

# THE FREELANCERS CONFERENCE

First session

19 January 2001

## THE STRUCTURES OF INTERMEDIATION

### SUMMARY

« *Les Entretiens du Freelance* » (The Freelancers Conference) is the first Conference in France entirely focused on the day-to-day preoccupations of the freelancers.

Although it is impossible in France to evaluate their number, they are increasingly present on the field. All professions in the whole world of business are concerned, and consultants, experts and specialists work along with technicians and ordinary doers. A presentation by François Hurel, executive manager of APCE, an agency for business development, gives however some figures of the market.

This first session of the Conference considers the intermediation bodies. As in every new market, initiatives are flourishing to help the starting actors. It is useful to point out their existence and understand what their role, their efficiency, their legitimacy and even their legality is.

To start the session, Jacques Barthelemy, a master in Social Law, considers the present legal and social situation of the independant professional. In terms of subordination to the organisations, there is more of a difference between a salaried executive and a salaried worker than between a salaried technician and a freelancer, he says. It is no longer the social protection mechanism that differentiates between the permanent and the 'free' worker, the two systems converging – except for the big problem of the multi-status worker. The legal frontier between the two statuses remains, though, based on the *subordination* criteria, which is no more appropriate. If, on one hand, many salaried executive professionals, like any consultant, get rid of any hierarchical subordination in their daily activities, it is obvious, on the other hand, that a certain number of freelancers are economically dependent on a few customers. The really independent consultants should be allowed to fully manage their development in being able to save their professional assets (which is not possible today for the self-employed in France), and the second ones a way of collectively defend themselves against the employers by a special status of « parasubordination » (*cf.* the Italian experience).

The legal situation of some intermediation structures is another legal question : are the « umbrella companies », transforming the freelancers' fees in a payroll to help them start a new independant professional life, legal ?

In this sector, again, an evolution of the Law is necessary, so that it sticks to the business reality. What reality ? This is the subject of the following Round Table, with the most usual intermediate structures : umbrella companies (*sociétés de portage*, in French), agencies, and project-based structures. The conclusion suggests that the sums spent during a project, for marketing and administrative work for example, meet the margins taken by the intermediation agencies or companies.

But the main evidence appears to be the role these structures fill towards the customers. They meet their needs, in lowering the risks in selecting the freelancers, in guaranteeing the contracts and in decreasing the cost of managing too many sub-contractors. In doing this, they offer a real added-value to both parties, and justify their existence and fees.

Can associated freelancers offer the same services ? Different types of companies set up by freelancers deserve a thorough

look. A debate between some experienced consultants and the audience gave a good overview. Me Thibault du Manoir de Juaye, a specialised lawyer, presents a synthesis in a self-explanatory graphic : on one axis, the liability of the associates; on the other, the share of the so-obtained benefits they can claim.

The end of the session is dedicated to the extraordinary development of a new tool for business : Internet. Will it turn the independent way of working upside-down ?

Some examples of the new services offered are presented : an umbrella companies portal, market places for expertise services and for general supplies. They show not only how freelancers can benefit from this new tool bringing them nearer to the customers, but also how they can themselves develop new services to use the best of it.

This is the main topic of the next speaker, Denis Etighoffer, an international consultant with a strong background in e-commerce. He thinks that Internet is an outstanding opportunity for the development of individual e-businesses, because it is easy to implement (small investments) and because it reaches immediately a huge number of prospects. When surveying the subject (he wrote a book about this experience : *The eBusiness Generation*), he discovered that the majority of the trade was done by individuals or families (the « family business »). Due to the newsgroups communication facility, the easy setting up of web sites full of information and the potential for permanent innovations, these technologies are promising a limitless and universal future.

With this view on a virtual but flashing future, the first session of the Freelancers Conference can be closed. It has offered the opportunity of summing up, in one short day, the basis of a subject important to the daily life of the freelancers. The present Report is the full-text transcription (in French) of the discussions, displaying many useful and practical details.

The next session will be held beginning of year 2002.

*« A freelancer is a professional who meets the customer, negociates the contents of the task to be done, and does it him(her)self. »*

Freelance en Europe

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