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WHITE PAPER

Information Governance in a World of Increased Data Regulation

How to Ensure Compliance Is Cost-Effective and Will Derive
Increased Value From Your Corporate Data Assets

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August 2013

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Information Governance in a World of Increased Data Regulation

Foreword

What Is This White Paper About?

Many organizations in the European Union are struggling to get a grip on data compliance for several key reasons:

1. The statistics point toward a rapid rise in business data, which is on a trajectory to grow 56% year on year. Therefore, the volume of data businesses need to store, manage and report on is becoming more difficult to administer.
2. The types of data that need to be captured are increasingly complex and include instant messaging (IM), text, voice and social media interactions, the so-called “unstructured data.” Many businesses do not have sophisticated enough technology, tools and policies in place to support this data.
3. There are potentially thousands of pieces of legislation impacting companies, peaking at over 100,000 legal requirements relevant to multinational companies. This regulation is constantly evolving and varies across markets, making compliance more difficult, especially for businesses that operate across geographies.
4. Impending regulation currently under proposal by the European Commission to unify and harmonize data protection within the European Union (EU) may bring further upheaval. The proposal could also increase fines for noncompliance significantly.

Facing this barrage of legal and regulatory requirements, enterprises are working with key stakeholders from across their businesses to understand the mandates and create organization-wide taskforces to tackle them. The alternative is to watch data management costs skyrocket and to face huge potential fines and long-term damage to business reputation.

This white paper outlines the key challenges enterprises face in regards to data compliance. It provides recommendations and expert advice on how companies can best address the issues cost-effectively and derive more value from their burgeoning business data.

Who Is This White Paper For?

This white paper is aimed at:

- All stakeholders in an organization who have a responsibility to manage and report on information assets, from IT, security, records managers and legal departments to CFO, CTO and CEO. It is designed to provide a high-level overview of the industry issues affecting the management of information assets across the entire organization.
- This white paper is particularly relevant to midsized to large enterprises across increasingly heavily regulated industries, ranging from banking and finance, to healthcare and retail. Legal requirements have had a significant effect these sectors. However, all organizations that are affected by data regulation will find the white paper essential in helping them understand how to identify risk and address information governance in critical areas.
- The white paper is also aimed at enterprises that have the additional challenge of running operations in multiple geographies where differing regulatory requirements apply. Again, these organizations will be most heavily affected by data protection regulation.

What Is Information Governance?

Information governance describes how data is controlled within organizations in order to meet regulatory, environmental and operational requirements.

Gartner's official definition of information governance is: "...the specification of decision rights and an accountability framework to encourage desirable behavior in the valuation, creation, storage, use, archival and deletion of information. It includes the processes, roles, standards and metrics that ensure the effective and efficient use of information in enabling an organization to achieve its goals¹." It therefore looks to address important considerations that key stakeholders within an enterprise face. For example, a CIO may ask: "How long do we need to keep information?" Meanwhile, a records manager might question: "How can we respond to the regulator's request for information?"

Hitachi Data Systems Definition of Information Governance

Information governance is a comprehensive program of controls, processes and technologies designed to help organizations maximize the value of information assets while minimizing associated risks and costs.

This white paper sets out some steps and solutions to help you and your business understand and employ information governance.

The Challenge: Increased Regulation in a Complex New World of Growing Data

In today's information-driven world, data is at the heart of enabling business and government to operate and innovate effectively. However, the exponential growth of data, combined with increasing regulation, has left many organizations struggling with the complexity of compliance requirements and the most effective way to manage the issue.

The Added Burden of Unstructured Data

Until now, organizations have had a fairly well-defined set of sources of information to manage in traditional applications running databases, or, in other words, "structured content." Structured content includes information assets that are managed centrally, and relatively easy to access and filter.

For example, a bank may have to govern, index, search and provide content to auditors to show it is managing data appropriately to meet Dodd-Frank regulation. In the past, the information would have been retrieved from a database or email. Now, however, that bank needs to produce voice recordings from phone conversations with customers, show the Reuters feeds coming in that are relevant, and document all appropriate IMs and social media interactions between employees. These are all disparate environments that the organization has never had to consider before. These environments are creating the data and complexity challenges. They are islands of information that seemingly do not have anything do with each other. Yet, all have a significant impact on how that bank governs itself and how it saves any of the records associated with trading or financial information.

