Reshoring and the Pandemic

Where We Were Before the Pandemic

In the past decade (2010 – 2020), more than 1,000,000 jobs were reshored back to the U.S.

Why manufacturers want to move away from offshoring (2010-2020):

- Quality, recall, and warranty
- Freight cost
- Supply chain disruption, natural disaster risk, and political instability
- Total cost
- Tariffs
- Green considerations

Why manufacturers want to move back (or invest in) the U.S.:

- Proximity to customers and markets
- Government incentives
- Skilled workforce availability and training
- Ecosystem synergies
- Image and brand
- Impact on domestic economy
- Infrastructure

The pandemic affected 98% of global supply chains, according to an Economist survey of supply chain professionals.1

The MEP National Network™ Meets the Challenge During The Pandemic

It is estimated that nearly one in ten MEP Center staff were devoted full time to support customers during the pandemic.

The Ohio MEP, a part of the National Network, helped Morphix Technologies – known for producing tiny gas detectors -- to develop and produce their defense market and grow production.

Bringing Manufacturing Back To America

How the MEP National Network Can Help Reshoring Efforts

In support of Executive Orders 14005 and 14017 – to focus on manufacturing in America and establishing domestic supplies – MEP Centers can help companies reduce their manufacturing expenses by identifying domestic suppliers through Supplier Scouting.

Where did the virus come from?

On 11 March 2021, the World Health Organization declared the COVID-19 outbreak a pandemic.

Why Manufacturers Want to Rethink Their Supply Chains

The initial goal was to provide citizens and health-care workers with PPE, but demand grew to include other medical and essential products.

Factors Accelerating Reshoring

- Executive Order 14005
  - Encompasses substantial role for the Manufacturing Extension Partnership (MEP) on reshoring strategic goods in industries to reinforce supply chains.
  - MEPs utilized the American Rescue Plan Act to address supply of PPE, tests, and vaccines.

- Executive Order 14017
  - “Assessing and strengthening the resilience of supply chains that are critical to national security and the American people.”

Calls for Reshoring From Industry

- The American Medical Association (AMA) has called on the U.S. government to shift from a ‘make or buy’ approach to a greater focus on domestic production of PPE.

The Cost-Benefit Analysis

- “Not intended for use with sterile instruments”

The MEP National Network® Meets the Challenges During The Pandemic

Why Manufacturers Want to Rethink Their Supply Chains

Rethinking Supply Chains

- The MEP National Network
- The Ohio MEP
- The Colorado MEP
- The Virginia MEP
- The Michigan MEP

The MEP National Network Supplier Scouting Success Stories

By sourcing and vetting local manufacturing suppliers for key components, FASTLANE, part of the Ohio MEP, helped the entrepreneurship training and coaching company, Technologies identify the suppliers to develop and produce the latest generation of cutting-edge technology, including protective face masks.

By sourcing and vetting providers of key technologies, GROINDE, the Virginia MEP helped Monarch Technologies – a developer and manufacturer of automated medical detection products – diversify beyond the detection market and gain production capacity in a new product line.

By sourcing and vetting providers of medical equipment and supplies, the Colorado MEP helped Convena, a provider of sterile injection devices, expand its product line to meet the increased demand.

By sourcing and vetting providers of crucial services necessary for production, Manufacturer’s Edge helped Concepta, LLC, a provider of officer clothing, expand its product line to meet the increased demand.

ECONOMIC POLICY

Executive Order 14005
- Addresses the federal government’s role in the reshoring of critical goods and services.

- The Reshoring Trend, infographic, Reshoring Initiative, 12/31/2014; Cost of disaster loan and relief, labor and unemployment, workplace health and safety, and more.

LARGE BUSINESS

National Apprenticeship Act
- Coasts create nearly twelve times more apprenticeship opportunities.

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