

Vertical Labor Marketplaces



Hi, this is Weekend Fund! Welcome to our first Open Market Map, a collaborative project where each post is dedicated to mapping a growing category of software.

Our goal with Open Market Maps is to learn about growing categories of software as collaboratively as possible, and include input from the key players and thought leaders in the space.

This post is open for contribution:

- To contribute, leave comments directly on the Google Doc
- The doc is moderated by Weekend Fund who will review comments

- If we accept any comments, we'll give credit to contributors in the document

We'll be publishing more market maps. Subscribe to our newsletter, [Signature Block](#), to follow along :)

Work has changed dramatically over the past two years, leading to new opportunities and demands from job seekers. Over 40% of workers are looking for jobs amidst these changing market conditions. Whether that is due to simply wanting to change jobs, having experienced a layoff, or entering the workforce for the first time, workers have been looking for new opportunities at elevated levels. At the same time, demand for workers has been soaring across a variety of industries to fill vacancies driven by COVID, demographic shifts, and employee turnover in order to complete the necessary work to grow businesses.

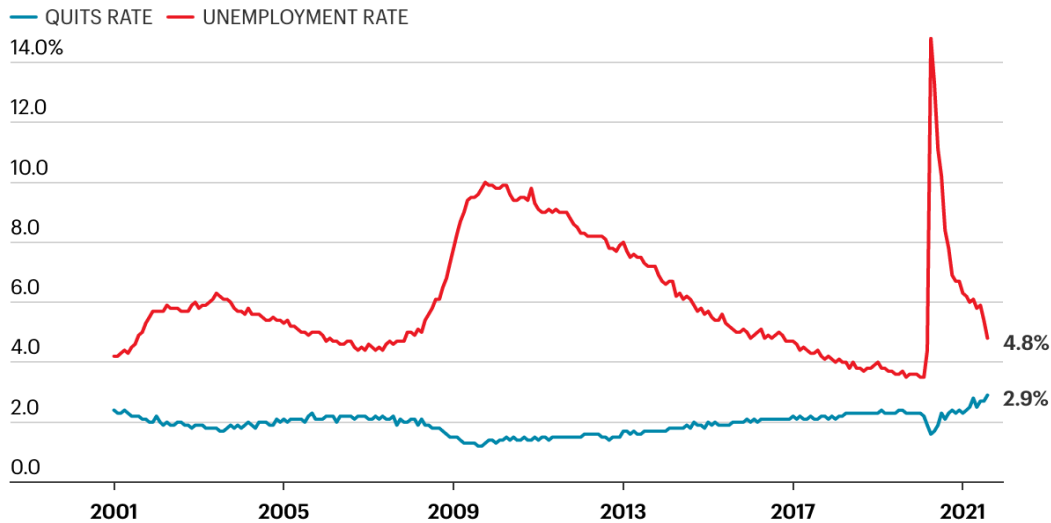
This has led to the rise of **vertical labor marketplaces, platforms serving the hiring and worker management needs of specific industries**. By appealing to a particular subsegment of the workforce, vertical labor marketplaces are able to better reduce friction in hiring, cultivate a talented labor pool, and provide support and services to workers and companies through SaaS tools. Rather than going to a horizontal marketplace such as LinkedIn, workers and companies will now be able to plug into platforms that are meant for their particular industry and needs. These vertical labor marketplaces are primed to be the dominant way that the job market functions and employees get hired.

Thank you to [Pete Flint](#), [D'Arcy Coolican](#), [Michael Tam](#), and [Ben Yoskovitz](#) for their influence on and contributions to this post. Thank you also to Raveesh Bhalla, [Justine Moore](#), [Nikunj Verma](#), [Nikita Gupta](#), [Sean Linehan](#), [Nadav Weizmann](#), and [Vartika Manasvi](#) for helping us identify companies in this space.

