



Designing your Information Governance Program

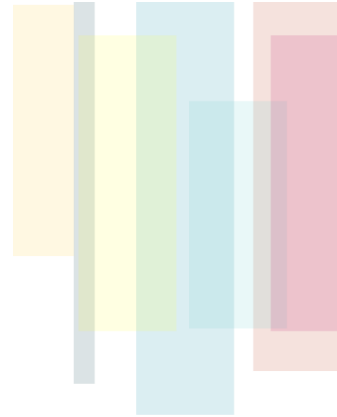
# Fortune 100 Information Governance Case Study

Deidre Paknad, CGOC Founder and Director of Information Lifecycle Governance Solutions, IBM



# Information Governance Case Study

- Challenge
- Solution
- Business Case



# The Situation

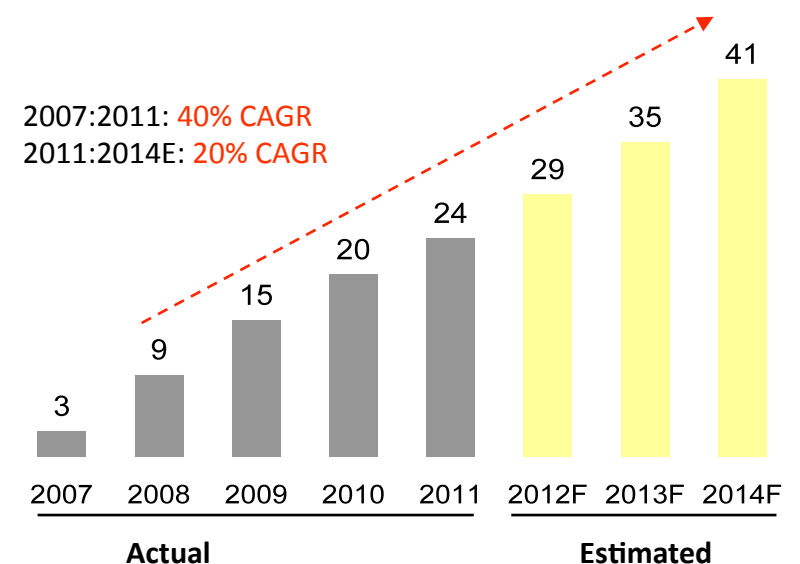
- Institution under significant pressure to cut costs by board and shareholders
- CIO asked to reduce spend \$160 million over 3 years
  - Information volume grew 842% over past 5 years, growing 21% annually
  - \$1.1 billion annual budget – 10% on storage
- GC asked to reduce spend by \$20 million
  - Coincides with significant new litigation
  - Pushes ediscovery well beyond their traditional email scope
- Spent \$100,000 to refresh their retention schedule in 2011 ... which applies to paper only

# CIO Situation

\$165M in excess expense from:

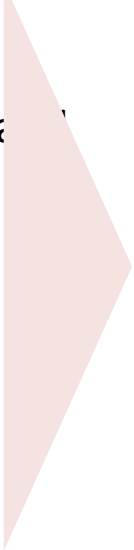

- Excessive amounts of data stored, retained and replicated
- Overly complex data center and end user environments
- Inefficient use of computing resources by business applications
- Suboptimal staffing and vendor locations and resource mix
- Duplicative and redundant business applications
- Lack of rationalization within the systems software environment

## Petabytes of Storage



# Litigation Situation

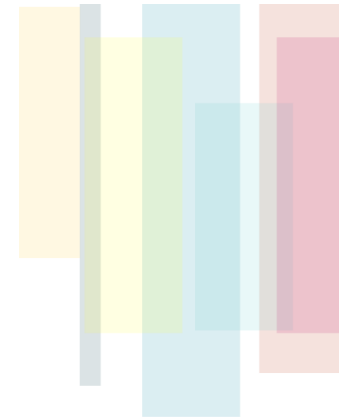
- 500 active legal matters, new and overwhelming litigation with government investigation
  - Custodian identification, notice issuance and collections done and tracked by 3 disparate groups each with own spreadsheets
  - No confirmations of receipt/compliance, no interviews
  - Email held in place, drives of departing employees collected
  - Collecting full images, no internal culling or analysis
- Relying on IT for preservation in 300+ matters but no means of communicating this risk transfer
- Focused on internal culling and processing tools to lower cost



***No single source of truth in legal on preservation status by matter or custodian.***

***High vendor fees***

# Records Management Situation



- Schedule refresh in 2011
  - Applies only to regulated content by design
  - Applies only to physical records
  - One US schedule, regional schedules for Europe, Asia and Middle East
- 330 functional categories with record category and type – the “Iron Mountain Special”
  - Legal codes amalgamate laws, choose the longest period of general set
- 300 records coordinators worldwide managing their local inventory
- Reliance on 60,000 employees for electronic record keeping

# Conducted Information Governance Process Maturity Assessment

## 13 Key Processes That Correlate to Specific Risks & Costs

PROCESS	Level 1: AD HOC, MANUAL, UNSTRUCTURED	Level 2: MANUAL, STRUCTURED	Level 3: SEMI-AUTOMATED WITHIN SILO	Level 4: AUTOMATED AND FULLY INTEGRATED ACROSS FUNCTION
<b>A</b> Legal Hold - Scope Custodians	Multiple custodian spreadsheets.	Centralized custodian spreadsheet.	Scope by organization, people; systematically track all custodians in all holds including multiple holds per custodian; scope terminated/transferred employees in real time.	Continuous update of Custodian roles, responsibilities; automatic employee transition alerts; systematically use existing custodian lists for similar matters.
<b>B</b> Hold - Scope Information	Limited collection from data sources; custodian-based rather than information based; spreadsheet tracking/lists.	Identify data sources by organization; understand back up procedures.	Have linked legacy tapes and data sources to organizations; and open holds/collections.	Automatically scope people, systems and tapes; information and records in holds; Scope terminated employee data and legacy data/tapes where applicable.
<b>C</b> Publish Hold	Manual notices, no escalations Ad-hoc description of record or information subject to hold requires interpretation and manual effort to comply.	Centralize reply email box for confirmations; Process well communicated; all holds on intranet.	Systematically send notices and reminders, require and track confirmations; ability to manage exceptions; employees can look up their holds at any time. Communications tailored to recipient role (IT, RIM, employee).	Publish to system; propagate hold; automate hold enforcement. IT staff have continuous visibility to current discovery duties; holds during routine data management activities; automatically flag records in appropriate systems.
<b>D</b> Interview Custodians	Ad-hoc manual interviews and follow up.	Questionnaire mailed to custodians; responses compiled manually for collection and counsel follow up.	Online/auto interviews with system follow-up; view individual and aggregated responses; auto non-response escalations; alerts for specific answers; export for O/C.	Individual responses propagated to collections; custodian-specific collections instructions; interview results shared with outside counsel to interview by exception.
<b>E</b> Collection Workflow	Detailed and duplicate spreadsheets of custodians and information between IT and Legal; multiple copies of the collected data.	Centralized, version controlled spreadsheets of custodians and information; evidence server without inventory.	IT can efficiently collect by custodian and content; avoid recollecting; auto logging of files collected; source, chain of custody. IT self-service look up.	From their browsers; Attorney's collect directly from custodians or any system.
<b>F</b> Review Volume	Image drives or over-collect from custodians; over scope custodians; high quantity of data for review.	Image drives or over-collect from custodians; over scope custodians; high quantity of data for review.	Quantity of data reviewed from tightly scoped custodians; leveraging prior scoping histories; accurate enterprise map.	Quantity of data reviewed from tightly scoped custodians; leveraging prior scoping histories; accurate enterprise map; detailed instructions to IT.
<b>G</b> Cost Control	Image drives or over-collect from custodians; over scope custodians; high quantity of data for review.	Estimate costs on the "big matters" in spreadsheets or by outside counsel.	Discovery cost forecasts are automatically generated as soon as the hold is scoped; costs are calculated continuously for matters.	Consistently make cost shifting arguments to limit scope of collection and review; earliest/optimized matter resolution; manage cost at portfolio level.
<b>H</b> Monitoring, Compliance	Each attorney tracks their own matters; status.	Formal, but manual reporting of open holds; no summary reporting on interviews, collections, response.	Automated reminders and escalations, online audit trail; management reporting on discovery status; visibility within legal dept across custodians, collected inventory, and matters.	Appropriate visibility across IT, Legal and Business; self-service dashboard for legal obligations; tasks, risk and cost reduction opportunities.

