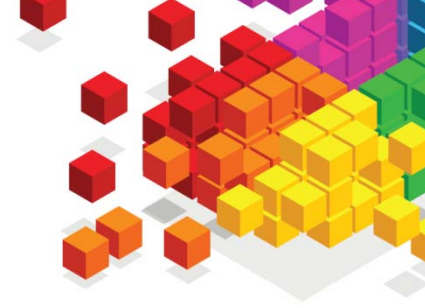# Improving Information Economics with Information Lifecycle Governance and Defensible Disposal

Agenda

- Information Growth and the Organizational Challenges
- A Very Simple Savings Proposition – Dispose of Unnecessary Data
- ILG Program – Cost and Risk Take Out
- IBM is a Strategic Partner to Instrument an ILG Program

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The Information Flood will Continue to Challenge Governance Processes
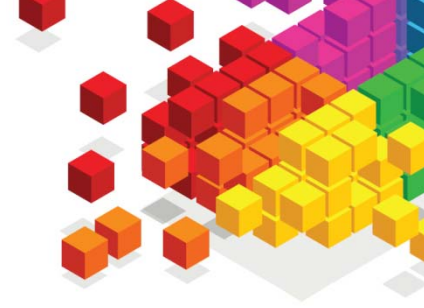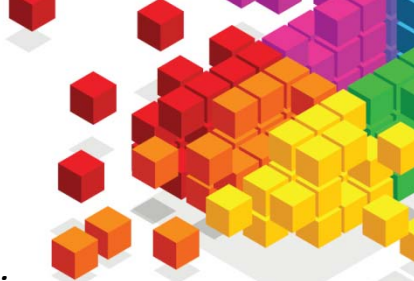
**90%** of the information in the world was created in the last 2 years.

44x The additional amount of information that will exist in the world 2020.

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Data Growth Outpaces Storage Budgets and Business Processes

Run rate costs double quickly if volume grows >30%
Consumes CIO budget

Storage: Direct Procurement Costs in Millions

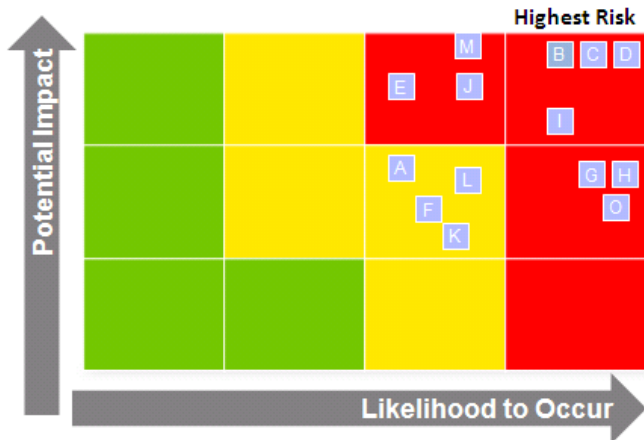### High Risks & Mitigation Burden
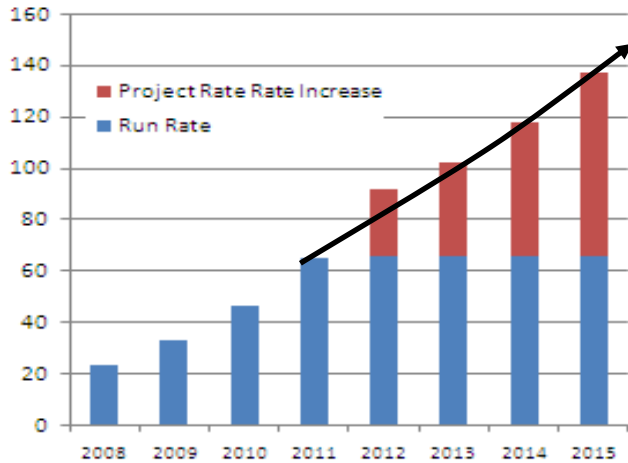
Information volume overwhelms information governance processes
Undermines their effectiveness

Governance processes have not matured to reflect volume, specifically how to:

- Define and execute legal holds and data collection (A-F)
- Apply retention schedules to electronic information (G,H)
- Align storage and manage information based on specific legal obligations and business value [I]
- Provision, decommission and dispose of data [L,M,N]

**This leads to excess data and cost as well as operational challenges that in turn contribute to risk:**
- Difficulty disposing of unnecessary data
- Complexity in applying legal holds
- Inefficiencies in data management and governance

16 governance processes impacted by high data volume such as placing holds, collecting evidence, decommissioning systems and their inherent risks, represented in A-O.

