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Reshoring: Evolution and Implementation

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Abstract

Background: For decades, the phenomenon of offshoring in the realm of production and business services have become an industry mantra and one of primary strategies for many companies. However, after years of offshoring, there emerged a slowdown or reversal in the trend and global business observes a reshoring phenomenon. Reshoring as a new trend is growing and the number of reshoring cases announced both globally and in Sweden is increasing.

Purpose: This study is to examine how companies' reshoring decision making process evolve and how its implementation process looks like in practice. To achieve this, we explore the experience of two firms located in Sweden and study the approach these firms follow and thereafter, we analyse the difference between them and with the theoretical framework.

Method: We use a qualitative research approach, where a multiple case study of two case companies is conducted and formulated by an abductive methodology.

Conclusion: Our findings produce evidence that decision to reshore is perceived as a correction of the offshoring strategy and reversal of the previously offshored manufacturing activities. We find that companies modify the reshoring implementation process according to the type of a reshoring project in terms of type of production and their suppliers. And although they consider almost all the steps suggested by Project Management Institute PMI model, they do not execute them in the similar sequence, and they do not identify a specific timeframe to accomplish project purposes.

Key words: Offshoring, Reshoring, Project implementation, Transaction cost economics, Resource-based view, The eclectic model, Project management process groups.

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Abbreviations

GVC - Global Value Chain

MD- Managing Director

OBB- Organizational Buying behaviour

OLI Ownership-Location- Internalization

RBV - Resource Based View

TCE - Transaction Cost Economics

1.Introduction

This chapter commences with the discussion of offshoring and gives a holistic overview on motives pertaining to the phenomenon of reshoring. The different literature perspectives and existing research knowledge in the field is also given to clarify why the topic is of importance to study and how it will contribute to the current literature and practice. Lastly, the chapter ends with the research question, research purpose and a discussion of delimitation of the study.

1.1. Problem background and problem discussion

As a result of the rise in global activity and due to trade liberalization and the decrease in the tariff barriers firms have followed a trend on the international level and spread their activities beyond political, economic, and geographical boundaries (Santacreu & Zhu, 2018). Companies constantly seek and develop strategies that enable them to attain competitive advantage over factors like location, ownership, and internalization (Porter, 1986).

For several decades, the phenomenon of offshoring in the realm of production and business services have become an industry mantra and one of primary strategies for many companies. Firms mostly located in developed countries transfer their manufacturing activities specially to China and Southeast Asian countries in an effort to get access to host markets, enjoy cost-effective advantages, proximity to major markets, which in turn, lead to maximize shareholder wealth (Zhai et al., 2016; S. Mărgulescu & E. Mărgulescu, 2014; Gray et al., 2013; Oshri et al., 2009).

When global sourcing, a firm's operations and environment become more complex and uncertain as more factors are involved (Jiang &Tian, 2009), and thus becomes more vulnerable to the change in the surrounding circumstances and/or the global economy (Lim et al., 2009). Based on the magnitude and types of uncertainty, there may be a large or small impact on the firm's strategies. During the twenty-first century, after years of offshoring, there emerged a slowdown or reversal in the trend (Bals et al., 2013), and global business observed a reshoring phenomenon (often also called "backshoring" or "onshoring") (De Backer et al., 2016). In this approach, international corporations return some or all their production and manufacturing activities mostly back to their home countries (Tate et al., 2014; Bailey & De Propris, 2014). There are also some cases that companies relocate their business operations to other countries

where they find them better locations with respect to fulfill their business requirements and simultaneously satisfy the needs of the customer (Fratocchi et al., 2013).

In the UK, the reshoring trend has received considerable attention with the Prime Minister of the UK (Mr. David Cameron) called the UK "the reshoring nation" at the world economic forum in Davos Switzerland (Groom & Parker, 2014). The idea was to provide information, advice, and support to companies in order to consider reshoring activities to the UK (Government of the UK Press release, 2014). According to European Reshoring Monitor (2020) in the period between 2014 to 2018, 44 instances of reshoring cases have been recorded for UK based companies, reshoring mostly from China and India to the United Kingdom.

On a related note and with regard to the reshoring in the US, Tate et al. (2014) state that 40 percent of 319 US companies who have been engaged in offshoring activities, were inclined to consider reshoring in their global strategies and spot the reshoring trend in their industries. Zhai et al. (2016) confirm and indicate that with the rise of wage rate in China and investment incentives in the United States, many manufacturing companies decided to relocate their business back home and manufacture and outsource domestically instead of offshoring. As it is announced in 2018, up to 1389 US companies have been recorded for reshoring and foreign direct investment in various industry sectors which shows a 38 per cent increase compared to 2017 (Reshoring Initiatives, 2020). This places more emphasis on studying the phenomenon.

There exist numerous literatures that studied the trends and motives of firms' international presence and their internalization process. Still, the academic research on the emergence of the reshoring trend and reshoring topic per se is scarce (Fratocchi et al., 2013; Bailey & De Propris, 2014). Many researchers have attempted to identify motivations behind reshoring activities and contributed it to several factors including, inter alia, narrowing wage gap between developed and developing countries, difficulties of managing complex supply chains, volatile transportations costs, moving production closer to design and R&D units, currency valuation, and quality control issues overseas (Industry Week, 2013; Arvidsson & Magnusson, 2014; Bailey & De Propris, 2014; CFIRE, 2016; Quality Magazine, 2018; Tate et al., 2014). However, these examinations have largely targeted countries like the USA, the UK, Germany, and France (Moradlou & Tate, 2018; Vanchan et al., 2018; Moradlou et al., 2017; Fel & Griette, 2017; Srai & Ané, 2016; Zhai et al., 2016; Foerstl et al., 2016; Bailey & De Propris, 2014).

To some extent, previous empirical research has been conducted to investigate the motivations and barriers to initiate the reshoring project for firms previously offshored to various countries. However, we need to not only understand what the reshoring is, but we also need to understand "how" it is evolved and implemented and how its implementation looks like in practice.

According to our literature review to date, the implementation of reshoring has not received much attention in previous research and remains largely unrecognized. One study that we have found to date has also investigated the reshoring implementation process (Benstead et al., 2017). In their studies, Benstead et al. (2017) examine what implementation factors need to be taken into consideration before firms repatriate offshored activities, but they did not explore how the reshoring activities are designed and executed. Besides, their findings cover the implementation factors when firms consider reshoring as an evolution in firms' strategy. However, when firms decide to reshore, there exist two approaches for firms to take depending on the way they perceive their reshoring activities. They may perceive this decision either as a separate strategy or as a correction of previous error and their failure in offshoring (Di Mauro et al., 2018). Therefore, how firms implement reshoring activities when it is recognized as a project but not as a strategy deserves attention in business research and is our current interest.

In addition, according to our literature review to date, the Nordic region (the Scandinavian countries of Sweden, Denmark and Norway together with Finland) has not received much attention among scholars studying motivations of the reshoring in general and the reshoring implementation approach in particular. Therefore, we believe that it is relevant to examine the region more closely to determine what factors associated with offshoring are affecting international firms, and why and how firms based in the region initiate and implement the reshoring project. In this study, we place an emphasis on Sweden. This nation-state is located in northern Europe on the Scandinavian Peninsula and plays an important role in the region and in Europe. Despite its small domestic market, Sweden is one of the most recognized countries in terms of international competitiveness, globalization, and innovation (Government Offices of Sweden, 2019). In addition, Sweden has also been titled the EU's innovation leader, followed by Finland and Denmark according to the 2019 European Innovation Scoreboard (The European Commission, 2019).

Given the fact that reshoring as a new trend is growing and the number of reshoring cases announced both globally and in Sweden is increasing (Snoei & Wiesmann, 2015; Sequeira & Vestin, 2016) , we believe it is important to look further and understand how companies located

in Sweden plan and implement the reshoring projects and what aspects they consider to do so. Considering that the emergence of reshoring activities wholly depends on the previously offshored activities and inherently there would be no reshoring if there was no offshoring in the first place, and in order to better grasp the decision-making and implementation process of reshoring, we first investigate and realize what motivational factors first lead companies to offshore. And then, we explore what concerns pertaining to offshoring activities drive companies to reshore their manufacturing activities. Thereby, we may have a better perspective to analyse the evolution of reshoring decision making process and to evaluate whether their designed implementation model has been successful.

1.2 Research question

The research is designed to answer the following question*:*

How does a reshoring decision making process evolve and how is it implemented?

1.3 Research purpose

Through this study, we expect to examine the evolution of reshoring decision making process for the two firms located in Sweden and investigate how they implement their reshoring activities. Our research will fill the gap in the current business research covering the reshoring phenomenon and linking international business management with project management. We believe our findings will contribute to a resolution of understanding about the reshoring issues. The selection of Sweden is important for several reasons, given partly in section 1.1 and elaborated more in the paper (reshoring in Sweden; in the section 2.3.5). Overall, we expect that our research findings may assist companies to decide on what factors they need to focus when they expand their operations overseas. Also, in case they decide to reshore, what procedures managers need to consider implementing their reshoring activities.

1.4 Delimitation

We have focused on an examination of two multinational corporations which are located in Sweden. We have investigated the motivations regarding the reshoring for these two specific firms and how their reshoring decision making process develops over time. Also, the study covers the process these firms follow to plan and implement their reshoring activities in order to move some or entire part of their production or business activities to Sweden.

1.5 Disposition of the study

The main content of the thesis is divided into five chapters as follows:

Chapter 1: Introduction
In this chapter, we state the problem background and problem discussion, followed by the purpose of this study and research questions. Thereafter, we present its scope and delimitation.

Chapter 2: Literature review
In this chapter, the theoretical framework based on different relevant literature is provided. From the literature review, interview questions are derived.

Chapter 3: Methodology
In this chapter, we address how we conduct this study and what approaches we use to carry out the interviews. Also, we present the details of conducting qualitative multiple case study, semi-structured interviews, validity and reliability, and ethical considerations.

Chapter 4: Empirical findings
In this chapter, we present the results and data which are collected using interviews with each of the two case companies. In coordination with the established framework, the pertinent information will be provided by the offshoring, the evolution of reshoring decision-making process, and the implementation process of reshoring.

Chapter 5: Discussion and conclusion
In this chapter, the empirical findings are compared to prior research, followed by our discussion about any (in) consistencies of our findings with previous studies results and provide explanatory reasons for it. Next, we examine our contribution to the literature and the limitations of our approach. The chapter ends with our recommendations for further research on this concept.

2. Literature review and conceptual framework

In this chapter, the theoretical framework based on different relevant literature is provided through which we form our interview questions. The section begins with a presentation of the offshoring and relevant theories on this subject. Then we present the discussion of the motivational factors and driving forces of the reshoring as well as the planning and implementation of the reshoring projects. It should be noted here that the theories presented in this study are limited to those which are relevant to our cases and we opt not to include all the theories in the realm of offshoring. The reason is to ensure that the flow of this thesis is not affected by material that fails to directly have an impact on our discussion.

2.1 Offshoring

The term "outsourcing" refers to the business strategy through which enables companies to cut costs and therefore, gain some cost advantage by contacting out some parts of operation and business functions to supplier companies located either domestically and/or abroad (UNCTAD, 2014).

According to Allon and Federgruen (2008), firms adopt outsourcing strategy for various reasons. They argue that the salient reason for firms to outsource is to reduce costs and manage time. This argument is not consistent with the study of Radoslow (2018). He claims that the role of cost reduction in relocating business functions may no longer be of great importance as other factors like efficiency and innovation, and quality come to consideration.

Offshoring as a form of outsourcing is defined as the strategy to relocate organizational activities including, inter alia, manufacturing, supply chain, R&D, IT, distribution, and other business functions to a country (a host country) different from where a firm's headquarters are based (home country) (Calantone & Stanko, 2007; Grossman & Rossi-Hansberg, 2008; Oshri et al., 2009). With that said, the key element that distinguishes offshoring from outsourcing is the fact that in the offshoring strategy the focus is on international engagements in a foreign country (Berry, 2006). To achieve offshore outsourcing two procedures may be selected: internally or externally.

According to UNCTAD (2004), internal offshoring refers to the procedure by which business functions from a parent company move to foreign affiliates which is commonly defined as "intra-firm (captive) offshoring" in which the firm gains full control. While in external

offshoring, a firm outsources its business activities to an independent local party under some contractual agreements, or via equity partnership agreements and letting a foreign provider handle the business function. This phenomenon has been playing an integral part of many companies' sourcing options for several decades aiming to cut costs and in an attempt to maximize shareholder wealth (UNCTAD, 2004; Pisani & Ricart, 2016).

The main reason for the popularity of offshoring in the past decades may be due to the general perception that offshoring has been considered as a low-cost option for firms in hopes of improving productivity, reducing total cost and promoting efficiency. This reason per se makes many firms to have blinders on and ignore or pay less attention to the potential hidden costs that may be incurred through the process and as a result, may influence the total cost and hinder the achievement of objectives set for offshoring. These hidden costs can be incurred in the initial stage of planning process for moving production offshore like choosing the right location or selecting the right local partners and/or in the following stage of implementation process like some institutional, social, and political costs associated with establishing a wholly owned subsidiary in another country in case of captive offshoring (Oshri et al., 2009).

In addition, many firms do not assess and analyse the risk that accompanies offshoring activities. Instead, they place more emphasis on a cost-benefit analysis. This is a reason why today, more and more companies have come to the conclusion that selective offshoring where all potential costs, barriers, and risks are assessed and treated with due diligence is the appropriate strategy that firms need to take into consideration in their business strategies (Vagadia, 2012).

With this brief discussion about the definition and the argument behind offshoring activities, in the following sections we address and elaborate the theories that are linked to the motivations, the logic, and the risks associated with offshoring. There are two primary reasons why we choose to follow this approach. First one regards the fact that we believe that for a better understanding of the phenomena of reshoring we first need to investigate and evaluate the literature on offshoring. This procedure was also applied by other researchers such as Gray et al. (2013), Bailey and De Propris (2014), and Engström et al. (2018) and in their studies of the reshoring phenomenon in Western nations, the UK, and in Sweden respectively. Adopting this approach will later enable us to investigate and understand the motivational factors behind the reshoring.

Another reason concerns the fact that although the reshoring phenomenon has been attracting growing interest among scholars and practitioner, it is still considered a new phenomenon and the evidence and existing research to provide insight into the nature of reshoring are limited. As a result, there exist not many theories and models for us to begin our discussion with (Wiesmann et al., 2017).

For these reasons, the theories pertaining to offshoring are selected which are pertinent to our research question and the purpose of our study in order to support our argument and discussion. This includes as follows; transaction cost economics (TCE) (transaction cost theory), the resource-based view (RBV) and the ownership advantages, location-specific advantages, and internalization advantages model (OLI). The first two are the most influential theories in the study of organizational alternatives and outsourcing including offshoring (McIvor, 2009; Luvison & Bendixen, 2010).

According to McIvor (2013), both TCE and RBV seek to find a solution for where manufacturing should be (out)sourced from. While the TCE deals with the choices of governance mode and structure, the other deals with firm resources and sustained competitive advantage. On the other hand, the OLI eclectic approach concerns the motivation of a firm to invest internationally and seek and develop strategies that enable them to attain competitive advantages over factors like ownership, geography, and internalization (Porter, 1986; Dunning, 1988). In their studies, international business researchers seek to explain the motivations of the offshoring and reshoring and illustrate firms' performance relying on the TCE, RBV, and internalization theory (Kinkel & Maloca, 2009; D'Attoma & Pacei's, 2014).

2.2 Offshoring: Theories

Transaction Cost Economics:

Transaction Cost Economics is a credible and common framework to demonstrate the cost of business transactions and is used for the analysis of make/buy decisions (Ellram,2013; Neves et al., 2014; Pereira & Malik, 2015). The make or buy decision is considered to be one of the most important decisions any firm should make and is ought to choose between rival sets of assumptions. In accordance with transaction cost theory, firms strive to shift their business functions from high cost to low cost environments within or across borders (Ellram, 2013).

The advent of transaction cost economics in business management was introduced by Coase (1937) with his attempt to understand the existence of the firm. In his article The Nature of

Firm, Coase argues that by using the market to procure something, firms incur a number of costs that are actually more than just the price of goods and services, and in this platform transactions costs consist of, inter alia, search and information costs, negotiating costs, monitoring costs and policing and enforcement costs. According to Coase (1937), firms may take an entrepreneur strategy and avoid these costs. Adopting this transaction strategy may be implementable and beneficial in the first stage of business, however in the long run and particularly when the business tends to grow, it may be problematic. In this context, the Coase Theorem posits that firms need to analyse the circumstances in which bargaining and contacting out of some particular tasks can solve problems of optimization of resources to their highest valued use and the circumstances in which bargaining and contacting out cannot perform that function (Sjögren, 2019).

Since Coase (1937) numerous revisions to the Coase Theorem have been made and among them, Williamson (1979) contributes greatly to the original theory. Williamson (1979) 's findings with the focus on non-quantitative measure have developed transaction costs economics into an empirically testable theory. According to Williamson (1979, 1999), each transaction concluded in business is accompanied by transaction costs and has three features to it which may differ from one to another. Those include assets specificity, frequency of trading, and uncertainty. Marcinkowska (2015) states that transaction costs are basically the expenditures incurred to minimize the risk and uncertainty, and uncertainty comes from the humans' inability to predict all aspects of a transaction (Williamson 1999).

In addition, when it comes to "make or buy" decisions, firms seek strategies through which at the end, they will minimize the transaction costs while maximizing firm's performance as well as to achieve economies of scale and scope. In this environment and with uncertainty in the market, which in turn, leads to high transaction costs; firms may become more inclined to use suppliers (vertical integration) to avoid market fluctuations stemming from external factors like change in supply and demand or technology. However, according to Williamson (1979), relying too much on suppliers may bring the risk of opportunism along where firms may not tap tacit knowledge in the market and step behind which may make room for suppliers to exploit this opportunity with the ability to monopolize the market and generate the opportunistic actions (Williamson, 1985, Fine, 1998).

