About the Trends

The education sector is probably the most important sector for our country, and is also one of the most complex sectors with myriad segments and ever-evolving trends. Educating our country’s next generation is no small task considering the uncertainty of the future and the rapid changes likely to occur over the next few decades. On the one side, there is the need for getting the best out of our children, and, on the other, making them job-ready, or, so to speak, future-ready. In this document we have undertaken the ambitious and somewhat hazardous task of identifying the key trends across the sector’s various segments. Some of these have evolved in the general direction of improving the inputs and outcomes of education, some reflect the structural changes happening in our country, and some are driven by the forces of business and entrepreneurship. Irrespective of the nature of the forces shaping these trends, we believe they affect every one of us, whether we are students, parents, policymakers, institutions or entrepreneurs.

Education Division Services

Business Strategy
Assisting in developing value-creating strategies based on consumer insights, competition mapping, and international benchmarking
- Entry Strategy
- Organic and Inorganic Growth Strategy
- Financial and Operational Modeling
- Marketing Strategy
- Innovation Strategy

Implementation
Leveraging operations and industry expertise to ‘commission’ the ‘concept’ on a turnkey basis
- Project Management and Program Coordination
- Support for setting up Infrastructure
- Product Conceptualization and Development
- Support in Hiring Leadership Team

Partnerships
Identifying and creating national and international partnerships across segments of Education
- Partnership Structuring
- Due Diligence of Partners
- Negotiations for JVs and Management Contracts

Capital Advisory
Supporting business strategy and execution with comprehensive capital advisory services
- Due Diligence -Business
- Fundraising

Impact Assessment
Assessing and Auditing running programs
- Assessment of Schemes and Policies
- Audit of Projects
- Advisory on course to meet objectives

Aurobindo Saxena, Associate Director
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06 INDIAN INSTITUTIONS GOING GLOBAL
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08 INCEPTION OF WORLD CLASS UNIVERSITIES
09 GREATER FOCUS ON VOCATIONAL EDUCATION
10 GROWING USE OF TECHNOLOGY

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Overview of India’s Education Sector

It is believed that education, per se, not only makes a difference to the growth and prosperity of human beings, but also contributes to the overall development of a nation. It not only uplifts the economic status of a country but also reduces the social ills plaguing the country in question. It is meant to develop the future leaders and workforce by identifying their latent talents and enhancing their knowledge to prepare them for the problems of tomorrow.

We are currently living in a time when the formats in which societies consume educational services are undergoing a change. This change is the result of several factors, including the emergence of the knowledge economy, the need for reskilling and retraining; the availability of the Internet (for collaborative learning), the low-cost computing revolution, and the breaking down of the barriers to educational mobility.

Segments

The Indian Education sector can be segmented under four broad heads, viz. Schooling, Higher Education, Vocational Education & Training (VET), and Ancillary Services.

Exhibit 1

Segmentation of the Indian Education Sector

Source: Technopak Analysis
Educational Infrastructure

India’s educational infrastructure deficit is huge and all pervasive as illustrated in Exhibit 2 below. It is estimated that around USD 200 billion of investment will be required, by the year 2020, to bridge this wide gap and take our system to a respectable level of quality.

Exhibit 2

<table>
<thead>
<tr>
<th>Indian Educational Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Schools (K-12): 1.5 mn</strong></td>
</tr>
<tr>
<td>Government: 1.1 mn</td>
</tr>
<tr>
<td>No. of Students: 264 mn</td>
</tr>
<tr>
<td>Annual Intake: 18 mn</td>
</tr>
<tr>
<td>Additional Requirement: 40,000 Schools</td>
</tr>
<tr>
<td>Additional Capacity Required: 40 mn</td>
</tr>
<tr>
<td>Additional Requirement of Teachers: 2 mn</td>
</tr>
<tr>
<td>Additional Resources USD 60 bn</td>
</tr>
</tbody>
</table>

Source: Technopak Analysis

The deficit in the education sector is not only in terms of quantity of hard infrastructure but also in terms of quality. Some of the stark pointers of this deficit are illustrated in the following points:

