

Wellington West reduces costs and enhances client service levels with enterprise account opening platform



Wellington West Capital Inc.'s adoption of leading technology solutions differentiates them from other investment firms enabling them to provide personal, thoughtful and intelligent strategies for their clients. Like the vast majority of financial services firms, Wellington West opened every customer account using a manual, paper-based process. The paper-based system worked, but as Wellington West grew, so did the headaches. Investment Advisors (IA's), branch managers, operations and the compliance department were all feeling the pain. As well, costs continued to climb – courier fees, paper costs, storage and headcounts were all increasing to support the management, filing and retrieving of client data. Wellington West realized an electronic account opening system with a powerful on-line document archive was necessary to support the growth of their business.

Wellington West's Paper-Based Process

Wellington West's paper-based account opening process was similar to most financial services firms. IA's, working in 36 branches across Canada, lead Wellington West's relationships with their clients. To open a new account, IA's would pull together the correct documentation package for the specific account type (registered, margin, etc ...) and the specific customer type (personal, joint, trust, etc...). With over 20 account types and 12 customer types, just getting the correct package together was a detail-oriented, time-consuming challenge. Furthermore, forms often asked the same questions

CHALLENGES

- Limited processing volume and sales growth
- Long lead time
- Document preparation subject to human error
- Extensive staff training on processes and procedures
- Form changes were costly and difficult to roll-out
- High NIGO rates
- No visibility into account status during approval process
- Centralized process with unprioritized pending queue
- Risk of misplacing documents
- Shipping, tracking and archiving of documents was time-consuming and costly

SOLUTION

- Automated account opening
- Scalable, configurable platform
- Support for business model organized across a network of sub-branches, branches and head-office
- Automated over 1000 questions, 5 workflows and 144 business rules
- Increased visibility into the status of a new account application
- Provided convenient document imaging and management of client documents

forcing IA's to enter the same data multiple times. The IA would work with the client to complete the forms and copy the required supporting documentation. Once complete, the package would be sent to the branch manager to review for suitability. Copies would be made and kept at the branch and the originals would be couriered to head-office.

At head-office, the operations department would receive the new account applications from all 36 branches and put new applications in a "pending queue". The queue was managed using "first in, first out" prioritization. Generally, an application waited 2 to 4 business days in the pending queue for review. Greater than half of new account applications were initially rejected due to incorrect information or documentation and would be returned to the IA for correction - starting the cycle again. Once approved, operations staff would enter the data into the back-office system and officially open the account. The original documentation would be filed at headquarters and copies would be made and returned to the branch successfully completing the account opening process.

"High staffing and courier costs incurred in the manual, labor intensive process hindered our ability to consistently deliver the level of service Wellington West clients have come to expect," said Dennis Stewner, Chief Financial Officer and Chief Operating Officer of Wellington West. "There were hidden costs – it became standard practice to receive at least one courier shipment from each branch each day as well we were always searching the pending queue for high priority accounts. It was very costly and focused on the process, not the client."

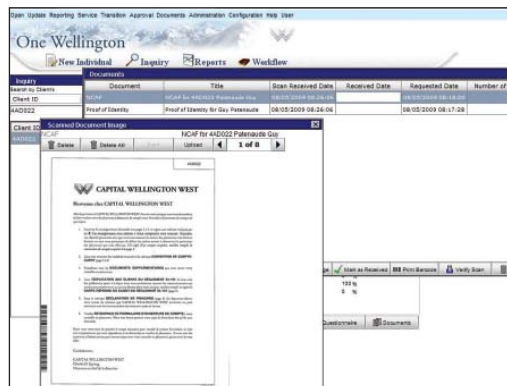
A manual, paper-based process creates many challenges:

- Centralized process limits processing volume and sales growth
- Long lead time – typically a 5 day manual process
- Preparing account opening documentation packages were prone to error
- Extensive staff training on processes and procedures
- Form changes were difficult to roll-out and costly with existing inventory being destroyed
- High Not In Good Order (NIGO) rates
- No visibility into workflow status – IA must initiate requests for account status
- Centralized process with long, unprioritized pending queue
- Potential to misplace applications, forms and documentation
- Shipping, tracking and archiving documents was time-consuming and costly

Revolutionizing Account Opening

Wellington West realized the need to automate their manual account opening process and enable them to scale and grow their business while eliminating resource-intensive processes. The project goals were to:

- Deliver same-day account opening
- Reduce costs
- Increase daily account opening volume
- Improve NIGO scores
- Ease retrieval and management of client documentation
- Deliver visibility to all stakeholders: IA's, management, operations and compliance
- Reduce frustration of IA's and operations teams
- Improve workflow and monitor client onboarding activity
- Improve process and reporting metrics



Supporting documentation is scanned and electronically stored with the client account.

