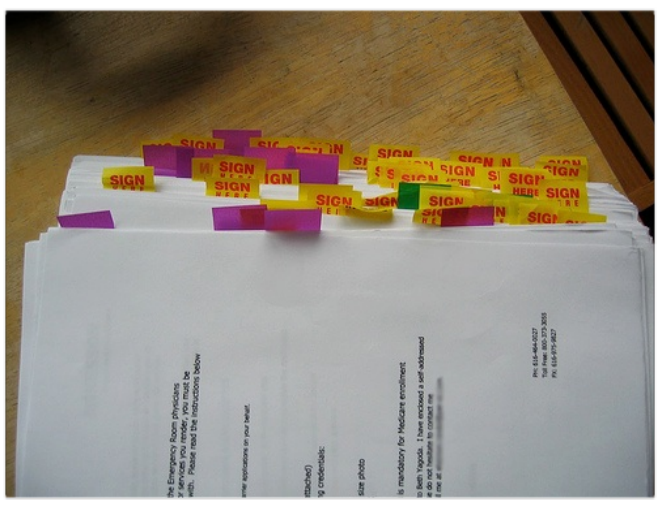


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OUT.

HOW FINANCIAL ADVISORS  
TRANSITION TO  
**PAPERLESS**

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A “paperless office” is one that maximizes the use of digital tools and technologies to eliminate the use of physical paper. For financial advisors, this is a gradual process, but the time to get started is now.

## Why paperless? Why now?

Moving toward a paperless advisory business has a significant, indisputable impact on your overall efficiency and, therefore, scalability. There are *many* advantages of moving to a paperless office, some of which are:

- the ability to work remotely, from anywhere!
- drastically improved client service experience (i.e. no snail mail or paper statements)
- streamlined document sharing, storing and more rapid document retrieval
- increased efficiency of both in-house and client-facing processes
- no more binders, folders, stickies, paperclips, and paper cuts
- help with compliance and audit trails
- savings in square footage (goodbye file cabinets!)
- increased firm value, from a succession perspective

We sat down with  
**Jim Koch**  
a financial advisor  
who's leading the way  
for others who want  
to "go paperless".

## Jim Koch



Founder and Principal of [Koch Capital Management LLC](#), an independent Registered Investment Advisor (RIA) in the San Francisco Bay Area.

Jim has a unique blend of finance and software development expertise from 25 years of experience as an entrepreneur, consultant, and portfolio manager.

He was recently recognized by Investment News as a pioneer in the use of web-based tools to provide retirement planning services.

Jim is a Blueleaf user.

