



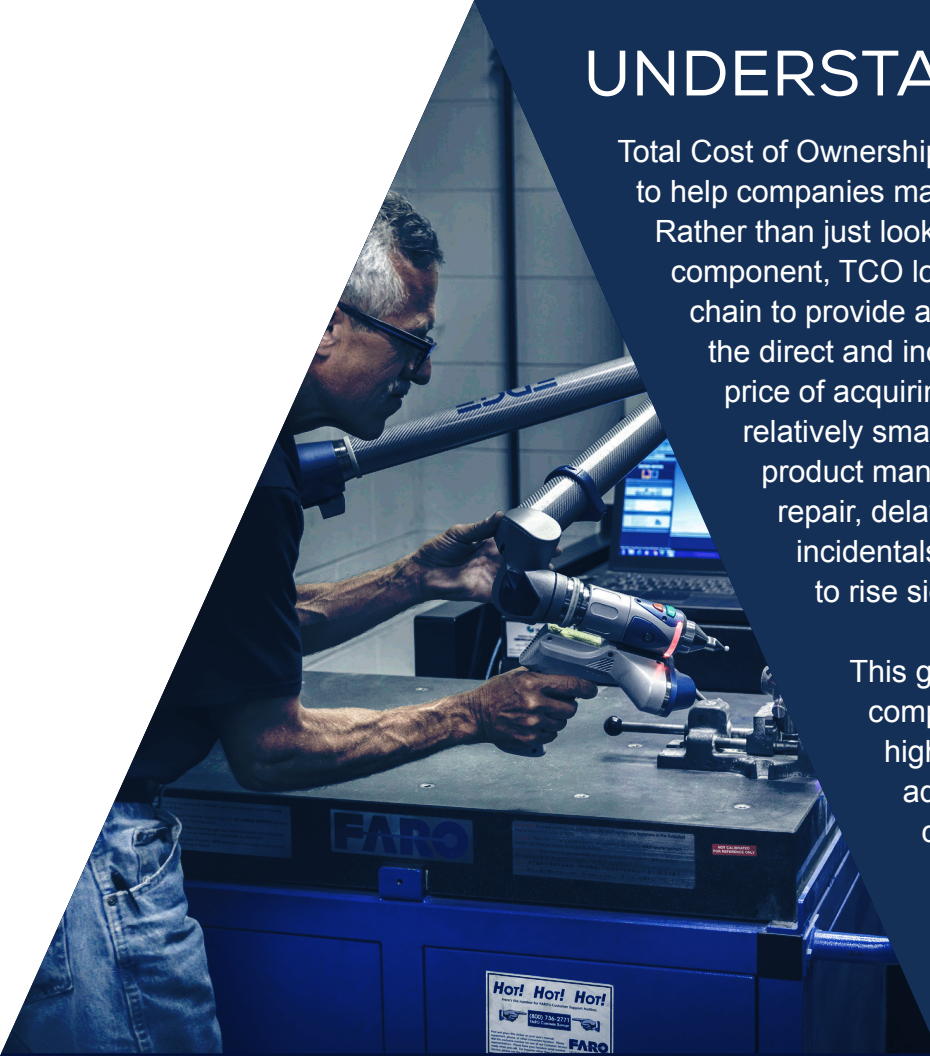
RESTORE & RESHORE

UNDERSTANDING TCO

Total Cost of Ownership (TCO) is a calculation designed to help companies make informed financial decisions.

Rather than just looking at the purchase price of a component, TCO looks at the complete manufacturing chain to provide a comprehensive view and determine the direct and indirect costs of a product. The upfront price of acquiring a specific part overseas may appear relatively small initially. However, costs incurred during product manufacturing and lifetime, such as service, repair, delays, replacements, insurance, and other incidentals, commonly cause unplanned expenses to rise significantly and accrue rapidly.

This guide provides a comparative analysis for companies looking to supply customers with high-quality market-leading products of the additional and often overlooked costs that are commonly inherent in overseas manufacturing to the benefits of reshoring manufacturing and domestically restoring supply chains with Anchor Harvey.



QUICK SHEET **COMPARISON**

For years, manufacturers have been offshoring at least some of their manufacturing to remain competitive. But that has changed.

