



Building Blocks for Compliance – IBM FileNet

Information Management software

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Business Drivers | Fear of Non Compliance

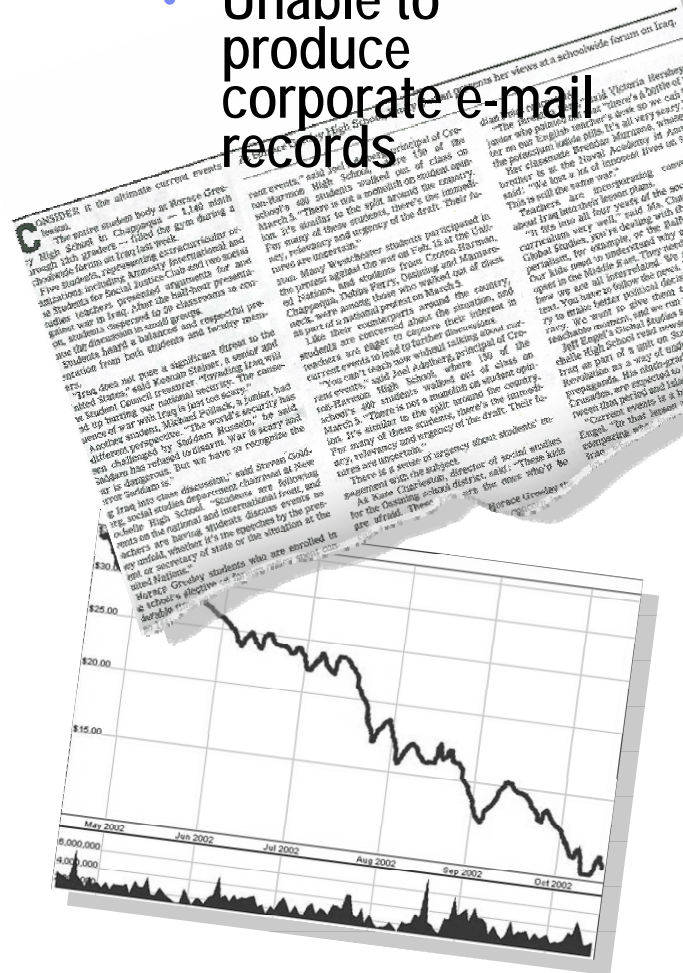
- Unable to produce corporate e-mail records



Non-compliance is not an option

Litigation can be an issue

Reputation damage even bigger!

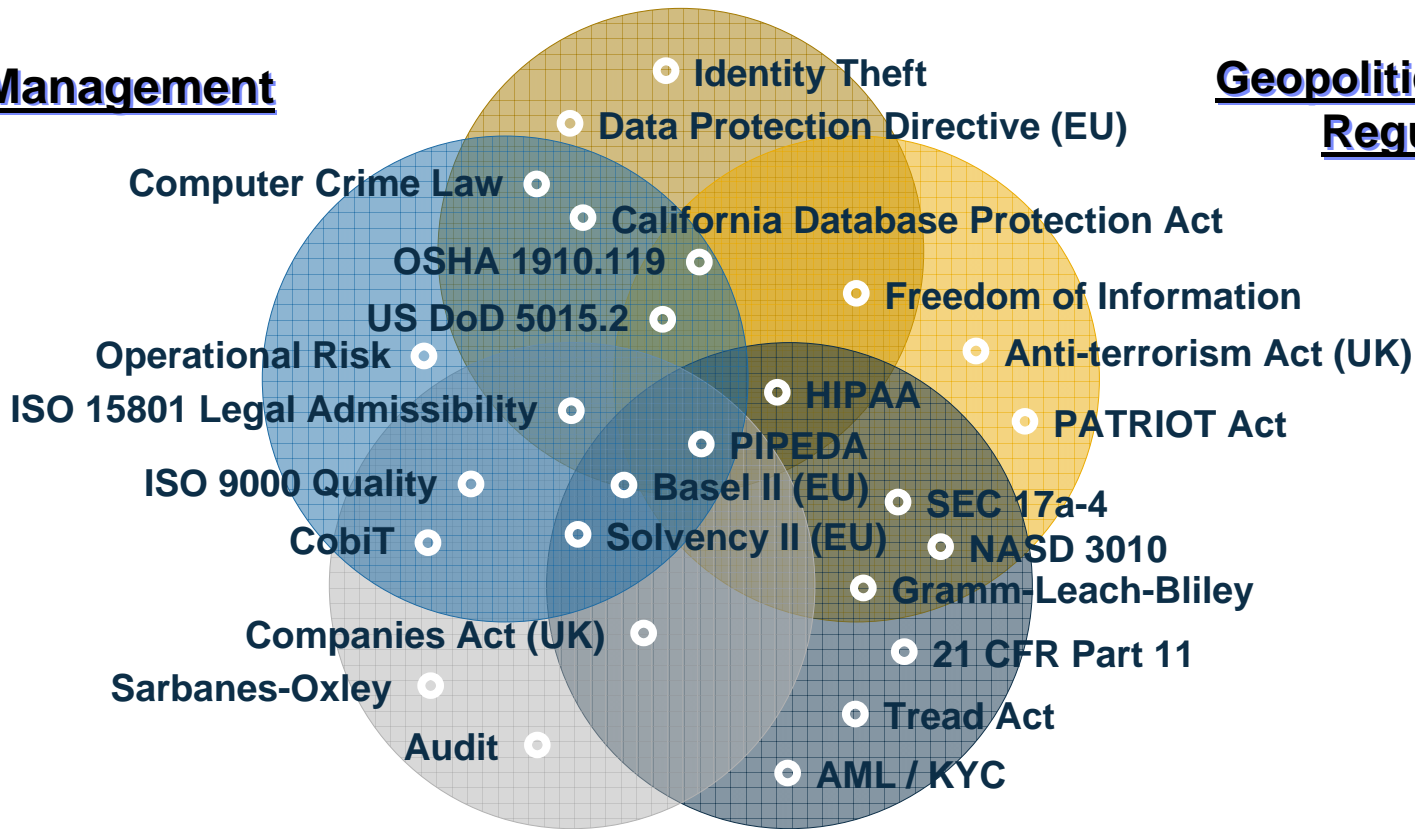


Overlapping Compliance Drivers

Privacy Requirements

Risk Management

Geopolitical Specific Regulation



Corporate Governance

Industry Specific Regulations

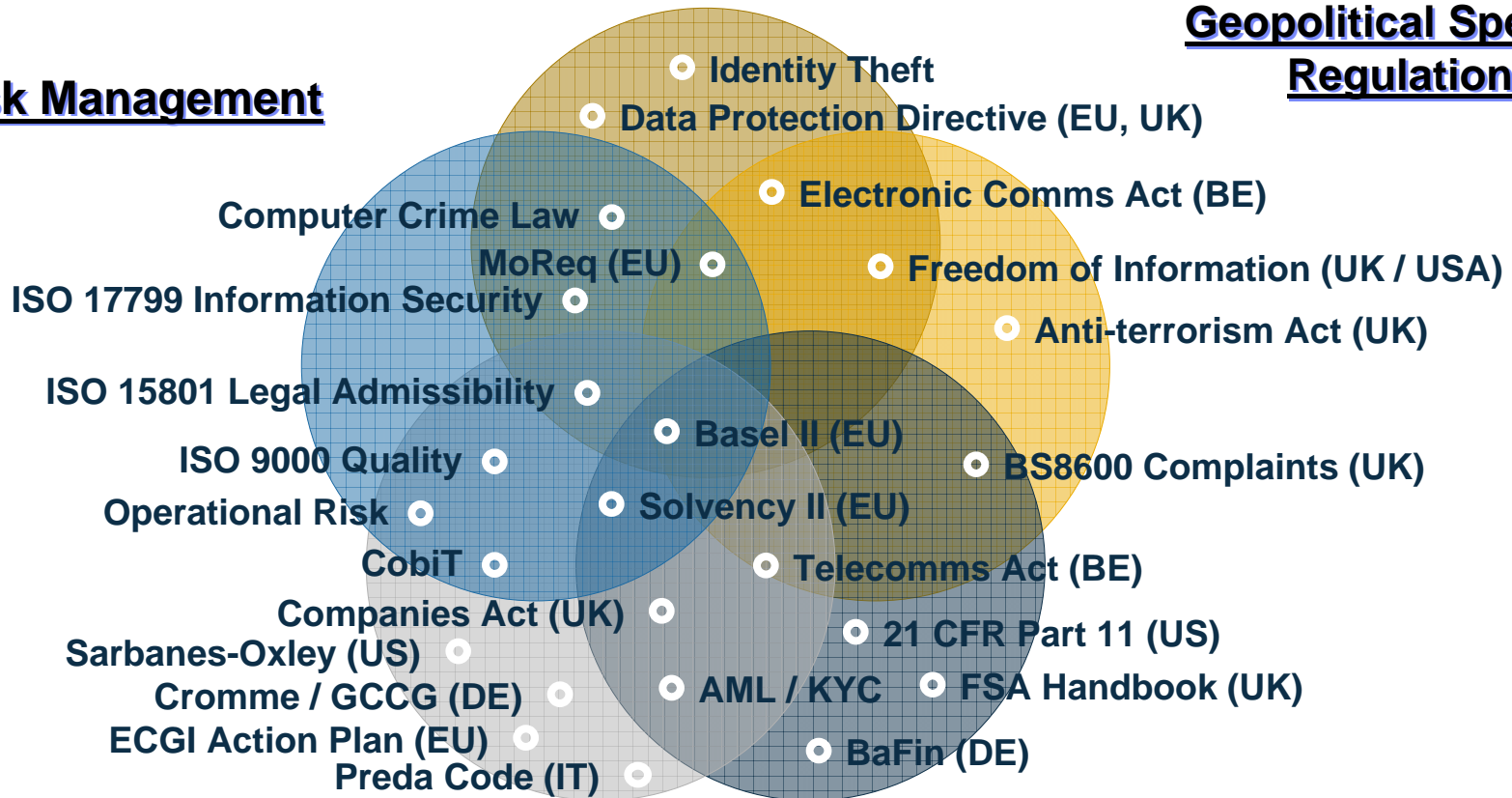


Overlapping Compliance Drivers

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Geopolitical Specific Regulation







