



Igniting Thoughts of Tomorrow

EDUCATION SECTOR

WeChat

Dr. Stanley Ridgley,
Assistant Professor,
LeBow College of
Business



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**Marketing - A Tool to Refurbish
the Education Sector**



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Revolution in
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July 2013



OUR VISION

“To nurture thought leaders and practitioners through inventive education”

CORE VALUES

Breakthrough Thinking and Breakthrough Execution

Result Oriented, Process Driven Work Ethic

We Link and Care

Passion

“The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.” - Alvin Toffler

At WeSchool, we are deeply inspired by these words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that leads to corporate revolution.

Emerging unarticulated needs and realities need a new approach both in terms of thought as well as action. Cross disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy-the mind’s eye needs to be nurtured and differently so.

WeSchool has chosen the ‘design thinking’ approach towards management education. All our efforts and manifestations as a result stem from the integration of design thinking into management education. We dream to create an environment conducive to experiential learning.

Dear Readers,

It gives me great pride to introduce Samvad issues every month. Our Samvad team's efforts seem to be paying off and our readers seem to be hooked onto our magazine. At WeSchool we try to acquire as much knowledge as we can and we try and share it with everyone. I sincerely hope that Samvad will reach new heights with the unmatched enthusiasm and talent of the entire Samvad Team.



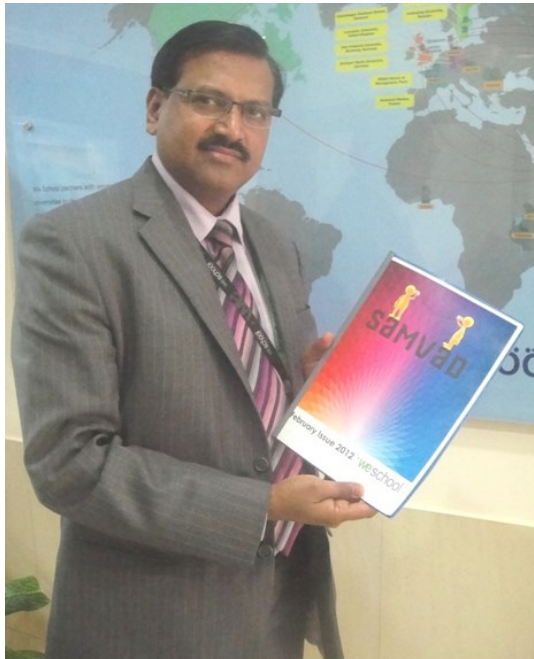
**Prof. Dr. Uday Salunkhe,
Group Director**

Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge that you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have really assimilated all the knowledge that you have gathered.

At WeSchool, we aspire to be the best and to be unique, and we expect nothing but the extraordinary from all those who join our college. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

Samvad is a platform to share and acquire knowledge and develop ourselves into integrative managers. It is our earnest desire to disseminate our knowledge and experience with not only WeSchool students, but also the society at large.

Prof. Dr. Uday Salunkhe,
Group Director



Prof. Dr. Uday Salunkhe introducing the first issue of Samvad

OUR VISION

“To facilitate exchange of ideas that inspire innovative thought culture”

MISSION

To Dialogue

To Deliberate

To Develop

To Differentiate

As the student magazine of WeSchool, Samvad is greatly inspired by the words of Alvin Toffler backed by a strong vision of facilitating exchange of ideas that inspire innovative thought culture. Samvad is a platform for the next generation leaders to bring forth their perspective on management to the world and gives the readers an opportunity to learn, unlearn and relearn on a continuous basis.

The team of Samvad is driven by a set of strong WeSchool values which enable us to create a dialogue leading to knowledge gaining and sharing, to deliberate on the information, to develop a sense of creativity and differentiate our minds with innovative thoughts of tomorrow; today.

Dear Readers,

Greetings from Team Samvad!

It gives me and the entire Samvad Team immense satisfaction to bring to you the latest issue of Samvad on the theme “Education Sector”.

This sector has seen a dramatic change in the past few decades with a spurt of engineering colleges, management colleges and a host of new vocational courses!! Education sector is definitely the sunrise sector with opportunities galore be it in the field of teaching, entrepreneurial opportunities etc

We are deeply grateful to Dr. Stanley Ridgley, Assistant Professor of Management at Drexel University's LeBow College of Business, for taking time out from his busy tour of India and giving us a few words of guidance. He is a doctorate in International Security and Strategy, His professional journey starting off as Military Intelligence Officer in the United States to at present teaching Strategic Management, Competitive Advantage and Entrepreneurship is worth a read. We like his advice to improve what he calls, **high energy power skills** to be better than the best in what we are doing!

If the words in bold is tickling your brains, jump to WeChat section for real and honest feedback for all the Indian students. We adore the passion with which he gives His mantra;

“Feel Powerful Everyday!”

We are thankful for all the wonderful comments, compliments and suggestions for improvisation by you all and we are striving for the best. We hope with this issue we provide you with different perspectives on this sector. We will be happy to hear if you personally wish to enter this sector or have a vision to bring about a disruptive change at the grassroots level. It's time we ignite our thoughts in to actions for better tomorrow.