Trends in Labor Marketplaces

Changing Labor Market landscape

The last two years have seen massive shifts in the labor market. 2020 experienced periods of extreme unemployment, reaching levels not seen since the 1930s, as COVID shut the world down. 2021 was marked by the Great Resignation, with 48 million people quitting their jobs. Now, in 2022, unemployment has approached record lows and is now again increasing as layoffs hit various industries. Even outside of the macro landscape, specific industries, such as skilled trades, have been experiencing labor shortages.



Source: *Fortune* and the U.S. Bureau of Labor Statistics

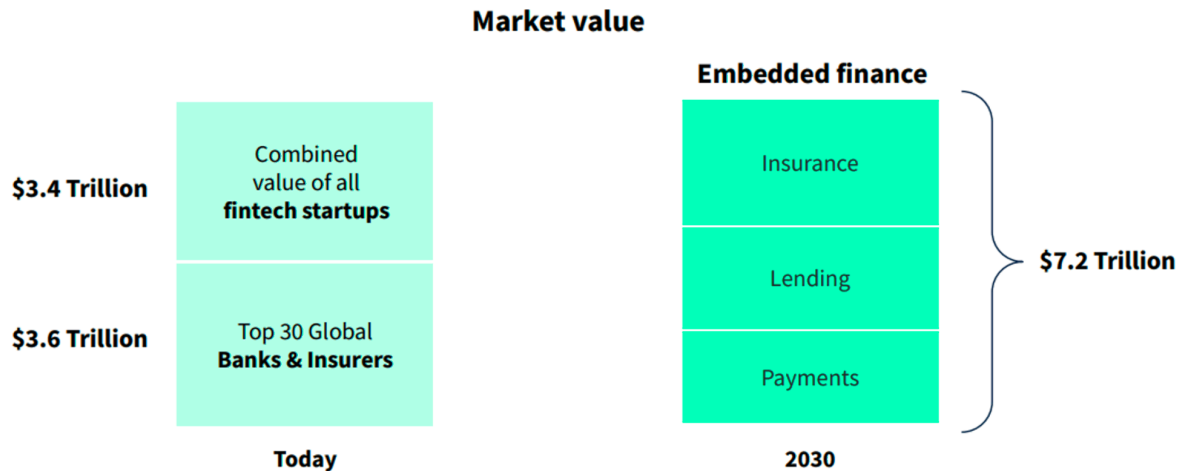
During the economic boom of the past few years, companies did not have to rely on massive TAMs to build marketplaces given the rapid hiring activity and shifting of jobs by workers. Even niche industries have been able to have meaningful liquidity on both the supply and demand side. When the economy contracts, labor marketplaces tend to shift more towards “consultancies” that focus on matching workers of outsized quality with companies. This is more service-driven than software-driven, hampering the unit economics of the marketplace.

Vertical labor marketplaces are able to capitalize on these supply and demand fluctuations to more efficiently match the right workers with the right jobs.

Rise of SaaS Tools

The most successful labor marketplaces will provide more than matchmaking of workers and companies. By providing SaaS tools, vertical labor platforms are able to differentiate themselves from competitors that may offer just a pure marketplace and “matching.” SaaS tools that assist with pain points such as worker management or compliance, things that companies *have* to have and are not optional, can see outsized success.

One area that marketplaces have been looking to capitalize on is embedded finance, an area which accounted for \$2.6 trillion of US financial transactions in 2021 and by 2026 will exceed \$7 trillion, or over 10% of total US transaction value. Successful vertical labor marketplaces, such as Workrise and CareGuide, are leaning into this trend by offering financial services such as payroll, insurance, and payments.



Source: *The rise of embedded finance*, Dealroom and ABN AMRO Ventures, 2022

Other successful marketplaces, such as Shift and The Mom Project, have looked to build a community where workers with similar backgrounds can interact with each other. More companies have begun to work towards cultivating communities, with a Forrester report finding that 60% of businesses own a branded online community.

