

Our Mission Is To Build Young Entrepreneurs

NIIT, the largest IT training company in Asia, recognised as 'Superbrand,' pioneered franchising in IT education in 1986. And since then it has come a long way, creating a strong army of local entrepreneurs, converting hundreds of education partnerships into successful businesses. **Shampi Venkatesh**, National Channel Head of NIIT spoke to **Vinod Behl** about their franchise success story, their future plans and the new opportunities for the prospective franchisees. Excerpts:

Q How do you look back at the growth of IT education and that of NIIT within the IT education segment. And what's the market share of NIIT in this business?

IT Education grew by 13 percent from Rs 3,393 to Rs. 3,837 crore in the last fiscal. As far as NIIT is concerned, we have grown by 14 percent. Our market share is 30 percent – that is 1.5 times the combined revenue of our nearest four competitors. And this has been our consistent performance for the last four years. In the current fiscal, Q3 results have shown 74 per cent growth in the profit after tax. There's 11 percent increase in net revenue at Rs 283.6 crore and 22 percent increase in enrolments.

Q How was the growth during the slowdown period? Did you go in for shift in strategy?

We found that during slowdown period, students were wary of joining long term programmers especially due to uncertainty in the job market. So, as a part of our product innovation strategy, we launched a '99 Day Diploma Programme', meant primarily for graduates and third year engineering and non-engineering students. The idea of launching this programme, adjudged as the best short duration programme by Neilson-The Week Survey and mapped to industry requirement, was to make the students job-ready.

Usually every year we have been increasing our franchise centers by 15-18 percent. But during the last one year (till - January 2010), we restricted it to 10-12 percent, keeping market conditions in mind. In fact,

we did not want under confident franchisees. But now looking at the turnaround and the positive business sentiment, we are turning very aggressive. And next year, we may grow our franchise business by more than 20 percent.

There was another change in our strategy. Because of slowdown and increased pressure on maximizing revenue and minimizing cost, we went slow on advertising. On the other hand, we increased our feet on street activity. We tied up with radio channels to do customer-engagement programme. We went in for direct contact programme with students in colleges. We also built connects with industry, corporates and college principals.

We did a lot of work on marketing our placements to boost the confidence level of students. As a result of that we grew 40-50 percent in terms of placements. We could reassure our business partners and students (both existing and prospective) that IT was here to stay. This was reflected in 22 percent growth in enrolments.

Q How significant are franchise operations in the business growth of NIIT?

Franchise operations are very significant to our business. This is clearly evident from the fact that more than 85 percent of our domestic centres and 100 percent of our overseas centres are franchise centres. As much as 60-70 percent of NIIT business is contributed by our business partners.

We never refer to our business partners as franchisees. For us, the