EPISODE 967

[INTRODUCTION]

[00:00:00] JM: Offices have historically been the place where most knowledge work takes place. An office is a central meeting point for everyone in an organization. Offices allow for high bandwidth in-person communication. Employees get access to shared resources, such as food, and tables, and quiet working space. Offices provide a means of encouraging a common culture within a given workplace.

Because people see each other walking around and talking to each other, they learn the cultural norms from observing other people. But there are also significant downsides to offices, most notably, the commute. Employees often spend between 1 and 4 hours per day driving to the office. Office work create a huge restriction for parents with a young child to take care of. Many employees feel more productive when they are working at home or working from a coffee shop.

Remote work has become an increasingly popular mode of work for knowledge workers. Remote has been made possible by increased bandwidth, more powerful computers and new communication software, such as Slack and Zoon. Remote work is a powerful trend that is reshaping how knowledge workers spend their time and it's also changing how companies are structured.

A remote-first culture impacts hiring, and human resources, and engineering, and sales, and work-life balance and other aspect of operations, and the downstream impacts of remote work will change the labor market even more thoroughly and cause us to rethink contracting, and equity structures, and the traditional five-day work week, and the idea of working for a single company.

Philip Thomas is the cofounder and CEO of Moonlight Work, a marketplace for software engineers who work on contract projects full-time or part-time. Philip is also the coauthor of the *Remote Work Encyclopedia*, which is a collection of strategies and tactics for knowledge workers and companies that are looking to adapt successfully to the changes that remote work

is bringing to the world. The *Remote Work Encyclopedia* is available at remoteworkencyclopedia.com.

Philip joins the show to discuss remote work and his experience building Moonlight, which we also discussed in a previous episode where we got deeper into the engineering of Moonlight. Full disclosure; I am investor in Moonlight Work. I'm also a customer. I am quite happy with the service. I think it's really interesting. I think it's a cool way of hiring people. I think it's a cool way for engineers to work, and I'm optimistic about the company. So I hope you enjoy this episode with Philip Thomas.

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[00:02:53] JM: Being on-call is hard, but having the right tools for the job can make it easier. When you wake up in the middle of the night to troubleshoot the database, you should be able to have the database monitoring information right in front of you. When you're out to dinner and your phone buzzes because your entire application is down, you should be able to easily find out who pushed code most recently so that you can contact them and find out how to troubleshoot the issue.

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[INTERVIEW]

[00:04:44] JM: Philip, welcome back to Software Engineering Daily.

[00:04:47] PT: Thanks, Jeff. Good to be back again.

[00:04:48] JM: So we're going to be talking about Moonlight today, but I want to start with talking about big companies, because we're talking about your company, which is in contrast to the big company model, I think. Basically, the idea of remote work is very much in contrast to the idea of going to a big office, a big corporation, which I've experienced. I think you've experienced. I don't know if you've worked at a big company.

[00:05:12] PT: Yeah. I spent a week at Cisco before –

[00:05:17] JM: A week.

[00:05:17] PT: Yeah.

[00:05:17] JM: A week. Okay. So the current model of these companies, like a Cisco with a gigantic HQ with thousands of employees. Will that model of work exist in 10 years?

[00:05:29] PT: So we think a lot about remote work, and I've started to realize that it's really a spectrum. You definitely have one end of the spectrum that is no office, any time zone, anywhere in the world. But at the other end of the spectrum are companies who have an office but like work with contractors that are remote, which is kind of the hack of you can become a remote worker for a lot of these companies by being a contractor.

What we've started to see is that remote work can even mean multiple offices for companies, that as soon as you have multiple floors and multiple offices, you still have to think like a remote company. So to answer your question, I think multiple offices still is a form of remote. I don't know whether people are going to continue to go into offices or necessarily like work just from

co-working, but there's going to be somewhere that settles in the spectrum of remote that we think is increasingly remote than where it is today.

I mean, like at Cisco, everyone kind of works out of their backpack and you can go to any of the Cisco offices. I think we're just becoming a more flexible work-friendly society where the office is going to be part of lifestyle, but it might not be a required place or somewhere that you're necessarily going to the same office at the same place every day.

[00:06:40] JM: At those giant companies, is there a kind of communication that is needed from the office on-prem, we're all going to sit in a meeting together model and see each other's body language. Is that still a necessary modality or can you get everything out of Zoom recordings and – Whatever? Slack?

[00:07:01] PT: This is something I think a lot about. With more companies becoming increasingly remote, if you have multiple floors in your office, if you have multiple offices, like even if you have –Google has I think three buildings in like the same block now in New York. You're not going to go get in a room and all work together.

But as companies grow, they start to expand beyond just knowledge workers. So I think what's going to be an interesting trend to see is for things like software engineering, and product design, and even to some extent, project and product management, being asynchronous and remote works. I'm curious to see how remote will start to affect other areas that are more functional, like marketing, customer support, sales. I think there's still like situations where it makes sense to even fly out to a customer's office for sales purposes.

So I definitely think that knowledge work is moving towards more remote. I think that it's going to become increasingly distributed in other parts of the company, but we're going to have to see what happens in those other areas, because I think that it's going to take some unique tools to make sales more distributed and things like that.

[00:08:04] JM: The other thing you get from these big HQs is this sense of tribalism. There's like a Kool-Aid culture that develops. I saw this first-hand in Amazon. I've been doing a lot of shows about Facebook, and Facebook definitely has this in large supply, where I think new

grads are particularly susceptible to it, where this idea of the whole your company is a cult thing and we should encourage the company cult idea. It does work for building a certain kind of company, especially at a certain time.