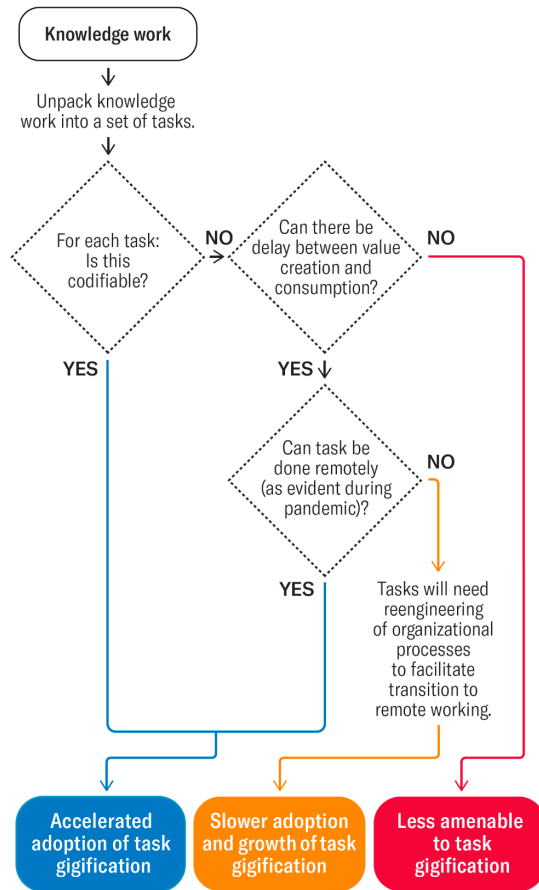
These SaaS tools can also propel traditional, niche job board sites to become vertical job marketplaces with embedded services. These niche job boards may not have the TAM to be just a pure-play marketplace, but through embedding SaaS tools, they can grow into meaningfully large platforms. By providing additional products and offerings, the most successful marketplaces will have a more appealing value prop, engaged user base, and diversified source of revenue.

Increasing Demand for Knowledge and Talent Workers

Many people are aware of the explosion of the gig economy, which has nearly doubled in size in the past 5 years. The gig economy has been historically driven by undifferentiated labor carried out by workers that have easily interchangeable skill sets. This allowed companies such as TaskRabbit and Uber to grow their platforms quickly both in terms of revenue and workers. Now, enterprises are looking to reach workers that have a defined, specific set of knowledge and skills that allow them to complete their jobs.

How to Determine If Knowledge Work Lends Itself to “Gigification”

To better gauge the future of the gig economy for knowledge work, analyze the work at the task level.



Source: Sameer Hasija et al. and Harvard Business Review

As shown by Braintrust's Knowledge Worker Demand Index, the demand for knowledge workers is surging. In 2021, the average enterprise was hiring for 66 knowledge worker jobs with 1 out of 4 enterprises hiring for 200+ knowledge worker roles. It has also proven difficult to hire for these roles, with half of all knowledge worker roles taking at least 30 days to hire.

The acceleration of hiring is an important development for knowledge worker hiring. A core value proposition for companies such as Uber and TaskRabbit is that they are able to match workers with shifts and gigs nearly instantaneously. This benefits both individuals looking for work and people looking to have a service fulfilled. As the demand for knowledge and talent workers continues to increase, vertical labor marketplaces can provide robust user experiences for both companies looking for employees and workers, ranging from caregivers to mechanical engineers, looking for jobs. By tailoring the job search, application, and interview processes to a specific industry, vertical labor marketplaces can capture many of the nuances and eliminate

many of the barriers present in a specific industry. This can lead to faster matching and hiring for critical positions.

Training and Credentialing

Labor marketplaces looking to distinguish their talent pool from others are wise to begin embedding training and credentialing into their platform. For many knowledge workers and skilled trades workers, having a high level of competence and experience to complete a role is crucial. Through training, marketplaces can look to ensure that the talent on their platform is top-tier. Workers' fit based on tagged skills and ratings varies greatly in value and accuracy across markets, making vetting of the labor pool highly important to cut through the noise. This will encourage companies to come back to hire equally capable workers in the future.

