**Digital Divide Data**

Cambodia
Sophy Yem

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**Elevator Pitch**

**Concise Summary: Help us pitch this solution! Provide an explanation within 3-4 short sentences.**

Digital Divide Data is an innovative, internationally acclaimed non-profit based in Cambodia and Laos that uses a strong business model to generate profits that we invest back in the growth and development of our staff.

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**Your idea**

**Sector Focus**

Year the initiative began (yyyy)
2001

YouTube Upload


Web site (url)

http://www.digitaldividedata.com

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**Positioning of your initiative on the mosaic diagram**

Which of these barriers is the primary focus of your work?
Vulnerability of targeted populations

Which of the principles is the primary focus of your work?
Increase community resilience

If you believe some other barrier or principle should be included in the mosaic, please describe it and how it would affect the positioning of your initiative in the mosaic

This field has not been completed. (333 words or less)

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**Innovation**

**What is your signature innovation, your new idea, in one sentence?**

Digital Divide Data is an innovative, internationally acclaimed non-profit based in Cambodia and Laos that uses a strong business model to generate profits that we invest back in the growth and development of our staff.

**Describe your innovation. What makes your idea unique and different than others doing work in the field?**

Digital Divide Data (DDD) bridges the divide that separates young people from opportunity in Cambodia and Laos while delivering world-class, competitively priced IT services to global clients and acquire the essential business skills that help them break the cycle of poverty. By employing an innovative work-study model, DDD educates disadvantaged youth by equipping them with the relevant experience crucial to securing high-level, well-paying jobs. Our focus on economic sustainability allows us to reinvest our profits in social and economic programs that deliver lasting change for our employees and their communities. Over the past six years, we have trained more than 1000 people with marketable skills, and more than 200 of our staff have graduated from entry-level jobs to employment opportunities that earn them six times the average income in Cambodia.

**Delivery Model: How do you implement your innovation and apply it to the challenge/problem you are addressing?**

DDD is Cambodia’s largest digital technology employer and a catalyst for the growth of SE Asia’s IT sector. We provide our staff with technical training and hands-on management experience that equips them for sophisticated, well-paying careers. Through our leadership training program, we
are producing a new generation of private-sector business leaders and laying the groundwork for efficiency, transparency, and accountability in private-sector development.

How do you plan to grow your innovation?

Vertically, DDD will scale up its existing operations in southeast Asia. The next three years will see DDD moving toward its five-year goals. In three years, the organization plans to be completely financially sustainable. DDD will employ 1,750 people, with $4 million in business revenues. At that point, DDD’s profits of $600,000 will cover its social mission expenditures. Regionally, the organization plans to open additional offices in Cambodia and Laos and establish office sites in two new countries in southeast Asia in the next five years.

At the same time, DDD hopes to grow horizontally, by supporting individuals around the world as they launch similar endeavors. Going forward, we hope to advance our development of a training toolkit and management support to facilitate the adoption of our model in Africa and South America. In this expansion effort, DDD envisions the creation of a global network that caters to the individual niches of different countries.

Do you have any existing partnerships, and if so, how do you create them?

DDD is far from alone in trying to break the cycle of poverty in Cambodia and Laos, but it is distinguished in its approach. In these countries, DDD seeks to integrate itself with the fabric of the NGO community, to capitalize on any available synergies. In Phnom Penh, for example, DDD works with other organizations promoting the benefits of technology for development. We partner with CIST to give our employees more advanced technical training, and work with Goodwill in all our offices to provide higher level management training.

Impact

Provide one sentence describing your impact/intended impact.

We are a catalyst for the growth of the region’s IT sector and an incubator for the business leaders of tomorrow.

What are the main barriers to creating or achieving your impact?

The main barrier to creating our impact is shattering cultural and societal barriers to individual leadership. Cambodia and Laos are slowly recovering from vicious regimes that robbed their people of even the most basic of freedoms. These regimes’ legacies of stifling independence and initiative are evident today in the social inertia that threatens to inhibit the region’s economies. By inculcating a culture that celebrates leadership, and empowering our employees with the skills to think and implement creatively, DDD seeks to shape a new corps of strong leaders to lead Southeast Asia into its next age of growth.

