



POWER TO EMPOWER
India's 1st Skills Enterprise Plan Competition

July 2011 – December 2011



Contents

Power To Empower – India's 1st Skill Enterprise Plan Competition

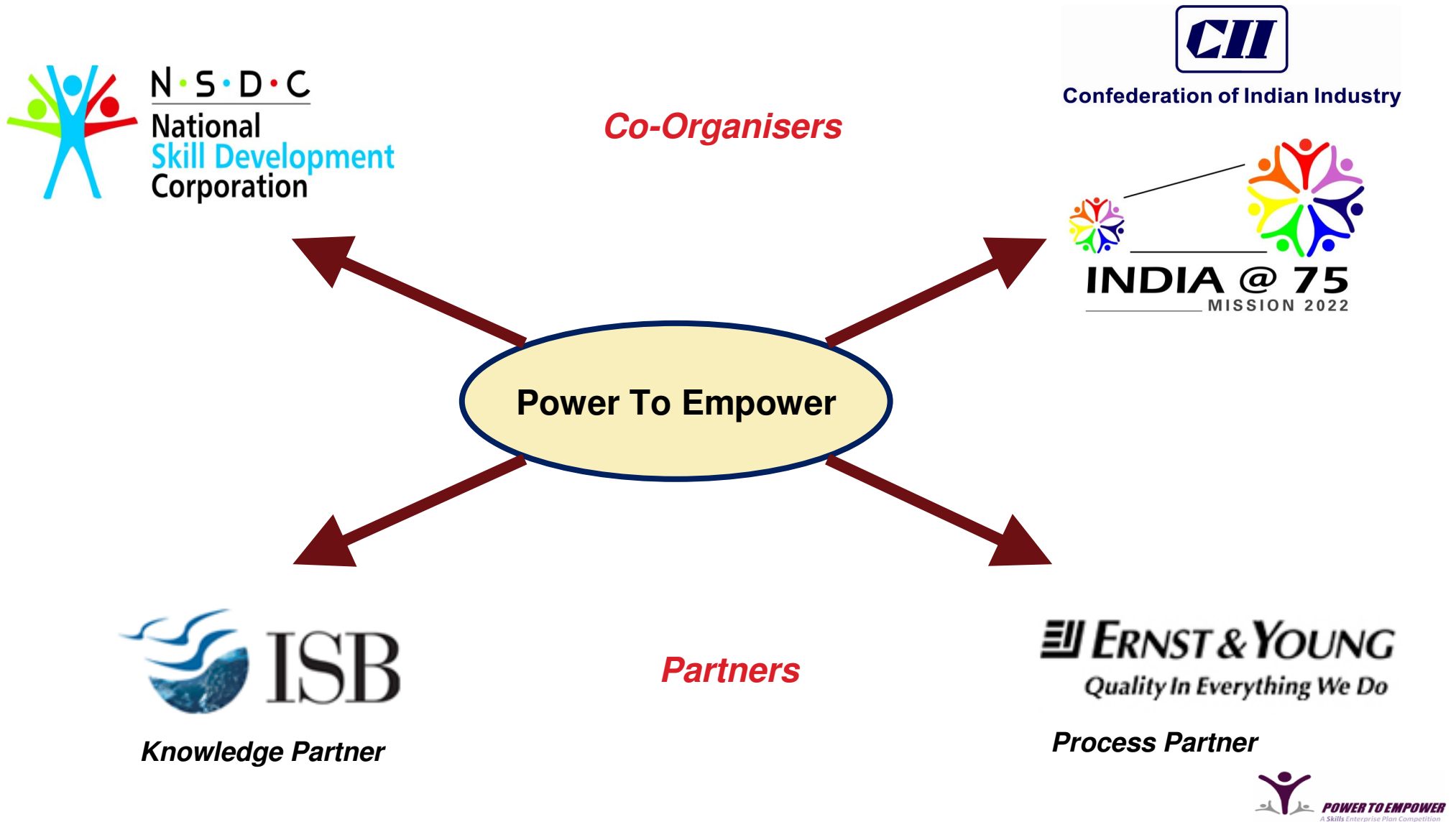
Skills Landscape - A Huge Business Opportunity

Some Success Stories

Agenda

Power To Empower – India's 1st Skill Enterprise Plan Competition

Power To Empower -> Co-organisers and Partners



Power To Empower -> Key Objectives

Key objectives

- 1 Encourage Young Minds to think of Skills as Sustainable and Scalable Business Opportunities**
- 2 Provide budding entrepreneurs with an inclusive and competitive platform for development and support of innovative entrepreneurial models**
- 3 Evolve and popularise New Business Models in developing the Skills Eco-system through the Enterprise Plan competition**
- 4 Seed Fund and Incubate Innovative, Sustainable and Scaleable skills business models through Financial Assistance**

Skill development and entrepreneurship have been identified as a driver for economic growth and India has lot of potential to thrive on enterprise creation and encourage leadership in business development.

Power To Empower -> Overall Strategy

Launch the competition through **Select Educational Institutions** familiar with entrepreneurship. Preference would be given to proposals aimed at the grassroots level business plans

Involve existing partners, institutions to disseminate information through sensitization sessions and undertake first level of screening

Provide mentorship through existing networks at various levels in competition to develop robust plans, to be finally evaluated by eminent Panel.