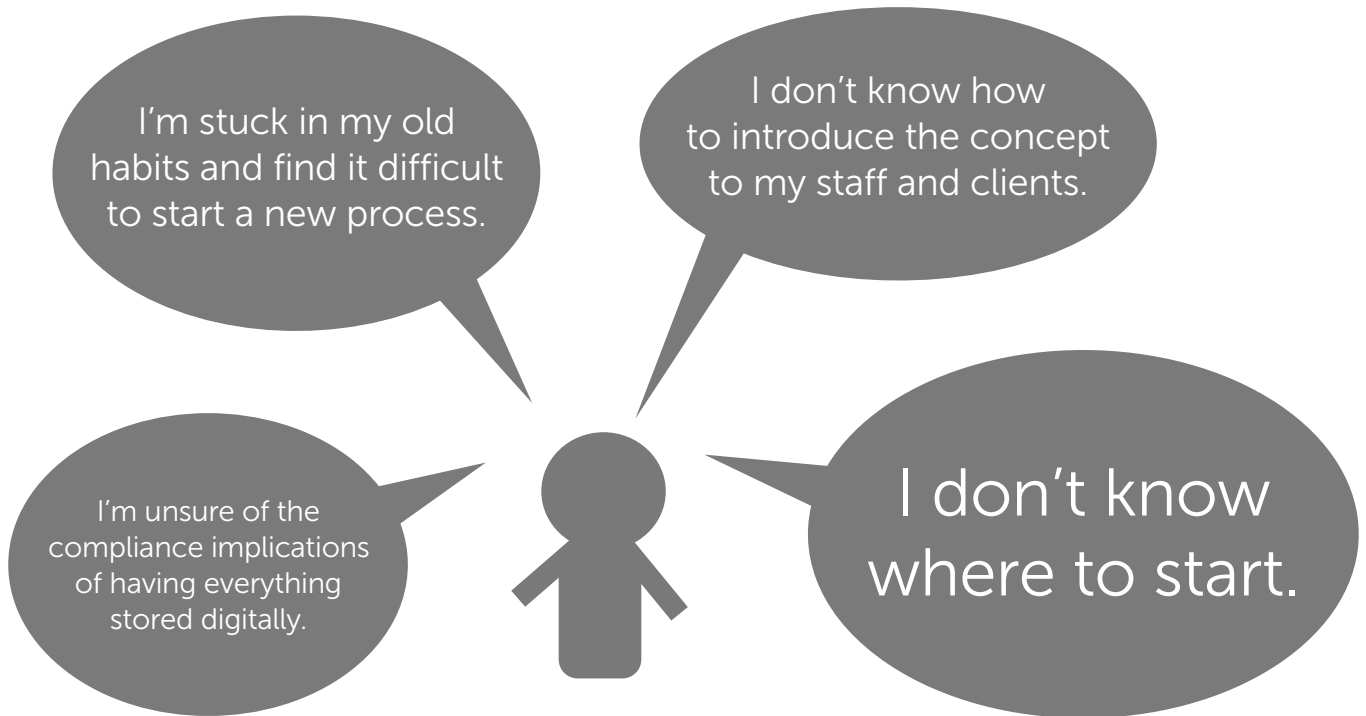
Jim, Founder of Koch Capital, has dedicated the past few years refining his paperless office. He says paperless is not only drastically more efficient, but also *required* to stay relevant to future investors.

"I believe more and more that the next generation of wealth management and financial planning clients are really going to expect a paperless environment in the advisor that they choose. Wealth management clients that will be fantastic clients in their 50's and 60's, are in their 30's and 40's now, and they're so proficient with their mobile devices and use them prolifically.

For that generation, it seems silly to fill out paperwork by hand, and to submit paper-based forms to their advisor. They can do so much online and so much with their mobile devices today, that the perception is that they almost take a step backwards, back to a paper-based environment, just so they can get quality financial planning advice and wealth management services. I think that generation is going to be attracted by firms that are paperless and use electronic collaboration tools with advisors when seeking financial advice."

**We agree.** The longer you wait to "go paperless" the further your business falls behind. The coming generation of investors, and likely your current ones, will expect their account information, documents, and reports to be accessibly both online and via their mobile devices. Financial service professionals, who don't transition to provide their services online, will lose business opportunities to others who do.

You love the benefits of running a paperless office, so why aren't you paperless now?



## This guide is designed to help.

We'll introduce you to the plan, process, and tools you can use to move your office paperless. Our tips, tricks, and best practices are based on stories from advisors who have found success in running a 'paperless' office, like Jim Koch.

Let's get started.

# First: Write Down Everything You Do.

Yes, everything.

The first step in transitioning to a paperless office is identifying your current processes. A full audit of what currently happens will help you understand what needs to change.

## There are 2 simple steps:

1.) Make a list of every process in your office - from onboarding a new client to handling client inquiries, reporting, prepping meetings, running meetings, and more. Don't forget internal processes such as expense reports, travel requests, and purchase orders.

2.) Next, write down the individual steps required for each process. Make special note of which steps involve paper.

Here is an example process and hypothetical steps for that process.