For a growing list of reasons—from economics and logistics to security and quality—companies are reshoring their supply chains and bringing operations back to the U.S.

HIDDEN COSTS AND LIABILITIES OF MANUFACTURING OFFSHORE

LONG LEAD TIMES

- No Flexibility
- Large working capital requirements
- Obsolete parts, machines, and processes

INCONSISTENT QUALITY

- Minimal quality assurance and unreliable standards
- Inefficiency and limited product knowledge
- Increased probability of faults and need for replacements

EXPENSIVE LOGISTICS

- Significant freight and overseas shipping prices
- Increased insurance costs
- Tariffs, customs, and tax payments

SECURITY RISKS

- Lack of intellectual property protections
- Regulatory compliance uncertainty
- Brand reputation degradation

BENEFITS OF DOMESTIC MANUFACTURING WITH ANCHOR HARVEY

SHORT LEAD TIMES

- Industry-leading 4-6 weeks
- Low overhead
- Dynamic and adaptable cellular workflow
- Built-in process redundancies

SUPERIOR QUALITY

- Quality consistency with process controls and data monitoring
- Expert engineers, compliance accreditations, and certifications
- Six Sigma methodology for unmatched efficiency
- Industry-leading new tool and sample lead times

DOMESTIC SHIPPING

- On-time delivery at minimal cost
- New product speed-to-market support
- Local tax benefits

ENHANCED PROTECTION

- Complete intellectual property protection
- Full regulatory compliance
- A 100-year history of success

LEAD TIMES

In modern manufacturing, accounting for the amount of time it takes to complete a process from beginning to end is crucial. Whether you're looking to meet an assembly or shipping deadline, hit a launch window for a new product, or tighten your production schedule, the lead time of your manufacturing partner can prove the critical fulcrum between success and failure.

OFFSHORE

Long lead times inherent in overseas manufacturing cost companies millions of dollars each year in missed opportunities. With considerable working capital requirements, a high inventory prerequisite, and orders stuck in transit on cargo ships or customs, overseas manufacturing can often lead to misaligned supply and demand or costly delays. Supply chains built around offshore manufacturing are additionally subject to the whims of foreign governments and unstable supplies of raw materials, either or both of which can lead to expensive spikes in production costs. As international trade regulations fluctuate, so too does the availability of raw materials, the levying of tariffs, and the length of potential delays. Where uncertainty increases, unplanned expenses and an inflated TCO tend to follow.

ONSHORE

Anchor Harvey helps manufacturers adjust their supply chains to a new trading landscape. As a U.S. manufacturer with an entirely domestic supply chain, we provide our partners with new tool and product lead times that are 3-4 times faster than the industry average. Located in America's heartland, we utilized advanced logistics to provide on-time delivery at a minimal cost. With wholly domestic material sourcing, we are often able to secure shorter lead times for the raw materials needed to create forged components, and with low or no overhead inventory requirements, we're able to save our customers time and money. Combined with a dynamic and highly adaptable cellular workflow, we maintain a level of flexibility and responsiveness that overseas suppliers are unable to match to deliver speed and unrivaled efficiencies.

PRODUCT QUALITY

The long-term success of any company resides in the quality of their final product. Being able to consistently deliver a high-quality product to end-users relies on the quality of the components contained within it in order to deliver dependable, repeatable performance.