Constant review of the process to make it more robust for subsequent years

Power To Empower -> Participating Institutions *(alphabetically)*

Business Schools	Graduate Colleges	Engineering colleges	Sector Specific Institutes
FMS	Christ College	BITS Pilani	Indian Agri Research Institute
Goa Institute of Mgmt	HR College	IIT Bombay	Indian Inst of Gems and Jewellery
ICFAI	Jamia Millia Islamia	IIT Chennai	Institute of Hotel Mgmt
IIM A	Islamic University of Science and Technology	IIT Delhi	MICA
IIM B	St Joseph's	IIT Guwahati	NID
IIM C	SRCC	IIT Kharagpur	TISS
IIM K	St Stephen's	Kumaraguru College of Technology	
IMT	St Xavier's		
ISB			
Kashmir University			
MDI			
NIRMA Institute of Mgmt			
NITIE			
NMIMS			
SIBM			
TAPMI			
Welingkar Institute of Mgmt			
Xavier Inst of Mgmt			
XLRI			

www.powertoempower.in



POWER TO EMPOWER
India's 1st Skills Enterprise Plan Competition



Confederation of Indian Industry



N.S.D.C.
National Skill Development Corporation

[Sensitization Schedule](#)

[Gallery \(Photo and Videos\)](#)

[Jury](#)

[Competition Blog](#)

[About NSDC and India@75](#)

[About Power to Empower](#)

[Rules and Regulations](#)

[Participating Colleges](#)

[Mentoring Process](#)

[Evaluation Process](#)

[Timelines](#)

[Awards](#)

[Contact Us](#)

[FAQs](#)



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[Schedule](#)

The Opportunity

In the population of 1.2 billion, 60% of them are of workable age group. Currently, 15 million individuals enter workforce, of which only 3% undergo vocational training. Imagine if we can come up with products/solutions to train the majority of the under-skilled population, a lot of contribution can be made to the overall development of the country. The Enterprise Plan Competition is just a drop in this enormous ocean of opportunity. To know more, click on the presentation.

Presentation

4 organisations have come together to la competition



Competition Updates to



Student Speak

"There is always stigma attached to a for-profit enterprise in the social space. Hence not many entrepreneurs wish to venture in this area."



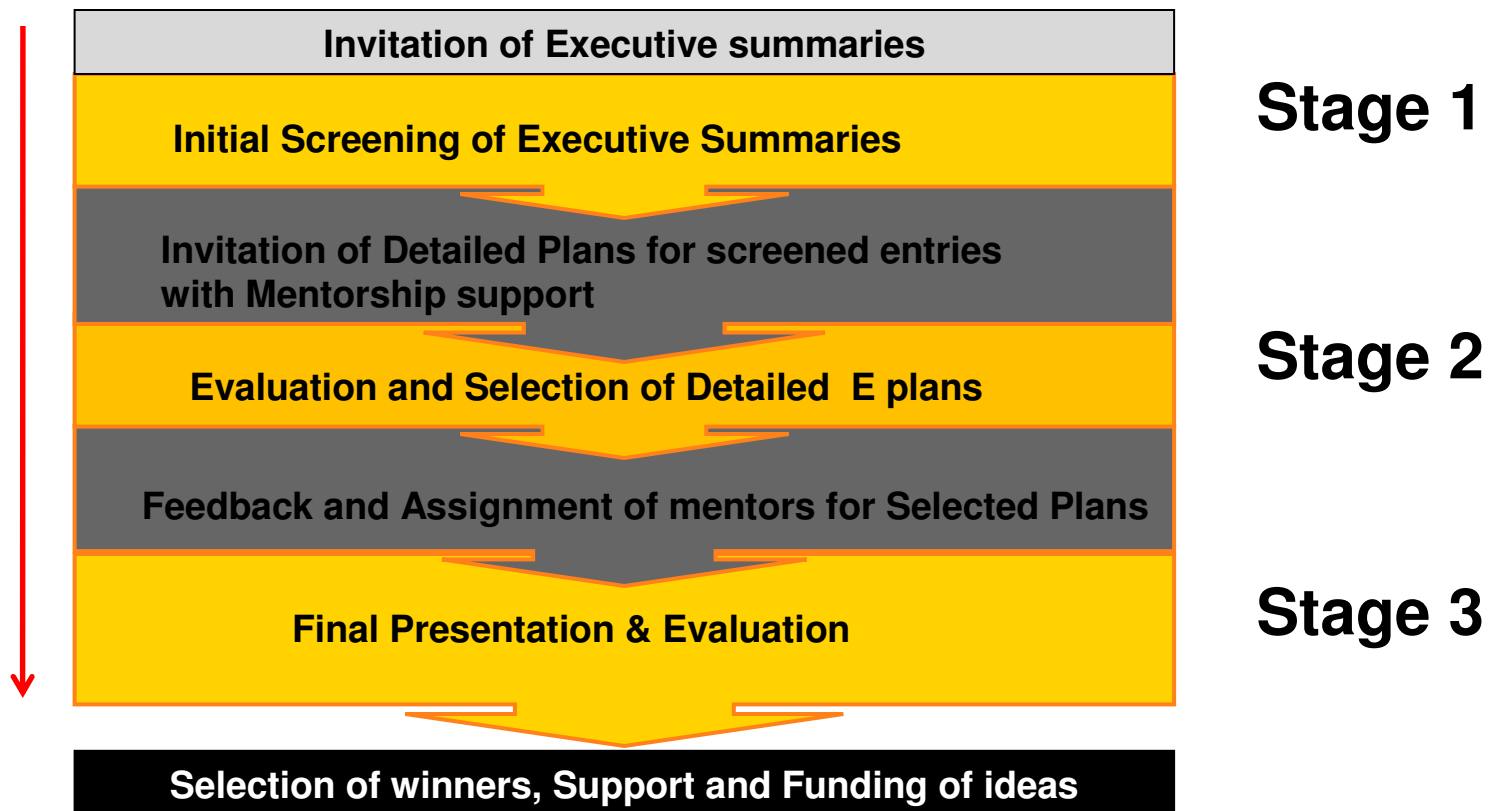
Industry Speak

Coming soon..