How many people have you served or plan to serve?

DDD doubled its size to 500 employees in the last fiscal year, and plans to maintain a steep rate of growth. Currently, DDD directly employs 500 people. Another 350 individuals have come through the training program; 200 more have graduated and moved on to more senior positions. In total, then, nearly 1,000 people have moved through the doors of DDD to advance their career prospects. The increased wages of all these DDDers directly elevate their family’s standard of living, thereby significantly improving the lives of roughly 7,000 people.

The average DDD graduate earns $2000 more, per year, than an individual in the region who did not undergo DDD training. Over a 35-year career, this sums to a total difference of $70,000 per person. To date, there have been 200 DDD graduates--both individuals who advanced to other jobs, and those promoted internally--culminating in a measure of human capital improvement of $14 million.

When DDD began, there was no visible IT sector in Cambodia or Laos. A recent study by the Center for Information Services Training (CIST) estimates that the IT sector now employs several thousand employees. DDD has played a significant part in deepening the market: many graduates have moved on to found their own technology services firms, while others often go on to augment the ranks at existing companies.

Directly

The power of DDD is that it is not just a job or an educational opportunity; it is an entry point to a career and a stronger future – both financially and emotionally. DDD transforms lives by working with some of the most marginalized in Cambodia and Laos – disabled people whose own families never thought they could be productive members of society; women rescued from sex trafficking and other abuse; orphans trying to find a way to support themselves; and others. By providing a stable job, DDD’s employees can start to feel confident and full of hope that they can create a better future for themselves. The sense of accomplishment and fulfillment that comes from being productive has a great impact on their self-esteem averting the desperation that often leads to drug abuse and violence.

On a financial level, the salary and educational support while working at DDD has allowed its employees to support themselves, provide something to their families and be able to pursue their educations (which were often abandoned for financial reasons). After leaving DDD, 200 graduates are now earning an average of $192/month each – 6 times the average income in Laos and Cambodia. This is a significant increase in lifetime earning potential from their pre-DDD modest earnings.

Indirectly

Therefore, through DDD’s current 200 employees and 120 graduates, DDD’s impact extends and reaches the lives of many more people. Many of DDD’s employees have gone from being dependent on their families to being able to support other family members. They have often become primary income earners for their families and in many cases provide financial support for siblings to pursue an education.

The diversity of DDD’s offices builds greater awareness and sensitivity to issues around gender equality and disabilities. Emphasizing gender equality as well as fostering respect for disabled people in its offices educates DDD’s employees and helps to break down stereotypes and discrimination in Khmer and Lao culture. Non-disabled employees have often reported their own personal growth and change in perspective from working with and learning from their disabled colleagues.

Please list any other measures of the impact of your innovation?

Since its founding in 2001, DDD has become the largest IT employer in Cambodia. When DDD started many Cambodians themselves doubted that it was possible to create a globally competitive IT firm in Phnom Penh. By demonstrating it was possible to produce high quality work on deadline – and doing so while employing disadvantaged people – DDD has become a catalyst for a Cambodian IT sector. There are now multiple firms providing data entry, database, programming and other IT services staffed by DDD graduates and others. There is a Cambodian IT association helping to shepherd this sector.

DDD is building a broader base of human resources in Laos and Cambodia. DDD’s employees go on to develop the economies and business sectors of their communities.
Is there a policy intervention element to your innovation?

DDD aims to directly inject human resources into the local economies in which it operates. While it is not focused on policy intervention, it is beginning to explore potential partnerships with NGOs to encourage public sector reforms—particularly surrounding the education sector—that would complement its mission.

Exactly who are the beneficiaries of your innovation?

Our target populations that apply for jobs at DDD and later become operators and managers are the direct beneficiaries of our innovation. Those will little or no skills enter in as “trainees” with work plans to track progress.

