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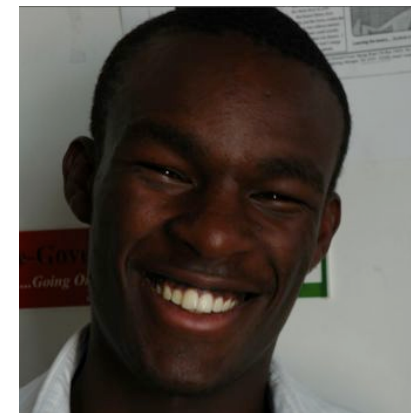
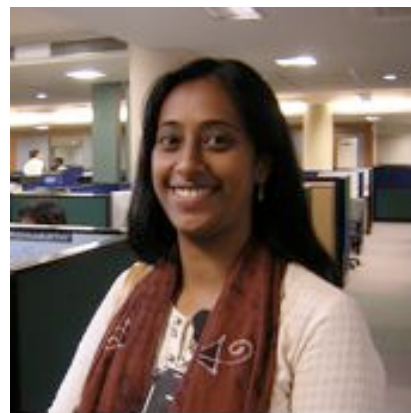
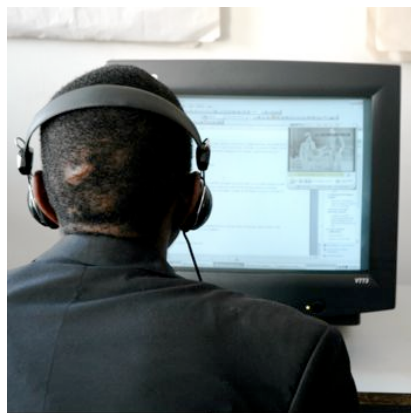
Host Partner:



Socially Responsible Outsourcing

Promoting Equal Access to Opportunity in
Low-Income Regions

The 2009 Asia-Pacific Outsourcing Summit | 12-13 May, 2009 | Kuala Lumpur, Malaysia | Kuala Lumpur Convention Center



Leila Chirayath Janah

Founder & CEO, Samasource

samasource
source responsibly.™

Meet Maria.

Master's Degree from Peshawar
University

from North-West Frontier Province of
Pakistan occupied by the Taliban

Smart, capable, and ready to work –
but cannot leave her home.



Meet Jobita.

High school diploma and several
certificates in IT

from Nairobi, Kenya, one of the world's
poorest cities

Eye for detail and great work ethic,
but has a physical disability in a city with
60% unemployment.



Work cures poverty, and outsourcing can provide work.

Home



Bombay, India
Dharavi, South Asia's largest slum
Over 2.5M people living on 175 hectares

Work



Bombay, India
Call center floor
Many of India's 1.5M BPO workers
commute from slum areas

So how can we make
sure BPO and IT
outsourcing helps the
poor?

What I'm going to talk about today

1

2

3

4

5

6

1. The problem

2. Who currently benefits from outsourcing?

3. A solution: socially responsible outsourcing

4. Samasource's approach

5. Case studies

6. What you can do to support SRO

The **Problem**: Talent Surplus

277% of per-capita income spent on tertiary education
in some countries

+

>175M skilled workers in Africa, rural India and China

+

60% unemployment among university and high school
graduates

=

Talent **Surplus**

Staggering talent surplus in Africa, rural Asia



32 million rural Chinese leave their towns each year for big cities, in search of work
45 million rural Chinese youth are currently enrolled in senior secondary schools



The Organization for Economic Cooperation and Development (OECD) reports that there are **130 million** surplus workers in rural India



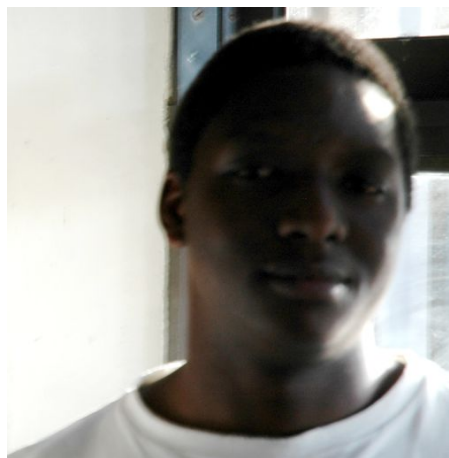
Over **990,000** young people graduate from secondary and tertiary institutions in Ghana and Kenya each year and face 60% unemployment

Notes from the field: talent surplus



“The dilemma in Kenya, and Africa at large, is that the cost of education is getting so high...upon finishing, you can’t get a job that will offer returns commensurate with what you’ve done in school.”

