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From Global to Local: Reshoring for Sustainability

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**From Global to Local:
Reshoring for Sustainability**

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1. Introduction

Globalisation and economic trends have created highly complex supply chains across multiple industries (Varma et al., 2006), and there has been a tangible and significant shift to firms offshoring their production activities (Darnall et al., 2008). Reductions in quotas and trade barriers have enabled firms to offshore to predominantly developing countries where low labour and raw material costs have provided substantial savings (Tate et al, 2014), as well as access to resources, technology, skills and knowledge (Elia et al., 2014; Jahns et al., 2006, Lewin et al., 2009; Manning et al., 2008).

Sustainable practices, and ensuring supplier responsibility in complex supply chains are additional challenges when offshoring, but an increasingly important consideration. (Gray et al., 2013). Proactively minimising environmental impacts and using materials and processes responsibly are value-adding activities (Preuss, 2005a), and working closely with suppliers to ensure these goals are met and workers are treated ethically can benefit both the firm and its supply chain. Increased geographical distance can make it difficult to address environmental and social performance, and fully assess suppliers' sustainability commitment (Gualandris et al., 2014); the achievement of sustainability goals is therefore challenged by the global spread of suppliers (Roberts, 2003), and their management (Walker & Jones, 2012). Supply Management (SM) represents a mechanism for coping with the complexity of global supply networks, and can be applied to managing suppliers' sustainability performance (Gualandris et al., 2014). SM emphasises the importance of long-term relationships with fewer selected suppliers to enable better coordination and sharing of information, skills and knowledge (Choi & Kim, 2008).

The offshoring trend has been especially evident within the UK clothing industry, and due to its complex and global nature the industry is well-researched with regard to supply chains. However despite anecdotal evidence of increased reshoring by high street clothing retailers such as Marks & Spencer (Bounds & Powley, 2015), there has been limited research into the drivers for this trend, and how and why firms decide to reshore. There is recognition in the nascent reshoring literature that researchers' task is to examine whether it is a new supply phenomenon and conduct research that contributes to the theory, and practice, of reshoring (Gray et al., 2013). By investigating the location decisions made by a UK clothing firm this paper aims to provide insights into the reshoring decision process and its impacts on sustainability performance.

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4 The presented case study is an exemplar UK clothing SME with strong and explicit
5 sustainability principles, which it aims to translate into its supply practices, products and
6 relationships. When it was established it could only source materials and production from global
7 suppliers, so offshored for resource access rather than lower cost labour. Driven by strong
8 sustainability principles, it has however committed to bringing its supply network closer to home,
9 partnering and collaborating with UK and European-based suppliers to enable more local
10 provision of materials, production and skills.
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17 The paper aims to understand why firms decide to reshore and the impact this has on their
18 supplier relationships and sustainability performance. It is structured as follows: the next section
19 reviews the key literature on offshoring and reshoring, and supply management and sustainability
20 performance; this is developed into a research framework, which employs the over-arching lens
21 of Social Network Theory (SNT). The research methodology is then presented followed by the
22 findings and discussion, and the conclusion highlights implications for theory, practice and
23 policy, recognising the study's limitations and opportunities for future research.
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30 **2. Literature Review**

31 **2.1 Offshoring and Reshoring**

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33 Offshoring is defined as the transfer of or choice to locate production, supply, R&D activities
34 and/or services to a foreign location outside the firm's home country (Larsen et al., 2013;
35 Silveira, 2014), and is a highly complex decision. The offshoring of manufacturing processes
36 increased significantly in the US, UK and Europe from the early 1990s to mid 2000s with key
37 drivers being the low cost raw materials and labour available from developing countries (Tate et
38 al., 2014). While offshoring decisions should not be based solely on price (Kinkel, 2009), a
39 dominant perception is that a firm's primary objective for offshoring is to reduce production costs
40 by targeting low-wage sourcing locations (Larsen et al., 2013).
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48 Reshoring is a reversion of a previous offshoring decision thereby 'bringing manufacturing
49 back home', where the activity is returned to the home country or is nearshored i.e. brought in
50 closer proximity to the focal firm (Gray et al., 2013). The reversal of offshoring decisions is not a
51 new phenomenon, but reshoring is increasingly reported in the relevant press and the imperative
52 for academic research is recognised (Fratocchi et al., 2014). While there is industry evidence of a
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growing reshoring trend (Arlbjorn & Mikkelsen, 2014) it is largely anecdotal and poorly developed as a research area; there is a therefore a key need to understand the motivations and implications of bringing processes ‘back home’ or in closer proximity (Kinkel, 2009).

Figure 1 Reshoring Options (Gray et al., 2013)

		<i>To: Onshore</i>	
		In-House	Outsourced
<i>From: Offshore</i>	In-House	In-House Reshoring	Reshoring for Outsourcing
	Outsourced	Reshoring for Insourcing	Outsourced Reshoring

Figure 1 presents 4 recognised forms of reshoring; in-house reshoring is the return of wholly-owned offshored activities to wholly-owned local activities, reshoring for outsourcing the return of wholly-owned offshored activities to local suppliers, and reshoring for insourcing the move from offshore suppliers to wholly-owned home-based facilities (Gray et al., 2013). The outsourced reshoring decision forms this paper’s focus and is where a firm fulfils local market demand by relocating activities previously performed by offshore suppliers to the home location. While factors such as increases in labour costs can make the reshoring decision straightforward and rational, a decision based on changes in the firm’s valuation of the true cost of offshoring (Gylling et al., 2015), rather than producing locally offers greater potential for understanding the path from offshore to reshore. A key interest of this paper is how a growing emphasis on sustainability performance impacts the reshoring decision, and extends to gaining a better understanding of the strategic imperative of local manufacturing (Kinkel, 2014).

There are tangible benefits associated with offshoring, as summarised in Table 1, and the objective of cost reduction contributes to the economic category of offshoring drivers, which includes the factors of wage differentials, interest rates, tax rates and energy costs, and currency changes (Gray et al., 2013; Jahns et al., 2006). The other categories of drivers are political-legal e.g. trade barriers, tariffs and quotas, which facilitate offshoring and foreign market access, socio-demographic e.g. the availability of skilled, motivated and educated human resources, and

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4 technological through the development of telecommunications and transportation technologies
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6 (Jahns et al., 2006). Access to specific resources, talented, qualified labour, and technology (Elia
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8 et al., 2014, Lewin et al., 2009; Manning et al., 2008) provides opportunities to improve a firm's
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10 organisational system (Larsen et al., 2013), and the acquisition of specialised knowledge can
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12 contribute to firm innovation (Maskell et al., 2007). Focusing on core competences can facilitate
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14 the removal of fixed costs for non-core functions such as warehousing (Varma et al., 2006), but
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16 there is evidence of the offshoring of core and mission-critical activities (Slepnirov et al., 2010).

