



## SMB offshoring creating new jobs

By Ed Parry, News Editor  
29 Nov 2004 | SearchSmallBizIT.com

SMBs could be the ones that cash the proverbial checks that offshoring advocates keep writing – the ones that promise more good jobs in the U.S. and home-grown innovation.

"The hypothesis that offshoring will create jobs will be led by the SMB group," said Amit Maheshwari, CEO of Cambridge, Mass.-based outsourcing firm i-Vantage Inc., which helps companies establish their own offshore subsidiaries. "They just want to be able to grow quickly and have to put all that money saved by offshoring back into operations."

Maheshwari cited one of his clients, health care equipment and asset management firm St. Croix Systems in Boston, as an example of an SMB that has used offshoring to trim costs in R&D and create new products with the savings.

When St. Croix CEO Troy Kenyon came on board, he knew he wanted to expand the then six-employee company from the hospital equipment management business to the broader business of asset management.

"We had the vision, we just needed the products to support it in short order," he said. That's when Maheshwari helped him set up his own subsidiary in Hyderabad, India, where 14 people do the coding for the new asset management software products.

"Those guys are our employees so when we transition from one project to another we have the same guys, and we know which guys to put on which project," Kenyon said, adding that he feels more ownership of the intellectual property under this setup as opposed to traditional outsourcing.

Since entering the offshoring deal with i-Vantage, St. Croix has added six employees and will continue to need "feet on the street" in the U.S. to sell its new lines of products.

"All the new products exist because of our ability to save money on the front end," Kenyon said.

Dane Anderson, an analyst with Meta Group Inc., said he's seen similar successes and agrees that SMBs have a tremendous potential to drive innovation through offshoring, as

opposed to larger firms that simply ship jobs overseas. "You'll see more strategic impact of offshore outsourcing in the SMB space because they're so tightly knit and there's more re-purposing into product development.

"The challenge is seeing if service providers will enable SMBs to do that," he added.

But Dave Rudzinsky, CIO of Hologic Inc. in Bedford, Mass., doesn't really think about his role in leading the charge toward the "innovation economy." He's just happy that his offshore deal lets him move forward with his business plans.

"It lets my guys do what we want them to do. We don't have to become experts in every area."

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