

Labor Components Of Rural Broadband:

The Impact Of OnShoring

Christopher Hytry Derrington
CEO and CoFounder



Chris's Bio

- ✓ CEO and Co-Founder of Rural America OnShore Outsourcing, Inc.
- ✓ Serial Entrepreneur: CEO or interim CEO in 13 start-up companies over the past 18 years
- ✓ Startups include: echoDonations.org, Alta Financial Technologies, IsoTruss Composite Manufacturing, Wind Tower Composites, iLifeSite.com, Safari Beach Software, Arztec Computers, JeNaire Software, Terra Aerospace.
- ✓ BS in Engineering Management-Aerospace Engineering from Missouri University of Science and Technology.



Set the Stage:

Fact 1

The United States now ranks 22nd among the world's nations in the density of broadband internet penetration and 72nd in the density of mobile telephony subscriptions.

-- *World Economic Forum Global Information Technology Report 2009-2010*

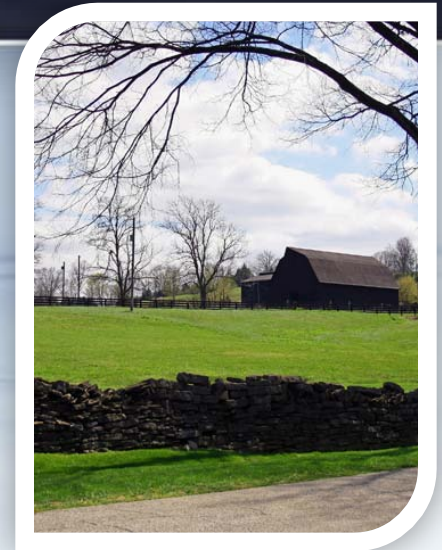


Set the Stage:

Fact 2

There are an estimated 50 million Americans living in rural areas (defined as having a population less than 10,000).

-- *Carsey Institute, Demographic Trends in Rural and Small Town America, Kenneth Johnson, 2006*



Set the Stage:

Fact 3

Rural population areas have a broadband penetration of 75 percent; well below the national average of 89 percent.

-- *comScore, Inc. Broadband Penetration Study, 2009*



Set the Stage:

Fact 4

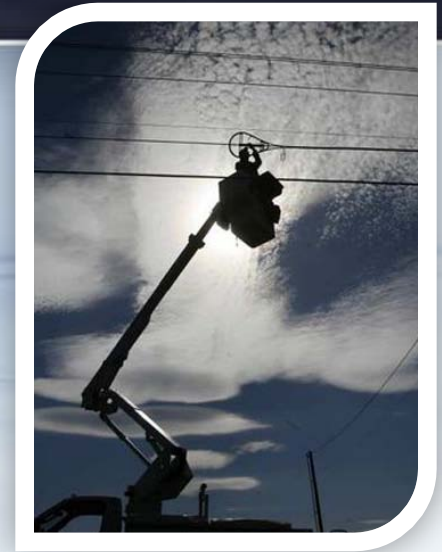
The American Recovery and Reinvestment Act of 2009 appropriated \$7.2 billion to "expand broadband access and adoption in communities across the U.S., which will increase jobs, spur investments in technology and infrastructure, and provide long-term economic benefits."

-- www.broadband.gov, 2009



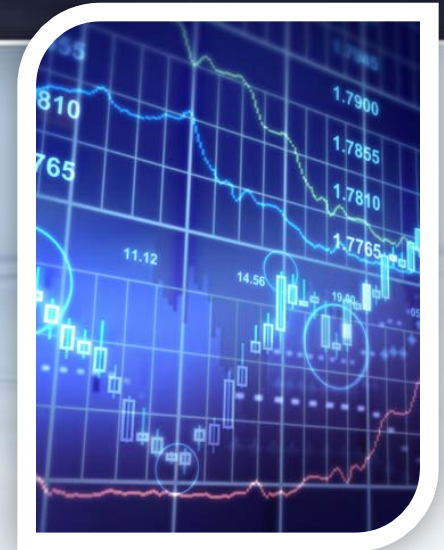
Huge Market

- ✓ 10 million people will eventually have access to broadband for the first time.
- ✓ Mix of farmers, workers, freelancers, and business owners.
- ✓ Need jobs, education, e-commerce sites, web tools, new business support services, etc.
- ✓ Market equal to being the eighth largest state in the USA, behind Ohio.



