



ONE SOLUTION

THE POSITIVE EFFECTS OF INFORMATION MANAGEMENT

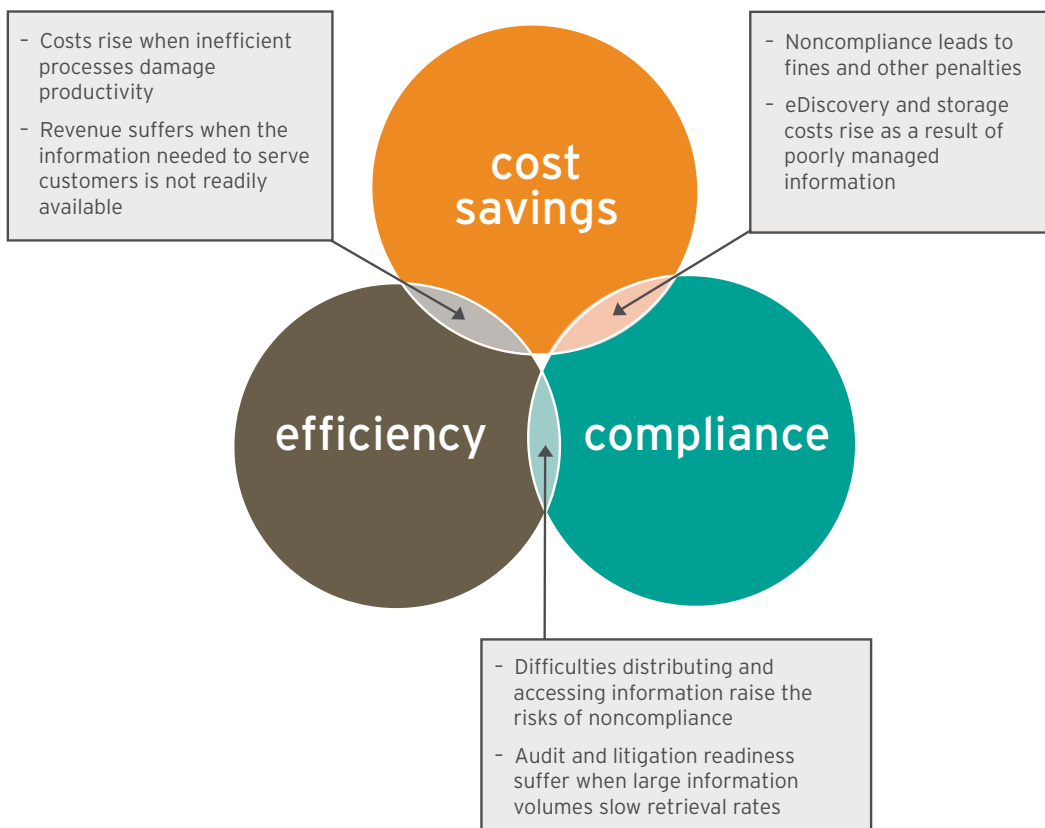
Practical Advice for Driving Cost Savings, Strengthening Compliance and Increasing Efficiency

Evidence shows that in today's business environment, most companies take a reactive approach to information management – choosing to implement the proper measures only after an event has revealed a weakness and created the need for improvement.

In fact, a recent analysis of information management maturity – the concept of how well a business implements information management programs – indicates that businesses with the best scores had experienced a trigger event, such as an audit or litigation fines, which spurred action. In contrast, those with lower scores on the maturity scale have yet to experience a trigger event and therefore lack a documented, formalized information management program.¹

There's no doubt that trigger events can provide a harsh wake-up call. As figure 1 illustrates, when companies wait until after the fact to address information management deficiencies they are unwittingly missing opportunities to realize cost savings, improve efficiencies and reduce the risks associated with noncompliance.

