

Reshoring implementation: challenges in relocations to the home country

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Abstract

Reshoring, the relocation of previously offshored activities back to the home country, has received increasing scholarly attention in the last years. An aspect of growing interest is the implementation of reshoring. Yet we know little about the dynamics occurring when relocating activities back to the home country, as well as about the challenges that can emerge along such process and the strategies firms can enact to overcome them. Relying on four exploratory case studies, we find that reshoring can trigger significant changes in the business relationships associated to the relocated activities, generating positive as well as negative reactions in the actors affected. Specifically, reshoring can hamper access to key competences within the firm's business network, and it is thus crucial for firms to secure support from critical actors and develop the competences they have lost access to, for an efficient and effective relocation. These findings contribute to our understanding of how the reshoring can be shaped by the (lack of) competences of the firm and its external business network. In doing so, this paper extends theory on both reshoring and business networks, providing important input to future research.

Keywords: Reshoring; Business Networks; Embeddedness; Multinational Corporations

1. INTRODUCTION

For several decades, increasing liberalization of trade as well as the growth of locally specialized industry clusters around the world, firms have not only internationalized to new countries in terms of starting new production in new markets. Additionally, firms have also moved existing operations from home-countries, mainly in North America, Europe, and Japan, to countries where cost of production has been substantially lower, often China, India, Bangladesh, Pakistan, and Vietnam (Contractor et al., 2011). However, and much more recently, forces ranging from corporate social responsibility to trade conflict have been reshaping the conditions for international business (Ghauri et al., 2021; Witt et al., 2023). This, in turn, has made firms increasingly review where they produce and whether that is in the firm's best interest. In the increasing number of cases where this has been found not to be, firms have made evaluations leading the reconfiguring of value chains (Rodriguez et al., 2022), and in so doing partly to reshoring.

Research on reshoring has been gaining steady momentum in the last decade as more and more firms are shortening value chains by bringing operations in faraway countries to the home-region, and not seldomly to the mother-operations in the home-country (Pegoraro et al., 2020). This growing field of research has since its inception focused mainly on the reasons for making the decision to reshore (Di Mauro & Ancarani, 2022). This ample literature has identified a large number of reasons for why firms make the choice to move operations to the home country, ranging from rising costs, to made-in effects, to the realization of management mistakes in locating the operations abroad in the first place (Fratocchi et al., 2016). However, little is known of how the desired outcome of similar relocations can be achieved by firms engaging in similar initiatives, and moreover of the potential challenges they may have to face (e.g., Fjellström et al., 2023).

What we do know from studies empirically investigating reshoring implementation is fascinating, but not much. While only studying reshoring implementation as a small part of a larger research effort, Baraldi et al. (2018) demonstrates how the local networks of a reshoring firm (in both the offshore and reshore locations) can both support and hold back the reshoring implementation effort. Moreover, Barbieri et al. (2022) studies the process of implementing reshoring and illustrates how this can evolve. Their article puts forth principles for how to implement reshoring decisions, a

staged process by which to do this, as well as emphasizes learning as very important in the implementation of reshoring decisions. In a similar vein, two recent studies have investigated the barriers to knowledge transfer in the relocation of foreign activities, whether owned by the firm (Reilly et al., 2023) or outsourced to foreign suppliers (Fjellström et al., 2023). Therefore, not only we know little about the implementation of reshoring, but also of the role of business relationships, despite changes in business relationships can play an important role in shaping the implementation of reshoring and its outcome (Pedroletti & Ciabuschi, 2023).

Assuming that reshoring brings about changes in the firm's business network, this study adopts the view that the local operations of international firms are not performed in a vacuum, but rather that they are locally "embedded" in various important business relationships in the local environment (Forsgren, Holm & Johanson, 2005). This local embeddedness of international firms is the central tenet of the business network perspective (Holm & Johanson, 2005; Forsgren & Holm, 2010), which sees the international firm as an organization with blurred borders, where internal actors participate in important collaboration with multiple external counterparties (Andersson, Forsgren & Holm, 2007; Forsgren, et al., 2005). These are characterized by long-term relationships in which the actors adjust to each other to better develop their collaborations over time, making possible new learning, processes, or innovations (Forsgren et al., 2005). To date, there is a dearth of research on effects on reshoring implementation deriving from the context outside the firm, with home and host country factors that have been largely employed to explain the reshoring decision in the first place (Pedroletti & Ciabuschi, 2023) and may influence also in the implementation of reshoring, but also in terms of role played by other actors in similar initiatives.

What remains to be investigated are specific influences to reshoring implementation arising out of the home-country context of the reshoring firm, and how such influences may have varying effects on implementation outcomes over time. This latter has been in fact, to date, largely assumed to correspond to the initial plan and objectives, while the implementation of reshoring in the home country may require time to be performed and several unexpected elements may shape the attainment of the initial goals, i.e. implementation effectiveness, and the time and money necessary for such an outcome, i.e., implementation efficiency.

To make a first attempt at addressing the research gap outlined above, and thereby shed some much-needed light on challenges to the implementation of reshoring emanating from the receiving unit, i.e. the home country unit or suppliers, this paper poses the following research question:

How does the home-country context influence the outcomes of reshoring implementation efforts?

To address this research question, our paper utilizes an exploratory multiple-case study of four companies' reshoring operations from abroad, highlighting the emerging challenges they faced in doing so. Specifically, the four companies all relocated operations back to their home-countries, namely Sweden and Italy, from host-countries in Europe, North America, and Asia. By means of 23 interviews with managers with experience from the reshoring implementation effort, the experienced influences to reshoring implementation were compared and analyzed with the purpose of shedding new light on this increasingly relevant phenomenon.

This paper contributes to research on reshoring with a much under-researched focus: home-country context-based influences to reshoring implementation efforts (Pedroletti & Ciabuschi, 2023). The paper identifies a number of influences to reshoring implementation emanating either from outside of the receiving unit or in connection to its surroundings, and in doing so, importantly distinguishes between influences on implementation efficiency and implementation effectiveness. By extension, it reveals the important influence of business networks on similar relocations, and contributes to business network literature with an initial understanding of how actors external to the reshoring firm can shape similar initiatives, charting a number of intriguing avenues for future research on the topic.

The rest of this paper is structured as follows. We first present a theoretical background on reshoring and in particular on implementation of reshoring. Thereupon follow a chapter outlining the methodology used for this study, then comes the results, an analysis, and finally a discussion followed by conclusions emphasizing the considerable theoretical and managerial implications of the results as well as limitations and important questions and focuses for further research on this increasingly relevant topic.

2. THEORETICAL BACKGROUND

2.1. Firm internationalization & offshoring

A central focus of research in the international business field has been investigating the internationalization processes of firms (Johanson & Vahlne, 1977). This stream of work emphasizes how the firm's commitment to particular foreign drives learning, which in turn allows it to gradually expand in that market. Moreover, this research tradition in international business has also included a focus on business relationships (see e.g. Forsgren et al., 2005; Johanson & Vahlne, 2009) emphasizing the influence of business networks for internationalization processes of firms (Johanson & Vahlne, 1990, 2003). In that sender, business networks are seen as more influential in driving internationalization processes than, for example, often highlighted macro-conditions such as distances to the market in question, be it geographical, economic, or cultural.

Over time, and as a firms' internationalization matures, activities performed in different markets may become more specialized. As such, the activities may increasingly be executed by units or outside actors which are located in still other markets while still linked in global supply chains (e.g., Gereffi et al., 2005; Furlan et al., 2009). With a specific focus on such fine-sliced global supply chains, research on so-called global factories (Buckley, 2011) consider how firms manage such far-flung activities allocate to the most effective or efficient location of these, often offshored, activities.

