

## EXECUTIVE SUMMARY

**Business Objectives**

- Achieve greater operational efficiency
- Improve service quality
- Generate hard cost savings
- Create competitive advantage

**The Problem**

- Independent advisors were using the company's paperless CMS but had to print to paper to capture signatures
- With paper, there is always the risk of NIGO errors
- Mailing delay of 1-4 days
- Overnight courier costs

**The Solution**

- OneSpan Sign integrated with Laser App Anywhere

**Results**

- Stronger compliance
- Cost savings – the cost of fixing NIGO paperwork is 3 to 4x the cost of a straight-through process
- Better customer experience
- High adoption by advisors
- Streamlined processes

# E-SIGNATURE INSIGHTS FOR BROKER-DEALERS

Over the past decade, e-signature adoption in financial services has shifted from the early movers—large banks with substantial IT resources and budgets—to the mainstream, where the technology is being embraced by financial services providers of all types and sizes.

The convergence of mobility, the cloud, changing regulations, and new customer expectations has created winning conditions for electronic signatures, with adoption accelerating among those selling securities and insurance products. As a result, several key insights have emerged in this category. We highlight them here, through the story of PlanMember Securities Corporation.

Based in California, PlanMember Securities is a leading national, independent retirement services broker-dealer with over \$6 billion in client assets. As a broker-dealer and registered investment advisor licensed in all 50 states, PlanMember specializes in the 403(b) market. This is a tax-deferred retirement savings plan similar to a 401(k), available primarily to educational institutions and nonprofit organizations. PlanMember is an approved provider for 3,000 employers with access to an additional 6,000. The company has approximately 450 registered financial advisors, a growing number of financial centers across the country, and over 140,000 customer accounts.

Three years ago, PlanMember moved to a paperless document management system. However, because of the need for customer signatures, there were still vast amounts of paper circulating among advisors, and with it, a domino effect of costs, delays, and risk.

To move their sales force to paperless processing, PlanMember implemented the online forms-filling application Laser App Anywhere, which is integrated with OneSpan Sign. Together, the two platforms enable a 100-percent straight-through process (STP) for PlanMember's advisors, who want to process new business from their laptops and tablets.



We are pleased to be working with such an experienced e-signature partner. The OneSpan Sign integration with Laser App, as well as OneSpan Sign's presence and reputation in the financial services industry, gave us the confidence to move forward with e-signatures.

**Terry Janeway**

EVP and Chief Operating Officer  
PlanMember Securities

## CASE STUDY | PLANMEMBER SECURITIES

Because of the tight integration offered by OneSpan Sign and Laser App, PlanMember can quickly give their advisors a fully digital way to close business with customers in the field using the click-to-sign method. No scanning documents back into the system at the end of the day. OneSpan Sign enables PlanMember's advisors to execute transactions in a way that makes the company exceptionally easy to do business with—while also eliminating NIGO paperwork and lowering the cost of closing business.

The first process to use electronic signatures is new account enrollments. This includes opening new accounts or adding new/additional products to an existing account holder. Client signatures are typically required on the:

- New Account Application Form (4-8 pages)
- Client/Entity Profile (3 pages)
- Investment Profile (4 pages)
- Transfer Form (2 pages)

For PlanMember, the goal is that new account openings be paperless whenever possible. PlanMember is also automating other transactions, such as transfers, loans, and distributions.

### Insight 1: Online Processes Can Actually Be Less Risky than Paper Processes

There is no avoiding the compliance and regulatory burdens involved in opening new accounts for securities products. However, broker-dealers can avoid the inefficiencies and errors caused by manual, paper-based processes by using e-signatures and electronic forms. The fact is, Not-in-Good-Order (NIGO) paperwork poses significant risk and expense to financial institutions, and fixing it costs three to four times the cost of an error-free, straight-through process.