FIGURE 1: THE INTERRELATED CHALLENGES OF INFORMATION MANAGEMENT



And since these are tightly connected factors, a deficiency in one area will directly affect competency in another. For example:

- As increasing volumes of physical and electronic information push storage **costs** higher, **efficiency** also suffers because the amount of information kept on hand makes it more and more challenging to find and distribute what's needed on time
- Mishandling, losing or being unable to produce sensitive information in a timely manner creates critical lapses in **compliance** that often result in additional, unwarranted **costs** in the form of fines and other financial penalties
- A lack of process **efficiencies** not only wastes time, it also raises **costs**, leading to poor customer satisfaction and lost revenue

These are just a few examples of the ways in which companies experience the negative effects of poor information management across the areas of cost savings, compliance and efficiency. But regardless of where the causes and effects lie, there are methods and best practices that can improve each of these areas – many of which revolve around three distinct information management principles:

1. Reducing the volume of information to maximize the usefulness of both paper-based and electronic data across the business, while limiting the costs associated with storing information that is not required for operational or compliance purposes.

2. Better organizing what's left and applying process changes and technology to improve how information flows between people and locations, reducing inefficiencies and streamlining workflows.

3. Adopting a hierarchical approach to information management to create and apply storage structures that differ based on access requirements, helping to optimize costs.

This guide explores the ways in which employing these principles creates opportunities to realize the benefits of improved information management in the areas of cost savings, compliance and efficiency.

COST SAVINGS

Minimizing Expenses to Maximize Profitability

In today's economy it is more important than ever for companies to look for ways to increase profitability – which explains why a sharp focus on managing business expenses has become so pervasive in recent years. After all, keeping more of the money your business earns makes a positive impact on the bottom line – and frees up resources to fund other initiatives. In fact, a recent study by Gartner noted that realizing cost savings remains a “top 5” priority among senior executives.²

In order to trim expenses, it's easiest to focus your efforts on the obvious places, like reducing headcount and overtime or restricting travel, entertainment and other non-essential expenses.

However, many companies often overlook hidden opportunities for savings. Because information management costs are present throughout different departments and locations, you may be unaware of the total financial impact of these costs – and how to identify and act upon the opportunities to save. But, the fact is that poor information management processes can increase your company's unnecessary spending.

So, by targeting processes related to managing paper and electronic records, you can unlock tremendous potential for cost savings.

In partnering with over 140,000 customers, we have learned that many are initially unaware of the costs associated with the information that drives the business day in and day out. But as numerous customers have shown us, the savings are quite significant.

The Hidden Costs of Information Management

\$120 the labor cost associated with finding a misfiled document³

\$14,000 the annual value of lost productivity due to workers' inability to locate information⁴

\$500,000 the recommended eDiscovery budget for a moderately sized case⁵



Quick Hit:

WHAT YOU CAN DO TO REALIZE COST SAVINGS

To cut back the costs of information management in your organization, focus your efforts on the following:

- ✓ **Eliminate unnecessary information** in order to drive down the expenses related to storing paper and electronic records
- ✓ **Improve availability and accessibility** to save the money typically associated with locating or recreating misplaced information
- ✓ **Implement tiered management processes** to reduce the average cost of storage

And by leveraging these principles, your company will be better equipped to:

- Realize savings related to storing paper and electronic information, and supporting legal discovery
- Define retention policies that are consistently applied to information of all types
- Avoid unplanned expenses, as well as the fines and penalties associated with keeping too much or too little information

COMPLIANCE

Making Information Audit and Litigation Ready

Compliance centers on the act of proactively implementing policies designed to help the business adhere to the many rules and regulations governing its particular industry.

One way to strengthen your compliance posture is by creating and maintaining a legally defensible, consistently applied information management program that supports regulatory obligations. Critical to reaching this goal is the adoption of retention policies and procedures that help you identify what to keep, where to keep it and for how long, so the proper record can be accessed at a moment's notice to prove compliance.

Records and Information compliance has become such a concern these days that we have noticed a decided shift in where records management departments report. For example, data collected from the compliance surveys we conduct with our customers shows that some records management personnel are now answering to legal, compliance and finance departments – where the concept resonates most and receives the proper attention. This shift has resulted in rising compliant records management survey scores, and indicates that companies that take the proper approach to information management can strengthen their compliance postures.

Six Steps to Greater Compliance

Iron Mountain employs a six-step methodology to help companies evolve to a more compliant state. Based on proven best practices, this approach enables businesses to strengthen compliance with processes that bridge the gap from the current “as is” state to one that is more tightly aligned with the appropriate laws and regulations.





