



Progressing through the Stages of Records Management Competency

White paper

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Introduction

Records management is a discipline that began in the early days of the British Empire when sailing ships were the only way to carry written communication between British colonies and London. Managing correspondence trails that could span years required a systemic approach to ensure that communication was recorded, managed in context with the subject at hand and retained.

Records management continues to deliver value far beyond the visibility that it has in many organizations. It is inextricably tied to the governance of a business and its ability to operate legally, efficiently, and effectively. This paper will discuss the need for records management and the benefits of improving your records management competency. These concepts are presented as a series of stages in the journey to achieving greater competency. They will highlight the risks faced at each stage, and the benefits of progressing through each stage in the management of that most important asset, the corporate record.

The Need for Records Management

Business challenges have external and internal pressures. External pressures are; increased global competition with reduced trade barriers and the resultant drive to increase productivity and reduce costs; the need to respond to litigation and pursuant discovery of electronically stored information; the requirement to meet compliance and regulatory obligations, and the challenge to manage the explosion of information, information types and technologies used in everyday business activities. Internal pressures are managing people resources, business processes efficiently and effectively, and technology with reduced budgets.

Corporate governance is about the control and exercise of mechanisms of capture and management of evidence of the business activities and decision making of an organization. Such evidence becomes the corporate memory of the business and should be managed in such a way that the organization meets its corporate rules and regulatory compliance obligations. Records management is about managing the corporate memory and the records of these decisions and business activities.

We know that good governance and the efficient management of business activities affects productivity. Good records management policies and systems can be a powerful tool to assist businesses to improve staff productivity, increase process efficiency and improve service to the customer.

What is Records Management

Records management is the field of management responsible for the efficient and systematic control of the creation, receipt, maintenance, use and disposition of records, including processes for capturing and maintaining evidence of and information about business activities and transactions in the form of records. (Source: ISO 15489). Document management, often mistaken as records management, refers to the systems used to manage the process of creation, check-in and check-out and version control of electronic documents. It is not an alternative to, but rather a sub-system of records management.

What is a record

A document is recorded information or an object which can be treated as a unit. At the point in time that a document is created it should be treated as a record and captured with its metadata. As a managed record it then has a chain of custody, is related to other records in context with the business activity and is easily discoverable. Records are documents created, received, and maintained as evidence of business activities and decisions in pursuance of legal obligations or in the transaction of business. A record can include documents, e-mails, physical objects, meetings, tasks, instant messages, conversations, and Web sites.

To constitute a record, information must have the characteristics of authenticity, reliability, integrity, and usability.

The ISO 15489 international standard defines a record in these terms:

- **Authenticity:** An authentic record is one that can be proven to be what it purports to be, to have been created or sent by the person purported to have created or sent it, and to have been created or sent at the time purported.
- **Reliability:** A reliable record is one whose contents can be trusted as a full and accurate representation of the transactions, activities or facts to which they attest and can be depended upon in the course of subsequent transactions or activities.
- **Integrity:** The integrity of a record refers to its being complete and unaltered. It is necessary that a record be protected against unauthorized alteration.
- **Usability:** A useable record is one that can be located, retrieved, presented, and interpreted. It should be capable of subsequent presentation as directly connected to the business activity or transaction that produced it.

Information underpins each and every aspect of business operations and as a consequence is a valuable corporate asset. Documents and records are fundamental to the operations of the business, and can be either highly valuable or a potential risk if poorly managed. It is the management of these records of business activity that we will focus on.

Context and application of records management

The first premise for determining how to manage information is the business need. Each industry will have its specific requirements and this will vary according to the jurisdiction and governing legislation of that industry. Each organization will be unique in how it has responded to the challenge of managing information. How easy it is for staff to participate in the capture of business activities will impact the organization's efficacy in information management.

As every organization knows there is a proliferation of business application tools, technologies, and information formats. These are often managed in various systems with information stored in disparate silos. Each silo may have its own security, there may be no common method of classification in accordance with the standard of the organization and there may be limited use of taxonomies or metadata standards. Understandably, organizations struggle with managing evidence of their business activities and the iterative documents that make up their corporate records.