Risk Management



Corporate Governance

Industry Specific Regulations

The REAL Impact of Compliance

-  Depending on end-users is error-prone and expensive
-  Too many expensive manual processes require controls and testing
 -  Information is in multiple locations, untraceable, unreliable and not easily found
 -  Impact on Operational performance and costs
-  Huge overhead on discovery and litigation timeframes and costs
- 

Business Drivers | **Compliance Infrastructure**

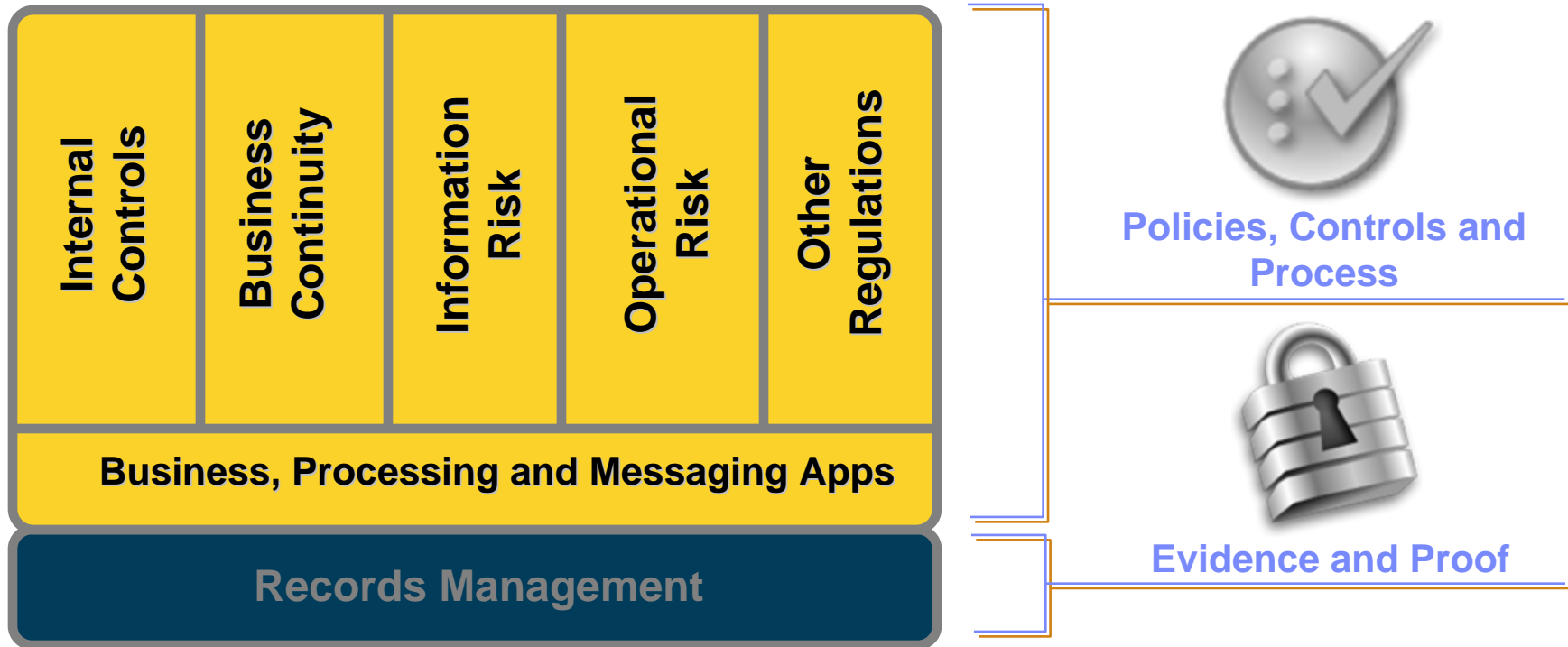
An infrastructure approach to compliance technologies will reduce costs ...

“Enterprises that choose one-off solutions for each regulatory challenge that they face will spend 10 times more on compliance projects than their counterparts that take a proactive approach.”

“Records Management by definition is part of compliance”

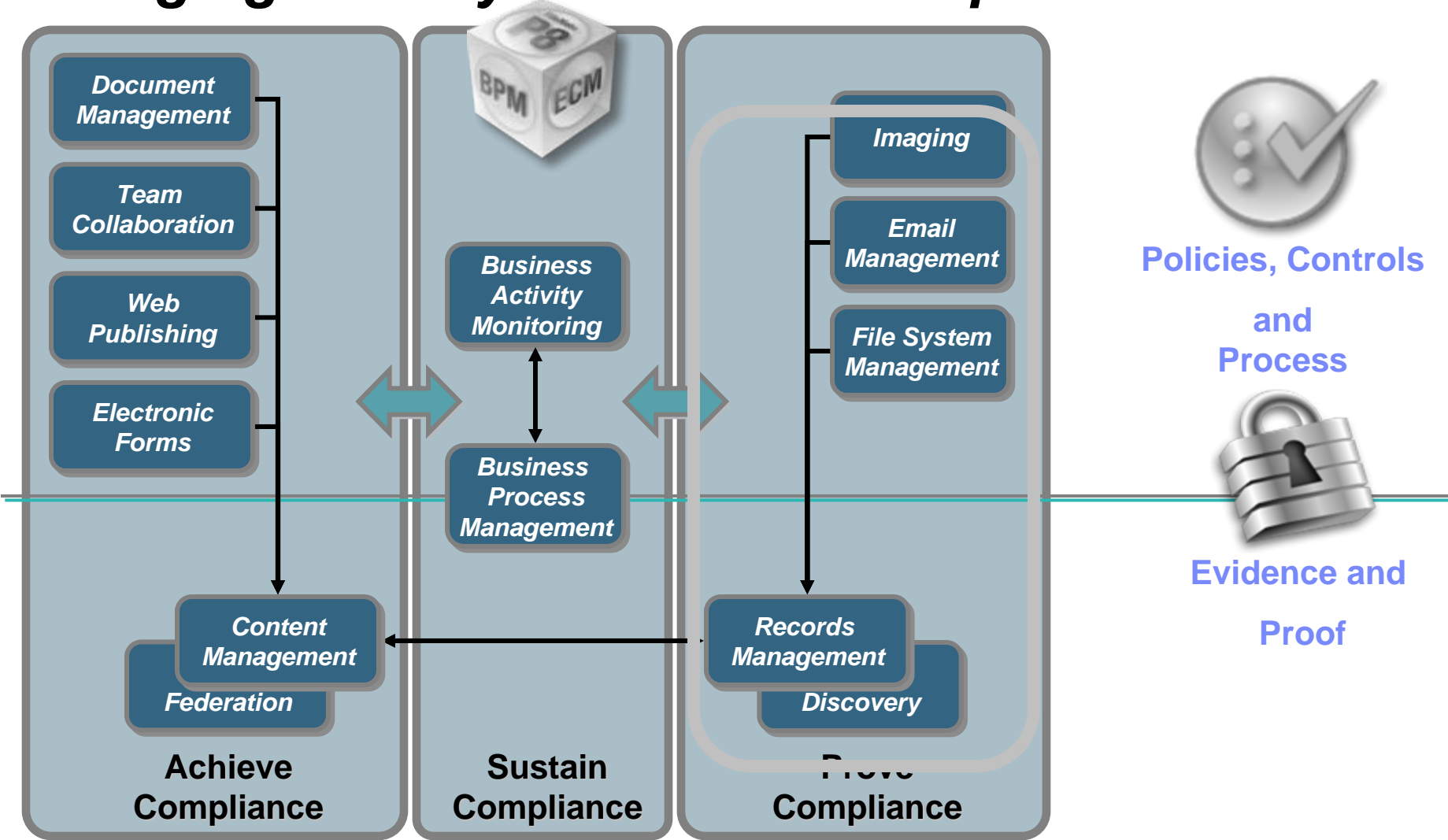
“Business Process Management is often THE key to complying with regulations like SOX”

Essential to Compliance | Two Key Ingredients



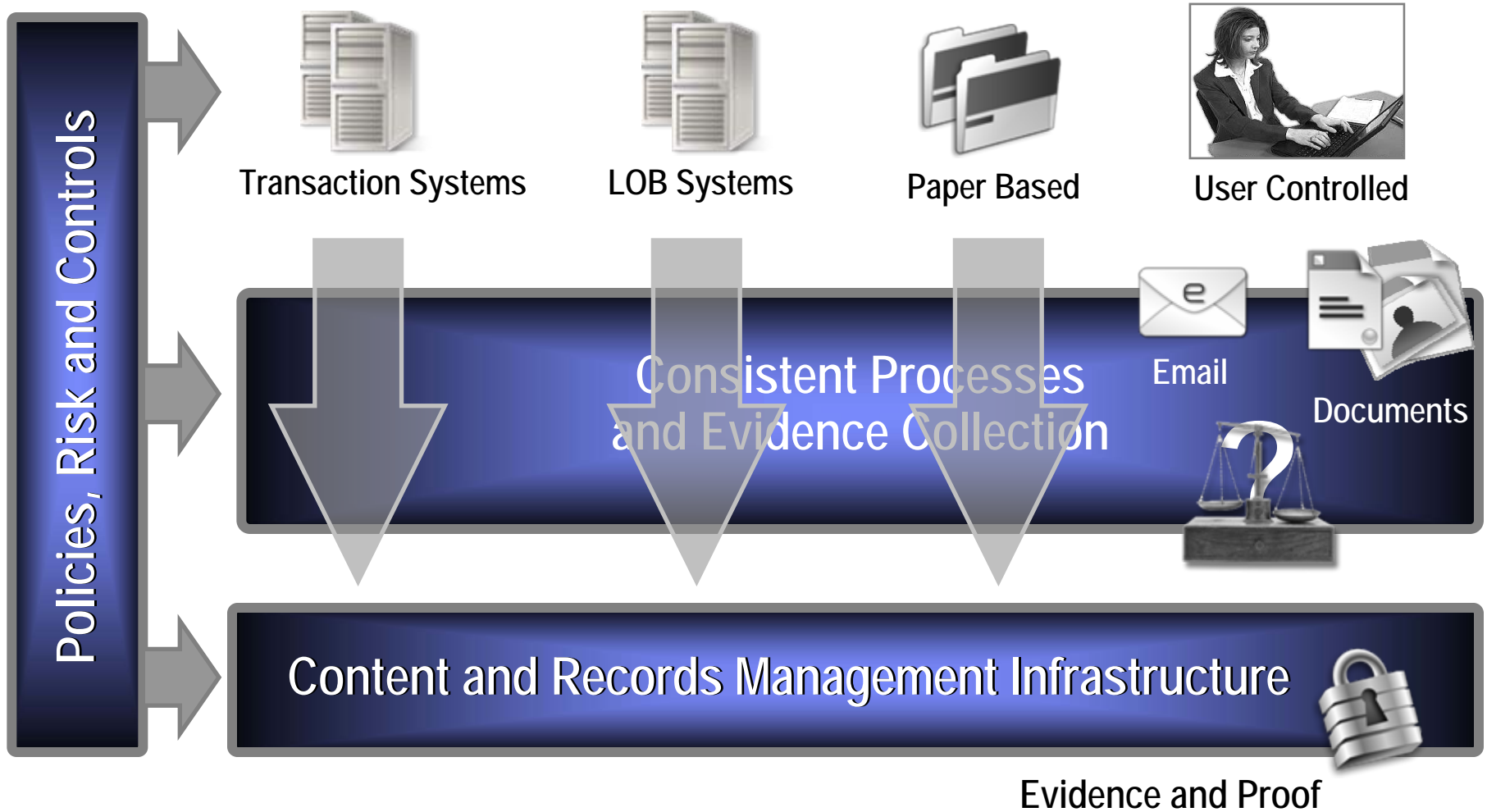
- **Business, Processing, and Messaging Applications**—helps ensure that the right controls are in place to behave in a legally compliant manner.
- **Records Management**—helps ensure that you collect and preserve the right evidence to prove your behavior was compliant

