

About Client: Client is Japanese engineering major manufacturing heavy duty industrial pumps with presence across globe

Client Situation: Client at that point was looking to enter India. They had presence in India through import of products and a local warehouse. In this arrangement, they were not able to match the pricing of local and Chinese manufacturers. To counter this, they decided to have a manufacturing facility and a warehouse in India. They wanted to finalize the location of both plant and warehouse to reduce cost and improve customer service.

What we did: Following were the elements of our solution

- Started selection process of plant with a top down approach, collected information on all existing manufacturing hubs, central and state government incentives, logistics costs, infrastructure, supply of skilled workmen, proximity to customers and host of other parameters that were important to the client
- For warehouse, we analyzed the service requests of past 3 years and the locations they were coming from. We also studied the presence of other warehouses across the country. We finalized a warehouse location that was close enough to fulfil most service requests and at the same time real estate costs were in control.
- We initiated communications with the state government offices for the factory location. We facilitated client visits from the HQ and aided negotiations
- Location was finalized in a state of south India that offered best incentives and had all requisite infrastructure.
- We also helped in establishing Project Management Office for the factory set up that took more than 2 years

Outcomes

- More than 50% reduction in the selling price of motors when compared to the imported ones
- Foothold in an important strategic market for the client