Then when it hits scale and the company is really snowballing, it can continue to work and it can kind of alleviate some of the I'm a cog in the machine feeling because it's sort of like I'm an acolyte at the church sort of feeling, and so I'm a cog in the machine.

To me this is chilling. I don't really like that attribute of big company culture, but I know that some people get gratification out of it. Do you think that's just a durable quality of human nature that we'll never be able to escape where some people will want to buy into the, "Oh! I'll go work at Tesla and I worship at the feet of Elon Musk," kind of thing, or can we move to a world where I work for this company and I do my best work, but I'm not an acolyte at the church.

[00:09:30] PT: Having ping-pong tables doesn't mean that the office is more productive, and people who go to offices end up spending a lot of time commuting, which is a lot of waste of time within the day. But on the other end of it, remote workers really have this challenge of not thinking that social time is part of their job.

We have started to talk to a lot more remote hiring managers, and one of the things they keep telling us is companies that are in-person have social time built in and know that it's important. But as a remote team, you really have to make time and focus on creating social interaction between teammates, because it doesn't seem like work, but it is work and it is part of your job to build this sense of trust with your team to have a deeper relationship than just a transactional relationship.

But you are right, that this trend does affect a lot of things. I think we're going to see a further decoupling of work and social. For a lot of people, work is a major part of their social life. If you go to an office every day and then go home at the end of the day, most of the people that you see on a day-to-day basis are coworkers. You develop really deep relationships with them. If you start to become more of a remote worker, I think we're going to see that things like WeWork start to fill that social gap. This is why co-working I think is becoming –

[00:10:53] JM: Be a cult.

[00:10:55] PT: Yeah. But remote workers need to understand that they need to make time for social interactions, for a sense of community, because loneliness is an increasing part of society, definitely. Something a lot of people talk about. Part of it is related to work. So things like going to a coffee shop to work remotely. Going to co-working space. I think all of these things are really important for remote workers, and we're going to see this further decoupling of work from the work office necessarily, but that doesn't mean that people are not going to go to a place where they work around others. I think that you can still go to like a WeWork or a co-working or even like a Starbucks and get that sense of community.

[00:11:39] JM: Yeah. There sure is actually a spectrum between the Starbucks and the WeWork, and I would love to see that spectrum explored. Because like you wrote about this a big in the Remote Work Encyclopedia, which you put out, the shared office stuff. Some people do remote work because the open office plans that are so popular just doesn't work for a lot of people. It doesn't work for me.

I sat in an open office for like the entirety of my career as a software engineer working in an office and then it's like, "This is not –" I guess it's funny, because I never really questioned it. I was like – I'd just be not very productive, and I guess I never really realized like, "Oh! There's a reason that when I go home, I don't listen to music and I don't – I put my phone on silent and I work on the stuff that's important to me," and I never really made the connection that at the office that doesn't really happen.

I mean, you have these phone booths. They've been called phone booths, like, "Oh! You can go in a phone booth to work." Why would you want to work in a phone booth? That's terrible. So if we think about like – But then working from home, I've had terrible periods of – Not terrible, but like consequential periods of the same kind of loneliness stuff that you've written about. There is definitely benefit to working in an office, and you do start to miss it when you work in coffee shops or way worse than an open office, but you get to have access to people.

WeWork is too expensive for some people, and then you have to like go to a WeWork and it's like – I don't know. I mean, WeWork is pretty good, but there's –

[00:13:13] PT: I think what's changing with WeWork though is as it's gotten more mainstream, it's a lot of people who have to be there rather than people who want to be there. I think kind of the middle ground there, the advantage of like a Starbucks and things like that is really – The people there want to be out in public, and I think that's one of the reasons I get some weird energy from some of the co-working is when people feel like they have to be there, rather than they want to be there.

[00:13:33] JM: Right. My little brother is a digital nomad and he works at coffee shops all the time. He's got this crazy setup with like this laptop stand. You've probably seen these people.

[00:13:44] PT: Oh, yeah.

[00:13:45] JM: Maybe you are one of these people. You have a laptop stand and it's like elevated so that you're not like hunched over your laptop all the time, and it's still very janky and you're still distracted all the time. But he has made it work and he's definitely way more socially not maladjusted than me, and part of that is probably because he spent the last four years in coffee shops rather than isolated in an apartment with two cats.

[00:14:10] PT: This is where I think remote work is going to start to require conscious effort to either have focus time or to have social time. Big open offices are not good for being able to control whether you want to be in like a social or a focused time. Most companies are giving workers significantly more space to park their car than to get work done. I think that's a really –

[00:14:35] JM: Oh God! That's hilarious.

[00:14:37] PT: I think that's a really big problem, because –

[00:14:40] JM: Not Amazon, by the way. I paid $25 a day for parking.

[00:14:43] PT: Really?

[00:14:44] JM: Frugality, man! That's Amazon. Amazon is not most companies.

[00:14:47] PT: No. Amazon is a bit of an exception, but I think that people who work from home are going to need to create time to go out in public with things like coffee shops are really becoming like these hybrid space between an office and a home. But also things like meet ups are becoming more popular. We're seeing trends like social clubs in major cities where people are paying to go hang out with other people on a subscription. I think that all of these different ideas are some form of like what the future is going to look like, because knowledge workers really need focused time that's uninterrupted to get deep work done.

But part of that is needing to also have more social time and be able to be out in public and build this more sustainable remote work lifestyle. What you're talking about with your brother, I've been through. I spent two years as a digital nomad. Lived in Airbnb's around the world, worked out of many Starbucks locations around the world, and you need a mix of social and stability.

