



## Rural America IT Brings Onshore Outsourcing Service to Two Rivers

By Cindy Hodgson • Herald Times Reporter • January 24, 2009

TWO RIVERS — When Christopher Hytry Derrington was looking for a place to locate his new business, he wanted it to be within an hour of the nine acres he has purchased south of Manitowoc, at Interstate 43 and County C.

He contacted several communities and decided on Two Rivers as the headquarters for Rural America IT.

Greg Buckley, city manager, and Dan Pawlitzke, economic development manager, gave the impression they really wanted to see an information technology company locate in their city, Hytry Derrington said.

They and Ken Stubbe, director of the Manitowoc County Economic Development Corp., “bent over backwards” to help him, he said.

Rural America IT, actually a business process outsourcing company that includes IT services, has a temporary office at 1413 22nd St. Hytry Derrington has been traveling from his home in Cincinnati, now spending a week or two each month in Two Rivers.

He and his wife, Renee, will move here in the summer, and Hytry Derrington intends to find a permanent office location in Two Rivers at that time.

“Two Rivers is going to be our national headquarters,” he said.

He chose Wisconsin because his wife is a native of Sheboygan Falls.

Stubbe said any time a company offering good-paying jobs comes into the area “it benefits us all.” He said it’s his impression there aren’t a lot of similar companies in the area.

“Maybe this helps get it started,” he said.

When one company needing employees with a particular skill set comes in, it may attract other businesses needing similar skills, Stubbe said.

“That’s how an industrial cluster gets started,” he said.

“It fits with a lot of trends that are happening out there in the larger world,” Buckley said.

There is more and more talk of the importance of the service and creative sectors, Buckley said. The addition of Rural America IT helps Two Rivers to diversify its local economic base, he said, and it may give young people a chance “to find employment opportunities in their hometown.”

### About the company

“Rural America IT was formulated in 2007,” Hytry Derrington said. “We officially launched the company in August.”

As a business process outsourcing company, Rural America IT will provide a range of services such as interactive market research, data processing, document management, tech support and more to businesses in any type of industry: health care, education, travel, architectural, finance, insurance, manufacturing, legal, energy and government.

“We basically find talented rural people,” he said.

Using lower-cost rural labor means companies save money when they contract with Rural America IT, Hytry Derrington said. The company’s updated Web site, set to be up soon, will proclaim customers can save between 25 percent and 40 percent on their next project. The company advertises rates starting at \$40 per hour.

Hytry Derrington, who grew up in Kansas City and recently spent six years in Utah, said he has been involved with 13 start-up companies. It was his own frustrating experience with outsourcing projects to overseas companies that led to his decision to start Rural America IT.

He was sucked in by the low costs involved with offshore outsourcing, but he soon discovered the hidden costs. According to Rural America IT’s Web site, those “soft costs” include “communication barriers, travel expenses, quality control issues and intellectual property protection.”

Large companies may be able to devote personnel to following the process, catching errors and so on, but smaller companies can’t do that, Hytry Derrington said. He believes there will be much more onshore outsourcing in the coming decade.

Rural America IT already is located in three states — Wisconsin, Ohio and Kentucky — and has employees in five states. Hytry Derrington said his goal is to be in 18 states by the end of 2011. Each will have a state headquarters site as well as at least one business development center. In some cases, there will be multiple business development centers located throughout the state.

Hytry Derrington said his goal is to have 50 people working for Rural America IT in the Two Rivers area within five years.

Employees work from home some days, and other days they drive to the nearest business development center where they get together with colleagues who are working on the same project, he explained.

## **Rural work force**

People in rural areas, where the cost of living is lower, are willing to work for lower pay than those in urban areas, he said.

In addition, he has found a strong work ethic in rural America.

“People just want to work,” he said. “They just want an opportunity.”

Besides people already living in rural areas, Hytry Derrington said he also has received resumes from people who want to move from urban to rural locales and are willing to take a pay cut in order to do that.

Not only does Rural America IT aim to take business away from urban and overseas IT firms, Hytry Derrington says he also would like other countries to outsource their projects here.

And, in fact, that already has happened. The company recently secured a contract with UMU Limited in the United Kingdom. Rural America IT is using employees based in Kentucky to do comparative testing of UMU’s anti-virus software for mobile devices.

Hytry Derrington expressed excitement about the overseas contract.

“And we’re going to do a lot more of it,” he said.

## **Upcoming training**

Later this year, Rural America IT will offer training programs in the use of Drupal software. Hytry Derrington said he cannot find enough programmers who are trained in Drupal. He already has hired someone to put together the curriculum.

For information, visit [www.RuralAmericaOnshore.com](http://www.RuralAmericaOnshore.com).