To improve the management of documents and records in these growing and disparate information environments means change.

Affecting change requires engagement with the executive, users, business units, and owners of the information technology infrastructure. The many competing interests driven by corporate goals impact the allocation of resources, and as such it is imperative to understand the risks of poor records management and the benefits that improving information management practices bring.

When the context of records management has been identified there are two possible approaches for the application of records management:

Federated Records Management

One widely discussed approach is often called federated records management. This approach says that documents produced by differing technologies should be managed in place in their individual silos. This is a challenging concept that attempts to apply records management to multiple system repositories which usually has its own method of classification, security regime, and method of accessing records. This does not make for a long term sustainable solution. It is also extremely difficult to implement a corporate system using this approach that will comply with the international records management standards.

Unified Records Management

Unified records management supports the principle that it is the business that drives how evidence of activities should be managed; that is with a corporate classification scheme, with retention and disposal rules applied to all documents and records regardless of their source and managed in a unified way. An approach that uses one records management system and one logical place for all

documents and records will deliver the business objective of meeting corporate governance and compliance obligations more efficiently and cost effectively. This approach more easily enables enterprise records management implementations that comply with the ISO 15489 standard.

People, Process, Systems

Records management is not just about technology; regardless of stage, all records management environments should consider and apply a combination of people, process, and systems.

People

Information workers collect, analyze, and create information in a communication process that may involve collaboration and decision making before information is published. During this process the information worker will work within constraints imposed by regulations, policies, and procedures and use manual, automated processes, and systems to record their activity. In parallel with the communication and dissemination of information are the management processes imposed by the organization to ensure governance policies are complied with, business goals are adhered to and the desired outcomes are achieved.

Each type of information worker will need to be considered when understanding the stages of competency of an organization and formulating a plan to benefit from improvements in corporate record keeping. Information workers in any organization include:

- Professionals involved in the administration of information systems and processes
- Specialist users who work with ideas and influence direction and policy such as senior managers, executives, directors and so on
- Knowledge users, who consume, create, and collaborate with information but are not involved in formulating ideas and policies
- Task workers who use information and processes in accordance with established processes and guidelines.

Additionally, the more knowledgeable the people in the organization are about the need for good records management the more the organization will progress towards better records management.

Process

How policies and procedures are implemented and applied across information management practices influences the organizations ability to meet its regulatory compliance obligations, respond to litigation and other information discovery requests, and more importantly use their corporate knowledge efficiently and effectively in the operation of the business. These governing policies and procedures include the adoption and implementation of a corporate file plan or classification scheme, use of corporate taxonomies, and application of retention, disposal and archive policies to information types and processes. Understanding the breadth and depth of the application of these policies provides a base upon which to measure current risks and potential benefits of improving systems to manage evidence of business activities.

The more mature an organization is in its application of policies and processes around records management the more advanced they will be in their stage of records management competency and the more prepared they will be to leverage the benefits of good corporate records management.

