

## Straight Through to the Green

How Enterprise Content Management Solutions Help Independent Broker-Dealers Thrive in a Competitive Environment

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Independent Broker-Dealers Thrive in a Competitive Environment

## Executive Summary

**Timesaving Tip:** For a high-level overview, read this executive summary and scan the sidebar summary text throughout the paper.

### The Challenge

Independent broker-dealers (IBDs) face not only multiplying compliance and regulatory demands, but also the costs of operating in an increasingly competitive industry. Remaining profitable and competitive is more complicated than it's ever been and “the war for talent” is more aggressive than ever. For many IBDs, their business plans are under attack from the shifting forces shaping financial markets. With pending regulatory changes such as the potential altering or outright elimination of critical revenues from legacy business operations such as 12B1 fees, IBDs need to embrace technology to ensure they are flexible, nimble and can profit from the opportunities created by these macro changes.

### The Solution

This paper discusses the strategic benefits of using a best-in-class enterprise content management (ECM) solution to improve business processing.

- Streamline new account opening and transaction processing.
- Improve compliance with SEC retention guidelines.
- Increase the security of private client information.
- Expedite audits by quickly producing records on demand.
- Reduce the cost of document storage and retrieval.
- Offer an enterprise solution that benefits field representatives, Office of Supervisory Jurisdiction (OSJ) managers and home office staff.
- Enhance recruiting efforts by demonstrating technology leadership.

With a best-in-class ECM solution, you have the ability to grant field, branch and OSJ offices the flexibility to customize their workflow and filing structures, while maintaining ultimate home office control over document retention, disposition and filing.

### The Business Benefits

A best-in-class ECM solution gives IBDs the capability to dramatically increase profitability, streamline workflow and simplify regulatory compliance. With the right technology, you can gain efficiency, increase representative recruitment and retention, and increase field productivity, all while reducing overhead costs.

## Introduction

**New rules on variable annuity sales, documentation and training. Regulatory requirements for e-mail review and retention. Correspondence approvals. Suitability requirements. The potential alteration or elimination of revenue from 12B1 fees. A constant wave of industry mergers and acquisitions. Trying to retain financial advisors while recruiting more. The constant battle to increase profitability while extending more—and better—services to the field.**

IBDs are facing a perfect storm of regulations, suitability requirements and industry consolidation that is driving a need to simplify and speed business processes. Remaining profitable and competitive is more difficult than it's ever been—and is more crucial, as many IBDs are faced with bloated overhead and spiraling costs.

Finding ways to thrive in a competitive, multi-regulatory environment while cutting the costs of compliance and ensuring enterprise-wide accountability is crucial. Business process management (BPM) solutions, which provide the ability to complete a complex transaction without any paper or manual steps involved, provide operational benefits that transform inefficient paper-based work processes into an opportunity for achieving a greater competitive advantage.

With ECM at the foundation of an automated enterprise-wide system, IBDs centralize storage of client files, personnel information and fund statements and confirmations. By eliminating paper storage and creating digital workflows, IBDs reduce operational costs and increase profitability to create a leaner organization focused on revenue generation. And with a best-in-class solution, IBDs give field offices the flexibility to customize their filing and workflows, while retaining central control over documents' ultimate filing, retention and disposition—enhancing field satisfaction and increasing user adoption.

With a best-in-class ECM solution, IBDs can transform into organizations that thrive in a challenging environment.

### Summary

- In today's environment, it is more important than ever to remain profitable and competitive.
- BPM enables you to complete complex transactions without any paper or manual steps.
- ECM is the foundation for a fully automated solution.
- By eliminating paper-based processes, IBDs reduce operational costs and increase profitability—forming a leaner organization focused on revenue generation.

### What is ECM?

- Document imaging and document management.
- Workflow automation and activity tracking (business process management/BPM).
- Capture tools (forms processing and automatic processing tools).
- Records management.
- Distribution tools (e-mail and CD publishing).

## The “Process” of Business Process Management

With a best-in-class ECM system, you can automatically populate new account forms, capture forms and documentation at the point of creation, utilize workflow technology to automate suitability approval and exception processing and extract data to generate an e-blotter and update the back office system. Essentially, you automate account and transaction processing to reduce costs, provide superior customer service and simplify compliance.

### Step 1: Content Creation and Capture

Representatives scan and work with documents through a Web-based portal accessible through your corporate Website or intranet. Information is then immediately accessible over the Web, or, through integration, from your customer relationship management (CRM) or portfolio management applications.

