

# BusinessWeek

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## PrepMe Aces the College Tests

Online test-preparation tutorials

By [Judith Crown](#)

As a high school student in Cincinnati, Karan Goel aced 11 Advanced Placement exams. Recognizing his talent for standardized test-taking, Goel began tutoring classmates for SATs and ACTs and offered to waive charges if their scores didn't rise. His first customer happily ended up at Emory University in Atlanta. That was the beginning of PrepMe, which percolated during Goel's years at the University of Chicago, where he earned a BA in economics in 2004 and an MBA two years later.

With the help of family funding and free office space from the university, Goel had his business online by 2005. His program differs from giant rivals Princeton Review and Kaplan by diagnosing skills in 90 areas and focusing on deficiencies in such specific niches as diction and simultaneous equations. Earnings of its nearly 100 part-time tutors—they all hail from the University of Chicago and Stanford and scored in the 99th percentile on the exams—are based on improvement in their students' scores. The top tutor earned around \$8,000 last year working seven hours a week from his dorm. Goel, now 25, boasts average gains of 5 points on the ACT and 305 points on the SAT.

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