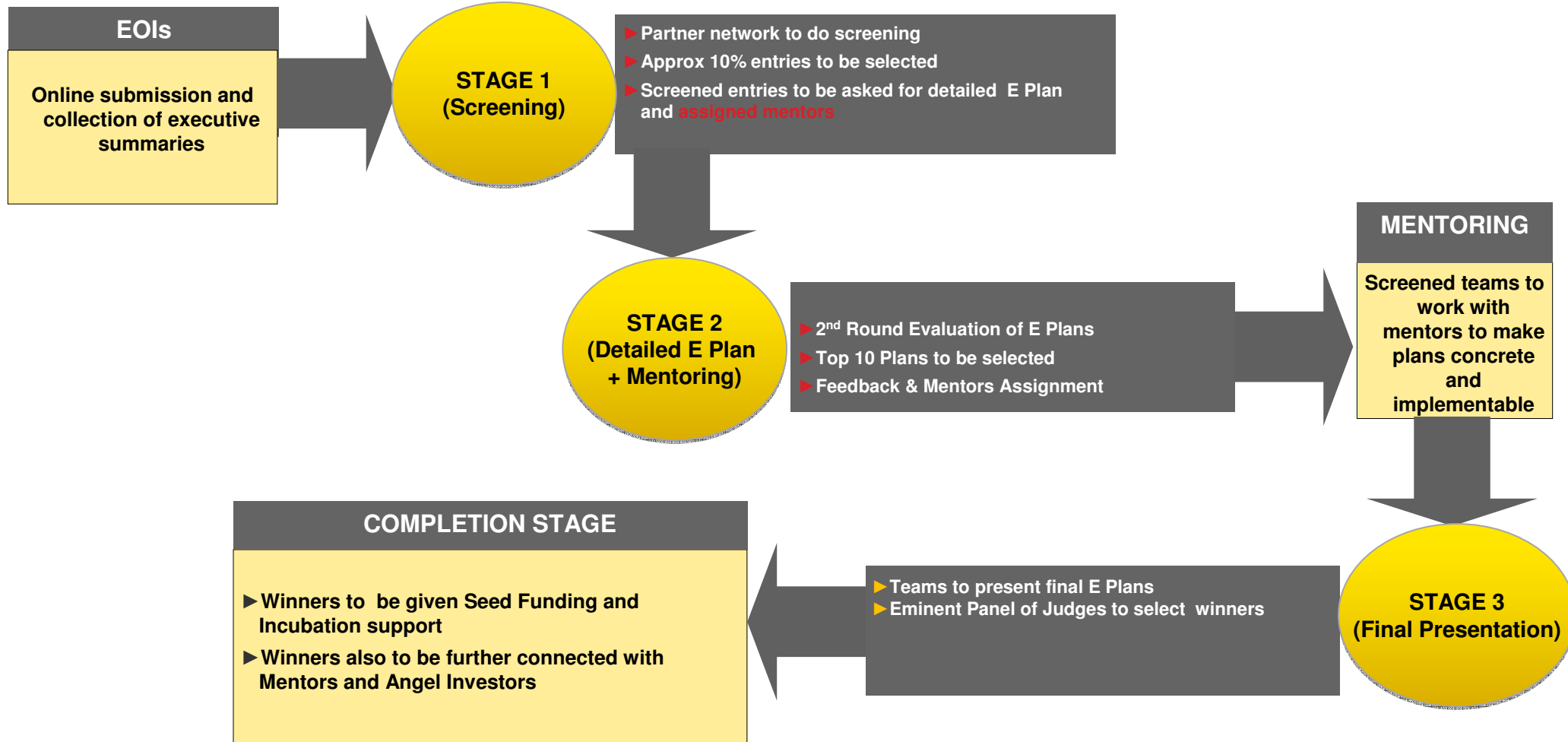


Power To Empower -> 3 Stage Evaluation

The 3 Stage Evaluation model



Power To Empower -> Competition Process flow



Power To Empower → Mentors and Evaluators

Mentors

ROUND 2

MBA with 6-10 years of experience from reputed Business Schools; either working in own venture or corporate

ROUND 3

MBA with 10-15 years of experience - working in a PE / consulting firm/ training organization. Successful entrepreneurs with good start up experience.

Evaluators

ROUND 1

- Representatives from Competition Partners

ROUND 2

- Select members from NSDC team

- Project Leader / Principal roles from select consulting firms with experience in skilling projects,

- Successful entrepreneurs, Professional with 8-10 years of experience in the education / training space

ROUND 3

Industry CEOs and policy stalwart

Tentative Competition Schedule

Stage 1 - Executive Summary	Stage 2 – Plan and mentorship	Stage 3 – Final Presentation and Evaluation
<ul style="list-style-type: none">• Submission of entries: <i>31st August 2011</i>• Evaluation: <i>31st August- 20th September 2011</i>• Announcement of Short listed Entries: <i>23rd September 2011</i>	<ul style="list-style-type: none">• Mentoring of entries qualifying from Stage 1: <i>26th September–9th October 2011</i>• Submission of Stage 2 entries: <i>15th October 2011</i>• Evaluation: <i>15th October– 30th October 2011</i>• Announcement of Short listed entries: <i>2nd November 2011</i>	<ul style="list-style-type: none">• Mentoring of entries qualifying from Stage 2: <i>7th November – 20th November 2011</i>• Boot Camp: <i>21st November – 23rd November 2011</i>• Presentation to Final Jury: <i>23rd November 2011</i>• Announcement of Winners: <i>23rd November 2011</i>

Executive Summary – Application Format

ABSTRACT (Word limit: 300 words)

PROBLEM/OPPORTUNITY (Word limit: 200 words)

BUSINESS VALUE PROPOSITION (PRODUCT/SOLUTION) (Word limit: 500 words)

IMPACT SUMMARY (Word limit: 500 words)

POTENTIAL RETURN/REVENUE MODEL (Word limit: 300 words)

ADDITIONAL INFORMATION (Word limit: 200 words)

Evaluation Criteria

Criteria		Low to High		Score
1	Business Idea (Overall concept)	1	10	
2	Market Opportunity Assessment (Market size, competition assessment, customer demand)	1	10	
3	Value Proposition (Uniqueness of the Solution (Product/Service, Benefit/Value)	1	10	
4	Impact (Nature and measurability of benefits)	1	10	
5	Sustainability (Robustness of the Revenue Model)	1	10	
Total Score				

