

The Efficient Practice

Newsletter for
Financial and Business Professionals

Document Management: A Key to Efficient Operations

There are so many document management software choices available to independent financial advisors that it is difficult for a financial practice to discern which, if any, are the right fit for their use. On the one hand, having several choices would seem to be a luxury. But, on the other hand, there is the confusion caused by some providers attempting to deliver a one-size fits all package. So, to try and sort out at least some of the choices, here is a run-down of a few of the more popular ones. To organize the list, we might divide them into categories. For simplicity, there could be three categories: **Simple**, **Moderate** and **Full-Featured**. Simple would refer to those choices that are 'out of the box' solutions that

might be attractive to one or two person type firms. Moderate could refer to choices that have features and benefits that might match up with small to mid-size firms (say 1 – 10 employees). And, Full-Featured would be those high-end, feature-rich solutions that might appeal to the larger financial practices or to those who desire high levels of customization and integration.

Simple

Starting with the Simple category, we could look at PaperPort (www.nuance.com). The latest version of PaperPort, PaperPort 12 Professional boasts a faster page loading time (for PDF docu-

ments) with lower memory requirements. There is now a scan now button for one click scanning. It has expanded search capabilities and better folder management features. However, this is still an 'out of the box' solution with limited ability to integrate (if at all). PaperPort is a good product for what it is intended to do. But, it is not a full-featured document management solution. But at \$199.99, it is affordable. Microsoft Office offers Document Imaging also. While not as comprehensive as PaperPort, you can scan documents (multi-page), select and manipulate recognized text, annotate scanned documents and online faxes and send documents to other via email or fax...

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Is Software as a Service (SaaS) the right approach?

Springboard Research defines Software as a Service (SaaS) as a delivery model in which a software application is delivered to users via a web browser. Users typically do not buy the software license, only the right to use it by paying a subscription-based fee. A user may subscribe to all the features/functionalities of the SaaS application or just some of them. We have also referred to the SaaS model as On-Demand Software and On-

Demand Applications. The key characteristics of SaaS are:

- The software resides on a central server and not on customers' machines. The user accesses the application via the network using a web browser. The SaaS provider is responsible for the performance of the software.
- The primary value

associated with SaaS is the continuous and on-going support for the application delivered by the service provider. Network-based access enables maintenance, support and upgrades to the software from the data center. The SaaS provider is responsible for software maintenance and upgrades.

- The software application is usually not

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Special points of interest:

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- > Software as a Service
- > Tools for Efficient Business
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Is Software as a Service (SaaS) the right approach? (cont'd from Page One)

Still, if a true comparison is to be made between software that resides on your computer versus SaaS delivery of information, the resident software will still probably be faster, though the gap between them is narrowing.

Many firms have resisted moving their clients' private financial information into a web-based database as it was considered a security risk (risk of hackers stealing information).

owned by the customer, and is only rented for use.

- The architecture of the application typically mimics the one-to-many model (e.g., multi-tenant design). While this is not true in all cases, on average it is cheaper and more convenient for the vendor to manage customers in the one-to-many architecture to bring down the cost of management, which the vendor can pass on to the customer.

Software applications delivered as SaaS include customer relationship management (CRM), web conferencing, portfolio management, financial planning, collaboration applications and even some HR applications.

Two advantages of using such software applications are cost and flexibility. From a cost standpoint, software that is offered via the internet is accessed via a login ID and Password (generally). This can potentially save money for smaller firms that may be able to get by with only one user license, shared by everyone in the office. The trade-off to this is the lack of collaboration that may be possible with multiple licenses. However, for those firms looking to cut corners and save wherever and whenever they can, this is a potential benefit.

Flexibility is the second advantage in that the software can be accessed from anywhere. This means that the financial practitioner does not have to sit at a specific computer in order to

access client records, etc. Given that a number of financial advisors have both a desktop and laptop computer, having the ability to use either to access the same software and records is definitely an advantage.

Despite these obvious advantages, there are several drawbacks (and/or limitations) that must be considered. The first is speed. While many firms now use high-speed internet connections and faster computers, there is a limitation of bandwidth in delivering complex data to and from an SaaS platform. This can potentially create slowdowns and, in some cases, freezes. Software manufacturers have responded by utilizing newer technology such as Ajax (short for asynchronous JavaScript). Ajax is actually a group of interrelated web development techniques to create faster speed dynamic interfaces on web pages.

This means data is refreshed on your screen much faster than with a more traditional HTML-type site. Without getting too technical, Ajax uses HTML (Hyper-Text Markup Language) and CSS (cascading Style Sheets) using an asynchronous page load technique that avoids whole page 'reloads' when data needs to be refreshed.