Such offshoring has for the last 15-20 years generally occurred from countries with high costs of factors of production (e.g., labor, regulation, taxes, energy) countries with low costs for the same as well as sometimes various incentives for offshoring (Ferdows, 1997; Larsen et al., 2013). While the research literature traditionally has been broadly focused on how and why firms offshore, it has also seen an increasing interest and emphasis on the problems associated with offshoring. These problems concern, for example, misjudgments in terms of what it actually costs to produce in a certain location (Larsen et al., 2013), as well as the indirect costs associated with the unenforced IP rights and the theft of business-critical data by employees and competitors in the offshore location (e.g., Carmel & Agarwal, 2002; Khalfan, 2004). To make matters worse, several of the advantages firms hoped to gain

by offshoring activities did not surface or were cancelled as a consequence of changing market conditions (Canham & Hamilton, 2013). While reshoring is merely one out of several options available to firms once having offshored manufacturing activities (such as near-shoring or farther offshoring), the combination of surfacing problems and lacking advantages have caused an increasing number of firms to entertain the option of reshoring their activities back to the home country (e.g., Joubioux & Vanpoucke, 2016).

2.2. Current research on reshoring

While other terminology is sometimes used similarly as reshoring (for example on-shoring or back-shoring), the meaning remains largely the same. Adding to the terminology are moreover terms concerning the alternatives to reshoring. Among these are in particular nearshoring (moving manufacturing activities back to the home-region rather than the home-country), as well as farther offshoring (moving manufacturing activities to yet another far-flung location where the environment is more beneficial). All such relocation decisions rely on the assessment of factors that suggests remaining in the present offshore location, and those factors suggesting reshoring.

The connections concerning the location decision (in either offshoring or reshoring), on the one hand, and the so-called mode of governance (i.e., insourced or outsourced), on the other, continues to be a point of contention in the field. Our study takes the perspective of Gray et al. (2013) in seeing reshoring decisions as concerning where to locate manufacturing, and possibly its' associated development activities, where to governance mode can be insourcing as well as outsourcing.

Much of the research literature on reshoring concerns the motivations of firms to reshore (Barbieri et al., 2017). Such motivations could be a rectification of earlier mistakes (Martinez-Mora and Merino, 2014) or, more commonly, a conscious reaction to external or internal changes that shifts the view of offshored manufacturing (Fratocchi et al., 2015; Gylling et al., 2015). Generally, such changes in a firm's offshore context concerns issues such as increasing costs for factors of production (materials, energy, etc.), problems in quality assurance, lack of specialized or affordable labor). This latter perspective, suggests that reshoring is a conscious act which in turn is to be considered not so

much a spatial change in location of manufacturing, but rather a “reconfiguration of systems” (Mugurusi & de Boer, 2014, p. 275).

Research on reshoring has thus far mainly covered (a) what kinds of firms tend to reshore, (b) where they go to and from, (c) when they go, for example in relation to global events or major shocks, (d) why they decide to reshore, and (e) how this is done.

What kinds of firms tend to reshore has considered whether certain company or industry characteristics can be seen as more or less associated with reshoring. Such characteristics could concern the influence of the size of manufacturing operations, the extents of global supply chains, or the the ability to separate manufacturing activities (e.g., Barbieri et al., 2018; Baraldi et al, 2017; Di Mauro et al., 2018; Fel & Griette, 2017; Gray et al., 2017).

Where firms go to and from has been studied mostly descriptively while concerned with the influences of certain regions rather than specific countries (e.g., Canham & Hamilton, 2013; Grappi et al., 2018; Kinkel, 2014). On a related note, when firms tend to reshore, has also seen little research attention.

To date, the bulk of research attention in the reshoring field has been devoted to why firms decide to reshore. Exemplifying this focus are the many, and excellent, reviews of this sub-stream of reshoring literature (Bals et al., 2016; Barbieri et al., 2018; Fratocchi et al., 2016; Stentoft et al., 2016; Wiesmann et al., 2017). What characterizes this research stream, and by implication much of research on reshoring to-date, is an exploratory but descriptive approach in trying to list important influences to reshoring. By extension, less development has happened in relation to brining in theoretical models to bear analyzing and explaining reshoring decisions. However, two notable exceptions are of Albertoni et al. (2017), studying the reshoring of services firms, and Ciabuschi et al. (2018), using the internationalization process model to explain reshoring as essentially a risk-management decision.

Interesting to note, a literature review by Fratocchi et al. (2016) outlined a number of important influences to reshoring decisions by firms, highlighting how the locus of reshoring research has remained very much focusing on factors and motivations pertaining to the host-location, even though reshoring could be argued to be equally much concerned with the home location (Baraldi et al., 2018). Relatedly, when it comes to how reshoring is done, the little research that has been done in this area

concerns both the how of making a decision to reshore, as well as the how of making the decided reshoring actually happen.

2.3. The implementation of reshoring

Recent research efforts in reshoring has emphasized the potential value of studying the implementation sides to reshoring decisions (Boffelli & Johansson 2020; Boffelli et al. 2021). Specifically, Boffelli et al. (2021) found that the management of the various implementation phases are central to outcomes (successful or not) of reshoring efforts. More important, even, than the reshoring decision itself. This branch of the still very small literature starting to investigate reshoring implementation thereby tends to depict the phenomenon in terms of different stages, modes, or phases (Bals et al. 2016; Benstead et al. 2017; Boffelli & Johansson 2020).

Boffelli et al. (2021) studied the influence of managerial errors in the context of both offs- and re-shoring. In so doing, the authors found examples of what the pitfalls are in reshoring implementation efforts. Examples of such pitfalls were coordination problems at the interface of activities being reshored and those left offshored, or problems arising for activities having been reshored concerning the marketing and sales-related of final products. Meanwhile, Nujen et al. (2018) investigated knowledge dimensions of the reshoring execution, finding how extended periods offshore made the knowledge depositories shrink, in turn caused problems for reshoring implementation efforts.

Although these studies and their results are very interesting, they focus mainly on depicting the reshoring implementation as a snapshot, rather than as evolving over time. So, while this surely affects the point of departure of any reshoring implementation effort, it says little how it may evolve as a consequence, leaving this promising phenomenon in large parts empirically uninvestigated and unexplained (Barbieri et al., 2022; Boffelli & Johansson 2020).

What we do know from studies empirically investigating reshoring implementation is fascinating, but not much. While only studying reshoring implementation partly as a consequence of a wider research aim, Baraldi et al. (2018) shows the local networks of a reshoring firm (in both the

offshore and reshore locations) can both support and hold back the reshoring implementation effort. In addition, Barbieri et al. (2022) studies the process of implementing reshoring and illustrates how this can evolve. The paper advances a set of principles for implementing reshoring, a multi-staged process by which this happens, as well as highlights how learning is an important aspect of the implementation of reshoring decisions.

What remains to be investigated are specific influences to reshoring implementation arising out of the home-country context of the reshoring firm, and how such influences may have varying effects on implementation outcomes over time. Using a home-country perspective, we therefore study the experience of reshoring firms as the implantation effort progresses and how both challenges and benefits arise along the way. Using an exploratory multiple-case study of four reshoring manufacturing firms, our paper to better understand how the reshoring implementation effort is contingent on the home-country context. This method and data as well as how it were used is the topic to which we turn next.

2.5. A business network perspective on the implementation of reshoring

This study adopts a perspective which is that the local operations of international firms are not performed in isolation. On the contrary, we find that these local operations are “embedded” in various business relationships in the local environment, which in turn affect operations in important ways (Forsgren, Holm & Johanson, 2005). This local embeddedness of international firms, heavily emphasized by the business network perspective (Forsgren, Holm & Johanson, 2005; Forsgren & Holm, 2010), which, in turn draws on the reasoning of Granovetter (1985) about what he calls “relational embeddedness”. In such embeddedness, relationships between actors are seen as connected to the performance, or otherwise functioning, of international firms’ local operations (Gulati, Nohria & Zaheer, 2000). The business network perspective sees the international firm as an organization with blurred borders, where multiple internal actors participate in important collaboration with multiple external actors (Andersson, Forsgren & Holm, 2007; Forsgren, et al., 2005). According to the business network perspective, local operations are thereby embedded in networks of relationships with both internal and external counterparties. What makes these relationships embedded, are the considerable

extent to which the involved actors adapt to each other to better facilitate their exchanges over time, which in turn makes possible learning and the development of new knowledge, processes, or innovations (Forsgren et al., 2005), that likely would not happen outside these relationships. Applying the business network perspective to the implementation of reshoring efforts is motivated by research findings emphasizing the impact of internal and external business relationships, or networks, of international firms' local operations as indispensable for learning and for product and process knowledge development (Andersson, Forsgren & Holm, 2002; Ciabuschi, Dellestrand & Martín Martín, 2011; Forsgren, et al., 2005). In the implementation of reshoring, we therefore suggest that local operations of international firms, who are the “target” of a reshoring initiative, are not performed in isolation. This, in turn, makes business networks central to studying the implementation of reshoring efforts in international firms.