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18 Key disadvantages as presented in Table 1 include the loss of skills, expertise and core
19
20 competences, and increased supply chain length and complexity. (Gray et al., 2013). The process
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22 of offshoring has been so intense in certain industries that some manufacturing stages and skills
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24 have almost disappeared in the 'home' countries (Martinez-Mora & Merino, 2014). Extensive
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26 offshoring can result in the loss of tacit knowledge, reduced innovation through physical and
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28 often cultural distance (Caniato et al, 2013), longer, more complex supply chains, long leadtimes
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30 and limited flexibility (Tate et al., 2014); geographical distances increase transportation costs, but
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32 also complicate decisions around inventory due to the longer leadtimes (Cagliano et al., 2008). It
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34 can hamper operational efficiency and make agreements difficult due to lack of trust (Caniato et
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36 al., 2013), there can be a lack of understanding, communication and face-face interaction together
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38 with cultural and language difference (Caniato et al., 2013; Larsen et al., 2013).

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40 **Table 1** Key benefits and disadvantages of offshoring

Benefits	Disadvantages
Low cost materials	Supply chain complexity & loss of control
Low cost labour	Visibility of processes & practices
Access to qualified labour	Quality of materials & production
Access to resources, knowledge & expertise	Loss of skills/manufacturing in 'home' country
Focus on core competences	Loss of core competences
Access to new/broader markets	Geographic distance, longer leadtimes and delays
Beneficial trading conditions	Quality of communication/cultural differences
Organisational flexibility	Increased inventory
Access to technology	Environmental & social standards

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53 Some of the more negative impacts related to offshoring relate to sustainability; offshoring has
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55 environmental and social implications due to lack of supply chain visibility and differences in
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57 country practices and standards. The growth of global supply chains and globalisation is an on-
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4 going process, but focal firms are increasingly trying to address the social and environmental
5 aspects of their operations, and attention needs to be paid to political and cultural differences when
6 managing the supply chain (van Bommel, 2011). There are indications that the decision to
7 reshore may increasingly result from a greater emphasis on sustainability, with closer proximity
8 to the home company enabling better control over the environmental impact of manufacturing
9 processes and reduced environmental impact due to reduced transport, together with improved
10 visibility of working practices and ethical behaviour (Gray et al., 2013).

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17 The decision to undertake outsourced reshoring and work with local rather than global
18 suppliers can be cost-related, and a response to specific supply problems (Johnston, 2012).
19 Overseas destinations for low cost offshoring are experiencing increased pressure for wealth and
20 welfare, which translates into higher salaries and a closing of the wage gap between developed
21 (western) and developing (eastern) countries (Arlbjorn & Mikkelsen, 2014); increased labour
22 costs together with high oil prices, increased transport costs and global supply risk make
23 reshoring to local suppliers more economically viable (Tate, 2014). Supply-related drivers for
24 Outsourced Reshoring reflect the issues that can occur from offshoring and managing a global
25 supply network; they include delays and a lack of flexibility, which can prevent market and
26 supply responsiveness, (Fratocchi et al., 2014), and limited visibility and control of suppliers'
27 activities and behaviours (Caniato et al., 2013), including those relating to sustainability.

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37 By definition global supply chains cannot be as fast and seamless as local supply (Caniato et
38 al., 2013), so reshoring can improve speed, flexibility and simplicity to enable a leaner, more
39 responsive supply chain (Johnston, 2012). Additional potential benefits include greater supply
40 chain visibility, the opportunity to contribute to the local economy, and an increased response to
41 sustainability issues (Tate et al., 2014). However while it may be increasingly cost effective the
42 reshoring of previously offshored activities presents certain challenges. The loss of control over
43 processes and activities that can result from offshoring can make such decisions irreversible
44 (Dekkers, 2010), and even if outsourced reshoring is feasible there could be issues with the
45 availability of suppliers in the home location with the required skilled labour and expertise;
46 offshoring has been so intense that some manufacturing stages have almost disappeared in
47 developed countries (Martinez-Mora & Merino, 2014).

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4 A range of factors, mostly firm and industry-specific are underexplored in reshoring research
5 (Fratocchi et al., 2014); firm size and the nature of its industry are highly relevant, and there is an
6 assumption in the current anecdotal evidence that it is primarily larger MNCs that are reshoring
7 (Arlbjorn & Mikkelsen, 2014). The challenge of reshoring to restore competences that were
8 previously offshored (Kinkel, 2014), and responding to the loss of tangible and tacit skills in the
9 home country needs to be explored. In addition examining the strength of ties (Kinkel, 2009) can
10 offer important insights for understanding how supplier relationships contribute to the reshoring
11 decision and its outcomes, including the impact on sustainability performance.
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19 **2.2 Supply Management**

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21 The growth in offshoring reflects a tangible shift from vertical integration and its perceived
22 benefits – economies of scale, access to capital etc. – to highly complex, global supply chains
23 where each company specialises in a specific process or stage of production (Samaranayake,
24 2005). As a result SM has become increasingly important as a mechanism to coordinate suppliers
25 (Soderberg & Bengtsson, 2010), and overcome some of the challenges of offshoring (Caniato et
26 al., 2013). Effective management requires the integration of information and material flow
27 through its different stages and strong supplier relationships (Kauffman, 2002; Samaranayake,
28 2005); issues such as a lack of common understanding, lack of control and differing approaches
29 can be resolved through more informal governance systems (Burgess & Singh, 2012).
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37 Research to understand global supply is progressively moving away from conventional
38 economical and technological mechanisms towards more relational, inter-organisational
39 approaches (Pilbeam et al., 2012), which focus on the relation between actors in a supply network
40 and how they cooperate, stimulate and influence each other (van Bommel, 2011). In SM the focal
41 firm engages in activities to coordinate suppliers and empower them, and relies on close
42 involvement through long-term relationships, information sharing and coordination (Gualandris
43 et al., 2014). Transactional relationships focus on increasing the number of suppliers or
44 frequently switching suppliers to economise costs, whereas relational approaches focus on the
45 sharing of information (Power, 2005; Preuss, 2005b). Cooperation is considered the threshold
46 level where firms exchange some essential information and engage some suppliers in long-term
47 relationships, while in coordination workflow and information is exchanged to allow more
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4 seamless linkages between suppliers. Collaboration represents the optimum level when focal firm
5 and suppliers work together to plan and execute operations with greater success than if they acted
6 in isolation (Nyaga et al., 2010).
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10 Trust is an essential element of inter-organisational relationships (Simpson & Power, 2005),
11 and critical to understanding effective working in supply networks (Pilbeam et al., 2012).
12 Individual relationships and close-knit social relations (van Bommel, 2011) can reduce
13 transaction costs and nurture trust and informal networks, which in turn enable the flow of
14 information (Samaranayake, 2005), and overcome the decision-making uncertainty that can result
15 from offshoring (Primo, 2010). Trust-based relationships can also improve the efficiency of
16 production activities (Gereffi & Lee, 2016), and facilitate supplier development, integration and
17 coordination (Caniato et al., 2013); trust and commitment has a strong link to collaboration, and
18 commitment indicates a desire to maintain a valued relationship (Primo, 2010).
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26 Effective SM is driven by the mechanisms used to coordinate the behaviour of suppliers, and
27 provide a foundation for trust and commitment (Narasimhan et al., 2008). Relational governance
28 is important to developing and managing good supplier relationships and plays a role in
29 economic and social upgrading within the supply network (Gereffi & Lee, 2016). The literature
30 suggests that informal rather than formal governance instruments are more successful; informal
31 instruments relate to governance that is embedded in social structure, social norms, value
32 systems, culture, and sharing information beyond what is formally required (Pilbeam et al.,
33 2012). The greater emphasis on social factors and inter-personal relationships provides better
34 governance relationships than contractual arrangements and can result in increased supplier
35 collaboration (Burgess & Singh, 2012).
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44 As indicated in Table 1 there are many cost and resource-based advantages in offshoring, but
45 the physical and cultural distances between the firm and its suppliers can make it challenging to
46 develop the levels of communication and trustful, informal and long-term relationships advocated
47 by the SM literature (Bernardes, 2010). Reshoring or nearshoring reduces these distances,
48 offering the potential for improved communication and supplier visibility. This raises the
49 question as to whether the reshoring trend is a rational response to increasing offshoring costs
50 (Gray et al., 2013) or a more nuanced reaction to the difficulties associated with managing
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4 offshore suppliers, with closer proximity potentially enabling better supplier management; this
5 could extend to the sustainability performance of suppliers.
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8 2.2.1. Supply Management for Sustainability 9

