

Client Value Study

Pact

Brief Overview

For nearly 40 years, Pact has been undertaking its fundamental work of empowering people around the world. Organized as an international non-governmental organization (I-NGO), Pact has assisted over 12,000 organizations in 59 countries in the key areas of health, the environment, economic empowerment, governance, and peace building. It is estimated that Pact's services have improved the lives of over 3 million people over the past 5 years.

Pact has grown exponentially over the past ten years. In 2000, it provided \$20 million in program services. By FY 2009, growth doubled for the fourth time in 10 years to \$160 million.

This exceptional growth is a testament to the confidence that Pact's donors have in its capacity to deliver on its promise to provide quality program services in challenging locations. Pact's major donor is the US Agency for International Development (AID). Pact also manages numerous grants from private corporations and foundations.

Situation

While Pact's growth over the past 10 years increased the organization's viability and impact, it also put an ever increasing strain on Pact's people, processes, and systems. In recent years, these pressures were reaching the breaking point. Personnel who

were accustomed to running a \$20 million NGO were now being called on to manage an eight-fold increase in its services.

By late 2008, it became clear to the Board of Directors that actions needed to be taken to improve Pact's operating capacity. These actions would be designed to ensure that the people it serves would continue to receive the best possible support. They would also establish Pact as effective and accountable stewards of the resources entrusted to it to carry out its mission.

Why Tatum

After Mark Viso became the new President and CEO of Pact in April 2009, he realized that he needed an assessment of Pact's current financial systems, organization, and processes. Having worked with Tatum previously while he was at World Learning, Viso called his Tatum contact for assistance. Tatum was quickly contracted to perform a financial assessment of the organization. The finding from this assessment pointed to three areas for improvement:

- Financial Organization Leadership
- Financial System Modernization
- Overall Business Process Improvement

As a result of Tatum's assessment work, Pact then engaged Tatum to provide an interim CFO to replace Pact's current CFO. Pact went on to engage Tatum's



SITUATION

Pact's eight-fold growth put a strain on the organization's people, processes and systems.

TATUM BUSINESS DIAGNOSTIC

Tatum assesses 19 key business areas and presents a summary of findings to the company's management team.

SITUATION

Financial organization leadership was behind in audit work and financial system modernization.

TATUM CFO SERVICES

Tatum provides interim financial expertise and strategic leadership to quickly help manage the current situation and plan for growth

SITUATION

Pact's IT infrastructure and information systems needed a transformation to keep up with their rapid growth.

SYSTEM SELECTION AND IMPLEMENTATION

Tatum established initiatives to be taken on to transform aspects of a company's current IT infrastructure.

Business Operations and Technology (BOTS) practice to perform a software selection project for a new financial system.

Tatum's interim CFO services helped Pact complete its overdue FY2008 audit and create a comprehensive FY 2010 budget – all to help prepare for Pact's September 2009 Board meeting and October 1 start of Pact's fiscal year. Tatum's interim CFO was so successful that Pact subsequently hired this professional as its new Vice President of Finance and CFO.

The financial system modernization program started in July 2009 with a 5-week software selection project lead by a Partner from Tatum's BOTS practice. Tatum helped Pact identify over 30 software candidates and then narrow that list to five candidate software products.

Pact's IT Council confirmed the software selection and included it in Pact's FY 2010 budget, which was approved at their September Board meeting. The budget also included funding for 12 additional IT initiatives, such as a new CRM system, a new project portfolio system, migrating Pact's email and conferencing and funding for improving Internet access and performance in Pact's challenging global locations. Pact has since contracted Tatum to help manage the implementation of this portfolio of IT projects over the next 12 months.

Results

Pact has benefitted from Tatum's services in a variety of ways:

- With the information generated from Tatum's Financial Assessment, Pact's new President and CEO was able to make better informed decisions and take several short-term actions to address the key assessment findings. While the personnel changes have already yielded significant benefits to Pact, the process and system change projects are now underway and will be implemented over the next year.
- Tatum's Interim CFO services allowed Pact to quickly improve the leadership of its financial function. This restored the President and Board's confidence in the financial organization's ability to manage current and future financial management challenges and opportunities in an accountable and professional manner.
- Thanks to Tatum's Financial System Software Selection services, Pact received a comprehensive, fact-based analysis that allowed Pact's IT Council to make an informed decision on a major IT investment designed to improve Pact's financial and grants management capabilities, at both its headquarters and field locations.
- Pact has contracted for Tatum's IT Project Management Services, and is undertaking 13 IT initiatives over the next year, transforming almost all aspects of its current IT infrastructure and information systems, including email, scheduling, global conferencing, project management, finance and grant management, and customer relationship management.
- Pact is also better able to identify new avenues for streamlining processes through Tatum's Business Process Improvement services. They are also effectively defining decision rights for the organization's four key processes: new business development, project kick-off, project execution, and project closeout.



About Tatum

Companies turn to Tatum when critical business challenges arise because we immediately deliver C-level financial and technology operational expertise via solutions tailored to the Office of the CFO. We understand the urgency of NOW and our VELOCI-T solutions were designed to help business leaders accelerate results to create more value.™

www.TatumLLC.com
888.TATUM11

REGIONAL OFFICES
Northeast • Southeast
Texas • Pacific • Central