



File This Under “Important”: Advisors Need Document Management

Jan 10, 2017 Raef Lee

17 SHARES    

Save



Let’s be honest: document management is not the most exciting topic. Financial Planning Magazine’s newest [Financial Planning Tech Survey](#) does not even mention document management. A search of RIABiz finds zero articles on it. It is not a topic that makes you the life of the cocktail party. Yet despite its lack of sizzle, its impact on an advisor’s firm can be profound.

In today’s post, I’m collaborating with Mark Nahlovsky of [ActiFi](#) to review why document management is relevant for advisory firms and how advisors can re-frame their thinking on the topic. Our goal is not to give you an exhaustive review of solutions, but rather an overview of the market to help you make the right choice for your firm.

What is document management again?

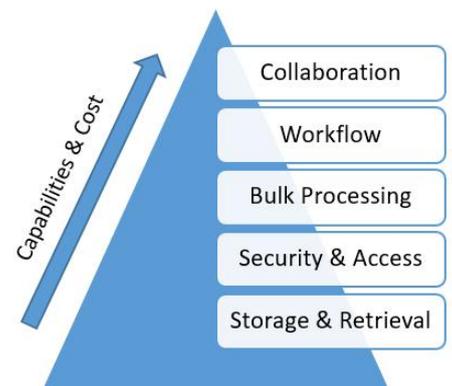
Well, the answer to this question depends on who you ask! Starting at the bottom of the functionality pyramid below, let’s break down which roles in your firm find which document management capabilities important:

- For advisors and client-facing associates, it’s about storing and retrieving documents anytime, anywhere, as efficiently as possible
- For compliance and security officers, it is all about giving the right people just the access they need and having a clear audit trail in place
- To the process-minded operations folks, it’s about bulk processing and workflows – think if/then logic and scale
- To anyone who is tired of emailing documents back and forth, it is about real-time collaboration on a single document – think Google Docs!

Vendor categories and the major players

Mark, who is a detail-oriented technologist, wanted to give a five-page diatribe on this topic. Here is the cocktail party version. He suggests that there are four categories:

1. **Client relationship management (CRM) system extensions.** Because CRMs are naturally organized around the client relationship, it is natural to want to attach documents



directly to the client record. Functionality is limited to storing and retrieving documents in a secure and paperless manner and the price reflects the scaled-back functionality. Examples of CRM system extensions are [Redtail Imaging](#) and [Ebix \(SmartOffice\) SmartPad](#).

2. **Industry-specific solutions or “overlays.”** If you have multiple offices, more robust security needs and are intrigued by workflow, there's a host of tried-and-tested industry solutions to meet your needs. Most of these solutions will require an implementation project that includes integration with other systems you already use (like CRM). The primary players include [Worldox \(Trumpet\)](#), [Laserfiche](#), and [NetDocuments](#).
3. **Non-industry, cutting-edge solutions.** For brave souls who want to implement a solution on their own (without the assistance of an industry player, that is), there are some very robust and affordable options to consider. [Box.com](#), [DropBox](#), [Google Drive](#), and [SharePoint](#) provide rich collaboration features with standard document management functionality. The primary benefits of these solutions are their collaboration features and flexible pricing models. The reason why many firms do not pursue these options is that the path to going paperless in an integrated and confident manner is not as well-traveled as going with an industry-specific solution.
4. **Enterprise solutions.** Although not applicable for most advisory firms, it is worth mentioning a few of the “big boys” in the document management space (even if just to impress your engineering friends) – [IBM's FileNet](#), [Docupace](#) and [Hyland's OnBase](#) are among the market leaders.

File this under “important”: Advisors need document management

CLICK TO TWEET

My paperwork is straight out of Charles Dickens; what do I do next?

Step 1: Be very clear (you *and* your firm) as to what you hope to get out of this investment, so you can outline a realistic budget and align to the correct category of document management. If you're a two-person firm that lives in your CRM, it may be tough for you NOT to align to a CRM extension. However, if you are a multi-office ensemble that still has a filing cabinet room (please tell us you still don't use a typewriter), you should probably be looking at an industry-specific solution or, if you have the technology wherewithal, a cutting-edge option.

Step 2: Be prepared to migrate from your current solution to a paperless environment. If moving offices is the impetus for this decision, you may want to pursue a “big-bang” conversion project, complete with shredding machines, interns and paper cuts. If you aren't in a huge rush, you can go paperless one client meeting at a time – just bake it into your prep and follow-up process.

Step 3: Begin the solution selection process, with clear expectations of the benefits you hope to receive, a budget in mind and a plan to get from A to Z. A suggested starting point is aligning your requirements and selection criteria to the functionality pyramid we outlined above. To ensure this is a firm-wide endeavor, why not have the client-facing folks take the lead on the “storage and retrieval” requirements, your compliance staff take the lead on “security and accessibility” and operational and client support team members determine what “workflow” and “bulk processing” capabilities are needed?

Wait! What about managing documents with my clients?

Don't worry, we will get to that in an upcoming blog post. In the meantime, we hopefully covered enough ground to give you the document management landscape and make you more interesting when you try to impress your friends.

SEI is not affiliated with Actifi, Redtail, Ebix, Worldox, Laserfiche, NetDocuments, Box.com, Dropbox, Google Drive, SharePoint, FileNet, Docupase, or OnBase.

17
SHARES



Raef Lee

Raef Lee is the technology contributor for Practically Speaking and also serves as a managing director for the SEI Advisor Network.

Information provided by SEI Investments Management Corporation. The content is for educational purposes only and is not meant to provide investment advice or as a guarantee of any specific outcome.

While SEI welcomes comments, SEI is not responsible for, and does not endorse, the opinions, advice, or recommendations posted by third parties. The opinions expressed in comments are the view(s) of the commenter(s), and do not represent the views of SEI or its affiliates. SEI reserves the right to remove any content posted by users of this site in its sole discretion.