-increasing expectations of customers must be able to attract and retain workers with the right skills to keep them competitive. Meanwhile, workers themselves may find that they are more empowered than ever and opt to remain independent as part of the gig economy. To stay ahead of the curve, the study shows that:

» Firms recognize the gap they have between the skills they have internally and what may live outside the organization.

» Firms attempt to fill the gap with a patchwork of external staffing methods, but are discovering that the right skills are still hard to find at a price that works for their business.

» Some hiring decision-makers are taking advantage of the growing on-demand workforce. Those who use the on-demand option report high rates of satisfaction, but are held back by availability and cost.

» Companies agree that on-demand workers could unlock both project-specific and greater business benefits. They’re seeking more information and greater transparency in order to make the right hiring decisions for their business.