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# Records Management: Market Trends And Enterprise Expectations

by Brian W. Hill  
for Security & Risk Professionals



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## Records Management: Market Trends And Enterprise Expectations

Forrester Research And ARMA International Records Management Online Survey, Q3 2011

by **Brian W. Hill**

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### EXECUTIVE SUMMARY

Well-crafted records management (RM) programs help enterprises meet regulatory requirements, cut litigation costs, and achieve IT and broader information governance goals. Recognizing these opportunities, more than half of RM stakeholders expect to ramp up deployments in 2012. Yet building or expanding RM programs proves problematic for many enterprises. Records managers report that they continue to grapple with complexity, cost, low user adoption, and integration shortcomings while struggling to achieve strategic standing within their enterprise. Information risk management (IRM) professionals must overcome these obstacles to keep their organizations out of legal hot water and realize financial, reputational, and productivity objectives.

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In conjunction with ARMA International, Forrester fielded a survey of 313 technology and strategy decision-makers with responsibility for records management.

#### **Related Research Documents**

["Microsoft Makes Records Management Improvements With SharePoint 2010"](#)  
April 13, 2011

["The Intersection Of Records Management And eDiscovery: In Need Of Attention"](#)  
October 13, 2010

["The Pains, Pitfalls, And Potential For Records Management In 2011"](#)  
October 13, 2010

## MORE THAN HALF OF RECORDS MANAGERS EXPECT TO RAMP UP DEPLOYMENTS IN 2012

In our third annual collaborative effort with ARMA International, Forrester fielded a survey of more than 300 technology and strategy decision-makers responsible for records management in mid-2011. Among important findings, 53% of RM stakeholders expect to augment or deploy new RM products in 2012.<sup>1</sup> While this represents a slight dip from last year's survey, adoption remains strong. Three factors driving this continued adoption are the need to:

- **Address regulatory requirements and ease eDiscovery pain.** Successful RM programs support achieving regulatory requirements, information risk management goals, and broader information governance objectives. In our Forrsights Security Survey, Q2 2011, 83% of enterprises reported regulatory compliance to be an “important” or “very important” initiative over the next 12 months.<sup>2</sup> While records management has historic roots in facilitating compliance, enterprises are increasingly seeking to ease complex and costly eDiscovery responses with defensible disposition approaches enabled by solid RM programs.
- **Tackle a broader set of content and application types.** Over the past several years, vendors and enterprises have embarked on a journey to expand the scope of records management beyond physical records to a broader set of electronic assets. While applying records management controls on physical assets remains a critical use case, the transition to incorporating these controls to a wider array of content types and applications has been slow and bumpy. In 2012, however, about one-third of RM decision-makers plan to integrate content management, email, file shares, and collaboration systems with currently deployed RM applications.
- **Factor in the rapid rise of SharePoint.** RM stakeholders planning purchases in 2012 expect to source from a fragmented field of vendors.<sup>3</sup> In addition, nearly one-fifth of these decision-makers have yet to determine which vendor they will use. Against this backdrop of uncertainty is the pervasive enterprise adoption of Microsoft SharePoint. In SharePoint 2010, Microsoft introduced significant RM advances and generated keen market interest. While the current offering includes improvements, it doesn't address all enterprise RM requirements, and there are few detailed public references of RM use cases. SharePoint advances combined with appropriate RM governance hold promise, and partner offerings can address some functional gaps or, alternatively, keep unmanaged SharePoint sprawl in check.<sup>4</sup>

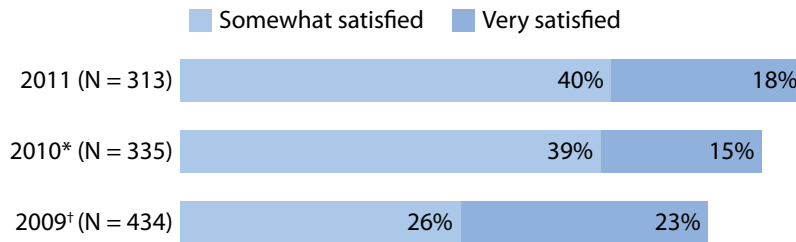
## ENTERPRISES REPORT HIGHER SATISFACTION YET GRAPPLE WITH COMPLEXITY AND COST

Records management stakeholders report increasing satisfaction with their RM applications. Up from only 49% in 2009, 58% of our Q3 2011 survey respondents report satisfaction with their current RM products (see Figure 1). When you factor in the legal and compliance implications associated with records management, this is a trend in the right direction.