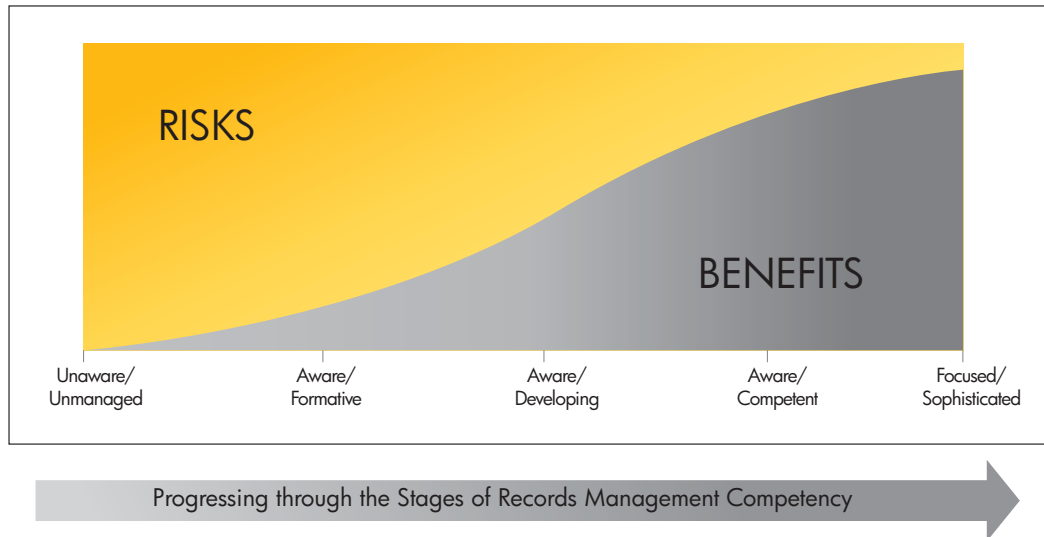
Systems

Each organization will use a combination different information types, applications, technologies, and systems which produce, capture, manage, search, store, and rely upon information to run their business. Tools such as Microsoft Office productivity applications, e-mail, collaboration tools, business process workflow applications, and physical document management processes are used for everyday business activities.

Document management systems are used to control the process of producing documents. Ad hoc and production scanning can be used to capture paper documents into electronic format. These images

are used in transaction business processes or stored in the records management system along with traditional paper records. There is an increasing reliance on federated search tools to help organizations discover the information scattered across these many systems and applications. No business environment is simple or single and as such, the systems in which the information is produced, resides, passes through and such must all be considered when a records management solution is put in place. It is when the records management system spans all systems and records types in a unified environment that you will be most competent and thus achieve the greatest business benefit from your information.

Figure 1: Records management competency



Stages of records management competency

Records management competency has been classified in stages to help you understand the opportunity that improvement in your management of records will bring to your organization and the risks such as legal, financial, and operational of your current state.

Regardless of your stage of competency, as you progress these risks will be mitigated and the benefits will increase.

The following outlines how each stage is defined, the risks of being at that stage, the outcomes of moving to the next stage, and the benefits that you will accrue:

Stage 1: Unaware/Unmanaged

Business is highly vulnerable to operational, financial, and legal risk

State: Organizations that are records management unaware have no formal process in place for the management of their physical and electronic information. There are no policies, corporate file plans or systems for managing records. Few users understand the value of records in a business or compliance context.

Risks: Poor information sharing, no authoritative version control over iterative documents, duplication of work, and decisions made on incomplete information will contribute to business inefficiency and low staff productivity. Vital corporate records will be at risk of loss and inappropriate use. Uncontrolled retention of records, the inability to determine business context to information and prove

chain of custody may result in the organization failing internal and external audit and will result in a high cost for recovery of electronic and paper records in the event of litigation or freedom of information requests. In addition there will be unnecessary storage costs for paper and electronic documents and records. Businesses at this stage will be operationally inefficient and highly vulnerable to financial, operational, and legal risk.

Progression: Moving to the next stage of records management competency will result in the organization being able to manage vital paper records with reduced cost in paper management. Many organizations have been able to justify complete records management implementations across an enterprise through savings in paper storage and paper management alone. A business that moves to the next stage will be in a position to comply with freedom of information requests and their corporate governance obligations for vital paper records for example legal, financial, HR records.

Stage 2: Aware/Formative

Electronic records pose operational risk and create considerable inefficiencies

State: Being able to manage vital paper records is significant progress. Organizations at this stage of records management competency will have a corporate file plan or classification scheme with retention and disposal schedules applied for all vital paper records such as HR, financial, and legal documents. These records will be traceable and discoverable. There are policies, file plans, and systems for managing paper records, however most electronic records are unmanaged or managed without regard to corporate memory.

Risks: Considerable risks to the business will still exist with only vital paper records being managed. Electronically stored information is not managed under the corporate classification scheme and exists in isolation until the final letter or contract, for example, is declared as a record. The use of information in everyday business processes is not efficient as the search and retrieval of information is a slow and difficult task. The organization remains at financial and operational risk with poor information sharing, no relationship between iterative documents and the final record, duplication of work, and decisions made on incomplete information. In essence knowledge workers are not productive and business processes could be much more efficient.

