

Career Exploration and Resume Apps to Empower People to Choose and Pursue Their Career and Educational Path



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CEOCFO: *Mr. Michel, would you tell us about PathSource?*

Mr. Michel: We take people from square one where they have little or no idea what they want to do or maybe a directional notion of where they want to go, through a rigorous in-app career exploration process to a point to where they say I know exactly where I want to go with my career and we will show them the education and career path to get there. We also have a suite of other products that help with additional elements of the job and career search process. For instance we have the number-two ranked resume builder in the Apple App Store, which can take somebody from not having a resume to having built a resume on their phone in under ten minutes.

CEOCFO: *What people are coming to you?*

Mr. Michel: We decided to take the more difficult path here, which is that we wanted to create a system that would enable anybody coming in to go through the process and come out with a clear sense of where they want to go with their career. What that involves is excellent curation and understanding through a series of assessments, what our users needs are and then being able to offer them real visibility into what their lives would look like if they went down a particular career path. We took a look at who our user base is and it tends to be primarily people in their late twenties, early thirties who are maybe a few years out of school and trying to figure it out. We also have a number of college students and people in their late thirties and early forties who are making a career switch and trying to figure out the next steps.

CEOCFO: *What do you look at to figure out what a person wants? What might you ask them and what information would you want to know?*

Mr. Michel: Our exploration process involves a couple key assessments. The first is something that we call a Lifestyle Assessment where we are going to ask that user a number of questions about what their lifestyle currently looks like or what they want it to look like. We will ask them questions ranging from what their shopping habits are, if they eat in or eat out, what sort of car they drive, their education, or if they are planning to get more education, etc. What we do with that information is that we are then able to say based on the lifestyle that they have or want to have, and based on where they live right now or alternatively where they want to live, here is the minimum salary after tax that you need in order to support that lifestyle. That ends up being something that is kind of groundbreaking for many of our users, because most people when you ask them the sort of salary that they need, they will pull a number out and say, for instance, I need seventy five thousand dollars. And if you ask them why they will say they do not know. Now we are able to help them understand what they need based on real data. They can also say they are thinking about living in different places and we can help them see what their salary would need to look like to support that lifestyle in each of those places, adjusting for cost of living. We take that information and combine it with an interest inventory. We are going to ask them a sixty-

question survey of sorts about their interests and use that information to say here is a set of careers that we would recommend for you based on your interests and whether or not those careers would support your lifestyle needs. The real value that we offer actually comes after they get those results because once they start looking at those careers, we are really able to get down into what their life would look like in any given career.

CEOCFO: *How do you come up with the formula to put together the information and is there a human factor?*

Mr. Michel: This is not something that we came up with over night. This was done as a result of making a lot of mistakes along the way. Now we gauge our users' level of satisfaction a number of ways. We have a net promoter score of 93, which is unbelievably high. If you take a look at our ratings on the Apple App store for the flagship PathSource app, it is straight five out of five stars across thousands of reviews. If you read those reviews you can hear directly from our users that we are changing their lives, but in terms of how we got there, this was something that we put together piece by piece. We would do assessments and run it by users and we get feedback and we'd iterate and iterate and iterate and as we went. We tried to do as much market research as possible with the general mentality that the more we hear from the people who are trying to help, the better our product will ultimately be. Today I think that the results bear that out.

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CEOCFO: *Are there items that are weighted more heavily than others in the assessment?*

Mr. Michel: No, the assessment is all weighted the same way. We give them valuable results but what those results are is not just a set of results. It is not just "here is five things that you can be - we recommend you become a zookeeper or Google executive;" it works more like "here is a set of recommendations and if you want to learn more about one of those recommendations then you are brought into a suite of tools that is immensely valuable." We will give you high level information about the characteristics of that job or what sort of person ends up being a good fit for that job as well showing you informational interviews on video with people who are in that job. We have filmed over 3000 informational interviews on video with people in every career you could imagine. Those are proprietary and we filmed every one of them. In order to make them, we actually did a number of focus groups and a fair amount of market research to figure out exactly what our users wanted to hear and learn from people who are in those jobs. Plus then we show you some educational paths if you want to go into this career and go ahead and get the right education. Connected to that, and perhaps most valuable, we will give you - out of everybody who is in that career in the US - here is the break-down of what degrees they do have as well as what degrees they do not have. That way you find out what degree you need and you do not go spending tens of thousands of dollars getting an extraneous degree that is not going to help you down your career path. It's a major problem that we have seen for millions of people across the US.