While this small shift is encouraging, records managers also describe considerable challenges with their programs. Instead of technology application-specific woes, these frustrations continue to focus on concerns about the complexity and duration of deployments, high cost, low user adoption, difficulties aligning with other stakeholders (e.g., IT, legal, compliance, and business), and integration challenges (see Figure 2).

**Figure 1** Enterprises Report Increasing Records Management Satisfaction

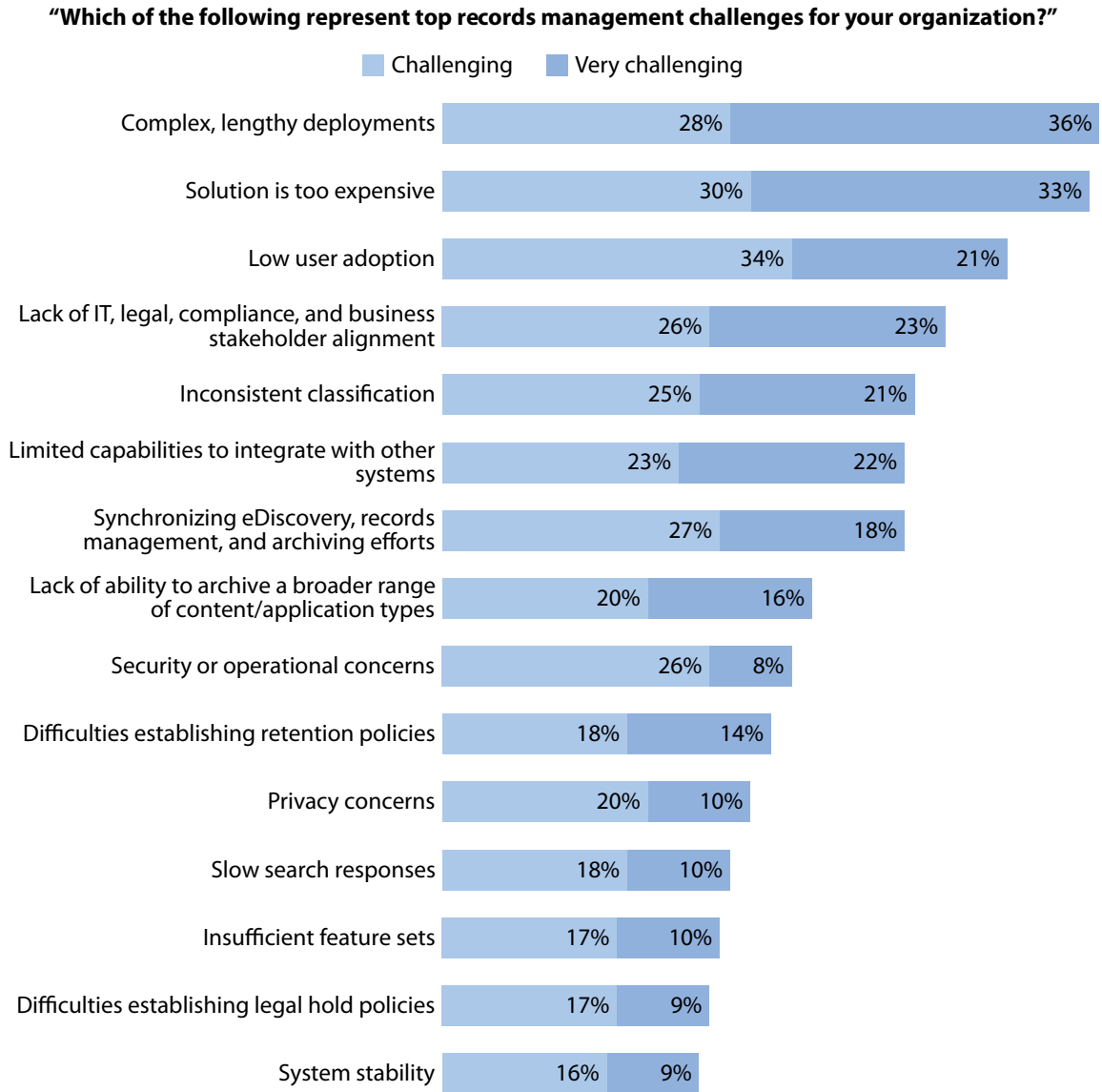
**“How would you rate your level of satisfaction with your current records management product(s)?”**



