

# Information Governance: The Time is Now

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The ViaLumina Executive Brief series on Information Governance provides business leaders with a grounding in the fundamentals of IG and how it should affect business, legal, and IT strategy.

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Information is doubling every 12-18 months. Senior executives need to ask: Is our ability to manage - much less monetize and exploit that information - growing at the same rate?

## A Wake-Up Call for Senior Management

Information Governance (IG) is essential for organizations that need to not only minimize legal and regulatory risk, but also for those that have lofty strategic data ambitions like increasing competitive advantage and developing new lines of business. Without the mechanisms of IG that enable smart and defensible management of information, the *promise of big data and analytics* simply cannot be fulfilled. This is why it is time for senior executives in organizations large and small to wake up and pay attention to IG.

Most senior executives know that their corporate data is growing – and growing quickly. In fact, at many organizations, data volumes double every 12-18 months. But, how many executives really understand this significance of this trend? Is growing data an IT problem or is it a business problem? Is it a problem that is getting easier or harder to solve? Is it just a storage problem, one that can be solved in perpetuity by buying bigger and cheaper storage? Or, is it a problem at all?

McKinsey says that more than half of organizations view leveraging and monetizing data as a “top-ten corporate priority on their strategic agendas.”<sup>1</sup> But are these organizations managing their information in a way that enables this strategy? Many are not. A recent study found that less than a third of senior managers believe IG is important.<sup>2</sup> Perhaps this is why many executives are forced to “admit their companies are far from prepared” to manage and monetize their corporate information.<sup>3</sup>

## Taking Charge of Information Governance

We are in the midst of a monumental shift in the way that we use and manage information. The primary function of records and information used to be a “corporate memory” that helped us understand where we came from. Moving forward – powered by technologies that deliver automated categorization and analysis of vast pools of data – the primary purpose of information will be to help us understand *where we are going*.

However, this revolution cannot happen without visionary leaders who own and drive IG strategy. While it is clear at most organizations who owns IT infrastructure (i.e., the CIO), it is less clear who owns information strategy and governance. Organizations that lack leadership in IG will undoubtedly fall behind. IG provides several essential functions as part of an overall information strategy, for example:

- **Reducing your information footprint to save costs.** Even the most advanced information architectures benefit from the removal and disposition of valueless information. IG enables this to happen in a manner that complies with the law and meets business needs.

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1 McKinsey & Company, “Minding your digital business: McKinsey Global Survey results,” May 2012.

2 Sean Doherty, “New Research Reveals Information Governance Gets No Respect,” Law Technology News, March 29, 2013.

3 McKinsey & Company, “Minding your digital business: McKinsey Global Survey results,” May 2012.

- **Enabling defensible management and monetization of data.** While recent leaks about the way that national security agencies collect and use information have highlighted data analysis and mining issues, they are also a reminder that organizations operate in an increasing complex and regulated environment. Organizations must manage and monetize information inside a framework that accounts for multiple overlapping security, retention, privacy and other laws and regulations. IG provides this foundation.
- **Maximizing return on information investment.** A recent RAND Corporation study found that, contrary to breathtaking predictions in 2005, the cost savings and efficiency promised by electronic health records in the US have largely not materialized. In fact, “evidence of significant savings is scant, and there is increasing concern that electronic records have actually added to costs . . .”<sup>4</sup> Without clear, smart IG strategies, the most powerful technology will have little impact on the bottom line.

## Taking Action: Asking The Right Questions

The time has come for senior executives to start asking hard questions about the maturity of IG at their organizations, and to get serious about IG. Key questions include:

- **Competing with Data.** Is your ability to manage – much less monetize and exploit – your information growing at the same rate as your information itself? Is your current IG strategy keeping pace with your industry and your competitors? Would a competitor with better-managed and monetized data gain an advantage in your industry? Who are the IG leaders in your space and what can you learn from them? How far ahead are they, and what would it take to catch up? Most organizations struggle with even “simple” tasks like keeping the right information and throwing away the junk. Where is your organization?
- **Regulation.** Is the regulatory environment for your information getting simpler or more complex? Are regulators increasing or diminishing their focus on information security, privacy, retention, and management? Are regulators signaling that they are going to increase or decrease enforcement? The US Department of Health and Human Services recently imposed its first civil money penalty (of \$4.3 million) for violations related to health records,<sup>5</sup> and enforcement efforts are ramping up in other sectors. What is happening in your industry, and is your IG strategy up to the task?
- **Litigation.** Does the way you currently manage information help or hurt you in litigation? Is the amount of money you spend on e-discovery increasing or decreasing? Are you able to effectively narrow e-discovery searches and production, or are you forced to cast a wide and expensive net? IG has been proven to improve litigation strategy and reduce e-discovery costs.

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Does your information enable your history, or does it enable your future?

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<sup>4</sup> Reed Abelson and Julie Creswell, “In Second Look, Few Savings from Digital Health Records,” New York Times, January 10, 2013.

<sup>5</sup> HHS Press Release, “HHS imposes a \$4.3 million civil money penalty for violations of the HIPAA Privacy Rule,” February 2011.