Managing the Key Functional Components



Enterprise Compliance Platform

Key Issue | 4 Key Sources of Compliance Risk



Key Issue | **User Controlled Content is The Problem**

- Many previous attempts
 - Most have failed
- Recent NARA Study
 - 6+ month study
 - Significant user drop-off after training period
 - 56% found technology “Extremely Burdensome” or “Burdensome” to use
 - 6% declared zero records

The Answer?

Automated

Integrated

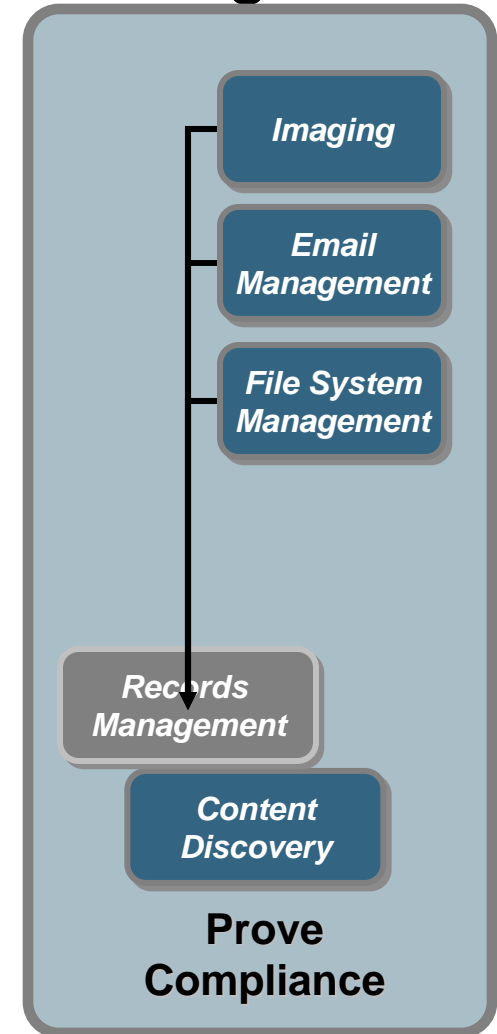
Enforced

FileNet ZeroClick

Records Manager

Leading the Way in Enterprise Records Management

- The first viable solution for Records Management. The only solution that:
 - Automates the entire records management lifecycle process
 - Invisibly enforces consistent compliance and records management policy throughout an enterprise
 - Delivers a tangible Return On Investment.
 - Enables proof of compliance
- Builds on the strength of FileNet P8 platform and unified architecture

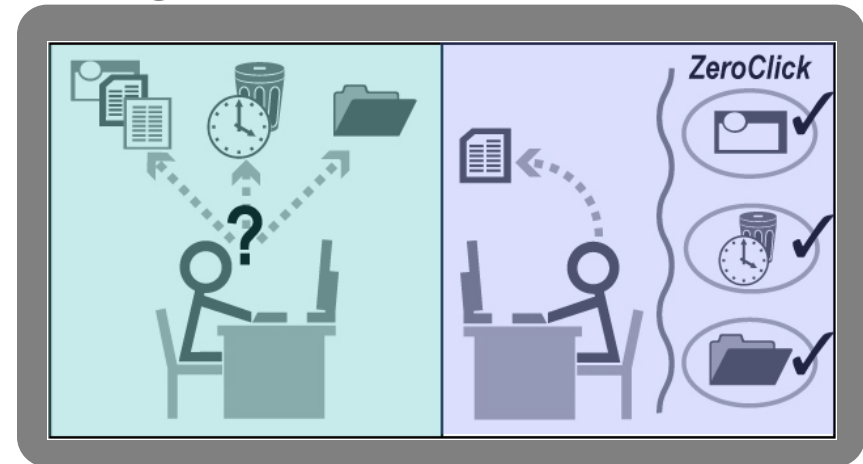


Featuring FileNet ZeroClick

The Right Way to Do Records Management

- FileNet ZeroClick works on both sides of the house
 - Records Capture
 - Records Administration
- Policies are uniformly enforced at the technology layer, not the user layer

Integrated - Automated - Enforced



Records Manager Overview

- Business Users
 - FileNet ZeroClick Records Capture
 - Workplace and Office Integration
- Records Manager Application
 - FileNet ZeroClick Records Administration
 - Advanced File Plan Management
 - Complex Lifecycle Event Management
 - Advanced Retention and Disposition Management
 - Web Based Application (Zero Footprint)
 - Records Manager API
 - DoD 5015.2 Standards Support
 - Physical Records Support



Records Manager and ZeroClick Technology

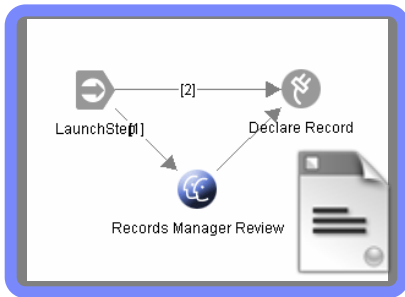
How it Works

Create and Use

Business User Content



Capture Records



Business Process

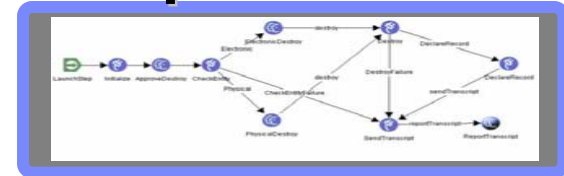


Retain and Dispose



Retain Records

Legal Holds Dispose of Records



Records Lifecycle Process

Physical Records Software Options

Most Corporate Applications

- Support for library services, check-in, check-out, locations, files, boxes and bar coding
 - Process oriented (audit, tracking, chain of custody preservation)
 - "Real-time" view and status of all records
-
- FileNet Records Manager (out of the box)
 - Can be customized by FileNet PS

Advanced Corporate Applications

- Image-enabled document tracking
 - Advanced color label printing
 - Creates pick lists
 - Advanced tracking of files boxes at onsite and offsite locations
-
- FileNet Records Manager
 - Imagine Solutions



Professional Applications

- Active File Room module
 - Record Center and Space Management module
 - Smart Bar coding including disconnected barcode devices
 - Chargeback capabilities
-
- FileNet Records Manager
 - OmniRIM Solutions



Customer Experience | **FirstEnergy**

- 8 Million Records Online
- 25% reduction in cost to date
- Expect over 40%
- Operational at Beaver Valley, Davis Bessy and Perry Nuclear Power Plants
- OmniRIM Solution for Physical Records
- Future – SAP Integration and Email Manager

**Records
Manager**

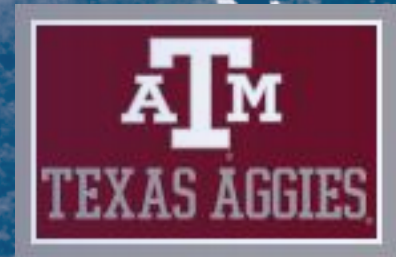


FirstEnergy[®]

