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The Information Governance Assessment: A Top-Down Approach to Analyzing Corporate Information

How Will Your Company Stand Up in Court?

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Executive Summary

This paper will explain why an Information Governance (IG) assessment is essential to developing an IG plan that sticks. Whether you are a small to medium (SMB) or a Fortune 500 business, it will not only earn compassion in the courtroom but save costly legal fees, penalties, and improve brand allegiance by defining system vulnerabilities from the inside out. When a company is summoned and must appear before the court, the judge wants to know, “Was good information management being promoted from the top down?” From network operations to security, the IG Assessment offers protection of intellectual property and more.

Look beyond the doors of today’s corporation, and you will likely find informational protocols that, although they seem to run smoothly, lack efficiency. Unintentional as it may be, legal might be missing appropriate approvals and signatures, privacy concerns may be overlooked, and document control numbers may not be up to date. Meanwhile, in an office not far away, resides a regulation officer working to ensure you are meeting industry guidelines. Remember that contract from last year? Think you can provide an original copy? What about measures being taken to protect financial and health information, legal documents, employee rights, safety precautions, insurance policies, and data breaches?

Unfortunately, not knowing the answer can cost you in court as regulatory governance is an unforgiving, deadline driven process, and it is on the rise. Present at local, federal, and state levels, the purpose of regulations are to ensure a standard of quality and economic benefits for an industry-specific product or service, such as healthcare, insurance, or banking. Whether it be a corporation, not-for-profit organization, or special interest group, such regulations demand fairness on behalf of customers, vendors, and suppliers, for without them, there would be no accountability.

Today’s executives, however, want to do things quicker and at a lower operational cost. Overseeing informational controls, procedures, and processes needed to achieve their targeted objective is the role of employees. Focused on meeting strategic initiatives, support staff, however, are primarily concerned about dynamic content pertinent to a daily task thereby overlooking

previous projects and accompanying problems that may have already transitioned to liability. Often unstructured and housed on multiple storage silos in both digital and physical format, information, therefore, proves difficult to produce if a triggered event such as an audit, or worse, a subpoena, ends up uncovering a costly informational gap.

Thus, while senior executives focus on *how* to provide more services, increase profits, and meet bottom-line initiatives, disregarded company correspondence and documents are being haphazardly stored on an employee's laptop, workstation, network file share, or even on the employee's personal cloud storage. Unfortunately, due to a total lack of controls, these local storage solutions prove problematic when trying to provide discovery for a court order, since even the company does not have access to all necessary data and information.

Aware of the problem, companies try to harness governance of their information by throwing technology such as cloud storage, new ERP modules, and various software at the issue only to find they are still missing the mark. In the end, companies are spending far more than necessary on these technologies because they lack proper information assessment for compliance including how their current state of information is being managed and used. Unfortunately, should they be subpoenaed, a judge may have no mercy.

This paper will explain why an Information Governance (IG) assessment is essential to developing an IG plan that sticks. Whether you are a small to medium (SMB), government agency or a Fortune 500 business, it will not only earn compassion in the courtroom but save costly legal fees, penalties, and improve brand allegiance by defining system vulnerabilities from the inside out. When an organization is summoned and must appear before the court, the judge wants to know, "Was good information management being promoted from the top down?" From network operations to security, the IG Assessment offers protection of intellectual property and more. Let's get started.

What is an IG Assessment?

An IG assessment is an emerging segment in information technology (IT) related to managing data and risk across enterprise departments conduct which:

- Identifies gaps in an organization's people, processes, procedures, and tools used to manage information
- Gives senior executives the tools needed to promote good information management practices
- Identifies areas for increased operational efficiency and reduced risks related to information management

Performed by a non-biased compliance specialist, an IG assessment examines departments enterprise-wide from the top down, identifying areas at risk, and closing these gaps. Doing so has proven to actively unite a company's data, people, tools, procedures, and software into a universal plan. Most importantly, a reputable IG Assessment follows the [ARMA International Generally Accepted Reference Keeping Principles](#)® and their metric for measuring effectiveness using the [Information Governance Maturity Model](#).

Why Do You Need an IG Assessment?

Today's companies, although they are expected to meet regulations, have a fair amount of flexibility in how they meet these standards. **In many cases, companies will attempt due diligence by adding information governance checkpoints into their audit plan for which to test people, policies, and systems. Still, there remain gaps as auditors are unfamiliar with all areas of governance. Thus, industry regulators recommend an assessment even though it is not yet a requirement to test information handling practices.**

[Symantec's 2016 Internet Security Threat Report](#) estimates lost business records at half a billion, never to be seen again. That is half a billion records that will never be able to prove their worth in assets or resurrected for document controls. Rather than

"A data breach can strike any company, anytime, moreover, preparation is non-negotiable."

be proactive with planning, it seems executives are taking a “Wait and See” approach, which can be detrimental to a company’s bottom line.

