

## **'This is no fun' And still more and more businesses choose for Indian offshoring**

After two stormy decades the Indian ICT industry is maturing. Companies from all over the world are sending staff over to India for high-quality ICT trainings. Dutch companies are happy to go along, but there is little relaxation. "Getting up at five thirty, studying until breakfast, training from nine to five, and in the evening studying until one thirty at night."

The driver, a Sikh with a bright purple turban slaloms the four wheel drive through the streets of Delhi, honking his horn. Cows are stretched out in the middle of the road; motorbikes fly past straining rickshaw drivers. A moment later the car halts at the car park in front of a shining office building. The noise and chaos on the roads of the Indian capital are in sharp contrast to the serene tranquility inside. 'Total silence zone' is written on a plain A4 sheet hanging in the hallway. In the classrooms along the hallway the Indian tutors of Koenig Solutions are training professionals from all over the world in the latest software of among others Microsoft, Oracle, Cisco and Java.

David Ashley (43) is one of the foreign students. The British ICT-manager and has over 10 years of experience as a freelancer and is in India for a second time now, to improve his knowledge. "At home I find it impossible to study," says Ashley – who often works for British Telecom- tells us. After his first visit to India, where he made almost 900 study-hours in ten weeks, he saw his income increase by 33 percent. Now Ashley is hoping to improve his position in the market by studying a number of new software programs. "I am doing two courses on SharePoint, a Microsoft program that is very much in demand right now." For this Briton, who has to pay for the training out of his own pocket, the lower cost was the main reason for choosing training in India. "If I wanted to do a course for one of these Microsoft certificates in the UK, it would cost me 6000 pounds for a seven day course. Here, I stay for three months, get eight certificates and pay about 5000 pounds."

### **It's hard work**

In another room we find Zaid Adboelrahman (41), a Dutchman with Surinam roots. He wants to make a career switch and is therefore following a five week Java course. It's hard work Adboelrahman explains. "I get up at half past five, study until breakfast, get training from nine to five at the training center and in the evening after dinner I continue studying until one thirty."

The man from Den Haag also chose the Indian training center because of the lower costs. "I pay 4000 euro for the training, including flights and accommodation in full board. At home the course alone would have cost me 19000 euro. I wouldn't be able to afford that."

Different from Ashley and Adboelrahman is the 28 year old Robert Simutende. He was sent to India by his employer. The Zambian works for the Catholic Relief Services and is taking a training to become a Microsoft Certified Engineer (MCSE). "Next year we are changing platforms worldwide to Microsoft 2008, and by then everybody needs to be certified," Simutende explains. "In India you can find the best ICT specialists in the world, so where could I get better training than here." Koenig really lives up to this reputation, Simutende claims. "The trainers do all they can to make sure you really understand the material. The course is very intensive. This is no fun, just hard work."

## A bit nervous

Offshore training is one of the latest developments in the Indian ICT-industry. Since the country opened its economy in 1991, a large number of foreign companies have opened offices there, in order to outsource a diverse number of business processes. Indian people who worked abroad returned home to start up enterprises. The southern city of Bangalore developed a cluster of call centers, and in other parts of the country one after the other Software Development Park arose. At the moment the country has 44 of these IT parks that attract (foreign) software companies with favorable tax conditions and legislation. This way India developed into an ICT world power, and more and more high-value ICT processes are managed in the country. According to research by Gartner India currently holds 60% of the ICT outsourcing market, and made 34 billion dollars in 2005 by answering phone calls from abroad, managing networks remotely, running admin processes, etc. In ten years time 1.3 million jobs were created in this industry. Som Mittal, president of the Indian Association of Software and Service companies (NASSCOM), expects the total value of the Indian ICT industry to grow to 225 billion dollars by 2020. "To realize this growth, entrepreneurs need to develop new business plans and the government needs to invest in infrastructure and education," Mittal warned 80% of the future growth will, according to Mittal, be generated by new types of activities, who are currently outside of the core of the Indian market.

Offshore training is such a new business concept. After the internet bubble in 2001, Koenig founder Rohit Aggarwal (39) reorganized the struggling software company into an ICT Training Centre. His company is the first to exclusively focus on foreign students. In 2002, Aggarwal welcomed his first student; now Koenig has about 1500 students per year in training centers located in 4 locations in India. The company offers practically all kinds of ICT trainings. The most popular is the MCSE training.

