QAI
DOUBLES
REVENUE
IN 2013

As 2013 came to a close, QAI nearly doubled its revenue, accruing more than $30 million over the course of the year. While the company has been unwavering throughout its 27-year history, this significant upsurge reflects QAI's continued ability to stay atop changing industry trends and adapt in order to best meet client needs.

One trend in particular that has fueled QAI's recent growth has been the increased emphasis on outsourcing. Today's rising costs of doing business and the importance of running lean have led more organizations to turn to QAI for staff augmentation services. Whether guiding companies through peak workloads or filling the gaps in areas outside the customers' expertise, QAI has continued to demonstrate prowess in providing clients with the resources and personnel to operate more efficiently and to minimize expenses.

By honing in on the services that our customers find most valuable and highlighting those capabilities through enhanced marketing efforts, QAI amplified its brand recognition in 2013. As a result, the organization has achieved a greater win ratio and attained not only contracts with larger clients, but also contracts for longer-term initiatives—all attributing to our substantial revenue growth.

"In evaluating and selecting a provider, many organizations follow very strict guidelines," said QAI Executive Director Scott Swidersky. "As our brand recognition has increased, we feel that more prospects are taking notice of our past performances, which leads them to determine that we are the right fit for helping them achieve their business goals."

QualityAssociatesInc.com ■ 800.488.3547

QAI
QUALITY
ASSOCIATES
INCORPORATED

we've not simply survived, but *genuinely* **thrived**

MESSAGE FROM THE PRESIDENT

PAUL SWIDERSKY
President and CEO

It may sound clichéd to say that hard work and perseverance pay off, but this statement certainly rings true. Just a couple years ago, QAI faced the challenges of the economic recession as we fought to find stable ground while upholding our reputation as a dependable, innovative organization. Now, with the recession long behind us, rather than settling for the status quo, we've continued to work diligently to rebuild and reposition ourselves for dynamic growth. In 2013, it is clear that these efforts came to fruition. We've not simply survived, but genuinely thrived, as evident by our doubled revenue and expanded client base.

Throughout the past year, we made it a priority to continue to invest in what we believe are the leading technologies to ensure that we are able to best serve our customers. This forward-thinking and customer-centric mindset has also sparked the continued growth of our subsidiary, DocPoint Solutions, which experienced a

25% increase in revenue in 2013. By having a separate, yet aligned, entity that offers niche enterprise content management solutions, QAI is able to supplement our core services, such as, business process optimization, document management, reselling, and staff augmentation—one of our most sought after services in 2013—to deliver customized solutions that make our clients more efficient.

Of course, our partner network is essential in our successes. The ability to rely on other reputable companies' expertise gives us the resources needed to exceed customer expectations and establish lasting relationships. As we begin 2014, we are nothing but optimistic. Through a combination of persistence, innovation and the support and trust of our customers and partners, we've proven that we are able to surmount the challenges presented by trying times and to flourish.

QUALITY ASSOCIATES, INC. (QAI) provides services and solutions in Quality Assurance & Scientific Support, Information Systems, and Archiving. QAI maintains a broad client base such as federal and state agencies, chemical and manufacturing companies, financial and accounting firms, law firms, medical and research facilities, to name a few. From our inception, quality assurance and quality control have been the cornerstone of QAI.

Our QUALITY ASSURANCE & SCIENTIFIC SUPPORT DIVISION provides consulting services in the area of Good Laboratory Practices (GLP) and Good Clinical Practices (GCP) to regulated companies. It specializes in quality assurance and also provides scientific support for the conduct of regulatory studies.

Our INFORMATION SYSTEMS DIVISION specializes in the conversion of documents and other media to electronic formats. In addition, we provide our clients with cutting-edge solutions that address the many issues that document management brings to an ever-changing marketplace. We offer a full range of document scanning/imaging products and services that include hardware, software, integration services, and training.

