Brandes Investment Partners - NSM Library for Network Access and Control of Digitized Documents

Brandes Investment Partners looked into the future and blinked. The success of its "value investing" philosophy had carried the San Diego based investment advisory firm well beyond its original client base and had gained it high-level recognition among both domestic and international investors. Charged with directing investment decisions involving billions of dollars in assets for both institutions and individuals ($10 billion today), Brandes was facing a paper avalanche of account statements, faxes, and firm-generated documents.

Each day, for example, the firm received thousands of pages of client account statements from various custodians -- the bankers and brokers who actually hold the client stocks about which Brandes supplies professional advice. Each of the paper client account statements was logged into Brandes' tracking system for reconciliation with its internal record system. In other words, all of the transaction decisions that were recorded in the custodians' account statements were compared with Brandes' own transaction records and checked for accuracy. Afterward, the paper statements were filed away for future reference. And the tally of documents is impressive: Brandes accumulates 75,000 pages of new account statements each month.

When it comes to processing massive quantities of electronically recorded information, Brandes is prudent in adopting information strategies and technologies that keep it on the leading edge of a very competitive, high-tech marketplace. Brandes had already made a decision to outsource some of its systems-development tasks to Systems Engineering Associates (SEA), a San Diego-based consultant firm. SEA's vice president of technical services, Brian Thomason soon proposed using an optical storage sub-system to not only solve Brandes' information management challenge, but to smoothly transition from Brandes' UNIX-based legacy system (and high-end workstations) to the rapidly expanding capabilities of distributed, Windows™ NT-based systems. In proposing the optical-storage idea, Thomason had three choices for development:

By selecting NSM's Mercury CD\DVD library as its central archiving component -- Brandes could have the best of both worlds: (1) a system that could be up and running in a short period of time and (2) one which offered all the bells and whistles that allowed the firm's relatively small, but efficient staff to keep abreast of thousands of client accounts. Uppermost, however, were the dual

requirements of system access (or widespread distribution) and control

(document security). According to Thomason, "We selected NSM's Mercury because the fast access time of its patented no-touch tray technology that allows users to have quick access to documents, it is the most reliable system on the market, and it fits easily into enterprise-wide networks. We were moving to an NT-based system, and NSM's products work very well in a variety of distributed environments."

SEA rapidly created a functioning prototype system so that Brandes could evaluate its operation, how easily the staff was able to adapt to it, and its ability to fit together with the legacy system without interrupting operations. Brandes went on-line with the system and began to scan new client account statements into the system using a KOFAX scanner, NSM's Mercury, Smart Storage's Smart CD software within the NT operating system. The company initially scanned only a portion of the new documents received each day, but it gradually increased the total to 100% of new client statements.

A few months after the statements are reconciled, the scanned images are transferred from the hard disk to the Mercury 40 CD Jukebox where they will remain for near-on-line access by the staff.
Brandes plans to purchase a second Mercury, which it will daisy-chain to the first one. "System flexibility and the capacity to add to the system were among the chief requirements from the very beginning," said Greg Houck, Brandes' chief operations officer. "As we digitize more and more of the firm's paper information -- from client account statements, to incoming faxes, to documents generated throughout the firm -- we'll just add new units. And the system is backward and forward compatible so that we can integrate it with DVD technology."

The incremental approach to implementing the system is part of the SEA strategy for all of Brandes' hardware and software systems. According to Sea's Thomason, "We try to find the most high-priority function to implement first, and once it's in operation and the critical bottleneck has been opened up, we move into lower priority areas to bring them into the system. The incoming account statements were the first to be digitized, then the old statements, and now we're incorporating incoming faxes into the digitized system." Instead of making photocopies of faxes and distributing them throughout the firm, staff members are placed on "virtual distribution lists" which allow them to have instant access to digitized fax images on their desktop computers.

Users of CD libraries make random requests for information that reposes in a much larger and constantly changing body of documents -- random access to dynamic information. The ratio of CD\DVD drives to CD\DVD may be as low as 1:150 or as high as 1:25 or more. The challenge to such users, however, is the time to deliver data (TDD). The disk-swapping mechanism must be able to handle CD\DVDs quickly without damaging them. NSM Jukebox has pioneered the no-

touch changer technology, and its award winning products are widely recognized as both the fastest and most dependable in the industry. Furthermore, its relationship with Smart Storage has led to the creation of archiving solutions that accurately index and retrieve documents that may be located on any one of hundreds of CD\DVDs.

Other Banking and Financial Institutions and corporate departments using NSM's information management solutions include: Goldman Sachs, Chase Manhattan, OnLine Financial, Wausau Financial Systems, and Citibank.