Freda Adundo, IT degree candidate, Kenya

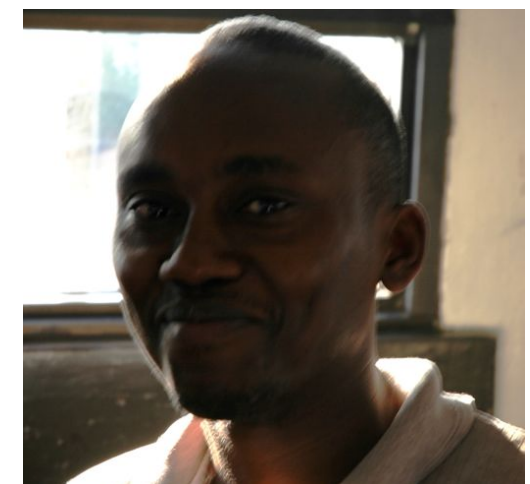


“It’s like the Western countries are missing a generation which they want to import from Africa...our economy and our brains are in America. Why can’t people earn an income while they stay here?”

Martin Ntembe, business degree candidate, Kenya

“You find people completing their university education with honors, and the best they can get is a one-off job doing something unrelated to what they studied. So you end up going back to the rural area where you grew up to do farming.”

Peter Kimwele, business degree candidate, Kenya



The **Problem**: client deficit

Perception that economically depressed regions are open for **aid**,

not trade

+

Few opportunities for smaller firms to connect to US clients

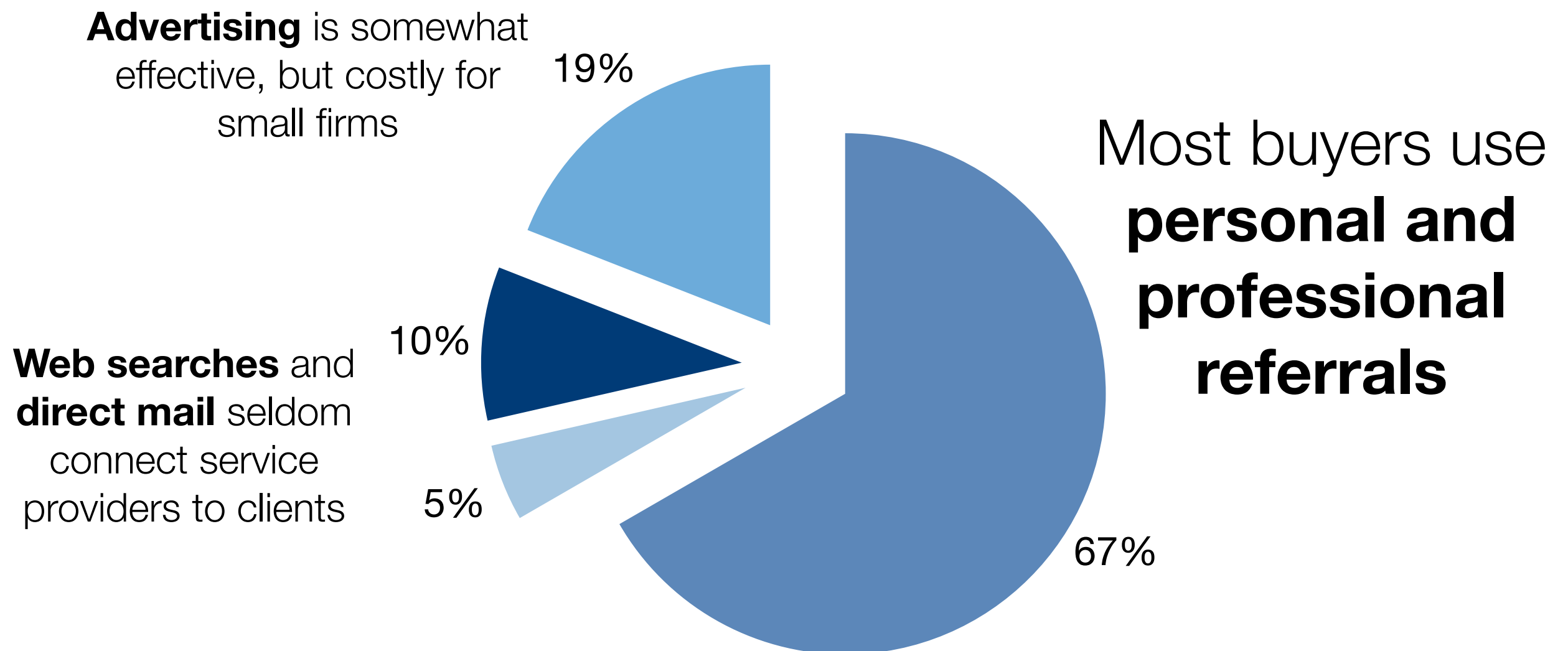
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No **socially responsible** option that promotes economic development

=

Client **Deficit**

How do buyers find smaller outsourcing partners?



Notes from the field: client deficit

“We can’t find work on our own--nobody trusts Africa. We spent thousands of dollars in up-front fees on a broker last year, and received no projects.”

Small BPO owner, Kenya



“We have to focus on delivering quality services to our clients rather than procuring business -- we just can’t afford the latter.”

