



Changing How
the World Works.

Annual Report

2019

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Letter from DDD Leadership



Dear DDD family and friends,

2019 was an exciting year for us, marked by historic achievements in our work towards improving the lives of young women and men in Cambodia, Laos, and Kenya through education and employment.

We began the fiscal year with our biggest backlog of work in DDD history. Through the strong performance of all our major service lines, we secured monumental wins, starting with a data collection project to collect genealogy information in five countries across Africa. This contract—the largest in our history—allowed DDD to employ and train an additional 900 youth in 2019 alone.

DDD also secured exciting machine learning projects across various sectors such as e-commerce, sports analytics, agriculture tech and academia. Given the ever evolving nature of the tech industry, we recognized the need to constantly update our solutions, implementing R&D programs in 2019 geared towards advanced and in-demand technologies such as animation and machine learning. We are confident that integrating new services in these next-generation technologies will allow us to not only increase our revenue and impact—but will further position DDD as the machine learning partner of choice.

The developments in our offices were followed by the success of our pilot program with the Moringa School, giving low-income youth in Kenya the opportunity to learn coding competencies and receive DDD's proven BEST training. The effectiveness of

the program recently garnered a \$10 million grant, which will enable an additional 1,500 youth to access this previously out-of-reach program in the next three years and jumpstart their lifelong careers in tech.

We also launched Career Connect in Cambodia and the Training Center in Laos this year, paving the way for DDD to become a center of knowledge and growth for young professionals in these countries. These programs allow us to explore new service lines and approaches, boosting our ability to create more impact in terms of generating business, stimulating job creation, and, most importantly, providing alternative opportunities for underserved youth to enhance their employability.

Together with our clients, DDD is as committed as ever to creating new pathways for youth to enter into gainful employment. In 2019, we generated \$13.1 million in earned revenue, which is a testament to our financial sustainability as a company and the increasing relevance of Impact Sourcing in the global economy.

We are grateful to our clients, donors, investors, and the DDD staff, whose collective efforts have made it possible for us to explore new avenues for growing both our business and social impact potential in 2019. With your partnership, we look forward to another year of empowering more underserved youth from Cambodia, Laos, and Kenya to secure better futures for themselves and their families.

With sincerest thanks,

Jeremy Hockenstein
Co-founder and CEO

Dhiren Rawal
Vice-Chair (Business)

Jaeson Rosenfeld
Vice-Chair (Impact)

Innovating for the Future of Work

After strengthening our social impact models and business services in the past year, we are dedicating 2020 to advancing our machine learning capabilities and developing our centers for knowledge, broadening our social impact by increasing the number of youth we serve and helping them build skill sets that will remain commercially sustainable in the future.

GEARING FOR EXCITING GROWTH WITH MACHINE LEARNING

The highly dynamic nature of the tech industry continues to generate demand for new services and skills, presenting an exciting opportunity for DDD. Capitalizing on the results of our feasibility studies and market research surrounding the demand for cutting-edge technologies, we will further diversify our service offerings and advance our capabilities for machine learning in 2020. With support from a generous anonymous grant, we will continue to focus on developing our data labeling and natural language processing service lines, among other high-potential fields, which we foresee will lead towards increasing growth in the coming years.

By expanding our service offerings, we are not only increasing our hiring capacity but also creating new learning pathways to equip underserved youth with the most relevant skills in a constantly-changing job market.

INNOVATING CENTERS FOR KNOWLEDGE AND GROWTH

While we continue to prioritize our Work-Study program, DDD is taking an agile and adaptive approach to equip more youth with the essential professional and technical skills needed to enter the job market. In 2019, we launched Career Connect in Cambodia and Training Center in Laos to offer short courses and internships to the public towards achieving this goal. In the coming year, we will work towards further developing these centers for knowledge and growth so that employers will look to DDD for experienced and motivated talent to join their workplaces—and underserved youth can gain critical skills for employment within a shorter period of time.

