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Work Market Co-Founder Returns With New Startup WorkRails

By Yuliya Chernova

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Jeffrey Leventhal, a New York entrepreneur whose enterprise-software companies include Work Market Inc., has another startup up his sleeve.

WorkRails Inc., aims to embed a “consultant” button into a variety of cloud software applications. Its idea is to allow companies to connect to consultants who would help them use the software they purchase.

“It’s providing service as a feature within an enterprise-software application,” Mr. Leventhal said.

WorkRails, based in Huntington, N.Y., has raised a \$2.3 million seed round of equity funding, Mr. Leventhal said. Boldstart Ventures, a local seed fund focused on enterprise software, where Mr. Leventhal is a venture partner, led the round. The syndicate includes other New York based seed firms, Lerer Hippeau Ventures, BoxGroup, and Lattice Ventures.

Services within software may be an emerging trend, Mr. Leventhal said. Microsoft Corp., for example, had a slide in its deck on the purchase of LinkedIn, showing a new kind of help page for Microsoft’s PowerPoint. The page embeds LinkedIn functions, with a caption: “Connections in your network who can help.” Seeing that, Mr. Leventhal said, had assured him that he is moving in the right direction with WorkRails.

Mr. Leventhal says that WorkRails and other services options will enable software companies to get revenue in new ways, in addition to the standard per-seat subscriptions.

“You’ll see a whole bunch of ways to monetize enterprise software except for per-seat,” he said.

With a staff of 14, WorkRails could also help get revenue for open-source applications, Mr. Leventhal said, by allowing open-source developers to become consultants and getting paid to train people in using their software, for example.

Last year Mr. Leventhal stepped down as chief executive at Work Market Inc., where he remains a board director. Work Market, a freelancer marketplace, is backed by Union Square Ventures, Spark Capital, SoftBank Capital and others. His other companies include OnForce, which was acquired by Adecco; Lansafe Network Services; Remote Lojix, acquired by AvTel Communications; and Spinback, bought by BuddyMedia.

Besides launching WorkRails, Mr. Leventhal has also been busy investing in enterprise-software startups in New York. He has done so through Boldstart Ventures at the early stages. He also set up Jayne’s Hill LLC, named after the highest point in Long Island, he said, which is using family money to back business-software companies in growth stages. He said he will do three to four deals a year out of James Hill, and has already invested in the \$20 million Series B round for Security Scorecard, alongside with GV.

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Corrections & Amplifications:

Jeffrey Leventhal set up Jayne’s Hill LLC to invest family money. An earlier version of this article gave an incorrect name for the firm. (Oct. 7, 2016)