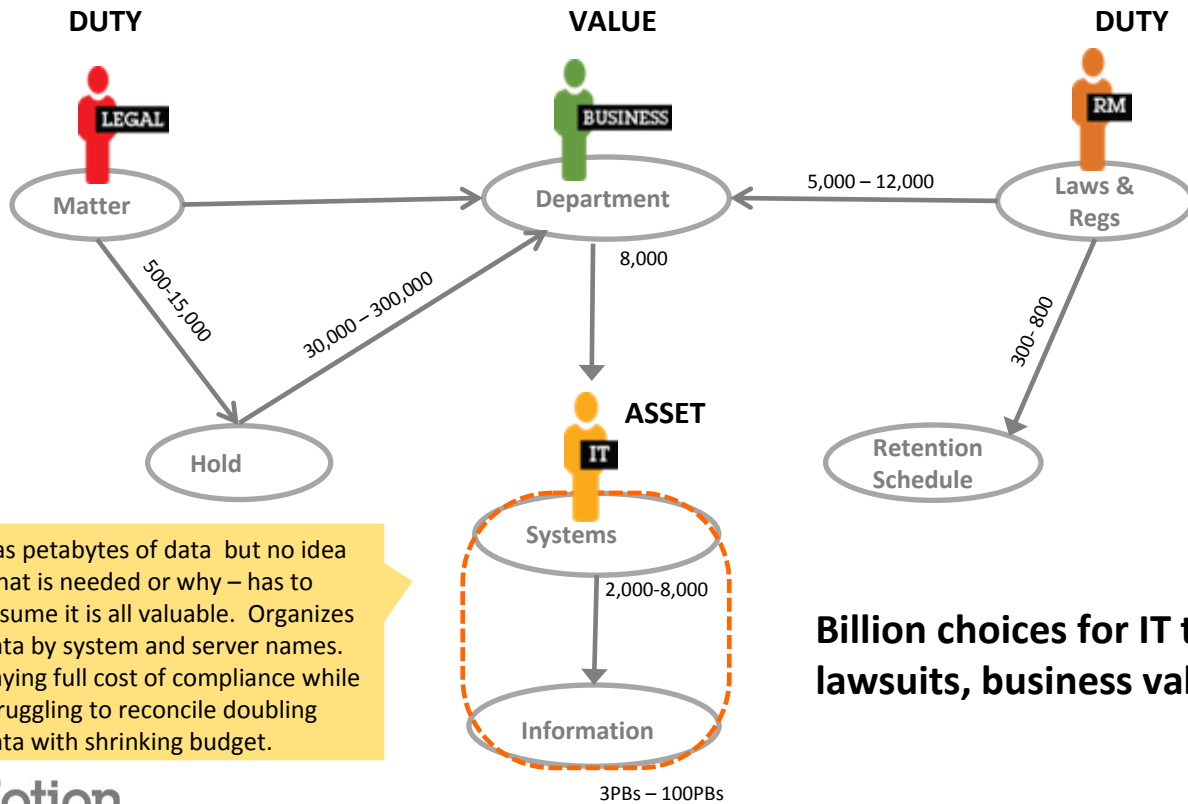# Form of Current Practices Intensifies the Challenge

Disconnected siloes are the problem and the source of high cost and risk.
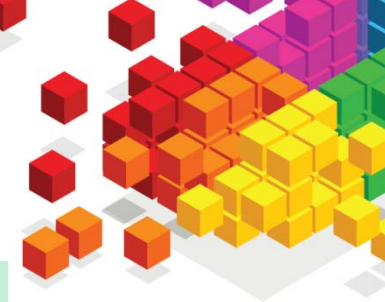
Retention schedule doesn't reflect their need for information, so ignore it but may revolt if automated.   Fighting to drive profit up and back office costs down. Angry about charge back costs, want better system performance and more from their data

Describes holds by custodians involved; communicates hold to custodians rather than IT. Generally focused on email and files for its holds efforts. Relies on IT to keep everything, unconcerned about IT cost but struggles with cost of ediscovery on so much data.

100-page record schedule on intranet organized by class; relies upon "volunteer effort" to apply the schedule to electronic information. May have emphasis on retaining and regulatory compliance for 5-10% of enterprise information rather than enabling systematic deletion of unnecessary data.

DUTY

VALUE

DUTY

LEGAL

BUSINESS

RM

Matter

Department

Laws & Regs

5,000 – 12,000

500-15,000

30,000 – 300,000

8,000

300-800

Hold

ASSET

IT

Retention Schedule

Has petabytes of data but no idea what is needed or why – has to assume it is all valuable. Organizes data by system and server names. Paying full cost of compliance while struggling to reconcile doubling data with shrinking budget.

Systems

2,000-8,000

Information

3PBs – 100PBs

Billion choices for IT to triangulate laws, lawsuits, business value with data

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Very Simple Savings Proposition: Dispose of Unnecessary Data