By capturing content at its origination point—in field or branch offices—you eliminate the time lags and redundancies of manual processing. You reduce the cost of mailing or overnighting documents to OSJ offices and fund companies. And you ensure that all information is appropriately routed, filed and retained, completely eliminating lost files and forms.

Once a representative scans information into the system, it is automatically filed into the appropriate folder based on template selection. A best-in-class solution will provide production-level data capture tools to automatically fill template fields with information pulled from the documents themselves. Workflow functionality then automatically routes new business to the OSJ manager for approval and e-mails the OSJ manager that an application is waiting for review.

This method of distributed capture reduces the overhead costs of managing and processing information, and enables representatives, OSJ managers and home office staff to share client forms and records instantly. No more faxing, overnighting or mailing documents. With seamless transaction processing, you ultimately reduce the cost of managing information and enhance your firm’s profitability.

A best-in-class ECM solution will give you the tools to:

- Capture paper or electronic account forms and client documentation from the field.
- Automatically file and index documents according to a pre-defined file plan.

#### Summary

- Representatives work with documents through a Web-based portal.
- Capturing content at its origination point saves time and eliminates mailing costs.
- Collect and route documents through workflows, regardless of how they were created.
- Documents are automatically filed and routed to OSJ managers for review.
- Forms can be generated from an electronic forms library and pre-filled with information from a CRM application.

- Generate necessary forms from electronic forms library and populate them with information from the CRM application.
- Automatically validate information for compliance.
- Submit forms with secure, validated electronic signatures.
- Capture all additional documentation, including paper, faxes, e-mail and Web content, and convert it to a standardized format for long-term retention.
- Recognize and route information through workflows, including new account opening and transaction processing.
- Collect all documents in the home office repository for centralized processing, regardless of how they were created.

## Step 2: Field Office System

With an end-to-end solution, field offices provide better service and operate more efficiently. Once information is scanned into the system by the representative or branch office staff, it is automatically routed throughout the appropriate workflow. For instance, new account forms are automatically sent to the OSJ manager for approval. Once the OSJ manager has reviewed and approved the new business, s/he submits the packet of new business to the home office for processing.

If an application is rejected, automated workflow functionality e-mails the document to the OSJ manager with a sticky note annotation identifying the missing information. Once the OSJ manager has contacted the representative and corrected the application, s/he simply adds “resubmitted” to the document name and sends it back to the home office for processing. During all steps in the workflow, automatic e-mail notifications ensure prompt action. Supervisors are alerted if, at any time during the process, action has not been taken, so orders are processed in a timely manner, not in good order (NIGO) paperwork is reduced and compliance is ensured.

This type of automation enhances compliance by enforcing standardized operating procedures that effect privacy, security and accountability throughout field offices. Not only does an automated workflow ensure that supervisors take all steps required for compliance, it also simplifies blotter preparation.

A best-in-class solution will enable field and OSJ offices to customize their filing structures, while still providing global control to the home office. Some field offices may prefer to simply file documents in a single folder, while others may prefer a more defined folder structure. For example:

### Summary

- BPM solutions automatically route information through approval and submission.
- Automatic e-mail notifications ensure prompt action.
- Automated work processes reduce NIGO paperwork and ensure compliance.
- A best-in-class system will permit individual offices to customize their filing structures and workflows.
- Reduced paper storage enables space to be used for revenue-generating purposes.
- Instant access to information results in better customer service.
- Simplify blotter preparation.

- Office A: Client folder contains all documentation without further subdivision.
- Office B: Client folder contains subfolders for each documentation type: account information, confirmations, statements, annual reviews, suitability and financial information, tax records, legal records and correspondence. Within these subfolders, another layer of subfolders divide information by year.
- Office C: Client folder contains two subfolders, one for advisory accounts and one for direct accounts.
- Office D: Client folder contains subfolders for statements and confirmations, correspondence and account information, but has no further subdivision.

A flexible system will accommodate these different filing methods, so field offices can organize their electronic filing structures to mimic their physical filing methods. This flexibility encourages rapid adoption and user satisfaction with the system.

Branch offices also benefit from reduced paper storage, both on- and off-site. Elimination of off-site storage improves profitability, while space formerly used for on-site file rooms can be used for revenue-generating activities. Additional representatives can be housed, or rents can be reduced with a move to smaller office space, which also improves profitability.

