

Agenda

Risk and Compliance: *Peril and Promise*

1. Welcome: Frederik Soendergaard-Jensen
2. Analyst View: Charlie Brett, VP META Group
3. IBM in the regulatory compliance space: Nora Sweet
4. Panel discussion: Nora Sweet, host
5. Your questions: Nora Sweet, moderator

Charlie Brett, Vice-President, META Group

- Expert in technical and market aspects of enterprise content and document management, imaging, workflow, data extraction and archival and output management
- Advises clients on the impact of enterprise content infrastructures, best practices, and compliance - including records management, archival, and regulatory strategies



Business Scenario

- Complying with regulations as well as understanding risk
 - ▶ SOX is on agenda for every public company
- Increased concern over all corporate “records”
 - ▶ Ramifications range from penalties to high reactive costs
- What, really, is required?
 - ▶ Proactive best practices

Compliance and recordkeeping is not new — new compliance initiatives are broader and deeper than before

Precedents causing (Over) Reaction



Electronic vs. Physical Divide

- Many formats
 - ▶ Documents, images, emails, voice mails, websites, IM, structured data
 - ▶ Multiple versions, renditions, duplicates
- Disparate content repositories and use
 - ▶ Shared drives, personal hard drives, email servers, backups
 - ▶ Access needs and storage limitations do not determine retention

Another chasm to cross



Physical RM provides organizational best practices for the transition to electronic RM



Records Management Foundations

- Records Mgmt Infrastructure
 - ▶ Lists of records categories
 - ▶ How is corporate RM organized
 - ▶ Retention Period
 - ▶ Types of records
- Provide access and processing
 - ▶ For full lifecycle
 - Storage options/formats
 - Support various users
- Assure an accurate and complete record
 - ▶ Content, Context, and Structure maintained
- Demonstrate integrity
 - ▶ Prove immutability
 - Audit Trails



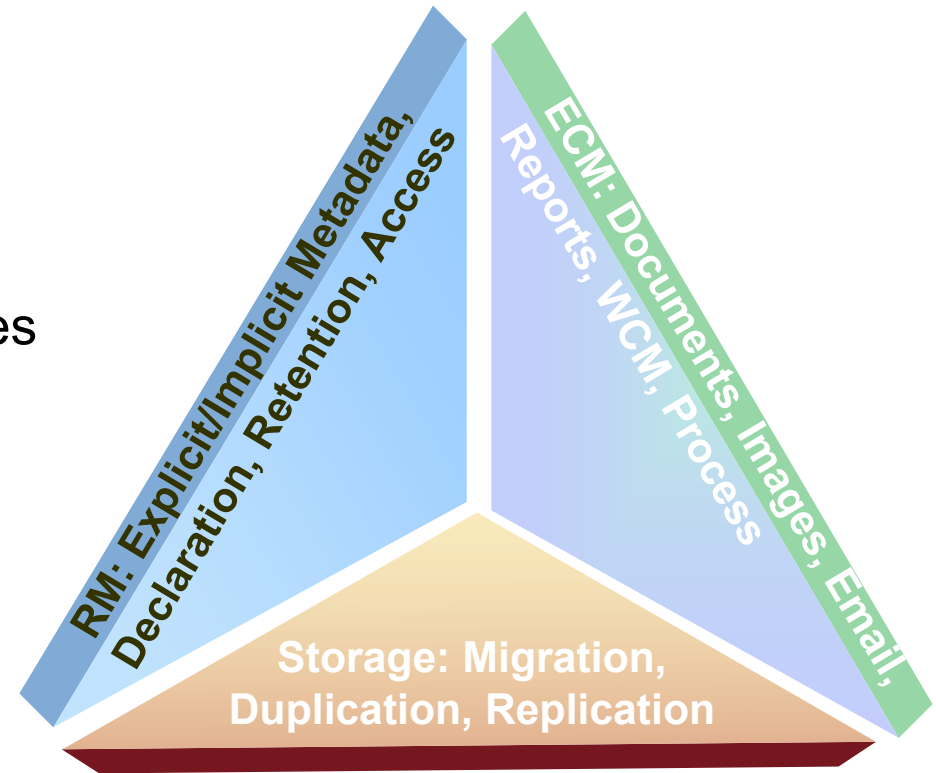
Email Realities and Liabilities

- Legislative/regulatory and litigious environment
 - ▶ How does the organization assess and commit to risk management
- Rate of infusion and usage of email in the organization
 - ▶ Pure communication vs. business transaction
- Huge volumes involved
 - ▶ Operational management can aid risk mitigation goals
- Expungement
 - ▶ Copies may exist on archives, backup tapes, or user computers
 - ▶ Emails easily copied and forwarded to locations unknown
- Court judgments for email discovery
- Increasing source for journalist/headline news stories
 - ▶ Getting on executive radar screens



