



Franchise Plus

March 2010

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 programmes 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. Infact,

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

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Our business partners have a huge sense of emotional pride, loyalty and ownership and many of them have been with us for the last 15-20 years.

are business partners in truest sense. Compared to franchise outlets, it is a time consuming job to set up hundred of company owned centres across the country. Moreover, sitting in our corporate office, it is difficult to devise marketing strategy for far off towns. On the other hand, we can successfully tap the native knowledge of our education partners to grow our business. Also we can bring in fresh ideas and fresh energy into the business by tapping the huge entrepreneurial talent available in the market. Our mission is to build young entrepreneurs.

The success of our business is a derivative of the success of our business partners. When we take business partners, the idea behind this is to co-own their success. Therefore, we just don't give initial support but participate in every critical initiative they take.

Q Tell us something about your franchise model and selection process for your business partners?

We have 12-seater to 30-seater franchise centres. The franchise fees would vary from metros to tier 2 and 3 cities. The minimum investment at the time of signing up is Rs. 15-20 Lakh. The break-even period is 1- to 2 years.

Each of our business partners is carefully selected based on the pre-defined stringent norms and parameters. We go for graduates with 2-3 years of experience in corporate environment or self business. We look for candidates who have vision, understand what academics is all about and feel responsible for building students careers and are not there just for money. We avoid those who dabble in multiple businesses. On the other hand we go for a candidate who can devote 50-60 percent of his time to NIIT education business. We have a system of strong reference check and select our partners after 3-4 tier interview. How stringent is the selection process can be judged from the fact that our selection ratio is 1:10.

Q What kind of norms NIIT prescribes for its partners to run the business?

We have very strict norms. Right from the time of induction, our business partners have to undergo a series of training programmes-technology to marketing to leadership. All trainees go through faculty assessment and certification.

We provide guidelines and norms for establishing the education centre. The education delivery at the NIIT Centre (Whether owned by NIIT directly or owned and managed by a franchisee) is based on the Quality Management System which lays down the systems and processes in detail to ensure consistency of delivery to students.

There are separate norms laid out for space, furniture, lighting, equipment and other facilities in the education centres and it is ensured that these norms and systems and processes are complied with. The quality level of teaching and learning effectiveness is maintained through periodic assessment and continuing education of the faculty and most important of all, feedback from the students. The uniform quality of education is achieved in the NIIT centres across India and abroad by standardizing the teaching method designed to be delivered across different cultures and audiences.

Q What kind of support you offer to franchise partners?

We provide huge support in terms of technology, marketing, business operations, faculty skills and business development.

Through our contact centres, we are assisting franchisees in enquiry generation and business development. Every quarter, we have strategy planning workshop involving business partners in which we formulate townwise / statewise strategies. Every year we hold a 2-day workshop

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More than 85 per cent of our domestic centres and 100 per cent of our overseas centres are franchise centres. As much as 60-70 per cent of NIIT business is contributed by our business partners.

under the aegis of 'Customer Delight Council' – a group of elite set of business partners who contribute to the thinktank of the organization. Depending on their performance, every year we select 20 business partners. In the customer Delight Council, 33 percent members are the same as in the previous year while the rest are newly selected. The council helps identify new products and strategies. We have student scholarship programmes for the benefit of franchise centres. We also run rewards and recognition programmes for the franchise partners.

Q Do you encourage your existing partners to own multiple centres?

Oh yes we do encourage our existing business partners to start new centres. We also encourage them to refer their friends to us. More than 50 percent of our new centres in the last three years have been opened by our business partners. This has been made possible because our business partners have a huge sense of emotional pride, loyalty and ownership and many of them have been with us for the last 15-20 years.

Q What have been the recent significant initiatives by The NIIT?