Unstructured data has provided new challenges. Businesses now have to store, secure and protect data from such diverse sources as Facebook, Twitter and YouTube, as these sources are increasingly used for trading purposes as well as social interaction. Add to that short message service (SMS), voice recordings and IM; these types of unstructured data are more difficult to capture, manage and retrieve.

¹ Debra Logan, Research VP: Gartner Blog: What is Information Governance? And Why is it So Hard? (January, 2012) http://blogs.gartner.com/debra_logan/2010/01/11/what-is-information-governance-and-why-is-it-so-hard/

Coping with the sheer growth is one issue; what to keep and what to delete is another. There is also the issue of what to do with all the data once you have it. The data is potentially a gold mine for the business, but most organizations just store it and forget about it. And, regardless of the medium, this storage is not free.

The EU Regulatory Landscape

Legislation, in tandem, is becoming more rigorous and there are potentially thousands of pieces of regulation relevant to multinational companies. The EU, in particular, is being affected by increasing regulation. There are a number of different regulations, including Solvency II, Dodd-Frank, HIPAA, Gramm-Leach-Bliley Act (GLBA), Basel III and new tax laws. In addition, companies face the expansion of state-regulated privacy initiatives and new rules relating to disaster recovery, transportation security, value chain transparency, consumer privacy, money laundering and information security.

Many of these regulations vary across jurisdictions and, if you are an organization operating across several markets, a collaborative and integrated international approach is required for security, retention and disposal. To compound the challenge, even when you might think you have a hold on a piece of legislation you will find it has evolved and the policies and processes you had put in place to address it are no longer valued. So it is clear that you cannot afford to address each legal requirement separately. Instead, a holistic approach to information governance is needed. This approach must adapt to an increasingly regulatory environment, yet remain seamless and transparent across your operations and business systems.

One new law, currently under proposal, presents a momentous change for large enterprises operating in Europe. The European Commission plans to unify and harmonize data protection within the EU with a single law, the General Data Protection Regulation (GDPR), together with a police and criminal justice directive. The adoption is aimed for in 2014 and the regulation is planned to take effect in 2016. Under discussion is a strict data protection compliance regime with severe penalties of up to 2% of a company's worldwide turnover (revenue). Should the proposal become law, organizations will have to completely rethink how to comply across their entire business.

It is no wonder many enterprises are looking to get ahead of the compliance curve. But where should they begin? How do enterprises tackle these issues, and do so cost-effectively? And how do you get all this data into a one format so it can be queried and analyzed to help drive future business and efficiency?

The 3 Foundation Stones of an Effective Information Governance Program

Whatever your size or type of organization there are several key processes you must undertake in order to create an effective information governance program. It can, however, be a significant undertaking, which is why many organizations look to consultants and other experts for advice in shaping and deploying their policy.

Regardless, an enterprise should consider the following 3 core elements before developing and implementing a policy framework.

1. Assess Your Business Maturity

Understanding the full scope of requirements on your business is a heavy task. Therefore, assessing whether your business is mature enough to embrace information governance is a key first step.

Many organizations in EMEA do not have an information governance team already in place, but instead have key stakeholders with responsibility for information assets spread across their legal, security and IT teams. It is therefore important to undertake a thorough assessment of which critical information assets, those which carry the greatest amount of risk, are currently managed, stored and accessed with all these key stakeholders.

Key questions to ask stakeholders include:

- What types of regulations do you need to adhere to?
- Where do you store your records?
- Are records stored manually or electronically?
- How long do you store data?
- Do you train your end users in records management?

Undertaking a content audit is also an essential part of assessing business maturity. An organization has many different types of repositories, which may be susceptible to risk. For example, they may keep all their contracts in Microsoft® Exchange in a public folder for a year. As part of a content audit, it is important to review and analyze all the documents in the Exchange environment, work out who is the owner of the document, and determine how old the document is. Also, ask whether the document should be preserved in another secure archive, and, if so, where. Classifying legacy content, identifying duplications, corrupt content and age of content, and identifying completeness of metadata with a view to compliance will reveal how susceptible you are to risk.

2. Undertake a Regulatory Compliance Review

Understanding the legal obligations to your business is critical in shaping an information governance program.

Every business is subject to numerous compliance regimes managed by multiple regulatory agencies, which can differ across markets. Many compliance requirements are dependent upon the numbers of employees and/or turnover reaching certain limits.

