CASE STUDY

Expanding Horizons: Transforming a US Steel Supplier into a Thriving Subsidiary in India

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EXECUTIVE SUMMARY

Expanding into international markets presents businesses with immense opportunities for growth, cost efficiency, and access to a diverse talent pool. However, it also comes with unique challenges that require careful planning and execution. This case study showcases how a US-based steel subcontractor partnered with Manayill Consulting to establish a thriving subsidiary in Bengaluru, India. By leveraging strategic expertise in talent acquisition, custom software development, knowledge transfer, and operational setup, Manayill Consulting helped transform the subcontractor's vision into a successful reality.

In this case study, we explore how Manayill Consulting's strategies enabled the subcontractor to overcome key obstacles and successfully expand internationally. The insights provided will serve as a guide for businesses considering similar global expansion initiatives, highlighting the importance of strategic partnerships, local expertise, and tailored solutions in driving growth and operational success.

BRIDGING BORDERS

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In today's interconnected global economy, companies seeking sustained growth must explore new opportunities beyond their borders. For our US-based subcontractor specializing in steel detailing, the need to enhance cost efficiency, access a broader talent pool, and meet growing market demands presented an opportunity to expand internationally. Here, we discuss common challeneges faced by the US construction industry and how India offers access to a rich resource pool to bridge gaps, streamline operations and present opportunities for sustained growth.

The US Construction Industry: An Overview

The construction industry is a cornerstone of the United States' economy, valued at nearly $2 trillion* in 2023. Employing over 8 million workers** across 919,000 establishments**, its expansion is driven by population growth, urbanization, and supportive economic policies. Rising investments and a recovering economy further bolster its steady growth trajectory, with robust demand in residential, commercial, and infrastructure development.

Insights from:

*https://www.statista.com/topics/974/construction/

**https://www.agc.org/learn/construction-data

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The industry is expected to see a consistent upward trend, reaching $2.7 trillion in market cap by 2027. Despite this impressive scale and growth, the industry faces significant challenges, especially with operations and finance management. In fact, McKinsey states that 98% of large construction projects deal with cost overruns of more than 30%. This data clearly emphasizes the need for an industry overhaul.

Common Challenges In The US Construction Sector

1

PROJECT MANAGEMENT OBSTACLES

Projects delays from scheduling issues ☐

Poor planning and forecasting ☐

Inadequate document management ☐

FINANCIAL CHALLENGES

☐ Cost overrun due to poor estimation and design delay

☐ Cash flow problems disrupting the ability to pay for labor and materials

2

3

WORKFORE AND LABOR SHORTAGES

Fluctuations in labour market ☐

Skills gap due to retiring seasoned professionals ☐

Barriers to attracting younger talent ☐

TECHNOLOGY & COMMUNICATION

☐ Slow adoption of emerging technologies

☐ Miscommmunication between corporate offices and on-site staff

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> *A McKinsey study reveals that **77% of projects** in construction are **at least 40% late.***

Can off-shoring address the challenges?

The answer is a definitive yes. By leveraging skilled global talent, US construction companies—like our client—gain access to a broader workforce, optimize operational costs, and accelerate project timelines. Outsourcing allows businesses to delegate critical functions such as back-office operations, IT support, and specialized technical services, easing pressure on their domestic teams. With a reliable and experienced partner in India, our client successfully established a self-sustaining, high-performing subsidiary—achieving operational excellence without substantial capital investment or overhead costs.

Why India is the ideal choice for offshoring construction projects:

- **Cost efficiency:** India's competitive labor market significantly reduces operational costs, allowing firms to allocate budgets more effectively and manage rising material costs.

- **Skilled Talent Pool:** India boasts a vast pool of professionals skilled in engineering, steel detailing, and project management, addressing the US labor shortage effectively.

- **Time Zone Advantage:** The time difference enables round-the-clock operations, accelerating project timelines and reducing delays.

- **Technological Adaptability:** India's growing expertise in advanced software and digital tools aligns with global construction needs, supporting efficient and scalable project execution.

ENSURING GLOBAL SUCCESS

It's clear thar expanding operations to India offers significant advantages for US construction companies. However, establishing a subsidiary or back-office operation in a new market is not without challenges. Success requires careful navigation of cultural, operational, and regulatory complexities. Here are the most critical hurdles companies face—and what to consider for a smooth transition.

1. Regulatory and Compliance Complexities

Navigating India's intricate legal framework, labor laws, and tax regulations can overwhelm foreign companies. Setting up operations involves adhering to local laws while aligning with US standards—a process that demands time, expertise, and careful attention to detail. Failure to comply can lead to penalties or delays.

2. Talent Acquisition and Retention

While India has a large talent pool, finding professionals with niche construction skills—such as steel detailing, project management, or BIM (Building Information Modeling)—can be challenging. Compounding this, competition for skilled talent is fierce, making retention equally difficult without competitive compensation and growth opportunities.

### 3. Cultural and Communication Barriers

Differences in work culture, language nuances, and communication styles can create misunderstandings between US and Indian teams. Time zone gaps further complicate real-time collaboration, which can affect project workflows and timelines.

