

Whitepaper

# 4 Business Drivers for Electronic Records Management:

Managing records shouldn't be viewed  
as just any expense





# Executive Summary

Records management, or electronic records management, is an administrative function that needs to be in every organisation to manage its information assets, both those considered records, as well as those which are not considered formal records. Office technology has changed the office environment for the creation and management of information and records. Current business trends of increased social media, cloud computing, and big data are having a profound impact on properly managing an organisation's content. Increased statutory, regulatory, and legal emphasis on records and information, and the costs of responding to these pressures, takes a financial toll on organisations.

We have discussed business drivers for electronic records management in four broad categories. Senior management must recognise that there is a sound body of knowledge, there are well-defined best practices and that there is technology that can support the creation, management and destruction of business information and records. The current circumstances will only get worse – it is time for action and support for an electronic records management program – including staff, policies and procedures, the use of ECM/ERM technologies and training for staff.

# Introduction

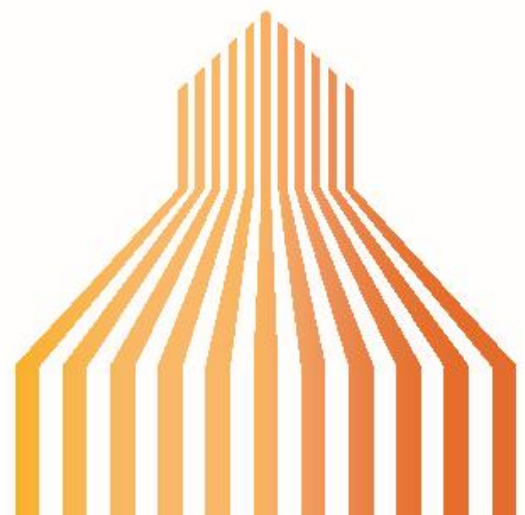
Discussing business drivers on any subject can be considered at both very high and very granular levels. Four business drivers, in different combinations and proportions, make the business case for electronic records management (ERM) in most organisations: compliance, effectiveness, efficiency and continuity.

- Compliance addresses the need for organisations to create particular information and retain it for specific periods of time, along with much more.
- Effectiveness is carrying out business operations and office work better.
- Efficiency addresses productivity and cost savings in organisations.
- Continuity represents business continuity, ensuring that organisations can continue to conduct business after having suffered a substantial loss or interruption of business.

Compliance addresses the WHAT we are trying to achieve, along with increased effectiveness, increased efficiency and ensured business continuity. Governance addresses the HOW we achieve these four business drivers.

Information governance deals with having enterprise wide policies and procedures for records, including email and social media communications; it deals with having qualified staff, experts in the field, to develop and administer these policies and procedures and having both the authority and accountability of the function. It involves carrying out administrative activities to support records management, such as managing the off-site storage of paper records and perhaps, managing a centralised scanning operation.

What needs to be understood is that while HR and finance policies and procedures are well understood and largely accepted, we no longer argue about doing our budgets each year, the new policies and procedures for records management will meet more resistance and so there is the need for even more staff than in these other functions and the necessary requirements of additional communication, enforcement activities and substantial training.



# Invoice

Date	12/02/2013	Inv No	SIND
Account Ref	XXXX01	PO No	
Vat Exemption No		You	

Description	Qty	Unit Price	Total
Period 01/01/2013 - 31/01/2013 STORAGE OF STANDARD BOXES	1000		
BARCODE & ADD BOX TO DATABASE	100		
PICKUP CONTAINER NEXT DAY SERVICE	100		
DELIVER CONTAINER EXPRESS SERVICE	3		
	1		
<b>Vat Summary</b>		<b>Total Net Amount</b>	
Vat Rate	Net Amount	Vat Amount	EUR
23.00%			EUR
13.50%			EUR
0%			EUR
Exempt			
Total			

PAYMENT TERMS ARE STRICTLY 30 DAYS FROM DATE OF INVOICE

This payment will be taken by Direct Debit from your account

There can be huge cost benefits through records management and defensible disposition of content.



