FASTER + CHEAPER
ALTERNATIVES TO COLLEGE
Why Skills Gap? Two Distinct Frictions

**Education Friction**
- Cost of tuition (crisis of college affordability)
- Risk of returning to classroom (older workers requiring upskilling/retraining)
- Time to completion (and risk that ‘life will get in the way’)
- Risk of employment outcome (crisis of employability)

**Hiring Friction**
- Vast majority of employers only want perfect candidates who have conclusively demonstrated they can do job (i.e., by doing it before)
- Candidates without direct experience increasingly viewed as high risk (risk of bad hire or churn)
- Made harder by increased importance of technical/digital skills, which few candidates have
Last-Mile Training

Borrowed from Telephony

- Hardest + most expensive to build
- Therefore most valuable segment
- Basis for natural monopoly

Talent Market Correlation

1. Digital training
   - Minimum: Ensures candidate no longer filtered out of ATS
   - Maximum: Offers training and experience on exact SaaS platforms employers utilize

2. Soft-skills training
   - Real project work in work-like setting furthers teamwork, communication, organization skills
   - Interview preparation and training

3. Absorbing frictions
   - Absorb education frictions by eliminating upfront tuition and guaranteeing employment outcome
   - Absorb hiring frictions by funding training + providing employers with opportunity to try before they hire
Design Thinking Cure for Labor Market Ailments

- Historically, our approach to postsecondary education has been to build forward from K-12.
- Design thinking requires that we begin building backwards from good first jobs in growing sectors of the economy.
- Most critical for students who are at greatest socioeconomic risk.
Elements of Last-Mile Training

• Technical Skills +
• Intensity
• Demonstrate Competencies
• Strong Connections to Employers
• Clear Pathways
• The Credential is the Job
LMT Can Provide Better Value to Students

Cost to student

<table>
<thead>
<tr>
<th>Paid</th>
<th>Free or debt-free</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bootcamp Programs</strong></td>
<td><strong>Employer-Pay</strong></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Guaranteed outcome</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Share Programs</strong></td>
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</table>
LMT Can Reduce Education Friction

Example: $10,000 funding gap for senior engineering major

School advances tuition to student

Student obliged to repay after graduation with defined:
- Income share %
- Payment term (capped)
- Payment cap ($)
- Rules for deferral (graduate school)
- Minimum income threshold
LMT Can Eliminate Both Frictions

Value Proposition to Clients

Changing The Way The World Hires
Our proprietary talent development and delivery program takes the uncertainty out of securing the right people while eliminating wasted efforts, time, and money in the process.

Recruit
- We're selective about our technology talent, recruiting the top 1% from colleges and universities throughout the country.

Develop
- Through our intense coding immersion programs, we turn raw developers into world-class software engineers.

Deploy
- We deliver deployable technology right out of the gate, cutting down onboarding time so you can focus on your project's success.

Hire
- Our talent seamlessly integrates with existing technology teams as well as those being hired by clients.

Value Proposition to Students

Why Revature?
At Revature, it's more than a job—we provide careers in technology. Our programs give you the next-gen skills needed to work at top companies, on projects that make a difference. Gaining the tools you need to be successful starts here.

1. Work with relevant technologies: You work intimately with cutting-edge, relevant technologies that companies are using today and will use tomorrow.

2. Gain real-world experience: Our program transforms pre-bootcamp students into junior-level software engineers and it’s like to work on “real code”

3. Learn from the best: You’ll be mentored and mentored by highly skilled practitioners representing some of the top industry leaders and practitioners in the field.

4. Showcase your talents: You’ll not only develop a comprehensive body of work, but you’ll use that work to secure your dream job and kick off your career.

5. Start your technology career faster: Our immersive program gives pre-bootcamp students the opportunity to jump to the next step in their career in just 12 weeks.

6. Work with top companies: Revature software engineers work for some of the top companies in the country on projects that make a difference.

- Free 10-12-week bootcamp program
- Hired from day 1, apprentice wage
- 2-year commitment, relocate to client site
- Pathway to first job, and probably second
LMT Means Renaissance of Apprenticeships in U.S.

Central European Model: Gov’t-industry collaboration
- Clear link to funding
- But impossible to replicate in other countries

UK Model: Apprenticeship Service Providers
Making Apprenticeships Work
BY RYAN CRAIG AND TOM BEWICK
- Intermediaries sell to employers + manage, "hiding the wiring" for apprentices and employers
- But doesn’t solve the fact that few employers are excited to have large #s of apprentices hanging around

American Model: Outsourced Apprenticeships
TechCrunch
Techtonic Group raises $2 million to transform tech hiring through apprenticeships
- Service providers sell + manage
- They also host apprentices until employer-clients are ready to hire based on proven work
- Relevant to any skill gap area where services are outsourced
Techtonic: Dev Shop + Registered Apprenticeship

**Recruit**
- Recruit candidates for apprenticeship program based on potential, not pedigree or degree.
- Candidates come through CO WIBs (75 different contacts), but selective (500 applicants per cohort).