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QAI GIVES BACK

Since its inception, QAI has been a community-minded organization, always giving back to local charitable organizations in a variety of ways. This past November, QAI supported its fifth Fish for a Cure (F4AC) Tournament, which directly benefits breast cancer programs within The Geaton and JoAnn DeCesaris Cancer Institute at the Anne Arundel Medical Center (AAMC). Once again, QAI's Executive Director and Fish for a Cure Board Member Scott Swidersky participated in the tournament as the captain of *Plan A*, helping bring Fish for a Cure one step closer to meeting its $1 million pledge to the Breast Center in the JoAnn DeCesaris Cancer Institute. The 2013 tournament raised a record-setting total of $230,000.

Throughout the years, QAI has also supported the Maryland Food Bank, Howard County Arts Council, The Baltimore Zoo, an orphanage in Catonsville, Howard County Police Fund, and the Special Olympics.

"There are so many great agencies and organizations right it our own backyard, and as a community business leader, it is important for QAI to set the positive example of 'paying it forward,'" said QAI President Paul Swidersky.

Top: 2013 F4AC Tournament Bash held at the Annapolis Waterfront Marriott.

Bottom: 2013 F4AC Board Members.

COMING SOON:
NEW QAI
WEBSITE

Stay tuned for the launch of the new QAI website, currently under construction.

Like our new DocPoint Solutions site, the redesigned **QualityAssociatesInc.com** will feature a more streamlined layout, easier navigability, and a new FAQ area where users can directly submit questions. Select Q&A will be featured on the site.

In the meantime, "follow" or "like" QAI on our social media pages—Facebook, LinkedIn, Twitter, YouTube and Google+ .

THE
QAI/DocPoint
SYNERGY

In Chinese philosophy, the yin and yang represent contrasting forces that are interdependent and complementary to one another. The relationship between QAI and DocPoint Solutions is similar—while separate entities, the two are interconnected.

When we established DocPoint in 2008, we did so in response to the growing number of organizations struggling with inputting, storing, sharing and managing information across the enterprise. By leveraging QAI's existing knowledge of document management and understanding of the needs of government and commercial clients, DocPoint would be able to provide a full range of consultative ECM solutions, services and support. Now, five years later, the relationship between the two has proven to be increasingly symbiotic in nature. While QAI focuses on the initiatives of data capture, DocPoint specializes in managing the captured content. For example, when QAI migrates or digitizes information, we classify the data in a certain way. These classifications then become the search criteria that get picked up by DocPoint's solutions during search and retrieval.

Although the synergy between QAI and DocPoint has contributed to each company's individual growth, it is our customers that receive the greatest benefits from this affiliation. Our customers have the convenience of looking no further than QAI and DocPoint—a "one stop shop"—for all their document management needs. It is sometimes the case that a single solution from either QAI or DocPoint cannot solve all of their specific business issues. Rather, a unique blend of services and expertise from both companies helps ensure that we are meeting our customers' needs to the best of our ability. Today, more than half of our customers rely on both QAI and DocPoint, demonstrating the value of this relationship and its continued growth.