Therefore, transaction costs analysis requires a firm to compare two alternatives and to examine whether they may perform the whole business operations internally or seek eligible suppliers

and transfer some parts of business functions to them. It is evident that firms choose activities that at the end create lower transaction costs for the company (Marcinkowska, 2015). Studying the theory from an offshoring perspective is critical due to the fact that if the transaction costs are not assessed correctly, then this will affect business practices, firm's performance, and even governance arrangements (Masten, 1993).

This per se may also put the offshoring strategy at stake or leads to failure. In other words, failures in offshoring may be rooted from the fact that international strategic management does not predict or assess "indirect costs" correctly (Barthélemy, 2003, p. 93). The costs which are unexpected or uncontrolled referred also to as "hidden costs". This is of significant importance in a way these costs may later in the process of offshoring provide reasons for firms to revise or reverse a prior decision and strategy, which in turn, may drive them to decide to reshore in order to cut costs (Barthélemy, 2003).

According to Barthélemy (2003), there exist two primary types of hidden transaction costs that should be taken into consideration while outsourcing. First regards pre outsourcing- operation costs which are generally costs of searching appropriate suppliers and contracting out costs. And second regards on-going outsourcing-operation costs which are costs attributed to bargaining and decision costs, monitoring costs, and policing and enforcement costs. Therefore, analyzing transaction costs from the aspect of international outsourcing decisions become critical for managers who seek to diminish transaction costs as one of their primary business goals (Van hoek, 2000).

Resource-based View:

Resource-based View is a model which aims to assist firms to understand how they can achieve competitive advantage and how they can make the obtained competitive advantages sustainable over firm's operation (Elsenhardt & Martin, 2000). The RBV of a firm (Braney, 1991) perceives firms as being "internal bundles of resources". One of the tools that analyses a firm's internal resources is the VRIO (Valuable, Rare, Imitable, and Organization) framework (Barney,1991). According to Cardeal and António (2012), resources are evaluated on the basis of the VRIO analysis tool and firms conceive and implement strategies according to their capital and capabilities. Firms are prone to select activities that improve and increase efficiency and/or effectiveness of their resources which lead to increase their competencies. The differentiation that forms the basis of a sustained competitive advantage which cannot easily be imitated by other firms.

Dynamic Capabilities theory is closely linked to the RBV. The theory is defined as "the ability of an organization and its management to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments' (Teece, et al., 1997, p.516, cited in Teece, 2014). Three pillars are embedded in the Dynamic Capabilities concept which are processes, positions, and paths/strategies which influence the nature of dynamic capabilities (Teece, 2014). The theory claims that a firm's intangible assets can play an important role to create and achieve a sustained competitive advantage (Itami & Roehl, 1987). Teece et al. (1997 cited in Teece, 2014)'s findings place an emphasis on "organizational processes or managerial function" and argue that managerial, entrepreneurial, and leadership skills of top managers and their ability to design, implement, and modify business models and strategy that adjust to day-to-day routines resources of employees is also of importance to achieve a sustained competitive advantage. Therefore, both resources and how they are used are important to be taken into consideration specially in a competitive and unpredictable environment that are affected by rapid change.

According to Zhao and Calantone (2003), offshoring enables firms to gain access to new resources (host countries' resources and capabilities) which otherwise will be hard or impossible to create domestically, which as a result, may assist them to achieve competitive advantage in the marketplace. For several decades, firms mainly located in developed countries offshored their manufacturing activities to developing countries in an effort to get access to host markets, exploit cost advantages, and enjoy proximity to major markets in order to win more customers, and consequently to pursue sustainable competitive advantages (Zhai et al., 2016; Oshri et al., 2009).

The OLI model:

Dunning (1973, 1988) postulated the theoretical foundation for globalization of firms and provided an analytical framework to explain the growth of firms when expanding globally. Dunning's OLL, which is commonly referred to as OLI eclectic approach, stands for ownership, location, and internalization. These three are potential sources of advantages considered by a firm to adopt in their strategic decision to go beyond borders, and invest internationally, and become a multinational, which in turn, may result in the occurrence of outward foreign direct investment OFDI (Dunning & Lundan,2008). The framework concerns the motivation of an enterprise to go global and enter the international market to expand its

business. The paradigm is also used to demonstrate origin, level pattern, and growth of multinational corporations' offshoring activities (Eden & Dai, 2014).

According to (Teece, 1986), firms consider the ownership source of advantage in relocation when they follow captive offshore ownership structures. By definition, captive ownership structures occur when the firms hold the control over the offshoring unit. This makes it an appealing choice in firms' strategic decisions since it will minimize the risk of opportunism. In addition, it allows firms to shield the transaction and reassure that every transaction meets its objectives to the fullest (ibid.).

With regard to location advantage, the eclectic paradigm introduced by Dunning (1993) considers four fundamental types of FDI motivations and strategies. This includes resource-seeking FDI, strategic asset-seeking FDI, market-expansion seeking FDI, and efficiency or technology seeking FDI. Deng (2004) confirm Dunning's findings and add diversification motivation for transnationals to invest abroad.

Offshoring with the investment at foreign locations where culture and language may differ from the home country requires firms to build and nurture successful relationships with suppliers and partners in outland supply networks. In this environment, some hidden and indirect costs may also become highlighted. Cost of communication and management costs are among those costs that are critical when offshoring and become more salient when operating and locating in a country where there is cultural difference and language difficulties (Gray et al., 2013; Larsen et al., 2013).

Also, the risk of knowledge sharing, and the hidden costs caused by unforeseen or neglected estimation errors are prone to be emerged (ibid.). However, these factors cannot be very well-assessed before offshoring due to the limitation of forecasting affiliated to them. This drives firms to apply a learning by doing process (Gray et al., 2013) which may lead firms to decide to reshore. This also includes the activities which relocated abroad without having enough knowledge and adequate pre-study and preplanning in terms of risks and costs that may have been afterwards the offshore decision (ibid.). For this reason, factors including, inter alia, logistic costs, lead time, efficiency, flexibility, control over supply chain, and quality need to be correctly examined and valued in cost analysis before offshoring.

2.3 Reshoring decision

2.3.1 Reshoring: Definition

According to various literatures till date, it is evident that congruent definition of reshoring has not been discovered yet or in other words reshoring itself is an imprecise term (Fratochi et al., 2014). Looking at the reshoring definitions provided by various researchers (Gray et al., 2013; Joubioux & Vanpoucke, 2016) reshoring cannot be considered as an "independent decision-making process" rather it should be studied as a correction or reversal of previous offshoring decisions. Therefore, reshoring cannot be examined separately; rather it should be examined as a revised strategy of previous offshoring decisions (Gray et al., 2013; Joubioux & Vanpoucke, 2016). The most commonly used definition of reshoring in line with Gray et al. (2013) is moving manufacturing back home (Gray et al., 2013).

However, this definition is not concrete or commonly agreeable as it does not give any idea about what part of manufacturing or value chain activities are being brought home or what is the governance mode. Hence, in order to make an unified, operative and clear definition for this study, we put forward a new definition with the help of information provided by different scholars (Gray et al., 2013; Fratochi et al., 2014; Bals et al., 2015); which is moving activities such as a part of the business process, manufacturing and production, or moving full business process, manufacturing and production back from host country to home country irrespective of the governance mode in the host country. As far as governance mode in the host country is concerned, it could be either a wholly owned subsidiary (in source) or an external supplier (outsource). Overall, reshoring is considered as a consequence of previous misjudged offshoring decisions (Gray et al., 2013).

This concept is explained in detail in Joubioux and Vanpoucke (2016) study. They come up with a conceptual model for reshoring, which consists of three stages. It starts with an initial offshoring decision followed by reconsideration and the last stage is a new decision making. In the last stage the company decides whether to continue with the revised strategy of previous offshoring decision or to reshore (Joubioux & Vanpoucke, 2016). In addition, there are different perspectives on the origin of the reshoring phenomenon. One such example is reshoring is increasingly seen as a deliberate strategic decision to relocate the production from host country to home country in order to be competitive (Di Mauro et al., 2017) Based on a study by Bals et al. (2014), it's been found that 80% of the German companies consider

reshoring as a correction of previous managerial mistakes whereas only 20% of the companies consider reshoring as a strategic decision due to the changes in the environmental factors (Bals et al., 2014).

2.3.2 Different types of reversal location decision

Not all reversal decisions are reshoring. Reversing a prior offshoring decision has given many labels by scholars and reshoring was one among them (De backer et al., 2017). Other commonly used labels are back shoring, nearshoring, onshoring (ibid.), and right shoring (Joubioux & Vanpoucke, 2016). However, it should also be noted that there exists a considerable difference between these terms (De backer et al., 2017). Hence, in order to emphasize the difference between these terms and to avoid the ambiguity; a comparative analysis of these terms are explained below. Having said that, as the aim of this research is to focus on reshoring, other terms will not be included for further analysis and discussion.

When it comes to nearshoring, a part or a complete business process or production is moved back to the country which is closer to the home country (Kinkel et al., 2017) whereas in back shoring, a part or a complete business process or production is moved back to the home country itself (Fratocchi et al., 2014; Kinkel et al., 2017). Hence, by this definition, the term backshoring could also be used interchangeably with reshoring (Bals et al., 2015). With regard to onshoring, production is moved back to the country which has higher market demands. Hence, depending upon the location it could be considered as reshoring, nearshoring as well as offshoring. For example, if the US companies moving production to China in order to meet the market demand, it could be considered as offshoring whereas if the US company is moving production to the US in order to meet the local market demand then it could be acknowledged as reshoring (De Backer et al., 2016). Or if the company is moving production to country which is closer to the home country based on the market demand, then it could be acknowledged as nearshoring.

Unlike other terms, with regard to onshoring the location decision is mainly based on market demand. As far as right-shoring is concerned, firms focus on choosing the right location for their activities (Joubioux & Vanpoucke, 2016). Companies may choose different modes of shoring activities based on their strategic positioning (Hammad, 2016). Hence, choosing the right location does not necessarily mean reshoring always. It could also be another type of shoring phenomenon. Based on the discussion presented, we consider backshoring, right

shoring (depending upon the location) as well as onshoring (depending upon the location) as reshoring. The given below figure 1 provides an overview on overall shoring activities. The lines in red show reshoring activities and blue lines show different shoring activities (different types of reversal location decision).

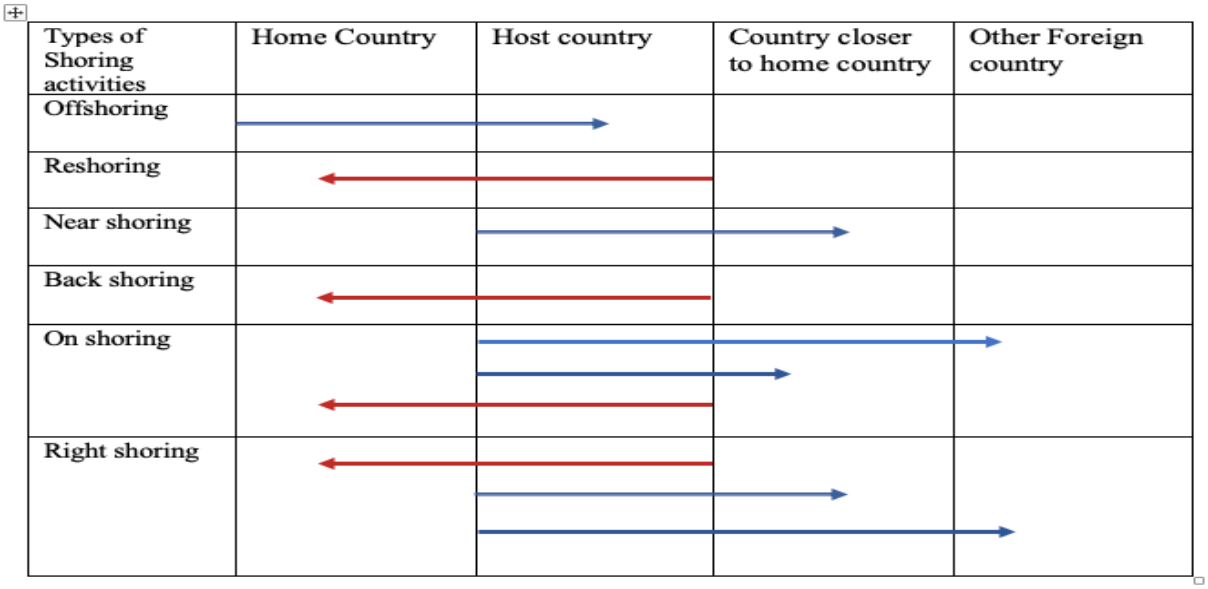

Figure 1: Types of different shoring decision.
Source: compiled by the authors.

2.3.3 Types of reshoring activities

Although reshoring is fundamentally seen as a location-based decision, in order to classify the reshoring activities, it is important to add another dimension to the reshoring phenomenon which is governance mode. Based on this, reshoring activities could be done in many different ways such as in-house reshoring, reshoring for outsourcing, reshoring for insourcing and outsourced reshoring (Gray et al., 2013). Given below figure 2 illustrates the four reshoring options available for the firms according to the governance mode.

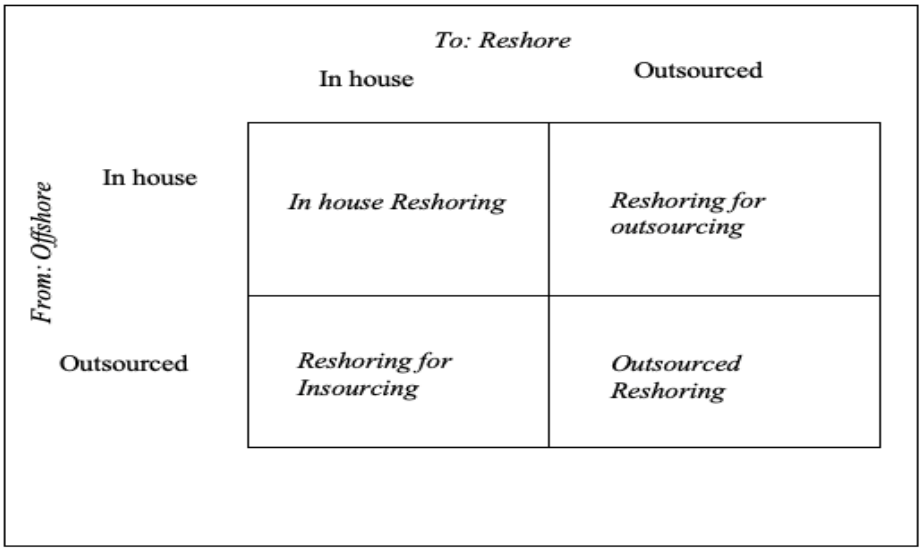

Figure 2: Different types of reshoring activities
Source: Adapted from Gray et al. (2013).

The first option in house reshoring involves transferring wholly owned offshoring activities to the wholly owned local subsidiaries. Whereas in the second option Reshoring for outsourcing, wholly owned offshoring activities are transferred back to the local suppliers in the home country. With regard to the third option, Reshoring for insourcing, offshored activities from foreign suppliers are transferred to wholly owned local subsidiaries. As far as the fourth option is considered which is Outsourced reshoring, offshored activities from foreign suppliers are transferred back to the local suppliers in the home country (Gray et al., 2013). The activities include moving a part of the business process, manufacturing, and production, or moving full business process, manufacturing, and production back from host country to home country.

2.3.4 Reshoring: Motivations

A significant stream of literature till date (Bellecgo, 2014; Bailey & De Propris, 2014; Ocicka, 2016; Benstead et al., 2017; Wiesman et al., 2017; Orzes & Sarkis, 2019) has attempted to identify the rationale for reshoring. From a macro and micro economic perspective, there are various factors such as economic downturn, cost related factors, customers need for improved flexibility, supply chain configuration and short lead time that made changes in the global competitive conditions which further leads to reshoring (Ocicka, 2015). In relation to this and according to Den Bossche (2014), there are some macro-economic factors that made changes mainly in US economic sectors such as China's labour rate inflation, difficulties in the supply chain configuration and government pressure to bring back manufacturing home which ultimately paved the way for reshoring (Bossche et al., 2014).

According to De Backer et al. (2016) one of the key motivations for reshoring activities are changing cost structure in emerging economies like China. With regard to China, compared to the 1990's, an average hourly wage rose up to 15-20% per year in the 2000s. Consequently, increased labour wages lead to decreasing cost advantages in the labour-intensive industries. In addition, energy and building costs are also found to have been increased in emerging economies. Another potential factor related to cost is the miscalculation of logistical and operational cost which makes offshoring less profitable than expected. Also, when offshoring was a trend, many firms have simply copied the behaviour of other firms so as to follow the trend. As a result, firms have failed to consider the total cost of offshoring, resulting in unprofitable outcomes (De Backer et al., 2016). Moreover, product quality concern is another reason for rising cost in the host country (Kinkel et al., 2017).

Although there are different types of cost as mentioned above, calculating total landed cost is considered an important criterion to determine what type of manufacturing location strategy the firm needs to adopt. Landed cost is defined as the total cost a firm requires to support supply chain activities. All the cost starting from raw material cost to transform it as finished goods comes within landed cost. This covers component cost, transport cost, logistics cost, inventory cost as well as taxes and duties. Landed cost is considered as an important factor for location decision (Needham, 2014). Miscalculation of these costs and decreasing cost advantages in host countries further will make domestic countries more attractive (De Backer et al., 2016). Based on the above arguments and as mentioned in 2.1, miscalculation of total cost could be considered as one of the main reasons for reshoring.