**Train**
- 12-week Academy.
- Classes + paired programming.
- WIBs fund up to $10k per trainee (separate deals with eight CO WIBs).
- Apprentices paid $15 per hour.
- $500,000 grant from CDLE in 2017.

**Deploy**
- By week 5 or 6, working on project and billing hours.
- Billing based on work, but up to $100 per hour.

**Hire**
- After 1,000 hours, clients can hire apprentices at no additional cost.
- Apprentices have been working on teams with clients, thereby eliminating hiring friction.
Education-Up vs. Employer-Down

Until now, all efforts to close the skills gap have been “Education-Up”:

- Deliver curriculum
- Develop curriculum
- Determine missing skills

Hope employers hire grads

“Employer-Down” starts with intermediaries that already have relationships with dozens or hundreds of employers

Staffing or business services company
- Consult with clients on needed skills
- Build LMT into model
- Allow clients to try before they buy
# Employer-Down in Every Skill Gap Area

<table>
<thead>
<tr>
<th>IT/Data</th>
<th>Healthcare/ biotech</th>
<th>Finance / Fintech</th>
<th>Energy</th>
<th>Sales / mktg.</th>
<th>Design / creative</th>
<th>Other</th>
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</thead>
<tbody>
<tr>
<td><strong>Staffing</strong></td>
<td>Physical therapy</td>
<td>Credit analysts</td>
<td>Field service tech</td>
<td>Specialized sales</td>
<td>Creative staffing</td>
<td>Paralegal Human resources</td>
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<tr>
<td>Business intelligence</td>
<td>Sonography</td>
<td>Risk management</td>
<td>Proc equipment operator</td>
<td>combining sales techniques with</td>
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<td>Next generation automotive mechanics</td>
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<td>Admin (Linux, Windows)</td>
<td>Oncology</td>
<td>Loan officer</td>
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<td>industry and technical knowledge</td>
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<td>(skills in hardware and software to meet</td>
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<td>Software dev't (including</td>
<td>Surgical technologists</td>
<td>Financial analyst</td>
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<td>(tech, financial services, engineering,</td>
<td></td>
<td>mechanic needs of self-driving</td>
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<td>SaaS, platform dev, e.g.</td>
<td>Dental hygienists</td>
<td>Research analyst</td>
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<td>medical devices, pharma)</td>
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<td>vehicles)</td>
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<td>Salesforce)</td>
<td>Respiratory therapy</td>
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<td>inside sales (esp., lead gen / social)</td>
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<td>Construction and building</td>
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<td>Infrastructure</td>
<td>Dietitians/nutritionists</td>
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<td>inspection</td>
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<td>Project mgmt.</td>
<td>Genetic counseling</td>
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<td>QA</td>
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<td>DBA</td>
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<td>Business analyst</td>
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<td>Network security analyst</td>
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<td>Technical writer</td>
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<tr>
<td>Systems analyst</td>
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<tr>
<td><strong>Outsourced Apprenticeship</strong></td>
<td>Cybersecurity Integration (MuleSoft)</td>
<td>Health Informatics Case mgmt. Lab technicians Medical coding and billing Transcription services Outsourced lab services</td>
<td>Claims administration Compliance</td>
<td>Engineering Field service Project mgmt.</td>
<td>Digital marketing Public relations Outsourced sales Call centers</td>
<td>Digital video production Graphic design Interpreting / translating</td>
</tr>
</tbody>
</table>

- **IT/Data** includes Business Intelligence, Admin (Linux, Windows), Software dev't (including SaaS, platform dev, e.g. Salesforce), Infrastructure, Project mgmt., QA, DBA, Business analyst (requirements gathering, etc.), Network security analyst, Technical writer, Systems analyst.
- **Healthcare/ biotech** includes Physical therapy, Oncology, Surgical technologists, Dental hygienists, Respiratory therapy.
- **Finance / Fintech** includes Credit analysts, Risk management, Loan officer, Financial analyst, Research analyst.
- **Energy** includes Field service tech, Proc equipment operator.
- **Sales / mktg.** includes Specialized sales combining sales techniques with industry and technical knowledge (tech, financial services, engineering, medical devices, pharma) inside sales (esp., lead gen / social).
- **Design / creative** includes Creative staffing.
- **Other** includes Paralegal Human resources, Next generation automotive mechanics (skills in hardware and software to meet mechanic needs of self-driving vehicles), Construction and building inspection.
College Classrooms Can’t be the Only Path

“It’s like our politicians think college is the only way… For many, it’s great. But a lot of our kids have no realistic shot of getting a college degree.”