

Outsourcing Your Life

Sending work offshore has transformed the U.S. economy. Now, some families are tapping the same approach for personal tasks, getting them done for a fraction of what they'd cost at home. Taking your to-do list global.

By **ELLEN GAMERMAN**

When David San Filippo decided to create a tribute video in honor of his sister's wedding, he could have gotten a recommendation from a friend or looked up video editors in the phone book. Instead, he did what big corporations have been doing for more than a decade: sent the work offshore.

On the Internet, Mr. San Filippo located a graphic artist in Romania who agreed to do the whole thing for \$59. The result was a splashy two-minute video with a space theme and "Star Wars" soundtrack. It won raves at the wedding.

Offshore outsourcing has transformed the way U.S. companies do business. Now, some early adopters are figuring out how to tap overseas workers for personal tasks. They're turning to a vast talent pool in India, China, Bangladesh and elsewhere for jobs ranging from landscape architecture to kitchen remodeling and math tutoring. They're also outsourcing some surprisingly small jobs, including getting a dress designed, creating address labels for wedding invitations or finding a good deal on a hotel room, for example.

Such "personal offshoring" is still new and represents a tiny fraction of the more than \$20 billion overseas outsourcing industry. But management consultants and economists say it's likely to evolve into a larger niche as offshore workers identify the opportunities. Thanks to instant messaging, computer scanners and email attachments, any work that doesn't require meeting in person has the potential to be done overseas.

The approach relies on the same model that drives corporate outsourcing: labor arbitrage, or benefiting from the wage differential between U.S. workers and those in developing countries. In the U.S., tutoring services charge \$40 to \$60 an hour for math help. Some skilled tutors in India are paid \$2 to \$3 an hour. In India, \$20 is enough to buy a week's groceries for two people.

Sending personal work offshore requires Internet proficiency, and some patience as well. Though a few firms have begun tailoring their services to consumers, most deal primarily with businesses. Tapping this bargain work force means knowing about the online bazaars where workers abroad compete to bid for small projects.

Some big free-lancing sites include Elance.com, Guru.com and Rentacoder.com. In a recent study on the growth of offshoring services to small businesses and homes, market researcher Evalueserve found more than 90 such online marketplaces, with 500,000 vendors from low-wage countries using them.

Consumers must also be able to recognize when a routine task can be done digitally, and across time zones. Earlier this year, Dan Frey went in search of an artist to illustrate a children's book his mother had written for the grandkids about her life growing up in New York City. He thought about finding a student from a local art school, but then it dawned on him that he could outsource it

without leaving his house. The job didn't necessarily require a face-to-face meeting -- he could just email the draft.

He logged on to Guru, which he'd learned about from computer programmer friends who had used it for work. Within a week, 80 bids had come in from countries like Lebanon, Ukraine and Malaysia. To narrow the field, he had 10 finalists send him sample drawings depicting a young girl. He rejected the illustrators who didn't follow instructions and sent pictures of animals instead, and he bypassed an Indian firm that seemed big and impersonal, offering him a "project manager" to oversee a staff of artists.

The woman he finally hired lives in the Philippines. He says her drawings, styled after Japanese anime, were more cheerful than other entries, and he was impressed by her polished portfolio. She offered to do 25 drawings for \$300 -- what some others wanted for a single illustration. "I was kind of amazed at how easy it was," says the 36-year-old sales and marketing consultant. He says his mother was "overwhelmed" when she saw the finished product.



Offshore: Megan Oyler, left, sits at her computer in her home in North Carolina, while Raji Suresh, right, tutors her in math and reading from her home in Chennai, India.

It isn't always easy to evaluate a vendor. Language gaps can lead to misunderstandings, and if projects involve revisions, they could take more time -- and cost more in long-distance bills -- than they're worth. When reporters tried outsourcing personal tasks, they were offered a range of prices, making it difficult to know what they were getting (see adjacent chart for more on our test).

Janice Harrelson says she was ultimately satisfied with the Web site designed for her by Virtuoso Online, a firm in India. But she says cultural gaps initially hampered the designers' ability to strike the right tone on a site devoted to her Christian beliefs. The theme she wanted to emphasize was the bond that believers have with Jesus Christ -- a concept known as being "the bride of Christ." The Indian technicians posted pictures of women in wedding gowns.

"They were beautiful, but not what I had in mind," says the real-estate manager from North Carolina, who went through a few more revisions before the site was completed with images of a waterfall and a crown. The total bill came to \$250 -- half the price she was quoted by a local Web designer.

Global Solutions India, in Mumbai, is one of the firms now adding consumers to its primary business of corporate graphic design and web development. Americans never used to call for small personal projects four years ago, but now the company says about 20% of all inquiries

comes from individuals in the U.S. -- some of whom discover the company after seeing its occasional banner ads on sites like Google. The jobs are handled by a six-person team making \$1,000 to \$1,500 each per month. They work in a small office with anything from Hindi pop to Shania Twain playing in the background.

Rajesh Shah, the 27-year-old president of Global Solutions, tells his clients to call him anytime, even on his cellphone at 3 a.m. He sometimes works 16-hour days, and he lives a seven-minute walk from the office so he can get there fast. "I normally don't turn down work," says Mr. Shah, who often sends work to new customers before they've paid him. The most prominent feature of the office is a statue of the elephant-headed Lord Ganesh, worshiped as a god of wisdom and a remover of obstacles.

