

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

[See a sample reprint in PDF format.](#)

[Order a reprint of this article now](#)

THE WALL STREET JOURNAL.

WSJ.com

OCTOBER 13, 2008

Help Wanted -- and Found

New online marketplaces make it easier for small businesses to find the free-lance technology assistance they need

By [RAYMUND FLANDEZ](#)

Small-business owners are increasingly finding help for their high-tech needs in online markets where free-lance tech specialists compete to provide their services.

While hundreds of thousands of providers are sometimes listed, these online markets aren't just bulletin boards of people looking for work. In addition to rich details about workers' histories and qualifications, some of the sites feature tools that let the businesses monitor the work they're paying for.

Some sites also handle the payroll for the businesses and offer arbitration services in the event of disputes. Web developers, software coders and other IT specialists who live overseas can be available to bid on projects at a moment's notice and often charge much less for their services than local workers do.

There are close to 100 such marketplaces for work outsourcing, says Alok Aggarwal, co-founder and chairman of [Evalueserve.com](#), a market-research and analytics firm in Saratoga, Calif. Among the better-known sites: [Elance.com](#), [RentACoder.com](#), [oDesk.com](#), [Guru.com](#), [GetAFreelancer.com](#) and [Sologig.com](#). Mr. Aggarwal says this market is expected to grow 20% to \$300 million in sales this year, with transactions between employers and the free-lancers totaling about \$1.8 billion.

Reliability isn't guaranteed. Small businesses using these sites have to guard against communication breakdowns, project delays and poorly executed work. Many of the sites try to minimize risk by featuring extensive rating systems, résumés and work-project dossiers on the free-lancers. Some also offer their business customers the use of escrow accounts, where money to be paid to the workers is held until the project is completed to the company's satisfaction.

What follows is a description of some of these services and the experiences of customers who have used them.

Elance.com

[Elance.com](#) is a popular marketplace for all kinds of free-lance work, but particularly tech help. The site helps companies find specialists in such areas as information technology, software issues, online marketing and Web design.

President and Chief Executive Fabio Rosati says the site offers access to about 120,000 free-lance specialists around the world.

Companies that are new to the site fill out a simple application and provide a verifiable method of payment. Then they post a request for proposal, including specifics about the project for which workers are being hired and deadlines.

Workers searching the site for potential jobs read through the requests for proposals, deciding whether to make bids. Interviews are then conducted using instant messaging, video or phone. When both parties agree to a price and deadline for the project, a contract is signed. The site uses an escrow-account payment method.

Danielle Godefroy, principal and co-founder of Lingolook Publishing LLC of Princeton, N.J., wanted to hire a software developer to make language-pronunciation flashcards for travelers to use on their iPhones. Six months ago, she looked on Elance.com for an iPhone application developer and found prospects in India and in the U.S. In the end, she went with a developer based in Colorado, whom she paid about \$5,000.

Now she has a product sold through [Apple Inc.](#)'s App Store on iTunes that competes with applications from much bigger companies, like the Australian travel-guide company Lonely Planet Publications Pty. Ltd. Ms. Godefroy says her iPhone application is the fastest-growing segment of her business.

Elance.com now has helped Ms. Godefroy assign work for a dozen projects, including a videographer in Japan who created a YouTube video for Lingolook Japan and a Beijing-based audio studio that produced the voice for a Mandarin Chinese version of the product.

At first, she says, she didn't give enough details in her requests for bids to get the results she wanted. But she eventually got a handle on it. "The more clear you are, the more the service provider will have an understanding," she says. There has to be a dialogue.

"We've been able to [out]source all these developments at a very competitive cost," Ms. Godefroy adds, "with no overhead, and extremely fast."

Elance.com is owned by [Elance Inc.](#), of Mountain View, Calif. Transactions typically range between \$500 and \$1,000. The service charges its customers a commission of 4% to 6% on each transaction. The site expects to book \$60 million in transactions this year.

oDesk.com

A lot of businesses that use these services haven't used outsourcing before and are nervous about the loss of control. [ODesk.com](#) addresses such concerns by, in effect, letting the businesses look over the shoulders of the contract workers. Using the site's management platform, a business can see intermittent screen shots of the workers' desktops as they work on the project -- they do so while logged into the same platform. The business can also track the number of hours

workers spend on the job.