Progression: Moving to the "Aware/Developing" stage of records management competency that is managing all physical and electronic office documents, will improve corporate governance, staff productivity, and business efficiency in some areas. Increased information security and the ability to more easily locate related electronic documents and records will reduce the risk of legal exposure and e-discovery costs. These risks and costs are not completely mitigated as information is still being managed in individual systems and silos across the organization.

Stage 3: Aware/Developing

Disjointed user access constrains productivity

State: Organizations in the developing stages of records management competency will have vital paper and some electronic records managed according to the corporate classification scheme with retention and disposition applied to managed documents and records. There will be authoritative versions for managed records with good information sharing and decisions made on more accessible and available information. Duplication of work is reduced and there is some sharing of information. Managed records will be more easily discoverable with reduced costs for e-discovery.

Risks: Better security over managed documents and records will reduce legal and financial risk. The organization will have systems for managing electronic documents and e-mails however these systems may be departmental or managed in a disjointed way. At this stage, disjointed access to all sources of electronic documents and records still constrains the specialist users, knowledge workers and task workers alike. Because not all electronic systems are managed in a unified way there may still be no authoritative version of "work in progress" documents and as a result decisions may be made on incomplete information. This will vary greatly depending upon the applications managed in the

records management system. The ability to find and retrieve information in the case of litigation or compliance audits is possible but may still incur significant time and cost.

Progression: Moving to the "Aware/Competent" stage will enable the business to attain significant improvements in staff productivity and business process efficiency. The effective management of all electronic information generated through office productivity, collaboration, and e-mail systems in a unified way will enable the business to leverage its information to obtain better business insight and deliver better service to its customers. Being able to locate all documents and records in context with the business will significantly reduce the cost of e-discovery. Organizations are much better prepared to meet compliance and regulatory obligations.

Stage 4: Aware/Competent

Maintaining records efficiently but not leveraging full system potential

State: The outcome of maintaining paper and electronic records efficiently means that all vital paper and most electronic records are automatically classified in accordance with the corporate classification scheme with retention, disposal and security rules automatically applied. Records management is being increasingly automated and collaboration and document centric workflow processes are managed in a unified way. Authoritative versions for all paper and managed electronic records means information sharing is easy, there is no duplication of work, all managed records are securely managed and easily discoverable.

Risks: Whilst all information created through office productivity tools, collaboration, and e-mail systems are managed in a unified way there remains the cost of manual capture of information from line of business applications and business applications such as ERP, CRM, financial, and other systems. Business application generated correspondence, notes, and workflow audit trails still remain in separate silos. Organizations are not meeting their full productivity and therefore cost saving potential of best practice records management.

Progression: Moving to unified records management results in a single source of truth for all corporate documents and records regardless of origin. All information is managed in context with the business process and the records management system is an integral component of day to day operations. There is better security over all documents and records which are managed in a unified logical repository. Discovery of information is easy with the right information being available in the right place at the right time. The cost of discovery of all documents and records during litigation or compliance audits is significantly reduced.

Stage 5: Focused/Sophisticated

Leveraging records for maximum business value

State: You have implemented a unified records management solution. The records management system is integrated to line of business applications such that all records are automatically captured and managed in a unified way. Your organization will have all vital records, regardless of type and source managed in context with the business under a corporate classification scheme with security, retention, and disposal and archive rules automatically applied. Information sharing will be easy with no duplication of work, decisions based upon corporate knowledge, and all records securely managed and easily discoverable. Staff understands the importance of corporate records to the organization driving continuous business improvement.

Risks: At the "Focused/Sophisticated" stage you are applying best practice records management. Business needs, market drivers and regulations and technologies will always be evolving. Focused and sophisticated users of records management will still need to be cognizant of pending change. However, it is those organizations at Stage 5 who are best positioned to quickly and easily respond to that change, have taken steps to mitigate legal, financial, and organization risk and leverage their information assets for better business outcomes.