- India’s schooling system was ranked at 71 among 73 countries that participated in the PISA tests in 2009; India was not a part of PISA testing in 2012 and has pulled out of the 2015 testing as well
- None of India’s educational institutions featured in the top 200 in the QS and Times Higher Education 2014 global rankings; however, 4 institutions have made it to the top 400 in Times Higher Education’s rankings
- For the past two decades, the US’s share of all patents worldwide has been around 50%, while India’s share has never improved beyond 1%
- 654 Nobel Prizes have been awarded between 1947 and 2014, of which only 8 have come to people of Indian origin

Beyond these deficits in terms of quality and quantity, the Indian education sector faces unprecedented challenges and opportunities. It is in the midst of a churning where, on the one hand, most large and established players are being challenged to innovate in terms of new products, services, and business models while, on the other hand, rapid growth is being registered by the pre-K, schooling, and higher education segments. India’s education consumers, i.e. the students, face the challenge of readying themselves for an ever evolving labor market and the concomitant demands for new skills. On the whole, there are turns on the road of education, with opportunities possibly waiting in some of these turns. Indeed, education finds itself as the sector-of-choice for several large corporates which are looking for the next frontier for expansion. The enduring confidence in the sector is underpinned by positive demographics, the rising aspiration for education across all sections of society, increasing spends on education, healthy operating models, and entrepreneurial innovations.

While there are huge quality and quantity deficits in our education system, it is envisaged that, over the next decade, we will witness large-scale changes in the way education is delivered, consumed, and linked to knowledge creation and professional development. Indeed, some of these changes may be taking root right now. In this document, we endeavor to highlight such trends that are likely to change the game.
Emerging Trends in Indian Education

Identifying trends within a sector is a difficult task per se, and becomes truly onerous for a sector as complex as education. This complexity is connected to the importance of the sector in nation-building, both from a macro perspective and in terms of making informed choices towards setting up the careers of individual students.

The key drivers affecting the changes in India are:

**Demographics**

It has also been observed that, while the population density of schools has increased by little in rural areas in the past seven years, in urban areas there has been significant improvement, as is evident from Exhibit 4 below. It can also be inferred that the number of students enrolled per school is comparatively low in rural areas, and only a third, or fourth, of the corresponding number in urban areas.

Exhibit 3

**Per capita Educational Density**

<table>
<thead>
<tr>
<th>Year</th>
<th>5 cities with million plus population</th>
<th>20+ cities with million plus population</th>
<th>50+ cities with million plus population</th>
<th>100+ cities with million plus population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>220</td>
<td>316</td>
<td>376</td>
<td>457</td>
</tr>
<tr>
<td>1981</td>
<td>68cr</td>
<td>127cr</td>
<td>150cr</td>
<td></td>
</tr>
</tbody>
</table>

Source: Technopak Analysis
Widening Middle Class and Rising Affordability

The size of India’s middle class is estimated to be approximately 230 million (2013). This large-sized middle class will fuel the growth of quality education, expenditure on technology, and ancillary services. The increasing consumer expenditure on education, as a share of the consumer wallet, is depicted in Exhibit 5.

Use of Technology

Some say that we are currently in an ‘early digital’ age with the advent of many radical changes in the way we live, communicate, learn, and work. New and path-breaking technologies like 3D printing (manufacturing), Nanotechnology, Engineered materials, Bio-medical engineering/life sciences, Big Data, Haptics, Virtual Reality, Mass “peer-to-peer” networking etc. have the potential to not just impact our lives in a significant way but also deliver great economic value. Some of these technologies like big data analytics, cloud computing, gamification, simulation, mobile devices, etc. render the learning process more customized, learner-friendly, and accessible.
India’s Economic Growth

While there are short-term glitches, even the cynics will admit the fact that India’s GDP is likely to grow at 5-6% over the long term. By some estimates, India is likely to be the third-largest economy in the world within the next few decades. Therefore, India will remain an attractive market for investments. It is further believed that education will be a sector of choice for international players.

In this document we cover the top ten trends, of which most cut across sectors. These trends capture both market and consumer realities, for the education sector. However, it is important to note that these trends are not predictive in nature; they stem from Technopak’s understanding of the sector.
Indian preschool market is currently valued at $2bn and is growing at a CAGR of 15%. It caters to the educational needs of children in the age group of 2-4 years. It is important to understand that preschool as a business is run typically on a lease rental model. The tradition of sending children to preschools is not very old and is restricted to only urban areas. Typically, the preschools offer only 3 hours of preschool program coupled with day care program in some cases. However, slowly there is a realization that the facility lies under-utilized for majority of the day and as a result of which the business is not very profitable.