Hope you will like reading this issue. Feel free to give us your feedback.

Read Better to know Better...!!!

Best Regards

Susmita Paria

Co-Editor

Samvad- Igniting thoughts of tomorrow

Team Samvad would like to extend its heartfelt thanks to certain key members of the WeSchool family for their special efforts towards the making of this magazine.

We deeply appreciate the constant motivation & encouragement that our beloved **Group Director Prof. Dr. Uday Salunkhe** has always given us. His vision & result orientation has been the driving force in creating brilliant leaders and making WeSchool a name to reckon with, not only in India but also globally. His focus on the core values of Passion, We Link & Care, Result Oriented Process Driven Work Ethic and Breakthrough Thinking has formed the foundation of all the activities that we undertake as students of this esteemed institute.

We deeply appreciate the help and support given to us by both **Prof. Amarkant Jain** and **Prof. Deepa Dixit**. Their insight and expertise is our driving force to ensure the sustainability of our magazine.

We appreciate **Prof. Indu Mehta** for her help in selecting the best Marketing articles. She is part of our core Marketing faculty at WeSchool.

The Finance articles were scrutinized by **Prof. Sapna Malliya** and we thank her for choosing the most relevant and informative articles.

We appreciate the efforts of **Prof. Jyoti Kulkarni** for selecting the most interesting articles in General Management domain.

We would like to thank **Ms. Yashodhara Katkar**, General Manager - Liaison, WeSchool and her PR team for helping us to reach out to our readers. Also, we thank **Ms. Prachi Shah** and her team for helping us out in the PR activities of Samvad

We are indebted to **Prof. Jalpa Thakker** for all her help and guidance in the making of Samvad. Her insight and suggestions have been of tremendous benefit to us. The Samvad Team would truly be incomplete without her.





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An Interview with Dr. Stanley Ridgley

By: Team Samvad

(Dr. Stanley Ridgley is currently Assistant Professor of Management at Drexel University's LeBow College of Business teaching courses in Strategic Management, Competitive Advantage and Entrepreneurship.

Working with one of the great 21st Century scholars of International Business, Dr. Arvind Phatak, he helped lead the IB faculty at Temple's University's Fox School of Business to the #9 ranked international business program in the U.S. (US News & World Report). Named by The Great Courses as in the Top 1 percent of America's professoriate, it also happens that he also one of the finest business presentation coaches in higher education today.

His emphasis in International Business is Russian business with special attention to Russian culture and how it generates discrete Russian business behavior.

More broadly, as part of his military intelligence pedigree, he focuses on competitive intelligence and its crucial role in developing competitive advantage in the 21st century corporation. He has lectured in Russian at colleges and universities in the Russian Federation on business presenting, business development, foreign policy, building civil society, and the criticality of infrastructure to a society's economy -- Moscow State University, The Institute for USA and Canada in Moscow, Udmurt State University in Izhevsk, Perm State University, and the Eastern University for Law and Economics in Ufa, Bashkortostan. Other courses and lectures delivered in Mumbai, Chennai, Hyderabad, Lonavala, India; in Singapore; and in Bogota and Cali, Colombia.)



1) We would like to begin by asking you about your professional journey.

From the education point of view, I graduated from University of North Carolina in Journalism in the year 1977. Later on in 1992 I went on to complete my Masters program in International Relations from Duke University. I received my doctorate in International Security and Strategy from the same university. I have also done an MBA program in International Business from Fox School of Business and Management, Temple University.

From the professional point of view, I have a very diverse journey. I started off as a Military Intelligence Officer in the United States Army serving in Germany and Russia. Post that, after completing my higher education, I have been working in the education sector teaching on various topics like strategy, leadership, entrepreneurship in universities around the globe like Fox School of Business, Welingkar Institute of Management and others. I am currently the Assistant Professor of Management in Drexel University's LeBow College of Business, Philadelphia

teaching courses in Strategic Management, Competitive Advantage and Entrepreneurship.

2) What is the most important learning gained from your life that you would like to share with our readers?

Life has a lot of lessons to teach us and we have to be open minded to recognize the lessons whenever they are being taught. We can be hard headed and stubborn to reject the lessons only to learn those years later when it might be too late. Therefore, my most important lesson has been to be open minded and be flexible.

3) There are a number of foreign students willing to intern in India. What are your views on this trend?

This isn't a surprising fact at all. In fact, India boasts of an enviable workforce. The foreign students are keen to know and understand, and to work in this challenging environment. Also, India having a diverse culture, there is a lot to learn here. These skills are attractive to all potential employers.

4) What are your views on the Indian Education system? Which are the promising areas for improvement?

I have been teaching in India since the past six years and I think it has been a really good experience. The answers that I get to the questions that I ask in class are indicative of the level of education imparted in India and the depth and breadth of knowledge I see is quite impressive. I hear answers that are keenly reasoned, logical and show the depth of knowledge that they are drawn from.

Therefore, based on my experience teaching here and my interaction with students, it's very difficult to point out any specific areas for improvement. In fact I can't think of any right now. Having said that there is one area which needs to be looked into and that is imparting soft skills to students. I have seen many presentations and ad hoc events being held which are not a part of the general program and also there are a lot of activities which students can volunteer to be a part of. This is pretty impressive but the only issue I have is calling them soft skills in the first place.

