

# BUSINESS: DEVELOPMENT

**DAI** brings technology and expertise to the world's most-challenging markets.

BY LOGAN KUGLER | PHOTOGRAPHY BY DAVID DEAL

Kevin Haggerty, Chief Financial Officer, DAI




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## SNAPSHOT

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**DAI**

dai.com

**Headquarters:**

Bethesda, Maryland

**Industry:**

International development

**Employees:**

2,200

**Revenue:**

US\$463 million in 2011

**Oracle product:**

Oracle E-Business Suite 12.1.3

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**KEVIN HAGGERTY**

Chief Financial Officer

**Length of tenure:**

Seven years

**Education:**

BA in Russian history, Amherst College; MS in accounting, Georgetown University

**Personal quote/mantra:**

"When a problem pops up, take a deep breath. They usually don't end up being as bad as they look."

Charlie Sweet and Tony Barclay thought this would go differently. For the two employees at private development consultancy DAI (Development Alternatives, Inc.), it was just another day at the office. Except that the “office” was an aircraft flying above the lush rainforests of the Congo—and it had just run out of fuel. As the plane’s altitude burned away, all the passengers knew they were nowhere near their destination in the Congo’s North Shaba region.

But there was some consolation. “He can’t kill us in this plane,” another development consultant riding with the DAI staffers said of the pilot. “It doesn’t fly fast enough.”

That small comfort turned cold as the pilot banked toward a body of water, preparing for an aquatic landing. Changing his mind at the last minute, the pilot altered course to put the plane down on a barren stretch of road instead—missing the road entirely and crashing into the countryside.

It could have been a lot worse. Miraculously, Sweet and Barclay walked away without a scratch. The following day, the two DAI staffers were on another plane to North Shaba. After all, there was work to be done.

### Market Solutions to Human Problems

Clearly, delivering aid to far-flung and often unstable corners of the world is a difficult and dangerous business. But with more than four decades of experience reducing poverty, jump-starting economic growth, and improving the quality of life for populations in developing countries, employee-owned global development firm DAI is getting results.

In 2011 alone, DAI management secured contract revenues worth US\$463 million—building urban gardens in Ethiopia, opening a biogas plant in Serbia, and employing 3,400 Palestinians through DAI job creation initiatives that generate more than US\$100 million in sales and exports.

DAI’s success is a reflection of increasing investment in international economic development. Since DAI’s Sweet and Barclay dropped out of the sky in that 1979 trip to North Shaba, official development assistance (ODA) from the world’s 22 wealthiest countries—one of the most widely accepted international aid and development benchmarks—has grown from US\$22.8 billion per year to US\$133.5 billion per year in 2011.

But the delivery of international development projects has also changed over the course of the past three decades. The global economy (along with new global threats to health, wealth, and security) means that staff from firms such as DAI need to assess new information, communicate with employees, and react to new challenges more quickly than ever before. Where DAI staff previously worked on improving agricultural yields and best practices, they are now overseeing projects as diverse as microfinance, mobile banking, and conflict management in war zones such as Iraq and Afghanistan.

For the past six years, DAI staff has counted on Oracle solutions to build a technology infrastructure that can support the company’s growth. DAI’s former CFO, Dennis Fransen,

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## 131,000

Number of new taxpayers registered with the Jordanian Ministry of Finance as a result of DAI’s Oracle-based policy and technology effort

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## 13,000

Number of farmers, in 25 of 34 of the country’s provinces, that have received more than US\$36 million in loans

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## 24,000

Number of farmers expected to receive loans in 2014

Source: DAI

suggested Oracle E-Business Suite to replace a patchwork of parallel information systems that were adding friction to an already complex business operation. Now DAI’s current leaders want to continue making good on that investment by rolling out expanded solutions to the company’s far-flung markets. That intention fits perfectly with two trademarks of DAI’s business: providing value, and providing the best people for the job.

“The value proposition we bring to the work is that we have a large stable of people who have done this kind of work around the world,” says Kevin Haggerty, CFO at DAI. “We know the people in the countries—the governmental players and the businesspeople. We can bring those people together for the projects we get hired to do.”

### At Home and Abroad

To manage the complexities of the business and deal with a workforce spread all over the world, DAI needs technology that can track and manage employees effectively. For that, the company’s management uses Oracle E-Business Suite to coordinate with its global teams and cope with the changing business requirements on the ground in dozens of different countries. “Oracle is our financial system of record,” says Larry Campbell, vice president of information management and technology at DAI. “We have Oracle as our ERP [enterprise resource planning] system, and we’re using financial and project applications.”