Content and Compliance Linkages

- Provides a single application and repository for enterprise content and records management
 - ▶ Documents, records, knowledge and storage policies
- Governance infrastructure
 - ▶ Lifecycle metadata
 - ▶ Ownership, personal usage



ECM, RM, and Storage infrastructure integration is an evolving ecosystem



The Promise of RM-ECM Integration

- Embed record declaration functions into the business process
 - ▶ Author/Declare/Classify/Extract/Verify
- Structured Lifecycle Management
 - ▶ Time- and Event-based structured retention and disposition
- Accommodate existing recordkeeping practices
 - ▶ Expand physical classification and file plans
- Single System Classification
 - ▶ Minimize human error in assigning retention rules

IT must work with defined risk and compliance requirements to implement the records infrastructure



Proactive Best Practices

- Demonstrate proof of continuing awareness and accountability
- Address cultural and behavioral realities
- Start with a PMO that includes executive, legal/compliance, existing RM, LOB, and IT
- Conduct internal assessments of all organizational data
- Legal review for categorization, retention, and disposal

Risk management and compliance is now a cost of doing business with immediate benefits – start planning now





IBM Software Group

IBM Risk and Compliance: *Peril and Promise*

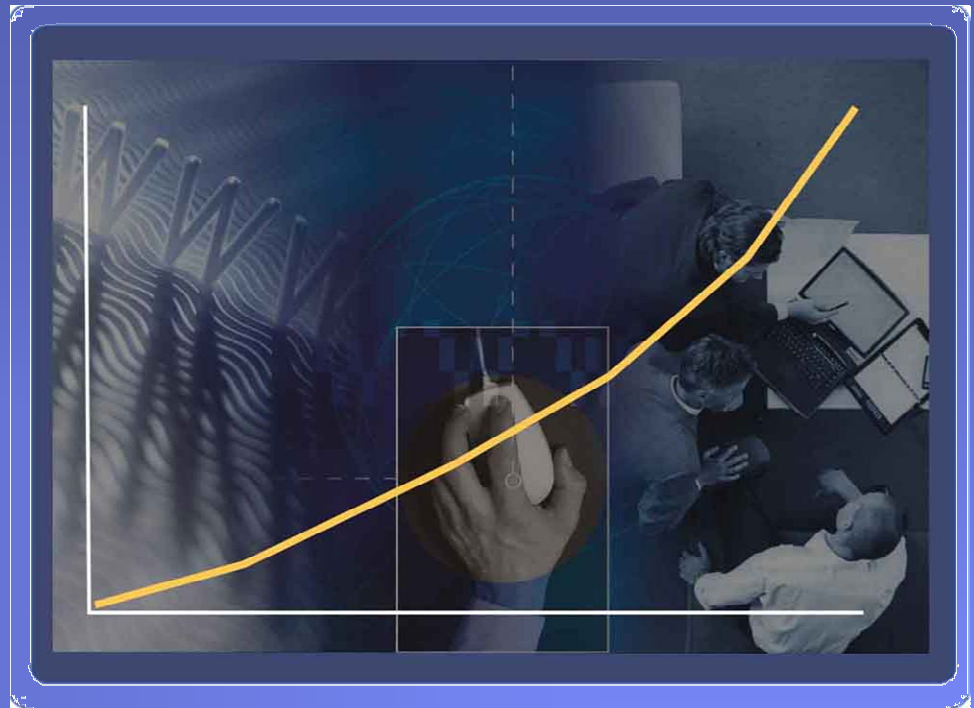
Nora Sweet, Sales Executive, IBM Data Management

DB2 Information Management Software

 business on demand software

The need for information on demand continues to grow as information volume increases