Gaining control over the way in which customer transactions are executed is the primary driver for e-signature adoption in the broker-dealer space. According to PlanMember COO Terry Janeway, "When we go to a straight-through process, we gain the ability to put controls on the process to ensure a 100-percent complete application."

With PlanMember based in California but transacting nationally from Hawaii to New York, eliminating NIGO paperwork was even more important considering the time differences between the home office and the East Coast. On paper, applications are submitted via overnight courier. So any discrepancies in a customer's paperwork are often not found until the end of the next business day, when offices on the East Coast are already closed—which further delays the process. Electronic signature and straight-through processing eliminate these time gaps.

OneSpan Sign helps strengthen PlanMember's legal and compliance position through:

AUTOMATED WORKFLOW RULES	MULTIPLE SIGNATURE CAPTURE POINTS	DIGITALLY SIGNED SIGNATURE BLOCKS
<p>During the online signing process, built-in business rules ensure mandatory fields are populated and each signature block is signed. Documents cannot be submitted for processing if they are missing data or signatures.</p>	<p>Each time the customer has to sign, s/he is asked to click a signature box. The signature is then displayed as a typed font that says: "E-Signed by (NAME) on (DATE)"</p> <p><b>E-SIGNED by Mary Murphy</b>  on 2018-06-14</p> <p>The signer is then asked to click buttons like "ACCEPT" to confirm their intent to sign and "CONTINUE" to submit the e-signed document for processing. This sequence of actions reinforces the conspicuous capture of intent, all of which becomes part of the electronic evidence and audit trail.</p>	<p>Each signature box is individually protected using digital signature technology. The digital signature creates a digital fingerprint of the document (called a hash) that can be used at a later point to verify the integrity of the electronic record. If the document is tampered with in the slightest, the electronic signature will be visibly invalidated. This is a unique and significant advantage over the paper world, where it is not always possible to detect whether changes have been made to a document.</p>

### Insight 2: Choose a Solution that Integrates with Your Everyday Platforms

OneSpan recognizes that electronic signatures are only one step (albeit a very important step) in the new business workflow. So it only makes sense to integrate the e-sign process into existing systems and processes in order to ensure the most streamlined experience for both signers and business users. The last thing a broker-dealer wants is to force advisors to launch a separate application simply to send documents for signature or monitor the status of outstanding e-sign transactions. By integrating e-signatures directly into everyday e-applications, broker-dealers enable employees and representatives to:

- Work more efficiently by quickly and accurately entering client data into e-forms
- Initiate the e-sign transaction directly from within the applications they are already using
- Get documents e-signed by the client in just a few clicks (documents are already prepared to receive data and e-signatures, so there is no need to manually position text fields or signature blocks in any document)
- Automatically archive the final record in any enterprise system

In the case of PlanMember, OneSpan Sign and Laser App partnered to offer an integrated solution for processing new business. Laser App auto-populates PlanMember's e-forms with data from the advisor's CRM or PlanMember's existing Client Management System. From there, the documents are seamlessly handed off to OneSpan Sign for electronic signature. Once the forms are signed, OneSpan Sign hands the documents back to PlanMember for ongoing digital processing. All of this, within seconds and no more than a few clicks.



By integrating seamlessly with programs advisors already have in place, Laser App and eSignLive are putting tools in advisors' hands, to drastically reduce time spent on data entry, eliminate errors and streamline the entire client on-boarding process."

**Robert Powell, VP**

Sales and Marketing, Laser App

### Insight 3: Listen to Your Advisors

PlanMember expects to see high adoption rates among its advisors, saying this group has long wanted the ability to complete transactions electronically, both in face-to-face and remote self-serve scenarios. In fact, PlanMember's e-signature initiative was driven as much by field advisors wanting to get to a paperless environment as it was by the head office. Since advisors were already scanning paperwork into PlanMember's paperless workflow, they were comfortable with the concept of paperless operations.

