

# Simplify Governance, Risk, and Compliance with Enterprise Content Management

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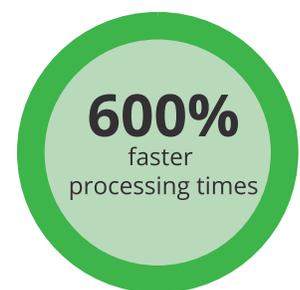
## Executive Summary

With the increasing number of regulations and mandatory internal and external audits, keeping the necessary documents organized is more important than ever. A way to ensure compliance with the vast amount of regulations, and also facilitate audits is to effectively manage documents using enterprise content management (ECM).

ECM spans a broad category of systems, strategies and tools designed to improve organizational processes that involve the capture, management, preservation and delivery of information. ECM systems encompass document management, capture, workflow, archiving and retrieval solutions, typically with online portal access for mobile users and in some cases third parties. These tools help organizations of all sizes and in all industries to organize their data in an effort to better manage and harness an ever-increasing amount of content.

This white paper summarizes the challenges of managing data and documents in a modern organization, the key features of leading ECM systems, and the benefits that ECM provides, including:

- **Control & visibility throughout entire document lifecycles**
- **Immediate 24/7 access to documents, no matter where you are**
- **80% reduction in document storage costs**
- **600% faster document processing times**



## Introduction

Organizations have been subjected to an ever-increasing amount of regulation in recent times; perhaps the most prominent of these is a result of the Sarbanes-Oxley Act (SOX) of 2002. As a consequence, the cost of compliance for companies has significantly increased. In 2014, 58% of organizations that responded to a survey by consulting firm, Protiviti, spent close to \$2 million on SOX compliance. However, enterprise content management (ECM) and document management solutions are available which enable companies to meet regulatory and compliance obligations in a cost effective way.

Driven by the need to adhere to these obligations, many organizations are leveraging ECM and document management solutions to cope with the ever increasing volume of information being created. An effective ECM solution will reduce the time, cost and complexity associated with capturing, storing, locating, and managing documents and data throughout the information lifecycle. An effective ECM solution will improve operational efficiency and access to critical content, as well as address quality and compliance activities and requirements.

Having the right ECM solution enables business and compliance leaders to centrally manage and archive critical information based on specific business needs, lifecycle requirements, and retention policies, which ensures that the right content is stored, in the right location, with the right security and for the right amount of time, at an affordable cost.

# The Challenges of Managing Data & Documents

With the continuous growth of information marked by the emergence of Big Data, organizations are struggling to deal with the sheer volume of data. This in turn impacts control, security, productivity and overall organizational performance, and increases the risk of failing to comply with applicable regulations.

In organizations where proper information management systems don't exist, the following are some typical examples of what managers find:

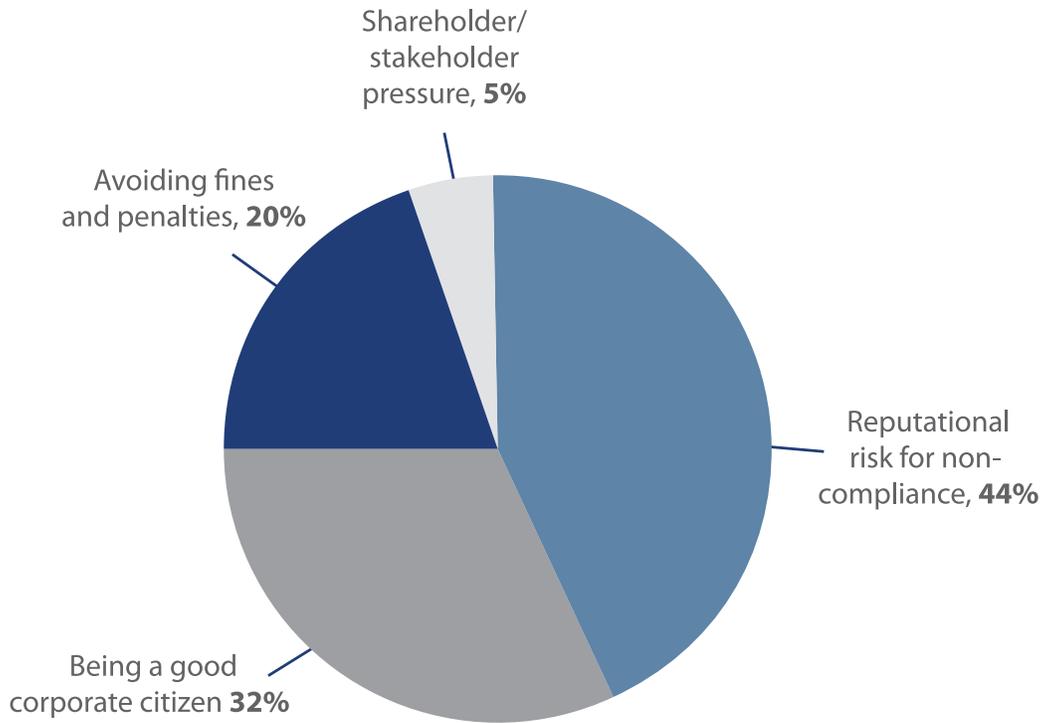
-  Critical business information is scattered across individual PCs, email inboxes and network drives with no means to efficiently find and retrieve it
-  Documents associated with core business processes (such as sales, finance, onboarding, legal, HR, etc.) are often missing
-  There are a myriad of manual processes and checks in place to try and meet the relevant regulatory requirements
-  Reporting is regularly delayed and/or incomplete because supporting information could not be found
-  Employees don't understand the "correct" way to manage information, as there is no official policy in place

