

Uber and Airbnb were part of an early generation of tech start-ups that quickly reached \$1 billion in value. The up-and-coming generation is looking very different.

**By Erin Griffith**

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SAN FRANCISCO — Technology start-ups worth \$1 billion, once as rare as unicorns, are now plentiful enough and old enough that there's a new generation behind them — one that looks very different.

Silicon Valley's current crop of highly valued tech start-ups, which include now-household names like Uber and Airbnb, all benefited from the spread of smartphones and cheap cloud computing. Many of these companies built global empires by simply taking existing businesses — like taxis, food delivery and hotels — and making them mobile. Some of the start-ups became giants: Uber, for instance, may reach a \$120 billion valuation this year.

But as those companies have matured and prepare to go public, the easy opportunities for disrupting old-line industries are drying up. Now, many of the up-and-coming start-ups that may become the next unicorns have names like Benchling and Blend. And they largely focus on software for specific industries like farms, banks and life sciences companies.

That's according to an analysis for The New York Times by CB Insights, a firm that tracks venture capital and start-ups. CB Insights used a variety of data — including financial health and the strength and size of the market a company serves — to identify 50 start-ups that may be on a path to achieving a \$1 billion valuation (though there is no guarantee they will get there).

Here's a look at some of the up-and-comers.

## Software for science, farms, finance and more

In 2012, Sajith Wickramasekara founded Benchling. His goal: To solve some of the personal frustrations he had with the outdated technology tools that he used in the molecular biology labs of the Massachusetts Institute of Technology when he was a student.

Benchling, based in San Francisco, began providing software that allows lab scientists to replace their paper notebooks with searchable records stored in the cloud. That way, scientists could more easily use the records to collaborate with one another, Mr. Wickramasekara figured. Younger researchers were also increasingly asking for such tools.

“Software has touched a lot of different sectors of the economy, but it has not kept up in the field of science,” said Kaiser Mulla-Feroze, Benchling’s chief marketing officer.

Today, 140,000 scientists use Benchling’s software, including academics at Harvard and M.I.T. who use a free version, and paying customers like Pfizer and Regeneron. Benchling charges smaller companies \$15,000 a year, while large customers who use more advanced features pay millions of dollars a year, Mr. Mulla-Feroze said.

Benchling has raised nearly \$30 million in funding. Last year, the start-up tripled its revenue and number of customers, Mr. Mulla-Feroze said.

The company is representative of a new class of software start-ups as different industries adopt more technology. Mr. Green, the venture capitalist, said it’s become clear that software aimed at niche sectors offers larger opportunities than previously expected.

“Health care, automotive, retail, consumer packaged goods, advanced manufacturing companies — they’re all trying to figure out how technology helps reduce costs or how technology is going to help them build their next business model,” said Mr. Sanwal of CB Insights.

## Next-generation gig economy

The rise of companies like Uber and Airbnb has created its own mini-economy of start-ups.

One of those is Checkr, which was founded in 2014 by Daniel Yanisse and Jonathan Perichon, who worked as software engineers at Deliv, a delivery start-up. Both had become frustrated at the slow-moving background checks for the delivery drivers they wanted to hire for Deliv, so they created their own business to expedite the process.

Now Checkr works with Uber, Lyft and Instacart. It has also added other types of customers like the insurance company Allstate.

Checkr is selling “picks and shovels” to the gig economy, said Rich Wong, a partner at Accel, a venture firm that invested in the start-up.

Another potential unicorn that serves gig economy workers is Earnin, founded in 2012 and based in Palo Alto, Calif. Earnin, which makes an app that provides free cash advances to workers, has a partnership with Uber that lets its drivers cash out immediately after a ride.

Ram Palaniappan, Earnin’s founder, said the app has been downloaded more than 1 million times and its users open the app 25 times a month on average.

## And the rest

Notably, 17 of the fast-rising start-ups are dispersed internationally.

CB Insights identified five companies in India, four in China, and three in Latin America as possible candidates to reach \$1 billion in valuation. They ranged from CargoX, a Brazilian start-up using technology to make trucking companies more efficient, to Deputy, an Australian company that provides tools to businesses to manage their hourly workers.

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