

Armstrong, Fleming & Moore

DocStar Solutions Help Advisors Better Serve Their Clients

Company Facts

Overview

- ▶ Location: Washington, D.C.
- ▶ Industry: Financial Services
- ▶ Number of Employees: 14
- ▶ Website: afmfa.com

Success Highlights

Challenges

- ▶ Mass file storage hindered office efficiency
- ▶ Compliance regulations caused paper files to add up quickly

Solution

- ▶ DocStar® Enterprise Content Management (ECM)

Benefits

- ▶ Reduced client information retrieval to mere seconds
- ▶ Secured data against theft and disaster
- ▶ Enabled greater employee efficiency
- ▶ Improved client service experience



Automation plays a big role in Ryan Fleming's business. "We don't manufacture anything. We don't store any products. There's no inventory here," he said, "so technology is everything to us." That's because technology allows the company—Washington, D.C.-based Armstrong, Fleming & Moore—to better manage information—and lots of it.

The 14-person financial planning and investment advisory firm serves a range of corporate and individual clients. "Initially, clients come in for a financial plan," said Fleming, a Certified Financial Planner (CFP) and a principal at the firm. "This sets us apart from the Merrill Lynchs and the Morgan Stanleys of the world."

The goal of that first visit is for clients to value the financial planning work so much they'll trust the firm with their money and the ongoing management of it. It seems to work. By the end of 2006, Armstrong, Fleming & Moore (AF&M) had \$880 million of client money under management. The target client of the fee-based asset manager has \$2–10 million of investable assets.

According to Fleming, the company does a substantial amount of business with two primary groups of people. "The first is dual-income couples who are from 50–75 years of age when they first come to us," he said. "The other group is widows." The latter market is the subject of a book—now in its fourth edition—which the firm's chairman co-wrote about coping financially and emotionally with widowhood.

The initial financial planning visit often involves a lot of information. Clients come in with data that—according to Fleming—can be a stack of paper six inches high—depending on how complex their financial situation is. "One couple even sent in three notebooks' worth of data representing all of their financial lives," he said.

“When it comes in the door, we—first of all—have to protect the data,” he noted. “Then we need to do something with it.” This includes identifying what the portfolio contains, analyzing the data, generating an investment review, making judgments on the information, formulating asset allocation models, generating some sort of report, producing a financial plan, and then storing the data afterwards. All of this can mean lots of paper.

Journey to imaging

In 2001, Fleming did a space inventory in advance of a new office lease. “We had a 6,000-square-foot office—4,500 square feet in the main part and 1,500 square feet in an annex around the corner on the same floor, which was coming up for release,” Fleming explained. “We decided we really didn’t want to keep the annex.” However, the space housed 19 or 20 five-drawer lateral files—big, ugly metal things, as Fleming calls them—and another 10 three-drawer file cabinets, all full of paper.

“We would have had to do a build out, and probably spend ten or fifteen thousand dollars to be able to move those files back into our core space,” he said. “I thought, ‘That’s crazy. We have to be able to do something with all that client data.’”

Tossing it wasn’t an option, as tempting as that might have been. “As an NASD-registered firm—and to comply with SEC regulations—we had to keep data for seven years,” Fleming recalled. “We had to have three years’ worth on site, immediately available at our fingertips.”

Fleming started poking around among peer firms that represent his broker-dealer, the company that buys and sells securities for AF&M clients, as well as firms that belong to the local chapter of the Financial Planning Association. “I

started asking what the top practices were doing with all their paper.” What he found was most advisor firms weren’t doing anything innovative—they were just filing paper, storing it, and after three years, boxing it up and sending it to an off-site facility.

“There was one guy who was working with our broker-dealer who used an older version of DocStar ECM,” Fleming recalled. He looked into the solution and other electronic document management providers and quickly narrowed his options. “I had two people come in to do presentations. The turn-key approach offered by DocStar is really what sold me.”

The fact that he didn’t have to increase his technology services budget—because everything was built in—was a big selling factor. “In effect, they were going to be responsible for everything,” he explained. “If anything went wrong with the scanner, the server, the software, there’d be one person to call. In the end, that’s what did it for us.”

Flipping the switch

Fleming and his staff worked with Copy Doctors, the local DocStar reseller, on a game plan for system deployment. They discussed ways other businesses use the system and examined how AF&M was handling its paper. “We looked at setting up a folder system, where everything is scanned and placed in virtual folders,” Fleming said. “That would’ve been a little less challenging, because you could still flip through it page by page, but we wanted to get away from that and force people to look at things differently.”

Instead, they set up a categorization list, using two- or three-letter codes to identify document types. They created templates, which spelled out what information would be included in document names. These moves were made to make it easier for staff members to find scanned documents down the road.

Copy Doctors delivered the system in November 2001. Fleming’s staff kicked the

tires and took it for a test drive, running a number of documents through over a period of several weeks. In January 2002, the firm went live with DocStar ECM, leaving paper files behind.

They didn’t create client file folders for the new year, something that would have cost nearly \$1,000—not counting labor—given the complexity of the filing system they used.

As paper came in the door, it was scanned according to the appropriate rules. For instance, not long after the conversion to DocStar ECM, one of AF&M’s business partners sent three boxes of statements. “There were probably 4,000 individual accounts with this one firm,” Fleming said. Before, the account statements would have been separated and filed in client files. They were scanned into the system in bulk with each client’s statement bearing a unique, searchable name.

All correspondence was pulled out and—after being scanned—immediately routed to the appropriate person’s electronic mailbox.

Admittedly, Fleming’s shop experienced some frustration in January. “We were used to the same system and processes that had been in place since 1983,” Fleming noted. Some employees had been with the company since the start. “Getting used to any new system is always challenging.”