Power to Empower → Award Categories

CATEGORY 1 – BEST BUSINESS PLAN CATEGORY

Focus on Robustness and Implementation Feasibility of Business plan

**Seed Funding
(Cash Awards)**

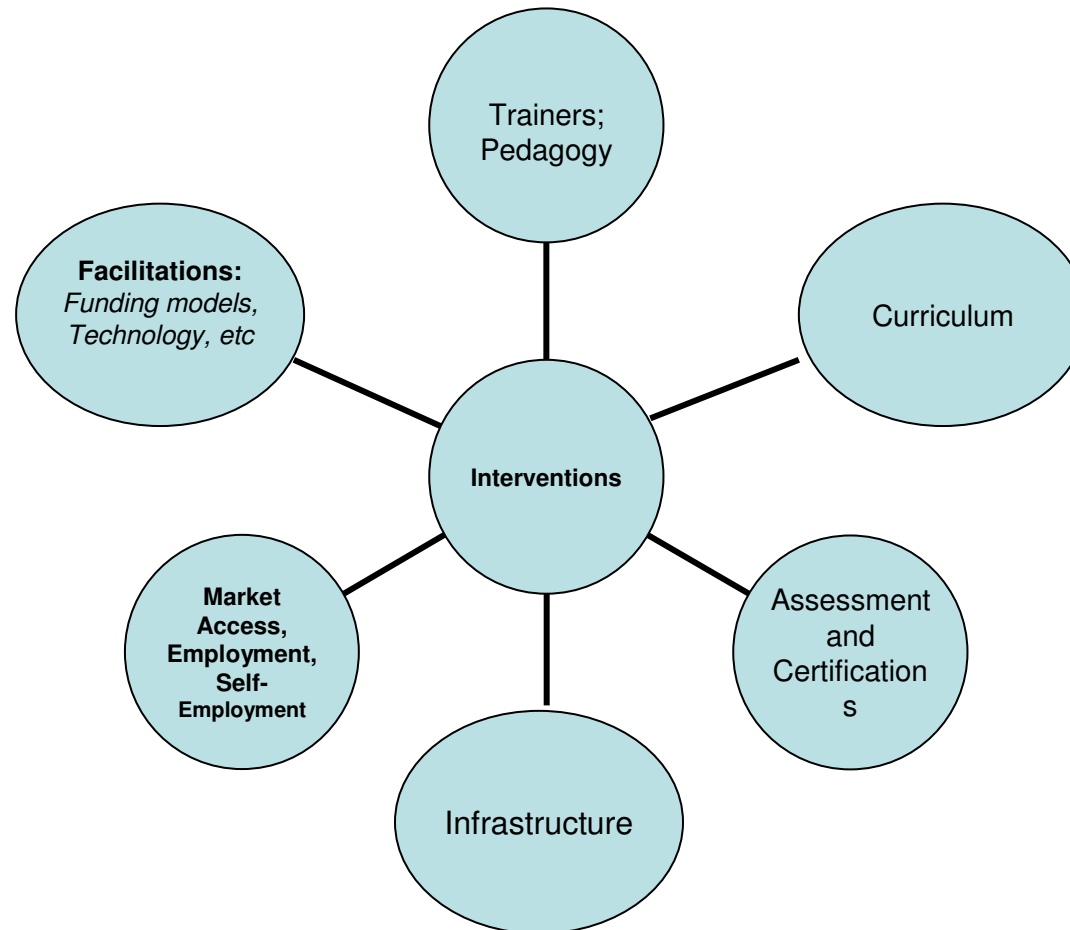
CATEGORY 2 – NEXT PRACTICE CATEGORY

Focus on highly Innovative Ideas requiring Implementation support

**Seed Funding
(Cash Awards)
+
Incubation
support**

+ OPPORTUNITY TO INTERACT WITH INDUSTRY LEADERS

Possible Interventions within Skills Eco-system



Solutions can focus either on direct skilling solutions or on any particular intervention thereby contributing directly/ indirectly to Skill Development

Indicative Skill Sectors

Automobile / Auto Components

Electronics hardware

Textiles and garments

Leather and leather goods

Chemicals and pharmaceuticals

Gems and Jewellery

Building and construction

Food processing

Handlooms and handicrafts

Healthcare

Banking/ insurance and finance

**Media, entertainment, broadcasting
content creation, animation**

**Building hardware and home
furnishings**

IT or software

ITES-BPO

Tourism, travel

Hospitality

**Transportation/ logistics/ warehousing
and packaging**

Organised retail

Real estate

Education/ skill development

Unorganised sector

**Solutions can focus on any specific sector, cut across multiple sectors,
be geared towards Urban and/or Rural Eco-systems**

Power To Empower → How to proceed???