Base: technology and strategy decision-makers with responsibility for records management

Source: Forrester Research And ARMA International Records Management Online Survey, Q3 2011  
 \*Source: Forrester Research And ARMA International Online Records Management Survey, Q3 2010  
 †Source: Forrester Research And ARMA International Online Records Management Survey, Q3 2009

**Figure 2** Complexity, Cost, Low User Adoption, And Integration Shortcomings Represent Top Woes



Base: 313 technology and strategy decision-makers with responsibility for records management (“Other” responses were not included)

Source: Forrester Research And ARMA International Records Management Online Survey, Q3 2011

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Source: Forrester Research, Inc.

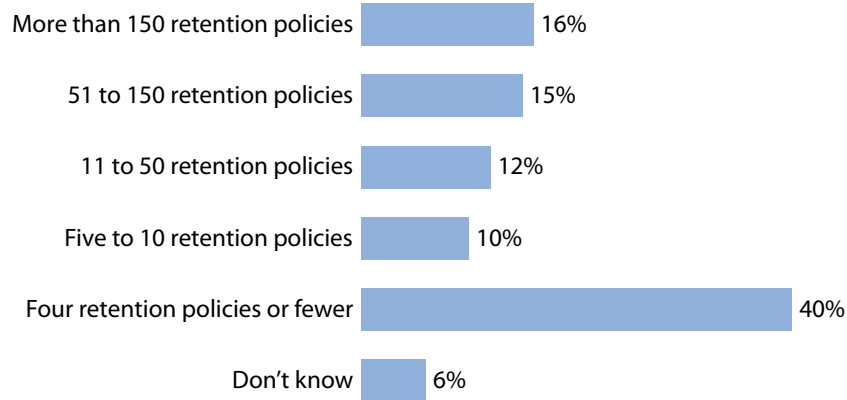
## Complex, Lengthy Deployments Continue To Frustrate Records Managers

As we found in our Q2 2010 survey, our Q2 2011 results highlight that complexity and deployment duration concerns pose top records management frustrations. Nearly two-thirds of RM stakeholders describe complex, lengthy deployments as challenging. Three major factors play a big role in contributing to this concern:

- **An inability to align stakeholders leads to program failures.** Effective RM programs require strong cross-functional stakeholder alignment. Unfortunately, in our Q3 2011 survey, about half of records managers reported that alignment with IT, legal, compliance, and business stakeholders continues to be challenging. Cross-role coordination is essential in capturing RM requirements, developing strong policies and procedures, working through technology issues, and promoting ongoing program governance objectives. Organizational fragmentation can slow down and complicate RM deployments, but without appropriate cross-functional linkages, enterprise RM programs fail.
- **A plethora of retention policies inhibits employee adoption and accurate classification.** In our Q3 2011 survey, 16% of records managers report that their enterprise has more than 150 distinct retention policies for records (see Figure 3). This figure, in line with our Q3 2010 results, represents considerable policy complexity. Choice is good, but that's a lot. Expecting broad sets of employees to navigate extensive classification options while referring to records schedules that may weigh in at well over 100 pages simply isn't realistic. Automated approaches and effective outreach with records coordinators can help, but limiting the number of distinct retention policies and consolidating classification options can improve user adoption, limit classification inconsistencies, and ease deployment duration and complexity.
- **A lack of integration across RM products and other applications complicates deployments.** Historically, many organizations deployed RM applications to focus on managing and controlling physical assets. Today, IRM professionals upgrading or deploying RM products expect the application to accommodate a broad range of electronically stored information (ESI) and to tackle rigorous eDiscovery demands. In some cases, however, technical integration limitations across vendors or poorly linked supplier portfolios can complicate deployments. In others, navigating complex workflows (e.g., legal hold or detailed routing processes supporting particular business groups) or understanding how the system might control additional types of ESI such as email, SAP, or SharePoint can bog down rollouts. While developing appropriate process and technology integrations is time-consuming and can be frustrating, rushing out a disjointed application with major missing links is a recipe for RM program headaches.

**Figure 3** Nearly One-Third Of Respondents Have More Than 50 Record Retention Policies

**“How many distinct retention policies does your organization have for records?”**



Base: 313 technology and strategy decision-makers with responsibility for records management

Source: Forrester Research And ARMA International Records Management Online Survey, Q3 2011

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Source: Forrester Research, Inc.