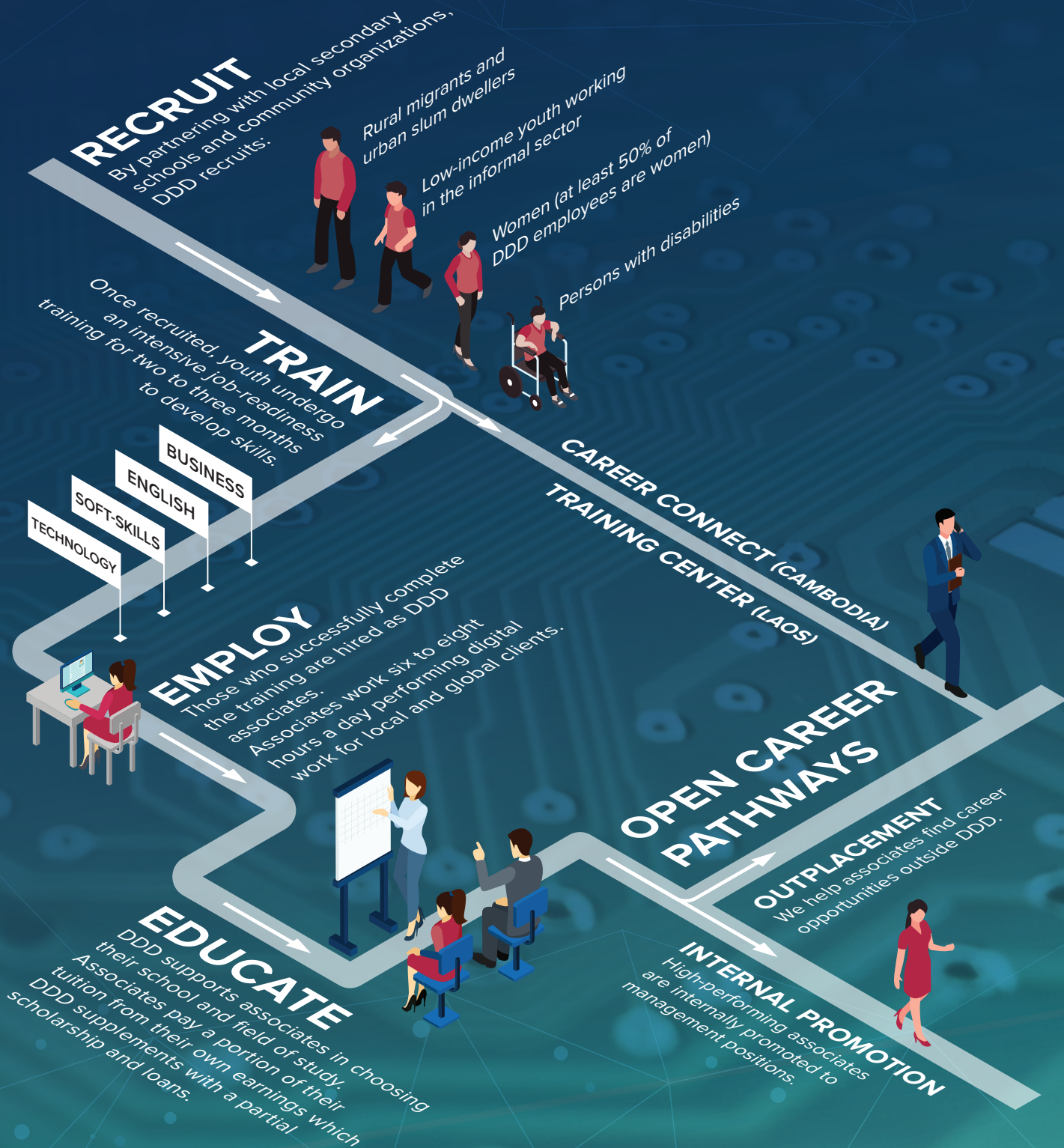


By expanding our service offerings, we are not only increasing our hiring capacity but also creating new learning pathways to equip underserved youth with the most relevant skills in a constantly-changing job market.

We aim for hundreds of youth from Cambodia and Laos to benefit from these programs and for them to be placed in employment within the next 12 months. DDD envisions that these new programs will allow us to support even more young individuals in improving their employment outlook and breaking the cycle of intergenerational poverty in which they were raised.

In 2020, we will build upon the groundwork of the past 18 years, using technology as a catalyst to creating employment and securing the futures of more young people within the global digital economy.