we are here to make
the **transition easier** and demonstrate
the potential **benefits** of an
all-digital environment
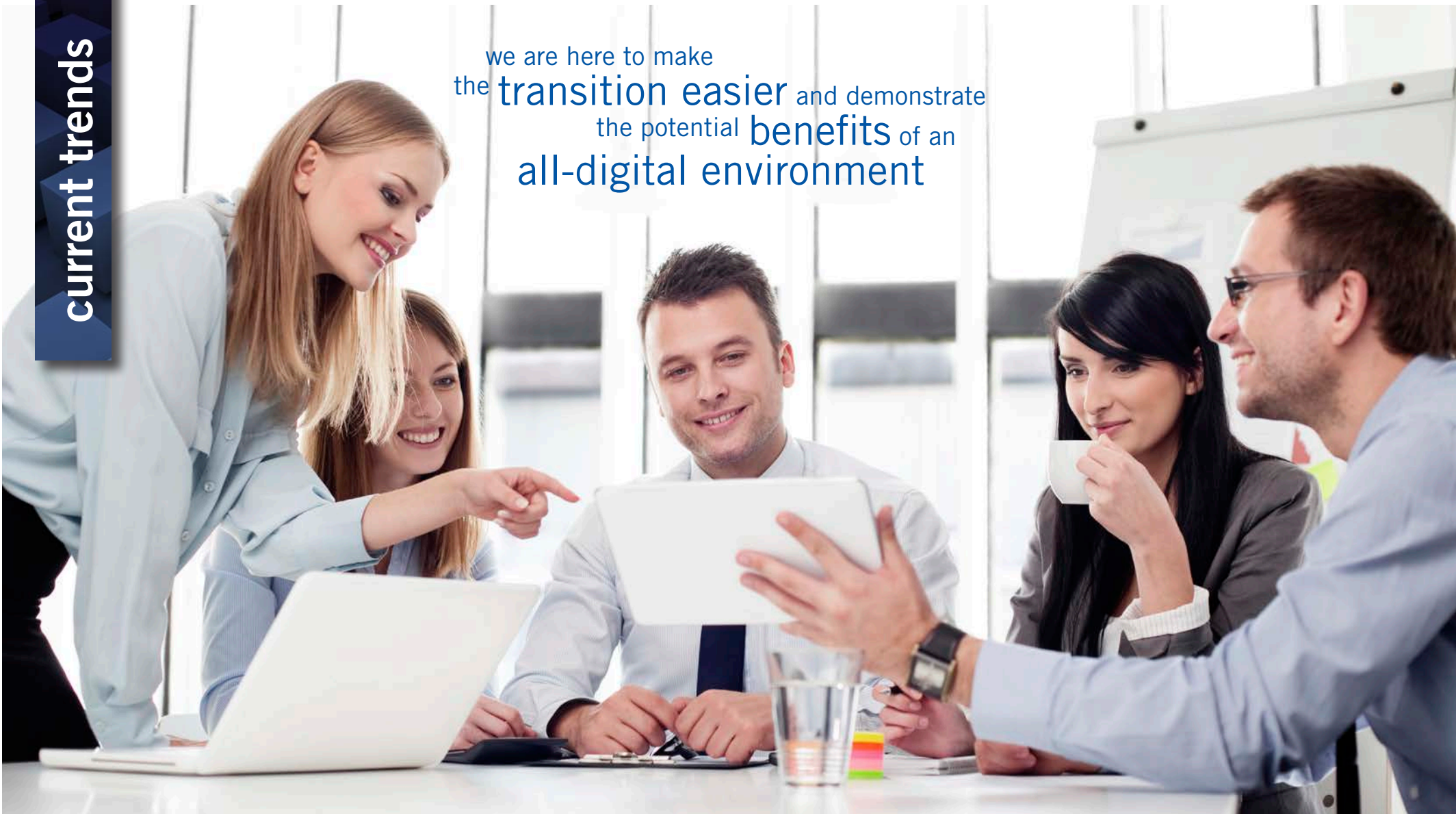
QAI / DocPoint Approach to a Governance and Compliance Plan:

VISION
- Clearly define business and governance objectives
- Describe value to the business and users
- Provide guidance and endorsement to achieve goals

ROLES AND RESPONSIBILITIES
- Define how each individual employee ensures success
- Define hierarchy of authorization for policy creation
- Define roles and how they support policy creation and enforcement

GUIDING PRINCIPLES
- Define organizational preferences that support the vision
- Define the implications for each principle
- Continually encourage and reinforce guidelines

POLICIES AND STANDARDS
- Define best practices for use of SharePoint
- Follow legal/statutory/regulatory or organizational guidelines
- Clearly demonstrate penalties and enforcement for "non-compliance"

TRAINING AND COMMUNICATIONS
- Make plans concise and manage expectations
- Use all means necessary to implement by thinking "out of the box"
- Constantly re-enforce and use new tools—social media/videos/etc.

THE PAPER-FREE OFFICE

Creating a "paper-free" office environment is becoming more and more feasible and promises a cost-effective, viable method of document management. Yet, a recent AIIM survey reported that only 24% of respondents had a specific policy in place to drive paper out of their business. Given the potential benefits and cost savings of going paperless, why is this number so low?