In addition to cost factors, there are many other factors which leads to reshoring decisions such as arising concerns over intellectual property theft (De backer et al., 2016), consumer pressure in order to have higher quality as well as difficulty of managing complex operations (Parkins et al., 2015). Above all, global sourcing also turned out to be more expensive than initially planned (Platts & Song, 2010) mainly due to the complexity and length of Global Value Chain (GVC) (De Backer et al, 2016). Due to the complex GVC, many firms are under pressure to gain better control over the supply chain to manage the products flow more efficiently and to make faster delivery of the products. Additionally, flexibility is also a concern as customers require customized products to satisfy their demand. Hence, responding to the changing market needs as quickly as possible becomes a necessary criterion to be competitive in the market (De Backer et al., 2016; Kinkel et al., 2017). Nevertheless, since firms failed to consider all these

factors prior to offshoring, it drives them to decide to reshore afterwards (De backer et al., 2016).

Furthermore, Wiesmann et al. (2017) group the reshoring motivations into five categories which are as follows: changes in the global competitive dynamics, factors related to home country and host country, supply chain factors and firm related factors. First category deals with the changes in the global environment due to political risk or instability in the currency exchange rate or due to the increased competition on the assets. Factors related to the host country include all the factors that are specific to the host country.

Few such examples are theft of intellectual property issues, quality issues and reducing opportunities for the firm to grow in the host market. The third category is related to home country which includes factors specific to the home country. Home countries have become more attractive due to easy market access or due to relaxed government policies to encourage the companies to manufacture the products in the home country which is also known as Made in Effect. Fourth category is supply chain factors. This category is the most neglected while making an offshoring decision hence a greater number of reshoring motivations come within this category. Some instances are flexibility issues and shortening the lead time. Last category consists of firm specific factors such as miscalculation of cost, benefit and risk with regard to the host country. Or in the other words, lack of complete knowledge about the offshoring location (Wiesmann et al., 2017).

Based on various literatures (Ellaram et al., 2013; van den Bossche, 2014; Parkins et al., 2015; De Backer et al., 2016; Benstead et al., 2017; Kinkel et al, 2017) the given below table 1 illustrates the most commonly identified factors for reshoring.

Factors
1. Cost related factors ● Diminishing cost advantages in emerging economies like China ● Miscalculation of total cost
2. Supply chain issues ● Longer delivery time ● Managing complex GVC ● Lack of flexibility
3. Increasing consumer pressure to provide quality products
4. Rising concerns over intellectual property theft
5. Following the trend without considering all the factors related to host country

Table 1: Commonly identified motivations for reshoring.
Source: compiled by the authors based on Ellaram et al. (2013); van den Bossche (2014); Parkins et al. (2015); De Backer et al. (2016); Benstead et al. (2017); Kinkel et al. (2017).

In line with Wiesmann et al. (2017), reshoring motivations (in the above table 1) is classified into three different groups such as supply chain factors, host country factors (rising concerns over intellectual property theft) and firm specific factors (cost related factors and following trend without considering all the factors). However, some factors such as quality issues could come under either in the supply chain category or in the host country category.

2.3.5 Reshoring in EU

This section provides an overview on the reshoring trend within the EU. We cover the EU specifically because we have chosen two companies located in Sweden for our study. Hence, we believe that it is important to investigate reshoring in the EU before moving on to Sweden.

Reshoring is emerging as a new trend within the EU due to increasing cost structure in low cost countries and in addition to the rising need for jobs in developed countries (EPRS, 2014). This trend is particularly visible in manufacturing sectors mainly because it was one of the main sectors in which offshoring decisions were previously made (Eurofound, 2019). In addition, 85% of the total reshoring cases had been identified in the manufacturing sector during 2011-2017. Further, looking into the subsection within manufacturing, it has been noted that food products, electronic products, electrical products, and optical products show relatively higher reshoring tendencies after 2017. However, prior to 2018, the clothing industry had been showing comparatively higher reshoring tendencies within manufacturing. As far as company size concerned, almost 60% of the large companies which have more than 250 employees are

showing higher reshoring tendencies. As far as Small Medium Enterprises (SME'S) are concerned, they have a lesser history of offshoring experience. Consequently, their numbers are limited in reshoring cases as well. There are several reasons why their location decision is limited. One of the important factors is related to the resources. If SMEs have limited resources which will not be enough to relocate or revise their business strategy. Furthermore, media attention given to SMEs is minimal (ibid.).

As far as EU countries are concerned, based on their reshoring activities they are classified into three different subsets which are early mover, second mover and late mover countries. As this data is limited within 2014 to 2018, the identified early mover was UK starting in 2014 followed by France, Germany, and Italy in 2016 which then followed by Nordic countries Denmark, Norway, and Sweden in 2017. The countries from which companies reshore are different. However, majority of reshoring activities transferred from the host country China followed by Poland, Germany, and India to different countries within the EU (Eurofound, 2019).

Reshoring motivational factors within the EU:

This section specifically covers the companies within the EU and their motivations behind reshoring. Looking at the data from European reshoring monitors (2014-2018), some of the motivational factors are associated with some specific industries. One such example is Made in effect, which is specifically seen in the clothing industry (Eurofound, 2019). Reshoring motivations within EU countries also differ based on the time periods. Prior to 2015, boosting the national economy was considered as an important motivation for reshoring. However, after 2016 this concern was replaced with poor product quality. Lately, starting in 2018 technological advance and automation emerged as new motivational factors. Overall, in between 2014 to 2018, the most frequently identified motivational factors regards product quality issues (ibid.).

The given below table 2 provides different firms within the EU and their motivational factors to reshore (Hurley et al., 2016; Eurofound, 2019). The firms are chosen randomly and as there is limited information on late movers' countries, those countries are not listed in the table.

Home Country	Host Country	Firm	Motivations	Time period
UK	South Africa	Vodafone	● Improve the quality of the customer service	2016- 2019
UK	China Turkey India	Roy Lowe & Sons	● Strengthen Made in UK ● Improve the product quality ● Quicker delivery time	2013- 2017
Italy	China	Vimec	● Higher production cost ● Quicker delivery time	Started in 2017
France	China	Kapsys	● Improve product quality ● Quicker delivery time ● Reduce the transportation cost ● Easier access to R&D department emphasis on innovation & automation	Started in 2017
Italy	China	Diadora	● Easier access to R&D department ● Support innovation & automation ● Made in Italy affect	Started in 2017
Denmark	Poland	Welltec	● Investment in automation & technology	Started in 2018
Germany	China	Wolfgang Reichelt	● Achieve more flexibility ● Shorter lead time	Moved first part in 2012
UK	China	Symington	● Shorten the supply chain ● Shorten the delivery time	Started in 2013
UK	China	Hornby	● Increasing labour cost in China ● Shorten the delivery time ● More control over quality	Started in 2012

Table 2: Different firms within the EU and their motivational factors to reshore.
Source: compiled by the authors based on Hurley et al. (2016); Eurofound (2019).

The above table illustrates what the motivational factors are for companies within the EU to reshore and what the countries are involved and when it is started. As far as motivational factors are concerned, it is evident that factors related to supply chain such as shorten the delivery time, quality issues were the most cited reason for reshoring according to the above table. lately in 2017 onwards, innovation and automation are also getting more attention.

Reshoring in Sweden:

Nordic countries Denmark, Sweden, Finland and Norway are considered as the topmost countries in the world with regard to international competitiveness and innovation. However,

their weakness lies within the manufacturing sector because 60% of their manufacturing jobs are outsourced (Eurofound, 2019) in order to reduce the cost (Heikkilä et al., 2017), Hence, it is evident that these countries are quite active in outsourcing. This trend is particularly visible in large companies (Eurofound, 2019). However, there is a new trend within Nordic manufacturing firms to relocate their production back to their home country. According to a study by Heikkilä et al. (2017), out of 847 selected companies in Nordic region, the highest reshoring activities found in Swedish companies (ibid.).

As far as motivational factors are concerned, quality, lead time, flexibility, access to domestic skills and technological changes are considered as the main motivations for Swedish manufacturing companies to move back production from host countries to Sweden (Wan et al., 2019). Hence, based on the classification by Wiesmann et al. (2017) as mentioned in 2.3.4, It is evident that supply chain factors, factors related to firms are the common reasons to reshore. Further, according to Engström et al. (2018), one of the most cited reshoring motivations within Sweden are supply chain factors such as problems related to transportation, logistics cost and quality of the product (Engström et al, 2018). Overall, in line with Heikkilä et al. (2017) there is a growing trend within the Swedish manufacturing firms to relocate the production back to Sweden.

2.4 Reshoring: Risks

As mentioned earlier, increasingly the manufacturing sector in general is looking at the possibility of reshoring their production to their home country (Hurley et al., 2017). In line with Dunning (1998), manufacturing location decisions are important since it affects firm's profitability and competitive advantage. Thereby it is advisable to make a reshoring decision only after careful consideration to avoid further risks which may limit the profitability and competitive advantage of the firm (Wiesmann et al., 2017). Further, one of the motivational factors for reshoring also includes reducing risk and uncertainty (Benstead et al., 2017). In line with this argument and according to Ellram et al. (2013), prior to reshoring, a comprehensive risk assessment analysis is of importance so that it will help the firms to make a right location decision (Ellram et al, 2013). Nevertheless, there exists considerable risks associated with the reshoring phenomenon which will be explained below.

While analysing the risks, it is required to identify the origin or source of the risks. Origin of the risks can be viewed from different perspectives such as home, host country-based risks and

reshoring process specific risks. With regard to reshoring process specific risks, there can be many things that may not go according to the initial plan. One such example is establishing a good network with suppliers while reshoring. In addition, the likelihood of providing training to the employees in the home market or hiring new employees may take more time and effort. As far as host and home country are concerned, perceived risk of home country is assumed to be much lower than host country risk. However, this may not always be the case due to increasing competitions and unexpected changes in the home country environment (Ciabuschi et al., 2019). Another critical concern is with regard to decision makers. Ciabuschi et al. (2019), put forward a behavioural perspective of risk management in order to set the importance of decision makers. "Who makes the decision" is an important criterion as the whole process depends upon it. Also, people may perceive reshoring activities differently based on their skills, experience, and location. Hence, it affects the reshoring decision making in general (ibid.).

Another interesting view put forward by Engström et al. (2018) is related to sustainability. According to them, sustainability factors which include economic, social, and environmental factors could not only act as motivational factors but also act as barriers in some situations. One such example is with regard to a Swedish furniture factory. Their decision to offshore from Germany was postponed many times due to their social responsibility towards German employers to protect them from unemployment. Consequently, this slowed down their whole reshoring process (Engström et al., 2018).

According to Bhatnagar and Sohal (2005), supply chain factors such as transport cost, lead time and flexibility are important aspects to consider while choosing a location (Bhatnagar & Sohal, 2005). Hence, this could be applicable to reshoring cases as well as it is considered as a reversal of previous location decisions. While reshoring, it's important to come up with a new supply chain strategy as this will help the companies to shorten the delivery time by reintegrating with the domestic value chain. Further, supply chain strategy is defined as all the decisions with regard to “sourcing products, capacity planning, conversion of raw materials, demand management, communication across the supply chain, and delivery of products and services” (Narasimhan et al., 2008, p. 5234). In order to reduce risk and uncertainty with regard to the supply chain activities, a new strategy which is called postponement is put forward by Moradlou and Backhouse (2016). Postponement is delaying the supply chain activities until the firms have all market information available. By doing so uncertainty related to supply chain factors is expected to be reduced (Moradlou & Backhouse, 2016).

The given below figure 3 illustrates an overview of risks identified in the literature mentioned above.

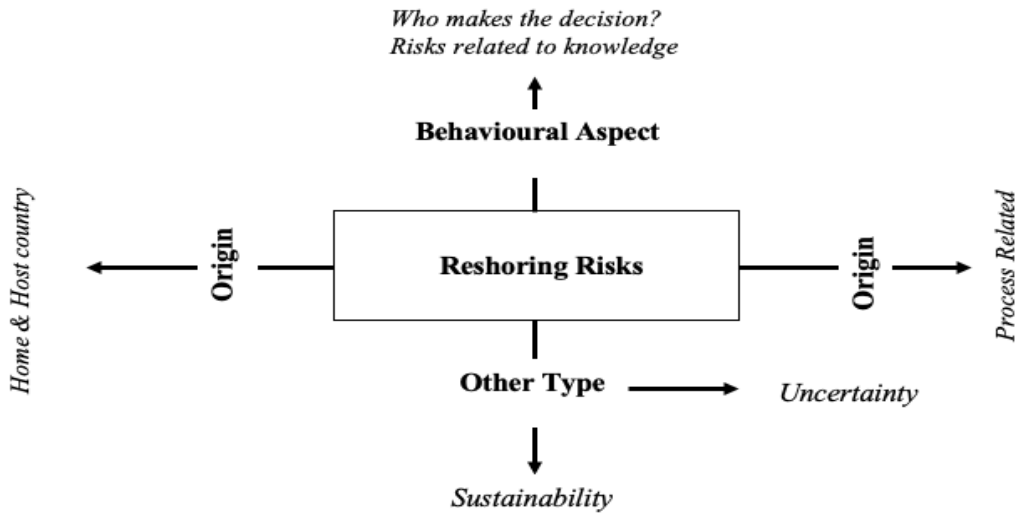

Figure 3: Different types of risks in reshoring.
Source: compiled by the authors.

2.5 Reshoring: Theories

This section is divided into two parts. The first part motivates the rationale behind choosing theories (TCE, RBV, OLI) with regard to the first part of the research question how reshoring decision-making process evolves. And, the second section motivates the rationale behind choosing project management theories and how it is connected to the reshoring implementation.

Although there is no explicit theory available for reshoring, it is important to build a theoretical foundation in order to answer the research question. Hence, researchers have developed knowledge from existing theories which are initially used to explain location decisions of manufacturing companies. The most frequently used theories that support reshoring decisions are TCE (Kinkel & Maloca, 2009; Foerstl et al., 2016), RBV (Fratocchi et al., 2016), and OLI (Ellram et al., 2013). Further, several assumptions are also made to justify the choice of theories which will be explained below.

Firstly, reshoring is fundamentally a location-based decision and it cannot be studied independently because reshoring as such is known as reversal of previous offshoring decisions. Hence, researchers (Ellram et al., 2013; Gray et al., 2013; Tate, 2014; Foerstl et al., 2016) assume that the same theories (TCE, RBV, OLI) that explain offshoring are also applicable to reshoring as well. Secondly, one of the key factors behind reshoring decisions is narrowing cost differences between home and host country. Hence, TCE could be used to justify the reshoring decision as it aims to minimize the transaction cost. In addition to the quantitative factors, reshoring motivational factors include various qualitative factors as well, hence, we are also looking into RBV. Thirdly, a seemingly accurate theory that fits into identifying the motives behind reshoring is Dunning's 'Eclectic Paradigm', also known as the 'OLI-model' as it reflects on location choices of the firm.

Transaction Cost Economics:

Miscalculation of total cost and decreasing cost advantages in host countries are considered as the strong arguments for reshoring (Ellaram et al., 2013; van den Bossche, 2014; Parkins et al., 2015). Moreover, in line with Benstead et al. (2017), there can be different types of costs which firms may want to minimize such as labour cost, transportation cost and production cost (ibid.). According to the study based on 492 German manufacturing companies by Benstead et al. (2017), it's been found that many companies failed to consider the direct and in direct transaction cost while offshoring. Hence, this led to miscalculation of total cost and also resulting in complex operation and thereby forcing the companies to reshore their production back to home country (Broedner et al., 2009). Failure of many offshoring decisions could be linked to transaction cost as many firms failed to consider the hidden cost. Hence, reversal of this decision or reshoring decision is influenced by transaction cost. Overall, this explains how a firm tends to move away from a higher cost location which is a host country to a lower cost location which is home country (Kinkel & Maloca, 2009; Foerstl et al., 2016).

Secondly, as mentioned in earlier part 2.2.1 when firms make reshoring for insourcing decisions, the previous decision to "buy from external suppliers" changes to "make in house" in order to reduce the total cost (Ellram, 2013). Connecting this argument to TCE, as it aims to minimize the total cost implicates that firms are relocating their activities to home country as cost factors are favourable compared to the host country.

Thirdly, bounded rationality and risks preference may also come hand in hand with reshoring decisions. According to Wilkinson and Kannan (2013), there exists three assumptions with regard to TCE such as decision making is influenced by bounded rationality, risk preference of managers may differ and the possibility of opportunistic behaviour exists (Wilkinson & Kannan, 2013). Bounded rationality is an assumption which says people may not know everything in order to make an optimal decision or people might have limited choice due to the complexity of situations. This possibly limits their decision-making choice (ibid.). As mentioned in 2.4 one of the behavioural risks associated with reshoring is who makes the decision and whether the person has the right knowledge to make decisions.

For example, if a company is moving production from China to Sweden, it is not necessary that the person from the local market have absolute knowledge on Chinese market or its suppliers or vice versa. Hence, based on the perceived knowledge managers may mitigate the risks differently. Consequently, this may turn out to be time consuming and costly. Hence, Organizational Buying Behaviour (OBB) could be used as a complementary theory to support TCE as it supports reshoring phenomena from a behavioural and transactional perspective. OBB consists of people from cross functional teams or from buying centers who are involved in the decision making. A buying center is an important cross functional team who manages location decisions based on different parameters (Foerstl et al., 2016).