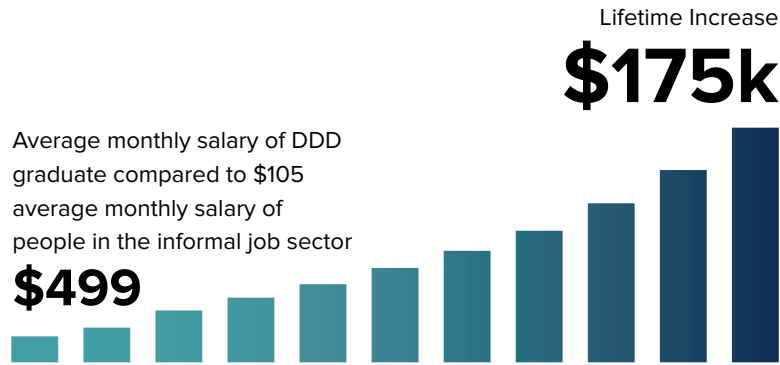
DDD Social Impact Model



Impact Data

Income Increase

2019



Impact



103

People with disabilities have been employed

1,884

Youth helped to graduate from university

6,966

Total number of youth impacted through employment or employability training

28,000

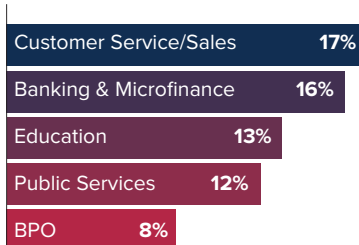
Total number of people indirectly impacted*

*Based on an average family size of four people.

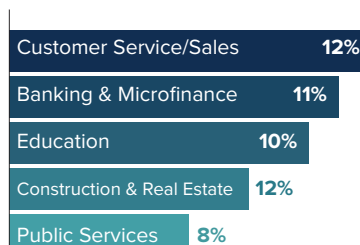
Trends

The top employment industries of 2019 for DDD graduates

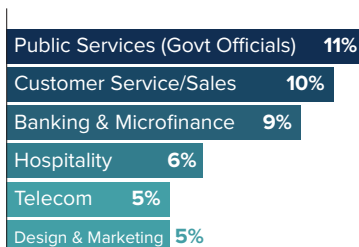
OVERALL



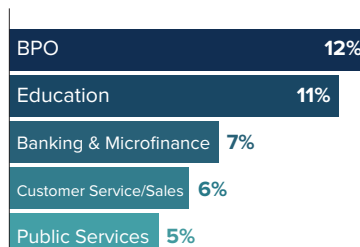
CAMBODIA



LAOS



KENYA





*Graduate
Profiles*

Samin Ngach

Envisioning Peace Through Multi-Cultural Learning



Growing up in the Bunong tribe in the Oraing district of Mondulakiri, Cambodia, Samin Ngach was taught to respect all peoples and the natural resources that sustained them. Taking pride in his tribe's 2,000-year heritage, after graduating from high school, Samin started working in organizations that championed the welfare of indigenous groups like that of his own.

As his tribe faced infrastructure developments that encroached upon their land, endangered the wildlife and displaced ethnic communities, Samin felt a growing sense of urgency to protect his land and his people. These challenges fueled Samin's determination to pursue higher education and complete a law degree.

His experience at DDD showed Samin that indigenous and non-indigenous peoples can live and work in harmony with each other.

In 2009, Samin received a joint scholarship from the Center for Information Systems & Technology

and Digital Divide Data (DDD) to study at the University of Battambang while working as a data entry operator at DDD's Battambang province office. The only Bunong in his class and in the office, Samin quickly made friends and learned new skills such as problem-solving, self-management, and negotiation. His experience at DDD showed Samin that indigenous and non-indigenous peoples can live and work in harmony with each other.

Drawing inspiration from DDD Executive Director Sopheap Im, whose strong commitment to support younger generations energized his own vision for his community, Samin completed his tenure at DDD and received his degree. Samin also joined the Rights & Business Law Office and acts as a legal advisor to groups advocating for the rights of indigenous youth. By combining the values and skills he learned from DDD and his law work experience, Samin is fulfilling his dream of establishing a law firm that would provide legal services for the indigenous community and giving back to the people and the land that have given him so much.

Phonsackda Souliyavongsay

On the Road to Self-Sufficiency



Growing up in Nakokpho village in Laos' Salavanh province, Phonsackda Souliyavongsay dreamt of becoming a lawyer and making a difference in his community. He attended the village high school, which only had a few teachers. Despite this, "I managed to win third place in our province's Math contest," said Phonsackda. He finished high school, the highest level of education in Nakokpho, knowing only basic English.

After graduation, Phonsackda found a job at a copy center in the city. It was around this time that his brother's friend introduced him to DDD and the Work-Study Program. Phonsackda joined the Program, seeing it as an opportunity to further his education while holding down a better-paying job that would allow him to support his family financially.

Backed by a full scholarship from DDD, Phonsackda took up Computer Science at the University of Laos. He picked Computer Science over a law degree because "computers make our lives easier and there are more related job opportunities in different fields and with different companies."

