



***Enterprise Information
Management:
Implementation Strategies***

Session: W25

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ARMA Canada, London
June 2nd, 2010**

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Objective

➤ **Upon completion of this session, participants will be able to:**

- **Explain the value of a compliant records and information management program**
- **Outline a process for implementing a compliant records and information management program**
- **Identify RIM functions where leveraging compliant best practices & technology can yield savings**
- **For this session to provide savings to cover the cost of your attendance at this conference!**





Agenda

➤ **The Financial Landscape**

- Value defined
- Organizational spend
- Total cost of ownership for informational assets

➤ **Compliant Records Management Program**

- Background
- Obstacles or challenges
- Areas of common ground
- Foundation of a compliant records management program
- The implementation process

➤ **Case Studies**

➤ **Next Steps**



The Financial Landscape

➤ **Value**

➤ **Organizational spend**

➤ **Total cost of ownership for informational assets**





Dictionary Definition of Value

“Quality of anything which renders it desirable or useful”

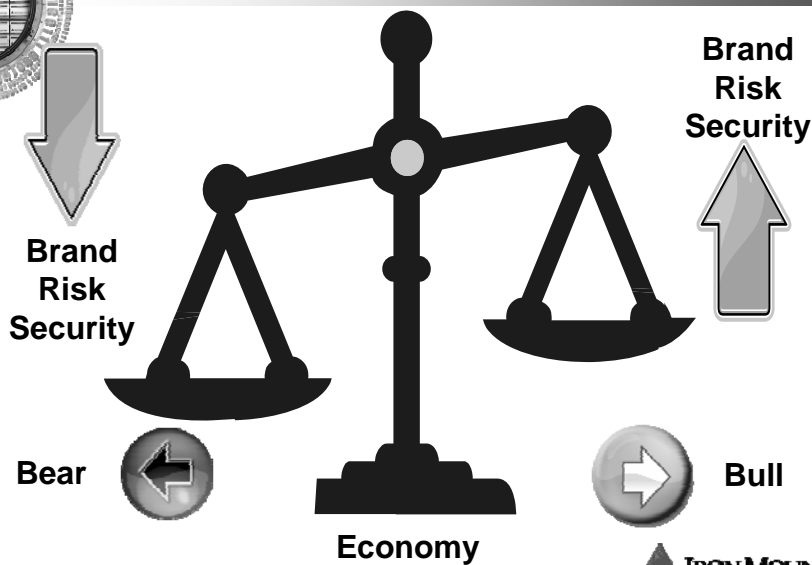
- 1) relative worth, merit, or importance
- 2) monetary or material worth, as in commerce or trade
- 3) the worth of something in terms of the amount of other things for which it can be exchanged or in terms of some medium of exchange
- 4) equivalent worth or return in money, material, services, etc.
- 5) estimated or assigned worth; valuation
- 6) denomination, as of a monetary issue or a postage stamp
- 7) magnitude; quantity; number represented by a figure, symbol, or the like
- 8) import or meaning; force; significance
- 9) liking or affection; favorable regard
- 10) consider with respect to worth, excellence, usefulness, or importance



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Positioning RIM Services: Selling “Value”



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What's Important & When?

Bull Economy

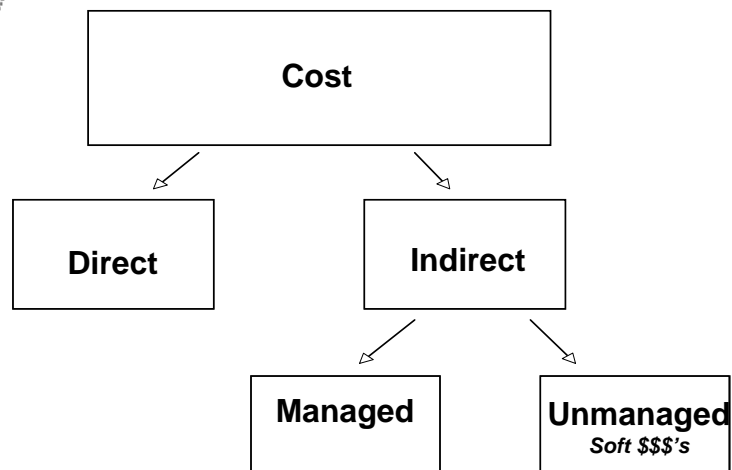
- 1) Increase functionality & features
- 2) Increase capacity
- 3) New equipment & systems
- 4) Strategic focus
- 5) Investment
- 6) Cost

