

A Case Study on Success Story of Alpha Computer Institute

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ABSTRACT: : Alpha computer is one of the leading computer software and hardware training institute of Nagpur. Since its inception in year 2000, the institute has seen many changes and trained thousands of students, many of them working in good position. The owner of the computer institute took hard efforts for the success and expansion of the business. Currently Alpha computer has two branches in Nagpur. This case study explores the marketing strategies and business model of the Alpha computer institute. In this case study, we will try to find out the answer for various questions such as- What are the factors that led to the success of the training institute business? What are the important resources required for doing computer institute business? What are the challenges faced by the institute in doing business. What type of services provides by Alpha Computer to its customers? Who are direct or indirect competitors? What are the future plans of the business owner?

This case study provides learning opportunity for entrepreneurs and individuals who are interested in setting up the training or coaching business.

Key Words: Computer Institute, business, challenges, expansion, future plans etc.

INTRODUCTION

The site chosen for this case study is alpha computer institute. Alpha computer is one of the renowned names in east and north Nagpur. This computer institute has two branches, one of the branches is located in Golibar Chowk which is the main branch and another branch is located in PremNagar area. Initially this institute was set up by (Mr. Dinesh) in the year 2000 single rented room of size 15x20 with a limited computers (i.e. 4). The current owner (Mr. Umesh Nipane) was used to work as assistant trainer. Over the period of time Mr. Nipane has learned many software and hardware courses as he was passionate about teaching. In 2006 Mr. Dinesh got the government job due to which he was unable to pay attention to the business so he offered partnership to Mr. Nipane. This business partnership lasted for 2 years i.e. 2006 to 2008. During this tenure Mr. Nipane used to look after all the administrative and management works of the computer institute. He understood the details of the computer institute business. In the year 2008 Mr. Dinesh gave up the business consequently Mr. Umesh Nipane left as a sole owner of Alpha Computer. Since then Mr. Nipane has been taking substantial steps to take the business to the new height. First of all he moved the institute to bigger commercial space and enhanced the number of computers i.e. right now he has more than 50 computers at each branch. He built new infrastructure for the computer institute including furniture, office, computer lab, theory lab, washroom, drinking water facility, free internet facility for the students, teaching through Projector, LCD Monitor and ample parking space. He registered the name Alpha Computer under his ownership and gets the institute ISO 9001 certified. He expanded the business by opening a new branch of Alpha Computer in "Dahi Bazar" area with the similar infrastructure in 2015.

BUSINESS OVERVIEW

Alpha Computer Institute offer computer education through different software and hardware courses. The institute provides short term as well as long term courses for different age groups with time flexibility. It offers computer programming and hardware courses for graduate/undergraduate and professional students. Similarly it offers computer fundamental courses for school students, housewives/senior citizens etc. It also offers DTP, Animation and Accounting software courses. The course fees and course duration vary for different courses. The students can pay the fees on lump sum or in monthly instalments. Thus the computer education is the only source of income for the institute. Therefore institute always make effort to engage the students for long term courses and increase the number of admissions by providing quality education to the students.

OBJECTIVES

The objective of this case study is

1. To share the success story of computer institute business.
2. To explore the business strategy adopted by Alpha Computer.
3. To explore the challenges and problems in operating the computer institute business.

MARKETING STRATEGY

The owner of Alpha Computer strongly believes that marketing and advertisement plays very important role in the making of brand value, success and growth of business. He does all types of advertisement and personally opines that word of mouth publicity is best but has limited scope, in order to overcome this and being the local computer institute of Nagpur city he invested large share of his income in wall painting. One can see the wall painting advertisement of Alpha Computer throughout the Nagpur city.

Along with the wall painting Mr. Nipane also gives advertisement through cable TV, cinema theatres, brochures and pamphlets. All the students who join different courses in Alpha Computer are given free course material and bag containing the logo and name of Alpha Computer. In addition to this, Alpha Computer runs different schemes from time to time through which it offers free laptop, desktop computer and tablets to the students who joins diploma courses. Recently as a part of brand promotion Mr. Nipane has given a pair of uniform containing logo of Alpha Computer to all his employees.

Alpha Computer also plays its part of social responsibility. It conducts charity programs at nearby schools, tuition classes and donates bags, shoes, clothes etc. to the underprivileged students of the society there by making its presence in the different part of the society.

SUCCESS FACTORS

Every successful business has different factors which are responsible for taking the business to higher level. Alpha computer is not exception to this; some of the critical factors that are responsible for the success of Alpha Computer are -

1. Prime location

One of the most significant factors in the success of any brick and mortar business is that how easily customer can access your site of business. The Alpha Computer institute is located at prime location (Golibar Chowk) in the densely populated area of the Nagpur city. Thus, due to the prime location and ease of access Alpha Computer get most of the admission from different areas of the city.

2. Customer satisfaction

However, due to the prime location and ease of access, business can get customer but even more important thing is to retain the customer. This is possible only when customer is satisfied with the service given by business. At Alpha Computer, the owner himself make sure that each and every student must get quality education and he frequently takes the feedback from the students to find out any shortcomings and takes the prompt action accordingly.

