

Juggling Training and Piña Coladas

Koenig Solutions sits on a gold mine, offering a package of offshore tech certification and tourism to trainees from Europe to Africa. SAUMYA BHATTACHARYA



The ITinerants: A group of students from Dehradun centre of Koenig Solutions at the Sahastradhara, a waterfall near Dehradun

RAJEEV KALA

Tucked away in an obscure corner of West Delhi, Nigerian national Alhamdu Bello is living his dream of fast-tracking his fledgling career. His fascination with India's information technology (IT) success story and its culture has brought Bello, 26, a Networks Engineer at Abuja-based software services firm Micro Access to "the land of Taj Mahal".

Bello is but one among some 100 young techies from Europe, West Asia, Africa and other places who are in India to be trained and certified in various IT skills. Helping them get to the next stage in their work-lives is Koenig Solutions, which offers globally-recognised training and certification programmes on software from Oracle, Cisco, Red Hat, Microsoft and Novell, to name a few. To make it really compelling for its trainees, Koenig throws in a tourism package.

All this at prices (including the holiday) less than half what it would cost in Europe (see *More for Less*). "I would pay five times to learn .Net (a Microsoft technology) in Switzerland, Germany or Austria," says Christian Muller, 38, Chairman of Dynovus Solutions, a start-up in Switzerland, and a Koenig customer.

Meet the brain behind Koenig: Rohit Aggarwal, Founder and CEO, who is on his way to becoming a successful first-mover in what is being broadly called education tourism in India. Koenig has a modest turnover of Rs 20 crore with more than 1,500 students attending its courses annually, but it is a fast-growing one—Aggarwal's business has trebled in the past three years.

To date, Koenig (German for king) has put some 8,000 trainees through various programmes. About half of its trainees are sponsored by their employers from diverse geographies—such as Coca-Cola in Angola and Khan Bank of Mongolia in Ulan Bator. Koenig, says Ganesh S., Lead at Microsoft Learning India, "has emp-

loyed some of the best processes" in the certification business. Others have tried to replicate them, but not with the same degree of success, he adds.

There are few models that Koenig can be compared with but for a proxy, one needs to travel back in time. About a dozen years ago, several like General Electric, Daksh eServices and Spectramind started businesses then unheard of in India: offshored back-office support services. Today, better known as business process outsourcing, or BPO, services, that industry clocks \$14.6 billion in revenues every year. Genpact, India's No. 1 BPO firm, had \$1.3 billion revenues last year.

Can Koenig aspire to grow to that size? It's very early days yet, but Aggarwal believes he has a sustainable

WHAT'S ON KOENIG'S MENU...

- **Top-of-the-line IT certification courses.**
- **Hospitality and tourism as part of the package.**
- **End-to-end solutions from booking flight tickets to board and travel.**
- **Quality and well-trained faculty and staff.**

... AND THE STORY SO FAR

- **Mentored over 8,000 students from Europe, Middle East and Asia.**
- **Centres in Goa, Shimla, Dehradun and Delhi.**
- **The company's revenues have trebled over the last three years.**
- **Up to 40% students opt for its one-on-one training.**

differentiator at play. Under its business model resting on training and hospitality, Koenig works as a one-stop shop for flight bookings, local transport, stay, training, hospitality and even helps its students tour India. While India's IT training companies play host to students from all across the world, tourism and hospitality is seldom bundled with training. "We are as big a travel company as we are a trainer," says Aggarwal, elaborating no more than that the tourism services part of his business is "substantial". One-third of his 300 staff focus on the hospitality part of his business.

It took some doing for the 40-year-old Aggarwal and his company to get to where they are today. His journey dates back to 1993 when Koenig was launched as yet another India-focussed IT training company with an investment of Rs 1 crore. That was the time firms such as NIIT were aggressively expanding. Koenig ran into rough weather during the dotcom bust of 2000-01. Scarred, but not willing to give up on the IT training model, Aggarwal started to look beyond India to survive.

The rationale was clear: if IT services companies could deliver tech services and maintenance by sending people from India, why not reverse that model to reskill tech staff from global locations with short training programmes here of between three days and 15 weeks? But that was easier said than done. India had an obvious cost advantage, but that would not be enough to convince an IT worker to get on a plane to travel half way across the world for a certification. And, his potential trainees from places like Europe were very demanding—they would expect a hassle-free stay in India along with top-quality training.

Holiday on Training

That's when Aggarwal decided to add hospitality to his IT training business model. After all, India was better-known as a holiday destination than

