

Why Information Governance Programs Do Not Work

December 4, 2013

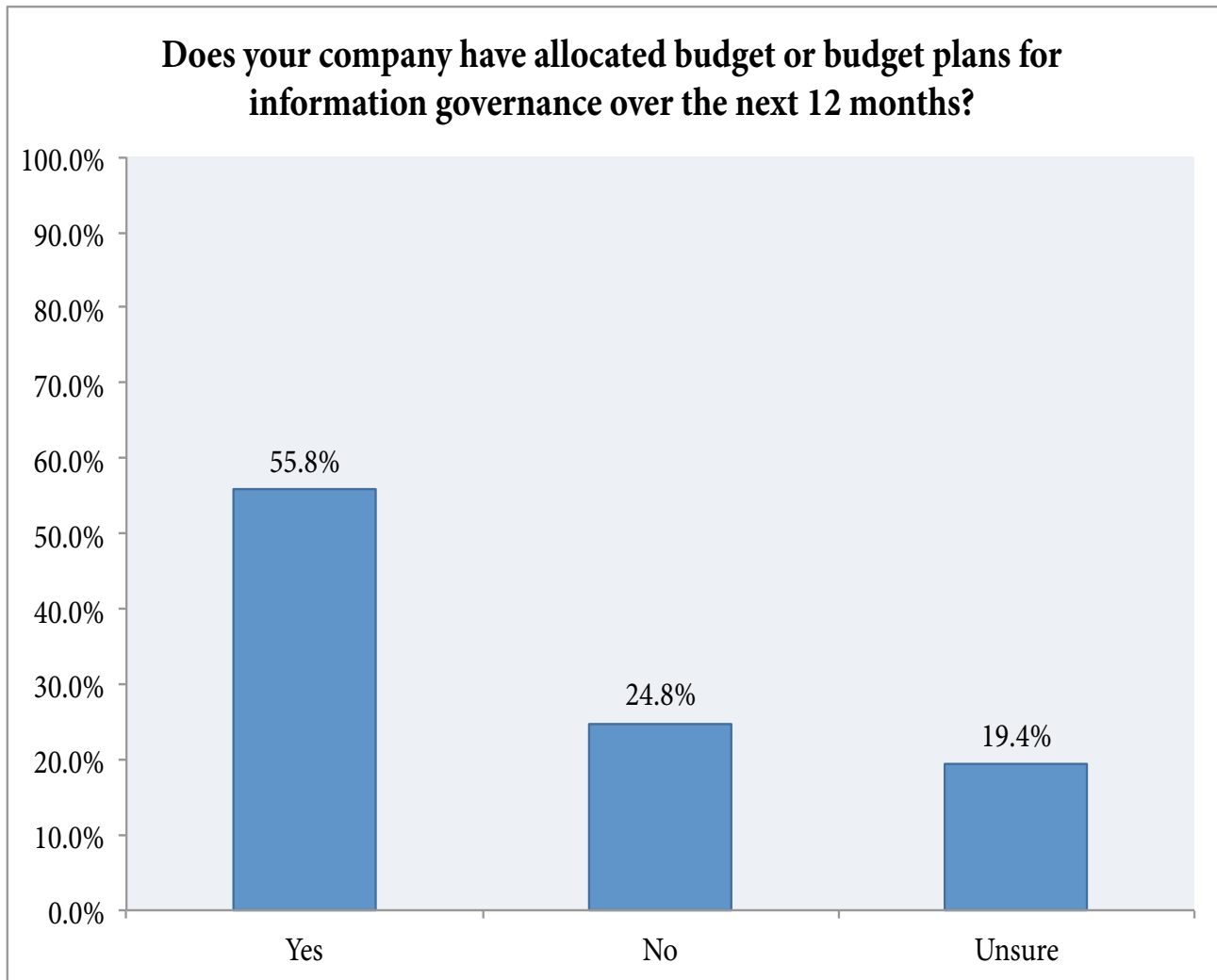
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The Information governance (IG) topic is slowly evolving to the point of mainstream awareness thanks to high-profile data breaches, out-of-control litigation cost, and the simply astonishing growth in the volume of digital information and the cost to manage and store it. Many refer to the IG market growing rapidly and evolving quickly, but in doing so, miss the point that IG is not a market or buying category; rather, it is a topic made up of sub-topics such as storage/archiving, eDiscovery, compliance and GRC, earch, records management, and security. As such, IG manifests in organizations as a program versus a specific solution.