Gagan Singh, rural India



“Business development is a major challenge for us. We can’t afford to send salespeople to the US every few months--we’re a very small operation.”

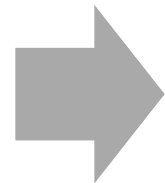
Steve Muthee, Kenya



Why Africa and rural Asia are off the map



Most outsourcing firms in poor regions are tiny. Over 138 million micro- small- and mid-sized firms employ between 1 and 249 people each.



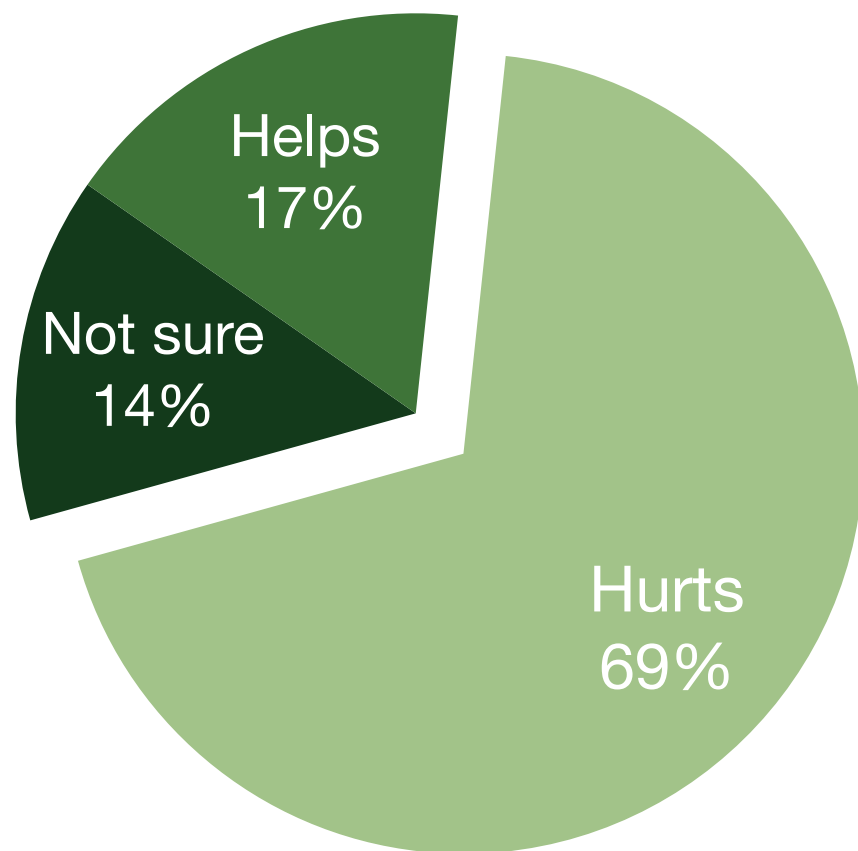
They may be more expensive. Nonexistent or very costly payment systems, poor private training options, and higher infrastructure/ transaction costs than larger companies.



Reputation challenges abound. Most remote work comes from the West. How do you market yourself to clients if you have no professional network or presence there?

Perceptions of outsourcing in the US

Poll result: what is the impact of outsourcing on the US economy?



Most Americans think outsourcing **hurts** the US economy.

“They try to blame the economy and market conditions But the real reason we've lost jobs is outsourcing.”

