

Decoding the NSE-TalentSprint deal and what it means for the continued-learning ed-tech segment

Concept by Muhabit ul haq

Synopsis

NSE Academy recently acquired a majority stake in TalentSprint, which offers courses to upgrade deep-tech and pure-tech skills. But why did a company that provides training for a career in financial investing and advisory make a foray into ed-tech? Clue: Look outside the silos of academic learning, job readiness, and skilling.

The viral outbreak and its impact have shaken up most businesses, but some sectors have come out stronger from the calamity. With schools shut down and classes going online, ed-tech has seen huge traction. On cue, investors have pitched in, too.



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According to ‘The Great Un-lockdown: Indian Ed-tech’, a report by Indian Private Equity and Venture Capital Association and business research firm PGA Labs, test-prep and after-school tuitions continued to make ed-tech headlines in 2020, with over USD1.9 billion in funding. The other segment making waves was continued learning, which not only received USD142 million in funding but also saw some interesting deals such as NSE Academy’s acquisition of TalentSprint.

NSE Academy was set up over 25 years ago with the vision to build a new generation of financial investors and advisors. In a way, much before fintech even entered the vocabulary, NSE was perhaps one of the first such companies to introduce technology in regulation and corporate governance. Two-and-a-half decades down the line, what’s the rationale behind NSE Academy’s foray into ed-tech and continued education? So, here’s decoding the deal and what it means for the continued-learning segment.

A tale of two stories

“Over time, we realised that financial freedom is possible only when one is

employable, and it is learning — including financial learning, in our case — which provides such employability,” says Abhilash Mishra, CEO, NSE Academy. “Over the last few years, technology has been reshaping banking and financial services, and while BFSI continues to be a major employment generator, we needed to look more deeply at where we could integrate the tech learning and take the NSE brand forward.”

Which is where TalentSprint comes in. The company provides courses that help upgrade deep-tech and pure-tech skills and has also developed partnerships with academic institutions. Shantanu Paul, co-founder of TalentSprint, says, “Our earlier thesis was that there would be two kinds of people in the future — those with technology and entrepreneurship skills, who would be the algorithm creators, and those who would be working with those algorithms. We wanted to enable more people to join and get ready for the first category.”

With emerging job shifts in technology and the skills needed to find new careers and thrive in them, this was a category that others also have taken note of. The segment Paul calls algorithm creators has over the last few years seen a lot of interest, with offerings spanning data science, machine learning, AI, coding and more.

Great Learning, Udacity, Simplilearn, Eruditus, upGrad, Newton School, Masai School, among others, have set up programmes in this space. Along with the courses and the possible employability opportunities, many companies have also been exploring income-sharing agreements (buy-now-pay-later model).

The market size for this segment is estimated to be around 10 million people. Although there is high demand for jobs in these disciplines and the need for specialised upskilling and the aspirants' ability to pay more premium fees, isn't there too much competition in this segment? Indeed, companies have been trying to find their niches to build growth, especially after Covid-19.

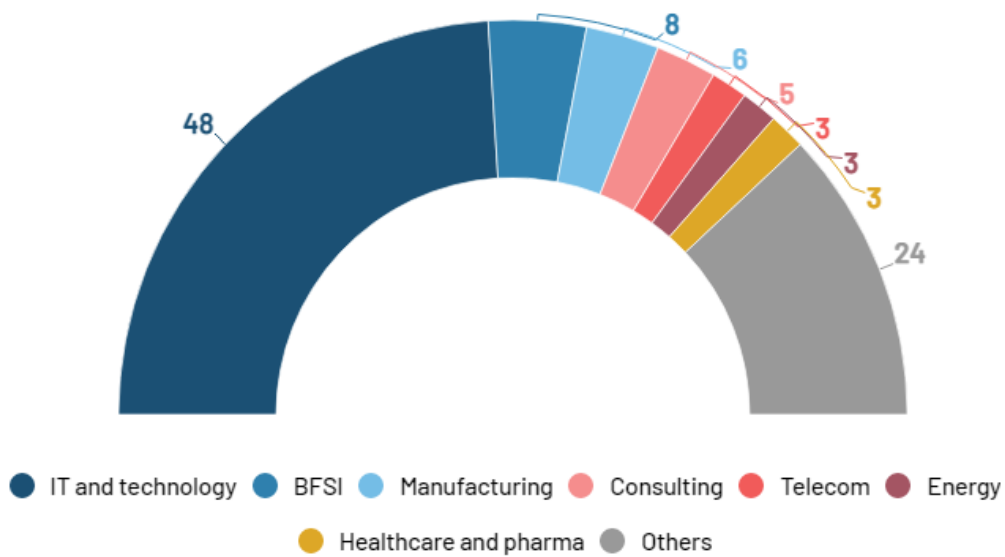
Talent Sprint's revenue for 2017-18 and 2018-19 were INR23.9 crore and INR33.7 crore respectively, with corresponding losses of INR5.9 crore and INR2.6 crore.

