

Supply Chain Management Issues in Re-shoring Manufacturing Activities within the context of Postponement Strategies

Hamid Moradlou and Chris Backhouse

Wolfson School of Mechanical and Manufacturing Engineering
Loughborough University

Loughborough, United Kingdom LE11 3TU
h.moradlou@lboro.ac.uk, c.j.backhouse@lboro.ac.uk

Abstract

As a result of globalization and dynamic business environment, manufacturing sectors are obliged to co-operate within far more complicated and longer supply chains. Since the mid-20th century, offshoring trend for manufacturing facilities to East Asian has gained significant popularity to reduce cost. However over the past years, the evidence shows that offshoring strategies may not continue to be beneficial for the organizations. Hence companies have begun to establish a better understanding of the total risk/benefit-balance and base their decisions on strategic supply chain issue rather than simply relying on cost analysis. Consequently it is evident that there are tendencies on reversing the off-shoring strategy and re-shoring manufacturing activities. Despite the significance of this phenomenon, the supply chain literature has not received sufficient attention by the academic community. This study aims to establish a better understanding of Re-shoring and examine the applicability of postponement in Re-shoring context. The objective is to investigate the nature of new technologies, Reinvention of Manufacturing, returning to the home countries and propose a framework in which local knowledge and global networks are combined and encouraged to establish a relationship that enable collaborative cost reduction even when exchange rates diverts the sourcing costs in the wrong direction.

Keywords

Re-shoring, Supply Chain Management, Reinvented Manufacturing, Postponement

Biographies

Hamid Moradlou is a PhD student at Loughborough University, UK studying Supply Chain Management issues related to re-shoring manufacturing activities back to the UK. His research area focuses on investigating the applicability of postponement in re-shoring context within automotive sectors. He has a graduated MSc in Advanced Manufacturing Engineering and Management from Loughborough University and BSc in Mechanical and Manufacturing Engineering with Management From University of Bath, UK.

Chris Backhouse is Professor of Product Innovation at Loughborough University, UK with extensive knowledge and experience of Higher Education in the Middle East and South East Asia. He is a regular international presenter in his field of innovation and entrepreneurship with extensive links with Universities in Singapore, Hong Kong, Malaysia, Indonesia, China, and Egypt. He advises on research and enterprise strategy and on taught curriculum content. He is a mechanical engineer by background having obtained his PhD whilst employed by Unilever Plc. In 1990 he joined Loughborough University where he has held various senior positions including Dean of the Faculty of Engineering and as Director of Internationalisation Strategy – responsible for the University's strategic international partnerships. His research activities have focused on the human aspects of motivation, innovation and entrepreneurship within an industrial context. He has published widely in the academic press and presented at numerous international conferences.