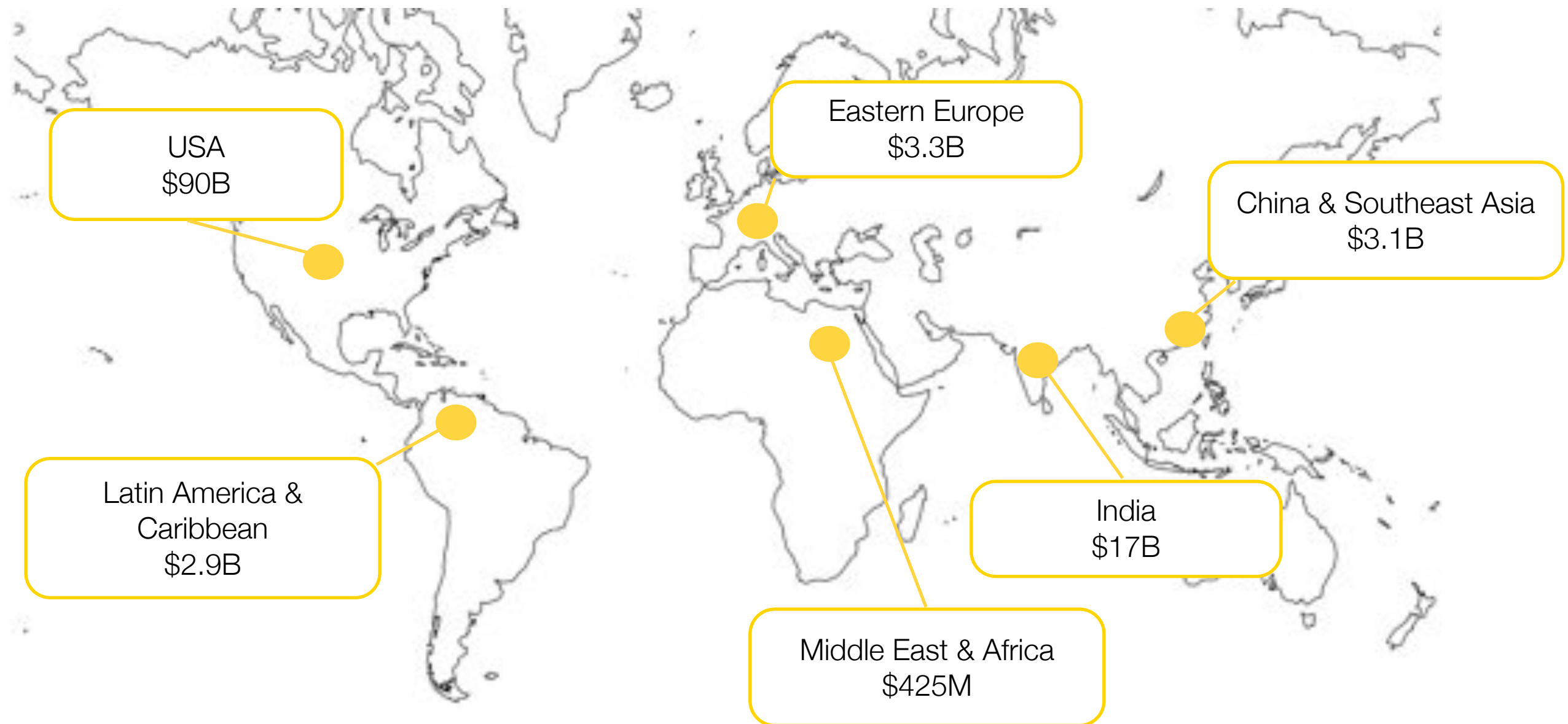
—Gary Nilsson, President CWA Local 1365

“Tech companies made tremendous profits with these workers, now they're throwing them away . . . when these jobs go overseas, they're not coming back.”

—Christina Huggins, AT&T employee and Second Executive Vice President

Global Distribution of BPO/IT Work

US and India still dominate the outsourcing market.



Who *really* benefits?

Large Outsourcing Firms

1.5M knowledge jobs

accenture
High performance. Delivered.

