

We're talking today with Jianming Zhou, and, Ryder Pearce the co-founders of a very interesting organization called SherpaShare. It works in the ride service business, and it provides services both to drivers and to other people companies interested in this business. So we're very interested in learning more about what you do, why you founded your organization, and where it's going. So welcome, thank you for joining us today.

Thank you.

Thanks for having us.

So tell me what is SherpaShare?

What is it that you do?

Yeah so SherpaShare is financial management, and a communication platform for on-demand workers. And we basically offer them to access-- basically offer them an independent and neutral platform to access information, utility, and work opportunities to maximize their work.

And tell me a little bit about why you formed this organization. What led you to do it?

The fundamental reason is we see there's a fundamental conflict between on-demand services and the workers. And the workers are typically working for multiple services, and they have growing challenges to manage their work, and understand that there are all other work options. And they don't have loyalty to any services.

At the same time a company competing for the same supply pool, and they have very high acquisition cost. And so we think a sort of putting in a buffer layer in between can benefit both sides. So that's why we position us to sell that need.

And so who do you define as your customers for your services?

So typically it's been ride share drivers is who we've started with. And those typically, Uber, Lyft, formerly Sidecar, and delivery companies as well although we'd like to expand to other independent drivers.

And do the companies themselves come to you with ideas for your services or ask you for either information that's helpful to them as well?

Some, yeah. Especially for smaller players. So basically, if you're looking for a channel to acquire supplies-- but actually for the workers, they also are looking for a third party channel to exchange information as well, yeah.

You know what I find fascinating is you characterize SherpaShare an intermediary, not as a representative or an advocate for one party or the other. Tell me more about how that works and why you're positioning Sherpa share in this kind of middle category? What do each of the different stakeholders get from your Services

Yeah so, as I said, like most workers actually working for multiple services, so because they are working for multiple services, they need tools to manage your earnings from different sources, check their personal expenses understand that their tax liability, and navigate increasingly more working options.

And no single on-demand services can't actually provide the necessary tools to help them. And other side is on-demand services are very powerful, and workers are actually on the weak side. And they don't-- they are forced into a Silo Situation. So that's why we think like SherpaShare as a third party can provide value on both sides, make the transaction more smooth and efficient.

Yeah, for example, so that the workers don't have loyalty, as J.Z. Said, and so workers who need a place where they can manage their multiple work options and also communicate with each other and exchange information. And the problem the companies are having is, they basically don't have a good way to demand loyalty, or command loyalty. And that's one of things we see they're struggling with quite a bit. How do they actually convince a driver, who has multiple options, to work for them.

And that's in many ways to challenge of the on demand economy where you don't have a direct employer and employee relationship in place, so that the interaction is a little bit more fluid. So I think that's a very interesting point. So your services come via an app. Take me through the app. If I'm a driver, what do I do? How do I get access to it? What will I learn by using your app?

Yeah, so, also it's actually-- have a mobile app. We also have a website. So we provide a tool to help you to consolidate all your earnings into one place. We also use a mobile app to track your expense automatically. Now since [INAUDIBLE] focus on the drivers, so the biggest expense for them actually is mileage. So we track the mileage for them automatically.

We also have so-called heat map, which is across map, and show where the hot spot for the drivers in real time. So they can, based on the heat map decide when and where to work for each service. And we also have a so-called chat feature, so kind of chat room, so drivers can get help, get support from other drivers. Yeah that's basically what we have now.

Today we are launching a new app.

As of last week. We launched a brand new app that basically took the chat feature and gave it its own home. So when we launched the chat in our existing app we found that, drivers-- it was a strong need for drivers to

communicate with each other, to ask questions, to give status updates. What's it like down time right now, for example. When does the game get out?

And so last week, we launched a new app dedicated to basically allowing drivers to exchange information.

Call it SherpaShare Plus.

Real time exchange [INAUDIBLE]. For example, when I came in this morning, I posted something saying, hey, we're going to be in Boston talking about driver issues, anything you want to talk about? And we had several drivers right away respond, a couple the points where repeat-- Uber should add tips for drivers, so that was one that drivers

And tips.