We forged valuable partnerships with SAS, CISCO, IBM etc and enhanced our product portfolio, ensuring that channel partners take these products. We came up with a new business line-NIIT Uniqua. We developed this business model, specifically for the BPO Industry, with Genpact. Under Institute of Finance, Banking and Insurance we offered the product to our business partners. Then, there was NIIT Imperia, our management education programme in partnership with IIMs. We also launched a set of Infra Management Services (IMS) under which short-term and long-term career programmes are available. We will do lot more work in this area next year. More recently, we have launched SAP training which is still in the nascent stage. The benefits of our product expansion are passed on to our business partners as whatever product is under our portfolio, is automatically available to them.

Q What are your expansion plans?

Next year we hope to increase our centres by 20 percent both at the national and international level. Currently we have 900 plus centres including 400 overseas centres. All these overseas centres are franchised ones whereas 450 of the 500 odd national centres are franchised centres.

As far as geographical expansion is concerned, we are pretty well represented in metros and there's scope to add only about 12-15 new centres there. We'll however be focusing on tier 2 and tier 3 cities where we can set up our new centres in 70-80 locations. The smaller locations hold promise as IT is spreading in these areas. Globally, we are looking at Latin America, Africa and China. ■



Mail Today, New Delhi

March 16, 2010

IGNOU-NIIT to go for skill-based courses

THE Indira Gandhi National Open University (IGNOU) has tied up with IT training company NIIT to offer a slew of programmes aimed at skill building and enhancing employability. The MoU on this partnership was announced by Prof V.N. Rajasekharan Pillai, vice-chancellor, IGNOU, and Rajendra S. Pawar, chairman, NIIT, on March 10.

Under this partnership, IGNOU and NIIT plan to collaborate in domains like information technology and management sciences for its India and international operations. Joint programmes in IT would include standalone undergraduate degrees or combined Master's programmes. An Executive MBA (15 to 18 months) will be offered as part of the management programmes. The tie-up will also be extended to the Finishing School programmes that would be available as an optional course for IGNOU students and alumni.

According to G. Raghavan, President, NIIT's Individual Learning Solutions, NIIT, the new programmes will benefit 10+2 students, graduates and workers. "The duration of the courses which will start from the academic session starting

The NIIT-IGNOU partnership will seek to contribute to large-scale skill development, inspired by the PM's skills mission.



(From left) IGNOU V-C V.N. Rajasekharan Pillai, NIIT chairman Rajendra S. Pawar and NIIT's Individual Learning Solutions president G. Raghavan

July this year will range from six months to five years and the fees will vary between Rs 15,000 and 1.5 lakh, depending upon the course, location and other parameters," he added. Pillai called it a historic collaboration between two giants. "Education without

employability can lead to problems. By 2020, 60 to 70 per cent of the world's youth population would be in India. So we've to create employability not only for India but for the entire world. To achieve the targets,

Pawar said it's the big idea whose time has come today. "IGNOU and NIIT were born

around the same time, in the 1980s and both have achieved fairly good objectives since then. There are enormous possibilities and it's a huge task. The NIIT-IGNOU partnership will seek to contribute to large-scale skill development, inspired by the Prime Minister's skills mission," he added.

With the return of strong hiring outlook, industry would be on the lookout for job-ready talent. According to industry experts, more than 900,000 jobs are likely to be created this year in India, of which over 350,000 new jobs will be added in the IT services companies alone.

Prof Manohar Lal, director of the School of Information and Computer Sciences (SOCIS) of IGNOU said, "Democratisation of computer education is the call of today. Taking the state-of-the-art IT education to the doorstep of the learners, everywhere and anywhere, is a challenge we have undertaken."

Trinity Mirror, Chennai

March 11, 2010

IGNOU ties up with NIIT for skill development

New Delhi, Mar. 11: Now, students can get dual benefit—one of having a degree and the other of getting professional training which would enhance their chances of employability in the market.

Indira Gandhi National Open University (IGNOU), the world's largest open university, and NIIT, the leading global talent development firm, today entered into a 'Global Partnership in Education and Skill Building for Enhanced Employability'.

The Memorandum of Understanding (MoU) on this partnership was announced here by Prof V N Rajasekharan Pillai, Vice-Chancellor, IGNOU, and Rajendra

S Pawar, Chairman, NIIT.