### Typical Preservation Risk Scenarios

	Sources of Failure Risk in Manual Process
<b>A</b>	Legal scopes the wrong employees, those employees terminate or transfer mid-matter and data subject to hold is lost.
<b>B</b>	Legal fails to identify sources of data managed by IT staff and data subject to hold is destroyed.
<b>C</b>	IT migrates, retires or modifies data subject to hold.
<b>D</b>	Legal fails to identify or follow through on information gleaned in thousands of interviews.
<b>E</b>	Data isn't collected because of a missing data source, departing employee, incomplete prior collection inventory, and communication and tracking errors.
<b>F</b>	Unable to assemble, understand or defend the audit trail of discovery activities.
<b>G</b>	Retention schedules are not followed and/or the validity of the current schedule is hard to defend.
<b>H</b>	IT saves all data because they fear disposing of the wrong data, increasing discoverable mass and confusion.
<b>I</b>	IT disposes of data subject to legal obligation.
<b>J</b>	Internal compliance audit failures on records and legal holds expose the company in discovery or unable to respond to regulators.

#### IT costs:

\$\$\$ Cost of excess storage and infrastructure

\$\$ Cost of staff labor

#### Legal costs:

\$ Cost of staff labor

\$\$ Cost of outside counsel

\$\$\$ Cost of excess legal review

# Legal Process Maturity

	Level 1: AD HOC, MANUAL, UNSTRUCTURED	Level 2: MANUAL, STRUCTURED	Level 3: SEMI-AUTOMATED WITHIN SILO	Level 4: AUTOMATED AND FULLY INTEGRATED ACROSS FUNCTIONS
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<b>D</b> Interviews	Ad-hoc manual interviews and follow up.	Questionnaire mailed to custodians, responses compiled manually for collection and counsel follow up.	Online/auto interviews with system follow-up, view individual and aggregated responses, auto non-response escalations, alerts for specific answers, export for O/C.	Individual responses propagated to collections, custodian-specific collections instructions, interview results shared with outside counsel to interview by exception.
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<b>F</b> Review	Image drives or over-collect from custodians, over scope custodians; high quantity of data for review.	Image drives or over-collect from custodians, over scope custodians; high quantity of data for review.	Quantity of data reviewed from tightly scoped custodians, leveraging prior scoping histories, accurate enterprise map.	Quantity of data reviewed from tightly scoped custodians, leveraging prior scoping histories, accurate enterprise map, detailed instructions to IT.
<b>G</b> Cost Control	No assessment of costs prior to collection and review; no cost baseline available.	Estimate costs on the "big matters" in spreadsheets or by outside counsel.	Discovery cost forecasts are automatically generated as soon as the hold is scoped, costs are calculated continuously for matters.	Consistently make cost shifting arguments to limit scope of collection and review; earliest/optimized matter resolution; manage cost at portfolio level.
<b>H</b> Audit	Each attorney tracks their own matters, status.	Formal, but manual reporting of open holds; no summary reporting on interviews, collections, response.	Automated reminders and escalations, online audit trail, management reporting on discovery status, visibility within legal dept across custodians, collected inventory, and matters.	Appropriate visibility across IT, Legal and Business; self-service dashboards for legal obligations, tasks, risk and cost reduction opportunities.

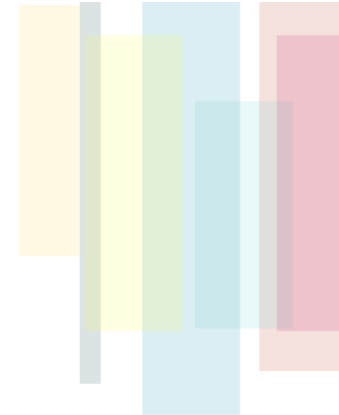


# Retention & Information Maturity



PROCESS	Level1: AD HOC, MANUAL, UNSTRUCTURED	Level2: MANUAL, STRUCTURED	Level3 : SEMI AUTOMATED WITHIN SILO	Level4 : AUTOMATED, FULLY INTEGRATED ACROSS FUNCTIONS
<b>I</b> Establish Retention Program, Catalog Applicable Laws	Define retention periods only for physical records.	Updated retention schedule for physical and electronic records.	Established retention period for all information, define country/jurisdiction specific schedules (without over- or under-retention of records).	Value-based retention appropriate for business, country operations. Library of country protocols for discovery, privacy, retention. Alert program, debt staff when laws change, schedules are impacted.
<b>J</b> Manage Departmental Information Management Procedures	No knowledge of actual procedures, information, location, use, value.	Conduct inventory of departmental practice and information.	Define retention schedules and stores for departmental information based on value and regulatory requirements; enable change request workflow to master schedule and department/country schedules.	Alerts IT and department delegates when systems, business objectives change. Legal, IT and department delegates continuously access accurate retention schedules, legal holds, privacy procedures. Federate schedules to information repositories enabling routine disposition.
<b>K</b> Routine Disposal	IT 'keeps everything' because it has no systematic way to determine obligations or value.	IT receives email when events require IT action, such as when an employee is on hold.	IT performs routine disposal with self-service awareness of preservation or retention obligations; looks up any asset or employee to determine value, current legal requirements.	Holds and retention schedules are applied to data in place and data disposition is consistent and automatic. IT analyzes, identifies redundant applications, consolidates instances, retires data, reduces data volume and overhead.
<b>L</b> Disposition Legacy Data	No hold release notification, no lookup ability.	eMail hold release communication from Legal to IT.	Closed loop between Legal, IT clearly defines legacy data subject to hold. Systematic disposition - of legacy tapes by cross referencing by org, time, and employees with open matters - of terminated employee data by cross reference with legal matters.	Legacy data is dispositioned and no additional legacy data is accumulated. Routine disposition process on terminating employees; tape recycling process is consistent and defensible.
<b>M</b> Information Policy Audit	We hope no one audits – we'd never pass.	Audit of records limited to physical records.	Annual audit of retention program across electronic and physical records.	Audit of retention, privacy, data protection and discovery processes across physical and electronic information.

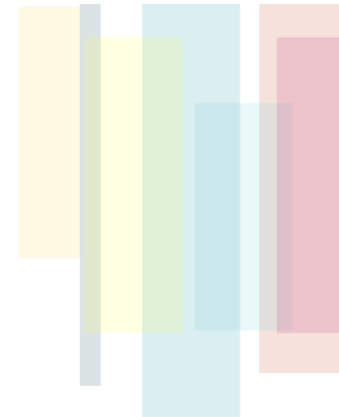
# Maturity Level Assessment Key Used & Implications



- Each person in the group uses their own method
  - Spreadsheets or email boxes used to capture process facts
  - Isolated not only by department, but by individual within department
- People in the group use the same method
  - Spreadsheets are stored in common place or in shared email boxes to capture process facts
  - Facts are difficult to retrieve but available to people in department if necessary; not applied consistently in process
  - Process and facts are isolated in department
- People in the group use the same method
  - Process is automated and facts are routinely incorporated in process
  - Process is repeatable, consistent
  - Process and facts are isolated in department
- People in the group use the same method
  - Process is automated and facts are routinely incorporated in process
  - Process is repeatable, consistent and reliable in dynamic enterprise
  - Facts from adjacent stakeholders are routinely incorporated in process
  - Process provides enterprise transparency



# The Assessment Pointed to Several Sources of Cost and Risk



## 1 Excess Information Costs

- Misalignment of storage tier to information value or utility
- Excess data that adds cost and risk but no value
- Redundant or duplicate data and systems
- Excess legal review costs from over retention, over collection and expensive sources of culling and processing

