

Business Asset

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Sourcing Goes Country

BY MOLLY JENKINS

As rural sourcing brings more offshore jobs back to the U.S., the media spotlight has mainly focused on major corporations picking up on the trend, but it's also a great option for small businesses.

Rural sourcing is the practice of hiring American companies in rural areas to perform duties that are typically shipped out of the country to places like India and China, where the cost to outsource is significantly lower than it would be in typical American centers. It goes by many different names, including "rural outsourcing," "onshoring," "near-sourcing," "domestic sourcing," and "re-shoring."

Commonly outsourced services include information technology, call centers, manufacturing, processing, and financial research. These services exist in urban American areas but they come at a high cost that is no match for the large-scale manufacturing and service centers overseas. By basing these services in

rural areas, where pay rates and the cost of living are significantly lower, American companies can come closer to matching the cost of offshore sourcing.

In the last few years, corporations like General Electric and Ford have made well-publicized announcements about switches from overseas service providers to domestic ones. At a time when the economy is struggling, Americans want to hear that we are hiring within our own borders and providing jobs for American citizens.

In fact, a survey conducted last year by Whit Ayres and Mark Mellman for the Alliance for American Manufacturing found that 83% of Americans had a negative view of companies that sent jobs to China. Major corporations have publicized their switches to domestic sourcing because they realize that consumers don't want to hear about jobs going overseas at a time when domestic unemployment rates are so high.

That's why marketing "American-made" is a great way to attract customers right now. By branding your small business as one that operates entirely on American shores, you may be able to attract customers who are looking to support domestic interests. While American companies are still not as cheap in a straight cost-to-cost comparison, the real benefits of domestic sourcing can be seen when you look beyond the numbers.

How can rural sourcing help my business?

Rural sourcing can help small businesses save through decreased oversight, increased quality and security, and higher customer satisfaction. While the cost of outsourcing overseas looks cheaper initially, when you factor in overhead costs and the cost of time spent dealing with problems caused by international issues, outsourcing locally may actually be more cost effective for your small business. It can help you...





Eliminate Cultural Difficulties

Various problems arise with the use of foreign companies: everything from breakdowns in communication through language problems and time zone inconveniences to customer service and management clashes caused by cultural differences. By working with American employees, companies can save time, headache, and ultimately overhead. Monty Hamilton, CEO of Rural Sourcing, Inc., says that the customer service you receive from American companies differs in that it offers a “more collaborative thinking, as opposed to the rote thinking patterns you find overseas.” He believes that the different attitudes you find in American sourcing companies offer a more creative, flexible, and proactive approach to customer service.

Provide Greater Flexibility

Rural sourcing companies have more flexibility in contract length, which is a great benefit for small businesses. While many companies in Asia offer only long-term contracts of 3-10 years, American companies can provide services on a smaller and more flexible scale, making them more affordable to small businesses with their smaller budgets. Outsourcing then becomes a variable, rather than a fixed, cost.

Manage Training and Quality

Quality control becomes much more manageable when the training agents and administration don't have to travel halfway around the globe or trust others to manage in their stead. Most rural outsourcing centers are located within an hour's drive from a major U.S. airport. With direct access, training, quality assurance, and overall management become significantly easier.

Assure Customer Data Security

Another worry for companies who send their business out of the country is security and data breaches. Data breaches have become increasingly common and can be a huge threat to a business's public image and reputation. It is much harder to control security

overseas, especially if the foreign country has different privacy laws. By outsourcing domestically, businesses can guarantee that any data they may process through their service center is protected under American security laws and will be easier to track and monitor.

Avoid Complicated International Regulations

Rural sourcing benefits companies by allowing them to avoid dealing with the rules and regulations that sending business overseas demands. It is much easier for U.S. companies to comply with U.S. data regulations and avoid additional management and administrative costs than to deal with foreign regulations (or a lack thereof).

Is This Going To Benefit My Company In The Long Run?

The rural sourcing trend can be particularly helpful to small businesses that depend strongly on loyalty and have fewer hands and smaller budgets to manage overseas sourcing. Through U.S. sourcing options, small businesses may find outsourcing to be attainable when it previously was not. It may not be for everyone, and it is up to each company to weigh its own options, but rural sourcing has proven to be an option that is efficient, cost-effective, and increasingly marketable.

Hamilton, who has been in the IT industry for over 25 years, says that he believes we can bring at least 10% of Information Technology outsourcing back to the U.S., creating 50-60,000 more jobs in a \$5-6 billion industry. As more Americans catch on to the “American-made” trend, the marketability of domestic goods grows. Now is a great time to look into rural sourcing, especially if you had previously seen outsourcing as too much of a cost burden for your small business to take on. As both an American and a small business owner, rural sourcing could be a great step for your company. **BA**

IS RURAL SOURCING RIGHT FOR MY COMPANY?

1. Identify your outsourcing needs. If you aren't already outsourcing, see where it could help you the most. Outsourcing to call centers and for highly-specialized services like information technology can be very cost-effective for small businesses.
2. Consider your marketing strategies. There is no better time to market all-American and this move could provide great publicity for your company.
3. Get rates and a cost breakdown. Rural sourcing centers should have a domestic vs. overseas service analysis ready for you. Don't ignore all the hidden overhead costs that going out of the country can incur.