Bear Economy

- 1) Cost
- 2) Price (Cost)
- 3) Spend (Cost)
- 4) Charges (Cost)
- 5) Expenses (Cost)
- 6) Expenditure (Cost)
- 7) Operational focus to optimize, consolidate & increase efficiency



Understanding Organizational Spend





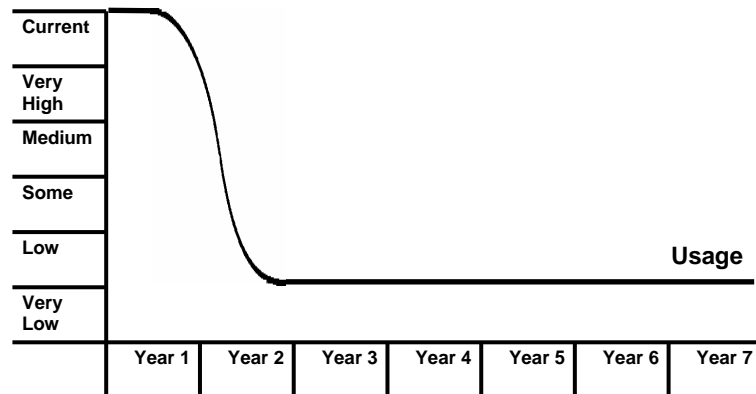
Examples of RIM Indirect Spend


- **Real Estate (Storage)**
 - Rent or tied capital
 - Security
 - Fixtures & fittings
 - Heat & light
- **Information Technology**
 - Hardware
 - Software
 - Services
- **Transportation**
 - Vehicles & fuel
 - Own or outsource
- **Labor**
 - Records Management
 - Legal
 - IT
 - Tax & Audit
 - Administration
 - Facilities



Usage of RIM Resources

Frequency

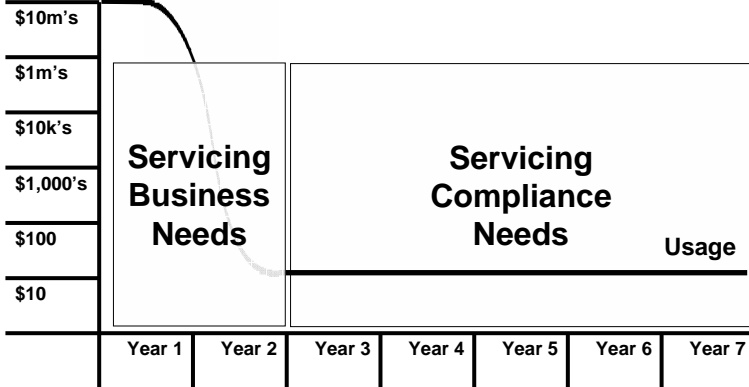


Time 



How is the Money Currently Being Spent?

Costs



Time

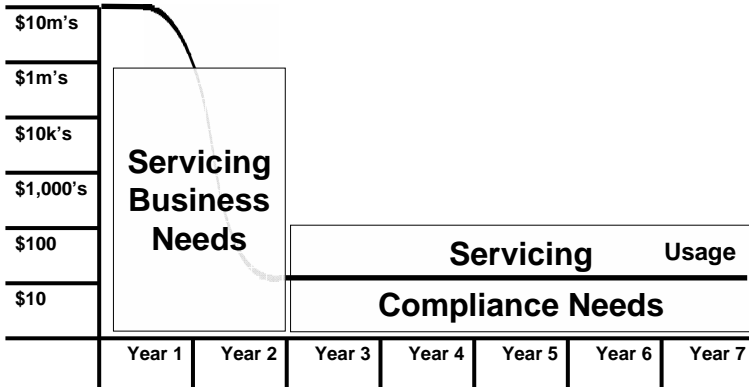


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How the Money Should Be Spent?