Customer Experience | **Texas A&M University**

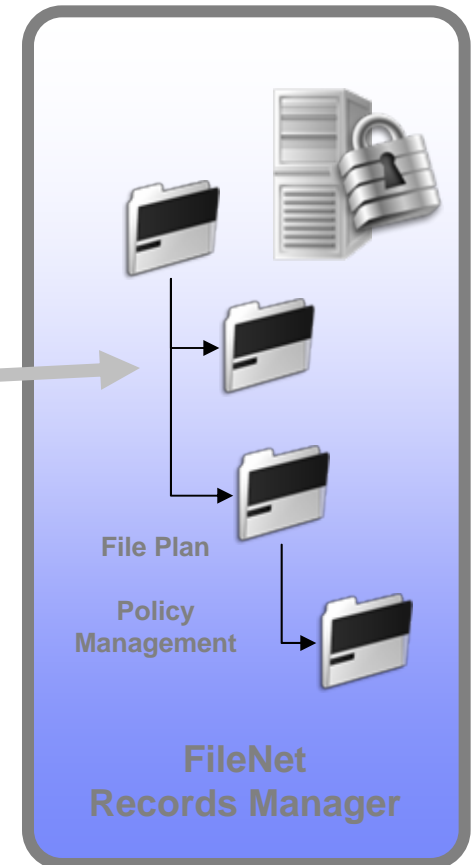
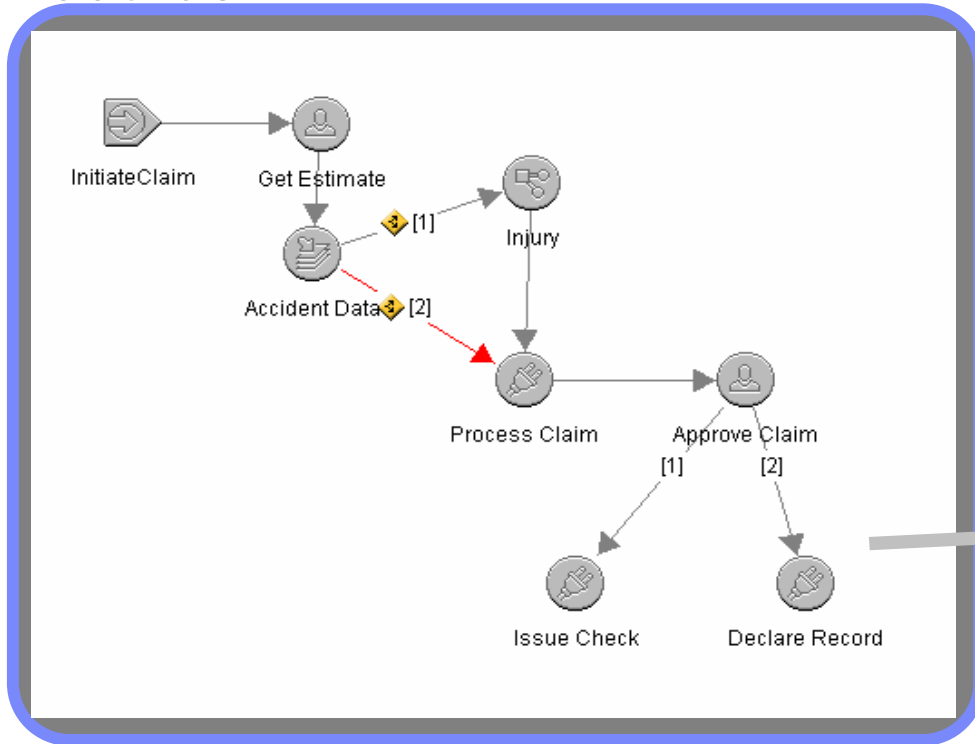
- 2.7 Million Records Online
- ZeroClick Records Capture and BPM
- Payroll Records and Reports
- Student Tax Forms
- Planned: A/P, A/R, Contract Admin, Student Business Center, Purchasing, HR and Food Service

**Records
Manager**



FileNet ZeroClick for Business Process Management

Claims Processing and University Student and Tax Records



- Ensures accurate classification and improved productivity
- Zero burden placed on business users
- Policies consistently enforced and audited
- Enables proof of compliance

Where is All the Email Going?



“In today’s highly regulated and litigious world, an enterprise that fails to manage email as a record is testing fate.”

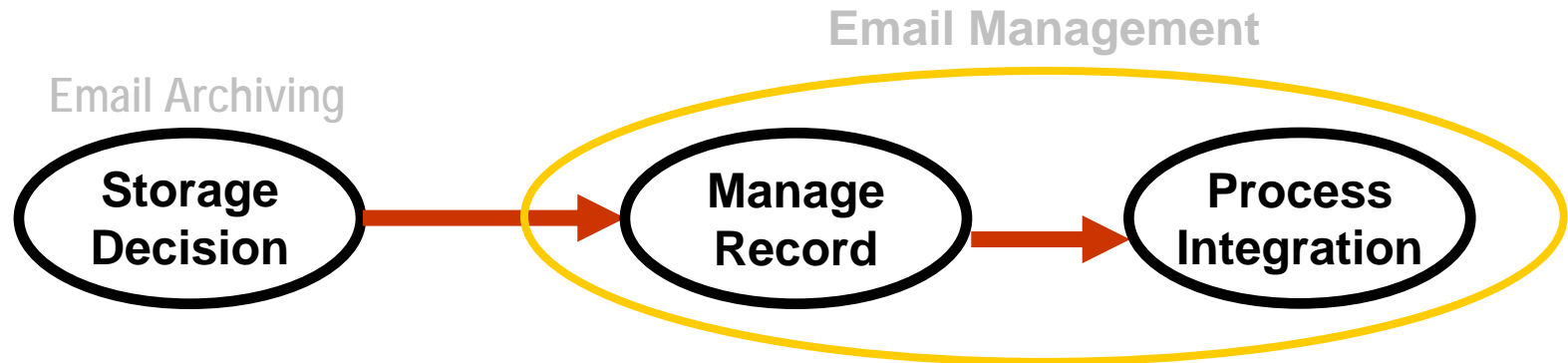
– Gartner



Email and Records Management

- Email is a transport method, not a record type
 - Email value is determined by content
 - Email retention is determined by content
 - Arbitrary mailbox limits (30 day, 60 day, or 90 day) address email as a storage problem
- Effective email management involves:
 - Declaring email content as business records
 - Integrating email content with other business content, transactions and processes
 - Applying and enforcing records management policy to email
- Records management for email mitigates compliance risks commonly found in systems that simply archive all email

Manage Email ... Don't Archive It

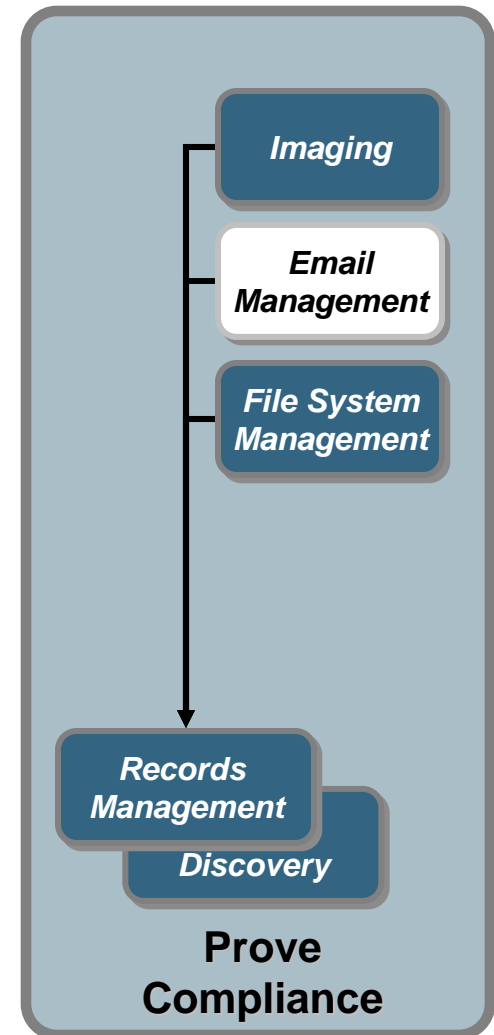


- Now a content management problem, not a storage problem
- Users storing messages in personal stores are vulnerable
 - Difficult to find
 - Questionable integrity
 - Many versions
- Email volumes growing exponentially
 - Server issues with backup and stability
 - User inbox sizes are unworkable
- Archiving creates its own problems
 - Keeping everything forever is costly

Email Manager

Is the first fully integrated email management solution that provides simple automated management of the users inbox

- *Manage inbox sizes*
- *Manage email as a record*
- *Keep email with other contextually similar content*

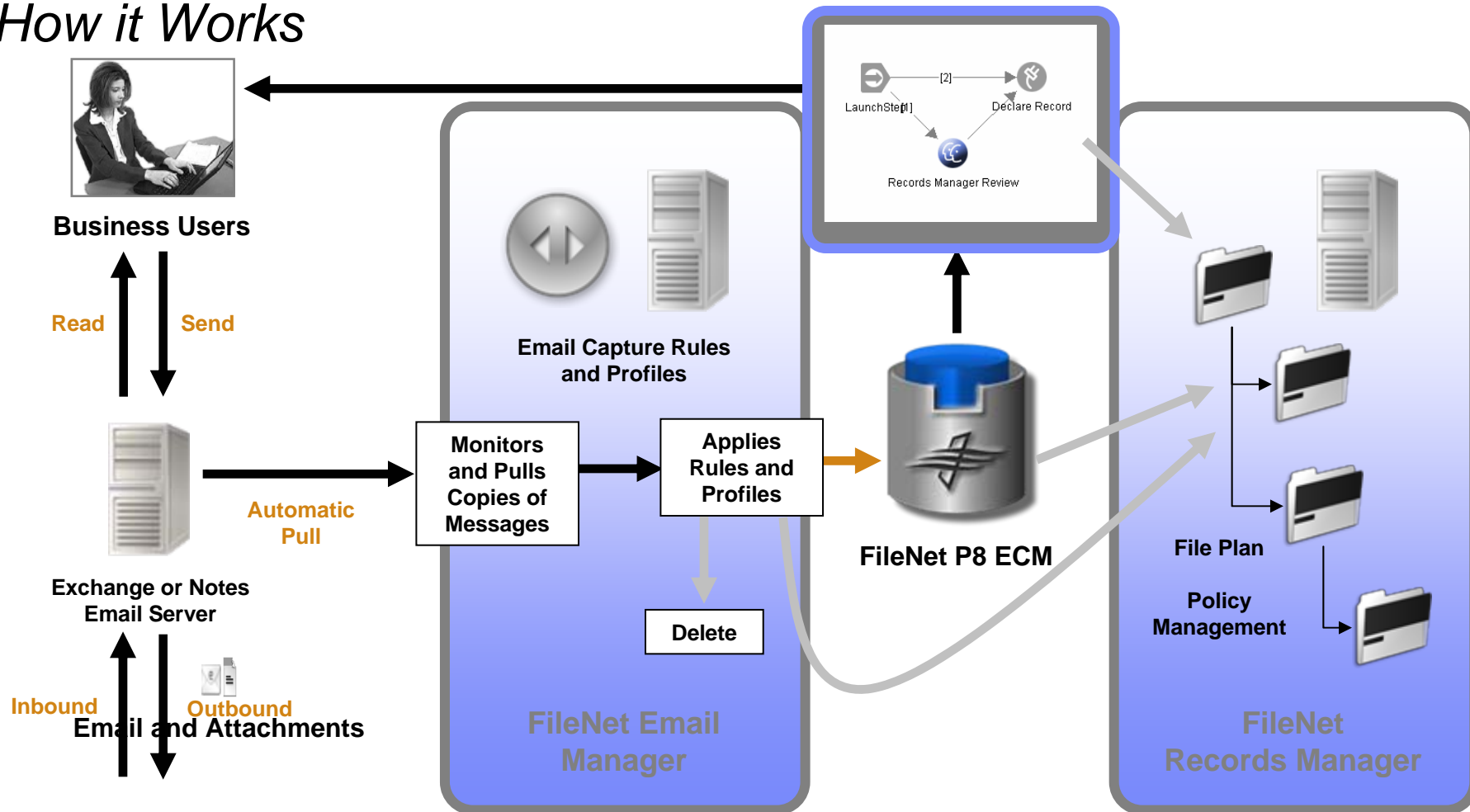


Email Manager Overview

- Reduce Inbox size effortlessly
 - Rule based capture on email metadata and content
 - ZeroClick capture and classification of email automatically
 - Eliminate duplicate messages
- Meet compliance requirements
 - Apply and enforce records management policy to email
 - Multiple attachment handling options
 - Keep messages with other contextually similar documents
- Easy access
 - Replace inbox messages with links
 - Search on email and attachment content
 - WEB based interface
- Exchange, Lotus, and GroupWise support