Calling
All Women
Entrepreneurs –

Now's
Your Time
to Shine

While women have struggled historically with equal pay and discriminatory treatment within the workplace, national trends and statistics show that there's never been a better time to be a businesswoman.

According to a recent article in *Newsweek*, “Women Will Rule the World,” by 2005, women represented more than a third of people involved in entrepreneurial activity, and the number of female-owned firms continues to grow at twice the rate of all U.S. firms. As authors Jessica Bennett and Jesse Ellison write, “Indeed, it's not a leap to say that female entrepreneurship may help revive the fortunes of the middle class in the developed world.”

Rita Talamonti, a personal financial advocate who recently launched her company, Good Egg LLC, after several years in the corporate world, knows firsthand about succeeding as an entrepreneur in today's complex economic environment.

Talamonti's success has led her to encourage her female peers to follow their own dreams. “Now is truly the best time for women to think about starting their own businesses,” says Talamonti. “When the economy is changing as it is today, women with entrepreneurial minds can take a look

at the needs of the population and ask themselves how they can help meet those needs.” She offers three tips for aspiring female entrepreneurs:

Find a Mentor

Talamonti explains that once she identified the need within her community, she sought the advice of respected professionals in her network before fleshing out her plans of becoming a financial consultant. “I spoke with women in several industries... The advice and insights they gave me were invaluable,” she says.

– and your customers will want to know your background and credentials.”

Put Your Plan In Writing

It's essential to put a strong, thoughtful business plan down on paper before executing anything. “Once I developed my initial business plan, I asked my mentors, both professional and educational, to review my ideas before I implemented them,” Talamonti says.

Talamonti is passionate about the opportunities available for women in today's

More than **10 million U.S. businesses** are owned by women and the number continues to grow at twice the rate of all U.S. businesses.

Further Your Education

“Making sure you have the appropriate level of certification is key,” Talamonti says. “Before beginning your business, consider returning to school to get an advanced degree in your field of choice. It's important to be an expert in your industry

economic climate. “Now is the time to reassess your options and consider opening your own business,” she says. “Ask yourself what you're passionate about and where the needs are in the marketplace – and then begin to take ownership of your career.” **ARAcontent**



TOP 10 OF 2010

In honor of the new year, we decided to take a look back at our most popular features and count down to our most compelling story of the last 12 months. Enjoy the trip down memory lane, and we'll see you in the Spring for a brand-new batch of business tips, features, and how-to's.

10. Mastering PCI Compliancy

You love your customers. And an important way to show them you value their business is to take good care of their payment information. In Our Fall issue, reporter Rob Kaufman dug deep to uncover the mysteries of how to be PCI compliant.

9. Hobbies Turning Into Business Ventures

As the economy continues to make a recovery, consumers still find themselves unemployed, and some are turning to their own hobbies to help them get back on their feet. Also in our Fall issue, we discussed some tips on how to successfully navigate turning your favorite pastime into a lucrative small business.

8. Think Like a Lender to Get a Loan

It's important to understand your small business's financial situation at all times. And we found out in our Summer issue that when it's time to take out a loan, thinking like a lender can prepare you for the road ahead and improve your chances of securing a good one.

7. Using Competitive Intelligence

Knowing what your direct competition is up to does more than keep you in-the-know – it can also help you understand the trends that are affecting your customers' interests. This Fall, we discussed some strategies for undertaking what's known as competitive intelligence.

6. Bartering Services and Goods

Trading among small businesses is increasing dramatically – so this Spring we took a look at how small business owners like you could get in on the convenience (and sometimes, the savings) of bartering services and goods.

5. Boutique Cupcake Bakeries

It's been a sweet few years for Gigi's Cupcakes, based out of Nashville, TN. This summer, we sat down with owner Gigi Butler and found out how she

whisked together a hugely successful boutique bakery in a matter of months – and how she's now mastering the fine art of franchising.

4. Angelic Investments

When you're in need of major financing to make your entrepreneurial dreams come true, a boost from an investor can be like manna from heaven. We investigated the angel investor phenomenon this summer and found out that it's easier than you think to secure this kind of financial godsend – you just have to know where to look.

3. Handmade Chic

Jenna Smith and Danielle Sargent are friends who stitched together a successful handbag business. Back in the Spring, we visited them at their headquarters in western Massachusetts and talked about handmade chic and how they are building their retail presence.

2. Surviving the Social Media Wave

Facebook isn't going away anytime soon – and as a savvy business owner, you need to be aware of the pitfalls social media poses to your brand, your business, and your reputation. This fall, reporter Molly Jenkins uncovered the truth about navigating the sea of social media.

1. Made in America Is Making a Comeback

Brilliant design, hard work, and an undeniable passion – they're hallmarks of true American ingenuity and Brad Harrison has them all. This entrepreneur has rewritten the book on an American classic and is reaping serious rewards. Harrison Harmonicas is bringing the foundations of manufacturing back to the USA, one handcrafted "harp" at a time. **BA**

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