

Executive Outlook 2012: Increased Onshoring On The Horizon? Not Likely

Written by Dave K. Banerjee, President & CEO, CyberMetrics Corporation
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While there's some evidence that offshore manufacturing is slowing and, in some cases, reversing to onshoring, in my opinion, the practice of offshoring U.S. manufacturing and service jobs will continue in the coming years.

Growing up and working in the “Motor City” gave me an early and first-hand perspective on the effects of offshoring manufacturing jobs. I fondly remember the time that GM was not only the biggest car manufacturer but also the biggest company in the world. If you don't already know the answer to “Who's the biggest company now?” look it up. It isn't a manufacturing company.

My first job out of college was at a large Detroit-area automotive-parts factory, where I worked as an engineer. I used to spend a lot of time with the maintenance crew trying to figure out why so many parts were out of spec and defective—*maintenance actually recognized these types of problems early on.*

Our maintenance department did its best to keep things operational with broken-down auction-purchased equipment, few resources and a run-to-failure management attitude. Ultimately, poor quality output and stalled customer assembly lines resulted in business failure and the eventual offshoring of the production. Over one thousand jobs were lost. That happened nearly 30 years ago, in the early 1980s—*offshoring continues today and seems on track to even increase in the future.*

At my own company, CyberMetrics, we work with many automotive, electronics, pharmaceutical and biotech manufacturers, supplying and supporting them with our FaciliWorks® CMMS software products. Nearly all of our larger and many of our mid-sized customers have offshore

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or at the least, *near-shore* facilities (and those counts are rising). Though operations are offshore, our customers still want to make sure manufacturing equipment and facilities are properly maintained, regulatory compliance is met and MRO inventories are adequately stocked. Fortunately, our cloud-based CMMS software makes both local and offshore deployment fairly quick and easy for our customers.

Political parties will continue to debate the question of offshoring for votes and mindshare—*it evokes emotion*

. Yes, there will be some minor onshoring of a few jobs and the debate will fade, only to resurface once again, of course, during the next campaign.

Like it or not, offshoring is here to stay and, most likely, will only grow with time. Why? We always want the lowest price—*always*. **MT**