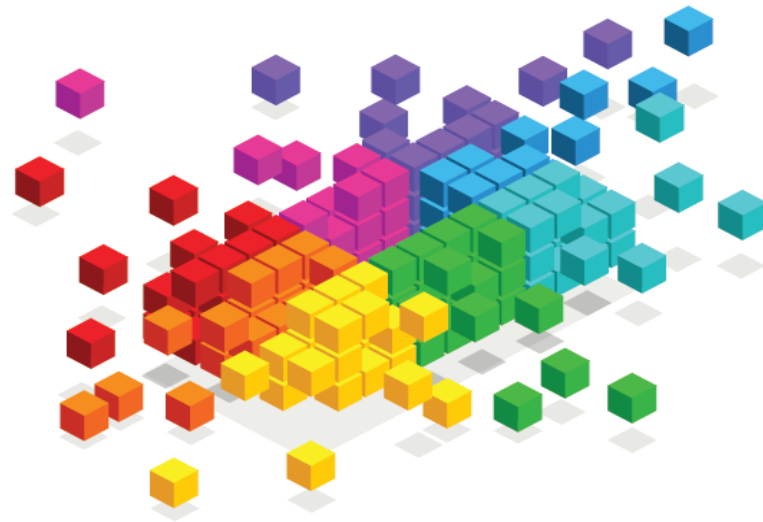


How to Leverage Enterprise Content Management to Solve Today's Pressing Information Governance Problems

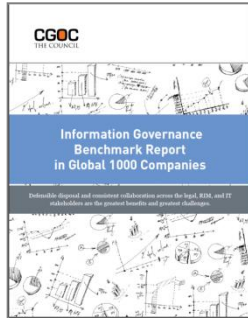
Putting Content to Work
ECM UserNet 2011



Our Program Goal

Help you identify opportunities to leverage your skills and investments on high-cost, high-risk information governance challenges your organization faces with sessions on:

1



Executive Challenges & Recent Findings

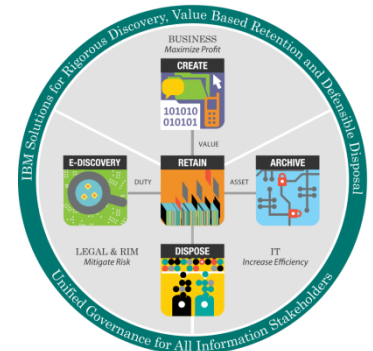
2



Executive Points of View on the Challenges

- ✓ CIO
- ✓ General Counsel
- ✓ Risk & Compliance

3

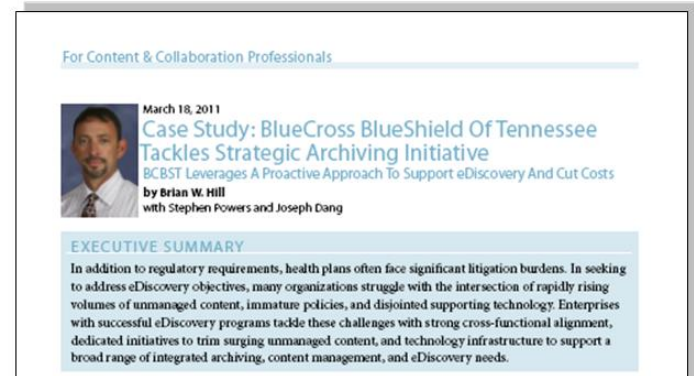


ECM Building Blocks

- ✓ Value Roadmap
- ✓ Product Roadmap

Leadership Opportunities for ECM Practitioners

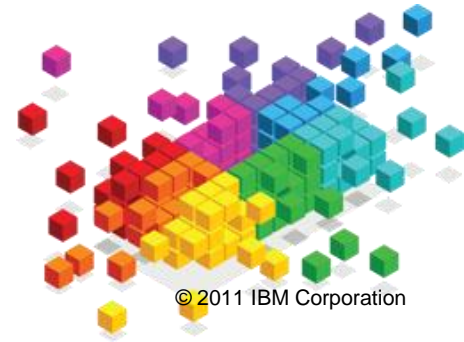
- “Working with other content and collaboration professionals at BCBST, **Andy Jacobs, the company’s lead enterprise content management (ECM) architect**, sought to address [the challenges of surging volumes of content ... including mounting legal expenses when relying on high-cost, third-party services organizations for identification, collection, and downstream eDiscovery efforts]”
- “His key steps included:
 Creating a strong cross-functional team.... **Jacobs collaborated with the company’s records manager, associate general counsel, and other stakeholders** to understand requirements, identify areas of highest legal risk, and capture sufficient detail to scope and justify the program.”



[Forrester Case Study:](#)
[BCBST Tackles Strategic Archiving Initiative](#)

Topics

1. IT and Information Governance Challenges
2. Developing the business case for change
3. Building on your expertise and ECM investments
4. Resources to learn more



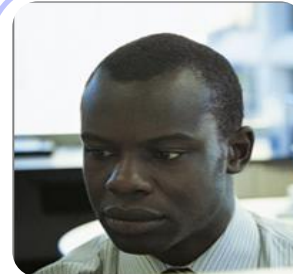
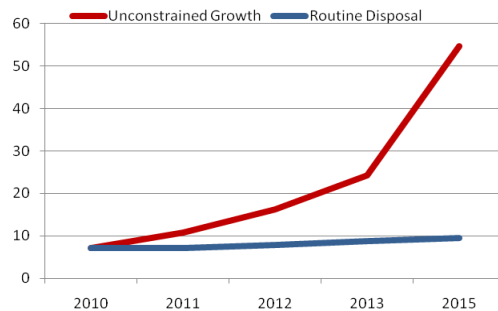
Executive Challenges



CIO

- 10-fold increase in information volume and diversity in 5 years
- 80% YoY data growth, 1% budget growth

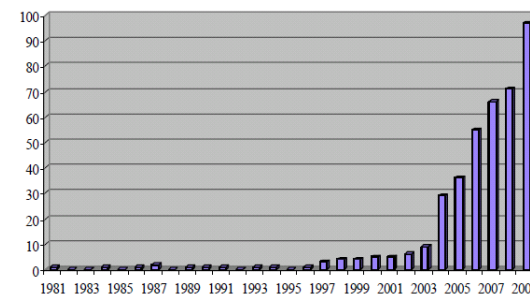
LOOKING FOR EVERY WAY POSSIBLE TO CONTAIN GROWTH & COSTS



General Counsel

- 2006 legal rules expanded responsibilities to all information
- 10x rise in sanctions cases

LOOKING FOR WAYS TO PREVENT FAILURES, CONTAIN RISK



Information Cascade Effect

900% increase in information
growing 80% every year

Compliance
dependent on data
reliability and
governance

Tremendous increase in industry regulations
growing expectation of transparency on risk exposure

Cost and risk a
function of data
volume, governance

10x increase in eDiscovery sanctions cases
ever increasing scope of information obligations

