

## White Paper

# Enterprise Records Management

Demand for a comprehensive, compliant ERM program is clear—the methodologies and road map for universal success are not.

“An inclusive approach involving Legal, IT, Records Management and Lines of Business is required—striking the proper balance is fundamental to success.”

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**Risk mitigation, changing legislation and corporate governance initiatives are raising awareness of management practices regarding business records to unprecedented levels. To meet these demands—and to create a sustainable program providing maximum value to the organization—a team-based approach to Enterprise Records Management (ERM) requires balancing business culture, business processes and enabling technology. Demand for a clear and comprehensive ERM program is clear. While technology is critical, it accounts for only a portion of what is required to implement and maintain a records management program. IT, Legal/Compliance, HR and management should establish a strategic plan for meeting the multiple needs of risk, regulation, retention and response.**

## Introduction

While records management has traditionally focused on physical assets (paper, microfilm/fiche, etc.), today's business realities have driven a renewed focus on the management of enterprise records. Even so, as technology and services to manage electronic records are now available and maturing, the process and strategy for enterprise-level records management requires preparation, planning and an approach that includes active participation from several areas of the organization.

Many technology vendors have jumped on the "Compliance Bandwagon"—not always with success. There is no out-of-the-box ERM or compliance solution in today's marketplace. Compliance technology, especially for archival and formal records management, is also being leveraged for litigation and discovery initiatives (suspension, hold, preservation). Further, wider adoption of enterprise content management technologies (including imaging, document management, archival, storage, workflow, etc.) is on the rise as companies seek to implement a solid records management strategy.

## The many challenges of records management

Records management spans multiple formats, with electronic gaining on paper every day. Making the transition from physical to electronic records management is a key challenge, with many organizations lacking expertise to fully internalize and implement these changing requirements. The ability to maintain accurate records from creation through storage to final disposition adds complexity, as does integrating with legacy and other line of business (LoB) imaging, archival and document management systems.

Compliance and regulatory mandates, while some are new, offer acute challenges for organizations with high volumes of records. Staying current on regulatory changes and new requirements and keeping costs down while adhering to these requirements are crucial. Other key challenges include establishing and enforcing records creation and policies, and engaging employees on their responsibilities.

Minimizing corporate risk is top of mind in most organizations today. Litigation has increased, legal precedents tip, discovery costs toward the defense (e.g., *Zubulake vs. UBS Warburg*) and business continuity and protection of vital records are now integral parts of a records strategy. The need to protect sensitive content and the unauthorized usage and dissemination of corporate materials is growing. All in all, the corporate risks manifest themselves in several ways: reputation, valuation and brand loyalty among the top.

Although maintaining compliance and meeting regulations are seen as a cost of doing business, implementing sound records management policies, procedures and technologies at the strategic and infrastructure level can demonstrate a return on investment. Reducing response costs and access, creating a single point of entry for all corporate records, minimizing data and records stored in multiple systems, and overall business process improvements are possible if addressed strategically.

## ERM answers business challenges

ERM is designed to address a number of deficiencies in the accessibility and management of records within an enterprise or specific lines of business (LoBs). Information management in most enterprises is typically characterized by:

- Increased copying, modification and storage of electronic records and hard-copy versions across organizations, applications and media with accompanying escalation of storage and use costs.
- Inability to locate and identify authoritative versions, often associated with absence of data enabling users to determine a given record's origins, level of approval, or whether it is the latest, most complete or authoritative version.
- Limited knowledge of what records and data exist and where they exist (hard drives, backups, tapes, servers) with absence of authoritative directories of information at the enterprise, LoB or even working group level.
- Separate and discreet search processes for structured data, desktop records and hard-copy records, associated with an overall tendency to manage information resources according to their physical form, rather than as information.
- A lack of effective tools to safeguard the ongoing availability and security of hard-copy and electronic documents resulting in uncontrolled deletion of records by users, unauthorized disposal of hard-copy records, and frequent failure to retain records critical to enforcing accountability or protecting vital assets.
- Limited application of security classifications sporadic and incomplete management of access permissions to records.

### Current environment scenarios

Critical enterprise goals include leveraging IT to improve services, reduce costs, and to replace of a technology-driven focus by a business-needs focus, and the reduction of paper-based LoB-level information silos. These issues underlie the need for adoption of ERM by LoBs.

Factors in current physical-based information management practices include the perpetuation of strategies focused on manual systems and hard-copy records, myopic program-centric management of electronic records, and a dramatic shift toward use of electronic records as the primary methods of communication and business process support in the enterprise.