Outsourcing has already trickled down from big corporations to small businesses, which now send everything from secretarial work to graphic design to back-end legal research overseas. Outsourcing revenue from small businesses was more than \$250 million in fiscal 2006, and is likely to grow to more than \$2 billion by 2015, according to Evalueserve. As offshore providers gain proficiency in dealing with smaller clients, individuals are a logical next step. "We're seeing the very tip of a very big trend," says Peter Allen, partner and managing director of TPI, a Houston management consulting firm that specializes in outsourcing.

Glen Hackler says he was inspired to try outsourcing for his personal income taxes after he hired an offshore firm to do the bookkeeping for his business. The owner of a Web site that sells RV parts, Mr. Hackler came across FinTax Experts, part of a larger outsourcing firm based outside New Delhi, during a Web search. He says FinTax saved his business several hundred dollars in accounting work.

This year, he decided to have FinTax do his personal income taxes, too. He emailed his earnings and scanned receipts, getting a completed return within two days. The firm charged him about \$50, a third of what H&R Block charges for an average return. Since the return wasn't prepared by a U.S. accountant, he says, he filed it as "self-prepared," but he says he got all the deductions his CPA used to find him. "They seem to know all the laws here."

Most consumer outsourcing takes place on auction sites like Guru. In 2000, the Pittsburgh-based company launched an online job board. Its infrastructure is like eBay, with a ratings system so buyers can feel more comfortable choosing a vendor. Guru has an escrow system to avoid handing over a credit-card number to a stranger. Vendors pay a listing fee of roughly \$10 to \$80 a month, and Guru gets 6% to 9% of every successful deal. Customers aren't charged to list projects for which they're seeking bidders.

Guru says it is taking steps to make the process more user-friendly, with additions it says are likely to appeal to consumers. A new feature will let vendors post short videos of themselves and their offices.

Another site, Elance, is starting up "Elance University," a mandatory online course for vendors that will instruct them on how to attract customers and improve their customer-service skills. Elance just doubled the size of its customer-service team as it gets more calls from people who aren't Internet whizzes. "We're just coming out of the early adopter phase," says Fabio Rosati, CEO of Elance. "We're starting to see more and more mainstream people ... people that are not Silicon Valley technofreaks, that are not online entrepreneurs."

As evidence that more consumer tasks will wind up going overseas, economists point out that it's already happening more than Americans might realize. Many U.S. service businesses now routinely subcontract some portions of their work offshore. An architect designing a residence, for instance, might send drawings overseas to be turned into computer-generated renderings.

Some labor experts are skeptical that this kind of outsourcing will ever go beyond a small group of enthusiasts. One issue is being able to trust a worker thousands of miles away with projects of a personal nature.

And though it's hardly the political hot-button that's provoked industries like manufacturing and information technology, it is bringing consumers face to face with some thorny issues. Many are stumbling into their own personal-life versions of corporate responsibility in terms of working conditions and fair wages.

That has become an issue for the Oyler family of Fayetteville, N.C. Nitza Oyler raves about her stepdaughter's tutor, Raji Suresh, whom she hired through TutorVista, an online tutoring service based in Bangalore, India. Ms. Oyler says after shopping around, she couldn't find anyone else to beat the price: \$99 a month, compared with the roughly \$40-an-hour quote she got from Sylvan Learning Center. Last fall, her daughter Megan began two-hour sessions five days a week, using a digital tablet, instant messaging and a headset to communicate with her tutor.

Ms. Suresh, has grown close with the Oylers. She frequently tells Megan she loves her and says Megan always replies, "I love you more." But earlier in the spring, the Oylers began to worry about Ms. Suresh, who wakes up at 3:30 a.m. so the 12-year-old can do her homework after dinner in North Carolina -- and works a full day after that. "I felt bad," says Ms. Oyler.

When daylight savings time kicked in, Ms. Oyler decided that instead of making Raji get up even earlier to accommodate the new hours, Megan would start her homework an hour later, at 7 p.m., giving Raji some extra sleep. "That was very considerate," says Ms. Suresh, who lives with her husband and two sons in a three-bedroom apartment in Chennai.

Architects, accountants, landscape designers and other professionals say it's too soon to tell if this kind of outsourcing poses a threat to their business. But American free-lancers say they're getting hit. To compete on auction sites, U.S. vendors are either positioning themselves as experts so they can charge more, or lowering their bids. "People are undercutting each other to remain competitive," says Jia Ji, who manages community relations at Guru.

Tanisha Coffey, who does small writing jobs through her Atlanta-area company, Scribe, Etc., says larger offshore firms with several dozen employees routinely win contracts she's going after because of their low prices. While she asks 50 cents a word for a long article, she says some offshore firms charge \$3 for the whole thing. "I can't work for that," she says.

Actress Michele Greene, known for her role as Abby on "L.A. Law," has found a way to outsource one of Hollywood's most entrenched jobs: the personal assistant. She contracted India-based concierge service GetFriday last year. Ms. Greene says she pays \$150 a month for about 20 hours of service. That's about \$2 less per hour than her L.A. assistants charged.

Ms. Greene says her offshore assistant has been a big help while she works on her second young-adult novel and a country-folk CD in addition to acting projects. Along with paying her bills and booking her flights, her assistant has given her tips on Bollywood movies and Indian food. His recipe for garbanzo beans with eggplant and peppers has become one of her signature dishes. It's a huge improvement over the unemployed actors who typically fill these jobs in Hollywood, she says: "They'd screw up everything you'd ask them to do."

--Tariq Engineer and Binny Sabharwal contributed to this article.