Costs



Time



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Compliant Records Management Program

- **Background**
- **Obstacles or challenges**
- **Areas of common ground**
- **Foundation of a compliant records management program**
- **The implementation process**



Managing Compliance Proves Difficult

Changing Regulatory Environment

- Rule 26 of Civil Procedure
- Sarbanes-Oxley
- Gramm-Leach Bliley



Records & Information Management Professionals

- SEC Rule 17
- MA Privacy Law
- Patriot Act
- HIPAA
- FACTA

Exponential Information Growth



Convergence of Physical & Digital Records





Problem Compounded: FRCP Amendments

Information Technology



26(a)
Explicitly makes "electronic stored information" (ESI) a category of discoverable data

26(b)(2)
Sets up provisions for "reasonably inaccessible" data

26(f)
Mandates meet-and-confer sessions

26(b)(5)
Clarifies procedures for retrieval of privileged information that was produced inadvertently

Records Management



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Recent History of Non-Compliance

- **December 2008: Large Entertainment Company Settles charges**
 - Its Music Fan Websites Violated the Children's Online Privacy Protection Act
 - Company Will Pay \$1 Million Civil Penalty
- **February 2009: Retail pharmacy chain settles FTC charges**
 - Failed to Protect Medical and Financial Privacy of Customers and Employees
 - Pays \$2.25 Million to Settle Allegations of HIPAA Violations
- **June 5, 2009: Large Insurance company named in security-breach lawsuit**
- **June 2009: Large retailer to pay states \$9.75M in data breach settlement**



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Impact on the Records & Information Management Professional



IT	LEGAL	RECORDS MANAGEMENT	COMPLIANCE OFFICER
<ul style="list-style-type: none"> - Forced into reactive "fire-fighting" mode on discovery requests - Expected to understand Records Management processes, policies, and retention - Might struggle with what is acceptable to destroy and what is required to keep 	<ul style="list-style-type: none"> - Concerned about meeting legal requirements for email discovery - Faces high demands for producing emails as evidence - Needs to demonstrate "good faith" effort to comply with legal obligations - Heavily dependent on good working relationship with IT staff 	<ul style="list-style-type: none"> - Held accountable for accessing records FAST - Forced to interpret communication between Legal and IT - Asked to do more with less - Might feel they do not have senior management support - Administers strict information disposal policies 	<ul style="list-style-type: none"> - Also forced into "fire-fighting" mode - Asked to ensure compliance with little direct authority - Might have inadequate measurement systems - Trying to train employees but too under-resourced to be effective