### Records Managers Struggle With High Solution Costs And Budget Uncertainty

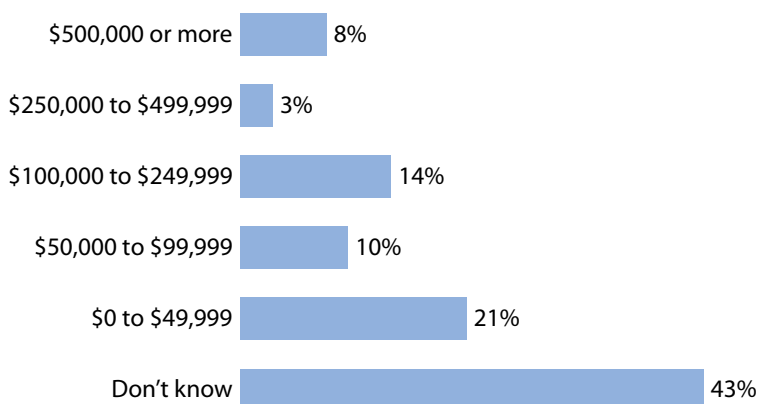
High solution costs represent a major problem for records managers. At the high end, budgets for records management have dipped slightly, but 11% of professionals planning purchases expect to spend more than \$250,000 on new licenses (see Figure 4). As with previous findings, about 60% perceive solution expense as a challenging factor. What are some of these issues with solution expenses? IRM professionals tell us that:

- **Pricing for RM applications can vary dramatically.** For example, some vendors price according to user metrics, but others take a per-processor, flat-fee, or other approach. Separate pricing arrangements for different modules (e.g., connectors for SharePoint, SAP, and other applications) along with linkages to enterprise content management (ECM) platforms can add complexity. Given the considerable variations and complexity in vendor pricing models, 43% of records managers expecting 2012 purchases have yet to determine their licensing budget.
- **Service costs can dwarf license costs in RM deployments.** Beyond deployment and integration expenses, service costs supporting policy development, training, and ongoing RM program governance can add up quickly and may not be transparent to IRM professionals. For example, in developing retention policies, more than two-thirds of records managers work with their counterparts in legal, business management, IT, and compliance. This cross-functional collaboration is key, but if capturing this input is not planned carefully, the hidden costs of

disorganized meetings can rapidly escalate. IRM professionals should work closely with their colleagues in procurement to: 1) navigate pricing; 2) look for ways to gain leverage during vendor negotiation; 3) develop a solid understanding of total expenditures; and 4) craft cost justification analyses.

**Figure 4** Records Management Software License Budgets For 2012 Lack Clarity

**“What amount do you have budgeted for additional records management software licenses or for new records management software products in 2011?”**



Base: 166 technology and strategy decision-makers with responsibility for records management and expect to expand or roll out new records management products in 2011

Source: Forrester Research And ARMA International Records Management Online Survey, Q3 2011

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Source: Forrester Research, Inc.

## EDISCOVERY FRUSTRATIONS POSE ONGOING PAIN FOR RECORDS MANAGERS

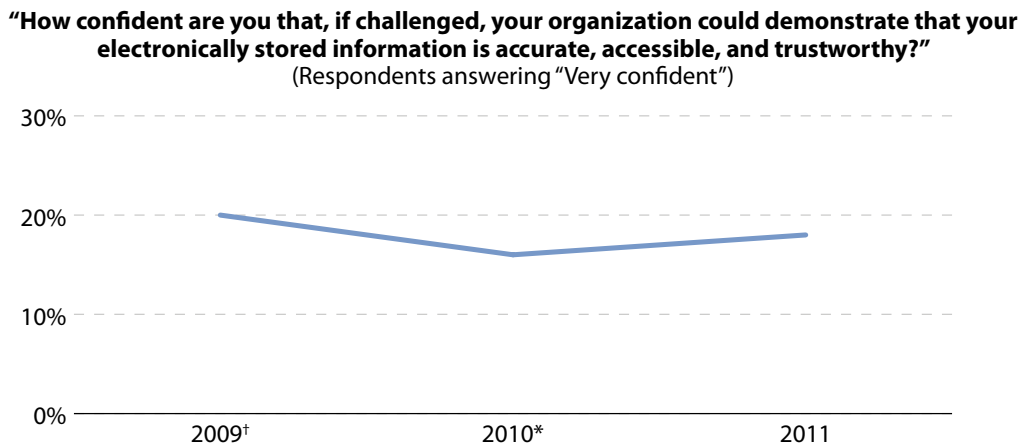
Records managers continue to report painfully low confidence in their enterprise’s eDiscovery capabilities. In line with findings over the past two years, in our Q3 2011 survey we found that only 18% of RM stakeholders report that they are “very confident” that if challenged, their organization could demonstrate that their ESI is accurate, accessible, and trustworthy (see Figure 5).

