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Uber Investor Bill Gurley Backs Instawork for Hospitality Gig Work

Venture capitalist says the startup has sought to avoid problems from raising money too fast



A server for Instawork, a gig platform for hospitality workers. PHOTO: INSTAWORK

By Tomio Geron

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Benchmark's Bill Gurley, known for making an early investment in Uber Technologies Inc., is backing a different kind of gig platform—Instawork—which matches restaurants and hospitality businesses with job-seeking waiters, cooks and dishwashers.

Mr. Gurley, general partner at Benchmark, said Instawork, founded in 2015, has kept a low profile to avoid problems that can arise when a company raises too much capital and grows too fast.

“We wanted to get the model right with unit economics and customers satisfaction right before we scale it,” he said. “A lot of companies make a mistake because money is available and then

they try to perfect it at a much bigger level, which I think is a mistake.”

While gig work is often criticized as offering low pay and little opportunity for advancement, Instawork could provide a way for workers to find better, higher paying jobs. The company aims to help them “learn skills to move up the ladder,” said Mr. Gurley, who has joined Instawork’s board.



Sumir Meghani, co-founder and chief executive at Instawork PHOTO: INSTAWORK

The company’s listings in different categories are designed to help workers get experience and reviews from businesses in one type of job, which can help them move up from say, dishwasher to cook, said Sumir Meghani, co-founder and chief executive at Instawork. Its workers, who typically don’t have other online profiles such as with LinkedIn, can also build their own mini-profiles to help

promote themselves and get gigs.

Business owners can use Instawork’s app to rate workers and see when a worker arrives at a job site by tracking their phone that they can carry on the job.

Many restaurants with high turnover and a shortage of workers have a hard time recruiting, Mr. Meghani said.

David Thompson, employee manager at Southern California catering firm Urban Pie, uses Instawork because he doesn’t have to manage paperwork and taxes that are required when hiring staff directly. Business owners can post a job on the app and manage staff on their phone. About 97% of gigs posted are matched to workers within 24 hours, the company says.

Mr. Thompson said he was able to fill a job opening recently on short notice using the app, adding, “I already had an event scheduled, then had a sudden, last-minute event booked,” he said.

Instawork, with offices in San Francisco and Bangalore, operates in San Francisco and Los Angeles, with plans to expand across California this year.

Unlike other gig work, hospitality typically pays more. Instawork workers can average more than \$140 per gig, according to Mr. Meghani, and in San Francisco or Los Angeles they can earn

about 50% above the minimum wage in those cities.

Instawork, officially called Garuda Labs Inc., has raised \$10 million in total, including an \$8.2 million Series A led by Benchmark. Additional investors are Y Combinator, Tuesday Capital, Liquid2 and SV Angel. In addition to Mr. Gurley, Geoff Donaker, founder and general partner at Burst Capital, joined the board.

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