And with information stored electronically, staff can immediately locate information, which improves customer service and reduces the time spent responding to requests from home office staff or outside auditors.

A best-in-class ECM solution will give field offices the tools they need to:

- Streamline business processes with workflow solutions that automatically route documents and provide e-mail notifications.
- Find information faster and respond to client requests quickly.
- Provide documents and data to clients immediately via e-mail.
- Eliminate the need to store physical records through archival to non-volatile media (Securities and Exchange Commission (SEC) 17a-3 and 17a-4).
- Enable the display of information in context via a fully integrated system and dashboard interface.

### **Step 3: Home Office System**

BPM automation provides the home office with more efficient processes enterprise-wide, ultimately creating a leaner organization focused on revenue-generating activities. With the challenging environment facing IBDs, the efficiency and profitability resulting from automation may be the difference between thriving and surviving.

The cost of compliance has nearly doubled in the past three years, reaching an estimated annual cost of more than \$25 billion, according to the Securities Industry Association's *Report on the Costs of Compliance in the U.S. Securities Industry*.

There are currently more than 10,000 U.S. federal, state and local laws and regulations addressing what, how, when and why records must be created, stored, accessed, maintained and retained

over increasingly long periods of time. The most pertinent regulations affecting independent broker-dealers are:

- **SEC Rule 17a-3:** Specifies what types of documents have to be retained and for what period of time.
- **SEC Rule 17a-4:** Specifies a firm's recordkeeping requirements with regard to purchase and sales documents, customer records, associated persons' records, customer complaint records and written supervisory procedures.
- **SEC Regulation S-P:** Under Regulation S-P, financial institutions must adopt policies and procedures that address administrative, technical, and physical safeguards for the protection of customer records and information.
- **SEC Rules 31a-1 and 204-2:** Permits mutual fund companies and investment advisors to keep all of their records in an electronic format, and provides guidelines for archiving data.
- **Financial Industry Regulatory Authority (FINRA) Rule 2821:** Regulates the purchase and exchange of deferred variable annuities and impose unusual review and approval requirements. A registered principal must review and approve in writing all variable annuity contracts before they are transmitted to the insurance company, but within seven business days of the date that the customer signs the application. According to lawyers at Bingham McCutchen LLP, this rule requires an unprecedented degree of documentation, which is likely to be the subject of targeted requests during regulatory examinations. Firms will have to decide whether to use paper-based systems, online forms or some combination of the two to document compliance with the rule. Whichever method they use, firms will have to make sure that the documentation for each transaction is easily retrievable.<sup>1</sup>
- **FINRA Rules 3010 and 3110:** Each firm must supervise their representatives' activity, including monitoring incoming and outgoing e-mail and retaining correspondence relating to its investment banking or securities business. These regulations set the same recordkeeping requirements as SEC Rule 17a-4.
- **FINRA Regulatory Notice 07-59:** Relates to broker-dealer review and supervision of electronic communications by representatives. While this guidance does not theoretically impose new requirements or make any new rules or regulations, it offers insight into what FINRA auditors may consider when conducting examinations into the reasonableness of a firm's supervisory system.

### Summary

- BPM solutions reduce the cost of compliance and limits exposure to civil and criminal liability.
- All actions are tracked, including who accessed information and what they did with it.
- BPM solutions can also streamline e-mail review and retention.
- Integration with other business-essential applications enhances system utility, so you create a true "cradle-to-grave" system that automates processing from customer signature to clearing firm submittal to commissioning.

<sup>1</sup>Retrieved from <http://www.bingham.com/Media.aspx?MediaID=5744>.

In an increasingly demanding regulatory environment, a BPM solution not only improves your firm's bottom line, but also helps limit exposure to civil and criminal liability. Any system can't automatically make your firm compliant, but it can reduce the costs—monetary and staff-related—of compliance.

For the home office, a BPM solution provides transparency with auditing activities throughout the records cycle, from the point of creation through expungement. With audit trail functionality, all action taken in your repository is tracked, including who accessed information and what they did with it (printed it, faxed it or e-mailed it). Advanced audit trail functionality forces users to submit reasons before they take any action with information, and watermarks distributed documents.