I prefer to call them high energy power skills because they are intangible. The fact that they are intangible doesn't necessarily mean they are soft. They are absolutely essential to the corporate world; more than any other kind of skills. So calling them soft skills implies they can be picked up on the way, which is not true. I have no issue with the way they are imparted but only with what they are called. It is of absolute necessity that students be taught skills like how to dress up, how to deal with peers and superiors and such in the background of increasing globalized world.

5) Please share your views on the importance of Student Exchange programs.

I believe student exchange programs are a great way of understanding the different cultures and the way business is conducted around the world. It should be more of an adventure for a business student, like say he goes to Philadelphia and the objective is to find a foreign business partner he can do business with after coming back to India. He should be able to put together a presentation when he comes back and explain his journey of finding a business partner.

Or say he goes to Italy and gets a real world experience of the culture there and find some potential business. I think exchange programs should be tailored based on the student's needs and should vary from person to person as per his personal interests.

6) Please comment on how technology has changed the teaching pedagogy and also elaborate on the way forward.

I strongly believe that technology can never change the traditional relationship between a teacher and the student. The basic teaching methodology can never change. The role of technology is only to augment the existing process with teaching aids like PowerPoint presentations. It only acts as a supporting medium to the whole process and will continue to do so.

Technology can help you in gathering information, understanding of education, exploring the depth and breadth of a particular topic, which is why in my classes you find me talking about fundamentals rather than simply assuming my students know it. And I believe in the Russian exercise that repetition is the mother of learning. A student has to come prepared with certain key concepts like the definition of economics, capital and understanding how business people are privy to the inside of black box of wealth creation. Teaching is a noble profession and that's because it makes people's lives better and the more efficiently we teach that well, more wealth we can create. So, this is how I go about teaching my classes and usage of technology is only when I feel it really will help me.

7) How should a person prepare himself if he wishes to teach in the Education Sector?

The important thing in teaching is that you have to understand the subject inside out. My advice to any budding teacher is to teach what you are interested in because that guarantees the enthusiasm in your teaching. For example if you are interested in astronomy, don't become an accounting teacher. If you are excited about the stars and cannot wait to get home to see the stars at night, then don't teach accounting in the daytime as this indicates backward thinking. When you teach something that you really like to do, you keep constantly exploring and improving that. When you are doing something that you hate to do, you should be doing something else. You should be searching for that. Obviously, my journey took a long time to get to where I am today and still I have not stopped. There should be lots of introspection going into it. You need to have a plan - what I want to do five years from now and start working on it today.

8) One last message you would like to give to all our readers.

I think everyone should say "I feel especially powerful today" to themselves at least once every day.

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Open Online Course...Next Wave of Revolution in Education

*By: Kundik Nimase and Siddhesh Undirwadkar,
MMS (2012-2014), WeSchool*

Rohit Kulkarni, a bright Engineering student was looking for a good course in Strategic Management. He searched for a few institutions offering the course in his small town of Junnar in Pune District. However, he could not find a suitable and credible institute offering the same. He tried reading few books on the subject and searching for some course material on the internet. However he could not get quality information through these. Just then he came across a website called *coursera.org* offering an online course on Strategic Management. And he was delighted to find that the course offered belonged to University of Illinois and he would get to learn from the professors of that University at free of cost.

This new trend in online education availability is famously known as Open Online Courses. Open Online courses has become one of the important topics in education. It opens the door to the top-most colleges for the masses across the world for free. This has been possible primarily because of several providers like Udacity, Coursera and edX education platforms on the web. These platforms offer online courses from prestigious US educational institutes including Stanford, Harvard, MIT and Princeton. Its aim is to change the availability and economics of higher education and help people to take the most amazing courses in the world for free. They provide courses in the form of online lectures, forum and eBooks for free. Wide range of courses is offered in the field of science, Humanities, Information technology, business, mathematics. This programme is different from Distance learning program as these websites are providing these courses for free or at a significantly low price. However to Generate Revenue these websites

charge licensing fees from educational institute that use their materials. They also sometimes share their database with employers who want to recruit talented students. They use cloud computing or they develop their own software to reduce costs significantly.

Several Indian Institutes and corporate have also contributed to this movement. In India IITs, Infosys, TCS and NASSCOM have come together to launch few online courses that will help nearly two lakh people to enhance their knowledge. NASSCOM has contributed by agreeing to identify skills that are needed to get entry level jobs in IT. Few Faculties from various IITs will be designing the course based on the inputs given by NASSCOM. Thus this will help in growing talent needed by the industry.



Figure 1

Reason for the Rise of Open Online courses

The penetration of internet through computers and mobiles has increased the reach to students across the world. In the year 2000 there were 3.1 Billion internet users in the world which increased to 7.7 billion in June 2013.

