

# A skilled business opportunity

Over the years, the education industry has undergone a sea change with the focus shifted from public to private sector. Catering to the skill deficit and guaranteeing jobs for the youngest customer base vocational education business proves to be ready money spinner.

**BY JOYSHREE SAHA**

**T**HE recent budget 2016-2017 reveals a shortage of trainers to implement skill-development programmers across the country. Speaking on same note, Shivan Bhargava, Group President - Skills & Careers Group, NIIT Limited comments, "One way to overcome this is to introduce the blended learning model for imparting quality education. At NIIT, we used technology enabled delivery models such as Synchronous Learning Technology and Cloud Campus in India. The company also launched digital learning platform NIIT.tv".

### How franchise boosts the growth

Currently, there are 18,000 vocational training centres with an annual intake of 1.8 million students. The industry requires 40 million additional seats to cater to the market demands.

"Aptech through its retail brands is present across 60 Indian towns and cities through over 850 franchise locations. Aptech believes in an asset light model and has spread across geographies through the franchise model. And even next expansion aims at the franchisee model only", shared Shrutidhar Paliwal, Vice President, Aptech.

### Criteria to chose franchise partner

Selecting right franchisee is the most important aspect. "The candidate should be a graduate in any discipline; should

possess the ability to mobilize resources through internal and external means, should have the capability to personally invest around 50-60 per cent of the total project cost. In terms of business experience, candidate should possess 1-3 years of experience in any functional area, preferably at the middle management level. Also, share the vision and values of NIIT in the field of talent development, devote full-time attention to the venture or source professional help to run it and should have complete knowledge of the regional and local market", pointed Bhargava.

Elements, which Aptech look for brand franchisees are commitment and passion, local market knowledge, scalability and sustainability and financial ability.

### Investment

Bhargava: "The minimum initial investment for the project varies from 25-35 lakhs. The investment is based on various factors such as the centre location, student capacity, duration and the types of courses to be offered by the centre".

Developed countries, skilled workforce is **60-90%**, India records a low **5%** of workforce (20-24 years) with formal vocational skills

India needs to grow by **7-8%** in order to generate enough jobs for **12.8 million**

**12 million** expected to join the workforce every year  
India's education and vocational training system churns out **3-4 million** workers

By 2020, India will have **116 million** workers in the age bracket of 20-24 years as compared to China's 94 million

India is expected to be home to a skilled workforce of **500 million** by 2022

In 20 years, the labour force in the industrialised world will decline by **4%**, while in India it will increase by **32%**

with regular monitoring," said Raj Sharma, Director, Times Institute Of Management and Technical Studies.

Paliwal: "There is a hand holding process initiated at the start of the relationship. The relationship manager is a mature, seasoned and experienced professional who looks and guides the franchise business partner to understand the nuances of the field".

### Expansion through franchise route

Franchising has been largely beneficial to investors in the vocational training industry. "We started franchising in 1986. At a time when IT training was at its peak and premium, the only way to scale operations was the franchising route. At present, Aptech has over 1350 franchise centres across 43 countries," added Paliwal.

Vocational training institute has totally changed the scenario by fetching benefits in terms of employment and raising the standards of Indians. Today, with the emergence of organised players in vocational institutes, the sector is also offering business opportunities to many aspiring entrepreneurs. ●●

### Franchising Support

"We give all the technical help to run the business, which include staff training. We have senior people deputed to look after the centre in the initial stage, which is later followed up

FRANCHISE FACTS			
	NIIT	APTECH	TIMTS
Investment	25-30 lakh	20-50 lakh	812 Lakh based on town category
Existing outlets (Company-owned + franchisee)	Over 300, across 40 countries	All locations are franchised	1 & 41
Area (sq.ft)	1500-2000	800-2000	Min 1500
Rol	Varies	Varies	180% plus
Breakeven	Varies	18-24 months	6 months
Target cities	30 + Cities	Tier II and Tier III	Tier I and II
Location	Tier I and Tier II Cities	Student catchment areas	Any district HQ town
Year of franchise Operations	1986	1986	2013