Records Management Risks and Benefits by Stage

Stage	Unaware/ Unmanaged	Aware/ Formative	Aware/ Developing	Aware/ Competent	Focused/ Sophisticated		
Risks	Vital records at risk						
	Inability to meet compliance and regulatory obligations						
	Duplication of work		Duplication of work				
	High storage costs		High storage costs				
	High e-discovery costs		High e-discovery costs				
	No authoritative versions		No authoritative versions				
	No information sharing		No information sharing		Duplication of work		
	Uncontrolled retention		Poor retention	No authoritative versions			
	Decisions based on incomplete information		Decisions based on incomplete information	Minimal sharing of information			
	Incomplete chain of custody		Incomplete chain of custody	Decisions based on incomplete information			
	No recognizable business context		No recognizable business context	Limited recognizable business context	Cost of manual capture		
	Poor information security		Poor information security	Poor information security	Distributed silos	Change management	
	Benefits			Savings in paper management	Reduction in paper and electronic storage costs	Excellent staff productivity with best practice records management	One source of the truth for all corporate information
		Compliance with corporate governance for vital and official records	Records chain of custody improves governance	Compliance with legislation and regulatory obligations for managed records	Excellent staff productivity with best practice records management		
		Compliance with FOI for paper records	Compliance with corporate governance policies for vital records	Better business insight means more informed decisions	Compliance with legislation and regulatory obligations for all records		
		Lower risk of legal exposure	Document management improves staff productivity	Improved business efficiency means greater profitability	Better business insight means more informed decisions		
				Improved business efficiency	Information availability means better customer service	Improved business efficiency means greater profitability	
				Lower e-discovery costs and risks of legal exposure	Better security over all documents and records	Information quickly available means better customer service	
				Improved business efficiency and information security	E-discovery prepared	Better security over all records	
				Reduced e-discovery costs	E-discovery best practice		

Conclusion

Information and business records are the lifeblood of any organization, and those which leverage this critical corporate asset through competent records management can achieve better business outcomes.

The first step in improving records management competency is to undertake an assessment to determine the stage that the organization is at. With this knowledge and an understanding of the organization's goals and business objectives a plan can be developed to progress the records management competency of the organization.

Regardless of the stage of records management competency, organizations will realize significant benefits when progressing to the next stage, and ultimately towards a focused and sophisticated state of unified records management. These benefits include savings in storage costs for paper and electronic records, reduced risk, greater productivity of staff, improved ability to find and share information and make better decisions, ultimately increasing business process efficiency and reducing the heavy burden of regulatory compliance.

HP—Enabling best practice records management

HP has over 20 years of expertise in records management. Recognizing that a successful records management solution is the result of people, process and systems, HP delivers best-in-class document and records management with HP TRIM, and experienced, proven information management Professional Services.

Working in a range of geographies, industries, and environments HP has taken organizations through all stages of records management competency where each step brings your business cost savings and risk mitigation.

Document and Records Management with HP TRIM

A leading document and records management system, HP TRIM software delivers compliance policy management and organizational efficiency. With tight desktop integration and scalability for large, distributed environments, HP TRIM lets you capture, manage, access, and make more secure your enterprise information, from electronic to physical records and from creation to ultimate disposal.

With HP TRIM you can:

- Capture, manage, and classify all business records in a consistent manner from all information sources
- Manage evidence of business activities and decisions in context with the business from creation of a record to its disposal
- Increase staff productivity, business process efficiency, and reduce the heavy burden of regulatory compliance
- Enable the authenticity, reliability, integrity, and usability of business records for their lifetime

Information Management Professional Services

HP Professional Services for Records Management helps your organization enhance business process efficiency and innovation by improving your ability to access and control your unstructured data assets. Our proven consulting and solution design and implementation services improve how you capture, manage, retain, and deliver information to the right place at the right time through the right method—reducing costs and increasing productivity. Competent records management affects all areas of your organization, and as such we work with you to deliver not only a successful technology solution, but successful adoption across the organization so benefits are effectively realized enterprise-wide.

For more information

To learn more, visit www.hp.com/go/hptrim

Technology for better business outcomes

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