



GLOBAL LEADERS PROGRAMME

NEW MODELS FOR SKILL DEVELOPMENT AND ENABLING LIVELIHOODS IN INDIA

FEBRUARY & MARCH 2018

EXECUTIVE SUMMARY



FOREWORD

Within the coming decade, India is expected to become the world's most populous nation and the youngest country with an average age of 29 years. The demographic transition makes it imperative to ensure employment opportunities for the more than 12 million youth joining the workforce every year. Only about 5% of India's workforce undergoes any form of skill development and the country faces a dual challenge of severe shortage of highly-trained labour as well as the non-employability of large sections of the educated workforce that possess little or no job skills.

Skill development and an employment-ready workforce is critical for India's economic growth and social development, and will determine whether it can take advantage of its "demographic dividend".

In February 2018, an international cohort of high-potential managers representing a dozen companies and countries participated in the Global Institute for Tomorrow's flagship Global Leaders Programme (GLP) in Hong Kong and India. Internationally recognised for its intellectual rigour, experiential methodology and its output driven approach, the GLP puts participants' leadership and problem-solving abilities to the test through real-world business projects in emerging markets.

On this programme participants worked on a field project in Bangalore and Mysore with one of India's largest skill development providers, LabourNet. Tasked with finding creative and more sustainable ways to support LabourNet's vision to skill and enable livelihoods across India, the cohort engaged in site visits, information gathering and interviews with LabourNet staff and trainers, graduated, current and prospective students, entrepreneurs, local communities and corporate representatives.

The team then developed a business plan for LabourNet to expand its current business through new product offerings while also capturing new revenue streams. Through the proposal, LabourNet is able to reduce its dependence on government and CSR funding, and explore alternative income streams through complementary businesses that allow it to further its impact and improve the livelihoods of more people.

I am delighted to share this executive summary of the business plan with our partners at LabourNet as well as readers around the world with an interest in financially viable, socially inclusive business models for the 21st century.

For the full report, please download a copy at:

<http://www.global-inst.com/pastprogrammes/2018/india-labournet>

Chandran Nair
CEO, Global Institute for Tomorrow

CURRENT BUSINESS MODEL & CHALLENGES

LabourNet focuses on providing varied training programmes for different individuals across a wide range of sectors. With the support of enabling government policies, it has established strong relationships with the government and partner corporations, receiving government and CSR funding to develop and implement its training programmes and skill development centres.



Currently, a significant portion of LabourNet's revenue comes from CSR and government funding. These types of subsidies are difficult to guarantee indefinitely and limit the ability of LabourNet to expand beyond the sectors or projects that donors consider important. In comparison, income-generating activities enhance financial sustainability by reducing dependence on the generosity of donors or budgets of grant-giving foundations, CSR programmes and government agencies.