Embedding training within labor marketplaces is notoriously difficult to build as a team needs to (1) Acquire a talent pool, (2) Build out a training program to upskill workers, and (3) Establish a marketplace to match workers with jobs. This three-legged approach can be massively successful but if one of the legs fails, the whole platform will become shaky. One company that has developed a creative solution to achieve the training of workers is Jobwise. By creating a three-sided marketplace between technical schools, students, and employers, Jobwise leverages the training by the technical schools to pair with a labor marketplace to establish the necessary three legs of the platform.

A more accessible way to curate a talent pool of high-quality workers is through credentialing. Through this method, workers are enabled to showcase their skills and have their competency validated before they're hired, leading to better matches for employers. Tech labor marketplaces, such as Triplebyte, have worked to solve this by embedding personalized online coding tests into their platform to help screen candidates for prospective employers.

Marketplaces that leverage the labor of virtually interchangeable workers have been built and dominate the gig economy, but marketplaces that can amass a talent pool of high-quality, differentiated workers are set up to succeed in the coming years.

Areas We're Excited About

We're excited by the following segments as it pertains to vertical labor marketplaces given the following characteristics that many of them share:

- Worsening demand-supply gap as a result of increased demand or decreased supply
- High variance in quality of service and need for vetting
- Lack of public presence through profiles on LinkedIn and other horizontal labor marketplaces that lead to underserved individuals

Caregiving and Education

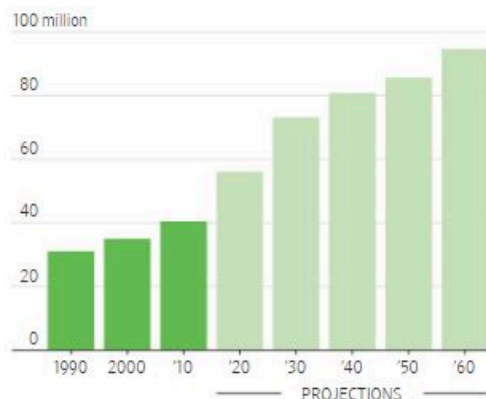
We believe the caregiving and education segments are ripe for a robust vertical labor market. Caregiving and education institutions both place a strong level of importance on the vetting of individuals given the close contact workers will have with children and/or the elderly. A vertical labor marketplace in this domain can ensure the correct questions, policies, and processes are in place to filter for high-quality, high-integrity workers.

The significant "care crisis" occurring in the US at the moment also provides a space for a vertical labor marketplace to improve hiring in this area. The care crisis is a result of the growing demand for caregivers, inadequate pay, and dwindling supply numbers. This has made finding workers increasingly difficult as there are 100,000 fewer child-care workers than there were before COVID, according to the Bureau of Labor Statistics. A vertical labor marketplace can play a role in matching these workers with both full and part-time openings in addition to highlighting the specific skills needed to be a caretaker.

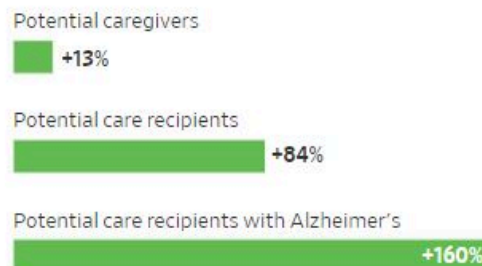
Aging Americans

As baby boomers age, more older Americans will find themselves in need of care, yet there are fewer caregivers

U.S. population aged 65 and older



How caregiving is projected to change, 2015-2050



Sources: Census Bureau (population); Merrill Lynch/Age Wave study (change)

Healthcare is also an area where we have seen a decrease in workers since COVID, but childcare and education are less saturated areas in comparison which gets us excited.

Examples

Kare: Kare offers a digital marketplace for senior care and post-acute care facilities to connect with and hire staff. This is essential for an industry facing a staffing crisis, with nearly 82% of facilities facing severe staffing challenges.