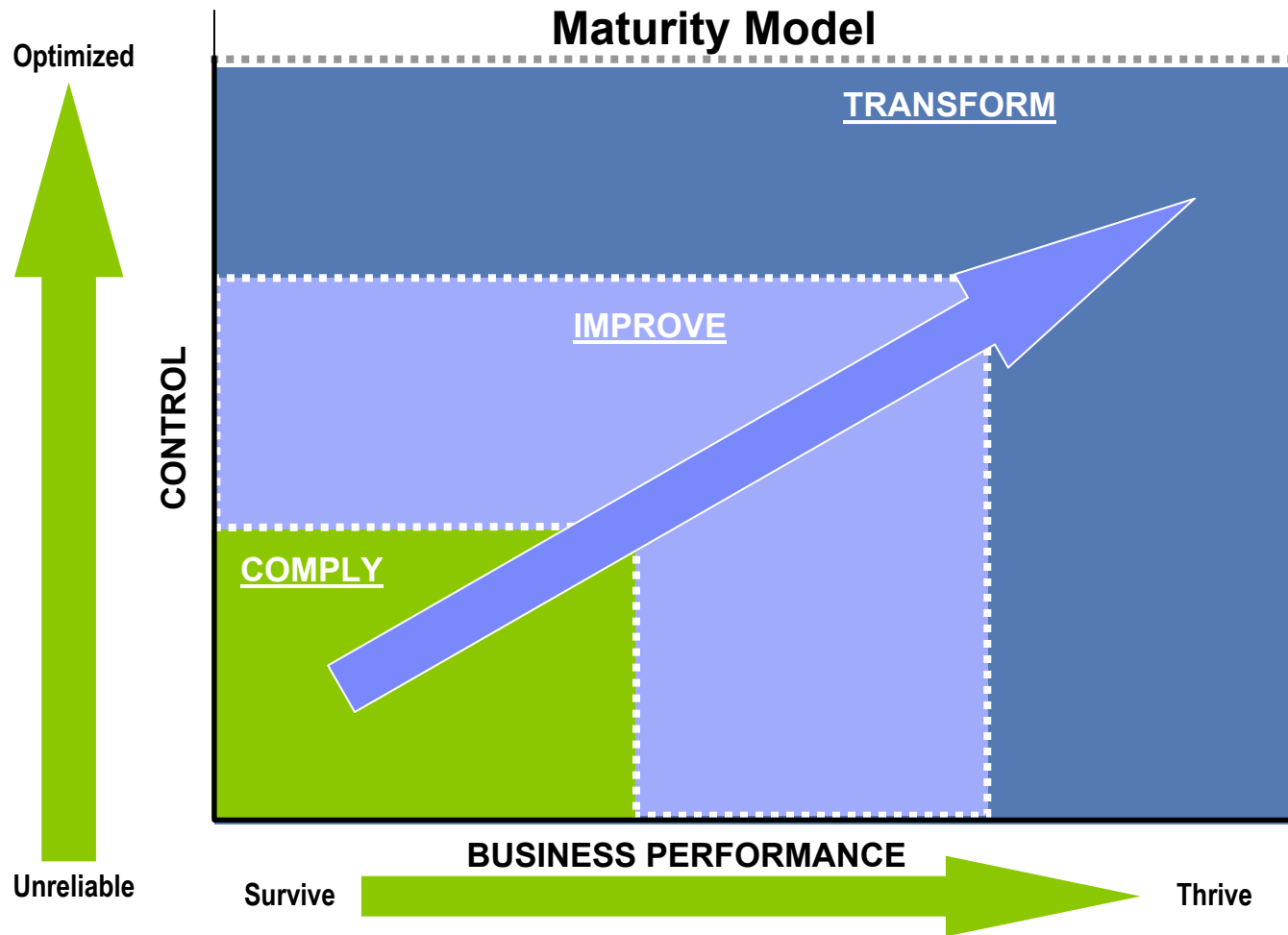
- **Business/operational issues**
 - Business accountability depends on it
 - Laws and regulations mandate it
 - Shareholders and citizens demand it
 - Effective business processes can reflect it
- **Surge in criticality, value and volume of digital information is overwhelming**
 - Projected to grow at an annual rate of 64% percent*
 - Outpacing IT's ability to collect, store and manage it by traditional means



