



The Computerworld Honors Program

Honoring those who use Information Technology to benefit society

Final Copy of Case Study

YEAR:
2012

STATUS:
Laureate

Organization:
Direct Relief International

Organization URL:
www.directrelief.org

Project Name:
Customer Case Study: Direct Relief International

What social/humanitarian issue was the project designed to address? What specific metrics did you use to measure the project's success?

Direct Relief International is a nonprofit organization with a single purpose: to provide humanitarian assistance and medical supplies to people who can't pay for them. The organization has taken great strides in fulfilling its mission by leveraging SAP Business All-in-One software as the backbone to support and grow its operations. In the U.S. alone, Direct Relief has distributed medicines and medical supplies worth \$1.4 billion since 2000. It needed an IT system that would handle this business volume and scale up to allow growth. Two key priorities are transparency and the responsible handling of donations. SAP Business All-in-One ERP, SAP CRM, SAP NetWeaver Portal, and SAP Business Objects solutions provide transparency, support shipping processes, and promote the creation of a global partner network. Since deploying SAP ERP in July 2008, Direct Relief can now access information in real time and respond faster to crises such as the earthquake in Haiti or the floods in Pakistan. Its inventories are optimized, partners can place orders online, and Direct Relief can provide proof of how donated items have been used. Direct Relief's programs are reliant on support from pharmaceutical companies who donate large batches of medications for distribution. The SAP Business All-in-One system makes it easy to pinpoint where the product donations are as well as when and how they reached their destination. For fiscal year 2010, Direct Relief's financial audit showed a net variance of 0.006% on nearly half a billion wholesale transactions of incoming and outgoing inventory, a level of accuracy unheard of in the sector. It earned a fundraising efficiency score of 99% from Forbes. The use of SAP

technology allowed Direct Relief to run at a level of operational efficiency that was equal to or better than that for for-profit peers.

4. Please describe the technologies used and how those technologies were deployed in an innovative way. Also, please include any technical or other challenges that were overcome for the successful implementation of the project.

"We help facilitate the flow of goodwill" is how IT director Ross Comstock describes his team's key responsibility. When Direct Relief decided to use SAP, "our legacy systems had reached their limits and were slowing down our growth. So we were finding it difficult to extend our aid programs," recalls Comstock. With SAP, Direct Relief had the robust technological backbone it needed to run its operations and also create and scale innovative programs such as its online community network, the Direct Relief Network. The Network enables partners, corporate supporters that donate medicines, clinics that receive the medicines, and medical professionals who volunteer their time and services to access the Network to see where help is needed most, make donations, and place orders. The Network grew out of a specific challenge Direct Relief was facing in the U.S.: to enable any company to donate products needed by every community clinic in the country that treats uninsured and underprivileged patients who can't access the medicine they need to stay healthy. Through the Network, Direct Relief can now support more than 8,000 nonprofit clinics in the U.S. "The Network has facilitated thousands of individual transactions by healthcare providers who have a single site where they can log in, see a list of products, and choose what they need to serve their patients," says Damon Taugher, Director of Direct Relief USA. The program scaled quickly and allowed the organization to distribute more than \$250 million (wholesale) worth of medicine in the U.S. With the demonstrated success, Direct Relief then took the system innovations global. "Now, all our partners in over 70 countries that we work with can order online, see inventory, choose their products, and arrange the shipping logistical information," says Taugher.

5. Please list the specific humanitarian benefits the project has yielded so far. (In 300 words or less.

Delivering medical supplies and assistance where and when they are needed most often means responding to natural disasters. Direct Relief provided direly needed volunteers and medical resources after the earthquake struck Haiti in January 2010. Through the Direct Relief Network, the organization delivered over 1,000 tons of life-saving medicines and supplies, valued at over \$70 million dollars wholesale, to 115 Haitian Health Facilities, serving over 4 million patients, the largest response effort in its history. Managing emergency response efforts is challenging, according to Thomas Tighe, President/CEO of Direct Relief, because while relief organizations have no shortage of donations, there is little information on how best to help. Many organizations end up acting on guesswork. "Tons of container loads of medical materials were arriving simply addressed to the airport in Haiti, effectively clogging up already compromised distribution arteries." A more effective response would require a system to analyze data about the type of injuries sustained in the disaster, to determine how many patients need to receive trauma care or even the number of sutures that are needed. Fortunately, Direct Relief spent the year prior to the Haiti disaster developing the Network to create an efficient, transparent, optimized flow of materials in a high-pressure situation. "We were able to profile the medical material needs at a macro level, and aggregate the information down to the individual place that ordered them. We weren't sending products that weren't needed or wanted," remarks Tighe. "We could visualize the data and tell a story about where the flow of resources went into Haiti, which was reassuring to people who responded to this crisis. It opened up their inventories for us and instilled a lot of confidence, but most importantly, the people of Haiti ultimately got what they needed at a time they needed it."