Perhaps IG is considered a “market” because of the perception that organizations actually buy IG solutions.

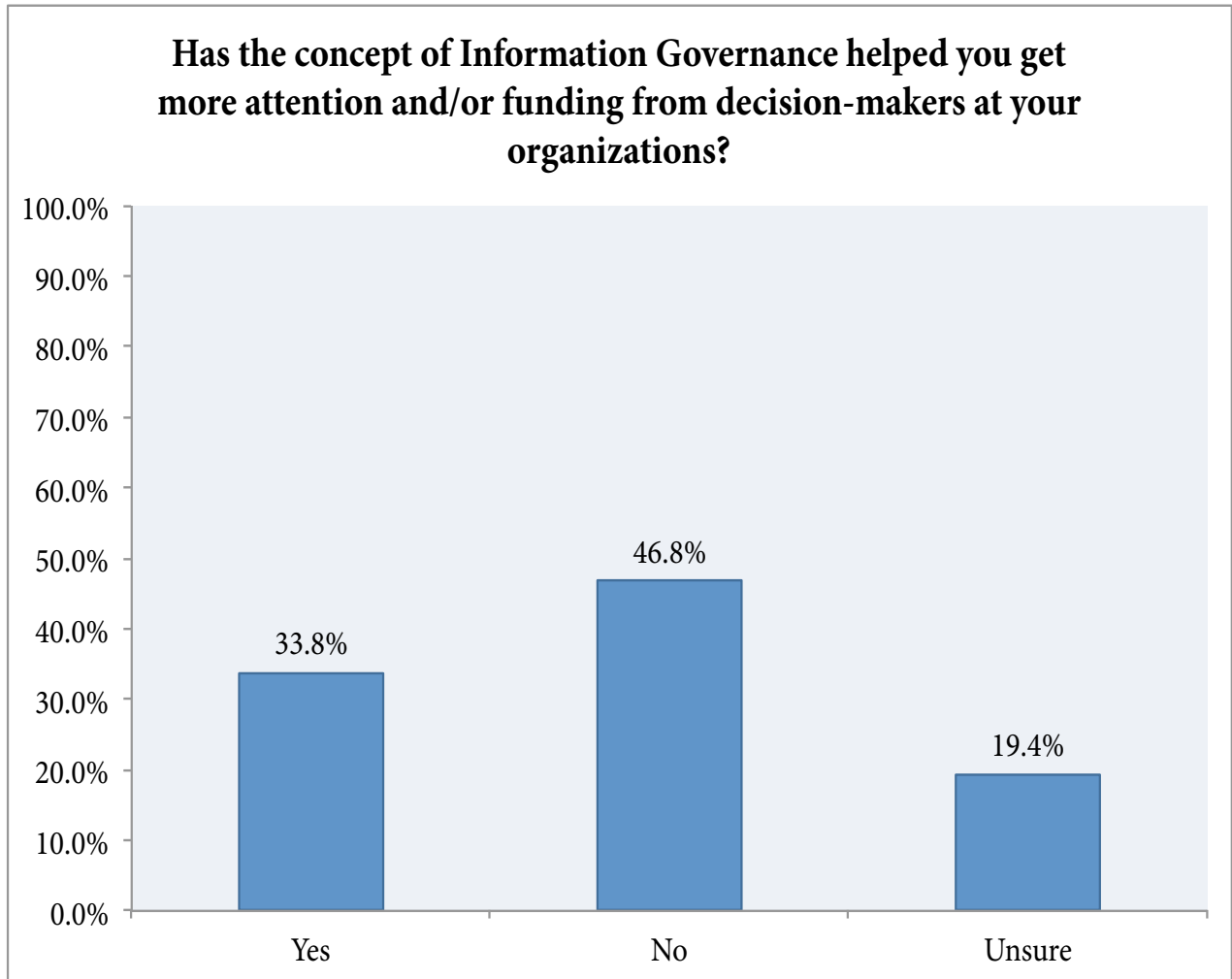
Organizations Are Beginning To Spend Money On Information Governance



Source: eDJ Group / ARMA International Joint 2013 Information Governance survey, in conjunction with ViaLumina N = 278

But, the truth is that organizations are not “buying IG.” Instead, they are spending money on specific IG projects such as fileshare cleanup or email archiving.