Decision integrity and
value lost in information
landslide

10% increase in profits every year
expectation for continuous growth

Excess Information is Expensive

6.5%

Percentage of revenues spent on information management in FS

44x

Projected information growth, 2009-2020³

\$3M

Average cost to collect, cull and review information per legal case¹

70%

Portion of information unnecessarily retained²

98%

Companies that cite defensible disposal as key result of governance programs

22%

Companies that can defensibly dispose today

Sources: 3. [IDC Digital Universe Study, May 2010](#)

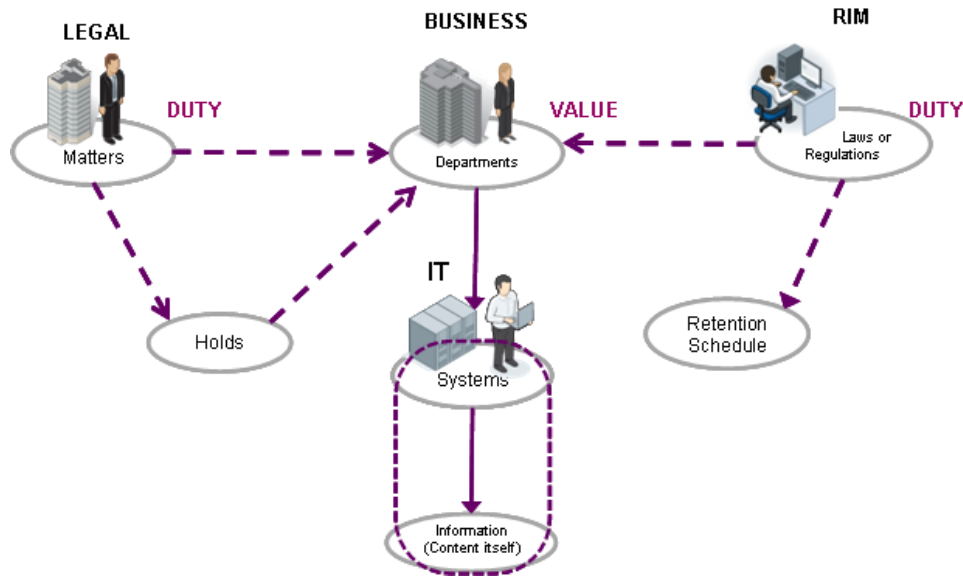
Sources: 1 [Litigation Cost Survey of Major Companies, 2010 Conference on Civil Litigation, Duke Law School, May 2010](#)

Source: [CGOC Benchmark Report on Information Governance, October 2010](#)

Enterprise Information Management Challenge

Legal & RIM understand information obligations

- ✓ Manual or siloed process not systematically visible to IT
- ✓ 10,000s of duties that vary by case, country and line of business



Business teams know the value of information

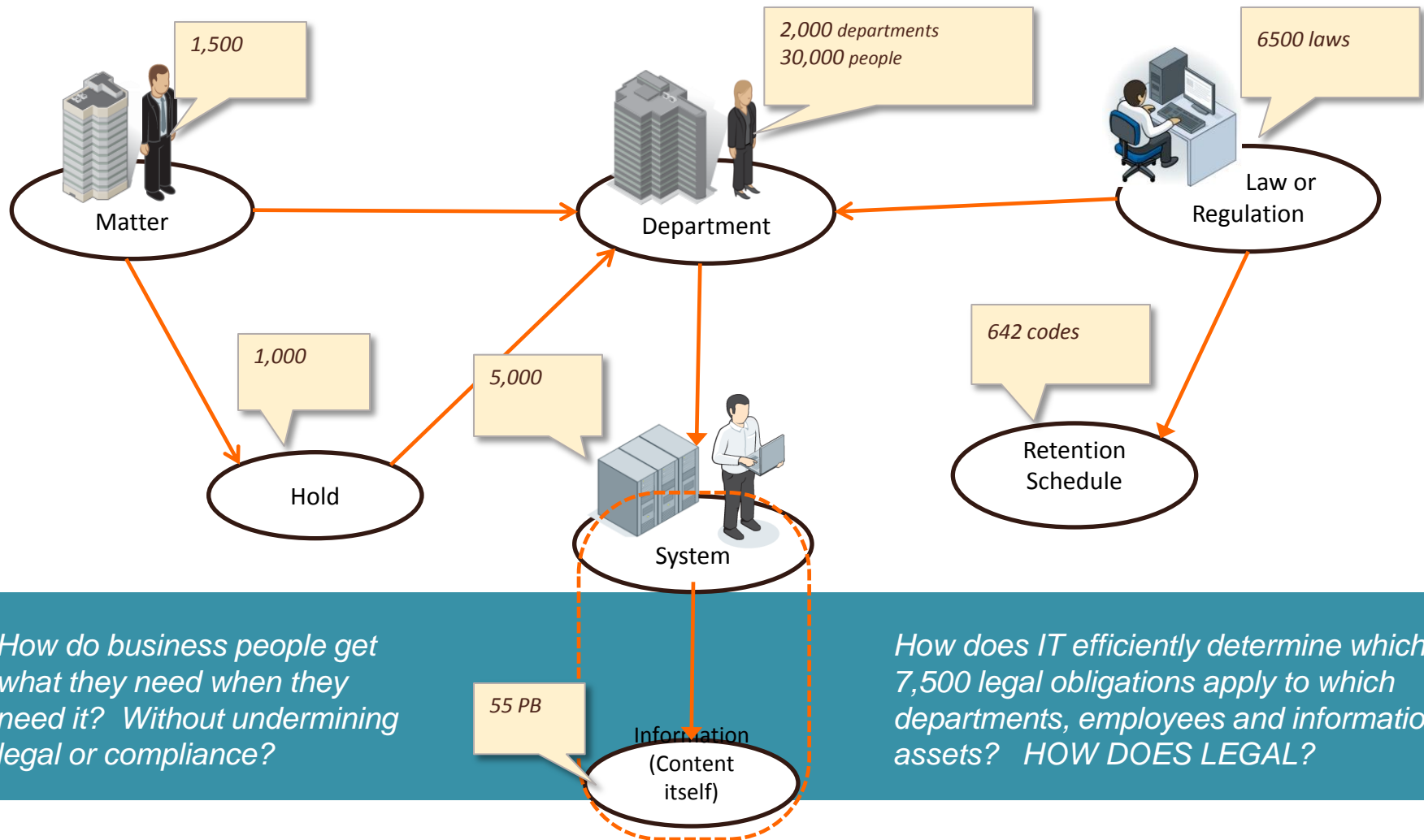
- ✓ No modern mechanism to communicate specific value to IT (or legal)
- ✓ 1000s or 10,000s of departments doing various business functions with variable info value



IT has the information but *no visibility to its obligations or business value*

- ✓ No safe disposal, serious constraints on migration and consolidation
- ✓ Uses capital to manage garbage rather than information of utility to the business

