

MYGURU'S SENIOR TUTOR PARTNERSHIP PROGRAM

An overview of how we partner with our most experienced tutors to expand their roster of students, build and leverage their personal brands, and deliver unique services.



Brief Summary of MyGuru's Senior Tutor Partnership Program (STPP)

In most of MyGuru's tutoring relationships, students find MyGuru through web searches, referrals, or other marketing activities. In these situations, the benefit of working with MyGuru from the tutor's perspective is that they now have an additional student they wouldn't otherwise have. However, the administrative support (i.e., payment processing, tracking of hours, accounting for year-end taxes, etc.), customer service provided to students/parents, and application of the money back guarantee, are additional benefits. In this typical situation, the tutor earns 70%, after credit card fees, of what MyGuru charges. In this program, tutors bring students to MyGuru, take advantage of these benefits, and earn 92% of the price charged, which they set. However, they also earn the opportunity to capture 5% of the revenue the student might spend on other tutoring or admission consulting services with MyGuru.

Issues and Opportunities

Problems

As an experienced tutor, we imagine that you might face a few common problems. Either because you really enjoy tutoring, or because you enjoy the income it provides (or the combination) you are managing relationships with a large number of students.

As the number of students grows, particularly if you are also working or going to school full or part-time, the following problems can arise:

- Large amount of upfront discussion with parents/students about:
 - Details of the test/subject
 - Your background, experience, qualifications, etc.
 - Logistics
 - Pricing
- Student cancellations or no-shows or frequent student re-scheduling
- Student non-payment
- Student requests for meeting locations/times that aren't that convenient
- Required prep-time without compensation
- Missed student opportunities that could have been a good fit because you were too busy to respond to an email or phone call quickly

If you are tutoring just a few students at a time, these problems are very manageable. And, in fact, with just a few students, many of these problems are far less likely to materialize. But, as you take on more students, they can become frustrating.

Missed Opportunities

The last problem mentioned above is also the first type of missed opportunity: the inability to work with one student who might be a better fit for you because your schedule is packed with other students.

The second type of missed opportunity that we see involves individual tutors being unable to fully leverage their personal brands. We often see tutors develop very strong relationships with parents and/or students. However, frequently tutors have expertise in a somewhat limited range of subjects, for example, physics and math. At the same time, a parent or student who invests in math tutoring is far more likely than average to invest in chemistry, English, or test prep tutoring, as well as in other educational services like admissions advice. This creates a situation where a tutor is highly trusted, but simply can't bring additional solutions to the table for that parents or student beyond the math and physics subjects in which they are experts.

Potential Solution

Our Senior Tutor Partnership Program (STPP), which is 100% voluntary, is a solution that addresses common problems and allows tutors to capture the opportunities that they might currently be missing. In the next section, we'll go into far more detail on the economics of the program, but here, we'll concisely review what the STPP entails.



In the typical relationship between MyGuru and its tutors, the company finds students for tutors through its web-site ranking, marketing activities, or through referrals. In exchange for, most importantly, finding the student, but also for processing payment, collecting feedback, answering student questions, applying the cancellation policy and money back guarantee in ways that protect the tutor, etc., MyGuru sets the price and then pays the tutor 70%-85% of whatever is charged, after credit card fees.

Through the STPP, you bring a student to MyGuru, instead of the other way around. The student may be a personal referral or a lead from a web-site like UniversityTutor.com or Craig's List. Instead of making 70%-85% of the price MyGuru sets, you work with us to set your own price, and then we pay you 92% of that price.