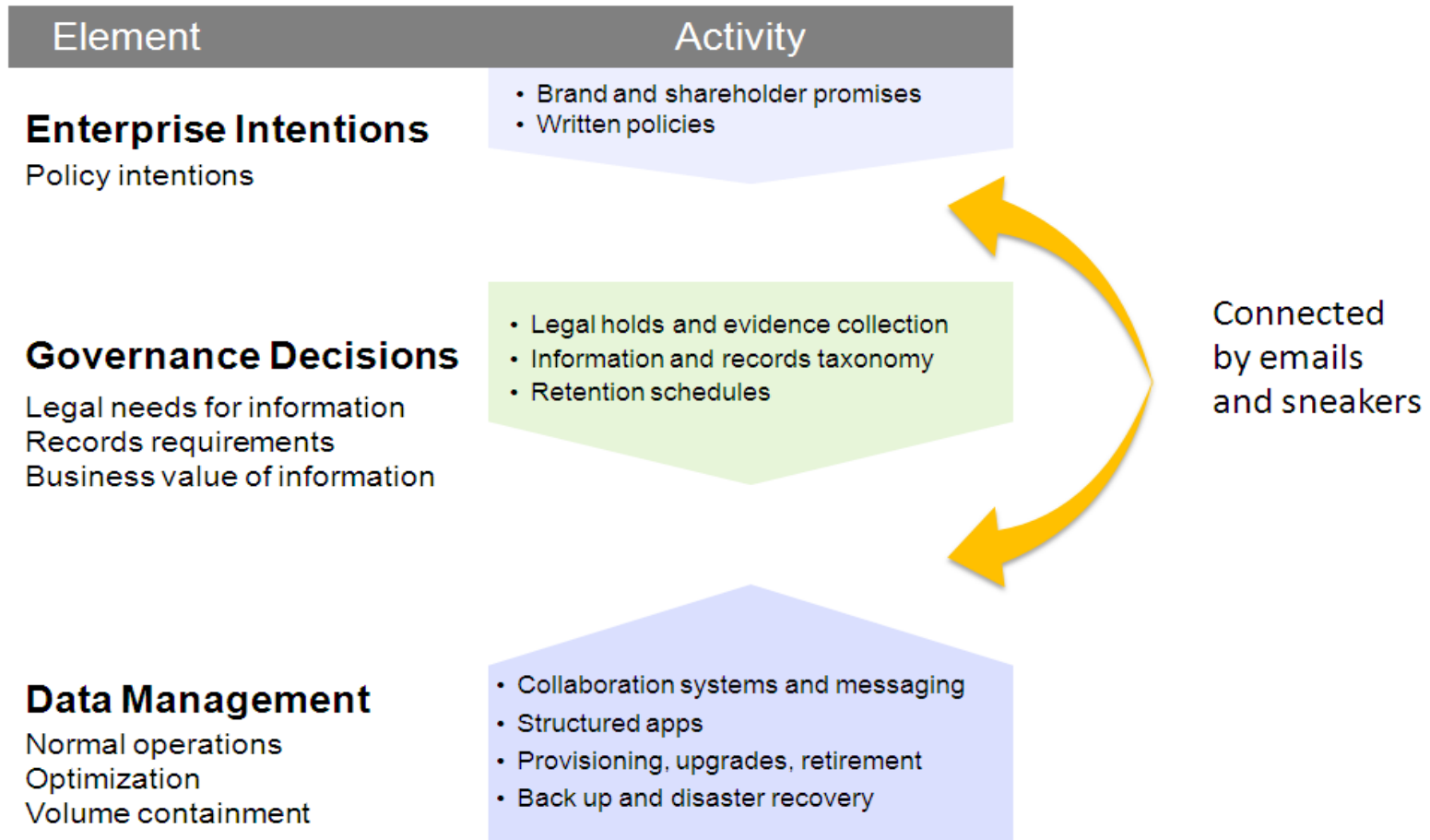
## 2 Insufficient Process Interlock Across Information Stakeholders

- Process immaturity in key areas leads to data build up, inability to safely dispose of data:
  - Indirect legal reliance on IT to save data in perpetuity as legal hold method
  - Lack of electronic records system to aggregate records required for regulatory purposes
  - Lack of executable schedule for information business value
- Lack of transparency to IT resource consumption and charge back challenges

## 3 Excess Legal & Information Risk

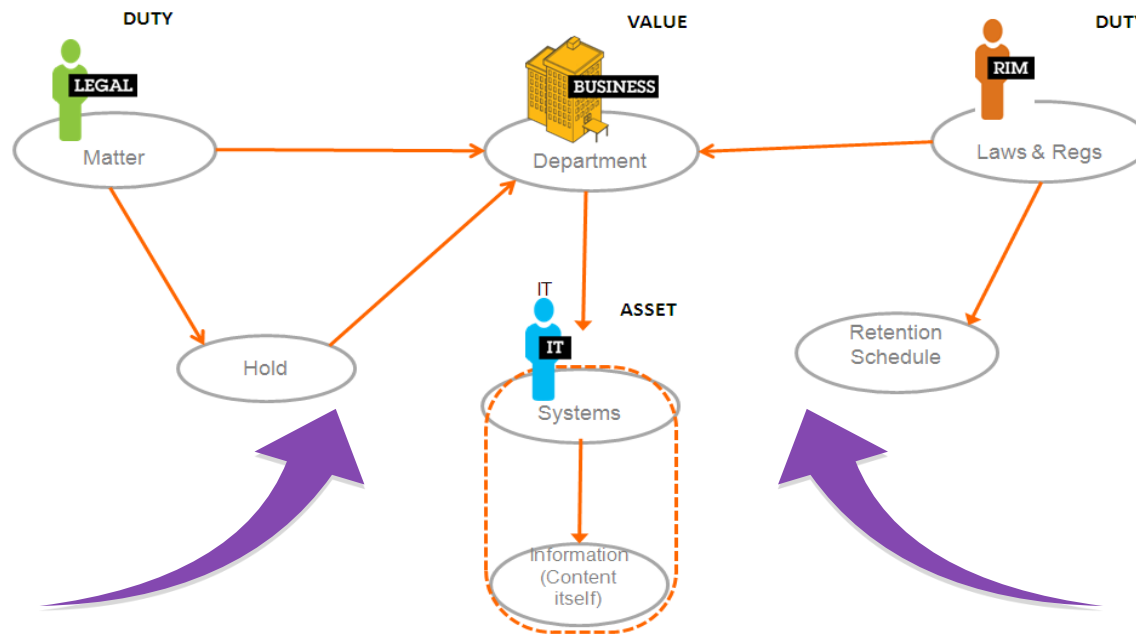
- Reliance on individual employees for records compliance
- Excess legal and compliance risk related to ad hoc or single-threaded communication chains
- Lack of transparency to legal obligations and business value of information in IT
- Lack of transparency to diversity of data sources and types IT manages for legal and records

# Gaps Between Policy and Practice Would Continue to Drive Data Growth and Related Cost, Risk



# Silo Processes Were Misaligned

Information Duties and Value Poorly Communicated, Understood by Stewards



## Legal holds defined by employees involved

- 500 legal matters a year
- 7500 employees subject to hold, but relying on IT to preserve all data (60,000 employees)
- Notices sent to employees directly; records and IT not informed
- High legal (review) cost a function total information volume

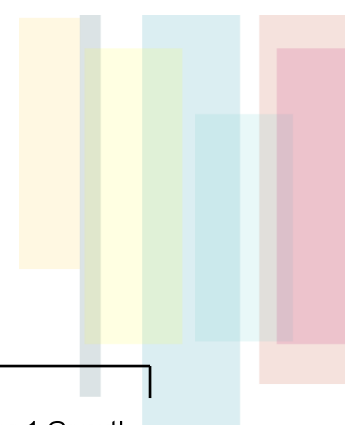
## Schedules documented by record class

- Covers regulated information -- 5% of total
- Web site for employees and IT, total reliance on 60,000 employees to manage records
- No defined or auditable location for electronic records

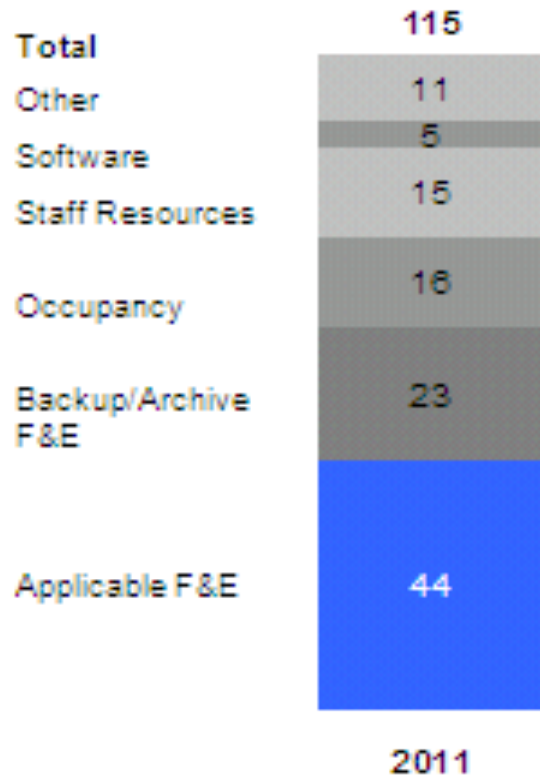
## IT has most of the data organized by asset code -- but no visibility to legal duties or business value

- 842% data growth in 5 years – need to cut budget by 5%
- Unaware that legal risks and responsibilities have been shifted to it
- No link between legal obligations (holds), records, business value and servers or information