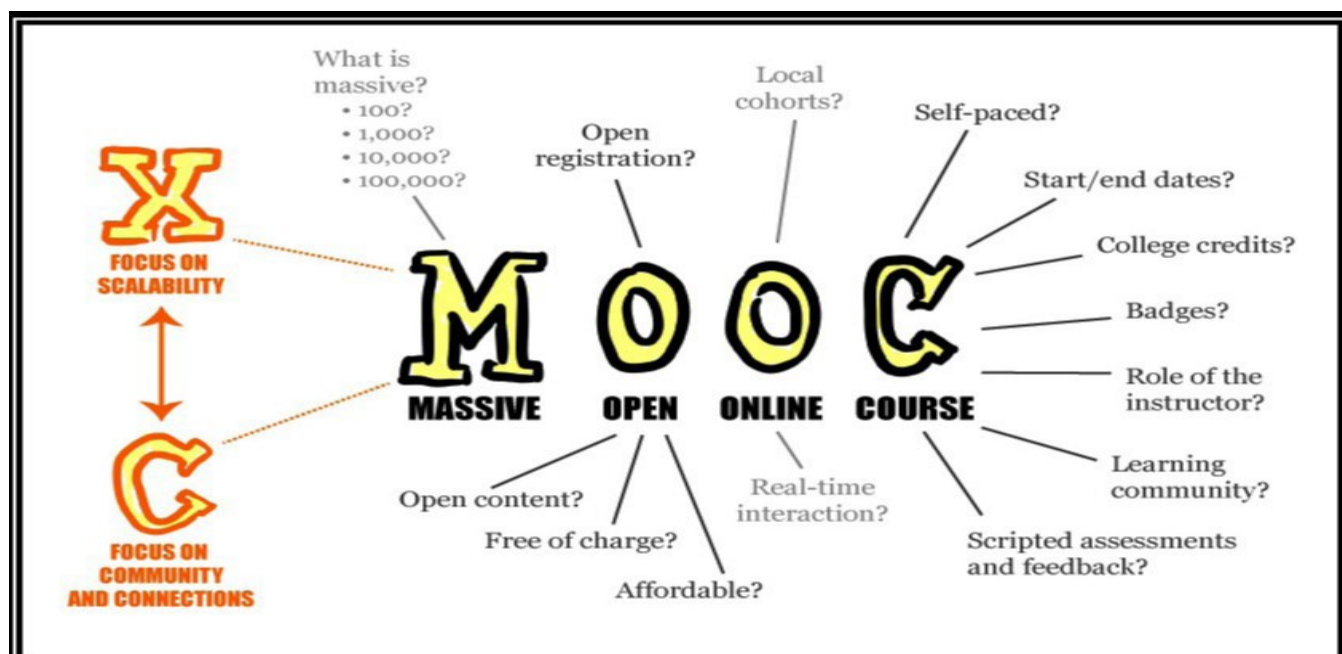


Image source: www.google.com/images

Severe recession of 2008 and job insecurity forced many people feel a need to enhance or upgrade their Knowledge. Many engineering colleges and B-Schools across the world lack quality faculty and infrastructure. Countries need thousands of capable engineers and managers and other professionals to support their large infrastructure projects, industry, banks, auto majors, airlines, defence, and manufacturing sector. This created a gap which these online courses are attempting to fill in.

Advantages and Challenges of this Approach

Convenience is one of the major advantages of this approach as each participant can learn at their own pace.

Other benefits include innovative way learning which attracts young minds. As this platform is free of cost it attracts all economic sections of the society. There is limited face to face interaction between instructor and Participants. It is difficult to address candidate's queries or suggestions. There are limited tools which can be applied to evaluate performance such as online exam or quiz which will only test ability of the candidate to remember things.

What is the Response to these courses?

Many universities in the world like University of Pennsylvania, Princeton University, Stanford University, and University of Michigan, University of California, Georgetown University have partner

ship with leading Open learning partnership and Dozens of universities in Canada, Mexico, Europe and Asia have announced partnerships with the large American open learning providers. According to president of Coursera, online



Image source: www.google.com/images

education at the peak of inflated expectations.

During its first 13 months in operation, ending March 2013, Coursera registered about 2.8 million learners geographic location of participants

which shows that participants were not only from united states but they were from various countries across the world. Large numbers of participants are enrolling for online courses but course completion rate is 7-9% as there is large number of non serious candidates. E.g. in Duke University 12725 students enrolled but 7761 ever watched a video, only 345 attempted the final examination and 313 could clear the exam. Most common

School using open online education was launched by University of Miami.

Summary:

There are merits and demerits of every learning environment. It is up to Participants whether they want to achieve their goal through online education or through classroom learning or combination of both. If challenges of this platform are addressed efficiently it will help to democratize education. The success of MOOCs is expected to bring new revolution in education industry.

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Image source: www.google.com/images

reasons for not completing the course were too much time, too difficult or too elementary

The Future of Open Online Courses

There is a large scope to extend this concept in India and abroad. There are limited seats available in various reputed Engineering and Management institutes. Our nation requires large number of managers and engineers with high quality education, hence online education will be very useful. These courses can be designed based on the need of the industry.

