

Making a labor market in response to COVID-19

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**Fair Trade
Outsourcing™**

It's happened to every manager at some point in their career: a change in the market or world has driven demand for a certain type of work that you do to levels you hadn't planned for.

But when a crisis like COVID-19 forces such a radical change in human behavior so quickly, and you're on the receiving end of a gush of work, how do you respond.

FTO was faced with this in the close of March and first half of April. Our largest client was unable to handle the demand for educational support service - amid a global close in learning institutions of all types, who were now trying to figure out how to finish out their school terms with everyone at home.

Knowing that they couldn't ramp up staff fast enough to meet the demand for live one-on-one sessions, they began to offer all of the new customers that service prior to COVID few wanted. The client's system would record each session with the student, and it would be reviewed later to see if there was anything that could damage the integrity of each session.

The client opened up this new service and the response was overwhelming. Previously, demand for the service was only about 1,000 sessions per day. Within two weeks after COVID, demand was at 10,000 per day, a logarithmic increase. Two weeks after that 20,000 new sessions per day were coming into the system. The client thinks that demand will peak somewhere between 30,000 and 40,000 per day.

Traditional outsourcing systems can add people rapidly - as long as you measure rapidly in weeks. Now, the client needed to do what it normally did in weeks in a matter of days. They turned to FTO for help when the backlog of work first crested over 20,000 sessions.

Given the circumstances, FTO realized that a traditional employee/employer relationship just took too long to get started. Plus, none of the people it needed to complete reviews could get into its offices to do the work.

Using the twin concepts of Fair Trade with workers and the power of economics, FTO decided to make a market for the labor service the client needed to review all of those student sessions. FTO designed an economic arrangement with individuals working from home in the Philippines, and paid them as it got paid, on a per piece basis.

Using some quick calculations, knowing that the Fair Trade service employment principles it adheres to wouldn't work in a per-piece, at-home setting, FTO rethought the economic arrangement so it could be fair. FTO decided to pay the Agents completing the work 2x what they would normally receive as an employee, in fair compensation for not having any of the security and sustainability in being an employee of the firm. Agents could come and go as they pleased, doing work when it was convenient for them.

The offer launched on March 23rd, when there were now 40,000 sessions in the backlog. This turned out to be a very lucrative offer, and within 48 hours of launching its offer in the marketplace, just from posting ads on its Facebook page, it was crushed with more than 250 applicants for 100 positions.

Getting the offer right was only half the battle, as it turned out. The key part was taking the training program - which was a two-week monolith and worked to strip out all of the non-essential items, focusing only on the review task. This got training down to 2 days.

The first training classes were launched 48 hours after the ad went up, and within 2 more days, the first Agents were reviewing live sessions. It was 5 days from launch of offer to first reviewers in production. At this point, the backlog was at more than 50,000 sessions to be reviewed.

That was March 30th. 600 reviews were done that day. Within 2 days, production doubled. 2 days after that it doubled again.

By April 22nd, the backlog crested at over 80,000 sessions. On April 25th, the review workforce hit more than 10,000 sessions a day for the first time, and the backlog went down for the first time since the pandemic started.

The team is now regularly doing 10,000 sessions per day. An increase in per-piece rates was introduced over the weekends to get caught up, and training classes have been every other day since the start. There are now 150 reviewers working, with plans to add more. As more people are added to the system, FTO plans to get to 20,000 sessions per day.

The backlog is now coming down every day, and the client can go forward with the confidence to fulfill any orders that come its way.