### Process: Client Onboarding

1. Collect client and family demographic data: Fill out form
2. Enter all client data into financial planning system / portfolio management system
3. Collect current account information and fill out forms to transfer
4. Have client sign all necessary forms
5. Fax form to custodian(s) for processing
6. Open new account at your custodian: Fill out form
7. Fax form to custodian for processing
8. Create initial investment plan
9. Call client to review initial investment plan and make revisions as needed
10. Send client summary letter from meeting and a "welcome kit"
11. Set up annual meeting with client







Go ahead and write the steps you take for each process in your business, but don't write it on paper! We suggest using a Google Spreadsheet or Excel file. Tip: If you have an office assistant, ask them to do this same exercise, and compare notes with each other to ensure no process or step is overlooked.

Auditing current business processes is the critical first step most advisors miss.

You can't make significant improvements to the way you currently run your office until you thoroughly understand what's happening now. Therefore, this audit will bring you one GIANT step closer to achieving a paperless office.

Next, let's take a look at the types of tools you'll need to turn these processes paperless.

## Second: Equip Yourself For Success.

As the exercise in Step 1 demonstrated, there are a number processes in your business that will need to be adjusted. Altering these processes toward becoming paperless will require technology and, therefore, a set of supporting tools - both hardware and software. At a minimum, you will need:

- Computer and internet connection (stating the obvious)
- Scanner (often included with a printer or fax machine)
- Online document storage (often called "in the cloud")
- Reliable system backup (don't forget this!)

Already have these four things? Most advisory business do. If so, there's nothing holding you back from beginning to transition your office to paperless today.

Now, beyond this list, there's a seemingly endless assortment of online tools to help you transition processes in your business to paperless. To illustrate exactly how an advisory business can successfully (and realistically) make this transition, let's go back to our real-life example, advisor Jim Koch.

Jim had been looking into becoming paperless at Koch Capital for years before he made a significant move. He spent countless hours researching his options, looking "outside of the box" for technology tools that would make his paperless office a reality, and finally decided to approach becoming the process over time in incremental steps.

After all, how do you eat an elephant?  
One bite at a time.



## i. Online Document Sharing

First, Jim decided to find a solution for storing sensitive client documents in a virtual environment. The primary criteria that Jim used to evaluate his online file storing options were (1) security and (2) audit reporting of all activities at the individual file level. His secondary criteria were (3) ease-of-use and (4) cost. Researching his options, Jim was originally reluctant to make any significant changes, because he felt like the tools available to him at the time were expensive and didn't offer all the capabilities that he knew he wanted and deserved.

So, he transitioned the sensitive client files to his own local, encrypted server as an interim solution, while storing less sensitive, client documents in the cloud (and thus making them accessible to clients) as a significant early step toward going paperless. This solution worked for Jim and his business for more than 5 years while he continued to evaluate file-storing solutions provided by vendors. Jim finally landed on the virtual file-storage solution that met his criteria and made him (and his clients) comfortable with putting all files in a virtual environment.



## Jim uses Box.com

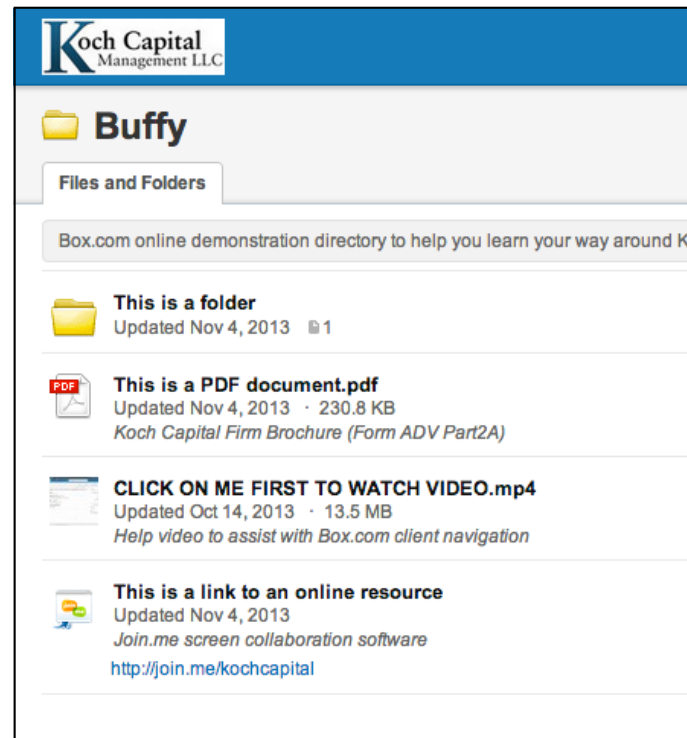
It's the solution that finally met all of his criteria. It is a secure, affordable and mobile-friendly way to manage and share documents with his clients.