A first contribution highlighting the influence of network actors on reshoring is that by Baraldi et al. (2018), highlighting that localized networks in the home and host countries impact the relocation process, as this latter requires some form of network change and supporting or resisting behaviors from the actors involved. At the same time, in the investigation of the resources and capabilities required for reshoring, Nujen et al. (2018) acknowledged the importance of those residing in the business network external to the firm, and the need to ensure access to such resource for a successful implementation of reshoring. However, while these studies point to importance of actors external to the firm when reshoring, little is known of the actual dynamics occurring in its implementation and of the potential challenges affecting the attainment of the desired outcome, emerging in the home country within the firm or in its business network.

3. DATA AND RESEARCH METHODS

This study is based on a multiple-case study design (Eisenhardt, 1989; Eisenhardt & Graebner, 2007). This approach makes possible the study of the dynamics of reshoring implementation in a number of firms currently “in the field” doing this and is accordingly based managerial experiences (Doz, 2011,

p. 586). This exploratory case study is moreover seen as useful when developing theory on topics that have been the focus of little investigation previously (Edmondson & McManus, 2007; Gibbert, Ruigrock & Wicki, 2008). The inductive approach of this study additionally fits well the “how” research question posed by our paper (Eisenhardt & Graebner, 2007; Yin, 2009).

3.1. Research Setting and Sampling

Our objects of investigation, anonymized companies C, E, F, and T, come from a range of manufacturing industries (e.g., consumer goods, industrial goods and equipment) and have different sizes. These firms suit the research focus of this paper as the firms all were reshoring manufacturing and were all experiencing various unexpected challenges, but also unexpected benefits, in the implementation. The aspect of unexpected is particularly relevant as of course all reshoring efforts are associated with some kinds of costs, changes, and other novelty. However, in this study we wish to understand aspects of reshoring implementation that are not straight-forward, that are not expected by the firms despite their best efforts in planning and preparing it.

Marked by a smaller size, Company C is one of main Italian toy manufacturers, which engaged in substantial reshoring between 2011 and 2022 of production previously offshored and outsourced in China. This firm has 600 employees and internal manufacturing concentrated in various plants in Italy, but relies for its international operations on 9 sales units and an operational one located in Asia.

Company E is the largest in the sample, with its 3800 employees, and consists of an Italian leading range hoods and cooktops manufacturer. This company has production activities located in Poland, partly relocated in Italy between early 2021 and late 2022 within the deployment of an extensive re-organization plan, but also Mexico, India and China, in addition to those in the home country.

Company F is a Swedish firm active in the office furniture industry, which engaged in reshoring between 2016 and 2019, when the activities were fully demised in the Netherlands and relocated to Sweden. This company is the second largest, with a workforce equivalent to 1800 full-time employees and active with its own manufacturing in 6 European countries and the US.

Finally, company T is a small Swedish firm active in the sector of consumer air-treatment products. While in terms of personnel the size of this firm is very small, with the equivalent of about 30 full-time employees, the company manages to be leader in the Swedish market and attain good international sales relying on almost fully outsourced production, previously in Canada and now in Sweden, and sales offices in four European countries.

The research setting made up by these four firms presents a promising real-life context for inductively investigating the dimensions of reshoring implementation along with their attendant challenges. Two of the cases consist of captive reshoring, i.e. the relocation of the firm's own activities back to the home country, and the other two of reshoring of outsourced activities (Gray et al., 2013), in order to capture unexpected challenges related to the implementation of reshoring regardless the governance mode adopted in the host and home country (see Table 1). The multi-country and dispersed contexts of firms such as those included in this study presents a heterogeneity as well as an intricacy that has been much argued fitting for research aiming to advance theories in management (Kostova, Roth & Dacin, 2008; Roth & Kostova, 2003). Relying on multiple firms that conduct the same activity, i.e., the implementation of reshoring manufacturing, allows varying, for example, the firms industries, sizes, strategies, and histories of internationalization. Moreover, by exploring how one and the same activity (reshoring implementation) plays out in several firms, we hope to arrive at results with a modicum of generalizability beyond the individual firms (as far as this method allow, of course). Since we know especially little about what influences reshoring implementation, we are by this design allowed to provide variation which will help in sifting through the results and hopefully avoid findings more representable of the single firm than of the phenomenon in question.

The interviews made with managers in the reshoring firms were sampled by referrals (Miles & Huberman, 1994), this in order to find people with the greatest experience of the reshoring implementation in each firm. In addition, interviews with especially senior managers allowed our research team to get a fuller grasp of what the reshoring decision was, and thereby what the reshoring was intended to result in through by means of its implementation. The four reshoring firms were chosen in order to reflect heterogeneity, while avoiding any great differences which could have caused difficulty for the intended comparison and hoped for generalizability to theory (rather than

population). The implementation efforts studied were all still to be finished when data was collected, which was a benefit in terms of being able to interview managers about the reshoring implementation efforts while reasonably fresh to their memory.

Our study follows Gray et al. (2013) in defining reshoring as a relocation decision concerning activities previously offshored and relocated to the home country, regardless the ownership mode in the two locations. Building on this definition, and also echoing Daft (1998), we furthermore define reshoring implementation as the extent to which the intended reshoring has been achieved.

3.2. Data Collection

For data collection, managers at the studied firm's headquarters were interviewed. The interviews were performed between 2021 and 2023. Basing the data collection on semi-structured, face-to-face (on- or off-line) interviews gave opportunities to pose follow-up questions, which in turn can be especially useful for inductive, exploratory, multiple-case studies (Yin, 2009). The purpose of the specific questions asked was to help trigger the recollection of reshoring implementation experiences from the interviewed managers. Thus, they did not aim to capture any factors etc. determined on beforehand. (please see an interview guide in Appendix 1 for an outline of the open questions asked in the interviews). To complement the data from interviews, secondary data about the firms was also gathered from the companies in question.

In the course of this study, a total of 10 managers were interviewed for an average of about 70 minutes per interview. 6 of these were with senior managers involved with the reshoring decision and following implementation, while the remaining 4 were rather senior managers more directly involved with the reshoring implementation efforts (see Table 2). In some instances, especially in the smaller firms, some managers were in both these categories. The implementations studies concerned reshoring from four countries in Europe, North America, and Asia. Of a total of 24 interviews, 20 were recorded and then transcribed ad verbatim. The transcriptions together with the notes make up a total of around 210 pages of text. Interviews conducted with senior managers were about the reshoring decision and what the goals were with this decision. Meanwhile, interviews conducted with comparatively junior

managers (mostly) were about the reshoring implementation effort and how the home-country context influenced whether the goals were met or not as well as, crucially, why not. While follow-up interviews remained spontaneous and centered on specific implementation aspects emerged in the first interview, this latter was performed relying on the interview-guide outlined in Appendix 1.

3.3. Data Analysis

As mentioned, in this paper, we use the analysis in order to develop theory (Eisenhardt, 1989; Eisenhardt & Graebner, 2007). This is done by coding what seems to constitute challenges in the reshoring implementation effort in the following way. First, we coded everything that could potentially influence reshoring implementation, excluding factors shaping the initial decision and resulting from the reshoring outcome. After that, as we realized the importance of the firm's network, we proceeded differentiating between firm- and network-related challenges. Finally, the codes were refined to identify implementation challenges related to lack of knowledge of various types and capture these differences. Having established these codes, the coming step becomes to present the connections between the codes and reshoring implementation. The last step consists of stating the connections between the challenges and reshoring implementation in terms of formal propositions (Thomas, Cuervo-Cazurra & Brannen, 2011).