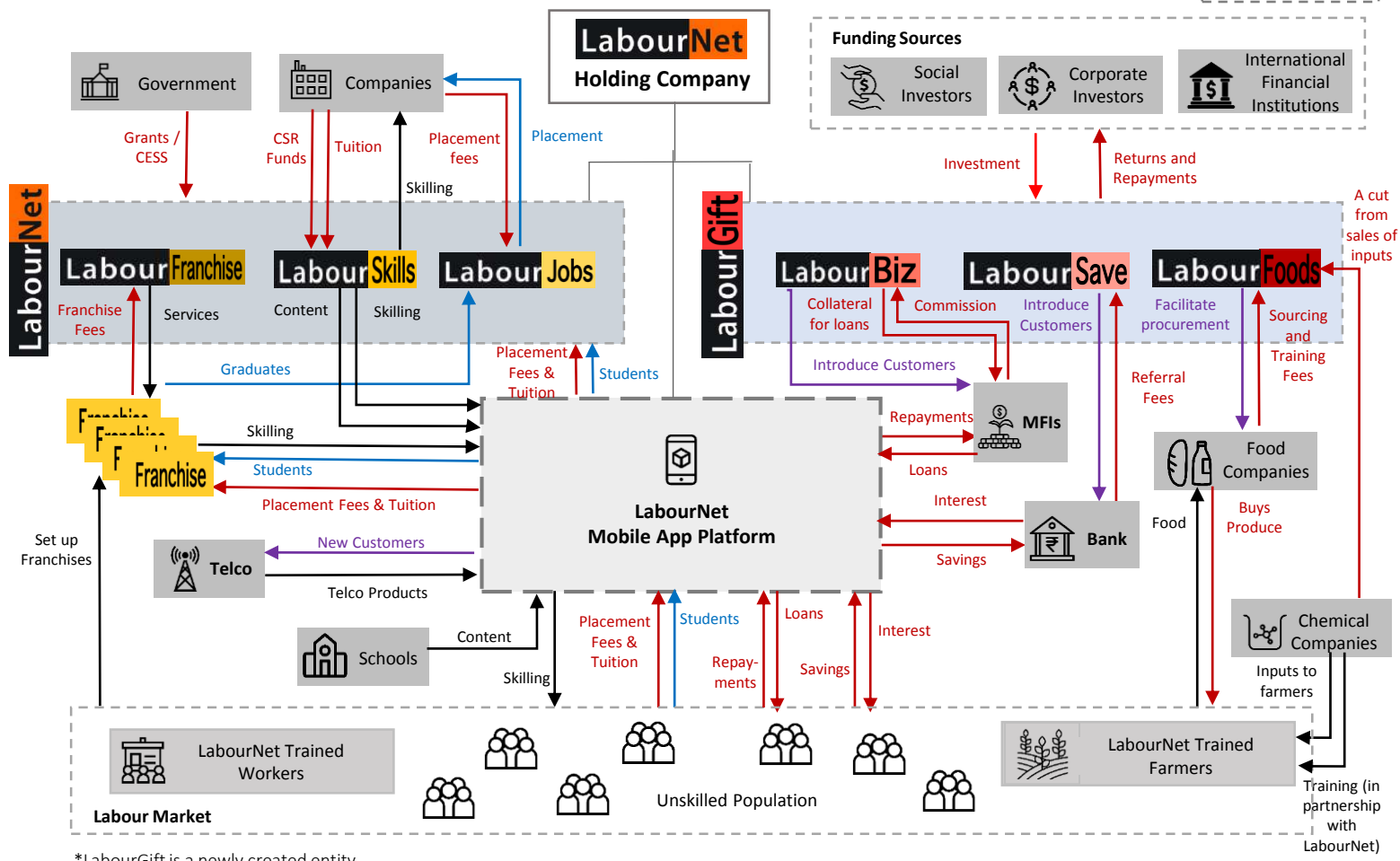
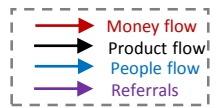
Reducing the dependence on government and CSR funding and exploring alternate revenue streams through complementary businesses will allow LabourNet to further its impact and improve the livelihoods of more people.



BUSINESS MODEL OBJECTIVES



PROPOSED BUSINESS MODEL



*LabourGift is a newly created entity



LabourNet Holding Company is proposed to be set up to manage the two new subsidiary companies with different business focuses, LabourNet and LabourGift.

LabourNet

LabourNet's existing core business of skilling and job placements will be expanded under the new subsidiary. LabourNet consists of three business units, LabourFranchise, LabourSkills and LabourJobs. The subsidiary will focus on maximizing the outreach of its skilling programmes through franchises, and also through providing advanced training programmes to support upskilling

LabourGift

LabourGift is a new company set up to manage, administer and grow the services of LabourBiz, LabourSave and LabourFoods. These new business streams focus on livelihood enablement through facilitating micro-lending and savings schemes for individuals who currently lack access, and to support the health and well-being of farmers through training them to grow safer and higher-value produce for the market.



