

Successful Records Management

Tips for Devising a Records Management Strategy Your Organization Will Use

A Microsoft White Paper

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Published: September 2006

Microsoft

Contents

Executive Summary	3
Overview of Records Management Policy and Implementation Challenges	4
Keys to a Successful RM Policy	5
Know the Regulations and Know the Organization.....	5
Develop a Comprehensive Policy.....	5
Plan Policy with Implementation in Mind.....	7
Know the Organization	8
Start with a Proof of Concept.....	8
Enlist Users and Over-Communicate.....	9
General Records Management Requirements	10
Microsoft's Records Management Offering.....	10
Integrating Records Management with Microsoft Enterprise Content Management and Systems.....	12
Conclusion	13

Executive Summary

Implementing a records management (RM) solution involves more than simply putting records into a system. It requires that the organization determine what qualifies as a record, when documents will be put in, how they will appear, and when they will be removed. Insufficient retention, or the premature disposition of documents, must be prevented; yet unnecessary retention must also be reduced. The volume of documents generated on a daily basis can be high, and unnecessary retention of items with little legal or business value can significantly reduce an organization's operational agility.

Whereas records management (RM) may once have been a project with lower priority, today the need for legal compliance and the competitive advantage of having up-to-date information are drivers for organizations to adopt an RM solution that is highly functional, widely adoptable, and integrates all kinds of structured and unstructured content.

Yet there are still indicators that many organizations have not yet found a suitable RM solution. For example, in a recent survey of 2,100 records and information managers co-sponsored by AIIM, The Content Management Association, and the Association of Records Managers and Administrators International (ARMA), 43 percent of records and information managers said their company does not even include electronic records in its retention and disposition schedules.

A statistic is not necessary to validate the notion that the bulk of important business information is produced electronically these days—just examine an organization. Employees who make daily decisions about documents often do not have much guidance concerning which documents to keep and which to discard. In many organizations, electronic content can remain largely unmanaged.

Records management is not a function to implement haphazardly. The more effort organizations put into developing a solid, comprehensive approach from the start, and the more decision makers consult with employees about how best to integrate records management methods into their daily work and applications, the greater the opportunity of successfully implementing an RM strategy that fits into the corporate culture.

This white paper will provide insights into the two key phases of designing an effective records management strategy: developing a solid policy and following up with a smooth, well-planned implementation.

Ensuring that policy is solid from the beginning gives a new RM strategy a much greater chance for long-term success and sustainability. Involving employees in the implementation not only entices them to participate but also help them understand the benefits that effective records management can add to their workplace goals.

Overview of Records Management Policy and Implementation Challenges

Creating a successful records management (RM) system starts with mapping out an organization's RM goals, anticipating the challenges an organization could face in making that vision a reality, and developing a policy and implementation that fits these needs. Since planning is important to the policy development and solution implementation phases, it is important to outline the challenges so decision makers can address them when completing both a policy plan and an implementation strategy.

At the policy planning stage, the major challenge is to devise a system that addresses current records-keeping needs: content types, media types, storage requirements, business processes, and policies. That system also needs to meet present legal and audit requirements and be extensible and flexible enough to accommodate future content types and retention requirements. Another important goal is to enhance information retrieval, which can help employees do their jobs more efficiently and give organizations a competitive advantage.

In developing the policy for an organization, the challenge is to create a policy document that is comprehensive, concise, and accompanied by actionable retention schedules that can be put into practical use. Furthermore, the policy needs to be integrated with an organization's other enterprise content management policies and previous record keeping efforts.

At the implementation stage, the major challenge is to create a system that suits the organization's workflow, one that will be adopted by users and integrated into their daily activities. The implementation must be simple enough for employees to grasp quickly, easy enough to only require a few extra steps (or clicks), but rigorous enough to meet the policy's goal for records keeping within the organization. Furthermore, any technology rollout must be manageable for the organization.

An RM solution that is scalable, easy to use, integrated, and interoperable with existing applications ultimately has the best chance of succeeding. Ideally, the right records management system should integrate with an organization's electronic content management (ECM) system and be accessible from within the employee workspaces, such as Microsoft® Office Outlook® 2007, Microsoft SharePoint® Products and Technologies, or a custom work portal.

Keys to a Successful Records Management Policy

This section outlines the keys to creating a successful policy, from knowing the regulations and the organization, to building a team that will complete policy, to policy development and successful communication of the policy.