Preschools therefore are trying to remodel themselves as early childhood activity centers, where they provide services across age groups and offer modular courses at different times during the day. Some preschools have now started imparting a wide and comprehensive range of child skill enhancement programs across a much broader age group. They also engage students in various extracurricular activities for their all-round development and impart the skills necessary to ensure that students are better prepared for the larger challenges in life.

Children below the age of 5 years nowadays spend 6-8 hours in preschools, where the onus of children’s development has correspondingly shifted. Preschools have increasingly assumed the role of molding toddlers and infants by engaging them in varied activities for their physical, intellectual, psychological, social, and emotional growth. In a sense, following their recasting, preschools now focus on the holistic development of children, rather than focusing merely on teaching the 3Rs, viz. Reading, Writing, and Arithmetic.

Although pre-school is not a mandatory/essential part of Indian education system, it is increasingly gaining acceptance among parents. This is reflected in the significant spend by parents on pre-schooling segment to make their children ready for the future by focusing on the multi-faceted development of children.

### Offerings of Early Childhood Activity Centers

<table>
<thead>
<tr>
<th>Pre School</th>
<th>After School Programs</th>
<th>Other Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive pre school program addressing age group of 1-6</td>
<td>Daycare, Summer Club, Vedic Maths, Abacus</td>
<td>Aerobic and Dance Academies</td>
</tr>
</tbody>
</table>

Source: Technopak Analysis
The focus in today’s world has shifted to holistic learning and development of child as against rote learning based traditional education. Making the child pick up and excel in different trades is the key to standing apart from millions of other children. Thus, investing in children’s education is becoming a key priority for today’s parents, besides becoming a major source of expenditure.

The Ancillary Segment and Its Components

In India, the Ancillary segment within Education is currently estimated to be worth around USD 15 billion, and is growing rapidly at a CAGR of 15%. It is expected to reach USD 40 billion by 2020, and spans such key constituents as tutoring, test preparation, facility management, educational resources, transport, technology-related products and services, sports, and travel education. Of these, educational resources constitute the largest market share, followed by tutoring, transport, test preparation, and uniforms. The below exhibit provides the break up of the segment.

Exhibit 7

Breakup of the Ancillary Segment (USD mn)

Source: Technopak analysis
Structure of the Ancillary Segment

The Ancillary segment is largely unregulated, and is dominated by a large number of unorganized and local players. Characterized by the dominance of asset-light business models, the segment presents a large opportunity for private investments. However, this segment is also plagued by quality issues due to a lack of standardization and awareness.

Notable Trends

Ancillary services are assuming an ever-increasing role in Education. This trend can be observed from the increasing focus on skills and competence rather than on rote-learning, and on the application of education in real-world situations rather than on traditional, book-based education.

The segment has also witnessed an increased proclivity for outsourcing non-core services, which has in turn led to the emergence of niche players catering to such different needs of educational institutions as facility management, sports, curriculum, administration, marketing and advertising, and forging tie ups and partnerships.

This segment though currently is at a nascent stage, is expected to grow rapidly, given the high demand for these value adding services.

Need for Innovative Business Models

The Ancillary segment, being an amalgamation of a number of sub-segments, is very diverse. It has a huge potential waiting to be tapped, and thus presents a large opportunity for the service providers. In order to realize the potential of this segment to the fullest and address the issues of accessibility, affordability, and quality, it needs innovative business models which address the current need gaps and aspirations of the target audience.

As has been observed in other segments, innovative business models add a whole new dimension to the segment’s structure and functioning. Therefore, the ancillary segment may also utilize such models to grow rapidly by addressing the segment’s current needs and potential.

We believe that ancillary segment is set to emerge as the next big opportunity in education due to rising consumer spend, huge market growth potential, low barriers to entry and increasing importance of these value adding services.
With the increasing need to differentiate in today’s competitive world, the focus has moved to quality education and excellence in the chosen field. To this end, parents and students are going the extra mile in order to avail education of the highest quality, either in accredited Indian institutions or in world-class international institutions.

**Aspirations for a World-Class Education**

Around 200,000 Indian students go abroad for higher education spending close to USD 15 billion annually. The number of such students reached a peak in 2009-10, but has steadied since then. This trend can be attributed to the changing visa norms and the increasing focus on the quality of education in Indian institutions. However, of late, Canada has emerged as an attractive destination for Indian students.

