



We Help You Find and Take Advantage of Reshoring Opportunities:

- **OEMs:** Reduce cost and mitigate supply chain risk
- **SMEs/supply chain companies:** Get more orders
- **States:** FDI to fill national supply chain gaps
- **Your community and the U.S.:** More jobs and more self-sufficiency

Tools and Resources

- **TCO Estimator:** A free online software to help companies make better sourcing decisions about offshore vs. domestic sourcing and also to use to sell against imports. We helped one company win a \$60 million order vs. a Chinese competitor. TCO quantifies 29 costs and risks, often balancing a 15 to 20% FOB (Free on Board) price disadvantage vs. offshore. The TCO Estimator is recognized on multiple [U.S. Department of Commerce websites](#). Repeated international studies document the value of using TCO instead of FOB price for sourcing and siting decisions.
- **Import Substitution Program:** For contract manufacturers and OEMs. ISP identifies major importers of what you already produce: company name and address, imported products, tonnage, approximate price and foreign sources. Use the TCO Estimator to convince the importers to reshore and source from you instead. Start with the [ISP Input Data Form](#).
- **Supply Chain Gaps Program:** Potentially for all companies. SCG identifies products with high

imports and insufficient domestic sources. Two versions:

- a. For companies: We help you identify gaps for products you could produce. We identify the importers. You sell.
 - b. For states: We help you identify the national gaps that are most relevant for your state. We identify the foreign suppliers whom you then recruit for FDI.
- **Siting and Buying Smarter:** Generally for OEMs. SBS helps any importer use TCO to reevaluate their offshore/domestic sourcing decisions and make smarter plant siting decisions.
 - **Website consulting:** Helps you develop your website to convince customers to shift work from offshore to you.
 - **Media coverage:** An article on your reshoring successes.
 - **Essentially:** TCO is the sourcing tool and sales tool vs. imports. SBS works with the OEM. ISP finds for SMEs the best opportunities to use the sales tool. SCG identifies opportunities for becoming the dominant or only U.S. source in a significant market niche. Media coverage promotes your successes.
 - **National Reshoring Awards:** Great way to get publicity for your reshoring successes.
 - a. [Metalworking](#)
 - b. [Sewn Products](#)

How to Access these Tools and Resources

- Companies can engage directly with the Reshoring Initiative or via participating MEPs (Manufacturing Extension Partnerships) and EDOs (Economic Development Organizations).

The Power of TCO



Figure 1

Source: TCO User Database Reshoring Initiative

The impact of using TCO can be seen in Figure 1, which graphs the results of 180 cases of TCO Estimator users comparing Chinese to U.S. sources across a broad range of industries. The horizontal axis shows Chinese price as percentage of U.S. price; same for TCO. The blue line is based on FOB price. Red line is based on TCO. Yellow line includes a 15% Trump tariff. The percentage of the cases that favor the U.S. rises from 8%, to 32% to 46%. About 20% of imports will be reshored when companies all use TCO. Conservatively, that will be a 15% increase in U.S. manufacturing.

Reshoring Background

The annual rate of manufacturing jobs coming from offshore increased from 6,000 in 2010 to 190,000 in 2017. See Figure 2.

Reshoring and FDI of Manufacturing Jobs

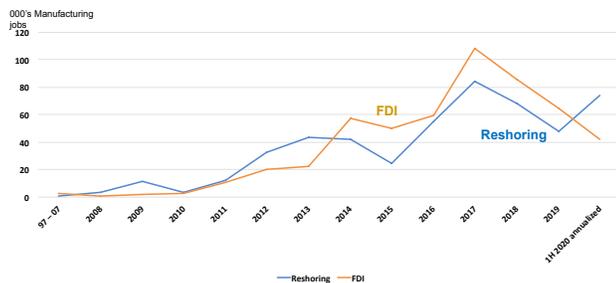


Figure 2

It is now clear: shorter supply chains are stronger, often more competitive supply chains. Repeated surveys show a high percentage of OEMs are localizing: producing and sourcing more in the market. Rising offshore wages and recognition of total cost drove the reshoring surge from 2010 to 2017. In 2021 the momentum is surging again with China tariffs, dramatically higher freight costs, and, most important, COVID-19 revealing deadly shortages of products due to over-dependence on imports.

Brought to you by:

Reshoring Initiative Background

The mission of the Reshoring Initiative is to bring five million good, well-paying manufacturing jobs to the United States by assisting companies to more accurately assess their total cost of offshoring. The Initiative is sponsored by a broad range of companies and trade associations, including AMT (Association for Manufacturing Technology), SME, NTMA (National Tooling and Machining Association), PMA (Precision Metalforming Association), AFS (American Foundry Society), SEAMS (sewn products), AEP (American Electric Power) and MSSC (Manufacturing Skills Standards Council). We have presented to a wide range of industries, including plastics, furniture, material handling equipment, plating, knife making, fasteners, lean, economic development, supply chain management, automotive, agricultural, aerospace and utilities.

The Reshoring Initiative has six team members. Our founder, Harry Moser, was previously the president of high-end machine tool supplier GF AgieCharmilles, now known as GF Machining Solutions. Largely due to the success of the Reshoring Initiative, Harry was inducted into the Industry Week Manufacturing Hall of Fame 2010 and FAB Shop Magazine's Manufacturing Person of the year 2019.

Harry participated actively in President Obama's 1/11/12 Insourcing Forum at the White House and won The Economist debate on outsourcing and offshoring. He was recognized by Sue Helper, then Commerce Department Chief Economist, as the driving force in founding the reshoring trend and named to the Commerce Department Investment Advisory Council in August 2019.