

# lyft skills

## Which of Lyft's Missions are we addressing?

**Economically:** By unlocking affordable transportation access and flexible earning to improve individuals economic mobility.

**\*\*North Star Metric:** Increase number of rides by 15% in the first year after launch.\*\*

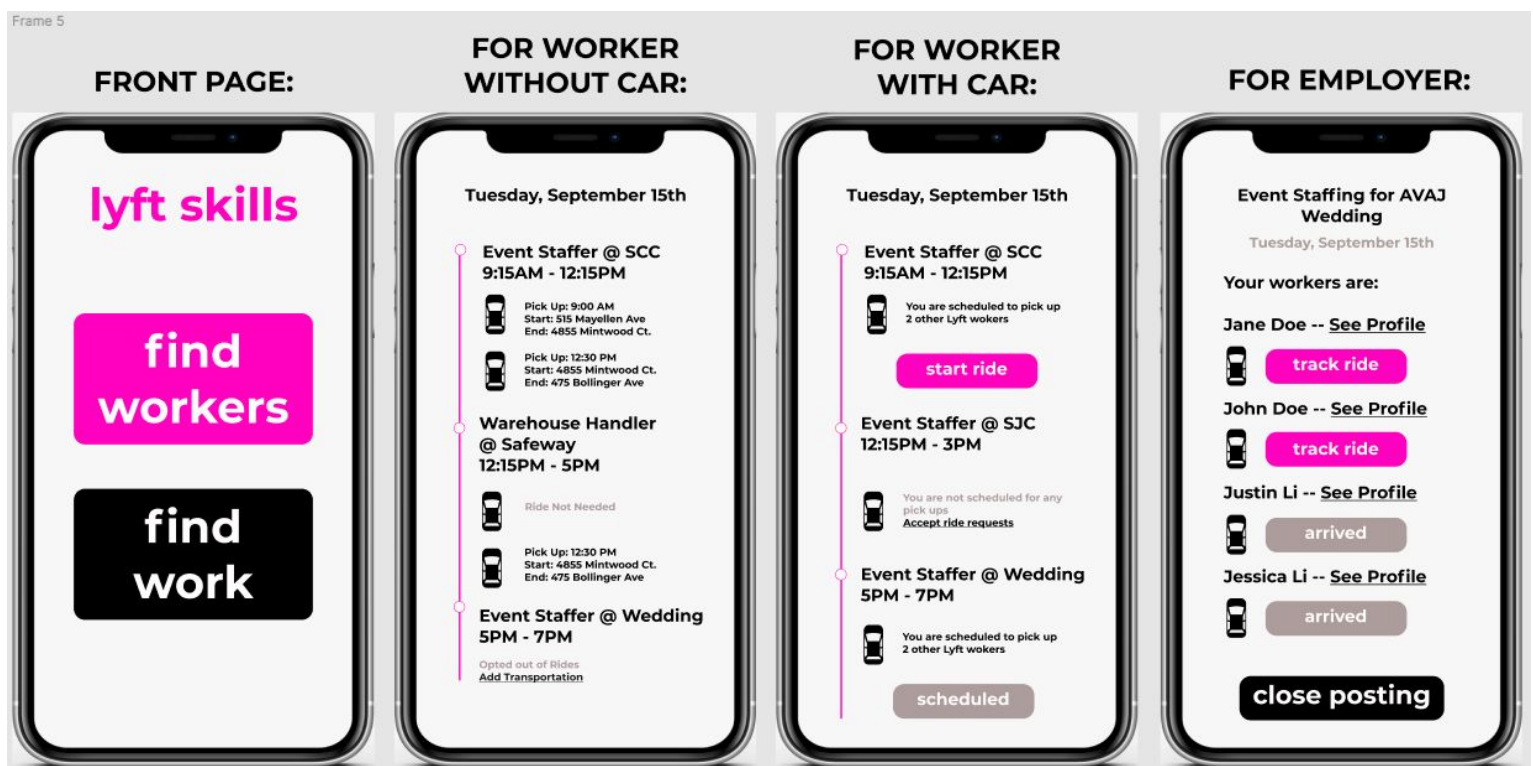
## What should Lyft do?