The first step in the analysis is to combine the interview data from several sources with the secondary in comprehensive case depictions of each firm and their reshoring implementation effort (Eisenhardt, 1989; Miles & Huberman, 1994). In the second step of our data analysis, we follow the method and development outlined by Tippmann et al. (2013) in terms of beginning with showing so-called (1) quotes that illustrate the finding, (2) *first-order concepts* that are used to code them, (3) *second-order themes* that serve as an aggregation of these codes, and (4) *higher-level categories* which serve as an aggregate of the *second-order themes*. These steps taken to analyze the interview data used in this study are further presented below.

We more specifically conducted the first step of the main analysis by inductively coding of our transcribed data from the interviews with the goal of identifying first-order concepts. This first step was initiated after the interviews had been done and transcribed. It intended to code the transcriptions

in search of challenges to the reshoring implementation effort (Miles & Huberman, 1994). In our coding process we focused on the respondents' recollections of the implementation (Eisenhardt, 1989) while sticking to the undiluted explanations and words chosen by respondents in order to depict their experience in as much complete way as possible (Corbin & Strauss, 2014; Tippmann et al., 2013).

At an early stage, challenges relating to internal knowledge or capability, on the one hand, as well as that of the network in the reshoring location, on the other, was emphasized as important to the implementation effort according to the managers interviewed.

Specifically, Interviewees from several firms, stressed the impression that implementing the reshored activity relied on the collaboration of other firms in the home country business network. In practice, this meant not only to identify actors with the require competence, but also to understand more in-depth the "fit" between these competences and the needs of the reshoring implementation effort. This also mean, for example, re-building the capability to manage a network of suppliers again. Reflecting this in the analysis, the codes which captured such internal or network-based challenges were clustered in order to investigate the opportunities to do axial coding, that is to try to understand them jointly and in doing so find associations between them.

The codes that came out of this axial coding were thereafter brought together in themes in the shape of a broader so-called first-order concepts. (Please see Figures 1 and 2 at the end of this section.)

The following step of data analysis was comprised of accumulating first-order concepts in clusters that were subsequently labelled as different so-called second-order themes (Eisenhardt & Graebner, 2007; Tippmann et al., 2013; Miles & Huberman, 1994) for the purpose of showing coherence between come of the first-order concepts and furthermore to emphasize in what way they connected.

Thirdly, the data analysis we aggregated the above mentioned second-order themes to so-called higher-level categories, comparing and contrasting our second-order themes and the categories we believed captured the heart of what the second-order themes were about or represented (Corbin & Strauss, 2014; Miles & Huberman, 1994; Tippmann et al., 2013).

Following the steps described above, the data analysis then focused on the cross-case analysis of recurring challenges to reshoring implementation (Eisenhardt, 1989; Miles & Huberman, 1994). More specifically, this analysis attempted to find what was common and uncommon between cases.

The validity of our analysis was strengthened by means of the following steps. (1) all data was collected in person by the authors. (2) Managers from different levels were interviewed which allowed us to capture different hierarchical perspectives on the reshoring implementation effort. This approach moreover lowers the influence of impression management as well as retrospective sense-making (Eisenhardt & Graebner, 2007; Gibbert et al., 2008; Yin, 2009). Thirdly, we strengthen validity by connecting our findings to research on tangential topics (Eisenhardt, 1989), suggesting similar principles have been identified elsewhere. Fourth, in order to further strengthen implications for theory we make, we consider not only the concepts but their connections to the implementation of reshoring as well. In doing so, try to discuss not only the boxes, but also the arrows linking them (Thomas et al., 2011).

Please insert Figures 1 and 2 here

4. FINDINGS

4.1. The best laid plans.

Common to the reshoring implementation efforts of the four firms in this study was that they all had prepared for their reshoring efforts in various ways deemed appropriate and sufficient.

Company F relied heavily on a very detailed planning process to ensure that the reshoring implementation efforts would run smoothly, as illustrated in the following quote from a vice president involved with the planning.

“We have performed a very thorough analysis to measure efficiency and the possible outcome of the three different scenarios. It took rather long, with a series of pre-studies, to actually decide how to perform reshoring.”

Meanwhile, Company C had made careful preparations so that the reshoring would be a success by also reaching out to new suppliers, as described by the chief operations officer in the following quote.

“When we first brought the production of the [reshored product] here in Italy, there was an in-depth analysis and I also went to visit other companies.” “We were going directly to these local suppliers to tell them how to organize their facility and help them understand how to structure their production lines for the assembly.”

Company T also made careful preparations so that the reshoring would be successful by making sure all the necessary equipment was in place and some testing runs had been done, as explained by the firm’s chief executive office in this quote:

“We had to see that we have the basically all the parts and all the structures available and ready here in in this factory”, “we did some production first as a trial, and of course you need to fine-tune and

adjust things, you cannot launch anything that we don't want to launch even though this might happen you want to maybe do some corrections and some improvements.”

A different approach was employed by Company E who hired an expert firm of reshoring-consultants to help with the implementation effort. This way of preparing was illustrated in the following quote from the company's operations director.

“A specialized company will take care of this [implementation], which is a more complex task, coming [to offshore location] to break it down, transport everything and building it up in [reshoring destination]. They do so putting a camera on their heads and filming everything they do, to then reverse it and replicate it where they build back up the production line.”

4.2. Unexpected Challenges

However, despite the different firms' meticulous preparations for their reshoring using sometimes different approached, the preparations did not mean that they avoided challenges in the reshoring implementation efforts. What follows are illustrations of a number of considerable and unexpected challenges faced by these firms in the early stages of their reshoring implementation efforts.

4.2.1. Lack of knowledge of internal competency availability

A first unexpected challenge arose from the internal knowledge of the firm being clearly insufficient for the task at hand. The difficulty of, despite having performed thoroughly analyses prior to starting the reshoring implementation, Company F had a very hard time getting operations up and running because of lack of knowledge, as indicated in the following quote:

“We underestimated the risk for some things related to manufacturing, with the first period in [the reshoring destination] that has been very difficult, in particular due to the fact that we miscalculated the quality of some processes and for some products” “The first five or six months were tough and we

had very hard work to do, to make sure that things would start being smoother, as in the beginning we also struggled achieving a good efficiency in [the reshoring destination] in 2016. After that, both quality and efficiency have increased a lot, but then it has been a tough start” (VP, Company F)

A second example of unexpected challenges was the difficulty of catching up to the knowledge level actually needed in order to do the reshored activities, the learning was slow. This was a big challenge for Company C, as pointed out by their R&D director in the following quote:

“One was surely the fact that we needed to develop our know-how, but also the need to manage to do so in time, as we have been very slow having no experience in such a process and...” “this process has meant for us also a greater investment in internal know-how, especially for the design and engineering divisions, that have much more to do than before, as before 2011 we were doing a simple design to provide to our suppliers” (R&D director, Company C)

So, despite their best efforts at preparing for reshoring implementation, the experiences of the four firm nonetheless suggests a marked difficulty of seemingly knowing what you know, and in being able to learn quickly enough to support the implementation effort.

4.2.2. Lack of knowledge of external competency availability

A second unexpected challenge arose from the external knowledge made available to the firm by its suppliers being much insufficient for implementing reshoring and getting operations up and running. This difficulty of finding suppliers with the right competences that were also available to support the reshoring, and once again despite having performed thorough analyses before commencing the reshoring implementation, was a major challenge as expressed by the CEO of Company T in the following quote:

“It's always a problem with competencies to find the right people that are keen and willing to do all types of development and design” “also production of course, finding the right production competences is quite difficult” (CEO, Company T)

Another example of unexpected challenges relating to knowing what suppliers could be able to support the reshoring implementation effort, was whether the competencies that were at all available in the reshoring country or region could work together with other firm-internal or supplier competencies required to perform the reshored activities. This challenge is illustrated in the following quote from the research and development director of Company C.

“as our country as the others in Europe lack competencies and know how on electronics” “it wasn't that easy to find proper suppliers, which need to have internal R&D capabilities” (COO, Company C)
“The problem is generally not with the electronic component itself, which could be produced also in Italy, but rather with its combination with the plastic components and their placement inside the product.” (R&D director, Company C)

Yet again, and despite the reshoring firm's efforts in preparing themselves for the implementation, the experiences of the four firms suggest that getting to know what suppliers have the right competences, as well as knowing that they are able to work effectively with the other parties involved, can be hard to firmly establish a priori.

