

Twitter Thread by Andrew Chen



Andrew Chen

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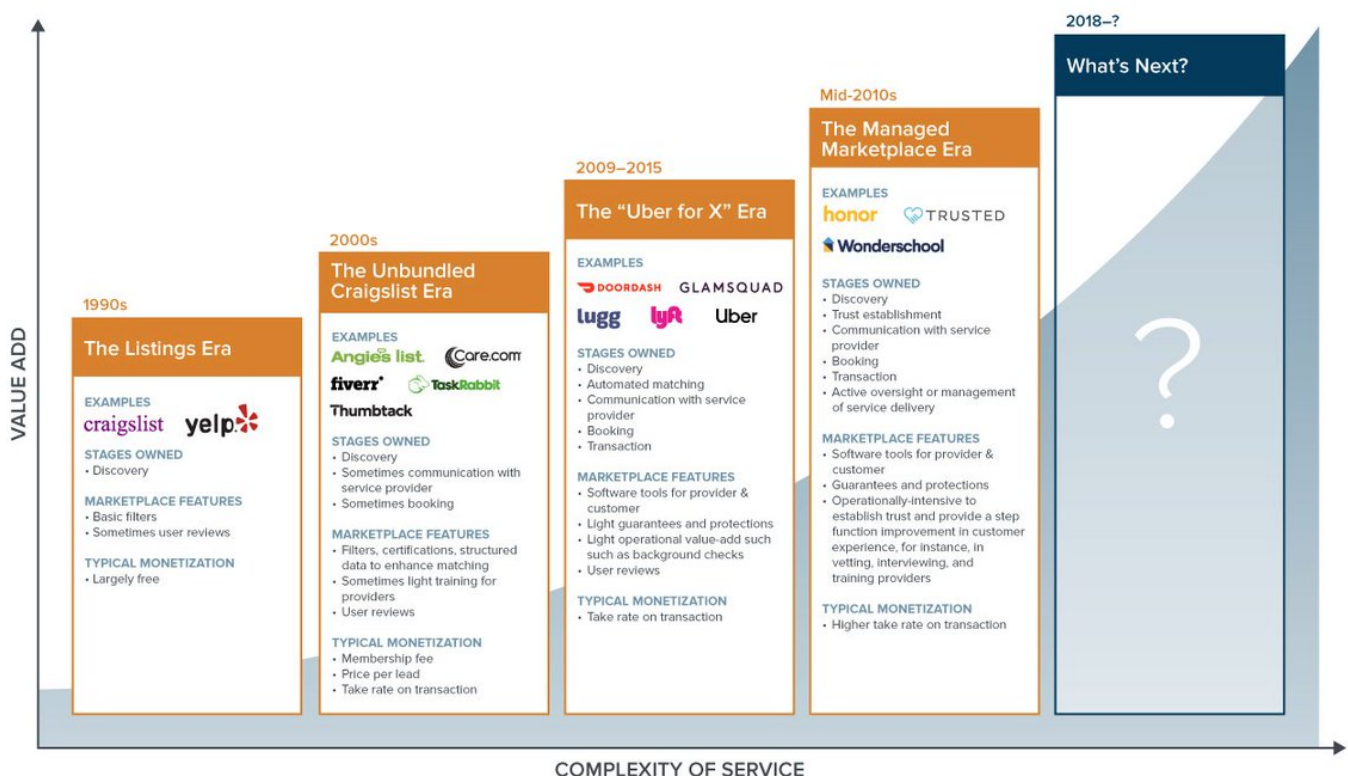


1/ new essay: What's next for marketplace startups? Reinventing the \$10 trillion service economy, that's what. Co-authored with [@Ijin18](#) <https://t.co/fgKbrHTnH5>. A short thread ■

2/ Marketplace startups have done incredibly well over the first few decades of the internet, reinventing the way we shop for goods, but have been less successful services. It's bc services are complex, subjective, fragmented, and often in real life. Makes it hard

3/ There's been 4 major eras at making the service economy work online. The Listings Era, the unbundled Craigslist era, the Uber for X era, and the Managed Marketplace era

Evolution of Services Marketplaces



4/ Each era has added more value than the last, and utilized technology innovations, from internet to social / "read/write web" to mobile. The "Unbundling Craigslist" era was particularly epic at generating startup ideas





5/ The problem is, all the low-hanging fruit has been picked off. The techniques that got us to here won't get us to the next phase. So we have to do some pretty different things. That's why "Managed Marketplaces" have been a big deal - hire folks as W-2s, certify quality, etc.

