Case Study

Business

ADP
Brokerage
Processing
Services

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ADP Slashes Costs and Increases Volume by Switching to Ascent Capture

ASP now captures 2 million pages per month for stock brokerage customers

In the world of documents, Application Service Providers thrive or fail by fractions of pennies per page. When an ASP finds a way to reduce costs while simultaneously increasing throughput, it glitters like gold.

Such is the experience of ADP's Brokerage Service Group (www.bsg.adp.com) based in Edgewood, N.Y. The Group's clients are traditional stock brokers who want to outsource their paper processing. Investors apply for new accounts by filing signed papers. For brokerages, processing the account documents is costly and time consuming – opening a new account could take a week. In today's world of Instant Everything, yesteryear's slow pace does not compete.

A few years ago, ADP offered to process brokers' account documents in less than a week at a competitive price. One of America's oldest and most venerable brokerage houses signed up. ADP agents collected the documents in Manhattan and trucked the paper to the Group's Long Island facility. Workers scanned the paper, indexed it, and archived both the electronic images and the paper.

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That system worked well for the first client/broker. However, a second prospective broker also wanted to integrate document capture, ADP's workflow, and its legacy mainframe system. Simultaneously, ADP strategists wanted to use barcodes to improve indexing. These technologies were beyond the capability of ADP's legacy scanning system.

In 2001, the Brokerage Services Group had purchased a scanner from Digital Storage Solutions (www.digitalstorageinc.com) a New York-based systems integrator and service bureau. Recognizing the expertise at DSS, ADP's Nick Hunt, director of the imaging and workflow solutions area, asked DSS to confer in search of an improved capture solution. Hunt knew that his first broker/client had captured images using Ascent Capture from Kofax (www.kofax.com) and that DSS was one of Kofax's leading Certified Solutions Providers.

DSS Business Development Manager Michael Thomas assured Hunt that not only could Ascent Capture use barcodes for indexing, DSS could show ADP how to write release scripts that would launch workflows right into brokers' systems. "We went in and met with their entire project team, going over the whole concept and process," recalls Thomas. "They didn't want to jump through the integration hoops that [their old capture software] required. That would have taken longer than the time they had available."

The subject turned to cost. "Kofax offered us a half-million scans per month for far less than the cost of the other vendor's software. And their Ascent Capture product included modules like barcodes and workflow that raised the value for us.

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The second brokerage started with the Kofax solution first. Consultants at Digital Storage wrote the original rules and release scripts with ADP, demonstrating and teaching so the ADP staff would become independent and competent with Ascent Capture integration. "This all unfolded in about 45 days," explains Thomas. "We implemented the solution with a release script that loaded directly into ADP's workflow software."

ADP found that – in contrast to its original capture software – Kofax made the question of future functionality a non-issue. Its Ascent Capture software platform, its Adrenaline certified scanner connectivity family, and its VirtualReScan image-processing technology comprised the broadest single source of capture products in the industry. Integrating with existing workflow software was quicker, and Kofax's modular design conserved resources. It used a point-and-click interface for release scripts and automatic indexing. A staff member easily added the barcode recognition module when appropriate.

The manifest success automating ADP's second client raised the question: What would a switch in capture products do for the original broker? About that time, ADP sold its services to a third major brokerage. Hunt asked Thomas for a proposal to standardize all three capture processes on Kofax.

The dawn of 2002 saw ADP scanning up to 200,000 images per month. The entire transition cost less than $100,000. The operation grew from there.

Distributed Capture Fuels Growth

In 2003, ADP encountered prospective clients that did not or could not let their paper go to Long Island. For a Brooklyn firm the issue was security: its stock certificates never left the premises. It stored images on microfiche, where capture was cheap but retrievals were expensive.

Another prospect, in London, faced a new law requiring digital images. Cost and logistics prohibited sending paper to ADP for scanning.

Fortunately, Digital Storage Solutions realized that Kofax Ascent Capture Internet Server (ACIS) would address these needs for distributed capture. With this component, scanners anywhere in the world capture images and electronically send them to a remote location for release, storage and retrieval. Indexing and quality control occur at either the scanner site or home base.

ADP proposed solutions based on ACIS and dedicated transmission lines to both the Brooklyn and London firms. Hunt's group won both accounts. Now, phone lines bring streams of images to Long Island for indexing, quality control, archiving, and release to workflow systems.

The next challenge came when ADP approached a leading online brokerage. Although this business specializes in online trading, it still generates copious quantities of paper. ADP proposed remote scanning at paper repositories on the East and West Coasts. They would transmit over 100,000 images per month to Long Island. Again, ADP won the business.

In this solution, the online broker purchased its own scanners and Kofax software while ADP expanded its Ascent Capture Internet Server installation. All of the licenses reside at ADP, but they are dedicated to the online brokerage. ADP captures the images from ACIS and enters specific information into dedicated databases. Further, ADP stores the information and hosts retrieval and workflow systems.

Depending on its customers' needs, ADP sends images directly to its clients' in-house workflow systems. It delivers data as well.

At this writing (Q4, 2004) ADP serves seven major brokerages and scans up to 2 million pages per month. For DSS, the burgeoning business brings satisfaction on several levels. "One of the greatest tools was Kofax's flexibility," Thomas lauds. "They were totally willing to make it possible for all parties to meet their needs. Kofax's software and management have been agreeable to all of our needs. ADP and the online broker have had the most demanding requirements, but our relationship with Kofax allowed us to meet those needs without complication."

Hunt echoes that evaluation: "We keep adding clients. Now they range in size from 25,000 pages per month to 250,000 pages per month. It all goes into one Kofax system which feeds different workflow systems. After working with Kofax and Digital Storage Solutions for three years, we consider them Best of Breed. It's great to be on a single platform!

"The cost savings behind the new software and the efficiencies it brings please upper management," Hunt adds.

At ADP, business development continues, and Thomas expects DSS and Kofax to play integral roles. "We have spoken with ADP about implementing Ascent Collection Server, for capture at even more remote locations, even when the volume of images is small and the hardware is only a multi-function copier," he reports. "Also we will be introducing Kofax's Advanced Forms modules, such as Neurascript and Xtrata to ADP in the immediate future. With these solutions, the potential to keep driving down operational costs is nearly unlimited."

For more detailed product information, visit www.kofax.com, or call us today (949) 727-1733.