EarlyDay: EarlyDay is a two-sided marketplace for early career educators. Schools can post job openings on the website and educators can respond to these job postings or be contacted directly. This is an important central location for these roles as most educators lack profiles on sites such as LinkedIn.

Skilled Trades

This is a vertical that excites us given the underlying traits of the workers in this sector. Generational shifts are impacting this job market significantly due to demand waning amongst young workers as their perception of skilled labor jobs sours at the same time that supply dwindles as older workers retire. Marketplaces can play a role in serving as a central location where companies are able to find workers that are becoming increasingly scarce. These platforms can also enable the skilled worker community to evaluate the quality of the roles and companies for each other, combating some of the negative comments around positions that are notorious for high turnover amidst poor job quality.

This set of workers is also unique as many of these workers do not rely on typical online job platforms. Horizontal hiring marketplaces like LinkedIn, Craigslist, and Indeed have traffic but result in a poor experience for both candidates (jobs need to be applied to individually and may lack trade-specific filtering for finding the right role) and companies (it's not uncommon for a majority of applicants to not even show up to a scheduled job interview). Due to this, 46% of jobs in skilled trades are filled by word-of-mouth which is inherently inefficient.

Examples

Classet: Classet is building hiring tools, on-ramps, a marketplace, and content network for skilled trades, starting with construction. The US is facing a severe skilled trade worker shortage with 650K unfilled roles in the trades and 89% of companies having difficulty hiring. This is only getting worse and Classet hopes to fix it.

Buildforce: Buildforce streamlines the process of identifying, screening, placing, and managing skilled construction professionals on behalf of construction contractors. Specialty contractors that take on construction jobs spend on average 40% of annual revenue on their workforce, but experience on average 80% annualized employee turnover due to a variety of factors inherent to the construction industry. Buildforce is looking to close this gap.

Technology and Engineering

The technology sector is experiencing a meaningful shift in its labor market as more than 85,000 workers in the U.S. tech sector have been laid off in 2022. Hiring freezes across much of "Big Tech" have also led to supply and demand dynamics in the tech worker market that have

not been seen in recent years. Smaller tech startups on the other hand, potentially without HR teams, are starting to make a push to scoop up talented workers to add to their nascent teams. At the same time both of these trends are occurring, more companies are turning to outsourcing to leverage cheaper labor for remote positions. These dynamics have made hiring increasingly challenging and confusing for most hiring managers.

New opportunities within the tech landscape have led to increased demand for workers with specific skill sets and backgrounds. For example, more companies are seeking blockchain developers and AI engineers now than a few years ago due to the increased interest in Web3 and AI respectively. Hiring engineers with these backgrounds and credentials are essential for startups looking to establish a foothold in the market.

We are excited by technology and engineering job marketplaces because of the potential to showcase the work of a tech worker before they even get to the interview stage. Tech workers have a skillset that readily lends itself to being shown off through portfolios and previous projects on a platform for tech workers. This can also be assessed across the globe for remote roles, making this an exciting industry for a vertical labor marketplace with a large TAM.

Vertical labor marketplaces for tech workers can play an active role in the credentialing and validating of tech worker skills. By providing upfront skills testing, tech labor marketplaces can empower workers to more accurately prove their capabilities and help companies gain access to a reliable talent pool. This has a meaningful value proposition of increasing the quality of workers hired while also decreasing the time to hire which currently sits at 49 days for these segments.

Technology	54%
Industrial	12%
Consumer	12%
Healthcare	8%
Finance	5%
Media, Entertainment, Telecommunications	7%
Other	2%

Sectors hiring the most tech talent; Source: Braintrust

Examples

Remotebase: Remotebase provides pre-vetted teams of developers that are ready to operate within 24 hours. They also recently launched a developer hiring tool called Talently which presents the closest match to customer job requirements and immediately locks interviews with developers. This saves meaningful time for positions that take notoriously long to hire for.

