



## Case Study at a Glance

Leading Impact Sourcing Services Provider (ISSP) seizes the opportunity to match global enterprises that need high-quality, low cost services with rural communities in India that need local employment, and everyone succeeds

## Solving Problems, Locally and Globally

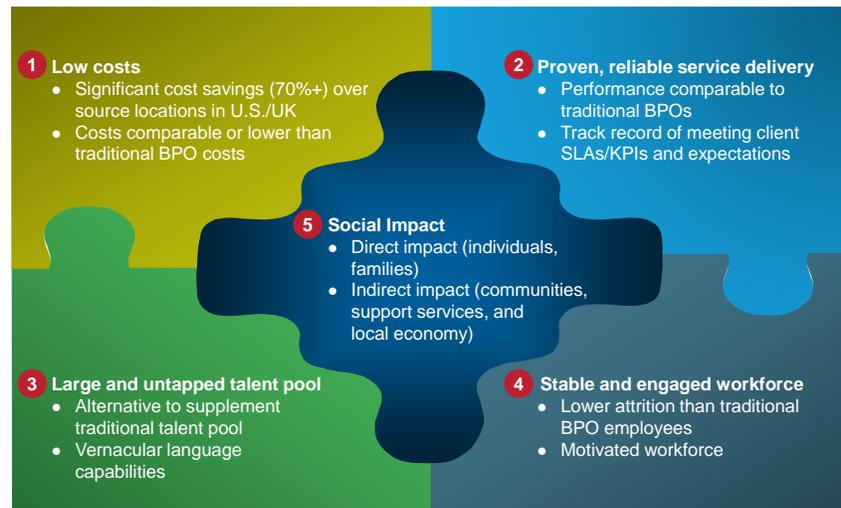
RuralShores Leverages Impact Sourcing to Enable Unemployed Rural Youth to Find Gainful Employment Providing In-Demand, High Quality Services to Global Organizations Right from Their Own Communities

### Introduction to Impact Sourcing

Impact Sourcing (IS) is a business process service delivery model that provides quality and cost at parity with traditional BPO services, but with optimized enhancements such as:

- A qualified, trained, untapped talent pool with skillsets aligned to match client needs,
- Lower attrition rates and higher corresponding levels of employee engagement, and
- Opportunities to fulfil corporate social responsibility and diversity objectives while operating within a traditional BPO framework

### Value Proposition of Impact Sourcing



This document highlights several elements of impact sourcing value proposition, such as **low cost, reliable service delivery, access to large, untapped talent pool, stable and engaged workforce, and social impact.**

## The Backstory

Seeing an opportunity to resolve two problems with a single solution, RuralShores, an India-based, rural-focused socio-commercial business, was established in 2008 to leverage impact sourcing to bring **employment to unemployed undergraduate youth in rural India**, while providing high-quality, low cost talent to organizations.

Today, **RuralShores employs about 2,000 impact workers (almost half of whom are female) across 20 centers in India**, delivering over 82 processes to more than 30 clients. Since its start, RuralShores has supported a number of clients across a wide variety of industries (e.g., banking, insurance, telecom, micro-finance, and IT/ITES) and across horizontal functions (e.g., F&A, and HR). While domestic (India-to-India) clients account for about 80% of its service delivery, RuralShores serves international clients as well.

“The key thing we like about RuralShores is the passion displayed by associates to learn and deliver the expected output with a high focus on quality. This is a win-win partnership to provide economical and scalable solutions to our global customers. We also feel proud to be part of an initiative which encourages more employment opportunities in rural India.”

– Retail sector client

## Two Problems, One Solution: Impact Sourcing

The RuralShores team identified a significant problem in rural India: sustainable employment was not available to educated rural youth within their own communities. These young people, most from farming backgrounds in under-developed communities, had to migrate to cities in the hope of making their livelihood. This in turn constrains urban infrastructure, leading to a poor quality of living standard in urban areas for new migrants.

At the same time, the RuralShores team knew there were organizations around the world seeking sustainable pools of high quality, but low priced talent, and they were confident they could match need-to-need.

## Impact Sourcing Performance: Boundless Breadth and Depth

RuralShores has supported a number of clients across industries and functions over time and has developed significant expertise in digitization services, knowledge process services, voice and non-voice outsourcing services, rural market intelligence and rural market penetration through on the ground support.

