1. Analysis based on Five Forces model and other models is as follows:
2. New Entrants: The threat is considerably low as building a brand name like Upwork is not easy.
3. Substitutes/Products: The threat is high as there are other products in the market like the Upwork and if Upwork doesn’t stand out, it’ll increase exponentially.
4. Traditional Rivalry: The threat is considerably high as the rivals include traditional staffing systems, crowdsourcing, etc.
5. Customers: This category includes both freelancers and the clients who hire them, and they can switch easily as per their convenience (cost sensitive customers, quality seekers) since the job market is very vast, so the threat is high and can result in Upwork’s loss.
6. Suppliers: The suppliers could also include both, and the threat is low, as Upwork has a very strong database of quality resources, matching them with the projects.

They’ve resources such as intellectual property, technology implementation.

1. Value: Yes, the resources are valuable.
2. Rare: No, I do not think the resources are rare as one can get an intellectual property if ready to spend more.
3. Imitable: Yes, the technology implementations that Upwork is doing can be imitated easily.
4. Non-substitutable: No, it has substitutes.

Thus, business model of Upwork is highly imitable and substitutable. I would suggest Upwork to come up with quality of resources (differentiation), availability of them to clients in less time frame than competitors, rating freelancers with the help of assessments, broader scope, etc. as their values for creating more impact on clients and freelancers. Also, adding some fees/commission % beyond certain limit of projects for clients and freelancers, to earn more profits, as commission being their major revenue generation strategy.

1. As per the analysis, the market is comprised of number of players like Upwork, Freelancer.com, fiverr, etc. Thus, it is not easy for any one of these players to take over the market. As every player is offering similar services (scope for improvement, low switching cost), provided tough competition is there and circumvention being the problem, I do not think that the market tip will happen for any one of the players (winner-take-all) in near future.
2. As per the attached financial document, Upwork made consistent losses in 2016 and 2017. The company’s operating expense increased 20.5% in 2017 than 2016 (with 34.5% increase in gross profit). The reason behind more operating expense could be their heavy investments in R&D for FY 2016 and for sales and marketing in FY 2017.
3. a. Change the commission to 20% for every project on Upwork.

b. Start taking the commission from clients as well.

So, if Upwork starts taking 20% commission, the profit margin will eventually increase. Also, the commission earned from clients will add more to it, as only freelancers are paying the same as of 2018. Differentiate with broader scope.

1. a. Go beyond the geographic boundaries, like list certain freelancers/talent from 3rd world countries where their wage would be minimum (as per their country) and align them with the clients from 1st world countries and take a share in client’s profit.

b. Use technological advancements such as NLP to identify certain keywords like ‘WhatsApp’, ‘calling’, ‘outside’, etc. This might help in reducing circumvention to some extent which is one of the major problems for Upwork. Also, put penalty after certain reach of keyword count.