6/ All the learnings from the previous generation of marketplaces will be needed - and more! - to unlock the next phase. Which will be focused on regulated, licensed professions. This is everything from teaching, legal work, healthcare, and more. This represents trillions (!!).

7/ Here's a view of what all of these sectors might look like.

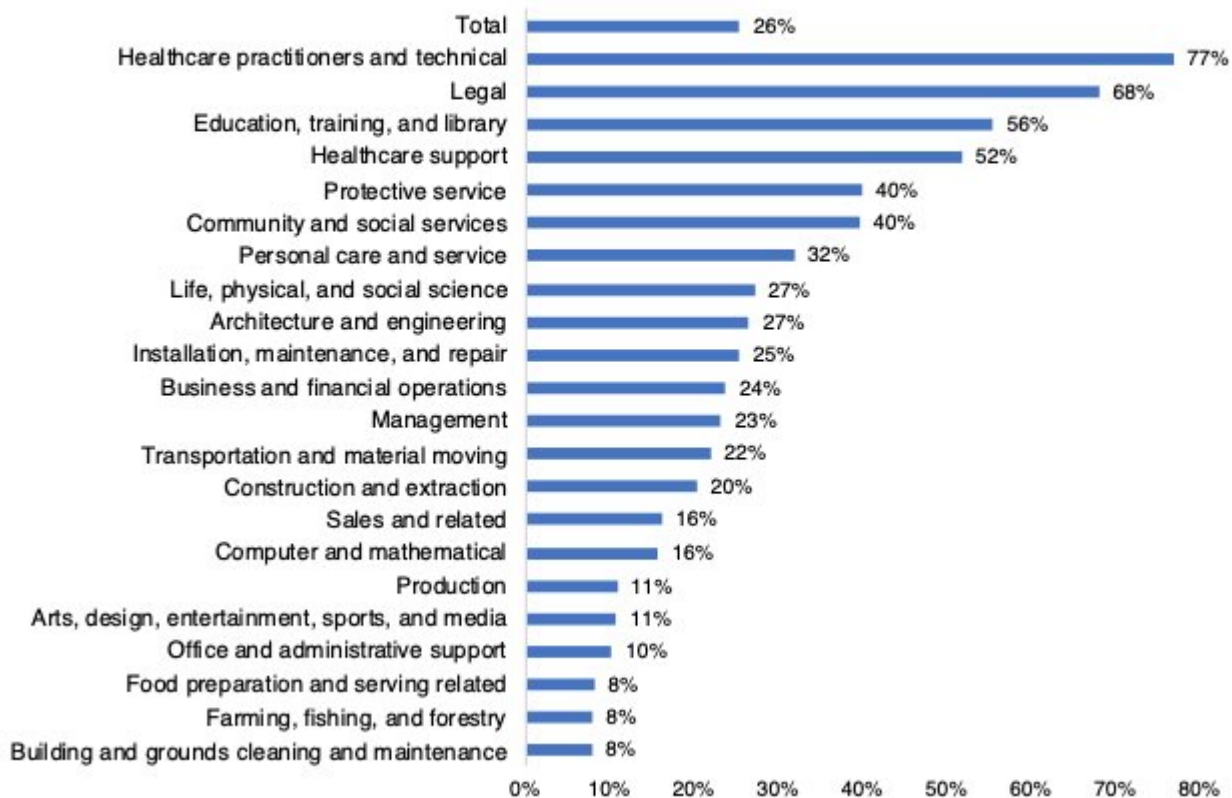
Companies Tackling Regulated Services

Architecture & Engineering EXAMPLE OCCUPATIONS Engineers, cartographers and photogrammetrists, landscape architects, marine engineers, naval architects, surveying technicians, surveyors   	Arts, Design, Media, Entertainment, & Sports EXAMPLE OCCUPATIONS Actors, coaches and scouts, editors, dancers, interior designers, interpreters and translators, media workers, radio operators, umpires, referees, singers   	Building/Grounds Cleaning & Maintenance EXAMPLE OCCUPATIONS Grounds maintenance workers, janitors and cleaners, maids and housekeeping cleaners, pest control workers, tree trimmers, pesticide handlers 	Business & Financial Operations EXAMPLE OCCUPATIONS Accountants, appraisers, assessors, auditors, coroners, compliance officers, credit analysts, fundraisers, government property inspectors, insurance underwriters, loan officers, personal financial advisors, tax preparers 	Community & Social Service EXAMPLE OCCUPATIONS Clergy, social workers, counselors, health educators, marriage and family therapists, probation officers 	Healthcare Practitioners & Technical EXAMPLE OCCUPATIONS Acupuncturists, allergists and immunologists, anesthesiologists, art therapists, chiropractors, dentists, dermatologists, midwives, neurologists, nurses, optometrists, oral surgeons, pharmacists, pediatricians, physical therapists, veterinarians         
Education, Training, & Library EXAMPLE OCCUPATIONS Career/technical education teachers, kindergarten teachers, librarians, preschool teachers, special education teachers, vocational education teachers    	Computer & Mathematical EXAMPLE OCCUPATIONS Actuaries, biostatisticians, computer systems engineers/architects, software developers 	Construction & Extraction EXAMPLE OCCUPATIONS Boilermakers, brickmasons, carpet installers, construction laborers, drywall and ceiling tile installers, electricians, elevator installers and repairers, floor sanders and finishers, hazardous materials removal workers, roofers  	Farming, Fishing, & Forestry EXAMPLE OCCUPATIONS Agricultural equipment operators, animal breeders, farmworkers, fishers, hunters and trappers, graders and sorters, nursery workers, logging workers 	Food Preparation & Serving Related EXAMPLE OCCUPATIONS Baristas, bartenders, chefs, cooks, dishwashers, food prep workers, hosts and hostesses, waiters and waitresses 	      