10 Every product generated, transported, used and discarded within a supply chain has some impact
11 on the environment, and is a function of the material and energy consumed, and wastes released
12 in its lifecycle (Tsoufas & Pappis, 2006). Organisations appear to be increasingly committed to
13 more sustainable behaviour, although there are indications of non-engagement, opportunistic
14 behaviour and ‘greenwashing’ (Baumgartner & Ebner, 2010). For firms that systematically
15 manage their impacts there are 3 recognised strategies: reactive, ‘end of pipe’ pollution control;
16 proactive where firms recycle and re-use products/materials within their supply chains and aim to
17 pre-empt new legislation; and value-seeking where environmental behaviour is integrated into the
18 business strategy with a supply network-wide responsibility (Preuss, 2005a). Internal responses
19 include Environmental Management Systems (EMS), use of certification and Design for the
20 Environment (DfE), which considers performance over the full lifecycle, to include recycling
21 (Field & Sroufe, 2007; Mascle & Zhao, 2008); external responses focus on supplier development,
22 evaluation, integration, and collaboration to address environmental and social impacts and
23 develop mutually beneficial responses (Gualandris et al., 2014). This extends to how suppliers
24 are treated, their work environment and rights; social equity requires that all members of society
25 have equal access to resources and opportunities (Bansal, 2005), extending to the fair, ethical and
26 equitable treatment of employees. It is concerned with poverty, injustice and human rights, and
27 from an SM perspective considers the welfare of all employees globally (Krause et al., 2009).
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43 Addressing sustainability performance should involve cooperation throughout the entire
44 supply network (van Bommel, 2011), but the global spread of suppliers and inadequate supplier
45 management can prevent sustainability goals being met (Gualandris et al., 2014). Trust and
46 strong, durable relationships with a smaller number of suppliers can contribute to superior
47 performance (Narasimhan et al., 2008) and SM’s integrated approach is intended to take the
48 potential environmental and social side effects of offshoring into account (van Bommel, 2011). It
49 can therefore positively contribute to sustainability performance by focusing on win-win
50 solutions through mutually beneficial relationships with suppliers (Burgess & Singh, 2012).
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2.3 The Research Framework

Network and social-based theories have a strong relevance to understanding the relational components of supply networks (Pilbeam et al., 2012); the application of theories such as social capital are only receiving recent attention, so there is a recognised need for more OM research using a social lens (Burgess & Singh, 2012). Social Network Theory (SNT) explicitly applies a relational, more qualitative approach to understand the interactions between network actors. It focuses on the types and strengths of relationships and how they provide context for decision-making (Galaskiewicz, 2011); the strength of ties between actors is best represented by intangible relationships (Autry & Griffiths, 2008), and are important in building trust, which facilitates the information exchange and coordination needed in SM (Galaskiewicz, 2011). The structural component of SNT applies to how firms and suppliers are connected and what interactions occur in terms of information, materials, components etc., while the relational component focuses explicitly on the social interactions and their outcomes (Galaskiewicz, 2011). It represents a powerful tool for analysing the content, pattern and connections of relationships in a network (Choi & Kim, 2008), and the relational outcomes of SNT can strongly inform SM practice through a focus on trust, informal relational governance and socially constructed meanings.

Figure 2 The Research Framework

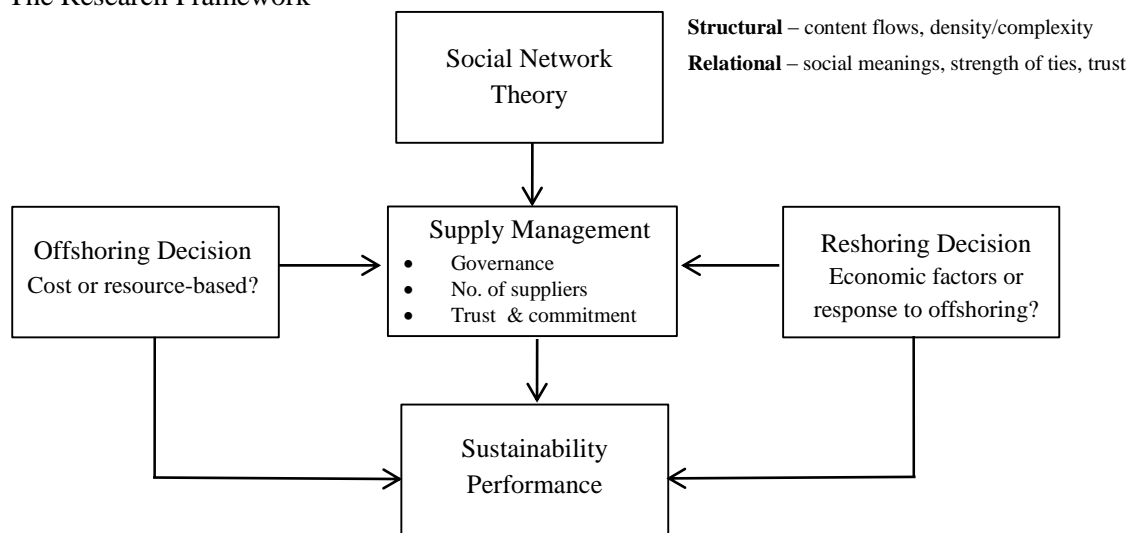


Figure 2 presents the research framework that will be applied to answer the following research questions:

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4 RQ1. Why do firms decide to reshore, and what are the challenges and benefits?
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6 RQ2. Does a local supply chain enable better supply management, and what impact does this
7
8 have on sustainability performance?
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10 The framework consolidates the key concepts presented in the literature review, namely the
11 motivations for offshoring and reshoring decisions, and how these decisions in conjunction with
12 SM contribute to the sustainability performance of the firm and its supply network. SNT provides
13 the overarching lens for the framework, with its structural and relational components informing
14 the considerations and practice of SM. The decision to offshore or reshore then has implications
15 both for the form of SM undertaken and the supply chain's sustainability performance.
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21 **3. Research Methodology**