Infosys®



TATA
TATA CONSULTANCY SERVICES

...7 billionaires

Remote Work Websites

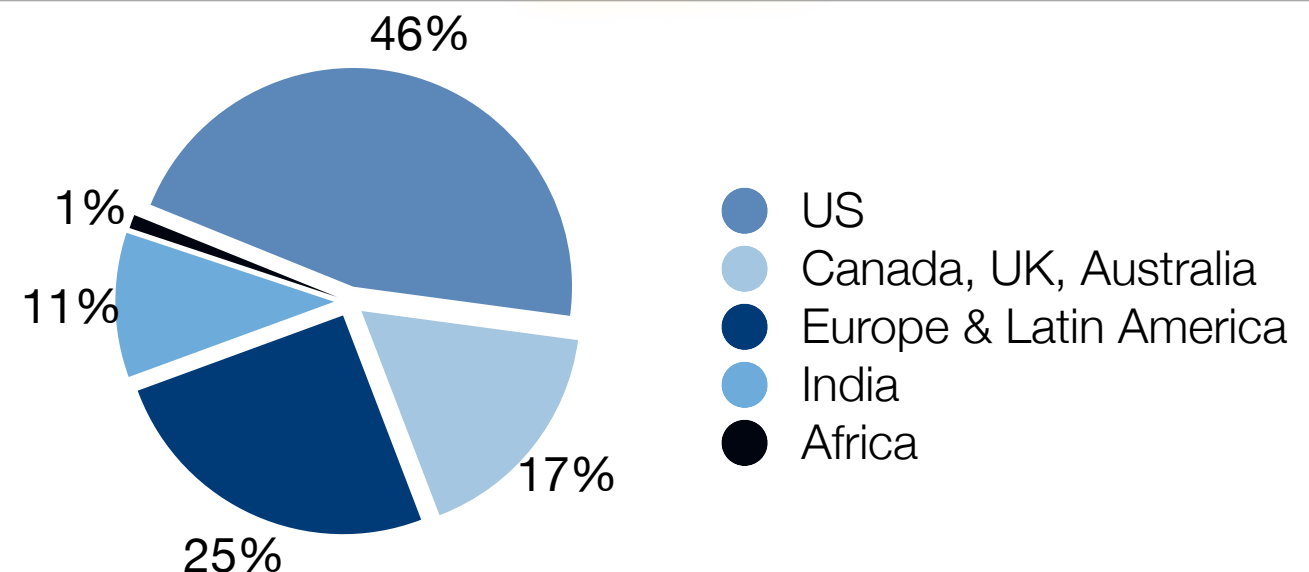
200K+ knowledge projects

RentACoder

Elance®



oDesk



The **Solution**

Channel outsourcing dollars where they're needed most

\$160B services industry

Small firms

Marginalized people

\$\$\$

a small slice of the pie



companies in the poorest places

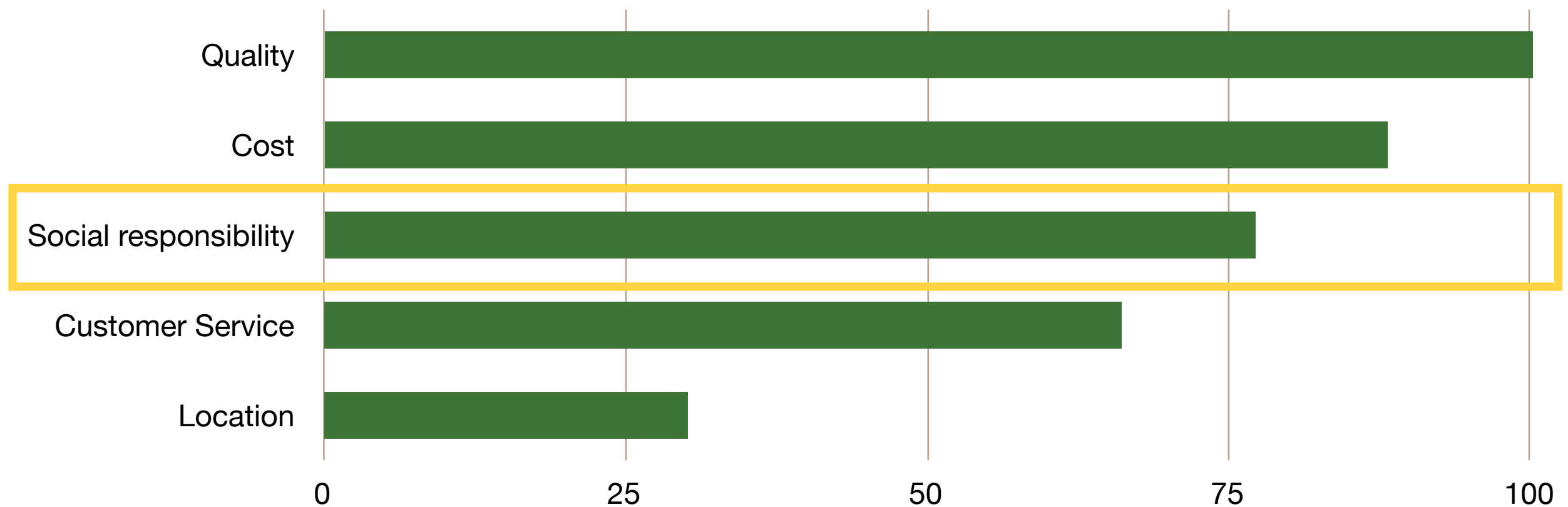


talented workers with few opportunities

Why should we care?

Over **75%** of buyers think social responsibility is important in choosing an outsourcing vendor

What is important in choosing an outsourcing partner?

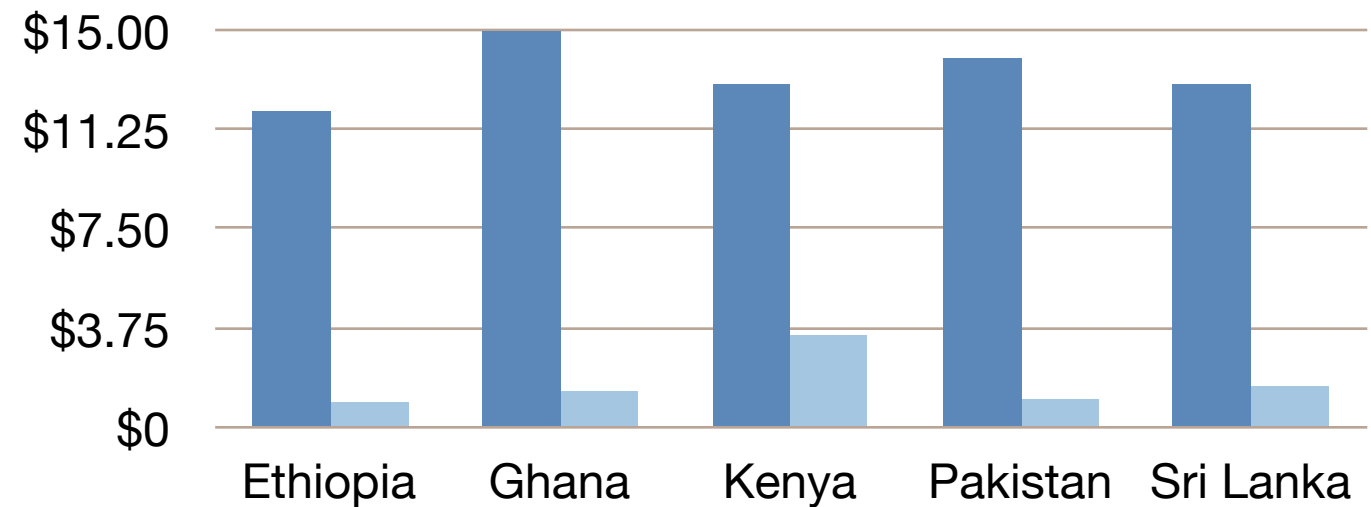


Who does SRO benefit?