Triplebyte: Triplebyte offers personalized online coding tests and subsequent technical interviews to help screen candidates for prospective employers. Rather than reviewing inbound applicants, sourcing manually, and sending cold outreach, recruiters can immediately be put in touch with the highest quality candidates that already want to interview with their company.

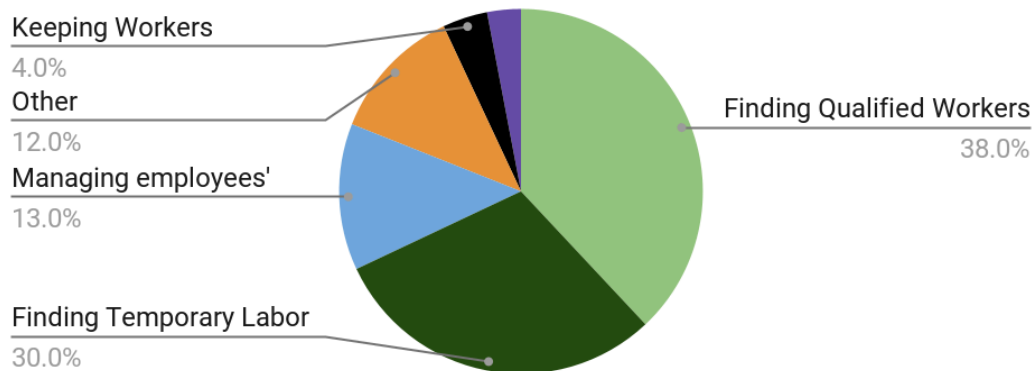
Agriculture

The economic impact of agriculture on America's GDP, nearly 5%, and the importance of its workers excite us about agricultural labor markets. Having a robust, skilled labor force in agriculture is of pinnacle importance as labor shortages in agriculture can cause losses for companies that total over \$3.1 billion each year due to rotting crops not being harvested on time. While technology is decreasing the number of agricultural workers needed, it is not enough

to close the gap with over 140,000 openings for agricultural workers projected each year over the decade.

We believe agriculture is ripe for a vertical hiring solution because it is a job market dominated by compliance burdens, slow digitization, and in many cases, laborious paperwork. A vertical marketplace can help address the specific needs of this industry to hire workers. Agriculture is also constantly faced with fluctuating worker demands as a result of forces ranging from legislation to seasonality. Vertical marketplaces can help address the demand for labor when it is most critical.

What's your single biggest labor challenge?



Source: Farm Journal Ag Labor Story

This is also an industry that faces acute difficulty on the supply side, finding workers, as shown above. We believe vertical labor marketplaces are able to assist with this by offering services and perks to workers. This could range from healthcare benefits to training programs, but vertical labor marketplaces that are able to embed these services will attract more workers and help to solve the supply-side issue.

Examples

Seso: Seso is an end-to-end recruitment and workforce management platform for the agriculture industry. Seso helps farms navigate the H-2A temporary agricultural worker program and stay compliant while also helping workers find safe and meaningful employment. This can reduce the cost to hire workers by up to 24% in an industry with a meaningful need for workers.

Picktrace: Picktrace is an all-in-one labor management suite for agriculture. Through the platform, large-scale farms are able to hire, manage, and pay workers. Growers have experienced a continued rise in labor cost, and Picktrace helps make labor management more

efficient by digitizing and automating many of the processes such as I-9 and W-4 document completion.