Capacity constraints and relatively poor quality are issues which plague India’s education system, resulting in the so-called ‘brain drain’ by causing more students to opt for higher studies overseas. In point of fact, the costs incurred in sending students abroad are equivalent to 80% of the government’s spending on higher education.

**Exhibit 8**

<table>
<thead>
<tr>
<th>Year</th>
<th>USA</th>
<th>UK</th>
<th>Australia</th>
<th>Canada</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>83833</td>
<td>9427</td>
<td>6927</td>
<td>25497</td>
<td>19228</td>
</tr>
<tr>
<td>2007</td>
<td>9463</td>
<td>7708</td>
<td>25905</td>
<td>303260</td>
<td>103895</td>
</tr>
<tr>
<td>2008</td>
<td>103895</td>
<td>104897</td>
<td>103260</td>
<td>39090</td>
<td>100270</td>
</tr>
<tr>
<td>2009</td>
<td>20956</td>
<td>28020</td>
<td>28411</td>
<td>28020</td>
<td>29900</td>
</tr>
<tr>
<td>2010</td>
<td>24451</td>
<td>21932</td>
<td>38500</td>
<td>21932</td>
<td>15395</td>
</tr>
<tr>
<td>2011</td>
<td>26946</td>
<td>23801</td>
<td>39090</td>
<td>23801</td>
<td>12629</td>
</tr>
<tr>
<td>2012</td>
<td>27331</td>
<td>28929</td>
<td>30000</td>
<td>28929</td>
<td>98754</td>
</tr>
</tbody>
</table>

Source: Institute of International Education
Growing Value of Accreditation

In times when institutions are burgeoning in every part of every city, accreditation creates a level of trust for the quality of the education imparted. In India, we have the National Assessment and Accreditation Council (NAAC), established by the University Grants Commission (UGC) for institutions offering higher education; the National Board of Accreditation (NBA), established by the All India Council for Technical Education (AICTE) for technical institutions; and the School Quality Assessment and Accreditation (SQAA) established by the Central Board of Secondary Education (CBSE), for schools.

The NAAC and NBA have been in place for some time now; however, they have started to gain greater prominence only of late. Again, the SQAA was recently introduced to provide a differentiator for quality between various schools. The SQAA will assess schools on the basis of their fulfilling the guidelines relating to infrastructure, pedagogy, processes, human resources, and leadership.

In the international context, the Association to Advance Collegiate Schools of Business (AACSB) is a prestigious accreditation awarded to 687 institutions across 50 countries. However, only two institutions from India, the Indian School of Business (ISB) and T.A. Pai Management Institute, are thus accredited.

The increased spending on education stems mainly from this willingness to pay a premium for high-quality education. For any Indian institute looking to make its mark among the numerous educational institutions in India and attract quality students, accreditation and foreign collaborations are essential to create a unique selling proposition.
New Categories of Students

New categories of students have emerged in recent years due to the increasing participation of women, rural populace, and working executives and corporates continuously enhancing and upgrading their skills in order to remain competitive. Consequently, distance and executive education programs have gained in prominence in the past few years.

Executive Education Programs for Working Professionals

A number of mid-career professionals are returning to colleges for advanced degrees, and thus spurring the demand for executive education. This trend is based on the fact that such professionals are expected to stay abreast of the latest trends and developments within their industries and also continually improve their skillsets. Many professionals are opting for specialized courses in Marketing and Finance to reach the next level in their careers.

A large number of institutions have introduced courses in the past decade to cater to this trend.

