TIPS AND TECHNIQUES

Order Out of Information Chaos

BY BOB LARRIVEE

Chaos. You see and hear about it daily. Nature strikes hard with the force of wind and water wreaking havoc in our lives. The earth moves and swallows land, houses, and property of all sorts. Add to this the potential of man-made chaos like fire, theft, and other hazards and one comes to the realization very quickly that there is a need to prepare for the inevitable. Thus, you find the reason to insure and the need for claims and supporting roles in providing

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quality, accurate service to the insured. The result is that the claim process has now restored order from chaos and life will progress in our normal fashion.

This is typically what one thinks of when referring to chaos, but what about business chaos? What about the world in which you work and the glut of information you deal with during the course of your daily activities? Paper still plays a dominant role, even in an age where nearly 90 percent of all business documents originate electronically and more than 80 percent of all business correspondence is through e-mail. So where is the chaos? This seems on the surface at least to have everything under control. Yet business chaos lies in the sudden need to find information and

not being able to readily gain access and use it.

Take a minute and consider this scenario. A client is unhappy with the result of his settlement and decides to file a civil lawsuit. As part of this litigious action, you are requested to comply with the newly amended Federal Rules of Civil Procedure and deliver all information — paper and electronic — as part of the discovery process. This not only includes Word documents and the obvious electronic files you may have in your possession, but also it includes all related e-mail correspondence. You are required to produce every e-mail pertaining to this case.

In real life, how many e-mails might that be and where might they be located? Do you have a records management policy that determines what is kept by the employee and a central repository where it is in fact held as corporate information? On the conservative side, the average employee will transact approximately 20,000 business e-mails per year, all of which are stored in a local inbox.

How many employees do you have? For the sake of this discussion, let us use 1,000 as a number. That makes 1,000 inboxes to search. Multiply that by our conservative number of annual e-mails and we find there are 20 million e-mails to search through, not to mention all of those attachments that travel with them. The consequence and risk of non-compliance and an inability to prove compliance is high. You could lose the case, be fined, and—if any information is destroyed during this process—it could lead to charges of spoliation and potential prison time. Add to this, corporate information theft,

most of which is perpetrated by trusted employees! So how do you prepare for this chaos and how does content and record management enter into the equation?

Structural Support

The way to bring order to chaos and protect your informational assets is to implement a combination of business process improvements, establish strong records management policies, and implement a combined Enterprise Content Management (ECM) and Electronic Records Management (ERM) solution. Yet this alone is still not complete until you incorporate a concise and consistent communications program designed to inform your employees of your records management governance and policies to which they must adhere. In this way, businesses can prepare for chaos and ensure tighter adherence to regulatory compliance and minimized risk.

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So, let us start at the beginning. First, you need to understand that ECM is not just a technology or software package. ECM is a combination of systems, processes, people, and guidelines used to manage information. It deals with unstructured information that not only includes electronic files, but also physical files like paper, microfilm, or even materials like cars or other items that could be evidence. So looking at it from this perspective, you need to take a step back and think about the business from a holistic angle. You need to understand:

■ What information comes into your organization?

■ Where did it come from and who receives it?
■ Why do you get this information?
■ What happens to it when you receive it?
■ How could you make this operation better?

You also need to understand what regulatory guidelines impact how you manage information. Can you dispose of paper if you use an electronic system? If you scan paper and save it electronically, can you then dispose of the paper? Can you store information off site through a storage service provider, or are you required to maintain control within a facility?

Most of us may look at the filing structure of a network and say that it is sufficient to manage the information we have and create. In reality, there is more to this aspect that requires some careful thought. You must consider that each of us has different ways of filing information and structuring the folders where it resides. One person might have a folder called "Claims" and break it down by auto, medical, or housing, while the next person has a structure called "Auto" and below it, a folder called "Claims."