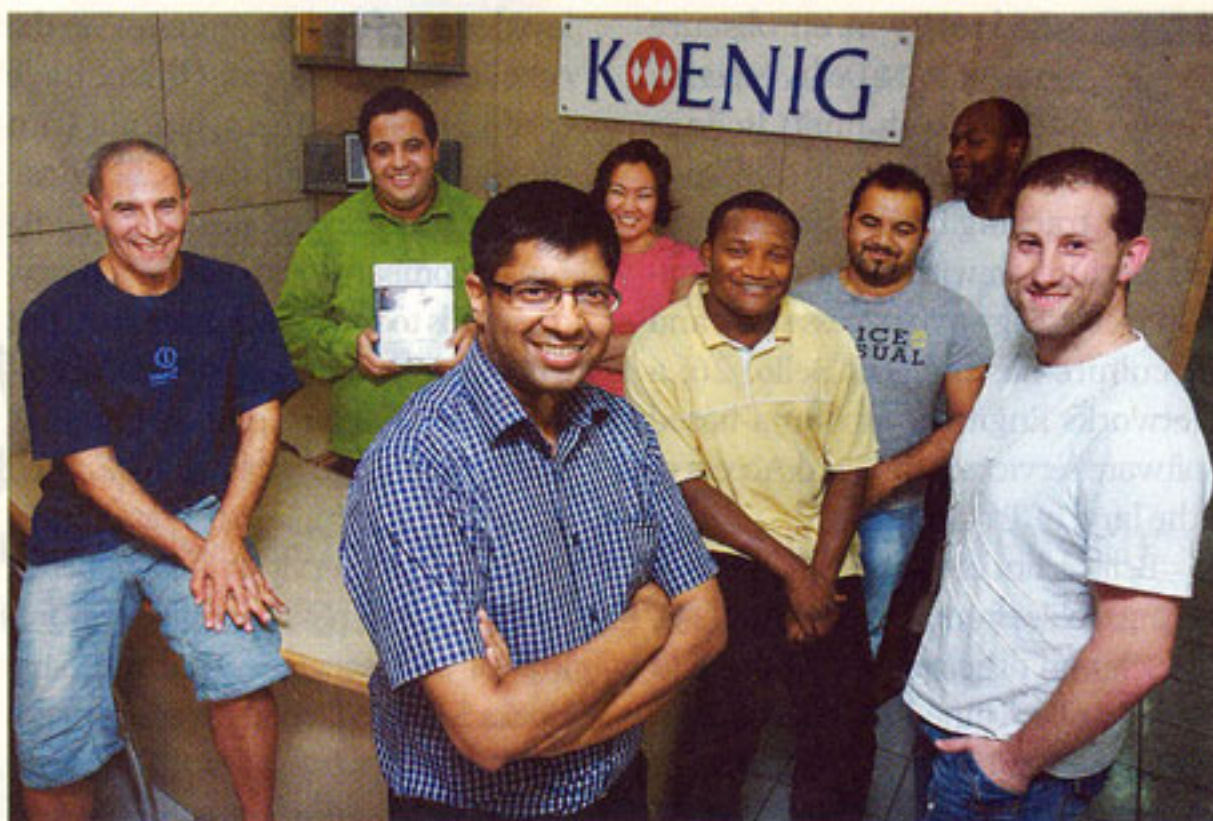
a place to get a tech certification. The decision proved to be the game changer for his company.

Koenig was reborn in 2002 in its offshore training avatar with 10 students. "We started travel as a matter of survival and stumbled upon a unique business model," says the company CEO. The growth was slow in the first few years, but the numbers gradually picked up. By 2008, Aggarwal had facilities in four locations, most of them tourist hot spots — Shimla, Dehradun and Goa, besides Delhi. In 2009-10, it ended with its highest ever revenues and record trainee graduations of 160 a month.

Others, too, cater to the offshore training and certifications market, though without offering hospitality. "A million business models can coexist," says Anuj Kacker, Aptech's Chief Operating Officer. Even so, Koenig may have hit the right groove. Indian tech lobby NASSCOM estimates the global spend on IT education and training at about \$24 billion in 2009. No precise numbers are available for the global tech certification market, the one in which Koenig dabbles; industry insiders reckon that 100,000 students globally require IT certification training every year. Aggarwal thinks fewer than five per cent of his potential customers even know of Koenig.

Foreseeing climbing demand, he's positioning his brand at a premium with customised services thrown in. The advantage of cost of delivery from India allows it its unique selling proposition — one-on-one training. Even though such personalised attention comes expensive (it is priced at about 40 per cent more than its regular fees), some 30-40 per cent of Koenig's students opt for it. "In Europe, an individual instructor is an impossible thought," says Aggarwal, who has 140 trainers and some 60 support staff, too, on his rolls.

At the core of Koenig's offering, says Sudhir Bhaskaran, Head, Learning Services, Red Hat India, is its



SATISH KAUSHIK

Rohit Aggarwal (C), Founder and CEO, Koenig Solutions

"We started travel as a matter of survival and stumbled upon a unique business model"

ability to keep its cost of delivery low. "The training infrastructure, the vast partner network and the cost of the faculty make it feasible to deliver training in India at rates lower than international market prices," he says.

Consider this. In India, the price of a Red Hat Certified Engineer programme is \$2 an hour versus \$9-10 in the United States.

Flavio Calengi, Training Coordinator, at Coca-Cola Bottling (Luanda) Company in Angola, who has been sending his staff to Koenig for the last two years, agrees. "Portugal and Brazil are other options for us, but we are very happy with the price and quality of training at Koenig," he says.

There are, meanwhile, others who are gingerly testing the waters that Koenig is charting today. For instance, IPSR Solutions in Kerala has ventured into tech training tourism over the last three years on a small scale. Students who come for educational tourism are offered a variety of packages. They have classes from Monday to Friday followed by weekend breaks at hill stations, on houseboat cruises and at beaches. "We have an average of 30 students per year under educational tourism head," says Managing Director and CEO Mendus Jacob. The company is mostly focussed on IT solutions, its biggest growth area.

It is time, perhaps, to take a leaf out of Koenig's book. ☺



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