Enterprise Information

Subject to Legal Hold → **Hold & Collect Evidence**

Has Business Utility → **Archive for Value & Dispose**

Regulatory Record Keeping → **Retain Records & Dispose**

Everything Else → **Dispose of Data Debris**

Cost & Risk Reduction
Enables disposal

Cost Reduction
Normalizes growth curve
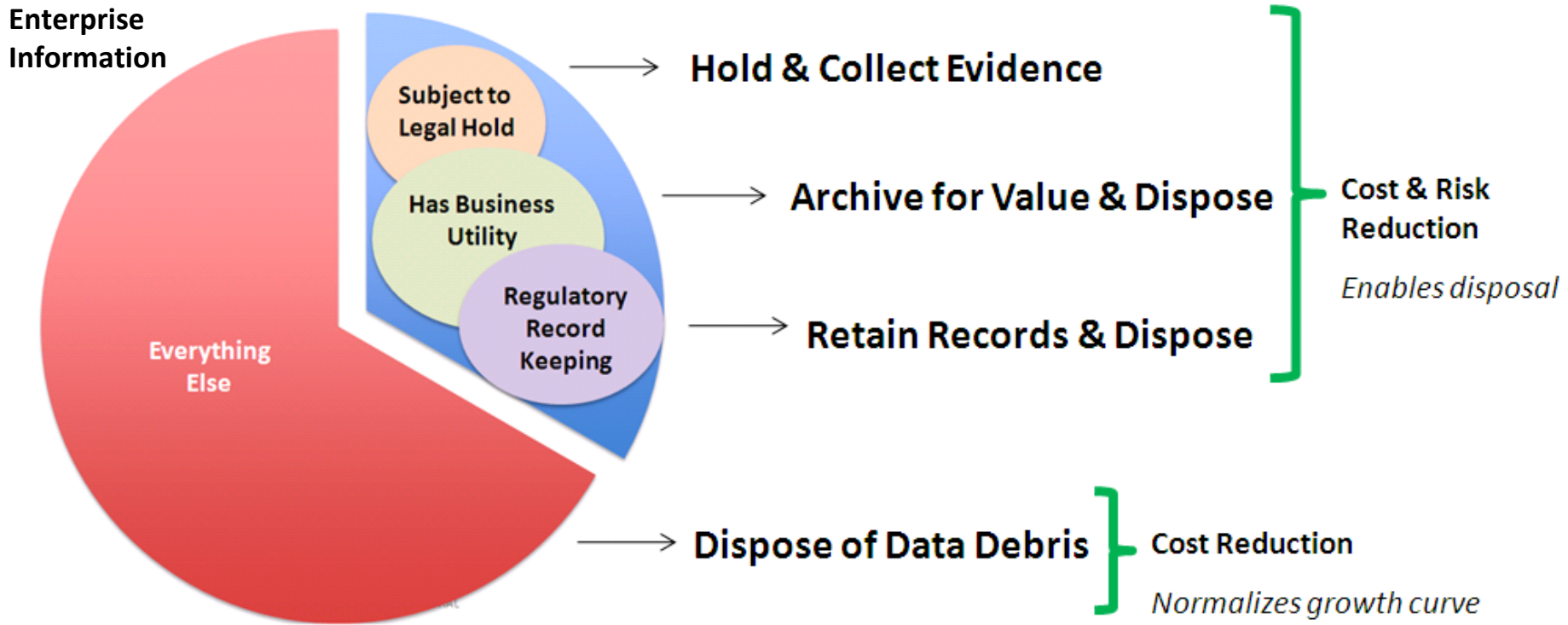
Transform Traditional Practices with New Outcomes

Traditional Emphasis - - - - - - - - - - - - - - - ▶ *High Value Shift*

Records Retention	➕	Defensible Disposal

Retention for legal and regulatory duties and business value is necessary but not sufficient in the economic climate. Disposal of unnecessary data reduces legal and IT costs, and aligns information costs with information value consistent with IT and business objectives to contain costs.

Policy Publication	➕	Instrumentation

Instrumenting retention, holds and disposal policy execution on application data and unstructured data ensures compliance and enables efficient, consistent disposal of unnecessary information to eliminate run rate costs immediately and sustainably.

Risk Monitoring	➕	Cost Take Out

Reframing our information governance objectives to not only reduce risk but to improve information economics can contribute significant savings to our IT cost reduction objectives through enabling systematic disposal of unnecessary data and the ability to recover assets rapidly.
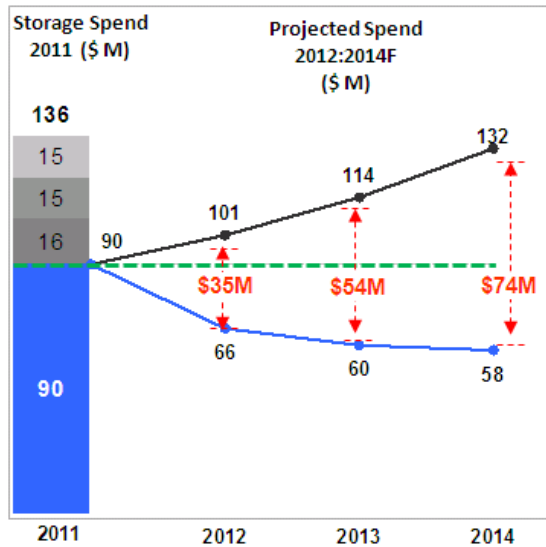
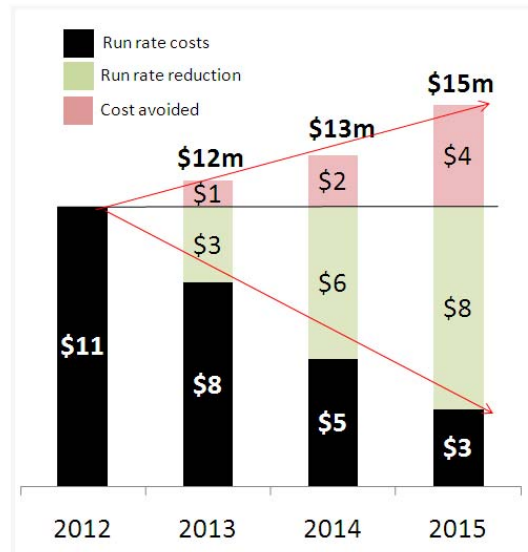# The Economic Benefits of Defensible Disposal Are Compelling

