

American Red Cross Enlists Aid from Aidmatrix

Sometimes, among the chaos and disorder of disaster, a glimmer of hope can come from a powerful new technology. Take, for instance, the disaster relief work administered by Aidmatrix. Established in 2000 by i2 Technologies' employees and partners, the nonprofit foundation today provides global humanitarian aid and disaster relief through advanced technology. As a matter of fact, in response to the impact of last year's hurricane season on the U.S. Gulf Coast, more than 15 relief warehouses used Aidmatrix technology in a six-state region, at the request of the American Red Cross and the Federal Emergency Management Agency (FEMA). Because Aidmatrix systems were proven in the field, both organizations asked for expanded assistance from the foundation in 2006.

As a result, Aidmatrix has developed a system to handle the Red Cross's in-kind donations, which pour in during natural disasters. According to Lou August, manager of in-kind donations for the Red Cross, many of the donations are inappropriate, and staffs lose a lot of time trying to determine what should be accepted or rejected. The Red Cross can only accept products that are donated in large quantities. So it accepts bulk donations that are expressly needed on a disaster relief operation—such as bottled

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water, toiletries and food products. August describes usable items as “things that are palletized, stackable, in quantities that guarantee equities of distribution serving large populations. The donors must be able to ship the donations as well.”


Donation offers are also accepted for other purposes besides disasters. They help the Red Cross recruit new blood donors, comfort families of military troops, support lifesaving initiatives around the world and maintain daily operations in communities throughout the United States.

Developing a system to scale

The scale and severity of the 2005 hurricanes posed the greatest challenges the Red Cross has faced since 9/11. In a recent study of its response to the disasters, the Red Cross reported these firsts: Hurricane Katrina was the first storm to cause residents of an entire metropolitan area to flee (the hurricanes left 400,000 homes uninhabitable

from southwestern Texas to the Florida Keys, creating the largest need for sheltering in U.S. history); the first to cause a dispersion of disaster victims to every state, plus the District of Columbia, Puerto Rico and the U.S. Virgin Islands; the first time the Red Cross served 1 million meals in a single day and provided financial assistance to more than 1 million American families after a single disaster. A total of \$2.1 billion was collected for disaster relief through April 2006.

Escalations in Aid by ARC

	Hurricane Andrew	2004 Hurricanes	Hurricanes Katrina, Rita & Wilma
Overnight stays in shelters	N/A	519,000	3,838,415
Meals and snacks served	5,672,303	16,642,370	68,014,038
Family assistances	68,252	73,779	1,407,075
Total Workers	14,788	34,771	244,980
Total Cost	\$81,000,000	\$127,800,000	\$2,116,000,000

In-kind donations represent a substantial fraction of this support. August estimates in-kind donations related to Katrina total about \$100 million. And the in-kind donation system that the Red Cross has now adopted from Aidmatrix is only the beginning of major supply chain programs the Red Cross will address in upcoming months and years. In fact, the International Federation of Red Cross and Red Crescent Societies is working with Aidmatrix now to create a warehouse system that will enable decision-making based on inventory at various warehouses during disasters.

As Keith Thode, Aidmatrix chief operating officer, explains, “We configured the Aidmatrix platform for donor management to enable the Red Cross eventually to share more of its in-kind donation offers with other charities that might be able to use what the Red Cross cannot. The chief obstacles to this in the past were a lack of real-time visibility into need and an inability to effectively share offers. And there was no ability to report back to donors about where their money went. The donor acceptance and allocation process was time- and labor-consuming and diverted Red Cross staff and volunteers from more vital tasks during disasters.”

As with most of Aidmatrix's work, a partnership was formed. In this case, Aidmatrix, along with the Red Cross and Accenture, one of Aidmatrix's GlobalReach partners, designed and tested a system that could automate most of

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these processes. Besides financial assistance and program consulting, Accenture lent 45 of its volunteers around the world in a test run of the new system in March. The volunteers served as “mock donors”—representing corporate and individual contributions—phoning in their “orders” or keying them into Web applications. In a 90-minute period, each participant played the role of 5 to 10 donors. (Lou August estimates the Red Cross processed about 1,000 in-kind offers a day during Katrina.)