# What is Electronic Records Management?

***ISO standard 15489: 2004 defines Records Management (RM) as the field of management responsible for the efficient and systematic control of the creation, receipt, maintenance, use, and disposition of records, including the processes for capturing and maintaining evidence of and information about business activities and transactions in the form of records.***

Organisations must understand that information and records are assets of the organisation, not the individual and need to be managed actively and properly. The incorporation of Electronic Records Management Systems (ERMS) and practices provide structure, consistency, security, and control over these records.

ERM approaches are neither new nor unique. For decades, we have had centralised control of human resources (HR) and capital (Finance). Records management is the centralised control of the information assets of organisations. Establishment and enforcement of enterprise-wide records management explains the requirements, responsibilities and accountability in managing an organisation's information assets. The need for accountability and policy enforcement is becoming clear to executives and managers and as more information is generated in electronic form, opening the risk of non-compliance and information loss. An enterprise-wide classification scheme within an ERMS, allows us to establish and manage:

- Retention and disposition rules
- Security and access controls
- Digital rights management
- Information sharing

## ***Findability***

There is the absolute requirement for a central function of RM professionals and staff to carry out the many critical activities and responsibilities needed by the organisation. RM is often expected to conduct legal research on the many statutes and regulations impacting records practices. RM professionals must team with legal staff and IT to ensure that information and records are properly managed and readily available in the event of litigation, request for records under Freedom of Information laws (FOIA), audits and government investigation.

# Compliance

There are many laws and regulations which impact organisations differently depending on jurisdiction, industry and the type and size of the organisations. There are no standards or references that provide comprehensive lists of these legal requirements. Organisations are on their own to identify the laws and regulations that impact them and to determine the requirements that they need to adhere to.

In discussing proper records management, it cannot be done in isolation; there needs to be a partnership between information/records management professionals, legal staff and the business leaders. This teamwork effort is needed when determining what laws and regulations impact the organisation and their implications. All three groups must contribute to this body of knowledge and carry out the research to ensure that the organisation meets its legal obligations.

An example of the need to keep records arises, certainly, in the area of financial accounting. By contrast, privacy protection legislation in many countries places requirements on organisations not to keep certain records.

We understand that there are many more laws and regulations that impact organisations as they conduct their business - laws on fair hiring practices, preventing a hostile work environment, safety regulations, consumer laws to the many accounting and corporate reporting requirements.

Many of these laws and regulations do not require that specific information be created and retained; however, it is from the information that is created as records that it can be shown that the organisation has adhered to the requirements. If your organisation keeps good records of its activities and decisions, it will always be able to prove how well it has complied with the laws and regulations.

Secondly, compliance can be extended beyond laws and regulations. All organisations have internal policies, standards and voluntary codes of conduct. Here, as well, the organisation's adherence to these mandates can be challenged.

# Effectiveness

The second major business driver for records management is effectiveness, or doing things better: doing things in a way which is more sensible for the business or organisation, but without necessarily saving money. Better effectiveness can improve a business' competitiveness or an organisation's reputation and image.

Examples of effectiveness ERM brings can include:

- Not losing records: once a record is correctly stored in an ERM system, it can never get lost.
- Sharing records: ERM systems allow several users to read a record at once, whereas with paper records only one person can.
- Finding records easily: ERM systems typically offer a multitude of ways to find specific records or correspondence items.
- Getting the complete picture: a by product of the above features is that, with an ERM system, you can always get complete answers.

There are many business trends that impact records management. You have heard of many of these including social business activities, in which business communications are being carried out on blogs, wikis, forums and other social media platforms both inside and outside the organisations; cloud computing, in which computer applications and data and records storage are held in private and public architectures and big data, emphasizing the substantial increased growth of both data and electronic records. They all have an impact on organisations' effectiveness.

***Something that we need to appreciate is that technology impacts records management. We have moved from handwritten notes and reports to typewritten records, to electronic files and, more recently, to business communications and expressions.***

To support effectiveness in our organisations, we need to change the old paradigms of doing our office work. For the longest time, we would file paper records into manila folders and there are some organisations that still print their files and emails and file them. Years ago, these records were often managed and maintained by secretaries, librarians and archivists who knew the rules and applied them diligently.