A critical success factor was enabling the IA to directly manage the account opening process – from initiating the process with data and document entry to tracking its progress through the approval process. This change would decentralize the process, deliver immediate scalability and eliminate growing bottlenecks at headquarters.

Wellington West examined a number of alternatives and selected Arius OpenAdvantage® as the foundation for their electronic account opening system. The OpenAdvantage platform could be easily customized to meet Wellington West’s specific requirements including the questionnaire, forms, workflow and business rules. As well, Wellington West recognized Arius’ Professional Services expertise would accelerate their deployment.

The solution was deployed in November 2008 and the response has been tremendous. “We’ve been able to set new volume records due to customer demand and our systems,” said Jennifer Schafer, Director of Operations, Wellington West. “Most importantly, Investment Advisors are able to spend more time with their clients.” said Schafer. In the initial phase, Wellington West automated more than 90% of all the accounts they open. IA’s are now asking to get the last few accounts automated by OpenAdvantage.

Wellington West’s account opening process is now centered on the client. The IA is presented application questions by the system. The questionnaire is dynamic and automatically tailored to present only the relevant questions for the particular client and account type. This simplifies and accelerates the process by eliminating all unnecessary and duplicate questions on the paper forms. Furthermore, training is dramatically reduced since the system is guiding the IA through the process.

Data is immediately verified and calculated fields are automatically tabulated. As well, IA’s are warned prior to submission of all incomplete or invalid information. This has reduced the NIGO scores to virtually 0%. Once, the application is complete and signed by the client, the IA submits it for review by the branch manager and head-office. OpenAdvantage was configured to meet Wellington West’s business model supporting the approval process for a sub-branch, branch and head-office network. Importantly, client data permissions were designed around this same structure to ensure data security.

As the application moves through the approval process, it can be monitored by the IA and other stakeholders. In addition, approvers are notified when there are new applications pending. The approval process has been greatly simplified since the data has been validated eliminating the tedious administrative aspects of approval. Now, almost all accounts are opened “same day”.

OpenAdvantage performs automatic validation of values.

Accounts are opened with correct data, reducing NIGO rates.

IA's can inquire on account status on-the-fly.

In addition, when a new IA joins the firm, spreadsheet data can be quickly imported into OpenAdvantage and a partially completed application is automatically generated for completion at a later date. This allows IA's to maintain existing client relationships while maintaining consistency and providing exceptional client service levels.

Costs have also been reduced and Wellington West has made a big step towards a paperless account opening process. As part of the account opening process, supporting documentation is scanned and electronically stored with the client account. For scanned documents, OpenAdvantage produces a unique barcode identifying each client and document type to ease future retrieval. "Now we have an always available, on-line repository of client documents," said Schafer. "From an operations and compliance perspective, this has been one of the biggest advantages of OpenAdvantage." Branch personnel, operations and compliance, with appropriate permissions, are able to instantaneously access documents. The repository has dramatically reduced the need for couriers as well, from daily service to once a week.

With the initial phase successfully deployed, Wellington West is now in the process of planning Phase 2 with a focus on improving the account updating process and reporting. "We found Arius to be very responsive to our questions and requests, open to our suggestions, creative with proposed solutions, and never gave up on even the smallest of problems." adds Schafer. "It is a pleasure to work with them."

About Arius Software

Arius Software is a leading provider of account opening and document management solutions for financial services firms. Our flagship product, Arius OpenAdvantage, enables wealth management firms to attract new customers, increase operational efficiency and reduce costs by creating a superior personalized account opening experience. Arius has been chosen the Enterprise Account Opening platform and professional services partner of leading North American financial services firms. Arius Software is a privately held software company based in Waterloo, Ontario, Canada.



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