# Simple IT Cost Metric: Storage Volume & Cost

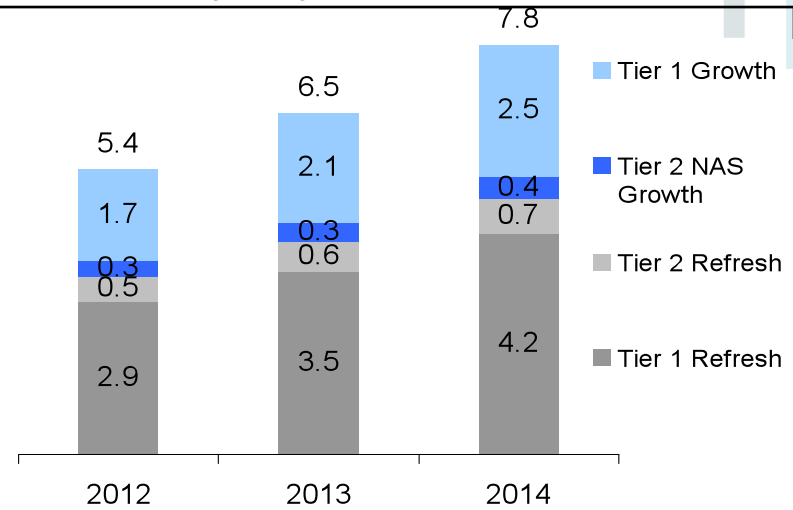


**Total Storage Cost  
2011**

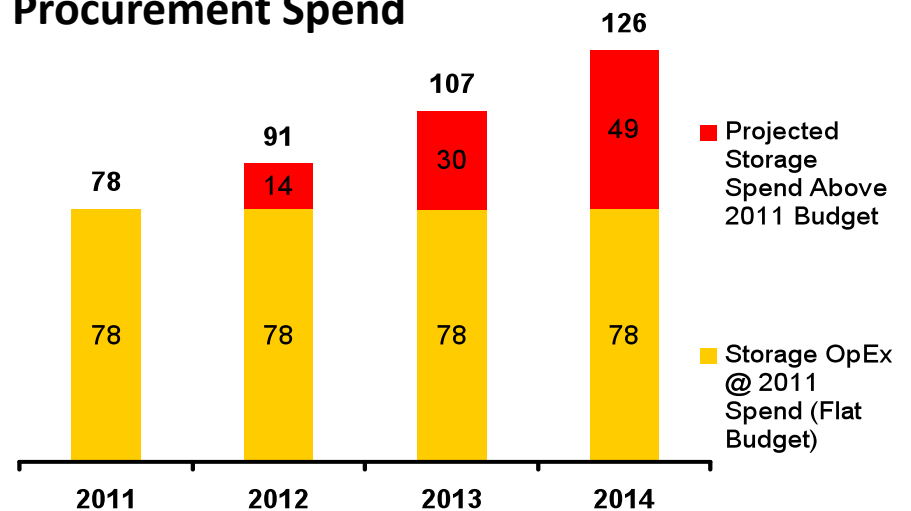


Excluding back up

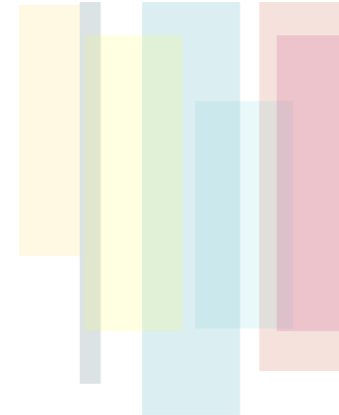
**Storage Procurement Volume  
2012:2014 (\$ M)**



**Procurement Spend**



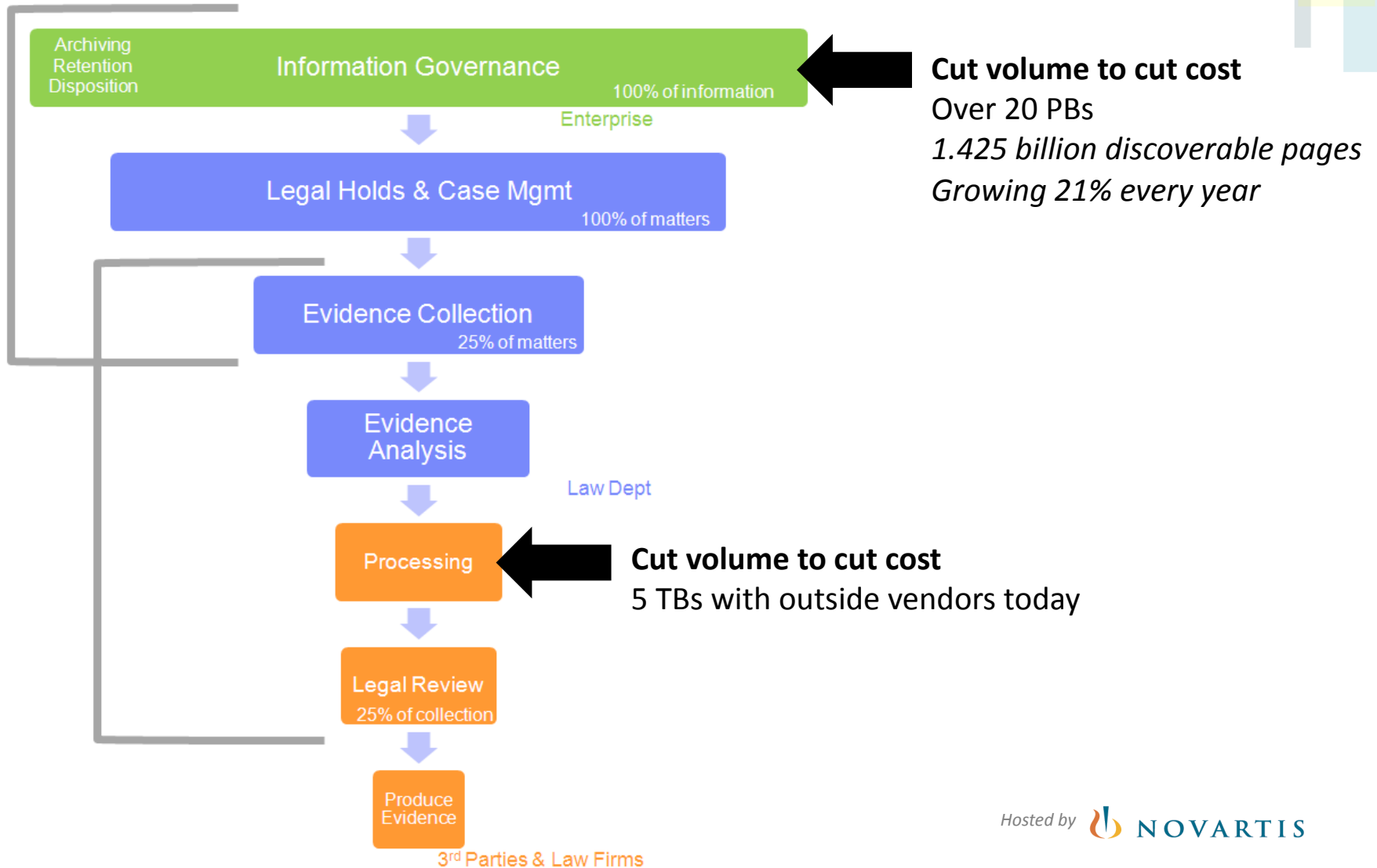
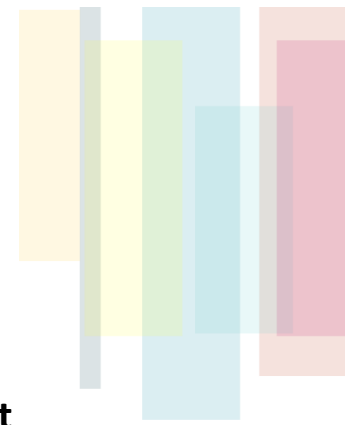
# Legal & Compliance Cost Profile



Process Element	Current Cost
Scoping and Publishing Legal Holds	\$ 3,879,200
Collection	\$ 475,904
Discovery Reporting and Monitoring (inside and outside legal)	\$ 3,968,800
Outside Discovery Costs for all Matters	\$ 33,352,000
Establish Retention Program, Catalog Applicable Global Laws	\$ 1,150,000
<b>Total</b>	<b>\$42,825,904</b>

# Excess Data Drives Litigation Cost

Litigation cost-cutting that doesn't address enterprise data volume will be eroded in 18 months as data volume rises.