A Billion Choices, None of Them Actionable

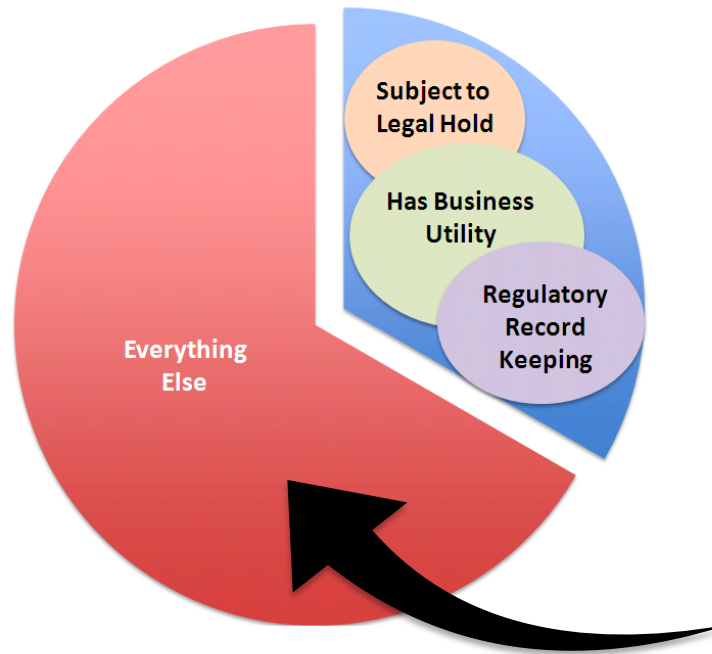


Conundrum

If you know what you need to keep for litigation and regulations

And you know what you need for its business value (and for how long)

Then you can throw everything else away

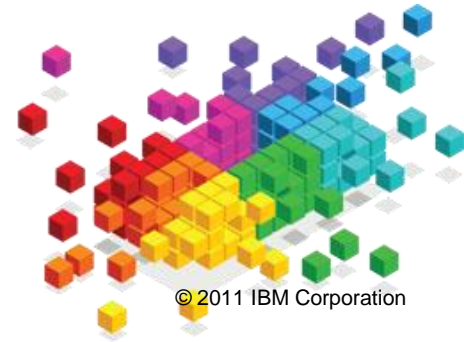


If you can't determine specific value and legal duty, you must:

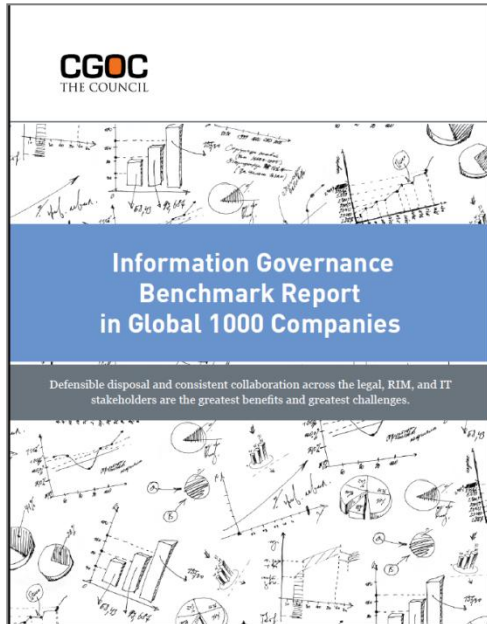
- ✓ Manage everything as if of value
- ✓ Guess if you're in compliance
- ✓ Spend too much to manage unnecessary data
- ✓ **Spend too much to preserve and produce it unnecessarily**

Topics

1. IT and Information Governance Challenges
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3. Building on your expertise and ECM investments
4. Resources to learn more



Recent Findings on These Challenges Are Promising: Executive Motivation Exists



INFORMATION GOVERNANCE GOALS AND OBJECTIVES

Stakeholders across legal, records and IT had almost unanimous information governance objectives:

- » 98% of respondents identified defensible disposal of information as a desired benefit
- » 72% cited disposal as the biggest benefit of an information governance program.
- » 66% cited consistent collaboration and systematic linkage across legal, records and IT
- » 53% identified compliance and risk reduction

The level of consensus on program outcomes is promising.

TOP PLANNED BENEFITS OF INFORMATION GOVERNANCE INITIATIVES IN 12-36 MONTHS

RISK REDUCTION

- » Reduce legal risk
- » Enable compliance
- » Protect sensitive information

COST REDUCTION

- » Increase IT efficiency
- » Ensure routine data disposal
- » Reduce data volume and IT cost

“We’re still trying to bring all stakeholders to the table.”

Room for Improvement in Adjacent Area for ECM Leaders

85% cited lack of systematic linkage and collaboration across legal, records and IT a critical point of failure

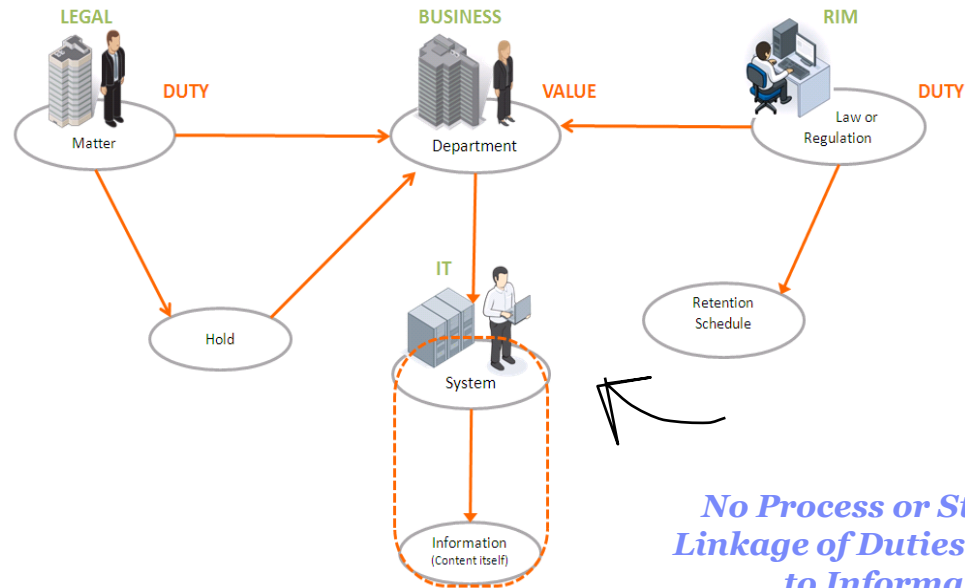
70% use people glue to link legal obligations and business value to information assets

50% of IT departments don't use retention schedules at all

33% identified records subject to legal holds as part of the hold definition

30% of companies are achieving disposal and risk reduction benefits of information governance today