All India Council for Technical Education (AICTE) can take initiative to come up with own platform or they can approve few sites which will provide online Diploma or Degree courses from Top Institutes. If implemented properly it we can start online education for High School and Junior Colleges as well. In November 2012 First High

Emotional Intelligence and Quality of Work Life

By: Annie Sydney, MBA (2012-2014), Loyola Institute of Technology and Science

It has been realized by many that for a balanced and successful life, intelligence is a pre requisite. Charles Darwin (1872) speculated that emotions must be the key to the survival of the fittest. Hence for an effective living it is not just intelligence but it may need to be coupled with emotions as well. Thus Emotional Intelligence (EI) plays an important role in the life of all individuals, be it in an organization or in his personal life.

EI accounts for about 80% of a person's success in life (Goleman, 1995). EI is one of the important behavioral construct contributing to the performance (Goleman, 1995, 1998) and to the organizational behaviour and job satisfaction (Cooper and Sawaf, 1997).

Quality of work life (QWL) is a meaningful achievement and enjoyment in everyday work life. QWL is “a process by which an organization responds to employee needs by developing mechanisms to allow them to share fully in making the decisions that design their lives at work”. The key elements of QWL include job security, job satisfaction, better reward system, employee benefits, employee involvement and organizational performance. Good work life forms part of the overall quality of life of an individual. Goodale, Hall, Burke and Joyner conducted studies in which they asked the respondents as how would they define the phrase ‘Quality of life’ and many said that “quality of life” means psychological well being, the work environment, realizing or working towards one's aim in life and the social environment provided by other people. It appears that there exist a conceivable nexus between emotional intelligence and the Quality of work life.

Being emotionally and socially intelligent means to effectively manage the personal, social and

environmental change by realistically and diligently coping with the immediate situation, solving problems and making decisions as the need arise. We need to manage emotions so that they work for us and not against us, and we need to be sufficiently optimistic, positive and self-motivated. Scientific research shows that EQ is more important than IQ. In fact, in an organization, IQ contributes only 20% where as EQ of a person may contribute up to 80% to succeed in an organization. IQ gets one the top position but EQ makes one a top person. The ability to perceive the environment and adapt to the various changes and stress is crucial in a dynamic era. How people feel about their work and the fit between their personal life, career and work is dependent on various factors. Quality of work life is a term that had been used to describe the broader job-related experience an individual has. A person's emotional intelligence plays a vital role in determining the Quality of work life in an organization because the intrinsic factor of EI allows people to perceive their environment differently and adjust to stress, change etc in their own unique way.

The elements that are relevant to an individual's quality of work life include the task, the physical work environment, social environment within the organization, administrative system and relationship between life on and off the job .Thus, QWL is a comprehensive construct that includes an individual's job related well-being and the extent to which work experiences are rewarding, fulfilling and devoid of stress and other negative personal consequences. The evolution of QWL began in late 1960s emphasizing the human dimensions of work by focusing on the quality of the relationship between the employee and the work environment.

According to Robins (1990) QWL is “a process

by which an organization responds to employee needs by developing mechanisms to allow them to share fully in making the decisions that design their lives at work”.

The key elements of QWL in the literature include job security, job satisfaction, better reward system, employee benefits, employee involvement and organizational performance (Havlovic, 1991; Scobel, 1975).

The relation between Quality of work life and Emotional intelligence:

Quality of work life is determined by the various factors both extrinsic and intrinsic. The work environment and the employee both have equal contribution in determining whether the Quality of work life is good or poor. The extrinsic factors are provided by the organization and can be tangible in nature and hence can be studied and implemented with a degree of simplicity and generalization. The intrinsic factors that depend on the individual is however very difficult to understand and measure. This makes it tough for the organization to find a match between the job and the employee.

Each individual is unique in his physical, mental, cultural, emotional and attitudinal framework. This difference plays a major and intangible role in determining the quality of the Quality of work life of the person. Being emotionally and socially intelligent means to effectively manage personal, social and environmental change by realistically and flexibly coping with the immediate situation, solving problems and making decisions

as the need arise. Considering the importance of emotional intelligence in both a person's personal life and work life, the relation between quality of work life and EI is very strong and could be the most important intrinsic factor of a person that in turn influences the way other intrinsic factors work.

Quality of work life in Academic environment:

Working in academic environment is always very challenging. The expectations and the reality never match. Teachers walk into a classroom expecting students to be prepared and begin

learning and instead find them looking at the teacher, as if the teacher is an alien from another planet . Unfortunately, low expectations have become the norm and many teachers find it difficult to realigning their thinking is both time consuming and difficult. Maintaining discipline in the classroom is again a issue which badly affects the temperament of the teaching professionals. It is all about raising voices and confrontations. Motivating work environment is one of the most important criterion to decide the quality of work life. Richard Winter & James Sarros (2002) in their study identified the positive (motivating) and negative (demotivating) sources of academic work motivation in Australian Universities. The result collected from the 1,041 academic respondents from the university reported moderate levels of work motivation. Work motivation was found to be relatively strong at professorial levels but weak at lecturer levels. Results indicated that the work environment in academics is motivating when roles are clear, job tasks are challenging, and supervisors exhibit a supportive leadership style. The work environment was demotivating where there is role overload, low job feedback, low participation, and poor recognition and rewards practices. Needless to mention if teachers feel unhappy at work this will have an impact on the students they teach, as well as on recruitment and retention levels, not to mention the cost of cover for sick leave. The ability to perceive the environment and adapt to the various changes and stress is crucial in a dynamic era where the quality of work life depends on various factors which cannot always complement each other.