New Entrepreneurial Opportunities

- ✓ **Economic Opportunity to Work** 250,000 to 2,400,000 jobs will be created. new virtual management techniques, and new process methodologies are required.
- ✓ **Remote Infrastructure** New businesses are being created . They need professional services provided either by local firms or via the Internet, aka “The Cloud”.
- ✓ **21st Century Medicine** Remote medicine practices will continue to be refined & expanded.
- ✓ **Education and Training** Educational industries, training, distance learning, & secondary/advanced degrees.
- ✓ **OnShoring** Tele-workers and micro-business development centers of five to 50 people will flourish.



OnShoring: Bringing Jobs back to Rural America

- ✓ **New broadband users:** opportunity for thousands of new jobs to be brought back.
- ✓ **With cost of living ~ *half* of urban areas,** willing to work at rates far less than urban Americans.
- ✓ **Rural USA is \$\$ competitive** with offshoring.
- ✓ **Internet know-how** and advanced professional skills.
- ✓ We turn away candidates without broadband.



Different Types of Outsourcing

USA Urban Outsourcing - domestic, urban firms contracted to provide a service - **old school**.

Offshoring - contracting with firms in places like India and China - **started becoming popular in the 1980s**.

Nearshoring - outsourcing to firms in Central and South America - **last ten years**.

USA Rural OnShoring - domestic firms in rural communities or distributed rural teams contracted to provide a service - **last five years**.



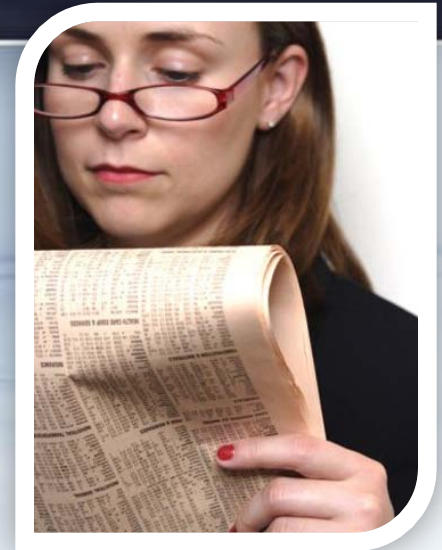
Offshoring Still Growing, but...

- ✓ Overseas labor costs continue to increase
- ✓ Low cost providers don't always work out
- ✓ SMB can't afford to provide management oversight to receive quality, thus cost savings not achieved
- ✓ MLB are finding that moving from vendor to vendor and country to country comes with a cost
- ✓ Productivity drops dramatically through every transition



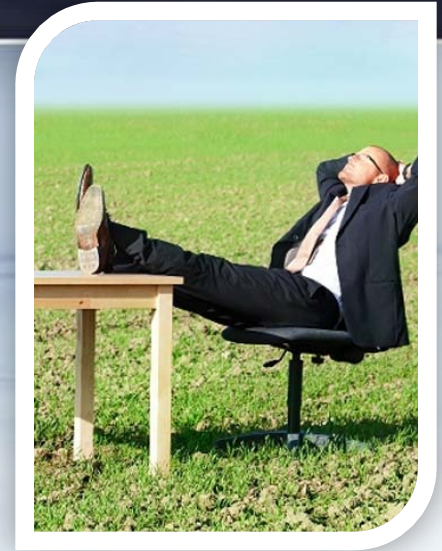
"Rural America is Flat"

- ✓ The quest for outsourcing savings has come 360°
- ✓ Rural labor is a viable alternative
- ✓ 25-40% less cost than USA Urban Labor
- ✓ 0-20% greater cost than Indian Contract Labor
- ✓ Rural labor is skilled in a wide variety of technologies and services
- ✓ Same language, same culture, same laws