Exhibit 9

<table>
<thead>
<tr>
<th>Institution</th>
<th>Program</th>
<th>Year of Introduction</th>
<th>Type</th>
<th>Course Duration (in months)</th>
<th>Min. Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISB</td>
<td>PGPAX</td>
<td>2009</td>
<td>Part Time</td>
<td>15</td>
<td>10 Years</td>
</tr>
<tr>
<td>ISB</td>
<td>PGP</td>
<td>2000</td>
<td>Full Time</td>
<td>12</td>
<td>2 Years</td>
</tr>
<tr>
<td>IIM A</td>
<td>PGPX</td>
<td>2005</td>
<td>Part Time</td>
<td>12</td>
<td>Age 27</td>
</tr>
<tr>
<td>IIM B</td>
<td>EPGP</td>
<td>2009</td>
<td>Full Time</td>
<td>12</td>
<td>7 Years</td>
</tr>
<tr>
<td>IIM L</td>
<td>WMP</td>
<td>2005</td>
<td>Part Time</td>
<td>36</td>
<td>3 Years</td>
</tr>
<tr>
<td>IIM I</td>
<td>IPMX</td>
<td>2008</td>
<td>Full Time</td>
<td>12</td>
<td>6 Years</td>
</tr>
<tr>
<td>IIM I</td>
<td>EPPG</td>
<td>2010</td>
<td>Full Time</td>
<td>12</td>
<td>5 Years</td>
</tr>
<tr>
<td>S P Jain</td>
<td>PGEMP</td>
<td>2003</td>
<td>Modular</td>
<td>21</td>
<td>5 Years</td>
</tr>
<tr>
<td>XLRI-AIMS</td>
<td>EPGP</td>
<td>2001</td>
<td>Full Time</td>
<td>24</td>
<td>2 Years</td>
</tr>
<tr>
<td>Great Lakes</td>
<td>PGPM</td>
<td>2004</td>
<td>Full Time</td>
<td>12</td>
<td>2 Years</td>
</tr>
</tbody>
</table>

Source: Individual Institutional Webpages

Courses Focused on Family Businesses

Institutes are now also focussing on catering to the specific academic needs of family businesses. While XLRI was the first business school in India, to focus on family businesses, Narsee Monjee and SP Jain Institutes have pioneered in this field. A snapshot of courses focused on family businesses is as under:
Distance Learning

Due to the flexibility in the time and place of learning, distance learning has emerged as a prominent mode of higher education, especially for people who are simultaneously working to support their livelihoods. Around 25% of the total enrolment in higher education is in distance learning programs, which contribute 22% to the GER. In the recent past, there has been an exponential increase in the number of institutions offering distance learning programs, and in the number of students enrolled therein.
Enrolment of Rural Population

The number of people from a rural background enrolled in institutions of higher education has been rising at a CAGR of 6.14% since 1994 and is expected to reach 11 million in 2020.

Exhibit 12
Enrolment of Rural Populace in Institutions of Higher Education (mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrolment (mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>2.2</td>
</tr>
<tr>
<td>2000</td>
<td>3.1</td>
</tr>
<tr>
<td>2005</td>
<td>4.3</td>
</tr>
<tr>
<td>2010</td>
<td>6</td>
</tr>
<tr>
<td>2015E</td>
<td>8.2</td>
</tr>
<tr>
<td>2020E</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: UGC

Enrolment of Women

Over 6.1 million women are enrolled in institutions of higher education currently. This number is expected to grow, at a CAGR of 7%, to reach 12.1 million in 2020.

Exhibit 13
Enrolment of Women Populace in Institutions of Higher Education (mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrolment (mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>6.1</td>
</tr>
<tr>
<td>2015E</td>
<td>8.6</td>
</tr>
<tr>
<td>2020E</td>
<td>12.1</td>
</tr>
</tbody>
</table>

Source: UGC

Thus, institutions of higher education in India will need to customize their offerings in order to cater to the needs of a varied, and emerging, audience and stay relevant in changing times while making a lasting impact on India’s journey to intellectual growth.
In today’s knowledge era, with its higher-than-ever pace of development and innovation, it is increasingly important to acquire globally relevant skills and education. One has to keep abreast of the developments not just in one’s own country, but also on the global front. Thus, having an internationally-relevant curriculum, pedagogy, policies, and practices becomes the need of the hour.

In this light, it is considered that if foreign institutions are out of reach for the majority of students, then those institutions can be brought closer through collaborations with institutions in India. The Indian education system is currently witnessing this same phenomenon, with close to 700 international collaborations already in place. Some of the more recent collaborations, across all segments of education, i.e. K-12, higher education, VET, and Ancillary Services, are listed below.

These international collaborations provide evidence of a paradigm shift within India’s education system. We are thus at a crucial juncture wherein a balance needs to be struck between the adoption of international best practices, their customization to suit the local needs, and retaining relevant best practices within our current system.

