

Customized Account Opening for Clearing Firms

Clearing firms are continually seeking to leverage technology to improve their client services and reduce costs. OpenAdvantage® enables clearing firms the ability to offer efficient account opening services as a competitive differentiator, increasing correspondent retention and building correspondent loyalty.

Arius has been the chosen account opening platform and professional services partner of leading clearing firms across North America. Our flagship product, OpenAdvantage, enables clearing firms to deliver superior correspondent services, increase operational efficiency and reduce cost by creating a superior, personalized account opening experience.

The benefits of Arius OpenAdvantage include:

- **Superior Account Open Correspondent Services** - OpenAdvantage simplifies data collection and generates personalized sales kits. A hallmark of OpenAdvantage is the use of dynamic questionnaires to ease data gathering and using the questionnaire responses to automatically populate multiple forms - eliminating duplicate data entry. Clearing firms may choose to offer their clients configurable questionnaires, forms, business rules and workflow.
- **Simplify Delivery of Tiered Service Levels** - OpenAdvantage can simultaneously support tiered account opening service levels ranging from generic account opening process for smaller correspondents to a completely custom account opening process for larger correspondents.
- **Support Multiple Correspondent Business Models** - OpenAdvantage enables efficient account opening for multiple sales channels including client self-serve account opening (e.g. on-line brokerages) and front-office client representatives teams (e.g. retail brokerages).
- **Single Platform for All Correspondents** - OpenAdvantage enables clearing firms to deliver account opening services to all correspondents from a single platform.
- **Comprehensive Compliance and Audit Reporting** - OpenAdvantage can produce a range of comprehensive compliance and audit reports tailored to meet the needs of each client.
- **Streamline Processes with Document Archive** - OpenAdvantage can be extended with Arius BarcodeAdvantage™, a document imaging and management solution that enables rapid processing, fast retrieval, and centralized management of client document archives.
- **Open Architecture** - OpenAdvantage delivers an open platform able to integrate with back-office applications including e-signature, document management and book of record systems.

The following sections examine each benefit in detail.

Superior Account Opening Service for Correspondents

Arius' OpenAdvantage dramatically reduces account opening times and institutionalizes corporate policies and best practices. With OpenAdvantage, clearing firms are able to offer account opening systems that:

- **Reduce Duplicate Data Entry** - OpenAdvantage gathers responses in a questionnaire format and leverages those responses to populate multiple forms and components of the sales process.
- **Simplify Data Collection** - OpenAdvantage offers dynamic questionnaires that present only relevant questions speeding up the account opening process and simplifying sales representative training. Mandatory fields can be highlighted thus eliminating the need to visit or call a prospect multiple times. Partially completed questionnaires and forms can be saved and accessed on demand.
- **Simplify Migration and Client Transition** - When bringing on new advisors, correspondents are able to quickly and easily transfer new client assets into OpenAdvantage. OpenAdvantage automates the generation of new account forms to ease and streamline the transition enabling the representative to keep the client relationship while changing firms. OpenAdvantage allows partial client information in a spreadsheet to be exported from a handheld device or CRM package for import as work in progress. Advisors can then enter this missing information and generate an account agreement or immediately generate a partial agreement to fill in by hand with the client.
- **Deliver Custom Workflow and Approval Process** - OpenAdvantage delivers a platform that can be customized to meet individual correspondent business and compliance requirements. Workflow and business rules, such as mandatory fields, data checking and the approval process, can be easily customized easing representative training requirements while enforcing compliance. Workflow and approval processes can span both the clearing firm and the correspondent - enabling adherence to robust compliance requirements while facilitating rapid problem resolution as clearing firms can place comments on an account indicating the corrections required for resubmission.
- **Generate Personalized Sales Kits** - The correspondent's sales approach is personalized through the generation of a personalized welcome kit which can contain documents such as a welcome letter whose contents are dependent on the nature of the products specified. Automated personalized sales kits dramatically reduce the representatives need to "understand the paperwork requirements" and enable the firm to institutionalize best practices with systems.
- **Simplify Account Updates with Automatic Identification of Required Updates** - Non-material updates can be enacted directly by the correspondent's broker or even potentially the client directly. Alternatively, material updates are queued until they have been approved – this approval process can span both the correspondent and clearing house enabling enforcement of robust compliance policies. Furthermore, required updates, such as accounts requiring KYC updates, can be automatically identified and processed with OpenAdvantage. All updates are stored in the database for audit purposes.