4.2.3. Lack of knowledge of internal ability to manage supplier networks

A third unexpected challenge to reshoring implementation arose from the internal knowledge of the firm of how to manage a large number of new suppliers was clearly insufficient for doing so properly. This difficulty arose even though the firms all had prepared thoroughly for the reshoring implementation effort, and Company C struggled managing the sheer size of their supplier network sufficiently to get their reshored operations up and running, as reflected in the following quote:

“Managing a network of companies of molding and assembling, picking and delivering the material to all these companies, which are about 50 in certain periods of the year, you can imagine what it means to manage the supply chain” “This means that if during the reshoring process the company hadn’t improved its know-how and tools supporting the logistic flows, the company would have imploded....” (COO, Company C).

Another unexpected challenge relating to knowing how to manage supplier networks was the knowledge needed in order to manage the complexity of the supplier network. This aspect of supplier network complexity is illustrated in the following quotes from managers and consultant engaged in the reshoring implementation effort of Company E:

“overall all functions are contributing to the change, but the ones most significantly affected by this project are the manufacturing; purchasing, as with the relocation of manufacturing we will also have to relocate our supply base” (Operations Director, Company E) “in the end relocating suppliers and adapting the logistic network is complex... (Reshoring consultant, Company E)

Despite the reshoring firm’s efforts in preparing themselves for the reshoring implementation effort they knew was coming, the experiences of the case firms show that having the ability to manage the size or complexity of a new local supplier network can be both crucial, and difficult to attain on beforehand.

4.3. Unexpected Benefits

However, while the firms embarking on their reshoring implementation journeys encountered unexpected challenges, as time passed, they also experienced unexpected benefits partly linked to some of their earlier difficulties.

4.3.1. Lack of product knowledge leading to product improvement

One unexpected benefit came out of the lack of product knowledge of the firm when starting the reshoring implementation efforts. This lack of product knowledge seem to have allowed the firms to approach the reshored product with fresh eyes, ultimately coming up with new and better ways to design the products, which increased *quality*. The benefit of an initially low level of product knowledge is indicated in the following quote by a vice president from Company F:

“I have to admit that having a scarce product knowledge in the end has turned out as an advantage, because it led us to increase the quality of the product in the long term, not knowing the product turned out to be very positive, as we managed to improve the products engaging in this new knowledge development by problem-solving. Production was approached in a different way by us, and despite the initial difficulty, it has benefitted us.” (VP Company F)

Another example of the unexpected benefits of not knowing much about your product was pointed out by the R&D director of Company C in the following quote:

“At the same time some aspects have helped us become more efficient, as bringing production back and performing more activities internally we have acquired a much greater know-how, and we are now much more aware of how these products are and should be produced” “but also for our R&D department, as we had to develop a lot of new knowledge and competencies.” (R&D director, Company C)

Taken together, the lack of product knowledge experience by the firms at the onset of reshoring implementation seem to have enabled the reinvention of the products in question. So instead of knowing how and why it used to be designed a certain way in the offshore location, they were forced to ask themselves how it should be designed. Interestingly, this initial problem led to considerable advantages as the reshoring implementation progressed.

4.3.2. Lack of process knowledge leading to process improvement

Similar to the finding nearest above, another unexpected benefit arose from the lack of process knowledge of the firm when starting the reshoring implementation efforts. This lack seems to have forced the reshoring firms look at manufacturing processes in a way that was unbiased by old routines. This eventually allowed them to come up with new and better ways to manufacture the reshored products. The benefit of an initially low level of process knowledge is indicated in the following quote by the COO of Company C:

“Before 2011 we had a molding plant that was rather underdeveloped and close to craftsmanship, that has now turned into a center of excellence. This is a consequence of the shift in strategy [i.e., reshoring], which led to a change in the culture and processes of the company, which had to be improved substantially. This on one side has led to increased structural (fixed) costs, on the other lead to the achievement of a technological knowledge far more advanced than before.” (COO, Company C)

A second example of the unexpected benefits of not having sufficient process knowledge was emphasized by the VP of Company F as follows:

“Of course in the first place we had a lot of issues with production, as people didn’t really know how to produce these new products, in terms of specific tasks to be performed, their order, the specific movements... but this has also had an overall very positive impact, because needing to deal with all these problems, we have actually managed to improve, in the end, the production cycle of these products, that over time in the long term has resulted even better than that in the [offshore location]” (MVP, Company F) “Maybe the employees in the [offshore location] had a very established way of working, of using their tools... but once operations were moved here to [reshoring destination], we started doing things in a different way and we managed solving several issues that their production had. This I believe is also why, looking backwards, we managed to increase efficiency but even more product quality this way.” (VP, Company F)

Together, the findings seem to suggest that the lack of process knowledge concerning how to produce the reshored products necessitated the reinvention of manufacturing processes in the reshoring location. So instead of knowing how and why it used to be manufactured using a certain process in the offshore location, they could consider how it optimally should be manufactured. This is another example of how what initially was a considerable problem ultimately turned into a sizable advantage for the reshoring firm.

4.3.3. Lack of network management knowledge leading to network improvement

Lastly, a final unexpected benefit arose from the lack of network management knowledge of the firms when embarking on their reshoring implementations. This lack seems to once again have forced the reshoring firms think unhindered about how to best organize and manage its network of new suppliers. This benefit of an initially low level of network management knowledge is indicated by the COO of Company C as follows:

“This was surely another challenge, as you should think of this large network of about 30 small local suppliers to which we have to deliver input and collect the output when the product is finished, which brought a significant increase in logistics complexity. Indeed, now the sourcing for and management of this network of suppliers is a strength of the company, but we have also learned by doing after we have started [reshoring implementation].” (COO, Company C)

A second example of the unexpected benefits of not having sufficient network management knowledge was highlighted in the following quote made by the VP of Company F:

“In [reshoring destination] we have built up our supply chain integrating a lot our subcontractors, while before this was not the case for the production in the [offshore location].” (VP, Company F)

In sum, the findings seem to suggest that the lack of network management knowledge concerning made possible designing the supplier network and the firm’s interface with it from scratch in the

reshoring location. This, in turn, is another example of how what initially was a weakness in time turned into a strength for the firms implementing reshoring.

5. DISCUSSION

5.1. Lack of knowledge of internal competency availability

Not knowing what reshoring relevant manufacturing knowledge is held internally by the firm locally in the reshoring destination was found by this study to slow down the reshoring implementation effort. More specifically, it made the effort take longer. This is an interesting finding as the firms included in this study all had prepared quite meticulously. However, the difficulty of knowing what the firm knows about the details of also internal networks has been much emphasized in research on large international firm, for example using a business network perspective (e.g., Forsgren et al., 2005). This perspective would suggest that the headquarters of any large or otherwise dispersed firm should be expected to come up against challenges to its own knowledge, since knowledge and competences are at their core bound to individuals and groups in their location (Holm et al., 1995; Tsoukas, 1996). Similarly, drawing on research on knowledge transfer, it is often found how the tacitness of much business critical or highly skilled knowledge constitutes a challenge in both understanding it and relocating it (Szulanski, 1996). The finding and the support lent from tangent literature leads us to propose as follows:

Proposition 1: The greater the lack of knowledge of internal competency availability, the lower the reshoring implementation efficiency.

5.2. Lack of knowledge of external competency availability

Similar to the finding nearest above, not knowing what reshoring relevant manufacturing knowledge is held by potential external suppliers in the reshoring destination slows down the reshoring implementation effort. This finding also takes support in research on knowledge transfer, a phenomenon which bears several things in common with reshoring implementation in the sense that

they both rely on knowledge about operations as well as on learning. Specifically, Dellestrand et al (2022) emphasize how the headquarters of an international firm has been found to have particular difficulties in understanding the knowledge and competencies of the external business network of its local operations in different countries. This moreover echoes the business network view that understanding the knowledge and competencies any actor requires a close relationship Johanson and Vahlne (2009), something which reasonably is difficult to have with for example suppliers that you have not previously worked with (Forsgren et al., 2005). Moreover, research by Baraldi et al. (2017), suggests that firms who try reshore may find that developing good business relationships with new supplier firms is more difficult and requires considerably longer time than might be expected. Based on this reasoning we propose the following:

Proposition 2: The greater the lack of knowledge of external competency availability, the lower the reshoring implementation efficiency.