Lyft should enter the on-demand blue-collar staffing industry by utilizing its ridesharing services in order to 1) increase employment rates of lower income communities in metropolitan areas & 2) increase use of its existing services by creating a platform that connects job seekers with businesses.

Lyft should create a **marketplace platform that matches job-seekers with businesses who are looking to fill their labor requirements.** The platform should:

1. Lower cost rides to & from work sites for the staffed workers
2. The opportunity for workers with cars to serve as "Lyft drivers" for other workers
3. Lower commission transactions to companies who can sponsor rides for their hired workers
4. Easy migration to the Lyft Skills platform from the original Lyft platform

Lyft will get revenue from **1. lead commission for every match** & from **2. increased use of ridesharing services.**



**Motto: Lyft Skills. We'll get you to work, literally.**

## What is the problem we are addressing?

1. The blue-collar industry has a massive shortage of workers.

- ❑ There is little awareness about the reality of the wage gap between blue-collar work & work that requires a 4-year degree; the difference for the most part is generally only a few thousand annually.
- ❑ 80% of manufacturing companies are facing extreme staffing shortages.

2. Lack of transportation is directly linked with lack of employment opportunity.

- ❑ For years now, metropolitan areas have been expanding outward, and jobs have been moving farther away from the low-income and minority people who disproportionately remain in urban cores.

- ❑ Lack of transportation was cited by Leadership Conference Education Foundation as top 5 causes of blue collar worker/staffing shortages, because 65% of households without vehicles are considered a part of the “blue-collar workforce.”

### 3. COVID-era is changing the landscape for blue-collar work.

- ❑ In an environment with COVID, public transportation is a breeding ground for viruses & people who use it are at risk of coming into contact with respiratory droplets anywhere & thus commuting to such roles is a challenge.
- ❑ There has been a 25% increase in Gig workers in just the past 6 months due to COVID-19.

**Takeaway: Companies are facing a significant shortage of access to blue-collar workers & this is caused by a lack of access to affordable and safe transportation services.**

### What is the size of the market?

- ❑ The gig economy is projected to reach 86.5 million people by 2027 who will opt for freelancing in the United States and will make up 50.9% of the total U.S. workforce.
- ❑ The market size of the staffing and recruiting business was 148.1 billion in 2018 which is predicted to increase to 157.8 billion U.S. dollars in 2020.

**Takeaway: Wonolo has only captured 300k workers, which means that they have barely scratched the surface of the market (Wonolo is the top competitor in this space), and this is a good time for Lyft to enter the industry.**

### What does the freelance labor staffing industry look like now?

Most companies in this industry fall under one of 3 buckets; freelance labor for 1) home-related tasks, 2) miscellaneous tasks, 3) blue-collar business needs.

#### Home-Related Tasks: TaskRabbit, Handy

- ❑ **Business Model:** American online and mobile marketplace that matches **freelance labor with local demand**, allowing consumers to find **immediate help with everyday tasks, including cleaning, moving, delivery and handyman work**.
  - ❑ **Problem:** Not all workers on the platform were getting equal opportunities.
  - ❑ **Solution:** Algorithm **auto-generates recommendation of 3-4 professionals per user query** in order to increase opportunities for all workers equally.
  - ❑ **Problem:** The auction model where pricing was highly variable wasn't successful.
  - ❑ **Solution:** Having a **mostly fixed-price model with instant quotes available** was far more conducive to a more universal platform.
  - ❑ **Problem:** Reputation systems were detrimental to workers who were just starting out.
  - ❑ **Solution:** **Rating systems should have extremely clear-cut definitions of success** to avoid ambiguity for new workers.
  - ❑ **Problem:** A lack of focus made it difficult to acquire customers.
  - ❑ **Solution:** Applications **focused on home-related tasks** instead of being more broad marketplaces.