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23 The offshoring trend has been especially evident within the UK clothing industry; it has seen the
24 relocation of most if not all production to overseas suppliers (Bergvall-Forsberg & Towers,
25 2007), which has resulted in a significant loss of UK skills and manufacturing (DEFRA, 2011).
26 Clothing supply chains are heavily buyer-driven and low unit cost is a major driver; focal firms
27 typically govern how the supplier relationships work (Gereffi & Lee, 2016), and can use their
28 buying power to demand lower prices. The UK clothing industry has benefitted from the lower
29 costs associated with overseas suppliers (Dekkers, 2010) as well as improved access to resources,
30 but has also experienced some significant problems as a result of offshoring, including those
31 related to environmental and social performance (Tate et al., 2014). Key environmental issues in
32 the industry relate to availability and responsible use of resources, and the amount and extent of
33 waste and pollution generated by production processes. Increased purchase frequency and
34 reductions in pricing (Birtwistle & Moore, 2007), have also created a 'throwaway' attitude,
35 which has increased the rate of garment disposal (Allwood et al., 2006). From a social
36 perspective key considerations are workers' rights, working conditions and child labour (Forman
37 & Sogaard Jorgensen, 2004), with the collapse of garment factories in Bangladesh a powerful
38 illustration of how rights can be abused. This extends to impacts on societal capital, which
39 benefits individuals and their communities through education, health and welfare, and social
40 development (Dyllick & Hockerts, 2002).
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4 The reshoring of previously offshored processes can enable greater supplier control and more
5 visibility (Caputo & Palumbo, 2006); the decision to reshore potentially reflects the UK clothing
6 industry's response to offshoring issues, as well as economic factors with the progressive
7 increase in overseas suppliers' pricing (Gylling et al., 2015). As an industry that has been heavily
8 researched in relation to offshoring and supply management it has an important contribution to
9 make to the developing reshoring research field. It is acknowledged that given its early research
10 stage case studies are required to enable a rich understanding of the context and drivers of the
11 reshoring trend (Seuring, 2008); an in-depth qualitative case study is deeply embedded in rich
12 empirical descriptions of a dynamic and evolving phenomenon, and addresses 'how' and 'why'
13 questions (Eisenhardt & Graebner, 2007). Case research enables new and creative insights and
14 offers high validity with practitioners (Karlsson, 2009); case studies can explain real-life
15 phenomena that are too complex for other approaches and the strategy provides powerful tools
16 for capturing both the hard and soft elements of an organisation (Voss et al., 2002).
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19 The presented case study represents one of a series within a larger research project on
20 sustainability performance in UK clothing SMEs; it forms the focus of this paper as it is a
21 sustainability exemplar within its industry and offers significant insight into the decision to
22 reshore a specific set of production activities to the UK as a means to address strong principles. A
23 single case study enables a detailed and highly focused investigation into a specific phenomenon
24 (Eisenhardt & Graebner, 2007), and given the paper's focus on SM and relational governance it
25 was important to observe the supply decision-making process and the development of supplier
26 relationships over time. There is a dearth of longitudinal studies in the supply network literature,
27 which typically looks at networks at a point in time rather than as a dynamic cycle (Pilbeam et
28 al., 2012). There is also recognition that the roles and responsibilities of suppliers will change
29 over time and as relationships evolve (Slepnirov et al., 2010). The challenges of longitudinal study
30 are potential changes in respondents and data, especially if conducted over a long time period,
31 and even the closure of the firm during the study (Cagliano et al., 2008).
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34 Six site visits were conducted over a 12-month period and an on-site interview was also
35 conducted with a key UK supplier (see Appendix 1 for the structure of visits and interviewees).
36 The questions were adapted in response to any new or interesting facets that arose during the
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interview process (Reuter et al., 2010). All interviews were conducted at the firm's premises, and field notes recorded during each visit; supporting data including Company Accounts, marketing material and policies was acquired, and together with field notes and transcripts formed a clear narrative for the case (Yin, 2009). Qualitative data is full, earthy, holistic and real, but because the context is part of the study there will always be many variables and a high volume of rich data (Yin, 2009). Cross interview analysis allowed common patterns to be identified, and a coding system was implemented to relate content to specific themes, with supporting information used to verify, triangulate and enhance the analysis (Karlsson, 2009). See Appendix 2 for the themes that resulted from the analysis.

The case study is a surfing lifestyle brand based in the South West of the UK. It stands for 3 points of commitment – People, Product, Planet - and produces a select range of technical clothes from recycled and natural fibres. The company ethos is a desire to make the best technical apparel with minimal environmental impact, and it will not make products that cause more of a problem than they solve. The firm has a distinctive brand identity that aligns with its principles, and a loyal customer base; it aims to tell a story and 'hopes that our honesty comes out in our marketing and people will learn to trust that' (Owner).

Table 2 Key Company Information

Established	2005
Turnover 2011/12	£668,000
Turnover 2014/15	£1.48M
No. of Employees	30
Accreditation	Global Organic Textile Standard (GOTS)
Sales Mechanisms	Independent retailers, own retail outlets, online sales
Supplier Locations	Australia, China, Japan, Portugal, Italy, UK
Core Products	Knitted base layers, waterproofs, insulation
In-house activities	Product design, marketing, warehousing & despatch, customer service, product repair

The company information presented in Table 2 illustrates how the firm has grown in size and turnover since the owner established it in 2005, with just 1 employee and 1 product. It was originally a home-based business, moving to its current premises in 2009, and has always kept all design, marketing and customer-related activities in-house. It measures its performance on the quality, durability and longevity of its core products, and meeting the specific technical needs of

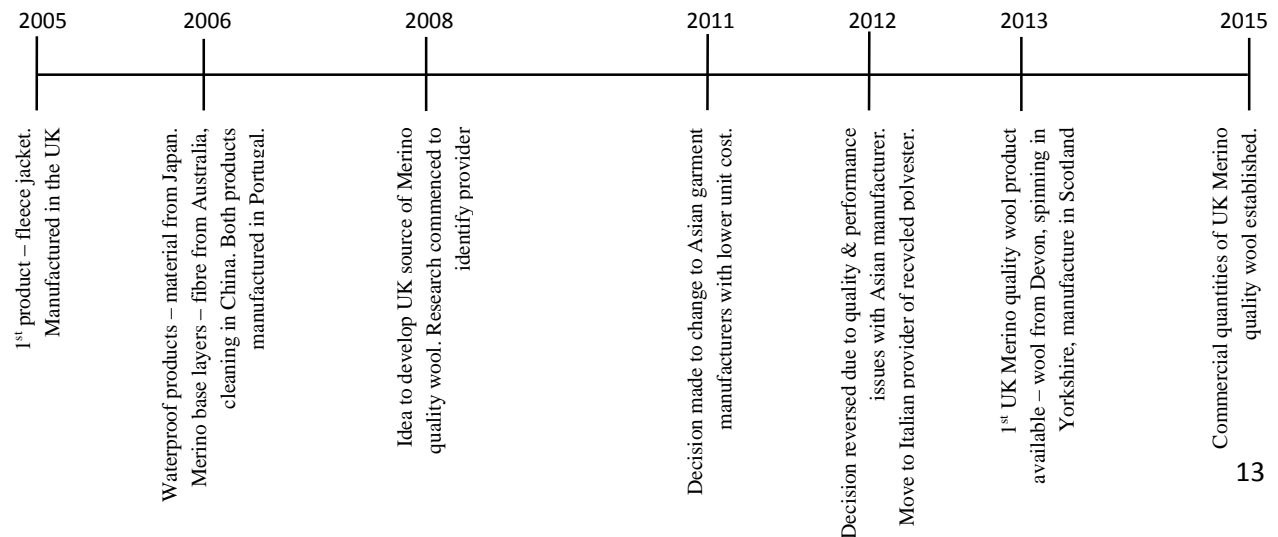
its customer base; while design and aesthetics contribute to the brand's strong identity product performance is the key order winner.