Many organizations still have numerous unanswered questions about making the move towards a paper-free workplace. When asked about their main concerns, participants cited costs, legal admissibility, inflexible workflows, data-capture accuracy, and mobility—to name a few. QAI has the answers to these issues. Together with our subsidiary DocPoint Solutions, we can effectively design, implement and support comprehensive document management solutions to help organizations confidently take steps toward a paper-free work environment and streamline this seemingly daunting process. QAI provides and supports the software and hardware solutions for scanning and storing paper documents, whereas DocPoint offers Microsoft SharePoint services to enable collaboration and easy search and retrieval of these documents. In addition, the help of our partner network allows us to provide an even broader range of tools and resources that complement our existing expertise.

While QAI understands that many organizations are still reluctant to embrace a paper-free workplace, we are here to make the transition easier and demonstrate the potential benefits of an all-digital environment—improved compliance, better workflow management, greater accuracy, faster customer response, and more.

GOVERNANCE AND COMPLIANCE

As more information is stored electronically and "big data" becomes more prevalent, the need for establishing an information governance policy across the enterprise increases. However, having a policy in place is not enough in today's marketplace.

A 2013 report from AIIM disclosed that 44% of survey participants claimed to have some level of enterprise-wide policy in place, yet half of those admit that their policy is for the most part unreferenced and unaudited. Moreover, the percentage of participants who train recruits and existing staff on current policies is alarmingly low—31% do not practice any governance training. AIIM observes,

"We have identified a huge gap between having an approved policy on the shelf and having trained and informed staff who work to the policies every day."

QAI and DocPoint Solutions recognize the importance of not only establishing an enterprise-wide information governance plan, but also continuously upholding it, reviewing existing policies, and remaining agile enough to evolve to meet the needs of a changing business environment. Once a flexible plan that is aligned with one's business goals is in place, an organization can more readily realize reductions in storage costs, easier knowledge-sharing and better customer service.

INDUSTRY-RECOGNIZED
KEY PARTNERS

Kodak alaris

MARK NEFF *Director of Sales, Marketing and Business Development US&C*

In September, we underwent an exciting change when our Personalized Imaging and Document Imaging businesses were acquired by a financial buyer, KPP, who created the new company, Kodak Alaris. Rest assured, we are still offering the same products and services, but now with an even greater capability to meet changing market needs. As a partner for more than 10 years, QAI will continue to be able to provide its federal government and commercial clients with our breadth of document imaging solutions—from industry-leading scanners and services to capture and information management software—to help them easily and efficiently manage information.

KOFAX

SEAN ALGER *Vice President of Software and Solutions Sales*

Kofax is a leading provider of smart process applications that simplify the business critical First Mile™ of information-intensive customer interactions. QAI is a Platinum Partner for Kofax—our highest level of partnership—as part of an alliance that goes back 16 years. Over those years, we have established a close-knit relationship that entails resource sharing and trust, while allowing QAI and Kofax to leverage our combined experience in the image capture/transformation space. QAI's expertise and ongoing certification levels in Kofax solutions cover state and local government, federal government, specifically around case management offerings, and other markets including insurance, banking and financial services. Through QAI, we are able to drive sales and awareness of our products, as QAI provides customers with access to our solutions and resources.

NewWave TECHNOLOGIES

NewWave Technologies, Inc. is a nationwide, full-service distributor of check and document imaging, automated data storage, mobile solutions, and DVD/CD/Blu-ray Disc Publishing solutions. Founded in 1992, NewWave and its channel partners deliver seamlessly integrated products and solutions that capture, manage, distribute and store business-critical information. NewWave markets its products and programs exclusively to value-added resellers, systems integrators, service bureaus, and ISVs. The company celebrated its 20th anniversary last year and is proud to be an Employee Owned Business.

"NewWave has been a key partner for QAI since 2003. Their knowledge of the products they represent, along with their ability to be competitive and flexible has made NewWave an invaluable resource to QAI."