For training and marketing purposes, Jim created "Buffy", Koch Capital's fictitious demonstration client.

He welcomes you to check out this fictitious demo client here: <https://kochcapital.box.com/buffy>

To Jim's delight, his clients not only embraced the Box.com platform, but tell him they appreciate and see the benefit of using it. They save time, frustration and have on-demand access to shared files. They report feeling like they can get answers to their questions faster and often without a phone call.

Jim went through the hard work of searching and evaluating the options out there, so now it's your job to check out Box.com for yourself.



## What does it cost?

Box.com has 4 pricing tiers and offers a Free Trial to start. Jim uses the 'Enterprise' level and suggests you do, too. Visit their pricing page to learn more: <https://app.box.com/pricing/>

Okay, so now that Jim's clients' files are stored online, how exactly does he use them to work effectively with clients? How'd he go about introducing the idea of online file storage to his clients? Naturally, these are your next questions. Luckily, Jim has advice for you.

# Introducing 'paperless document sharing' to clients

Once he started to find and implement paperless technology solutions in his business, Jim knew the next step would be introducing the tools to his clients. So he started. With time, Jim learned that it's important to "screen" clients before introducing them to his technology.

The key is to gauge their current comfort level with technology and avoid making assumptions.

Jim asks clients if they've heard about any type of online file storing (i.e. Dropbox, Box.com, Evernote, etc.) and if they have a LinkedIn account. After a lot of trial and error, he has found that these two things are good signs that clients will quickly be able to pick up his 'paperless' technology. If they haven't heard of Box or LinkedIn, he simply spends a bit more time coaching them through the first few interactions.

For his clients who are not very tech savvy, Jim begins by introducing Box.com first, rather than throwing all the technology at them at once. He introduces Box.com to clients with a personalized tutorial video tailored specifically for that client's technology comfort level. You can watch a demonstration tutorial video of his, here: <https://kochcapital.Box.com/firstvideo>

He puts this video in their individual Box.com root directory so they can navigate to it themselves and watch it on their own. The video walks his clients through the file structure, shows them screenshots of what can be stored, and aims to make the system familiar rather than intimidating. As part of the introduction video, Jim gives his clients a 'test document' for them to attempt accessing, effectively helping them become familiar with how the system works.

According to Jim, a client's "ah-ha" moment comes when they upload their first document to Box.com. "That's when they start to truly understand the magic of going digital," he says. After just one document upload, they're able to experience the ease and value of virtual document sharing.

Once the client is comfortable with Box.com, he gives them a tour of his other paperless-enabling technologies, Blueleaf and Trello, which he says "they pick up very quickly". Next, let's dive into how these two other systems have enabled Jim to run a paperless office.