## 1. Growth in Fixed Content

Increasing demands for fast, frequent and easy retrieval of information, content and documents is challenging organizations to optimize their storage and archive infrastructure. This is particularly true in financial services, healthcare, and other highly-regulated industries where increasing amounts of 'fixed content' must be made available across different departments and applications quickly and securely.

## 2. Compliance & Corporate Governance

The traditional justification for investment in information compliance has been to avoid fines and penalties from regulators, but as customer perception and corporate responsibility have become important factors in company image, the need to demonstrate corporate responsibility has become a priority. Figure 1 shows that a significant proportion of respondents (44%) to a survey by AIIM (Association for Information and Image Management) consider reputational risk to be the primary driver for governance, risk, and compliance in their organizations. The survey also shows that corporate responsibility was a significant secondary driver (32%).



**Fig. 1 Responses to what the main driver for regulatory compliance is for various companies, in a survey by AIIM.**

Protecting fixed content and documents such as financial or medical records is a pre-requisite for complying with statutory regulations. Some common, prominent regulations include: HIPAA for healthcare organizations, Sarbanes-Oxley and SEC 17a-4 for accounting and finance, the Food Safety Modernization Act for food and drinks organizations, ISO regulations for various industries, and the European Data Protection Directive for responsible parties that are established or operate within the European Union. Businesses now must be able to quickly locate, retrieve and authenticate information to avoid the risk of non-compliance and heavy fines and penalties that can often result from poor document management processes.