A scenario which became true for toy manufacturer who distributed a baby doll with a voice chip. Overwhelming its success, however, was the chip feeding verbal dialog back to a cloud server, meaning the company could then hear what children who were playing with the doll were saying. Concerned parents felt it was an invasion of privacy, and the doll was swiftly pulled from the shelves¹.

Alternatively, consider how the past few years plagued businesses like Target, Sony, and Anthem with data breaches². In the case of Target, the attack came through a third-party HVAC vendor involved in everyday business -- proving a data breach can strike any company, anytime, and preparation is non-negotiable. If you think no one cares about your business, think again. Hackers are always phishing for information from key people within the organization to identify a user name to penetrate the network. While bigger companies are getting better at training associates about the risks of network breaches with weekly e-mail updates and in-person training, small to mid-size companies are finding that they are now a popular target of the hackers and even easier to breach. Often these smaller and mid-size companies have access to the larger companies they contract, making them a prime target for a hacker.

An IG Assessment that Will Keep Your Business Alive

By facilitating a proper information governance assessment, companies can identify opportunities to improve their policies and procedures and also enhance handling of company information. Additionally, training must be ongoing and practiced similar to a manufacturing safety program as it can save organizations usually tens of thousands of dollars in penalties and fines. Based upon the answers received during the assessment facilitation, a certified expert will advise on corporate goals, structure a roadmap and outline next step strategies including:

- Retention
- Training
- Protocols
- Procedures

Step One: Develop a Retention Strategy

Consider the company undergoing litigation because, since IT has been able to buy more storage for several terabytes on the penny, the company unknowingly maintains data even though some of the content remains a liability. Instead of investing in additional storage options, a better strategy might be a good retention policy and procedure for legally destroying information once the information becomes a liability, to avoid litigation. You may already have a viable retention policy in place, but employees are unaware of frequent changes that can occur as document types and classifications may change. Information may be found deleted or perhaps still resides somewhere even though it could be legally eliminated.

Key Tip: How do you know what to let go of and what you can hold onto? Report histories show viewed content by date range but are not sophisticated enough to display content of stored information to determine the value of its existence. Good records/information management practices and procedures mean the information is:

- Organized and classified using metadata
- Available for quick retrieval
- Secured with the appropriate user access rights

Maintaining these standards are a must for both electronic and hard copy records and information. The better information is organized and classified, the easier it is to determine a reasonable retention of the information and to determine a legal disposition that would meet the local, state and federal requirements. It is never a good policy to keep all records and information forever. This could and has been proven, to be very costly when involved in litigation or even an audit. Assessing your company’s people, procedures, policies and tools used to manage information means:

- A better understanding of the appropriate needs
- Allows executives to make sound business decisions for any corrective actions
- Makes for a more profitable corporate bottom line

Step Two: Identify GAPS

Don't let a triggered event be the reason you seek consultation. Your goal is to be proactive as increasing regulations, intellectual property theft and legal liability can devalue a company's stock and in the event of litigation, cost a company their corporate reputational value and customer loyalty. Some regulations can be minimal, yet others are game-changers for companies that take heightened financial risks.

Key Tip: Take a look at the [Federal Register](#) graphic (p. 17). The pages continue to multiply.

IG Assessment at a Glance: What You Might Discover

Multiple Contract Copies: Inability to identify the original, even though it is the one source of truth between customer and company.

Customer Sales Contracts/Agreements: If the enterprise does not have good control over these documents (and most often they do not), they will likely fail to fulfill their customer agreements, resulting in massive profit loss.

Mergers/Acquisitions: Many companies assume new and unknown legal liabilities when merging or acquiring another company. Most often, if a company has not practiced good information governance, the buyer is unable to distinguish informational assets and liabilities needed to gauge the amount of risk assumed in the purchase. Alternatively, if a company has been practicing good information governance, it usually increases the value of the business, which means a high stock or sale price.

Step Three: Avoid the Silo Treatment

With the spread of technology, company buyouts, and acquisitions, it is not uncommon for companies to work in silos as records management, IT, and legal departments try to keep subpoenas answered and show that the company is going down a path of good practices. For instance, they may dodge litigation for some time, but once it catches up to them, they are spending hundreds of thousands of dollars to support litigation.