In addition, there will be duplication of information, bringing about questions as to which is the legally declared and recognized business record. What you need to do is create a format to standardize how you store information and the terms used in naming the files. This is known as establishing a business classification scheme and taxonomies. It is creating a framework or structure that you will use to control and maintain information in a clear and consistent way so that you can find it. After all, that is the ultimate objective: To find the information you create and store.

We classify things around us. Cars, food, clothing, and more are all classified using common terms. Using cars as the example, we classify by make, model, performance, color, etc. This is also the step you need to take with your business information. Establish a process by which all of your employees will comply

and transfer information in their possession to the corporate repository under the established classification scheme using the agreed upon taxonomies to label it. ERM and ECM technologies leverage these aspects of the ECM environment, allowing you to build a solid method of maintaining your corporate information assets securely.

In order to understand what is going on within the business unit you must determine what information is produced, used, and stored, who is using it, and what they do with it. For this, you look at the process of how information moves through your organization. In other words, you take an approach of following the information from birth to death using the day in the life of information scenario. Information enters our business environment through creation or as the result of someone sending it to us. The question is who has this information and why? When you have identified this part of the process, you must know focus on what is being done with the information and where it goes from there. This is a systematic process of identification and documentation to know what you have and its purpose.

This method will help uncover information gaps or areas where information is sought but not found. This does not mean it is lost or does not exist, it means it is not where it should be when you needed it. It may also uncover areas where parts of the process are not required and streamlined. Is it necessary for a line supervisor to review a claim less than a specific amount?

Regulations and Standards

In addition to classifying information in a consistent manner, you must also look at the issue of what to keep and for how long. This is called a records management and retention policy. Here you determine what is essential to keep as a business record and what is simply non-essential. One way to do this is ask the following questions:

■ Is the information required for making business decisions?

■ Is the information required for business continuity?
■ Is the information required for legal or regulatory reasons?

If you answered yes to any of these, you should make it a record and keep it. If not, you should dispose of it. You should also assign a retention period to these records based upon regulatory guidelines. For example, a life insurance policy might have a requirement to maintain it for seven years after termination of the policy. In this case, you can dispose of the policy at the end of seven years, but maintain a record of its existence and disposal in case you are asked to present it as part of litigation. Using this practice, you can prove it existed and that you disposed of it according to the set retention guidelines as part of our standard practice and not for reasons of hiding evidence.

Regulatory requirements come from many entities, including the government and your own industry. Standards are few in some cases but do exist. For example, there is DoD 5015.2, ISO 15489 and Dublin Core to help in structuring records and classification schemes. If you seek guidance on meeting requirements found in the Federal Rules of Civil Procedure, review the Sedona Conference Guidelines.

Controlled Process

Let us now look at the client scenario previously presented. Here you can see there are many aspects opening us up to risk, non-compliance with the court request, and lowered client satisfaction. Before you even begin looking for information, you must consider the person processing the request when the court issues the discovery demand. Who receives it? Who will coordinate the effort and identify specifically, as part of the FRCP process, the information requested? Next, how is this information gathered, reviewed, and provided to the opposition? In the old way of managing information, files were stored in disparate systems across many drives and folders. E-mail is uncontrolled and not accessible to anyone except the user who sent or received it.

With an ECM environment in place, you have control over our information. You no longer have lost or missing files, records are maintained and retained in accordance to regulatory guidelines, and purged when appropriate. Due to centralized storage, you now have a single place to look for information as opposed to many shared folders, drives, and PC workstations. You can now prove consistency in your policies and procedures regarding the way you store and retain information. Your classification scheme and taxonomies bring structure and standardization, making access simpler and more accurate.

ECM is a complex topic encompassing a broad range of elements that are not restricted to technology. It is also a change in the way you conduct and transact business. In short, it is not a quick fix but rather a practice that needs to be maintained and adhered to for the long term. It is a strategic approach to establishing tactical steps that move you from chaos to structure and help keep you aligned with business goals and regulatory compliance.

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