22% of companies can routinely dispose of data, predominantly paper



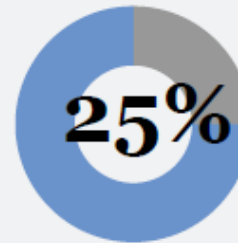
No Process or Structural Linkage of Duties and Value to Information

An Opportunity for Leadership Exists

RESPONSIBILITY & OWNERSHIP ISSUES



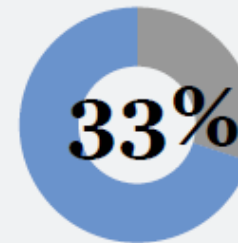
Who RIM
Believes is
Responsible for
Information
Management &
Disposal



Those Who
Believe
Ownership Model
is Right Today



Who IT
Believes is
Responsible

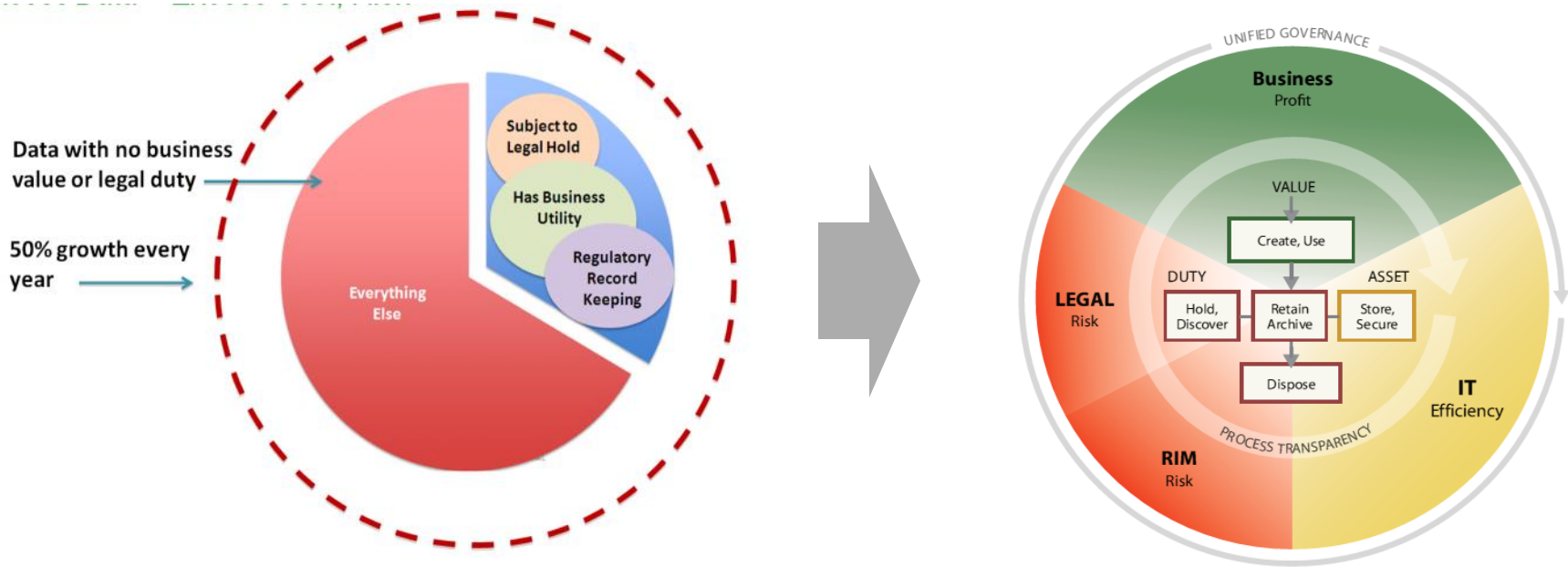


Those that can
or do routinely
apply retention
schedules to ESI

The lack of collaboration across stakeholders and lack of systematic linkage between their processes are both organizational and structural challenges that make the effort for any one stakeholder group overwhelming.

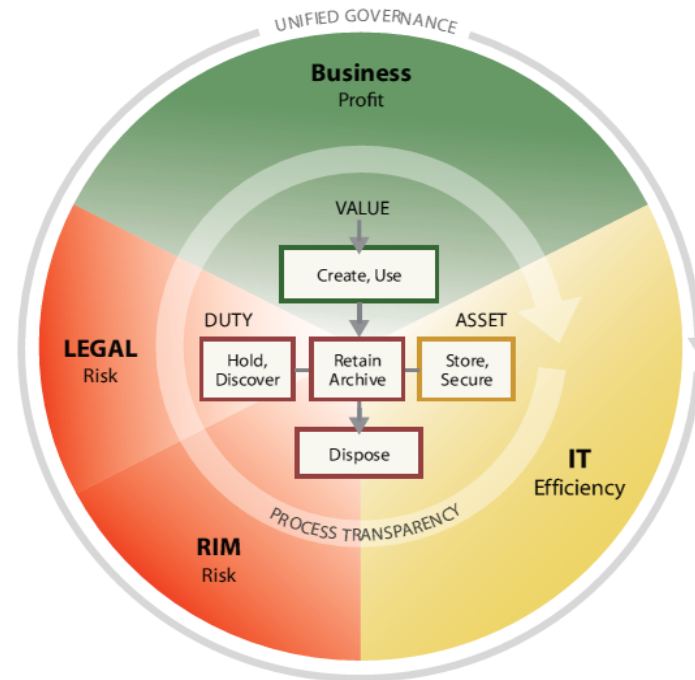
The Path from Ad Hoc to Shared Responsibility

Lower Risk & Cost, Higher Value



Information Management Reference Model (IMRM)

Linking duty + value to information asset = efficient, effective management



A Counterpart to EDRM, not a Subset

The IMRM will help bridge gap between IT, Legal, Compliance, RM, and other stakeholder groups within organizations. The IMRM does NOT aim to produce a model that is prescriptive in nature; rather, it seeks to provide a reference that will promote cross-functional dialogue and collaboration.

