



‘Onshoring’ IT Jobs to America, not Abroad

By Dave Holthaus, Cincinnati Enquirer

January 8, 2009

Outsourcing information technology work to India or the Philippines has been a trend for more than a decade as American companies have sought to get their ever-increasing IT needs met with cheaper labor. After all, if a project manager can get an IT job done for \$13 an hour rather than \$50 in the states, it looks like a no-brainer.

While it may be too soon to call this a trend, there is a movement to keep some of those jobs right here in the U.S., and one Cincinnati start-up is among those trying.

The concept is pretty simple: Instead of sending the work to Bangalore, India, send it to Bowling Green, Ky., or another small town where wages are cheaper than in the big cities. It's cheaper than hiring city help (\$17 an hour vs. \$40); the people doing the work all speak English, and there's no juggling schedules with workers in a time zone on the other side of the world.

That's what a company called Rural America IT is trying to do - keep those IT jobs on U.S. shores by hiring professionals in places like Bowling Green, Two Rivers, Wis. and Nelsonville, Ohio. It's called "onshoring," and some say it's a way to keep good jobs and tax revenue here rather than offshore.

Christopher Hytry Derrington started the company at the Hamilton County Business Center in Norwood and still runs it from there. In a previous venture, Derrington had hired IT specialists in India, deciding to do so purely because of the \$13.57 an hour wage rate. It soon became apparent to him that the real cost of the overseas help was much higher because of the spotty quality of the work, the language barriers, the missed deadlines and the inherent problems in working with people 10 hours ahead of you.

When he discovered he could hire IT talent for \$17 an hour in rural Wisconsin, the proverbial light bulb went off: "Why aren't people sending more work to rural areas?" Derrington started a business to do just that. His company just hung out its shingle in August and Derrington has about 10 people working with him, including one in Two Rivers, one in North Carolina and three in Kentucky.

The firm just won a contract from a company in the United Kingdom, beating out an Asian company for a project to test software for mobile phones.

Small trend, maybe, but others are noticing. The Information Technology Association of America in 2007 cited Virginia and Colorado as out front in positioning their rural areas to be destinations for tech work.

"We can retain and attract good jobs, wages, tax revenue and other economic and productivity benefits if government, industry and civic leaders unite to help localities become more competitive and attractive for IT businesses," the group said.

With a little help, maybe Ohio, Kentucky and Indiana could be added to that list.

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