McKinley Rice

CASE STUDY

Citylabs Co. Ltd. Case-study

▍INTRODUCTION

As labour-costs have been rising rapidly across the world, many big and small tech-companies were looking to outsource talent from countries like India where labour-costs are comparatively lower. Korea faced the brunt of the problem and experienced one of the highest labour cost inflation since the beginning of the pandemic. Our client (HQ), Citylabs co. ltd wanted to expand their team and recruit IT talents from India, which ensured not only low labour-costs, but also high quality.

▍THE CLIENT

Citylabs, a leading Korean KOSDAQ listed tech-company, has been trying to find alternatives to managing development manpower in other countries since 2019. In search of IT talents and developers with global capabilities, they had their eyes set on India. They approached us with a simple goal in mind– help them build a cost-effective, highly-skilled talent-pool of Indian techies and set up a software R&D center in India.

▍THE PROBLEM

The labour costs around the globe have been on an unprecedented rise, and even more so since the pandemic. With labour cost inflation all around Korea, it was imperative for Korean tech-giant Citylabs to find cheaper labour, ultimately from India. However, operating an overseas development center is accompanied by many prerequisites. In order to operate a local team, sustainable business development is possible only when stable talent supply and demand, HR management, and task management are implemented. Most of the reasons why many companies have difficulties entering India is because they cannot solve this dilemma.
It is not easy for companies that entered India in the early stages to understand India's hiring environment, culture, and rapidly changing market conditions. In the field of recruiting technical talents,they will face situations where they have to compete with global tech companies in the United States and numerous companies in India. This is another reason why so many companies that tried to set up a development center in India retreat within three years; this is the problem McKinley Rice needed to solve.

▍THE SOLUTION

With the capability of consistently supplying outstanding talents in India, McKinley Rice took up the challenge to solve Citylab's problem. Through their own local platform and proprietary network, they are able to manage and maintain manpower through their very own local HR team, and steady task management through dedicated Korean global management consultants. This was the reason that McKinley Rice was able to achieve successful localization so quickly after entering India, allowing the business to expand steadily, and similarly, Citylabs was able to implement a blockchain development center in India from 2020.

▍COST EFFICIENCY

India is one of the most popular destinations for IT talents not only because of its obvious appeal with low-cost labour, but also because of their competency and world-class quality. India as a country has always been at the frontlines of the software industry. Therefore, there is a very wide spectrum of wage range: from developers earning millions to developers earning a bare minimum. However, without a doubt, India has the highest competitive and thriving market for developers when we look at employees with the same skill sets and abilities in software engineering.
Like Adobe, Samsun, IBM, Vodafone, Adobe, Deloitte CityLabs has a range of personnel from senior developers to junior developers with an average salary of $20,000. This amount is equivalent to 1/10th of an average American developer, and this cost effective comparative advantage is also the reason why CityLabs continues to aggressively expand its Indian development team.

▍THE RESULT

Through McKinley Rice, Citylabs, a Korean KOSDAQ listed company, has launched a stable blockchain development center in India. The development center is composed of developers with experience from foreign companies such as Adobe, Samsung, IBM, Vodafone, Adobe, and Deloitte. The development center also hosts a majority of the master's and doctorate degree researchers tailored to the Hyperledger Suite(Indy, Fabric, Aries, Ursa), which has proven to be a difficult recruitment criteria to fill in Korea. Based on this comparative advantage of technical manpower, the company's next-generation business is being built through the Indian Development Center.