# Information Governance Case Study

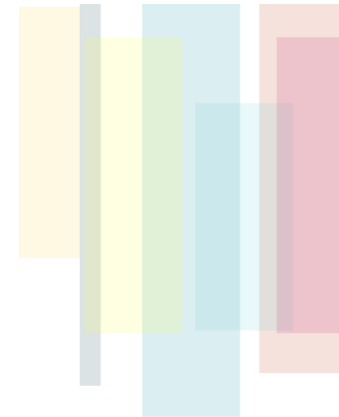
- Challenge

- Solution

- Business Case



# Information Lifecycle Management & Governance (ILMG)



## 1. Value-Based Archiving

- Archive only if needed
- Align storage tier to value

## 2. Modernize Retention Program

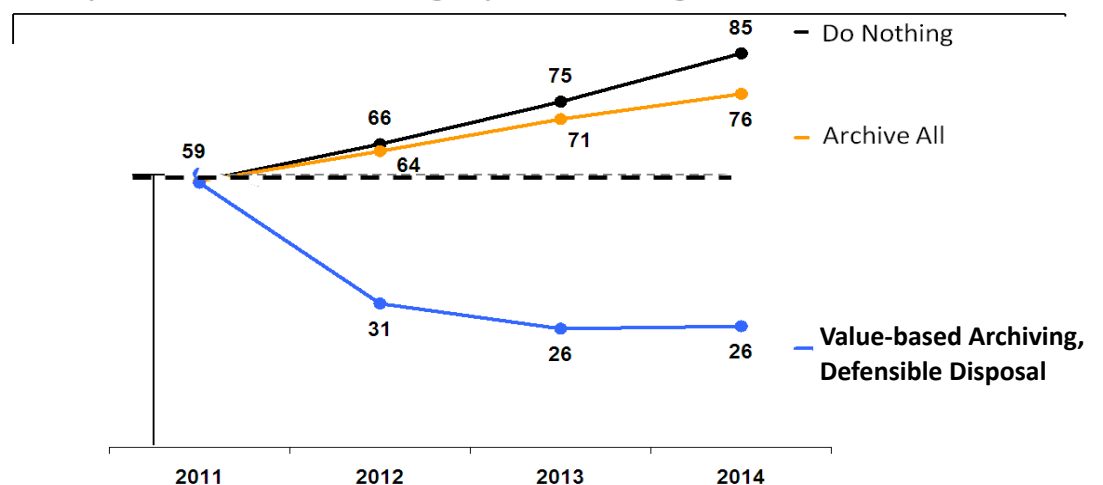
- Mechanism to express information value

## 3. Modernize eDiscovery & Holds Process

- Reduce risks, increase transparency

## 4. Defensible Disposal of Unnecessary Data

Comparison of Procured Storage Spend on Storage H/W and S/W



# Address Risk and Cost and Their Root Cause

## Assessment of Operational Situation

### Excess Information Costs

- Misalignment of storage tier to information value or utility
- Excess data that adds cost and risk but no value
- Redundant or duplicate data and systems
- Inability to dispose of data due to
  - Indirect legal reliance on IT to save all data in perpetuity as legal hold method
  - Lack of electronic records system to information required for regulatory purposes
  - Lack of reliable schedule for information business value
- Lack of transparency to IT resource consumption and charge back challenges
- Excess legal review costs from over retention, over collection and expensive sources of culling and processing

### Excess Legal & Information Risk

- Reliance on individual employees for records compliance
- Excess legal and compliance risk
- Lack of transparency to legal obligations and business value of information in IT
- Lack of transparency to diversity of data sources and types IT manages for legal and records

## Recommended Adjustments

### Compress & Control the Footprint

- Archive unstructured and structured information
- De-duplicate and classify
- Move from tier 1 to tier 3 storage
- Align back up methodology

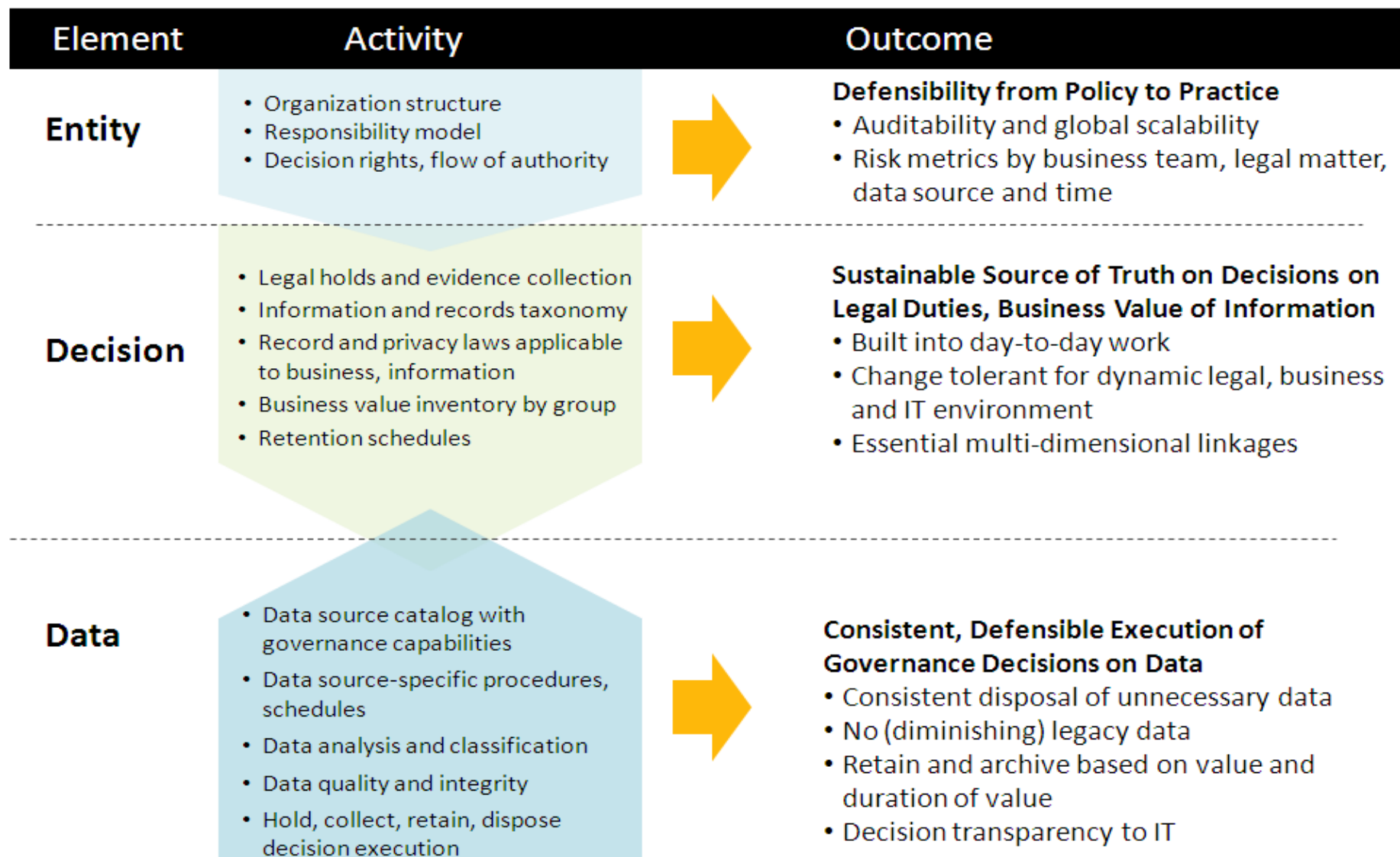
### Address Root Cause to Change the Data Growth Curve & Risk Profile

- Modernize the legal hold process to provide transparency, systematic linkage with IT combined with legal holds and evidence collection automation
- Implement a records management system for collecting, managing and disposing of electronic records
- Establish business value retention schedules using the existing taxonomy and network of 300 departmental liaisons
- Dispose of unnecessary information in the archive consistently
- Cull evidence in house, conduct initial analysis and review in more automated manner