FileNet Email Manager

How it Works



Customer Example

Email Content, Process and Compliance in Insurance



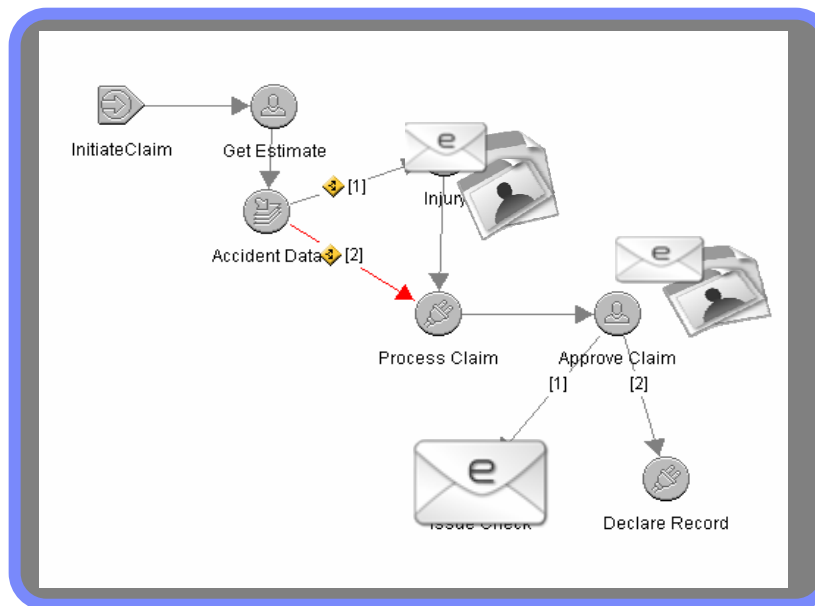
Customer



Claims Adjuster

1. Initiate Claim

3. Notifications



2. Capture Record

4. Process and Adjust Claim

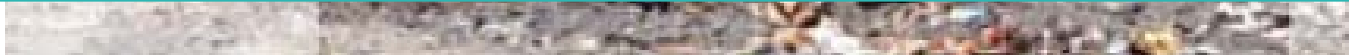


What About Shared Drives and File Systems?

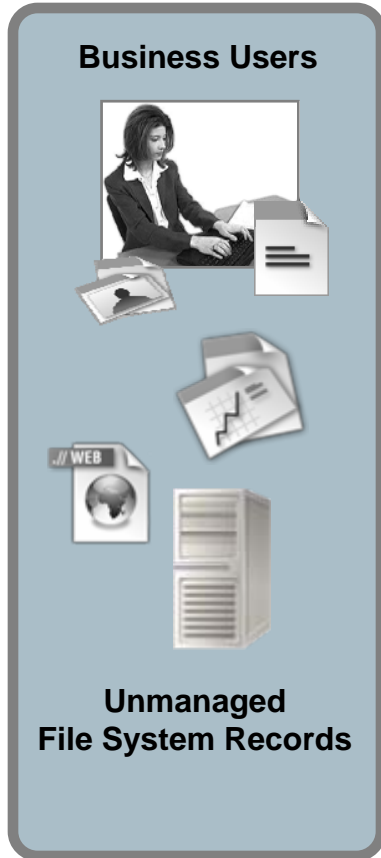


“ ... unstructured content is frequently scattered across an enterprise ... in hundreds of email and file servers that are typically not well organized and not easily found ... limited visibility into compliance with corporate policies.”

– IDC



File System Management – The emerging problem



80% of documents that should be managed, aren't

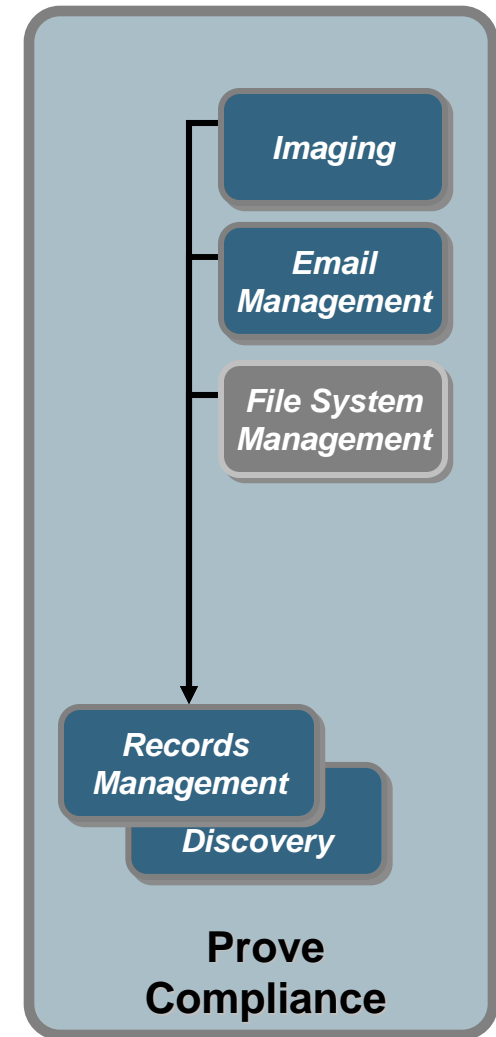
- Safety concerns over outdated procedures
- Ability to enforce policies, get user content under control, without user intervention (ZeroClick)
- The desire to reduce storage costs and recover space on network shares
- The ability to locate and manage records “in place”
- Find documents when needed, especially for electronic discovery while reducing costs

Records Crawler Overview

- Manage network file shares
 - Rule based analysis of file properties
 - ZeroClick capture and classification into Records Manager
 - Manipulate file security in accordance with policies
- Simple manipulation of files
 - Move large volumes of files into FileNet repositories
 - Link files automatically as records and manage in place
 - Automatically capture reports and statements from 3rd party systems
- Intelligent indexing
 - Automatic folder creation
 - Map file properties and folder hierarchy to FileNet properties
 - Index value manipulation based on rules.
- Multiple source and target system options for file management

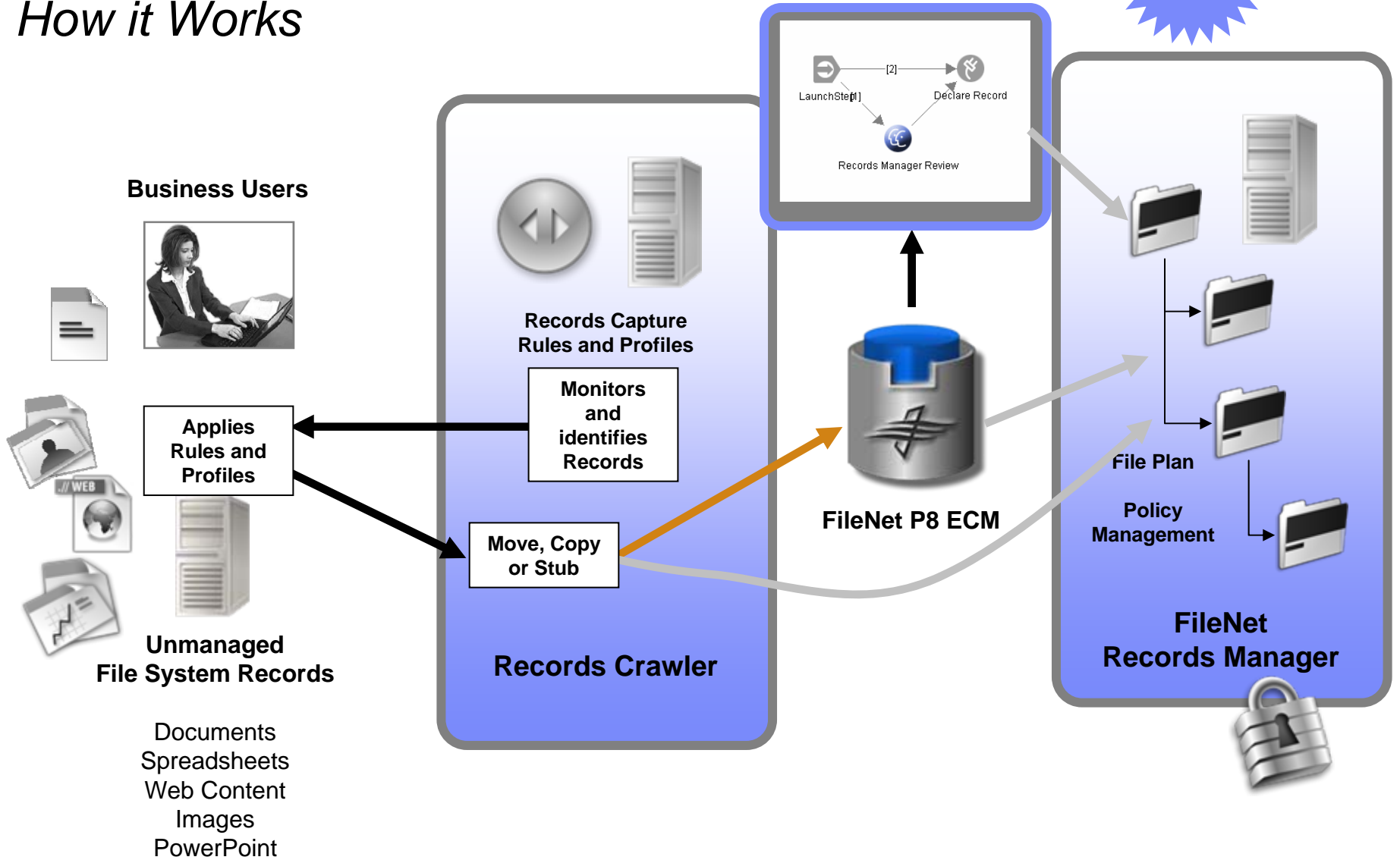
Records *Crawler* – Not a Another Search Tool