With personal computers, we learned to click on the "Save" button and store files on our local drives or network shared drives. With the different forms of electronic records – files, communications and expressions and with the volumes of electronic records that are now being created, and that are required to be managed, these old paradigms no longer will result in increased effectiveness.

# There can be huge cost benefits through records management and defensible disposition of content.

No longer can staff and knowledge workers be shown the 5 steps, or 12 steps, to an administrative task and be instructed to click on the Save button and store their work on the local or network shared drives. Staff – users – need to understand the business context of their work and the business information they are creating and know that there is a proper place to store their work product. And, no, we are not making them records management experts. Staff needs to know how to complete their office activities by properly storing their files.

And to know that there is a proper place to store their work product – yes, there is the need for information/records management professionals to develop a classification scheme for organisations. We know that this should be done by having user involvement, putting a sound structure together with the many records series – whether we take the “big bucket” approach or not, and train the users. We understand with this change that it will take time for the users to adjust and to become accustomed to this better approach. In the long run users and the organisation will benefit.

We also want to take advantage of ECM/RM technologies, including tight integration with the office productivity products, business applications and email systems, to make it easier for users to properly capture their work. And yes, we may even ask the user to apply the appropriate metadata to their files, but my experience is that we can get so much of the needed metadata from the computer system itself.

Organisations need to develop enterprise-wide policies to inform staff on what platforms should be used and what should be communicated. It has become quite clear that policies need to be in place to inform and educate, what staff can and cannot, do. Key areas cover: appropriate usage, personal usage, representation, or can the employee speak on half of the organisation, affiliation, or making it clear that you are, or are not, representing the interest of other people and organisations, ethics, protection of information and accountability.

Now, an issue is that some think that each word document, spreadsheet, email, etc., is unique. They need to be trained that their work product is generally not unique and different from their other work. Within their roles, in their day-to-day activities, they do very similar tasks and their work product can be split into categories. By taking advantage of structure, an organisation classifications scheme with record categories or records series, by taking advantage of ECM/ERM technology, by having staff intuitively capture their work product to the property categories, we can enhance effectiveness within our organisations.



# Invoice

Date	12/02/2013
Account Ref	XXXX01
Vat Exemption	

Description	Qty	Unit Price
Period 01/01/2013 - 31/01/2013 STORAGE OF STANDARD BOXES	100	
BARCODE & ADD BOX TO DATABASE	100	
PICKUP CONTAINER NEXT DAY SERVICE	100	
DELIVER CONTAINER EXPRESS SERVICE	3 1	

Where paper is required, scan the information as soon as possible in the process so that we can take advantage of workflow and automated processes, using scanned images for support.

Vat Summary		Total Net Amount
Vat Rate	Net Amount	Vat Amount
23.00%		
13.50%		
0%		
Exempt		
Total		

PAYMENT TERMS ARE STRICTLY 30 DAYS FROM DATE OF INVOICE

This payment will be taken by Direct Debit from your account

Payment may be made to Usher Bank, Ranelagh, Dublin 6. Account code: 614001  
Bank Number: 077 14 28 9000 0001 0001 20



# Efficiency

This means saving money. Note that saving money comes after effectiveness and that's intentional – most often the implementation of an ERM environment is not justified, or driven, by cost savings alone. Usually, effectiveness is the bigger driver – or at least provides the biggest benefits. The term “environment” here distinguishes between the whole people and machine “system” that is needed to support ERM in an organisation and “system” as in a computer “application.” The introduction of ERM to an organisation involves new policies, processes, roles and responsibilities, as well as new computer applications.

A key area, here, is reducing the amount of paper processing in organisations. Take advantage of eforms and other technologies to reduce the amount of paper being used and the usual rekeying of data input that is required.

In AIIM's most recent Industry Watch survey; Information Governance – Records, Risk and Retention in the Litigation Age:<sup>1</sup>

***It was found that the volume of paper records is increasing in 42% of organisations surveyed. For cost savings, this should be reversing.***

Where paper is required, scan the information as soon as possible in the process so that we can take advantage of workflow and automated processes, using scanned images for support.