To further enhance compliance, an ECM solution can also streamline e-mail retention and review. When e-mails and attachments are received by the firm's e-mail server, they're automatically sent to the ECM repository, converted to searchable TIFF files and indexed in the repository. E-mails with a high ratio of suspect terms, such as "promise," "sure thing" and "guarantee" are then flagged for compliance department review. When an e-mail is flagged for review, workflow functionality will automatically move these e-mails to a registered principal's folder and notify them that e-mails are waiting for their review. The reviewer can then open, read and search flagged e-mails.

After the compliance department or a principal reviews the suspicious e-mail, the system records their approval in a template field. Audit trail functionality monitors and time-stamps these approvals along with all other repository activities, such as user logins, searches, document views and attempts to print. With this functionality, compliance staff can generate reports that clearly illustrate the identity of the reviewer, what communication they reviewed, the date of the review and whether the review was forwarded on for further examination.

To truly enhance efficiency, your ECM solution should be built on an open architecture which facilitates integration with your other business-essential applications, such as: forms, packages, trading platform, CRM applications and back-office commissioning systems. You should be able to integrate electronic signature support and electronic submittal to clearing firms into your system, to create a "cradle-to-grave" solution that automates processing from customer signature to clearing firm submittal to commissioning.

A best-in-class ECM solution gives the home office the ability to:

- Complete transaction validations and approvals electronically.
- Log all activities, including electronic transfers, and update electronic blotters.
- Generate order tickets and submit transactions electronically.
- Issue confirmations and fund statements electronically.
- Enable remote audits and reduce the amount of time spent fulfilling requests from outside auditors.
- Realize cost savings while ensuring compliance through a holistic approach to transaction processing and information management.
- Retain ultimate global control over document filing, retention and disposition, while providing field offices with flexibility to customize their filing structures and workflows.

# Build a Foundation for End-to-End Information Management

## Content Creation and Capture



Generate necessary forms from electronic forms library and populate them with information from the CRM application.



Validate information for compliance and submit electronic form signatures.



Capture all additional documentation, including paper, faxes, e-mail and Web content, and convert it to a standardized format for long-term retention.



Validate information for compliance and submit electronic form signatures.

## Field Office System



Find information faster and respond to client requests quickly.



Provide appropriate documents and data to customers immediately via e-mail.



Eliminate the need to store physical records through archival to non-volatile media (SEC 17a-3 and 17a-4).



Enable the display of information in context via a fully integrated system and dashboard interface.

## Home Office System



Clearing House

Complete transaction validations and approvals electronically.

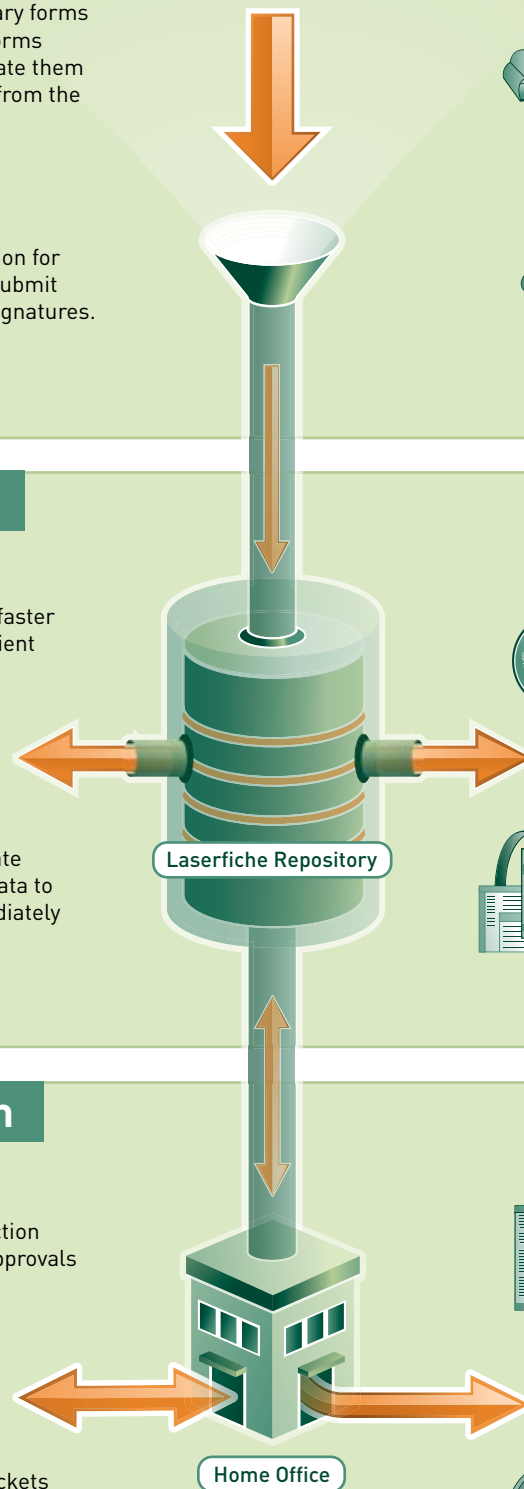
Generate order tickets and submit transactions electronically.