Nevertheless, based on various literatures (Parkins et al., 2015; De backer et al., 2016; Benstead et al., 2017), in addition to cost factors, there are many factors that may drive the companies to reshore such as quality and flexibility issues, faster delivery time, and made in effect. Hence, it is evident that reshoring decisions are driven not only by cost factors but also by factors related to but not limited to quality, control, and flexibility. Thereby, it is evident that TCE alone cannot justify the reshoring decision as there exist many other motivational factors that lead to reshoring decisions as mentioned in the previous sections.

Resource-based View:

According to Fratocchi et al. (2016), firms' resources and capabilities are important parameters to consider while making a location decision in order to have a competitive advantage in the market. The previous decision to offshore may not be successful if the firm fails to develop and maintain unique capabilities such as “intellectual property protection, innovation, developing customer knowledge and meeting their needs and accessing critical resources”. Consequently,

this leads to the reversal of the previous offshoring decision (Fratocchi et al., 2016). Overall, RBV links reshoring decisions to firms' inability to develop or exploit firms' critical resources and capabilities in the host country to be competitive.

A new interpretive framework introduced by Fratocchi et al. (2016), analyses the reshoring motivational factors based on the above theories (TCE, RBV, OLI). Accordingly, motivational factors are classified into two different groups such as goal and the level of analysis. Motivational factors related to goals are set to achieve customer perceived value and cost efficiency. Customer perceived value is defined in terms of the firm's desire to develop or protect critical resources or capabilities so as to influence the customers preferences and to achieve competitive advantage. Customer perceived value could also be connected to the supply chain. If the lead time or the transportation time is higher which reduces the firm's operational flexibility which then affects the customer preferences and may lead to poor performance of the firm. From RBV perspective, reshoring boosts the firm's ability to deliver unique or distinctive service to the customers by providing quality products or delivering products in a timely manner. Hence, this could be linked to customer perceived value.

Cost efficiency is focused on minimizing the total cost by making the product cheaper or conducting the activities in a cost-efficient way. From a theoretical point of view, TCE could be linked to this argument as the goal is to minimize the total cost. With regard to the level of analysis, it is grouped into two categories such as internal environment and external environment. Firm related factors come under the first category whereas home and host country factors come under the second category. Motivational factors related to the internal environment help the firm to develop distinctive resources and capabilities to serve the customers in a better way. Motivational factors related to external environments such as lowering labour cost or poor quality of the product or changes in the business environment could lead to delivering poor value to the customers. From a theoretical perspective, OLI and RBV fits into this category as it highlights the importance of location advantages and the need for developing critical resources and capabilities.

It is not necessary that the motivational factor fit into only one of the categories. Sometimes the motivational factors could also be justifiable by both the aspects. One such example is logistics cost. Increasing logistics costs affects the cost efficiency. But the reason for increasing logistics cost may be due to the higher fuel cost in the host country or due to the increasing

transportation time. Consequently, increasing logistics cost reflects on goal as well as level of analysis aspects (Fratocchi et al., 2016).

As this interpretive framework incorporates all the above-mentioned theories, this could be used as a key tool for identifying and classifying the reshoring motivations. Overall, it is evident that reshoring strategy originates because of the miscalculation of cost, qualitative factors, risk, and complexity of the whole offshoring operation. Consequently, this leads to changes in the firm's managerial decision which then leads to reshoring (ibid.).

The OLI model:

Looking through the lense of OLI framework, reshoring would be interpreted as, due to the changes in the resource seeking advantages, market seeking advantages, location advantages and strategy seeking advantages or wrong assessment of any of these factors could result in a reversal of previous offshoring decisions which in turn leads to reshoring decisions (Ellram et al., 2013; Fratocchi et al., 2016). This could be linked to the case study of German manufacturing companies by Kinkel and Maloca (2009).

Based on the study, it was found that managers made wrong assessment of the qualitative factors with regard to delivery time and product quality which is necessary for success and to sustain in the market. In addition, location decisions were mainly guided by monetary criteria such as wage level, taxes and working hours. Overall, the study result shows that, wrong assessment of qualitative factors and giving more attention to monetary factors will lead to higher cost, resulting in dissatisfaction and reversal of the previous decision (Kinkel & Maloca, 2009). Hence it is evident that wrong assessment of location advantages is one of the reasons for German companies to reshore their production back home.

OLI framework could be used to justify not only the quantitative factors but also the qualitative factors of reshoring. However, OLI alone cannot justify all the qualitative motivational factors of reshoring. In order to justify other factors such as firm related factors like intellectual property protection or innovation it is important to look into RBV (Fratocchi et al., 2016).

2.6 The implementation process of reshoring

In times of reshoring, there exist two approaches for firms to take depending on the way they recognize their reshoring activities. They may perceive this decision either as a separate

strategy and “a reversal of a fully rational offshoring decision” or as a correction of previous error and their failure in offshoring (Di Mauro et al., 2018, p.108). It is also worth highlighting that as opposed to strategic management which involves long term planning and engages the entire business to achieve a future business success, project management is normally a short term approach and it places more emphasis on the current product’s or program’s success (Hickman, 2017). For this reason, there is the difference between the preparation and implementation phases of strategic management and project management. In this paper and for the sake of argument, we recognise reshoring as a project. Hence, in the following section, after a discussion about what a project is, we describe the steps which Project Management Institute PMI (2017) suggests considering in terms of project planning and implementation.

There are many written definitions of a project. PMI defines a project as “a temporary endeavour undertaken to create a unique product, service, or result” (PMI, 2013, p. 553). According to Larson and Gary (2014), a project by definition is a temporary complex work by having constraints usually centered around time and resources and in order to meet specific objectives. In other words, each project has a definite beginning and end executed by an organization to achieve predetermined objectives to tackle a complex issue. Objectives or scope is what the project is seeking to achieve and is the purpose of a project and the reason why a project is implemented. Apart from the three main constraints of scope, project time and financing; there exist other constraints that need to be taken into consideration like resources, quality, and risk when initiating a project.

A project may face three scenarios upon closure. Attarzadeh and Ow (2008, p.234) classified projects into three “resolution types”. This includes as follows.

1) The project is ended and completed on time and on budget and with having its objectives been achieved and with a good level of quality (successful) (ibid.). Hence, a project is considered successful when it is completed within a pre-set time frame, the budget cost, and meets the plan (Dvir et al., 2003).

2) The project is ended but it is not completed within the pre-set time frame and budget, and with having its objectives met or with fewer results than originally set before initiating a project (challenged).

3) The project is terminated and cancelled at some point because its objectives will not or cannot be met or when it is evaluated that there is no longer the need to complete the project or the project is no longer viable (failed).

With that said and with regard to the optimal result which is to make a project classified as a success, a project manager needs to balance the project constraints and to understand and address them within an organization. To achieve this, several parties, stakeholders, both internal and external may form a temporary team to reach the goal of a project. In the following sections, we present project management steps starting from initiation to closure.

2.6.1 Project management process groups

In the PMI approach, five traditional process groups explained and specifically indicated as the best practices that should be performed. This consists of initiating, planning, execution, monitoring and control, and closing (PMI, 2017). As the name suggests each one of these five discrete "process groups" contain specific processes and that can be decomposed to a set of activities that should be performed to successfully manage a project (Peterson, 2000). With this perspective, in the following we study each group and examine why it is crucial to a project's success.

Project initiation:

The initiating phase of the project is considered the most vital phase which enables a project team and project leader to realize and have a view of what is needed to be accomplished based on business value (Rojas-Meluk, 2006; PMI, 2017). The more an organization places time and effort in an initiating phase of a project and evaluates a project which inherently and should be in line with the strategic objectives of the organization, they will more likely to achieve a higher degree of competitive advantage. In the words of Rojas-Meluk (2006), if a company already has data and basic organizational background on a project and its scope, time, requirements attributed to it, it may facilitate and precipitate the initiating stage of the project, and results into gaining a larger competitive advantage for an organization. This feature may contribute to the second part of our research question on "how a reshoring decision making process is implemented" and when we examine the companies that already have several reshoring projects in their records, so they are likely to hold historical data.

The idea here is basically to indicate a vision, costs, and objectives of the decision to reshore. At this stage, the organization needs to clarify the impact (costs) the reshoring may have not only on the organization but also on the whole supply chain, value chain, and logistics chain. For these reasons, the stakeholder analysis needs to be in place (Meredith & Mantel, 2012; Harvard Business Review Staff, 2016). According to Tonnquist (2018, p. 104) stakeholder "… can be anyone needed to execute the project…[and]… anyone who can be affected by it". At the pre-study level, the initiating phase, the stakeholder analysis may be of importance because it has potential to "make or break" the project (PMI, 2017).

Project planning:

Project planning is an important and critical phase in project management. The logic behind the planning phase is that it enables the project team to think and visualize the whole project through in advance. In the words of McNeil and Hartley (1986), project planning is defined as "developing the plan in the required level of detail with accompanying milestones and the use of available tools for preparing and monitoring the plan" (cited in Cleland & Ireland, 2002, p.310).

A crucial process in the planning phase is to establish the overall scope or objectives or purpose of the project. Although in the initiating phase of the project, a project leader and project team address scope and some other elements of the project like risks, time, and costs, but here these elements are defined in detail. In the project planning, there are twenty-four discrete processes that the project team will distinguish which of them are relevant and need to be developed at a much more detailed level for a given project.

The elements which are suggested to consider when planning a project include project integration, scope, project schedule, costs, quality, resource, communications, risk, stakeholder, and evaluation methods (PMI, 2017). Therefore, in the planning phase of a project, the project team may create several planning documents, look into them and respond to it in detail, which will later guide them and be of help in the execution phase of the project. Five documents are suggested by PMI (2017) to be created and analysed which are as follows:

1) Documents that targets the scope of the project and clarifies the tasks of a project team, what they are gathered to do.

2) Documents that signifies the objectives and requirements of the project.

3) Documents that evaluate the costs and the timeline of the project.

4) Documents that go into details on the project time and provide the project schedule.

5) Documents that cover the planning process for quality, stakeholder and means of communication, risk, and evaluation.

In the previous chapter, we elaborated how the decision to reshore is evolved and the motivational factors behind this decision. Therefore, in the planning phase of the "reshoring project", project leader and project team may document how they are planning to address their specific reshoring motivations which will ultimately have a critical impact on making the "reshoring project" a success.

In addition to that and with regard to the communication aspect of a project, it is important for project managers to have skills and plan and carry out internal and external communications (Zulch, 2014). Communication and collaboration among stakeholders with diverse individual and professional characteristics become even more crucial in the course of project. As it is stated by Wheelan (2014), "open communication" where all team members and stakeholders are allowed and encouraged to participate plays a vital role in order to achieve a high-performance team.

It is evident that in reshoring projects where a company's decision is to move productions from one country to another. There will be several external stakeholders who will be affected such as suppliers, employees based in the host country, officials, and customers. The approach that the project manager and project team will take to communicate with them is of importance for the project success.

Furthermore, it is evident that "all projects have risks" (Baccarini & Melville, 2011, p.222). As Hillson (2009) defines, risk concerns uncertainty that has a negative or positive impact on project objectives. Project risk management analyses the likelihood that an uncertain event or set of circumstances may occur and an estimation of its impact on the project as a whole. Hence, the project manager needs to be aware of and identify any risk that may impact the project either positively or negatively and get prepared and plan risk response strategies for each risk to avoid, transfer, mitigate or to accept (Tonnquist, 2018, p. 238). Also, on the bigger picture,

the overall risk that the project may be exposed is also needed to be addressed (PMBOK® Guide, 2017).

In the planning phase of the project, risk analysis and risk management are performed to identify, classify, prioritize, and plan for the risks before they occur. In the risk analysis process, the potential risks and the likelihood of them occurring are identified and the project team seeks ways to avoid or mitigate the risks which may endanger the achievement of project goals (Norris et al., 2000). In the field of project risk analysis and management, there exists several risk models that a project group may use and develop to register and treat the risks according to the objectives and needs of every project. Listed below are two of the risk strategies.

1) COSO ERM Framework (enterprise risk management); One tool to assess and manage risk is the Enterprise Risk Management – Integrated Framework. Interest in ERM has been growing among companies in various industries (Hayne & Free, 2014; Deloitte, 2015) and the model has widely adopted into the risk management practices and become "a world-level template for best practice" (Power, 2007, p. 849).

The framework was introduced to help businesses design, evaluate, and enhance their internal control. The application of the COSO Internal Control Framework provides the businesses with a "reasonable assurance" that the numbers presented in the Financial Statements are accurate and reliable for further decision-making processes (Deloitte, 2015). In 2017, COSO released the most updated framework, Enterprise Risk Management – Integrating with Strategy and Performance (COSO, n.d.).

According to COSO (2004), ERM is a process which is designed to help the businesses to identify potential events or circumstances (positives/ opportunities and negatives/ threats) that may affect the entity for achieving its objectives and offers a set of guidelines for managing and mitigating the risks. Under ERM framework the likelihood of each event and magnitudes of their impact is assessed, followed by the possible response strategy and monitoring process. The model targets four main risk categories including strategic, operations, reporting, and compliance which are associated with an organization's objectives, the effectiveness and efficiency of resource utilization, the accuracy and reliability of financial statements, and possible and anticipated risks into interpretation and application of laws and regulations (ibid.).

2) FEMA Framework

FEMA, a risk identification and risk assessment tool is used by the companies to identify the hazards and risks. This particular tool has basic components which are “hazard identification, profiling of hazard events, inventory of assets and estimation of potential human and economic losses based on the exposure and vulnerability of people, buildings, and infrastructure” (FEMA, 2016). With the help of these four components companies identify the potential hazards and make a business impact analysis in order to identify potential hazards. Potential hazards may occur as a result of mechanical breakdown or supplier failure or could be any other reason which would impact the business and possibly resulting financial loss, loss of customers or business interruptions (Ready, 2015). Hence, it is better to identify the potential hazards and risks before making a decision in order to be successful in the longer term

In times of reshoring, it is evident that there exist also some uncertainties attributed to the reshoring activities and especially when a company goes into implementing the project and negotiating this decision with its parties in the host countries. Those risks that we have discussed in the previous chapter in the reshoring part may need to be addressed and analysed in the planning stage and understand what approaches, techniques, or tools companies in general and the reshoring project leader in particular may need to apply in order to list and handle those risks.

Furthermore, it is worth stating that in the planning phase, it is suggested that the planning begins with a rough estimation. There are two reasons to support this statement. One reason is that it is not pragmatic and efficient to plan every aspect of the project far ahead. Another reason is to enhance the flexibility of the projects and, there is a high chance that the project and its features and functions will change in the course of executing a project.

Project execution:

After planning where the overall project documents have been created and approved by stakeholders. The next phase is the project execution phase. Since the project team already has a project plan, they can implement the project according to the plan and deliver and finish the features in a certain timeline and with specific types of communication.

The project cycle in general and project execution in particular may go on for months or years, hence, it is of critical importance that the project management applies a couple of monitoring and controlling activities in order to make sure that the project stays on track. That is where the

next phase of the project, Monitoring and Controlling, comes into the picture (PMI, 2017; Ekesiöö & Hagberg, 2018).

Project monitoring and controlling:

Monitoring and controlling occur throughout the whole course of the project and are not treated back-to-back like the other process groups that we have discussed earlier. Monitoring and controlling are used as a tool for a project manager and their team to identify any variations to the project baseline in terms of scope, cost, and schedule and initiate the corresponding adjustments (PMBOK® Guide, 2017).

According to Taylor (2008), costs (budget) and timeline are the most two challenging features to control in the project management. Tonnquist (2018) posits that a project manager needs to consider the uncertainties that may in one way, or another influence the budget or schedule estimated in the initiating and planning process groups. With that and having the proper monitoring system, the project manager will have a more efficient control over the budget and timeline and consider some budget or time for uncertainties in case they arise.

Project closure:

The final process group is the closure of the project. As the name implies, in this phase the project manager formally closes the project so that the project team and stakeholders and all who have involved and engaged in the project understand that the project is closed (PMBOK® Guide, 2017).

Although it is common for projects to skip this phase but is not advised. The reason is that the closing phase of the project provides the project team to review the project from the beginning and discuss their achievements and the lessons learned along the way of the project and suggest possible improvements opportunities. This information needs to be archived in an organization's historical information so that later may be used in future similar projects (PMBOK® Guide, 2017; Ekesiöö & Hagberg, 2018).

2.7 Conceptual framework

Based on the literature review we have come up with a conceptual framework on how the reshoring decision making process has evolved and how companies implement the reshoring activities with the help of different theories such as TCE, OLI, RBV, and Project Management.

The conceptual framework is composed of 5 main steps. It is also based on certain assumptions which will be explained in detail below.

To start with, for the sake of argument, in this study reshoring is considered as a correction of previous error and failure in offshoring rather than being a separate strategy. Hence, in order to examine the reshoring decision, first it is required to understand why the offshoring decision has failed. Accordingly, conceptual framework starts with the offshoring decision followed by identifying the challenges pertaining to offshoring. As most commonly identified offshoring challenges are cost as mentioned in 2.1 and supply chain factors as mentioned in 2.3.4, only these two factors are included in the framework.

Further in line with Joubioux and Vanpoucke (2016), before making a reshoring decision, the company goes through three different stages such as initial offshoring decision, reconsideration of this decision due to challenges which then followed by new decision. Before deciding to implement the reshoring decision, it is also important to investigate the motivations that lead to the reshoring. In line with the Fratocchi et al. (2016)'s framework, all the motivations are grouped into two different levels based on the firm's goals and level of analysis. We have chosen this specific classification as it integrates the three important theoretical frameworks such as TCE, RBV, and OLI. Finally, since we consider reshoring as a project, we have combined international business management with project management to explain the implementation process of reshoring. The given below figure 4 illustrates how the reshoring decision making process has evolved and how it is implemented.