—SCOTT SWIDERSKY, *Executive Director, Information Systems Division, QAI*

WHAT'S IN AN AWARD AND PARTNER STATUS

Over the years, QAI has received numerous partner awards and honors recognizing its outstanding achievements. While significant, QAI's awards are more than simply a plaque or an invitation to a fancy gala. They are representative of the hard work we've put into developing and maintaining relationships with other industry leaders and effectively utilizing their resources to meet our customers' needs. For each and every partnership, QAI undergoes an investment process in order to fully grasp how their business works, and vice versa, to ensure our deep understanding of the latest trends and available technologies.

"The awards we've won throughout our history demonstrate continuity in our ability to maintain the highest level of recognition and achievement in the eyes of our partners," said Scott Swidersky. "However, we believe that our customers are the ultimate beneficiaries of our efforts."

As a result of these elevated partner relationships, QAI has easy access to any and all of the resources and expertise necessary to help clients achieve their business goals. We are able to keep abreast of the latest trends and technologies and exude confidence in the solutions that we, and our partners, provide. Also, we are able to offer enhanced customer service, in addition to solutions at a more cost-effective rate than competitors.

CASE STUDY: QUALITY ASSOCIATES
CONVERTS EXCHANGE VISITOR'S FILES
FOR THE U.S. DEPARTMENT OF STATE

Background and Challenges

The Department of State's Educational & Cultural Affairs, Private Sector Exchange (ECA/EC) identified a requirement to scan significant volumes of paper records related to the bureau's legal, supervisory, and administrative responsibilities in order to automate the file reference process and provide wider access to the files. By cataloging and formatting the scanned records into searchable PDF files, the ECA/EC could make the files accessible to a larger ECA user base in an electronic format instead of the single-source access through the paper-based file room.

Solution

QAI was awarded a Blanket Purchase Agreement (BPA), through which the U.S. Department of State has utilized QAI's expertise to provide a wide-range of conversion services and workflow solutions related to the management and/or re-purposing old DoS mission-critical documents. QAI provided on-site staff to inventory the 1 million page record collection, scan and index the documents, and then to upload the resulting image files and metadata into the DoS case file management system. QAI also provided for the transfer of the digitized paper records to the Federal Record Center.

"QAI's use of state-of-the-art scanning technology and human resources has provided us with verified high-quality electronic documents. We can move forward knowing our e-documents are equal to our paper documents. I highly recommend Quality Associates, Inc. for high value and quality digitization of documents, and a professional and highly trained staff."

—MINDY COVINGTON, *Contracting Officer Representative, U.S. Department of State*

Results

The objectives of the project were to implement document-scanning services to support the bureau's supervisory, legal, and administrative operations. Because most of the ECA documents contained sensitive data that needed to be protected from disclosure throughout the document scanning processes, the scanning operations provided by QAI were established on-site at the ECA/EC's central office on the Department of State's main campus in Washington, D.C. The scanning project was a high-priority, short-turnaround effort, which needed to be completed within a firm timeframe. QAI's efforts resulted in the project being completed ahead of schedule and with a very high level of quality.

QAI WELCOMES
THE FOLLOWING
NEW CLIENTS

American Peanut Council "APC"

American Petroleum Institute (API)

Canon Business Process Services, Inc.

CDC-Center for Disease Control

Cities Digital

e-Management, Inc.

Erickson Living

Farmland Foods, Inc.

Georgia Credit Union Affiliates

Naval Medical Research Center

Navy Personnel Command

Office of Regulatory Policy and Management

Program Support Center - Department of Health & Human Services

Serco

Surg Center of Bethesda Chevy Chase

Surg Center of White Marsh, LLC

United States Military Academy

University of Maryland College Park

U.S. Army Contracting Command

U.S. Department of State

U.S. House of Representatives

CUSTOMER TESTIMONIALS

DEBBIE GRYGIER
Program Analyst, Food and Drug Administration, CDRH

The Center for Devices and Radiological Health (CDRH) is a branch of the Food and Drug Administration (FDA) that is responsible for ensuring the safety and effectiveness of medical devices and eliminating unnecessary human exposure to man-made radiation from medical, occupational and consumer products. One of our key functions is to review new device applications and approve them based on safety and effectiveness. After a review, a document indicating whether the application has been approved or disapproved is posted in an internal imaging system accessible by our whole center. QAI performs the scanning of those documents into our system. Over the past year alone, QAI has scanned more than 400,000 pages for CDRH.