Healthcare Support EXAMPLE OCCUPATIONS Dental assistants, home health aides, massage therapists, nursing assistants, phlebotomists, vet assistants, psychiatric aides  	Installation, Maintenance, & Repair EXAMPLE OCCUPATIONS Aircraft mechanics and service technicians, automotive body and related repairers, avionics technicians, electrical powerline installers, heating and air conditioning mechanics, home appliance repairers, locksmiths, maintenance workers, medical equipment repairers, security and fire alarm systems installers 	Legal EXAMPLE OCCUPATIONS Lawyers, court reporters, arbitrators, mediators, conciliators, legal support workers, title examiners 	Life, Physical, & Social Science EXAMPLE OCCUPATIONS Archeologists, astronomers, biological technicians, chemists, clinical psychologists, foresters, geneticists, hydrologists, microbiologists, physicists, psychologists 	Management EXAMPLE OCCUPATIONS Aquacultural managers, compliance managers, construction managers, education administrators, gaming managers, HR managers 	
Office & Administrative Support EXAMPLE OCCUPATIONS Bill and account collectors, court clerks, dispatchers, freight forwarders, insurance claims clerks, switchboard operators, tellers 	Personal Care & Service EXAMPLE OCCUPATIONS Animal trainers, childcare workers, concierges, embalmers, fitness trainers, gaming service workers, hairstylists, cosmetologists, manicurists, personal care aides, skincare, travel guides  	Production EXAMPLE OCCUPATIONS Butchers, bakers, etchers, engravers, food processing workers, jewelers, gem and diamond workers, glass blowers, fiberglass laminators, fabric and apparel patternmakers, nuclear power reactor operators, plant and system operators 	Protective Services EXAMPLE OCCUPATIONS Animal control workers, correctional officers, fire inspectors, intelligence analysts, firefighters, police detectives, police officers, security guards, sheriffs, transportation security screeners 	Sales & Related EXAMPLE OCCUPATIONS Cashiers, insurance sales agents, parts salespersons, real estate brokers, real estate sales agents, securities and commodities traders, telemarketers 	Transportation & Material Moving EXAMPLE OCCUPATIONS Air traffic controllers, bus drivers, commercial pilots, crane operators, parking lot attendants, chauffeurs, boat captains, truck drivers   

8/ Licensing *really* made sense information asymmetries existed all over the place, between consumers and providers. The taxi medallion meant something. But in a world of real-time info, GPS, user reviews, and mapping - don't we trust their rating more than their medallion?

9/ Feel free to argue about the value of licensing. It's not zero. But it holds back a lot of labor supply and makes the services expensive. Here's a view on the % of workers that require certification/licensing, in a world where it's certainly less useful and maybe just obsolete

Percent of workers with a professional certification or license, by occupation, 2015 annual averages



10/ If you agree with the premise that you can unlock supply in these markets, then there are 5 key strategies to make this happen: A) Making discovery of licensed providers easier B) Hiring and managing existing providers to maintain quality

11/ Also should include: C) Expanding or augmenting the licensed supply pool. D) Utilizing unlicensed supply. E) Automation and AI. Each one deserves a deep-dive.

12/ There are 125 million Americans who work in the service industry. And we're all consumers of this market. This is a big, big opportunity, and we're excited to be digging in.

13/ Here's the essay so you can read it: <https://t.co/fgKbrHTnH5>. And shoutout to my co-author @ljin18 who drove most of the writing on this one!