Litigation Compounds the Risk



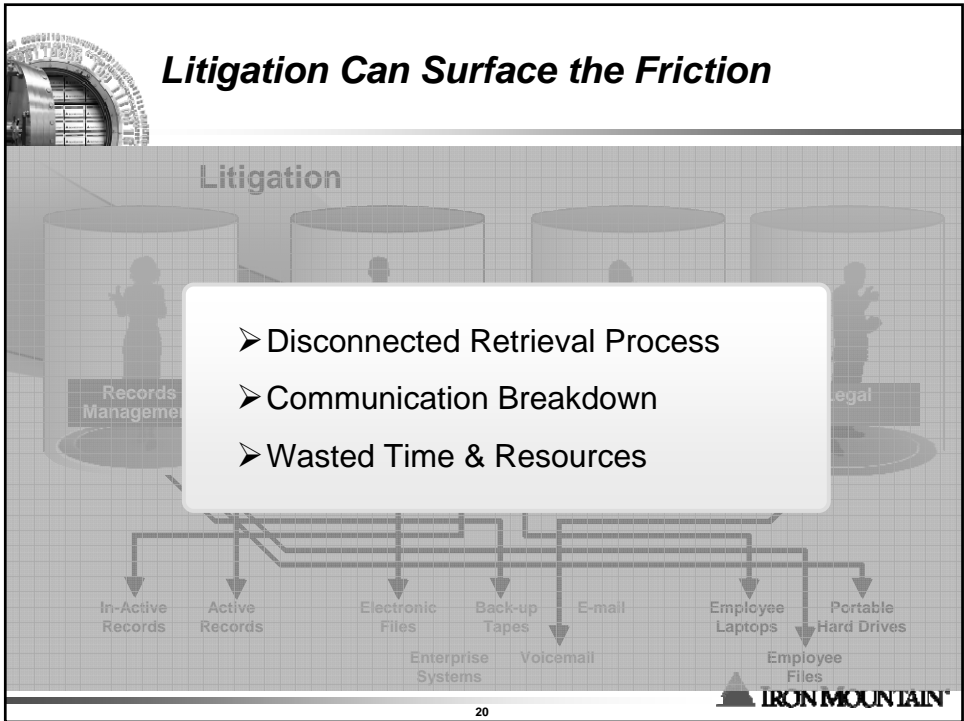
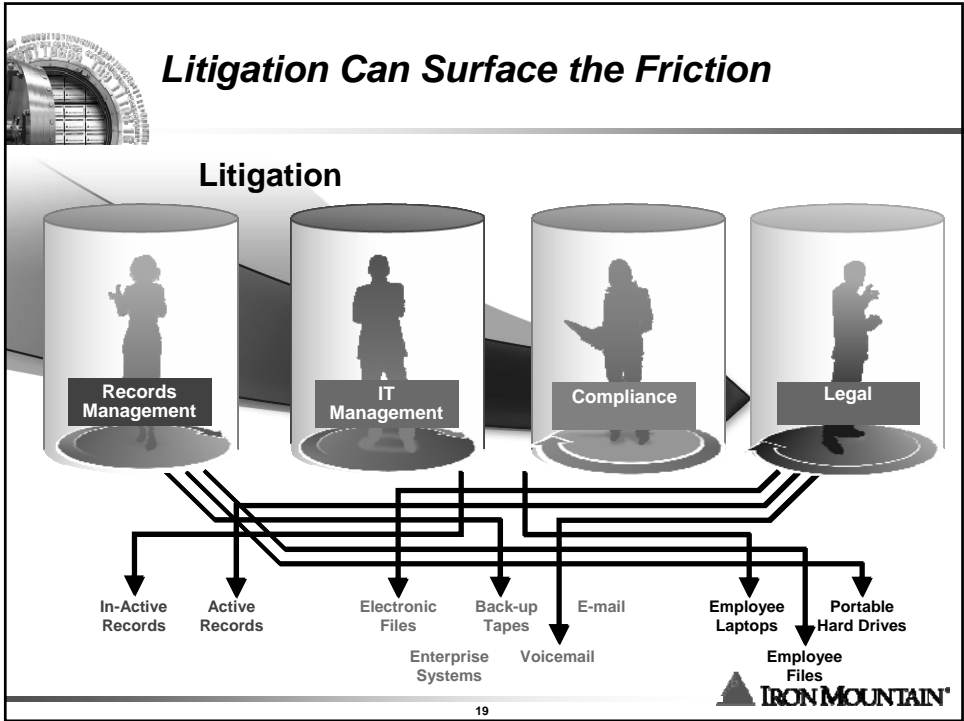
Consider the findings from organizations surveyed:

- 36% had more than 20 lawsuits filed last year
- 52 percent of larger organizations are forecasting an uptick in litigation amid the economic downturn
- 53% of companies are spending more than \$1 million,
- 1 in 4 large companies (over \$1B in revenue) spend over \$10 million

According to:

FULBRIGHT
Jaworski LLP
Attorneys at Law



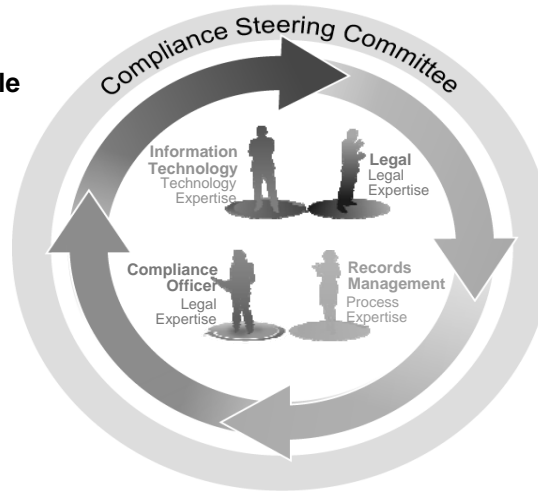




The Way It Should Work.....

