

# DATAQUEST

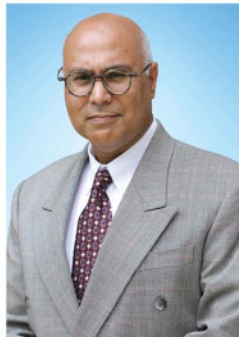
## There is a strong demand for ongoing skill upgrades for working professionals: Sapnesh Lalla, NIIT

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Leading global talent development corporation, NIIT Ltd, is enabling the IT industry to overcome its human resource challenges with its two main lines of business: Corporate Learning Group, and Skills & Careers Group. Upskilling of employees is regarded as an integral part of the overall business strategy of many organizations.

Most professions are dynamic, constantly evolving and adapting with the industry. Learners can access their learning plans, as well as all associated information and services, through the NIIT Digital platform of the company.

In an interview with Dataquest, CEO and ED, Sapnesh Lalla explains more. Excerpts:



**DQ: What are the new skills training started by NIIT this year? How has been the response?**

**Sapnesh Lalla:** Using the strength of our brand, deep expertise in pedagogy, and use of technology in learning, NIIT is emerging as a strong Digital Learning platform across domains for both career seekers and working professionals.

We now introduced a variety of digital skill offerings, including 5G, Cloud Technologies, Cyber Security, Game Development, Data Science, and Full Stack Product Engineering programmes, as well as digital marketing, business development, and virtual relationship management programmes for the digital enterprise.

The response on these have been extremely positive. As businesses increase their use of digital to serve their customers globally, we anticipate a multi-year cycle of growth in demand for digital talent.

With the acceleration of digital transformation resulting in a war for talent, there is a strong demand for ongoing skill upgrades for working professionals. The same is true for students who want to start their careers in today's job market. Therefore, these skills are only set to get a stronger demand in the coming times.

**DQ: Talent development remains key. What is NIIT doing in this area?**

**Sapnesh Lalla:** Talent development has long been a priority, but it has become an even more critical component in recent years. The pandemic has altered many aspects of our lives, including how people learn, how they work, and what customers expect. The sudden challenges of the pandemic have modified almost everything. These rapid changes altered the workforce's needs and expectations. Taking note of the changing demands and requirements of the world around us, NIIT reinvented and modified its courses to meet the needs of the industry. The company's NIIT Digital is one such platform which offers a plethora of new learning opportunities to students and professionals from the comfort of their own homes. NIIT Digital, with its mission of deepening the skills of the country's youth, not only provides new age, online, instructor-led tech courses, but also provides learners with placement assurance.

**DQ: What are the reasons behind NIIT's CLG Business and SNC Business being re-organized as separate publicly listed companies?**

**Sapnesh Lalla:** NIIT has been involved in two types of learning businesses, Corporate Learning Group (CLG) and Skills and Careers (SNC). The Corporate Learning Group generates 80-85% of the company's revenue and encompasses all of the corporate learning and employee training programmes that we provide to our clients. The Skills and Careers business, on the other hand, includes all online skills and development courses for students and individual professionals.

Although these two businesses are linked, they are also distinct. Content creation, learning engines, testing engines, and platforms were common in both verticals, however, they were used very differently in both the respective verticals. We saw these two trajectories taking shape within the brand NIIT and thus we realised that the two businesses' geographies, business strategies, and customer profiles were all different. As a result, we decided to run the divisions as two separate entities. We believe that this will allow both companies to operate more efficiently and effectively in their respective fields of expertise.

**DQ: How are you going about adding clients? CLG has 4 new MTS contracts. Is that enough?**

**Sapnesh Lalla:** We had a strong last quarter in terms of client additions. The four new contracts signed by the CLG business were diverse and added to our overall business portfolio and offerings. These contracts include one in the aerospace sector, one in information technology consulting, one in business intelligence, and one in the financial services industry.

