

Case study – India Entry Strategy for CAD Engineering Service Company

About the assignment

Our Client was small size European company into the business of providing CAD and Engineering services especially to oil & gas sector. The company expressed the need to outsource design and analytical services to India. Due to this project there were obvious cost savings for the company and an opportunity to utilise abundant talent pool of Indian engineers.

The stages of project life cycle

1. Business plan: After initial introduction about this company, we prepared a business plan for their possible Indian operations. We made certain assumptions like size of the Indian operations, required equipments and software etc and prepared a business plan. The plan contained details about one time business establishment cost, salary levels, office rental cost, and other fixed and variable overheads. The business plan gave a clear picture to the company for taking further steps.
2. Company establishment: We suggested the company to establish a Liaison office in Mumbai. The advantages of having a liaison office were ease of foreign investments, no tax and easy exit option compared to other forms of establishments. We successfully registered the liaison office in India in a record time.
3. Recruitment: We started the recruitment exercise for hiring suitable design engineers for the India office. The exercise was started in parallel to the company establishment activity. The challenge was to convince the prospective candidates to leave their settled jobs and joining a start –up company. The recruitment process consists of scientifically proven steps to ensure that the right candidates are selected. The recruitment advertisement was released in major metro cities across India using suitable media within the cost budget constraints. Initially 3 candidates were recruited and later 4 additional candidates were hired on the roll of the company. All pre-employment formalities like salary negotiations, medical examination, appointment letters, etc were handled by us. For the final selection of candidates, joint interviews along with the client’s representatives were conducted in Mumbai.
4. Location search: We conducted a search for establishing the office for the liaison office in Mumbai. A suitable office premises was identified in the suburb of Mumbai. All the activities related to the rental agreement and legal formalities were undertaken by us.
5. Office development: The selected office premise was developed as per the company’s requirements keeping the European taste in mind. Necessary office amenities were also provided like conference room, air conditioners etc. All the

activities right from designing of the office up to supervising the interior work was undertaken by us.

6. Importing IT equipments: The Company wanted to import certain work stations to India in order to start the operations. We assisted them in importing the equipments and also handled the custom clearance, payment of import duty, logistics and installation of the equipments in the India office.
7. Local procurement of IT equipments: Based on the requirements of the company, we assisted them in procuring IT hardware and software from local vendors. The company wanted to have a seamless communication between their head office and liaison office. Hence we also assisted them in procuring equipment and setting up a Virtual Private Network (VPN). Resultantly, the India office could be virtually monitored by the head office.
8. Day to day office management: To enable the Indian employees to concentrate on their work, all the day to day functions of the liaison office were handled by us. We took care of things like statutory regulations, payment disbursements, general office administration, book keeping, etc. We were able to manage all these activities using our own resources.
9. Training for employees: The Company wanted to train some of their key employees in the head office at Norway. We coordinated locally for procurement of visa for the identified employees. We handled some of the taxation matters which arise due to long duration stay abroad for Indian employees when some of the employees were supposed to be deployed at the customer's site in Norway. We also ensured that the interest of the company was taken care by drafting a suitable contract between the employees and the company management to secure them from unforeseen liabilities in the future.