As a working student, splitting his time between work and school was a challenge. Phonsackda would spend hours every day traveling from home to the office for on-site training, then onto university. Phonsackda is used to it, though. In Nakokpho, he had to walk to school and back because there was no public transportation. Buses would skip the village because of poor road conditions and people had to ride motorbikes or trucks to get to the next village.

Now in his ninth year with DDD, Phonsackda works as a Project Manager in the Laos office where he puts to good use the different skills he has learned. Phonsackda compares DDD to family, one with a supportive working environment and leaders who encourage development and growth. He takes inspiration from

his supervisor Phabphada Dokbuathong. "Phabphada manages people with different skill sets and she brings out the best in them," an example Phonsackda follows as he manages his own team. "I have 45 associates, all of whom are teenagers working in their first professional jobs." He collaborates with other Project Managers to address technical issues, and shares new skills with his colleagues and associates, quite the opposite compared to his copy center job. "I had no friends there, no time to study, and no opportunities to grow and learn."

DDD's focus on the high quality of work and employee life taught Phonsackda "how to be happy in and outside of the office," letting off steam by playing soccer with his colleagues and cycling on weekends.

Working at DDD helped Phonsackda improve not only his life but also his family's. He has helped his parents build a house in his hometown and supports his sister's education financially.

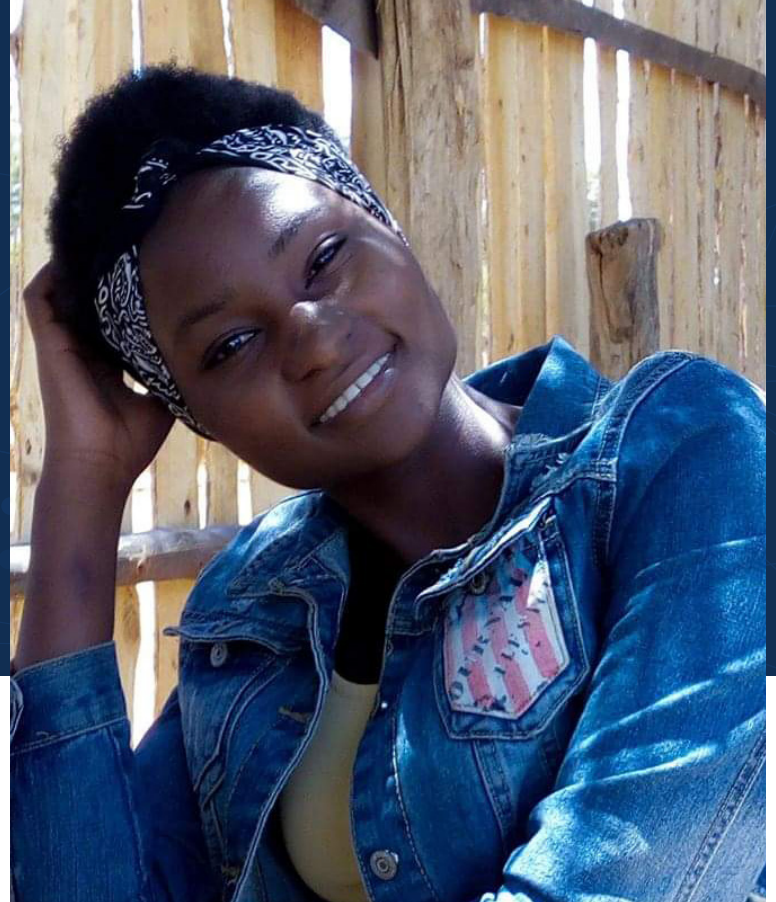
"I grew up in a family that planted rice for a living. If I didn't join DDD, I wouldn't have gotten the opportunity to go to university and get a job," he said. "I would have become a farmer like everyone else in my village."

Phonsackda plans to pay all these opportunities forward, starting with encouraging his sister and his cousin, who will finish high school soon, to join DDD's Work-Study Program. Ten years from today, he sees himself still with DDD, still learning and evolving, while taking on a higher role and more responsibility for helping young associates develop and grow.

KENYA

Fridah Moraa Nyabuto

Success is No Accident



A natural-born artist, Fridah Moraa Nyabuto had loved watching matatus pass by in front of her family's home, their vibrant paintings never failing to stir her imagination. But when she was only four years old, Fridah met a terrible road accident involving one of Kenya's famed minibuses. It was an event that would lead her to spend half her childhood in the hospital, undergoing five surgeries and having metal plates inserted into her leg so she could walk again. But the scars of her accident went much deeper than those that permanently disfigured her legs or changed her gait: Fridah was often bullied by her schoolmates. As a result, she isolated herself and ended up hating school.

