

ED Now Feature: New Toolkit Helps EDOs Pursue Reshoring Opportunities in Their Communities

By Dana Crater, IEDC

Reshoring – the act of returning previously offshored manufacturing, IT, and service jobs to their company’s home soil – is driving job creation in the United States. In fact, [over 60,000 jobs were reshored in 2014](#) alone. American economic development organizations (EDOs) are responding to this rising trend by incorporating reshoring into their attraction, retention, and expansion strategies.

With support from the U.S. Economic Development Administration, IEDC has created a toolkit to help. [“Supporting Reshoring in Communities: Tools and Strategies for Economic Developers”](#) (PDF) is a comprehensive guide designed to help EDOs plan and implement reshoring strategies.

The toolkit offers insights on incorporating reshoring into existing marketing, lead generation, and business retention and expansion efforts. It also includes advice on creating a strategic reshoring plan; strategies to help companies find and switch to domestic suppliers; and case studies, three of which are highlighted below.

Tennessee

The state of Tennessee has played a role in reshoring three companies and keeps records of other firms that are reshoring in the state. The state is divided into nine regional “jobs base camps,” each of which has a regional director and business development staff responsible for meeting with existing industry. During these meetings, staff ask existing businesses 1) whether they are aware of any suppliers coming to the region; 2) if they know of any companies that are considering reshoring; and 3) if they are considering reshoring any operations themselves. Equipped with this information, the state is able to offer individual attention to these companies during the reshoring process.

The state also has six project managers, focused on specific sectors, who participate in industry events such as Walmart’s U.S. Manufacturing Supplier Summit. At the summit, state representatives have the opportunity to meet with Walmart suppliers who are interested in reshoring under the company’s U.S. Manufacturing Initiative.

Greater Cedar Valley Alliance, Waterloo, Iowa

Greater Cedar Valley Alliance President and CEO Steve Dust, CEcD, happened upon a company reshoring in his region by accident. During a tour of a manufacturer, he learned that the facility was being renovated to accommodate equipment from eastern Europe and that the company was planning to reshore jobs. The company had previously off-shored to be closer to customers, but found product quality unsatisfactory. As a result, the firm decided to manufacture in Iowa and export for final assembly. Since

that experience five years ago, the Waterloo region has seen 250-300 jobs reshored to existing businesses. Dust's organization is planning to include questions about reshoring in its annual survey of local businesses.

As home to the Iowa Advanced Manufacturing Network Hub and the Center for Additive Manufacturing, the Waterloo region is well prepared to assist companies that are considering reshoring. Local businesses use equipment at the center to remain competitive, simultaneously increasing the skills of their labor force. The region also has partnered with the University of Northern Iowa and the local community college to develop customized laborshed data and training programs, and has created resources to help companies find suppliers and develop supply chains.

Dust recommends that economic developers survey existing industry to learn whether businesses have international operations and whether those operations could be reshored. The responses can be a good starting point to discuss reshoring possibilities and barriers that may be weighing on the decision.

Did You Know? The [U. S. Economic Development Administration](#) has funds available to support reshoring projects through its Economic Development Assistance Program, which includes both Public Works and Economic Adjustment Assistance programs. If you think you have a reshoring project and are looking for funds to help make it a reality, talk to your regional EDA office as soon as possible.

Southeastern Pennsylvania

Six counties in southeastern Pennsylvania have created a partnership aimed at helping at least five companies start or complete the process of reshoring between April 2015 and June 2016. The Chester County Economic Development Council received a \$237,000 grant from the state on behalf of Berks, Bucks, Chester, Delaware, Montgomery, and Philadelphia counties to reach out to existing manufacturers and educate them on the benefits of reshoring.

RAMP It Up, as the grant program is known, helps companies understand their total cost of ownership (TCO) and educates them on using the results of the TCO assessment to receive free resources. Under the grant, the six counties will meet with nearly 200 small and medium-size companies to discuss reshoring; host reshoring workshops in each county; and engage over two dozen companies in grant services such as training assessments.

The six counties chose to focus on small and medium-sized firms, which are more likely to lack the capacity to do the TCO analysis and more likely to take advantage of the available resources. Some

businesses have been hesitant to allow a government organization to assist them, but positive feedback from other companies has opened doors for discussions.

RAMP It Up recently surveyed regional companies about factors that would drive them to consider reshoring and found two common themes: workforce and supply chain issues. As a result, the collaboration has refocused its messaging away from reshoring to focusing on helping companies shorten or bring their supply chains back home. Additionally, Select Greater Philadelphia is creating “reshoring readiness” reports that include supply chain analyses for [seven industries](#) identified as more cost-effective to manufacture, for American consumption, in the United States than China (appliance and electrical equipment, computer and electronics, machinery, furniture, fabricated metals, plastic and rubber, and transportation goods). The region also benefits from state resources, including a database of suppliers in the commonwealth and the Reshore2PA.com webpage.

How you can do it, too

The “[Supporting Reshoring in Communities: Tools and Strategies for Economic Developers](#)” (PDF) toolkit offers a wide range of strategies and case examples to help communities incorporate reshoring into their economic development strategies. The Reshoring American Jobs webpage (www.iedconline.org/reshoring) offers links to free tools, web seminar recordings, article summaries, and research conducted by IEDC on reshoring. If you learn of a company in your community that is considering reshoring, be sure to speak with your state’s Economic Development Administration regional office to explore resources that will help make it a reality.