5.3. Lack of knowledge of internal ability to manage supplier networks

Not having access to necessary knowledge of how able your local unit is in managing a large network of suppliers also was found to slow the reshoring implementation effort down. This finding takes broad support in the business network perspective in the sense that the latter would suggest that it is unlikely for a firm that decides to reshore to know all the things it needs to know in order to do so. It is equally unlikely for such a firm to also know with much certainty what it does now know (Holm et al., 1995). Again, and drawing on Dellestrand et al. (2022), as well as Forsgren and Holm (2010), the central decision-making body of a firm will face challenges in not only knowing what internal parties to the firm knows, but what these parties know about matters outside of the firm. Seemingly, this applies also to reshoring implementation. We accordingly propose as follows:

Proposition 3: The greater lack of knowledge of internal ability to manage supplier networks, the lower the reshoring implementation efficiency.

5.4. Lack of product knowledge leading to product improvement

This finding seems to have made the reshoring implementation more effective in the end. This, in turn, seems to suggest that the more you forget (organizational forgetting) about a product, the more you are able to look at the product with fresh eyes. While this may seem strange, from a business network perspective it does not as knowledge would be seen as context specific and local (Holm et al. 1995; Tsoukas, 1996). In such a perspective, importing a foreign way of working or logic of designing a product might not always be beneficial, as there might be a bad “fit” with the recipient context (Lindahl, 2015), leading to lower effectiveness. On the contrary, avoiding such potentially bad fit might yield higher effectiveness, especially since the same business network perspective would suggest that the person planning the reshoring might not always fully understand that competencies of either the offshore location or the reshoring location, as well as how well they would match (e.g., Forsgren et al., 2005). Based on this reasoning, we propose as follows:

Proposition 4: The greater the lack of product knowledge leading to product improvement, the higher the reshoring implementation effectiveness.

5.5. Lack of process knowledge leading to process improvement

Following the same line of reasoning, but exchanging product knowledge for process knowledge, adapting the ways in which to manufacture a product to what works best in the new location may well be best when reshoring. This as knowledge is context-dependent (e.g., Holm et al. 1995). The alternative would seem to be accompanying the reshoring implementation effort with a wholesale knowledge transfer initiative, which is a large and hazardous enterprise all in itself (Jensen & Szulanski, 2007; Szulanski, 1996, Dellestrand et al., 2022). Being free to adapt how to manufacture a new product to fit your local organization as well as the external business network may well turn out to be a worthwhile investment, since shoe-horning a somewhat foreign way of manufacturing (which by all means might work very well in another locations, with other competencies, etc.) may seem like a quick solution but might not pay long-term dividends. Rather, using the local competences as a point

of departure may well, assuming there are any worthwhile competences present, be a much more effective way of working, . Based on this line of reasoning, the following proposition is formulated:

Proposition 5: The greater the lack of process knowledge leading to process improvement, the higher the reshoring implementation effectiveness.

5.6. Lack of network management knowledge leading to network improvement

The more you forget about how to manage suppliers the more you are able to look at managing suppliers with an open mind (see, e.g., organizational unlearning: Tsang & Zahra, 2008). Considering this finding from a business network perspective, it becomes clear that reshoring not only a product or an activity, but also a way to manage suppliers, may work quite badly since you have changed location and, with it, suppliers (Forsgren et al., 2005). While this likely also means a new regulatory environment and a new business culture, simply replacing your suppliers would be seen as more than sufficient for a firm not to assume it can manage it the way it managed an old set of suppliers in a different context. Much like with knowledge, relationships are context and actor specific, and need to be understood as such (Forsgren & Holm, 2010). Being able to look at the new suppliers with fresh eyes therefore seem to lead to greater reshoring effectiveness in the end. Based on this we propose the following:

Proposition 6: The greater the lack of network management knowledge leading to network improvement, the higher the reshoring implementation effectiveness.

5.7. Conceptual Model

The proposed relationships of Propositions 1-6 are illustrated in the conceptual model below.

Please insert Figure 3 here

6. CONCLUSIONS

This paper highlights the positive and negative effects of knowledge and especially internal and external networks on reshoring implementation efforts, and especially on the efficiency and effectiveness of such efforts. The importance of comprehensive knowledge about local, internal, operations and of long-lasting external supplier and customer relationships are much emphasized in research on business networks (e.g., Johanson & Vahlne, 2009; Forsgren et al. 2005). Despite this rich tradition, little research attention has been directed at how networks might influence the efficiency or effectiveness of reshoring implementation efforts. The finding of this paper has a number of interesting implications for theory, as will be presented next.

6.1. Theoretical Implications

The business network perspective supports explaining both the challenges outlined by propositions 1-3, as well as the benefits presented by propositions 4-6. The first set of propositions, 1-3, revolve around the inability of the reshoring firms to, despite their best efforts, sufficiently understand the competencies in their own local organization, as well as those of potential new suppliers in the wider business environment of the reshoring implementation effort. This highlights the key role of business network actors (Baraldi et al., 2018) and in particular of their competences in the implementation of reshoring (Nujen et al., 2018), which can be more difficult to assess than expected and create challenges to the implementation efficiency and effectiveness. Meanwhile, the second set of propositions, 4-6, emphasizes that the challenges associated to the lack of firm's and business network competences can also trigger a learning process, whereby reshoring effectiveness is achieved by means of product, process and business network improvements. As compared to existing literature, these findings challenge the idea that when engaging in reshoring knowledge transfer can be sufficient for the attainment of the desired outcome of such initiatives, and that knowledge already resides within the firm boundaries (Fjellström et al., 2023; Reilly et al., 2023). Rather, we contend that, for the firm, the main challenges arise from the lack of knowledge of actors in the home country, but that this latter can lead to the development of new knowledge and an efficient and effective reshoring

implementation. Moreover, and by extension, the paper moreover draws attention to the importance of time on reshoring implementation. Lastly, emphasizing both knowledge and the complexity of internal and external business networks, this paper suggests the usefulness of the business network perspective in explaining the influences to both reshoring implementation efficiency and effectiveness.

6.2. Managerial Implications

The findings of this paper have a number of important managerial implications. Specifically, the difficulty of the studied firms to adequately assess their own readiness to implement in terms of knowledge and competence should provide food for thought for managers considering the reshoring. As this was found to concern not only the more detailed competence of the local organization, but also those of external networks of suppliers, caution need to be taken when assuming that all preparations are in place. Instead, a conservative approach might be to plan for a careful, thoughtful, and ongoing implementation effort, where a system of feedback must be put in place in order for problems to be quickly escalated to senior management and addressed. While such warnings are warranted, the findings of this study also give reason for considerable optimism. The positive outcomes regarding learning how to better manage products, processes, and suppliers should be taken as encouragement for the possibility not only of successful reshoring, but for a reshoring effort that exceeds former levels of effectiveness and efficiency.

6.3. Limitations

Although small samples are appropriate when doing exploratory multiple-case research studies with the aim of extending theory novel phenomena, this study could be argued to be limited in its reach as it only interviews the reshoring firm and not also its suppliers. Moreover, the empirical study underpinning this work could have made use of further longitudinal data collection as there seem to be several findings reflecting important aspects of development over time.

6.4. Future research

An interesting avenue for future research would be to also study the experiences of new suppliers in the reshoring destination first hand. The importance ascribed to suppliers by the managers interviews in this study suggests that many interesting challenges and opportunities likely both emanate from, and affect the behavior of, suppliers and other business network actors. Additional future research could benefit from explicitly longitudinal designs to be able to go on collecting data about the same reshoring implementation efforts for longer in order to tease out additional effects of time on reshoring implementation outcomes such as efficiency and effectiveness. Lastly, and in order to test the generalizability of the findings of this paper to population, testing the propositions brought forth in this paper using a large-scale survey would provide much interesting impetus to continued research on this nascent topic.

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Appendix 1. Interview Guide.

Effects of reshoring

More general questions

- What would you say the main effects of the relocation of manufacturing have been for your company?
→ What about the effects on the two units involved?