### Improve Transparency & Control and Lower the Cost of Risk Management

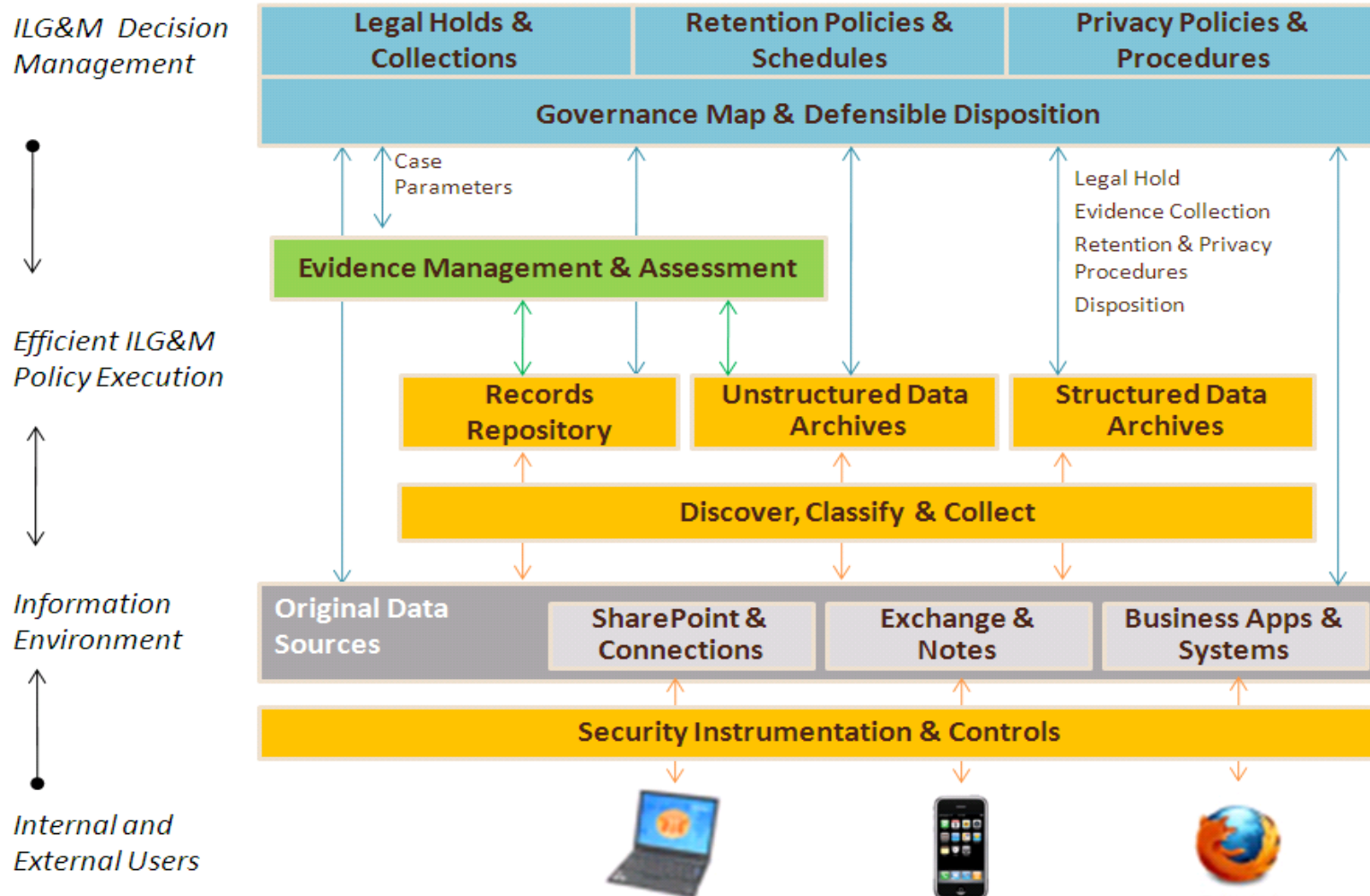
- Monitor legal and regulatory risk by data source
- Assess business need across the organization and information sources for the portfolio to ensure costs are properly attributed and to avoid future redundancy
- Forecast legal costs and culpability in the first weeks and months of a matter to optimize case cost

# New Model Closes Gaps Between Policy & Practice



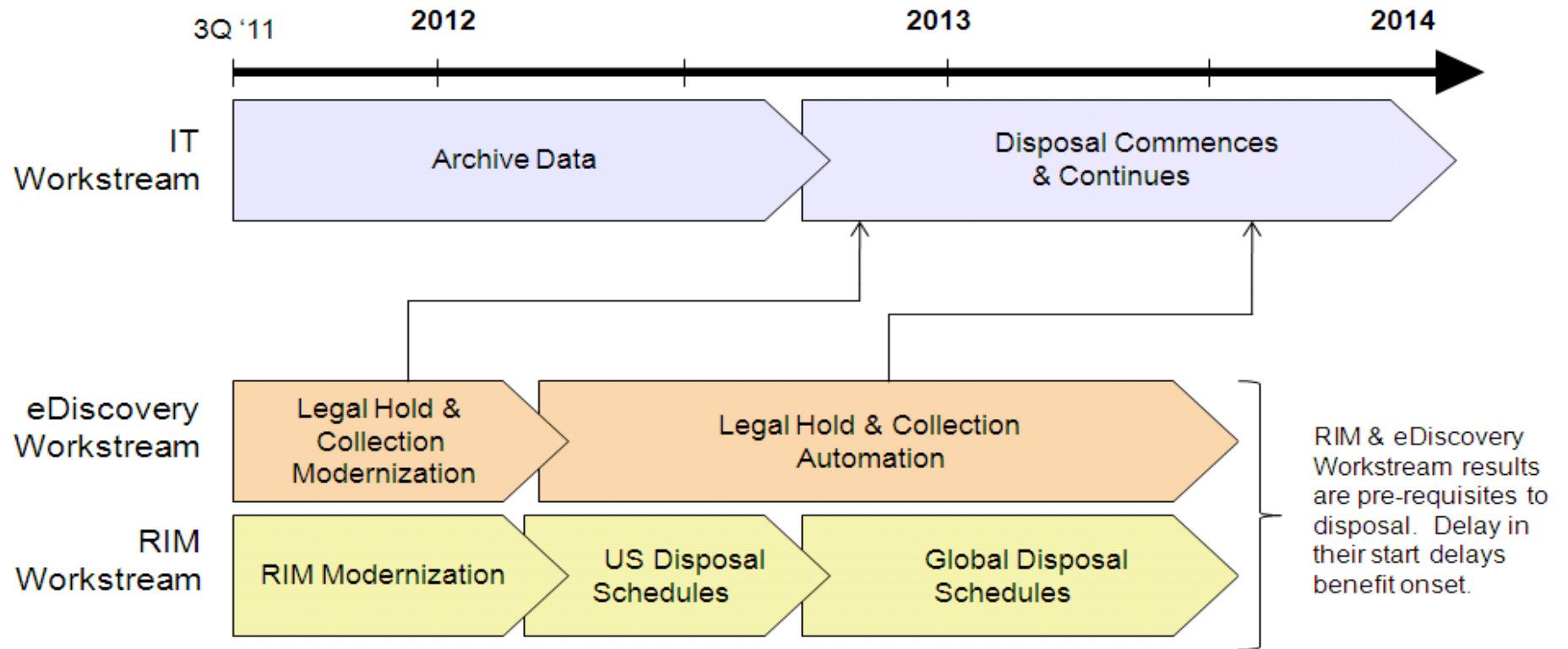
# Solution Architecture

A Comprehensive, Unified Approach for Value-Based Archiving, Rigorous Compliance and Defensible Disposal



