

## Outsourcing seen as boon to American Indians

*By: CARSON WALKER - Associated Press*

KYLE, S.D. -- The Oglala Lakota Sioux were among the last tribes to battle the U.S. cavalry, and their vast Pine Ridge reservation was ground zero in the American Indian Movement's 1970s clashes with federal agents.

But proud resistance to outsiders hasn't been good for business. Here in the Badlands, economic opportunity has been as barren as the flora-thin hills. Unemployment is near 80 percent. Substance abuse is rampant.

Tradition-bound, the Lakota Sioux want to be close to family and resist leaving the reservation. Tribal and business leaders are hoping that in an increasingly globalized economy, where information-processing work can be done nearly anywhere, they won't need to.

The tribal leaders' bet: outsourcing. Their first big client: A Chinese-U.S. joint venture.

Increasingly, American Indians are looking to outsourcing as a way of boosting economic opportunity without having to stray from their lands.

On the Pine Ridge reservation, a local Indian-owned marketing and Web design startup, Lakota Express, can thank sloppy handwriting for its outsourcing fortunes.

"We're people that have really been left out of the opportunities of the Industrial Revolution and now are being welcomed into the world economy in the Information Revolution," said Mark Tilsen, a Lakota Express executive.

Eight Lakota Express employees vet the accuracy of electronic documents that are transcribed in China by workers who, while understanding English, often have difficulty deciphering Americans' handwriting.

The work amounts to reverse outsourcing (performed as it is for a foreign company that has itself in the employ of a U.S. business). And experts expect plenty more of such work to become available.

"There's nothing better than watching a reservation community thrive. You're seeing newer cars in the parking lot. They're buying homes. And I've watched that happen," said Carey Wold, a consultant who helped set up tribally owned companies on Northern Ute reservations in Utah.

On four Utah reservations, 150 to 180 jobs full-time have been created through outsourcing, most of it government work but also commercial contracts, he said.

One venture, owned by members of the Cedar Band of Paiutes, did \$14 million in business last year, said Wold, whom it employs as a vice president of business development.

Wold said the business, Suh'dutsing Technologies, expects to generate some \$40 million in revenues this year. Jobs include data entry, call center, help desk and info-tech work, Wold said.

U.S. companies are increasingly looking to Indian reservations as an alternative to going abroad for outsourced labor, said Doug Brown and Scott Wilson, authors of "The Black Book of Outsourcing."

Among Indian nations trying to draw outsourcing work are the Navajo, he said, while corporations

including Ford Motor Co., Dell Inc. and Capital One all are interested in working with Native American tribes instead of sending work to such countries as India, Ireland and the Philippines.

Mary Underbaggage, 40, is one beneficiary.

The college-educated Lakota Express employee, whose six children range in age from three to 21, grew up on the Pine Ridge reservation and lives on her family's land.

"Our life is comfortable because I can pretty much take care of our day-to-day needs, compared to a lot of other families around me," said the soft-spoken Underbaggage.

On the reservation, most jobs are in the public sector -- either through the Bureau of Indian Affairs or the tribe. Private sector jobs are limited mostly to the tribe's casino and tourism-related businesses.

Karlene Hunter, Lakota Express' founder and CEO, said her employees make an above-average income that starts at \$7 an hour and increasing to \$12/hour as skills increase.

"They might be doing quality control with China and answering a phone for another contract and working on data entry work at the same time," said Tilsen, whose company got its first outsourcing contract two years ago.

The Chinese outsourcing venture marries Lakota Express with USE Limited, of Dallas and Hong Kong, and a Choctaw-owned company, Native American Management Services of McLean, Va., said Linda Crider, vice president of global strategies for USE.

In an around-the-clock process typical of outsourcing, USE workers in China will enter data into computers from handwritten cards scanned at a job far in, say, Kansas City. The next morning, a Lakota Express employee here in Kyle will compare the scanned image of the original card with the data the Chinese entered to ensure its accuracy. The client often gets the vetted data within 24 hours.

Labor in China is far cheaper than on this reservation, said Crider, whose company's clients include Daimler-Chrysler, United Van Lines, various global banks and newspapers.

But the Chinese workers simply can't match the cultural affinity of Americans for certain work.

And who knows, Pine Ridge may offer unexpected business opportunities for Chinese entrepreneurs.

In a recent visit, USE executives and partners discussed ways to expand their dealings with the Lakota Sioux. One visitor, USE partner Simon Tam of Hong Kong, was taken by the idea of exporting buffalo meat.

"When 1.3 billion Chinese start eating bison," he joked, "I think the problem to worry about is extinction."

On the Net:

<http://www.lakotamall.com/lakotaexpress>

<http://www.uselimited.com>

<http://www.namsinc.org>

<http://www.suhdutsingllc.com>