Since working with QAI, it has been much easier for our reviewers to find and access the scanned documents. Also, QAI is very fast and efficient in their scanning services. They are always willing and able to bend over backwards to make sure we get exactly what we need when we need it, often in a day's turnaround. The company is wonderful to work with and very accommodating.

ROBERT F. HAHN II, PH.D.
Vice President Business Process Services, Serco Inc.

At a previous job, I had such a positive experience working with QAI that when I came to Serco in 2010, I sought their support and services once again. Recently, QAI has been helping us acquire and install the hardware and software we need to support our high volume scanning operations for major, high profile projects with federal government customers. I have been very impressed with QAI's people, the organization itself, and the work that they do. Their actively engaged, highly professional team is always focused on making sure that we receive what we need in a timely manner, and is readily available to answer any questions or address any concerns we might have.

11

EMPLOYEE SPOTLIGHTS

RAY CARTER
Accounting Manager

"Working for QAI and DocPoint Solutions has been a challenging and enjoyable experience for me. I enjoy the professional interactions as well as the stimulating and thought provoking verbal exchanges with the employees," said Ray Carter, QAI's accounting manager.

Ray has served as the accounting manager for QAI (as well as for DocPoint Solutions after the affiliate's birth in 2008) since 2004. As accounting manager, Ray handles the general ledgers, creates the financial reports, and oversees accounts payables and receivables for both companies, among other duties.

Throughout his professional career, Ray has held various accounting positions, including serving as an accountant for Our Lady of Victory Catholic Parish & School in Northwest Washington, D.C.; controller for the engineering firm Delon Hampton & Associates; and controller for TYS Inc.

In his spare time, Ray serves as a CYO Basketball coach for St. Mary's of the Mills School in Laurel, Md. He has also been on the other side of the coaching experience as a running back for the University of Maryland Football Team that played in the 1978 Sun Bowl. Ray takes great pride in his association with the University of Maryland, where he earned a business degree. However, since childhood, he has been a "die-hard" University of Southern California (USC) fan. Ray is also an avid tennis player and fan, and lives in Laurel, with his wife, Lori, an elementary school teacher.

CARMEN HIDALGO
Accounting Clerk

"There's nothing better than the feeling of accomplishing a task while learning something new," said Carmen Hidalgo of what she likes about her current work at QAI. "I love that QAI is a family-owned business. And, no matter what you do, you have to love the people you interact with on a daily basis. That is a key reason that I've worked here for six years."

As an accounting clerk, Carmen is responsible for processing accounts payable. Her duties range from approving invoices and entering them into QAI's accounting software system, to tracking incoming monies to pay vendors, all while maintaining an open line of communication with them.

Carmen began her career in the accounting field in 1995, and held positions with The Brickman Group and RG Group before coming to QAI in 2007.

"I have always enjoyed working with numbers," she said. "I get a rush when my numbers match what the computer-generated reports show."

Notably, Carmen was raised bilingual, speaking both English and Spanish and spending her summers in Ecuador with her cousins. Now married with a family of her own, Carmen is raising her three children bilingual as well in hopes of giving them greater appreciation for different cultures.

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GSA Schedule **36**
Contract GS-25F-0003N

GSA Schedule **70**
Contract GS-35F-0062N

WHAT'S IN AN **ACRONYM?**

BPI   Business Process Integration
DAM   Digital Asset Management
EDI   Enterprise Data Integration
HSM   Hierarchical Storage Management
IDS   Intelligent Document Scanning
MFP   Multifunction Printer