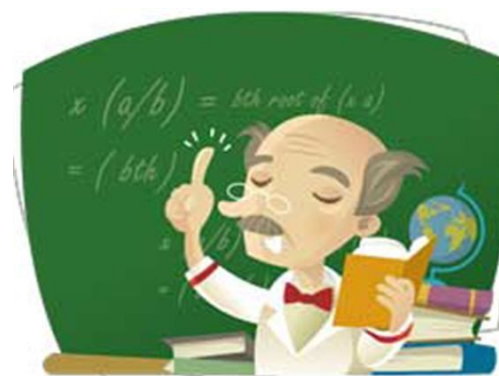


Image Source: <http://www.outsidethebeltway.com>

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Educomp: Ready to Shine Again?

By: Samruddh Kulkarni, PGDM (2012-2014), WeSchool

In India, the education sector forms one of the biggest sunrise sectors that contribute to the country's economic and social growth. Indian education sector's market size in FY13 estimated to be USD 75bn is expected to increase to USD 109.8 bn by FY15 due to the expected strong demand for quality education. The market grew at a CAGR of 16.5% during FY05-FY12.

One of the major players which identified this opportunity in the education business is Educomp. It is founded by Mr. Shantanu Prakash, an IIM A post graduate in 1994. It is a globally diversified education solutions provider. Though it started in 1994, it went public in 2006. From 2006 to 2012, it was a golden period for the company as its revenue grew from Rs 51 crores to Rs 1,500 crores. Profits went up to Rs 180 crores. The company has also been successful in adding school as customers from 75 to 15,000. In addition, they added 250 preschools, 47 schools with 22,000 students and 350 vocational training centres. This is remarkable growth! But then what went wrong? Why did the Educomp start incurring losses?

Let us analyze the results of company's efforts in modifying the business model. If we look at their financial statements, we get a clear picture. During last four years, Educomp's net profit margin has fallen by 61% and its overall liabilities last year were over twice its revenues. Roots of this downfall are in what is called as EDUCATION'S SUB-PRIME CRISIS. In 2011, it was closing deals with schools providing them hardware and multimedia content to supplement the standard textbook-and-blackboard approach. It was its Smartclass business. Educomp was allowing



Image Source : <http://www.riverdale.ac.in>

these schools, to make the payments in form of a monthly fee per class over a contract period.

But there was a danger of ambitious schools buying hardware and software from the company which they ultimately can't afford. Situation would be similar to sub-prime crisis in US where loans were given to people who did not have the repayment capacity. Due to these deals, the company had to bear business risk, execution risk and financing risk. As the time passed, the company had accumulated a significant amount of debt.

In the mean time, Educomp coined a company called Edusmart to pledge the five year contract receivables with banks in return for roughly 75 percent of the amount which then was used to inflate revenues and profits. This is why Educomp's total debt as of March 2012 is just Rs 337 crores, while its total liabilities were Rs 2,148 crores. That was the beginning of the downfall of their stock when Educomp saw growth slowing down.

Experts think that it was a combination of poor execution, lack of adequate planning and oversight, and overreach as its businesses grew at a faster pace than its management capability.

Initially, these risks were not visible to most of the investors in the stock market, Educomp was considered as the high growth 'asset-light' education software company. But Educomp had already shifted from being "asset light" to "Capital bearing" company. We can observe the effects of this if we see the chart of the stock for last four years. There is a clear downward trend.

If we see the stock price movement post the company's announcement of Q4 & FY'2013, results suggests that investors need to stay away from the stock. The point to note here is that company's troubles started when it changed the business model for Smartclass. During the Q3-FY'13 results, the company's management announced that they are returning back to the BOOT model for Smartclass and this I think is a smart move for the company. Returning back to the transparent, improved & consistent Cash-flow model will be liked by the Investors. Having said this there are still concerns about the initial capital investments that Educomp has to make for Smartclass.

However, we cannot ignore big positives like good numbers for Educomp's business segments other than Smartclass, launch of innovative products and services like the Smartclass tablet solution and the English Mentor language Lab which can offer subscription-type recurring revenues.

Also, the Online & Supplemental segment reported a growth of 56% Y-o-Y and contributes nearly 25% of total revenues. The Higher Learning division, which comprises of 7 Colleges which conduct Undergrad courses in Design as well as Engineering, posted a decent growth of 25% in its revenues for FY'13. This growth is expected to repeat in FY'14.

The company should be able to reduce its Net Debt by Improving Cash-flows from most of its business divisions and lower CAPEX in FY'14. In any case, it is less likely that Educomp's annual Interest cost will be any much lower than Rs.250 crores. Hence, there will hardly be any Net Profit for FY'14. But analysts feel that FY'15 will be a much better year for the company, expecting Educomp to post total income over Rs.1600 crores and a Net Profit of over Rs.100 crores. Hopefully, it will be a new beginning for Educomp after learning the hard way!



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Marketing – A Tool to Refurbish the Education Sector

By: Ankita Srivastav and Astha Pandey, PGPM (2012-2014),

Great Lakes Institute of Management, Chennai

As per dictionary “Marketing “is defined as the process of communicating the value of a product or service to customers, for the purpose of selling the product or service. It is a critical business function for attracting customers.