At oDesk, a business can pay for work two ways: fixed price or by the hour. For hourly contracts, oDesk itself pays the workers each week and bills the company by credit card. Businesses can use the site's management platform to make sure the work is actually being done. With fixed-price jobs, the business pays the workers directly at the end of the assignment.

ODesk puts those parties that bid for work contracts through a rigorous screening. All have to pass a test on how oDesk works. ODesk also independently verifies work histories and certifications on oDesk. It doesn't vet résumés or past work done elsewhere.

Robert Einspruch, co-founder of Ziizoo.com, an online marketplace for peer-to-peer tutoring, used oDesk to hire Web developers after initially looking for talent in Austin, Texas, where his company was first based. It was difficult finding skilled workers and convincing them to stay, Mr. Einspruch says.

At oDesk, he says, he was able to thoroughly vet potential workers, even reading feedback about them from other companies that had used them on oDesk. He says he now has worked with a 23-year-old Web-site developer in Sophia, Bulgaria, since October 2007, paying him about \$35 an hour.

Gary Swart, oDesk's chief executive, says his company fills several needs. "Small businesses need access to talent that's not available in their geography, and they need a flexible work force," he says.

Says Mr. Einspruch, "If you're a start-up, you have to go outside the area" for tech help, otherwise you are putting "all your eggs in one basket."

ODesk, owned by oDesk Corp., Menlo Park, Calif., features more than 110,000 providers on its site. During September, the company had more than 9,700 posted jobs. Pay for the average job is about \$5,000. Odesk charges the companies looking to hire workers a commission of 10% on each transaction.

RentACoder.com

RentACoder.com features about 225,000 specialists in customized coding work, IT help and Web-site development. Contracts for some 8,000 to 9,000 projects a month are arranged through the site.

Like other sites, RentACoder displays résumés, certifications and work histories, as well as comments from previous customers. It also has an escrow-type payment system, and helps with arbitration if there's a dispute. The company says it plans to add project-management tools to help companies oversee and manage their projects. The site charges from 8.5% to 15% of each transaction. If a company knows the work of the provider and agrees to pay a bonus, for example, the commission is 10%. If the buyer pays with a wire transfer or check, instead of a credit card, it's 8.5%.

Darren Gates, a Los Angeles entrepreneur who sells software programs and

widgets for business Web sites, says he first used RentACoder in 2002 when he realized he couldn't finish some projects on time and on budget by himself. Using code writers in Los Angeles was too costly for him, he says, because they generally ran about \$100 to \$150 an hour. RentACoder was the less expensive option. Workers he hires through the site cost him about 80% to 90% less than what he would spend locally, he says.

When Mr. Gates has a big job with a short deadline, he will sometimes hire two or three teams to work on the same job. Recently, to code a live-chat software program, he hired a team in Ukraine and a team in India. The Ukrainian contractor was late, he says, but came through with quality work. The Indian developer, however, failed to deliver.

Mr. Gates paid \$3,000 for the Ukrainian, and \$1,600 for the Indian. But since the latter didn't deliver, Mr. Gates got that money back.

The 33-year-old cautions there is always a risk that workers won't deliver, but he adds that he now has a dozen or so workers on RentACoder whom he consistently relies on. There are programmers overseas who work for a few dollars an hour, he says, many of them students trying to get experience. Says Mr. Gates: "I feel a little guilty taking advantage of those."

He shouldn't, says Ian Ippolito, chief executive of RentACoder's parent company, Exhedra Solutions Inc. of Tampa, Fla. "RentACoder is an open market, so both parties have to voluntarily enter the transaction," he explains. Sometimes workers with less experience charge less at first, he adds. To establish themselves on the site, he says, they often bid on projects below cost to establish a history, then raise rates in the long term.

—Mr. Flandez is a staff reporter of The Wall Street Journal in South Brunswick, N.J.
Write to Raymund Flandez at raymund.flandez@wsj.com

Copyright 2008 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com

Help Wanted should now be listed in your Library tab. If you require more help, please visit the Help page. Screenshots. Click on the thumbnails below to open a 1024 pixel wide image.Â Good mod with well designed and original fights. shame itâ€™s unfinished. Although if you noclip, youâ€™ll find the grunt on the roof and if you kill him, the osprey drops another grunt (into mid air!) and so on. Or shoot down the osprey to end it all. Reply.