Log all activities, including electronic transfers, and update electronic blotter.



Enable remote audits and reduce the amount of time spent fulfilling requests from outside auditors.



## Choosing an ECM Solution

With a best-in-class ECM solution, you ensure that client information is processed correctly from the moment a new account form is signed. Workflow solutions automate processing for new accounts and transactions, while audit trails track system activity for compliance purposes. And you centralize storage of client files, licensing information and fund statements. Best of all, compliance staff have a clear line of sight to the point of creation, which improves supervision and adherence to regulations that require privacy, security, accountability and transparency.

Successful systems enable representatives, OSJ managers and home office staff to keep preferred procedures, without forcing them to conform to a particular way of working. Such systems provide global control with local flexibility; while home office staff control the ultimate storage and management of documents and information, field representatives and OSJ managers can customize their filing structures and view of the repository to fit their businesses.

Your ECM solution should be highly scalable, so it can support anywhere from 100 to 1,000 to 10,000 users. As your firm grows, your solution should grow with you. Systems with Web-based access speed deployment, and also provide simplified maintenance for your field representatives, most of whom do not have IT support staff.

Best-in-class solutions are engineered for rapid deployment and scale up to meet your needs as your firm grows. You can store transaction records on a central server in the home office, conserving IT resources and minimizing software maintenance, or you can enable field offices to have their own servers—while still maintaining total control. Whether you host all information on-site or provide each OSJ or branch office with its own server, a system that provides unlimited servers will give you the flexibility to choose the deployment method that best fits your organization and ultimately accommodates long-term adaptability and manageability.

A true best-in-class solution is easy-to-use, which speeds acceptance and minimizes training for both IT staff and end users. It should store information in non-proprietary formats such as TIFF or ASCII to guarantee future accessibility and compliance. You should also have the freedom to choose your own preferred storage and back-up devices. And finally, it should have an open architecture to simplify integration with your back-office systems, customer relationship management (CRM) application, portfolio management system and trading platform.

### Summary

- With BPM automation, you increase profitability, reduce costs and ensure more timely transaction processing.
- Digitally stored information is more secure than file cabinets.
- Central control over documents, regardless of how they are captured, gives home office staff the power to ensure proper filing and adherence to mandated retention periods.
- ECM ultimately makes you more competitive and gives you an advantage in the war for talent.
- With workflow automation, your field representatives spend time serving your clients, not shuffling paper.

## Conclusion

The benefits of BPM are many: increased profitability, reduced costs and more timely transaction processing. Yet you don't just reduce costs and increase profits by streamlining transaction processing, but also by simplifying compliance procedures. Comprehensive security measures protect private client information from unauthorized access in a way file cabinets cannot, enabling you to monitor user activity, protect documents from alteration or loss and prevent accidental release of confidential information. And central control over documents, regardless of if they're scanned in by a representative from his home computer or an OSJ office, gives home office staff the power to ensure proper filing and adherence to retention periods mandated by regulatory bodies.

In an increasingly competitive environment, implementing an ECM solution to enable information control and automation improves profitability and gives your organization an advantage in the war for talent. You no longer have to contend with complicated, time-consuming business processes that eat up incredible amounts of increasingly limited resources. Instead, you streamline workflow, offer superior client service and improve profitability, providing a distinct competitive advantage. And you provide the means to enable your field representatives to do what they do best—continue serving your clients—instead of spending their valuable time shuffling paper.

### Summary

- A best-in-class ECM solution ensures that client information is processed correctly from the moment a new account form is signed.
- Compliance staff have a clear line of sight, which improves supervision and compliance.
- Staff should be able to keep their preferred procedures, without being forced to conform to a certain way of working.
- A solution should be scalable enough to accommodate high volume user and repository growth.
- With a BPM solution, the home office retains control over documents, regardless of how they originate.