### Risk and retention challenges

Generally, existing management processes have not addressed these concerns, nor will redesigned manual processes enable effective management of electronic and other records. Many enterprises lack the information and IT tools that will enable them to:

- Ensure that information resources are accessible by staff, clients and business partners—accessing the right information in the right place at the right time—not only within individual programs and LoBs, but across the enterprise.
- Apply systematic rights of access, enabling the most appropriate use of individual resources, protecting the evidentiary integrity of formal records, and reducing the escalating costs associated with access to, management and storage of these resources.
- Assign management accountability to information resources, ensuring that records with ongoing value are protected against premature disposal and providing for transfer of records having permanent value to permanent storage.

### Qualitative business benefits

Implementing an ERM solution provides many important business benefits. These benefits, as critical as direct financial savings, include:

- Improved capture, preservation and sharing of critical information, and the creation of a knowledge management environment within the enterprise.
- Enhanced accountability and transparency through improved access to and preservation of enterprise records.
- Increased evidentiary reliability through authoritative versions, preservation and assessing the authenticity and relevance of records, and protection against unauthorized or undocumented alteration.

- Risk avoidance through ensured preservation of records required to document rights, liabilities and prerogative and to support the rationale for decisions—as well as improved access to information required to prevent regulatory, design, or delivery errors.
- Information security enhancement through comprehensive, secure and specific assignment of access permissions.
- Adherence to regulatory/statutory requirements and increased responsiveness to audit, litigation and discovery demands.
- Systematic preservation of permanent records.

*“Successful ERM requires consideration of all aspects of business culture, process and technology to create a sustainable program that provides maximum value to the organization.”*

## Balancing culture, process and technology

An inclusive approach to ERM is critical if long-term success is to be achieved across the enterprise. This requires consideration of all aspects of business culture, business processes and technology to create a sustainable program that provides maximum value to the organization. A successful strategy presupposes that records support business and the way the enterprise conducts business—not the converse.

Sound processes, built on straightforward, accessible policies and procedures are key for ensuring compliance and mitigating risks related to litigation discovery and regulatory compliance. While technology is important, it accounts for approximately one-third of what is required to implement and maintain a records management program.

Xerox Global Services understands that the scope of an ERM project is to create a records management program that complies with all regulatory requirements, meets the organization’s business needs and provides overall accountability. The program must include all media defined as a record,

including paper, electronic records (including e-mail and instant messaging potentially) and all other relevant media, such as microfilm and backup tapes.

## Business culture

Implementation of effective Records Management begins with ascertaining whether or not the proposed ERM plan maps to the “culture” of the enterprise. This includes initial buy-in and ongoing support at the most senior levels of the organization. Once the decision is made, success often requires consciously engineering a user’s environment so records content can be captured in a structured fashion, providing a consistent look and feel for what is created, captured, validated, shared and applied.



### *Defined for the enterprise*

The complexity of tools and procurement processes is maturing, though not necessarily straightforward. It is imperative to develop a comprehensive approach to records—including physical, electronic, and data center operations. An organization must determine appropriate balance between metadata requirements and flow of business (e.g., minimizing disruptions to an employee’s daily business routines).

### *Minimize disruption of business process*

Documents, records, corporate knowledge and storage policies must be balanced throughout the workplace. This involves employees, the way an organization conducts its business and supporting process, and how technology enables the flow of business and supports records management functions. Again, records support business and the way people conduct business—not the converse.

### *Employee roles, responsibilities and expectations*

Organizations must write, circulate and enforce user

policies and procedures. These may be in an employee manual, handbook, or online learning and certification programs. E-mail usage guidelines, if not already part of an existing employee handbook, must be developed.

## Process

Records management strategy should take a macro view and literally follow records from creation to final disposition, looking for better management opportunities. The result of such an end-to-end consultative approach is often the uncovering of opportunities for the enterprise that otherwise would remain hidden.

### *Baseline enterprise requirements*

Crucial benefits of implementing a formalized, managed records control infrastructure include risk mitigation, constituent service (your users), cost control, production control of all records with end-to-end chain-of-custody, and predictable and manageable production/destruction schedules.

### *ERM/business/IT team coordination*

IT, Legal/Compliance, HR and management should establish a strategic plan for meeting the multiple needs of risk, retention, regulation and response. This is rarely done in a vacuum, as most organizations are faced with parallel projects. Engage with subject matter experts and strategic advisors and consultants who understand the technologies, regulations and best practices to turn these challenges into successes.

### *Gap analysis*

Examine legal, business and other sources to identify the record-keeping requirements for evidence and information. Then identify where these systems are not meeting your record-keeping requirements.