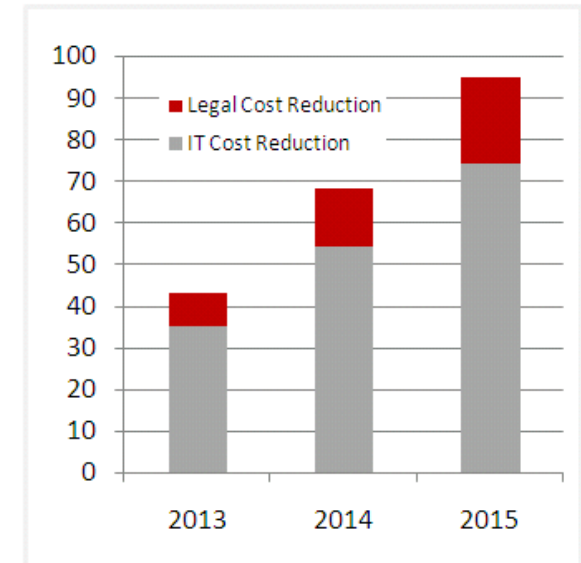**We could spend $35m less next year and lower our run rate**

We could lower run rate $3m now and spend $24m less over 3 years

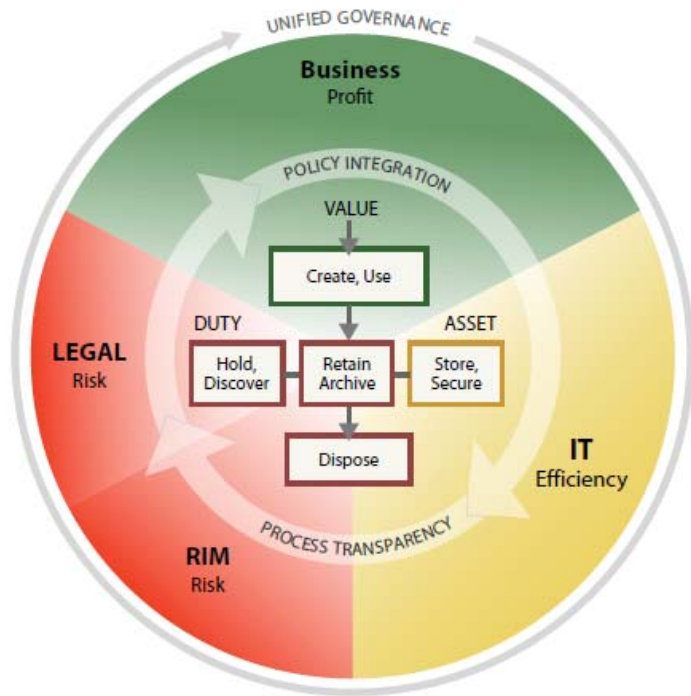**We could free up $150m to drive revenue and profit**

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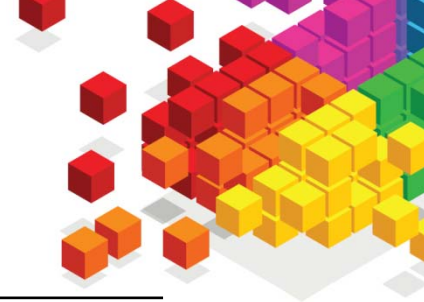# Information Lifecycle Governance is the Path to Defensible Disposal

Policy and Process Integration Across Information Stakeholders Enables Disposal, Lowers Cost and Risk

Strategy and Execution Drive Business Outcomes with Structure, Defined Processes, Metrics, Capacity & Accountability

STRATEGY

Governance Program Driving Savings and Risk Metrics
Charter, directive and accountability for enterprise program. Savings achievement cadence and reporting.

Program Office to Coordinate Stakeholders, Drive Benefit Achievement
Ensures cross-silo engagement and progress toward maturity targets and financial objectives, change management

EXECUTION

Technology Provides Capacity to Improve and Integrate Processes, Consistently and Defensibly Dispose, Decommission
Automates processes, ensures transparency, provides capacity. Accelerated deployment to drive faster save.

Reclamation Removes Excess Storage, Infrastructure
Savings-prioritized reclamation and recovery of infrastructure to drive P&L benefit