Company Appendix

If we're missing any companies that should be included, feel free to add your comment here with your suggestion. Also if you have any experience using any of the companies below, share in the comments as well. :)

Company	Industry	URL	Stage
PackHire	Caregiving	packhire.com	Pre-Funding
Rethinkable XYZ	Web3	rethinkable.xyz	Pre-Funding
HYVE	Web3	hyve.works	Pre-Funding
Penji	Design	penji.co	Pre-Funding
WFH Team	Technology	wfh.team	Pre-Funding
Keylime	Business	joinkeylime.com	Pre-Funding
Thirdwork.xyz	Web3	thirdwork.xyz	Pre-Funding
Stellar	Creative	stellar.work	Pre-Funding
Wanderly	Healthcare	wanderly.us	Pre-Funding
Engi	Web3	engi.network	Pre-Funding
Nook	Construction	workwithnook.com/en	Accelerator
Ladder	Construction	meetladder.com	Accelerator
Lumina	Business	lumina.mba	Pre-Seed
Creative Futures Collective	Creative	creativefuturescollective.com	Accelerator
Edizeven	Hospitality	edizeven.com/search-jobs	Accelerator
Growth Collective	Business	growthcollective.com	Accelerator
Stint	Hospitality	stint.co	Pre-Seed
Limber	Hospitality	limber.work	Pre-Seed
Baristas on Tap	Hospitality	baristasontap.com	Pre-Seed
Hello Subs	Education	hellosubs.co	Pre-Seed
Upkid	Education	joinupkid.com	Pre-Seed
ClockedIn	Hospitality	clockedin.com	Pre-Seed
ArchSlate	Construction	archslate.com	Pre-Seed
Buildstream	Construction	buildstream.co	Pre-Seed

Greenwork	Energy	joininggreenwork.com	Pre-Seed
Airwork	Manufacturing	airwork.io	Pre-Seed
Manara	Technology	manara.tech	Pre-Seed
Werk	Construction	werk.eu	Pre-Seed
Gig and Take	Manufacturing	gigandtake.com	Pre-Seed
Hire Runner	Business	hirerunner.co	Pre-Seed
Station Labs	Web3	station.express	Pre-Seed
Outdefine	Web3	outdefine.com	Pre-Seed
Farm Post	Agriculture	farmpostapp.com	Pre-Seed
ParentVillage	Caregiving	parentvillage.app/home	Pre-Seed
HusslUp	Business	husslup.com	Pre-Seed
Ondecare	Caregiving	ondecare.com	Pre-Seed
Upsmith	Construction	upsmith.com	Pre-Seed
Careerflow.ai	Technology	careerflow.ai	Pre-Seed
VanHack	Technology	vanhack.com	Pre-Seed
Arc	Technology	arc.dev	Pre-Seed
Hound	Healthcare	hound.vet	Pre-Seed
Climatebase	Environment	climatebase.org	Pre-Seed
Kleoverse	Web3	kleoverse.com	Pre-Seed
Grupa	Technology	grupa.io	Seed
Classet	Construction	classet.org	Seed
Buildforce	Construction	buildforce.com	Seed
Medely	Healthcare	medely.com	Seed
DirectShifts	Healthcare	directshifts.com	Seed
NurseDash	Healthcare	nursedash.com	Seed
Haul	Shipping	haulwith.uscdl-drivers	Seed
YouCruit/LaneFinder	Shipping	lanefinder.com	Seed
Smartstaff	Manufacturing	smartstaff.co.in	Seed
MarketerHire	Business	marketerhire.com	Seed
Toptal	Technology	toptal.com	Seed
Cluster	Engineering	clusterinc.com	Seed
Bite Ninja	Hospitality	biteninja.com	Seed
Jombone	Business	jombone.com	Seed
Yellowbird	Environmental	goyellowbird.com	Seed
Reflex	Retail	workreflex.com	Seed