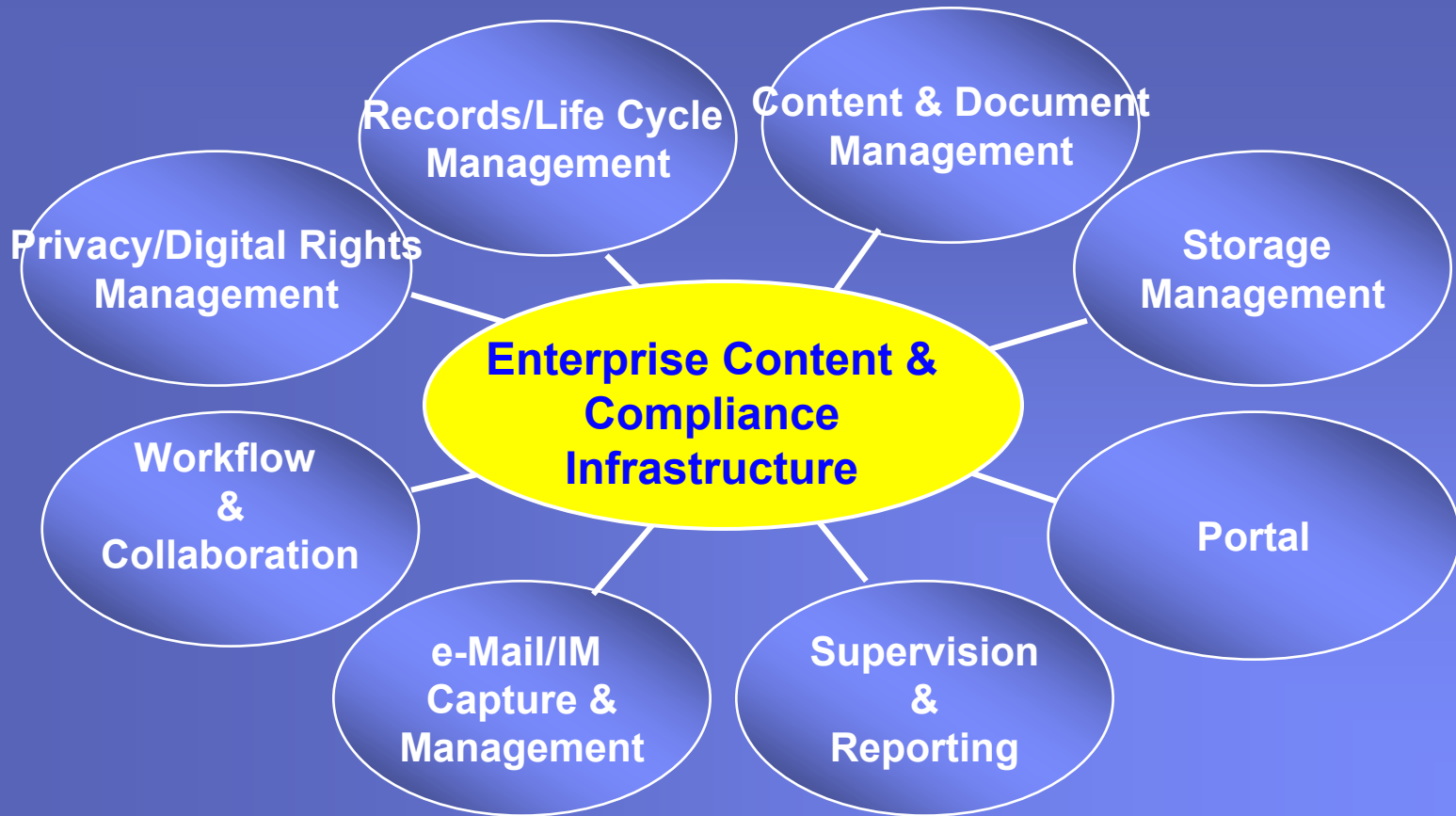
The volume of information is growing rapidly

• *ESG Impact Report™*
Compliance: The effect on Information management and the storage industry
May 2003

