

The Muse: Providing Outsourced Career Services

The Muse might have an opportunity to augment its career coaching business by selling to banks that provide student loans. Facing pressure from innovative marketplace lenders like Social Finance, traditional banks in the private student loan space would benefit from taking a more customer centric approach. With upstart lenders offering career coaching to unemployed debt holders, banks can offer similar services through The Muse. By providing student debt holders with career services, banks help customers make payments again and further differentiate their brand in the process.

Since the Muse already provides coaching, it might be worth approaching banks with this offering to gauge their appetite. The Muse can also approach forward thinking lenders like Social Finance and suggest outsourcing this part of their model to The Muse.

Areas of Analysis

Burgeoning Student
Loans Market

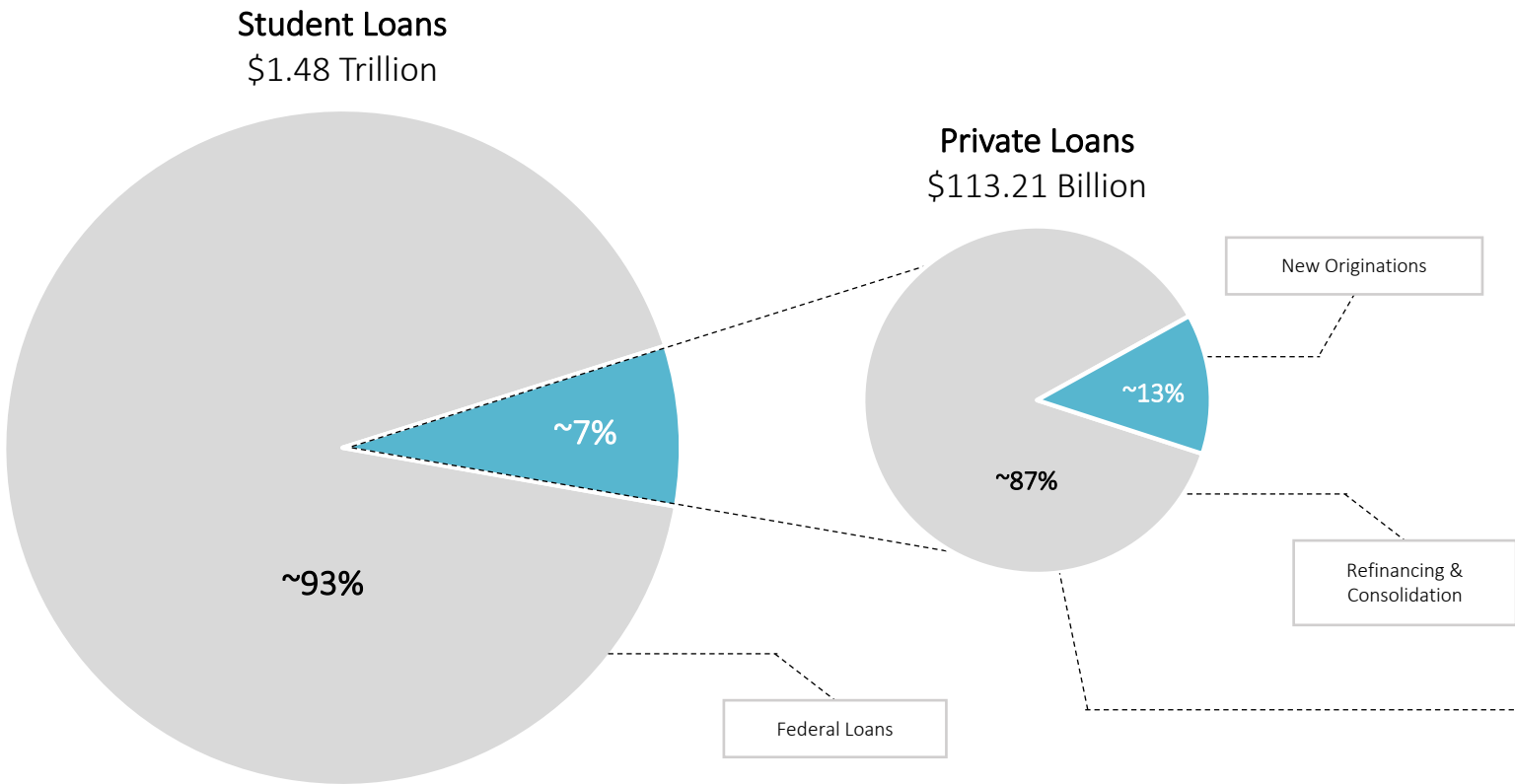
Threats from
Innovative Lenders

The Muse +
Student Loan Providers







Feasibility and
Plausibility

Burgeoning Student Loans Market

The student loans market is nearing \$1.5 trillion, the largest component of non-mortgage consumer debt. Federal loans account for 93% of the market and private loans account for 7%. The top 6 players account for more than 60% of the market or about \$70 billion in private loans. Given the size of the market and the concentration of players, policy changes can have a significant impact quickly.