As a digital nomad, you start to have problems with not having a routine, and it's fun for a little bit, but after a while you realize you just need a place with stable internet where you can do a video call and know that you're not going to get like angry looks or something. It's also tough, because you are constantly meeting new people and sometimes you need social interactions that don't require upfront investments of a lot of time to meet new people.

So digital nomad and nomadism is the extreme, it's a lot of fun for a little bit, but most people are not doing it forever, because you really do need some stability. I think that remote workers are going to need a lot more of this social structure and events and things like that to engage them so that they're not just sitting at home by themselves all day.

The time you save on commuting isn't necessarily time that should be spent working. It should be time spent like going to do things with other people, going in public places like coffee shops, gyms, things like that to kind fulfill those social needs that remote workers have.

[00:16:57] JM: Did you get deep work done at coffee shops? Could you get deep work done? I could never do that.

[00:17:03] PT: No. I could, and I think that part of it is that, for me, it feels like accountability, where if I'm in public, I can't just be on Twitter the whole time because I feel like other people can see that I'm on Twitter.

[00:17:16] JM: What? You're in a coffee shop, man. Everybody else is on Twitter.

[00:17:19] PT: But I don't want to be that person who just like goes to a coffee shop and has headphones on to do antisocial things online. I feel like if I'm working, it's okay. But everyone's unique, right? Some people can't do any work in coffee shop. Some people are like amazing coffee shop workers. But the great thing about remote work is you can constantly be experimenting and changing with it.

On our team, for Moonlight, we pay for co-working for anybody that wants to have it. I think that's a really important part of having a distributed team. But we see people switching between using co-working and not using co-working, and that's kind of the fun of it, is you can switch up your routine. You can have a month where you're going to coffee shops. You can have a month where you're going to just work from your living room.

But you can also have months where you're switching between different color working options. I think that's one of the fun parts of remote work, is that you can change your routine and switch it up if you're feeling like you're in a rut without needing to necessarily like go get a job at an office.

[00:18:13] JM: You're still at that WeWorky co-working space in New York?

[00:18:16] PT: We're at an independent co-working space in Brooklyn called The Brass Factory.

[00:18:20] JM: How are you liking it?

[00:18:22] PT: It's been great. So it's just me and Emma there. So Emma is my cofounder, and we have a distributed team. So people come to the office for like their first week of work with the company, but then they don't really come back. Will probably start to come back like once a year as a team to New York, but we just got separate offices, me and Emma. We originally had

a two-person office and it became really hard because of all the phone calls we're doing for project management and things. So we just split our offices.

So it's actually been really great, because it made us be even more remote and remote friendly, because we now only join video calls even if were in the same room on separate computers. I think that's one of the things we also hear, like a tip for companies that are remote, is have everybody join from their own computer even if there is a conference room available or something like that because it really kind of equalizes the conversation.

[00:19:20] JM: We have some examples of big companies that have scaled a remote workforce.

[00:19:25] PT: Yeah. GitLab just crossed a thousand people.

[00:19:27] JM: That's crazy. Zapier, that's another one, right?

[00:19:31] PT: Yeah, they're growing really quickly. Envision. There are a lot of companies that are growing to have no headquarters and a distributed workforce.

[00:19:43] JM: What have we learned? Do we have any substantive ideas about what makes these companies work or have they been proven at this point? What do you think?

[00:19:54] PT: With remote companies, I think it really gets back to seeing that it is a spectrum. We do have companies like Sourcegraph and GitLab that will hire anybody anywhere in the world and have a completely asynchronous work culture, where someone can be working and have no time zone overlap with the rest of the team.

I don't know if that is the end goal of every remote company. I see these companies, we work with some of them, and I don't know if we can expect every company to be 100% asynchronous. On the other end of it we see some tools like Tandem, and what Tandem is doing is building a remote work app that is focused on more synchronous culture. This gets back to remote being a spectrum.

We think companies are going to be increasingly remote where they're moving towards distributed teams, people in multiple locations, but you can be a remote team without having workers in the opposite time zone of you. You can all be in similar time zones. You can have things like synchronous work.

The reason I think this is such an interesting area to explore is because these companies are going to settle somewhere along the spectrum, and we're seeing tools that are making it easier to become more remote without having to adapt the hardcore, like anywhere, anytime mindset. I'm really curious to see where it becomes normal. But you can become remote without having to be 100% asynchronous.

[00:21:18] JM: You know what's so interesting about that? It's almost like – So many of these past – The gigantic companies, like the Googles. When you think of Google's culture, you think of the office. You think of the bouncy castles and the buffets and the padded rooms for people who are going insane, or no, they don't have those actually, napping pods or whatever. But like now, if you think about the remote culture, it's more about what's your technology stack. Today, it's a basically, okay, Slack. But like Slack is very quickly feeling like – I don't want to say legacy technology, but like expected technology, like Google Docs level expected technology infrastructure.

Slack is probably – I mean, Google Docs has like "not changed" very much in like, whatever, 10 years because you don't want it to change. You want Google Docs. You expect Google Docs. There's so much built into it and like it has to remain Google Docs, and they can have adjuncts and APIs and whatever machine learning things built into it. That's great. I assume Slack will do the same. Slack has like almost no machine learning stuff built-in, and like imagine the smart compose equivalent of – Slack will be fantastic.