### *Identify redundancies (backup/disaster recovery/storage)*

This requires proactive categorization, storage and adjusting budgets to accommodate increased investment in diverse content. Backup systems are not records management systems, and should not be used as such. However, linkages can be created and redundancies eliminated if backup and records data work in unison.

### *Retention, compliance and discovery*

Many organizations are looking at a governance infrastructure model, where varied compliance, regulatory and/or litigation projects are combined across a single infrastructure, thus reducing costs and redundancies in the IT cycle. In this scenario, lifecycle metadata and litigation/discovery services can converge, since similar technology components serve as the foundation for both (e.g., E-mail archival and discovery).

### *Schedules and retention policies*

Companies must be able to keep records long enough to meet their requirements. These requirements may come from legal obligations, be regulatory in nature, driven by other business needs or compliance considerations. But an organization must have systematic procedures and methodologies in place to ensure that destruction is done consistently and non-selectively.

## Technology

When coordinated under a master strategy, planning, specification and implementation processes and controls help ensure compliance. Keep in mind that no single *product* will make an organization compliant, but can do much to enable the effort. Functions such as advanced search and categorization and integrated physical and electronic metadata management minimize the complexities of how records are captured, indexed and stored. Ultimately, this makes search and discovery much more streamlined and ingrained in business processes. Fast implementation time and lower integration costs are benefits of a standardized compliance/records framework. Again, technology represent only one part of an ERM infrastructure

### *Hosted, off-site or on-site*

ERM options include hosted offerings and/or managed services for electronic and physical storage of hard-copy records—on-site and off-site. As well as enterprise-wide implementation will likely include, integration with content management applications, such as imaging and document management. Though electronic and physical records will always be handled differently, basic RM principles governing retention, enforcement, and final disposition remain the same. While the prevailing business model since the beginning of time has been to store physical records, today's

business model now allows organizations to manage electronic records in ways that mirror offsite physical records storage—more securely, more cost-effectively and more quickly.

### *Support, maintenance and enhancement and audit*

At this stage of progress, the quantification of value derived from ERM methodologies must be assessed. This covers reduced risks, increased discovery and production, and cost avoidance (e.g., fines, penalties). Audits should be performed against all groups participating in RM, and evaluations should be based on redundancies, inefficiencies and complementary technologies. Ongoing audits of the various systems must also be conducted to satisfy internal compliance changes, and envisage integration of additional strategic content and compliance initiatives.

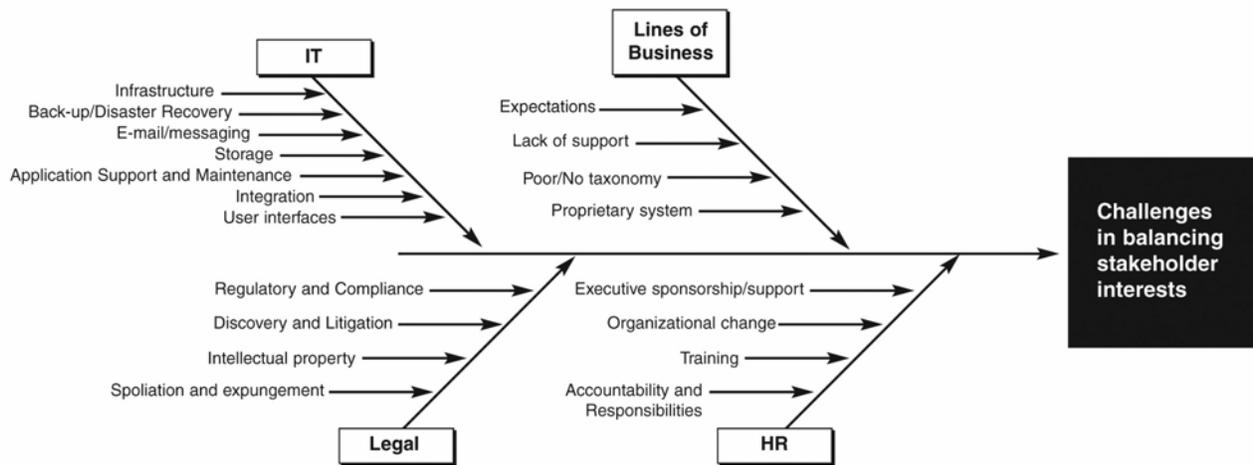
***“Keep in mind that no product will make an organization compliant, but it can enable the effort.”***

### *Storage infrastructure*

“Compliant” storage is not an IT-specific choice and must be balanced against regulatory, compliance and risk management strategies—both at the enterprise level and within risk-centric compartments of the organization. Compliant storage options, now broadly available in the marketplace, offer organizations flexible alternatives for meeting varied content-retention imperatives. Organizations should base decisions on storage scalability, reverse compatibility, data access times and total cost of ownership .

