

Fear Returns to
Markets PG 76

Pharma: Takeover
Therapy PG 86

Expats Catch
Football Fever PG 108

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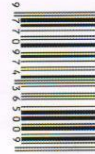
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GEN NEXT

INDIA'S HOTTEST START-UPS



BT's hunt for promising start-ups this year unearths gems with a difference: business models that survived a recession which felled many a giant. PG 34



MONEY SHARMA/www.indiatodayimages.com



The super trainer: Elements' Saxena (second from L)

ELEMENTS AKADEMIYA

Talent Factory

What do you do when you are a month-old start-up and a leading business process outsourcing or BPO firm wants a stake in you? Nishant Saxena, founder and CEO of start-up Elements Akademia, an employability training player, got ambitious.

Elements Akademia had a dream launch in October 2007 with its first centre in Lucknow. When the potential investor promised to take a 20 per cent stake for \$1 million (Rs 4.7 crore), Saxena decided to roll out centres in Kanpur, Bhopal and Jaipur.

Then the investment failed to materialise and all cash dried up by mid-March 2008. "We did not even have the funds to pay salaries and were about to go under," says Saxena, 33, an IIM-Lucknow alumnus who has worked with Procter & Gamble across Asian locations, and been guest faculty at premier B-schools.

An angel investor, the late Rusi Brij, former CEO and Vice Chairman of Hexaware, came to his rescue.

The big lesson? It's important for

a start-up to preserve cash, says a wiser Saxena. "My grounding was in a large company like P&G where, at our levels, availability of cash was never a problem," says Saxena.

His start-up has now been profitable for more than one year, and it ensures that it always has six months of working capital in the bank.

But the bailout did not end Elements' troubles as the economic slowdown of late 2008 engulfed its main consumers—companies looking for trained manpower. Elements Akademia was a business-to-consumer or B2C model with infrastructure in five cities and huge costs. Jobs disappeared and registrations in the vocational training industry shrank. The fixed costs did not.

Saxena decided to shut many of the offices and move to a less capital-intensive model: business-to-business or B2B. It now offers its services to colleges and the government. It ties up with Tier II/III professional colleges and embeds its training in their curriculum. Colleges pay for the

FOCUS: Education in Tier II cities, particularly MBA and B. Tech Colleges

COMPETITION: Hero Mindmine, Aspire India, Global Talent Track

BUSINESS: Has 20-plus paying clients, and has expanded from five cities to 10

BIGGEST RISK: Service delivery, given rapid expansion

THE BEST ADVICE I GOT AND FROM WHOM:

Do it right instead of just fast

—Shantanu Bhagwat, Partner, Amadeus Capital and Sudhanshu Sarronwala, Founder CEO of Soundbuzz

training since it boosts their placements. Elements also works with governments for training students from poor families who have cleared Class X. The governments pay for the training as part of its welfare schemes.

What next? "We have already got queries from Nigeria and offers from companies to set up similar institutes in China. But we first want to maximise the potential here," he says.

SAUMYA BHATTACHARYA