But where you start to see like Tandem and – I mean, what else is there? What else is in the remote tool? If you're designing a remote – I mean, I guess you have Zoom, but Zoom is more expected infrastructure. We'll probably start see more and more of these things where it's like you can design your culture around technologies rather than like do you have Zoom rooms in your office and do you have bouncy castles and do you have free buffets or whatever. It becomes more like a stack of technologies rather than features of the office culture.

[00:23:03] PT: Yeah. It's a stack of technologies and then also offsites we're seeing. With the stack of technologies, I think we're going to see in asynchronous communication player start to emerge. Slack is back-and-forth messaging, very extreme of consciousness like a conversation. Internally, we say it's like the equivalent of tapping someone on the shoulder. But you can't build a product by just tapping people on the shoulder.

There're a lot of new entrants, like Threads is funded by Sequoia. Twist is built by the team at Doist, and these are all really focused on asynchronous means of communication where you can have a conversation. Basecamp talks a lot about how they use their own product for that internally, and I think we're going as start to see something emerge as the asynchronous tool.

Even something like superhuman could qualify for that, because email is the historical default asynchronous communication tool, but not everyone is using email super effectively. But if you go back, there are email strategies that work. Stripe has all these blog posts about how they use email lists extensively to documents, discussions. So some kind of asynchronous tool.

[00:24:08] JM: Do they have an open email culture?

[00:24:10] PT: Yeah, and I don't know if they're still scaling that, but they have a lot of articles about it and a lot of open source tools. We've been managing all the different email lists that you're a part of. But I think the other thing besides tools that defines these companies is the way that they do meet in-person, and this gets back to one of the things that we've learned is so important, is still prioritizing social time and meeting people in-person on a distributed team. Otherwise it just feels transactional and like you don't really have a connection to the people that you're working with, and people want that fulfillment. You don't want to just be a contractor with a salary from one company. You want to feel connected to the product the way decisions are made to your coworkers.

So creating that time asynchronously is important, but almost all asynchronous remote companies come together for offsites at least once per year. I think that's another really big part of the culture. You see some historical examples, like Expensify used to fly everybody to a different country for a month. I don't know if that's – That was one month per year. I don't know if

that's going to work for every company, because not everybody can leave their family for a month at a time. But as you revalue and see other things, like people having annual conferences. I think Basecamp says that they have all hands, all company every six months and then a meeting with their team in between. So you end up with like a quarterly trip.

Ghosts talks about how they switch between cities and nature. I think that's another big part of the culture, is your company going to meet in like San Francisco every time at a company headquarters or are they going to like Bali and exploring more vacation type spots? I know different teams at different companies will go to Hawaii. I think AngelList just had one of the teams returning from Hawaii offsite.

So I think that's an increasingly define culture too, is what's the offsite policy? Are you friendly towards people with families? Are you primarily meeting within the country where you do business? Are you trying to make it a vacation thing?

But we just had our first Moonlight offsites about a month ago. We brought the whole team to San Francisco and we tried to not focus too much on getting work done. I think that's a really important part of these remote team offsites, is using it as a time to build relationships with your coworkers. Not necessarily time to do your normal work in a different place.

It was a really great time for us to understand each other's working styles, each other's motivations to learn about things like how James is cooking some awesome things at his house and he turns out to be an awesome cook. Buildings those deeper relationships helps you do work better. I think it's a thing that companies need to prioritize more as they're remote, is having that time to build relationships with each other. So that when you're asynchronous and something goes wrong, you remember that it's a human on the other end of the email chain.

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[00:27:13] JM: Monday.com is a team management platform that brings all of your work, external tools and communications into one place making cross-team collaboration easy. You can try Monday.com and get a 14-day trial by going to Monday.com/sedaily. If you decide to become a customer, you will get 10% off by coupon code SEDAILY.

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[INTERVIEW CONTINUED]

[00:29:01] JM: When you think about offsites, Toptal, despite their name being dragged through the mud pretty viciously recently, I'm a actually hoping to have Toptal on the show. I have emailed the elusive CEO and I really hope he comes on the show. But Toptal actually did something with offsites that I thought was pretty innovative, like at least they did near the beginning of the company where they would invite all the Toptalers, and these aren't people that are employed by Toptal.

They're people like on the Toptal platform. They would invite them to join Toptal at an offsite. I thought that was kind of a cool culture building exercise where like Toptal has been innovative in the building a culture around the participants of the platform. I experienced this a little bit with

Quora, because Quora had a thing called the Top Writers Program, and people who were building value on the platform were invited to this, and they didn't pay for airfare or anything, but they were invited to Quora HQ and then you get to hang out at Quora and talk to other top writers, and that was actually really cool.

There is like definitely a good element there with the offsites, and I think even having offsites for people in your platform is kind of appealing. The offsite is a shared piece of infrastructure for people on a remote work platform to enjoy.

[00:30:32] PT: Yeah, and GitLab just had their Commit user conference a block from our office. So we talk a lot internally about the idea of like a Maslow's hierarchy of needs for remote workers. The very bottom of the pyramid is jobs and getting paid, like being able to afford rent and food. But above that we start to see stability, which is having vacation time, having a stable salary, being able to take sick leave if needed, having insurance, and I think that's where the market is moving towards remote full-time instead of just contract, because there's a lot of uncertainty as you're a pure contractor. With a remote full-time job, you still have that flexibility, but you have more stability.

Then above on the pyramid of Maslow's hierarchy of needs, we see more loneliness in community. We talked about that, which is getting to know your coworkers, having time in-person, understanding that spending time with your coworkers is a part of your job. But what we're starting to touch on here is the next part above that, which we think is ongoing education and improving your career.