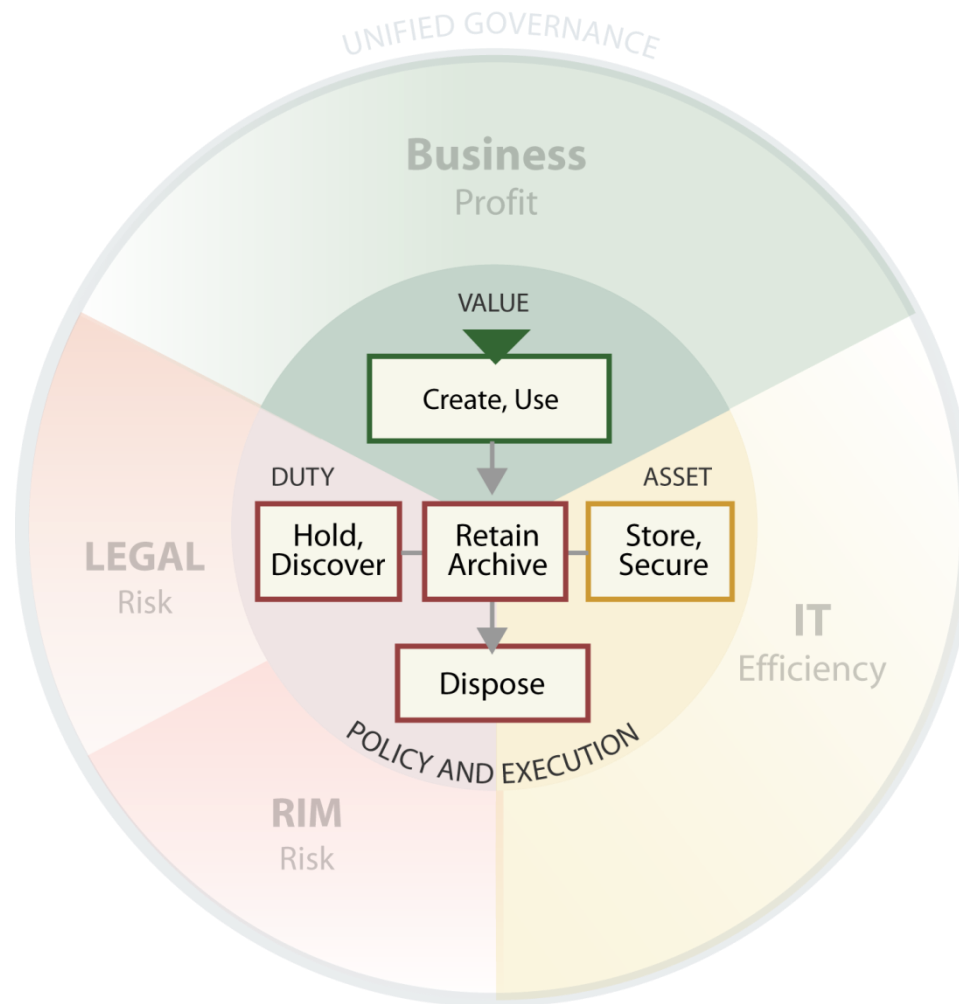
www.edrm.net

Duty: Legal Obligation for specific information

Value: Utility or business purpose of specific information

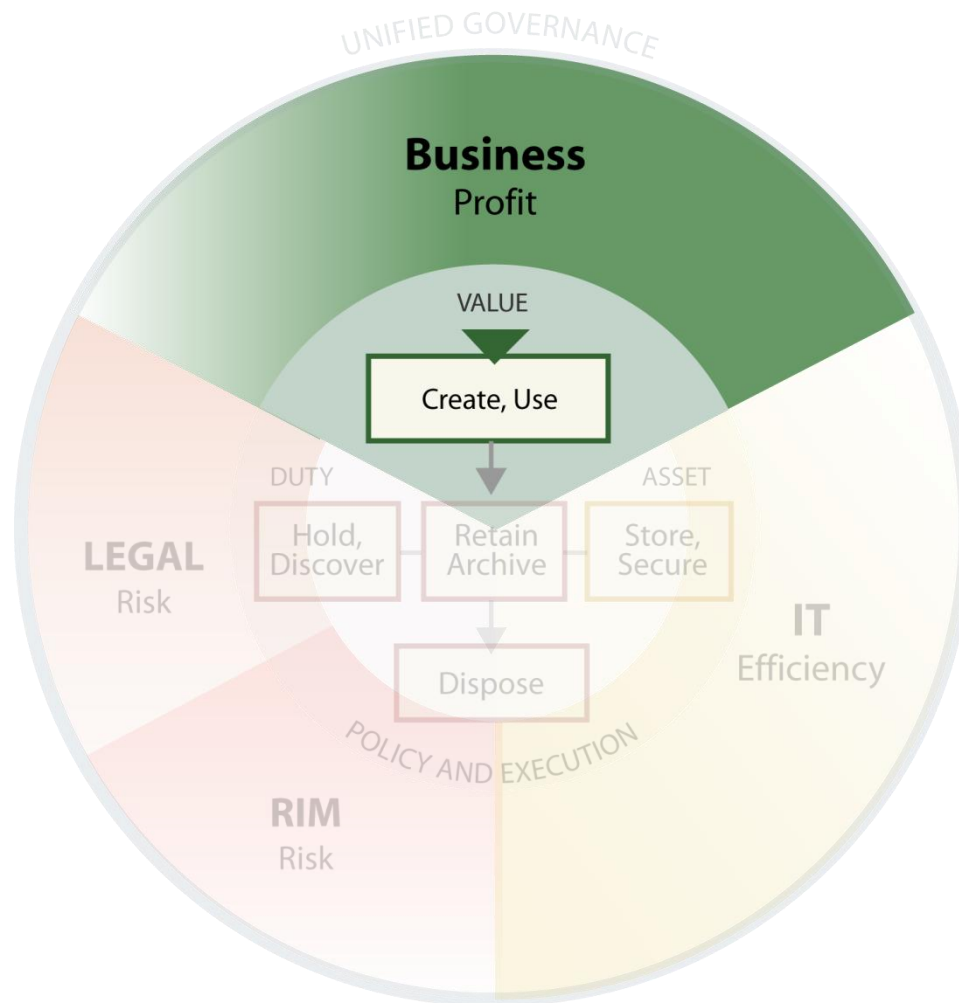
Asset: Specific container of information