Larry Campbell,  
Vice President  
of Information  
Management and  
Technology, DAI



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—Larry Campbell, Vice President of Information Management and Technology, DAI

Oracle E-Business Suite-based systems support DAI business processes around the world, handling financial and HR operations for the company’s more than 100 ongoing projects. Most commonly, the system is used at the company’s headquarters in Bethesda, Maryland, which presents some problems for the staffers in DAI’s 120 offices in various foreign countries. “There is a different reality in rural Afghanistan, where the rate of technological change is growing at a very slow pace,” says Juan Estrada-Valle, chief of party of DAI’s Agricultural Credit Enhancement Program in that country.

Despite the dramatic contrast in computing capacity between headquarters and the field, Estrada-Valle’s project has scored big wins. The project, which provides credit to Afghanistan’s commercial farmers, has delivered more than US\$36 million in loans to 13,000 Afghan farmers. And not a single loan has gone into default.

DAI’s corporate team in the U.S. monitors Estrada-Valle’s project and others by utilizing Oracle E-Business Suite functionality. The company’s financial management and HR systems use Oracle Web Applications Desktop Integrator functionality to provide bimonthly reports on project updates, setbacks in the field, and business benchmarks. With Oracle Web Applications Desktop Integrator, workers can populate spreadsheets created in popular desktop software with data, and then upload those spreadsheets into a range of Oracle applications. That sort of frequent reporting is crucial to communicating course changes and shifting priorities on the ground—circumstances not uncommon in tumultuous places such as Afghanistan.

But implementation of Oracle and other technologies in the field can be difficult. In Afghanistan, technology is deployed unevenly at best and is evolving at a very different



The DAI team works with locals on capacity building in two different settings: event management training in Jordan (left) and farming reforms in rural Afghanistan (opposite).

## ORACLE AROUND THE WORLD

As part of private development consultancy DAI's efforts to reform Jordan's fiscal operations, staffers helped implement Oracle E-Business Suite to help the country's Ministry of Finance operate more efficiently. DAI staffers use a government financial management system implementation to help the ministry find citizens outside the tax system, perform key audits of government programs, and collect revenue owed. A similar system helps Jordan's Ministry of Water and Irrigation hit key business targets in the desert kingdom.

Jordan isn't the only one benefiting from Oracle technology. When your staff is working on nearly 200 projects in some of the most challenging places on the planet, you need industrial-strength financial and HR solutions. That's why DAI uses Oracle solutions to keep tabs on its employees in 120 different offices worldwide.

But DAI faces some unique business challenges.

"Since we're in these countries where internet connectivity is very shoddy, you can't really use online systems," says Larry Campbell, vice president of information management and technology at DAI. "That's part of the reason we sometimes don't use Oracle directly [in the field]."

However, the versatility of DAI's Oracle solutions puts technology to work for economic development. At home in Bethesda, Maryland, the

company has technological solutions that adapt with its dynamic industry.

"We've interfaced our system with Oracle so that twice a month it can spit out a report that can be uploaded to Oracle Web Applications Desktop Integrator," says Campbell. Even in places such as Afghanistan, DAI staff at home can keep tabs on how agricultural credit programs and security issues develop on the ground.

There's a silver lining to DAI's efforts in low-infrastructure countries. As the company's teams use Oracle technology to better the lot of developing nations, the infrastructure on the ground improves. When DAI comes into town the next time, more solutions become feasible.

For DAI and Oracle, that's a good thing: both companies are in it for the long haul. Oracle has been serving DAI's needs for six years running. And DAI's staffers have been returning to and improving places such as Afghanistan since 1979.

pace than is expected in the developed world. "It's different from the developed world, where the cycle of necessity and invention took us down a long road to reach where we are now," says Estrada-Valle. "Now we have a toolbox of technologies that allows us to help people in developing nations leapfrog decades and, in some cases, centuries [of the process]."

Afghan farmers have gone from isolated lives to using mobile banking and credit cards that comply with Islamic principles, Estrada-Valle reports. And with each new round of technological change, it becomes easier for DAI staffers to deploy new tools that make their job easier—including Oracle solutions.

"As we move into countries with better infrastructure, or countries we've worked in where infrastructure is improving, we're better able to follow the cloud," says Campbell. "We're rolling out Oracle completely."

But in other countries in which DAI works, people are clamoring for those solutions as well. Luckily for DAI, the company is poised to deliver them. Indeed, the DAI team is using the Oracle technology that works so well for DAI management to bring new efficiency and transparency to foreign governments that want comprehensive, streamlined financial management solutions.

