



## **Reshoring After COVID-19 Presents Economic Development Opportunities**

By Colleen Walton May 7, 2020

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As we begin to plan for a post-pandemic world, a movement to reshore or attract the manufacture of certain “essential” products has been gaining traction. Economic developers across the nation are aware that landing a new or expanding manufacturer that might create jobs and investment in their community could be a key part of their economic recovery process. It could also provide a much-needed level of industry diversification. There is a lot of speculation about which industries are essential and how to begin the attraction process.

In order to get a better idea what industries will be included in this reshoring effort, Brand Acceleration reached out to site location professionals. The initial question was, “In light of the current COVID-19 crisis, which industries do you believe are most important to bring to the United States?” A follow-up question asked what assets a community would need to have in order to be attractive to these industries. Their recommendations – regarding both industries and assets – are summarized here.

Courtney Dunbar of Burns & McDonnell commented, “I’ve been having discussions surrounding several industrial segments with my colleagues. We anticipate an increase in on-shoring and are working with our industrial clients to determine their best approach in doing so.”

## ***Medical Products***

A majority of the site location professionals interviewed stated that medical products will be one of the most highly sought-after industries to be reshored. Here are a few of their stated needs:

- Proximity to medical research institutions
- Significant number of employers in durable goods manufacturing
- Lower costs of labor, real estate, and construction
- Cost advantages associated with a state's right-to-work status
- Available existing buildings
- Low-cost electricity
- Excellent transportation assets

## ***Pharmaceuticals***

John H. Boyd, Principal at The Boyd Company, said, “[Pharma] is a client base whose site selection requirements are very demanding. Chief among them are a significant precedent base of the pharma industry in order to provide management/scientific/technical staff that are transferring a high level of career confidence and to ensure the selective recruiting of qualified local new hires at start-up, a highly skilled workforce in fields like biology, chemistry, bioinformatics, genetics, botany, microbiology and other bioscience disciplines, including support fields like government affairs, regulation and compliance.” Desirable community assets include:

- Proximity to research institutions
- Existing pharma and/or animal science companies
- Available existing buildings
- Available building with clean environments or buildings that could be easily converted
- Access to talent with education and experience in life sciences

## ***Electronics, Automation, and Communications Equipment***

According to Harry Moser of the Reshoring Initiative®, “We cannot afford to be cut off from supply, e.g. medical devices, but also rare earth minerals, semiconductors, automation equipment, aluminum, etc.” What we need for living and, if necessary, defense.

- Access to rare earth inputs
- Quick access to consumer markets
- Access to talent and education

## ***Food and Beverage***

Food is an area of growing concern. With processing plants closing, the fear of food shortages is growing, along with concerns about losing control of food quality and availability. Christopher Lloyd, McGuireWoods Consulting, points out that the US regulatory system still enjoys widespread trust. Other expectations include:

- Food programs in schools
- Plenty of excess available water
- Access to consumer markets

## ***Miscellaneous***

In addition to the items outlined above, several of the site location professionals interviewed mentioned the following as important assets when it comes to a reshoring effort:

- Substantial pool of skilled labor
- Creative incentives for employers making large investments but not necessarily hiring large numbers
- Access to state research and development incentives

Competition will be fierce, but the current situation has shown that there is a demand for these “essential” products. By assessing their assets, economic developers across the nation may find potential opportunities for growth and development in reshoring.

*Many thanks to the following professionals who shared their opinions:*

John H. Boyd, The Boyd Company, Inc.  
Dennis Donovan, Wadley Donovan Gutshaw Consulting  
Courtney Dunbar, Burns & McDonnell  
Jay Garner, Garner Economics, LLC  
Christopher Lloyd, McGuireWoods Consulting  
Michael McDermott, Cushman & Wakefield  
Harry Moser, Reshoring Initiative®



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As a marketing strategist for Brand Acceleration, Colleen oversees brand identification and marketing program implementation for communities, counties, and regions nationwide.