

'We do not have a role model; this is critical for innovation'

Set up in 1993 as an information technology (IT) training organisation focused on the domestic market, Koenig today concentrates exclusively on offshore business and has developed a business model based on the concept of 'education tourism'. Koenig trains about 300 students from 17 countries every month, and plans to increase this number to 1,000 by March 2014. **ROHIT AGGARWAL**, founder and chief executive officer, Koenig Solutions Ltd, tells **Rajiv Shirali** that the offshore IT training business offers a limitless opportunity to Indian firms. Edited excerpts:

How does your "education tourism" business model work in practice?

The defining component of education tourism is an end-to-end solution from the time a student arrives in India till the time he flies back. We take full responsibility for a hassle-free Indian experience.

An estimated 60 per cent customers choose education-tourism, because similar training is not available in their country. Thirty per cent travel because they save money. Less than 10 per cent travel with a tourist agenda. Of course, the training has to be nothing less than world-class, but including non-training services in our solution has been the winning differentiator. This not only includes airport pick-up and accommodation but also daily transport, organising tours within India, and an in-house shop to cater to their daily needs.

Q. What is the nature of your tie-ups with Oracle, Microsoft, EMC, Red Hat and Adobe?

We are their authorised training partners. Our training meets their quality standards, we use their curriculum, our trainers are approved by them, and we issue course attendance certificates on their

behalf. The training and certification is identical worldwide. Discerning customers prefer official training. Thus, the tie-ups are critical for education tourism.

Why did you decide to focus exclusively on offshore business?

When we started the offshore model in 2002, our target was 10 students per month. We did not think that more than 10 Europeans will ever leave the comfort of their homes and travel to India for training and certification. After we reached five to six students per month in 2003, we realised that we have inadvertently hit a possible goldmine. The opportunity is huge and it required our single-minded focus. We exited the domestic business. In 2004 we exited other minor lines-of-business, including software exports. In retrospect,

this was critical for Koenig's success. The reason why many other Indian training companies were not as successful in education tourism is because they never remodelled themselves for the offshore business.

What are your training courses modelled on?

The good thing is that we do not have a role model. This is critical for innovation. We knew that our success depended upon giving our customers a very good reason to travel thousands of miles to take a course which might be available next door (or in the next country). We did everything for our customers. At times this was totally outside the arena of IT training. For example, in our latest training centre in Delhi we have a gourmet coffee shop where a

barista delivers their daily caffeine fix. It is our endeavour to make their Indian visit memorable.

How big is the opportunity in IT training for a company like Koenig?

The opportunity is huge. IT

Training and Certification is a more than \$25 billion industry worldwide. Though we do not expect all IT professionals

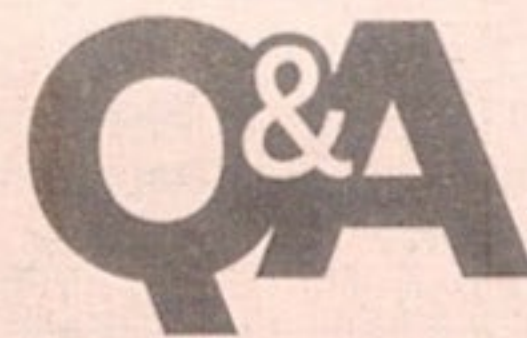
to board a flight to India, we think a significant percentage can be persuaded to travel. Actually, it is about persuading their employers. Already, many large Fortune 500 companies, UN

organisations and governments have realised the advantage of off-shoring training services. This number will only increase.

Everytime we steal a customer from a US or European training company, our economies of scale improve and so does our competitive advantage of cost and availability. We think that to make it really big, education tourism must become an industry in India. One company does not make an industry. If there are more successful educational tourism companies it will increase the size of the industry.

What are your future growth plans, and the strategies to implement them?

Today our trainers fly to customer sites all over the world. But we will continue to focus on offshore training and develop the model further. We have already experimented successfully with a "near-shore" delivery point in Dubai. In years to come we will have such delivery points in all seven continents. But, all delivery models will be "India-powered".



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