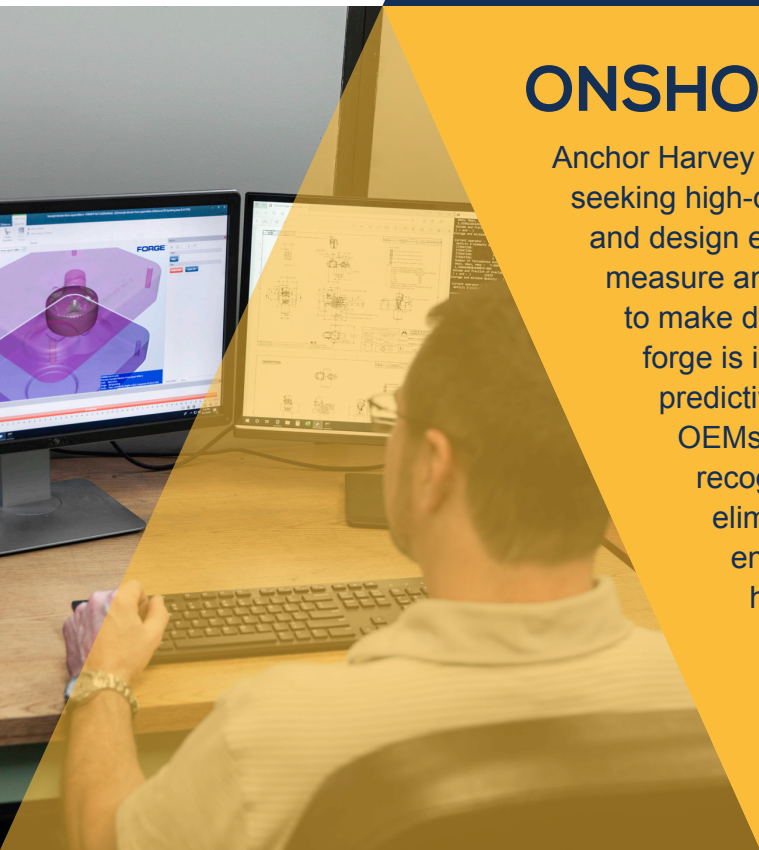


OFFSHORE

Often with minimal or dubious quality assurance practices, the substantial degree of inconsistency commonly found in overseas manufacturers' components is a rapidly growing concern for many industries. Unknown processes and maintenance procedures cause heightened concern and stress about the final condition of components that may arrive in as outsourced components have a fault rate that can be as much as seven (7) times higher than their domestic equivalents. Often manufactured by workers operating with limited knowledge or understanding of the part or its end-use, the expertise needed to discover a design flaw or suggest an improvement can lead to an increased need for replacement parts, further driving up TCO and causing additional delays.

ONSHORE

Anchor Harvey provides full-service support to customers seeking high-quality precision components. From consultation and design engineering to production and final inspection, we measure and monitor every step of the cellular forging process to make decisions using data and guarantee the first part we forge is identical to the millionth part. Our preventative and predictive maintenance services have been audited by major OEMs and name-brand manufacturers, being consistently recognized as a premier program for improving uptime and eliminating unexpected downtime. For 100 years, the expert engineers at Anchor Harvey have produced the critical high-caliber components for industries where failure and inconsistency are not an option, such as defense, medical, and aerospace.



COSTS & LIABILITIES

From transportation and logistics to ensuring full regulatory compliance and securing intellectual property, exposure to liability and extra expenditures comprise a significant portion of the TCO for many products—and a substantial degree of risk for companies.

OFFSHORE

Companies reliant upon overseas manufacturers are subject to multiple governments' laws, policies, and regulations, a change to any one of which can result in unplanned expenses and further drive up TCO while potentially exposing companies to legal risks and public relations disasters. Additionally, sending trade secrets or confidential designs for manufacturing overseas can put intellectual property at risk, potentially costing millions of dollars in losses through leaks of proprietary information. Overseas manufacturers may also be subject to specific laws, such as China's 2017 National Intelligence Law, requiring Chinese companies to cooperate fully and assist the government for national intelligence work on an as-requested basis.

ONSHORE

By manufacturing domestically with Anchor Harvey, companies can ensure complete intellectual property protection for all products and innovations. Over the last 100 years, we have helped provide safety and security in businesses' end applications across all industries with top-quality components proudly made in America. By working with Anchor Harvey, our customers can reshore their supply chains and avoid costly unplanned overseas expenses or tariffs while securing local tax benefits. With a century-long record of safety and security, we maintain full regulatory compliance to reduce risk and eliminate liabilities.

CERTIFICATIONS & MEMBERSHIPS

AS9100

CQI-9

ISO 9001

ITAR

NSF-ISR

AIA

FIA

RAAN

RESHORE WITH ANCHOR HARVEY

Our streamlined processes and cellular workflow will ensure we deliver forged aluminum components of the highest quality to meet your production deadlines. Our skilled workforce and technological leadership are here to increase your competitiveness while reducing costs by avoiding tariffs, import fees, liability exposure, and expensive production delays. Discover the benefits of superior quality and the numerous advantages of working with a domestic partner that provides full-service support, in-house services, and stateside value chain partnerships designed to support you at every step.

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