Among software makers, this technology can be delivered more cost-effectively than other methods. Still, if a true comparison is to be made between software that resides on your computer versus SaaS delivery of information, the resident software will still probably be faster, though the gap between

them is narrowing.

Another potential drawback is data security. Many firms have resisted moving their clients' private financial information into a web-based database as it was considered a security risk (risk of hackers stealing information). And, while this is still true to some extent, advances in web security such as near military encryption levels, advanced password and user confirmation techniques have significantly reduced this risk. Using multiple backup locations, offsite and onsite, have reduced the risk of data loss, which is another risk.

Yet, a third potential drawback may be the ability of the web-based software to communicate with more traditional desktop software. And, in this case, the argument may be fallacious in that the issue is not whether SaaS can talk to Desktop software, but whether any software can talk to any other software, regardless of its delivery method.

Software companies that deal with financial practices (financial planning software, CRM programs, Portfolio management, etc.) have been reluctant to offer the ability to share data with other, non-related software. Though, the trend is now changing somewhat. Many now have struck deals with specific, targeted software makers to share via an API (application programming interface) that permits the sharing of data. In cases where two software makers offer complementary products, this makes sense and extends the offering (and usability)

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Is Software as a Service (SaaS) the right approach? (cont'd from Page Two)

to the end user. It may also create opportunities for cost savings over purchasing these programs separately (for instance).

And, another potential drawback may be cost. If you compare the cost of desktop software, such as a client relationship management software program (CRM) to an SaaS version, you will note that the initial cost could be higher for the desktop version. However, it may be a one-time cost (with the exception of updates, additions, etc.) such as with Goldmine or ACT. With SaaS, you pay a subscription fee that must be continued to be paid in order to continue to use the software. For some smaller practices, this could be a concern.

So, what are some examples of SaaS programs that are available to financial service professionals, you might ask. Surprisingly, there are quite a few, but here are some of the better known companies.

And while not a true SaaS platform, Financial Planning Consultants (www.financialsoftware.com) offers an integrated solution that should be compared against SaaS solutions, given cost, flexibility and concerns regarding information security.

CRM Software:

Redtail Technology

<http://www.redtailtechnology.com/>

Portfolio Management

BridgePortfolio

<http://www.bridgeportfolio.com/>

[company/](http://www.bridgeportfolio.com/company/)

iRebal

<http://www.irebal.com/>

Orion Advisor Services

<http://www.orionadvisor.com/>

Financial Planning

MoneyGuidePro

<http://www.moneyguidepro.com/>

Integrated Software

Interactive Advisory Software

<http://www.iassoftware.com/>

EMoney Advisor

<http://www.emoneyadvisor.com/>

In the end, your decision should be made based on all of the above factors along with consideration for the style at which you offer services to your clients and the efficiency at which you may be able to deliver them.



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Document Management

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However, with the development of their Avante and Rio products, Laserfiche has brought the price down considerably and delivered exceptional document managements tools to even the smallest of financial practices.

As it is already included, if you own MS Office, you already own the document imaging feature.

Another choice in this simple category is ReadIris Pro version 12 (www.irislink.com/readIris). At \$129.99, it is even more affordable than PaperPort and does much of what PaperPort is capable of handling. Similar to PaperPort, ReadIris creates editable and searchable PDF files. Its Optical Character Recognition (OCR) features are touted along with the ability to recognize up to 120 different languages. It also claims to be able to compress documents up to 400 times smaller than originals for document archiving.

Moderate

In the Moderate category, we have a host of different solutions. Docsvault (www.docsvault.com) is a document scanning and retention solution that offers easy access and collaboration with controlled user access. It has simple document (data) backup and file retention capabilities with one-click CD/DVD back-

ups. Their small business solution costs \$599.99 for five users.

Another product, DocStar (www.docstar.com), long a favorite among the insurance crowd, has broadened its Electronic Content Management (ECM) solutions to include several other industries, including Financial Advisors. DocStar is offered through resellers and is priced according to a package offered by them that could include installation and support.

