

Case Study

Hollister Incorporated

Service(s) offered: **Business Set-Up, Project Management, Accounting and Tax Advisory**

Sector/Industry: **Healthcare (Medical Devices)**



Business Plan for Hollister's India entry strategy and manufacturing setup

Challenge

Hollister was planning to set up a manufacturing facility in north India. The company had existing facilities in the US and Europe and was looking to establish its first new manufacturing facility in over 30 years. The company wanted to ensure they did their due diligence before going ahead with the proposed venture, and were seeking key inputs for their decision making process. In addition to advisory, they were looking for an Indian partner to assist in the implementation of their overall India entry strategy.

Nexdigm Solution

Nexdigm provided complete business and regulatory advisory and setup support for Hollister's Greenfield manufacturing plans in India. As the implementation partner for the overall project, Nexdigm assisted in the planning and execution phases on the following key aspects:

Phase 1: Business Plan and Capital Structuring

Nexdigm worked closely with Hollister's management team for a period of four months and provided a detailed business plan. The level of detail and

insights presented in this document served as a useful reference to the client for budgeting and monitoring expenses throughout the project lifecycle. Nexdigm also made recommendations on capital structuring and potential project funding options. This extensive background preparation enabled Hollister to firm up their India entry strategy, with the assurance that the venture had good potential for success.

Phase 2: Project Support

In the project phase, Nexdigm's initial role was providing project management support in key aspects of the proposed manufacturing setup. The role included project planning, vendor onboarding and management, contractual obligations tracking, obtaining registrations and approvals, human resources support, treasury, information technology, drafting of policies and several other areas. Nexdigm reviewed all prospective vendor contracts, and provided feedback from a commercial perspective as well as potential tax planning possibilities. The role included dealing with contractors for the release of funds, cost and time overruns, vendor payments and invoice management.

Tax Advisory: Nexdigm provided crucial advisory with respect to tax implications and compliances during various stages of the project. It including setting up Hollister's inter-company transfer pricing, preparing detailed manuals to comply with complexity related to indirect tax provisions and availing various exemptions and benefits.

Other activities included managing project cash flow and providing feedback w from an accounting and tax standpoint for capitalization and development of a fixed asset register per Indian and US Generally Accepted Accounting Principles (GAAP).

Phase 3: Ongoing Support

Although the project was completed in 2009, Nexdigm continued to be a vital partner to Hollister by providing advisory and assessment services in the areas of direct tax, indirect tax, and transfer pricing. Nexdigm's services also include tax approvals for duty-free export/import, obtaining incentives, refunds, tax scrutiny and assessment. Nexdigm also assisted Hollister in some tax litigation matters with the Tax Appellate Tribunal. Nexdigm also provides ongoing support to Hollister for GAAP conversion and payroll management.

Impact

Nexdigm's overall project support addressed all areas of concern, and provided Hollister with a detailed assessment of the complex business, tax and regulatory landscape in India. Nexdigm's analysis helped Hollister plan its entry strategy and set up the manufacturing facility in a very short period of time.



Hollister has had a strong business relationship with Nexdigm since 2006. Nexdigm provided excellent advisory and implementation support as we set up a manufacturing facility in India. Their dedication and commitment was an important contributing factor in the project's on-time completion and on-going success.

During the initial phase of the project – creating and validating our business plan – Nexdigm's local knowledge as well as global sensitivity were of great value. During the second phase – building the manufacturing facility – Nexdigm took on a very important role in numerous areas: working with government agencies regarding regulatory and licensing requirements, coordinating the work of external consultants, and identifying and managing numerous vendors especially as it pertained to their expenditures. Nexdigm's project performance helped us stay on time and on budget. During the third phase - project closure – they ensured that the appropriate Government incentives were in place and that the funds were received by Hollister in a timely manner. Throughout the entire project, Nexdigm demonstrated strong project management skills and commitment to both to the project specifically and to Hollister generally.

Nexdigm continues to provide services in areas such as tax, GAAP conversion and payroll management, to Hollister. We appreciate their continued efforts and recognize their contribution as our valued partner.

Although this entire testimony is written based from Hollister's own experience with Nexdigm, we recognize there can be no guarantee that others will have the same or similar experiences or results. Hollister has no regrets about its prior and continuing engagements with Nexdigm.



Steve Younts

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For more information on this case study, please write to us at:

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You can also visit our website to know how our services resulted in tangible business benefits:

www.nexdigm.com