Log on to www.powertoempower.in

Register your Interest at www.powertoempower.in/register

Submit your Executive Summary by **31st August 2011**

Write to us – info@powertoempower.in

Contact Us – Dipra Mukhopadhyay @ +91 98990 78876;
Namita Goel @ +91 81304 48449

Team Related FAQs

TEAM SIZE – 1-3 per Entry

OPEN TO ALL STUDENTS OF PARTICIPATING INSTITUTIONS

ATLEAST ONE TEAM MEMBER should be CURRENT STUDENT OF PARTICIPATING INSTIUTIONS

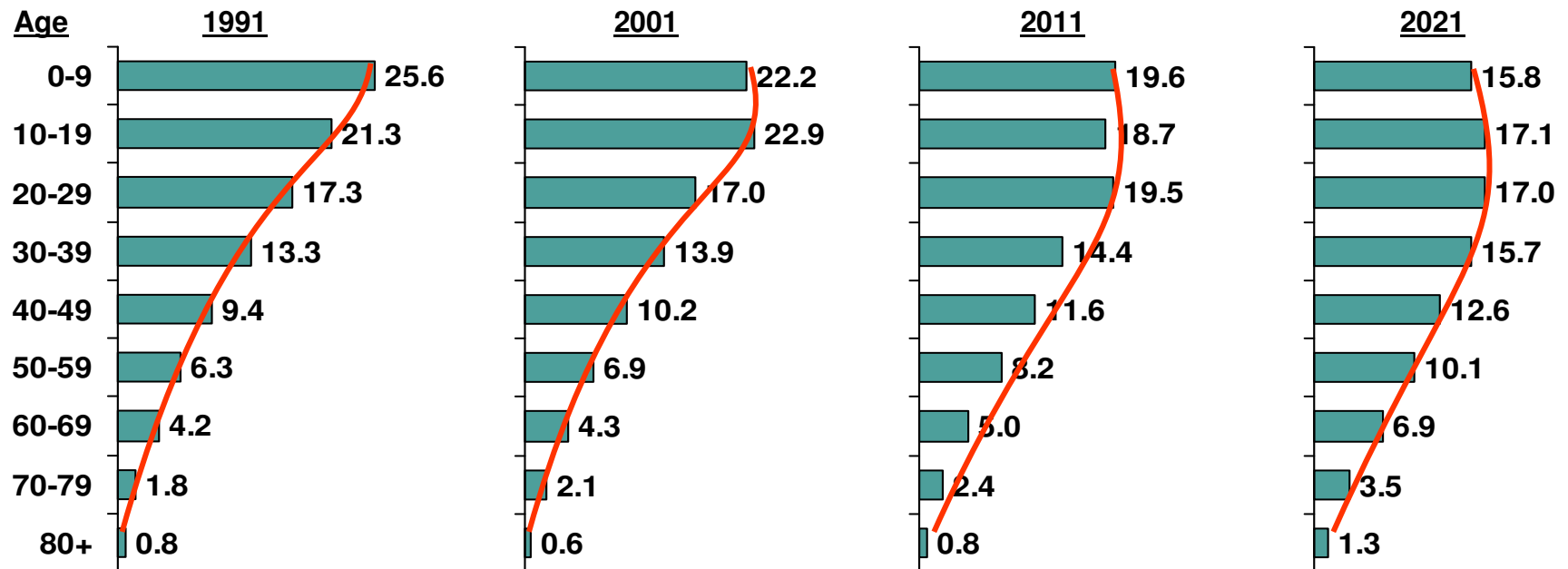
MULTIPLE ENTRIES PER TEAM ALLOWED

Agenda

Skills Landscape - A Huge Business Opportunity

India has a rich demographic dividend

India – % distribution of population (1991 - 2021)

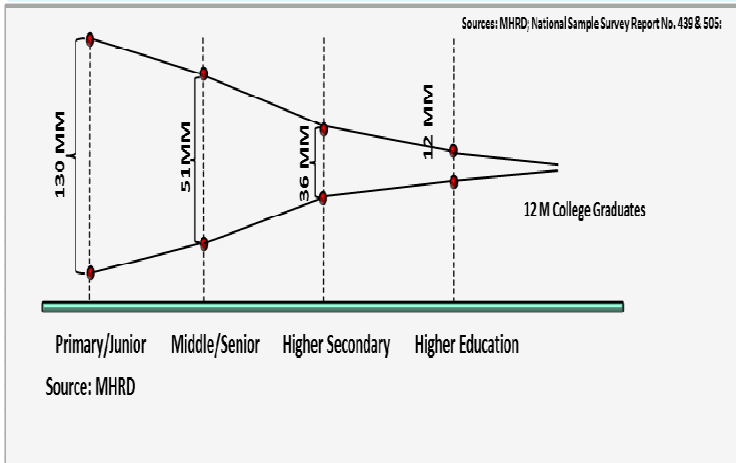


Source: United Nations Government Census

.... However plagued by inadequate skilled manpower

1

High rates of drop outs in the education space



2

Employability of the skilled a challenge

Only one in four engineering graduates in India is employable, based on their technical skills, English fluency, teamwork and presentation skills and of the 4 lakh odd engineering graduates, who graduate each year, only about 20% is good enough for India Inc.
- NASSCOM

3

Very low enrolments for VET

Vocational education: How India compares

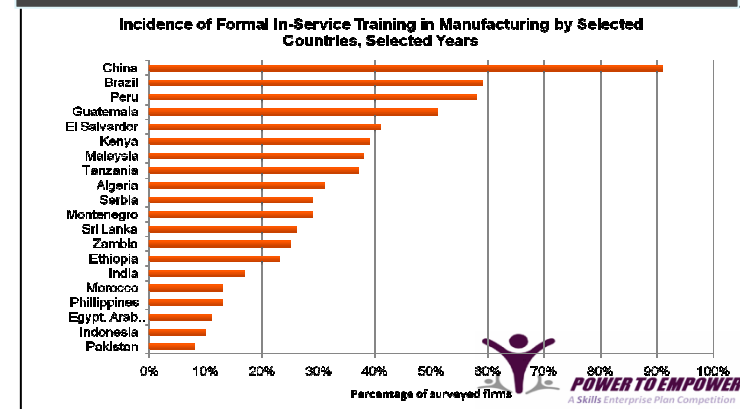
	Pop (million)	GDP (\$ per capita PPP)	Literacy (% over age 15)	Higher education (% of age group)	VET net enrolment (million)
USA	300	41,890	99	72.6	11.3
China	1,300	6,760	91	7.5	90
Germany	82	29,460	99	46.3	2.85
Japan	127	31,270	99	47.7	NA
Brazil	186	8,400	89	16.5	NA
Russia	144	10,845	99	64.1	2.28
India	1,100	3,450	61	10.5	3.5