Still, they persisted. To be safe, the firm didn’t throw anything out at first. “We kept all of our paper in bankers’ boxes, by date, through April,” Fleming recalled. “Once April came around and we felt comfortable that everything was in the system and that we were all on board, we called in a shredding firm, and they came in and got rid of—quite literally—a truckload of paper.”

The lease on the extra 1,500 square feet of office space ran through August 2002. In June and July, the firm brought in a number of high school and college interns to go through all the old files, and scan them into the DocStar solution using the categorization codes. “By

the end of that summer, we had gone back three full years," Fleming said. The older files were sent offsite and were stored at a cost of just over \$50 a month.

Interns still do most of the scanning. With the number of universities in D.C., the firm has a strong labor pool to draw from, all within a 10- or 15-minute Metro ride from the office. "We have a very high-quality pool of talent, and they all need money."

Imaging of correspondence is still done by staff when it arrives, but the interns scan incoming statements, as well as the notebooks of information people show up with for their initial meetings and other bulk projects.

Seeing the difference

By the end of 2006, AF&M had more than 1.25 million pages scanned into their DocStar system.

"Now, when a client calls, information can be accessed in a matter of seconds. I can pull up all of my old conversations with clients, even if they took place last year or before that," Fleming said. "A client might call and say, 'You know, Ryan, I gave you the password for my 401(k) a year ago so you could check my options. I don't remember the password now. Can you pull it up?' So I log in [to the DocStar system], put the client's last name, check for client conversation notes, and flip through a few pages." Within 30 or 40 seconds, he can find the answer for the client.

When someone comes in for a visit, it's easy to pull appropriate documents

from DocStar ECM and have them available for the meeting, rather than carrying large file folders. Fleming jests about the change. "We were so used to grabbing a client file and sitting down with all of their old documents in front of us," he says. "After implementing electronic content management, we didn't have everything with us at the meeting, but the reality was we didn't really use most of what we had in the file anyway. It just looked impressive."

Whether responding to a phone inquiry or planning for a meeting, the electronic presence of the file is another positive result. "If somebody else had already taken a file out, and you needed information that was in it, you would have to walk around to potentially seven or eight people to find out who had the file," Fleming remembered. "And that's assuming you could even find the folder."

Electronic document management through DocStar ECM makes it easier for advisors to look back through previous client discussions. When preparing for client meetings or when planning recommendations, advisors can look back at previous recommendations—two or three years' worth—to see trends with previous recommendations for the client. It can be done quickly. "I don't need to have someone pull two or three files to do that. Efficiency-wise, it's staggering how much more I'm able to do with the system and how much faster I can do it." Fleming says it's sometimes the little things like notes scribbled on a scrap of paper. Before, they may have been tossed. Now that they can be scanned and filed, they're much easier to find.

Since AF&M uses categorization codes, it's much easier to find things. "For instance, if I wrote a client a letter about a particular investment some time ago, and I want to write

about it to another client, all I do is conduct a keyword search, find the paragraph, and then copy it into the new letter," Fleming explained. "Having DocStar ECM allows us to find anything and everything more quickly and more easily than if we were looking for a piece of paper or a paper file."

Security is another benefit. "We sell the fact that we're the only firm of our type in downtown D.C.," he said. "We're just a few blocks from the White House." That proximity raises issues of 9/11-style security concerns. More traditional security issues exist, as well. What happens if somebody walks in the door and simply steals a file—or lots of them?

"Well, neither one of these is really an issue," Fleming said. "Obviously, we have locks on our doors, but if somebody breaks through the front door, walks in, and tries to steal something, they'd just get a few pieces of paper from our desk. That's because all the real data is locked in the DocStar server. Thieves would need to know how to log into AF&M's secure server. Then, they'd need to do the same with the DocStar system, which carries with it extra protection, using another password to get at our client's data. Plus, the room that houses the DocStar server is protected with a pass-key entry system. So, I guess it's triple security."

If the office were affected by a terrorist-related bombing, AF&M's broker-dealer knows how to order a new DocStar server and knows how and where data is backed up. Data redundancy takes on several forms, including multiple hard-drive back-ups, the use of DVDs sent off-site, as well as separate remote storage. "Our broker-dealer knows how to get to all the information, so clients won't lose anything," Fleming said.

From an identity-theft fraud standpoint, there's nothing better than eliminating paper, Fleming notes, because statistics show that more than 70 percent of such theft happens via old-fashioned, paper-based dumpster diving.

Today at the office

After five years, imaging and electronic document management are standard for Armstrong, Fleming & Moore. "For the most part, nobody talks about it. It's just the way of doing business," Fleming

said. "Some of the employees don't know any different, since they've been here less than five years. Of the eight of us that were here pre-implementation, every single one of us would say it's a huge efficiency."

Clients benefit from digital imaging, as well. When they bring in their notebooks full of data and transfer their accounts to AF&M, staff actually scans every document and—with permission—shreds the papers and gives clients a single CD with all of their documentation.

In his travels, Fleming talks regularly about DocStar ECM and what it does for his office. "The biggest argument I get when I tell people about it is that they've been doing things the old way for so long and it works well for them," Fleming relates. "They tell me they're very efficient with paper."

Fleming counters that it's just impossible to be as efficient with paper files as it is with the DocStar system. "I don't care how fast you are at finding something in a client's paper file. You just can't do it faster than I can do it using the system."

About DocStar

Helping businesses translate vision into action for more than 20 years, DocStar delivers a flexible and innovative enterprise content management and process automation platform. Easy to implement and use—both in the cloud and on premises—DocStar proven technology and global process expertise empowers organizations to operate at peak performance, navigate change, and grow.

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