## Appendix 1

### Transamerica Financial Advisors

#### Organization Profile

Transamerica Financial Advisors Inc. (TFA) provides investments and financial planning to clients nationwide. With a network of more than 700 registered representatives, 42 OSJ branches and 51 home office staff, TFA is a rapidly growing enterprise that, like all broker-dealers, faced the growing cost of paper-based processes: misplaced documents, time-consuming manual workflows, express mail costs and file storage costs.

#### Situation

In their search for a solution, TFA searched for a partner that was committed to working with financial services organizations with a specific focus on broker-dealers, had the existing technology ready and offered a Web-based solution that could be quickly deployed to all representatives.

#### Solution

TFA chose Laserfiche as the foundation of their new technology-centered business platform solution, TFA Synergy, which offers automated new account processing, Web-based document management and automated compliance review. The TFA Synergy paperless office platform is available as part of the TFA representative Website.

#### Benefits

- Ninety percent of regional offices were up and running with the new system within one year of implementation.
- Ninety percent of TFA's business is now processed electronically.
- Workflow automatically routes new business to the OSJ manager for approval and e-mails the OSJ manager that an application is waiting for review.
- OSJ managers spend less time conducting audits and more time supporting representatives.

#### Solution Components

Laserfiche Server, Audit Trail, Import Agent, PLUS , Web Access, Workflow.

### TFA connects representative, supervisory and home offices with TFA Synergy

TFA is an indirect subsidiary of AEGON N.V. and provides investments and financial planning to clients nationwide. With a network of more than 700 registered representatives, 42 OSJ branches and 51 home office staff, TFA is a rapidly growing enterprise whose independent representatives faced the growing cost of paper-based processes: misplaced documents, time-consuming manual workflows, express-mail costs and file storage expenses. TFA was also concerned about the delay of processing transactions submitted by mail and the regulatory challenges of retention requirements.

However, with TFA Synergy, a comprehensive paperless business platform that incorporates the Laserfiche® document management solution, TFA is well-positioned to overcome these challenges and provide more responsive—and cost-effective—client service.

In their search for a document management solution, TFA “first set criteria for searching for strategic partners,” says TFA IT manager Julius Baldueza. “We knew that the right partner had to be committed to working with financial services organizations with a specific focus on broker-dealers, have the existing technology ready, and offer a Web-based solution that we could quickly deploy to all our representatives.”

Because Laserfiche met all these criteria, TFA chose it as the foundation of TFA Synergy, which offers automated new account processing, Web-based document management, an e-Signature solution and automated compliance review. “The document management solution from Laserfiche fits right into the existing business models of our representatives and OSJ managers,” says Baldueza.

“TFA Synergy is financial advisor-friendly, compliance-oriented and seamless in operation,” says Sandy Brown, TFA President and CEO. “It helps our current and future financial advisors save money through reduced administrative expenses, and frees them up to spend more time with clients by eliminating the hours spent filling out forms and tracking down paper files.”

“With TFA Synergy, we’ve improved service from the front office to the back office,” Baldueza adds. “Streamlined processes eliminated the inefficient manual workflows. At this point, 90% of our business is processed through Laserfiche.”

The TFA Synergy paperless office platform is available through the TFA representative Website, making it accessible from anywhere with a Web connection. For compliance purposes, representatives can view only their own clients’ information, which is sorted into file folders that satisfy FINRA and SEC retention requirements.

When a representative scans in a document, a template is assigned to it, after which Laserfiche Workflow™ routes the document into the proper folder based on the template choice. Workflow then automatically routes new business to the OSJ manager for approval and e-mails the OSJ manager that an application is pending review.

Once the OSJ manager has reviewed and approved the new business, the packet of new business is submitted to the home office for processing. If an application is rejected, Workflow e-mails it to the OSJ manager with a sticky-note annotation identifying the missing information. After the OSJ manager has corrected the application the word “resubmitted” is added to the document name and it’s resubmitted to the home office.

“Essentially, we now have a shared virtual file cabinet between the representative, the OSJ and the home office,” Baldueza says. “Everyone accesses the same documents, which creates a shared point of reference. If a representative has a question, they know that an OSJ or home office staff member is looking at exactly the same information.”

It may seem that a sophisticated system like TFA Synergy would require a significant amount of development, but that wasn’t the case. Within months of purchasing Laserfiche, the beta of the new

system was ready to launch to field testers. The system was then rolled out to offices across the country, and by 2007 90% of TFA regional offices were up and running with the new system. Home office staff and sales assistants all participated in training, with home office staff then moving on to train staff in the field offices. “You need to involve the leading sales offices in your beta testing,” Baldueza says. “They will definitely tell you what you need to know. And, they appreciate being asked.”