Another important consideration is being able to access records quickly and on all devices. If records are stored in an ERM system, they are all accessible within seconds, because they are held in a computer repository and because they are well indexed. We are aware of the popularity of using laptops, tablets and smart phones to access business records and information. There are business dynamics which are in play as well, as we have “road warriors” who are away from their offices, as well as the trend towards telecommuting, where staff works from their homes. Information and records that are stored in desk drawers and file cabinets are not useful in these circumstances. Information and records need to be accessible from all devices in popular use.

In this age, of “big data,” meaning that organisations are storing and managing terabytes of data and records, there can be huge cost benefits through records management and defensible disposition of content.

Again referring to our recent industry watch; Information Governance – Records, Risk and Retention in the Litigation Age; it was found that in approximately half of the organisations surveyed, there is still considerable inequality between the practices applied to paper records and those applied to electronic records. There were retention schedules established for paper records but not electronic records. And where there were retention periods established for electronic records, they were not, in fact, being deleted.

While over many years, it is clear that the cost of storage media has been dropping, with the exponential growth in data and records, these storage costs are having a large impact on organisations.

It is also clear that the cost of managing all this content, including backing up the data, is having a large financial impact on organisations. In the AIIM survey, it was found that for a third of organisations, 90% of IT spending added no new value to the organisations, but was required to manage the current volumes. For some organisations, reduction in storage costs is considered to be the biggest benefit of information governance.

In the AIIM survey, it was good to see that further roll-out of ECM and RM systems was considered the most significant part of the storage reduction strategy and, of course, it is much harder to apply retention policies to content that is not managed by such systems.

***“As companies defensibly and consistently dispose of unnecessary data, they find that a significant amount of data stored was in fact debris – often 50% or more of the total storage and stored data. Conversely, as data volume grows year over year and without disposal of unnecessary data, it creates a compounding cost dynamic that is not sustainable. Disposal creates a tremendous dividend for IT because almost all IT costs are a function of the amount of data, applications and hardware in the environment. As retention schedules are aligned with and instrumented on applications and servers, storage allocation can also be rationalized with the business need for information and the duration of that need.”***

From the AIIM survey, it's clear that we need to examine what shape our enterprise records management takes and, in the big data age, how do we keep a lid on the escalating costs of content storage? Organisations are beginning to realise that the information deluge can only get worse and that reducing duplication and forcing safe deletion are the only real solutions to the constant demand for more storage space.

**50% of organisations state that there is still considerable inequality between the practices applied to paper records and those applied to electronic records.**



### **About AIIM**

AIIM ([www.aiim.org](http://www.aiim.org)) has been an advocate and supporter of information professionals for nearly 70 years. The association's mission is to ensure that information professionals understand the current and future challenges of managing information assets in an era of social, mobile, cloud and big data. Founded in 1943, AIIM builds on a strong heritage of research and member service. Today, AIIM is a global, non-profit organisation that provides independent research, education and certification programs to information professionals. AIIM represents the entire information management community, with programs and content for practitioners, technology suppliers, integrators and consultants.

***Reference: An AIIM Briefing: 4 Business Drivers For Electronic Records Management:  
Produced by AIIM Training, By Carl Weise, CRM, Industry Advisor***

We Manage  
Information  
& Documentation  
Simple.



## About Kefron

*Kefron are The Document and Information Management People.*

We simplify the document and information management world for our customers, taking the pain out of your information processing issues. We have three brands including, Kefron Filestores, Kefron Digital and Kefron Consulting which together offer a complete document management lifecycle service.

Our business exists to improve how you manage your information, with our expertise supporting both physical document storage and digitisation of your information.

We create workflows and solutions through our expertise which enhance efficiency and ultimately, productivity. ***We can make a real difference to your business. This is what drives us.***



Kefron Limited  
53 Park West Road, Dublin 12,  
D12 F8RK  
PHONE: +353 (0) 1 438 0200

Kefron (UK) Limited  
Unit 2A, Woodley Park Estate,  
Reading Road, Woodley,  
RG5 3AW United Kingdom  
PHONE: +44 (0) 208 756 1555

EMAIL: [info@kefron.com](mailto:info@kefron.com)  
**www.kefron.com**