4. Findings

4.1. The Supply Location Decision

Key questions researchers need to ask in relation to reshoring are why, when and where was the activity offshored and what is the starting point for the reshoring decision (Fratocchi et al., 2014)? The studied firm is in full control of the design function, which enables them to develop products which are durable, repeatedly usable, harmlessly recoverable and environmentally compatible in disposal (Tsoulfas & Pappis, 2006). This translates into sourcing materials derived from recycled, animal-friendly, or easily renewable origins. The quality and performance of Merino wool is key to the core product, but this specific raw material can only be sourced from New Zealand or Australia, and strict controls mean the fibre cannot enter European seas until it has been cleaned. This means that it has to be transported to China for cleaning, before it can be transported elsewhere for processing, weaving and manufacturing. Having committed to using Merino wool this specific aspect of supply was largely out of its control. The firm produces its waterproof outerwear from recycled polyester, and initially sourced this material from the leading industry supplier in Japan, which innovated the technology that enables polyester garments, materials or components to be recycled into fibre. When the studied firm was established this was the only supplier in the market, so again the choice of supply location was initially constrained.

Figure 3 Timeline of Key Supply Decisions and Activities



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4 In contrast to the clothing industry's primary focus on the cost benefits of offshoring, the
5 studied firm's decision to offshore its raw material supply and processing overseas was driven,
6 and in part constrained by specific resource and expertise availability. The same factors governed
7 their choice of garment manufacturers, but the necessary expertise was in closer proximity.
8 Figure 3 illustrates the firm's key location decisions in relation to its core products and indicates
9 how the supplier relationships have evolved over the timeline, including a temporary change of
10 manufacturers, and their recent initiatives to enable material production to be reshored to the UK.

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17 As indicated in Figure 3 the firm decided to move its garment manufacture to an overseas
18 provider with lower unit costs as a means to increase their product margin, despite their well-
19 established relationship with the manufacturer in Portugal. This is reflective of a cost-based
20 rather than the resource-based offshoring decisions the firm had made previously (Larsen et al.,
21 2013), and the owner admitted it was an inappropriate decision as they encountered quality and
22 performance issues that threatened the brand's integrity.

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28 'I think previously we were all about quality and then the financial pressures put the focus
29 more on margins and that has now lead us back to being more about quality... We had the
30 brand and the product and the commerciality behind the brand and the product and we've
31 still got that, but are going back to the brand as how it started' (Owner)

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36 This serves to illustrate a key issue acknowledged within the reviewed offshoring literature,
37 namely that a short-term focus on cost saving and profit maximisation (Barthelemy, 2003)
38 through switching to cheaper suppliers in developing countries can have tangible impacts on
39 product, quality and service, but also affects the more intangible dimensions of firm reputation
40 and trust. The studied firm reverted back to its original garment manufacturers in Portugal after
41 one season and their previous strong relationship enabled this; they now firmly state that they
42 'won't jump ship each season to save a few pennies' (Owner).

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48 The firm's decision to reshore key supply activities commenced in 2008 when they committed
49 to developing fully UK-produced wool products, with the long-term aim to remove the Australian
50 and China supplier from their supply network. This commitment to more localised supply has
51 also resulted in a new relationship with a European supplier of recycled polyester fibre; this
52 decision was not possible until the market had developed sufficiently to offer alternatives to the
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4 industry leading supplier in Japan. Together with the reshoring of wool production to the UK this
5 move makes the supply network simpler and with fewer suppliers, as well as more visible and
6 controllable.
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9 10 4.1.1. Local not Global

11 An emergent and distinctive theme was of the firm developing a new supply chain as a result of
12 their specific principles. The desire for their supply to be closer to home and to their ‘recipe’
13 resulted in a unique partnership with a Devon-based farmer to reintroduce sheep that could
14 produce Merino quality wool. The firm developed the idea, and undertook extensive research to
15 identify the only UK farmer who had the industry connections, knowledge and expertise, which
16 could combine with the firm’s technical and design skills to initiate the project; consequently
17 they embarked on a *very* long-term collaborative partnership. The farmer located the only
18 remaining breed of sheep in the UK that could produce the required high quality of wool, and as
19 there were only 28 sheep left in the UK developed a breeding programme to establish production-
20 level numbers for the firm. A small number of wool accessories were available early 2013, but it
21 took a further 2 years to reach a commercial level of production, and the project is on-going. For
22 the Design Manager it enabled him ‘to work from the earth to the shelf within a circle and that
23 presents a very manageable information chain that allows us to talk about every point of process
24 and that ability to engage at every step’. The farmer recognises that localising supply creates a
25 sense of community and connection, and these values can be harnessed to develop something
26 new and commercial that also aligns with nature. While unit prices may be higher when issues
27 that can arise from the long distance supplier relationship, such as delays and communication
28 (Fratocchi et al., 2014), and additional costs such as transport are factored in it can be cheaper to
29 reshore production to the UK. There is also the opportunity to tell the UK-manufactured story,
30 which can represent a competitive advantage arising out of collaborative supplier relationships.
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32 A further theme associated with developing a new supply chain was the recognition that there
33 is still a strong ‘textile brotherhood’ in the UK that can be harnessed to enable the reshoring of
34 this aspect of its garment production. Having established the wool project the firm subsequently
35 worked with spinners in Yorkshire and manufacturers in Scotland to ensure that the whole
36 product chain could be UK-based. This aligned with the emerging theme of preservation and
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4 posterity; by establishing or maintaining local supply industry skills could be preserved or
5 developed in new directions. It implies recognition that the progressive offshoring of production
6 has eroded the UK textile industry and its skills, and firms can reverse this trend through a
7 commitment to local business and community. The production of high quality wool was always
8 possible within the UK, which historically has had a strong wool industry (McGregor, 2015);
9 however the growth in offshoring has caused the industry to decline significantly, with the loss of
10 breeds relevant to the production of high quality wool-based clothing products. Reshoring this
11 activity therefore represents a significant challenge, requiring the sourcing of the required skills
12 and developing a sufficient quantity of the correct quality breeds; the case study clearly
13 emphasises the commitment and expertise needed, but also demonstrates that it can be achieved.
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23 **4.2. Supply Management**