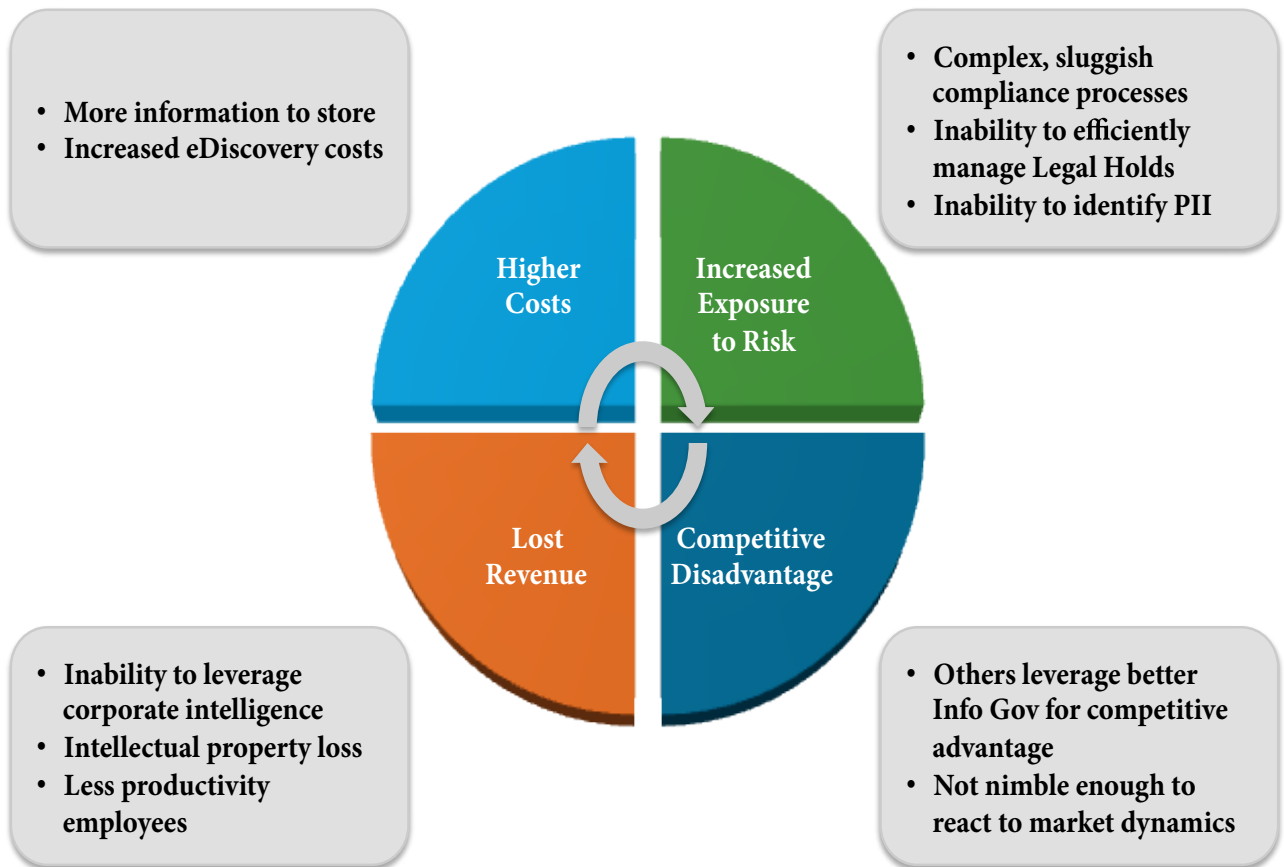
But, IG Itself Is Not Driving Budgets



Source: eDJ Group / ARMA International Joint 2013 Information Governance survey, in conjunction with ViaLumina N = 278

Referring to IG as its own market reflects the current state of confusion and disarray around the topic. While the hype builds around IG and the predictive analytics technologies that can help organizations that are drowning in a sea of information overload, the pragmatic truth on the ground is that a majority of IG programs are simply not working. Not enough organizations truly grasp the impact that poor IG programs can have.