Speaking on the occasion, Prof Pillai said, "More and more people today look up to us to get customised education which is internationally viable. We gradually found our education rather lauded both for employability as well as intellectual recluse." "Students today pursue our education in a system of learning process. This global partnership with NIIT will enable students to acquire employable skills for the domestic as well as global markets," he said.

This would improve the quality of education as well as it would improve the teaching process, he added.

Speaking about the partnership,

Pawar said, "Inspired by Prime Minister's skills mission, the NIIT-IGNOU partnership seeks to contribute to large-scale skill development." Elaborating on the job prospects, Mr Pawar said, "With the return of strong hiring outlook, industry would be on the lookout for job-ready talent.

According to industry experts, more than 9,00,000 jobs are likely to be created this year in India, with over 350,000 new jobs in the IT services companies alone".

Quoting the latest industry figures announced by NASSCOM, he said, the IT-BPO exports market alone is expected to grow by 13-15 per cent and the domestic market by 15-17 per cent, he added.

Viratt Vaibhav, New Delhi

March 11, 2010



Indian Express, Hyderabad

March 22, 2010

MoU for improving employability

Indira Gandhi National Open University (IGNOU) and NIIT have entered into a global partnership in education and skill building for enhanced employability. IGNOU vice-chancellor V N Rajasekharan Pillai and NIIT chairman Rajendra S Pawar signed a memorandum of understanding in this regard recently.

Under this partnership IGNOU and NIIT will collaborate in areas, including information technology and management sciences for its India and international operations. Joint Programmes in IT will include stand-alone undergraduate or combined postgraduate programmes. An executive MBA will be offered as a part of management pro-



grammes. With this students will enjoy dual benefits of degree programme from IGNOU and professional training from NIIT.

Prof Rajasekharan remarked, "This global partnership with NIIT will enable students to acquire employable skills for the domestic as well as global markets."

NIIT chairman said, "According to industry experts, over 900,000 jobs are likely to be created in 2010 in the country, of with over 350,000 new jobs will be added in the IT sector alone. As per latest industry figures announced by NASSCOM, the IT BPO exports market alone is expected to grow by 13-15 per cent and the domestic market by 15-17 per cent" ■

Financial Chronicle, New Delhi

March 19, 2010

The Financial Express, Pune

March 19, 2010

NIIT banking institute, TAHDCO ink pact

fe Bureau

Chennai Mar 18: NIIT Institute of Finance Banking Insurance and Training Ltd (IFBI), a subsidiary of software training company, NIIT, has entered into a strategic alliance with Tamil Nadu Adi Dravidar Housing Development Corporation (TAHDCO), a Tamil Nadu government enterprise, to offer career-focused post graduate diploma in banking operations (PGDBO) to youth from underprivileged sections of the society, said a NIIT release.

According to the tieup, NIIT-IFBI will train 100 candidates mostly hailing from underprivileged sections with family annual income of less than Rs 2 lakh, sponsored by TAHDCO. The candidates will be shortlisted through an admission test followed by an interview.

Successful candidates

will be placed at ICICI Bank after completion of the training program and an internship with IFBI. As many as 6,000 students who have undertaken the IFBI PGDBO program have already been successfully placed in the banking industry, added the release.

"As banking offers challenging career opportunities, we have collaborated with NIIT-IFBI for their excellent track record in offering quality training and placement assurance to all their students," said Chandrakant Kamble, MD, TAHDCO.

S Venkatesh, head, NIIT-IFBI said: "We are delighted to partner with TAHDCO to offer career-focused training to youth from underprivileged sections of the society."

The pilot program will be initially conducted at Chennai and will be extended to other parts of Tamil Nadu soon.

NIIT to train SC/ST youth in banking operations

S SHYAMALA

Chennai

NIIT announced on Thursday that it has been selected by the Tamil Nadu Adi Dravidar Housing Development (TAHDCO) to train underprivileged youth in banking operations. Candidates selected through a screening test and interview, are assured placements post the training, it said.