BLOG : "How To Introduce New Technology To Your Clients"

<http://hub.am/1edSsAb>

## ii. Performance Reports & Held-Away Statements

For most financial advisors, a large amount of the paper coming in and out of the office is due to (1) quarterly and annually performance reporting, combined with (2) the statements clients bring in to you, as the manual means for sharing information on their held-away accounts. To tackle both of these 'paper-full' processes, consider:

Account Aggregation + Performance Reporting + Client Portal

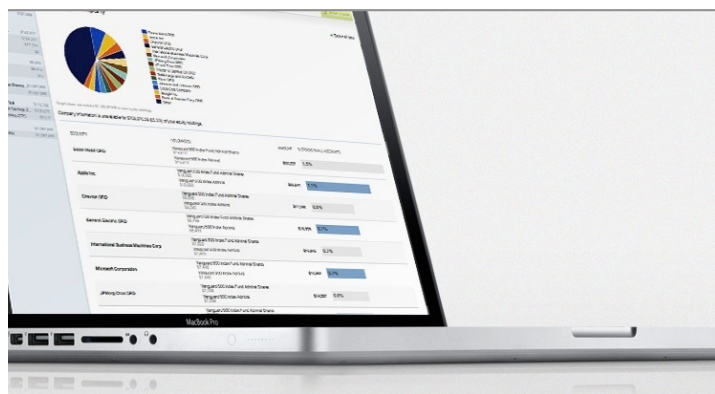
Jim uses Blueleaf, a single tool that does all three.

As one of Blueleaf's earliest users, Jim adopted the platform before most advisors even knew it existed. He says Blueleaf has been an integral part of bringing his advisory business paperless. We asked him to explain why.



### 1. Cloud-Based Application

"To go paperless, one must operate in the cloud to support that "anytime and anywhere" access to client and operational data. Blueleaf was designed for the web from the start, and is accessible from any browser, anytime, even on a mobile device. With Blueleaf, I have a single point of access to my clients' accounts across multiple custodians, anytime and anywhere."



### 2. Comprehensive Performance Reports

"At Koch Capital, we use Blueleaf to give clients performance reports in context with their 'other' assets. Since Blueleaf aggregates all accounts associated with the household, I don't have to manually merge performance data from multiple sources. Also, aggregation with the client portal allows the client sees their entire picture within

Blueleaf, which helps prevent an emotional reaction if one account is down but the overall balance is up. We also use the 'custom date range' to quickly generate quarterly performance reports and then save them in the clients' Box.com directories."

### 3. Weekly Account Balances Email Updates

"Blueleaf helps me provide an additional, [paperless and automated 'touch point'](#) for my clients without bothering them directly with a potentially disruptive communication. The client can easily choose to ignore the account balances email, quickly browse it, or keep it for a later to discuss in more detail with me."

### 4. Trade Confirmation

"For our clients with held-away accounts, any of my recommended account changes can be confirmed by checking Blueleaf to see if and when the trade(s) is executed. This is very useful, again, so [I don't pester the client with the "did you do that" inquires](#). I can verify activity on their held-away accounts myself and take the appropriate action if necessary."

### 5. Secure API Access to Client Account Data

"Rather than reading the account holdings off a custodian account statement or exporting an Excel file from Blueleaf and then uploading the Excel file into your portfolio management software, [Blueleaf provides me with pre-built integrations with many existing financial software vendors and custodians](#). Perhaps even more importantly, it provides an easy-to-use API for users like me to query account data directly into a spreadsheet application for further quantitative analysis. In Koch Capital's case, [we use the Blueleaf API to pull client portfolio data directly from Blueleaf into Google Spreadsheets](#) for further analysis with client."

To take a quick tour of Blueleaf, check out the free demo videos:

<http://pages.blueleaf.com/see-it-in-action>

## What does it cost?

Blueleaf pricing is based on number of households and offers a Free 30-day Trial:

