

Reshoring Initiative

Bringing manufacturing back home.

WHO: Reshoring Initiative

WHAT: Reshoring Initiative to Return Manufacturing Jobs to the United States

The Reshoring Initiative is a non-protectionist, efficient way to reduce our imports, increase our "net exports" and regain manufacturing jobs. Going local can reduce a company's TCO (Total Cost of Ownership) of purchased parts and tooling and offer a host of other benefits while bringing U.S. manufacturing jobs home.

The Initiative documents for large manufacturers the benefits of sourcing in the United States. Archstone Consulting's 2009 survey showed that 60% of manufacturers use "rudimentary total cost models" and ignore 20% of the cost of offshoring. The Initiative is providing its TCO Estimator software free to help OEMs compare the true TCO of local vs. offshore sources and to help job shops sell the benefits of local sourcing to their customers. To help the companies make better sourcing decisions the Reshoring Initiative www.reshoren.org provides: free software that helps the large companies calculate the real offshoring impact on their P&L, linked NTMA/PMA Purchasing Fairs to help them find competitive U.S. sources, publicity to drive the reshoring trend and an online Library of 98 articles about successful reshoring.

Most job creation programs proposed by commentators, politicians and economists involve either increased government spending or reductions in employment or income taxes. These solutions involve borrowing money now, largely from China, or taking money from one group of citizens or a future generation to give to another. In contrast, reshoring takes jobs directly back from offshore, often from the LLCCs (Low Labor Cost Countries) that have grown so rapidly over the last decades at the expense of American workers, American manufacturing companies and the overall U.S. economy. Other programs call just for Chinese currency revaluation, which will help manufacturing but will increase consumer prices.

Reshoring breaks out of the waiting-for-policy-decisions problem, the economic zero-sum-game and the increases in consumer prices and assures that the pie grows, to the advantage of all Americans. Reshoring also focuses on the manufacturing sector which has suffered so many job losses for decades and the SMEs which offer the best potential for job growth.

The Initiative has received increasing visibility and influence via: inclusion of the TCO concept in Cong. Wolf's (R VA) "Strategic Manufacturing & Job Repatriation Act" (H.R.5980); numerous webinars; dozens of industry articles; scheduled presentations in major industry and government policy conferences in Chicago and Washington, DC; and coverage by CBS, CNBC, WSJ, USATODAY and the Lean Nation radio show.

The Initiative is succeeding in changing OEMs' behavior. Companies have committed to reshore after reading Initiative articles. Fifty-seven representatives from large manufacturers and 113 custom U.S. manufacturers attended the May 12, 2010 NTMA/PMA Contract Manufacturing Purchasing Fair, where OEMs found competitive domestic job shops to manufacture parts and tooling. Sixty-four percent of the OEMs brought at least some work that was currently offshored. Local reshoring efforts are being planned to revitalize cities and states.

The Reshoring Initiative is supported by: GF Agie Charmilles, the leading supplier of EDM and HSM machine tools; the Association for Manufacturing Excellence (AME) www.ame.org, the premier not-for-profit organization dedicated to the journey of continuous improvement and enterprise excellence; and by The National Tooling & Machining Association (NTMA) www.ntma.org, the largest non-profit trade organization in the United States representing the precision custom manufacturing industry. Additional information can be found on the NTMA/PMA Purchasing Fairs at www.purchasingfair.com and on the Reshoring Initiative at www.reshoren.org.

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