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Boston Contractor Helps U.S. Companies Find Low-Wage Labor Abroad

By Hiawatha Bray, The Boston Globe Knight Ridder/Tribune Business News

Nov. 2 - Meet Brian Keane, professional outsourcer.

He is president and CEO of Boston consulting firm Keane Inc., which employs 1,000 workers in the Indian cities of Hyderabad, Noida, and Gurgaon, and 300 more in Halifax, Nova Scotia. "We expect it'll be 3,000 in India in a couple of years," Keane said.

By acting as the contractor that finds and hires skilled, low-wage workers outside the United States, Keane is typical of the conduits that enable US companies to outsource an increasing number and variety of jobs. Keane's customers include mortgage lender Countrywide Financial Corp., utility PSE & G Inc., air conditioning company Carrier Corp., and hotel operator La Quinta Corp.

"These are major corporations that need to get their costs in line and are doing what other industries have done before, whether it's textiles or shoe manufacturing, or even complex manufacturing," Keane said.

For Keane, offshore outsourcing represents a lot of money -- about \$175 million of last year's \$870 million in revenues. And the company expects to do \$200 million in offshore business this year.

Keane began with the Canadian facility in 1996. But the company's biggest commitment to overseas outsourcing was made last year, when it bought SignalTree Solutions, an American firm with 300 software developers in India. That workforce has more than tripled, and Keane expects a lot more growth.

But Brian Keane said outsourcing does not only mean stripping away American jobs from American workers. "Those accounts where we've moved work offshore or nearshore are those accounts that are growing," he said. "They're not just growing offshore; they're growing locally."

For instance, a company that launches a new software product may have most of the actual code-writing done in India, but it will still need workers in the United States to design the product, he said. Brian Keane acknowledged that offshore outsourcing has cost some jobs at Keane "on the margin."

But he said, "That's been way more than compensated by the additional jobs we've been able to protect." Worldwide, about 7,500 people work at Keane. Without offshore outsourcing, "Keane would be a smaller company today," he said.

Shahrukh Qurashi, chief operating officer of Boston's StrategiWeb, is another professional outsourcer. StrategiWeb is part of a family-owned conglomerate with business interests throughout Asia, focusing on outsourcing in the Philippines and also on trying to boost client sales.

Typical is StrategiWeb's deal with Visaer Inc. of Wilmington, which makes software for managing the maintenance of commercial aircraft. Major carriers such as JetBlue, United Parcel Service, and Aer Lingus

rely on the software to schedule inspections and overhauls of their fleets. "Think of the medical records of the aircraft," Visaer president David Spellman said. "It's about as complex as a human body, an aircraft."

Spellman wants to expand to the Asian market, where growth is rebounding from this year's epidemic of severe acute respiratory syndrome. At the same time, Visaer needs constant software upgrades to tailor its products to its international clients.

So Visaer got together with StrategiWeb under a business model Qurashi calls "outsourcing plus." Visaer workers in Massachusetts do the high-level tasks involved in designing a piece of software to meet a customer's specifications. Then Filipinos are assigned to the relatively low-end task of writing the necessary code.

Next, Qurashi said, his company will use its contacts to help Visaer establish Asian sales channels for its software. "It allows you to have a beachhead in Asia to allow you to sell your products," Qurashi said. "We really become a partner with them."

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