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## IT training firms change tack as budgets tighten

Priyanka Golikeri & Praveena Sharma Friday, June 5, 2009 2:59 IST

**Mumbai/Bangalore:** Everyday, 24-year-old engineering student Priya Sivakumar spends 6-7 hours on a computer, going through the e-learning modules her future employer, a Bangalore based information technology (IT) firm, has devised with a talent management company in Hyderabad.



Sivakumar, who is about to complete her computer engineering course, was hired as in July 2008, when she was in the fourth year of graduation. Traditionally, she would have joined the IT firm, then spent six months training for the job before being assigned to a project. But the current downturn has tweaked this tradition somewhat.

Now, before joining work, she is undergoing training on cost management, project management, programming

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language, problem solving skills, communication and presentation skills.

This way, the IT firm saves not only on time, but also on costs. Besides, it can stagger the joining of campus recruits as the IT industry experiences a slowdown.

Data from staffing firm TeamLease Services shows 57% of India's youth has some degree of unemployability, which means their skills are not compatible with work requirements. Making this skilling a precursor to joining work helps companies save on the salaries that they would have to pay the recruits and also on the infrastructure required for the course.

Kris Lakshmikanth, founder CEO and managing director of Bangalore-based recruitment firm HeadHunters India, said online training modules help IT companies cut costs by 25-30% or even more.

Given that top IT firms spend between Rs 60,000 and Rs 1 lakh per candidate for six months of training, the savings are huge, said Bhupesh Gupta, the business manager at CareerNet Consulting, a Bangalore based talent management company. "This includes training costs, travel, food, lodging, apart from the time and knowledge of the trainer," he said.

The system also helps quell apprehensions among campus recruits over the validity of the offers made to them while they wait to come on rolls.

M Ramesh, executive vice president of Hyderabad based talent management and talent acquisition company TMI Network, said that online learning modules are customised to the needs of companies.

Kalyan Banerjee, senior vice president and head of learning at Bangalore based IT firm MindTree Consulting, said, "The concept has a bright future. We currently cover about 400 freshers under this module, which includes a 6-month online training programme, focusing mainly on communications and programming." MindTree made 1,000 campus offers in 2008.

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Another innovation is on-campus training. Many IT training firms are approaching engineering colleges to train students on the campus itself. Under this system, students and not tech firms bear the cost of training, which works out to Rs 20,000-40,000 per person.

Among those who have adopted this concept is IT training company PurpleLeap, which spent Rs 1.75 crore to set up V-SAT-enabled multimedia links at 35 engineering colleges. PurpleLeap conducts courses from its studios in Bangalore and Delhi. At any given point, 10-12 colleges go live simultaneously. This also solves the problem of the paucity of experienced trainers.

Amit Bansal, CEO of PurpleLeap, said the new model was the result of fall in demand from its IT clients. "We have evolved it (the new model) to reduce the bench time for freshers and to help companies reduce their training spend, especially in the small and medium enterprises (SMEs) sector. They can slash training costs completely if they hire someone who has taken our course," he said.

Bansal said IT companies spend around Rs 1-2 lakh per person on induction programmes, including salaries, seats and training costs.

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