The pandemic as a booster

According to Great Learning, during 2020, its advanced programmes that saw the highest demand and over 90% completion rates were data science and business analytics, AI, and machine learning, cloud computing, and design thinking. Professionals from the IT and technology domains (48%), followed by

BFSI, manufacturing, and consulting comprised a big chunk of trainees. This has been followed by demand from the telecom, energy, and healthcare and pharma sectors. Chennai, Bengaluru, Mumbai, Hyderabad, and Delhi-NCR accounted for 84% of the demand.

Split by learner domain for top advanced programmes



Hari Krishnan Nair, co-founder, Great Learning, says, “The ed-tech sector has been witnessing a steady growth in the past five years, with the adoption of online learning becoming the new normal. However, Covid-19 turned out to be a catalyst for ed-tech companies, ensuring that we not only maintain high-quality delivery of content but also introduce new platforms and programmes that help learners power ahead.”

Nair adds that young professionals now understand the need to upskill and relearn early in their careers, which helps them to be in sync with the changing nature of industries and organisations in the digital era.

Newton School adds another angle: Work from home has enabled more women to look at potential opportunities, and there could be more such niches emerging.

The focus and the acquisition reason

Sensing the shifts in the market, TalentSprint has broadened its original thesis

on the algorithm creators and algorithm workers to identify a new and emerging category — algorithm collaborators. They could also be called citizen data scientists. These are professionals from diverse fields who need both data literacy and the ability to incorporate data-science and machine-learning applications in their work to harness technology more and take better decisions. Paul gives the example of a great surgeon who can now use robotic surgery for more precision.

The emergence of algorithm collaborators opens up the segment, which can be 10x of the number of algorithm creators that Paul had identified, making it a market of over 100 million people.

For TalentSprint, this also meant more vertical-focused courses that could be integrated with deep-tech. TalentSprint had already launched courses on digital health with International Institute of Information Technology and on fintech with **Indian Institute of Management** in Kolkata.

The NSE Academy deal will continue the verticalised shift even further and signal a move to blend learning on deep technology with capital markets and financial learning with an applied combination of technology and financial skilling.

This strategy has driven the growth numbers of TalentSprint so far. In terms of their user base, for every 100 participants, 60% are now young college graduates; 20% have work experience between one and five years; and 20% are more experienced, some even with more than 15 years of experience. The company has 10 active products now, including global partnerships with companies such as Google and Pega.

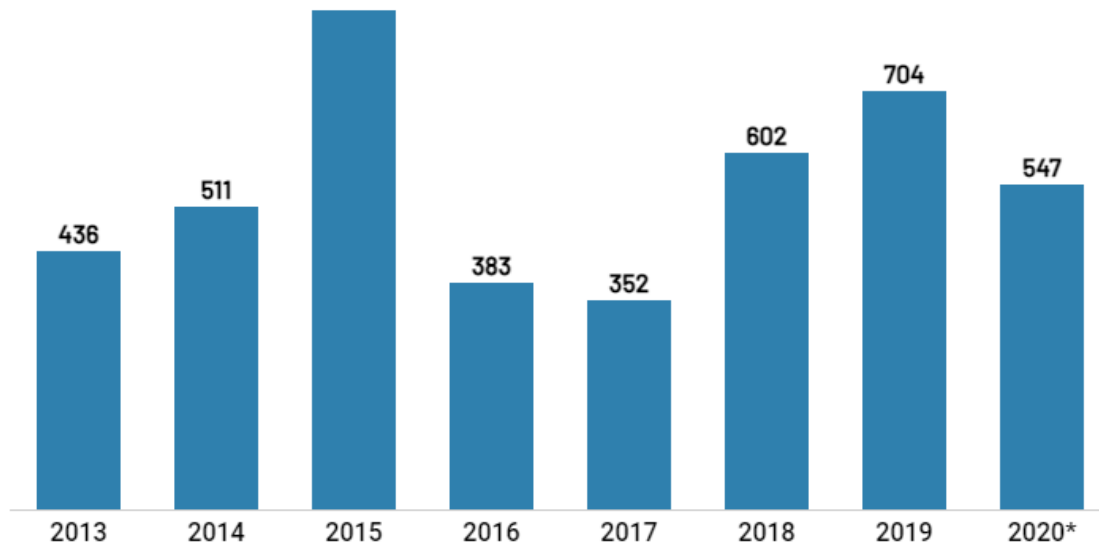
Although he declines to disclose deal financials, Mishra explains the rationale behind NSE Academy acquiring TalentSprint. “The team has built a robust delivery mechanism, with an in-house and in-built delivery platform. Its tested and scalable technology stack provides an enhanced student experience,” he says.

