

# Industrial automation and nearshoring

## **The COVID pandemic exposed the risk of supply chain concentration, particularly offshore.**

While offshoring has buttressed company profits and shareholder value for more than half a century, many firms are now wondering if there's a better way — one that allows them to shorten supply chains and reduce the potential for major interruptions caused by political strife, global weather events or other exogenous factors.

The challenge is how to bring manufacturing closer to home while maintaining the profitability that cheaper overseas labor has underpinned for many years. Is industrial automation a realistic solution? Are firms using industrial automation to bring manufacturing nearshore and shorten supply lines while maintaining profitability? In this spotlight, we ask three central questions to explore the topic:

- How much manufacturing still occurs in the US?
- Is there enough affordable labor available locally to bring more manufacturing nearshore?
- In the absence of available labor, how can firms achieve the benefit of nearshoring while hitting productivity and profitability targets?

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