But Fridah was a bright student, even finishing high school on a scholarship. Afterwards, she longed for a way to help support her widowed mother and three siblings. That was why she was so excited when her cousin told her about DDD's Work-Study program. But her initial enthusiasm was soon overcome by paralyzing fear, as years of bullying had convinced Fridah that she did not have what it took to succeed. Thankfully, DDD saw past her disability and recognized her many potentials instead.

It has been almost five years since Fridah first walked into the DDD office, head bowed down and too nervous to speak. Now, she walks with the confidence of a woman who has gained the admiration of her peers for her attention to detail and commitment to work. And she speaks with both courage and kindness—something she learned from her teammates, whose acceptance and friendship were integral to rebuilding her self-esteem.

Thankfully, DDD saw past her disability and recognized her many potentials instead.

With the support of DDD, Fridah gained her college degree, as well as valuable competencies and work experience as a data associate. Where once, she believed that her accident would keep her from success, now she sees disability as only a roadblock to conquer. At the age of 25, Fridah is already living her dream of empowering youth by her involvement in civic organizations, proving that success is no accident—but the fruit of one's courage and perseverance.

Danielle Schafer

An Unexpected Opportunity



Having spent the beginning of her professional life in theater, Danielle Schafer lived by the golden rule: “The show must go on.” As a stage manager, it was her job to keep every live performance in order. Anticipating the unexpected events that could arise in a show was an exhilarating experience that allowed Danielle to develop valuable skills while doing what she loved.

When her husband joined the Air Force a year after they were married, Danielle thought she was prepared to become a military spouse. They relocated to an area without a vibrant theater scene, so she transitioned to managing events for an amusement park instead. But while Danielle excelled at her work, the nature of military life, as well as the structure of her company, made it impossible for her to continue with them. With every relocation, she would undertake the job-hunting process—a stressful experience she hadn’t anticipated she would face as often as twice a year.

Danielle sought support from online military spouse groups, and it was there that she came across a job posting from Liberty Source that seemed to fit her skills. “Even though I didn’t have experience in the managed services sector, I knew I could make it work if the company would

take a chance on me.” Recognizing the ability of military spouses to pivot their careers, Liberty Source did take a chance on Danielle. She has been a project manager for them ever since.

“Even though I didn’t have experience in the managed services sector, I knew I could make it work if the company would take a chance on me.”

Despite a steep learning curve, Danielle grew into her role, excitedly learning about things she never even encountered while she was in entertainment. But what she values most is the job security Liberty Source offers, allowing her to focus on anticipating the unexpected when it comes to her projects and clients instead. After another relocation, Danielle retained her role as project manager, albeit in a remote capacity. She acknowledges that it’s a rare company that enables driven military spouses to develop thriving careers. But with Liberty Source as a leader, Danielle is hopeful that it will soon no longer be the exemption, but the norm.



Office Updates



Laos

This year, Laos focused on operational excellence, consistently delivering high-quality work, keeping employees motivated, and carrying out trainings for continuous improvement—even tapping DDD Cambodia. These efforts have resulted in more long-term projects, putting us in a very strong financial position. We also launched the DDD Training Center to get young people started with their future careers, amplifying social impact in Laos.



2019 saw our strongest performance financially, thanks to several factors, including high client satisfaction, overall operational excellence, and high employee satisfaction.



We successfully launched the DDD Training Center in Vientiane, a youth-focused full-service training center open to the public. Through workshops, classes and engaging activities, we help youth get started with their future careers.



Together with DDD Cambodia, we conducted a Trainer Training course to share knowledge and best practices for staff, management, and BEST training.



We were recognized by Lao Disabled Women Development Center for our excellence in providing job opportunities to disabled women through internships. We also received a certificate from the Lao Red Cross Organization for participating in the blood donation drive.



Cambodia

Cambodia was hard at work in 2019 to improve overall performance. We created dedicated systems to enhance the quality of products and services and empowered staff through training and promotion to management roles. We reached out to more networks to make our important work known, and introduced “Career Connect,” an exciting impact initiative for Cambodian youth.



We exhibited a strong financial performance this year, growing our service lines and surpassing revenue projections due to improved productivity, staff training, and efficiency.



