AIR CARGO CHECK-IN





GUIDE

EXPEDITED CARRIERS WHO DELIVER ASAP



INFOCUS

1 INFO SNACKS 16 VERTICAL FOCUS: HEALTHCARE

20 NOTED

22 TAKEAWAYS

58 IN BRIEF

64 LAST MILE

Supply chains under construction



12 DIALOG **14** 10 TIPS

Preparing to automate your warehouse

26 SPONSORED

H.O.W.

Supply chain checklist for a COVID-19 world

28 SPONSORED

THOUGHT LEADERS

Top priorities for 3PL warehouse IT in 2021.

30 SPONSORED

SOLVED

Partnership provides e-commerce efficiencies for retailers

32 LEAN SUPPLY CHAIN

Omnichannel and supply chain can work together for competitive advantage

34 VIEWPOINT

Reshoring starts with mapping suppliers

......

INFO

56 SUPPLY CHAIN INSIGHTS

52 WEB_CITE CITY

60 E-CALENDAR

61 SUPPLY CHAIN SOLUTIONS

62 RESOURCE CENTER



INPRACTICE

18 LEADERSHIP

How much does Dave Cox, president of Polaris Transportation Group, believe in building partnerships with clients? Enough to walk away from a million-dollar account that wasn't interested in developing a relationship.

INSIGHT

6 CHECKING IN

Do you like raspberries?

10 GOOD QUESTION

What's the most unexpected transportation move or logistics project you've been involved in?



C-Store Master is constructing a first-ofits-kind automated warehouse in Alabama

Inbound Logistics (ISSN 0888-8493, USPS 703990) is mailed monthly to approximately 60,000 business professionals who buy, specify, or recommend logistics technology, transportation, and related services, by Thomas Publishing Company LLC, 5 Penn Plaza, NY, NY 10001. José E. Andrade, co-chairman; Carl T. Holst-Knudsen, co-chairman. Periodicals postage paid at New York, NY, and additional mailing offices. All rights reserved. The publisher accepts no responsibility for the validity of claims of any products or services described. No part of this publication may be reproduced or transmitted in any form or by any electronic means, or stored in any information retrieval system, without permission from the publisher. POSTMASTER SEND ADDRESS CHANGES TO: Inbound Logistics, 5 Penn Plaza, New York, NY 10001



[INSIGHT]

VIEWPOINT

by Bindiya Vakil
CEO and Co-Founder, Resilinc
408-883-8053 | Bindiya@resilinc.com

Reshoring Starts with Mapping Suppliers

When the book *How COVID-19 Changed Supply Chains* is written, it will include chapters on reshoring—bringing manufacturing back to the United States—and nearshoring—bringing them closer to home. But there won't be a chapter titled "How COVID-19 Ended China's Manufacturing Dominance."

After COVID-19 disrupted Chinesemade supplies of personal protective equipment, reliance on Chinese suppliers was portrayed as a critical strategic weakness. Now is an appropriate time for companies with suppliers in China to evaluate whether to reshore or nearshore parts of their supply chains.

Here are four key points to consider:

1. Map your supply chains first. Those companies that invested in monitoring and mapping their supply networks before the disruption occurred emerged from the pandemic in better shape. They had better visibility into the structure of their supply chains down to the second- and third-tier supplier level.

Without this kind of mapping, any strategy to shift manufacturing away from China is vulnerable to sub-tier dependencies. Apparel manufacturers that moved from China to other Asian countries found they were still dependent on Chinese suppliers for textiles, zippers, and other components, according to *The Wall Street Journal*.

Visibility mapping also increases the potential to reshore a supply chain without having to switch suppliers. Consider this: By mapping its tier one, two, and three suppliers in China, a company may find that 30% of them have manufacturing sites outside of China (this percentage is typical).

Instead of onboarding new suppliers, which is labor- and time-intensive, the company could shift to a supplier's alternate location with minimal disruption. In this case, the value of the map will be greater than the cost and time to develop it.

- 2. Evaluate real costs and impacts. Even in a developing country, setting up a new factory can cost several billion dollars and take two or three years. If a supplier or contract manufacturer is making that investment, cost increases for parts and materials are almost certain to follow. Evaluate how much costs are likely to rise due to such a move, and how those will affect prices, demand for the affected products, and profitability.
- 3. Don't assume "near" equals "inexpensive" or "risk-free." With its

close proximity and recent United States-Mexico-Canada Agreement ratification, Mexico is widely perceived as an ideal location for nearshoring supply chains. But Mexico is not an inexpensive country in which to operate compared to other Asian countries.

Both the United States and Mexico, or any other nearshore locations, have their own risks, constraints, and challenges. Leverage your mapping data and conduct a thorough analysis of suppliers in that region and their historical performance during disruptions.

4. Before you reshore manufacturing, take account of the skills needed, availability, and cost. With the current high unemployment rates, many companies—including foreign firms supplying U.S. customers—are looking to build domestic manufacturing capacity. While it's true that the available labor force will be much larger than it would have been one year ago, most of those workers have experience in service industries only, and would need significant training.

OPTIMIZE AND ANALYZE

An informed decision about reshoring or nearshoring requires optimizing the variables and thoroughly analyzing the risks, costs, and benefits. Supply chain design strategy should always be for long-term competitive advantage rather than in reaction to an event.