And temps it was the one. And a few others, basically saying that drivers want to communicate more. So if companies can do more or if we can do more to help drivers communicate, it's a strong lead.

That's very interesting that drivers are-- they operate independently, separately, they're all in their own vehicle, And so on. But they're looking for some sense of community, and communications. That's and that's a service that you can provide. That's very interesting.

Yeah, there's like two fundamental needs drivers need. The number one is always financial need. The second need, we actually call social need. So basically, they need a channel to talk about their career. And so basically they talk to passengers every day. But they need to talk to other drivers, talk about their company, talk about their so-called career, in some way. So we want to become that channel.

Well that's a fascinating opportunity for people to do it in a modern way. Do you know if this creates any social networking where people drivers actually physically get together, and form communities or is it all online?

Both, actually.

Yeah, there is some offline we see more. I mean, online is the big one, because everyone has different schedules and so it's hard to align. But traditional employment of course, had lunch, break, the break room, the water cooler which doesn't exist for the drivers. We would like to replicate the online chat as the water cooler area. We do see in some cities where there are a lot of drivers, the drivers will coordinate. Hey, I'm taking a break at this coffee shop now and trying to get a few people together.

So it's kind [INAUDIBLE] of our platform. Drivers can organize whatever they want, whether that's discussions or offline meet-ups. Another name for on-demand industry is some people call O2O, which is online to offline, or

offline to online. Actually, our community is very interesting we develop a community from offline to online. But eventually we also want to bring online to offline in some way.

Well there's all kinds of opportunities for that kind of interaction. Well let's talk more specifically about the drivers and how they are doing, financially. You're providing both information for helping them build a social network, but also to assess their own financial situation. What are you hearing from drivers? What can you say about how they are doing financially now, and over time?

Yeah the biggest thing we found at a fundamental level was a lot of these drivers are first time independent workers. And so understanding expenses, mileage tracking, wasn't really there so I didn't have a basis for that. And so what that meant was, whatever Uber and Lyft and other companies marketed to them. They say \$35 an hour. Drivers didn't have a good sense of what their actual net earnings was. And that's why we started, that's how we started basically showing them, here's what you're actually making.

Another issue we saw was that basically drivers didn't know how to optimize, their work, and so there's a couple things that we've helped them with. And so we put out reports every once in a while that show trends in different cities. And we do see that earnings per trip, I mean, they do fluctuate. In some cities they go up, some they go down. Of course, people's schedules are vastly different. So it's always been very difficult to point to a trend in either direction.

But what I will say is that we noticed that the vast majority of these workers are doing this for supplemental income. And so this might be 10 hours a week or 20 hours a week. And that's in the range of-- they might make a couple hundred dollars more, in addition to full time work

What do you hear from the drivers themselves? What would they like SherpaShare to do?

They will definitely like-- always want to make more money. Yeah, and so whatever we do can increase the income, they will love it. So we basically organize all our service in in three buckets. The first one is help them to sort of like manage-- count their money, right? Manage their money.

Second is basically how to help them to optimize their income. The third bucket is basically how to help them make more money. So if you look at our service, basically, we provide us some personal utility tools to help them to count their money. There will be a community. So with some cross [INAUDIBLE] information, so they can make better decisions every day. Hopefully they can optimize their work and maximize income.

The third thing we eventually will do is connect them with a new working opportunity, so they can make more money.

Yeah.

And so that's what the drivers get from you. What's your revenue model? How do you survive, and you have investors know as a startup organization, but you are a for profit business? So what's the model for generating revenue?

Yeah, so we are an intermediate layer between the on-demand services and workers. And so we're also a layer between workers and, other work related services, and worker and consumer, right. So we eventually will make money from every relationship. So we will start with some premise of this on the worker side, then try to make some money on the company side, through some marketing and [INAUDIBLE] kind of things.

So marketing opportunities for companies, and pay for services, from drivers, for more premium kind of information and material.