Records managers’ disturbing state of eDiscovery confidence should concern enterprise executives. Solid RM programs can go a long way toward easing eDiscovery costs and complexity. Simply put, RM approaches incorporating defensible disposition practices can reduce the volume of content that enterprises need to search in response to litigation or investigations. This results in faster responses, lower costs, and reduced exposure. In contrast, enterprises that lack effective RM programs face the prospect of growing digital landfills that can translate to slow, costly responses to eDiscovery. In addition to considerable compliance and legal risk, sifting through surging volumes and varieties of uncontrolled ESI hinders information worker productivity. So, what’s behind this alarmingly low eDiscovery confidence?<sup>5</sup> In particular, IRM professionals express concerns about two top challenges:



- **Application integration woes frustrate program objectives.** Enterprises report challenges working with a mix of disparate applications and policies during the eDiscovery process. Deep integration across legal risk mitigation applications, often purchased from a variety of vendors, is rare. Given the application fragmentation typical in most enterprises today, getting a grab bag of physical RM applications, ECM systems, message archiving software, and assorted eDiscovery tools to “talk” to each other from integrated policy and management perspectives is an elusive dream. Recognizing application integration obstacles, IRM professionals give strong weight to supplier eDiscovery capabilities in RM product selection. Contemplating potential RM applications in 2012, 79% of RM stakeholders perceive vendor capabilities to support collection, review, and other steps in the eDiscovery process to be important.
- **Legal hold is often a major missing link.** Organizations must suspend their routine document retention/destruction policies upon reasonably anticipating litigation, ensuring the preservation of relevant documents. In our Q3 2011 survey, however, only 45% of decision-makers report that their current RM application supports legal hold natively or via packaged third-party integration. The remaining respondents state that their application doesn’t support legal hold, they don’t know if it does, or they simply don’t use the included legal hold capability (see Figure 6). Ad hoc, manual approaches invite inconsistency, increase potential for errors, and translate to greater legal exposure. However, leveraging integrated applications to streamline the legal hold process can go a long way toward reducing eDiscovery risk and costs.

**Figure 5** Records Managers Report Abysmal eDiscovery Confidence



Base: 313 technology and strategy decision-makers with responsibility for records management  
\*Base: 335 technology and strategy decision-makers with responsibility for records management  
†Base: 434 technology and strategy decision-makers with responsibility for records management

Source: Forrester Research And ARMA International Records Management Online Survey, Q3 2011  
\*Source: Forrester Research And ARMA International Online Records Management Survey, Q3 2010  
†Source: Forrester Research And ARMA International Online Records Management Survey, Q3 2009

**Figure 6** Less Than Half Of Records Managers Say Their Application Supports Legal Hold



Base: 313 technology and strategy decision-makers with responsibility for records management  
(Percentages may not total 100 because of rounding.)

Source: Forrester Research And ARMA International Records Management Online Survey, Q3 2011

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Source: Forrester Research, Inc.

## RECORDS MANAGERS STRUGGLE WITH STRATEGIC STANDING

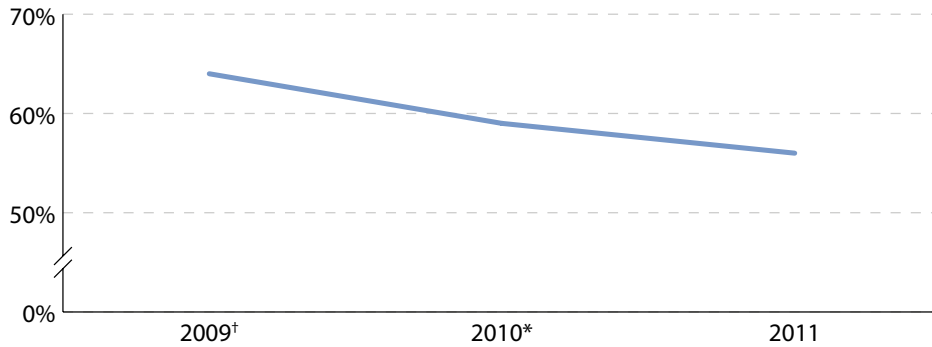
Effective RM programs can facilitate meeting compliance requirements, achieving information risk management goals, and addressing broader information governance objectives. Records management, however, rarely supports direct revenue generation, and most executives perceive the function to be an administrative cost center. Reflecting this organizational reality:

- **Records managers frequently aren't seen as strategic stakeholders.** Over the past two years, the strategic relevancy of the RM function has taken a slight dip. In our Q3 2011 survey, 44% of RM stakeholders reported that they were not included in the IT strategic planning process — including requirements definitions and vendor selection (see Figure 7). Factoring in rises in litigation and regulatory scrutiny since our Q3 2009 survey, this trend is particularly disturbing. Just how much will your enterprise's growing digital landfill cost? In addition to reducing compliance risks, successful RM programs can deliver storage, eDiscovery, and productivity gains. These estimated benefits can be tough to quantify but should be an important element of the planning process. As organizations apply retention and disposition controls over a broader set of ESI and seek to synchronize eDiscovery, records management, and archiving efforts, those that fail to include strategic input from RM functions face major hurdles.

- Records managers report into a variety of enterprise groups.** Organizational reporting structures for records managers are all over the map (see Figure 8). Records managers report into different business units, executive offices, legal, IT, and other teams. Despite diverse reporting lines, records managers (especially in organizations with higher risk profiles and large employee populations) report expanding collaboration with their counterparts in loosely structured and formalized cross-functional teams. With varying levels of formalization and executive backing, thought-leading enterprises are increasingly developing “information governance” or “information management” groups with active participation from records management, IT, legal, business, security, compliance, and others. Among the shared cross-functional objectives in the groups, key compliance and legal risk mitigation goals figure prominently.

**Figure 7** More Than 40% Of Records Managers Aren't Included In Strategic Planning

**“Including requirements definitions and vendor selection, are records management stakeholders included in the IT strategic planning process?”**  
(Respondents answering “Yes”)

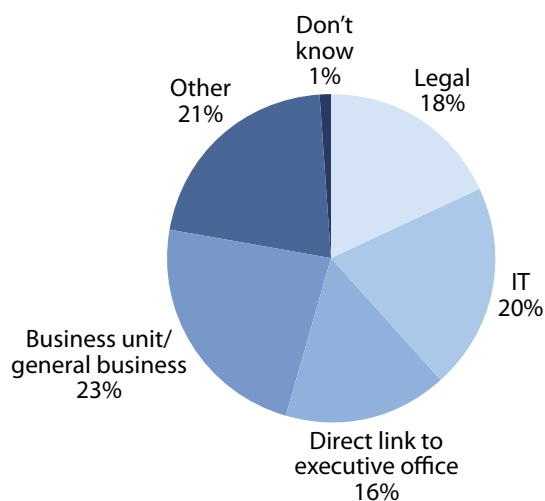


Base: 313 technology and strategy decision-makers with responsibility for records management  
<sup>\*</sup>Base: 335 technology and strategy decision-makers with responsibility for records management  
<sup>†</sup>Base: 434 technology and strategy decision-makers with responsibility for records management

Source: Forrester Research And ARMA International Records Management Online Survey, Q3 2011  
<sup>\*</sup>Source: Forrester Research And ARMA International Online Records Management Survey, Q3 2010  
<sup>†</sup>Source: Forrester Research And ARMA International Online Records Management Survey, Q3 2009

**Figure 8** Records Managers Describe Fragmented Reporting Structures

**“Where does the records management function report in your organization?”**



Base: 313 technology and strategy decision-makers with responsibility for records management  
(Percentages may not total 100 because of rounding.)

Source: Forrester Research And ARMA International Records Management Online Survey, Q3 2011

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Source: Forrester Research, Inc.