How is your initiative financed (or how do you expect your initiative will be financed)?

DDD is fortunate to be building stable, varied sources of financial support. Our philanthropic support is composed of institutional support—from multilateral, governmental and foundations—and individuals. Our main source of support long-term will be client revenue. Most importantly, our client revenue already covers our core operating funds and is supplemented by philanthropic support for our training, social benefits and expansion. Going forward, DDD is shifting to reach into higher-level—and thus higher-margin—work. By increasing the technical capabilities of our data technicians, and investing in more advanced software and hardware, DDD is raising its service profile. Our current project with Reader’s Digest, to digitize their book library through extensive meta-tagging, is one example of work in this new vein.

What is the potential demand for your innovation?

DDD provides good jobs and a strong income to 500 employees in Cambodia and Laos, but there are more disadvantaged youth in other developing areas that need employment. Replication in other countries and cities without a strong IT sector is highly likely. This is proven through our own successful replications in our three offices in Asia. After the success of our Phnom Penh office, we used our business model to create similar offices in Battambang, Cambodia and Vientiane, Laos. The offices are financially stable, but current revenues, donations, and grants do not support the potential for growth.

What are the main barriers to financial sustainability?

DDD’s main barrier to financial stability is generating local sales—in order for each office to be most independent, it should ideally be able to support itself with revenue that it generates on its own from sales made within the region. As of now, the local economies of southeast Asia are not yet developed enough to produce the demand necessary to fuel DDD’s local offices; the bulk of our revenue comes from international work. As these markets gain momentum, though, and as DDD continues to strive to develop the local IT sectors, the balance of our work is shifting toward that which is locally sourced.

The Story

What is the origin of this innovation? Tell us your story.

Digital Divide Data is the product of the collaborative entrepreneurial efforts of Mai Siriphongphanh and Jeremy Hockenstein. Though from dramatically different backgrounds, Mai and Jeremy are united in their passion for effecting social change through DDD.

From his childhood in Montreal as the son of a Holocaust survivor, through his education at Harvard and MIT Sloan and his work with McKinsey, Jeremy looked for a way to apply his business management skills to a meaningful cause. On a vacation to Angkor Wat, he was struck by the juxtaposition of internet cafes and English schools with the devastating poverty on the streets. With the eye of a business analyst, he recognized that the region had the same surplus of inexpensive labor that made India and China outsourcing stars, but none of their access to the global market. Understanding the depth of the technology outsourcing market, Jeremy knew that with an initial development in human capital, this work could be the heart of a social enterprise which would help Southeast Asians break their cycle of poverty.

Taking a significant risk, Jeremy left a lucrative career as a consultant to devote himself to DDD. Coming from the private sector, Jeremy established DDD to run with the efficiency of a profit-seeking enterprise, instilling this new perspective in his employees.

With her internal perspective on Laos and Southeast Asian governance, and a close eye that carefully tracks each of her employees, Mai deftly traverses cultural politics to coordinate social programming that effectively equips each individual. By inspiring her staff to reach the high standards she sets, she works to provide an environment in the DDD offices that personally empowers every manager and technician, and lets no one fall through the cracks.

Please provide a personal bio. Note this may be used in Changemakers marketing material

Mai graduated from the Australian Graduate School of Entrepreneurship at Swinburne University of Technology in Melbourne, Australia, and was awarded her MBA in December 2002. She joined the management training in DDD Phnom Penh in July 2003 and returned to her native Laos to set up the new DDD office in December 2003. In July 2004 she participated in a mini-MBA program called Global Social Benefit Incubator that was organized by the Santa Clara University for humanitarian ventures. Her knowledge of business management and her leadership skills all contribute to her great success in motivating and engaging staff in attaining their organizational goals.

Emphasis of Work

The emphasis of our work is Prevention and Protection. Our training programs prevent and protect people from living in dire poverty. Our employees earn salaries three times higher than the national average. They earn valuable skills that ensure they are competitive in the Global Economy. Our graduates go on to earn salaries nine times higher than the national average in Cambodia and Laos.