<http://pages.blueleaf.com/free-trial>

Interactive pricing calculator: <http://hub.am/HV3bUM>

The screenshot shows a pricing calculator titled "Pricing that fits your business" with the subtext "No contracts or Long-term Commitments! Pay as you go monthly." Below the title is a "Calculate Your Price" button. The calculator has two input fields: "1. # of Households you serve?" with the value "86" and "2. Total assets? (to calculate discounts)" with the value "9,500,000". A "Calculate" button is to the right of the second field. Below the inputs, the results are displayed: "Calculation for 86 Households & \$9,500,000". The base price is "Up to 10 households or \$10,000,000 total assets \$150.00/month". There are three checked checkboxes for discounts: "5% discount: Add the Blueleaf Advisor Logo with link to your site", "2 Months Free: Pay for 12 months of Blueleaf Advisor up front", and "2 Months Free: Refer another firm to Blueleaf Advisor (both receive discount)". The total savings is "\$-690.00". The final "Monthly Payment of..." is "\$106.88".



### iii. Manage Projects and To Do's

No more need for notebooks, binders, post-its or one-page handouts at your office. Jim recommends paperless advisory business use Trello, an online collaborative project management tool.

Trello is essentially a virtual blackboard that includes virtual post-its, videos, checklists and PDF files. Advisors can use Trello to host, share, assign and track projects with each individual client.

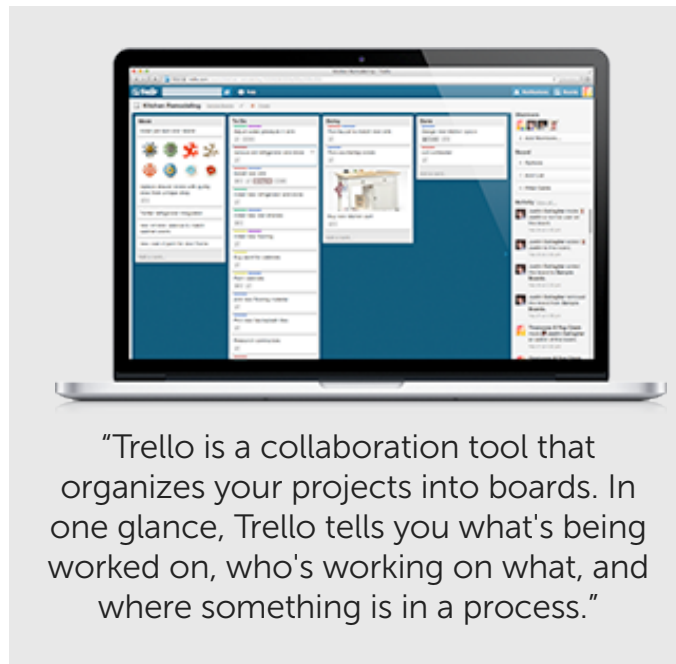
Jim is a loyal user of Trello in his business because he says, "like Blueleaf, Trello is intuitive, client-facing and can be accessed from anywhere, anytime" - via laptop, smartphone or tablet.

**Use Case:** Jim uses Trello to set up tasks for his clients to manage held-away accounts. The client sees the task in Trello, completes it, then Jim gets an email alert saying the client made the suggested changes. Jim then checks the clients' held-away account via Blueleaf to confirm it was done. As he mentioned in #4 on the previous page, Jim doesn't ever have to "pester" his clients with "did you do that" inquiries.

To take a tour of Trello on their website, and/or watch their 6-minute YouTube video:

[www.youtube.com/watch?v=aaDf1RqeLfo](http://www.youtube.com/watch?v=aaDf1RqeLfo)

Jim also invites you to contact him for a live demonstration of Trello used for both client task management and marketing advisor services. Email: [jim@kochcapital.com](mailto:jim@kochcapital.com)



### What does it cost?

Trello has a free version, but also offers a 'Business Class' level that costs \$25/month ,or \$200/year.

Learn more at: <https://trello.com>

## FYI: Jim's meetings are streamlined, too.

He's not only efficient in his operations and 24/7 client communication, Jim is efficient with his client meetings, too.

For virtual meetings, Jim uses join.me. Instead of having long annual meetings, Jim's clients have grown to prefer more frequent meetings using join.me that are shorter, more convenient and more valuable.

