



DIGITAL IMAGING HELPS MORGAN KEEGAN CUT COSTS WHILE IMPROVING SERVICE

For regional brokerage firm Morgan Keegan, being the best at what they do is an important competitive strategy, according to Gary Guinn, director of information technology at Morgan Keegan. "We have lot of competition, so we provide value-added service through our excellent research and trading staff."

Based in Memphis, Tennessee, the brokerage firm has a 30-year history of providing brokerage services to both institutional and individual investors. Morgan Keegan is experiencing fast growth, and for the fiscal year ending July 1998, company revenues approached \$400 million. About 40 percent of Morgan Keegan's customer base includes pension plan providers, banks, insurance companies, and other institutions purchasing large blocks of stock. The other 60 percent consists of retail and individual customers.

Morgan Keegan has 40 branch offices and 1700 employees, of which about 700 are brokers. Guinn has been with the company 11 years, and his current responsibilities include software development, computer operations and training. He manages 15 staff programmers, whose primary focus is customized program development. "We sometimes buy third party products and do value-added development that better meets our needs," he explained. In 1994, Guinn also took on the responsibility for managing document management capabilities at Morgan Keegan.

Digital Imaging Replaces Costly Microfiche

Providing world-class customer services requires exceptional logistical support processes, and several years ago Morgan Keegan decided the microfiche files the company used no longer met that criteria. Microfiche also was very expensive to use on a day-to-day basis. "We had a room with two microfiche readers and files," explained Guinn. "To access documents, the branch offices sent questions to the central microfiche location, and from there someone had to find the requested document and make a copy. This

process cost us thousands of dollars a month." In addition, industry regulators had recently freed the brokerage industry to use electronic storage, whereas before only microfiche was permitted. So the time was right for a new solution, and Morgan Keegan began its search for an imaging system that would meet their requirements.

Morgan Keegan's local Unisys representative suggested they evaluate COINSERV technology from INSCI Corporation. COINSERV offers digital document archiving and retrieval, along with a host of other important information access capabilities. The Morgan Keegan evaluation team was very interested, and after site visits to see the product in action, they selected it for their company.

Short Payback Helps Justify Decision

Guinn reported an easy implementation, with both INSCI and Unisys coordinating the project. "With its quick pay back, selecting the digital document repository was an easy decision," said Guinn. "It was readily justified based on cost savings compared to our previous system."

Customer Service was among the first to benefit. Both 1099 forms and monthly statements were made available on WebCOINS, which provides Internet access and distribution. Customer service personnel in branch offices simply pull up these documents and fax copies as needed. "WebCOINS is a default application our employees have at their desktops," said Guinn. "Our staff now has access to documents and information no matter where they are located."

Morgan Keegan uses the Windows NT version of WebCOINS, and terminal access is from PCs via LAN/WAN communication. The company's UNIX document environment is driven by a Unisys U6000 server with a Tandem/Compaq host system. The WAN network provides frame relay communication to every branch.

In additions to statements, 1099s and 1099Rs, other documents accessible through WebCOINS include reports, confirmations, 5498 and other tax forms, accounts payable, new account applications, and other scanned materials. Morgan Keegan processes about 80,000 documents each night. "We've put all printed reports on WebCOINS. This has reduced our printing costs and improved internal customer service," Guinn stated.

Streamlining New Accounts Process Is Next Goal

"INSCI's COINScan and COINSflow systems will be the next products to go in," Guinn said. "They will help streamline the new accounts process. Now new accounts are partially processed in the branches, where forms are completed and signatures put on file. These documents are then sent by courier to the home office, where they are scanned. We want to create a workflow where all new accounts are totally processed in the branch."

This change will have a very positive impact on paper flow and customer service at the company. It will also reduce processing time and provide better record keeping. In addition, all responsibility would reside in the branch office, closer to the customer. The COINScan system will allow linking of related, scanned new account documents, while COINSflow will provide sophisticated workflow management.

One thing in particular has impressed Guinn about his experience with COINSERV. "With as much technology as I have purchased over the last ten years, what I tell people has impressed me most is that it is the only thing that has worked from day one," he said. "We never had any problems, and it was not oversold. They came in and said they had this capability for us, and we got all the other benefits for free. Now every body uses it and relies on it."

For information about COINSERV solutions, contact INSCI worldwide headquarters at 1-508-870-4000 or visit www.insci.com.