### Foreign Collaborations in India

<table>
<thead>
<tr>
<th>K-12 and Preschool</th>
<th>VET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infinity School and Durham School</td>
<td>Educomp – Pearson and Edexcel</td>
</tr>
<tr>
<td>Kunskapsskolan and GyanDarshan Eduventures</td>
<td>Manipal University and City &amp; Guilds</td>
</tr>
<tr>
<td>GEMS Modern Academy</td>
<td>Gujarat Knowledge Corporation and TAFE NSW</td>
</tr>
<tr>
<td>Global Indian International School</td>
<td></td>
</tr>
<tr>
<td>Julia Gabriel Center for Learning</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Higher Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>G D GoenkaUniversity and Lancaster University</td>
</tr>
<tr>
<td>S N University and Carnegie Mellon University</td>
</tr>
<tr>
<td>Welingkar Institute and Nottingham Trent University</td>
</tr>
<tr>
<td>Core Projects and Oxford University</td>
</tr>
<tr>
<td>GMR and Schulich School of Business</td>
</tr>
<tr>
<td>Educomp and Raffles</td>
</tr>
<tr>
<td>Kohinoor-IMI Khandala School of Hospitality – International Hotel Management Institute</td>
</tr>
</tbody>
</table>

Source: Technopak Analysis
Indian institutions are increasing their global presence by setting up campuses in other countries and/or getting international accreditation. Dubai is the most common location where Indian institutions set up campuses in their bid to gain global visibility. A few examples of such institutions are given below.

Exhibit 15

**Indian Educational Institutions with Global presence**

<table>
<thead>
<tr>
<th>Educational Institute</th>
<th>Segment</th>
<th>Number of Countries</th>
<th>Geographical Presence</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPS Society</td>
<td>K-12</td>
<td>11</td>
<td>Bahrain, Bangladesh, Ghana, Indonesia, Singapore, UAE</td>
</tr>
<tr>
<td>Manipal University</td>
<td>HE</td>
<td>4</td>
<td>Antigua, Malaysia, Nepal, UAE</td>
</tr>
<tr>
<td>Amity University</td>
<td>HE</td>
<td>4</td>
<td>UAE, UK, Mauritius, Singapore</td>
</tr>
<tr>
<td>SP Jain Institute of Management and Research</td>
<td>HE</td>
<td>3</td>
<td>UAE, Singapore, Australia</td>
</tr>
<tr>
<td>Xavier Labor Relations Institute</td>
<td>HE</td>
<td>2</td>
<td>UAE, Singapore</td>
</tr>
<tr>
<td>Institute of Management Technology</td>
<td>HE</td>
<td>1</td>
<td>UAE</td>
</tr>
<tr>
<td>Birla Institute of Technology and Science</td>
<td>HE</td>
<td>1</td>
<td>UAE</td>
</tr>
</tbody>
</table>

Source: Individual Institutional Webpages

The above table clearly shows a preference for South Asian and Gulf countries. This increasing international presence of Indian institutes is causing a shift in the Indian educational ecosystem. As more and more institutions are going global, the quality of Indian education is improving due to the influx of global best practices, pedagogical tools and talent pool.
Rapid Privatization

There has been an increasing trend of privatization in the past few years across all educational segments, be it K-12, higher education, or VET. Private participation has been encouraged by governmental policies and has also been accepted by the common public as a quality alternative.

Thus, private institutions have, of late, been considered to be synonymous with higher quality and easier access. Equally, there has been an increase in the aspiration for better quality education and the willingness to pay for it, as is evident from the share of on education in domestic spends. Crucially, private institutions have been successful in bridging, and narrowing, the demand-supply gap in terms of capacity, in all segments of education.

Today’s new age private universities provide quality infrastructure and improve access.

Exhibit 16
Distribution of Schools and Institutions of Higher Education

Exhibit 17
Growth of Vocational Education
Thus, the rapid pace of privatization over the past decade has led to an increase in the access to better quality education, with a corresponding spurt in both the GER and the number of better equipped youth. However, much more needs to be done in order to reach the requisite literacy levels and competence for gainful employment.
Despite numerous challenges and regulatory constraints in the higher education space, new educational hubs are emerging, whether in the form of planned educational cities or corporate-funded universities typically focused on a particular discipline.

**Corporate-funded Universities**

In the recent years, we have witnessed the inception of few world class universities. The vision and philosophy behind setting up these institutions is to develop them as centres of excellence not only for India but also for the rest of the world. Some such institutions are listed below.

**Azim Premji University, Karnataka**
Azim Premji University is a private and autonomous university in Bangalore in the field of Education, Development and Research. Funded by the Azim Premji Foundation, the university aims to set standards in teaching and research using contemporary infrastructure and pedagogical tools.