4 Target Areas of ILG Cost Takeout

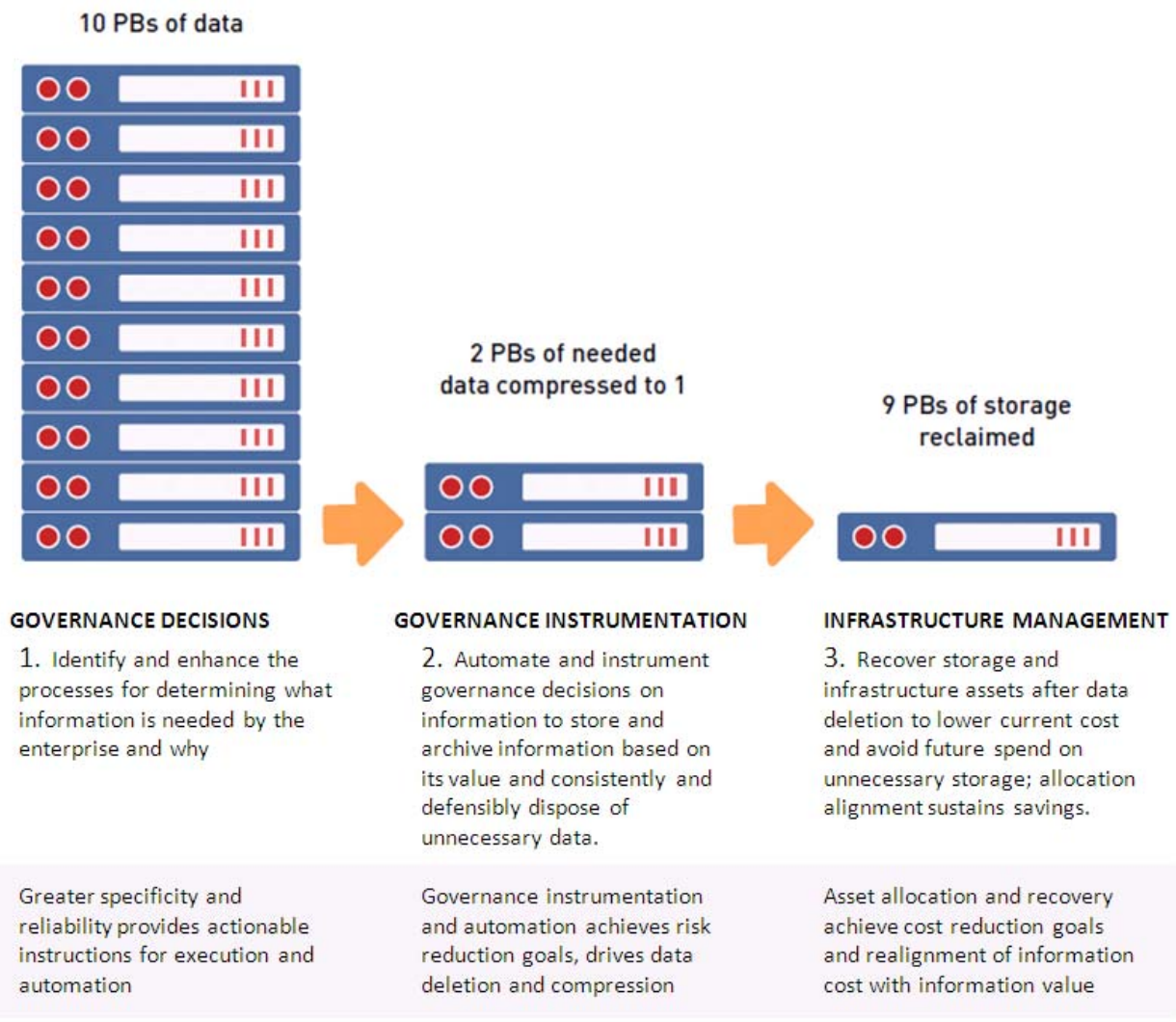| 4 Target Areas of ILG Cost Takeout	Program Actions to Reduce Costs	
E-Discovery External Vendor Spend	**①** **Reduce volume of data unnecessarily processed in E-Discovery process**	Volume reductions through 3 levers ▪ Review only relevant data through more accurate, iterative culling ▪ Settle cases prior to expensive review when it costs less ▪ Collect less data for evidence after dispoing of legacy data
Storage Infrastructure storing data with no utility	**②** **Dispose of data with no utility**	ILG Program will dispose of data allowing organizations to remove infrastructure: ▪ Identify and attach business value to data ▪ Identify and secure records based on regulatory obligations ▪ Secure data currently on legal holds Result: Disposal of data with no business value or legal obligation resulting in ~40% reduction in storage capacity
MIPS processing legacy data with no business value	**③** **Archive legacy data from MF applications**	▪ Remove legacy data from largest Mainframe applications by moving to an archive file off the production app. ▪ MIPS reduction occurs as MIPS no longer consumed for data I/O in processor ▪ Reduction in MIPS related vendor charges
Applications supported with no business value	**④** **Decommissioning applications and turning off systems**	▪ **Expand** volume of applications that have no business value to be decommissioned by providing access to the data without the current application or supporting infrastructure ▪ **Accelerate** the pace of application decommissioning through the use of an decommissioning factory

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16 ILG Processes Required to Enable Defensible Disposal