Koenig has 250 employees and a turnover of over 5 million dollar. "And there is a lot of growth potential" ceo Aggarwal explains in the training centre in Delhi. "The background of our customers is becoming more and more diverse. At first, half of our students came from the EU, but now that is only 20%. Recently we see a strong increase in students from African origin. About 30% now comes from Africa. And then there are the may Americans and Asians we train."

The awareness of offshore training is growing slowly. "Many students are a bit weary at first," says the consciously speaking entrepreneur who has the appearance of Bill Gates. "That's why we get most of our business form word of mouth advertising."

The Brit David Ashley admits that he was a bit nervous when he first came over. "I was afraid that no one would be there at the airport to pick me up in Delhi. The Welcome sign with my name on it was a big relief."

Doubts about the training Aggarwal tries to counter by adapting the training, accommodations and facilities to western standards. The company seems to be able to deliver that promise. The Zambian student Simutende talks positively about the hospitality service. "They pick you up at the airport, they drive you to the training centre in the morning, and if you need to charge your telephone calling card they go out to get it for you; you really have to think about nothing other than your training."

## Everybody loves a 9-5 job

India holds the right cards to conquer the offshore training market, which is estimated at 5 billion dollar worldwide. The country is blessed with an abundance of highly trained ICT professionals. In the Times Higher Education Survey, where the top 200 universities are ranked, the IITD and IITB have been shooting stars these

last few years. Next to the excellent education the low wages are another strength of India. Koenig Solutions benefits from both. A trainer starting at Koenig makes about 300 dollar per month. A senior trainer makes about 1000 dollar.

To avoid that highly skilled trainers leave the company for higher paid jobs abroad or at foreign companies in India, Aggarwal offers them good secondary benefits. "Our trainers work five days a week, from nine to five. At the weekend they have off. Everybody loves that." For Priyanka Aggarwal (not related) these conditions are indeed an important motivator to work at Koenig. "Of course I can make more money elsewhere, but here I can perfectly combine work and taking care of my children. And this is a less stressful job, and that is worth a lot to me as well."

But it is a trade-off, admits the Cisco specialist trainer Uma Shankar Tiwary. Two years he worked as an IT Project Manager for Microsoft in Bangalore. He made "a lot more money", but the job was hard and exhausting. "When you are dealing with the US, you are turning night shifts and when you deal with Australia you need to get up really early in the morning. And that makes it tiresome. Your daily rhythm gets turned upside down. And you try to sleep in this city during the day. It's impossible, there's too much noise in this city."

The work as such also has its positive sides, he says. "Teaching is a very fulfilling profession. It is great to work with professionals from all around the world. I also get the chance here to continually improve my knowledge and to stay on top of the latest software developments. And in the end, in Indian terms I do still get a pretty decent pay."

### **Serious competition**

In the mean time a number of Dutch companies are convinced of the benefits of offshore training. Gtronics, ING, Deloitte, Atos-origin, Fujitsu, Martinair and Ilionx are some of the companies that have their staff trained regularly at Koenig. Marcel Kouwenberg of the Dutch company Ilionx sent about twenty junior consultants to India for a boot camp of several weeks. Kouwenberg: "There are few juniors with these certifications in the Netherlands, that's why we send a certain number of them over to India. At this moment we have no one there. Because of the crisis there is more need for seniors, and we are employing few young people."

Kouwenberg thinks Koenig is serious competition for the Dutch training providers because of "the low cost, the high quality and the intensity of the training". His employees are usually very enthusiastic about the training. Nevertheless Ilionx also works with Dutch training providers. "For short trainings and sometimes our staff prefer not to travel to India for personal reasons." Dutch training providers are not seeing any empty classrooms at all. Dick Goettsch of Dutch market leader in training Global knowledge does know Koenig, but claims not to notice the competition from India. If Dutch training providers can continue to 'lean back' is another question. Koenig receives more and more requests to set up training on location. And on top of that, the Indian company is considering opening training centers in Europe, in order to access the market for shorter trainings.