**Ashoka University, Haryana**
Ashoka University is a private university providing education in Humanities and Social Sciences. It has active collaborations with several international universities like University of Pennsylvania (USA), University of Michigan (USA), Carleton College (USA) and Sciences Po (France).

**TeamLease Skills University, Gujarat**
Founded in collaboration between TeamLease Education Foundation (TLEF) and the government of Gujarat, TeamLease Skills University is the first university for vocational education. The university encompasses 22 community colleges across the state and focuses on strong industrial relations and experiential learning to enhance the employability of its students within the manufacturing and services sector in Gujarat.

**Shiv Nadar University, Uttar Pradesh**
Shiv Nadar University is a multidisciplinary university offering undergraduate, postgraduate and doctoral programs in Engineering, Humanities and Social Sciences, Natural Sciences, Communication, Business, and Education. Funded by the Shiv Nadar Foundation, Shiv Nadar University is focused on experiential learning and co-curricular activities.

**OP Jindal Global University, Haryana**
OP Jindal Global University is a private, multidisciplinary university with five schools offering courses in the fields of Law, Management, International Affairs, Government and Public Policy, and Liberal Arts. OP Jindal Global University has several international collaborations in terms of student and faculty exchange, and dual-degree, programs.
The government has set an ambitious target of skilling 500 million people, by 2022, and at the same time, increase the percentage of vocationally trained workforce from the current 12%, to 25%, by 2017. Several governmental initiatives are already in place towards achieve the same.

### Vocationalization of Education in Schools

This Centrally sponsored scheme is aimed at minimizing the demand-supply mismatch in skilled labor and raising student interest towards vocational education. A pilot phase has already been launched in Haryana (in 2011) with the target of benefitting 4000 students across 40 schools.

### National Vocational Education Qualification Framework (NVEQF)

The NVEQF is a seven-year, seven-level certification program to be implemented in polytechnics, engineering colleges, and other institutions, across the country.

### National Skill Development Agency (NSDA)

The NSDA is an autonomous body responsible for coordinating the efforts undertaken by the government and the private sector in skill development. It comprises the Prime Minister’s National Council on Skill Development (NCSD), the National Skill Development Coordination Board (NSDCB), and the National Skill Development Corporation (NSDC).

Apart from such initiatives, the industry has also taken upon itself the skilling of Indian youth, by providing on-the-job training, and establishing skill development institutes to train potential recruits. Some examples of such efforts are:

**Larsen & Toubro (L&T)**

L&T has trained approximately 20,000 students at its Construction Skills Training Institutes (CSTIs) located in eight cities, viz. Ahmedabad, Bangalore, Chennai, Cuttack, Delhi, Hyderabad, Kolkata, and Mumbai, in trades like carpentry, masonry, bar bending, plumbing, etc.

**Ambuja Cement**

Ambuja Cement has trained approximately 11,000 students at its Skill and Entrepreneurship Development Institutes (SEDI), situated across 10 states, in 56 different trades.

**Tata Motors**

Tata Motors is set to train more than two lakh students by 2021 through a commercial vehicle driving center in Singrauli, Madhya Pradesh, in collaboration with Ujanchal Driving School.

This greater focus on vocational education is aimed at reducing the ever-widening gap between employability and educational attainment of an individual. While the government is increasing the overall appeal by creating the necessary foundation and framework to impart vocational education, the private sector is focusing on particular vocations or trades by providing the requisite training to the youth.
Growing Use of Technology

In the education space, newer technologies are emerging which can enhance the learning process by integrating traditional teaching methods with experiential learning. Some key examples of game-changing technologies in the education space are:

**Communication Technologies**

With the advent of superior communication platforms, learning via communication technologies finds many takers. Innovations in this space allow users to break geographical barriers to educate themselves, using, for instance, 3D holography and mobile technologies.

**Personal Learning Environment (PLE)**

PLE is a conceptual framework which allows an individual to plan and learn according to his/her own needs. An individual is free to choose from a plethora of online resources, which are available either free or for a fee, and construct his/her own lesson plan. This concept is rapidly finding acceptance among learners due to its flexibility and focus on individual needs.

