

Is the professional gig economy an opportunity or a threat for the claims industry?

What does this mean for your career?

There's no such thing as a job for life in insurance anymore, and with final salary pensions a distant memory for most, there is less incentive for the employee to stay loyal to any one employer. The harsh reality, therefore, is that more and more insurance professionals will at some point in their career be in a situation where they are looking for some temporary work.

The attraction of working in the gig economy is that you choose the hours you want to work and keep more of what you earn. Whereas in some sectors, such as food delivery and taxi driving, the skills required to start are quickly learnt, within insurance claims, freelancing is providing new opportunities for those who already have high levels of expertise.

Is it then any surprise that we are seeing more and more consultants in the industry? This could be a temporary solution while they search for another permanent role, or they are seeking to wind down after many hectic years at the top of their career, or someone may simply have had enough of the rat race.

The rise of the gig economy

The term gig economy has entered the lexicon relatively recently, but the concept has already made its mark on the structure of the UK labour market. And, while recent reform of workplace legislation is primarily aimed at protecting zero-hours workers in low-paid jobs, freelancing, consulting and self-employment at all levels are creating a seismic shift in how we work, and the claims management sector is no different.

It is estimated that there are now 5m self-employed people in the UK – that's 15% of the UK workforce and they aren't all Uber drivers or Ocado bag packers – the professional services sector is a major driver of this growth. Within this, independent consultants are said to account for around £2bn of the £9.75bn consultancy industry.



Uncertainty breeds flexibility

If the ups and downs of the economy in the past decade have taught us anything, it's that uncertainty is the new normal. Businesses continue to cut overheads to remain competitive in a global marketplace, which is fuelling the move from employed to freelance status among the workforce; of the approximately 100,000 people made redundant each quarter, many will re-evaluate their working life and choose to go freelance.

According to one study, 64% of UK businesses already rely on freelancers to some degree and 39% of business owners expect to hire more freelancers than permanent staff over the next five years. Thus, a virtuous circle is being established for consultancy, where a growing supply of flexible expertise is being taken up by companies hungry for independent, experienced, non-permanent staff.

Skills divergence

The need for expertise is another driver of the growth of specialist consultancy. As levels of automation increase for low-skilled jobs (even in the professional services sector), so the demand for high level capability grows at the other end of the scale.

While this capability can be provided by highly paid employees, we are increasingly seeing such expertise being brought in from outside as companies seek a broader world view from independent consultants who are specialists in their field.

Personal and professional satisfaction

Speaking personally, I believe that the development of this 'professional gig economy' is opening up enormous opportunities in the claims management sector. Just as businesses benefit from flexible external expertise, so the consultants themselves can reap the rewards of a different sort of working life.

Whatever your age, working as a consultant can provide a significant fillip to your career. The challenge of tackling different projects with a wide range of client businesses can reignite your passion for your industry and help you rediscover lost skills (and develop new ones).



Although their routes to consultancy working may vary, we find that our consultants really value the opportunity to be part of the SX3 network while also maintaining their autonomy and flexibility as an independent consultant. It is certainly no surprise to me that a recent study, which involved over 250 independent management professionals active in Europe, revealed that 91% of freelancers were satisfied with working as a consultant, while more than half (53%) were highly satisfied.

Adrian Gilbert is managing director of SX3, a leading provider of consultancy, audit & review and resourcing services designed to meet the needs of the insurance claims processing industry. Adrian has a successful track record in managing claims operations, strategy, customer relations, people, supply chain and technical, across multiple lines of business (motor, property, casualty, product protection and legal expenses).

If you're an insurance professional interested in working as a consultant, please get in touch with Adrian Gilbert.