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Outsourcing To Podunk: Keeping Jobs Within The Borders

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Summary:

If you have called a company�s customer service call center or a computer manufacturer�s tech support department lately, you probably have had the �joy� of experiencing outsourcing for yourself. The inefficiency of non-native English speakers as tech support personnel is astounding; however, corporate management across the US feel the money saved in salaries by sending jobs to southeast Asia outweighs the nose-dive in customer satisfaction ratings. Forrester Research predicts...

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Article Body:

If you have called a company�s customer service call center or a computer manufacturer�s tech support department lately, you probably have had the �joy� of experiencing outsourcing for yourself. The inefficiency of non-native English speakers as tech support personnel is astounding; however, corporate management across the US feel the money saved in salaries by sending jobs to southeast Asia outweighs the nose-dive in customer satisfaction ratings. Forrester Research predicts that by 2015 at least 3.3 million white-collar jobs ($136 billion in wage earnings) will be outsourced outside the US.

As US consumers demand lower prices for goods and services while seeking higher and higher salaries, corporate America is caught in the squeeze and has sought a solution outside the borders of the US. But what if there is a solution closer to home � say in Arkansas?

Outsourcing to rural America may be a win-win solution for the growing problem of rising salaries and demand for lower cost goods. With the cost of living up to one third lower in rural areas of the US compared to major metropolitan areas such as San Francisco or New York, salaries are lower and talent is more abundant. IT salaries in rural America can be as much as 40% lower than in large metro areas, offset by a lower costs of living. It makes sense to send customer service and IT work to underemployed workers in areas such as North Carolina and New Mexico.

What types of jobs might be prime targets for rural outsourcing? Most IT positions from software developers to project managers can be sent to rural America as can most jobs that have a home-based element. Customer service centers are being moved out further from urban areas to take advantage of available labor and native speakers of English.

Outsourcing within the borders means broader opportunities for executives and managers who wish to opt out of the urban lifestyle and settle in smaller towns that provide safer environments with less stress. Taking a job in a rural area may mean a 20% pay cut but usually the lower cost of living offsets the cut, and may actually reduce expenses such as gas and food costs.

It pays to investigate small town opportunities which, granted won�t have as many opportunities available as the big metro areas, but the upside is you�ll also have a lot less competition. For example, McKesson Corporation, a large pharmaceutical distributor, relocated a primary data center from San Francisco to Iowa and saved an estimated $10 million in annual salary costs. Besides the salary cost benefit, there are other benefits to keeping the work at home including friendly time zone spans, cultural understanding, common language, and preserving the tax base. The political and economic benefits cannot be underestimated, either. Nashville, Tennessee provided Dell Computer with tax incentives to locate a manufacturing and customer service location in their area.

Rural Sourcing, Inc. (http://www.ruralsource.com) of Jonesboro, Arkansas creates white collar jobs by keeping work that would otherwise be outsourced overseas in towns like Greenville, North Carolina, and Dubuque, Iowa. RSI provides project work, call centers, and other commonly-outsourced jobs to the talented workers who spring from �the sticks� and wish to stay there.

Jennifer Daly a native of Manchester, Tennessee, a small town of approximately 20,000 people says, �Nearly all the top 10% of my high school graduating class have left the area. We all went to college and got engineering, computer, or education degrees but couldn�t remain at home because there just weren�t any jobs here. It�s too bad. This is a great town to raise a family.�

Manchester, Tennessee fits the profile of the type of town RSI targets for new locations � available talent, near large universities, with a low cost of living and good education systems. Similar small towns experience a �brain drain� when the young professional adults with new degrees are not able to settle �at home� but rather must move away to find jobs. Jack Allen, an IT executive moved to Austin, Texas to ride the dot-com bubble but ended up back in his home town of Perry, Georgia after the bubble burst. He now commutes an hour each way to his new position in McDonough, Georgia. �I want to raise my kids in a small town. Life is quieter and safer here.�

With the post-9/11 era of urban flight, bringing the white collar jobs to small town America is a growing trend. Professionals in rural areas are as well-educated as their urban colleagues and are not as burdened with high housing costs and other cost of living items. Bringing the jobs to them that would otherwise be sent to India, Malaysia, or Pakistan benefits everyone in terms of cost savings and better customer service.