



Case study: Penn Color



Adding Colour To Its Global Operations

With a workforce of over 600 dedicated employees spread across North America, Europe and Asia, the Company is a leading player in the colour and additive industry. Established in 1964, the family-owned business continues to grow its global footprint while at the same time adding innovation and creativity to the world of colours. When it opened a manufacturing plant in Thailand, Penn Color sought a partner that would provide a professional local presence, offered a wide array of tax and corporate services and possessed in depth manufacturing knowledge.

“The team at Mazars was instrumental to the success of Penn Color’s launch into Thailand. The team was easy to work with, knowledgeable, and a dependable partner.”

– Ryan Putman, Director of Finance

Challenge

Penn Color took a significant stride in expanding its operations in Thailand by acquiring a parcel of land for the construction of a new factory. Subsequently, the company proceeded to appoint a country manager to oversee the seamless setup of the manufacturing facility. With a skeleton workforce, the company needed to outsource key start-up services such as payroll, registering staff with the Social Security Fund, and processing staff salaries.

To bring structure to Penn Color's operations in Thailand, it required a partner that could oversee monthly accounting duties, including online payments, and monthly tax compliance such as withholding tax (WHT) and value-added tax (VAT) returns. The preparation and updating of construction in the progress account, which formed the basis for the fixed asset register, required the indispensable expertise of professional manufacturing professionals.

Solutions

As part of the factory setup, Penn Color needed to purchase a significant number of machinery components. Mazars Thailand worked closely with Penn Color's accounting manager to accurately track the construction in progress, ensuring that each completed part was commissioned and transferred to the fixed asset register. This meticulous approach facilitated effective asset management and provided clarity on the company's tangible assets.

During the transition to the manufacturing phase, Penn Color started procuring large volumes of raw materials. Mazars local team supported this process by adding vendors to the vendor masterfile, setting up suppliers in the online banking system, and facilitating smooth payment uploads. These measures streamlined the procurement cycle and ensured timely delivery of essential materials for manufacturing operations.

Mazars' partnership with Penn Color in Thailand exemplifies their commitment to assisting manufacturing clients in establishing their businesses effectively. By providing comprehensive financial management support, including accounting, tax compliance, asset management, and vendor management, Mazars played a pivotal role in ensuring a seamless transition for Penn Color's operations. Their expertise and collaborative approach facilitated Penn Color's successful setup and allowed them to focus on their core manufacturing activities, ultimately contributing to their long-term success in Thailand.



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