The Nomadic Talent Show

How two techie matchmakers built a high-end freelancer
network—without ever opening a single office

MENTAL GYMNASTICS
To find the best developers in the world, like these freelancers in Berlin, Toptal puts applicants
through a rigorous vetting process that includes timed technical challenges and a soft skills test.

A **HALF DOZEN SOFTWARE** developers are playing a pickup polo game in Argentina. Halfway around the globe, engineers are enjoying a beer tasting in Croatia. In Colorado, more are hanging at a ski resort to talk fintech. If these don't sound like scenes from a typical freelancer network, that's because Toptal is hardly typical. The seven-year-old company, co-founded by Taso Du Val and his fellow developer Breanden Beneschott, has managed to create a global marketplace of hired guns with a strong company culture. "There's a network effect," says Du Val. Here, he explains how he turned his office-less company into a $100 million business that connects high-level developers, designers, and finance pros with some 2,000 companies, including Airbnb, Pfizer, and the Cleveland Cavaliers. —KATE ROCKWOOD

Identify the Pain

I know how time-consuming it can be to find a great freelancer, because I've lived it. In 2010, I was two years into working on my startup—a real-time chat engine company—and needed help. The online marketplaces had a ton of options, like Elance and oDesk, but you had to hunt through profiles and take a gamble. Eventually, I found someone abroad—he was hyperproactive and communicative, with incredible skills. My startup didn't go anywhere, but I realized if I could solve the freelance problem, that business could be a massive success.

Find Your Counterbalance

I didn't want to be some added layer between marketplaces and companies. I wanted to build an exclusive network, so if Google said, "Give us an English-speaking, music-loving, C++ and Java-Script expert tomorrow," I could make it happen and know without question that the person was going to show up and be an adult. Shortly after launching Toptal, my old neighbor and then-client, Breanden, asked for freelance help. I wasn't looking for a co-founder, but I quickly saw we'd be a good match. He's really into nitty-gritty operational details. I'm a bit more outgoing than he is, and a bit more comfortable with product and strategy. I'd rather crawl under the bed and die than do customer service, whereas he'll do it for 20 hours straight and not complain. So we struck a deal, and he moved from client to co-founder. He was still at Princeton at the time, so I flew from Palo Alto, California, and camped out in his tiny dorm room for a few weeks, working out a plan.

Create Quality Control

Right away, it was clear that an elite network of on-demand talent could be a huge business, but only if we applied rigor and technology to it. These aren't $2,000 freelance jobs. Most of them are tens of thousands of dollars. We wanted only the top 3 percent of free-lancers to make it through. So to take subjectivity out of the equation, we developed a four-part process: First, a phone call to screen for language— English is a must—and soft skills, like the ability to speak with clients and collaborate. The next step is a timed skills challenge, and those two steps alone knock out 90 percent of people. The third step is sharing your screen with an evaluator while you work through exercises, so we can gauge your speed and creativity. Finally, we set up a simulated project, which can take 30 hours or more. It's a time commitment to apply, but every month thousands of people do because they want to work with these companies.

↑ **Chief Wanderlusters**
Since co-founder and CEO Taso Du Val (top) and co-founder and COO Breanden Beneschott moved to Budapest in Toptal's first year, Beneschott has lived in nearly 35 countries.

TOPTAL TAKES OFF

$100 MILLION
2016 revenue

400%
Annual growth since 2015

8 WEEKS
Time it took Toptal Finance to hit $1 million in projected revenue

2
Verticals launched since 2016: design and finance

Build Your Brand Reputation

Acquiring those early clients was brutal. Everyone claims to have amazing talent, but until you build some brand recognition, it's hard to prove you really are doing something different. It took a lot of hustling to cut through the noise. Our network would land some small project, blow everyone away, and then we'd get a bigger project. It helped that we didn't have the usual herd mentality and move to Silicon Valley. Breanden and I had been living on opposite coasts for months while he finished school, and were working with freelancers from Russia, Hungary, South America. We knew we could run the company from anywhere. I'd never really been outside the U.S., but in 2011 we booked tickets to Budapest and lived like kings off $1,000 a month. It was life-changing, and it let us conserve money for the first year while we built our brand.

Perfect a Vertical, Then Scale

Breanden and I are engineers, so it made sense to start in the tech space, but we knew from the beginning that we'd eventually expand into different verticals. In 2016, we launched the design vertical—roles like user experience and interaction designers— and earlier this year we launched into finance with experts in financial reporting, capital raising, and data modeling. The challenge is fine-tuning the process so you're not getting the top 10 percent but truly the top 1 or 2 or 3 percent of the people in that field. If we can unlock that in a new vertical, we can build the next on-demand network of freelancers—and we still won't have a single square foot of official office space.