Four Pillars of Responsible Records Management

- Consistency
- Accessibility
- Adoption
- Accountability



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Objections and Obstacles

If it's so important why isn't everyone doing it?

- Don't understand the value proposition
- Don't know where to start
 - Need clarity around HOW we do it?
- Varying degrees or lack of organizational alignment
- Organizational attitude: "Compliance is optional"

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Common Vision



Improve the profitability of the company by providing the Enterprise (location, division or department), with the ability to securely manage ALL information regardless of the format or location, in a cost effective & compliant manner.



Every Department Has a Stake





Departmental Priorities

Depressed Economy

- 1) Cost
- 2) Price (Cost)
- 3) Spend (Cost)
- 4) Charges (Cost)
- 5) Expenses (Cost)
- 6) Expenditure (Cost)
- 7) Operational focus to optimize, consolidate & increase efficiency

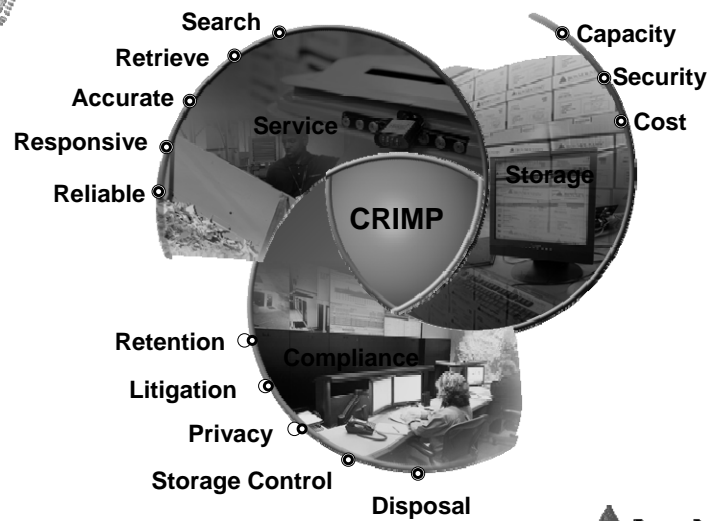
Boom Economy

- 1) Increase functionality & features
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Building On The Foundation

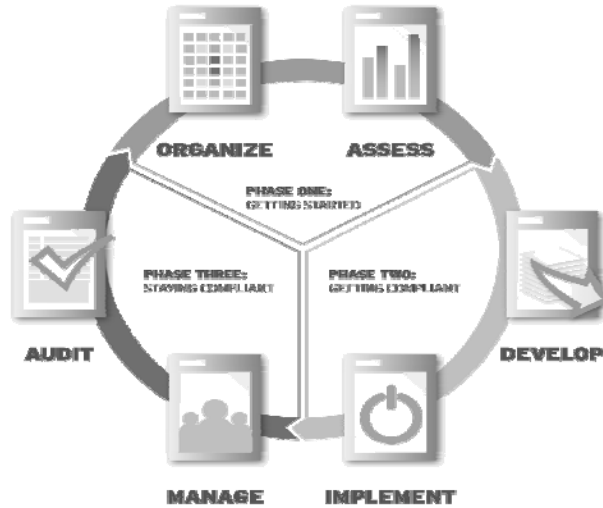


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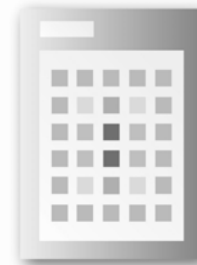


What is a Good Process?



