CEG Business Growth Solutions Helps Polyset Improve Cash Flow and Unleash Growth Potential

Polyset

In 2015, just as the Polyset Company was turning 35 years old, Rajat Ghoshal found his advanced materials manufacturing operation experiencing the challenges that many fast-growing small businesses encounter. Orders were coming in, but accounts receivable (A/R) times were long, which inadvertently made for longer wait times with customer invoicing.

These growing pains – cash flow, in particular – were delaying management's ability to reinvest in Polyset. There was the "push and pull" from wanting to satisfy customers by allowing them ample time to pay their invoices, while wanting to promptly pay their vendors. The goal, Rajat Ghoshal said, was to settle somewhere in the middle of these competing demands but that midpoint was elusive.

Ghoshal and his colleagues attended a Center for Economic Growth (CEG) seminar on Lean Office 101 training where they discovered an alternative way to assess current processes. Based on this experience, Ghoshal worked on a Transformation Planner Opportunity Assessment Report with Louise Aitcheson, director of business development with CEG's Business Growth Solutions (BGS) unit, which outlined the benefits Polyset could realize by reducing several days from its average A/R turnover.

The Transformation Planner tool convinced the company to move forward with a BGS value-stream mapping analysis and a series of related follow-on process improvement (kaizen) initiatives. Tom Bell, project director for technology services for BGS, worked with

Polyset in mapping out the company's cash flow process, from the customer to the order entry to the invoicing, helping to identify key problem areas.

"This process pointed to issues within our information and material low systems," said Ghoshal. "It was eye opening."

To remedy this problem, Bell facilitated the development of a plan to streamline Polyset's internal communication methods and to reduce order entry times, enabling a more cohesive order fulfillment process. Polyset implemented the identified improvement opportunities and Ghoshal said the company's procedures have "improved considerably" in the last 18 months.

With its cash flow improved, Polyset has been able to reinvest more in new tools and product lines. The company, which Ghoshal co-owns with his brother, Niladri Ghoshal, manufactures adhesives, expansion joint systems, and protective coatings for the air filtration, construction, and marine and offshore industries. Polyset employs 37 people at its headquarters in Mechanicville, NY, with a total of 55,000 square feet of administrative, manufacturing, and laboratory space. In 2016, Polyset was awarded a $250,000 Empire State Development grant for a 10,000-square-foot warehouse expansion project. Additionally, Polyset has a patent pending for a new expansion joint system for bridge construction projects that results in shorter installation times and lower costs.

During the duration of this partnership, CEG BGS has performed six projects with Polyset ranging across the business spectrum to include Lean, Quality, Strategic Business Management and Planning, and Sales / Marketing Business Development services. Polyset invested $15,275 in those various projects with a related outcome of $405,000 in increased and retained sales, $350,000 in cost savings, and $652,000 in total investments such as new products and processes, plant & equipment, and workforce effectiveness.

"Through the value-stream mapping and associated Kaizen projects, we, as a team, were able to discuss our roles and various challenges, while gaining great insight into the process that makes us the strong company that we are," said Ghoshal. "It was a great team building experience."

Project Impacts:

As a result of the project, the client realized:

- **$405,000 in increased and retained sales**

- **$350,000 in cost savings**

- **$652,000 in total investments such as new products and processes, plant and equipment, and workforce effectiveness**