

DEVELOPING A DEFENSIBLE DISPOSAL STRATEGY

IT Teams Shouldn't Have to Make a Billion Choices



» by Deidre Paknad, President and CEO, PSS Systems



An IBM Company

Too Much Data, Not Enough Value

It's commonly understood that data not subject to legal or regulatory requirement and without any business value should be disposed, and doing so is getting more important every day:

- » 40 percent or more of corporate data is not subject to a specific legal duty and has no business value
- » Corporate data volume grew by about 50 percent last year, while budgets grew by 0 percent
- » IT spend averages 3.5 percent of revenues – data management is not cheap (Gartner)
- » IDC predicts data will grow by a factor of 44 in the next 10 years

The bottom line is that companies that can and do dispose of unnecessary information return more profit to shareholders, and they can use their IT budgets for strategic investments rather than waste management.

Defensible disposal is certainly worth doing, but most companies give IT a billion choices to make in order to determine what can safely be disposed. And that's why nothing gets disposed.

Most companies have:

- » 100 to 15,000 matters and legal holds
- » 300 to 3,000 record classes
- » 1,000 to 15,000 regulations that mandate specific record keeping
- » 1,000 to 50,000 file shares, SharePoint sites, ECM systems and applications
- » 2,000 to 40,000 departments of people working on specific business functions
- » 10,000 to 1,000,000 employees
- » 3 to 130 countries in which they operate

To make a point, let's take the smallest of these companies and ask what IT would need to know to dispose of data defensibly: which of 100 legal holds and 300 record categories apply to which of 10,000 people

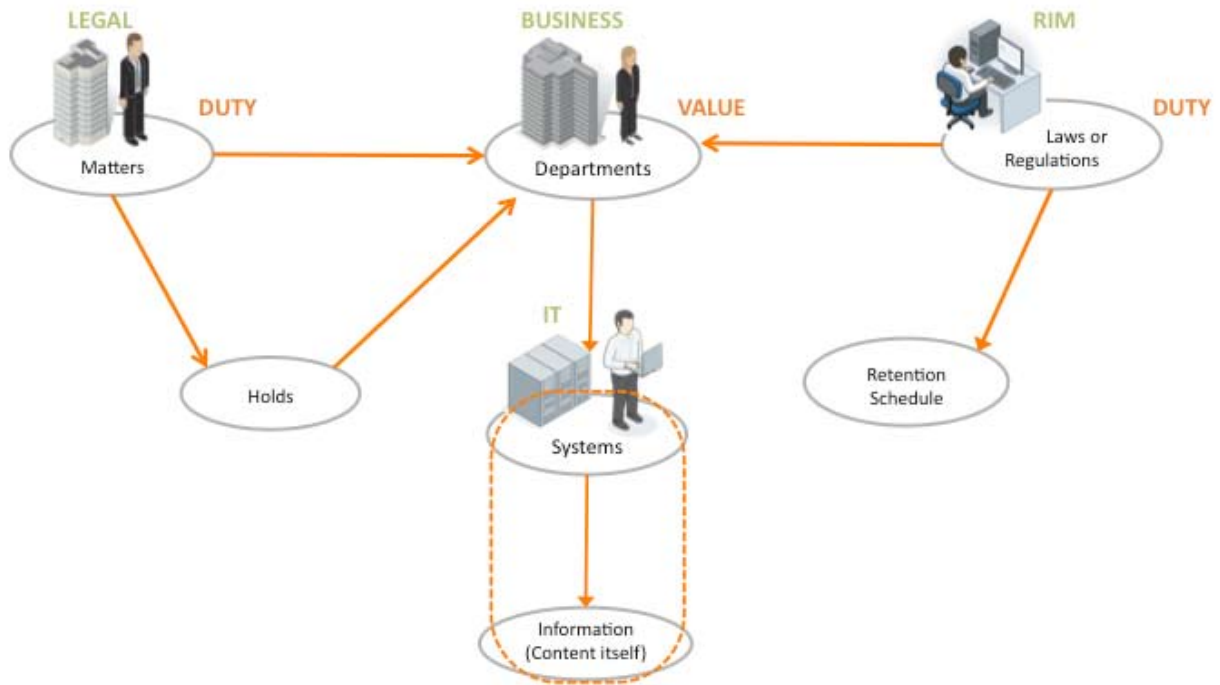
working in which of 2,000 departments whose data is located in which of 1,000 servers or apps. That's a billion potential combinations of legal obligation or business value applicable to any one person and information source. This, of course, is why most IT organizations haven't been able to confidently dispose of data for years and why routine disposition is so difficult. It's guesswork, or it's legwork – but it's not reliable work.