1

increase in income for workers in low-income regions by **up to 90%**

■ hourly wage on oDesk
■ daily minimum wage



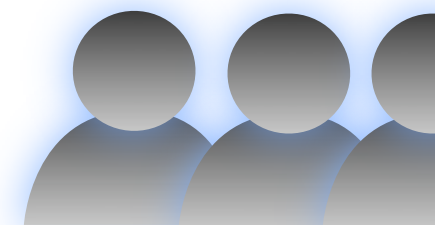
2

indirect job creation for semi- and unskilled workers

1 direct job



2.5 indirect jobs



3

reduction of skilled-labor emigration, or “brain drain,” in low-income regions



Guiding Principles for SRO from **Stanford** Law School

Principle

Purpose

1

Get money into high poverty areas

2

Keep money in high poverty areas

3

Keep money in good companies

Responsible business



Corporation™
Setting the new corporate
standard for social and
environmental performance.
bcorporation.net



Service providers



+

Buyers

Academics

Industry

Consultants

1 Get money into high poverty areas

SRO companies are:

(1) Located in a “low-income” country, or

(2) Located in a “middle-income” country
and

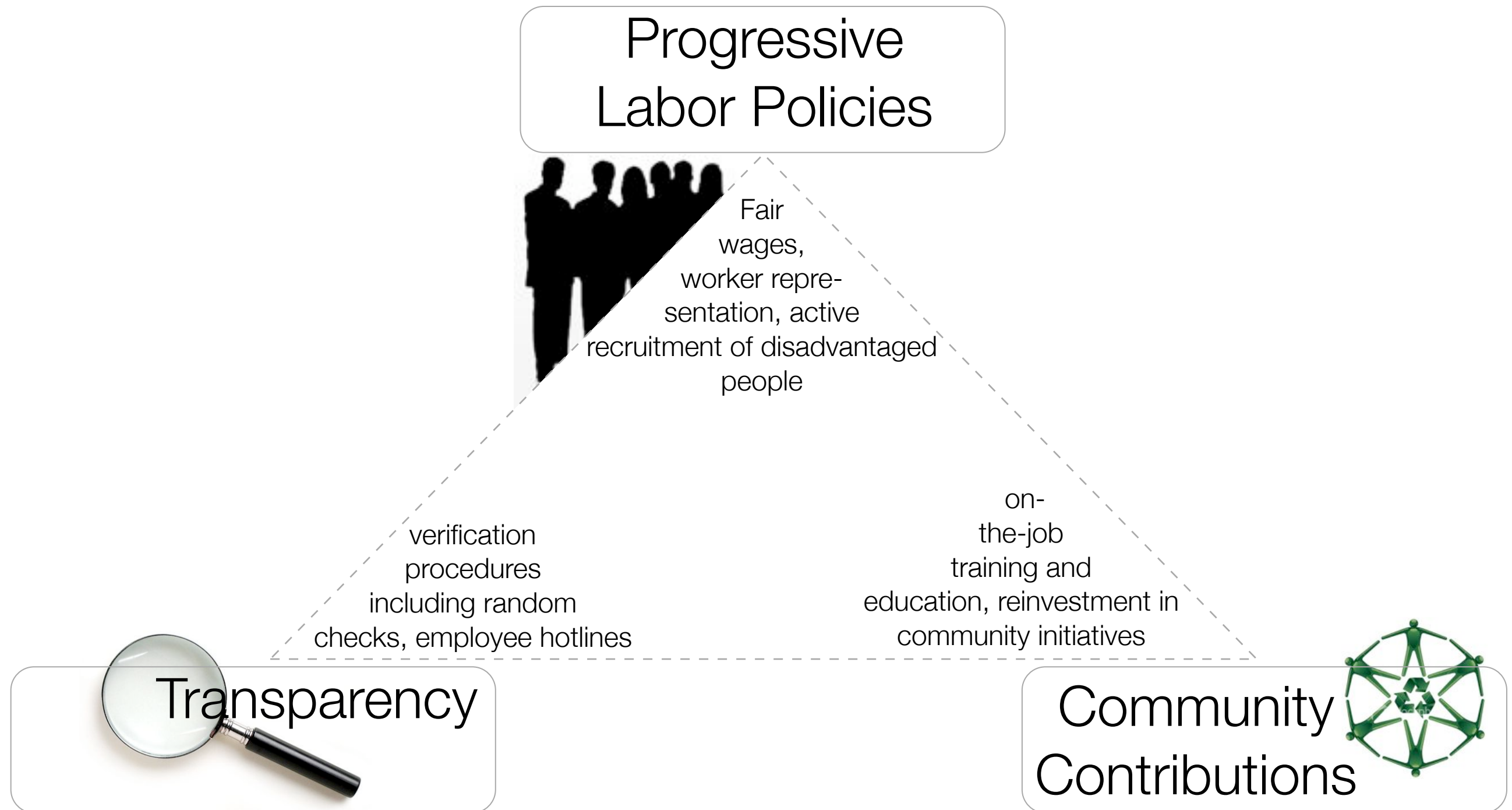
most of its employees are from a “low-income” region
within that country.