6. When was this project implemented or last updated? (Please specify month and year.)

Direct Relief has run its business on SAP Enterprise Resource Planning (ERP) since July 2008. In 2010, Direct Relief added Customer Relationship Management (CRM), Business Intelligence, and SAP NetWeaver Portal to create and launch the Direct Relief Network for partners.

7. If this is a previously submitted project that has been significantly updated and/or expanded, please describe the nature of the update, or please indicate N/A in the field below.

Since our last submission, we have made substantial improvements to the Direct Relief Network. The first major improvement is for our product donor partners. Direct Relief was able to leverage the same e-commerce platform used with downstream hospital and clinic partners, and repurpose the tools and technologies to provide a simplified donation process for upstream product donor partners. This enhanced capability allows product donations to flow directly through our systems in the critical days and weeks following a disaster. Because Direct Relief is small and does not have the staff to support a 24/7 process for the donation of medicines and supplies, it was crucial to extend the platform to provide that capability. The second major area of improvement is in the area of transparency. Direct Relief is one of the first organizations to visualize the flow of aid materials via an online map. This was achieved by integrating SAP CRM and SAP Business Intelligence with the Esri ArcGIS platform. The organization had prototyped this capability in 2011, but is only now bringing online the fully integrated ERP/CRM and data visualization platform. The first of this new breed of maps will be for a medical condition called obstetric fistula, which occurs primarily in developing countries. The map, developed in concert with peer NGO organizations, will help people to better understand this complex problem, and should help to drive increased interest and support. The second map that we plan to release (estimated first week in March 2012) will update the "where we work" section of our public website, and will provide live, up-to-date information about the flow of material aid from our generous supporting partners, through Direct Relief, to the network of hospitals and clinics that we serve in the U.S. and globally.

8. Is implementation of the project complete? If no, please describe the project's phases and in which phase the project is now.

The first two phases of the project are complete. The architecture that powers the Network processes includes SAP Business All-in-One ERP, SAP NetWeaver Portal 7.0, SAP CRM 7.0, SAP NetWeaver BW 7.1, and SAP Business Objects solutions. Phase 1 was focused on the SAP systems and processes needed to run the core operation, including financials, sales and distribution, inventory management, warehouse management, and compliance. Phase 2, in turn, focused on engaging partners, and the Direct Relief Network has successfully linked partners from 50 states and over 70 countries. The next major phase is about "everyone else." Direct Relief has a front-row seat and is able to support and witness the flow of goodwill every day. In our next phase, we will make an effort to share these stories with the general public. Phase 3 will be complete by the end of 2013.

9. Please provide the best example of how the project has benefited a specific individual, enterprise or organization. Feel free to include personal quotes from individuals who have directly benefited from the work.

The best example of humanitarian benefit is what Direct Relief was able to accomplish in Haiti with the new SAP systems. Direct Relief provided 1,000 tons of life-saving medicines and medical supplies valued at over \$70 million (wholesale) to health facilities throughout the country. Continuing the delivery of needed medications, medical supplies and equipment. An effective and efficient distribution system built on four decades of work in Haiti has been aided by Direct Relief's new online ordering system. Using a state-of-the-art, commercial grade IT backbone, Direct Relief

created the only charitable online ordering platform for Haitian healthcare providers to efficiently order and receive medications and supplies at no cost to them. Establishing the Community Grant Fund. International aid groups received over \$2 billion in donations for Haiti, yet many smaller local groups still struggle to access funding. That's why Direct Relief established a Community Grant Fund to provide over \$630,000 to local, Haitian-run organizations responding to the needs of their communities. More than 500,000 people have benefitted from the work of these grassroots local groups who have, among other things, provided more than 1,000 children with schooling, cared for 500 orphans (many of whom with special needs), and trained community health workers to work in an area that previously lacked access to health care. All grants were created and tracked via the Direct Relief Network. Fighting Cholera. Cholera had been absent in Haiti for over 50 years when, late last year, an outbreak occurred just as many aid agencies were winding down emergency earthquake operations. Cholera claimed 6,600 lives and is still a threat but, fortunately, Direct Relief never left Haiti and has provided enough medical supplies and equipment to treat 100,000 people and prevent further loss.