We Do Legal Holds and Records Management, So Where's the Breakdown?

Many companies lack systematic linkage and transparency between the people who determine the legal obligations, the people who determine value, and the people who manage the information. (This is what the IMRM points out; see www.edrm.org/IMRM.)

In addition to the lack of connectivity and transparency, the form of legal hold and form of retention schedule are often part of the problem as well. Legal holds are described by the custodians involved; retention schedules by the business function and record class.

Neither ties to information sources. Often, the form of retention schedule was never modernized from its application to paper records in a single location, and it is so generalized that it cannot be reliably applied by people who manage electronic information in multiple sources (which may or may not be records but need to be disposed nonetheless). Some legal departments choose to manage legal holds as simple email notification, ignoring the thousands of employees in IT involved in managing the data (and the risk this represents). In many companies there is still no one in the legal department who knows definitively who is on hold, so it's impossible for IT to know. For IT, there isn't enough specificity to consistently and confidently execute, so they keep everything.



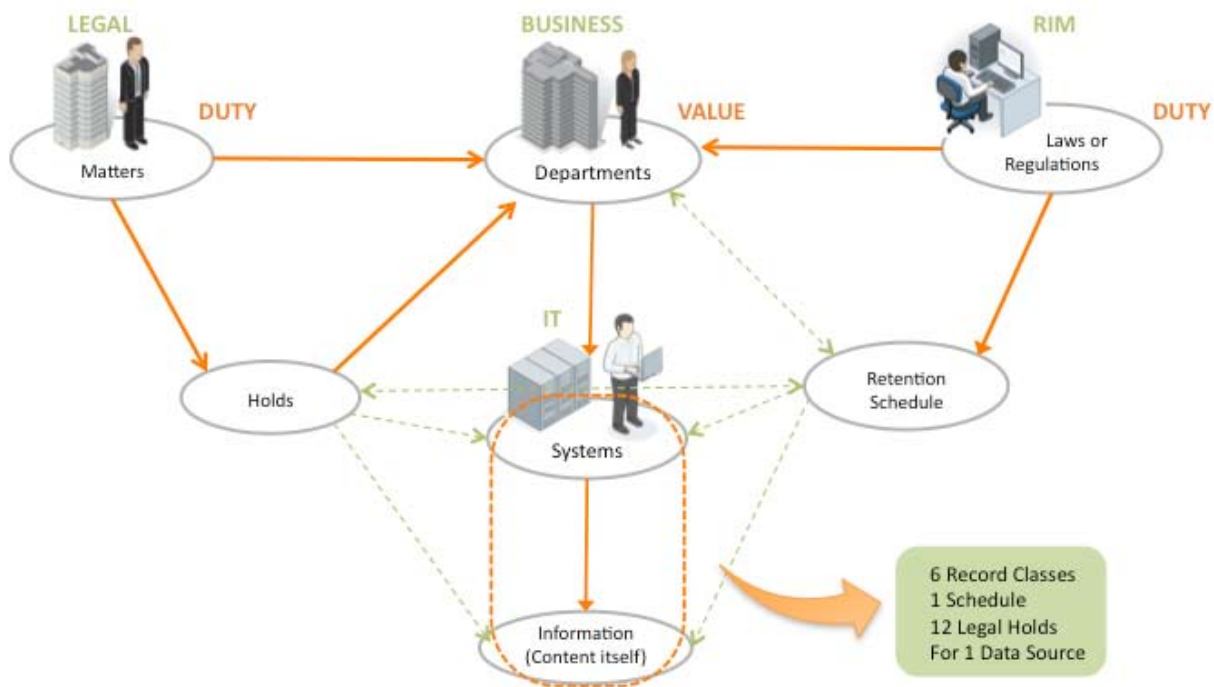
If We Index It All, Won't That Tell Us What to Do?