Organize

- Establish ownership
 - Executive sponsor
 - Dedicated CRIMP team
 - Steering committee
- Roles & responsibilities
 - Governance level
 - Implementation level
 - Administration level
- Determine program scope
- Terminology



ORGANIZE



Ownership

EXECUTIVE LEVEL

Establish a records management steering committee with representatives that include: Compliance Officer and risk-management stakeholders from Legal, IT, Finance and other important departments

MANAGEMENT LEVEL

Name a Corporate Records Manager who administers the program and acts as the champion and liaison to all areas of the enterprise

COORDINATOR LEVEL

Identify department-designated records management coordinators/champions

Teaming to Build
Records Management
Support and
Accountability Across
the Enterprise

72%

say that records management oversight responsibilities are "not clearly defined"

A records management program must have clear and established ownership that is recognized across the entire organization



Assess

- **Conduct a thorough records inventory**
- **Evaluate your existing program; its strengths, limitations & capabilities**
- **Determine the potential areas of risk and/or exposure to compliance regulations**
- **Analyze your legal retention and access requirements**
- **Build an overall master plan based on your assessments and all applicable compliance regulations**



ASSESS

89% rate their ability to quickly and accurately retrieve physical records from on-site filing areas and offsite storage facilities as effective





Develop

- Legally credible enterprise wide (media agnostic) retention schedule
- Standardized enterprise policies (like vital records, legal hold, privacy, etc.)
- Keep in mind opportunities to measure via systemic embedded metrics – what do you want to measure in order to prove compliance and adoption



DEVELOP

42% of organizations have no formal program or even a basic program with inconsistently applied policies



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Implement

- Deploy IT systems
- Apply the retention schedule
- Assign standardized classification codes keyed to retention periods
- Routinely move records to secure offsite records storage
- Regularly review records to be destroyed. Destroy records whose retention period has expired
- Mark records related to pending or current legal matters as “held” to prevent destruction



IMPLEMENT

While most organizations have a retention schedule, 61% report nonexistent, irregular or infrequent updates of their retention schedules



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Manage

- **Manage the security, access and integrity of the data within the program**
- **Training is an event – education a process**
- **Enforce proper classification & disposal via reports, scheduled reviews, and other safeguards**
- **Maintain training & communication programs**
- **Ensure appropriate business unit oversight**



MANAGE

Studies show a 22% increase in regularly scheduled records management training, yet 57% of respondents do nothing or offer informal occasional training



Audit

- **Formal review program frequently and identify deficiencies**
- **Ensure that all records including e-mail, are being properly indexed and managed**
- **Pay special attention to disposal practices. Ensure that records in all forms related to pending or current legal matters are being “held” in order to prevent their destruction until the legal matter has been closed**
- **Confirm that records whose retention period have expired and are not on “hold” are routinely destroyed**



AUDIT





Case Studies

- **Records Retrieval: Transportation & Delivery**
- **Document Destruction: Shred Container Audit**
- **Document Storage: Box “Right Sizing”**
- **Box & File Delivery**
- **Document Conversion: Paper to Digital**
- **Off-Site Storage Vendor Consolidation**

Savings ranging from: \$1,820 to \$368,000



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Case Study Selection Criteria

- **Represent a minimum of 10% improvement in overall cost of ownership for that RIM function**
- **Have the ability to be implemented without capital expenditure**
- **Have a reporting mechanism and data that is currently available to the RIM professional FREE of charge**
- **Does not require advanced negotiation techniques with vendors**



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Case Study **DISCLAIMER**

- You have full and open access to your organizations workflow and cost metrics
- The best practice must be presented to and championed by the appropriate authority and decision-maker within your organization
- Without the organizations openness to change it's behavior, then there are no guarantees of any financial advantages!



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Records Retrieval: **Transportation & Delivery**

Previous Workflow: Company had chosen to work with an off-site storage vendor and has a daily delivery of approximately 30 boxes. 81% of the company's deliveries were either half-day or rush deliveries.



Current Workflow: Company changed its behavior and moved 50% of their half day deliveries to next day where they realized an annual cost reduction of 9.85%. Then they worked with their business unit managers and negotiated an additional 50% of their RUSH deliveries to half day.