CEOCFO: *Do you work mostly with individuals or schools?*

Mr. Michel: Today our primary user is someone who is B2C and who finds us on the Apple App Store or Google Play. We started the company working with K-12 customers. We were working with some very large school districts. We got great results and over time we sort of shifted our focus. The long sales cycle in K-12 was miserable for us. We partnered with a number of universities as well that put us into the hands of their students. We work with many colleges including Boston University and MIT. The goal there was to put a tool that is helpful into the hands of their students as early as possible so that their students start thinking about careers and thinking about what major they want to go into earlier rather than later. 50% of US students switch careers two to three times on average. If you can reduce that number, that is something that very powerful for the school in terms of value to the students.

CEOCFO: *Do many people take advantage of the services you offer such as the resume services?*

Mr. Michel: Our PathSource app and the resume app are both very popular. The PathSource app is the most popular career and professional app in the educational category. The resume app is ranked number two in the US. Both of them get a lot of traction. In terms of what we do that has filled a gap that otherwise would not be filled, when you look at how job searches work, most people when they are out of a job or school or switching jobs or careers, they will go onto Monster or an equivalent type of job board and they will just start carpet bombing different jobs. I run into this personally every time I post a job. I will just get tons of people who are applying for roles that clearly did not look at the job for more than a second before sending their resume. It is a waste of their time and my time. If they were to actually somehow make it through our hiring funnel and get hired they would be a poor fit for the job anyway. We act as a step in-between. We help that person figure out what jobs they ought to be applying for and what is a good fit for them before they ever go onto that job board and start applying for jobs. We also internally have a job board with over four hundred thousand job

postings but before our users start looking at those jobs, we want them to figure out exactly what career is going to be the right fit for them.

CEO CFO: *What is your business model today?*

Mr. Michel: We try not to build our business on the backs of our users, because in many cases our users do not have a lot of money. For example, we are the career partner of the GED and GED students do not have a lot of money to throw around and we do not want to force them to pay for a service that they just need. We looked at the institutions that would be willing to pay for access to our users and would help us fulfill our social mission of connecting our users with the right career and educational path. We generate revenue primarily through two things. One is connecting our users with educational institutions and that makes perfect sense. If we can show the user the right career path and educational path as well as a school that would be a great value and save money along the way, that is a win for everybody and the school pays us for making that connection. The other thing we do is job posting so we get paid by companies for helping to connect them with potential employees. We sell various digital goods as well. For instance, on our resume app you can go and build a great resume for free. We also offer you the ability to do resume distribution and all sorts of additional add-ons for which we offer a fee. We do an up-sell around that. Those sorts of services end up being a part of the mix but not a driving force behind it.

CEO CFO: *What has surprised you as PathSource has grown?*

Mr. Michel: We have been fortunate to see how career education and career exploration is offered throughout the US educational system. We worked with literally kindergarten all the way through adult education and what has surprised me is how extraordinarily broken that system is. Career education exploration ends up being a forgotten stepchild of the educational system. It is absolutely critical. David Driscoll, who is a former commissioner of education in Massachusetts, said a while back that the number-one problem cited by K-12 students is that they do not see a connection between the classroom and the real world and as a result of that they tend not to be as motivated and if they are not as motivated they are not going to work as hard and some of them will drop out. You have that problem throughout K-12 which is why we have an 83% graduation rate in the US and one of every five students does not make it to college. Once they reach college, the schools spend next to nothing on career services. The average budget of college career services centers is thirty four thousand dollars a year. That contributes to the fact that 50% of the students are switching majors two or three times and that means that they are racking up additional debt and they are more likely to drop out of school. You end up with this sort of cascading series of problems ending in adult education as sort of the safety net for all of these people who fall out of the system along the way. Adult education is massively underfunded. At every stage I have been surprised to see how little priority is given to career education exploration, which leaves a significant opening for PathSource to come in and offer a tremendous free service that changes lives.