Jim is a heavy user of Google applications, like Google Calendar, to run his office, so it was important that the technology he chose 'played well' with Google as much as possible. For example Jim uses ScheduleOnce.com (which ties into his Google Calendar) to allow clients to click on a link and choose a time for them to meet. This saves clients time and eliminates the aggravation of emailing back and forth to schedule a meeting.

**Want to run incredibly efficient meetings? The type of meetings clients truly value?**

We're tackling client meetings in our next 'How To Guide' - Coming soon.

## Third: Get started.

Now it's time for you to take some action. Look back at the list of processes you wrote earlier and prioritize the processes in order of which you want to start converting to paperless first. We suggest you prioritize processes that are client facing, but you may also chose to prioritize based on time spent or frustration with process.

Get started with your first priority. For each step you take that includes paperwork of any kind, write an alternative way you can accomplish the same task, leveraging your new suite of technology. Earlier we outlined the client onboarding process. Here is what the process might look like, paperless:

- Send client a link to an online form to collect demographic data before they come into the office. Alternatively, use an iPad to have clients fill out their information in the office, if that makes them more comfortable. Form will automatically send data to your financial planning and portfolio management system as well as your CRM.
- Use your Custodian's online form to allow your client to enter their account information, as well as sign the form to transfer and set up their accounts.

- Create initial investment plan and send to client for their feedback using Box.com. Once client provides feedback in Box, receive alert to make changes and send the client a final plan for signature.
- Load client welcome kit and letter or video using Box.com.
- Use scheduling link to allow client to choose next meeting date.

Now implement your new, paperless steps. Once you're comfortable with turning one process into a paperless process, move on to the next priority. Re-write the steps using paperless methods, try it, test it, rinse and repeat. Do this for each of your processes until you're conducting your entire business online.

Keep in mind: It will be relatively easy to implement your paperless processes for new clients going forward, but you also need a practical plan for transitioning existing clients and their paperwork.

For your existing clients you will need to scan all of their documents and then decide what to do with the originals. You may choose to check with your compliance department. Some will require you store files for a period of time while others will allow you to shred them after they've been saved as a pdf or jpeg. Make sure your plan is realistic and manageable to avoid overwhelming your employees or your clients.

Compliance: SEC's Rule17a-4 provides guidance in regards to electronic document management. The rule requires the following: Original copies of all communications, such as interoffice memoranda and email messages, must be retained for a period of no less than three years, the first two in an easily accessible location. Records must be maintained, retained, and available to be produced or reproduced using either micrographic media (such as microfilm or microfiche) or electronic storage media (any digital storage medium or system).

## Remember, it's worth the effort.

By creating an almost completely paperless office, Jim has reduced his business costs, increased his efficiency, created stickier relationships with his clients, and improved their overall satisfaction with his firm. Now you can, too.

The key to going paperless is not flipping a switch and change everything in one day, but create a realistic plan and **tackle one process at a time.**

# Wondering what's next for Jim?

Jim says the next step for Koch Capital is to "go all digital" with all their model portfolio strategy presentations, fact sheets, usage scenarios, etc., and use Trello to deliver this digital media to clients and prospects. Their goal here is to lower marketing collateral costs and make on-going flyer maintenance easier.

Jim welcomes you to connect:

WEBSITE: [www.kochcapital.com](http://www.kochcapital.com)

BLOG: <http://retirement-assist.blogspot.com>

LINKEDIN: [www.linkedin.com/in/kochcapital](http://www.linkedin.com/in/kochcapital)

For you. For free. By:

**blueleaf**

Learn how Blueleaf can turbocharge your transition to paperless, **today.**

[info@blueleaf.com](mailto:info@blueleaf.com)



## Disclosure:

Blueleaf does not officially endorse the third party vendors mentioned above. They are provided for readers' discretion and alternative view point interest. Additionally, the outlined processes are based on well-formed opinion, but are meant as suggestion and do not promise specific results.

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