- **MONITOR** - Records Crawler automatically monitors file systems based on business policy and rules contained in Records Crawler profiles. Once a record is identified (every spreadsheet with “budget” in title) ...
- **ACTION** - is taken as specified in the profile (copy, move, stub, delete, declare record, trigger workflow)
- **CLASSIFY** - Direct integration into Records Manager file plan ensures precise classification into file plan
- **ENFORCE** - Places content and records under managed control and enforces security, privacy, compliance and audit policies



Records Crawler

How it Works

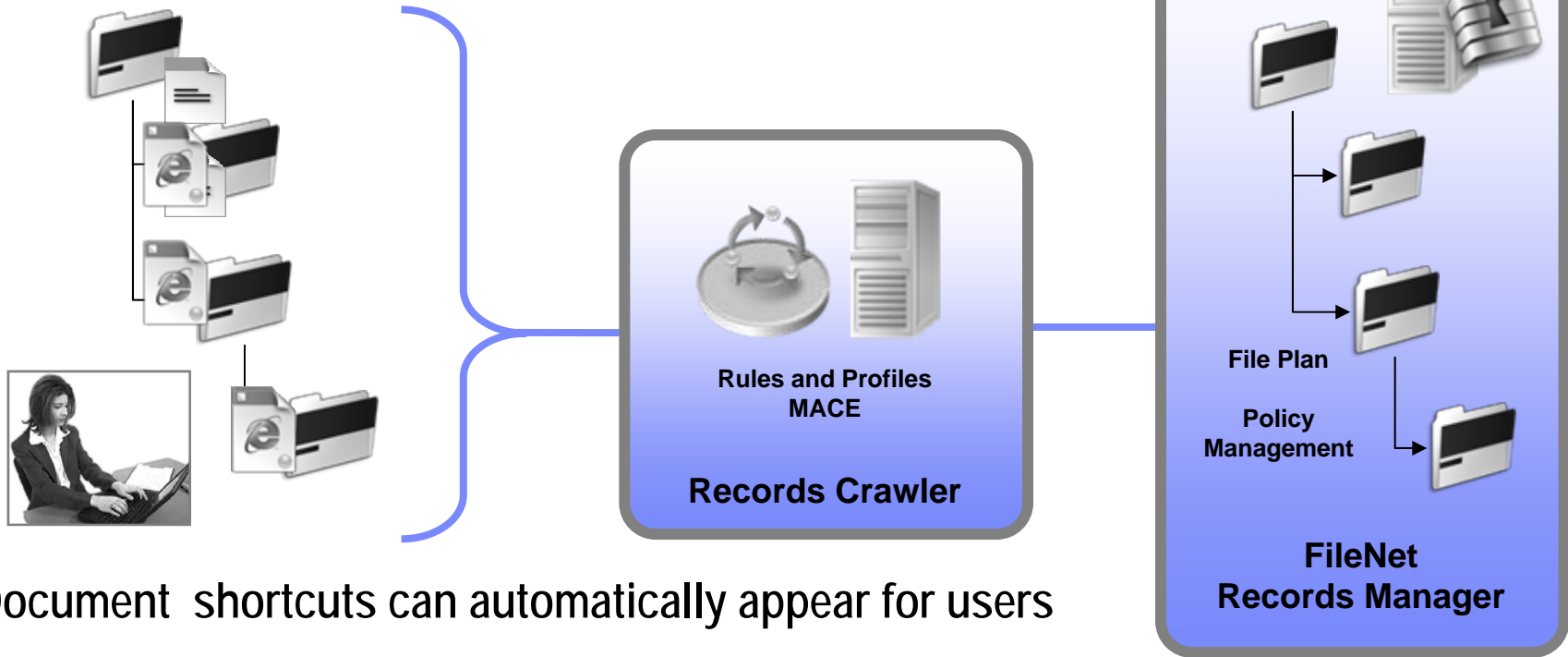


Customer Example / Government Agency and Large Bank

- Policy enforcement example and file migration using stubs (shortcuts)

Records Crawler monitors file system based on policy

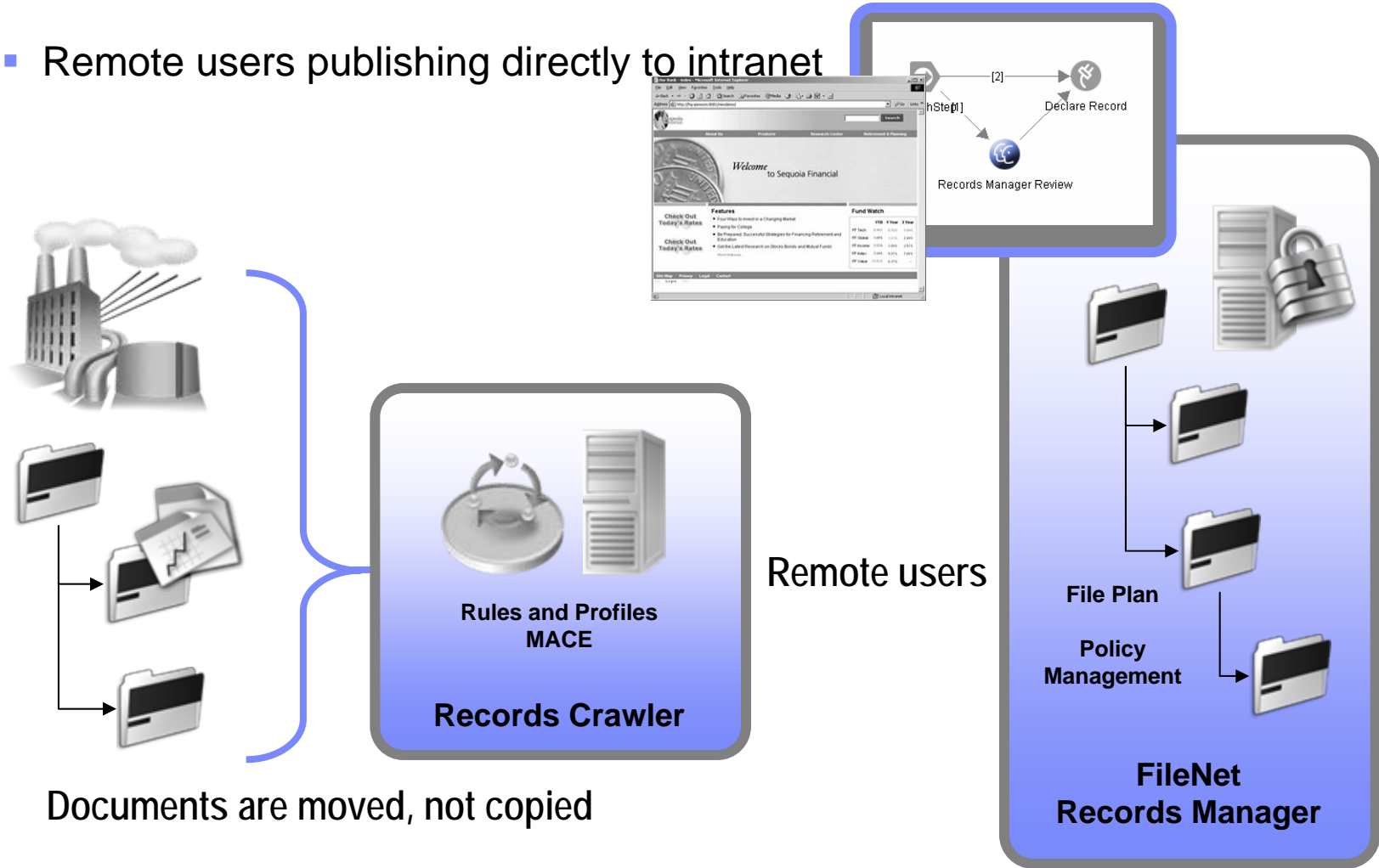
Can apply (enforce) rules on unmanaged content and records