As an in-person office worker, you have exposure to more senior mentorship. You have exposure to interesting tech talks. You have exposure to meet ups that might be held at the office. But as a remote worker, you really need to prioritize having time to learn, get curious and improve your career. I know things like listening to Software Engineering Daily can be a great way to expand your mind and learn about new technologies that are available, understand how companies are leveraging technologies.

But I think these user conferences can also be a way to improve your career and learn these new technologies and tactics. So this is where I think it comes under the company plan, is as a

company that's remote, you need to be ensuring that not just you're focusing on community and addressing loneliness, but also that you're making sure that people can draw a line from where they are today to where they want to be in 10 years. From a technical perspective, that might mean going from a junior engineer to a senior engineer and having the means to do that. Some of these user conferences can be a really great way to do that.

That's why think that as a remote team, sending people to user conferences that you're not organizing is super important so that you can start to learn about the latest technologies or how different companies solve problems, because that cross-pollination of knowledge is really what makes every company stronger.

[00:32:50] JM: Yeah. So the model of doing remote work and then going to user conferences, or occasionally going to coffee shops, or occasionally doing offsites or whatever. It's kind of interesting, because that breaks apart the – Because the shared office plan was made with the best of intentions, like, "Oh! We'll have social interaction, and we'll have like information sharing, and we'll have work all in the same place." Well, it might actually work better if you serialize those things and allow people to work by themselves in isolation for 60% of their time, and then 20% of the time maybe they go to a co-working space and then 20% of the time – I don't know, go to offsites or whatever.

[00:33:29] PT: This is what we talk about in the Remote Work Encyclopedia a lot, is that the offices are more built for managers. They're not built for workers. So as a manager, if you switch from being an onsite team to remote, a lot of that burden falls on you and a lot of people will say that communication is harder for a remote team, and I think a lot of that is management. It falls on managements to become more organized, because you can't just tap people on the shoulder.

You have to have more of a queue-based work style. You need to be able to communicate clearly what people are working on. You need to have a more organized process for passing off work between different stages, whether it's like backend to frontend or design to marketing team.

So there is a lot more management overhead to having a remote team, and you really have to shift how you manage in order to address some of the challenges from a project management perspective, but also from a people management perspective.

[00:34:26] JM: So we've been talking about the abstract changes that are happening to the working world, particularly software companies and technology companies. These are leading to people who have desires to work in a way that has not historically been possible, and that's basically the backbone of your company, Moonlight.

The idea is you have contract software engineers who maybe they are for hire for full-time. Maybe they just want to do contracting. Maybe they're working on their startup and they've got 15 spare hours per week, and that's how they pay the bills to continue to do their startup. You have these different gradations of people who are working remotely, and maybe they even have a full-time job and they do some part-time work, but there's different gradations of how they're going to work.

All these different things that we've been discussing, they can be permuted and rearranged and re-mixed, and in many cases you have time left over and some of these people are going to be using those spare hours to be contract workers on Moonlight.

Describe some of the prototypical lifestyles that you see among Moonlight workers.

[00:35:46] PT: Yeah, we see everything. Getting back to the idea of remote as a spectrum, its contract work is the type of remote work that every company uses. So even companies that have a big office and make every employee come there during the day will still openly work with contractors who are not onsite. So think that's definitely the hack to get companies –

[00:36:04] JM: The yellow badges, or the orange badges, or whatever.

[00:36:06] PT: Yes, who don't get the Christmas present from Google. So contracting is a really great way to get companies exposed to remote work. But on the other end of the market, as you're asking about, what are workers doing where they want contract work? We see everything in between. We have people on the site who are full-time freelancers and really wants that

complete flexibility to really run a business, and freelancing after a couple of months becomes really clear that it is a small business. You're managing invoices and contracts and deal flow. It is a difficult lifestyle, because you have to have skills that you improve that are not just being a good developer.

We see people that are working on their own ideas. Sometimes they happen open source library that they want to be contracting on, because they run the open source library. Sometimes it is people who are working on a startup idea and want to be funding it while doing some part-time freelance work. That's how we started Moonlight. We freelanced part-time while building Moonlight.

Some people are having families and don't necessarily want a full workload. We have a lot of people on the site who might work like two or three days per week for various reasons. Even people on the site who physically, for personal and professional or other reasons, can't move to a place where they have access to normal in-person software jobs, and if they can get a full-time remote job, then working remotely from wherever they are, like contract work is the only reason they do it.

So we see all kinds of different reasons for people wanting to be on Moonlight, and some of them are also just super curious about new technologies that they can't get a job in. I think Bitcoin was really good example, where there were a lot of people who wanted to work in Bitcoin, but there were not many full-time Bitcoin jobs. So contracting was kind of like the leading market where you could get access to these more innovative technologies.

Today we're seeing new machine learning libraries, new more emerging mobile frameworks, things like that as having really broad interest within contract work it. We think it's just a leading indicator of what full-time jobs are going to be in the future.

[00:38:15] JM: Yeah. My little brother really likes Flutter.

[00:38:18] PT: Yeah.

[00:38:18] JM: And I'm like, "You digital nomad. You're such a digital nomad. You and your Flutter affinity, you and your Flutter GraphQL integrations.

[00:38:28] PT: Yeah. But also, we see the opposite end of it, which is people who are really good at legacy technologies.

[00:38:35] JM: Yeah, that's true.

[00:38:36] PT: And there are some really big companies using some really old technologies that pay a lot of money to hire experts in that. People don't want to hear that PHP still has a really big job market, but if you're an amazing PHP developer –

[00:38:48] JM: Or ColdFusion.