Specific questions (unless already covered)

- What have been the effects of the relocation of activities in terms of:
→ Efficiency
→ Control of activities
→ Risk
→ Knowledge exchange and acquisition
- Were any of the effects of the relocation of activities different than what you expected beforehand, or they matched the plan/expectations?
- Could you differentiate between effects that have manifested already during the relocation implementation and those emerging just at a later stage? (to capture short vs long term effects)
- How did the relocation impact the relationship between the production facilities involved?

Reshoring decision

- What were the main reasons behind reshoring??
- When was reshoring planned/decided?
- Who was involved and how was the decision made?
- Do you plan to do that again in the future?

Reshoring process implementation

- How was reshoring implemented?
→ What were the main phases of the relocation project?
→ How did you prepare each stage?
→ What was relocated at each stage, or moved (such as people, machineries... and in what direction) and who was responsible each time?

- Were other units involved in the project, so sustain it? (e.g., did the Norwegian plant have a role in sustaining reshoring?)
- What have been the main factors enabling a successful implementation of the relocation?
- And what the main factors that made it more difficult?
- How did the actual implementation of the project differ from the original plan?
- Is there anyone still involved in this relocation (e.g., someone still involved in the implementation and control of competences reshored, or someone performing some sort of evaluation of the relocation)?

General background questions

- How was manufacturing structured prior reshoring? What was/is the criterion underlying the manufacturing organization in the different plants?
(How many manufacturing plants did you have before the relocation, and how were they related in terms of production?)
- Was each plant fully producing products or was there any joint production?
- What was the role of customers and suppliers in product development and manufacturing? (The company is highly vertically integrated, but what is their role and position in the supply chain?)
- How is the group organized and who makes the main decisions?
→ What is the role of the top management at the HQ in the group? Who is normally involved when making important decisions (as the one being studied)?
- What is the group strategy and who defines it?
→ How did it change with reshoring, if it did?

Figure 1.

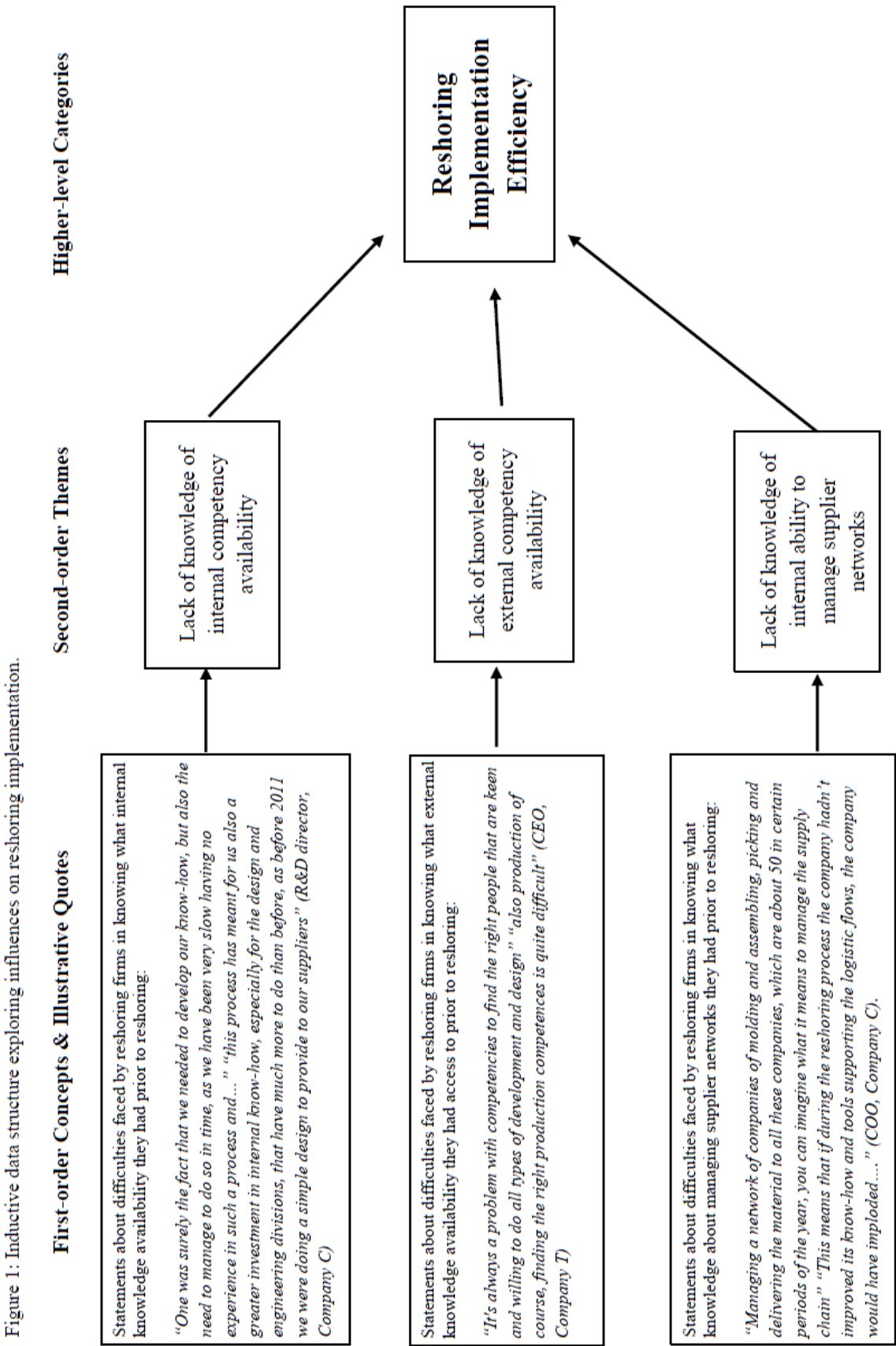


Figure 2.