The pilot programme will be conducted in Chennai and is likely to be extended to other locations in Tamil Nadu later. NIIT's Institute of Finance, Banking and Insurance Training (IFBI) will offer the fully subsidised vocational training to 100 SC/ST candidates sponsored by TAHDCO. IFBI is a partnership venture between NIIT and ICICI Bank.

Under the deal, students with annual family income of less than or equal to Rs 2 lakh will be offered the post graduate diploma in banking operations. Successful candidates will be placed at ICICI Bank after completion of training and internship with IFBI. Chandrakant B Kamble, MD of TAHDCO said in a statement: "We have been working towards uplifting the backward sections of the society by offering them training in traditional vocational courses."

shyamalaseetharaman
@mydigitalfc.com

Statesman, Kolkata

March 19, 2010

For better career of underprivileged

NEW DELHI, 18 MARCH: Tamil Nadu Adi Dravidar Housing Development Corporation (TAHDCO), a public sector undertaking of the government of Tamil Nadu, has entered into a strategic alliance with NIIT Institute of Finance Banking and Insurance Training Limited (IFBI), to provide career opportunities in banking sector to the youth of underprivileged society. Under this alliance, fully subsidised vocational training programmes in banking will be made available to the aspirants. NIIT IFBI will train 100 candidates sponsored by TAHDCO on banking through the Post Graduate Diploma in Banking Operations. The students from underprivileged sections with family income of less than or equal to Rs 2 lakh will be selected through an admission test followed by interview. || SNS

Business Standard, New Delhi

March 25, 2010

INDIA INC WANTS TO BE PART OF AFRICAN TRIBE

Continent offers huge and exciting opportunities, but a difficult and diverse market, too

BS REPORTER
Mumbai, 24 March

Stephen Jennings, chief executive officer of the Renaissance Group, a leading investment bank in Russia/CIS and sub-Saharan Africa, sees explosive growth opportunities for Indian companies in Africa in sectors such as telecom and financial services. "Some financial service models that you have in India are very cost-efficient — these are much more relevant than a Citibank model. And then, there are retail and consumer goods sectors."

Jennings is walking the talk and recently tied up with Kotak Investment Banking for cross-border mergers and acquisitions' advisory markets in which they operate.

Indian companies have been listening. A host of them, in-

cluding the Tata Group, Mahindra & Mahindra, Marico, Emami, Godrej and the Essar Group, have entered the vast continent by buying companies or setting up manufacturing facilities.

The reasons are many. About 890 million people live in 54 countries in Africa and that's a huge potential market. Also, growth is picking up.

There are other advantages as well. The African telecom market, for example, is exactly at the same stage where the Indian market was five or six years ago in terms of penetration, rates and so on. The mobile penetration rate, only 30 per cent now, is forecast to touch 70 per cent in three to four years. That will happen through competition in a continent where the fixed-line market was a monopoly and the mobile market a duopoly till as recently as 2007. Though the Indian market saw competition much before, the similarities are

unmistakable. The telephone penetration rates, for example, range from 14 per cent in Congo to 123 per cent in Gabon, though most are in the low double-digits.

Essar, for example, wants to be a substantial pan-Africa player and Kenya, where its YU brand was launched a year earlier, is just the first step in that journey.

But, many analysts say, Essar and other Indian telecom companies are in for a long haul in a market where three of the four operators have a combined market share of just 20 per cent. Safaricom has an overwhelming leadership with 80 per cent market share, earning around 60 per cent of the telecom revenue in the continent. It's not telecom companies

alone. NIIT, for example, began its operations in Africa in 1997. The early-mover advantage paid off, as the company now has established centres in eight African countries and has trained nearly 150,000 students.

Other companies have tapped this opportunity well, such as fast moving consumer goods (FMCG) major, Marico, focusing on niche segments like anti-lice shampoo segment and oil for ethnic hair in only some African nations. **The African telecom market is at the same stage where the Indian market was 5-6 yrs ago**

Marico has acquired, among other things, hair-care brand Financée in Egypt.