[00:38:49] PT: ColdFusion, Fortran, like banking infrastructure and credit card infrastructure is not running in Go. It's running on some old programming languages.

[00:38:59] JM: Maybe N26 or Monzo. One of these newer banks.

[00:39:03] PT: Yeah.

[00:39:03] JM: So some of these people divide their time among two or three contracts at a time. So this is something – I am a user of the platform, obviously, and we were talking before the show. I've been spending like the last three weeks just trying to hire somebody on Moonlight.

[00:39:20] PT: And you found somebody.

[00:39:21] JM: I finally found somebody. Yeah. I mean, the plus and minus of Moonlight is that it's a very open format. In contrast to a lot of the other contracting platforms where they insert somebody in front of you and then that person is your mediating API between yourself and the developer that you're going to end up hiring, you kind of have an open market where I can just shop around and I can talk to people and you have a have a nice user flow for getting to those

people for finding the right people, but you can also end up in dead ends, which is like any hiring process.

So I talked to a bunch of people and a lot of those people had like 15 or 20 hours available and I was like, "Well, you seem like a very strong developer, but I'm looking for somebody who can work 40 hours a week." People have different requirements. What's your thought on the multi-contract type of developer? What kinds of jobs are okay for the kind of developer who is arguably distracted, or working on 2 to 3 jobs at a time, or working on two jobs in their own product? Is that good? Is that bad? Context switching.

[00:40:32] PT: So we talked earlier about the needs of remote workers, the base level being jobs and getting paid and the level above that being stability. I talked about vacation and salary and like healthcare is some kinds of stability. But another kind of stability is not context switching a lot that you can get really deep on problems. That's one of the things we've seen personally and through the network with full-time freelance work, is that it becomes a game of utilization of what percentage of your potential billable hours are you able to bill.

One of the things that experienced freelancer start doing is lining up multiple projects at the same time, because if you work on a project for a few weeks, few months and then stop it and then try to find your next job, you end up with this period where you're not making money, and that's scary. It's hard to manage, and you need to have cash savings in order to float that period.

So all freelancers we've seen that are successful start to move towards a model of parallelization so that they have two, sometimes three jobs going at the same time so that there is no complete downtime. Because when someone comes to you and says, "I need help." Then you can always say yes and you don't have to try to line up the start and end times with multiple gigs, because that always is a really difficult thing to do.

So with the phenomenon you're talking about, people working on multiple jobs, if it's a full-time freelancer, it can be increasingly difficult to get someone with 40 hours per week availability with no context switching at the exact time you need them, because lining up the start and end times are hard. Which is why we think the market is moving more towards full-time remote employment, because you get that stability and you don't have to context switch, but that is a

general challenge. I think that's why agencies might still have a place in the future, is more of the product and project management. But in terms of just working directly with hourly contractors, it's tough to be able to line up the start and end times perfectly.

[00:42:39] PT: I mean, I agree with everything you said, and this is part of the reason why I was patient, is because if I was a contractor and I was getting – First of all, there are a lot of jobs that are like I only need you for 10 hours a week. I only need you for 12 hours a week. Basically, this is a maintenance project. We've got this huge legacy application. We don't know how it works. We just want you to fix these various things and keep the thing running 10 to 12 hours per week. Can you do that? You're like, "Yes. I'm a contract worker. I can get that done."

It may even take you like five hours per week to do the things that they're asking you to do in 10 to 12 hours. Depending on your arrangement, maybe you get paid for 10 to 12 hours of work for five hours of work, which can be awesome as a contract worker. By the way, the company is perfectly happy with it, because they're like, "Okay. We like that arrangement. We basically only need this work to keep the lights on and we're content with that."

If you're contract worker, you sometimes are stitching together these different jobs to have enough money, like to make enough money, and you're happy with that. Also, by the way, some people love context switching. I love context switching. I do a lot of different things. I do a lot of shows in different categories, and I love that.

The modality of doing the same thing every single day at these corporations was torture for me, intellectually. It was not interesting and I didn't like it, and I kept getting told that this is just the way things are done. I said, "F that. I'm out."

I like the fact that there are ways to do context switching or serialized context switching in the sense that this person that I hired. I'm probably going to hire them for 40 hours a week for 3 to 4 weeks and then we're going to go our separate ways, and they can go work on something new. They can go work on their own thing. That's fantastic. By the way, another thing that was beautiful about the hiring process, we had an interview. Instantly I was like, "Okay. I'm cool with this guy." The protracted hiring process of the Googles and the Amazons and the Facebook I think is absurd. I think it's crazy. I think it's total madness and [inaudible 00:44:41].

[00:44:41] PT: It takes so much time. It's uncompensated too.

[00:44:43] JM: That's right. I mean, maybe – I guess the proof is in the pudding, arguably, maybe, but it seems –

[00:44:52] PT: But it's also survivorship bias.

[00:44:53] JM: Survivorship bias. It is madness. So I was like – I interviewed this guy. I was like, "Okay. You seem really smart. I'll hire you." After a 30-minute conversation, "Well, see how it goes. You can check in with me in a week." But if it doesn't go well, if it's two weeks later, fine. I write off two weeks of salary. Who cares? At least I didn't burn his time or my time with another second round of interviews, third round of interviews, "All right. We'd like to invite you to our offices for the final round of interviews. You get to have lunch at our office. Congratulation."

[00:45:32] PT: But those interviews are standing at a whiteboard doing things that are very far from what the day-to-day work of the job. So we are very excited about the future of contract to hire. We talk a lot about it in the context of full-time. It definitely makes sense there, work with someone for a little bit before you bring them on. Try it before you buy it. But it even works in contract work. For a job like yours, where you're looking for a month time, we really recommend having more of a rolling start working with someone.