ENSURING GLOBAL SUCCESS

4. Quality Control and Standardization

Ensuring that Indian operations meet U.S. quality standards requires robust oversight and continuous training to maintain consistency across projects.
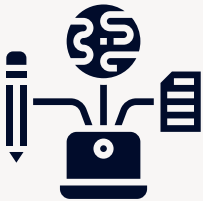
5. Technology Integration

Aligning digital tools, workflows, and software systems between the US and Indian operations can pose integration issues. Without seamless synchronization, operational inefficiencies can hinder productivity and collaboration.
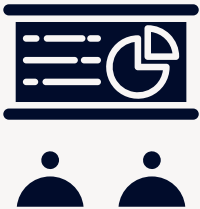
6. Employee Training and Knowledge Transfer

Ensuring the Indian team adopts US processes, tools, and best practices is vital but time-consuming. Structured knowledge transfer programs and ongoing mentorship are necessary to ensure consistency and excellence.

7. Operational Setup Costs

While long-term cost savings are a driver for offshoring, the initial investment in infrastructure, IT systems, and administrative functions can be substantial. Careful planning is essential to avoid overspending during the transition phase.

Despite the challenges, offshoring to India remains a strategic move for US construction companies looking to optimize costs and access top-tier talent. Success, however, hinges on reliable local partnerships that can guide businesses through cultural, operational, and regulatory hurdles. With the right expertise and strategic planning, companies can build sustainable, high-performing subsidiaries in India that drive growth and efficiency.

LAYING THE FOUNDATIONS

The Four Cornerstones of Global Operations Success

Expanding internationally offers immense opportunities but requires a solid foundation to succeed. Without a well-planned strategy, challenges like talent gaps, technological misalignment, and operational inefficiencies can hinder progress. Manayill Consulting addressed these challenges for our client through a four-pronged strategy, expounded below.

1 *Talent Acquisition: Building a High-Caliber Team*

A skilled and cohesive workforce is crucial for any subsidiary's success. For the US subcontractor entering the Indian market, identifying and nurturing the right talent demanded a strategic, multi-phase approach.

- **Market Analysis and Talent Mapping:** Manayill Consulting began by conducting an exhaustive analysis of the Indian talent market, focusing on key geographies and industries aligned with the client's needs. The team mapped out talent availability in steel detailing, project management, and software development to identify regions and institutions producing top-tier professionals.

- **Leveraging Networks:** Drawing on its extensive network of professionals and recruiters, Manayill Consulting reached a broader pool of potential candidates. This approach enabled access to passive job seekers—those not actively searching for opportunities but with the expertise needed to drive the subsidiary's success.

- **Rigorous Screening and Selection:** Each candidate underwent a multi-stage evaluation process, including technical assessments to validate expertise in tools like AutoLISP, Tekla, and Revit. Behavioral interviews were also conducted to assess adaptability, cultural alignment, and the ability to thrive in a dynamic environment.

LAYING THE FOUNDATIONS

■ **Onboarding and Training:** Once selected, team members were enrolled in a structured onboarding program designed to familiarize them with the parent company's processes, values, and operational culture. This included:

☐ **Technical Training:** Focused on proprietary workflows, systems, and tools.

☐ **Cultural Integration:** Workshops to bridge cultural gaps and align the team with the company's mission and work ethic.

☐ **Mentorship Programs:** New hires were paired with experienced professionals to provide guidance and accelerate their transition into the company.

By following these steps, Manayill Consulting ensured the creation of a highly skilled, motivated, and culturally aligned team ready to meet the company's high standards.

2 Custom Software Development: Technology + Operations

For a company expanding internationally, adopting or creating software that addresses unique operational challenges is critical to maintaining efficiency and coherence across borders. Manayill Consulting's approach to developing custom software revolved around understanding the client's workflows and crafting solutions tailored to their needs.

■ **Needs Assessment:** The process began with an in-depth analysis of the client's existing operations in the US. Pain points, redundancies, and bottlenecks were identified through stakeholder interviews, workflow observation, and process audits. This enabled Manayill Consulting to gain a nuanced understanding of the areas requiring technological intervention.

LAYING THE FOUNDATIONS

■ **Collaborative Design:** Engaging both the US-based teams and their Indian counterparts, Manayill Consulting co-created a roadmap for software development.

Key features included:

☐ **Automation of Repetitive Tasks:** Repetitive tasks in steel detailing, such as drafting and error-checking, were automated to reduce manual effort and minimize human error. This significantly improved precision, streamlined workflows, and allowed skilled professionals to focus on higher-value activities.

☐ **Enhanced Collaboration Tools:** State-of-the-art collaboration tools were implemented to ensure real-time updates, enabling synchronized efforts between US and India-based teams. Features like shared workspaces, instant messaging, and video conferencing bridged geographical gaps, fostering efficiency and cohesion.