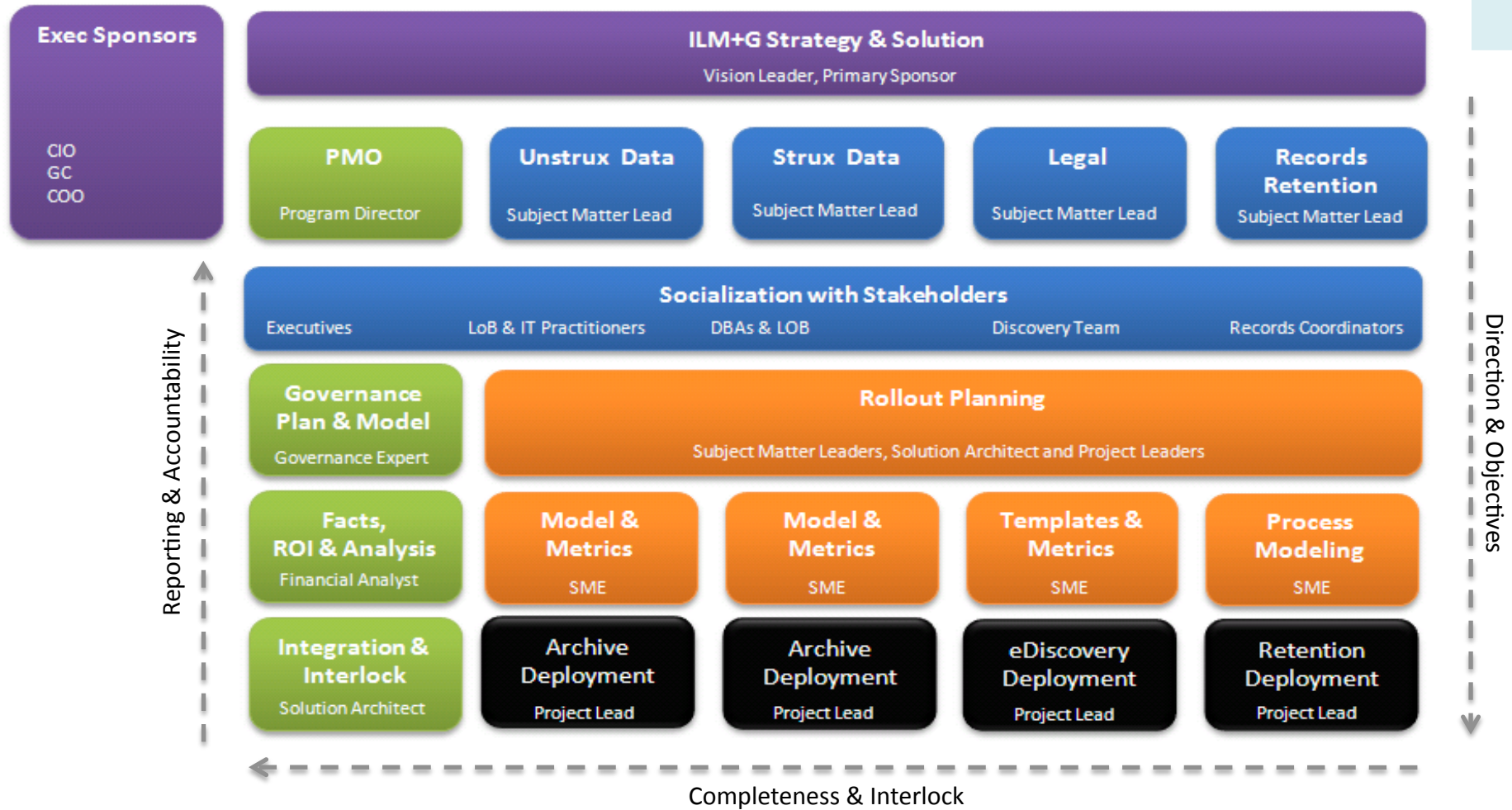
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# Parallel Work Streams for Fastest Cost Take Out & Risk Reduction



# Ensuring Results & Accountability

## Program Structure

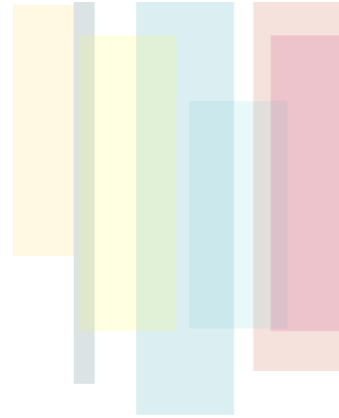


# Information Governance Case Study

- Challenge

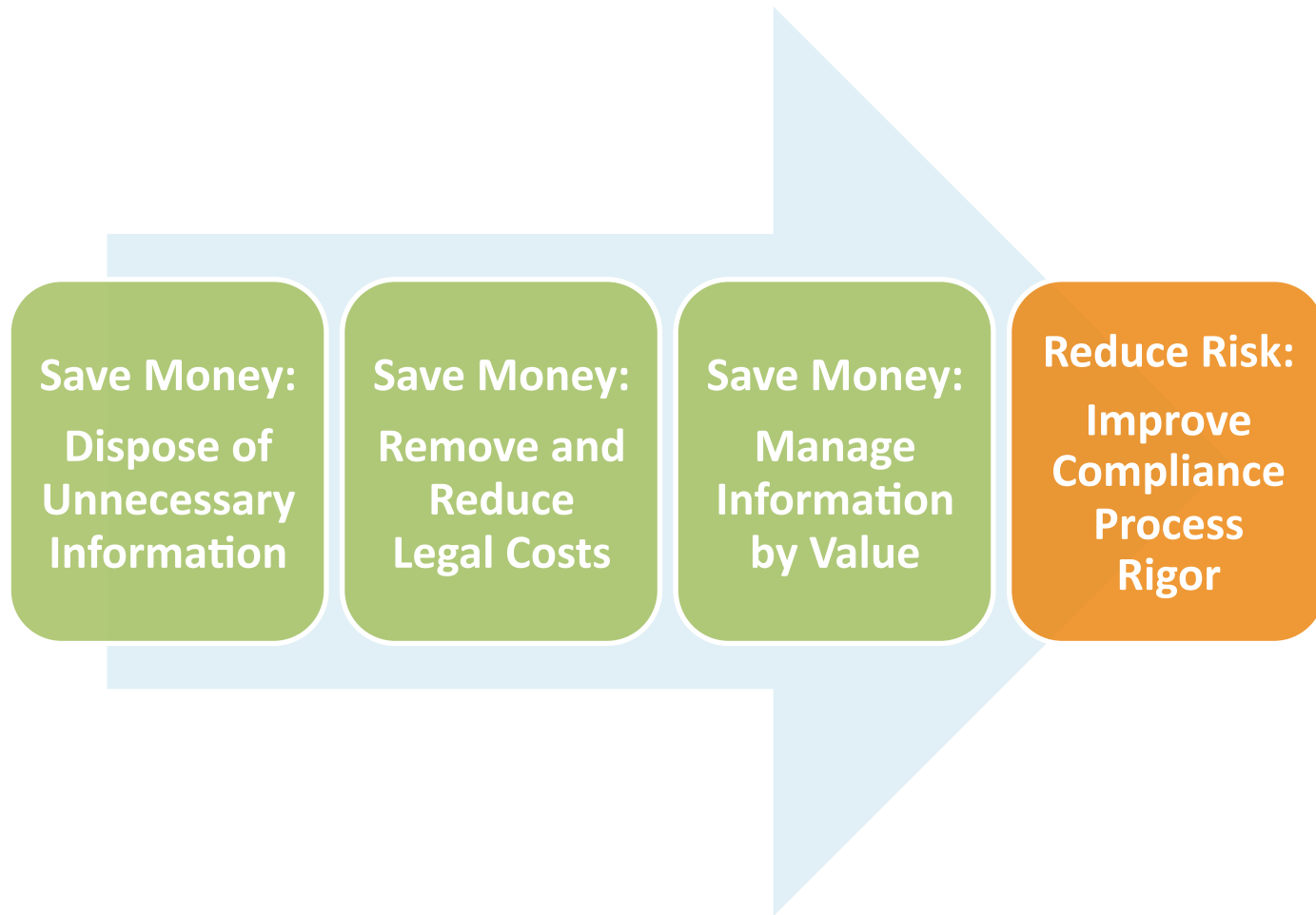
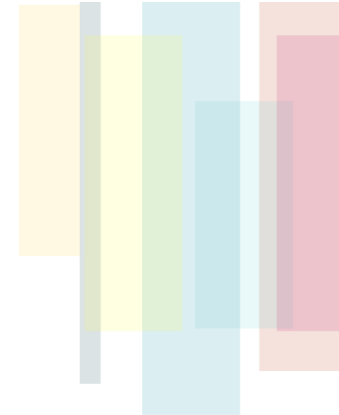
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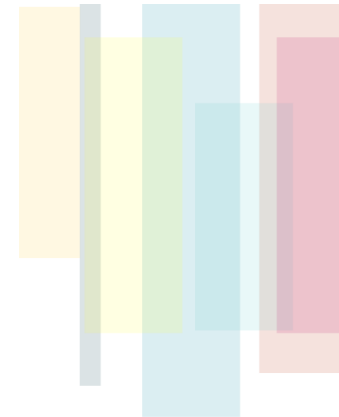
# Compelling Business Case



1. *Significant cost savings the CIO and GC needed*
2. *Fundamental improvement in information management practices*