From compliance and control to transformational change

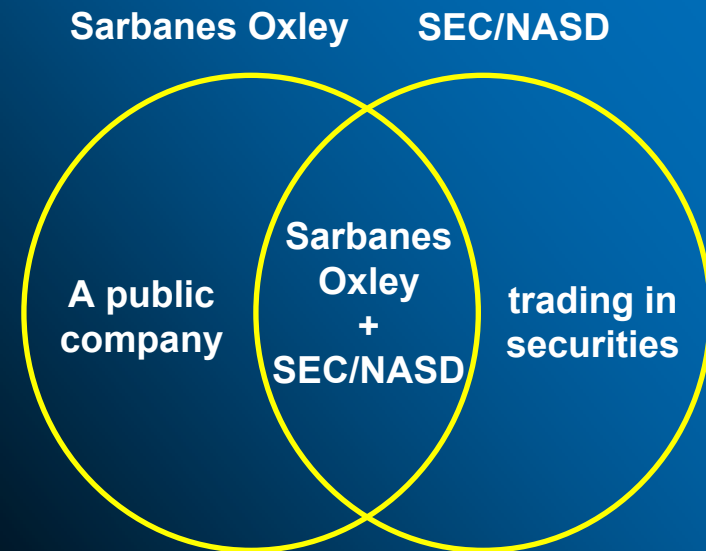


Technologies offered by IBM for an enterprise compliance infrastructure



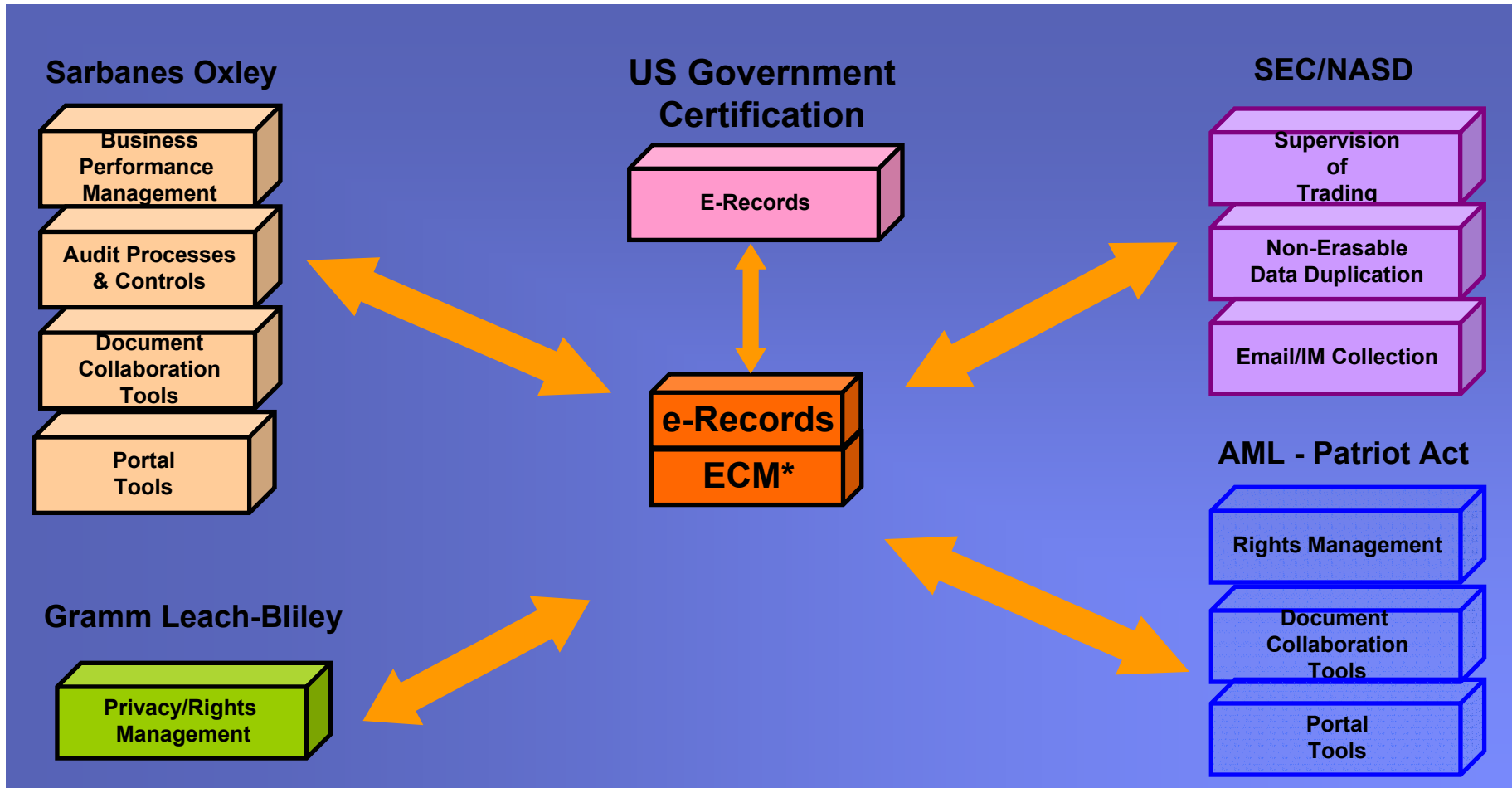
Companies face multiple regulations which may share or drive different requirements

