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# New firm helps small business outsource

*One Phoenix businesswoman is connecting local companies with Asian factories*

**Chad Graham**  
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During business trips, Solveig Muus has slept in vans, tried to avoid mystery meat in China and has traveled hundreds of miles on roads in India with no discernible traffic laws in search of the perfect factory.

"A company (in Arizona) doesn't have the resources to spend \$10,000 to send someone on a three-week trip to Asia, but I can say that I'm there anyway and can shop for you," said Muus, founder and principal of Silk Road Asian Sourcing.

The new Phoenix firm connects smaller companies, mostly in Arizona, with overseas factories, mostly in Asia, to produce their goods.

Clients say Muus will go to almost any length to find manufacturers in Hong Kong, Taiwan, China, the Philippines, Thailand, Vietnam, Korea and India.

Started in September, Silk Road just added a sixth client and hopes to have a dozen by year's end.

Although much attention is paid to outsourcing by *Fortune* 500 companies, small and midsize companies are increasingly sending work overseas to save on labor costs.

As a result, during the past couple of years in the United States, "a whole new generation of middlemen (has) come into . . . this picture," said Amar Gupta, Thomas R. Brown Chair in Management and Technology at the University of Arizona. "These people are trusted agents or brokers whose sole job is to link the people here and people over there. It's a whole new industry."

## Outsourcing question

Muus, 47, has spent hours seeking factories that can produce candles, furniture, toys and sculptures made of wood, glass, plastic and porcelain.

She is continuously updating her contacts, studying what factories have the best prices, which deliver what they promise and which ban child labor and are open to inspection.

Muus' clients remain sensitive to the subject of sending work overseas but say their companies would have shut down years ago had it not been for outsourcing.

Customers want to keep jobs in the U.S. and they want low prices, but "we can't have our cake and eat it, too," said Melanie Corpstein, president and CEO of Adorable Originals Inc.

The Phoenix doll and T-shirt company has been in business for 18 years and has seen all of its doll manufacturers in America go out of business. "In order to be kept competitive in the marketplace, (the dolls) really have to be made overseas," Corpstein said.

Adorable Originals, whose line is sold in gift shops and high-end stores such as Bloomingdale's, hired Muus to find a new factory in China that would make the dolls.

The company's T-shirts are purchased from an American company.

"Sourcing overseas in a country where we don't speak the same language takes a lot of time and communication," Corpstein said. "At 4 p.m. our time is when (Chinese) factories open and begin communicating. It's so much time between even asking questions and getting samples. But that's what Solveig does."

When asked about the uproar over outsourcing, Muus said the United States has not "been a manufacturing stronghold for a long time and, frankly, everybody knows it's about the bottom line.

"If (companies) can get something in China of great quality, bring it in and pay the freight, duty, inspection and still bring it in for less then they can make it for in their own backyard, why wouldn't they?" she asked.

The debate over outsourcing American jobs has been discussed for decades, and economists cannot agree if it ultimately hurts or helps the U.S. economy.

One oft-repeated study conducted by Forrester Research Inc. estimated that companies shipped about 830,000 white-collar U.S. jobs overseas by the end of 2005. In a decade, the firm estimated that number could be as high as 14 million.

But although "there's no doubt that some of the jobs have gone overseas, a large number of these jobs that went abroad have come back to the U.S.," ASU's Gupta said.

"I want to see what I'm made of. Am I a man or a mouse?" Muus said of her endeavor.

She moved to Phoenix 16 years ago and became a veteran of the catalog mail-order business, having made contacts in Asia over a 25-year period.

## **Moving mountains**

"I'm the kind of person that thrives on challenge and hard work," she said.

In the fall, she found herself in the northern India city of Moradabad looking for a factory to make brass chalices for Autom Co., a Phoenix mail-order company that sells religious and inspirational products.

Muus found a factory, got the cup's design approved and negotiated a price.

"From time to time, I'll give her something that's really difficult. She's really able to make things work when it comes to sourcing," said Paul DiGiovanni, president and chief executive of Autom. "She's as comfortable finding plush toys in Shanghai as metals in Moradabad."

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