At Moonlight, when we were hiring and when we hire for contractors, we try to start with two hour engagements that is the equivalent of fix this email copy and submit a pull request and get it to production. Something that is a tiny bug it takes someone normally 20 to 30 minutes. Just to make sure the person can get up and running with the development environment. Then we move on to more of like a 1 to 2-day contract job where we give them more flexibility.

With that, it's super clear whether you could work well with somebody. There are people that look very good on paper, or very bad on paper and their performance can have no correlation to how good they look on paper. There are people that also it's really clear whether they're good fit for a smaller or larger company during that, and there's no substitute we think for actually just

working with somebody. The approach you're describing of just starting to work with someone and seeing if it works is exactly what I think the future of all hiring looks like.

If you're going to join a new startup, we don't think you should be flown in for an extended whiteboard interview. We think that the company should just start working with you and see if it works out. That's where this part-time contract work can also be so valuable, because you can try out multiple people. You can also get an idea of what the market is like. You can test different technologies through some different experts. But if you are trying to build a more full-time contractor, full-time employment team, contract to hire gives you such granular information about whether someone is a good fit for your team, where you don't have to guess. You can actually just try it and see.

[00:47:37] JM: Yeah. I mean, in all honesty, I'm definitely making a really, really strong case for that model that I just described, like snap your fingers and you hire after 20 minutes. But I do understand why these companies do the protracted hiring process. I think there are decent reasons for it, especially when you get it down to like a science, like Google has, where you can basically surveilled the whole hiring process and really get a good sense of this person. In a spot like Google where there are so much downside to making an incorrect hire, like kind of doing the, "I'm going to contract to hire," wishy-washy "We're going to work together for a little bit," maybe is a lot harder to execute at Google scale l when you're trying to have a factory-driven constant stream of engineers coming in.

[00:48:20] PT: But not every company is Google. Google might be able to figure it out. But every company is hiring technology workers now. Walmart is using blockchain. Domino's is selling more pizza through their apps than through storefronts. John Deere is building self-driving tractors. So Google may be able to figure out a whiteboarding interview that works for them.

But for every other company that's trying to hire developers, particularly companies that didn't start as knowledge work-based companies. I think that they need a new way to hire, and I think contract to hire is the way for that. That also falls into our philosophy, that developers are not something that should be ranked. I really cringe when I hear the idea of like top 3% of developers, like hire the top 3%. I think that there is not best and worst talent. I think there's –

[00:49:09] JM: Shots fired at Toptal.

[00:49:10] PT: I think there is the best fit for the job, and we have people on Moonlight that are amazing Shopify experts who bill out insane rates and don't know how to do a bubble sort algorithm versus a quick sort, and that's okay. They can be a really good fit for certain jobs and not for others. So we don't think that stack ranking people is also the right way to go. We think that it's a matter of finding the right fit for people for a particular job, and contract to hire makes it so clear whether they're a good fit for your company, because you can actually just do work with them and see whether it's a good fit without having to guess.

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[INTERVIEW CONTINUED]

[00:51:30] JM: Tell me about how the salary trends for remote workers have evolved on Moonlight, and also give me some sample size.

[00:51:38] PT: Yeah. We require at least two years of professional experience to be on Moonlight right now. I think that figuring out junior salaries is a thing we want to do. We have some product limitations for more junior talent on the site. We're going to improve and open it up hopefully early next year to everybody of all skill levels.

We ran some analysis recently and can see a really drawn linear correlation between years of experience and hourly rates on the website, which is interesting to see from the perspective that years of experience is really one of the driving factors for how much people get paid. Not necessarily location.

As we start to look at some of those other correlations, I think one of the big questions long-term is if you previously were working at a major U.S. tech company and getting paid a really high salary and then you choose to work remotely and move to like a developing country where local salaries are much lower, should you continue to get paid at that level?

Looking at technology is becoming increasingly globalized. What's going to happen with worker wages? Right now, people that live in cities get paid more mainly because it costs more to live there and they have to come in to the big office, but if you don't have to come into the big office, why should you get more money to live in a city versus someone who chooses to live in a cheaper place? I don't know if I have the answers on that.

[00:53:06] JM: That's a tricky one.

[00:53:06] PT: It is. It's super tricky. The Information had a really good opinion piece last week by Sam Lessin talking about the high skill versus low skill divide where cultural relevance, not necessarily aptitude, can impact someone's pay.

Because if you are building a product for your local users – Specifically, if you look at the breakdown of most of these different ad networks, like Instagram, Facebook, things like that, they derive significantly more revenue from the United States than you would guess from how

much of their traffic comes from the United States. So why should workers in the United States necessarily get higher salaries because they're in the United States?

A pragmatic answer would be that they understand what the U.S. consumer wants, and the U.S. consumer spends a lot more money on these sites. So I think that is going to factor into it. I don't think that we're going to immediately see salaries dropping in San Francisco and salaries immediately increasing in more developing areas. But there is a value that having a knowledge of buyer and product trends can bring directly to a product. I don't know when it's going to happen. I keep a really close eye in this space, but there's something happening here where wages in San Francisco should necessarily pay better if you have a remote workforce just because the housing is more expensive here.

[00:54:39] JM: But maybe they should be higher because you're more plugged into the ecosystem, and arguably these employees who work in San Francisco are going to have better taste in technology. They're going to know the trends faster. They're going know the design patterns faster. They're going to know this and that and these little elements of strategy in business and tactics that compound into something that is an employee that can be "10X".