- A LabourNet Mobile App will be developed as a one-stop shop that aims to spread LabourNet's educational content and accelerate the outreach of LabourGift's new offerings.
- LabourNet will partner with a Telecommunications Company (Telco) to pre-load the app into sim cards sold by the Telco so training content and LabourGift products can be shared easily with mobile users.

NEW PRODUCTS

LabourNet

LabourSkills



Skilling solutions
Basic + Advanced
International Migrant
Skilling

LabourSkills

LabourJobs



Job exchange e-marketplace
International Migrant
Placements
Domestic placements

LabourJobs

LabourFranchise



Franchise Network Solutions
Business support services
Quality control and
certification

LabourFranchise

LabourGift

LabourBiz

Micro lending to
entrepreneurs Education
loans

LabourBiz

LabourSave



Savings with preferential
interest rates for future
needs
Collect deposits for banks

LabourSave

LabourFoods



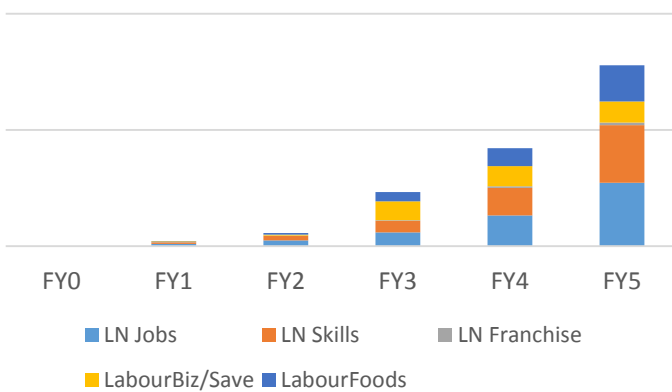
Farmer training and
education for safer crops
Green food sourcing

LabourFoods

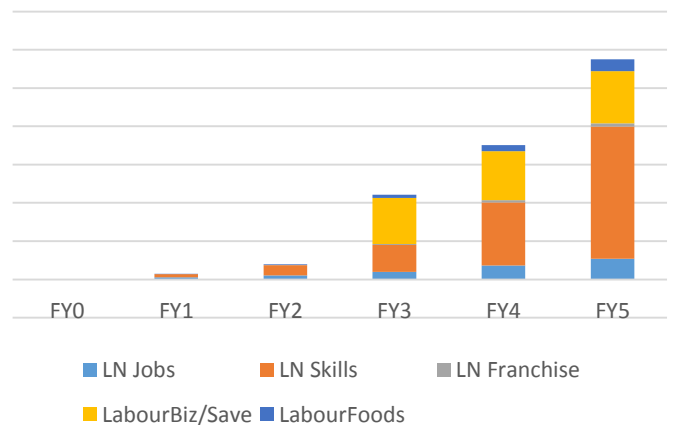
FINANCIAL PROJECTIONS

LabourNet's social business presents an opportunity for investors, who wish to create significant social impact on upskilling and employment in India. The financial projects show that profits will be recorded from Year 3 onwards and more than double by Year 5 due to the expansion of the current services and the introduction of new services.

Revenues



Gross Profit



Participating Organisations



Project Partner – LabourNet

Founded in 2008, LabourNet is a social enterprise focused on improving quality of life for individuals and communities in the informal workforce. With a focus on Education, Employability and Entrepreneurship, their skill development programmes are aimed at improving worker skill and productivity, thereby enabling livelihoods and improving real income wages of the informal sector.

LabourNet focuses on providing varied training programmes for different individuals across a wide range of sectors. Since their establishment, they have impacted the livelihoods of 550,000 people across 25 states and over 20 sectors, including construction, beauty and wellness, leather, agriculture and automotive industries.

LabourNet offers a wide range of outcome-based solutions to corporates, educational institutions, government and Individuals that generate social and business impact.



Tomorrow Matters.

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