Information is at the center

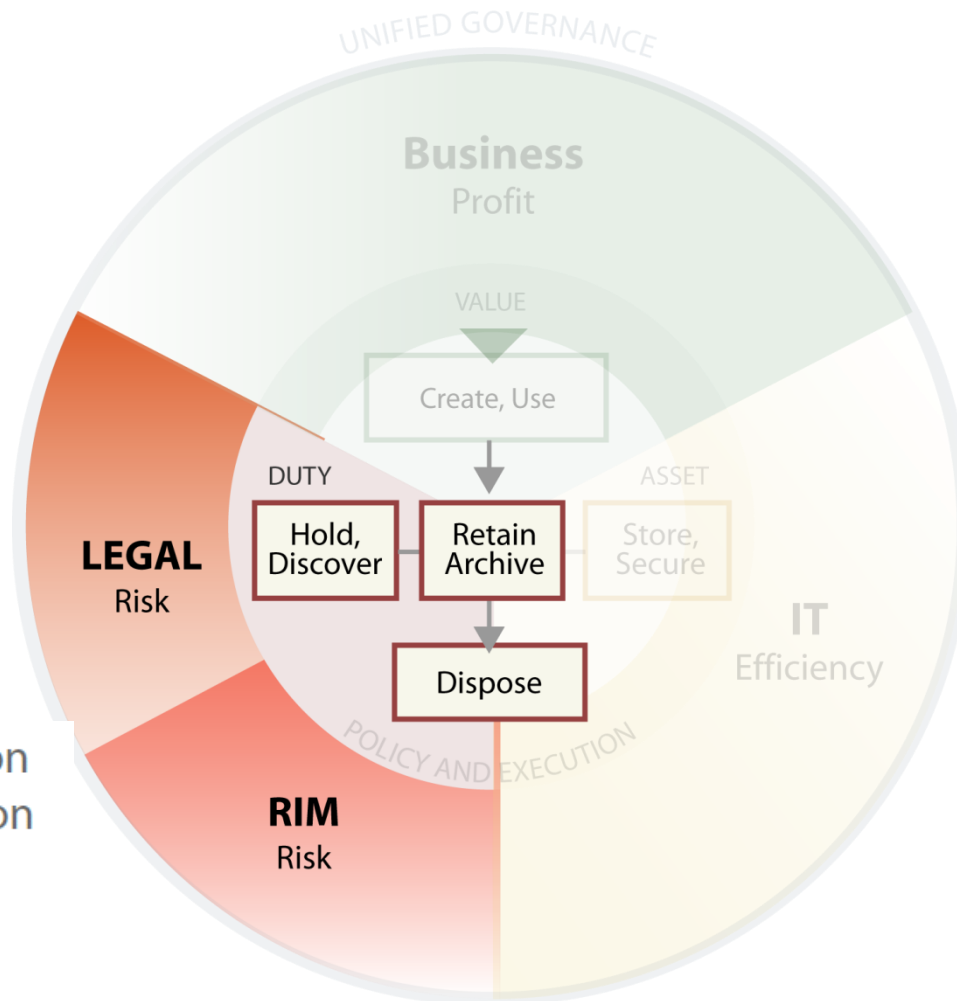


It Starts with the Business & Value

Value: Utility or business purpose of specific information

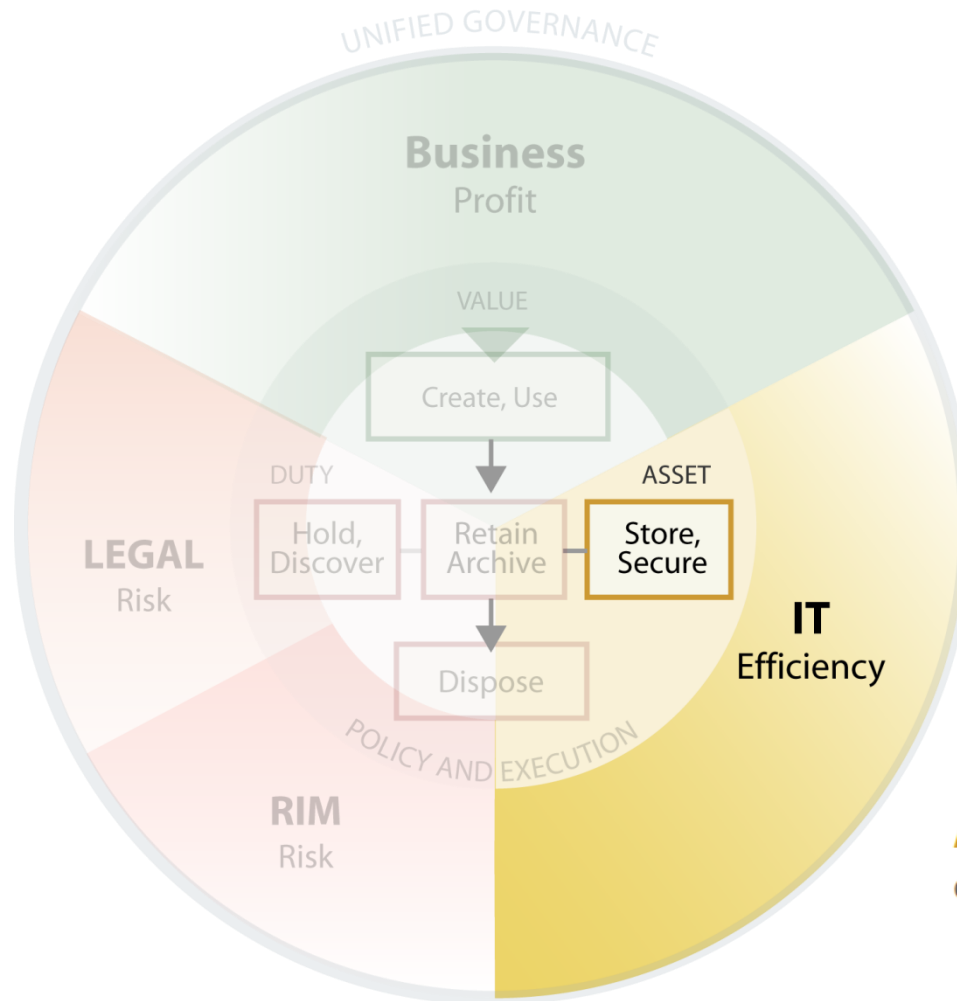


Legal & RIM Have Responsibility for Legal Duties & Obligations for Information



Duty: Legal Obligation for specific information

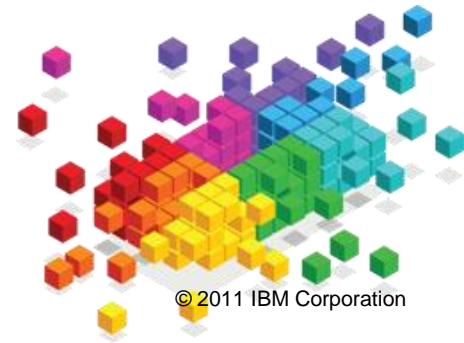
IT is Chartered with Efficiently Managing Information



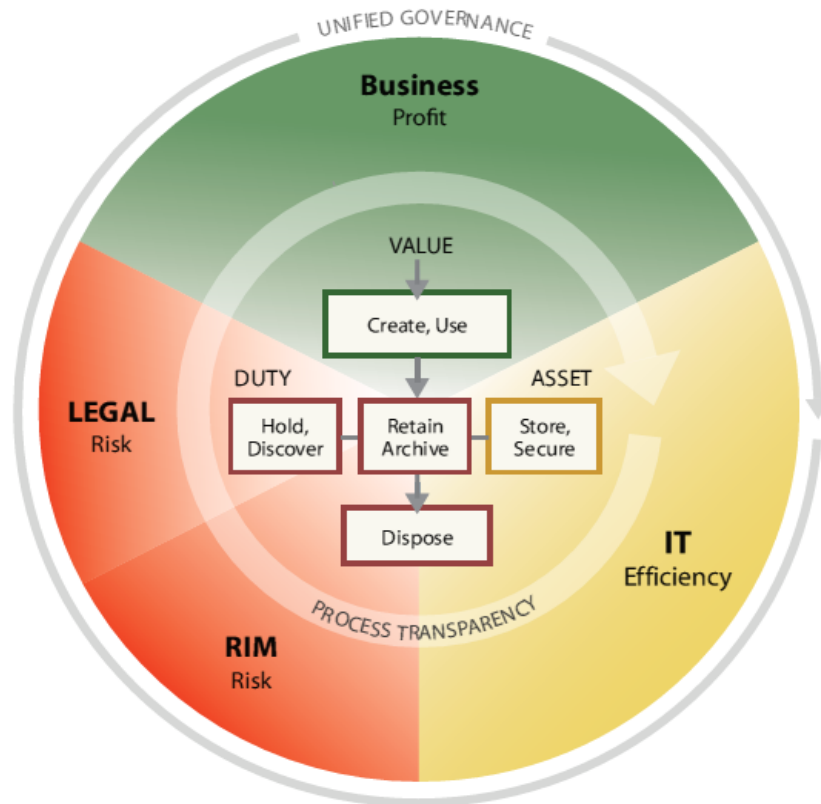
Asset: Specific container of information