Apart from that, CLG completed three contract expansions and three contract renewals in the previous quarter. CLG had a revenue visibility of \$326 million at the end of the quarter, up from \$294 million the previous quarter.

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**DQ: What have been the overall growth drives for NIIT?**

**Sapnesh Lalla:** The leadership's agile and decisive outlook and actions have propelled NIIT to be a growing force in the learning and development space. The depth and breadth of the company's 40 plus year experience in learning technologies, combined with its strong execution capability, adds much-needed value to its offerings.

**DQ: What are the drivers of growth for specific verticals and specific geographies?**

**Sapnesh Lalla:** Concerning the specific growth drivers for the verticals, CLG's investments in digital capabilities and S&M has been enabling scale and acceleration. These have helped us outperform our stated guidance, thanks to new customer growth and scope expansions. Additionally, accelerated investments in the Skills and Career Business have contributed to an increase in revenue run-rate.

Using the strength of our brand, deep expertise in pedagogy, and use of technology in learning, the company is emerging as a strong Digital Learning platform across domains for both career seekers and working professionals.

**DQ: What are the emerging digital technologies where NIIT is imparting training?**

**Sapnesh Lalla:** Every day, the world is becoming more digital. Without a doubt, digital technology-related fields are among the most promising in terms of job opportunities and growth potential. These new jobs, however, necessitate a highly skilled workforce. To assist students and job seekers in meeting the skill requirements of these jobs, NIIT has launched learning programmes in new age fields such as Digital Marketing, Product Engineering, Data Science & Machine Learning, and 5G Certification Program, Game Development, among others.

NIIT has also recently announced that diploma holders will now be eligible for NIIT's Cybersecurity and Cloud Computing programmes. Previously, these programmes were only available to engineering graduates.

**DQ: Besides Axis Bank, what other banks are you looking at for partnerships?**

**Sapnesh Lalla:** This is an unprecedented time when banks are picking up pace of hiring as well as reskilling, therefore the scope is multi-fold. We have established Digital Banking Academy with Axis Bank for developing Full stack developers and Product engineers organically for the bank. In addition, we already have ongoing partnerships with most big private sector banks, such as ICICI Bank, Kotak Mahindra Bank, IDFC First Bank, RBL Bank and more, for their talent programs.

Our programs range from Talent pipeline, Sales and Relationship management programs, Branch manager certification, Wealth management to Digital skills across roles and seniorities. We have seen an increased demand for Digital skills from banks in the last few years, which we are well positioned to address, considering NIIT's deep expertise in Digital talent development.

Beyond banks, we are increasing our footprint in NBFCs and Fintech space with several new partnerships.

**DQ: What are you doing for training in Industry 4.0?**

**Sapnesh Lalla:** With Industry 4.0, there is a general trend toward courses that focus on automation, Internet of Things, and Artificial Intelligence, among other things, and a learner equipped with these in-demand skills has an advantage among recruiters. Apart from providing better job opportunities, they also provide numerous other benefits such as a competitive advantage, knowledge of real-world projects, and so on.

In alignment with this, NIIT also offers new-age online programs which are designed to give learners a boost in their careers. The company has brought forth programs across different new-age fields such as Data Science & Machine Learning, Cybersecurity, Cloud, 5G Certification Program, and Game Development, among others, that provide learners with such industry-specific and hands-on training and further enable them to get assured placements.

**DQ: How does NIIT see the growth ahead, till 2025?**

**Sapnesh Lalla:** We have seen remarkable growth in recent years, both in terms of value additions and profits. In the third quarter, the company's revenues increased by 51% to Rs 383.6 crore, while its net profit increased by 32% to Rs 55 crore. We are confident that the numbers will continue to rise in the coming years.

The rapidly increasing demand for talent development and management, combined with the NIIT's experience and expertise in skill and training development, indicates that we have a promising future. The separation of CGL and SNC will also allow both companies to concentrate on their respective target customers and areas of expertise. The announcement of the merger itself has been warmly received by the market, with stock prices increasing by 50% since the announcement.