Take a cue from legal firms, banks, companies that store customer credit card information and healthcare agencies who place a valued interest in information governance to protect the privacy of their clients. It is a critical part of managing content. You must manage it in a way that is going to allow you to achieve client objectives. If you take the law firm of a major software or petroleum company, you will find the legal advisors of those companies requiring their law firms to be well-secured and supportive of employee training, while auditing where they are in regards to the handling of company's intellectual property.

Step Four: Know Your Assets

An IG assessment will help you discover unknown assets. Often, companies discover a hidden treasure from their data to leverage as assets. An example is researching client purchase history where the customer bought a widget. Consider an online shopping experience which displays the customer page, and along with the widget profiles, discover other customers who bought the same widget which also bought products x, y, and z, leading to future orders to accommodate the widget. Each client has a trackable purchasing history, and so it is important to harness content and mine information to understand customer behavior.

Looking Toward the Future – What to Expect from Your Assessment

A professional information governance assessment is well vetted by many top subject matter experts who recognize what regulators and judges are expecting and ruling during their court hearings. It should support ARMA International standards and abide by the [8 Generally Accepted Record Keeping Principles®](#) and the Information Governance Maturity Model including:

- Accountability
- Transparency
- Integrity
- Protection
- Compliance
- Availability
- Retention
- Disposition

Ideally, IG consulting services will be unbiased as they help companies identify and mitigate risk through information governance assessments, policies, and procedures. A good analyst will evaluate people, tools, policy and procedures across individual departments and enterprise management practices to identify Gaps.

In addition to information governance expertise, look for a provider who has the following experience:

- Third party application integration expertise -- regardless of what ECM or LOB platform is in place at the company
- Performed process automation integrated with core LOB applications
- Applies information governance best practices to deliver a total solution which maximizes operational efficiency and reduces risks related to information management

How Long Does an Assessment Take?

The time frame varies, but expect the analysis to require at least two weeks or more. Upon completion, executives will receive a detailed audit and departmental scoring on a scale of 1 to 5, with five being the highest score, based on the ARMA International Information Governance Maturity Model. Then the company can decide if they want to retain the consultant to remedy further challenges noted in the report.

From the ARMA International About Us Statement: ARMA International is a not-for-profit professional association and the authority on managing records and information. It is known worldwide for setting standards and best practices, and for providing comprehensive education, publications, and information on the efficient maintenance, retrieval, and preservation of vital information created in public and private organizations in all sectors of the economy. Formed in 1955, ARMA International is the oldest and largest association for the records and information management profession with a current international membership of more than 11,000. It also publishes the Information Management Magazine.

The following checklist demonstrates what your organization can expect from an IG assessment, and serves as a guide of what your provider should cover during the evaluation. Be sure to ask these questions when you meet with them:

- **Identifies high-value departments at an elevated risk of litigation**
- **Identifies gaps to mitigate risks**
- **Promotes dark data evaluation**
- **Help you avoid “Gotchas” by evaluating data for retention**
- **Security status checks and recommendations**
- **Validates information for vendors**
- **Addresses privacy**
- **Provide flexible consulting models**

What Happens After the Assessment?

Following the assessment, companies are graded per the ARMA International’s Information Governance Reference Model (IGRM) metric:

- One = Substandard level
- Two = Development
- Three = Essential level
- Four = Proactive
- Five = Transformational

Each company wants to strive for perfection, which is a five on this scale. However, all you need is a three to meet the minimum essentials of good Informational Governance. While it might make sense from a financial reason for some departments to be proactive and score a four, at least a good assessment will give you the reporting needed to obtain the best score for good Information Governance and profitability.

Conclusion

The assessment is a small piece of Information Governance highlighting areas in danger of consequences. In addition to helping to avoid litigation, a good assessment helps a company know where they are in terms of regulation, and provides peace of mind that if they did get into litigation, they are at least establishing a road map to correct the problem. Judges will say they are impressed if a company acknowledges they knew of the problem and admit there are no overnight fixes. The bigger the company, the longer the resolution, due to employees and third party vendors. However, a thorough assessment gives a purpose to what is needed.

Executives have said they sleep better knowing they have completed an assessment. Courts have found leniency on companies that have identified their GAP in information Management and had a plan to fix the problem areas through remediation.

Want to know more about what a compliance assessment can do for your company? [IDT](#) can take you through a complete process from IG assessment and implementation to long-term support. An Enterprise Information Management Products and Services company, IDT has worked with hundreds of companies to automate workflows, eliminate one-off processes, and meet regulatory standards. Contact [\[@name #number\]](#) to learn more.

¹ <https://iapp.org/news/a/how-industry-can-protect-privacy-in-the-age-of-connected-toys/>

² <http://www.annese.com/blog/5-cybersecurity-breaches-that-rattled-the-world>