The Negative Consequences Of Poor Or Non-Existent Information Governance



eDJ regularly talks with eDiscovery and IG professionals that provide the context for just how negative the consequences of poor IG can be. One eDiscovery manager at a very large, highly regulated company relayed a story that is all too common:

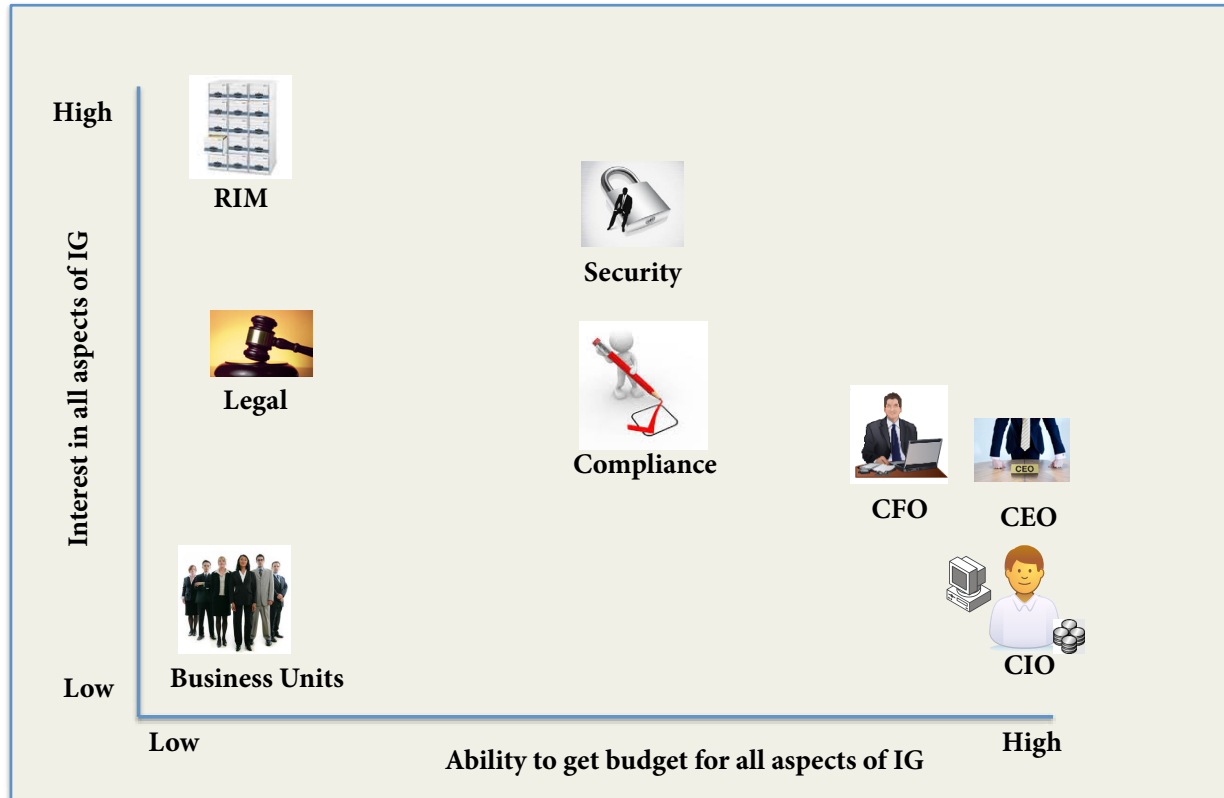
The company purchased enterprise software for search and early case assessment several years ago, but was unable to get it working. As a result, eDiscovery is handled by sending forensic disk images out for processing, hosting, and review. With no ability to cull the data down before sending it out, the company pays exorbitant hosting and review fees. The eDiscovery support manager went to the IT team at the company looking for a solution and was met with the “I don’t care” attitude. IT essentially said, “this is your problem – you get budget for it.” But, the Legal team does not drive technology budgets at this company. The fact that Legal is paying through the nose in litigation costs is meaningless to IT.

In a highly regulated company that conducts eDiscovery regularly, this situation is unacceptable. It is, though, a regular occurrence in many organizations. To be fair, this eDiscovery manager said the attitude works both ways

- when IT makes a mistake, Legal's attitude is, "That is their problem." Anyone that works at an organization of any size knows that department cooperation is difficult and politics are at play, especially when the solution to the problem requires funding.

Still, though, this kind of situation should bubble up to the top. After all, Legal is bleeding money that could otherwise be saved. But, rarely do these situations make it to the highest levels for any meaningful consideration. The reason is that the people that care about IG are not necessarily the ones with the juice to get budget for it. IG programs are not working because the incentives for the stakeholder involved with IG are misaligned.