- 5015.2 [electronic recordkeeping]
- SEC/NASD [securities regulation]
- Gramm Leach-Bliley [protection of customer financial info]
- Patriot Act [anti-money laundering]
- Sarbanes-Oxley [accountability for public firms]



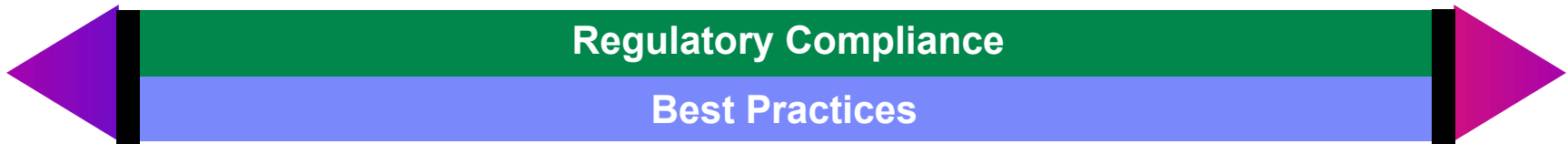
Two foundation technologies

Other tools plug-in to the compliance foundation



* Enterprise Content Management

IBM Can Help Customers In Many Ways *Today!*



Product	Solution Offerings	Service Offerings	Outsourcing
<ul style="list-style-type: none"> ▪ IBM WebSphere Portal ▪ IBM DB2 Records Manager ▪ IBM Tivoli Storage Manager for Data Retention ▪ IBM DB2 Content Manager ▪ IBM TotalStorage Enterprise Tape Drive 3592 ▪ IBM Tivoli Security Compliance Manager 	<ul style="list-style-type: none"> ▪ IBM Solutions for Industries <ul style="list-style-type: none"> ▪ Financial Markets ▪ Banking ▪ Insurance ▪ Life Sciences ▪ Healthcare ▪ Energy & Utilities ▪ Electronics ▪ Cross Industry 	<ul style="list-style-type: none"> ▪ BCS for Risk and Compliance: <ul style="list-style-type: none"> ▪ Sarbanes-Oxley ▪ USA Patriot Act ▪ SEC ▪ Basel II ▪ HIPAA ▪ FDA ▪ Strategy, design, deployment, education, support services, financing 	<ul style="list-style-type: none"> ▪ Hosting: <ul style="list-style-type: none"> ▪ E-mail ▪ Managed Storage Services for Medical Imaging ▪ Check imaging ▪ Anti-money laundering ▪ Content hosting



Key to success: leverage compliance initiatives to improve business processes

IBM and IBM Business Partners can help:

- Deliver the appropriate mix of technologies/ best of breed components designed on open standards
- Integrate the technologies into a seamless solution built on a single infrastructure
- Incorporate deep knowledge of specific industry requirements
- Integrate the solution into your internal framework of policies and processes that reflect your business requirements



IBM's Value Proposition

Reduce our clients' complexity

“ ...IBM's breadth of offerings from **software** to **consulting services** puts it in a good spot to help customers confused by the new rules. It's refreshing to see IBM taking a broad approach at compliance. ”

*Stan Lepeak
VP Technology
Meta Group*



Disclaimer

- Each IBM customer is responsible for ensuring its own compliance with legal requirements. It is the customer's sole responsibility to obtain advice of competent legal counsel as to the identification and interpretation of any relevant laws and regulatory requirements that may affect the customer's business and any actions the customer may need to take to comply with such laws. IBM does not provide legal advice or represent or warrant that its services or products will ensure that the customer is in compliance with any law.