No More Counting Butts in Chairs

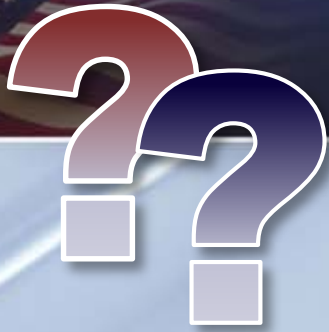
- **Different business processes** are required
- **Virtual production** vs. brick and mortar management
- **90%** of my Company's associates works from Home
- **"Coaching Cats"**
Blog: www.ruralamericaonshore.com/blogs



Summary: Broadband is Game Changer

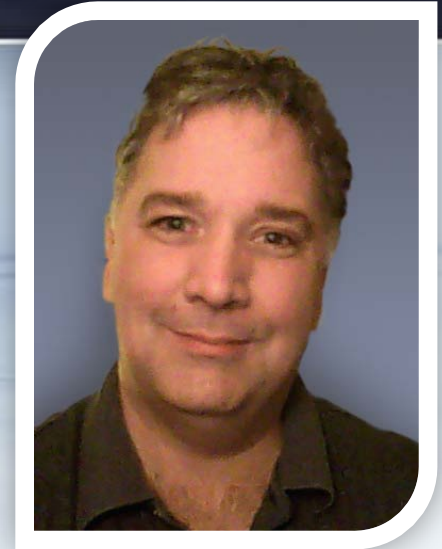
- ✓ **\$7.2B** dedicated for broadband.
- ✓ **Millions of rural people** will connect and work over broadband.
- ✓ **New virtual based labor force** entering global labor markets.
- ✓ **USA labor costs competitive** with offshoring.





Comments & Questions

Christopher Hytry Derrington
Chief Executive Officer



Rural America
OnShore Outsourcing

Email: chris@ruralameriaonshore.com

Direct: (888) 884-4348

www.RuralAmericaOnShore.com



Broadband & OnShoring: *Bringing Jobs Back to America*

Rural America: At-a-Glance

- ✓ **Industry leader** in the emerging USA rural outsourcing industry.
- ✓ **We provide** the same outsourcing services performed by offshoring companies except we use professionals based in rural parts of America instead of India or China.
- ✓ **Our customers save** 25% to 40% on their projects. We hire rural USA talent at 25% to 40% less than USA urban labor; and pass those savings on to our customers.
- ✓ **Minority-owned Company** led by experienced entrepreneurs who started the company after experiencing numerous poor results from offshore outsourcing; and feedback from numerous outsourcing colleagues who had suffered the same problems.
- ✓ **Our customers gain** the benefit of using USA professionals while at the same time achieving much of the labor savings of offshoring. We use web and proprietary virtual management systems to achieve customers objectives.
- ✓ **Senior Management** has decades of outsourcing and software development experience.
- ✓ **Company is rapidly expanding** to offices nationwide. Recruiting talent in 47 states..



Bringing Jobs Back to Rural America™

Broadband & OnShoring: *Bringing Jobs Back to America*

Rural America
OnShore Outsourcing

Contact Us

1.888.884.4348

www.RuralAmericaOnShore.com

Ohio, Kentucky, Indiana

Marty.Gardocki@RuralAmericaOnShore.com

1776 Mentor Avenue, Suite 430
Cincinnati, OH 45212

Wisconsin

chris@RuralAmericaOnShore.com

1308 Washington St, Suite 100
Two Rivers, WI 54241

Nationwide & International

sales@RuralAmericaOnShore.com

1308 Washington St, Suite 100
Two Rivers, WI 54241

Our Social Media

Join Us on LinkedIn:

» [Rural America OnShore Outsourcing](#)

Be Our Fan on Facebook:

» [Rural America OnShore Sourcing](#)

Follow Us on Twitter:

» [RuralAmerOnShor](#)

» [ChrisRuralAmer](#)

» [RAOSGraphics](#)

» [RuralAmericaHR](#)

Bringing Jobs Back to Rural America™

Broadband & OnShoring: *Bringing Jobs Back to America*

Rural America
OnShore Outsourcing