

India Market Entry Support: Location Analysis

Manufacturing Hubs in India

The Client

An Japanese manufacturer of aircraft components with manufacturing facilities in Japan, US and the UAE.

The Background

The client was planning to significantly expand its manufacturing capacity anticipating increased demand going forward. In this regard, it wanted to carry out an in-depth comparative analysis of various low-cost manufacturing destinations. Alchemy was given a mandate to evaluate multiple manufacturing hubs in India and recommend the one with the highest attractiveness.

Alchemy Approach and Solution

Alchemy held extensive discussions with client stakeholders to shortlist an extensive list of parameters which would have an impact on the client's location criteria. These included labour costs, availability of skilled labour, labour disputes, land costs, rental levels, quality of infrastructure, foreign investments and existing ecosystem for advanced manufacturing among other factors. These qualitative parameters were then analysed on a quantitative scale to identify the most attractive location.

Benefits

Our approach was highly appreciated by the client who used it as a benchmark to evaluate other global locations. The final output enabled the client to have an in-depth view of the various pros and cons associated with each location and eventually take an informed decision on the location of its new plant.

Illustrations

	Labour Force	Wage Rates	Property Prices	Infrastructure	Governance	Business Continuity	Japanese Presence
Bengaluru (Karnataka)							
Chennai (Tamil Nadu)							
Pune (Maharashtra)							
Neemrana (Rajasthan)							
Ahmedabad (Gujarat)							

Least Favourable Below Average Average Above Average Most Favourable