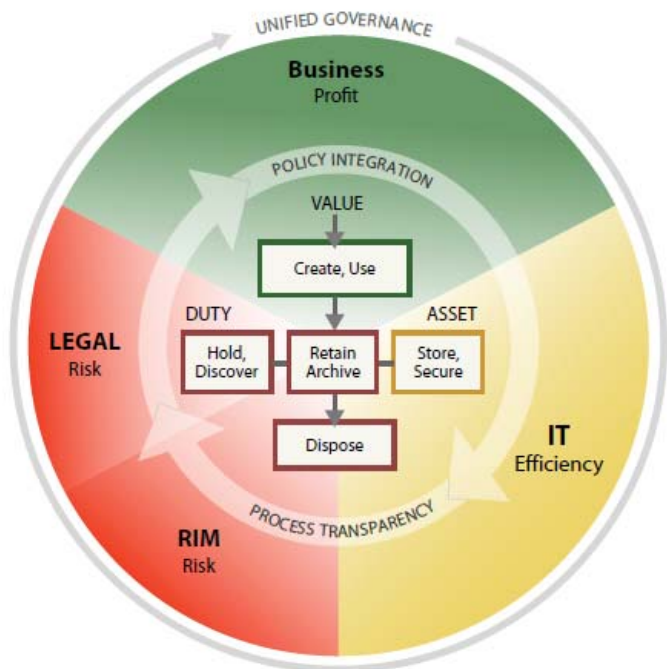| 2.21			ILG Process	The Process For:
LEGAL	LEGAL	A	Employees on Legal Holds	Determining employees with information potentially relevant to an actual or anticipated lawsuit or government investigation
		B	Data on Legal Hold	Determining information, records and data sources that are potentially relevant to an actual or anticipated lawsuit or government investigation
		C	Hold publication	Communicating, syndicating and executing legal holds to people, systems and data sources for execution and compliance
		D	Legal Interviews	Fact finding and inquiry with employees with knowledge of a matter in dispute to determine potentially relevant information and its whereabouts and sources
		E	Evidence Collection	Collecting potential evidence in response to an agreed-upon request with an adversary or government agency
		F	Evidence Analysis & Cost Controls	Assessing information to understand dispute and potential information sources and for determining, controlling and communicating the costs of outside review of relevant information
		G	Legal Record	Documenting the custodians and data sources identified, the legal hold and collection activities over multi-year matter lifecycle
RM	RM	H	Master Retention Schedule & Taxonomy	Defining an information classification schema that reflects the business structure, cataloging laws that apply to said classes and business areas in the various operating jurisdictions and for determining the appropriate record retention requirements
		I	Departmental Information Practices	Interviewing business organizations using the information taxonomy to determine which organizations generate or store which classes of information, where they store it and how long it has utility to them ; results in retention schedules for information and enables data source-specific retention schedules that reflect both business value and regulatory requirements.
BUSINESS	CPO	J	Privacy & Data Protection	Assessing privacy duties by data subject and data location, including overlapping obligations for information and information elements and a means of communicating these requirements to those employees who generate, use, access, and store information
	IT	K	Data Source Catalog & Stewardship	Establishing a common definition and object model for information and the people and systems with custody of it for use in determining, defining, communicating, understanding and executing governance procedures
		L	System Provisioning	Provisioning new servers and applications, including associated storage , with capabilities for systematically placing holds, enforcing retention schedules, disposing, collecting evidence, and protecting data elements subject to privacy rights.
		M	Disposal & Decommissioning	Disposing data and fully decommissioning applications at the end of their business utility and after legal duties have elapsed.
		N	Legacy Data Management	Processes, technology and methodologies by which data is disposed and applications fully decommissioned at the end of their utility and after legal duties have elapsed.
		O	Storage Alignment	The process of determining and aligning storage capacity and allocation to information business value and retention requirements, including optimizing utilization targets, storage reclamation and re-allocation after data is deleted to link storage cost to business need for data stored
I/A		P	Audit	Testing to assess the effectiveness of other processes, in this instance the processes for determining, communicating, and executing processes and procedures for managing information based on its value and legal duties and disposing of unnecessary data.

LEGAL

RM

BUSINESS

IT

3 Integrated Competency Areas to Improve Information Economics

10 PBs of data

2 PBs of needed data compressed to 1

9 PBs of storage reclaimed

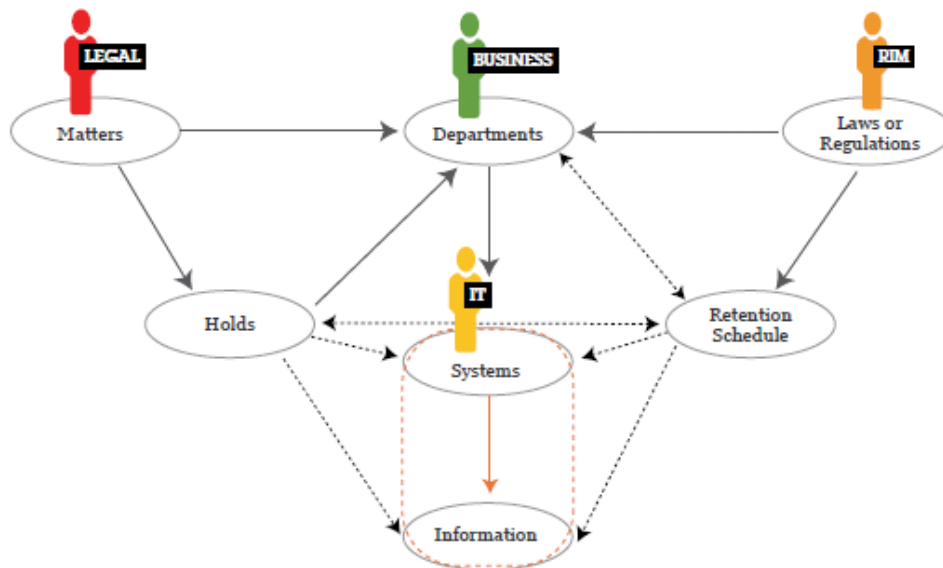| GOVERNANCE DECISIONS	GOVERNANCE INSTRUMENTATION	INFRASTRUCTURE MANAGEMENT
1. Identify and enhance the processes for determining what information is needed by the enterprise and why	2. Automate and instrument governance decisions on information to store and archive information based on its value and consistently and defensibly dispose of unnecessary data.	3. Recover storage and infrastructure assets after data deletion to lower current cost and avoid future spend on unnecessary storage; allocation alignment sustains savings.
Greater specificity and reliability provides actionable instructions for execution and automation	Governance instrumentation and automation achieves risk reduction goals, drives data deletion and compression	Asset allocation and recovery achieve cost reduction goals and realignment of information cost with information value