Source: The Human Development Report 2007-08; Unesco; iwatch

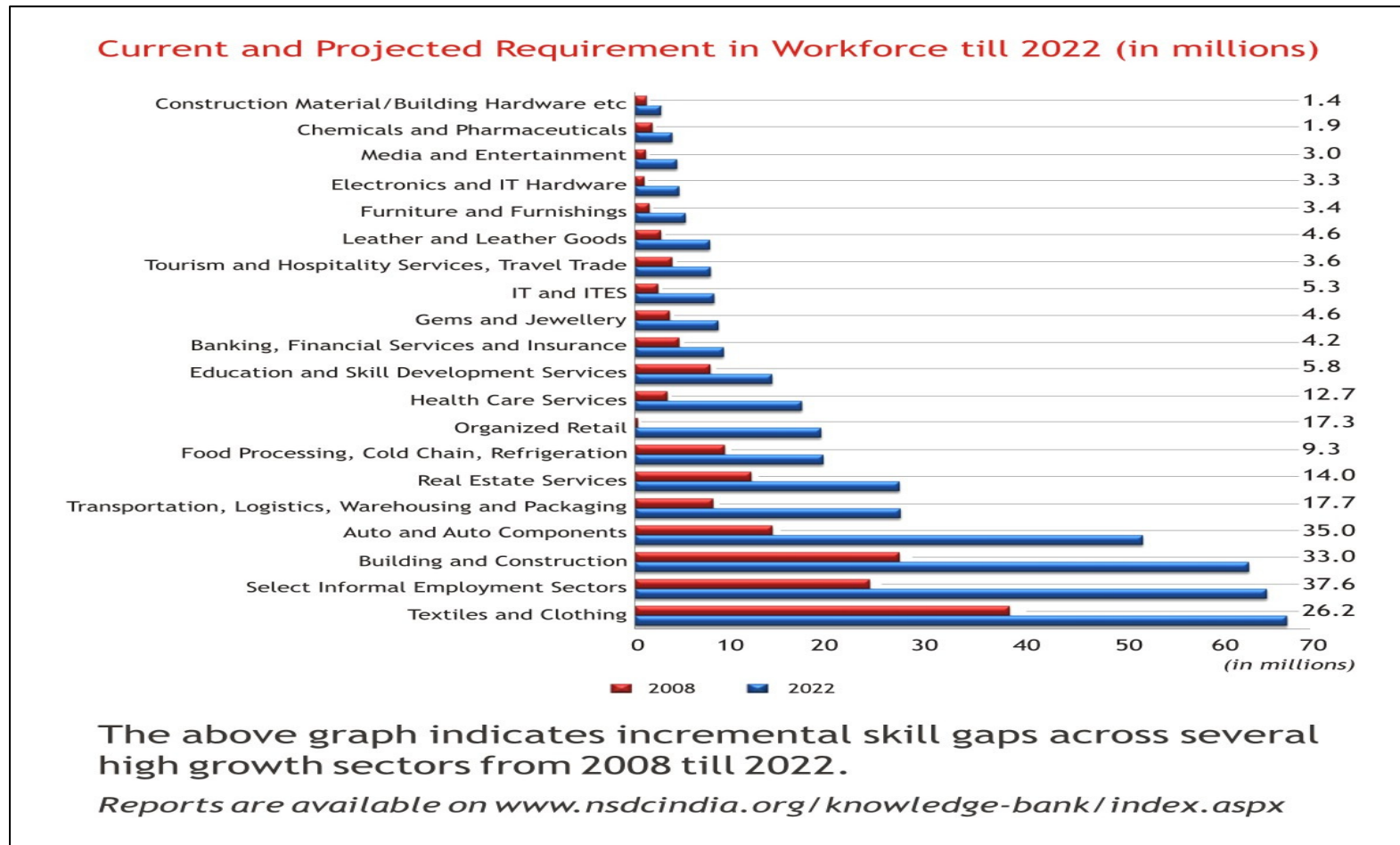
Skilling getting a major policy thrust

4

In service training levels very low in India

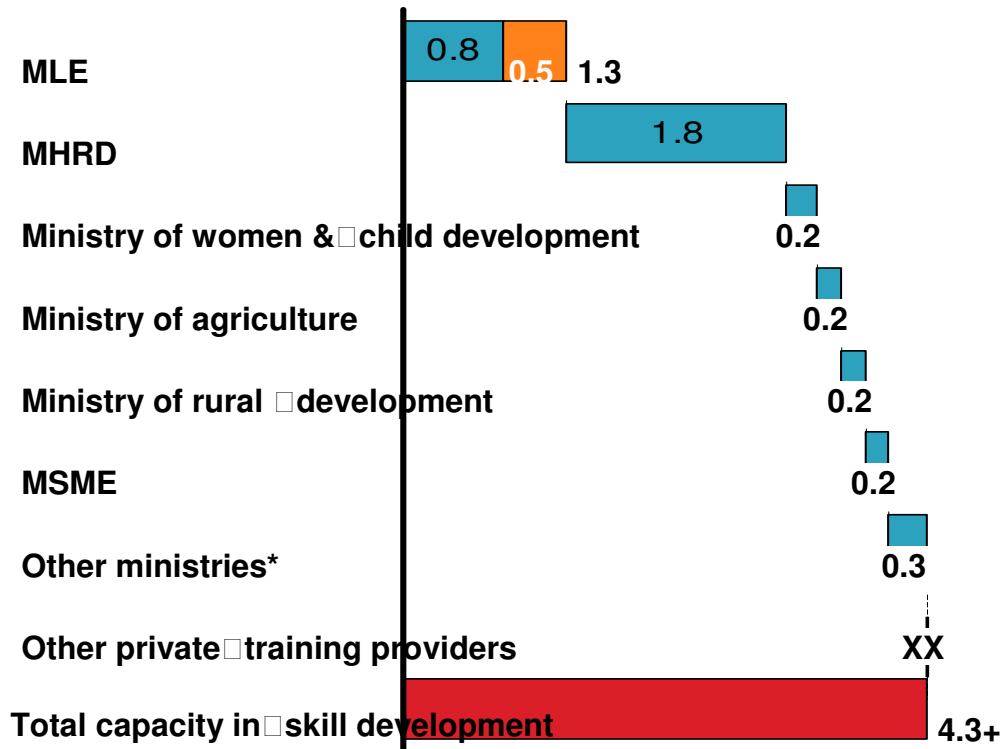


Estimated skill gap of 240Mn across 21 key sectors

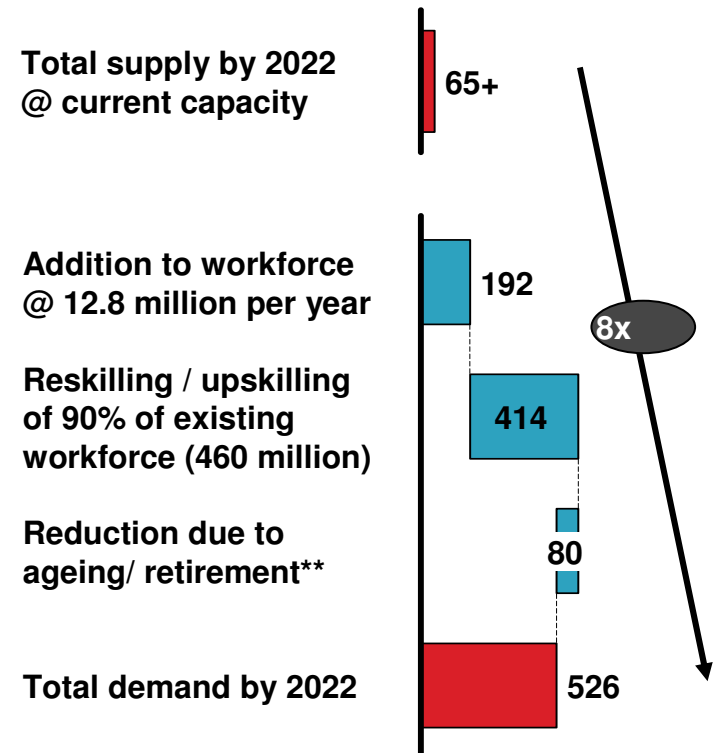


The current landscape in India needs drastic capacity addition to meet future demand

Current capacity in skill development under various schemes, 2008-09



Eight-fold increase in capacity is required to meet aspiration



Business opportunity of ~ 1 Lakh Cr* , 20 Bn USD**

Privately owned ITCs

*Includes ministry of housing and urban poverty alleviation, textile, health and family welfare, food processing industries, and others

**Assuming that the existing workforce in the age group of 45-59 will not be re-skilled

***Assuming training fee of Rs 2000 per student for the total demand estimated

Source: 11th five year plan; NCEUS report; McKinsey analysis

Industry is at a nascent stage with very few players of scale

Leaders (e.g. NIIT)

- Top players which control ~ 50-60 % of market
- Wide geographic reach, healthy range of courses offered, typically across industries
- Strong connect with industry for placements

Aspirants (e.g. India Can)

- Companies with wanting to scale existing operations
- Current focus on particular sectors

Boutique firms (e.g. Redwood Edge)

- Largely individual dependent
- Looking for opportunities to expand



Huge demand for a brand of credibility and repute in this space



IRRs of 25% possible through developing innovative models

Innovative models need to be developed . . .

- **Increased revenue**
 - Employer driven standards and strong accreditation system differentiating high quality play, ensuring employers participation to pay placement fees
 - Channelization of fragmented flow of funds from the government, multi-lateral agencies, and industry associations
- **Reduced costs**
 - Shorter duration courses customized to the industry requirements, lowering the overall costs
 - Better operations through hub and spoke model and multiple shifts to reduce overall costs
 - Ready-to-use curriculum and consolidated train-the-trainer programs, bringing down training overheads
 - Support from state government, leveraging public infrastructure to lower capex investment
- **Reduced taxes**
 - Tax holiday for 3 years to increase profitability

. . . to make the economics attractive for private play

	Current large-scale model	Large scale economically attractive model
Training capacity, #	50,000/ yr	500,000/ yr
Cost, Rs./student	~8,000	~4,000
IRR, %	~10%	~25%
Breakeven period	~8 years	~3 years
Capex	~Rs.250 cr	~Rs.1,000 cr
NPV	~Rs.-30 cr	~Rs.450 cr

There are challenges in this segment but they can be dealt with

Challenges

What we have heard



Student mobilisation

“We don’t get jobs even after going through these courses”

“My wages remained the same even though I was trained”

“Institutes are mushrooming – how do I know which are the good ones?”



Industry education

“We need to re- train these people, why should we pay them higher”

“There are very few quality institutes today and very few have an idea of what we want”



Inadequate enabling environment

Lack of student loans for vocational courses

No standardization of curriculum or content

No certification or accreditation process

Largely an unregulated space which allows players to participate on their own terms