Last week, Godrej Consumer Products bought Tura, a household brand in Africa, for over two decades. Tura has been a household brand for over two decades in Africa, whose prod-

ucts like soaps, moisturising lotions and skin-toning creams are sold widely.

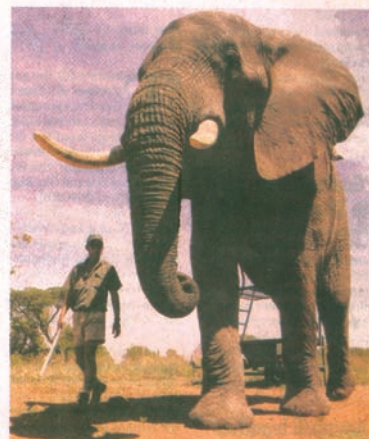
For Godrej, which has a relatively stronger presence in South Africa, Tura will strengthen its presence in the African continent and also prove to be a solid base for introducing its own products in West African countries. Although fruits from this acquisition may take some time to bear, the African continent provides a huge long-term growth opportunity for GCPL. While analysts say GCPL's Rapidol and Kinky brands (which currently contribute about 10 per cent to consolidated sales) are growing at more than 40 per cent, Nigeria itself is an important personal-product market, with a population of over 140 million and an annual economic growth rate of 6 per cent. That apart, penetration levels are also low in Africa.

The opportunities are huge

for pharma companies, too. South Africa, for instance, is rolling out a \$500-million plan to provide antiretroviral treatment to everyone afflicted with HIV, which means the market is for the asking for companies like Dr Reddy's Labs, Cipla, Ranbaxy and Aurobindo Pharma.

But, analysts caution, Africa is a difficult market as well. The main challenge is the diversity. The north of Africa is very different from the west, which is different from the central, which is different from the south in terms of natural resources, political stability, and economic stability. So, there is no place for a one-size-fits-all strategy.

Jennings says the main challenge is that Africa has dozens of countries and the way you do business in each will vary — the way you treat people, the due diligence involved, the structuring question and political questions.

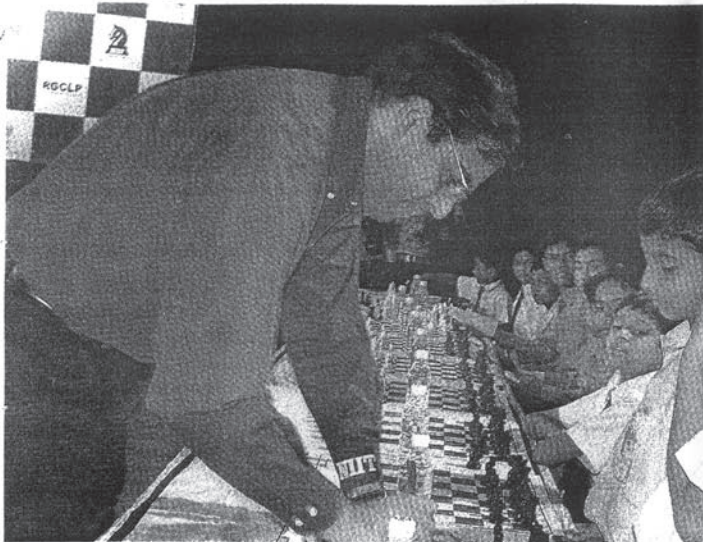


The African economy grew by five per cent last year. Inflation is at its lowest in many countries since their independence

The Telegraph, Kolkata

March 24, 2010

VISWANATHAN ANAND WORKS THE KEYBOARD TO TELL WHAT MAKES HIM THE CHAMPION OF THE CHESS BOARD



Anand teaching school children a move or two

What role do you see yourself playing in popularising chess in India?