Top 6 Players
62.5% / \$70 Billion



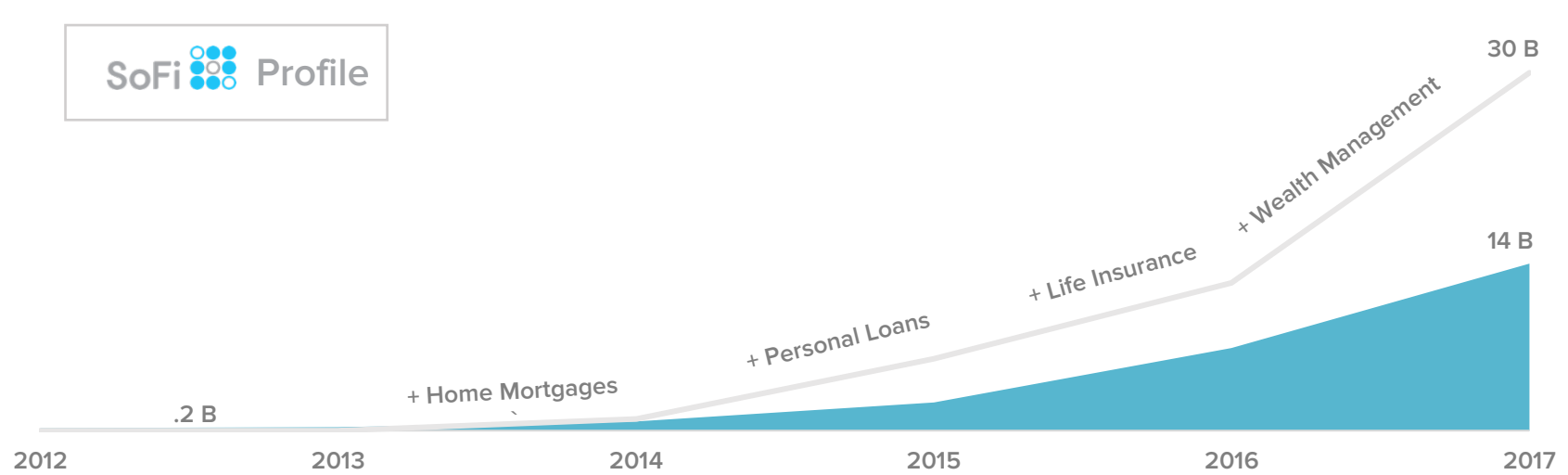
“...6% or something of the total market of new loans are private and the other 94% or so are federal. And so it wouldn't take much in the way of federal backing off to have a dramatically percent increase on the private origination side.”

David Nelms, CEO, Discover Financial Services

By 2020, outstanding student debt is expected to reach \$2 trillion.

Threats from Innovative Lenders

Upstart marketplace lenders like Social Finance are growing rapidly and moving upstream beyond student loans. While traditional banks may see these lenders as trivial and non-threatening for now, these Fintechs' focus on providing a differentiated and personalized experience aligns strongly with today's customer preferences.



53%

of Millennials don't think their bank offers anything different than other banks.

71%

would rather go to the dentist than listen to what their banks are saying.

98%

would refer Social Finance to a friend.

Career Coaching

offers members access to career counselors if they lose their job.

SoFi Accelerator

brings together members for a career retreat to evaluate their goals.