24 The studied firm has always had a local rather than global mentality, and activities were
25 offshored out of necessity, due a lack of availability of materials and specific skills in the home
26 country. They are progressively moving towards local sourcing of raw materials, and the
27 nearshoring of manufacturing within the UK and Europe rather than Japan, Australia and China.
28 The Japan supplier was originally the only one who could provide recycled polyester, while
29 Merino wool can only be sourced from Australia and New Zealand and processed in China. The
30 relationships with these 3 suppliers have been formal in their governance; they are all large,
31 established and highly commercial suppliers. The studied firm has contracts in place, and an
32 appropriate level of information is shared, but as site visits are infrequent visibility of the supply
33 tiers is limited, and there is no joint investment or collaboration. There is therefore limited
34 opportunity for shared R&D, and the studied firm is considered a customer rather than a partner.
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45 The closer proximity of suppliers in the UK, Italy and Portugal enables more regular visits, but
46 they are also similar in size to the studied firm, most are family-run, and there is a greater
47 reliance on informal forms of governance, and even friendships, particularly with the more
48 recently established UK-based suppliers. The firm has always recognised the importance of good
49 relationships, and while this has been more difficult to achieve with the larger suppliers in Japan,
50 Australia and China, they have always worked with suppliers in Portugal for garment
51 manufacture, due to the availability of the necessary skills and their proximity. They consider
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4 honesty and trust key to the quality of these supplier relationships; ‘It’s not a case of relying on
5 them, but trusting them. It’s about having really good relationships... that there’s transparency
6 and we understand what is required from each other’ (Supply Chain Manager). The long-term
7 perspective that the firm applies brings additional benefits with suppliers willing to accept lower
8 profits because they trust and believe in the firm’s principles. The shared commitment is also
9 evidenced in supplier flexibility with a desire to solve problems. ‘I know they haven’t made any
10 money on a certain product because of the amount of development and delivery costs... they
11 don’t whinge about it because they see it as a long-term relationship’ (Owner).
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19 This emphasises the role of trust and reciprocity, and illustrates the strategic benefits of
20 coordinated/collaborative relationships (Attaran & Attaran, 2007; Bordonaba-Juste & Cambra-
21 Fierro, 2009). SNT recognises the need for strong ties and shared understandings with supply
22 network actors, which can be achieved through friendship and reciprocity (Autry & Griffiths,
23 2008), and it informs how this can translate into SM practice. The firm’s close relationships with
24 its reshored/nearshored suppliers support extensive sharing of information and joint R&D of
25 materials, processes and products. The harnessing of the tacit skills and expertise of its supply
26 partners and the resulting shared learning creates a ‘distinctive visibility’ and sustainable
27 competitive advantage (Barney, 2012); the innovative Merino wool project has created a difficult
28 to replicate product that was unachievable through the more formal, commercial relationship with
29 their Australian supplier, and there is also the opportunity to promote a ‘local’ story. The firm is
30 working towards a smaller number of suppliers and the creation of a unique supply chain where
31 they reduce or localise processes for every product and ‘don’t add stuff for no reason’.
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43 **4.3. Sustainability Principles and Performance**

44 Coming from a marine science and surfing background the firm owner has emotional connections
45 to the natural environment and these inform the principles that apply to the firm’s supply chain
46 practices; the firm was explicitly established on the principles of People, Product and Planet and
47 these commitments permeate their supply decisions and practice. Their principles inform the
48 commitment to developing local rather than global supply, as a mechanism to support
49 UK/European producers, as well as their local community, and to fully manage and minimise
50 their environmental impacts. For the Planet the firm is committed to responsibly sourced fabrics
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4 and factories, and chooses and develops raw materials and proprietary performance fabrics that
5 are natural and biodegradable, such as wool, or have a reduced environmental impact, such as
6 recycled polyester. These decisions and practices create a Product that is innovative and built to
7 last, and reflects the importance of joint R&D and supplier collaboration in meeting these goals.
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11 The firm is explicitly committed to the local area, supporting charities such as Surfers Against
12 Sewage (SAS), which align strongly with their brand and People principles, and the owner
13 intends for the business to always remain where it was established. The firm's first product was
14 made in the South West and still is, which reflects a strong, on-going commitment to developing
15 local supply as well as a new industry; 'we're always looking to bring things back to the UK and
16 keep it more local, more transparent... that's all part of the reason why it started' (Owner). The
17 drivers for a local supply network have been there from Day 1, and are personal to the owner, but
18 the nature of the market and resource/skills availability in 2005 required the firm to offshore key
19 activities, which it is now seeking to reshore or nearshore. Their commitment to People relates to
20 making a positive difference to its local community and economy, and the UK clothing industry
21 as a whole, and they want relationships with people they believe in; this is reflected in their
22 working with other SMEs and family-run businesses in preference to large, global suppliers.
23 They also aim to work with suppliers that share their principles and sustainability commitments,
24 as this makes it easier to make and implement the right People, Product and Planet decisions.
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28 There is strong recognition in the literature that offshoring can erode an organisation's tacit
29 skills, knowledge and core competences (Tate et al., 2014); the firm's explicit decision to have
30 greater control and visibility of its supply network through reshoring/nearshoring its production
31 activities represents a mechanism to address this. The case study suggests that bringing a supply
32 chain back home/in close proximity can enable an organisation to more fully harness the
33 resources, skills and innovation that it and its suppliers possess. Given the issues of supplier
34 visibility associated with offshoring, it could be argued that working with closer proximity
35 suppliers offers a simpler, more controllable response to sustainability performance, but as the
36 case study illustrates it takes time, consideration and commitment to reshore successfully.
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5. Discussion

This paper has provided a unique insight into the offshoring decisions of an exemplar UK clothing firm, its decision to progressively reshore these activities, and the innovative collaborations it engaged in to make a local supply network possible. It has effectively created a new industry, reintroducing materials, manufacturing and skills that had disappeared through the extensive offshoring experienced within the UK clothing industry (Allwood et al., 2006). The case has value in investigating the drivers for reshoring, the impact on SM and sustainability performance, but also the role that a reshoring strategy can play in reinvigorating industry in the home country, and the advantages that can be derived through collaborative supply relationships.

RQ1. Why do firms decide to reshore, and what are the associated challenges and benefits?

The reviewed literature indicated that firms offshore to global suppliers for cost-based reasons i.e. lower labour/raw material cost, beneficial trading conditions, and resource-based reasons i.e. access to skills, expertise and technology, while reshoring can be driven by progressive increases in costs, a need to reduce global supply risk and a response to supply issues (Johnston, 2012). For the studied firm its offshoring decisions were primarily resource-based, and for specific products the decision was constrained by resource availability. The owner has always had a local rather than global mentality, so the decision to reshore and create a unique and ‘local’ supply network was a long-term strategy. Its implementation was not explicitly in response to supply issues or increased costs, but rather the opportunity to nearshore more materials, such as recycled polyester as the market developed, and the development of strategic and personal relationships with UK suppliers with the skills, expertise, passion and commitment to reshore an entire product chain.