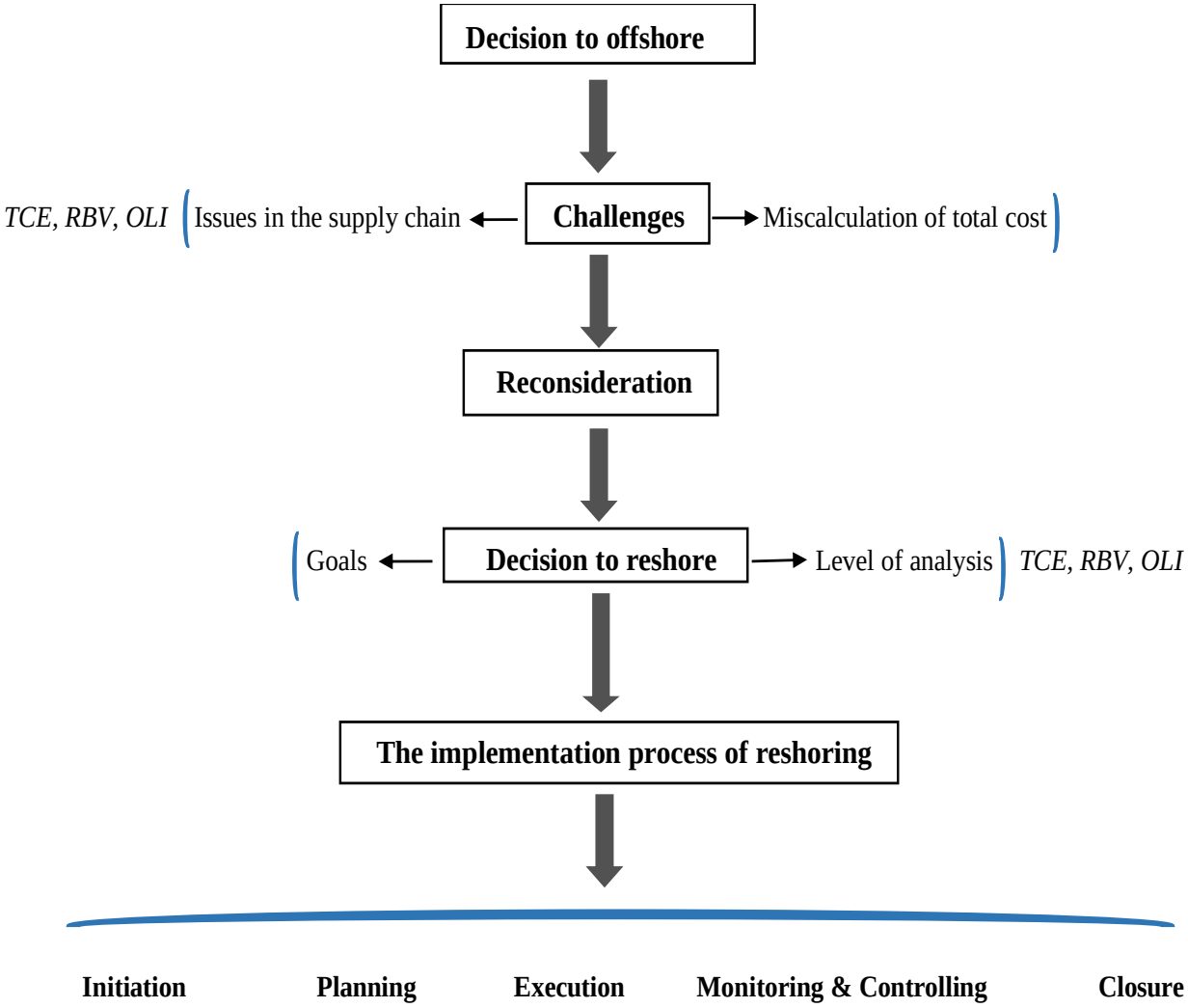

Figure 4: Conceptual framework highlighting the reshoring process in general.
Source: compiled by the authors.

3. Methodology

In this chapter, we argue the research approach. The case selection and types of data are also discussed in this chapter. Finally, reliability-validity and ethical consideration are taken into consideration as important issues.

3.1 Research approach

For this study, we have chosen qualitative research methods particularly a case study approach. This is because the main purpose of our research is to investigate how a reshoring decision making process evolves and how it is implemented. According to Bryman and Bell (2003) and Marschan-Piekkari and Welch (2004), qualitative research methods are useful when the research question is focused on "how" and "why" questions rather than "what" and "How many" unlike in quantitative study. In addition, qualitative study is well suited for studying complex issues since it allows the researchers to look into details and come up with more meaningful results (Marschan-Piekkari & Welch, 2004). Further, Merriam (2009) strengthens this view by stating that qualitative research methods are of help in cases where it is necessary to make sense of the experiences (Merriam, 2009). All these arguments are well suited for our study. Because, firstly our research question consists of "How" questions. Secondly, reshoring is a complex phenomenon as it is a reversal of previous offshoring decisions. Thirdly, the focus of the research is to make sense of the reshoring phenomenon and how it has evolved and how firms has implemented the reshoring activities.

3.1.1 Case study approach

The next step is to choose what type of qualitative study is suitable for this research. For this study, we have chosen a case study approach because of the following reasons. According to Yin (2013), a case study is "an empirical enquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident'' (Yin, 2013, p.13). As Yin notes, our study is focused on the contemporary or ongoing phenomenon which is reshoring. Further, due to the limitation on existing literature and theories it was not clear what to include or what not to include.

In addition, Ghauri (2004) argues that case study has the capability to broaden the understanding of the research phenomenon as it lets the researchers to dig into the history and connect the history to the present case. On this note and since there is no specific theory available for reshoring, we had to look into the previous decision-making process (in this case, offshoring) in order to understand why the decision to offshore has failed and how it is linked to reshoring. Further, Eisenhardt (1989, p.548) postulates "case study approach would be well suited to new research areas where existing theories are inaccurate".

Linking above argument to the second part of the research question and since the implementation process of reshoring is an area for which existing literature seems inadequate, case study approach is best suited for our research. Hence, we have chosen a case study approach for our study. And since we have two companies, we believed that it would be better to make a comparison on how the reshoring decision making processes of these two companies have evolved and how they have implemented it. Overall, this kind of analysis helps us to get in depth knowledge on the reshoring phenomenon. Thereby we followed multiple case study approaches.

3.2 Research unit and design

We have selected two large companies Company A and Company B for our study. Both these companies are in Sweden and these companies work in the manufacturing industry under different sub-sectors. The research unit for this thesis is these two companies. The selection of these companies was based on convenience sampling. The reason behind choosing these companies as well as using a convenience sampling method for the study will be explained below.

3.2.1 Case selection: convenience sampling

Our first and foremost criterion was to identify the firms with reshoring experiences or have ongoing reshoring projects. To do that, first we have limited location criterion of firms located in Sweden. Mainly because being in the same country we have a better chance to get access into the companies. The next step was to identify the firms with reshoring experience. However, searching for the companies was a challenging task as there was no database available on companies with reshoring experiences. Also, since some companies preferred to remain anonymous, company information was not widely covered in online articles or in

research papers. Nevertheless, we were able to identify companies based on the information from Swedish newspaper ElektronikTidningen and from various other online sources. Accordingly, we have shortlisted 20 companies. Then we have contacted the vice president or logistics Manager or purchasing manager of respective companies as we believed these employees will have better knowledge on reshoring.

In some cases, few managers have forwarded our applications to the respective key persons handling the reshoring activities. Out of 20 firms almost 8 companies have rejected the application due to various reasons such as lack of time or resources. Few firms were simply not interested to collaborate. Out of 20, only 3 firms have accepted our request to collaborate. Although three companies agreed, one of the companies dropped out without stating a proper reason. The rest of the firms have not replied to the message even after the follow up mails and message through LinkedIn. Since it was very important for our study to know about reshoring and how it is implemented, the first step was to get access into the companies. Otherwise, it will not be possible to conduct the study without knowing what are the factors that lead to reshoring and how this process is implemented.

Further, according to Dörnyei (2007), convenience sampling is used in situations where the target meets certain criteria such as willingness to participate, availability and easy accessibility (Dörnyei, 2007). Overall, it is evident that convenience sampling is used to select these two companies based on availability and accessibility. In addition, only these two companies were willing to collaborate.

3.3 Data collection and sampling

As mentioned earlier, since it was necessary to get an in-depth knowledge about the reshoring phenomenon, the primary data have been collected through semi structured interviews which then followed by additional follow up interviews. Semi structured interviews were considered most suitable for this kind of in-depth study, mainly because this opens up the possibility of asking not only the pre-planned questions but also the questions that arise during the interviewees (Bryman & Bell, 2003). Connecting this argument to our case study, it is evident that semi structured interviews helped us to get a holistic view on the firm's location decision starting with offshoring then moving on to reshoring planning and implementation process. As

far as secondary data is concerned, it has been collected mainly from the respective company website, company slides and financial report.

3.3.1 Primary data

Interview process:

As it was important to get a comparable result since we have two companies the first step was to construct an interview guide based on the literature review. This interview guide played a key role during the interview process as it helped us to stick with similar and more relevant questions. The interview guide was formulated in the following manner.

Since the research questions consist of two parts, the interview guide was created separately for each part. Initially we have sent questionnaires concerning the offshoring and reshoring part to the respective company heads (managing director and vice president). Although the focus of the research is to get more knowledge on the reshoring phenomenon, in order to understand the reshoring process, it was necessary to understand the offshoring decision and challenges as this led to reshoring. The first questionnaire is further divided into two subsections in which the first part is concerned with general aspects of offshoring such as timeline, duration, host country information, risks and barriers, cost factors, motivational factors in total the overall experience with offshoring. The second part that deals with reshoring also follows the same structure and some additional questions concerning Sweden's competitive advantage in terms of conducting business.

The second questionnaire consists of questions related to project planning and implementation as well as follow-up questions regarding the previous interview. An important characteristic of the questionnaire in total was that majority of the questions were open-ended which allowed the interviewees to open up their perspective and also provide us with additional data and new insights about the whole reshoring process. Overall, it helped us to be more flexible and enabled us to ask follow- up questions related to the interesting insights. All interview guides are provided in the appendix 1. The given below table 3 illustrates the case companies information.

Company Name	Types of reshoring	Host country	Company Size
Company A	Inhouse reshoring Reshoring for insourcing	Denmark Holland Poland China	Large
Company B	In house reshoring Reshoring for insourcing	Germany Eastern European countries China	Large

Table 3: Case companies' information.
Source: compiled by the authors.

The details of the interview are summarized in the following tables 4 and 5.

Company A	Type of interview	Experience	Interview length	Date
Managing Director	Face- to- face	10 years	240 min (Including tour through production facility)	19/2/2020
Managing Director	Phone	10 years	45 min	28/4/2020
Managing Director	Email	10 years	N/A	8/5/2020

Table 4: The details of the interview for Company A.
Source: compiled by the authors.

Company B	Type of interview	Experience	Interview length	Date
Vice President (Products & Manufacturing)	Phone	20 years	40 min	6/3/2020
Vice president (Products & Manufacturing)	Skype	20 years	30 min	15/4/2020
Vice president (Products & Manufacturing)	Email	20 years	N/A	8/5/2020

Table 5: The details of the interview for company B.
Source: compiled by the authors.

Prior to the interviews, the interview guide was sent to the respective key persons in both the companies as they requested it. The first response was from Company A which was then followed by a company visit. Compared to the second company, the whole interview process lasted for almost 4 hours with the vice president. This is mainly because, during the meeting we also made visits to the production facility in order to get a better understanding of the company. Which was then followed by lunch meeting with the Vice President. The afternoon section mainly consists of asking follow- up questions on the previous section. During this session, the company provided us with more information on how the implementation actually took place in the company.

In addition, we also had follow-up interviews and more questions with regard to the implementation aspect which took place through phone meetings. As far as the second company is concerned, collecting information was mainly through the phone interviews, skype and emails. Follow up questions were asked throughout the interview process in order to make sure that the quality of data is ensured.

Although we have planned more follow up interviews with both the companies, due to the corona virus situations, we had to cancel other interviews and continue the communication through Email and Phone. Also, as the interviewees are occupied with more workload due to the corona situations, we were compelled to make short interviews by phone and more communication through Email. Nevertheless, we were able to cover all the aspects of the

reshoring within the limited time by following the interview guide. After each interview we have discussed, compiled the data together and identified the most important factors for reshoring and how it is implemented. Once, all the interviews were conducted, a comparison was made to identify how these companies differ in terms of reshoring motivations and implementation phase.

3.3.2 Secondary Data

Secondary data was collected mainly through the company website, financial report, and company slides. However, since both the companies preferred to remain anonymous, there was a restriction on data that we were allowed to use in the thesis. Hence, all the information from the company documents are not included in this study. Although both the companies are privately owned, one of the companies published their financial report consisting of 151 pages in order to be more transparent with the customers which helped us to get a better idea of the company and their operations in general. However, regarding the second company, secondary data was collected mainly through the company website and company LinkedIn page.

3.4 Research Process

Based on the below figure 5, it is evident that the research process is divided into two parts which are theoretical level and empirical level. During the research process we have moved back and forth between theoretical level and empirical level which will be explained in detail below.

Firstly, it was important to develop an understanding by looking into the offshoring perspective since reshoring is acknowledged as a reversal of a previous offshoring decision. Hence, the same theory has been used to justify the offshoring decision TCE, OLI and RBV has used to justify the reshoring decision as well. In addition, as there exists a research gap to support the reshoring planning and implementation step, we have connected the reshoring literature with project management theory.

Based on the theoretical framework, we compiled interview questions and collected data which then followed by empirical findings which are the multiple case studies of two companies. Secondly, the next step in the research process was to confront the theoretical framework with empirical findings. This step is called the deductive approach as we moved from theory to the empirical findings. Deductive approach is also called a top down approach because it starts

with the theory and moves forwards to the empirical level (Bryman & Bell, 2015). Overall, this is the first part in our research process which is then followed by an inductive approach. The second part of the research process starts with the empirical findings of the case studies.

By comparing and contrasting these case studies with the existing literature we moved from specific observations to interpret things differently and opened up the door for new interpretations. This stage is called an inductive study. Inductive approach is a bottom up approach because it starts with empirical level and moves forwards to generating new reality or new observations (Bryman & Bell, 2015).

One such example is with regard to the technological factor. Although technological factors are identified as an upcoming motivational factor within the EU countries, based on our findings technology and innovation is found to be a complementary step to support and strengthen the reshoring decision. It is evident from the figure that the whole research process was moving between deductive and inductive approaches. Hence, we used abductive methods in the study by combining both inductive and deductive methods. The given below figure 5 provides an overall idea of the research process.

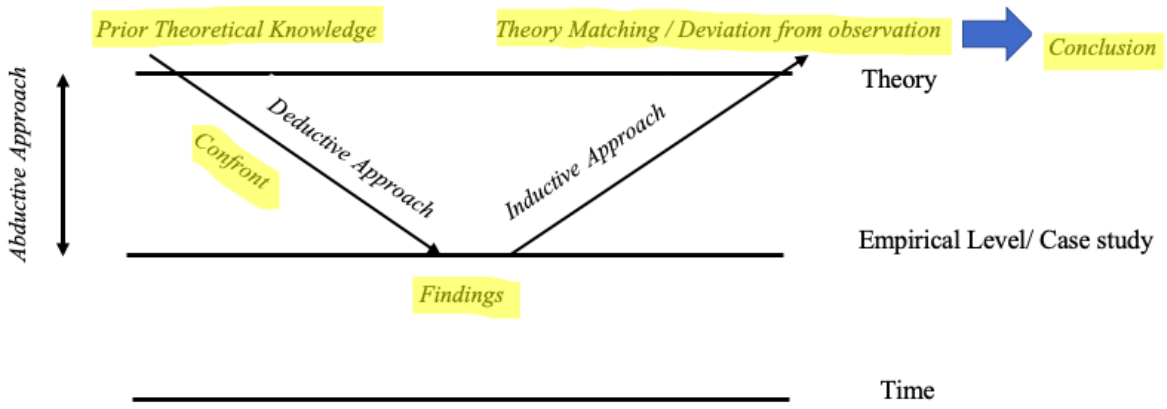

Figure 5: Abductive approach.
Source: compiled by the authors.

3.5 Research Quality

With regard to the quality of research, it is important to make sure that the validity and reliability of the research is ensured throughout the study.

3.5.1 Internal validity

In line with Merriam (1998), there are six strategies that a researcher could use to enhance internal validity such as triangulation, checks, long term observation, peer examination, participatory modes of research and researchers bias (Merriam, 1998). Further according to Denzin (1970), there are different ways of triangulation to make sure that the findings are credible (Denzin, 1970). Accordingly, we used data triangulation by conducting interviews and collecting information from the company website and documents to get primary and secondary data. Also, as we are two researchers conducting this study, investigator triangulation is also ensured. Further on, as we went back to the interviewees and asked follow- up questions, it is evident that checks were also ensured. Moreover, prior to the publication we have sent back the case study to the respective company heads to ensure that it complies with what they mentioned in the previous interview. Peer reviews have also been adopted during our time of data collection to avoid carelessness or negligence, and to ensure the quality of research undertaken. Hence, we believe that we have an adequate level of internal validity.

3.5.2 External validity

According to Merriam (1998), external validity is concerned with how generalizable the results are and whether the results can be generalized beyond the context of research undertaken. The nature of qualitative research method and multiple case study approach follow an approach of theoretical generalization and not the approach of statistical generalization. In terms of theoretical generalization and to maximize generalizability within limitations and boundaries of this study, the methodology for this research has been designed in a way its conclusion attributed to the specific research question are ensured.