Governance Program Aligns Information Stakeholder Processes and Outcomes

Information Lifecycle Governance

Systematically Links Stakeholders, Processes

| LEGAL	BUSINESS	IT	RECORDS
Modernize eDiscovery Process	**State Information Value**	**Optimize Information Volume**	**Modernize Retention Process**
✓ Precise, reliable legal holds	✓ Guidance on information utility	✓ Dispose and retire unnecessary data	✓ Address electronic information
✓ Assess evidence in place, collect less	✓ Participate in volume reduction	✓ Optimize storage based on value	✓ Executable schedules can be automated
✓ Lower legal risk, cost	✓ Align around value	✓ Lower information cost	✓ Lower legal risk, cost

IBM's Information Lifecycle Governance Strategy and Solution Lowers Operational Cost and Risk

Curbs storage growth, lowers run rate permanently

Storage Direct Procurement Costs
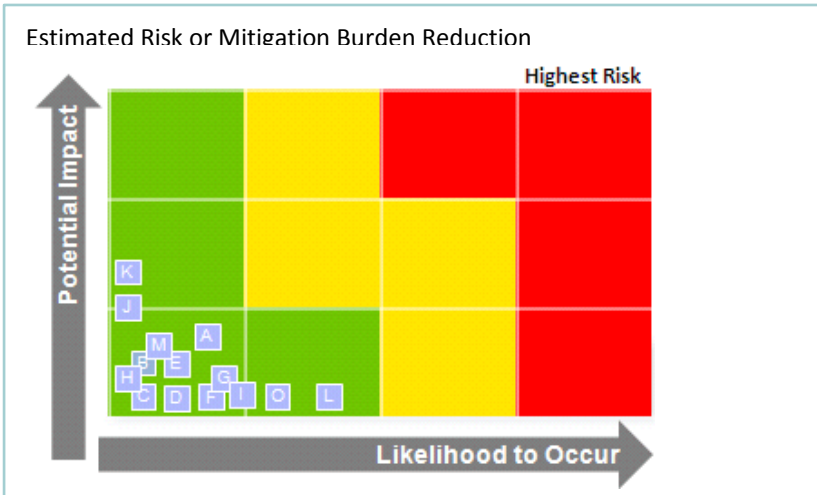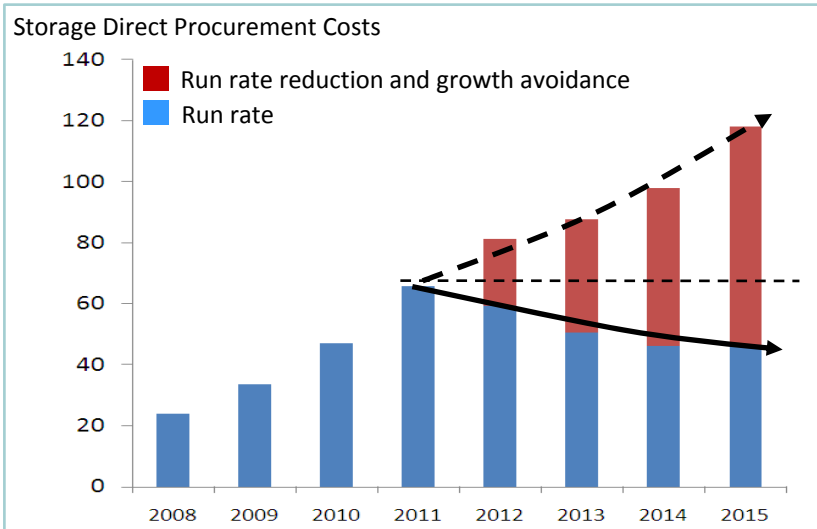
Program leadership, process improvement and technology from IBM

Information Lifecycle Governance Program
- Executive charter for enterprise initiative
- Processes, capabilities and accountability to achieve cost and risk reduction benefits through

Process improvements, expertise and technology:

Value-Based Archiving & Defensible Disposal
- Archive to shrink storage, align cost to value
- Dispose rather than store unnecessary data

### *Extend and automate retention management*
- Include electronic data that has business value in addition to records for regulatory requirements
- Automate retention schedules across all information to enable reliable, systematic disposal.

Automate the legal holds and ediscovery process
- Structure and automate legal holds process to lower risk, increase precision, enable disposal
- Analyze in place to reduce unnecessary collection, processing and review
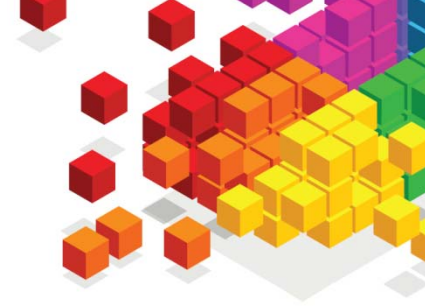
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Agenda

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IBM is a Unique, Strategic Partner in Enabling Defensible Disposal

Strategy

- **Value-based Archiving & Defensible Disposal to Change Information Growth Curve**
- **Sustainable Solution to Systemic Issues – Systematic Linkage of Duties and Value to Assets**
- **Lower IT Run Rate with More Rigorous Compliance**
- **Alignment of IT Efficiency Objectives with Legal and Regulatory Requirements**
- **Execution and Domain Leadership**

Increasingly, organizations are focusing on holistic information governance as an area for improvement, including the management of information for compliance and risk mitigation.