IG Is Immature Because Of Stakeholder Misalignment



Examine the C-Level executives that should and could care about IG and it is not surprising that most IG initiatives are disjointed, under-funded, and ineffective:

Role	Driven By	Attitude On IG
CEO	<ul style="list-style-type: none"> • Profitability • Innovation and Growth • Shareholder value • Avoiding bad press 	Should care, but too often unaware of risks and costs, especially as it relates to the granular details like eDiscovery costs
CFO	<ul style="list-style-type: none"> • Compliance • Risk management • Revenue Growth • Investment opportunities • Profitability 	Cares about issues like compliance, but not aware of the detailed IG needs for issues like eDiscovery
COO	<ul style="list-style-type: none"> • Operational efficiency • Profitability • Enhance cross divisional/departmental communication 	Generally unaware about IG issues
CIO	<ul style="list-style-type: none"> • Staying under budget • Infrastructure operational efficiency 	Understands IG issues, but not necessarily interested in paying for the solution, especially when the business case is risk management
Records and Information Management (RIM)	<ul style="list-style-type: none"> • Regulatory rules • Information access • Legal needs • Standardization 	Passionate about IG, but few RIM teams in eDJ's recent IG survey – 27% - report having budget for IG solutions
Business Units	<ul style="list-style-type: none"> • Growth • Information access (high speed on the best devices) • Minimization of business disruption 	Generally unaware about IG issues and feel the need to hoard their data
Compliance	<ul style="list-style-type: none"> • Regulatory rules • Avoiding sanctions • Avoiding bad press • Standardization 	Passionate about certain aspects of IG, such as GRC, but often not aware of the broader IG ecosystem like eDiscovery issues
Legal	<ul style="list-style-type: none"> • Ability to manage caseload • Desire to make fast decisions on matters • Managing litigation spend • Streamline intradepartmental preservation/ collection • Standardization 	Passionate about most areas of IG and more likely than any other department to “own” IG – 19% of survey respondents indicated that Legal currently owns IG
Security	<ul style="list-style-type: none"> • Privacy • IP protection • Infrastructure operation 	Understands IG issues and at least peripherally involved with parts of it like forensics, but rarely owns IG – less than 4% of respondents show that CISOs have responsibility for IG

This chart is a generalization, but indicative of the state of IG presently and provides useful context for why IG is so challenging. While it seems trite, one of the core elements of successful IG programs is C-Level sponsorship. If high-level leadership is not actively engaged in and aware of all aspects of IG, programs are doomed to failure – it is that simple.

How To Right The IG Ship

There is no silver bullet when it comes to fixing IG. Unfortunately, the organizations that have solid IG programs tend to be ones that have felt the pain of bad IG – the sanctions, the spiraling litigation costs, the information

overload. The challenges can be overwhelming and intimidating, but it is possible to chip away at IG and get programs moving in positive directions. To do so, it is critical to:

- **Focus on common ground and goals.** IG has many stakeholders and those stakeholders need to have common incentives. Without everyone working toward a common goal that benefits all, IG will be impossible. The incentives of the stakeholders truly need to be aligned. In addition, IG needs to be woven into corporate culture; not just something that is given lip service. When it comes to culture, work with it, not against it.
- **Obtain C-Level Sponsorship.** As previously mentioned, IG programs fail without a C-Level owner. And ownership needs to mean active involvement – the executive must truly understand all aspects of IG and why they are important. It is not enough to focus on one goal, such as compliance; the executive must understand how that initiative complements other IG projects like eDiscovery, archiving, and records management. There is not necessarily a “best” owner (meaning, it does not have to be the same executive at every organization), but the executive carrying the IG torch should have the respect of others in the organization and the ability to get budget for initiatives.
- **Gain small, incremental wins.** Remember that IG is not a market – no organization is going to buy and IG solution. Instead, IG is a series of projects, each of which should ultimately complement each other. A centralized IG team can ensure that the wins in one project can be leveraged in the next project. And, IG projects will likely not span the full enterprise, at least not at first. Instead, projects should attack discrete goals, such as cleaning up network file shares or gaining control of Legal Hold Notification and preservation.

About The eDJ Group

eDJ Group is a new kind of research firm – our analysts are “working analysts” that cycle between consulting engagements and research projects in order to keep a real-world perspective. eDJ’s analysts all have 10-25 years of experience in detailed eDiscovery and information governance projects. Our analysts research, analyze, and write based on a combined one hundred (100) years in the legal technology community.

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- Independence – All research, reports, advice and services are agnostic and conducted independently without influence by solution providers.
- Highest Ethical standards – All content is honest perspective based on real experience and interactions with thousands of practitioners; detailing both successes and failures without favoritism.
- Pragmatic, Experienced Expertise – All services are conducted by industry experts with decades of experience and strictly vetted by the eDJ Group founders.

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