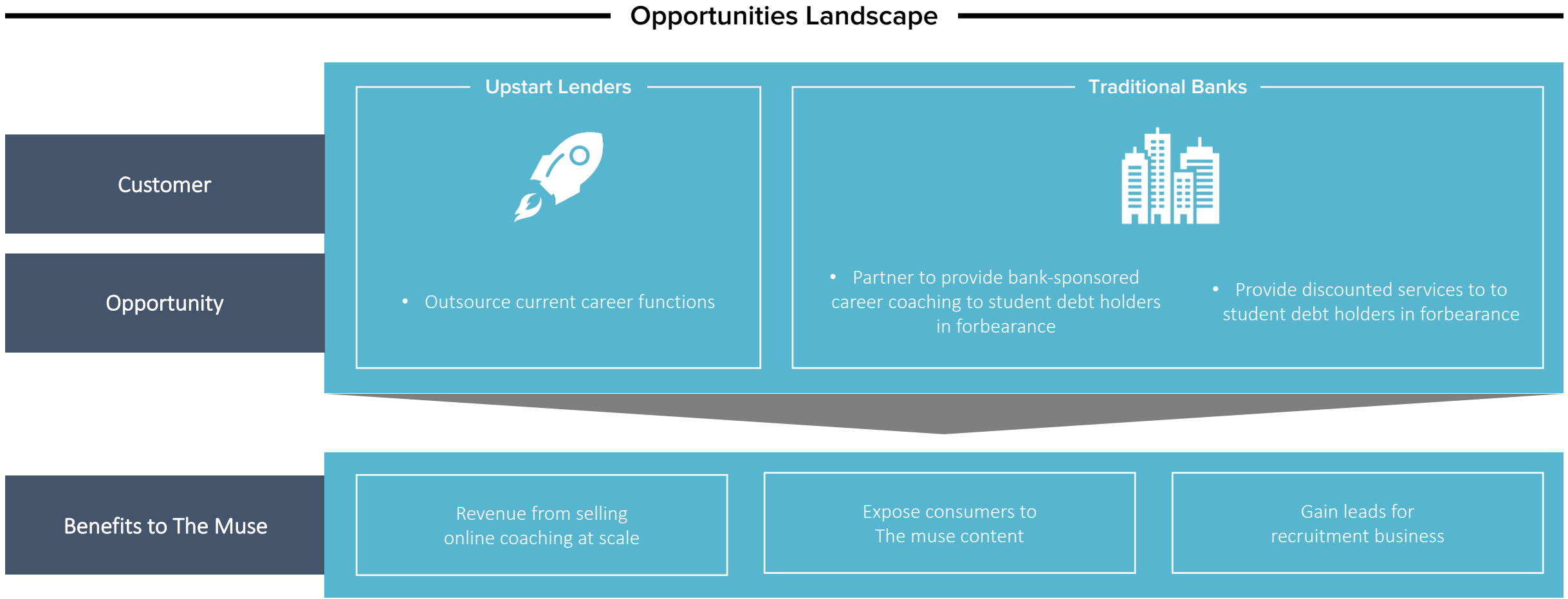
Entrepreneur Program

lets members apply for seed funding for a business venture.

The Muse + Student Loan Providers

Burgeoning Student Loans Market	Threats from Innovative Lenders
The Muse + Student Loan Providers	Feasibility and Plausibility

The Muse, as a leading company dedicated to helping professionals navigate their careers, is well-equipped to help banks become more customer centric by providing career coaching to their customers. Since the Muse already has career coaching, it may be worth gauging their interest in working with The Muse. Similarly, The Muse can also approach upstart lenders to outsource this part of their model.



Feasibility and Plausibility

While this opportunity may seem mutually beneficial, the appetite and economics are yet to be explored and proven.

	Customer	Banks and Lenders	The Muse
Value	<div>Do customers value career coaching services?</div> <div>79% of Millennials think mentorship is crucial. Career coaching provides the same functional value. If the cost of these services is never felt by consumers, they may value it and utilize it.</div>	<div>Will offering career coaching help banks attract new customers?</div> <div>Any market share gained by firms like SoFi represent loss of share by banks. Upstart lenders focus on providing a customer centric experience to customers. Banks can combat this through similar, competitive offerings.</div>	<div>Is this in line with The Muse’s mission and core businesses?</div> <div>The Muse aims to be the ultimate career finder and guidance destination. By offering this service, The Muse is still focused on helping people with their careers, but is embedding itself in a specific process instead of waiting for users to come to it.</div>
Execution	<div>How will customers be able to access the service?</div> <div>49% of Millennials value a personalized experience. By offering a human-powered service, the offering is inherently personalized. Through this relationship, customers can also benefit from The Muse’s content, company profiles and job listings.</div>	<div>Can banks do it themselves?</div> <div>Offering career coaching is likely outside the core competencies of a financial services institution. If banks choose to provide this offering, the likely choice is to offer it through a partner like The Muse or not offer it at all.</div>	<div>What is the talent and development effort required for this effort?</div> <div>Even though The Muse already offers career coaching, this effort likely requires additional effort to materialize. Since the market is concentrated, figuring out banks’ appetite may simply require a few meetings with Discover being a good start.</div>
Economics	<div>Will this cost customers?</div> <div>While many customers would benefit from coaching, it is not mainstream to pay for these services. Defraying the cost to a third party institution indirectly invested in someone’s career earnings may pave a path forward for The Muse.</div>	<div>How much will it cost banks?</div> <div>Banks would likely focus on providing the service to debt holders in forbearance. This limits the costs while focusing on helping those whose lack of unemployment is contributing to their inability to make payments to the bank.</div>	<div>Will this create meaningful revenue for The Muse?</div> <div>Depending on The Muse’s current revenue for this offering, if this effort materializes, it could represent significant and potentially consistent, revenue. It could even have a bigger impact on other product lines (e.g. recruiting) than coaching.</div>

Sources



BURGEONING STUDENT LOANS MARKET

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