#### Miscellaneous: Thumbtack, Fiverr

- ❑ **Business Model:** American online service that matches customers with **local professionals**. Currently, Thumbtack lists 1,100 types of services in categories such as **home, wellness, events, and lessons**.
  - ❑ **Problem:** These businesses ran the risk of disintermediation.
  - ❑ **Solution:** Structuring the **revenue model such that it is based on initial leads** & not subsequent interactions helped prevent disintermediation.
  - ❑ **Problem:** Customer acquisition was a big struggle for such a horizontal company.
  - ❑ **Solution:** Focus needs to be placed on customer acquisition, through **increased budgeting for advertising & through implementation of a referral system**.
  - ❑ **Problem:** There was a lot of demand for work & not enough supply of actual workers which caused the platform to be bombarded with bad reviews regarding availability.

- ❑ **Solution:** Companies had to focus on balancing supply and demand by **putting more effort into worker recruitment.**

### Blue-Collar Business: Wonolo

- ❑ **Business Model:** American on-demand staffing platform that **connects job seekers and businesses** looking to fill their labor needs.
  - ❑ **Problem:** Some jobs had higher risk levels & needed accountability.
  - ❑ **Solution:** Wonolo started **handling background checks, drug tests, & health insurance.**
  - ❑ **Problem:** Employer ratings regarding the workers were always highly consequential in regards to future opportunities, but it wasn't the case the other way around.
  - ❑ **Solution:** Wonolo has tried to **decrease the impact of a few bad ratings** on their platform & has tried to **require that companies be more reliable with their hiring** (reducing last minute cancellations, etc)

**Takeaway:** Lyft Skills should begin by mimicking the business model of Wonolo. Lyft Skills should also implement each of the solutions bolded & in pink listed above in order to make sure they don't run into the same issues.

### What are the user archetypes?

As a worker with a vocational/associate's degree who is qualified for skilled labor, I want a platform where I can find accessible work easily and get paid reasonably.

As a business professional in a company that is facing a shortage of blue collar workers, I want a platform where I can find enough temporary workers to staff my company needs reliably.

As a homeowner, I want a platform where I can find a worker to fill my in-home labor needs.

### What is the proposed customer journey & what should be included in the MVP?

#### Find Workers

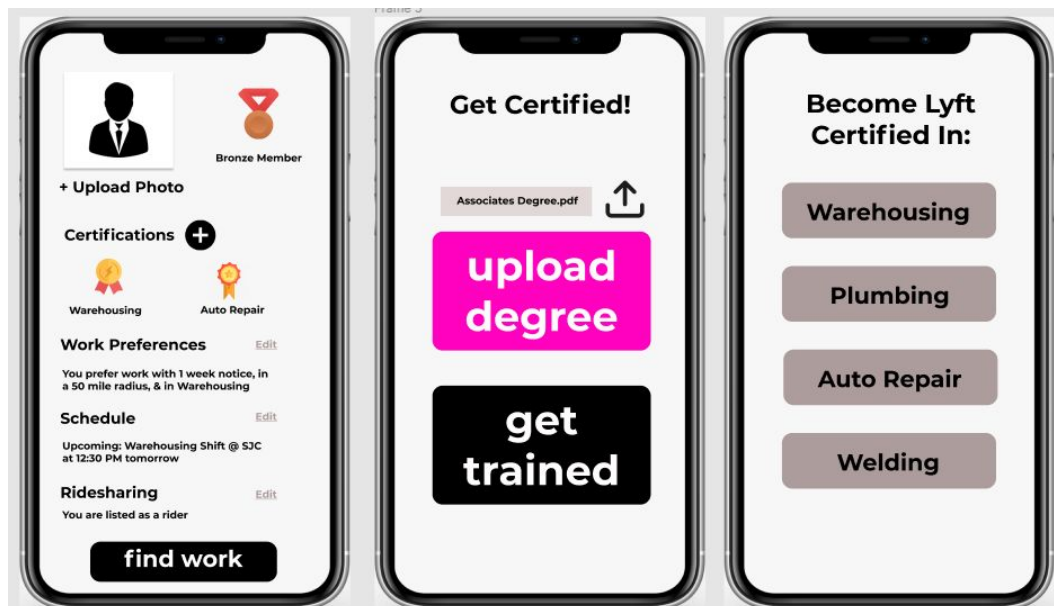
1. Sign up by **entering personal or company information**
2. **Select the category of the jobs** that you need temporarily filled
3. **Select the number of people** that you need
4. **Enter a more detailed description** of the job for the posting
5. **Post the listing** for others to see
6. Optional: **Send a request to workers or professionals** that you have worked with before
7. **Get notifications** as people accept the listing
8. **Track your temporary staff** as they are picked up & dropped off at the work site