**Exhibit 1** offers examples of how **RuralShores has delivered significant business impact for its clients.**

## Exhibit 1

Examples of client engagement by RuralShores and business impact created

Source: RuralShores

“RuralShores is a valued partner for us, who ensures a quality output resulting in a great customer experience and improved ROI.”

– Insurance sector client

“RuralShores delivery model gives **excellent value** for customers, with high levels of employee retention coupled with quality levels of customer service comparable to Tier 1 and 2 cities.”

– Telecom client

Client	Process	Performance requirement	Business Impact
JV of a global retailer and India's leading business group	Invoice processing	<ul style="list-style-type: none"> <li>• Minimum quality of 98%</li> <li>• Turnaround Time (TAT) of 24 hours</li> </ul>	<ul style="list-style-type: none"> <li>• 30-35% cost savings</li> <li>• 50,000-70,000 invoices processed/month</li> <li>• TAT, quality, and delivery matched and consistently exceeded SLAs</li> </ul>
UK-based publishing company (sub-contracted through a leading ITES company)	Patent abstraction	<ul style="list-style-type: none"> <li>• At least 98% accuracy and matching input</li> </ul>	<ul style="list-style-type: none"> <li>• Matched quality benchmarks               <ul style="list-style-type: none"> <li>– &gt;98% accuracy levels</li> <li>– 100% turnaround time</li> <li>– 115% productivity</li> </ul> </li> </ul>
Leading BPO	Mortgage document digitization	<ul style="list-style-type: none"> <li>• SLA of 98% for TAT</li> <li>• TAT of 9 hours</li> <li>• 98% quality</li> <li>• Compliance with client's information security policies</li> </ul>	<ul style="list-style-type: none"> <li>• Achieved 100% TAT versus target of 98%</li> <li>• Added two more processes (title posting and policy production)</li> </ul>
India's largest telco (fourth largest globally by number of subscribers)	Customer care	<ul style="list-style-type: none"> <li>• Customer Satisfaction (CSAT) of 75%</li> <li>• Escalation Desk CSAT of 85%</li> <li>• Service level of 90%</li> <li>• Answer level of 95%</li> <li>• Repeat scores of 16%</li> </ul>	<ul style="list-style-type: none"> <li>• Consistently met service levels</li> <li>• Delivered best CSAT scores among peers</li> <li>• Enabled expansion of client's geographic reach into rural areas</li> </ul>
U.S. logistics firm	Logistics management	<ul style="list-style-type: none"> <li>• Daily data capture of &gt;40,000 forms</li> </ul>	<ul style="list-style-type: none"> <li>• Client completely eliminated its team and shifted the entire process to RuralShores</li> </ul>

Identifying itself as a "for-profit social enterprise," RuralShores also measures its own performance and impact on its communities using the Local Multiplier 3 (LM3) metric developed by New Economics Foundation (NEF), which measures the "multiplier effect" of income into a local economy. **RuralShores' LM3 score is 2.85, which is higher than its peers in India**, and several of its centers have achieved even higher LM3 scores.

In addition, RuralShores tracks metrics measuring economic stability, standard of living quotient, social responsiveness and satisfaction levels of its employees to measure its performance in social impact. An internal study conducted by RuralShores among 650 respondents across 11 of its centers shows **significant improvement in the living standards of its employees after joining RuralShores**. To illustrate a few indicators:

- 46% employees purchased mobile phones
- 56% purchased consumer durable goods
- 20% increase in family savings

## Making the Model Work: Defining (and Redefining) Impact Sourcing

To compete with traditional sourcing models, the RuralShores team had to develop a compelling value proposition for its clients – helping them achieve lower operating cost, at the same or better quality, all while using a sustainable talent model. **Its locations enable RuralShores to achieve savings in salaries** of Process Champions over tier-1 locations in India. And, though utility costs were higher, set-up costs and facilities costs were lower, further savings RuralShores could pass on to its clients. Finally, **lower attrition rates that beat those in urban centers further reduced hiring and training costs. Taken all together, these savings resulted in 30-35% cost reduction over urban Indian centers for RuralShores' clients.**

“RuralShores has enabled me to **support my family and my education** without having to migrate to the city.”