We are recommending a thorough, legally defensible and business-driven strategy for identifying records. That effort should include retention schedules that allow non-essential data to be routinely disposed of as it is no longer of business value or needed to meet legal or regulatory obligations.
-- Gartner

Technology

Smart Archive
IBM's "capability to provide a unified archiving solution that includes value-based archival, disposal, and eDiscovery enablement for both structured and unstructured data is an important differentiator for companies that want to lower cost, complexity, and risk."

--IDC in ranking IBM #1 Sept 2011

"IBM is the market share leader, with significantly more share than the next-closest competitor [76%]." -- Gartner

eDiscovery Management
"Very good recognition and acceptance in the legal community." -- Gartner

Records & Retention Management
"Highly scalable in terms of number of users and number of records." -- Gartner

Governance & Disposal Enablement
"The ideal defensible disposition software would help an organization define, store, distribute and execute retention policies, as well as track and coordinate the execution of legal holds. Atlas Information Governance from PSS Systems, acquired by IBM, is '[...] the top of the line for functionality,' says [Brian] Hill of Forrester." -- Computerworld Defensible Disposal issue

Expertise

- **Information Governance Process Maturity Model and Methodology**
- **Archiving Expertise**
- **eDiscovery and Records Domain Expertise in Financial Services**
- **Program Office and Governance Structure**
- **Technical and Domain Staff, onshore and offshore**

"Visionary. The best solution I know for managing enterprise retention and preservation. As important to me, the team and support are as good as the products." — Tom Lahiff, GC Vigilant, former AGC Citigroup

"Working with IBM, we were able to successfully migrate 35 TB of critical data and 200 million objects. The data needed to be moved into our IT infrastructure to comply with regulations and this needed to happen in a very tight time frame. The IBM solution, coupled with strong IBM subject matter expertise support, allowed us to meet our aggressive schedule for moving the data.
-- Executive VP & CIO, BB&T

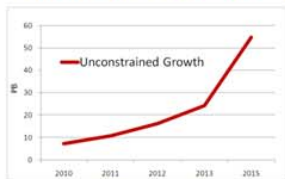# Next Steps: We Can Help You Validate The Potential Savings and How to Achieve Them

Point A
Accurate assessment of where we are today
- ✓ Total and excess data volume
- ✓ Excess IT and legal cost
- ✓ Risk assessment (cost of current mitigation model)

Path to Point B
**Operationalizing ILG Program, Measuring & Ensuring Success**

1. People and organization
   - Governance organization model,
   - Metrics and measurement to ensure "Point B" business results
   - Communications cadence and decision making

2. Process
   - Business processes and changes required to achieve "Point B" business results
   - Identifying and closing gaps in current process maturity
   - Operational capacity required

3. Technology
   - Operational and technical capability required

Point B
Our specific cost and risk reduction objectives and fiscal milestones
- ✓ IT run rate reduction target
- ✓ IT and legal cost avoidance projection
- ✓ Risk reduction (target reduction in cost of mitigation target)
- ✓ Tied to fiscal year
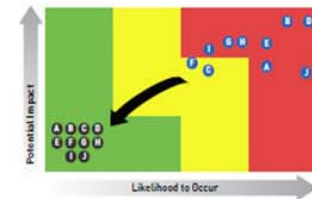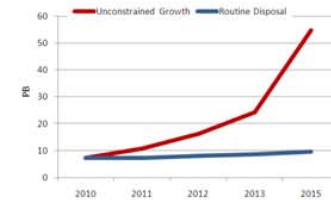
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Compliance, Governance and Oversight Council

Join the CGOC!

•Forum of over 1600 corporate legal, IT, records and information management professionals. CGOC conducts primary research, has dedicated working groups on challenging topics, and hosts meetings throughout the U.S. and Europe where practice leaders convene to discuss discovery, retention, privacy and governance.

•Mission: To provide executives the opportunity to benchmark and exchange case studies; its practice groups focus on discreet areas in preservation, retention, and information governance to deliver work products that help our members best approach the challenges in maintaining best-in-class programs.

Online and in person events
Regional and International summits
Published materials

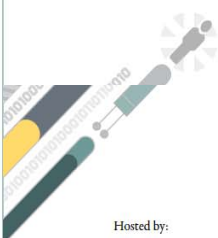**Benchmark Report on Information Governance in Global 1000 Companies** (CGOC Publication, 2010)

Information Lifecycle Governance Leader Reference Guide (CGOC Publication, 2012)

German State Orders Businesses to Close Facebook Pages Over Privacy and Data Protection Issues (CGOC Advisory, 2011)

Elements of the Modern, Executable Retention Schedule (Work Product of the CGOC RIM Practice Group, 2011)

CGOC

Aligning Information Stakeholders to Improve Information Economics

With Guest Experts from BNY Mellon

June 13, London   10:00 a.m. to 6:00 p.m.

This free meeting includes a hosted lunch and closing reception to maximise your opportunity to engage with your peers.

Hosted by: SEYFARTH SHAW   RYLEY CARLOCK   IBM   REGISTER NOW AT WWW.CGOC.COM

CGOC (Compliance, Governance and Oversight Council) is a forum of over 1700 legal, IT, records and information management professionals. CGOC conducts primary research, has dedicated practice groups on challenging topics, and hosts meetings throughout the U.S. and Europe where practice leaders convene to discuss discovery, retention, privacy and governance. Established in 2004, it fills the critical practitioners' gap between EDRM and The Sedona Conference.

Vragen

Frank Driessen

ILG Leader IBM Europe

fdriessen@nl.ibm.com