We have an initiative called the NIIT Mind Champions Academy. The aim is to introduce chess to children at a young age. We have been seeing the numbers swell and we are already in many states in India and hope to be able to take it to every state. We have seen a huge participation from the east. In fact, Assam has been one of our top performers. West Bengal has always been a stronghold of chess and we hope to maximise our presence there.

At present, we reach out to 7,000 chess clubs in schools and have 850,000 members. We hope to cross the million mark soon. What we have seen through our Impact study is that children belonging to the initiative have also shown a marked improvement in academics. They seem to have developed skills like being competitive and

completely on it. Like in the last matches, I will work both on the chess as well as on the stamina, that is equally important.

Who have you enjoyed playing against the most and why?

The only person you enjoy playing is the one who loses to you. He or she is a treasured person and you try hard to keep it that way forever!

What has been the contribution of your family to your success?

My parents never forced me to play chess or compelled me to work on chess or win tournaments. I was just allowed to enjoy school, play many games and generally have a normal childhood. This was very important, in my opinion, not to feel any pressure as a child. When I started winning events, my mother travelled with me till I was old enough to travel by myself.

HARD WORK AND STAYING CLEAR OF CHESS POLITICS — ON THE KEY TO HIS SUCCESS

Why did you decide to take up chess?
When I was about six, I saw my elder siblings play chess and pestered my mother into teaching me. Very soon, I was beating everyone at home and they thought it would be good to join a club. So my sister would take me to the Tal chess club on Thursdays and weekends. At the club we had a Sunday blitz where you stayed on if you won or joined a group and waited your turn. I got quite good in playing blitz and would end up playing for hours. Somewhere there people saw that I had talent. When I became nation-

ally able to feel special, travel the world and do what I truly enjoy. Moreover, chess players love being their own boss and hate having to wake up early!

I guess you travel for so many events that your life is dictated by your performance and events and maybe you can't be home for a festival or birthday of a relative.

Who have your chess idols been?
Fischer and Tal. [For those readers who don't know their bishop from their knight, American Bobby Fischer was a world chess

chess player. Like any activity, you have to first enjoy it. Chess as a sport requires a lot of mental stamina and this is what that makes it different from a physical sport. Chess players have a unique ability of taking in a lot of information and remembering relevant bits. So, memory and mental stamina are the key attributes.

I would say most youngsters should actually play a lot more, be it among themselves at the school level. As you play, you will notice the mistakes you make and learn from them. In my personal experience, we used to play blitz regularly at the Tal chess club. This was excellent in getting experience in the technique of play. I think my innate talent to play fast comes from there.

Any concentration tips that you can share with us?
I find it difficult to concentrate for long periods of time. So what I do is concentrate in short bursts but with great intensity. Many times when you are trying to solve a problem, it is helpful to maybe leave the problem aside. It keeps germinating in your head and all of a sudden, you find the right answer.

more patient. Additionally, their science and mathematics have improved.

We have to get more children acquainted with the game. Through the NIIT Mind Champions Academy initiative we hope to reach as many children as possible.

You are all set to defend your World Championship title in April. How are you preparing for it?
It will be an intense match and right now my focus is

Even today, my parents follow every game of mine. They have shown me how to be a normal person first and a chess champion later. My wife Aruna travels with me. She takes care of all the details and needs, so that I need to only concentrate on the game. She is my punching bag and is someone I can trust completely.



What other sport do you follow?
Football and tennis.

What do you like to do in your spare time?
I love travelling and going on wildlife safaris. I have an interest in astronomy. I like reading on current affairs, business and science. I love doing nothing if I can help it.

Priyanka Roy
(What is your message for Viswanathan Anand?)
Tell t2@abpmail.com)

I HAVE BEEN ABLE TO FEEL SPECIAL, TRAVEL THE WORLD AND DO WHAT I TRULY ENJOY. MOREOVER, CHESS PLAYERS LOVE BEING THEIR OWN BOSS AND HATE HAVING TO WAKE UP EARLY! — ON WHAT CHESS HAS GIVEN HIM

ally champion after an unbelievable performance, I became recognised as a chess talent. I would say it was only after I finished university that I more or less became professional. By then I was playing all the top events and had entered the World Championship cycle.

