

NIIT to grow skills business to cash in on changing market conditions

By Priyanka Sangani, ET Bureau Last Updated: Dec 30, 2021, 06:00 PM IST

Synopsis

The skills business, which operates primarily in India and China, has so far been a purely brick-and-mortar model which went digital with the onset of the Covid-19 pandemic.



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Skills and corporate development firm **NIIT** will approach its skills development **business** like an **educational technology company** and invest in growing it in line with changing market conditions, its top executive said.

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which went digital with the onset of the Covid-19 pandemic.

"We have to transform this fundamentally into a digital business. This is going to take on the trajectory of an ed-tech company and we will invest in it in the next few years," said Sapnesh Lalla, CEO, NIIT. "It will see rapid growth, rapid expansion and investments over the next few years and grow at a trajectory where it becomes substantial and very relevant," he said.

Lalla said the company, which recently turned 40, had undergone several transitions over the decades.

NIIT has evolved from a training company to collaborating with the industry to help create a pool of skilled **IT talent** and expand its business globally. This transition now, from offline to online, will be another significant step in its evolution.

At present, the skills business contributes about 15% to its overall revenue, while the corporate training business forms the bulk of it.

This, Lalla said, was the mature business and would continue to grow rapidly as well and consolidate its leadership position through organic and inorganic investments.

"I expect the skills and career business to grow faster, at the pace of an edtech – 50-60% year-on-year. The corporate business will grow at about 20%," he said.

In October, the company announced the acquisition of RPS Consulting, a provider of training programmes on emerging **digital technologies**.

NIIT will continue to be on the lookout for acquisitions in the \$15-\$30 million range for both its businesses, either to gain access to new capabilities or a new audience.

Lalla said the company's success in transforming people's lives over the last four decades would help it stand out in a crowded ed-tech market which has attracted a slew of new players and investments over the past year. "Our students have succeeded because we worked really, really hard to create outcomes...I think that's our differentiator ... we will continue to use technology to innovate and find methods of creating more effective learning solutions," he said.

Collaborations with universities, too, will be a significant part of its future strategy.

"We've always had strong university partnerships on one side and strong corporate partnerships on the other side. While universities do a good job in teaching them the fundamentals, many of them do not have the skills to get aspirational jobs," said Lalla.

The company will partner with universities to train students in skills that are in demand by its corporate partners.