#### Find Work

1. Sign up by **entering personal information**
2. **Enter working preferences** (incl. hours, location radius, level of advanced notice)
3. **Select the categories of jobs** that you will be able to fill
4. **Enter any special qualifications or certifications**
5. **See job postings** with pay listed upfront
6. **Accept any posting** & add it to your calendar
7. **Choose to have pick up & drop off options added**, accept pools to reduce price
8. Optional: Choose to **give another Lyft worker a ride** to their work site if the detour is < 15 minutes.

### What will future growth look like?

1. Building out **vocational programs or certification offerings** so that **1) workers can show that they are Lyft-verified** & **2) more people can be eligible for more types of job opportunities.**
2. **Expand into a home-related or miscellaneous task marketplace** geared more towards individuals who need jobs done, like TaskRabbit or Thumbtack.
3. **Create a tiered service** where premium customers have access to more features like **1) last minute cancellations, 2) discounted pricing, 3) sponsored listings** & more.



### How should Lyft implement this?

**Business Development & Partnerships:** This team should work on recruiting new business customers to join the Lyft Skills platform. This team should also work to ensure that these customers are satisfied with the service.

**Operations:** This team should work to create an efficient & sustainable process to go from business needs to completed work.

**Growth & Supply Management:** These teams should work to find local markets that have high opportunity, and should direct the Business Development & Partnership team to the right places.

**Engineering, User Research, Product:** These teams should work to build out the Lyft Skills minimum viable product, & should continue iterating on this to build out the final product.

**Data Science:** This team should track evaluation metrics & circle back to engineering/product teams to improve user experience. They should also work with the growth & supply management teams to identify which market niches are successful.

**Week 1-2**  
Research & Design  
All Teams

**Week 4-7**  
Iterate based on user feedback  
Engineering, Product, User Research

**Week 8-10**  
Iterate based on user feedback  
Engineering, Product, User Research

**Week 12-14**  
Track metrics & do cohort analysis  
Data Science

**Week 3-4**  
Focus Groups & User Studies  
User Research, Business Development & Partnerships

**Week 8-10**  
A/B Testing & Beta testing in San Francisco  
User Research, Business Development & Partnerships

**Week 11**  
Launch in San Francisco  
All Teams

**Week 15**  
Full US launch (major cities)  
All Teams

**Week 8-onward**  
Research & Positioning for Training Programs  
Growth & Supply Management, Data Science

### How should this product be evaluated?

Workers should have 1) plethora of job opportunities, 2) flexibility in scheduling, 3) affordable transportation.

Individual employers & companies should be able to 1) fill their postings quickly, 2) have flexibility in scheduling, and 3) get high quality service.

**Acquisition Metrics:** Number of people who have gone through the sign up process in each category.

**Activation Metrics:** Percentage of users who put up or accept at least one job posting.

**Retention Metrics:** Number of job postings/ acceptances per month, & number of postings/acceptances per user per month.

**Monetization Metrics:** Number of premium subscriptions, Percentage revenue that comes from “sponsored” listings, Average commission from completed transactions across platform.