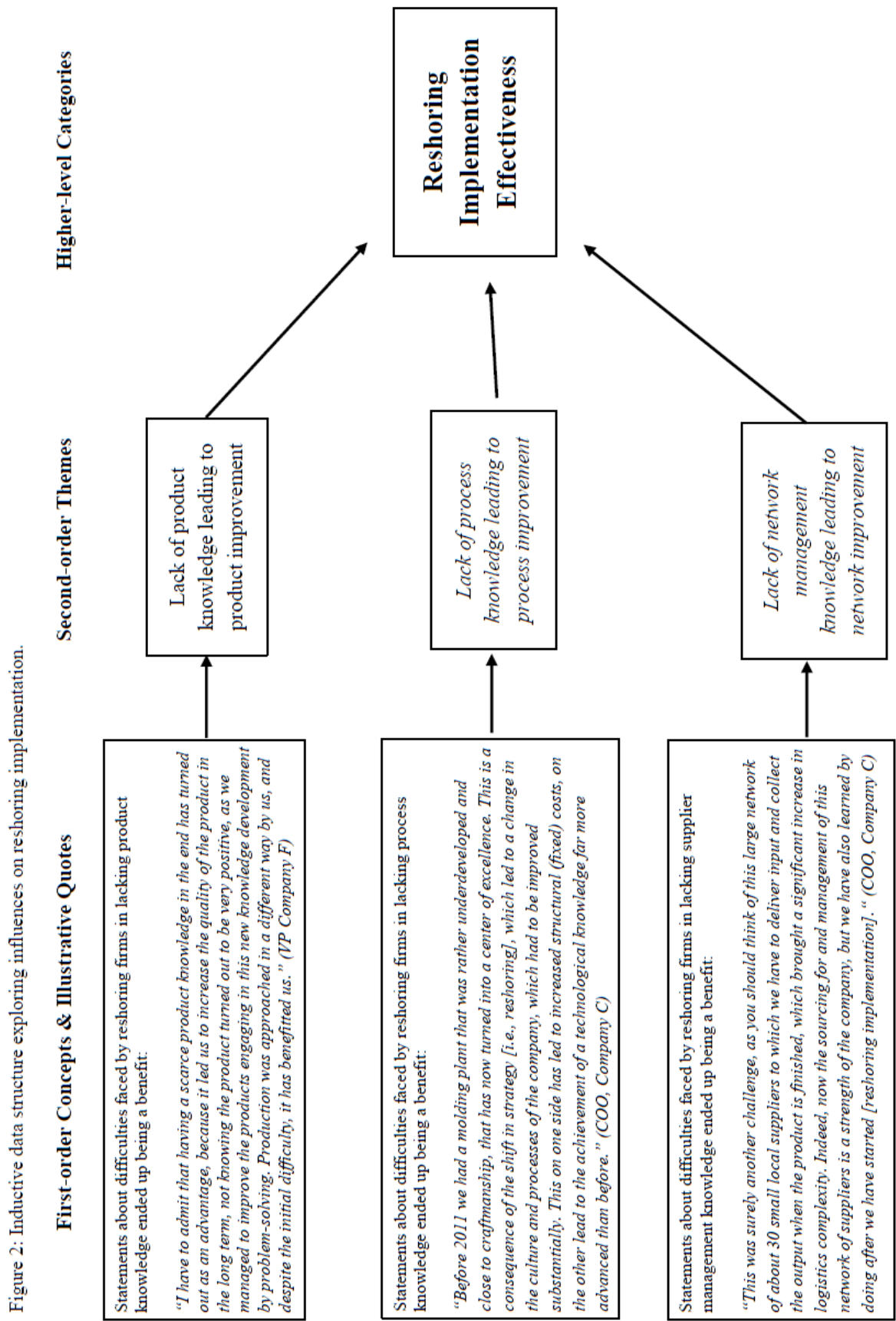


Figure 3. Conceptual model.

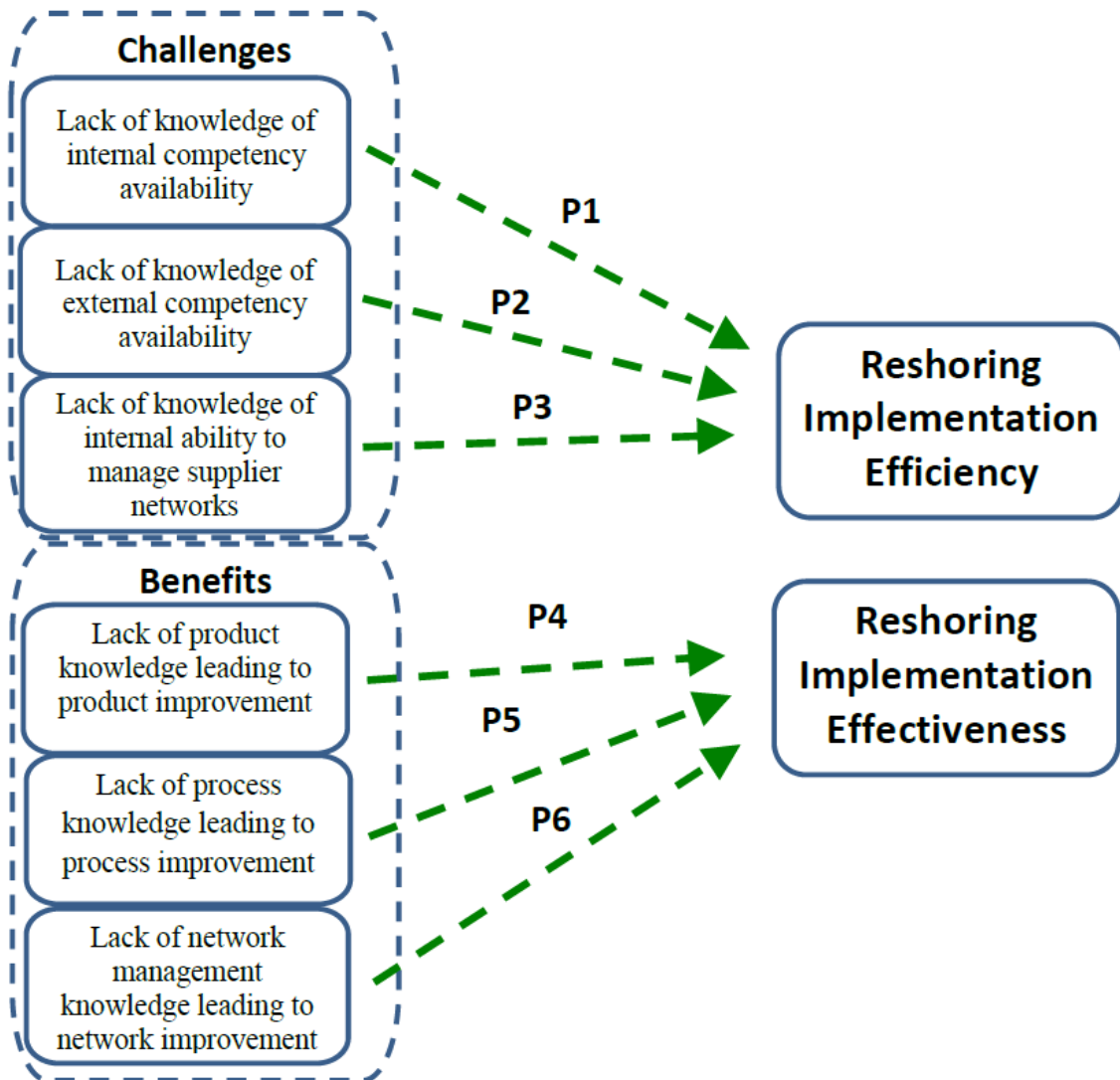


Table 1

Reshoring cases description

Firm	Governance mode host country	Governance mode home country	Implementation period	Key relocation tasks
C	Outsourcing	Outsourcing	2011-2022	Re-conceptualization of product to fit local production; supply base reorganization; internalization of design and engineering activities
T	Outsourcing	Outsourcing	2018-2019	Identification of new home country turn-key supplier; selection of second-tier suppliers; re-conceptualization of product to fit local production
E	Captive	Captive	2020-2022	Implementation planning activities; physical transfer of production lines; development of new facilities; customers' audit
F	Captive	Captive	2016-2019	IT system and production process integration; internal training; supply base reorganization

Table 2

Data collection description

Firm	Interviewee position	Interviewee seniority	Interview(s) length (mins)	Interview(s) date	Key topics
C	General Manager	30 years	60 + 90 + 60 + 75	February 2022 April 2022 December 2022 March 2023	Company history, strategy and structure. Internationalization history. Reshoring motivations, planning, implementation and effects.
C	Chief Operations Officer	9 years	90 + 60	April 2022 May 2022	Reshoring motivations, planning, implementation and effects. Implementation efforts and impact specifically on operations-related functions.
C	R&D Director	18 years	60 + 90	April 2022 June 2022	Reshoring motivations, planning, implementation and effects. Implementation efforts and impact specifically on R&D-related functions.
T	Chief Executive Officer	17 years	90 + 90	May 2021 September 2022	Company history, strategy and structure. Internationalization history. Reshoring motivations, planning, implementation and effects. Specific relational and knowledge-related dynamics in the reshoring process.
T	Production Manager	7 years	60 + 30	May 2021 June 2021	Reshoring motivations, planning, implementation and effects. Changes in

					operations brought by reshoring, during and after implementation
E	Operations Director	11 years	75 + 90 + 60	December 2021 April 2022 September 2022	Company history, strategy and structure. Internationalization history. Reshoring motivations, planning, implementation and effects. Specific relational and knowledge-related dynamics in the reshoring process
E	Reshoring Project Manager	3 years	90+ 90 +30	December 2021 April 2022 September 2022	Reshoring motivations, planning, implementation and effects. Specific relational and knowledge-related dynamics in the reshoring process
E	Human Resource Director	22 years	90 + 60	December 2021 April 2022	Company history, strategy and structure. Internationalization history. Reshoring motivations, planning, implementation and effects. HR related matters in reshoring
F	Managing Director	13 years	45 + 30	October 2021 March 2022	Company history, strategy and structure. Internationalization history. Reshoring motivations, planning, implementation and effects.
F	Production Vice President	7 years	45 + 60	October 2021 March 2022	Reshoring motivations, planning, implementation and effects. Reshoring motivations, planning, implementation and effects.