“The Accenture-Aidmatrix relationship is a perfect fit,” says Vernon Ellis, chairman of Accenture’s Corporate Citizenship Council. “Aidmatrix has demonstrated leadership in bringing technology and effective supply chain management fundamentals to the critical task of quickly getting food, medical and other supplies to the people who need them.”

Increased visibility and accessibility

“In the past,” explains August, “chapters would have to qualify donations, and then those offers could be forwarded to a hotline system, monitored by national headquarters, which would decline or accept them. All of this was done by phone and logged into non-Web systems. Now, instead of channeling the offers to a hotline, we offer a link and password to donors after a phone conversation, and the offers go directly into the system. The system offers a dashboard for managers to monitor what’s in the donation and all of the details. We had a less powerful system in operation during Katrina, and when we received 70,000 offers a few days into the hurricane, the system crashed. Now the donor enters his own information into the system. This reduces the conversation he has with a staff person by nine minutes and helps facilitate more donations.

“The system also helps our bread-and-butter donors—the ones who always call to ask what we need. We provide them with a password-protected, unique interface to key in what they have to offer. We are piloting this with five major in-kind donors, and it is working well. They gain visibility into where their donation was allocated, whether to a health services group in Gulfport, Miss., or to a community services group in Wilmer, Fla., for example. They can print out reports for their internal accounting of tax-deductible contributions.”

For the Red Cross, the fact that Aidmatrix is a non-profit organization was a plus. “Although a third-party consulting firm helped us choose Aidmatrix because it has the i2 supply chain platform, noted for its leadership and flexibility, we also knew Aidmatrix would be sensitive to our vulnerability,” says August. “We’re talking about a critical system that we don’t own. Also, Aidmatrix has a greater ability to approach other organizations for data

exchange. Having a common platform for the disaster client will be helpful in enabling these partnerships with other disaster relief organizations.”

Ultimately, it’s speed that is critical during disaster relief efforts. “I would describe the way in-kind donation management worked in the past as slithering,” says August. “Having the Aidmatrix system is like growing a leg. Once we get powered up, we can move at the speed of a cheetah.”

For Aidmatrix Chief Executive Officer Scott McCallum, the alliance with the Red Cross serves as a good example of how Aidmatrix helps organizations achieve more efficiency and better results. “The system ensures that resources are getting to where they are needed,” says McCallum. “If the Red Cross can’t use a donation, rather than going to waste, the system can enable it to be referred to another charity in need. Everyone in the system benefits: donors, charities and those in need.”

Join Aidmatrix GlobalReach Council

Aidmatrix encourages companies to join forces with forward-thinking business and corporate leaders who understand the value of product philanthropy and the benefits of engaging employees in acts of social responsibility. Along the way, companies can also enhance their bottom line by reducing costs and taxes and increasing both customer and employee loyalty.

Charter members of the GlobalReach Council are:

- Accenture
- Dell
- Derse Exhibits
- i2 Technologies
- McNeely Technology
- SupraNet Communications

The GlobalReach Council’s mission is to improve disaster relief and humanitarian aid efforts around the world by promoting adoption of Aidmatrix tools among U.S. and multinational corporations as a sound business strategy that benefits mankind.

“We cannot sustain the Aidmatrix mission without the participation of our corporate partners,” says GlobalReach Council Chair Michael McGrath, i2 president and chief executive officer. “Aidmatrix is one of the few nonprofits I know where 95 percent of every dollar supports programs helping humanity.”

To explore how to become a partner, please contact **Melis Jones**, Aidmatrix’s vice president for business development, at supply_chain_leader@i2.com.