

Sourcing a New Agenda in the Open

Dan Zahlis creates his own risk management software to reduce workplace risk, joins the open-source community, and then gives his code away.

Eight years ago, Dan Zahlis was a practicing risk manager for a very large and recognizable ice cream company, responsible for managing operational risk across the country.

He had to manage multiple facilities in multiple states with multiple functional departments—a very frustrating experience, as he recalled it.

“They were all attempting to manage risk using disparate systems and isolated information,” he said. “I wanted a system that would allow our organization to streamline risk management using single systems to manage all types of risk across our global enterprise.”

First, he turned to the insurance brokerage industry for solutions to the problem (the company was self-insured), but came up empty handed. So he did something drastic: He decided to create his own risk management software.

That was back in 2003, and by 2006 after money collected via what Zahlis called the “Three F’s” (family, friends and fools) method, he thought he could find an investor to help him take his technology to the marketplace. Well, it didn’t quite work out. Investors got greedy, he said.

So Zahlis turned to open source, a development method for software that “harnesses the power of distributed peer review and transparency of process,” as he defined it.

Today, Zahlis’ open source efforts are going strong, and he offers his risk management system solution for free. (The code is at sourceforge.net/projects/activeagenda.)

“Open source’s promise is better quality, higher reliability, more flexibility, lower cost and an end to predatory vendor lock-in,” Zahlis said.

“Our project mission is to reduce workplace risk through global collaborative development and free distribution of open technologies and ideas,” he said. “Our software consists of more than 100 integrated risk-control modules.”

As Zahlis explained it, by being an open source solution, his source code is implemented any way a user chooses to implement it. In most cases, the code is implemented by organizations on their local servers.

In some cases, the application is implemented as a hosted service by independent service providers (Active Agenda, based in Clovis, Calif., will do it for a fee).

“We implement development by posting our work to a source code management system on the Internet,” he said. “Anyone in the world can download our code. The only condition we place on using it is that improvements must be shared with the global community.”

“I am very proud to have thoroughly evaluated and even been able to raise points of interest to Dan’s app, which is everything I have been complaining we didn’t have already when working for major brokers,” said Nicolas Schnuderl, future manager, Croci Caraibes, and formerly an international account executive for both Aon France and Gras Savoye in France. “Active Agenda is scalable, highly customizable and benefits from decades of experience in the field.”

Zahlis said the only true measurement he has of the impact of the firm’s innovation is the number of people downloading the source

code, which amounts to about 5,000 downloads so far; organizations like banks, municipalities, wineries, hospitals and universities, visiting the project website; and the people contacting Active Agenda for support or to provide feedback.

“Our web logs register visitors from around the globe and include a virtual who’s who of businesses, not-for-profits, and government entities,” he said.

The source code is being used “in ways we will never know,” he said. One user, a winery in Australia, would not mention it by name in a recent magazine article because the winery considers the code a competitive advantage.

Right now, Zahlis is trying to convince brokers and carriers how smart it would be to provide sponsorships for his open source project, but it’s been tough sledding.

“I tried the proprietary route and ran into the problems of people trying to lock it down and control it,” he said. “But the idea of open source is you are going to release it and it gets built by people really interested in solving the problem.”



**DAN ZAHLIS, FOUNDER/PRODUCT ARCHITECT,
ACTIVE AGENDA LLC**

Zahlis said his larger project agenda is to change the “culture” of the risk management industry by illustrating the power of open source principles to shed light upon problems that can result in loss. “Making this enterprise risk management tool available to the world for free eliminates many of the financial, political, and territorial barriers to organizations trying to manage risk,” he said.

—By Tom Starner



OPEN BETS. Debate rages as to whether the open-source model holds more promise than closed, proprietary models in risk management.

Eight leaders in the risk management arena committed to doing what is right instead of what is easier.

Ongoing competitive pressures make innovation and responsibility even more crucial to business success. With the Responsibility Leader® designation, we add another level of recognition to the achievements of our Risk Innovator™ selections.

The designation highlights a Risk Innovator™ whose leadership benefits a company's bottom line, while also making a positive impact on colleagues, customers and the community. Our Responsibility Leader® selections demonstrate creativity, innovation and hard work. Their efforts show the importance of combining risk management success with responsibility.

Elements of a Responsibility Leader® can be found in many of our Risk Innovator™ entries whose accomplishments prove they often go beyond the call of duty. And yet, the Responsibility Leader® selections stand apart from this outstanding group.

The publisher and editors of Risk & Insurance® congratulates this year's recipients of the Responsibility Leader® designation. The designation is sponsored by Liberty Mutual, the Boston-based international, multiline property/casualty insurance company. We appreciate Liberty's support and commitment to responsibility and doing what is right instead of what is easier.

—The Editors

Responsibility Leader®

sponsored by



Daniel F. Zahlis

Opening the Mind

A skilled manager working nearly 10 years ago for a premium food brand, Daniel F. Zahlis was searching for a solution to improve his self-insured employer's processes.

He found himself stymied at every turn. Redundancy, inertia, vested interests, deaf ears all took their toll. Tired but resolute, Zahlis decided to venture out on his own only to be rebuffed by cloistered, impatient, risk-averse communities of investors.

Dispirited, Zahlis decided to join the open-source community. The collaboration snowballed as others pitch in to help Zahlis develop new applications.

Sure enough, Zahlis flourished. Within weeks, his innovations attracted inquiries from as far away as Cape Verde Islands off the West Coast of Africa, to wineries in Australia.

Before long, Zahlis found himself giving away the source code for his new risk management application. Today, his open source efforts at Active Agenda are going strong. With a tagline that reads "Controlling loss, not minds, methods, or markets," Active Agenda doesn't need a mission statement.

Zahlis is a Responsibility Leader® because he has made his work available for free to benefit employees, customers and their community.

—By Cyril Tuohy