Bemlo	Healthcare	bemlo.se	Seed
Flint	Healthcare	withflint.com	Seed
PowerUs	Engineering	powerus.de	Seed
SnapShyft	Hospitality	snapshyft.com	Seed
Skillit	Construction	skillit.com	Seed
Steady Install	Construction	steadyinstall.com	Seed
Pattern	Hospitality	patternjobs.com	Seed
EarlyDay	Education	earlyday.com	Seed
Worktorch	Hospitality	worktorch.io	Seed
Remotebase	Technology	remotebase.com	Seed
Shift	Business	shift.org	Seed
A.team	Technology	a.team	Seed
Exec	Business	exec.com	Seed
Torc	Technology	torc.dev	Seed
Nana	Skilled Trades	nanahome.com	Seed
Seafair	Shipping	seafair.io	Seed
Publicist	Business	publicist.co	Seed
Nest Collective	Healthcare	nestcollaborative.com	Seed
Shiny	Hospitality	stayshiny.co	Seed
Medcase	Healthcare	medcase.health	Seed
HireVibes	Web3	hirevibes.io	Seed
Experfy	Technology	experfy.com	Seed
Twali	Web3	twali.xyz	Seed
LawTrades	Legal	lawtrades.com	Series A
Kevala	Healthcare	kevala.care	Series A
Field Nation	Technology	fieldnation.com	Series A
Gale Healthcare	Healthcare	galehealthcaresolutions.com	Series A
Seso Labor	Agriculture	sesolabor.com	Series A
FactoryFix	Manufacturing	factoryfix.com	Series A
Howdy	Technology	howdy.com/for-companies	Series A
Emi Labs	Retail	emilabs.ai	Series A
Flo Recruit	Legal	start.florecruit.com	Series A
Henry	Technology	soyhenry.com/hiring-en	Series A
Veryable	Manufacturing	veryableops.com	Series A
Kare	Caregiving	doyoukare.com	Series A

Hire an Esquire	Legal	hireanesquire.com	Series A
Winnie	Caregiving	winnie.com	Series A
Trux	Shipping	truxnow.com	Series A
Legal.io	Legal	legal.io	Series A
ZenEducate	Education	zeneducate.com/us	Series A
Candidly	Creative	candidly.com	Series A
Drive My Way	Shipping	drivemyway.com	Series A
CareGuide	Caregiving	careguide.com	Series A
Roo	Healthcare	roo.vet	Series A
HackaJob	Technology	hackajob.co	Series A
Fora	Business	foratravel.com	Series A
Storetasker	Technology	storetasker.com	Series A
Traba	Manufacturing	traba.work	Series A
Qwick	Hospitality	qwick.com	Series B
Incredible Health	Healthcare	incrediblehealth.com	Series B
Vangst	Cannabis	vangst.com	Series B
Dray Alliance	Shipping	drayalliance.com/home	Series B
Workstep	Manufacturing	workstep.com	Series B
Hosco	Hospitality	hosco.com	Series B
Upcounsel	Legal	upcounsel.com	Series B
Swing Education	Education	swingeducation.com	Series B
Jobox	Maintenance	jobox.ai	Series B
PickTrace	Agriculture	picktrace.com	Series B
Triplebyte	Technology	triplebyte.com	Series B
Terminal.io	Technology	terminal.io	Series B
Wellfound	Technology	angel.co	Series B
IntelyCare	Healthcare	intelycare.com	Series C
Trusted Health	Healthcare	trustedhealth.com	Series C
Clipboard Health	Healthcare	clipboardhealth.com	Series C
The Mom Project	Business	themomproject.com	Series C
Instawork	Hospitality	instawork.com	Series C
Hired	Technology	hired.com	Series D
Turing	Technology	turing.com	Series D
Wonolo	Manufacturing	wonolo.com	Series D
Workrise	Energy	workrise.com	Series E

Nomad Health	Healthcare	nomadhealth.com	Series E
Andela	Technology	andela.com	Series E
VipKid	Education	vipkid.com.cn	Series E
Axiom Law	Legal	axiowlaw.com	Private Equity
Vivian Health	Healthcare	vivian.com	Private Equity
Gigster	Technology	gigster.com	Acquired
Dribbble	Design	dribbble.com	Acquired
Doximity	Healthcare	doximity.com	IPO
Braintrust	Technology	usebraintrust.com	ICO

We plan to publish more of these and would love your input. Subscribe at [Signature Block](#) and we'll share the next Open Market Map with you.

Lastly, if you're building or investing in this space, feel free to reach out to us at team@weekend.fund. :)

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