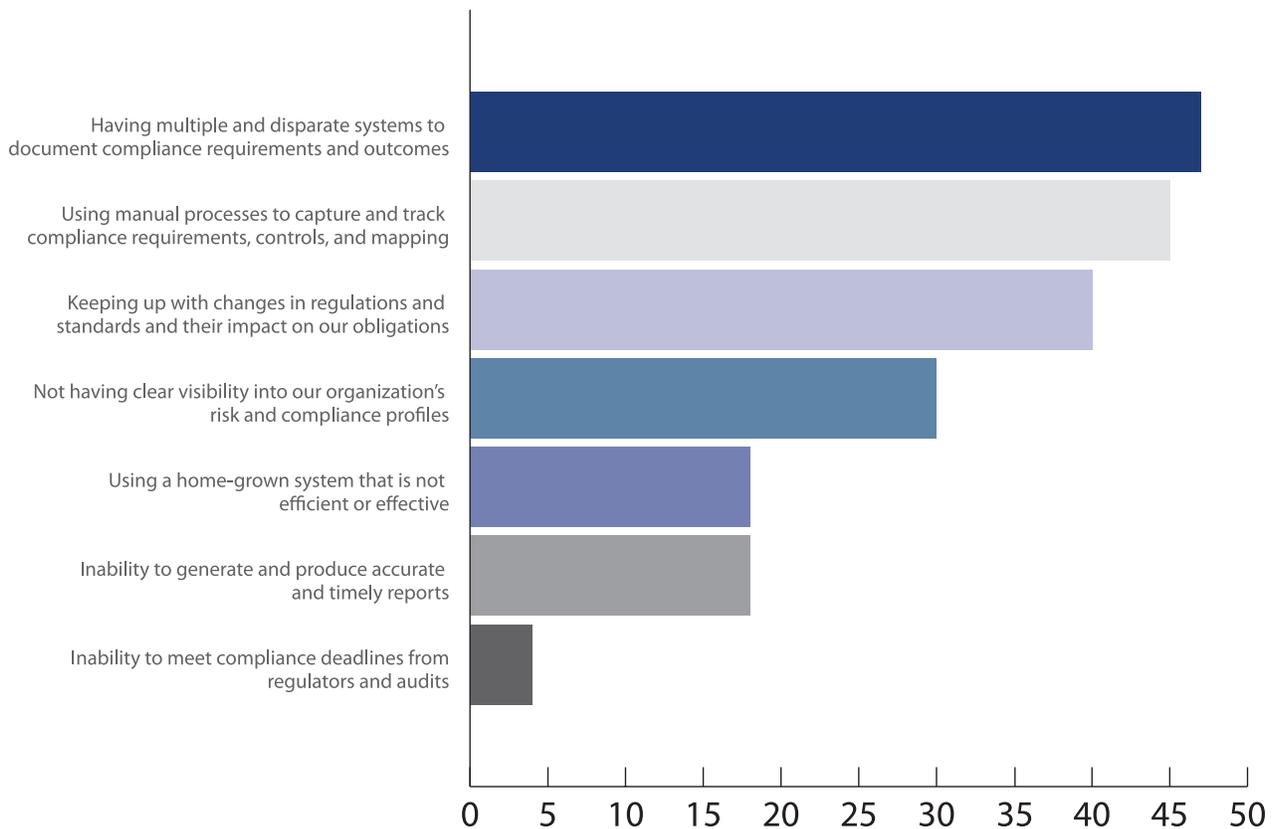
### 3. Information Lifecycle Management

Most business content has a limited lifetime after which point it either must be destroyed for compliance reasons or has little or no value and is consuming costly storage space. Legal restrictions for retaining and deleting data and documents can be difficult to adhere to when information is manually managed. This increases the risk of documents being misplaced or lost, and makes it very difficult to ensure effective policies are in place to adhere to the different compliance requirements that apply for a vast range of content types. With ECM, and by understanding what business information is important for regulatory compliance, the appropriate classification and retention policies can be put in place to manage both the lifecycle and destruction of information.

#### 4. Immediate Access to Relevant Documents & Data

Whenever content is located disparately across multiple systems or is physically stored in numerous onsite and offsite storage facilities, access to this information can be excessively slow and costly. Legacy storage technologies have struggled to respond to the changing demands of content and document archiving and are often susceptible to complete data loss in the event of any disaster at the storage location. In contrast ECM solutions allow archived documents to be easily captured, retrieved, shared and replicated to deliver real-time access to users with all the benefits of modern storage and security technologies.

A survey by the Association for Information and Image Management (AIIM) finds that the presence of disparate systems in an organization leads to chaotic data and document management. It finds that multiple systems lead to the duplication of content and effort, and make it extremely difficult to reuse content for multiple purposes. Additionally, 31% of organizations have 20 or more information repositories.



**Fig. 2. A list of the biggest issues with managing regulatory and standards compliance (e.g. Sarbanes-Oxley, ISO 9000, ISO 27001, etc.) in organizations (AIIM).**

#### 5. Business Continuity & Disaster Recovery

Systems failures and unprecedented accidents, causing damage or destruction of sensitive information should be prevented by business continuity and disaster recovery measures. ECM solutions provide IT departments with a storage solution, including built-in backup and disaster recovery capabilities that allow for fast and seamless replication to servers or offsite storage facilities on a batch scheduled basis.

## Key Features of ECM

Leading ECM solutions include a range of integrated functions to support the entire document lifecycle including initial data capture, workflow, archival and ultimately destruction. Properly implemented, ECM solutions provide a cost effective alternative to traditional physical storage solutions and an ability to develop improved business processes for document and data lifecycle management.



### Easy Capture

Essential to any ECM solution is a comprehensive range of options for capturing information from the original data creation sources directly into the ECM solution. Typical document creation sources include common business user applications like Microsoft Office, traditional paper sources, online sources such as web forms, key business systems including ERPs, CRMs and HRMs, and any other line of business applications. Documents can be retrieved from business and web-based systems, while paper documents can be captured using intelligent character recognition (ICR), a process that is up to 600% times faster than manual data entry.



### Compliant Archive

Secure and compliant archival of captured data is at the core of any enterprise ECM solution. Leading solutions include Content Addressed Storage (CAS) which uses the content of the data being archived to create a unique digital fingerprint which is generated by industry-standard hashing algorithms. These digital fingerprints are then stored along with the archived data and are used to authenticate the data on retrieval to guarantee the data has not been altered in any way.

ECM archives also incorporate single-instance storage (SIS), which ensures that content is never duplicated, and features such as lifecycle management and tiered storage. These enable the management of storage locations, storage types used, and the expiry of stored data for different document types which in turn enables businesses to reduce costs and adhere to their relevant compliance obligations.