The challenges experienced by the firm are largely those that necessitated the offshoring of its raw material production and processing i.e. a lack of UK or European-based resources and skills. They had been depleted by the extensive offshoring of clothing production post quota removal and suppliers either did not exist or could not offer the required commercial levels of materials. Development of the recycled polyester market created new and closer suppliers, but took several years, and the firm itself undertook the necessary and extensive research to initiate the process and develop a viable commercial source for UK Merino quality wool. While time-consuming this gradual reshoring has given the firm full visibility of its supply network, increased

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4 responsiveness, increased supplier commitment and involvement, and a sustainable competitive
5 advantage through the unique way it harnesses the skills and resources of its local supply network
6 together with the opportunity to market and promote the Made in the UK story and heritage.
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10 RQ2. Does a local supply chain enable better supply management, and what impact does this
11 have on sustainability performance?
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14 When first established there were limited choices of supplier for the specific technical
15 requirements of the firm's products; all were large global suppliers based primarily in developed
16 countries, and this created a long distance, multi-tiered supply network. Relational governance
17 was formal due to the commercial size of the suppliers, and there was limited opportunity for
18 joint R&D, face-face communication and full supply visibility; network ties were relatively weak
19 as a result. The firm nearshored its manufacturing to European suppliers, as the required skills
20 and resources were available, and it has maintained the relationships with these smaller and
21 family-run firms for over 10 years. The collaborative project to develop a fully UK-based product
22 chain has taken over 7 years and has relied on strong ties, highly coordinated SM and joint
23 commitment; for the firm owner local supply provides the required simplicity, through fewer and
24 closer suppliers, and level of control to achieve its environmental and social goals.
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27 SNT emphasises the strength of ties between the firm and its suppliers, and the trust,
28 reciprocity and shared meanings it engenders (Galaskiewicz, 2011), and this in turn informs SM
29 practice. The findings demonstrate the importance of more informal governance, and socially
30 complex, long-term relationships in developing and managing a sustainable supply network.
31 These more personal relationships contribute to the tangible and intangible resources that a firm
32 can harness in its supply practices, resources that can provide a sustainable strategic advantage.
33 For the studied firm these advantages are derived through its localised supply chain, and long-
34 term collaborative supplier relationships, and its progressive reshoring of key activities is integral
35 to achieving its sustainability principles and commitment to People, Product and Planet.
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38 **6. Conclusion, Limitations and Future Research**

39 The presented case is distinctive as the firm is reshoring activities that were originally offshored
40 to global suppliers with specific resources in *developed* rather than developing countries. Its
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4 decisions are not representative of the average UK clothing company, which typically offshores
5 to developing countries with lower labour costs, but it does provide a more nuanced view of the
6 offshoring-reshoring decision process, and its impact on the nature and management of the
7 supply network. The unique perspective of the case indicates that reshoring can be a highly
8 creative and innovative tool and not just a reaction to economic changes or supply issues
9 (Arlbjorn & Mikkelsen, 2014).

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11 The studied firm's 3 points of commitment to People, Product and Planet provide a framework
12 for developing an embedded and principled supply response to sustainability. For researchers this
13 offers the foundation for developing the field in new, multi-disciplinary directions, away from
14 just the 'greening' of specific supply processes (Ashby, Smith, & Leat, 2012), to understanding
15 how resources, relationships and responsibilities can be coordinated across the supply network
16 for sustainability performance. For the studied firm having a local supply chain is integral to
17 achieving its environmental and social commitments; this provides a rich area for future study on
18 how the localising of suppliers contributes to sustainability performance and offers an
19 opportunity to align sustainability research with the nascent field of reshoring (Gray et al., 2013).

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21 For practitioners the case study indicates the imperative to evaluate principles and understand
22 how these translate into supply decisions, including those related to supplier proximity and
23 sustainability. There needs to be a move away from offshoring decisions based on reducing costs
24 and increasing profits (Dekkers, 2010) to choosing the right and potentially more local supplier;
25 this requires a shift from a short-term to long-term perspective, and from transactional to the
26 cooperative and collaborative relationships advocated by SM. This can address some of the key
27 issues associated with extensive offshoring, including sustainability performance (Tate, 2014),
28 but also help an organisation develop a coordinated and competitive supply network based on
29 trust, reciprocity, and shared principles.

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31 For policy makers it demonstrates the positive impacts that can result from a considered, and
32 coordinated reshoring implementation; this includes the reintroduction/re-harnessing of skills
33 within the UK, the creation of 'new' industry, support for local communities, and economic
34 growth, both local and potentially national. The case has illustrated the length of time and
35 commitment needed to achieve a UK or nearshored supply network, and there is a need for policy
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4 and government initiatives to facilitate the process, through incentives to focal firms wanting to
5 reshore or work with local suppliers and mechanisms for developing and increasing the skills,
6 expertise and knowledge which can be depleted by offshoring.
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10 The limitations of the paper are through its focus on a single case study, albeit one that has
11 strong principles that have driven its desire for a local supply chain to ‘its own recipe’. The
12 findings offer a unique insight into reshoring for sustainability principles and performance, but
13 are not representative of the average clothing firm and therefore not generalizable to the clothing
14 industry as a whole or to other industries which are evidencing the reshoring trend. The case
15 study indicates that reshoring for sustainability should be done with consideration and awareness,
16 and for firms that offshore from developing countries this would include understanding the
17 impacts on local communities in those countries. There is therefore a research need for multiple
18 comparative case studies of firms that have or are in the process of reshoring previously
19 offshored production activities.
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Appendix 1 Structure of interviews and interviewees

Date	Interviewees	Duration
13/4/10	Owner Supply chain manager	1 hour 7 minutes
14/1/11	Owner Supply chain manager	59 minutes
10/3/11	Design Manager	1 hour 21 minutes
23/6/11	Supply chain manager	1 hour 2 minutes
18/11/11	UK wool supplier	1 hour 15 minutes
30/11/11	Owner	52 minutes
6/3/11	Follow up email with supply chain manager	N/A

Appendix 2 Interview protocol

Context Area	Level	Questions	Field Procedures/ Sources of Information
Company Ethos	Organisation	What is your background? (each interviewee) What are the firm's sustainability principles? How are these communicated?	Interviews Company literature
Design	Product	Who is involved with the design of your products and why? How are design requirements communicated to the supply chain? How do you develop/evolve existing products?	Interviews Product specs/brochures
Raw Materials	Product	What raw materials do you use and why? Where do you source your raw materials and why?	Interviews Product specs/brochures
Garment Production	Process	Where are your finished products manufactured and why? How do you monitor and manage this stage of the process?	Interviews
SM/relationships	Organisation/ suppliers	How do you manage your supplier relationships? How long have you been working with each supplier? Do you have policies/codes of practice in place with your suppliers and if so how do you ensure they are achieved? How important are your supply chain relationships to achieving your business and sustainability goals? How frequently do you change or source new suppliers?	Interviews with firm and its suppliers where feasible
Communication	Organisation/ suppliers	How do you communicate with your suppliers? How frequently? Who has direct communication with your suppliers and why?	Interviews Marketing material Direct observation
Decision making	Organisation	Who is involved in business decisions and why? How do you align your decisions with your firm ethos/principles?	Interviews
End of Life	Process	Do you have any mechanisms to allow customers to return products to you for repair/reuse/recycling? Do your suppliers provide any end of life options?	Interviews

Company Performance	Organisation	How many staff do you employ? What is your annual turnover? Are you profitable?	Annual reports/financial data
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Appendix 3 Key themes from the analysis

Themes	
Supply network practice	SM understanding
	Unique processes
	Simplifying through fewer suppliers
Supply network configuration	European manufacturing
	Creation of new industry/supply chain
	UK produced, processed & manufactured (1)
Supplier relationships	Personal relationships
	Trust & transparency
	Innovation, adaptability, evolution
	Posterity & heritage (1)
Product	Longevity
	Functionality
	Quality & performance
	Lifecycle responsibility
Principles	Integrity & honesty
	People, product, planet
	Telling a story
	Preservation (1)
Environmental responsibility	Local charity
	Local community
	Textile brotherhood (1)
Social responsibility	Local charity
	Local community
	Textile brotherhood (1)
	Ethical suppliers
Key: 1 = UK supplier	

Abstract

The UK clothing industry has seen the extensive offshoring of manufacturing, which has created fragmented global supply chains; these present a range of supply issues and challenges, including many related to sustainability. Reshoring is a reversion of a previous offshoring decision, thereby 'bringing manufacturing back home' (Gray et al., 2013), and can be motivated by increased costs and supply management problems. While not a new phenomenon, the reshoring of activities is growing in practice and there is an imperative for academic research (Fratocchi et al, 2014).