A compliance review can range from a broad review of key regulatory requirements, through to a comprehensive review of specific obligations or a detailed review of the entire business. However, a good first starting point is to identify where you are most susceptible to risk and review compliance in those core areas as a priority.

Identifying relevant regulatory regimes across your business jurisdictions can be complex, but paid-for databases can help you better understand what legislation your business needs to adhere to. For example, certain records may need to be stored for 6 years in Poland, yet the same records may need to be stored for 3 years in France. Understanding the legal obligations for your business and vertical sector, and how at risk you are today, is important in shaping your information governance program.

3. Establish an Information Governance Team

It is important that a core team is assigned responsibility for the implementation and success of the information governance program. This steering group and a nominated information governance lead can then drive forward operational and practical issues, including:

- Agreeing and developing a work program.
- Developing policy and strategy.
- Communication and awareness planning.

It should include representation from stakeholders across the business and in most midsized or large enterprises it is essential to include records managers, security managers, and heads of IT, legal and risk.

It may also be prudent to appoint a senior manager with board-level responsibilities to ensure the information governance program is given the support and weight it needs to be implemented effectively.

The Enterprise Information Service From Hitachi Data Systems

An End-to-End Solution for All Your Information Governance Needs

The Enterprise Information Governance (EIG) Service from Hitachi Data Systems provides a tried and tested phased approach to identifying, assessing, developing, implementing and sustaining an information governance framework (see Figure 1).

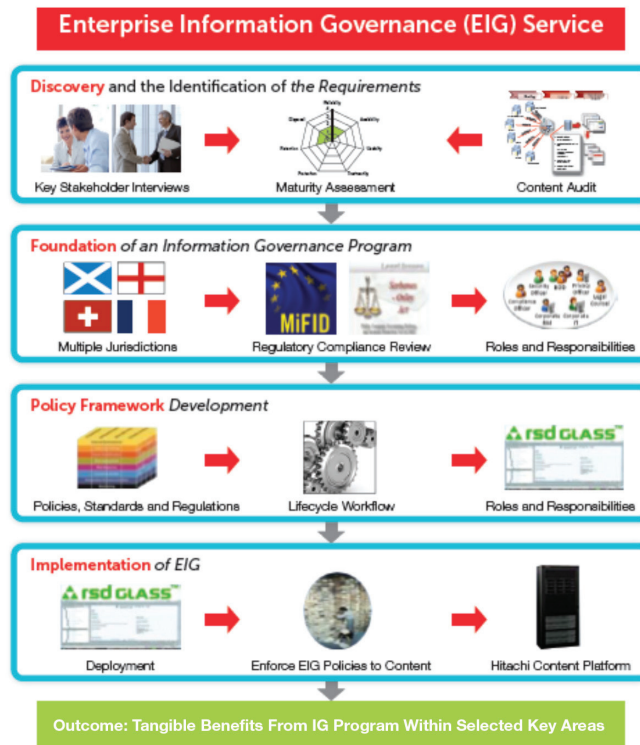
It combines professional services and research from experts in information governance with the RSD Glass platform for federated policy management. It employs e-discovery tools for content identification, cleansing and migration, and Hitachi Content Platform (HCP) for enterprise storage management.

Flexible and customizable, the EIG Service from Hitachi Data Systems enables enterprises to optimize their storage solutions and achieve compliance by:

- Identifying relevant regulatory regimes.
- Developing EIG policies, such as the creation of information handling standards and retention schedule rules.
- Establishing roles and responsibilities for EIG.
- Classifying legacy content, identifying duplications, corrupt content and age of content, and identifying completeness of metadata with a view to compliance.
- Defining processes for content disposal, review and approval.
- Applying EIG policies to assigned content using automated tools.
- Migrating data from current to new systems.

How the EIG Service Works

Figure 1. Enterprise Information Governance Service From Hitachi Data Systems



The 4 Strategic Pillars

There are 4 strategic pillars to the EIG Service from Hitachi Data Systems (see Figure 1). Some more advanced organizations may already have the identification of requirements thoroughly covered, so customers can pick and choose at what stage they require support.

However, if you are an enterprise starting from ground zero, Hitachi Data Systems is able to provide a robust end-to-end information governance solution in 4 critical areas.

