

Business:

Financial Settlement – Travel

Company:

ARC (Airlines Reporting Corporation)

Objectives:

Safeguard sensitive information; eliminate financial and operational risks from file damage or loss; centralize and streamline business processes to attain greater efficiency and improve customer service



SmartSearch Takes Content Management to New Heights

ARC installs SmartSearch, jettisons cumbersome paper files and climbs to higher levels of efficiency, productivity and security

ARC is the premier financial settlement company serving the travel industry. Since 1984, ARC has served as the transaction clearinghouse between the travel agency community and airline carriers. In 2010, ARC settled more than 146 million ticket transactions valued at close to \$80 billion between 16,000 accredited travel agents and more than 190 airline carriers.

Travel agencies must be accredited before becoming ARC members. As a consequence of the paper-intensive agency accreditation process, over the years ARC had accumulated 22,000 active files with over three million pages of information in its accreditation file room. When considering a move to its new headquarters building in Arlington, Virginia, rather than build a new file room and move the files – an expensive undertaking – ARC decided to upgrade to an electronic content management system.

“Managing the records in our accreditation file room had become an administrative burden and a significant potential liability for many reasons,” said Tom Casalino, ARC’s Vice President and Chief Financial Officer. “Implementing a SmartSearch solution allowed us to solve numerous problems and address risks posed by our outdated paper-based system. At the same time, it allowed us to streamline our internal business processes, operate more efficiently and provide better customer service. For these and other reasons, SmartSearch has proven to be an ideal solution for us and an excellent value.”

The ARC team evaluated a number of possible ECM solutions. “While technically viable, all were cumbersome to use,” Casalino recalled. “When two trusted technology partners recommended SmartSearch, ARC’s business process owners unanimously opted for the efficiencies and intuitive functionality we found in SmartSearch ‘out of the box.’” The enthusiasm was palpable. “When we finally saw a SmartSearch demo, our reaction was ‘Yes! This is exactly what we want!’” exclaimed Allison Mitchell, Senior Manager, Contract Administration.

Much of the information in ARC’s agency accreditation files is sensitive and includes Personally Identifiable Information (“PII”). ARC complies with payment card industry standards relating to the safeguarding and management of information, as well as airline industry standards for accreditation of travel agencies. “The security features and administrative controls built into SmartSearch help us comply with these standards far more easily than the old paper-based system,” Casalino said.

Safeguarding ARC’s paper files was imperative but had been problematic. “In the event of an agency financial failure or a compliance issue, the information in these files is critical to protecting all parties involved,” Casalino explained, “so the loss of a single file carries significant potential financial and reputational risk for ARC.”

With many workers across the organization requiring frequent access, the paper files presented both logistical and security challenges. "Constituents might work in ARC's accreditation, fraud, legal and other groups and could reside at any one of our four geographically diverse locations," Mitchell explained. "Three people managed our access-controlled file room on a part-time basis so workers' access to the files was restricted. This system was inefficient and could result in lost or misplaced materials."

ARC now utilizes Square 9 Softworks' SmartSearch Corporate Edition with more than 50 concurrent users. Individual information owners scan and index documents directly into SmartSearch. Authorized users can then retrieve documents instantly when needed and, if necessary, share them via e-mail with people in other locations, saving a great deal of time and many collective labor hours. When customers call, workers can respond immediately without having to hang up, obtain the information and call back later.

Paper files also left ARC vulnerable to loss from disasters. Ironically, while the file room featured fire suppression equipment, use of it during a fire could render the files unusable. With SmartSearch, ARC's files are backed up regularly during routine system backups to ARC's out-of-state disaster recovery location. "SmartSearch is an essential element of our business continuity plan," Casalino said.

Prior to moving to its new headquarters in March 2011, ARC had estimated costs associated with replicating its accreditation file room in the new building. "We estimated the value of

the 750 square feet of space required at nearly \$35,000 per year," Casalino said. "For this space alone, our construction costs to meet building code and fire requirements would have been \$40,000 and our moving costs would have been \$20,000. SmartSearch helped us avoid almost \$95,000 in expenses for the first year."

"ARC's investment in ECM includes the large one-time cost of scanning about three million pages of documents, so our financial goals for the conversion were conservative," Casalino explained. "We value SmartSearch in soft dollar savings, efficiency and effectiveness improvements to operational and customer service functions, plus cost avoidance in our leasing and construction expenses." Nonetheless, ARC's financial analysis of the project shows a net present value over five years of \$185,000 and an internal rate of return of 14.8 percent.

SmartSearch proved to be so effective that ARC quickly began incorporating the solution into other essential business functions including finance, especially accounts payable, risk management and legal, further streamlining internal processes and enhancing financial returns.

Would ARC recommend SmartSearch to others? "The answer is a resounding 'Yes!'" Casalino said. Mitchell concurred. "Yes, we would recommend SmartSearch very highly!" she said. "SmartSearch has been a genuine 'game changer' for us from efficiency, customer service and business continuity perspectives. SmartSearch is an excellent investment and a decision no one would regret."

About Square 9 Softworks

Square 9 Softworks is a leading developer of innovative, business-centric software solutions including the award-winning SmartSearch Content Management Suite. Dedicated to making content management available to organizations of all sizes, Square 9 Softworks designs solutions built on open architecture and cutting-edge technologies that drive efficiency and productivity across all business applications.

Through decades of experience with content management technologies in business enterprises of all kinds, Square 9 Softworks has acquired a thorough understanding of

document-driven business processes. Intensely customer-focused and highly responsive, the company delivers effective, value-driven solutions and has achieved a reputation for excellence in meeting the rapidly evolving needs of its customers.

Square 9 Softworks distributes its solutions exclusively through a network of highly skilled channel partners from its corporate office in New Haven, Connecticut. For further information, visit www.square-9.com