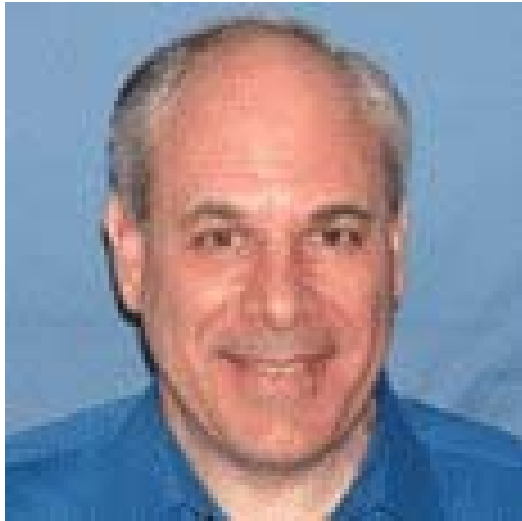
Nora Sweet, Data Management Sales Executive Americas



noras@us.ibm.com

- Responsible for Regulatory Compliance solution sales
- As well as IBM's greater data management business
- 20+ year sales career selling customer solutions
- BS degree in finance & economics

Alan Stuart, Chief Strategist, IBM Compliance and Data Retention Solutions



- Oversees IBM business and product development for IBM's data retention offerings
- 35 + years in the computer industry
- Frequent author and speaker on many areas of compliance and risk management



Thomas Reding, Certified Records Manager

Institute for Certified Records Managers



IBM Senior Consultant

Previously, 25 years in highly regulated industries

- Information & Records Officer, Los Alamos National Lab
- Administrative Supervisor for the Supreme Commander Allied Powers Europe
- Information Systems Security Officer, Defense Intelligence Agency
- Manager, Information Management Florida Power Corporation

Jerry Jones, Senior Architect, IBM Data Solutions



- Customer facing architect for Enterprise Content Management solutions
- Business strategist for IBM's enterprise content portfolio
- Previously, Sales Support Manager Asia Pacific
- 20 + years in IT industry



Mike McCabe, IBM Business Consulting Services Partner



- Leads Financial Markets Risk and Compliance Practice area
- 20+ years of investment management and capital market experience
- Expertise focused on use of technology, trading and investment management systems and front, middle and back office operations and organizational design





Thank you for your time!



Useful Links - A Sample of Offerings

- IBM Anti-Money Laundering Service

http://www-1.ibm.com/services/strategy/esr_strategy/esr_aml.html

- IBM Content Manager for Message Monitoring and Retention

http://www-306.ibm.com/software/data/cm/solution_cmmmr.html

- IBM DB2® Content Management

http://www-306.ibm.com/software/data/cm/solutions_compliance.html

- IBM DB2 Content Manager for Research Compliance

http://www-306.ibm.com/software/data/cm/industry_researchcomply.html

- IBM Records Manager, Product Overview

<http://www-306.ibm.com/software/data/cm/cmgr/rm/>

- IBM Workplace for Business Controls & Reporting

<http://www.lotus.com/products/product5.nsf/wdocs/bcghomepage>

- IBM TotalStorage® Data Retention 450

<http://www.storage.ibm.com/campaign/compliance/index.html>



Useful Links - A Sample of Offerings

- Health Care Provider

<http://www-1.ibm.com/industries/healthcare/doc/jsp/indseg/provider/>

- Life Sciences

<http://www-1.ibm.com/industries/lifesciences/doc/jsp/indseg/biotech/>

- Pharmaceutical

<http://www-1.ibm.com/industries/lifesciences/doc/jsp/indseg/pharm/>

- Universities and Government

<http://www-1.ibm.com/industries/lifesciences/doc/jsp/indseg/uag/>

- Medical Research Centers

<http://www-1.ibm.com/industries/lifesciences/doc/jsp/indseg/mrc/>

- Analytics Acceleration Risk Management and Compliance in Capital Markets and Retail Banking

http://www-1.ibm.com/grid/solutions/AA_riskmgmt_cmrb.shtml