Topics

1. IT and Information Governance Challenges
2. Developing the business case for change
3. Building on your expertise and ECM investments
4. Resources to learn more



Enterprise Content Management Practitioners Are Uniquely Positioned To Address These Challenges



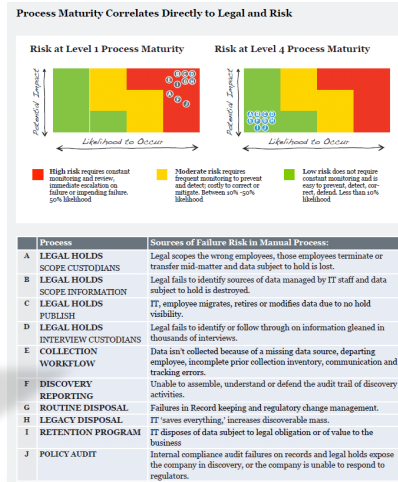
- ECM skills, tools and best practices are at the heart of the Information Management Reference Model
- ECM practitioners have the opportunity to:
 - **Lead** their organization to measurably reduce risk and cost
 - **Leverage** their skills
 - **Advance** their ECM program

Focal Points for Improvement

TAKE AWAYS		
1 RIGOROUS DISCOVERY	2 VALUE-BASED RETENTION	3 DEFENSIBLE DISPOSAL
KEEP THE END GAME IN MIND	FORM MUST FOLLOW FUNCTION	BREAK THE VICIOUS ACCUMULATION CYCLE
<ul style="list-style-type: none"> » Legal must have reliable process » Holds transparency necessary for all » Must be easily auditable » Favor enforcement over documentation 	<ul style="list-style-type: none"> » Modernize schedules for disparate sources, forms » Capture business value » Ensure IT can apply schedule in systematic manner » Consider your consumers 	<ul style="list-style-type: none"> » Galvanize CIO support with cost reduction benefits » Reduce systemic risk » Lower data volume drives down both discovery and IT costs » Choose for the enterprise over your department

We Have Tools to Help You Assess Processes, Quantify Risk and Cost, and Chart the Course Forward to Lower Cost and Risk

PROCESS MATURITY MODEL FOR INFORMATION GOVERNANCE				
PROCESS	Level 1: AD-HOC, MANUAL, UNSTRUCTURED	Level 2: MANUAL, UNSTRUCTURED	Level 3: SEMI-AUTOMATED WITHIN SCOPE	Level 4: AUTOMATED AND FULLY INTEGRATED ACROSS FUNCTIONS
A 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 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.
C Publish Hold	Manual notices, confirmations, 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 a 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.
D 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.
E 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 file collected; source, chain of custody, IT self-service look up.	From their browsers, Attorney's collect directly from custodians or any system.
F 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.
G 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.
H Monitoring, Compliance	Each attorney tracks their own matters, status.	Formal, but manual reporting of open holds; no summary reporting on interviews, collections, responses.	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, risks, risk and cost reduction opportunities.



LEVEL 1 LEGAL AND IT COSTS				
Process	Data Management	Outside Legal	Internal Productivity	Total
Hold	\$0	\$1,405,000	\$1,140,480	\$2,545,480
Collect	\$0	\$64,000	\$56,064	\$120,064
Review	\$2,072,000	\$67,200,000	\$0	\$69,272,000
Discover Report	\$0	\$448,000	\$4,603,200	\$5,051,200
Other Outside Legal	\$0	\$42,000,000	\$0	\$42,000,000
Retention Program	\$0	\$0	\$200,000	\$200,000
Store/Manage Data	\$160,000,000	\$0	\$140,000,000	\$300,000,000
Info Policy Audit	\$0	\$0	\$0	\$0
Total	\$162,072,000	\$111,120,000	\$145,099,744	\$418,191,744

LEVEL 4 LEGAL AND IT COSTS				
Process	Data Management	Outside Legal	Internal Productivity	Total
Hold	\$0	\$752,000	\$1,027,392	\$1,779,392
Collect	\$0	\$63,872	\$54,989	\$118,861
Review	\$414,400	\$40,320,000	\$0	\$40,734,400
Discover Report	\$0	\$448,000	\$4,257,120	\$4,705,120
Other Outside Legal	\$0	\$0	\$0	\$0
Retention Program	\$0	\$0	\$190,000	\$190,000
Store/Manage Data	\$80,000,000	\$0	\$70,000,000	\$150,000,000
Info Policy Audit	\$0	\$0	-\$40,000	-\$40,000
Total	\$80,414,400	\$41,593,872	\$75,489,501	\$197,497,773

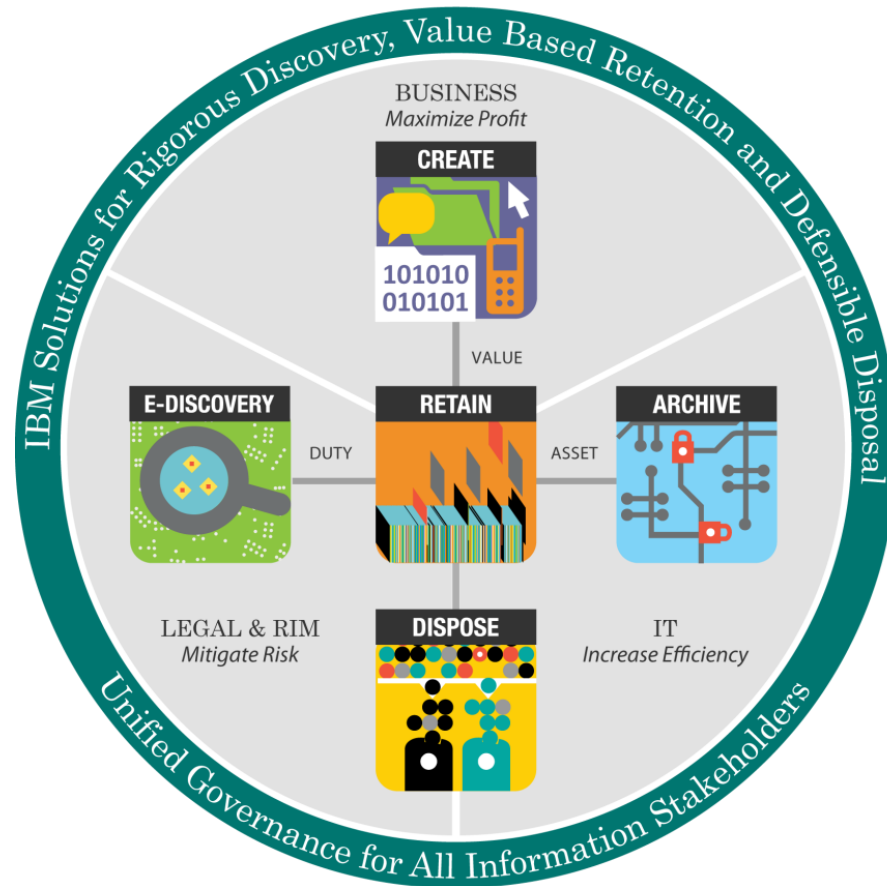
13 Key Processes
Maturity Model and Self Assessment