	K-12 segment	Higher education segment	Vocational education
Authority	<ul style="list-style-type: none"> • No Central governing body • Ruled by state boards / ICSE / CBSE / International Boards 	<ul style="list-style-type: none"> • Regulated by the University Grants Commission (UGC) under MHRD • Multiple councils for specific areas <ul style="list-style-type: none"> – All India Council for technical education – Medical Council of India – Bar Council of India – Dental council of India – ... 	<ul style="list-style-type: none"> • No single authority for accreditation
Regulations	<ul style="list-style-type: none"> • A school must be affiliated with a Board for recognition • All formal education institutes must be run as "not-for-profit" centres either under a society or a trust • Any 'reasonable' surplus generated must be ploughed back in the same school and can not be distributed 	<ul style="list-style-type: none"> • Accreditation by council recommended though not mandatory if industry acceptance reached <ul style="list-style-type: none"> – e.g. Indian School of Business is not recognized – However such institutes are niche and not norm • Required to be run as "not-for-profit" centres if institute is recognized 	<ul style="list-style-type: none"> • Unregulated space • Specific sectors like nursing are regulated
Key challenges / implications	<ul style="list-style-type: none"> • No large school chains since surplus could not be distributed across schools • School chains restricted to private social initiatives, religious / political groups <ul style="list-style-type: none"> – DAV schools (600+), Chinmaya Vidyalaya (75+) 	<ul style="list-style-type: none"> • Multiple authorities to be dealt with – process bureaucratic and plagued with corruption • Highly over-subscribed space with innumerable small players 	<ul style="list-style-type: none"> • Open space for participation

Source: Analyst reports

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Summary : The Indian context makes a foray into this space very attractive

	Current	Implications for players
Industry Potential	Rs 1 Lakh Cr	<ul style="list-style-type: none"> + Rapid growth + Opportunities across all spaces
Current capacity	4.3Mn; Need to increase 8x	
Structure of industry	Very unorganised Few large players	<ul style="list-style-type: none"> + Need for a brand of credibility + First mover advantage
Examples of business models	Limited in India	<ul style="list-style-type: none"> - Limited examples of successful business models in India = Globally models of scale have been seen
Regulations	Unregulated	<ul style="list-style-type: none"> + Allows a player to participate on their own terms
Investment climate	High focus	<ul style="list-style-type: none"> + Both government and private equity money chasing this space

Agenda

Some Success Stories

However, space seeing hectic activity

Profile of NSDC funded organizations

Training providers

In the education business

In unrelated businesses



Start ups

Large established corporates



Some interesting business models in the skills space

Ghanshiram Bhalu carefully holds his wedding torch at the vocational training institute in Parakhemurda, a remote town in Orissa's Gajapati district. Yet the aspiring sheet metal worker could scarcely have wielded an automatic gas instead. "The Maoists nearly got me to join them," says Bhalu, a resident of Parakhemurda, a village in the notorious Maoist-dominated Malkangiri district.