2 Keep money in high poverty areas

SRO companies should meet at least one of the following three requirements:

- (1) At least 1/2 of the Company owned by people living in same region as 2/3 of employees; or
- (2) Reinvests a minimum of 40% of its revenue in the community or in another SRO; or
- (3) Legally registered non-profit

3 Keep money in good companies





SRO at samaSource

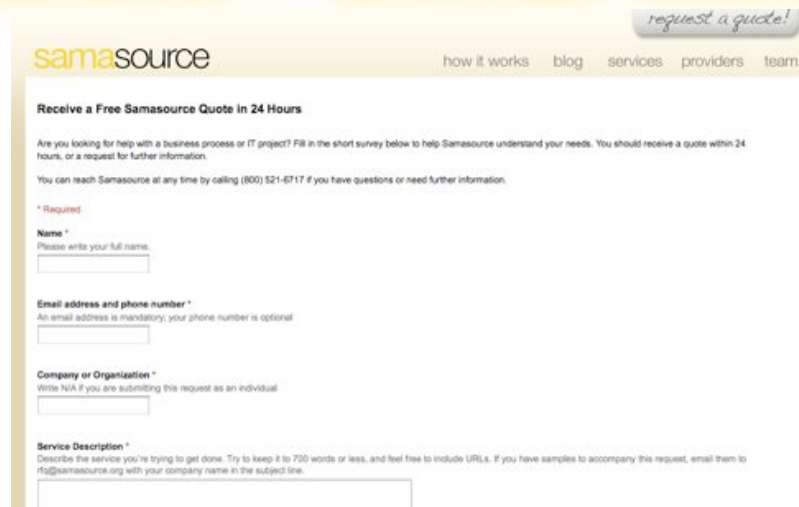
Sama means “equal” in Sanskrit. We are a social business helping bright but marginalized people in poor regions find dignified jobs by expanding their access to markets.

Our method has three parts:



Sales strategy

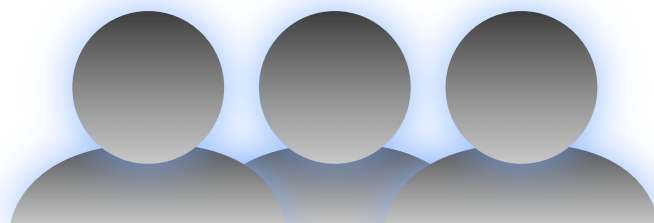
Website / Social Media



The screenshot shows the Samasource website with a 'request a quote!' button. Below the header, there is a form titled 'Receive a Free Samasource Quote in 24 Hours'. The form includes fields for Name, Email address and phone number, Company or Organization, and Service Description. A large grey arrow points from this form to the right.

- **< \$5K contracts**
- Cross-platform distribution with oDesk, Elance, other partners
- Traffic driven through video marketing, Facebook, Twitter, free ad campaigns

Sales Team



- **\$10K-\$100K contracts**
- RFPs and word of mouth
- Web-based RFP searches, conferences, personal connections (e.g., Benetech)

Pilot results

\$140K in contracts

data entry and
digitization

website
packages

image
moderation

app testing

video
captioning

content
updating

research
assistance

virtual
assistance

6+ micro-businesses

*P*reciss
precision & excellence

beeline 
bpo and call center

daproim
AFRICA



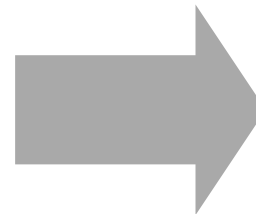
*I*ntrepid

AfroVision

How we do it

Samasource operates as a nonprofit social business.