– RuralShores employee

“I am able to support not only my family with income but also able to save for future.”

– RuralShores employee

As a policy, RuralShores only employs individuals with at least a 12<sup>th</sup> standard education (pre-university) level. At the same time, the RuralShores team realized that the impact sourcing model would only be sustainable if the quality of its talent matched or bettered that of traditional providers. So they established a focused entity called RuralShores Academy to implement a rigorous training and monitoring program to ensure high quality and performance delivery. Through this academy, RuralShores rolls out structured training program that provides six to eight weeks of training on foundation skills (e.g., computer skills, typing skills, English reading and writing skills), process skills (e.g., voice, data processing, reporting), and domain skills (e.g., banking, telecom, retail).

And finally, RuralShores recognized the need to overcome the common misperception that impact sourcing meant service delivery challenges, and proactively implemented the following measures to counter that perception.

### Process Quality

RuralShores put into place a three-tier structure

- Quality management through "maker & checker"
- Internal audit for quality assurance
- Six Sigma for continuous performance improvement

### Data Confidentiality

- RuralShores deploys several measures to ensure data safety, including access controlled entry, CCTV monitoring, writing devices disabled systems, and regular security audits
- In addition, RuralShores undertakes certification for compliance with client's information security policies and audits

### Business Continuity

- RuralShores ensures back-up of critical resources for continuity
- Business continuity and disaster recovery mitigation measures include identification and prioritization of critical resources, categorization and impact mapping of disasters, restoration measures and timelines

RuralShores also provided its clients the opportunity to engage in active Corporate Social Responsibility (CSR) wherein these enterprises directly contribute to their communities by creating opportunities that otherwise would not exist, and enabling residents to find meaningful employment in their own communities.

### The Outcome: Positive Impact that Encompasses Clients, Workers, and Communities

RuralShores has experienced real success helping its clients to achieve their strategic objectives of high quality BPO service delivery at lower cost. At the same time, the organization has **created significant positive impact on the lives of thousands of disadvantaged people in rural India**, benefits that have extended out to their communities, as well.

As a result, RuralShores is witnessing strong traction for impact sourcing and plans to expand its operations from about 2,000 employees across 20 centers to about 3,000 employees across 25 centers by the end of 2014.

## About RuralShores

RuralShores is a rural-focused socio-commercial organization dedicated to create employment in villages in India through its mission of impact sourcing in rural India. It is a social enterprise, pioneering the next major innovation to the corporate operating model. It is focused on providing underprivileged rural youth with sophisticated employability solutions and sustainable employment opportunities. It aims to help organizations tap the talent and markets of rural India and in the process integrate rural youth into knowledge economy.

## About This Joint Project between Everest Group and The Rockefeller Foundation

The Rockefeller Foundation has funded Everest Group to conduct an in-depth assessment of how the growth of impact sourcing can be accelerated using a fact-based business case that substantiates benefits of the IS model. This assessment includes sizing the market, profiling the landscape, detailing the business case, and creating case studies to raise awareness of IS in the enterprise buyer and BPO communities. Establishing the business case for IS will contribute to the growth of the sector, which means that more high potential but disadvantaged youth will have the opportunity for employment, improving their lives and the lives of their families and communities.

## About The Rockefeller Foundation

For more than 100 years, The Rockefeller Foundation's mission has been to promote the well-being of humanity throughout the world. Today, The Rockefeller Foundation pursues this mission through dual goals: advancing inclusive economies that expand opportunities for more broadly shared prosperity, and building resilience by helping people, communities and institutions prepare for, withstand, and emerge stronger from acute shocks and chronic stresses.

## About Everest Group

Everest Group is an advisor to business leaders on the next generation of global services with a worldwide reputation for helping Global 1000 firms dramatically improve their performance by optimizing their back- and middle-office business services. With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of global services in their pursuits to balance short-term needs with long-term goals. Through its practical consulting, original research and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies and management approaches. Established in 1991, Everest Group serves users of global services, providers of services, country organizations and private equity firms, in six continents across all industry categories. For more information, please visit [www.everestgrp.com](http://www.everestgrp.com) and [research.everestgrp.com](http://research.everestgrp.com).