The 19-year-old tribal, who escaped a life among the Naxals, is now ready to take his wedding big day. As a certified welder he's set to join an air-conditioning firm near Pune. Bhalu, a school dropout, is one of the lucky few to have been picked up by the Gram Tarang Employment Training Services, the vocational training wing of the Bijuwanasahi-based Centrium University. Gram Tarang has teamed up with several government and private organizations to impart employment skills to tribal youths in the Naxal-affected districts of Orissa. Centrium is not alone in its mission to lure the tribal youth away from extremism. A host of other institutes in the state — Xavier's Institute of Management, Bhubaneswar (XIMB), Indian Institute of Social Sciences (IISSE) and International Association for Human Values (IAHV) — are offering basic education, vocational training and rural management skills to tribals so that they can either get jobs or explore effective livelihood options.

"These youths pick up the gun because they are impoverished and have no alternative means of employment," says Manu K Mishra, president of Centrium University. Mishra started the university with a fellow academic, DN Basu in Parakhemurda eight years ago. "Ours was an experiment to create a skilled workforce out of the deprived youth — those who are considered a demographic burden on our district," adds Mishra.

The experiment seems to have been successful. Recently, the National Skills Development Corporation (NSDC), a not-for-profit body formed by the finance ministry, which plans to train 10 million youth employable by 2012, chose Centrium to train tribal youth in the Naxal-dominated areas of Orissa.

Says Billig Chemo, managing director, NSDC, "We are funding projects in places where they are most needed, particularly in the remote and far-flung areas, in order to promote balanced and inclusive growth. The training would enable the local youth to become employable, allow them to participate in India's growth story and hence provide them a much better alternative to joining the Maoist destructive groups."

The NSDC is pumping Rs 14.4 crore into the project so that Centrium's



Gun's done, butter's better

How do you keep the Maoists from garnering new recruits? A number of institutes are showing the way — they're imparting vocational skills to impoverished tribal youths in the backward areas of Orissa, says

Prasun Chaudhuri

Gram Tarang can train 20,000 young men in the next five years in sectors as diverse as construction, health, automobile and manufacturing.

Ripin B, the head of the Centre for Development Research and Training (CenDRT), XIMB's rural studies wing,

however, believes that merely teaching vocational skills won't transform the tribals into over-privileged. "Our aim is to empower the rural poor both economically and socially," he says. A Centrium has been working since 1980 to create sustainable livelihood options such as organic agri-

culture and the formation of community grain banks to survive starvation in lean periods. It also works towards their economic empowerment by setting up self-help groups, trade clusters and community health initiatives. Adds FB Thomas, dean OIB, XIMB, "Our aim is

to help the tribal youth live with dignity and contribute to society." Acharya Samanta, founder and director of KSS — vocational school for tribal children in Bhubaneswar — believes that the Maoist menace in Naxal areas is proper school education. "My school for 1,000 tribal children provides not just basic schooling but also vocational skills along with free food and health facilities," he says. According to Samanta, some of the students at the school were actually born to Naxal parents. Moreover, the tribals feel secure if their children get admitted to the school because every child is a potential recruit for the Maoists. Says Acharya Handa, a Class X student of KSS who hails from Malkangiri, "I'm a girl. I had to run away from my home. Here, we have all that we ever wanted."

The school also greets the children in traditional crafts such as metal and stone work and applique stitching. "We market the products and distribute the money so that they can send part of it back to their parents," Samanta plans to set up similar schools in 26 districts in the Naxal-dominated

areas by the extremists. The fact that there are hardly any government-run Industrial Training Institutes (ITIs) in the tribal belt that would have trained these dropouts in vocational skills adds to the problem. Says K. Francis Bhanu, founder and chairman, Ma Fo Roadside India, a training firm, "ITIs in tribal areas could have turned India into the world's largest pool of trained manpower." Had they been able to develop employability skills among the tribal youth, the latter wouldn't have been lured into insurgency and terrorism.

The government has recently taken note of this and is now trying to re-orient the ITIs, especially those in backward areas. Even in dairy hubs, have come forward to "adopt" some of these ITIs. Says Sagar, Maharashtra, regional director of Indian Industry, "We have adopted several ITIs, including one in Bidhanagar in eastern Orissa."

However, not everyone thinks that skills training alone will end the Naxal revolution. Says Surya Narayan Patra, revenue and information and public relations minister in the Naxal-dominated Orissa government, "There should be enough commercial activities and local development to engage the youth in their native place." The state

government has, in fact, been investing a huge amount of funds in the Naxal-affected districts under various income-generating schemes. "The key to drawing the youth into the mainstream lies in winning their trust. Since the Naxals mingle with them, it's easier for them to win the hearts of tribals and exclude them from government. We need dedicated officials who can work closely with them to deliver better governance," he adds.

The recently appointed district collector of Gajapati district, Ravindra Prasad Singh, a graduate from the Indian Institute of Management, Calcutta, could be one of those hangers-on of change. "We are trying to reach out to the tribals through the effective implementation of such programmes as the Integrated Tribal Development Agency and the skill development training for rural youth," he says.

For the thousands of Ghanshiram Bhalus of Orissa there is light at the end of the tunnel after all.



WORK IN PROGRESS: School dropouts train at Gram Tarang centres in Parakhemurda (above) and Bhubaneswar.

Photo by Manu Chaudhuri

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