We launched “Career Connect” to amplify impact in Cambodia. Career Connect provides youth access to professional network and employment resources support to help them make informed decisions to advance their careers.



We put in place professional development plans, and team members are taking the initiative to develop and transform themselves for bigger managerial roles.



We joined various seminars, conferences, and exhibitions to gain exposure and expand networks, including UNESCO’s International Conference on Genocide, and Memory and Peace in Phnom Penh. We also presented our “Tuol Sleng Genocide Museum” project to global professionals at The Association for Historical and Fine Arts Photography in London.



Kenya

For DDD Kenya, we focused on improving operational efficiency and overall performance. We believe that as employees' performance improves, our productivity will also increase.



We focused on adopting habits to increase production efficiency. **With productivity at a high, we retained and signed additional clients.**



We refined our feedback processes by training supervisors on giving performance feedback to their direct reports. We also introduced personalized feedback on a monthly basis.



We took on an oral genealogical project that allowed us to train **500 more employees.**



We recognized **Judith Obonyo, Director of Client Services, and Maureen Chebet, AWS Cloud Computing Associate**, who submitted a paper, "Building Best Practices to serve Women and Girls" to the Women, Information, & Libraries Congress held in Greece, which was virtually presented in August and was well-received by attendees.



Acknowledging professional growth in our team, we **promoted staff at all levels.** We also held team-building activities and exercises to encourage teamwork and collaboration.



LIBERTY SOURCE



Liberty Source

2019 was another eventful year for Liberty Source. We attracted new clients and partnerships by adding data-driven services, and expanded our skillful workforce in Hampton, Virginia.



We formalized new partnerships and gained clients as we expanded service offerings to meet the growing demand for quality data analytics and digital transformation.



To gain market visibility, we hired our first Marketing Vice President, who has extensive experience in creating brand recognition through integrated strategic marketing and communication campaigns.



As experts in our field, we have shared nine thought leadership articles across the industry.



Demonstrating that learning and development remains fundamental to our mission, we launched Liberty Source Learning, an online learning platform that provides our associates with opportunities to learn soft skills such as customer service and communication techniques, and technical training on the latest tech tools.



Our team has grown to 151 employees. We actively recruit women and as a result, 63% of our staff is female. In addition, the majority of our employee population are self-reported military spouses or veterans.



Financials

Financials

Strong performance in Asia and Africa Lead the Way to Financial Sustainability

Africa and Asia produced the highest earned revenue ever, leading to the highest number of underserved youth ever working for DDD. Many factors contributed to this success, not least among them our work in the Cultural Heritage space, such as the Tuol Sleng museum digitization project in Cambodia, the large oral genealogy project in Africa or the continued expansion of our Machine Learning practice in both our Asian and African offices.

Liberty Source had a more mixed experience. With a new CEO at the helm, our US office in Virginia expanded its client base. The work produced for these new clients in data research, curation and analytics space is a growing area that holds much promise for Liberty Source in the age of Big Data. In the meantime, though, a few clients changed their sourcing strategy and decided to insource all the work they had contracted out to Liberty Source. This led to a decrease in earned revenue by nearly \$3m.

Overall the uneven development between Asia, Africa and Liberty Source resulted in a 13% decline in earned revenue. Still, we continue to believe that we have a resilient and balanced portfolio of impact sourcing businesses and services that we offer to our clients. The largest backlog ever on our books is testimony to the bright future that lies ahead for the DDD group and we expect to end the coming fiscal year 2020 with a new peak in earned revenues.

The following table shows a breakdown of earned revenue produced by region:

\$1000	FY2019	FY2018	YoY
Asia	4,254	3,290	↑29%
Africa	2,072	2,020	↑3%
Liberty Source (US)	6,762	9,757	↓31%
Total	13,088	15,067	↓13%



Our operating results reflect the uneven regional performance. Asia and Africa improved their operating cashflow (EBITDA) by an impressive 0.9m on the back of revenue growth, continued improvements in productivity and a reduction in the overhead cost base. Liberty Source's EBITDA swung from a positive 0.3m to a negative 0.7m, nearly all accounted for by the \$3m loss in revenue.

Thanks to strong philanthropic support to cover the costs of our impact programs across our offices, we reduced our net loss compared to last fiscal year. Educating and training underserved youth is not only a core DDD commitment, it also is an important ingredient on our path towards achieving financial sustainability.

Our overall financial profile has slightly deteriorated as a result of the ongoing net loss. Net assets declined while financial debt did not change. In FY2020, we expect to strengthen our balance sheet through philanthropic support and other means to raise patient capital.

