

PVA Achieves Rapid Growth and Manages its Stresses with CEG's Help



The Situation

Precision Valve & Automation (PVA) is a manufacturer of fluid dispensing solutions and custom automation products. Its automated dispensing, coating, curing, board handling and printing systems are used by an array of industries, including from solar, semiconductor packaging, printed circuit board assembly, medical device manufacturing, and consumer electronics. The 29-year-old manufacturer, which recently relocated to Halfmoon, New York from nearby Cohoes, employs 175.

In 2019, PVA was poised to increase its annual sales revenues by more than 40 percent after working with the Center for Economic Growth (CEG) on several initiatives. For the past six years, CEG, a National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP) center, had been working with PVA on a variety of projects one of which was a supply chain productivity project that involved a Value Stream Mapping project of supply chain flows. These initiatives, coupled with a Lean Kaizen training, set PVA on a course for rapid growth. That resulted in stress and pressure on the company's operations, mostly due to inadequate documented processes, risk assessments, and metrics/ key performance indicators in both productivity and growth areas.

"CEG's support as the Capital Region's MEP Center over the past six years has been a vital contributor to our growth. Their proactive approach before and during the COVID-19 pandemic helped us not only survive but thrive; the work was enabled by the success of the supply chain project and contributed to PVA being classified as an essential business and achieve the reported impacts"

- Frank Hart

Managing Director, *Global Sales and Marketing*

The Solution

CEG helped PVA secure \$16,800 in National Grid Manufacturing Productivity Program (NGMPP) grant funding for initiatives that would address these stressors. More specifically, CEG connected PVA with CEG's strategic partner, Relay Integrated Logistics & Solutions, and this project looked at key indicators of successful supply chains. It also focused on what strategy would be implemented at all facets of the supply chain to ensure that the growth of the company did not consume the supply chain thresholds.



PVA Headquarters

Relay's Larry Treen and Jeff Snow developed for PVA a Supplier Scorecard that enables the manufacturer to better track on-time delivery, vendor accuracy, purchase price variance and quality. The consultants also drafted policies and procedures that established a standardized system for rapid training/growth and scalable business continuity environment. This included supply chain work instructions for purchasing inventory, receiving, shipping, warehousing and cycle counting. It also included a method of formal corporate risk assessment for driving actions to promote both short- and long-term preventive/corrective actions and minimize/eliminate risk.

The Results

These initiatives resulted in clear, precise work instructions for PVA supply chain areas and created an environment for documented and scalable processes and work instructions. It also created an easier ramp of employee new hire and succession planning for future organization advancement plus a suitable and stable organizational design, process controlled, measured and monitored internal supply chain. The cumulative impacts of these initiatives were:

- Quantified Increased Sales Amount: \$5,000,000
- Quantified Retained Sales Amount: \$40,000,000
- Quantified Jobs Created: 10 Jobs
- Quantified Jobs Retained: 165
- Quantified Cost Savings Amount: \$3,000,000
- Quantified Increased Investment in New Products: \$10,000,000
- Quantified Investments in Workforce Practices: \$200,000

In a follow-up discussion with Relay's Larry Treen, he shared the following perspective and additional project impact:

"Relay is incredibly grateful for our relationship with both CEG and PVA over the years. Our team's approach was to consolidate supplier spend, rationalize part numbers (SKU's) and launch new RFP's to drive down costs and leverage a stronger buying power. We are continuing to see the benefits of the team's efforts with a forecasted run rate of \$10M annualized in reduced spend impact. Thank you to both CEG and PVA for letting our team being a part of this journey."

- Larry Treen
COO & Managing Partner
Relay Integrated Logistics & Solutions

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This allowed us to keep 100% of our workforce engaged during the pandemic, and directly correlated to retaining additional sales of \$10m that we possibly would have lost if we had to reduce our workforce to 25% per government guidelines that were issued. We are grateful for the work done by the entire CEG team and we look forward to an ongoing relationship in the years to come.

- Frank Hart
Managing Director,
Global Sales and Marketing

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To learn how CEG BGS could help your company, contact CEG BGS Senior Vice President, Michael Lobsinger at michaell@ceg.org or call 518-465-8975 x238.