Despite the promise of the combined expertise, how scalable is this model? Some answers can be found in the global growth of the continued-learning market.

The global market for continued learning

With companies like Coursera, Udacity, and Pluralsight, the continued-learning sector has seen eight IPOs and the emergence of three unicorns. It has a broad range of sub-sectors, in which an estimated USD500 million were invested in 2020.

Investment in continued learning



* Estimate

Figures in USD million

Source: Tracxn

 ETPrime

Ac
Go

Professional

Courses

Multidisciplinary
coursera **Udemy**

IT education
codecademy **DataCamp**

Management
digital marketing institute **investoo**

Sector specific
LeQuest **CareAcademy**

Educational resources
Benchling

Networking platforms
EduGrowth **IVY THE SOCIAL UNIVERSITY**

Skill development

Categories

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BRIT+CO **SKILLSHARE**

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JoyTunes **Fender**

Driving
ACEABLE **ornikar**

Course-creation platform
teachable **ShowMe**

Casual

Multidisciplinary
curiosity **DARBY SMART**

Mobile-app studio
THEGAMEΔGENCY **GROWL Media**

Brain training
lumosity **akim BrainFitness**



Source: Truora

ETDrina

India, too, shows an increasing breadth and scope in continued learning, with companies creating strategies and clear market segments. Venture-investment database Tracxn shows 22 companies that have received over USD1 million in funding in this space.

In the professional-learning space, beyond what has been observed in data science and coding, there is an opportunity for global institutional partnership, which companies like Eruditus are driving after the new education policy's more flexible approach towards higher education. While Kraftshala has been focusing on marketing courses for aspiring MBA students and marketing professionals, Virohan has been focusing on healthcare skilling. Terra.do focuses on climate-change action.

There are a host of similar verticalised skilling offerings, many powered by technology, and linked to employment. The National Skill Development Corporation is also trying to **reinvent its offerings** after the pandemic.

In the casual-learning space, there are interesting models emerging like that of FrontRow, which like the masterclass model, brings celebrities as trainers in disciplines that they are known for. Harappa Education, on the other hand, has

been focusing on life skills.

Given that future of work is getting more uncertain by the day, it will be interesting to watch how growth in these upskilling areas picks up beyond the immediate need for professional skilling.

The ISA model: good and bad

While many companies in the continued-learning space have been using the ISA (income-sharing agreement) model, in which learners pay only after joining a company, TalentSprint has stayed away from it so far. The promise of ISA is a big attraction for learners, making higher education affordable and employment real, unlike much of standard college education. It has worked well in some segments and in geographies such as Latin America, but TalentSprint believes the model is yet to play out more fully and doubts its long-term sustainability.

There is a growing ecosystem of financing companies that are building their loan portfolios by underwriting ISA loans. As the models evolve and number of students and the need for jobs increase, the evolution of the underlying credit assessment checks, collection rates, and loan-book growth will be closely tracked.

The endgame

Mishra says NSE Academy had so far worked on more short-term certifications and programmes (2 million-plus certifications and 5 million-plus in institutions) whereas TalentSprint's focus was more on medium and long-term programmes.

Mishra and Paul believe the deal will help learners shift from a path of self-discovery to a more guided academic intervention; a sandbox environment with lab; simulations; and industry experience. According to them, financial services will continue to be driven by technology changes and this partnership will help them bring more creativity in developing new products as well as possibilities of academic, corporate, and regulatory collaboration.

For TalentSprint, it will also mean a larger distribution reach, with more B2B and B2G access through existing NSE partnerships that will help it triple its current 10,000-plus student base. Risk management and financial forensics are some of the areas it could start ideating on.

Covid-19 has shown two clear trends. With institutions being closed and learning moving online, there are questions over the validity of the college-education model, if cheaper alternatives are possible with blended learning. This is more urgent in the light of the flexibility the new education policy proposes around higher education. The short-term response, as the **journey of Eruditus** has shown, is to go for more collaborations between academic institutions and technology and ed-tech partners beyond India to bring both the campus and networking effect besides tech-enabled learning, assessment, industry connect, and job readiness.

Coursera shared with ET Prime that given the impact of the pandemic on higher-education institutions globally, and with the new education policy also allowing for-credit learning, several leading institutes are integrating online learning into their curriculum. Sixteen IITs and nine IIMs have partnered with Coursera to deliver relevant learning to their students.

As the deal between NSE Academy and TalentSprint shows, there could also be broader partnerships and collaborations that break out of the silos of academic learning, job readiness, and skilling in emerging high-demand disciplines.