What have the positives and negatives of taking up chess been for you?
Chess has given me a lot more than I could ask for. I have

been able to feel special, travel the world and do what I truly enjoy. Moreover, chess players love being their own boss and hate having to wake up early!

Who or what would you attribute your success in the game to?
Hard work and staying clear of chess politics.

What are the key mental attributes needed to take up chess as a sport?

RAPID FIRE

Most memorable game
Anand-Lautier, Biel 1997

Favourite city
Chennai! But Calcutta is where I had my first brush with stardom...

Sportspersons I follow



Roger Federer & Lionel Messi

Favourite film



Terminator. It's my lucky charm

Favourite actor



Rajanikanth

Favourite actress



Madhuri Dixit

Favourite book

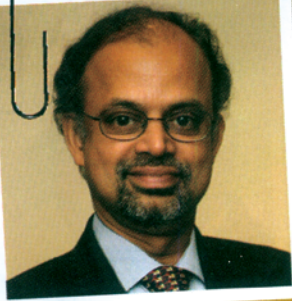
One to Nine: The Inner Life of Numbers by Andrew Hodges

Favourite chess term

Checkmate

Franchise Plus

March 2010



MG Raghavan, President, Global Individual Learning Solutions NIIT Ltd.

Back To Business

With global economic downturn sweeping the world during 2008-09, the franchising sector has been affected like any other segment, with buying sentiments cooling down. But with the turnaround in global economy, it's back to business again.

Now a question is being asked whether the downturn was a blessing in disguise for retailers, who did not have to set up their "own" stores, or invest in capacity expansion and instead relied on their franchisee outlets. My opinion on this issue is "yes," and "no." To take our own example, NIIT chose not to expand capacity, but instead ensured a larger flow of business through our franchisees.

One must add, however, that NIIT and its franchisees learnt valuable lessons during the slowdown, which helped us to do more with less. Instead of focusing on increasing enrolments, our franchisees paid greater attention to improving customer service and in this way, held on to its loyal students. Since capacity expansion was limited, franchisees spent time utilising existing capacity.

We also realised the importance of building the brand in a challenging scenario and though we managed our costs, we did not touch marketing budgets or pull back from our brand development efforts.

As market conditions improve, companies will add more franchisees who will, in turn, address opportunities in new and emerging markets such as banking, finance, and insurance, healthcare, real estate and so on.

The good news is that global economy is indeed on a turnaround and the market sentiment is positive. Of course, the role of franchisees in this situation will remain the same. Business partners will focus on expanding the reach of the parent company, improving market coverage, providing a local

As market conditions improve, and growth is back, companies will add more franchisees to their families, who will, in turn, address opportunities in emerging markets such as banking, finance, and insurance, healthcare, and real estate.

connect and enhancing customer service in keeping with the image of the organisation.

At this juncture, it would be apt to say that the prospects for franchising are excellent. The markets will soon be on an accelerated growth path and the environment will once again become conducive for people.

Finding right locations for centres; getting quality talents to run them; training the faculty to deliver quality education; finding academic counsellors and top notch marketing professionals to build the brand would be some of the challenges.

Nevertheless, time is ripe for entrepreneurs to jump into the franchising fray. It is important to understand what value has to be delivered and the factors that will enable this to happen successfully. For potential franchisees, it is important that they associate with reputed organisations whose brands they can proudly sign up for. They must examine the brand and history of the parent company, its quality principles, and its commitment to customers.

Organisations looking to set up their networks must focus on business partners who are there for the long haul. In our business, it is important that the partners have an aptitude for the training industry. They have to be dedicated as they bear great responsibility. And the task of building the lives of youngsters rests on them.

Interestingly, the laws in India in training space are fairly evolved. We have not found the regulatory system impeding the education franchising model. Therefore, the future of franchising especially in the training industry will remain bright.