**Correspondents
have the ability
to generate
personalized
sales documents
automatically**

■ **Automate and Simplify Suitability Reports** - OpenAdvantage's Asset Allocation reports ease comparison of portfolios with the KYC objectives to help satisfy supervision requirements.

Simplify Delivery of Tiered Service Levels

Clearing firms often offer tiered services for correspondents ranging from a generic account open process to a fully customized process. OpenAdvantage enables clearing firms to customize branding (i.e. logos), questionnaires, forms, workflow and business rules for each correspondent. By allowing smaller firms to use a generic system it is possible to provide account opening economically. As the correspondent grows, the clearing firm can offer customizations to simplify the account opening process by removing unnecessary questions, enhance branding through personalized documents and increase efficiency through optimized workflows. All of this is possible through incremental customizations versus developing a new solution from scratch. The ability for the OpenAdvantage platform to seamlessly grow and upgrade service levels builds correspondent retention and loyalty.

**Provide a
configurable
system that
grows with each
correspondent**

Support Multiple Correspondent Business Models

Arius recognizes that systems and processes must be tailored to meet client requirements rather than dictate business practices. OpenAdvantage has been built with the flexibility to support numerous account opening business models including on-line brokerages, full-services brokerages and hybrid business models.

Online Brokerages - OpenAdvantage provides end-users with the ability to open new accounts over a secure, web-based platform. By adopting OpenAdvantage, online brokerages will experience a dramatic reduction in new account open abandonment rates. Clients are guided through the account opening process and are required to answer questions that relate only to the account being opened at that time. Business rules, workflow, questionnaires and forms can be configured by the clearing firm, offering a tailored account opening solution for each broker. Smaller online brokerages may choose to have the entire account setup managed by the clearing firm reducing the need to manage login credentials. For growing businesses, the account opening process can be configured allowing tailored questionnaires, workflows and forms to be created providing clients with a personalized account opening experience. OpenAdvantage's flexible platform can be seamlessly integrated with third-party CRM and LiveHelp systems increasing the tracking and response times of online customer service requests.

Full-Service Brokerages - OpenAdvantage will become an integral component of a correspondent's broker desktop through integration with corporate authentication and back-office systems. Single sign-on is supported through Active Directory or LDAP. Trade execution history and portfolio holdings can be accessed. OpenAdvantage also integrates with the security master and portfolio systems such as Advent Axys.

Support multiple correspondents from a single platform

Single Platform for All Correspondents

OpenAdvantage enables clearing firms to be an Application Service Provider (ASP) for their correspondent's account opening services. From a single platform, clearing firms can support all correspondents. Each correspondent firm has the option of utilizing a standard or alternatively a customized account opening process. Customizations are maintained separately so that changes made to for one correspondent are isolated and a single system can be used to serve many firms simultaneously.

Comprehensive Compliance and Audit Reporting

OpenAdvantage's reporting functionalities utilizes the rights and permissions embodied in the system ensuring that each user sees reports covering their sphere of influence. Reports can be stored, filtered and exported to a spreadsheet for further analysis. Reporting provides a way for firms to increase transparency in their internal processes and consequently improve efficiency. Compliance reporting can also allow clearing firms to increase monitoring, reduce liability, decrease Not In Good Order (NIGO) scores, and reduce costs associate with labor intensive compliance monitoring.

Streamline Processes with Digital Document Archive

The OpenAdvantage platform can be extended with BarcodeAdvantage to enable rapid processing, fast retrieval and centralized management of massive document archives while enhancing corporate compliance practices and policies. Access to the archive can be securely shared by authorized users between clearing firms and correspondents. With BarcodeAdvantage, paper documents are scanned, stored and organized using barcodes – transforming a paper trail into a rapidly accessible, centrally managed, digital document archive. BarcodeAdvantage can speed the account opening process by eliminating the need for paper forms to be couriered and processed by the clearing firm. In the event of an audit, these digital documents can easily and quickly be produced. The document repository can also be securely shared between correspondents and clearing firms accelerating the account opening process and decreasing mailing costs.

Open Architecture

OpenAdvantage can integrate with a variety of authentication and eSignature systems, as well as back office systems such as book of record to streamline the entire account opening process. OpenAdvantage supports leading integration interfaces including web services, XML, MQ messages as well as flat file.

Summary

Arius' OpenAdvantage is the product of choice among some of North America's largest clearing firms. For over ten years, Arius Software has been dedicated to developing front-office solutions for the financial services industry. Arius' team of industry professionals has a deep understanding of the account opening and business processes of clearing firms and their correspondents. For more information, **visit www.ariussoftware.com or call us at 519-885-9045.**

For more information, contact:

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