



Facilitating Global Expansion



Avgol, a listed company on the Tel-Aviv Stock Exchange, is one of the largest companies in the global hygiene market for ultra lightweight spun-melt non-woven fabrics. The Company strives to bring quality products which contribute positively to the life and well being of millions of babies, mothers and senior citizens around the world. Avgol supplies manufacturers and brands in 25 countries through manufacturing plants in Israel, the United States, China and Russia. In line with its global strategy, the company has been considering investing in India since 2010 and established its entity in India in 2011. After much research, Avgol finally chose to set up their first manufacturing plant, in co-location with one of its major global customers, in the state of Madhya Pradesh in 2016. As Avgol's implementation partner, SKP assisted with various establishment requirements, right from location planning to recruitment support required to bring on board the right personnel for a fully operational plant.

SKP's Value Proposition: Establishing a Greenfield Manufacturing Plant for Avgol

SKP worked as the implementation partner for the overall project, assisting in the planning and execution in the phases mentioned below:

Incorporation and location planning

The team worked closely with the company's management and facilitated the establishment of the Indian entity in 2010. The team also worked on selecting a suitable land location which included evaluating three to four states in India. Once the area was determined, the team supported Avgol with the initial land acquisition from the concerned State Industrial Development Corporation. Eventually in 2016, Avgol decided to localize through co-location with one of its major global customers in Madhya Pradesh.

Project management support

SKP began by providing project management support in nearly all key aspects of the manufacturing set-up. The work involved project planning, vendor identification, on-boarding, negotiations and management, tracking contractual obligations, obtaining registrations and approvals, providing human resources support, treasury, obtaining central and state-level incentives, bank loan syndication, supply chain management, information technology and several other areas. In addition, SKP also assisted with capital structuring considering several aspects including exchange control regulations, direct and indirect tax implications, company law, etc.

SKP's Approach

SKP's approach to this project was based on the four pillars of project management namely, time, cost, quality and risk. A thorough monitoring system was put in place with daily, weekly, fortnightly and monthly reports, to identify obstacles early on and ensure that all activities were on track.

The set-up process involves getting the right approvals, appointing the right vendors, and ensuring smooth coordination between them. To meet this end, SKP deployed a dedicated project team on-site to ensure that every detail was executed as planned. This enabled SKP to prepare for and handle obstacles smoothly without hampering the flow of the project.

The Outcome

Timely Delivery: SKP obtained crucial registrations in record time which were critical for completing the project on time.

Cost Savings: SKP conducted various negotiations on behalf of the client with their vendors, bankers and suppliers, and resulted in a significant saving versus the initial project cost. Furthermore, the team systematically monitored costs and was involved in preparing and maintaining the project budget which was tracked periodically to identify optimal timing of capital infusion.

Incentives: SKP identified, applied for and obtained incentives offered by the government through a dedicated liaising effort by its project team. These incentives were worth much more than those available under regular state incentive schemes.

Loan Syndication: SKP assisted in loan syndication with three banks and was able to get sanctions for term loans in foreign currency which justified the business case of the project.

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Client Speak

SKP has been a great project management partner, demonstrated depth around business advisory services and most importantly, acted as our business partners and our extended arm. We see SKP as a trusted adviser helping us on various fronts, from strategy to implementation. During the project, SKP support was always there, even on matters beyond the scope. SKP helped us think through various complex situations and solve various problems with practical solutions. The team is highly professional and transparent, proactively coming forward to meet the demands of the situation with complete ownership. We are extremely satisfied and glad to have chosen SKP as our partner for this strategic project. We will continue our journey with them to cater to our global needs.

ERP implementation support: SKP assisted with a design review to the existing global SAP system to align with Indian tax regulatory compliances including GST and withholding taxes as well as the Indian accounting and reporting standards.

Import support: SKP supported the company in imports of nearly 100 containers, goods were imported from over 10 different countries across the globe.

HR Recruitment Support: SKP assisted in organizing and conducting a successful on-site recruitment program. The team assisted with commercial negotiations for all salaries involved.

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