Risks in these Processes
Current and Future State

Legal & IT Costs of Process
Current and Future State

ILG Solutions Close Gaps Between Legal, IT and Records Stakeholders to Systematically Lower Cost and Risk

Only IBM links stakeholders and their processes to connect legal duties and business value to information assets.



Learn More About Executive Challenges & How You Can Be Part of the Solution



4:30 PM – 5:20 PM Tuesday
Addressing The CIO's Cost Challenges



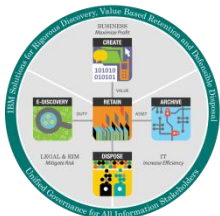
10:15 AM – 11:05 AM Wednesday
Addressing General Counsel's Risk Challenges



11:15 AM – 12:05 PM Wednesday
How RIM Helps -- Aligning Retention Policy with Information Pace



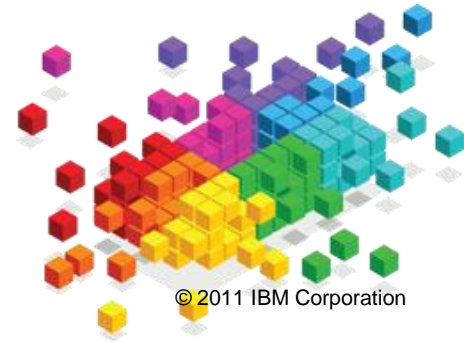
1:05 PM – 1:55 PM Wednesday
A Smarter Approach to Archiving Can Reduce IT Cost and Legal Risk



2:05 PM – 2:55 PM Wednesday
Building on ECM Investments – Value & Product Roadmap

Topics

1. IT and Information Governance Challenges
2. Developing the business case for change
3. Building on your expertise and ECM investments
4. Resources to learn more



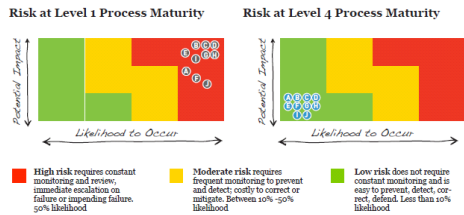
IBM Information Lifecycle Governance

TOOLS

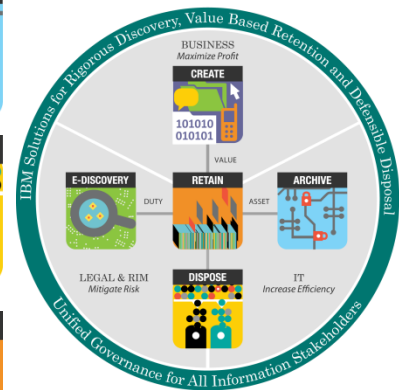
BEST PRACTICE EXPERTISE

SOLUTIONS

Process Maturity Correlates Directly to Legal and Risk

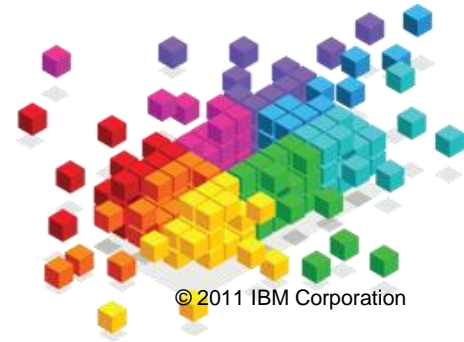


Process	Sources of Failure Risk in Manual Process:
A LEGAL HOLDS SCOPE CUSTODIANS	Legal scopes the wrong employees, those employees terminate or transfer mid-matter and data subject to hold is lost.
B LEGAL HOLDS SCOPE INFORMATION	Legal fails to identify sources of data managed by IT staff and data subject to hold is destroyed.
C LEGAL HOLDS PUBLISH	IT, employee migrates, retires or modifies data due to no hold visibility.
D LEGAL HOLDS INTERVIEW CUSTODIANS	Legal fails to identify or follow through on information gleaned in thousands of interviews.
E COLLECTION WORKFLOW	Data isn't collected because of a missing data source, departing employees, incomplete prior collection inventory, communication and tracking errors.
F DISCOVERY REPORTING	Unable to assemble, understand or defend the audit trail of discovery activities.
G ROUTINE DISPOSAL	Failures in Record keeping and regulatory change management.
H LEGACY DISPOSAL	IT 'saves everything', increases discoverable mass.
I RETENTION PROGRAM	IT disposes of data subject to legal obligation or of value to the business
J POLICY AUDIT	Internal compliance audit failures on records and legal holds expose the company in discovery, or the company is unable to respond to regulators.



References / Links

Resource	Link
Forrester Case Study: BCBST Tackles Strategic Archiving Initiative	http://www.forrester.com/rb/Research/case_study_bluecross_blueshie/Id_of_tennessee_tackles/q/id/58702/t/2
CGOC Benchmark Report on Information Governance, October 2010	http://www.cgoc.com/register/benchmark-survey-information-governance-fortune-1000-companies
Litigation Cost Survey of Major Companies, 2010 (from Conference on Civil Litigation, Duke Law School, May 2010)	http://civilconference.uscourts.gov/LotusQuickr/dcc/Main.nsf/\$defaultview/33A2682A2D4EF700852577190060E4B5/\$File/Litigation%20Cost%20Survey%20of%20Major%20Companies.pdf?OpenElement
IDC Digital Universe Study, May 2010	http://gigaom.files.wordpress.com/2010/05/2010-digital-universe-iview_5-4-10.pdf
Information Management Reference Model from EDRM.net	http://edrm.net/projects/imrm
Join the CGOC today!	http://cgoc.com



Thank You!



Using Your ECM Expertise to Address The Most Pressing Information Governance Challenges Today

Michele Kersey

michelekersey@us.ibm.com

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