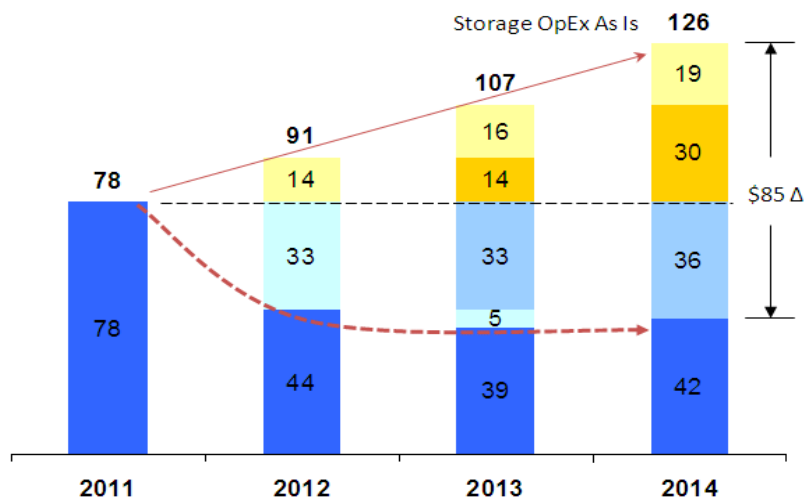
# CIO Achieves His Cost Reduction Goals

Value-Based Archiving & Defensible Disposal Change Storage Growth Trajectory



## Estimated Cost Savings on Storage Only

Storage H/W OpEx



- Costs Avoided
- Cost Avoidance from Prior Year
- Ongoing Savings
- Run Rate Cost Reductions
- Storage OpEx

## Financial Benefits

2011: 2014 (\$ M)

\$27m benefit in 2012

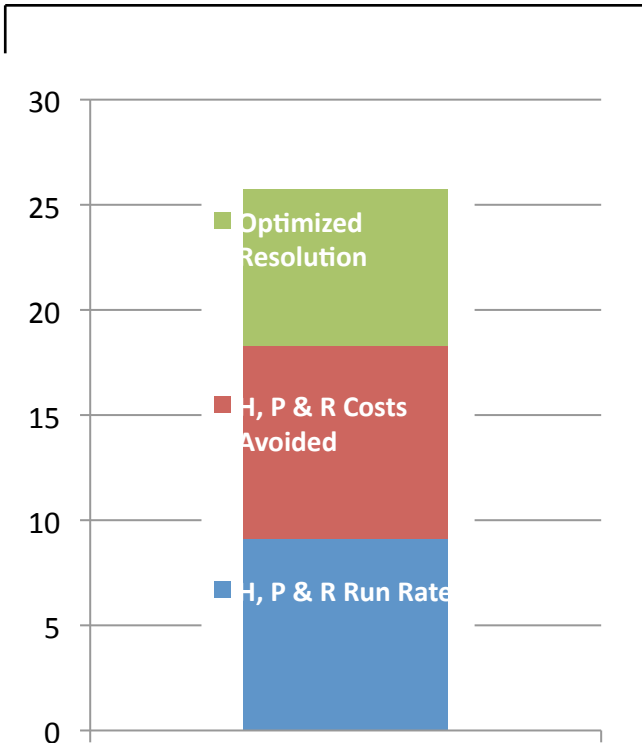
\$38m benefit in 2013

\$46m benefit in 2014

**\$132m over 3 years**

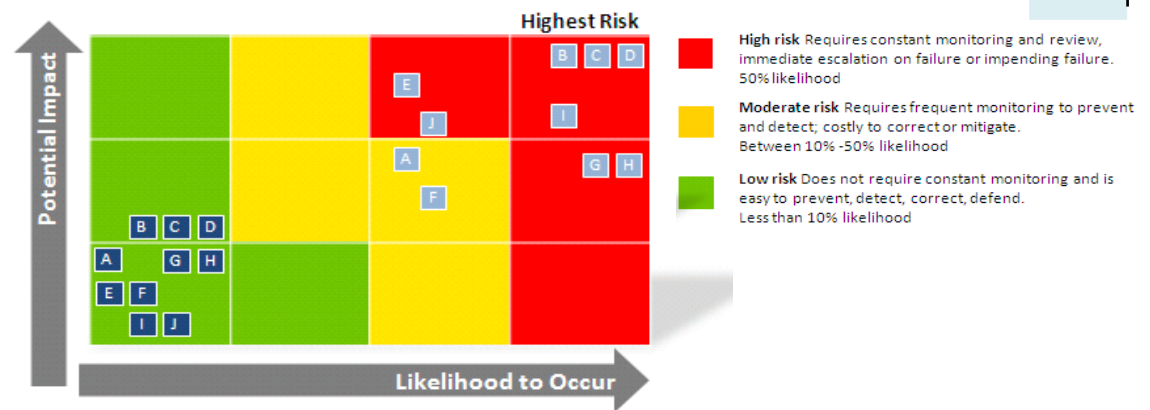
# Addressing Root Cause Reduces GC's Risk & Cost

Savings 2012-2014 in Millions USD



Savings 2012-2014 in Millions USD

Material Risk Reduction



Process	FROM	TO
A Scope Custodians	Legal scopes wrong custodians.	Scope from accurate, comprehensive custodian and information maps automatic detection of terminations.
B Scope Information	Rogue or employee managed data sources are missed due to no visibility.	Scope from accurate, comprehensive custodian, data source, and information maps that are dynamically updated as they change.
C Publish Hold	IT, employee migrates, retires or modifies data due to no hold visibility.	Legal holds in place; employee, RIM, and IT hold self-service in context.
D Interview	Legal fails to identify key PRI in interview process.	Interviews generate collections, exception handling.
E Collect	Collection Failure from overlooked source, departing employee, incomplete prior collection inventory, communication and tracking errors.	Accurate information maps, automated collections and tracking.
F Discovery Reporting	Unable to assemble, understand or defend the audit trail of discovery activities.	Automated, accurate, discovery and disposition audit trail.
G Routine Disposal	Failures in Record keeping and regulatory change management.	Schedule changes implemented accurately globally, enforced locally.
H Legacy Disposal	IT 'saves everything' increases discoverable mass.	IT saves only data of value. Performs routine, defensible disposal.
I Retention Program	IT disposes of data of value to the business or with legal obligation.	IT saves data of value.
J Policy Audit	Failing internal audit, unable to respond to regulators or courts.	Predictable audit compliance.

# IBM Provides Value-Based Archiving & Defensible Disposal Strategy, Software & Services to Help Reduce Information Volume, Cost & Risk

## Strategy

- **Value-based Archiving & Defensible Disposal to Change Information Growth Curve**
- **Sustainable Solution to Systemic Issues – Systematic Linkage of Duties and Value to Assets**
- **Lower IT Run Rate with More Rigorous Compliance**
- **Alignment of IT Efficiency Objectives with Legal and Regulatory Requirements**
- **Execution and Domain Leadership**

*Increasingly, organizations are focusing on holistic information governance as an area for improvement, including the management of information for compliance and risk mitigation.*

*We are recommending a thorough, legally defensible and business-driven strategy for identifying records. That effort should include retention schedules that allow non-essential data to be routinely disposed of as it is no longer of business value or needed to meet legal or regulatory obligations.*  
-- Gartner

## Technology

### Smart Archive

*IBM's "capability to provide a unified archiving solution that includes value-based archival, disposal, and eDiscovery enablement for both structured and unstructured data is an important differentiator for companies that want to lower cost, complexity, and risk."*

--IDC in ranking IBM #1 Sept 2011

*"IBM is the market share leader, with significantly more share than the next-closest competitor [76%]." -- Gartner*

### eDiscovery Management

*"Very good recognition and acceptance in the legal community." -- Gartner*

### Records & Retention Management

*"Highly scalable in terms of number of users and number of records." -- Gartner*

### Governance & Disposal Enablement

*"The ideal defensible disposition software would help an organization define, store, distribute and execute retention policies, as well as track and coordinate the execution of legal holds. Atlas Information Governance from PSS Systems, acquired by IBM, is '[...] the top of the line for functionality,' says [Brian] Hill of Forrester." -- Computerworld Defensible Disposal issue*

## Expertise

- **Information Governance Process Maturity Model and Methodology**
- **Archiving Expertise**
- **eDiscovery and Records Domain Expertise in Financial Services**
- **Program Office and Governance Structure**
- **Technical and Domain Staff, onshore and offshore**

*"Visionary. The best solution I know for managing enterprise retention and preservation. As important to me, the team and support are as good as the products." -- Tom Lahiff, GC Vigilant, former AGC Citigroup*

*"Working with IBM, we were able to successfully migrate 35 TB of critical data and 200 million objects. The data needed to be moved into our IT infrastructure to comply with regulations and this needed to happen in a very tight time frame. The IBM solution, coupled with strong IBM subject matter expertise support, allowed us to meet our aggressive schedule for moving the data."  
-- Executive VP & CIO, BB&T*