We believe that we have an adequate level of external validity because we have detailed descriptions of two cases and also explained how a reshoring decision-making process has evolved in the two case companies and how the companies have implemented the reshoring process. In this research, the major attention concerned the analytic generalization as

mentioned by Yin (2013), where results and findings obtained from each case may be applied to other situation. On this note, these two cases helped us compare, and gave us some insight into the reshoring process and decision making of two manufacturing companies within Sweden. Therefore, we strongly believe that the conclusion of this research is applicable or generalizable to an extent to explain other cases in similar situations.

Having said that, given the limitation of the case study approach, these are not completely generalizable. The result may vary depending upon the company size, industry sector, or the location of the company. We also encourage other researchers to look at more cases in other industries as well.

3.5.3 Reliability

According to Merriam (1998), reliability is concerned with the extent to which result can be replicable (Merriam, 1998). We strongly believe that we have reliable results mainly because as mentioned earlier we have clearly explained why we have chosen theories such as TCE, OLI, RBV and project management. Also, we made sure that data is collected by using sources which are seemingly unbiased and recognizable. Also, we have used articles which are up to date. Besides, we also used sources which provide similar results to avoid uncertainty. Given below table 6 provides a summary of the quality of the study.

Criteria	Authors' remarks
Internal Validity	1. Triangulation - Data Triangulation, Investigator triangulation 2. Checks - By asking follow- up questions and we also sent back the empirical findings to the interviewees to ensure the validity. 3. Peer examinations - by giving and taking feedbacks from the research partner and research guide
External Validity	1. Provided rich, thick descriptions of the case studies. 2. By comparing the cases we got in depth knowledge on reshoring phenomena of two manufacturing companies located in Sweden.
Reliability	1. Choosing the theory behind the study (TCE, OLI, Project management) and assumptions are explained in subsections. 2. Data collection method was explained in detail. 3. We have used sources which are recognizable and also used articles which are up to date.

Table 6: Quality of the study.
Source: compiled by the authors.

3.6 Ethical considerations

We, as researchers, should be aware of and comply with ethical standards during the course of undertaking research. Ghauri & Gronhaug (2002) state that ethics attribute to values and moral principles that may influence the way research is conducted. Regarding qualitative research with primary data collected from interviewing, the research is severely dependent on trust from the respondents (Myers & Newman, 2007). Following Bryman and Bell (2015)'s ethical principles, participation in the interview was entirely voluntary and the authors had the right to remain anonymous in case they wanted to (Collis & Hussey, 2014).

All respondents provided with the questionnaires before each interview and were informed that it was a semi-structured interview and was subject to change and modify depending on the nature of the interview. When the data collection process has completed, the transcript was sent to the interviews so that they confirmed that we correctly interpreted what they had said and they were also encouraged to comment in order to improve the quality of the work. In the

course of writing the empirical findings, we offered several direct quotations from interview participants to avoid deception in outcomes which by definition refers to “representing the research as something other than what it is” (Bryman & Bell, 2007, p.68), and “means no falsification or misrepresentation is allowed” (Rasaei & Nguyen, 2011). Therefore, we ensured the quality of research conducted.

4. Empirical findings

This chapter contains two main subsections on case studies of the two companies that made the decision to reshore. It begins by introducing Company A followed by describing its offshoring and reshoring motivational factors and how they implemented the reshoring decision. Thereafter, the next subsection similarly regards introducing Company B, its motivational factors, and the implementation process of reshoring.

In this paper, we classify the firms based on their size according to EU definition (2003/361/EC). Based on the number of employee's firms can be divided into small which has less than 50 employees followed by medium which has employees between 50 and 250. Finally, large companies which have employees more than 250 (Eurofound, 2019). As both these companies have more than 250 employees this comes under the category of large companies.

4.1 Company A

4.1.1 Company profile

Company A's main business mission is to design, develop, and manufacture workplace furniture in Europe. Company A operates as a house of product brands and is the product owner of 9 brands. Company's headquarter office is located in Oslo, Norway and they manufacture their solutions in 8 countries such as in Røros (Norway); in Koblenz (Switzerland); in Turek (Poland); in Tibro, Nässjö and Hunnebostrand (Sweden); in Hawthorne (USA) and Guandong (China). The company has sales offices on four continents in Norway, Sweden, Denmark, Germany, Belgium, the Netherlands, UK, France, Switzerland, Dubai, Singapore, USA, China and Australia and Company's products are being sold in over 80 countries. The company started with the portfolio of three product brands and continues to acquire new brands throughout its journey. Company in 2019 achieved a turnover of NOK 3.0 billion (EUR 300 million) with almost 2500 employees worldwide (Company A website, 2020).

4.1.2 Offshoring

Company A's vision on offshoring and global sourcing follows a traditional practice. They consider outsourcing according and based on three main criteria: flexibility, lead time, and efficiency. It is of importance for the company that they hold control over the value chain.

"*Offshoring is more an efficiency-based decision and when the local subcontractors/suppliers enable to make the work done better providing those three criteria taken into consideration, it is better to do offshoring and it is the primary logic behind the offshoring" (Managing Director MD)*. Subsequently, in terms of acquiring production brands in different countries, the company analyses their productions and their logistics set-up and its efficiency. The reason is that the Group needs to prove that they are efficient and, they will fit the company's logistic chain in order for them to join the Group.

In most cases, the labour cost is not that of importance in times of offshore decision making compared to other factors like efficiency, flexibility, and lead time. "*It is because in our industry, the direct salary (the salaries to our production personnel) is only 5 to 6 percent of the turnover. But, if you will look at other types of Industries, perhaps direct salary cost can be 30% of total cost of your product and then of course gives another decision in terms of offshoring" (MD).*

The managing director of Company A states that "*It is evident that we as a typical furniture company located in Europe with a lot of handcraft do not run all operations inside the group and there is a need for subcontracting especially when domestic or international providers are able to undertake a task or work more efficiently than the company itself can do. Therefore, like other international companies, subcontractors have been included in the company's value chain from the beginning (ibid.)*. The company's production offshoring activities target Poland, Lithuania, China, Denmark, and Holland. Some of Company A's offshoring practices over the last decades are summarized as follows:

1) offshoring part of the production (table production) to Poland. "*The reason is that Poland provides cheaper handcrafts, and salaries (labour costs) are significantly cheaper with almost 30 per cent of that in Sweden" (MD)*. In 2018, the group bought a Polish brand, which owns a large factory in Poland.

2) Offshoring to Denmark. Company owned a factory in Denmark.

3) Offshoring to Holland. Company owned a factory in Holland.

4) Offshoring armrest to China in 2002. Due to the fact that *China is considered as a good location due to "cheaper and good quality" armrest, if the company can find the right suppliers to do the work with (MD).* In 2017, the company continued offshoring to China and even established one assembly there through the subcontractor's project. The project turned out to be unsuccessful, so the company closed the assembly. Then in September 2019, the company made an additional acquisition and bought an American brand, which has a factory in Guangdong, China. Company A believes that with this acquisition, "*it is so unlikely that the group will continue offshoring to China as they already have affiliation there" (MD).*

5) Offshoring sewing to LTP Group in Lithuania in 2006. Company A's most sewing works depend on Lithuania. They make seats and backs for the company. The company buys fabrics from one Danish and one Swedish company and they send the material to Lithuania for Sewing. The reason for choosing Lithuania into their sewing offshoring model regards the skills and knowledge of employees working there.

4.1.3 Reshoring: The evolution of decision-making process

"The reason to reshore is mainly because of the problems in the value chain and to improve efficiency, flexibility, and to reduce lead time" (MD). Although in some countries like Poland salaries and handcrafts' prices are lower, they should not be only factors for offshoring, but the total cost should be measured. Besides, the company needs to examine how the offshoring will affect the whole value chain.

> "*One of the main concerns for the company is to secure the value chain and simultaneously to reduce the total cost, so if the company does not place a decent amount of attention and careful assessment on these factors, they consequently lead to drive the company to reshore and move back productions to home country or another country where these goals will be met" (MD)*.

Some of Company A's reshoring practices over the past years are elaborated below.

1) Reshoring from Denmark. Company A closed the factory in Denmark in 2009 and moved back all the production to Sweden.

2) Reshoring from Holland. Company A practiced the reshoring project in 2015-2016. The company started reshoring from the Dutch factory and moved the production to Sweden. Back then, however, the company kept one part of the manufacturing in Holland because of its complicated logistics set up with several suppliers involved. In 2019, however, Company A moved that part of production to Sweden and ceased its offshoring to Holland. "*The main reason for this reshoring project like other similar projects on this concept was to secure the value chain and the logistic chain" (MD).*

After moving production to Sweden, the next focus was to invest in automation of internal transport in Swedish factory. By doing so, the goal was to develop an automated truck for material handling and thereby increase the capacity and efficiency in the factory.

3) Reshoring from China: the main problem with China is distance. It takes almost 7 to 8 weeks on a ship for parts to be delivered. This per se will increase the warehouse's costs, which in turn, will increase the total cost. Overall, with China, time and costs are the main factors that raise the red flag. For these reasons, Company A has taken a lot of work from China to Sweden. As an alternative for China, the company offshores to Poland, Baltic countries, and Sweden. Specially in terms of Sweden, Company A believes that Swedish companies are more efficient.
4) Reshoring from Poland and Lithuania. In 2014-2015, Company A moved back some production from these countries to Sweden. Although in Poland handcrafts are cheaper and Polish salaries are less than 30% of Swedish salaries, the company had a problem in the value chain. The main reasons for reshoring from Poland were to secure the value chain, reduce the total cost, improve the flexibility and to reduce lead time.

The given below table 7 illustrates the motivational factors of Company A. Further, according to Gray et al. (2013), reshoring activities are classified into in house reshoring and reshoring for insourcing.

Host Country	Type of Reshoring	Motivational Factors
Denmark	In house reshoring	Improve the value chain ● Flexibility ● Efficiency ● Lead time
Holland	In house reshoring	Improve the value chain ● Flexibility ● Efficiency ● Lead time Reduces the total cost
Poland, Lithuania, and China	Reshoring for insourcing	Improve the value chain ● Flexibility ● Efficiency ● Lead time Reduces the total cost

Table 7: Reshoring motivational factors of Company A.
Source: compiled by the authors as per Gray et al. (2013).

4.1.4 Reshoring: The implementation process

In the last section, we state the several offshoring and reshoring projects that Company A has practiced over the last decades. In this section, we go further and investigate what specific procedure the company has adopted for planning and execution of these projects. According to Company A, regarding the reshoring projects, two types of projects are identified by the group. This is as follows.

1) Synergy projects of the acquisition (subsidiary-based projects): aims to reshore the whole part of production from a host country where the company has an acquisition (factory) and take out "the synergy" from the acquisition. "*The main objective of the synergy projects of acquisition, among others, is to be more cost-efficient. This will also make the value chain and logistics chain become more efficient. In addition, as long as there is enough space, it is easier to handle one factory's operations in terms of delivering and managing the personnel compared to two factories" (MD).* The decision-making process for this type of projects begins with benchmarking between the factories in the host country and Sweden. In this approach, Company A mainly analyses the competitive factors, efficiency, and costs associated with manufacturing in the host country and that in Sweden.

• Reshoring from Denmark in 2009 and Holland in 2015-2016 are instances for this type of project by which Company A closed the factory in Denmark and Holland and brought the total production to Sweden.

2) Subcontractors' projects (contract-based projects): aims to change the subcontractors. The company passes the works from one subcontractor to another or reshore the works from a subcontractor to home. "*The objectives of these projects apart from becoming more cost efficient are to be more efficient in the value chain and logistics chain" (MD)*.

• Reshoring from Poland, Lithuania, and China to Sweden are instances for the subcontractors' reshoring projects where Company A reshored some part of production like assembling, metal stamping, or sewing from its subcontractors to Sweden.

For both types of projects, the company follows the similar model and considers several phases starting from the decision-making process to implementation. The phases of project are presented below:

1) Mobilization (kick-off) – In this step, the general plan of the project is decided and presented which includes identifying the project team, the costs, the objectives and expected results. In order to get the best result, the top management assigns the project leader for each project according to their experience of leading the similar projects.

2) AS-IS mapping pre-study – In this step, as the name suggests, the project team studies how the things are running today. They strive to collect all relevant data and information pertaining to costs-efficiency, the effect on value chain and logistics, and then identify the potential benefits and challenges. The collected data in this step is important in order to do the benchmark comparison. For this reason, the project team for the synergy project consists of almost 100 to 150 people from both sites, and from all parts of the organization (production, development, supply chain, IT, finance, HR, and administration) and often visit the factory in the host country. The analyses part in this type of the project may take almost 5 to 10 weeks. With regard to subcontractor' projects, since the focus is more on production and logistics, the project team may consist of 5 to 15 people from production, logistics, and supported by a controller from the finance department.

The main objective of AS-IS phase is to gather the correct material and to realize the real facts. In this step, it is more likely that the objectives set in the mobilization step change. It is because the company might misanalyse something or had the wrong facts in the initiation part of the project.

> "*There is also the possibility that the company finds that it is impossible to implement the project because they have a critical factory with a critical competency running in some sites. It may also be that some contractors are very important to the company in the value chain and logistics chain and if the company changes the subcontractors, they may encounter some challenges in other parts. These are several potential problems that normally will be recognized during AS-IS mapping phase of project. As a result, there exist some projects that will never be executed and this decision is made in this step" (MD).*

Budget-spend analysis as well as risk analysis are also carried out in the AS-IS step of the project. In the budget-spend analysis, the project team measures the costs and benefits of the project owing to the fact that the basis of the implementation of the project is to increase efficiency and reduce cost in the first place. It is evident that once implementing the project, there are various risks attributed to each project which need to be taken into consideration. The risks that the company may encounter are personnel risk, knowledge risk, logistics risk, financial risk, and production risk. All needs to be identified beforehand and the company strives to introduce ways to handle and control them in case of occurrence. In this regard, the company sometimes also needs to hire an external consultant with more experience to collaborate with the project team in order for the company to avoid or mitigate the risks on a different level more efficiently. In terms of risk analysis, the company follows the COSO risk model.

3) High level description of to be designed- In this phase and after the company has the theoretical model obtained from AS-IS mapping step, designs what the flow, the effect, and the work will be in practice when the project is implemented.

4) Meeting with the board – In this step, the project leader presents the project with the top management and the board. The implementation of the project and expected results are also introduced.

5) Approval or not approval – The project group will do the initial planning, and then the (dis)approval is done by the group management or the board.

Project timetable:

The period of the implementation of the project may differ from one project to another. It depends on the complexity and the size of the projects. For synergy projects where the company moved the whole production from a host country back to Sweden, the important factor to take into consideration is whether both sites have the same IT system, ERP system. It is critical in a way that if the company wants to move a factory from one country to another, they need to secure the information regarding the products and operations and to have control over IT information. In case that the systems are not alike, the company needs to change the system first which often takes at least 6 months in the best-case scenario, and then the company may start to move the factory. For another type of the project, subcontractor's project, the process is less complicated and consequently takes less time from one month to one year.

Project closure:

After each project, the project team will reflect and analyse the project. They make the summary of the lessons they have learnt throughout the projects and how they can improve for the next projects. The team discusses their experience internally and also with other factories which have done the similar projects so as to learn whether they follow the same steps or not.

> "*All are beneficial when engaging in the knowledge sharing process so that to get in depth knowledge about the reshoring projects and implementation of such projects. And that in collaboration with other companies as well as universities, the company may get better insight about the phenomenon and what is the best solution to implement it in the future" (MD)*.

As for other phases in the implementation process recommended by the PMI model (2017), Company A's managing director sufficed it to say that they follow all steps including project monitoring and controlling.

4.2 Company B

4.2.1 Company profile

Being a global developer and manufacturer of industrial trucks, Company B aims at providing flexible and customizable material handling solutions to its customers. The company's customer segment is very much diverse. It consists of automotive, construction, electronics, food, logistics and pharmaceutical industries as well as the heavy and manufacturing industry. Company has production facilities in six different countries such as Sweden, Spain, Japan, Finland, China, and the USA. However, in different markets there are different models and types in order to serve the customer demand (Company B website).

In addition, to reach the customers more efficiently, the company has specialist retailers as well as sales experts in respective countries (Company B website). When a new product is introduced in the market, the company has a different approach. First, they produce the product inhouse and check whether it is efficient cost-wise. If not then, they will offshore the product to a different host country (Vice President).

4.2.2 Offshoring

During the 1985s and 1990s with the purpose of reducing cost and to follow the trend, the company started offshoring presampling and welding parts to other low-cost countries within East Europe like Poland and Ukraine as well as to China. Also, the company outsourced some sub assembly production to Germany. Since, lead time is a critical factor for the company, offshoring activities were predominantly concentrated within Europe. As offshoring was a trend in the 1990's, the company simply copied the behaviour of the other companies without calculating the total cost.

"Offshoring decisions were taken on the wrong base only considering direct labour and material cost" (Vice President).

All the other costs that were associated with outsourcing, such as travelling expenses, logistics, administration, and purchasing were not taken into account while making the location decision. In addition, another problem the company faced along the way was distance, especially with

host country China as they do not have so many hours in a day to contact the suppliers due to the time difference.

Some of the companies offshoring practices over the last decade are summarized as follows: -

1) Offshoring some sub assembly production to their own factory in Germany. Mainly because, the company preferred to have bigger modules in house so that could be directly put in the assembly line and thereby increasing the productivity in the factory. The reason for offshoring was slightly different from other countries since labour cost in Germany was higher compared to other east European countries. However, in terms of skills and expertise Germany was an attractive destination.