[00:55:08] PT: To be clear, this has nothing to do with intelligence or aptitude. It's becoming clear that there are skills you develop in building products that are valuable beyond the language you're expressing in, like the coding language that you're expressing them in. That's such a fascinating trend globally, because it also means that if you're building the Argentine payments network, having local knowledge of how local products are expected to be used, things like that.

[00:55:40] JM: Oh,yeah. Like go-to-market for payments companies in South America is like really different than –

[00:55:47] PT: Yeah. I think that's where maybe completely open free market might still pay more for someone based in one place versus another, is that like relevant [inaudible 00:55:58].

[00:55:58] JM: Because these engineers are basically also product designers.

[00:56:00] PT: Yeah. Who knows? If someone is getting paid premium in the United States and they move somewhere else, should they still be paid that premium? I don't know what the future looks like, but it's going to be crazy, because what's going to happen to cities as people no longer necessarily get paid more just to be in the city versus outside of it working from their home? It's going to be a crazy time I think where, historically, the last few decades, we've seen an increase in urbanization. But I wonder if remote work is going to create another wave of suburbanization where people move out of cities.

[00:56:33] JM: Yeah. How has Indie Hackers movement affecting the remote work economy?

[00:56:38] PT: The Indie Hackers movement along with the no code movement is just showing that you don't necessarily need to be a venture scale company aiming to IPO in five years to have a really viable technology business, and that's great in multiple different ways.

In one way, you can participate in a tech economy without necessarily knowing how to code. That's great. The next is that you can have these technology companies that don't have to rely on sources of external funding in order to be viable. I think that's going to kick start local start of ecosystems in places without having this chicken and egg problem of are there investors to fund startups? No. So there's not startups. If you don't need funding to start out, then you have many more technology companies being started.

The final thing is I think the Indie Hacker movement is very similar to what we were talking about with contract work in general where people are curious and use it to explore new technologies and new ideas. In the way some people were building open source tools and technologies and libraries in the past, I think we're going to start to see more people creating these like side businesses, these side hustles that are generating revenue rather than necessarily like GitHub users.

I think open source is still here to stay. I think it's definitely going to have a continued great engagement and growth, but I think indie hacking is kind of just almost like an overflow from open source tools to kind of more closed source hacking ideas because people can actually take this idea for a project and deliver it all the way to revenue so much more quickly now.

[00:58:17] JM: I think it even snuck up on Courtland how big this trend is. I mean, it's insane. It's massive like. I don't know if you listen to his podcast, but like there have been – I think he's done interviews of these people who like have nine companies that they've made. They're operating like 9 or 10 counties and it's like two people are one person and he's like, "Yeah, I got this other thing, and then I got this other like t-shirt printing businesses." It's just like hustle. There's like grind. People are grinding.

[00:58:47] PT: This is also where I think we're going to see a blur between contract and full-time work. I don't know what exactly the future will look like where it will settle within that spectrum, but there's a lot of people today that are not in the technology business that increasingly have multiple different things they do and sometimes it's work just for the purpose of getting paid so they can focus more on their passion or whatever it might be.

I think technology is also starting to have that as it goes more mainstream. We're having this whole generation of developers coming online that went to a remote coding school. It might be their second or third career, and it's bringing a lot more different perspectives in the code where they might want to work on a couple of different side projects. They might have a couple of different gigs going. Maybe they learn to code just because they were in the no code movement and wanted to up their skills a little bit.

So I think that there's definitely going to be more of a trend of people working on multiple different projects, having multiple different sources of income and it will be interesting to see whether these projects stay more as like a side hustle or whether people are really going to be moving more towards independent makers as a primary source of income.

[00:59:56] JM: Last question. What are the most acute ways in which remote work tooling and remote work platforms are still insufficient?

[01:00:05] PT: I think a lot of it gets back to that – Earlier I talked about the pyramid of needs of remote workers, jobs and getting paid, stability, community, ongoing education. The first remote work sites and tools were all solving the base needs of those pyramids, like jobs, getting paid. We're increasingly seeing more trends towards stability, like full-time remote work instead of necessarily just all gig-based work off of Upwork.

I think the huge opportunity now starting to move into more of these community and education ideas, because we talked this whole episode about the loneliness problems for remote workers. Loneliness is a societal trend in general, and also these needs of workers to continue to improve their skills, attending user conferences.

I'm really excited to see what kind of things happen now within these communities and education initiatives for remote workers. Some of these websites coming online like Girlboss, and Ladies Get Paid, and Elpha are really starting as community-driven initiatives. They're having really vibrant online communities. Dev2 just raised a huge series A funding. I think all this is starting to circulate around more of democratization of access to community and knowledge and education tools. I'm excited to see more of where this plays out, because as an increasingly distributed workforce, you can't just go to the local San Francisco JavaScript meet up.

You need to have easier access to more of these community and resources. I think there's a much bigger, broader opportunity now to say remote workers are no longer going to have an office for social and education components. Co-working might be part of that. Online might be part of that, but still there's just going to be so many of these workers that have an appetite for more connection to others, whether it's through software like Tandem. But also through education, whether it's user conferences, or online videos, or really great podcasts. I think that the world is going to see this market start to explode more in the next couple of years in terms of private communities, open communities, verticalized communities, special interest group communities that are going to provide this mix of community and education.

[01:02:27] JM: Philip, thanks for coming back on the show.

[01:02:29] PT: Thanks, Jeff. Great to be back.

[END OF INTERVIEW]

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