TFA expected they would have to deal with managing change, especially among their representatives. “It was new technology, and people are often leery about that,” Baldueza remembers. “We also had to adjust our operational roles to accommodate the new system, both in our home office and in our OSJ branches.”

In many cases, the expectations of the system significantly differed from the reality. “We expected that remote capture would cause operational problems, but we’ve found an error rate of less than 10%,” Baldueza says. “We thought the technology might prove too difficult, but the field finds it very easy to use. Furthermore, we thought it might conflict with existing field operational procedures, but instead, our OSJ managers saw a huge benefit and really drove field adoption.”

OSJ managers especially appreciate the SEC books and records feature. “Through our virtual office, OSJ managers can fully review books and records of the representatives they supervise,” Baldueza says. “They can literally do most of the audit right from their office. This saves them time and money. While they still have to travel to the offices to review signage and other items, they can review more offices in a day because they do not have to spend the time looking at a myriad of file folders.

“Our largest OSJ branch supervises 96 offices with one or two representatives in each location,” Baldueza continues. “Before TFA Synergy was implemented an OSJ branch office had two OSJ managers just to conduct audits. Now, one OSJ manager travels, and the other stays in the office to approve orders, which means faster service for their representatives.”

And the benefits stretch beyond faster, more cost-effective audits—Baldueza offers the example of an OSJ manager who now rents out the office space that his file cabinets used to occupy, at a price of \$110 per square foot.

Besides the benefits TFA expected—elimination of lost paperwork, reduction in representatives’ faxing and mailing costs, and speedier approvals—Laserfiche has delivered some unintended perks. “Although we didn’t expect to reduce OSJ audit costs,” Baldueza says, “we eliminated more than half of our home office scanning, because the representatives do it now. And we definitely have managed out-of-office OSJ approvals a lot more effectively, because when an OSJ manager is out, that business is directly routed to the home office for approval by one of our principals, so representatives experience no delay in service.”

Overall, the rollout of TFA Synergy, including the document management solution, has been a success with everyone from representatives and OSJ managers to home office staff. “We’ve had an extraordinarily high adoption of TFA Synergy,” says Baldueza. “We find our representatives are offering suggestions for additional functionality to the system. They really notice how TFA Synergy improves their ability to provide better service to their clients.”

## Appendix 2

### Geneos Wealth Management

#### Organization Profile

Geneos Wealth Management (Geneos) is a broker-dealer with 13 RIA offices, 71 OSJ offices and 150 remote locations. At more than \$315,000, Geneos has one of the highest per advisor GDC averages in the industry. Geneos is a two-time winner of *Investment Advisor* magazine's broker-dealer of the year award.

#### Situation

Geneos needed a system that could keep up with the influx of as many as 60,000 paper documents per week with the ability to securely scan, share, store and route them for approval. It would also have to make documents accessible from the main office in Denver to advisors in field offices, while maintaining SEC and FINRA compliance.

#### Solution

One branch office had implemented a Laserfiche system and introduced the product to the home office. Geneos implemented their system in May, and by September it was deployed to more than 50 offices.

#### Benefits

- Remote offices can instantly send documents requiring overnight approval to the home office.
- The firm has eliminated faxing altogether and has greatly reduced printing and mailing costs.
- At a recent audit, staff provided auditors with 80,000 pages of documents—six months' worth of correspondence—on a single CD.
- IT staff have used the Integrator's Toolkit to complete a number of integrations between their in-house applications and their document repository.
- IT staff have also established a system for submitting paperwork electronically to National Financial and Pershing (two major clearinghouses). Staff can quickly submit documents stored in Laserfiche simply by clicking a custom toolbar button.

#### Solution Components

Laserfiche Server, Audit Trail, E-mail Plug-In, Import Agent, Integrator's Toolkit, PLUS, Snapshot, Web Access, WebLink.

### Geneos uses Laserfiche to enable business process management across its 200+ locations

Rigorous auditing and regulatory mandates required a reliable, transparent solution for tracking and managing records. A premier financial firm like Geneos couldn't afford any obstacles to sharing critical information across 60 branch offices and as many as 150 remote locations. Geneos needed a system that could keep up with its success, tracking and exchanging thousands of records and documents.

