



Best Cost Country Sourcing

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Geopolitics, tariffs and trade fluctuations, shifting costs and capacity, and a global pandemic that disrupted business globally – if the last few months have taught us anything, it's the power of resiliency.

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Organizations learned the hard way that single sourcing from the lowest cost provider introduces significant risk, especially in instances where that strategy is used without backup plans to allow for exchange of either suppliers or geographies. This, combined with promising new entries on the global stage, means many companies are reevaluating how to balance cost competitiveness and risk when sourcing raw materials, manufactured goods and services.

What are Best Cost Countries?

Best cost countries are often erroneously equated with low cost countries, but while the latter may offer the lower price, underlying factors associated with doing business in and with these countries can collectively produce an unfavorable total cost to the company.

Evaluating low cost countries based on labor, materials, logistics, inventory, payment terms, trade considerations and others, helps companies determine the location or locations where their total cost of ownership is optimized – their best cost countries.

Change is the constant. Learn more about how A&M applies leading practices and the latest global manufacturing and sourcing data to help clients manage change, and identify new options that address total cost and supply chain risk. Contact us today.

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