

# Securities Industry News

January 9, 2006

What Makes Markets

[www.securitiesindustry.com](http://www.securitiesindustry.com)

## ► TECHNOLOGY & TELECOMMUNICATIONS

# Ryan Beck Goes in Paperless Direction

*New Jersey brokerage calls on Archive Systems to outsource documentation and workflow*

By **JOHN HINTZE**  
Correspondent

Choosing not to develop a document imaging and workflow system in-house, Ryan Beck & Co. recently signed a deal to begin using Archive Systems' service bureau in the first quarter.

Nick Leone, director of operations at the Florham Park, N.J.-based investment bank and brokerage, says the 1,200-person organization considered several vendors over the past year and chose Archive for its ability to adapt to the firm's existing, paper-intensive workflow schema and quickly institute future changes.

"We asked vendors to look at our workflow and see if they could replicate it, and the usual answer was, 'We can give you 80 percent,'" Leone says. "Archive recognized the workflow we gave them as being the objective."

The second key factor—being able to implement documentation and workflow changes quickly—stems from Archive's service bureau approach, which it has implemented with firms such as Ewing, N.J.-based mortgage subservicing specialist Cenlar and Birmingham, Ala.'s New South Federal Savings Bank. Workflow refers to a system that directs different types of documents to their proper destinations in order to be processed.

Ryan Beck is testing Archive's Aspen 360 solution to capture

and route more than 140 different branch customer documents for processing. The system enables Ryan Beck to add or change documents and their workflow destinations, directly and in real time, via an Internet portal that links to the Archive platform. The real-time capability contrasts with traditional documentation and workflow methods requiring customers to buy software and often depend on the vendor to tweak the code when necessary to adjust workflow patterns.

"If I buy the software, I may require the vendor to make the changes," Leone says, adding that it could take up to 30 days to add a new document.

Aspen 360 incorporates documentation imaging so that clients can send their documents to Archive or have them picked up by the firm's fleet of vehicles to be imaged overnight and entered into their workflow systems. Archive has consulted with Ryan Beck on how to adapt existing Xerox copiers to take images of documents in the Tiff format used by the vendor's system.

The paperless office has long been a dream across corporate America, not least in the paper-intensive financial industry. In the brokerage business, correspondent clearing firms have played their part. For example, Ryan Beck's clearer, Bank of New York's Pershing unit, allows correspondent broker-dealers to



**Hank Boggio**

send imaged documents directly to the clearer.

"If a customer has its own imaging system or the broker-dealer is leveraging a larger parent company's imaging platform, it can send imaged documents directly to Pershing without any intervention [such as faxing documents] in between," says John Colao, managing director at Pershing.

Documents flowing between brokerages and their clearers, however, are only one part of the overall documentation puzzle and individual broker-dealers' workflow schema. For example, notes Leone, "Pershing doesn't store our new-accounts documents, so it falls to us to image and store them."

In effect, Ryan Beck is using its branch operations and interface to Pershing as the "guinea pig" for testing Aspen 360, says

Leone. It plans to expand the service firmwide, including the legal, accounts payable and facilities departments. Ryan Beck's branch system is expected to be converted to Aspen 360 by the end of the second quarter.

Fairfield, N.J.-based Archive started in 1991 as a hard-copy document storage and retrieval service, similar to companies such as Iron Mountain, and it began expanding its outsourcing services, including the workflow ele-

ment, in the mid-1990s. Archive SVP of marketing Hank Boggio notes that firms can establish their own imaging and workflow systems, but he adds that they often fail to realize the full scope of the related costs, which aside from hardware and software maintenance include business-continuity redundancy, dealing with compatibility issues and gaining specialized knowledge about document management infrastructures. Archive contends that only a small

percentage of those costs involve initial software and hardware implementation; they are overshadowed by ongoing infrastructure and personnel costs.

With Aspen 360, "customers get the same end result as if they built the system themselves, but with no capital expenditure and instead a pay-as-you-go model," Boggio says. Ryan Beck pays Archive fees based on the volume of documents processed through the system. ■