Quick Hit:

WHAT YOU CAN DO TO IMPROVE INFORMATION MANAGEMENT COMPLIANCE

The following actions will help make your organization's records and information management program more compliant:

- ✓ **Organize information management program parameters**, including roles and responsibilities, steering committee members and company-wide terminology
- ✓ **Assess the existing program** to identify capabilities and requirements, and use these findings to create an enterprise-wide implementation plan
- ✓ **Develop a legally credible retention schedule**, as well as policies and procedures that cover privacy, security and disposal for both physical and electronic records
- ✓ **Implement an information management compliance program** that is formally communicated across the business and includes training components tailored to specific audiences

- ✓ **Manage the program** via reporting and metrics that help to ensure the ongoing security, accessibility and integrity of data

- ✓ **Audit program compliance** on a routine basis, as part of a formalized, internal auditing process

As a result of adopting these information management best practices, you will have developed an information management compliance program that helps to:

- Prove alignment with the appropriate laws and regulations
- Speed response times in the event of an audit or litigation
- Reduce the potential for fines and penalties associated with failing to provide information in a timely manner

EFFICIENCY

Driving Productivity Across the Business

Organizations are continually challenged to find ways to do more with existing resources in order to boost productivity and grow the business. And yet, information management efficiency remains the most overlooked area of opportunity to improve performance, lower expenses and increase customer satisfaction.

The ease with which information is accessed and distributed has a direct and significant impact on your business. Whether it's the ability to quickly respond to customer inquiries by accessing paper transaction records, ensuring employee expenditures are accurately reported and validated in a timely manner or producing shipment documentation upon request, effective information management is the cornerstone of many process efficiencies.

Your challenge lies in recognizing opportunities to improve the accessibility of key documents, regardless of format or the decentralized nature of the environment in which they are created.

In addition, it is critical that you increase knowledge management and collaboration so people can do their jobs better. After all, when employees are able to locate and leverage information in a timely manner, your organization will be well positioned to serve internal and external requests and drive a competitive advantage.

What's Driving the Need for Greater Efficiencies?

65% cite improved efficiency and productivity as the top factors influencing implementation of an information management program⁶

50% of professionals' time is spent simply looking for the information they need to do their jobs⁷

81% consider the ability to find contracts when needed an area of concern⁸



Quick Hit:

WHAT YOU CAN DO TO INCREASE EFFICIENCY

You can boost efficiencies across your organization by employing best practices that enable you to:

- ✓ **Limit the amount of paper and electronic records** kept on hand down to only what is needed to support critical processes, so there is less to search through and review
- ✓ **Make information more available**, so it can be located and distributed across the business with greater ease
- ✓ **Apply record storage and retention policies** that ensure both paper and electronic information is available as needed to serve a variety of needs

By addressing common areas of inefficiency, your company will be able to:

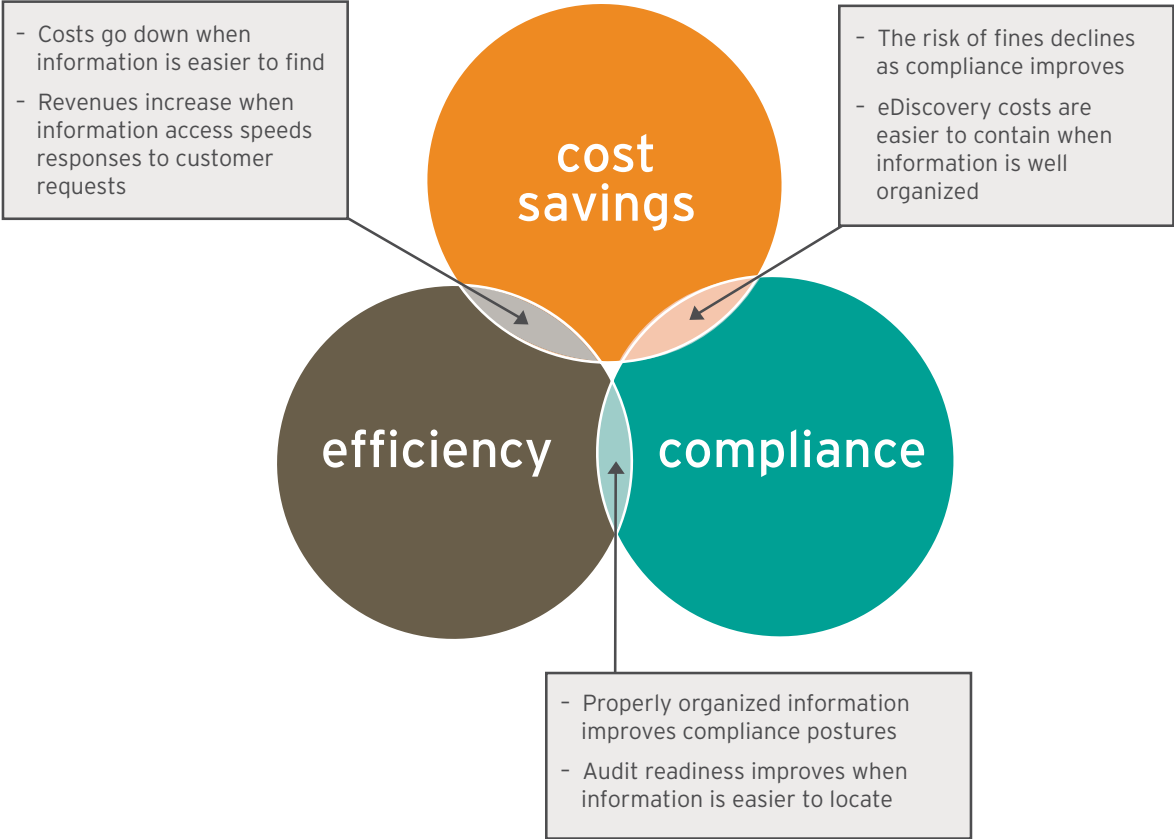
- Identify and remove bottlenecks that slow the distribution of critical information
- Reduce the time associated with creating and circulating multiple copies of a single record
- Enhance agility by putting the right information in the right place at the right time
- Increase preparedness for a variety of events

THE BENEFITS OF COMPREHENSIVE INFORMATION MANAGEMENT

Companies that implement a comprehensive information management program will find themselves well positioned to eliminate many of the challenges related to cost savings, compliance and efficiency. Focusing on these areas – and their intersection points – will deliver a host of benefits.

As figure 2 shows, adopting a proactive, comprehensive approach to information management eliminates the pains that arise when these processes influence one another, therefore enabling these areas to have a significant, positive impact on your business.

FIGURE 2: THE BENEFITS OF COMPREHENSIVE INFORMATION MANAGEMENT



Iron Mountain has partnered with numerous customers to implement best practices that have driven considerable business advantages in these areas. For example:

- A pharmaceuticals company **saved \$2 million annually** through better management of, and access to, vital records that must be preserved to meet regulatory requirements
- An investment firm implemented a robust data backup and recovery solution that improved information availability, leading to **greater efficiency** and **employee productivity**
- A manufacturer of health and nutrition products conducted a formal risk assessment and developed a retention schedule that helped it **increase audit preparedness** and improve its compliance stance

And by supporting this end-to-end approach with proven information management best practices, your company will find itself well positioned to cut expenses, reduce risk, increase efficiencies and derive greater value from the information that drives your operations each day – enabling you to realize a true business advantage.

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- ¹ Iron Mountain Compliance Benchmark Report. Iron Mountain, 2010.
- ² Gartner. "Early Findings from the 2010 Gartner CEO and Business Executive Survey." G001732499 December 2009.
- ³ Coopers & Lybrand. 1993.
- ⁴ IDC. "Hidden Costs of Information Work." IDC, 2006. (Doc #201334, April 2006).
- ⁵ Gartner. "Reducing the Cost and Risk of EDiscovery in 2009." January 9, 2009.
- ⁶ ALM Legal Intelligence survey conducted on behalf of Iron Mountain. "2010 Law Department Records Management Survey." August 2010.
- ⁷ Coopers & Lybrand. 1993.
- ⁸ Kirk Krappe and Gopi Kallayil. "Contract Management is More Out of Control Than You Think." Journal of Contract Management. April 2003.



ABOUT IRON MOUNTAIN. Iron Mountain Incorporated (NYSE: IRM) provides information management services that help organizations lower the costs, risks and inefficiencies of managing their physical and digital data. Founded in 1951, Iron Mountain manages billions of information assets, including backup and archival data, electronic records, document imaging, business records, secure shredding, and more, for organizations around the world. Visit the company Web site at www.ironmountain.ca for more information

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