Outsourcing: White Knight or Evil Dragon?

Can Outsourcing Become the Answer to America's Unemployment Problem?
Agenda

Rural Sourcing, Inc. Overview

What is Domestic Sourcing?

Why Is This Relevant Now?

Higher Education’s Role in Creating this Industry
RSI Opens Office in Augusta, GA
Vision
Representative List of Clients

Health Care & Life Sciences
- Human Genome Sciences
- STIEFEL
- CareFusion
- Cardinal Health
- CHARLES RIVER
- gsk
- MEDICIS
- BlueCross BlueShield

Consumer & Industrial
- RJ Reynolds
- CONAIR
- Eby-Brown
- SENECA
- NVR
- McDermott International, Inc.

High Tech & Software
- Harte-Hanks
- TRILLIUM SOFTWARE
- Clarius Information
- Novell
- FoodLogiQ
- Deloitte
- Science Applications International Corporation
- NANA
- The Rawlings Group
- RSI
Recent Rural Sourcing Press

Outsourcing To Small Town USA 09 Jul 2010
American companies are now outsourcing to small towns in the United States, with Monty Hamilton, Rural Sourcing CEO.

Find the Right Balance Between Agility, Economy, and Safety
Something similar is happening in the United States. Companies that are sensitive to claims that shipping jobs overseas is an option at home. Rural Sourcing Inc., which builds development to-large cities such as Pittsburgh, Cleveland, and Tampa), says revenues this year will be 300% above last year's.

While Asian and Indian workers have their own distinct cultural attributes, says CEO Monty Hamilton, Americans do as well. "We tend to push back, apply our own critical thinking, and create closer collaboration to reach the best answer," he says. Rural Sourcing, which offers IT application development and maintenance, is in the midst of choosing the site for a third location, supplementing centers it has already opened in Jonesboro, Arkansas; and Greenville, North Carolina. "We are the new smokestack companies," says Hamilton.
What Is Domestic Sourcing?
Rural Sourcing

“Rural outsourcing is the practice of outsourcing work to suppliers with delivery centers located in low-cost, non-urban areas. The model promises lower costs to clients than urban-based centers and a higher quality of work, superior domain knowledge, a higher cultural compatibility, closer proximity to the customer, and time zone advantages over offshore suppliers” (Lacity et al. 2008).
Why Is This Relevant Now?
"At stake right now is not who wins the next election…. At stake is whether new jobs and industries take root in this country, or somewhere else.”

-- President Obama

“There are many people watching tonight who probably remember a time when finding a good job meant showing up at a nearby factory or a business downtown. You didn't always need a degree, and your competition was pretty much limited to your neighbors…. “ – President Obama
Inflation rate for the past two years has averaged about 13%. Current wages for IT professional in India ~600,000 INR which Equates to ~$13,000 USD.

Current bill rate for India IT professional range from $25 - $30. US equivalent bill rate for RSI $45 - $50. At these inflationary rates The gap closes within the next 4 years assuming a moderate 2 -3% inflation in US.
Revenue of Select Industries

Source – First Research & Forrester Research

(Billions)
Outsourcing Industry Satisfaction

Source: University of Missouri St. Louis Study
Customer Satisfaction

PEGGY
Customer Satisfaction

- **Source:** 2008 CFI Contact Center Satisfaction Study

  Domestic agents scored 84 out of a possible 100 points, while their offshore counterparts hit 26 percent lower at 62. U.S.-based contact centers do a better job of resolving issues on the first call i.e. first call resolution or FCR (68 percent of the time) than those perceived to be located offshore (42 percent). The result is higher customer satisfaction with contact centers perceived to be based in the U.S. (78 vs. 56 for offshore) and half as many unresolved issues as those perceived to be offshore.
U.S. Opportunity

~ 1 Million U.S. Jobs Created
Economic Development’s Role
The Marginalized Worker...
Your Questions ?