### Flexible Workflow

Another cornerstone for successful document management is the integration of workflow technology. This enables the application of business processes and rules to every captured document and ensures all compliance obligations are followed throughout the document lifecycle. Workflows also ensure the appropriate security and access controls are applied to documents as they flow from stage to stage and group to group.



### **Lifecycle Management**

ECM systems allow policies to be set in order to determine the lifecycle of specific document types. The systems store content for the required length of time, and continuously regulates when out-of-date documents can be deleted. It utilizes write once read many (WORM) technology and ensures long-term retention and protection of documents.

ECM systems also incorporate event-based retention of documents. In contrast to situations in which a predetermined retention period of a certain number of years dictates when a document is deleted, event-based retention is initiated by a specific triggering event. Typical triggers include a termination of employment, expiration of contract, settlement of legal matter and completion of tax audit, for example. All documents are destroyed by digital shredding after the retention dates have passed and all data is overwritten the required number of times to ensure complete removal, in line with government and industry data erasure standards.



### **Quick Retrieval**

In order to access stored content, users must be able to quickly retrieve data from the ECM. They need to have options depending on what they're looking for and where they're retrieving from. Mobile users, for example, need to be able to access data in the ECM remotely using phones, tablets or web portals, while office based users may want to access data directly from an ERP screen or via a link in a spreadsheet. All these options are available in the leading ECM solutions.

## ECM Benefits

The Information Management Magazine (IMM) estimates that if the existence of bad data (which is misleading, outdated, and unformatted) impacts an operation only 5% of the time, it adds a staggering 45% to the cost of operations. ECM ensures the integrity of data and documents held in the system so that significant costs resulting from bad data do not occur. ECM provides **structure** to data, enables **collaboration**, and **reduces** the overall cost of compliance for an organization.



### **Provides Structure**

ECM provides structure for documents and data – a repository which allows users to search, quickly recover, and store information in a standard way throughout the various information lifecycles. Considering the increasing volume of data and documents that organizations need to manage, an ECM solution helps to maintain order when the volume becomes too big to structure manually.



### **Enables Collaboration**

Information is stored in a single repository which can be accessed on different devices, across different locations, and, if authorized, can be edited and shared with others. It is equipped with a complete audit trail, enforcing accountability on any access or changes to information. Modern ECM solutions include mobile and online portal options which allow documents to be accessed and shared from any device.



### **Reduces the Cost of Compliance**

In the financial services sector, SOX compliance requirements cost nearly \$2 million annually for companies with average revenues of \$4.7 billion, according to a Financial Executives International survey. As the costs of compliance continue to rise due to the emergence of regulations and costly external audits, as a result, ECM helps companies to manage these changing regulations and stay compliant in a cost-effective way. It also manages the retention of stored documents according to pre-defined rules to support compliance and minimize legal risks.

## Case Studies



"Typically, SoftCo ECM retrieves in the order of 1 million pages per month."

**Experian Plc**, is a leading global information services company with 16,000 employees and a revenue of more than US\$4.8 billion. Experian implemented SoftCo ECM to meet its document compliance obligations. Experian required a content management system that could handle high volumes of documents and data, and provide thousands of international users with access to information. SoftCo ECM provides access to over 120 million company documents, with nearly 1 billion pages available for retrieval at any one time. The system supports thousands of users and ensures full compliance and lifecycle management.

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## John Lewis

"Use of the ECM system is really growing. It started off small but it has just snowballed."

**John Lewis**, with £4.43 billion in turnover, operates 46 department stores across the UK. SoftCo ECM was employed to improve operations and to ensure that all invoices and HR documents are stored compliantly. John Lewis uses SoftCo ECM for the batch scanning and storing of 15,000 daily invoices and HR documents, which has removed a significant amount of paper from their offices. Invoices are captured using intelligent character recognition (ICR), enabling efficient document routing throughout the business so there is no longer the need to rely on internal post. ECM provides centralized access to the documents, so the old problem of missing invoices is no longer an issue.

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"We are delighted with SoftCo's document management solution: it's fast, it's easy to use, and it gives us great control."

**Generali PanEurope (GPE)** is a major global insurer with a base of 72 million customers. GPE implemented SoftCo ECM to automate the control and compliance of customer information. SoftCo ECM automates the business processes surrounding client policy documentation and stores them in SoftCo Cloud's compliant archive. ECM includes lifecycle management, which ensures compliance with retention and disposal policies. GPE has visibility over all client policy documents with swift access to all information on the cloud. GPE has seen a reduction in costs and improved productivity, and can ensure compliance with strict document management regulations.



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