In a word, no. Searching and indexing 5 petabytes of data won't tell you what's on hold, what's of value and what's subject to regulatory obligations – although it may take weeks or months to index it all, the index will not solve for the billion potential combinations of legal obligation, business value and information source. The obligation and value of information are not determined by their text content but rather by business people making systematic, informed business decisions. Presenting these decision makers with an index of petabytes of data and asking them to make retrospective business decisions is a nonstarter.

So How Do You Achieve Defensible Disposal?

Here are the four cornerstones of defensible disposal best practice:

1. Systematically link the business processes in legal, RIM and IT to provide structural collaboration and transparency (workflow and automated collaboration rather than conference room collaboration).
2. Modernize the RIM program and conduct a systematic information inventory that captures value and local terminology, and points to the many disparate locations where information is stored in a structured application shared with legal and IT (rather than the spreadsheets or access databases typically used in schedule refresh work).



3. Treat legal holds as an enterprise function where people, records, information categories and sources are properly identified and the hold is transparent to stakeholders (rather than as legal department issue myopically focused on notices going out but leaving IT on its own).
4. Ensure that IT can determine — *in their terms* and with little or no interpretation — who and what is on hold, what is of value and what is subject to regulatory obligation (rather than guessing or assuming that all information has the same value or is subject to the same obligations).

Information Governance (IG) application software, such as Atlas from PSS Systems, can push hold, collection, retention and classification instructions to search tools and repositories and provide IT with truly actionable procedures per data source. Sophisticated search tools can then readily determine which of the small set of record categories and policies and legal holds apply to a single, specific department, data source or

individual. Smart repositories can then execute the instructions applicable to the data they contain. This increases infrastructure value, reduces cost of deployment and improves results for users.

More importantly, IG application software and the linkages it provides enable IT to defensibly dispose of data without duties or value. It helps legal accelerate discovery and defend their process as equal beneficiaries of the information inventory and transparency into the business and IT. It ensures that the business gets smaller bills from IT and smaller bills from legal, and who will be able to find what they value without wading through garbage first.

To quote Peter Drucker, innovators address what is visible but not seen. Massive data accumulation happens when IT can't easily determine what's subject to obligation and what's of value – make these determinations easy by adding application software to your Information Governance program.

About Deidre Paknad

Deidre Paknad is President and CEO of PSS Systems, an IBM Company and is widely credited with having launched the first commercial applications for legal holds, collections and retention management in 2004. She founded the CGOC in 2004, a professional community on retention and preservation that IDC labeled a “think tank”. She has been a member of several Sedona working groups since 2005 and leads EDRM IMRM sub-group 6. Deidre has been inducted into the Smithsonian Institution for technology innovation twice.

About PSS Systems, an IBM Company

PSS Systems helps companies eliminate unnecessary legal risk, and discovery and data management costs. Its Atlas Suite is the recognized leader in information governance providing integrated software solutions for legal holds, discovery workflow, regulatory compliance and data governance for customers like Abbott, BASF, ConocoPhillips, First Data, GE, Pfizer and Williams. PSS is the innovator that started the legal holds market in 2004 and has the largest concentration of customers and domain experts anywhere. PSS is a trusted business partner to its customers, offering expert insight, best-in-class software, and continuous innovation to address emerging challenges. PSS founded and sponsors the CGOC as a part of its commitment to advancing corporate retention and preservation practices. The company is based in Mountain View, California. For more information, visit www.pss-systems.com.



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