

ArchivesOne

Enjoy, Anne Edmondson
Director of Marketing

As a great example of a Success Story attributed to O'Neil, I have interviewed A.J. Wasserstein of ArchivesOne. A.J. is the President of this rapidly growing and progressive company. ArchivesOne opened its doors for business in 1991. Since that time it has grown from both acquisition and traditional sales/growth from 0 cubic feet to an impressive 1.9 million cubic feet. It has won prestigious awards such as being selected to the *Inc. Magazine* Inner City 100, and Small Business of the Year for Connecticut by the U.S. Small Business Administration, and continues to excel in operational excellence and customer service.

A key part of the success at ArchivesOne has to do with the use of O'Neil Software as an operational and service foundation. They have embraced the advanced features of RSWin and are moving forward with RS-SQL™. They have studied the qualitative and quantitative effects the software has had on their business and the results are impressive.

I want to thank ArchivesOne for its candor. It is a rarity for a business to share information that may otherwise be seen as proprietary. Instead, ArchivesOne provides a gold mine of information. On behalf of O'Neil Software, we congratulate A.J. and the ArchivesOne team for taking our tools and using them in the manner for which they were designed. It is a pleasure to see a user reap the rewards of our products.

A.J., first let's tell the reader what your role is today in ArchivesOne.

I try to lead the company as a business entity. I oversee the big picture and have a qualified team who manages our day-to-day operations. It wasn't always this way. I have the luxury today of talking to you from the viewpoint of a medium size record center.

Let's start from the beginning, what is the first thing you should do when opening a record center?

Hire good people early. With today's unemployment figures being so low, it's not easy, but you need to find good people, hire them and keep them. Labor is also your highest cost in this business. The majority of your revenue will go to labor. So good people will have a direct effect on your bottom line.

If labor absorbs the majority of your revenue, where should people expect to allocate the rest their revenue dollars?

Labor **35%**, Occupancy **25%**,
Other **15%** (Telephone, Advertising and so on...), EBITDA (Profit)**25-30%**

Once you have the right people, what's next to grow your record center?

There are three logical steps to starting and growing your record center:
1. Get a revenue stream 2. Control Costs 3. Wring out margin

You could say these steps apply to any business. How does a record center wring out margin in this industry?

Give your people the tools to work smarter. Then monitor these tools to make sure they are working. We use O'Neil Software as this tool — as the foundation of our business.

We use technology to help our staff work more efficiently. It also provides a measure of control in the order execution process. Specifically, the use of the PDTs and Verification ensure accuracy. This results in superior customer service, operational leverage, and thus enhanced financial performance. We also use the PDT and Verification as a powerful sales tool. Customers love it.

A key part of the success at ArchivesOne has to do with the use of O'Neil Software as an Operational and Service Foundation.

What do you think you do differently than the average O'Neil User?

We made a strategic decision to take RSWin to its limits. We became an Advanced User by choice. We embraced the advanced features and made the software work for us — to help us work smarter — to help us put systems in place. Through these streamlined processes, we created a more efficient operation. We benchmark these results to see how we are doing from year to year to ensure we are achieving our goals.

What Advanced Features do you use daily?

Monitors, Urgent Notification... everything really.

What results do you track and why?

We monitor weekly, monthly and yearly items such as trips delivered per driver, containers added, work orders processed per customer service representative, deliveries made over a period of time and so on.

What do you do with the results?

By actually monitoring these items we have hard numbers to make intelligent decisions. We can establish 'Smart Pricing.' For example, we can determine what it actually costs us to execute a delivery. If we take the number of trips per year and divide this by the associated expenses: driver cost, operation cost, vehicle cost, insurance and overhead, we establish a true cost per delivery. (# of Deliveries Per Year/ Expenses = Cost per delivery). Now we can complete a price increase or answer an RFP intelligently because we know our real costs.

We can also use this data to see if we need to hire more people. If a manager tells a Vice President of Operations that they need a new person, a driver for example, we can revert to the numbers. If we see a huge jump in number of deliveries made, then there is a true need for more people. Again, it all comes back to the numbers.

OK, you track the numbers, what bottom line quantitative efficiencies have you seen by using O'Neil and striving for Operational Excellence?

We saw large efficiencies in the two years immediately following our implementation of O'Neil Software. We then saw these figures stabilize with smaller gains.

The table below details the operational and financial gains after the implementation of RSWin in the fourth quarter of 1995:

	Prior to Implementation	1996	1997	1998
TRIPS PER DRIVER	1,696	2,542	2,946	2,976
WAREHOUSE ACTIVITY PER WAREHOUSE PERSON	10,983	22,718	33,643	34,202
SERVICE ORDERS PER CUSTOMER SERVICE PERSON	5,586	4,969	5,928	6,844
Increase in EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization)	20.70%	21.87%	23.91%	24.31%

Is there anything we are forgetting?

Yes. One key item we see as a benefit of RSWin/RS-SQL™ is its opportunity for 100% revenue capture. Because everything is automated, there are few services you can provide without billing — yet without overbilling at the same time. This allows us to get paid for everything we do.