Financials

STATEMENT OF ACTIVITIES	FY2019	FY2018	YOY%
Business Revenue	13,088	15,067	↓ 13%
Business Expenses	14,849	17,035	↓ 13%
Net income (loss) from business activities	(1,761)	(1,967)	↓ 10%
Fundraising and other contributions	2,017	1,763	↑ 14%
Non-profit expenses	847	892	↓ 5%
Net income (loss) from non-profit activities	1,170	871	↑ 34%
Net income (loss) for the year	(591)	(1,096)	↓ 46%
Business expenses covered by business revenue	88%	88%	0%
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	(1,151)	(1,035)	↑ 11%
FUNDRAISING AND OTHER CONTRIBUTIONS CONSIST OF:			
Unrestricted contributions	2,017	1,550	↑ 30%
Release from temporarily restricted contributions		213	↓ 100%
Total fundraising revenue	2,017	1,763	↑ 14%
NON-PROFIT EXPENSES CONSIST OF:			
Program expenses	422	385	↑ 9%
Organizational expenses	232	231	↑ 1%
Fundraising expenses	192	276	↓ 30%
Total Non-profit Expenses	846	892	↓ 5%

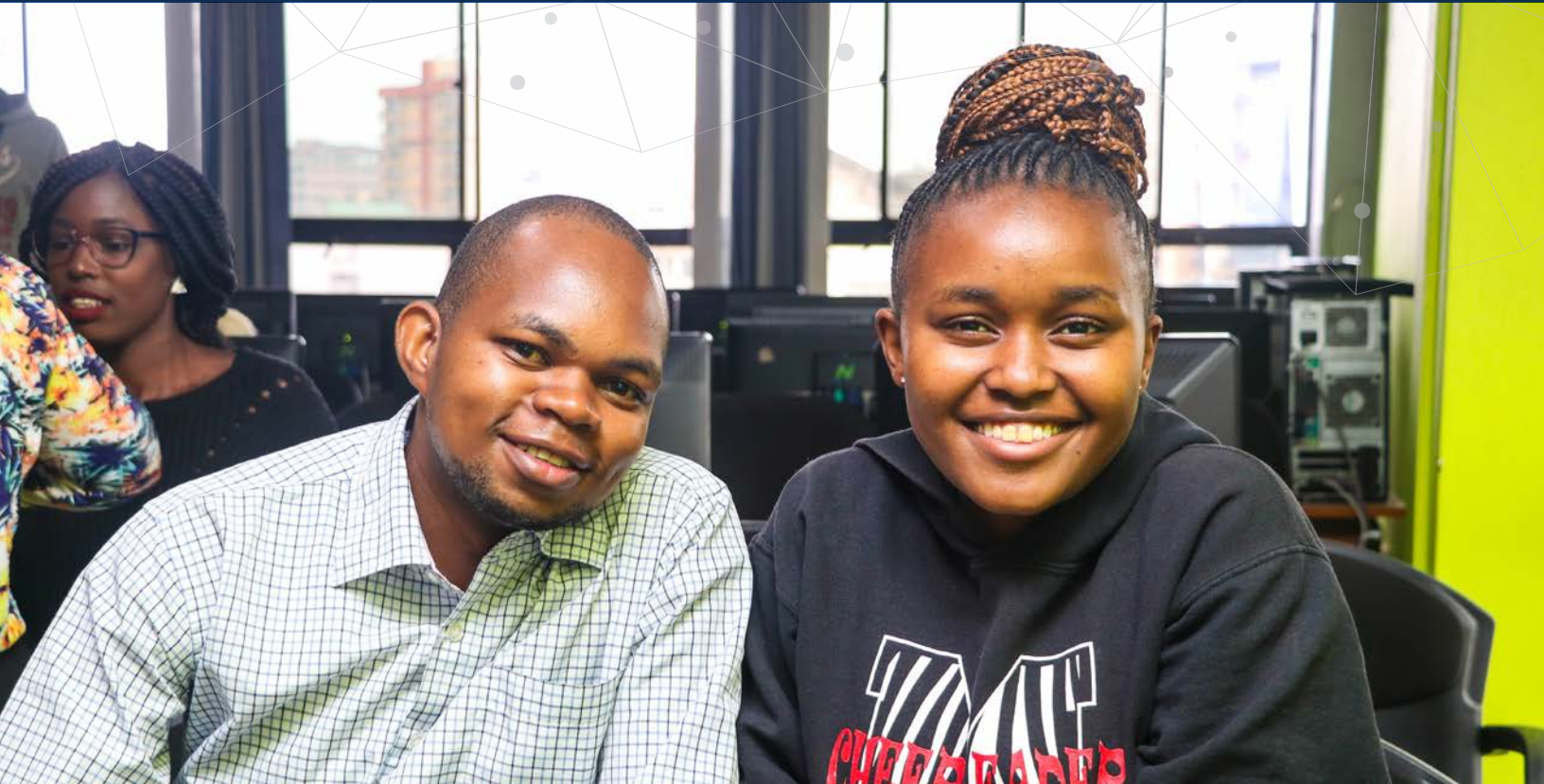
STATEMENT OF FINANCIAL POSITION	FY2019	FY2018
Property, plant, equipment, and software	1,053	1,165
Other non-current assets	620	317
Total non-current assets	1,673	1,482
Cash and cash equivalents	284	200
Trade accounts receivable	2,192	2,969
Other current assets	1,819	1,140
Total current assets	4,295	4,309
TOTAL ASSETS	5,968	5,791
Unrestricted net assets	423	550
Temporarily restricted net assets		104
Total net assets*	423	654
Long-term debt	2,019	2,720
Other long-term liabilities	139	165
Total non-current liabilities	2,158	2,885
Short-term debt	1,548	844
Unearned revenue	443	200
Trade accounts payable	473	386
Other current liabilities	923	822
Total current liabilities	3,387	2,252
TOTAL NET ASSETS AND LIABILITIES	5,968	5,791