1. Discovery and the Identification of Requirements

Hitachi Data Systems undertakes a discovery phase to understand the objectives for, and current status of, the governance and management of your information estate. This includes a maturity assessment to reveal how prepared your business is for information governance.

In this phase, Hitachi Data Systems reviews all sources of structured and unstructured data to identify the greatest challenges. Priority and focus is given to areas of the business where there is greatest susceptibility to risk. For

example, focus may be directed to a business unit or a part of the organization that is perceived to be weak. A “health check” of 3 to 16 days is then carried out to understand business maturity before the program is undertaken. Within 3 weeks, you will have a clear view of the preparedness of your organization, current limitations and threats, and areas of improvement.

2. Foundation of an Information Governance Program

Hitachi Data Systems provides a thorough compliance review of relevant regulation across your organization’s operations in various markets. It provides a complete view of relevant compliance regimes and governance models across jurisdictions.

As part of the program, Hitachi Data Systems works closely with internal stakeholders and brings together a steering group of key people from across the organization to create a dedicated business unit accountable for driving the program forward.

3. Policy Framework Design and Development

Once the foundation has been laid and Hitachi Data Systems has a clear view of which regulation the business needs to adhere to and who the key stakeholders are, it is then able to start to build the policy framework.

Working with partner, BEP Systems Ltd (BEP), it is able to provide expert knowledge and consultancy skills in policy development for security and privacy, data retention, records management and file plans, covering rules and regulations worldwide.

Typically, most organizations have policies that are created as paper records or as electronic PDF documents. For example, a policy for retaining invoices will be decided by the board. It will outline what the retention of the policy is, what the procedure to retain invoicing is, where the policy should be evoked, and so forth. This is then signed off by the board and stored as an electronic document. Through the EIG Service, Hitachi Data Systems is then able to implement the policy into an organization’s live information systems where the actual data or information governance rule exists. This is done through a very sophisticated software policy engine for information governance, RSD GLASS.

To give an example of how this would work in practice, a pharmaceutical company has launched a patent for a new drug in the U.S. The patent for the drug in the U.S. is very different from the patent in Switzerland. If the company then wants to change that patent, it will have a different impact in each market. How can it change all the records associated with that record change across the entire organization and comply effectively?

RSD GLASS makes this change seamless by creating a lifecycle workflow to define policies in a very granular way and wraps business rules around them to implement those policies in all relevant geographical locations. Corporate policies then can be actively enforced across organizational and jurisdictional boundaries, IT systems, content repositories, and paper archives.

4. Implementation of EIG

Finally, the 4th pillar is focused on applying EIG policies to assigned content using automated tools, such as RSD Glass and the Hitachi Content Platform policy engine.

Data can then be migrated from source systems based on policy and stored in the most effective way possible on HCP. A virtualized, state-of-the-art object store, HCP helps organizations address the challenges posed by the ever-growing volume of unstructured data. HCP excels at preserving and securing data for long periods of time in a cost-effective and protected manner. Ongoing management by policy, legal hold requirements, audited access to content as appropriate and required, and, ultimately, secure destruction can all then be managed centrally, ensuring support for corporate information governance policy.

Information Governance: Underpinning Innovation and Growth

Having trust in your information assets is not just about risk and compliance. Data is also a valuable asset for innovation and growth. A robust information governance program is therefore at the heart of helping a company better understand the value of the data it holds and how it can be used for business advantage.

For example, a hospital may have to comply with significant regulation. It also has to manage its own patient record systems, as well as data coming from other organizations and suppliers. It therefore needs to be confident that it can store, manage and retrieve all relevant data effectively. In addition, public sector organizations, like hospitals in the UK, are under pressure to not only reduce costs but also demonstrate more value. Now that it is able to collect better and more detailed patient records, the same hospital can turn information governance from a business cost to a business value by providing an improved level of patient care.

Clearly, the value will depend on the business area that the organization operates in. For a hospital, for example, the data could be of use in identifying tumor growth patterns or the effectiveness of certain drug treatments for different age groups of patients. Meanwhile, for a bank, it could help in identifying what information is needed to drive sales of product X. For other companies, it may help them uncover data, which could help them improve delivery times, reduce complaints, improve product design, reduce time to market, decrease manufacturing costs or minimize customer churn.