### *Disposition/purge*

An organization must be able to determine when records are obsolete. This clearly allows an organization to consistently destroy records in accordance with your organizational policies. It also provides the capability to determine if records even exist when they are requested, thereby eliminating wasted resources in research and production.



## Goals and critical success factors

ERM projects have been driven, in part, by legislative and mandatory policy requirements regarding the management of information within the organization itself. These requirements, embodied in features of the recommended ERM strategy, ensure that records are destroyed only in compliance with retention schedules approved by the LoBs, and provide for prompt and complete transfer of records of permanent value once their retention requirements are complete. Overall, the requirements ensure:

- Timely disposal of records identified by the LoBs and ERM management as not having archival value.
- Preservation of all records of archival value.
- That the cost and effort of records management activities are consistent with the value of the information.
- Efficient storage and retrieval of records under the organization's control and custody.
- Protection of records from unauthorized access, alteration, removal or destruction.
- Elimination of unnecessary collection and maintenance of records.
- Timely transfer and disposal of records in accordance with enterprise-wide schedules and standards

## Implementing an effective ERM program

While demand for comprehensive ERM programs and strategies grows, best practices continue to emerge and undergo refinement. These practices include:

1. An internal assessment which must be completed to determine which records are being kept, both in paper and electronic form. This assessment should employ methodology that uses special information-gathering techniques to capture the very essence of an enterprise's work processes. The result will provide a clear road map for navigating the next ERM elements.
2. Preparing the organization for change. This includes explanation and training for risks which are to be remedied by implementation of the program, as well as applicable laws or regulations requiring user action. Executive sponsorship is required to ensure success.
3. After completing the previous steps, immediate action should focus on compliance and regulatory, vital or litigation-related records. During this process, involving and engaging IT resources is required.
4. Once requirements, awareness and sponsorship are secured, vendor selection may begin. As the majority of enterprise records content is in both physical and electronic formats, the selection of a single vendor offering integrated solutions is

highly recommended if possible. As required in the previous phase, active involvement of the IT organization is mandatory.

5. A pilot implementation should focus on business areas that are considered and most exposed, immediately reactive to events (litigation, audit, etc.), or seeking to minimize risks associated with current ERM practices. Development of a common taxonomy model is highly recommended, since much corporate content is created, accessed, managed and reused across many parts of the organization.
6. Enterprise-wide implementation and collaboration with multiple LoBs within the organization is necessary. The organization should also address other existing enterprise content applications, such as imaging, document management, ERP, etc. As well, any new content-related initiatives must include input from ERM management.

## Benefits and results

More and more organizations are discovering the need to balance their culture, process and technology in order to achieve successful ERM. As a result, they are reaping clear-cut benefits in the critical areas of risk, regulation, retention and response.

If properly applied and enforced, an ERM strategy will be manifest at the infrastructure level, delivering more than ERM, and enabling an enterprise information management solution that will:

- Enable faster, more secure, flexible and complete organization-wide location, retrieval and use of information—regardless of location, medium or system type—supportive of business needs and commensurate with privacy and other security considerations.
- Promote development of the enterprise in an efficient organization through better knowledge creation, retention, discovery, and collaboration.
- Enable preservation of authoritative records of decisions and actions to support enterprise risk management initiatives and defend enterprise accountability.

- Support the achievement of better decision making and strategic planning supporting enterprise business and service goals among others: improved access to information, improved client service, creating efficiencies, reducing redundancy, and reducing costs.

Along with return on investment, results such as avoidance of duplication across data stores, reduced response costs, and better integration with broader content and compliance initiatives also offer paybacks when implementing ERM systems and technologies. Further, predictable discovery production with consistent results, enhanced data culling, search and review, and better collaboration with internal and outside counsel are additional benefits to be gained for this type of effort if properly coordinated and viewed within a larger records and content scenario.

Demand for a clear and comprehensive ERM program is clear. To meet these demands—and to create a sustainable program providing maximum value to the organization, a team-based approach to Enterprise Records Management requires balancing business culture, business processes, and enabling technology.

*Xerox Global Services helps your company look at ERM in a new way. By applying Lean Six Sigma methodology, we can assess your current state, prioritize projects and create a plan with measurable results an organization can see in every aspect of your ERM system.*

*We also offer our ERM services in phases to fit your budget and schedule.*

*For more information on how Xerox Global Services can apply ERM methodologies in your organization, Visit [www.xerox.com/globalservices](http://www.xerox.com/globalservices).*