2) Offshoring presampling and welding parts to other low-cost countries within East Europe like Poland and Ukraine. The company offshored their production to external suppliers within these countries. One of the reasons for the company is to reduce the total cost and make use of the cheap labour cost. Today these east European countries are no longer considered low cost countries the same way as they were 20 years ago

3) Offshoring presampling parts to external suppliers within China in order to reduce the total cost and make use of the cheap labour cost.

4.2.3 Reshoring: The evolution of decision-making process

According to the interviewee the reason for reshoring is mainly because of the high cost including logistics, inventory, and transportation and also due to the delivery problems from suppliers. How quickly they can have components from suppliers is an important parameter to consider in order to shorten the delivery time. In general, the two main motivations for the company to reshore was to reduce the total cost and to shorten the lead time. As far as lead time is considered, if the suppliers are too far away or local countries are too far away then it affects the lead time resulting in losing the business. Hence, the two best options available for the company is to produce everything in house or choose the suppliers closer to the home market. Furthermore, the rising need for customized products was another problem. As customers demand customized products, it is important to keep every different variety in stock. Hence, the company is forced to buy welded parts in different colours and to keep every variety on stock.

From a cost perspective, this is not a viable solution since it increases the total production cost due to the rising need for warehouses and transportation with high dependency on air transport. Moreover, the company is also heavily dependent on suppliers to produce different varieties of product. Hence, the best-case scenario is to produce everything in house according to the delivery time. However, according to the interviewee they will never do anything 100% in house as in some cases suppliers are more skilled and it is cost efficient to do offshoring.

Currently, the goal of the company is to increase the volume from the market. As far as Swedish market is concerned, the company generally thinks they do not have any comparative advantage over their competitors. Within European Union all the companies are equal. As far as their total cost structure is concerned, 80% of production cost is related to material ,10% is labour and 10% is overhead. Hence, they do not have any advantage over their labour cost. One of their major reshoring projects was moving production from Germany to Sweden. And, the next five years' goal for the company is to move production from East European countries to Sweden. Some of the company's reshoring practices and future plans are summarized as follows.

1) In 2004, the company decided to reshore their production back to Sweden from Germany. At the time, the company had only two factories in Europe. One in Germany and one in Sweden. As both the factories had low volume, the company decided to close the factory in Germany and move the volume to Swedish factory in order to lower the cost per unit and also to increase the volume in one factory. In addition, since the company believes the core knowledge is Welding, in 2005 they started their investment in welding robots and sample lines in the Swedish factory. By merging the volumes in two factories, the company was also able to make investment in sample lines and welding robots and thereby increasing the efficiency and capacity of the factory. All these provided new opportunities to do inhouse welding. Nevertheless, the company still has some parts of the production left in Germany with the external suppliers. As of now, the company has decided not to reshore this part as they cannot produce it cheaper in house.

> *"The decision was to close a fully owned factory and move models and volume to Sweden to create volume in Sweden for future investments with good payoff" (Vice President).*

Overall, the company considers reshoring is successful because of the following reasons. Firstly, after moving production from Germany to Sweden, the company started doing welding and painting prior to the delivery to reduce the usage of the warehouse and stock. This provides additional benefits of reduced dependency on suppliers and thereby reducing the logistics and transport cost. Secondly, one of the advantages of the technology is that the company was able to cut down the manpower. During the reshoring implementation stage total employees in the factory were 180 and currently it has been reduced to 130.

Moreover, they were able to increase their capacity in the Swedish factory and also be able to become more efficient. One such example provided by the vice president is, the same volume today for one shift operation 10 years ago required two shift operations. Hence, they were able to save a lot of time. Overall, the reshoring phenomenon gave the company an opportunity to reduce the total cost and helped to meet the needs of the customer more efficiently.

2) The future plan is to move production from east European countries (Ukraine and Poland) to Sweden. The main reshoring motivations are to reduce the logistics cost, keep the lead time down and to reduce the dependency on suppliers with regard to variance.

The given below table 8 illustrates the motivational factors of Company B: Further, according to Gray et al. (2013), reshoring activities are classified into in house reshoring and reshoring for insourcing.

Host Country	Type of Reshoring	Motivational Factors
Germany	In house reshoring	Reduce the total product cost / Landed cost ● Logistics costs ● Inventory cost ● Transportation Cost Shorten the lead Time
China	Reshoring for insourcing	● Lack of flexibility ● Reduce the transportation cost ● Communication difficulties due to time difference
East European Countries	Reshoring for insourcing	● Reduce the logistics cost ● Shorten the lead time ● Reduce the dependency on suppliers.

Table 8: Reshoring motivational factors of Company B.
Source: compiled by the authors as per Gray et al. (2013).

4.2.4 Reshoring: The implementation process

In this section, we investigate what steps and procedures Company B has adopted in order to implement the reshoring projects. Since Company B has so far completed only one reshoring project, the focus is given to reshoring projects from Germany to Sweden.

According to the Interviewee, the reshoring decision was taken internally because the factory in Sweden is responsible for managing the total production cost. Each factory makes their own decision to reshore. Hence in this case, Company B Sweden made the decision to reshore. Company also has a management team that consists of employees from different departments such as manufacturing, purchasing, quality, engineering, logistics and R&D who have the decision-making power and authority with regard to selecting reshoring project leaders as well as team members. Reshoring started in 2005.

During 2005, the company together with Jönköping university made a sample template on process and stakeholders in order to know how they can successfully implement the project and whom they need to involve in this project. The plan and implementation steps are as follows. Current situation and need analysis, objectives, stakeholder analysis, assigning responsibility to each department, time plan, budget analysis, risk analysis, communication plan with actors and finally evaluate the whole project.

Prestudy:
Reshoring plans start with a prestudy. If the company wants to move a product from its host country to Sweden, the first step is to conduct a prestudy. In this step, the company checks with the suppliers to see whether they can make products cheaper. The reason is that suppliers play an important role in a company's location decision. Mainly because the company believes suppliers have better knowledge on products. In case, the suppliers can make the products cheaper then the company will continue with their offshoring activities. Otherwise, the company will reshore their production back to Sweden.

> *"Sometimes we have to ask suppliers how to do it efficiently. We use plastic components, but we may not have enough information as suppliers have. If they can produce it cheaper without moving to the home country. Then we go for it*" (*Vice President).*

As far as the German market is concerned, the first step was to conduct a current situation and needs analysis. Accordingly, the company found out that volume in the German market is low. Hence, as mentioned earlier they decided to merge the volumes with the Swedish market. As the German market has an upper hand in the skills and expertise it was necessary to land a manufacturing engineer in the Swedish factory. In addition, they also transferred the managing director from the German market to Sweden. In this step, the company also tried to figure out whether it's possible to do the activities better than a supplier. If so, then they continue with the reshoring process. If not, then they notify the suppliers and identify the parts in which the suppliers have upper hand.

Stakeholder Analysis:
Normally reshoring projects are done internally. A leader handles the whole project with 5 or 6 team members. Local management team selects the leader from the respective department such as manufacturing, purchasing, quality, engineering, logistics and R&D who has skills, experience and knowledge on the subject. The team members are also chosen from these departments. Normally the company focuses only on one product/ one component at a time. Communication plans with the stakeholders are planned prior to the implementation process.

Objectives, time, and budget:

The objectives for each reshoring project are similar, which are to reduce the total product cost and improve the delivery time as well as to move back the production as quickly as possible. Reshoring is an ongoing work until the company completely moves the production. The objectives will not change over the course of the time as the success or failure depends upon achieving the objective. Hence, in all of projects the company makes sure that the objectives are met. Generally reshoring projects can take up to one year from starting till moving the product to inhouse. As far as the cost is concerned the aim is to reduce the total product cost. Nevertheless, if the product is new to the market, then the company puts a target cost within which the total cost should come. Normally it would be something like 10% lesser compared to the previous model. With regard to the German market the company was able to reduce the logistics cost from 15% to till 4%.

Risk Analysis:

Company uses a risk identification and risk assessment tool which is called FEMA for all the projects. In addition, the company makes a cost benefit analysis to determine the total landed cost and component cost. Based on this analysis the company decides whether to reshore or continue the operation in the host country.

With regard to the Swedish market, the company also reduced the risk related to knowledge and skills by hiring a manufacturing engineer. Moreover, the company transferred the managing director from Germany to Sweden. Further, the company was also able to reduce the employee resistance from the German market by providing attractive packages to the employees such as bonuses to make them stay till the last day of production.

Mode of Evaluation:

After each project is completed, the company evaluates the project to determine whether they have fulfilled their objectives. If the company managed to reduce the total cost and improved the supply chain activities from the perspective of quality, delivery, and performance then it's a win- win situation.

Project Closure:

As far as a single project is concerned, there is no well-defined step for project closure. If we take the example of reshoring from Germany, after the project implementation company evaluates the outcome to determine whether the objectives are met, and cost is within the limit.

Generally, the objectives are met as throughout the process company make sure that the project goes according to the initial plan. Company B uses the strategy learning by doing in all the steps to make sure that the project goes according to the plan. A final evaluation of total cost and objectives are considered as the last stage of project implementation.

> "*There is no end as such for reshoring projects. There are always components or parts that the company outsourced could transfer back home. The reshoring projects are always ongoing as there will always be new products that the company could investigate and decide whether to bring back home from different host countries" (Vice President).*

5. Discussion and conclusion

In this chapter, we present the discussion of the results, followed by the modified conceptual framework and the conclusion of the thesis. A discussion of the significance and contribution to the existing research knowledge is stated afterwards. Lastly, we end the chapter with a discussion of limitations of the study and then we offer some recommendations for further research.

5.1 Discussion

This section is further divided into two subsections. We first analyse and discuss the first part of the research question concerning how a reshoring decision making process evolves and then we examine the second part of the research question which regards how the reshoring activities are implemented in the two case companies. The discussion is based on the conceptual framework selected from the literature as well as on the empirical findings collected from the interviews.

5.1.a Discussion: the evolution of reshoring decision- making process

For both the companies involved in this study, reshoring decision is a reversal of previous offshoring decision due to the miscalculation of cost, risks, and benefits in the host country rather than an independent strategy. This is consistent with the previous theoretical findings by scholars (Gray et al., 2013; Joubioux & Vanpoucke, 2016; Fratocchi et al., 2016). Hence, it is evident that reshoring has evolved from previous offshoring decisions. However, in order to look into how the decision process has evolved, we also need to identify the offshoring challenges and reshoring motivations.

As far as Company A's offshoring decision is concerned, it was mainly driven by flexibility, lead time and efficiency. Overall, an offshoring decision was made in order to improve the efficiency of the value chain. However, as the company failed to fulfil the initial offshoring objectives, it led to a reshoring decision. Thereby reshoring is proven as a subsequent to offshoring. Hence, the reshoring definition is consistent with the definition put forward by Gray et al. (2013) and, Joubioux and Vanpoucke (2016). Although the primary reason for reshoring is considered as reducing total cost (Ellaram et al. 2013; van den Bossche, 2014; Parkins et al. 2015). However, in Company A, the goal is to not only reduce the total cost but also to secure

the value chain. Looking at host country China, it is evident that the firm has failed to consider the total cost especially in regard to cost of shipping their products and all the warehouse costs associated with it. This is consistent with the study by De Backer et al. (2016) and Gray et al. (2013). As mentioned in their studies, activities relocated abroad without having enough knowledge on risks and costs leads to reshoring.

With regard to reshoring motivations, reducing the cost and securing the value chain are the most cited factors for reshoring. These motivations are consistent with Fratocchi et al. (2016) interpretive framework. Mainly because by reducing the cost and securing the value chain the company is aiming to improve the customer perceived value and cost efficiency. According to the interviewee, by securing the value chain, the company is able to influence the customer preferences by providing high flexibility to the customers regarding product configuration. In line with Christopher (2005), the difference between supply chain and value chain are inconsequential as a result "supply chain becomes the value chain" (Sweeney, 2009, p.15). Based on this argument value chain factors are considered as supply chain factors. Hence, according to the findings by Engström et al. (2018) one of the most cited reshoring motivations within Sweden are supply chain factors and this argument is consistent with our findings for Company A.

Overall, in line with Wiesmann et al. (2017) supply chain factors (value chain issues: flexibility, efficiency and lead time), firm related factors (miscalculation of cost) and host country factors (time, distance) were the main motivations behind reshoring. looking into the type of reshoring activities, in line with Gray et al. (2013), there are two different types of reshoring activities performed by Company A based on the ownership structure in the host country which are in house reshoring from Holland and Denmark and reshoring for insourcing from China and Poland.

Connecting Company A's reshoring decision to OLI framework, it is evident that the company has clearly misinterpreted the location advantages in the host countries which in turn led to the reshoring decision concerning the value chain and cost. Cost factors also could be linked to TCE especially with regard to Reshoring for Insourcing in China and Poland. Here the previous decision to "Buy" changes to make in house in order to reduce the total cost. This is similar to what is described by scholars (Kinkel & Maloca, 2009; Gray et al., 2013; Foerstl et al., 2016) in their studies. In addition, Company A also has failed to develop unique capabilities to meet

the customer demand by providing faster, flexible delivery of the products by securing the value chain. Hence the RBV aspect also comes into place as mentioned by Fratocchi et al. (2016). Overall, Company A's reshoring decision can be explained by existing theories such as TCE, RBV, and OLI.

As far as Company B's concerned, their offshoring motivations differ based on the host countries. However, the primary motivation was to reduce the total cost. In addition to the cost factor, another motivation was to access skills and expertise in the host market. Nevertheless, the company faced many challenges in the host countries due to high lead time, increasing dependency on suppliers and due to miscalculation of total cost. Overall, like Company A, reshoring was more of a correction of previous location decisions (Gray et al., 2013; Joubioux & Vanpoucke, 2016) rather than a strategic decision (Di Mauro et al., 2017).

As far as reshoring motivations are concerned, reducing the total production costs was the primary concern for Company B since they miscalculated the total cost in the host countries. This argument is consistent with findings by scholars (Masten,1993; Broedner et al., 2009; Gray et al., 2013; De Backer et al., 2016). Since total cost is not calculated correctly which affected the company's business practice and this led to the decision of reshoring. This argument also goes well in hand with TCE. Another important reshoring motivation was regarding issues in the supply chain such as high lead time, high dependency on suppliers and communication difficulties due to the time difference. Like Company A, this argument is consistent with the findings by Engström et al. (2018). Accordingly, one of the most cited reshoring motivations within Sweden are supply chain factors and this argument is also consistent with our study findings.

Overall, in line with Wiesmann et al. (2017) host country factors (distance, transportation time, time differences, low volume in the factory), supply chain factors (shorter delivery time, flexibility issues), firm related factors (miscalculation of total cost) were the main motivations behind reshoring. In addition, reshoring motivations are also consistent with Fratocchi et al. (2016)'s interpretive framework. Because by reducing the cost and improving the supply chain factor, the company is aiming to improve the customer perceived value and cost efficiency.

Unlike in Company A, Company B specifically emphasizes the importance of calculating landed cost as mentioned by Needham, (2014) to reduce the risk associated with supply chain while reshoring. By looking into the type of reshoring activities, in line with Gray et al. (2013), there are two different types of reshoring activities performed by Company B similar to Company A which are in house reshoring from Germany and reshoring for insourcing from China and East European countries.

Comparing these two companies although it operates in different segments, it's clear that motivational factors to reshore are to an extent similar. However, it's not the same. Cost related factors were one of the common reasons for companies to reshore followed by supply chain related factors. It is also important to mention that, reducing labour cost is not a concern for both the companies as labour cost comes only a very small percentage of the total turnover. Comparing both the company's reshoring motivations with Eurofound data (2019), motivational factors are not fully consistent with the findings. Because, technological advance and innovation rather turn out as a complementary decision to support reshoring rather than being an actual motivation.

Overall, it is evident that, as a result of reshoring, both the companies strengthened some of its capabilities such as increasing core knowledge, technological advancement in the factory and thereby increasing the capacity. Looking into the opportunistic aspects (Wilkinson & Kannan, 2013), it is interesting to note that both companies maintain a good relationship with the suppliers and in Company B they are also part of the reshoring decision making process. Although opportunistic behaviour could be a threat, it is not evident in these two companies. As far as reshoring risks are concerned, this study has shown that risks related to behavioural and knowledge aspects of people (Ciabuschi et al., 2019) have some impact on reshoring decision. Both the companies have recruited manufacturing engineer and external consultant to mitigate risks and uncertainty associated with reshoring.

Overall, in line with Fratocchi et al. (2016), it is evident that miscalculation of cost, risk and complexity in host countries leads to the reversal decision. Hence, both the company's reshoring decision can be explained by existing theories such as TCE, OLI and RBV.

Consequently, the reshoring decision process has evolved due to the misjudged offshoring decision (Gray et al., 2013). Another interesting aspect is with regard to Company B's offshoring strategy. As mentioned in the findings, when a new product is introduced in the market, Company B changes its offshoring strategy in a way first they produce the product at home and if it's not efficient cost-wise, then they will later consider offshoring. With this argument, we believe that it is the offshoring decision-making process which has evolved over time.

5.1.b Discussion: the implementation process of reshoring

For both case companies included in this study, the reshoring initiative was perceived as a correction of a previous decision. As mentioned before, the Project Management Institute PMI (2017) identifies the implementation process consisting of five process groups: initiating, planning, execution, monitoring and control, and closing. Having performed a case study of the implementation process of two case companies that were engaged in reshoring to Sweden, we find a few stages or phases that are practiced by the companies, that are not stated in the theoretical framework, or the other way around. We believe that comparing the theory with practice helps companies as well as researchers to expand their knowledge about the phenomenon.

