

GROWTH SOLUTIONS HELP IMPROVE CASH FLOW

ABOUT POLYSET CO. INC. Polyset, co-owned by Rajat Ghoshal and 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 an Empire State Development grant for a 10,000-square-foot warehouse expansion project.

THE CHALLENGE. 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 allowing customers sufficient time to pay invoices, while wanting to promptly pay vendors.

MEP CENTER'S ROLE. Ghoshal and his colleagues attended a Center for Economic Growth (CEG), part of the MEP National Network, 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 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 to map 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 flow 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.

"Through the value-stream mapping and associated Kaizen projects, we 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. It was a great team building experience."

-Rajat Ghoshal, VP Operations

RESULTS



Increased/retained sales of
\$405,000



\$350,000 in cost savings



\$652,000 new investment

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