It is an activity that helps societies grow and enable establishments to achieve personal and social ends in an effective way. Marketing conceptions and practices may have profound impact on meeting the nation's manpower needs. Developing nations like India require a diverse set of human skills combined with marketing to proceed towards economic and social development. Much of educational thrust in our country is restricted geographically to urban areas. There is considerable truth in saying that "the uneducated are not always unwise, the illiterate are not always ignorant."

Generally speaking, educational institutions have defined their markets very narrowly. Many of these institutions could mount a wide variety of extension programmes or outreach activities in their surrounding communities and train people through non-academic instruction.

Through this article we will try to highlight the transformation brought about in the Indian education sector through this “Marketing” tool. Till date it has helped us evolve and grow in leaps and bounds and we need to keep up on the same track.

Current Trends in Education sector

- Despite an incessant growth in the demand for education within India, Indian Ratings has concerns for the sector. Below is the data set of the Indian education Market

- Overall population –1.1 billion
- Student population –400 million
- Current challenge – Achievement of 100% literacy
- Market size of Schooling segment-GBP 20 billion.
- 75,000 private schools account for 7% of total institutions but enrol 40% of the country's 219 million students .
- The market for Higher Education (engineering, medical, business) –GBP 5 billion and expected to reach GBP 8 billion by 2012 at a CAGR of 16-17%.
- Test Prep – market size of GBP 1 billion at a CAGR of 20%.
- Skill Development – approximately GBP 2 billion a year.200,000 public schools to offer computer training through ICT by 2013

Challenges Posed in the Education Sector

- A very low percentage of kids going school.
- Low employability and less interest in work causing an effect on incomes resulting in high school dropout rates.
- A non-profit scenario in higher education that has led to no foreign investment.
- GER (Gross Enrolment Ratio) for higher education is very low(47.9 for Delhi while UP is at 10.9).
- The study pedagogy is very outdated.
- Poor infrastructure.
- Shortage of faculty.
- A low hand on research and innovation.

Reforms brought in Education Sector through Marketing

Marketing of schools:

- 'Sarva Shiksha Abhiyaan' and 'School Chale Hum' Campaign at the school level was very successful.
- Provision of mid-day meals and transportation at the basic levels also proved fruitful.
- The 'Kidzee-growing your unique child' campaign helped in a better level of enrolment.
- Alumni promotions of various good schools
- Making innovative and attractive schools usage articles.

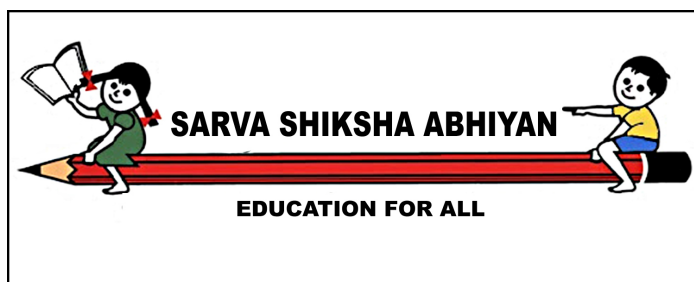


Image Source: www.ghs24a.com

Marketing of B-schools:

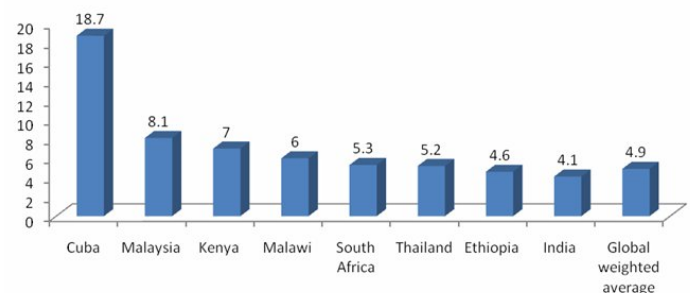
- International programs in Indian campuses.
- 'Flying professor' concept.
- State-of-art infrastructure.
- Ranking.
- Industry interface and placements.
- Websites, Blogs and communities.
- Via celebrities (IIPM through Shahrukh Khan and GLIM through Dr.Philip Kotler).

- Renowned Faculty.
- Free Laptops and foreign trips.

Based on the above marketing strategies that have brought about a major change in the face value of education we can formulate our future strategies to leave behind a trail of success story:

- Scholarships
- Education fairs
- Digital marketing (E.g.: Amazon's kindle can be used for educational purposes.)
- General advertising methods (Outdoor media, Print media, television)
- Internet
- E-learning
- SMS marketing
- 'EACH ONE TEACH ONE'

Chart 1: Government education spending as per cent of GDP



Source: UNDP

Image Source: www.mrzine.monthlyreview.org

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Viral marketing for B-schools:

- Free monthly magazines.
- Case study contests for undergraduates.
- Coming up with business plans.

Marketing trap of B-schools:

- False promises.
- Distorted placement figures.

