

A US-Based Enterprise Software Company

SERVICES OFFERED: Finance Controlling, Accounting & Management Reporting, Compliance Management, Payroll, Administration & HR management

SECTOR/INDUSTRY: Technology Sector



Finance Controlling, Transition Management and Corporate Services

Challenge

Our client is a US-based company, headquartered in Dallas, Texas and is a market leader in enterprise social software. It powers the social enterprise space and provides solutions to more than 3,000 companies worldwide.

With the vision of expanding its product offering and making it a unified social collaboration suite, the company acquired an enterprise emailing and calendaring component from a US based software company. They had a team of 100 people working on this product in the Indian subsidiary. The group's Chief Financial Officer (CFO) had two options post the acquisition:

- To let the operations continue in the existing setup by entering into operations management agreement of this product with the existing India entity; or
- To hive off the team and product from the current setup and incorporate a new entity under its brand in India.

The CFO's first choice was to setup a new entity in India and to hive off the current team and product. He needed a turnkey solution provider who could assist in the setup of the new entity and provide back office support needed to manage their operations in India.

Our Solution

Having understood CFO's preference of setting up new operations in India, we charted out the entire plan with various teams in US and India. We assisted the team in India in its smooth transition from the erstwhile company, as well as took over the entire responsibility of finance and administration function of the new entity.

Transition of staff and their employment contracts:

SKP team worked closely with the US Human Resources (HRs) team in ensuring that the transition of team members remains smooth and hassle free. Considering this was the first time our client was employing staff in India, it was critical to familiarise the US-HR team on various employment benefits that the staff in India is entitled to in order to have maximum conversion of employees to the new entity. We assisted our client with:

- Drafting of employment contracts and discussing it with individual team members.
- Coordinating with the existing HR and finance and administration team in India for processing full and final settlement of the team members who agreed to come onboard the new entity.

- Conducting an induction programme for team members at 3 different locations.
- Onboarding of employees in the new entity; opening their bank accounts, obtaining insurances, resolving transition related queries on tax and employment benefits.
- Carrying out salary benchmarking through an external HR partner during the first appraisal cycle.
- Setting up accounting, payroll, reporting and compliance management system for the client.

The CFO wanted the Indian operations team to focus on their core activity, i.e. software development, as they had always done, and as such, wanted us to also take care of the accounting and compliance management functions. We performed the following activities in the initial setup stage:

- Setting up the process flow for accounting data, designing the formats for data capturing, devising responsibility matrix for various activities between the entity and our accounting team to ensure that all the data is captured correctly and completely in the accounting system.
- Managing the accounts payable function by designing process for various payments (salaries, vendors, expense claims, taxes, etc.).
- Approving and authorising bonafide payments.
- Monitoring the cash balance and raising flags to ensure there is business continuity.
- Setting up management reporting by advising and incorporating various controls in the report.
- Ensuring that compliances applicable to the company were adhered to and assisted the CFO in taking decisions by providing insight on the implications under different scenarios.
- Setting up and registering the company in a software technology park which resulted in company saving few million rupees on its IT infrastructure equipment (since the company was export oriented).

We also managed the finance function post the setup stage of the company.

Assistance in office and HR administration

We also assisted the company in managing the back office administration and HR administration activities by placing our resource at the company's site. This resource assisted the company coordinated with travel partners, vendors, bankers and HR agencies.

Impact

Our on ground support in the initial setup phase, as well as post-setup helped the company in ensuring that the business runs as usual without any disruption in India. The CFO of the company relied on us for making key decision for the company. The single point of contact for all activities that we provided saved a lot of time for the CFO whenever he had any questions on Indian finance and compliance management functions.

For more information on this case study, please contact:

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