## RECOMMENDATIONS

### RECORDS MANAGERS MUST OVERCOME ORGANIZATIONAL INERTIA TO ACHIEVE GOALS

Negotiating complex challenges and a rapidly changing market, IRM professionals struggle with building and expanding effective RM programs. You can't do it alone. Forrester recommends that information risk management professionals:

- **Redouble efforts on cross-functional collaboration and building a strong business case.** Successful RM programs require extensive cross-functional collaboration and well-honed diplomatic and sales skills. Clearly articulating compliance, legal, storage, and other RM benefits to a range of IT, legal, and other executives is a key first step. Go back to basics and develop strong financial justifications for expanding or rolling out your RM program. Work closely with legal and IT to determine how much surging volumes of physical and electronic content will cost your enterprise today and in three years. A clear understanding of litigation expenses, including true costs for the full process, potential sanctions, and other damages will go a long way to establish the ROI for an RM program. Ditto for rapidly accelerating storage and management costs for physical and electronic assets. Look to link related applications and initiatives (e.g., eDiscovery and archiving) across your enterprise to bolster financial justifications.

- **Focus on an expanded set of content and application types.** Most RM programs have deep roots in managing physical assets, and while this remains important, it's not all about paper. Enterprises need information controls on a wide array of ESI. With input from IT, legal, and other teams, prioritize key content and application types. What types of ESI pop up most frequently in lawsuits affecting your company or peer firms? What ESI accounts for your top storage burdens? These insights, along with collaborative policy development, are critical in helping to meet compliance obligations and developing strategic, cost-effective RM programs.
- **Strategically plan to simplify policies and synchronize related applications.** Enterprises struggle with RM complexity. IRM professionals driving solid RM programs put strong emphasis on simplicity from both policy and technology perspectives. All too frequently, enterprises report major challenges stemming from highly complex retention schedules and disjointed applications. Streamlining policies can give a big boost to user adoption and classification consistency. Comparably, tight application integration between tools and procedures in key steps in the eDiscovery process (e.g., retention management and legal hold) can pay off handsomely in cutting costs and easing legal headaches.

## SUPPLEMENTAL MATERIAL

### Methodology

In the Forrester Research And ARMA International Records Management Online Survey, Q3 2011, Forrester conducted an online survey of 313 technology and strategy decision-makers with responsibility for records management during July 2011. Approximately 92% of respondents were located in North America. The remaining participants were based in Europe, Asia Pacific, Africa, Latin America, and the Middle East. Government, legal, and finance were the industries with the most respondents (approximately 24%, 11%, and 9% of the pool, respectively). Approximately 33% of the survey participants were employed by enterprises with more than 5,000 employees.

In addition to sampling error, one should bear in mind that the practical difficulties in conducting surveys can introduce error or bias into the finding of opinion polls. Other possible sources of error in polls are probably more serious than theoretical calculations of sampling error. These other potential sources of error include question wording, question ordering, and nonresponse. As with all survey research, it is impossible to quantify the errors that may result from these factors without an experimental control group, so we strongly caution against using the words "margin of error" in reporting any survey data.

These statements conform to the principles of disclosure of the National Council on Public Polls.

## ENDNOTES

- <sup>1</sup> Across 313 technology and strategy decision-makers with responsibility for records management, 53% expect to expand or roll out new records management products in 2012. Source: Forrester Research And ARMA International Online Records Management Survey, Q3 2011.

Comparable figures have fluctuated from 63% (2011 plans) and 56% (2010 plans). Source: Forrester Research And ARMA International Online Records Management Survey, Q3 2009 and Forrester Research And ARMA International Online Records Management Survey, Q3 2010.
- <sup>2</sup> Source: Forrsights Security Survey, Q2 2011.
- <sup>3</sup> Survey respondents planning purchases expect to buy RM offerings supplied by Autonomy, Archive Systems, EMC, Fabasoft, HP, Hyland Software, IBM, Iron Mountain, Laserfiche, Microsoft, OpenText, Oracle, and others.
- <sup>4</sup> For additional assessment of Microsoft SharePoint 2010, see the April 13, 2011, "[Microsoft Makes Records Management Improvements With SharePoint 2010](#)" report.
- <sup>5</sup> In addition to these key eDiscovery challenges, poorly designed or disjointed policies (e.g., linking retention management with legal hold) along with deep divisions among major stakeholders (e.g., IT and legal) also create challenges for many enterprises. Further, given typical strong backgrounds in compliance, records managers have a good perspective on risk posed by content controlled in managed repositories — but they also understand that content “in the wild” outside of the control of any type of managed repository may cause even greater concern.

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