Through an in-depth longitudinal case study, this paper explores how sustainability can be addressed through reshoring; the studied UK-based clothing SME has strong principles and is explicitly committed to bringing its supply chain 'home'. There is a recognised need for more OM research using a social lens (Burgess & Singh, 2012), so Social Network Theory (SNT) is employed to examine the reshoring decision-making process. SNT applies a relational, qualitative approach to understand the interactions between network actors, and focuses on the types and strengths of relationships and how they provide context for decisions (Galaskiewicz, 2011).

The findings demonstrate the importance of socially complex, long-term relationships in managing a sustainable supply network. These relationships contribute to the resources that a firm can harness in its supply practices, and SNT extends this with its emphasis on the strength of ties with suppliers, and the trust, reciprocity and shared meanings it engenders. For the studied firm these advantages are derived through its localised supply chain, and collaborative supplier relationships, and its progressive reshoring of activities is integral to achieving its sustainability principles.

Keywords: Offshoring, Reshoring, Nearshoring, Sustainability, Social Network Theory, Supply Management

3rd June 2016

Dear Paolo

Many thanks for providing me with the opportunity to revise this paper and thanks again to both reviewers for their helpful and considered comments. I have addressed the suggested minor corrections as fully as possible within the specified timescale, as outlined in the table below.

Reviewer 1	
First, in the introduction (at the end of the second sentence) and in the literature review (towards the bottom of the page), it would be better to add also the references Lewin, Massini and Peeters (2009) and Manning, Massini and Lewin (2008), who provided preliminary and seminal evidence on a worldwide scale concerning the access to resources, technology, skills and knowledge as one of the main drivers of offshoring.	These valuable and relevant references have been added.
The authors should explain since the introduction why it is important to include the social sustainable practices and supplier responsibility when considering offshoring: the reason becomes clearer later on in the paper (especially in section 2.2.1), but I suggest the authors to highlight the importance of the environment for the companies as source of value since the introduction, in order to better position the paper and to disclose immediately the potentiality of its content.	The 2 nd paragraph of the Introduction has been added to highlight the importance and value of environmental and social practices and the role of supplier responsibility.
Finally, I suggest the authors to better support their statement concerning the anecdotal evidence of increased reshoring by high street clothing retailers in the introduction, by adding a citation.	As per both reviewers comments an appropriate reference has been added.
Reviewer 2	
<p>The paper has been almost completely re-written and therefore some new issues emerged. Mainly, the theoretical framework is not very clear. In figure 2, you show how SNT leads to SM, but this relationship is not very well explained in the background. In the same figure, I do not fully get why offshoring/reshoring are connected to sustainability performance and not to SNT and SM. From your results, I get a different story from the one in the framework: reshoring allows richer interactions (SNT), easier SM which allow to better assess suppliers and control sustainability issues. Moreover, physical proximity can improve sustainability per se. As a consequence, the results do not align well with your framework. For instance, in paragraph 4.2 (Supplier Management) you actually mix SM and SNT and then you discuss sustainability performance quite apart.</p> <p>If you get enough time to improve this in your final version, I think it would help the paper to provide a stronger contribution.</p>	The highlighted issues are acknowledged and understood. In response the research framework has been modified to reflect the inter-relationships between SM and offshoring/reshoring, and a short commentary provided to offer clarity on the framework. Given the time constraints and considerations for paper length, restructuring of the Findings was not feasible, but where possible clarity has been added in this section and the Discussion section.
I think there is an error in the revised title. The new title is "From Local to Global: Reshoring for sustainability", but I think the authors meant "From Global to Local..." as pointed out in the response to the reviewers.	This was an error only in providing the title in the submission process, and will be addressed when the paper is resubmitted.

<p>Pg 1 line 25. "Achieving sustainability goals are challenged...". I am not sure the grammar is correct here.</p> <p>Pg. 1 line 43. Can you maybe add a link as a reference for the Mark & Spencer re-shoring?</p> <p>Pg. 1 line 57. I think you need to break the sentence after "relationships" and start a new sentence.</p> <p>Pg 1 line 59. You may want to start your sentence with something like "DRIVEN BY STRONG SUSTAINABILITY PRINCIPLES, it has however committed to brining its supply network closer to home,...."</p>	<p>This sentence has been reworded to improve the grammar.</p> <p>As per both reviewers comments an appropriate reference has been added.</p> <p>This edit has been made.</p> <p>The suggested change has been made.</p>
<p>Pg 2 - Literature review: I would put at the beginning your Figure 1 to state clearly that you are focusing on Outsourced Reshoring and I suggest to focus the discussion of drivers/benefits and disadvantages only on this specific situation. Otherwise it gets a bit generic and, for instance, I do not think Table 1 adds a lot of value to your discussion.</p>	<p>Figure 1 has been moved and the section restructured to maintain an appropriate flow. The comment about the generic nature of Table 1 is acknowledged, but in order to balance with comments from Reviewer 1 has been retained. However the discussion has been modified to provide a better focus on Outsourced Reshoring.</p>
<p>Pg. 7 line 19: You have misspelled the reference "GEREFFI & Lee, 2016" throughout the paper.</p>	<p>This error has been addressed throughout the paper.</p>
<p>Pg 9. I think your literature review should end after you have introduced SNT, the research framework and questions. Therefore, I would move the title "3. Methodology" when you start describing the UK clothing industry as the context of your case study.</p>	<p>The suggested change has been made.</p>
<p>Pg. 12. Similarly, I think your methodology should end after you have presented the information about the company. So I would move the title "4. Findings" at the beginning of page 13.</p>	<p>The suggested change has been made.</p>
<p>An aspect that you may want to address in your discussion is that when you reshore you are actually hurting the local economy where you used to supply from. For instance, sourcing from Bangladesh, if it is done ethically, it can actually help the local communities, but if you move the production back to your country you are hurting the local community. This is not your case, because your case was souring anyway from developed countries (e.g., Australia). However, you may want to address this issue: "reshoring for sustainability" should not be a slogan, but should done with awareness.</p>	<p>This is a very relevant point and has been highlighted as a research consideration in the final paragraph of the paper.</p>

I sincerely appreciate the Editor's decision to extend the deadline so that I could make these minor corrections. I hope that as a result you are now able to publish my paper in the forthcoming special edition of OMR.