There is clearly no end to the benefit of having data that is effectively stored, managed and retrieved. However, enterprises must get most value from their information and ensure compliance without skyrocketing costs. That means looking long and hard at what data you store and why. Data should never be stored for the sake of storing it and it could be very costly in the long term. Data with no context is useless and organizations may also be cited by regulators for holding information that should have previously been securely deleted.

Key Success Factors for a Robust Information Governance Program

- Understand what information assets are held and why you are holding them.
- Find your weak spots and be honest about what needs to be done in order to mitigate risk.
- Bring the business and the divisions together around the table to drive the program forward, work together to bring down potential divisions, and encourage collaboration.
- Use technology to: establish and enforce policy; reduce the burden associated with long-term data protection, preservation, management and access to corporate data assets; deduplicate or compress the data; or migrate data that needs to be retained to a more cost-effective long-term storage medium.

Why Hitachi Data Systems?

- Using industry-leading analytical tools and methodologies, the EIG Service from Hitachi Data Systems provides comprehensive, cost-effective information governance.
- HDS has a rich heritage in the enterprise market and our storage solutions are known for being highly available and resilient; organizations have confidence in our ability to protect business data.
- We have access to governance expertise and legal research across the globe.
- Hitachi Data Systems has a wealth of experience rationalizing unstructured content for global organizations as well as identifying storage savings and alternative storage solutions, such as Hitachi Content Platform.
- We have proven experience in highly regulated industries, including financial services, government and healthcare.

Accident Exchange: A Case Study

The Challenge

Accident Exchange helps motorists get back on the road by providing courtesy cars after no-fault accidents. It runs a dedicated service center and a fleet of over 6,000 luxury, prestige, mainstream and commercial vehicles, helping motorists who have found themselves on the wrong end of an accident to regain their mobility.

Given the nature of its business, Accident Exchange holds millions of records, documents, images and voice recordings relating to motorist claims. Ensuring that its information is indexed correctly and fully searchable is a significant technical challenge. To add even further complexity, the sources and quantity of data being stored are growing rapidly due to increasing regulation and industry legislation. Given this evolving challenge, the company required a technology solution that would enable it to better index, store, protect and archive its critical data for the legally required time period. The solution would also have to dispose of it thereafter, whether that would mean 6 months or 7 years later.

Accident Exchange needed a system that could store all kinds of data, no matter its source or type, including emails, text, voice and images. The company interacts with car body shops, administrators, engineers, the police, solicitors and insurance companies. Thus, it required a system that could effectively handle documents of all kinds, images aligned with claims, emails and texts, as well as call recordings.

The Solution

Accident Exchange had been using high-end Hitachi storage systems for many years, so the companies had a strong history of working together. The service company recognized that Hitachi Content Platform would provide advanced storage and data management capabilities to help it address the challenges posed by the growing volumes of unstructured data it faced.

The 1st phase of the project began in 2011, when Accident Exchange moved its archives of 30 million documents to HCP over an intense 4-month period. The 2nd phase started in May 2013, and will involve the company redeveloping its telephony system in line with HCP to trigger automatic retention and deletion of voice recordings.

Chief Technology Officer of Accident Exchange Ray Ford said: "The challenge of managing data is that if proper protocols and policies are not put in place, information will be stored all over the place: on personal folders in email, on hard drives, in physical filing cabinets, and incorrectly on file servers. Ideally, everything that's associated with a claim should be stored in 1 location and tagged under 1 claim number. All data relating to that claim should be highly indexed and easily searchable. Can you imagine trying to find a very particular piece of information if that data was sitting all over the place?"

"We work in an industry which is highly regulated and where there are increasing amounts of evidence needed to support each claim," he said. "Having a technology solution that can best help us store, protect, very quickly find and archive our information, no matter the source type is critical. In recent years, fraud has also increasingly become a problem, and so we need to ensure our data is highly indexed and searchable in order to flag relevant pieces of evidence and data to the relevant authorities. We're bound by industry regulation and so it's increasingly important we're able to do this quickly and efficiently."

Ray added: "We've been a Hitachi Data Systems customer for many years and, as such, have trust in its technology to deliver. Hitachi Content Platform makes it incredibly easy to search for information and we're now looking forward to scaling upwards with the next generation of the system. We have many millions of archived files on our system and we are now about to add millions of archived voice recordings. It's technically a challenge, but one we're confident that Hitachi Content Platform is able to tackle."



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WP-461-A DG August 2013