Nicklaus: Swansea firm aims to be at center of the gig economy

On the outside, the low-rise brick building in Swansea looks like its suburban neighbors that house banks, lawyers and accountants.

Step inside, though, and you're clearly in startup land. Life-size "Simpsons" characters decorate one corridor. Beer taps and a massage room might be common in Silicon Valley, but not in a Metro East office park.

OneSpace, the occupant, clearly wants to keep its 63 employees happy and productive. The software they've created, meanwhile, is helping to change the nature of work itself.

OneSpace is positioning itself to be a central player in what's known as the gig economy, where workers piece together an income based on a series of freelance assignments rather than a steady paycheck. The 3½-year-old firm maintains a database of 500,000 freelancers, all screened for skills that clients need.

The gigs include monitoring social media content and writing product descriptions for retail websites. The work isn't glamorous, but it can be mission-critical for OneSpace clients such as eBay, Facebook and Sears.

OneSpace's founders, Stephanie Leffler and Ryan Noble, are serial entrepreneurs.

Their first venture, an online store selling sun-protective clothing, didn't last long but did make them see a need for better e-commerce software.

That led to MonsterCommerce, which Leffler and Noble sold to Network Solutions in 2005. A couple of years later, they formed Juggle.com, an online publishing company built on crowdsourced content.

Just as the e-store needed a better selling platform, Juggle needed a way to manage its contributors. Other gig-economy marketplaces, such as Amazon's Mechanical Turk, were anonymous and offered no way to screen freelancers' qualifications.

So OneSpace, originally known as CrowdSource, was born. Highland Capital, a venture capital firm with offices in Boston and Palo Alto, Calif., led a $12.5 million investment in CrowdSource in October 2012.

This month, OneSpace raised $9 million more with the help of Clayton-based Lewis & Clark Ventures. The new money will bankroll new software that enables companies to manage their own flexible workforces.

That will give clients a choice: Hire OneSpace to manage your freelancers, or buy a software subscription and manage them yourself. Leffler, OneSpace's chief executive, says the latter option can provide a bridge between a conventional staff and the gig economy.

"A lot of companies are starting to post work internally, with the thought that if somebody can do it within 12 hours that's the first choice," Leffler explained. *"If not, they go to a trusted group of freelancers."*

The gig economy has become controversial as companies such as Uber and Airbnb have disrupted the traditional taxi and hotel industries. California officials, for example, are trying to make Uber treat its drivers as employees instead of contractors.

Leffler says her firm's clients usually aren't trying to replace their full-timers with contract workers.

"In my eyes, the two are complementary," she says. "The gig economy is here to stay for work that is variable and has big peaks and valleys, but there are many other jobs where that is not the case and having internal experts makes sense."

Besides, the freelance option appeals to many workers. Half the people in OneSpace's database have full-time jobs and are looking to supplement their incomes. Many others are students or retirees.

Brian Hopcraft, managing director of Lewis & Clark Ventures, said his firm considered regulatory risks before it invested in OneSpace, but decided a backlash against the gig economy wasn't a major worry.

"The freelance economy is in its infancy, and OneSpace is uniquely positioned with software to help companies leverage it," Hopcraft said. "We think this is an exciting inflection point."

If he's right, we'll be hearing a lot more from what Leffler jokingly calls "the Swansea-con Valley."