**Game-based Learning**

The increasing penetration of smartphones and mobile applications has created a huge potential for game-based learning. Games and applications help enhance concentration while sharpening the artistic, mathematical, linguistic, creative, and scientific ability of students. Game-based learning allows users to break down their curriculum into several different concepts and create simulation-based learning processes around each concept.

**Simulation**

A relatively new phenomenon, simulations allow for experiential learning by actively engaging learners. They reduce the need for laboratory-based experiments, and create an immersive experience.

**Massive Open Online Courses (MOOCs)**

MOOCs have become the latest trend in education, as they offer a flexible learning opportunity to students, who are in turn increasingly opting for such MOOCs offered by Ivy League Universities. Even Indian institutions like the IITs and IISc are following the initiative of putting their lectures and other resources online for students.

Although education is increasingly becoming technology-driven, it is important to note that such digitization is commonplace only in urban and private schools. There are significant challenges in the mass adoption of education-oriented, technology-based products and services which are restricting further innovation in this space.
Conclusion

India is the second populous nation on earth and is likely to become the most populous nation by the 2030s. Also, half of India’s population is below the age of twenty five, implying the need for providing education and job creation at a staggering scale. For India to prosper and thrive as a nation, we need to fix our education system with great urgency. The deficits that face us today will only widen unless we deploy technology smartly, invest in creating high quality infrastructure and in developing a pool of high quality teachers across segments, get our vocational education system in order, and, most importantly, get our young people skilled and job-ready.

The trends covered in this document reflect the current goings-on in the education space and the positive changes occurring therein. While some of these may be at a nascent stage, they are a sure guide for the future.
About Technopak

India’s leading management consulting firm with more than 20 years of experience in working with organizations across consumer goods and services.

Founded on the principle of “concept to commissioning”, we partner our clients to identify their maximum-value opportunities, provide solutions to their key challenges and help them create robust and high growth business models.

We have the ability to be strategic advisors providing customized solutions during the ideation phase, implementation guides through start-up assistance, and be a trusted advisor overall.

Drawing from the extensive experience of close to 125 professionals, Technopak focuses on four major divisions, which are Retail & Consumer Products, E-tailing; Fashion (Textile, Apparel & Engineering); Food Services & Agriculture, and Education.

Our key services are:

**Business Strategy.** Assistance in developing value creating strategies based on consumer insights, competition mapping, international benchmarking and client capabilities.

**Start-Up Assistance.** Leveraging operations and industry expertise to ‘commission the concept’ on turnkey basis.

**Performance Enhancement.** Operations, industry & management of change expertise to enhance the performance and value of client operations and businesses.

**Capital Advisory.** Supporting business strategy and execution with comprehensive capital advisory in our industries of focus.

**Consumer Insights.** Holistic consumer & shopper understanding applied to offer implementable business solutions.
Our Other Divisions

Retail & Consumer Products, E-tailing

Technopak aids retailers and consumer product companies in formulating growth strategy and performance enhancement mandates. Over the past two decades, we have worked on various facets such as entry into the Indian market, development of new category, activation of new retail formats, channel development, product extension, region expansion etc. One key reason why Technopak is considered the industry leader is the relentless focus on the Indian Market. We help clients understand the market dynamics in India and help them arrive at the best method to grow business in India. Our Retail and Consumer product expertise helps gain a competitive edge by providing execution capabilities and corporate strategies.

Fashion - Textile, Apparel & Engineering

With almost 20 years of experience in delivering end-to-end solutions to the entire gamut of the textile industry, right from fibre to retailing, the Fashion division at Technopak assists the textile and apparel organizations in optimizing their profits through enhancement and expansion. Many leading Indian and international Textile manufacturers and Apparel brands have benefited from our offerings in the areas of business planning and strategy, apparel operations, supply chain management and strategic alliances. Our team consists of top calibre advisors who have worked closely with a diverse group of clients comprising textile manufacturers, apparel retailers, garment manufacturers and exporters, apparel sourcing organizations, trade promotion councils, industry associations, international development bodies, and financial institutions as well as central and state governments.

Food Services & Agriculture

Technopak’s Food Services & Agriculture team comprises of established domain experts who build and enhance the business performance of organizations which are either working in the segment or are willing to enter it. Our end-to-end solutions are customized as per the business’s requirements and capabilities. We continuously strive to create strong industry relationships and work for a global footprint by delivering a wide range of services to organizations that operate or wish to operate in the Food and Agriculture sector, in India as well as internationally.
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