

Refinements to our methodology for “Market Making”

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SUMMARY

This paper builds on the manual published with support from Kauffman Foundation, “[How to make a Market for Irregular Employment: A guide for States, Counties, and Cities](#)” in July 2018. It describes how the techniques listed in the manual were applied and developed for a first US market launch within Pacific Gateway, the public workforce board for City of Long Beach, CA, and surrounding areas.

Context of the methodology

This project was the first application of learning about how to shape a better market for irregular employment in any one area in the US. We see this as a significant body of knowledge. There have been many attempts to size irregular work and demarcate its demographics. Given the secrecy of platform companies, workforce scheduling systems, and the shadow economy; these reports can only ever offer educated estimates.

But a focus on local leverage can be revealing. Our research set out to find where there could be a readiness to shift buying of on-demand hours to a platform which puts each worker in control with maximized options from which to choose. We set a target figure of \$20m in wages to go through the platform in its first 12 months in the Long Beach area.

This focus on the demand side may seem surprising. We have covered the reasoning at length in our manual. But, broadly, the issue being addressed is this: If public agencies in any city announce an empowering market for ad-hoc employment they will be swamped by individuals who need top-up hours or personalized work patterns. Those people will move very fast to register and will then expect bookings.

But organizations who are big buyers of flexible labor are typically slow to move. They will wait for a new service to prove itself before changing from their current “connective tissue”. However, the work-seekers who get no bookings will lose interest as quickly as they signed up and stop listing their availability. There is an exodus of workers and the market collapses.

Thus, “Market Making” is the process of identifying, engaging and convincing organizations that have a sizeable requirement for top-up or ad-hoc labor to commit to the new market before it is launched to the public. (We did not have the resources to try aggregating demand from small buyers, for example individual households seeking home cleaning.)

The methodology used

Our methodology for market-making involved a series of steps:

1. **Preparation of an initial prospects list**: In a first stage, this involved simply itemizing the obvious users of flexible labor, public or private sector.
2. **Drawing up of an influencers list**: We also thought through who might add credibility to our approaches, or act as an intermediary between us and the decision makers at each target organization.
3. **Development of messaging**: We needed a clear voice articulating consistently what our project was aiming for, what benefits it could bring and to whom it was relevant. This also had to address common objections. Our communications strategy centered on: (a) the low quality of labor typically found through exploitative channels that disempower and demotivate workers (b) the value of nurturing a pool of work-seekers who could be deployed repeatedly and progressed even while they may be in a similar relationship with other organizations (c) lower overheads from a public agency (d) the low cost of switching; existing workers could be bought across (and exposed to other opportunities in the new platform), the system could be configured for each organizations branding, rules and terminology.
4. **Preparation of core materials**: We needed to have re-usable resources that could facilitate discussion and onward connections for people we engaged. At the start we prepared (a) a one-page briefing on our program, its aims and intended benefits (b) a [webpage](#) within the Pacific Gateway site that claimed ownership of the project and contextualized it with the aims of a workforce board to grow the local economy (c) a demonstration version of our markets populated with fictitious data. The later was used to demonstrate how real our offering was. We made [videos](#) of the platform in action and gave out log-ins to anyone who asked to experience the service for themselves.
5. **Early approaches**: We focused initially on influencers, wanting to refine our messaging before seeking dialogue with more operational managers in our eventual prospects. Thus, we identified a small team developing workforce strategy for the Hospital Association of Southern California. These executives had a specific remit around exploring new options and were well connected to hospital directors. They were able to arrange a webinar for members and offer informal guidance on which individual directors would be most likely to currently be receptive to an approach.
6. **Direct approaches**: Dialogue with umbrella bodies could be turned into conversations with decision makers. For example, CoGs (Council of Gateway Cities) is the body representing City Managers across the South of Los Angeles County. After initial meetings with us they granted us a 45-minute slot at a breakfast for City Managers at La Mirada City Hall. Having made our case, then spoken with several managers or their staff we were able to initiate more detailed dialogue which in some cases expanded across multiple departments at that city.
7. **Onward connections**: Once a prospect was engaged and interested in us, we sought introductions to counterparts in other organizations in parallel with developing conversations in that individual's organization. (One senior executive in the events industry offered to convene his peers to hear our messaging because he saw value in a shared approach to build volume of demand, for example.) This was most likely to succeed in the public sector where co-operation rather than competition is the norm.

8. **Diarizing**: We regard this as the core of our machine for outreach. Innovation is typically low on the agenda for decision makers we needed to reach. Someone running a City, or hospital or other large organization, will usually have well established routes for procuring temporary labor. Getting mindshare from a decision maker could involve multiple - polite - approaches, cultivating others in their office and refreshed messaging. This involved “nudge points”. They could be as simple as a diary reminder to re-approach a prospect three weeks after an initial call and email. Or they could factor in timelines such as reaching out after a particular project, or other time-consuming commitment, would have been completed by the prospect.
9. **Building profile**: We sought press coverage of the project as a way of building background awareness and reassuring prospects who engaged with us that there was momentum around the program. We were also able to use each incidence of coverage as a calling card; emailing prospects with a link to the article as a way of suggesting an initial conversation with us. Coverage during the project is listed in our Data section.
10. **Multiplying successes**: When it was clear Los Angeles County was investing internal time and resources in us, we reached out to Orange, San Bernadino, San Diego and other Southern California counties. Once it was clear Long Beach City Hall could use CARES Act funding for responsive childcare offered to low income families, we ramped up efforts to see if neighboring cities could do the same. And so on. An exception to this was with private sector organizations where we deemed it more advantageous to work with a pioneer who understood the value of early adoption and would commit resources, but only as a way of gaining a head start on the rest of their industry.
11. **Review**: Progress was assessed in scheduled weekly meetings. We looked for prospects who were clearly investing energy in progressing us through their organization. Searching for commonalities or replicable instances where there was traction was important. Likewise, we could determine where an approach was failing and seek work-round solutions; perhaps reaching out to a different person in the organization or developing a potentially revitalizing new message. Review fed back to our basics: were we targeting the right prospects, engaging them with the optimal messaging, using the most intelligent channels to reach them? All were modified as we learned. The detail of this is outlined in our Lessons Learned section.

Further reading

Documents covering:

- Lessons learned
- Outputs from the project

Have been filed to accompany this paper.