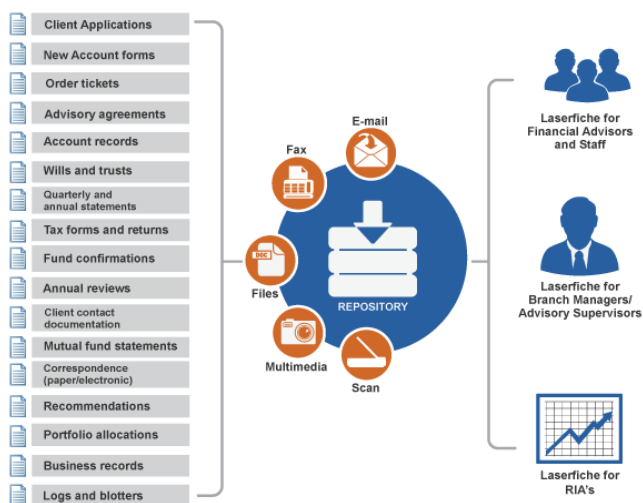
DocuShare (www.docushare.xerox.com), offered through Xerox, is a Content Management solution tied to Xerox imaging equipment and offers a number of features of ECM that would be attractive to mid-size companies.

Yet another product in this category is DocuXplorer (www.docuxplorer.com). DocuXplorer touts its indexing capabilities, making it easy to file and later locate electronically filed documents.

And, while the solutions in the moderate category are solid platforms for document imaging, file retention, indexing and retrieval, for the most part (with one possible exception being the DocuXplorer product) they are not integrated products. In other words, creating indexed folders for client documents and/or information would not necessarily tie to a client relationship management software that is used by the financial advisory firm. For this, you may need to look at the full-featured category.

Full-Featured

In the complex category, there are three solutions worthy of mention. Laserfiche (www.laserfiche.com) is the leader in this category given its size and quality. Unfortunately, Laserfiche gained a mis-reputation as expensive owing to past system costs. However, with the development of their Avante and Rio products, scalability has brought the price down considerably and delivered exceptional document managements tools to even the smallest of financial practices. Laserfiche is offered through a network of Value Added Resellers (VARs) that provide onsite installation, training and support. With its instant integration tools, Laserfiche is capable of fully integrating with most CRM platforms. With it, you can access files simultaneously from multiple locations, accelerate account opening for greater production and profitability, support supervisory compliance and workflow automation and provide exceptional security of stored documents. Laserfiche not only integrates with CRMs, but also integrates easily with Practice management and portfolio management applications. Trumpet, Inc (www.trumpetinc.com) is another major solution provider in this category and offers a fully customized version of WorldOx. Trumpet offers the Ensemble Process™ as a full-featured package for financial advisory firms that need a comprehensive digital document system.



Document Management (cont'd)

The Ensemble Process includes document management consultation, Worldox Software implementation and configuration, Optical Character Recognition (OCR) Optimization and development and customization of digital indexing, collating and automated filing process.

Trumpet provides exceptional training and support, through remote access and webinar style connections. With their Virtuoso™ product, Trumpet offers full-integration with many of the more popular CRM programs such as Junxure, Goldmine, ProTracker, Interactive Advisory Software (IAS), Redtail and others. It recently set up integration capabilities with the Family Office Network (www.familyofficenetwork.com) as well.

The major differences between Laserfiche and Trumpet are size and style of service. Laserfiche is a huge multi-national firm with products and services available to governments, medical fields, education and financial services (to name a few). Their service structure and style is to offer high-touch onsite services through their network of Value-Added Resellers (VARs). Trumpet, Inc. offers its products and services solely to the financial services profession.

While smaller in size, it offers customized solutions for financial advisors mainly through remote services. Laserfiche is capable of integrating with just about any CRM, Portfolio Management or other software platform. Trumpet has a targeted list of integrations with several popular platforms used by advisors.

A third choice in this category that was not reviewed is FileNet (www-01.ibm.com/software/data/content-management/filenet-content-manager/). FileNet was acquired by IBM. According to its website, it claims to have powerful document management and business process capabilities. However, if the long website address is any indication of ease of use, then it may be difficult to determine if this product is right for you. From appearances, this looks to be better suited as an enterprise level product (broker/dealer, custodian, etc.)

Choosing which of any of the above solutions is best for your practice will require some research and understanding of what your firm actually needs. If your firm wants to develop workflow automation seamlessly integrated with document management and tie all of this to client relationship management, then the full-featured category is probably the best fit. With workflow, both Trumpet and Laserfiche offer workflow features. Laserfiche has the most robust tools in this area.

Their Avante Product (scaled to per user pricing) has bundled their workflow features with a full-blown business process management (BPM) component that can design and publish workflows specific to the needs of the end user. Paired with the optional public Web portal, financial advisors can provide document storage and sharing with clients and other professionals, similar to the arrangement between Trumpet and Family Office Network.

However, Trumpet has a credible offering geared specifically to the financial advisor market and for this reason is worth a closer look. Whichever is chosen, the goal of implementation should be to increase the efficiency and profitability of the financial advisor's practice. Thus, evaluating products using a cost/benefit approach should steer you in the right direction.