Company A's and Company B's project team consists of professionals from different departments within the organization. As for Company A, for some projects there is a need for hiring an external consultant who has more knowledge and experience to collaborate on the project particularly in terms of risk assessment and risk management. This procedure and having the team composed of members with different formal functions and unique expertise may assist the project in refining the scope of work in order to optimize team performance and to meet project objectives and project requirements is in line with Chiocchio et al. (2015). In Company A, the top management assigns a manager within an organization who has done similar projects before in terms of project size and type. Similarly, in Company B, the project leader is selected by the management team located in Sweden from those who have skills, experience, and knowledge on the reshoring project.

According to Müller and Turner (2007, p.25), it is important for project managers to have "technical knowledge and experience" about the project. However, the project manager needs

also to have leadership skills, specifically in a diverse project team. In this environment, some issues like “false expectations, disappointments, misunderstandings”, and even conflict seems unavoidable (Wheelan, 2015, p.41) and, hence, it is significant for project manager to have leadership skills to deal with external and internal stakeholders (Wheelan, 2015; Müller & Turner, 2007). Teece et al. (1997 cited in Teece, 2014)’s concept of dynamic capabilities also targets the importance of managerial, entrepreneurial, and leadership skills of top managers in order to achieve and maintain competitive advantage and become a dominant market player.

The procedure or stages that Company A performed its reshoring projects, is comparatively different from the PMI framework and from the reshoring implementation process of the other company. It consists of mobilization (kick-off), AS-IS mapping pre-study, high level description of to be designed, meeting with the board, approval or not approval. In this model, and specifically in the AS-IS phase the company was performing the benchmarking analysis between the host country and Sweden to check the feasibility of the reshoring initiative.

According to Company A, the benchmarking analysis plays an important role in the project planning process as it sheds light on the critical factors in the current manufacturing location or suppliers which has been neglected, missed, or misinterpreted in the mobilization (kick-off) phase with reviewing the reshoring decision and comparing it with the existing evidence. It is vital for firms to collect “accurate and complete information” about their current offshored manufacturing location and local suppliers in order to precisely compare and examine the “as-is” conditions with “to-be” relocation possibilities (Hartman et al., 2017, p. 365).

In addition, the “AS-IS” arrangement assist managers in their reshoring decision making process and highlight the existence of barriers that may affect and hinder the reshoring implementation phase (Wiesmann et al., 2017), which should be taken into consideration by the project team before planning for reshoring and even according to Company A, it is also likely that the recognized barriers drive the company to revoke or amend its decision to relocate production in the initial phase due to the feasibility of implementation. Some other elements of the planning process group of the project like timeline, budget-spend analysis, risk analysis, stakeholder analysis, and mode of evaluation are also revised and decided in this phase. Thereafter, as it is also suggested by Hartman et al. (2017), Company A enters the phase of “High level description of to be designed”. In this step and based on the depth information the

project team collected in the AS-IS phase, they go further and predict what the business operations will be like if reshoring is implemented.

As for Company B, the approach the company follows for planning and implementation of reshoring projects are comparatively similar to what is recommended by PMI (2017). In the planning phase, like what Company A did in its AS-IS mapping pre-study, the company examines a current situation and performs "needs analysis". However, the company does not specifically go through the phase of "what it will be".

In terms of risk management, both companies perform risk assessment and risk analysis in their reshoring planning process. The importance of the assessment of the potential risks for reshoring are argued by many scholars and we have elaborated in the literature background of this study. This means assessing the risks associated with the reshoring activities and mitigate them by finding proper responses in case of occurrence is one of critical factors to make a reshoring project a success. For this reason, it is important for reshoring practitioners to decide what risk management tool and technique to use for the risk assessment process.

Both case companies assess their risk in some way during their reshoring planning process. Company A applies COSO risk model in its AS-IS mapping prestudy, while the company uses FEMA tool and in the project planning phase. As we discussed in the literature review chapter of this study, COSO ERM framework assists the businesses to identify the potential risks (both negative and positive) and plan necessary actions to manage or mitigate the risks. Also, the COSO model is a comprehensive framework which covers several aspects of the project from financial reporting and operations to the compliance with laws and regulations (COSO, 2004). Likewise, under FEMA framework the project team realizes the "natural hazard risks" pertaining to each project and assess the likelihood and the magnitude of each risk and thereafter support them to determine the reasonable response based on the resources they need to achieve the desired outcomes (FEMA, 2018).

It is a challenging subject to compare these two models with each other as the two case companies are dealing with relocating different production. However, one thing is evident that as these companies have been using their specific risk management tool for several projects over years, it leads us to conclude that the risk tool designed and practiced by them fits their

operations and projects, and assists them to get the desired objectives. Both the case companies claim that their reshoring projects were successful, and they achieved their pre-set objectives.

It is also worth highlighting that Company A applies a couple steps of project implementation such as project initiation phase which mainly concerns identifying project team, cost, objectives, and expected results in the mobilization (kick-off) step of reshoring decision making process and risk analysis embedded in project planning phase in the AS-IS mapping pre-study.

The final phase for the project according to PMI (2017) is to close the project and have a reflection through which the organization would review the reshoring practice from the initial stage till implementation and completion part and assess the results of the process, whether it was successful or not and what the project team in particular and the organization in general achieve and what lesson learned throughout the process and how they would do things differently in future similar projects. This step was performed by Company A in the same systematic and structured way as it is recommended by the model. Company A goes further and discusses and shares its obtained knowledge with its peers to develop their practical knowledge and is also willing to collaborate with universities to gain more in-depth academic knowledge about the phenomenon. However, this phase is not performed by Company B and they do not identify a well-defined and separate step for the project closure.

5.2 Modified conceptual framework

Compared to the original conceptual framework, the modified framework includes additional steps regarding project implementation and the rest of the steps are similar. Since, reshoring is perceived as a reversal of previous offshoring decision (Gray et al., 2013), the conceptual framework starts with an initial offshoring decision. The second step is identifying the challenges which then leads to the reconsideration phase.

As most commonly identified challenges concern cost and supply chain, these are included in the framework. Further, connecting these challenges to the existing theories, it was evident that both the companies have misjudged the location advantages (OLI) and miscalculated the total cost (TCE) thereby failed to develop distinctive capabilities (RBV) to serve the customers in a

better way. Therefore, challenges in the offshoring decision led to the third stage which is reconsideration. However, this stage is performed differently by both the companies.

During the reconsideration phase, if Company B finds suppliers who can do activities better (efficient cost-wise), then the company modifies the previous offshoring strategy and goes back to the initial decision as shown in figure 6. Otherwise the company plans and implements a new reshoring decision. While in Company A, when they face challenges, their immediate response is to move back production home. There is no reconsideration step for Company A.

Looking at the motivational factors of both companies, as mentioned in the discussion section, we find that it is an accordance with the Fratocchi et al. (2016)'s interpretive framework, hence, those are classified according to the firms' goals and level of analysis. All these steps are similar to the original conceptual framework. Once the companies have decided to continue with the reshoring decision, the final stage is to implement the reshoring decision. Both companies consider almost all the steps recommended by the PMI model. The only main difference is closure phase which is not performed by Company B. And since Company A applies a couple elements of project implementation such as project initiation phase which mainly concerns identifying project team, cost, objectives, and expected results, in the mobilization (kick-off) step of reshoring decision making process, and risk analysis embedded in project planning phase in the AS-IS mapping pre-study; they are also indicated in the modified conceptual framework. But again, since mobilization and AS-IS mapping pre-study do not fully cover all elements of project initiation and project planning, we believe that they cannot be entirely replaced, hence, we avoid to remove initiation and planning from the modified conceptual framework.

Overall, as a result of reshoring, both the companies have strengthened some of its capabilities such as increasing core knowledge and technological advancement in the factory, and thereby increasing the capacity. The given below figure 6 illustrates how the reshoring decision making process has evolved and how it is implemented in Company A and Company B.

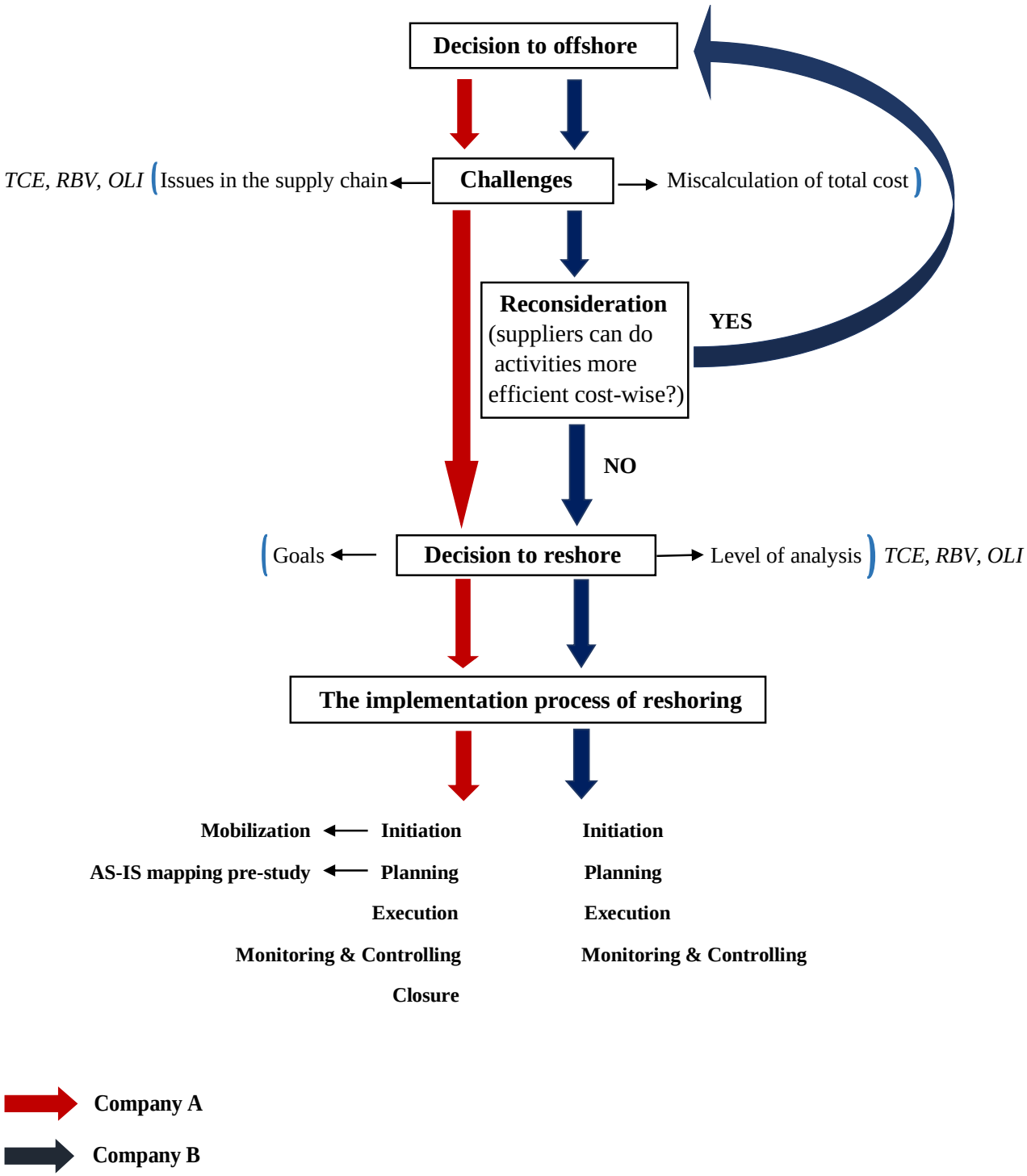

Figure 6: Modified conceptual framework highlighting the reshoring process in Company A and Company B.
Source: compiled by the authors.

5.3 Conclusion

This study has investigated how the reshoring decision process has evolved and how it is implemented in two large manufacturing companies located in Sweden. According to the study findings, both the companies has misjudged the location advantages (OLI) and miscalculated the total cost (TCE) and thereby failed to develop distinctive capabilities (RBV) with regard to the host country.

In addition, our findings strengthen the existing theoretical contribution by stating that reshoring has originated because of previous misjudged offshoring decision. This study also presents new findings to the existing theoretical fields by identifying some motivational factors such as technology and innovation as a complementary factor to support and strengthen the reshoring decision in order to be competitive and more efficient in the market rather than being an actual motivation of reshoring.

Also, we find that for our two case companies, their decision to reshore was because they misanalysed and miscalculated the total cost of their previous offshoring activities. This per se led Company B to change its offshoring strategy in a way they first try to have all manufacturing activities at home and in case it does not work out and does not meet the requirements and goals, they will later consider offshoring. With this argument, we believe that it is the offshoring decision-making process which has evolved over time.

Moreover, the results suggest that companies implement the reshoring project after careful assessment of costs and benefits of reshoring and check the feasibility of the reshoring initiative. We find that companies modify the reshoring implementation process according to the type of a project in terms of size, type of production, and their suppliers. Although they consider almost all the steps recommended by the PMI model, they do not execute them in the similar sequence, and they do not identify a specific time frame in order to accomplish project purposes.

5.4 Contribution to the Existing Knowledge

This thesis contributes to the research community by examining that how the reshoring decision making process evolves and how it is implemented. The concluded association provides a broader insight into reshoring motivational factors. While some of the identified motivational factors in the existing literature are found to have a complementary role to strengthen the

decision to reshore, rather than to be an actual motivation. Also, in this research the implementation of the reshoring was explored and investigated by linking international business management and project management which according to the literature review to this date, has not been studied before. The findings conformed that reshoring is a revised strategy of previous offshoring decision and not an independent strategy per se.

5.5 Limitations

In this study, we focused only on the two *large* companies in the *manufacturing sector* located in *Sweden*. As we do not include other companies in other industries, the motivational factors behind reshoring and its decision-making and implementation process are limited to these *three* criteria and may differ for other firms based on size, industry, and country characteristics. Reshoring in our study is treated as a reversal of previous offshoring decision and as a result of managerial mistake. When investigating the reshoring phenomenon, we excluded services reshoring and only examined manufacturing reshoring. Also, this study was conducted during the COVID-19 pandemic and due to its respective complications, in-person meetings, possibilities for travel, and the availability of the two case companies' respondents were largely limited. This severely affected our data collection pertaining to the implementation process of reshoring and several potential interviews were not undertaken due to the unavailability of the respondents.

5.6 Future Research

To overcome such limitations, further research is required.

- The reshoring motivations and its implementation process can be investigated for other firms with different size, industry, and country characteristics. A future study on a bigger scale could facilitate the examination on more industries than just manufacturing sector.
- The same study could be conducted for services reshoring.
- The further research is necessary to re-investigate the implementation process of reshoring in order to have a better insight into each project management process group.
- A future study could be conducted to examine the implementation process of reshoring when perceived as an independent strategy.

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7. Appendix

Interview Question Part 1:

1) How did you come to the decision of offshoring? Could you please explain the overall decision-making process? (time, cost, Stakeholders pressure)

2) When did you start your manufacturing or production activities abroad?

3) To which country? Why did you choose that particular country? What are the motivational factors behind the decision? List out the home country and host country factors that influenced the outsourcing/ offshoring decision.

4) In how many countries do you have production facilities? How did you choose those countries?

5) What part of manufacturing, production or operation activities did you offshore? Part of the activities or full unit?

6) There are different ways to do offshoring. What was your choice of preference?

7) What are the expected benefits of offshoring? Do you think the expectations are met in the end?

8) What are the expected risks and barriers of offshoring production to other countries? Were there any unforeseen risks or barriers identified during the implementation process?

9) What are the direct and indirect costs involved in the decision-making process? Did you come across any unforeseen costs during the implementation process?

10) What is your overall experience of offshoring? Does the outsourcing/ offshoring decision result in a competitive advantage?

11) Based on the initial plan and objectives, how do you perceive the final outcome of the offshoring strategy?

Reshoring

1) How did you come to the decision of reshoring? Could you please explain the overall decision-making process?

2) When did you start reshoring? From which country? Have you moved back all your production activities or still maintain a part of the activities in the host country? If so Why?

3) What were the key reasons or important motivational factors for reshoring?

4) What were the expected risks and barriers of reshoring?

5) What were the expected advantages of reshoring? Do you think the expectations are met in the end or will meet in the near future?

6) What is your overall experience of offshoring? Does the reshoring decision result in a competitive advantage? If so why?

7) Based on the initial plan and objectives how do you perceive the final outcome of the reshoring strategy?

8) What is your opinion on Sweden's competitive advantages or ease of doing business compared to other host countries you operated before?

Interview Questions Part 2:

1.Please elaborate the phases of the project from the idea generation (the needs) till implementation and then to assessment of the project and its impact on the business. You may follow the questions or the tables below in case you find it appropriate.

- Planning? Please elaborate step by step procedure of how you actually planned the whole process.
- How long did it take to plan the whole process?
- How many people were in a team? (same / different teams)
- What was your first step?
- What were the objectives and what results did you achieve?
- How did you plan the budget?
- What were your cost expectations?
- What is the production process?

Table 1: Project Planning

Project steps/ countries	Host Country
Current situation and needs analysis	
Objectives	
Stakeholders analysis/actors engaged in the project	
Project organization/ responsibility of different departments to implement the project	
Time plan	
Budget	
Risk analysis	
Communication plan with actors involved	
Mode of evaluation	

Table 2: Project Life - Cycle

Project life - Cycle	Host Country
Pre-study (initiate the project)	
Planning	
Execution	
Monitoring and Controlling	
Closure	

2. Do you follow similar steps for all the reshoring processes? If not, explain how it is different from one to another?

3.What is your new reshoring project? If you have new projects are you following similar steps in this project as well?

4.You said that you have collaborated with Jönköping university in the previous interview. So, our question is whether this collaboration helped you perform better during reshoring project implementation.