*Includes noncontrolling interest of \$158K in FY2019



*Client
Feature*

New Teacher Center (NTC)



New Teacher Center (NTC) is a national non-profit organization that believes that every student, from preschool through high school, deserves an excellent and equitable education that empowers them to reach their full potential in classrooms, communities, and beyond. NTC's mission is to work to disrupt the predictability of educational inequities for systemically underserved students by accelerating educator effectiveness. By working in conjunction with school districts, state policymakers and educators from across the country to increase the effectiveness of teachers and school leaders at all levels, NTC has developed a series of results-oriented programs that align with district learning goals and address teacher induction, instructional coaching, school leadership, and early learning educator development.

NTC partnered with DDD to migrate their on-premises servers to AWS cloud in order to create a central location for their data. The DDD team built out a new architecture in AWS for the deployment of NTC, using an elastic file system. DDD has a team

of AWS certified SysOps engineers in Kenya working closely with the US-based NTC team to optimize the configuration of their data and support the deployments on the AWS platform. The team will continue to manage and monitor the services for future development.

Over the past year, DDD and NTC have developed a strong partnership based on their shared vision for educating youth, saying, "The partnership New Teacher Center (NTC) and Digital Divide Data (DDD) has forged throughout the past year is invaluable to the success and stability of our organization. NTC came to DDD at a time of transition from onsite server management to an external partner, which was bumpy at first but readily took shape as DDD joined the effort. DDD provided excellent leadership and expertise giving NTC the support and peace of mind we so desperately need. We are excited to enter the second year of this partnership and anticipate our shared knowledge and work will continue to flourish."

Leadership

EXECUTIVE LEADERSHIP



Jeremy Hockenstein
CO-FOUNDER & CEO



Wolfgang Müller
CHIEF FINANCIAL OFFICER



Sameer Raina
PRESIDENT



Sopheap Im
EXECUTIVE VICE
PRESIDENT,
HR & SOCIAL IMPACT



Asit Dubey
EXECUTIVE VICE
PRESIDENT, BUSINESS
OPERATIONS

BUSINESS UNIT LEADERSHIP



**Phabphada
Dokbouathong**
VICE PRESIDENT, LAOS



Sok Heak Hok
VICE PRESIDENT OF
BUSINESS OPERATIONS,
CAMBODIA



Judith Obonyo
CONTENT SERVICES
DIRECTOR



Joash Mango
SOCIAL RESEARCH
SERVICES DIRECTOR

BOARD OF DIRECTORS



Dhiren Rawal
VICE CHAIR
(BUSINESS)



Jaeson Rosenfeld
VICE CHAIR
(IMPACT)



Irving Levin



**Jan-Maarten
Mulder**



Kay Lot



Kevin Miller



Koji Osawa



Robert Schultz



Sarah S. Martin



Sari Miller



Stefan Kappeler

Impact Partners



We thank our donors for their generous support to DDD this year. DDD has received donations from both committed and new institutional and corporate donors, family foundations, and individuals.



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