

Comparison Chart for Evaluating the Most Suitable Manufacturing Strategy			
Factors to Consider	Reshoring	Nearshoring	Offshoring
Typical Location	Within the US or Canada	Within the Americas	Asia
Labour Costs	Higher wages due to labour laws and smaller labour pool of experienced talent	Lower labour costs and cost advantages due to favourable exchange rates	Access to the largest skilled talent pool and less restrictive labour laws means lower labour costs
Inventory Costs	With production closer to the market, companies can reduce inventory levels and associated carrying costs.	May offer some cheaper overhead costs and exchange rate advantages	Cheaper cost of warehousing combined with savings from economies of scale from mass production, inventory control could be favorable
Transportation Costs	Shortening the supply chain can lower shipping, logistics expenses and transportation cost	Will offer some cost advantages due to the exchange rate differential making nearshoring a competitive option	Though more lead time is required, there are very competitive shipping rates from overseas locations. Geopolitical situations can jeopardize supply chain timelines.
Other Production Costs	Utility, rent and other operational costs are higher in North America	Operational costs will likely be more competitive than North America but will depend on the location and their economic policies	Overhead costs such as utilities, rent and other operational costs are highly competitive and very affordable in markets that favor manufacturing industries
Quality Control	Easier to control quality due to the proximity of the team, time zone disparity is manageable and easy in-person access. Improved oversight can lead to higher quality products and fewer defects.	Requires on-site manager who can oversee the production process and manage quality control. May pose some challenge for in-person inspection depending on the location within North, Central or South America	Maintaining quality standards may be more challenging with distance but a reliable and reputable partner can assure quality control
Project Management	Being closer to the manufacturing site allows for better monitoring and control over production processes, faster ability to respond to market dynamics and changes to production needs.	Time zone differences are within 3 - 4 hours difference and will have some flexibility for responding to changes quickly.	Time zone difference is much greater but a partner with boots-on-the-ground presence can help minimize the impact of distance
Supply Chain Efficiency	Shorter supply chain lead times due to the geographic proximity allows for a quick turn around and faster time to market.	Proximity allows for better oversight and management of manufacturing processes and supply chain activities	Diversifying production locations helps mitigate risks associated with regional disruptions, such as natural disasters or geopolitical events.
IP Protection	Stronger ability to protect proprietary technologies. Operating in jurisdictions with robust IP laws offer more peace of mind	Lesser control over protection of proprietary technologies unless there is a reputable partner who can manage the process	Lesser control over protection of proprietary technologies unless there is a reputable partner who can manage the process
Communication	Easier communication due to widespread proficiency of English as the first language.	Differences in language can create some barriers with communication but a reputable partner can help remove these challenges	Differences in language and time zone may pose challenges but having a North American based partner can help ease the communication barriers
Political and Economic Factors	Trade policies, tariffs, economic incentives from government can make reshoring an attractive option. This option also mitigates geopolitical concerns	Depending on the reciprocal trade agreement with the exporting country, there could be tariffs and duties but a reputable, experienced partner can help to navigate around these policies	Depending on the reciprocal trade agreement with the exporting country, there could be tariffs and duties but a reputable, experienced partner can help to navigate around these policies
Access to skilled workers	Skilled workers but tend to be more expensive due to unions and other employment standards	May not offer a sufficient pool of workers and cultural working environment may also play a role in creating easy access to skilled workers.	Asia has a large pool of skilled and highly technical workers. High standard of education and certification makes these areas the hub of manufacturing
Consumer Preferences	Growing demand for locally produced and manufactured goods	Some consumers will prioritize lower prices over the origin of the manufacturing location	Some consumers will prioritize lower prices over the origin of the manufacturing location
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