Prior to e-signatures, once the client had signed the application, the advisor would scan the hand-signed documents and upload them using the internal PlanMember Partners system. Once the transaction was principal approved, the advisor would mail the paper originals directly to the investment provider for Check & Application. (For self-clearing PlanMember Platform business, no additional document mailing was necessary after the upload.)

As the owner of the customer relationship, advisors knew they could create a positive initial impression when using e-signatures for client onboarding. Automating the very first touchpoint the customer has with their broker-dealer creates a lasting first impression of efficiency and professionalism. Advisors also knew that e-signature capability and STP would enable them to deliver a better customer experience. A key part of this is ensuring that customers do not get a call-back after the fact, asking them to take time out of their busy schedules for a second meeting simply to correct errors and re-sign documents.

With such a broad geographical sales force, PlanMember needed an e-signature solution that would be flexible enough to support a variety of use cases, devices, and environments, whether that be face-to-face e-signing on a laptop or tablet—or even remote signature capture with the client clicking-to-sign through a web browser on their personal computer.

PlanMember's advisors will soon do everything directly from their laptops and iPads—faster and more efficiently. "Today, business moves at the speed of mobile. Advisors are connected and online and can't be tethered to printers and photocopiers. Clearly, they need the capability to respond to the customer at the moment the customer is in front of them wanting to do business," says Rahim Kaba, Director of E-Signature Product Marketing at OneSpan.

### Insight 4: Start Simple and Expand in Phases

As part of a larger modernization initiative, PlanMember realized it needed to improve how customer documentation moved through the organization. Replacing paper with straight-through processing was the ultimate goal. However, like many other financial services organizations, PlanMember found success by taking a phased approach to automation with e-signatures completing the final piece of the puzzle.

- **Phase 1:** Back office operations went paperless – imaging of signed records
- **Phase 2:** Electronic submissions from the field (without e-signatures) – still only imaging
- **Phase 3:** Laser App Anywhere pilot with field reps rolled out – signature and data along with images, no rekeying of data, no need to scan paperwork
- **Phase 4:** E-Signature full field launch completely paperless process firm-wide

Their paperless initiative is a cross-departmental initiative with involvement from the IT, sales, marketing, operations, and legal/compliance teams—all of whom were involved early on. As part of the scope of the larger project, PlanMember did workflow mapping, process re-engineering, training, and pilot programs. They also developed a new order entry system and workflow, engine, including systems such as Laserfiche for imaging, workflow, and document recognition.



Our independent advisors want e-signature as much as we do for the convenience, time, and cost savings."

**Jennifer Brittingham**

FFVP Operations  
PlanMember Securities

### Conclusion

Today's leading companies are adopting electronic signatures as part of larger automation and transformation initiatives. In order to go fully digital, a number of technologies need to work together, and e-signatures are the heart of that eco-system. For PlanMember and their investment advisors, the Laser App platform ties together e-signature capability from OneSpan Sign and forms filling, to enable advisors to go paperless, eliminate NIGO paperwork, streamline the onboarding process, and provide a better customer experience.

Regulated businesses around the globe depend on OneSpan when signatures really matter to their business. No other e-signature provider has OneSpan Sign's depth of experience. Our financial services customers include the largest e-signature deployments in the world. The lessons learned, best practices, and industry insight acquired from working with industry leaders means we can offer the surest path to success for your straight-through processing initiatives—getting your project completed on time and on-spec with the least impact on your resources as possible.



OneSpan enables financial institutions and other organizations to succeed by making bold advances in their digital transformation. We do this by establishing trust in people's identities, the devices they use, and the transactions that shape their lives. We believe that this is the foundation of enhanced business enablement and growth. More than 10,000 customers, including over half of the top 100 global banks, rely on OneSpan solutions to protect their most important relationships and business processes. From digital onboarding to fraud mitigation to workflow management, OneSpan's unified, open platform reduces costs, accelerates customer acquisition, and increases customer satisfaction.



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