Net Effect: \$7,745.34 to \$5,925.28 (23.85% reduction)



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Document Destruction: Shred Container Audit

Previous Workflow: Company had 64 shredding containers. Shredding vendor empties each container once per week. Company is billed per container per week regardless of paper volume deposited. Company had a number of areas within facility where containers were located within 10ft of each other or multiple containers located next to each other. A number of consoles have very little or no paper in them.



Current Workflow: After an audit it was determined that the company could remove 12 containers. This would force a change in behavior for some areas as employees needed to walk to an additional container to deposit documents to be shredded. In a few areas, no additional time would be spent walking to another console, as there are multiple available within the same room i.e. copy center room.

Net Effect: \$27,648 to \$22,464 (18.7% reduction)



Document Storage: Box "Right Sizing"

Previous Workflow: Company stores their records using 3 and 3.6 cubic feet (cf) boxes and requests retrieval at the box level regardless of what is needed from the box. The annual spend to retrieve from offsite storage is \$42,017



Current Workflow: The company switched to a 1.2cf box. As storage costs are billed based on total cubic feet there was no additional increase in storage fees. However, the associated costs for retrieval and re-file was reduced based on the total cube size. Fees associated with transportation handling fees were also reduced. Individual listing content and retrieving at the file level would further reduce the overall spend.

Net Effect: \$42,017 to \$19,491 (53.61% reduction)





Box & File Delivery

Previous Workflow: Organization had orders shipped to a single facility every day where the vendor delivered each order directly to the end-users desktop.



Current Workflow: Organization had multiple orders delivered to one central location to avoid multiple delivery fees. Orders were either picked up by the end user or the mailroom delivers it.

Net Effect: \$24,345 to \$3,804 (84.38% reduction)



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Document Conversion: Paper to Digital

Previous Workflow: Company received paper documents from global locations and sends to a 3rd party in another State for imaging. Images are put on CD then shipped along with paper documents back to Company. Images then manually loaded into Content Management System. Paper documents then sent to off-site storage vendor.



Current Workflow: Documents delivered directly to off-site storage and imaging partner. Documents imaged and stored. Images loaded directly via FTP into Content Management System.

Net Effect: \$127,000 to \$72,000 (42.40% reduction)



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Off-Site Storage Vendor Consolidation

Previous Workflow: Company used four different resources (including internal) to provide three imaging functions and record management services. The retrieval of Microfiche internally, the imaging of paper externally and the conversion of paper to microfilm externally. Process inefficiencies and the merging of technologies for access created significant issues!



Current Workflow: Company consolidated these functions with one vendor. Utilized this vendor to image the paper then store as needed, to convert selected electronic images to microfilm and to relocate, store and image the microfiche as necessary. The information is now accessed via the web.

Net Effect: \$1,248,000 to \$880,000 (29.48% reduction)



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Next Steps

- Future trends
- Our call to action
- Our response to the challenge
- Questions?



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Next Steps: Future Trends

Changing Regulatory Environment

- Rule 26 of Civil Procedure
- Sarbanes-Oxley
- Gramm-Leach Bliley



Records & Information
Management
Professionals

- SEC Rule 17
- MA Privacy Law
- Patriot Act
- HIPAA
- FACTA

Exponential Information
Growth



Convergence of Physical
& Digital Records



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Next Steps: Focus On What You Can Do!

- **Function as a consultant: Develop your Subject Matter Expertise**
 - In-depth knowledge of what's driving your end-users RIM spend and how profits can be affected
- **Understand the end-users value drivers**
 - What does the end-user consider valuable?
 - Develop the ability and courage to question the current processes and the value of those processes
- **Innovate new workflow enhancements that drive improved profitability**
 - Innovation requires wider perspectives into your organization
- **Focus on creating value in the future**

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Your Response

I am improving the profitability of the company by providing the Enterprise (location, division or department), with the ability to securely manage ALL information regardless of the format or location, in a cost effective & compliant manner.



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Questions?

Please Complete Your Session Evaluation

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