☐ **Custom Reporting and Analytics Dashboards:** Tailored reporting tools provided real-time insights into project progress, resource utilization, and financial performance. These dashboards enabled teams to identify trends, anticipate challenges, and make data-driven decisions swiftly, enhancing both efficiency and accountability across global operations.

■ **Integration and Scalability:** The software solutions were designed for seamless integration with the parent company's infrastructure, ensuring consistency in data sharing and workflows. Scalable architecture was employed to accommodate future growth and evolving operational needs.

This tailored approach enabled the client to achieve higher productivity while aligning their global operations under a unified technological framework.

LAYING THE FOUNDATIONS
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3   *Knowledge Transfer: Bridging Geographies and Cultures*

Knowledge transfer is pivotal in ensuring that a new subsidiary can replicate the standards and efficiency of the parent company while fostering innovation. Manayill Consulting developed a structured program to facilitate this process effectively.

■ **Comprehensive Documentation:** To standardize processes, Manayill Consulting created detailed manuals, checklists, and workflow diagrams. This documentation codified the parent company's best practices, ensuring consistency across operations.

■ **Training Modules and Workshops:** Training sessions were divided into technical and cultural components:

☐ **Technical Training:** Focused on proprietary methodologies, software tools, and project workflows.

☐ **Cultural Training:** Aimed at sensitizing the Indian team to the expectations, communication styles, and work ethic of their US counterparts.

■ **Mentorship and Shadowing Programs:** Manayill Consulting facilitated a mentorship initiative where experienced professionals from the US headquarters guided their Indian counterparts. Shadowing sessions allowed the Indian team to observe real-time operations, gaining hands-on experience. Advanced collaboration tools were implemented to ensure that knowledge-sharing extended beyond training programs. Weekly virtual meetings, knowledge-sharing portals, and regular feedback loops enabled continuous learning and adaptation.

This comprehensive approach ensured that the Indian subsidiary not only inherited the parent company's expertise but also became an active contributor to process innovation.

LAYING THE FOUNDATIONS

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4 | *Operational Setup: Building a Scalable Infrastructure*

Establishing a compliant, functional, and efficient subsidiary in a foreign country requires meticulous planning and execution. Manayill Consulting's expertise in navigating regulatory landscapes and setting up robust operational systems proved invaluable in this phase.

- Regulatory Compliance: India's regulatory environment involves navigating multiple layers of compliance, including labor laws, corporate governance, and taxation policies. Manayill Consulting ensured:

  - Proper registration of the subsidiary with relevant authorities.
  - Adherence to employment laws, including payroll management and employee benefits.
  - Timely filing of taxes and compliance with financial regulations.

- **Back-Office Functions:** Robust support systems were established to enable smooth day-to-day operations:

  - Finance: Implementing systems for payroll, accounts receivable/payable, and financial reporting.
  - HR: Setting up recruitment pipelines, employee management systems, and performance evaluation processes.
  - IT: Installing secure communication networks, data storage solutions, and cybersecurity measures.

- **Infrastructure Development:** A state-of-the-art office space was established in Bengaluru, equipped with advanced technology and designed for collaboration.

This holistic approach ensured that the Indian subsidiary was not only operationally sound but also positioned for scalability and long-term success.

CONCLUSION

Manayill Consulting's four-pronged strategy of talent acquisition, custom software development, knowledge transfer, and robust operational setup transformed a US subcontractor's expansion into India into a resounding success. This operation not only met immediate needs but also demonstrated remarkable resilience, thriving through major disruptions like the 2008 housing crisis. By establishing an efficient, culturally aligned subsidiary, the company secured a competitive edge in the global construction market.

For organizations expanding to India, key takeaways include:

- **Strategic Talent Acquisition:** Identify skilled professionals aligned with technical and cultural needs. Structured onboarding ensures seamless integration.

- **Customized Technology Solutions:** Tailored software addresses bottlenecks, improves accuracy, and enhances collaboration between global teams.

- **Knowledge Transfer and Cultural Integration:** Structured programs, including mentorship and cultural training, bridge expertise and working style gaps.

- **Robust Operational Setup:** Ensure compliance, implement back-office systems, and streamline logistics for scalability and operational fluidity.

At its heart, success in international ventures lies in bridging gaps—between geographies, expertise, and cultures. By fostering collaboration and leveraging unique strengths, companies can create synergies that benefit all stakeholders. With Manayill Consulting's expertise, bridging these gaps becomes not just achievable but transformative, enabling mutual growth and innovation in the global workspace.

Delivering Expectations

In A Tensor World

About Us

Manayill Consulting is a forward-thinking business consulting and technology solutions provider, focused on helping small and medium sized enterprises (SMEs) navigate the complexities of modern business. Founded in 1999 in Bengaluru, India, we started by offering steel detailing services, but over the past 25 years, we've evolved into a multifaceted consulting firm delivering customized technology, consulting, and operational support solutions to clients across the globe. We understand the unique needs of each business we work with; for our business consultants, genuine compassion and commitment come naturally. Our goal is to be a trusted partner who helps you streamline operations, boost efficiency, and achieve lasting growth that paves the way for mutual success.