Education Sector in India - What Organizations Can Do

By: Mohit Kumar, MBA-IB (2012-2014), IIFT

Besides providing a life of dignity and self-respect, education gives one the power to communicate, express and contribute to the society. To see a developed India, it is imperative that the youth receive the right levels of knowledge so as to convert it into required skills in order to contribute in building the backbone of the country. There have been a number of government initiatives like Sarva Shiksha Abhiyan (SSA) etc. which have contributed significantly to the development of education in the country. The Indian youth literacy rate stands at 82% which is significantly higher than the adult literacy. According to 2011 data, the literacy rate in India was 74% with 65.5% in case of women. These are positive signs but despite of these behemoth efforts, the education level in India falls much lower than other developed counterparts. Large population, high levels of poverty and inadequate levels of income make access to education very difficult. The silver lining is that the education sector in India shows high growth and a promising future. According to India Ratings report published in Business Standard, the sector has grown at a compounded annual growth rate of 16.5% during FY05-Fy12. It is expected to cross \$110 billion mark by 2015.

In urban areas, the transformation of typical Indian classrooms has already started to take shape. Companies like Educomp, Everonn etc., are banking upon the digital medium so as to empower students with the highest levels of learning. Increased government spending on education has resulted in a paradigm shift of both public and private sector companies to focus on the same. According to a report published by The Economic Times, although India is spending a lot on education, its technological hardware is still not up to the mark. This is a huge area of

investment for the IT firms. Internet penetration is on a steady rise and organizations could bank upon digital media to enhance education. Companies like Cisco, Intel and HCL have already started teacher-training programmes and schools in rural and urban India to empower the masses.

There are a series of steps the Organizations can take to efficiently contribute in the education sector. I call it the Education Hive. The name comes from a bee's hive where there is a queen bee which sets the target and the other bees work in synergy with her.

The Education Hive is a framework which Organizations could employ to build an effective education framework. It contains a number of steps that can be employed to achieve a target.:



Providing a level playing field:

One of the most important things that are imperative for smooth flow of reforms is a level playing field. Infrastructure issues are so severe in a few states that it makes education penetration very difficult. The government should take effective measures to tackle the same by providing basic infrastructure and facilities because only then can education be possible. This would also encourage private organizations to venture into rural areas where they don't enter fearing low returns.

Institutional Empowerment:

This primarily affects the government institutes. Financial and operational empowerment should be provided so that all issues related to infrastructure etc. is sorted out soon rather than wait for government decisions which take a lot of time. Also, it would also prevent the delays that act as an impediment to growth.

Education reforms:

A lot of work needs to be done in improving the quality of education imparted, especially in rural areas. Attendance monitoring of faculties should be done as the number of days a faculty reports at school is dismal. Also, the structure of the education should be improved giving enough weightage on Science and Mathematics.

Public-Private Partnership (PPP):

In spite of huge pouring of resources in education, private companies should participate to make it a success. PPP can serve as an effective tool to venture into the sector and also increase public welfare.

Awareness Generation:

A lot of children are into child labour and other meagre activities, the common thought that comes to the parents is that their child is 'financially independent' and education would render him futile. Emphasis on the importance

of education should be laid to boost support from the parents.

Feedback and monitoring:

Consistent monitoring should be done to check the effectiveness of the reforms. Periodical feedback, audits and other measures would ensure effective channelization of funds and ensure that the human resources perform at their full potential.

Education is the biggest weapon that any country can equip its citizens with. Organizations should act as support structures to the governments to promote the same. How effectively can India rely on such reforms would be evident soon enough.

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We invite articles for the August 2013 Issue of Samvad.

The Theme for the next month: August 2013 - “**FMCG Sector**”

The articles can be from Finance, Marketing, Human Resources, Operations or General Management domains.

Submission Guidelines:

- Word limit: 1000 words or a maximum of 4 pages with relevant images.
- Cover page should include your name, institute name, course details & contact no.
- The references for the images used in the article should be mentioned clearly and explicitly below the images.
- Send in your article in .doc or .docx format, Font size: 12, Font: Constantia, Line spacing: 1.05' to **samvad.we@gmail.com. Deadline for submission of articles : 31st August, 2013**
- Please name your file as: <YourName>_<title>_<section name e.g. Marketing/Finance>
- Subject line: <YourName>_<Course>_<Year>_<Institute Name>
- Ensure that there is no plagiarism and all references are clearly mentioned.
- Like our Fb pg: [Samvad.WeSchool.Student.Magazine.](#)

Samvad Blog

As said by Ann Morough Lindburg, “Good communication is as stimulating as black coffee and just as hard to sleep after.” Samvad, which means 'to converse' in Hindi, is exactly the motive of our team Samvad. Our readers and writers are of utmost importance to us at Samvad. We don't like to interact with you only once when the issue is released. So, we thought, what next? Then came the idea of a blog - the ideal platform for meaningful discussion on a more regular basis. Hence, we present to you 'The Samvad Blog'. The Samvad Blog, as the name suggests is a blog dedicated to sharing of information, insights and opinions that allow exchange of some valuable ideas by stimulating your intellectual senses. It will include some interesting reads on management gurus, book reviews, and relevant articles among many other varieties of food for thought.

<http://samvadwe.blogspot.in/>

Don't forget to comment with your opinions. Always have a healthy debate we say! As progression lies not in agreement, but debate!



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