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Tools for Efficient Business: Multiplicity and Xythos

Multiplicity

Multiplicity is a program that enables users to take multiple computers in their office and control them with a single keyboard and mouse. Each computer continues to have its own physical monitor(s) connected to them. When the user moves their mouse from the monitor connected to one computer to a monitor connected to another computer they are then controlling that computer. A universal clipboard is created between the computers so that text and images can be shared. This allows the user to multiply their desktop computing power immensely.

Multiplicity compellingly answers the question of what to do with previous-generation technology that isn't as flashy as your new duds but not yet creaky enough for the dump heap. The software enhances an existing network by creating a power hierarchy that allows the keyboard and mouse of one computer to command operations for all other networked computers. The mouse flits across monitors, allowing users to copy/paste text, URLs, and images from one computer to any other on the network. (Multiplicity Professional also transfers files.) By dividing tasks between two fully-processing computers, Multiplicity improves workflow and lets you quickly and easily access files stored on multiple rigs. The program is free to try and \$29.95 to buy. www.stardock.com

Xythos On Demand

Xythos on Demand is a hosted document management system which means you get all the benefits of a full-featured document management system without having to spend additional time and money maintaining it.

Xythos on Demand is built on open industry standards which allows us to operate our service using the best of breed hardware and software technologies for security, data backup and networking. Read through the pages in this section to learn more about how we [secure your data](#), provide [99.9% availability](#), and [safely backup](#) all of your data.

Xythos on Demand is designed to work together with the software you already have so there's nothing new to learn. They go to great lengths to ensure that all of the important data you store in Xythos on Demand is backed up and protected to withstand even the worst disaster.

The moment your data is saved on our servers they back it up. Additionally, every night they perform an offsite backup of all of your data, which means it can restore service and recover from a major disaster.

Xythos on Demand runs on best-of-breed hardware and software. The service runs on multiple fully-redundant application servers running Red Hat Linux. At the front end they run behind a high-availability F5 Big-IP load-balancer and Juniper Netscreen firewall. They run on a high-availability Cisco network with separate 100 Mb connections to MCI and GlobalCrossing.

Xythos on Demand gives you an administrative account that lets you manage all your users and groups and oversee the file and folder setup. You get your own secure space to create the folder structure and permissions that meet your specific needs.

The administrative account allows you to:

- * Create users within your organization to give people their own space to work in.
- * Create groups to simplify setting access control lists to the files and folders.
- * Monitor and adjust your storage and bandwidth quotas as needed.

Free to try, prices start as low as
\$19.95 per month.
For details,
visit www.xythos.com.

Commentary: The Importance of Communication

If there is anything we can take away from the past two years, it ought to be the realization that effective communications are or should be a top priority with firms who wish to retain their clients and grow their practice.

Retreating from the fray, as it were, resulted for many firms in a disastrous drop in clients and resulting assets under management. Nothing could be more harmful to a practice than not talking to your clients, or worse, not addressing their concerns and needs when communication actually took place.

The truth is, many firms do not know how to communicate effectively, much less efficiently. Some firms have even been found to have conflicting messages, in what they say versus what is delivered (i.e. the performance reports). Telling a client, for instance, that their two-year performance was down, but their most recent performance is up ignores the basic concern of most clients that they have more money now than what they gave you originally. And, if the performance reports deliver 1, 3, 5 and 10 year returns, listening to two-year returns from their advisor will make no sense whatsoever.

Seek first to understand, then to be understood, (Fifth Habit of the Seven Habits of Highly Effective People, Stephen R. Covey, Fireside Books, 1989) speaks volumes about the importance of skilled communication that arise from an informed perspective. But, even more than this, probing for understanding when communicating is a critical step to getting the results you desire.

It is for these reasons and more that my recommendation for 2010 is to seek out communications training and advance your skills and that of your staff in this area. For the sake of your clients and for the efficiency of your practice, you owe it to them and yourself to increase your communications capabilities.

...probing for understanding when communicating is a critical step to getting the results you desire.

-David L. Lawrence

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We assist our clients in realizing additional profits through a thorough analysis of your business operations from a variety of tactical perspectives that stress the efficient use of resources. We have identified **four broad areas of operational efficiency** which form the basis of our evaluative process. We do this by taking the time to learn everything we can about your business and then offer recommendations based on where you want to take it. And we offer on-going support and coaching to ensure that your path to increased profit continues unabated.

Note: No software, service, product or company mentioned in this newsletter paid for such mention. This newsletter remains totally independent.

The Efficient Practice

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