

Case Study

Investments



Upromise Investments Streamlines, Optimizes Transaction Processing With Kofax Information Capture

Overview

Upromise Investments, Inc. is a registered securities broker-dealer that focuses on providing services to state partners and families saving for college under federal IRS Section 529 college savings plans. A 529 plan (named after its section of the federal tax code) is a state-sponsored investment program that enables individuals and families to put funds into a tax-deferred product, such as a mutual fund, for the purpose of saving for a college education. Upromise currently manages 783,000 state-sponsored 529 participant accounts and more than \$7.5 billion in assets. Kofax Ascent Capture technology has streamlined the company's transaction processing and helped it to reap a savings of \$6 million over the past four years.

Challenge

At its inception in 2001, Upromise formulated a business vision to create an environment that would make it easier for families to save and invest on their own. The firm knew that in order to achieve this vision, it needed to look beyond conventional approaches to managing investment transactions. In a traditional financial services company, investor information (e.g. enrollment data, subsequent contribution data) is submitted in paper form and then manually entered into a database or other application.

“This staff of 33 is currently processing 22,000 transactions per day – approximately 73 times more than the daily 300 transactions we processed when we first opened for business.”

Such a method has its drawbacks, however. When a transaction is initiated, a financial agency must commit to a share price for the funds in which its members invest. If the market price changes before the trade is executed, the financial agency responsible for recording participant requests must pay for any difference in fund price resulting from the delay. Upromise aimed to avoid this pitfall by implementing a 529 plan administrative platform that would automate as many transactions as possible.

The firm's first step was to configure an online 529 enrollment vehicle for customers and an Internet portal for outside client service associates, through which it could collect enrollment and other data via the Web. While the portals provide a convenient means for families to invest online, Upromise also recognized that many individuals are uncomfortable posting personal financial information on the Internet and prefer to submit investment documentation in paper form. Thus, it sought a information capture and workflow solution to help manage these forms.

Solution

Upromise evaluated several solutions, but only the Ascent Capture software was found to suit its requirements, says Peter Angus, the firm's vice president of client services. “Because we were in the process of building a state-of-the-art transfer agency, we absolutely needed a capture solution that would not only allow us to convert documents to digital images, but to go beyond that and manipulate captured data in a meaningful way,” Angus explains. “For us, it wasn't just about image capture; it was about intervention, e.g. handling image capture, processing, and delivery with a single solution set. No application other than Ascent Capture offered that capability.”



KOFAX[®]
A DICOM GROUP COMPANY



Angus and his colleagues also favored the Ascent Capture technology for its flexible, modular architecture. "Initially, we only needed the specific data we captured to be shared with other back office applications, like our image repository and our workflow application," Angus notes. "However, we knew our business was going to grow and that we would need the ability to customize new modules so that data could be captured from different document types and shared with other resources."

He adds that another selling point for Kofax was the availability of a toolkit that would permit Upromise to deploy the solution at its own pace. "Kofax clearly wanted to make the technology work for us, rather than to fit Upromise into its own mold," Angus says.

To implement the system, Upromise turned to Kofax Certified Solution provider, Paragon Systems of Virginia Beach, VA. In addition to the Ascent Capture technology, the solution comprises Bowe Bell + Howell 8125 Spectrum scanners, Plexus ImageFirst Office, and Plexus FloWare. "One of the most valuable aspects of the solution is the fact that we were able to hook the Ascent product into our relational database," Angus notes. Data is extracted from images captured in the back office and shared with the firm's platform database via an XML bridge. If any of this data already exists in the system, validations can be made automatically and information contained in the database can be used to automatically populate fields (e.g. participant name, Social Security number, bank information) on the transaction screen.

For example, Angus points out, if a customer enrolls in a 529 program via the Upromise Web site but decides to mail a check instead of providing information for an Automated Clearing House (ACH) transaction, the check is scanned in the back office and data such as name and address is extracted from it using the Ascent Capture product. This data is then used to locate the database information that exists from the customer's online enrollment. This information automatically populates corresponding fields on the transaction screen; all the back office employee needs to do is enter the check number to complete the transaction.

Similarly, when an existing customer sends in a form to open a 529 account for an additional child, the Ascent Capture product allows information to be captured from the document image to locate all the data provided by the participant for his or her first child. Information common to the new account is automatically displayed. As a result, in most cases the back office employee can finish the transaction by simply entering the new child's name and Social Security number into the system.

"Ascent Capture, and our partnership with Kofax, have truly allowed us to achieve the goals we have set for Upromise and have positioned us for further growth."

Just as significantly, Angus states, Ascent Capture's flexibility also enables Upromise to tailor modules to support precise business processes. For example, modules can be modified to extract data from any document type, as well as to automate many forms processing functions. Other modules can be incorporated to facilitate automated document separation, postal mail scanning, and automatic classification of unstructured documents.

With Ascent Capture technology in place, the firm can also export data to any ODBC (Open Database Connectivity)-compatible database. This capability is integral in sharing information captured from documents scanned in Upromise's back office with the participant database and customer-facing 529 administrative platform. What's more, to help accelerate the capture process, Kofax Virtual ReScan® (VRS) technology is also being used as part of the solution to automatically adjust the brightness, contrast, skew, and other attributes of an image, thereby ensuring that

the proper data is located and extracted.

Results

By deploying the Ascent Capture product and integrating it with its platform database, Upromise has reduced the average handling time per transaction from 12 minutes to less than 2 minutes. "This productivity boost helps us manage labor costs far more effectively than ever before," Angus says. "Using our automated system, we have been able to reduce our personnel needs from 175 employees to 33 employees. This staff of 33 is currently processing 22,000 transactions per day – approximately 73 times more than the daily 300 transactions we processed when we first opened for business."

He adds that the technology has more than paid for itself, resulting in a savings of \$6 million over the past four-and-a-half years. The solution also affords Upromise the time to have two employees verify every transaction entry, yielding transaction accuracy ratings of 99.1%. "Ascent Capture, and our partnership with Kofax, have truly allowed us to achieve the goals we have set for Upromise and have positioned us for further growth," Angus concludes.

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



Corporate Headquarters
Kofax Image Products, Inc.
16245 Laguna Canyon Rd.
Irvine, CA 92618
Tel: 949-727-1733
Fax: 949-727-3144
info@kofax.com
www.kofax.com

Koning Albert 1 Laan 64-66
B-1780 Wommel, Belgium
Phone: +32 2 456 17 20
Fax: +32 2 456 17 21