Exactly. So an example of that would be what's most valuable to drivers now is tracking mileage, because that's a direct number they can look at and use for a tax deduction, and so that's something where a lot of other utility services charge for, and drivers are willing to pay for. So that's one example on the worker side they'll pay for that utility.

And the company side, they'll see that there's a network of drivers who have a certain level of experience in this space. And of course, those are potential drivers that they want to target. So that's, of course, they're interested in both acquiring those drivers and then once they've acquired them, convincing them to work on a certain day.

Yeah, so in some respects, you can be a recruiting agency, or help them to identify the pool of potential drivers for them. So that's a really important service because that must be very difficult, what do you find is-- how stable are these drivers? How long do they stay? Do they turn over a lot? What's your experience telling you?

[INTERPOSING VOICES]

There's a natural turn for this industry. Yeah, and sometimes we use a metaphor, travel industry, so more like the travel industry. Like every family, they want travel two to three times a year, something like that. Before this industry extreme, more like people work on and off kind of thing.

So for us it's more like a we provide a platform with data and information that, whenever they decide to do something in this industry, they will go to SherpaShare. And hopefully, with the entire industry become more mature, average higher, I think the people will find that this is more a legit viable work option for them to make a living.

So an example of that would be someone who was on boards with Uber, for example, might only really want that income for a month, or a week even, to have some supplemental income, and then leave for six months. And that's a pattern we see, where people really want someone come for a fixed period of time, and then they might leave.

And the question that we're always wondering is at-- and we believe at some point they'll come back, because they'll want extra income. It's a question of when is the next phase of their life where they'll need supplemental income?

So it could be students is a good example, where students will-- on our way over here we had an Uber driver who was also a full time student, and a full time driver. And he fits in his driving when he's a student, but after he's done, after he graduates, he'll probably find a full time job and scale back on the driving.

So you fit it into sort of the life courses, people's life changes, and responsibilities change, and time allocations.

Right. And then the other end is when people are older, and they have more free time, they'll also become drivers as well.

There are a lot of controversies in this industry, as you know, questions about whether drivers should be independent contractors or employees. Concerns on some chat rooms and various online linking mechanisms that Uber doesn't really care about the drivers.

What are you hearing? Where are you positioned? Do you hear these kinds of things? Do you see them as credible? What's your view of some of the critiques of this industry at the moment?

I think some concerns are true in some degree, and we are kind of happy that we see some other groups supporting workers as well, and we are honored to be a very important channel for drivers to voice out their concerns.

We actually want to take a neutral, independent position. I think that the entire on-demand industry needs protection, right? So they would definitely need to protect workers, but we'll also need to protect the service side. So I think the better way is, collect data, build some channels, allow them to communicate, I think eventually they will find a balance somewhere, yeah.

Well I think this role of providing information as a basis for fostering more communications between all of the parties who have a stake in this industry as an important service that you're providing. So help me envision where you will be five years from now what will SherpaShare look like if you are successful?

We want to become the number one support platform for on-demand workers around the globe. And so currently we are only focused on the driver vertical only US bucket, but we want to expand to other verticals and other regions as well. So that's we will hope in the next five years, yes.

So basically all those workers will be exchanging information on our platform, and so whatever service they want to work for whatever opinion they have, they're use SherpaShare as like they're in the exchange for that information.

So your point earlier about giving them a voice is something we really want to emphasize. So that we don't necessarily care what the voice is, but we give you the channel to basically express yourself.

The ultimate vision, I'm thinking, is it's more like a-- drivers say, I have eight hours for work. And SherpaShare put up a working portfolio for him, so he can hit his financial goal on a daily basis. So they can look at where their optimal opportunities are, what times of day, what days of the week, and how to balance that with all of their other responsibilities, and be efficient in making those choices.

Well it's very interesting. It's a very creative organization. We appreciate your sharing your insights with us for this course. We wish you all the best, and thank you very much for taking the time to come across the country. You don't have an Uber service in the area. So I guess you had to go by commercial airline until you land, and then you could--

We didn't take Uber helicopter.

You didn't take Uber helicopter. Well maybe some day that will be part of all of our future. So, thank you very much.

Thank you.

Thanks.