In exchange for this 8% "commission" we deliver the following services:

Basic Services

- **Payment processing** - process payments (which costs ~3%, making MyGuru's "take-home" closer to 5%)
- **Customer service / objective perspective** – answer questions about your background (as much as we can), purchase materials, liaise as an objective 3rd party between you and the parent/student (where it's valuable to do so)
- **Usage tracking and reporting** – either through our current process or improved processes which we'll be rolling out over time, we offer a way for you to report your hours, check against what a student has purchased, and review reports of remaining hours
- **Cancellation/no-show policy enforcement** – it can be tough to be charged for a missed session, and we'll step in to deliver the message to parents, and if we think it makes sense to do so, split the loss with them so you are always be compensated for your time
- **5% life-time referral payments** – you can earn referral payments equal to 5% of the revenue earned over the lifetime of a tutoring relationship in a number of ways:
 - A student you brought to us and worked with decides to purchase a different type of tutoring or test prep with a different tutor
 - A student you referred to us purchases admissions consulting or online test prep from one of our partners
 - A student you decide not to work with, and instead refer to MyGuru, begins working with a different MyGuru tutor

Optional Additional Services

We recently transitioned to a new Google App business account, which allows us to offer the following optional additional services to STTP members who choose to obtain a MyGuru email address with calendar

- **Google MyGuru email address with shared calendar set up** - which enables us to offer:
 - **Scheduling support** – if you use your calendar to set open times with travel restrictions, we can work with your students to set and change time slots with you



- **Google Plus profile** – we can help you set a tutoring focused google plus profile for students to reference
- **Business cards** – if you find it helpful, we can provide business cards for you to use

Economics of the Senior Tutor Partnership Program

Basic Facts

The basic economics are as follows. For every student that you choose to run through MyGuru instead of working with independently, you'll:

- Be able to set the price they pay, or let MyGuru negotiate for you
- Receive 92% (after credit card fees) of whatever is charged
- Earn 92% (after credit card fees) on any additional students referred to you by that student
- Earn 5% of revenue, uncapped, on any additional tutoring or test prep they do with MyGuru
- Earn 5% of revenue, capped at \$500, on any of that student's referrals of additional students who do not work with you directly

Four alternatives to consider

In the below table, we describe three scenarios for you to consider. We assume you are in a 15% tax bracket, and that there's a chance that associating yourself with the MyGuru brand might allow you to charge slightly more per hour than you otherwise would.

Scenario	1	2	3	4
Origin of student	MyGuru	Tutor	Tutor	Tutor
Run through MyGuru?	Yes	Yes	No	No
Price charged	\$55.0	\$55.0	\$55.0	\$45.0
Method of payment	Credit	Credit	Cash	Cash
Credit Card Fee %	3%	3%	0%	0%
Payout %	70%	92%	100%	100%
Pre-tax tutor take home	\$37.3	\$49.1	\$55.0	\$45.0
Tutor Tax rate	15.00%	15.00%	0.00%	100.00%
Tutor taxes	\$5.60	\$7.36	\$0.00	\$0.00
After tax tutor pay	\$31.7	\$41.7	\$55.0	\$45.0

In our view, comparing scenario 2 vs. 3 and then 2 vs. 4 is most helpful. If you value some of the above mentioned services, believe associating yourself with MyGuru can help you charge a little more, and report some % of your cash earning for tax purposes, the case for working through MyGuru becomes relatively strong.



Potential value of referrals

We've had students spend from \$35 to \$10,000 with MyGuru over the years. Any student that you refer to MyGuru will earn you a lifetime 5% of revenue referral fee, capped at \$500.

Summary

MyGuru grows when it does three basic things well: 1) recruit great tutors 2) develop processes that are fair and efficient, and 3) conduct cost effective marketing activities, for both new and existing students.

For our most senior tutors, we see an opportunity to develop even stronger, mutually beneficial partnerships. To sum up, here's what in this for you:

- Administrative support in any and all "non-tutoring" related activities that help you land and keep students...
- ...that, if done right, results in a relatively small reduction in your hourly pay that is lower than the value of the above benefits you receive., PLUS
 - The opportunity to better leverage your personal brand equity through earning referral payments on students you either can't or don't want to work with directly
 - Help building your personal brand, should you want to

For MyGuru, we see a huge opportunity to flow more students through our "system" albeit at a very low margin (i.e., the students you bring to us), which might still be profitable for us, since our administrative team and payment processing/hour tracking costs are somewhat fixed. But, the idea is that, through our email newsletters, social media, and blogging activities, we'll be able to drive referrals or additional tutoring from these students that you as an independent tutor wouldn't have been able to handle, which would benefit both you and MyGuru in the long run.