Document shortcuts can automatically appear for users

Customer Example | Large Manufacturing Company

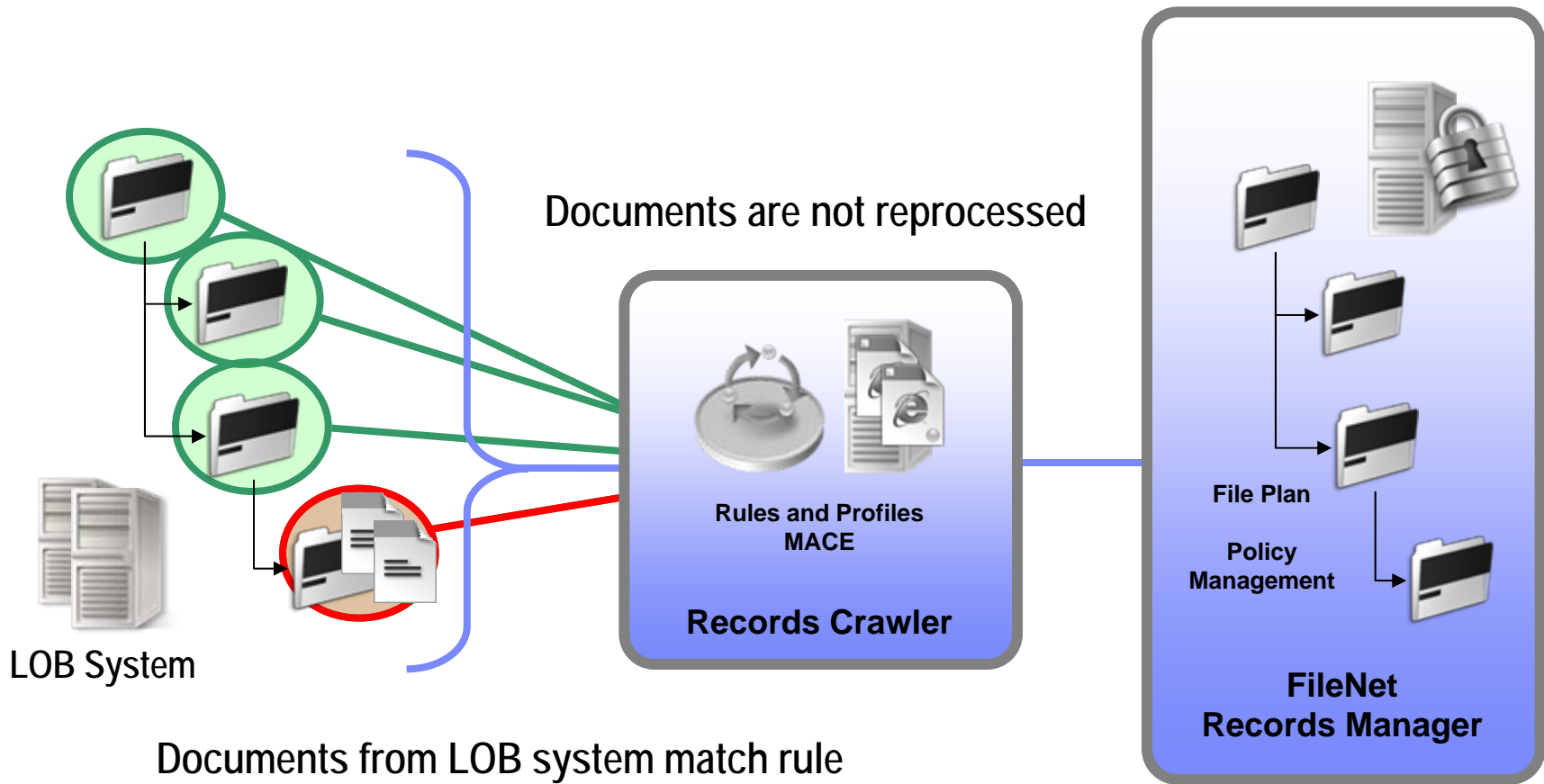
- Remote users publishing directly to intranet



Documents are moved, not copied

Customer Example | Large Insurance Company

Enforce records management policies on file system documents



Documents from LOB system match rule

Security is applied and P8 Proxy Objects created

Why is Electronic Discovery Costly and Painful?



“Increasing litigation and high electronic discovery costs will force enterprises to think more proactively about how they collect, review, format and produce content in response to a discovery request.”

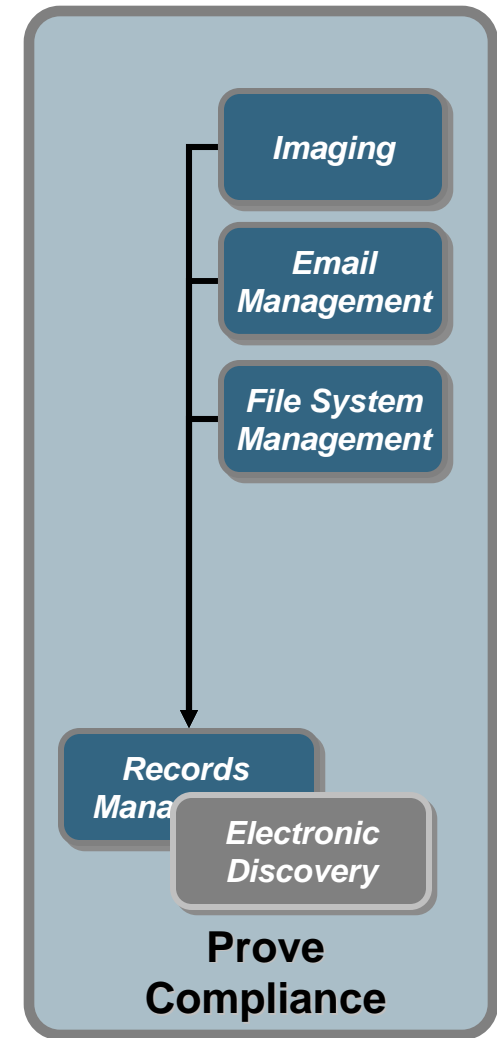
– Forrester



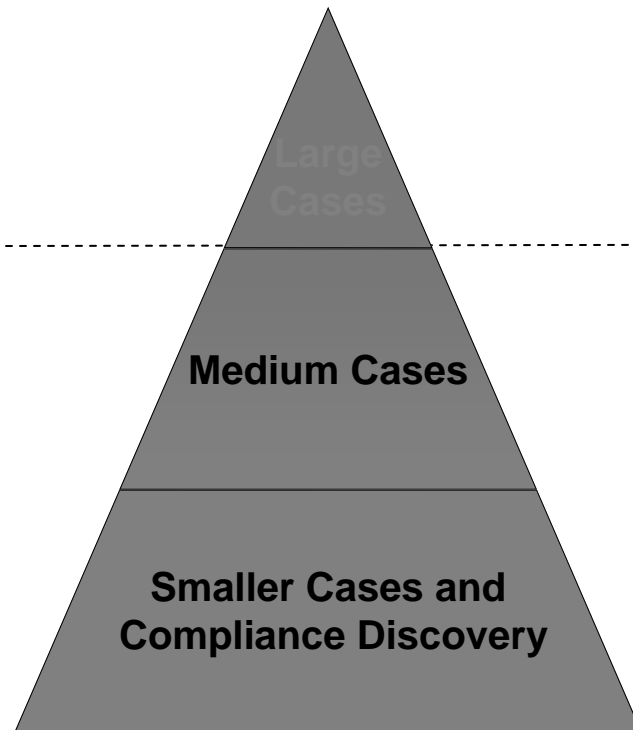
Building Discovery into a Compliance Framework

A suite of tools that allow you to quickly discover, review and produce documents, regardless of storage location, in a legally compliant way.

- *Locate documents wherever they exist*
- *Manage responsive documents across multiple cases*
- *Enforce Duty to Preserve and legal holds*



Corporate Discovery Sources



- High Profile Cases and Major Litigation
 - **Wall Street Journal material. Discovery costs can range from \$1 to \$5 million. Measured in terabytes.**
 - **Service providers generally used:**
 - Kroll, Fios, EED, Applied Discovery, etc.
-
- Medium Cases, Corporate and Compliance Discovery
 - **Very costly but corporations not likely to bring in specialists. No automation exists today.**
 - **Discovery is still relevant. Measured in gigabytes and megabytes.**
 - Employee Grievance
 - Contract Dispute
 - Internal Audit or Investigation
 - Investor Relations Issues

Reducing Electronic Discovery Costs

(DuPont Presentation 2002 MER Example)

Study at DuPont

Legal discovery for 9 legal cases:

Total # of pages reviewed = 75,450,000

Total # of pages responsive = 11,040,000

% of pages past retention period = 50%

✓ *For 9 cases studied, from 20 to 92% of records reviewed were past the retention period.*



Reducing Electronic Discovery Costs

(DuPont Presentation 2002 MER Example)

Pages reviewed past retention*	=	37,725,000
Cost to review at \$0.20/page	=	\$7,545,000
Total # of pages responsive	=	11,040,000
Total # of pages past retention	=	5,520,000
Cost to review at \$0.80/page	=	\$4,416,000
Unnecessary Cost	=	\$11,961,000* ** ***

* *Only 9 cases studied*

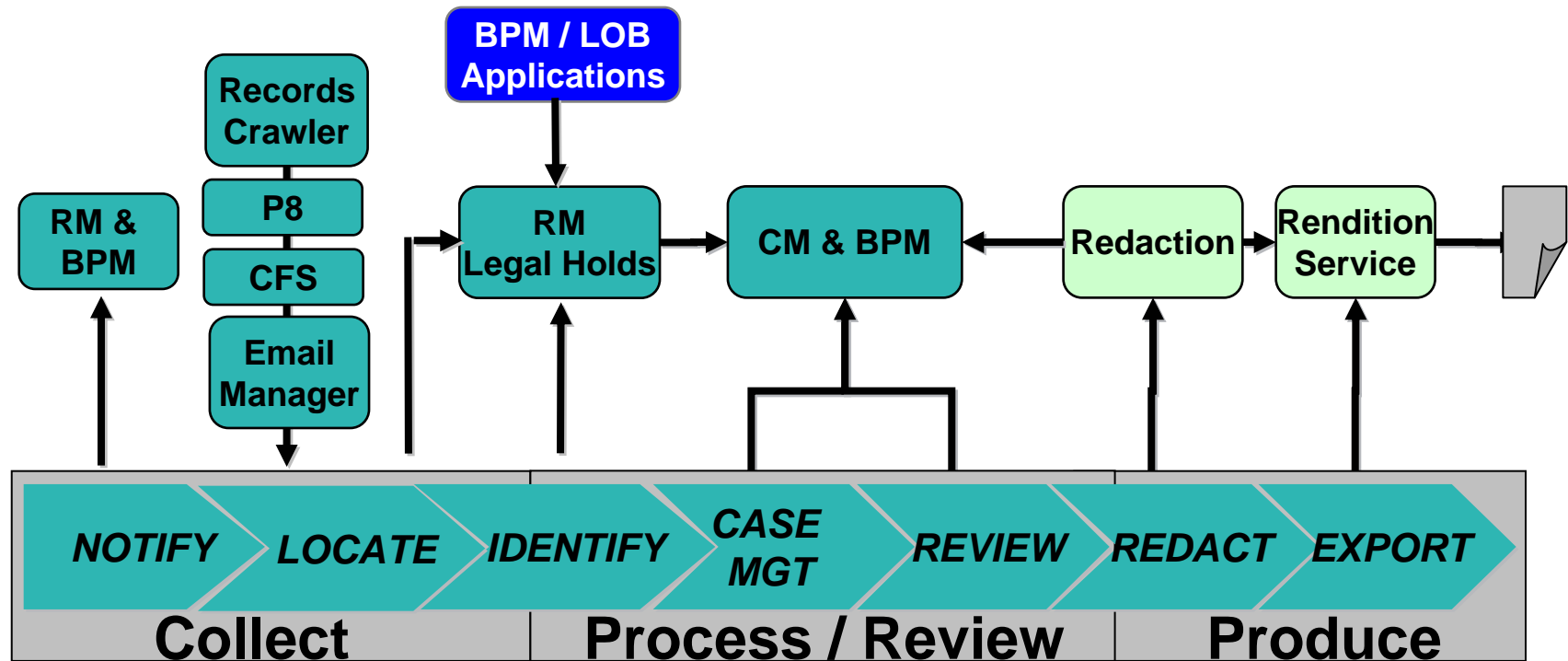
** *Does not include the cost to the corporation of information discovered that should not have been.*