3. Reasonable fees

No doubt quality of product matters a lot but at the same time business must keep the prices of their product reasonable otherwise it becomes difficult to survive in the market. Indian customers are very price sensitive. When talking about education business students want quality education at reasonable fees. Alpha Computer provides quality education at reasonable fees that add on success of the Alpha Computer.

4. Instalment facility

Another factor that led to the success of Alpha Computer is that student can pay their course fees in instalments. Since many students belong to the poor family it is not possible for them to pay the fee in lump sum. Alpha Computer admits the students for minimal fees and student can pay rest of the fees in monthly instalments. Thus, both the students and the institute has win-win situation.

4. Job placement

If the education doesn't help you in getting the job and skills then it is total waste. The faculties of Alpha Computer strive to develop skills in their student through quality education and hands on practical. The management of Alpha Computer also made a tie up with several businesses that require manpower with computer skills. Alpha Computer provides jobs to needy students in those businesses whenever need arises.

5. Guest lecturers as value addition

Customers feel happy when they get something extra other than what they paid for. In line with this fact Alpha computer organizes guest lecturers occasionally on diverse areas of interest such as latest trends in IT, share market, career guidance, personality development, communication skills etc. as value addition to their courses.

6. Advertisement gives sense of pride

When customer visit different places and sees the advertisement of the organization whose services he/she enjoying it gives them sense of pride. As mentioned before the owner of Alpha Computer invested large share of his income on advertisement. He has done wall painting throughout the city and its nearby villages. When the student goes to the different part of the city or nearby villages and sees the advertisement of the Alpha Computer he/she feels proud. Similarly when the students see the advertisement in cinema theatre, cable TV etc. they share it with their friends and relatives which build the positive image of the institute. Dedication and tireless efforts of Mr. Nipane and his employees act as critical factor in the success of Alpha Computer education business.

CHALLENGES

Business and challenges are the two sides of the coin, if you are doing business then there will be challenges. Alpha Computer institute also facing some challenges which are as follows –

Reducing student dropout rate

Despite providing quality education and different facilities to the students, some students drop out for variety of reasons. When done the survey some students said that they don't seek job in the computer field and it is secondary thing for them. Some students said that they are not interested in the computer field. While the other student said that they are not in position to pay the fees for the course. Couple of students narrated that they remain absent for few days and now they don't understand what is going in the class that's why they left the course. Some student cited personal reason for not continuing the course.

No matter what, dropout of students is a matter of concern for the owner of Alpha computer he finds it challenging to reduce the dropout rate of students.

Fees recovery

Most of the students of Alpha Computer pay course fees in monthly instalments. Some students don't pay fees within the grace period and if they are reminded about the course fees repetitively they leave the course. Thus, recovering the fees from students in timely manner is challenging.

Hiring the competent candidates as a trainer

In the field of computer education business well qualified and reliable trainer is must. Because the trainer is the person who remains in contact with student most of the time after the student gets admitted to the institute. The impact of trainer on students decides whether they will continue the course or not. When the students get satisfactory education/service, they join for the next course and also recommends to their friends and relatives for joining the organization. Thus trainer is act as a driving force in any computer institute. The computer institute having hundreds of students requires several trainers with specialization in different courses. Hiring the right candidate as a trainer is tedious and time consuming process as it involves publishing advertisement, interviewing the candidate, negotiating salary and making the deal. One of the problem often faced by the computer institute that the trainer doesn't stay longer with the business; as soon as they got better opportunity they leave the job.

There is severe competition in the business of software training institute which compels the owner to keep fee of the computer courses as minimum as possible to survive in the market. From the business point of view owner can't afford to hire excess or very expensive trainer frequently because of the financial constraints.

Securing Profit in the highly competitive environment

The goal of any business is to gain the profit. The owner of Alpha Computer has to bear various expenses including rent, electricity bill, employee payment, marketing cost etc. The only source of income is from student course fees. In this scenario, the owner can rip the maximum profit by only two ways i.e.

1. By increasing the course fees
2. By increasing the number of admissions

The problem with the first approach is that there are number of competitors in the market. If alpha computer increases the course fee, it will reduce the number of admissions and the prospective students may divert to the competitors.

In this scenario, the second approach seems most suitable but since the alpha computer located in market location and there are many competitors at nearby locations which includes ARC computers, Escort computers, Techone computers and many others who are trying to persuade the students in different ways makes it difficult to bring the large number of admissions.

THE FUTURE PLAN

The owner of Alpha Computer is serious about business expansion. He intends to open new branches in different parts of the city. He is also planning to give franchise of the institute in different parts of the city to generate revenue. In addition to this, the owner of Alpha Computer also working on launching the new courses shortly. During discussion Mr. Nipane told that he will set up a new branch within a year. In this direction, he hired the services of business mentor and after deep analysis will take the next required action.

Discussion Questions

1. What should be done to reduce the dropout rate of student?
2. Although, Alpha Computer institute is doing well, do you think that granting franchise will be beneficial for the business?
3. Do you believe that opening of new branches will help Alpha Computer to enhance its revenue?
4. Do you think Alpha Computer should open its branches in other cities also?
5. Do you feel that Alpha Computer spending more on advertisement?
6. What suggestions would you give to improve the business further.
7. What steps should be taken to make the institute business even more profitable?

References

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1. Mr. Umesh Nipane (Director, Alpha computer) Nagpur (India)