

CRAIN'S DETROIT BUSINESS

This Issue in two sections (Section 1) Vol. 27, No. 23

JUNE 6 - 12, 2011

\$2 a copy; \$59 a year

June 05, 2011 8:00 PM

IT 'inshoring' creates hundreds of jobs ahead of

By [Sherri Welch](#)

Strategic Staffing Solutions Inc. plans to hire another 100 contract IT employees for its Detroit Development Center within six months.

That will bring it to more than 400 employees in less than two years -- far ahead of its initial projection to hire that many in four years, as it brought jobs back to the U.S. and kept others here.

"Demand is outpacing projections," said Cynthia Pasky, president and CEO of Detroit-based Strategic Staffing.

S3 has proven that the concept of "inshoring" can work, and that there's momentum to bring jobs back into Michigan and, specifically, to Detroit, she said.

"The message I want to send as a CEO is that when you make an announcement, you should be able to report back in a year and say here's what we did ... and come see it so you know it's real."

As reported by *Crain's* late last year, the rapid growth prompted S3 to more than double its space in the Penobscot Building to 45,000 square feet.

Currently, about 310 employees sit in that space, providing services for five clients: **Blue Cross Blue Shield of Michigan, Blue Cross Blue Shield of Louisiana, DTE Energy Co., Wayne County** and a large, unnamed health system.

Strategic Staffing expects to add four new out-of-state clients from the finance, insurance and biotech industries within six months, Pasky said.

Customers are drawn by the region's talent, which has both current skills and competitive rates, and by the option to have all of their talent in an urban area with appropriate backup that's easily accessible to clients.

S3's Downtown Development Center serves as the hub for S3's outsourced IT services, including Web and application development, maintenance services and its managed services software. The company also offers a call center offering help desk and customer contact, testing, software development and desktop support.

Through its website at www.strategicstaff.com, S3 is taking inquiries and résumés from business analysts, project managers and entry-level customer care people with IT know-how to fill the job openings, Pasky said.

Those employees will help accommodate four new clients from the finance, insurance and biotech industries that Pasky expects to sign on within six months.

"That's one of the things that's most exciting about this (center) for me; it's created jobs for people at all levels, from experienced project managers to entry-level customer care (employees).

Strategic Staffing Solutions posted \$205 million in revenue for 2010, marking its 20th consecutive year of revenue growth and a 21 percent increase from year-earlier revenue.

The Detroit Development Center accounted for \$10.5 million in 2010 and is on track to hit \$26 million this year, S3 said.

Like S3, New Jersey-based health care systems developer **GalaxE.Solutions** is outpacing its job creation projections in Detroit with a strategy of keeping jobs in the U.S. rather than offshoring them. GalaxE.Solutions manages outsourced projects for corporate clients and has direct employees.

"Our commitment was 500 hires over five years ... 120 at the end of year one is ahead of schedule," said Chairman and CEO Tim Bryan.

Again, like S3, GalaxE.Solutions expanded from 25,000 square feet in the Campus Martius Building in Detroit to 40,000 feet in October, just less than six months after setting up its office in the city.

The demand for helping health care companies transform their IT platforms to accommodate electronic medical records and other legislated health care reforms is very high right now, he said. The company's Detroit center "is keeping jobs in the U.S. instead of having them go off offshore."

He declined to name clients served from GalaxE's Detroit office but said they include some of the largest health care companies in the country.

"Outsource to Detroit," the company's tag line for its Detroit center, "is a great channel for us to deliver value to our customers," he said, "offering the proximity of being inside the U.S., no

currency issues and no foreign governments."

That increases collaboration and productivity for clients, Bryan said, also declining to give his company's revenue.

Detroit has many talented people who are unemployed or underemployed, inexpensive real estate, alignment with state, county and city governments to encourage business and a city that's very desirable to live in for IT professionals, he said.

"There are a lot of places you can do IT, but IT professionals like an urban environment, and Detroit is the best value in America right now in terms of cost of living and quality of life.

"That's why I made this (\$5 million) investment," Bryan said.

Are S3 and GalaxE creating an inshoring hub, of sorts, in Detroit?

"I hope so," Pasky said. "The talent is there."

Sherri Welch: (313) 446-1694, swelch@crain.com. Twitter: @sherriwelch