*** *Does not include printing, photocopying, preparation, handling or transportation costs.*

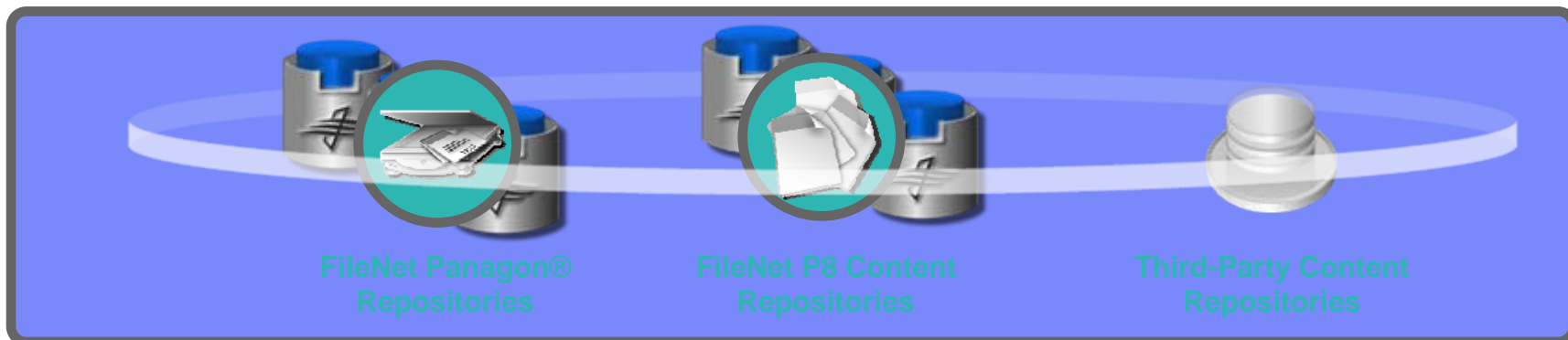
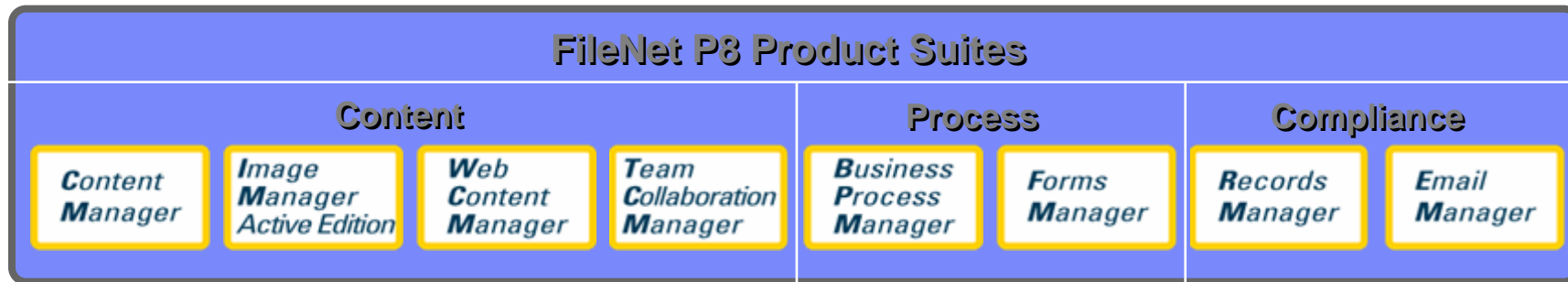


Effective Electronic Discovery Requires an Integrated ECM Backbone ... More Than Just Searching

It is an iterative and often expensive process of search review and packaging large volumes of documents.



Platform for Compliance | FileNet P8



Our Compliance Strategy



Compliance Applications



FaceTime
Instant Messaging

Compliance Infrastructure



OmniRIM
THE RECORDS MANAGEMENT SPECIALISTS
Physical Records








Email Management

Records Management

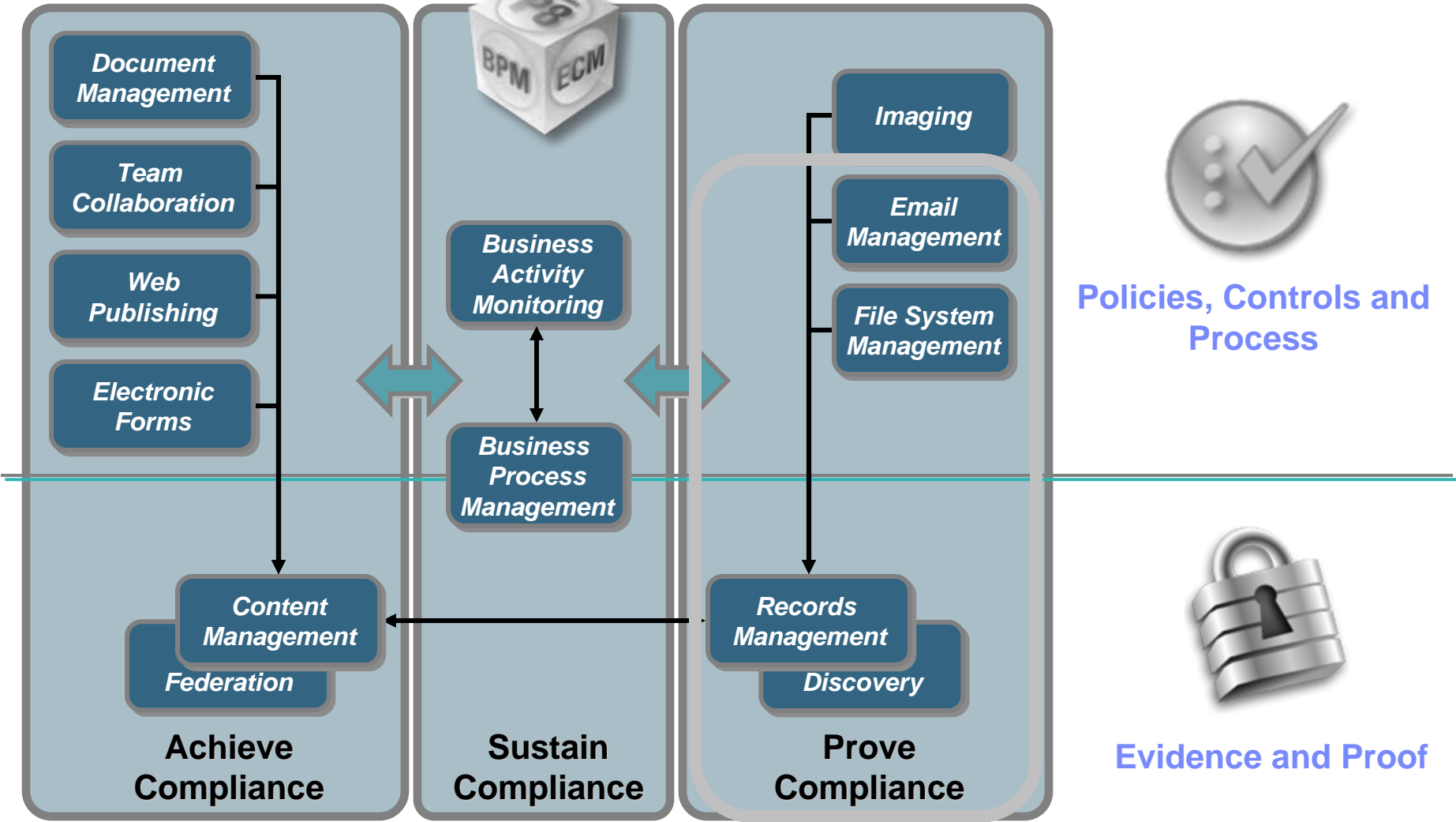


Electronic Discovery

FileNet P8 Addresses All Key Compliance Issues

-  Automated information capture (FileNet ZeroClick) does not rely on end-users
-  Controls embedded in operational processes reduce costs and risks, enforce compliance and timelines
-  Automation reduces number of manual controls that need testing
-  Single point of reference and full audit trail information ensures legal admissibility
-  Reduced and predictable compliance costs

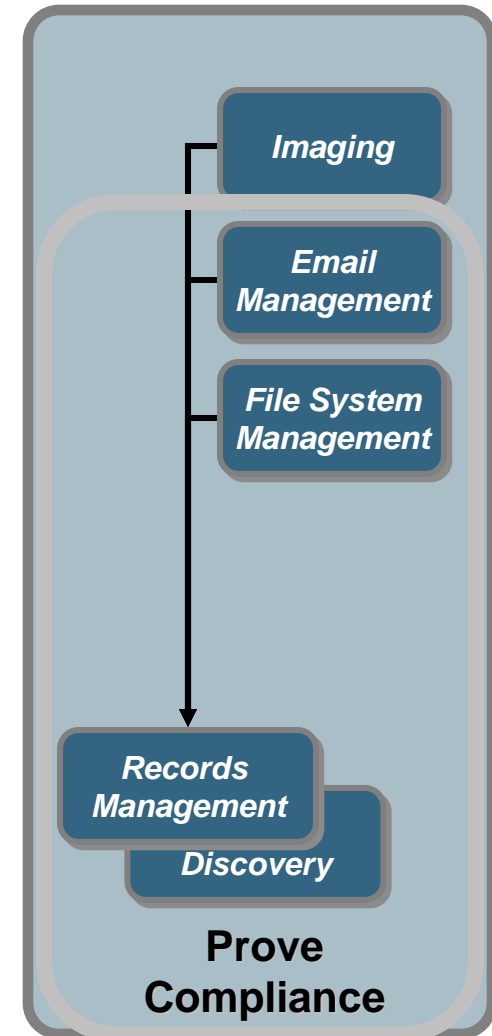
Managing the key functional components



Enterprise Compliance Platform

As a FileNet Customer ...

- You already have a compliance infrastructure in place
- Leverage your existing investment
- Start embedding records management, email management, file system management and electronic discovery into your operational environment and IT architecture
- Talk to a FileNet subject matter expert



Enterprise Compliance Platform

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