Raised
\$37,500



Earned
\$140,000

All-volunteer staff

Donated hardware
and software

Frugal to the core

85-90% of earnings
to directly to our
partners

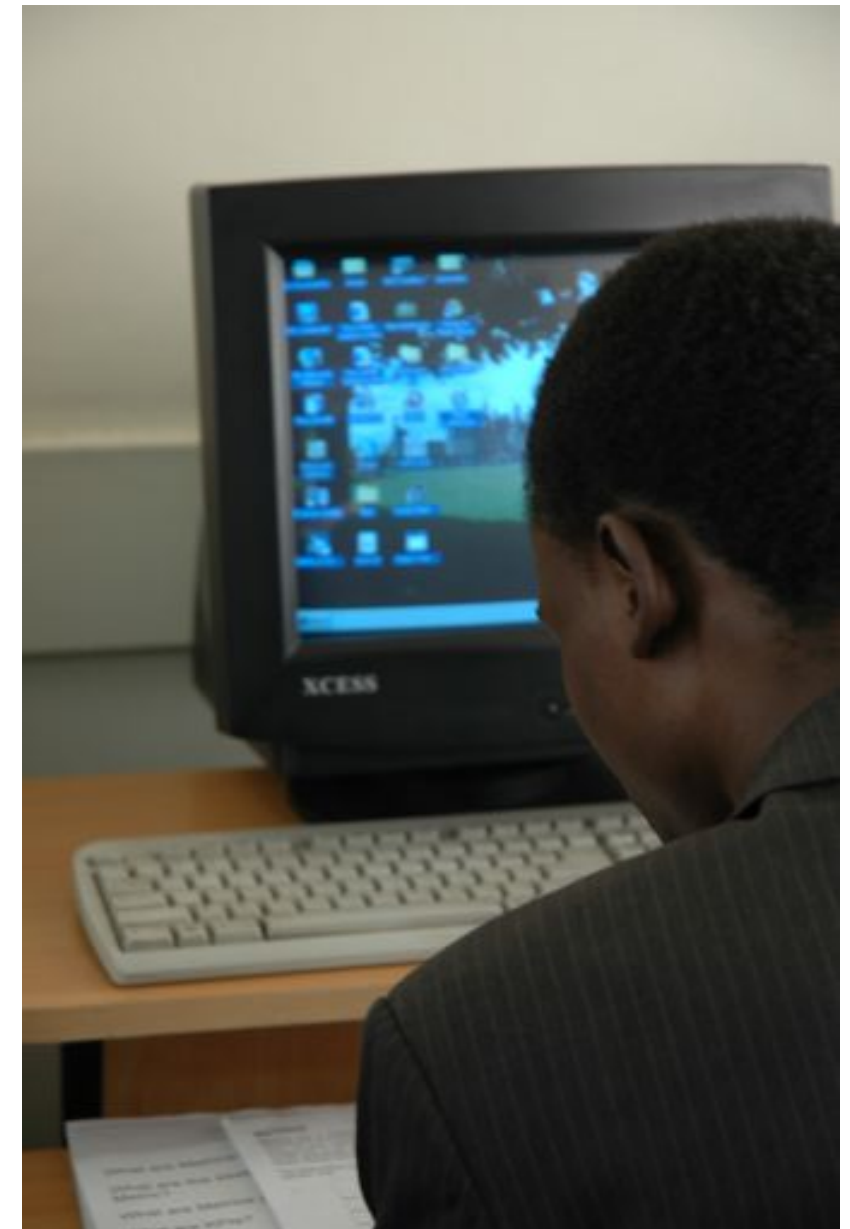
45-85% of their
revenue supports
staff salaries, training,
and other costs

Case study: Daproim Africa

Location: Nairobi, Kenya

- Run by Steve Muthee, a young entrepreneur from rural Kenya
- **4** people in 2006 > **15** people now
- Types of services: form and survey processing, transcription, digitization, web development
- Offers part-time work to local **university students** and facilities for **disabled workers**
- In pipeline: projects for clients including Benetech, a Bay Area nonprofit, and the African Braille Center

daproim
A F R I C A



Case study: Digital Divide Data

Location: Phnom Penh, Cambodia and Vientiane, Laos



- Nonprofit social venture led by Harvard graduate Jeremy Hockenstein
- **25** employees in 2002 > **500+** now
- Types of services: form and survey processing, transcription, digitization
- Offers education, on-site medical care, scholarship program (financed through donations)
- **3x** Cambodian minimum wage
- Clients including the Harvard *Crimson*



Case study: Preciss International

Location: Nairobi, Kenya

- Run by two women, Mugure Mugo and Ivy Kimani
- **5** people in 2002 > **20** now
- Types of services: online research, data processing, subtitling, transcription
- Offers part-time work and on-site training to university students, young mothers and recent graduates
- 30% of revenue goes to floor employees
- In pipeline: projects between **\$10K** and **\$100K** for clients in the US and UK



How you can support SRO

- **Join the discussion.** Places to learn more:
 - samasource.org + blog
 - sourceoutpoverty.org
 - Samasource groups on oDesk, Facebook, LinkedIn
- **Work with, volunteer or donate** to support a Samasource partner
 - Network of pre-screened SROs with few opportunities
 - Low-cost, high quality services
- **Sign or pledge support for** the Code of Conduct
- **Share your work** with others in the outsourcing community

Thank you!

Leila Chirayath Janah
leila@samasource.org