It took only a summer for Geneos to develop its ECM system, consolidating records from more than 60 locations into one central repository. As Geneos implemented straight-through processing, the firm eliminated faxing altogether and greatly reduced printing and mailing costs and audit preparation time. The firm's key players gained enough confidence in their electronic system to hold their first document destruction session, eliminating 250,000 pages of paper.

Geneos offers estate planning, investment advice, time management systems and financial planning. With such diverse roles and an eye toward retail rather than institutional bank arrangements, Geneos needs to store, share, search and reference hundreds of thousands of client documents. In addition, the firm's relationship to its representatives means joint ownership of the majority of their records, requiring access from multiple locations by various individuals.

Geneos management understood the significance of eliminating as much paper as possible from day-to-day operations with a compliant ECM system. Decision makers saw that the time spent physically searching through paper records and shipping or faxing them from location to location could be better spent delivering financial services.

**“This is the best damn thing we’ve ever done. Period.”**

Any solution would need to keep up with the influx of as many as 60,000 paper documents per week, with the ability to securely scan, share, store and route them for approval. It would also have to make documents accessible from the main office in Denver, CO., the 61 OSJ branch offices in 24 states, and 400 representative and affiliated investment advisors across the country.

Geneos management looked briefly at simple scanning solutions, but these were inadequate. Geneos needed an economical way to have its clients scan into a centralized solution, while complying with SEC regulations for a clear audit trail. One branch had been using Laserfiche and introduced the product to the home office. “We made the decision to go in the middle of May,” says CIO Dean Rager. “By September our system was in place in more than 50 offices. It was very quick.”

Geneos started using Laserfiche to allow all the branch offices to ensure compliance, while scanning their documents into one central repository. Rager notes the enthusiasm field representatives have shown for Laserfiche. “They love it,” he says. So far, Geneos has scanned in more than 100 gigabytes of data, keeping up with the 60,000 new documents that come in each week.

“We have made Laserfiche an indispensable component of our day-to-day operations,” notes system administrator Sean O’Reilly.

Using Laserfiche has enabled Geneos to link its remote offices, and the results have been dramatic. Remote offices can instantly send documents requiring overnight approval to the home office. “Before,” says O’Reilly, “documents were scattered all over the place in e-mail attachments and snail mail packages.”

“At our last FINRA audit,” says Rager, “we provided auditors with 80,000 pages of documents—six months’ worth of correspondence—on one CD. In years past, we had to box and send them. It took about an hour to gather the 80,000 pages and create the CD. Before it meant weeks and weeks of staff time.”

Implementing straight-through processing has brought Geneos an added benefit—the decommissioning of some old, very noisy dot matrix printers. “Now everything that came through those printers is accessible through a simple search in Laserfiche,” says O’Reilly.

In addition to celebrating the retirement of the printers, Rager adds that Geneos has saved a great deal of time and money on faxing. Laserfiche is handling input from all three virtual print servers and all the firm’s virtual faxing. In the year or so since installation, Laserfiche has captured close to a million pages—enough to stretch 150 miles if laid end-to-end.

Geneos also appreciates Laserfiche’s open architecture, and IT staff have used the Integrator’s Toolkit™ to complete a number of integrations between their in-house applications and their document repository. IT staff have also worked with National Financial and Pershing, to establish a system for submitting paperwork electronically.

“As a major broker-dealer, we route large amounts of documentation to the clearinghouses,” O’Reilly says. “We’ve established an electronic document link so that staff can quickly submit documents stored in Laserfiche to either house, simply by clicking a custom toolbar button. Our staff really appreciate the ability to send documents electronically rather than printing and mailing them, and this functionality has taken us a long way toward becoming a fully paperless firm.”

Rager doesn’t equivocate when discussing the installation of Laserfiche at Geneos: “This is the best damn thing we’ve ever done. Period.”



The Laserfiche Institute teaches staff, resellers, and current and prospective clients how to use Laserfiche most effectively. As part of this mission, the Institute conducts more than 500 Webinars each year, covering a variety of topics. The Institute also hosts an annual conference where members of the Laserfiche community attend presentations and network with each other to share ideas and learn best practices. Additionally, the Institute conducts a number of regional training sessions and provides resellers with content for over 100 user conferences each year.

The Institute also develops and distributes educational material through the Laserfiche Support Site. On this Website, clients can access training videos, participate in online forums and download technical papers and presentations that help them become even savvier EDMS users.

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