

Orion Edutech

638
Employees

USD 6.9 mio
Fund investment

It facilitates the students' access to low-cost education loans
Social Responsibility

Region: Kolkata, India
Sector: Education
Year of investment 2010
Fund intermediary: VenturEast Proactive Fund
Financial intermediary:
SIFEM investment into fund: USD 4 mio
www.orionedutech.com

Orion Edutech is a vocational training institute with 140 centers operating in more than 100 cities across India. It provides employment enhancing training for job aspirants with non-English speaking backgrounds, and facilitates placement for trained candidates.

After graduating from college I was unable to find employment. A 3-month course at Orion Edutech provided me with the technical skills and the communication qualities necessary to be successfully placed as a data processing executive
Moushina, B.A. graduate, former Orion Edutech student

The situation in India

A third of the world's poor live in India despite the progress in poverty reduction in recent years, indicating a wide disparity and an urgent need for sustainable and more inclusive growth.

With over 1.2 billion people India has the second largest population in the world and is still growing. Every year 8 million people enter the labor force, however only 16% of the workforce earns an income from regular wage employment.

India's need of more skilled workers is increasing massively across all sectors, due to the constant growth and development of the economy.

Employers struggle to find adequate manpower, since workers with market-ready skills are scarce. While India is recognized for its humongous human capital, the current industry feedback suggests that there is an urgent need to improve the skill base of the labor force, including the educated youth.

The public education system falls short and has to be realigned to meet the rising requirements of the developing market. Almost 50% of pupils still drop out of school by the age of thirteen, and only 10% of the population have received some form of job training. In addition, some reports state that only 40% of university graduates are employable and have skills and knowledge matching the needs of the labor market.

Vocational training is still in its early stages and bears ample room for improvement and has vast potential. Only 2% of the Indian population has so far undergone skill training, one of the lowest figures in the world. Traditionally, the government focus in the education sector has been towards delivering primary, secondary, and higher secondary education and enhancing infrastructure to reach the broader population.

The Indian government has set a target to provide vocational training to 500 million workers by 2022 in order to remedy the human resources gap. One of the measures taken by the government was to create the National Skills Development Corporation (NSDC), a public private partnership encouraging private sector engagement in skill training and development.

Development Effects in a Nutshell

With the help of VenturEast, Orion Edutech was able to raise USD 6.3 million of debt funding from the NSDC to expand its operations.

Orion Edutech has trained over 100,000 students in a wide range of areas since its beginning in 2005.

75,000 of Orion Edutech's former students have found employment by being trained to industry standards and through Orion Edutech's partnership with numerous corporations. Due to Orion's high standards, some employers offer a 100% placement rate for Orion graduates of certain programs.

Orion Edutech has operations across 16 states in India, including 6 of the 10 poorest states according to per-capita income.

A unique focus on semi-urban areas creates opportunities for those outside of the standard reach of other training programs and opens new possibilities to those coming from a rural background.

Orion Edutech facilitates the students' access to low-cost education loans in partnership with the NSPD.

Orion Edutech students are often the first generation in their families to be formally educated; with employment they are then able to support their parents and families and repay their student loans. This often leads to a continuation of education in following generations, thus contributing to the alleviation of India's poverty.

Orion Edutech has been recognized with awards such as the Franchisor of the Year in Education at the Franchise Plus Awards in 2010 and the Best Vocational Training Institute at the Indian Education Awards in 2011.

Data as of August 2014

Obviam has made reasonable efforts to ensure the accuracy of the data presented. A case study is made possible both through Obviam's first-hand experience and/or the information provided by Obviam's investment partners. Data is valid as per the date recorded.



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