### Building Fiscal Reform

Indeed, DAI has been working with the government of Jordan since 2009 to implement critical fiscal reforms to foster macroeconomic stability in the nation of 6 million. One of those reforms is simple: make it easier for more people to register as taxpayers and pay their due.

To make this happen, DAI staff is using the technology that has gotten the job done for them at home. In tandem with the Jordanian government and implementation partners, DAI's in-country staff have installed Oracle E-Business Suite and a government financial management information system (GFMIS) to assist the Ministry of Finance, the Ministry of Education, the government audit bureau, and other government departments in managing data better and pruning waste from their operations.

When the program began in 2009, the government of Jordan was in need of significant change. The official bureaucracy had grown haphazardly over the years, resulting in serious inefficiencies. Ministries were bogged down by one-off legacy systems, unclear mandates, and overlapping jurisdictions. The citizens, the government's top concern, had little idea which departments and agencies they should approach for certain services.

By applying a model of private solutions to public problems, the DAI staff implements the Oracle system across government departments, making reducing waste, improving efficiency, and serving people more effectively not only possible but probable.

"The system vastly improves the government's ability to manage its cash and borrowing requirements, root out improper

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—Juan Estrada-Valle, Chief of Party in Afghanistan, DAI



financial practices and procedures, and safeguard budget ceilings from being exceeded,” says Christina Erickson, the acting chief of party for DAI’s Jordan Fiscal Reform program.

Now, things like keeping tabs on who owes taxes is possible for the government’s accountants. For instance, when a vendor makes a payment through the system, the payment is frozen if the vendor owes the government money. That kind of cross-checking was unthinkable before the implementation.

“Early rollout in the sites with the highest transactions, such as the Ministry of Finance and the Ministry of Education, means that GFMIS now covers most financial transactions in the government of Jordan,” says Erickson.

The Jordan Fiscal Reform program and its Oracle solution have paid handsome returns so far. Improvements to the fairness and accountability of the tax system are helping raise additional revenue. Government staffers can now identify citizens who were outside the tax system or were not paying their fair share of taxes, resulting in a 25 percent increase in the number of registered taxpayers.

According to Erickson, that translates into 131,000 new taxpayers since 2009. For the first time, the government’s audit bureau is publishing the findings of performance audits for government programs, providing an important boost to public sector accountability.

### Developing the Future

With 2,200 employees and consultants working worldwide, DAI’s management team is going to need to keep track of even more people, even more frequently. Last year’s revenue numbers indicate new opportunities on the horizon. And the DAI team believes that those new horizons might just provide some significant opportunities to do well while doing good.

“While people at the base of the pyramid are using functional phones right now, I believe we’ll start seeing more and more smartphones—and then we’ll be able to provide services there that we can’t provide right now,” says Campbell. “The reach we’re going to have through mobile technology is just going to balloon; it’s just going to be huge.”

Currently, the DAI team is pursuing smartphone potential by using mobile apps to fight a new counterfeiting problem in India. Global agriculture companies develop hybrid and specialized seeds, which are optimized for use in particular areas. But the authentic seed products don’t always end up in

farmers’ hands. So the DAI technical team has developed a smartphone application that can screen a tag on the seeds to verify their authenticity.

“If you’re a local farmer, the chance that you’re getting the real seeds is way less than 100 percent,” says Haggerty. “This app guarantees that the seeds they buy are the ones they think they bought.”

The program is a great example of DAI’s trademark approach: speaking to stakeholders in their own language and addressing their unique cultural or economic concerns—rather than assuming that what works at home will work abroad. “In order to succeed, it is paramount to look at the challenges and technological solutions through the eyes of our clients,” says Estrada-Valle, “not through the lenses of our Western values and beliefs.”

DAI management’s continued investment in Oracle applications speaks to how seriously they view that commitment. With solutions such as Oracle E-Business Suite, they are looking to leverage rock-solid technological resources that adapt to international development’s rapidly changing frontiers. That’s not surprising for a company with deep roots, a passionate culture, and a commitment to exploring every possible resource to fulfill its mission.

That approach not only has customers coming back for more, but also keeps DAI employees engaged with their work. “This is my second tour in Afghanistan,” Estrada-Valle says. “I felt I had to come back. It’s a privilege to positively affect the lives of thousands by just doing well what I love to do.”

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**Logan Kugler** has written for more than 50 national magazines, including Biztech, Success, and PC Magazine.

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