Know the Regulations and Know the Organization

Since achieving legal compliance is often a primary goal for records management policies, the first important step in creating a policy and retention schedule is to know what regulations the organization should comply with. Knowing the legal, compliance, and audit framework that affect an organization and its industry is important.

Depending on the scope of the organization, decision makers may be doing business in several jurisdictions, and work may be governed by different regulatory bodies. Organizations should establish a matrix that outlines what regulations and retention requirements apply. The most important part of the policy should be to meet the requirements for items the organization must retain.

In addition to documenting what records the organization needs to keep, volumes of related requirements also exist and should be researched, such as audit accessibility, accuracy and authenticity, privacy, confidentiality, and security. Many of these requirements require evaluation and assessment of their applicability to a business. By involving a legal department in policy development efforts, organizations can better ensure that they are addressing requirements adequately.

Besides involving a legal team, an organization could solicit representation from several internal departments. Developing an effective policy that meets legal requirements is more valuable if it can be applied to the entire business, and involving stakeholders in retention decisions can help decision makers gain insight into disparate business processes and usage needs. For example, document retention needs in Finance may differ from those in Information Technology. Obtaining stakeholder support from several internal groups is paramount for policy implementation.

Knowing the organization also means knowing what retention policies will suit specific business cycles and what records types are important to the organization. Simply defining a record or deciding on the value of a document can be very specific to an organization. Does a brainstorming session recorded on a white board constitute a record? What about an e-mail that modifies a contract? In some organizations, the answer might be yes; but not in others. Who helps create these documents and who should be responsible for keeping them? Who is accountable for compliance? What defaults apply when no guidance is specified? Decision makers might also want employee input if they need to follow the policy. Asking these questions and having representatives at the table who can answer them is important.

While the stakeholders can be essential to bringing different perspectives to the table, it is still important to have a single sponsor for a records management project. Often this will be someone from a legal department or a records manager whose specialized knowledge will be essential for guiding both policy and implementation.

Develop a Comprehensive Policy

A comprehensive records management policy should be broad and concise. More than one to two pages will become incomprehensible for most people and may not be followed. The policy should explain expectations in an executable way. Employees

should know their responsibilities and be able to do what is expected. If tools or processes for compliance are not available yet, create a compliance plan that outlines which parts of the policy guidelines are expected to be followed at which point in time. This compliance plan will help break the policy implementation into workable and practical phases.

The policy should cover the full lifecycle of a document. Remember that record keeping is a process that includes creation, storage and retrieval, retention, expiration, and disposition. To ensure that documents are properly managed, the policy needs to support protection, access control, auditing, reporting, and other elements. Note that the policy should treat documents the same regardless of format. For retention purposes, it is usually not relevant whether the information is recorded on paper or electronically.

In very few cases do the physical characteristics of a document make a difference, and usually it is not for retention length, but rather for storage medium and authenticity. (Legal assessments should help with this differentiation.) The policy should reference the retention schedule, or a separate document listing common types of documents, their retention period, and the retention period trigger. A retention schedule is usually lengthier, so leave it as a separate document in order to keep the policy short.

The policy should have a statement regarding litigation holds. These holds exist to satisfy the company's document preservation obligations during litigation and should supersede the standard disposition requirements. The same should be considered for audits or investigations. A policy should include general guidelines for each of these concepts.

The policy should also explicitly state management's responsibility for making sure that employees follow the rules, and may also include consequences for failing to keep adequate records. Following are some important control questions: How will the organization know whether the retention policy is being followed? Who can change the policy? How will the company audit record keeping? Will periodic spot tests, random sampling, full formal audits, or self-audits be employed?

While each of these elements needs to be included in the policy, the details will be specific to each organization. For instance, the period that records will be kept will vary between organizations, as will the consequences for non-compliance, depending on the organizational requirements and culture. Statements should always be process-specific rather than technology-specific so that they can be applied to new technologies.

Develop an Effective Retention Schedule

The retention schedule, a separate document authorized and empowered by the policy statement, generally lists what documents should be kept and for how long. Organizations will likely have both long-term records with legal requirements (greater than three years of retention) and short-term records (up to three years of retention) without much legal or business need for retention. Organizations should use regulatory framework and a list of documents commonly found in the business, to create this schedule. Keep it short and arranged in larger document groups, without gaps or overlaps between the groups.

Most companies have long lists of document types in great detail, but often, this is not a very usable approach. Who would want to learn hundreds or thousands of categories and organize their documents this way? And in reality, who can really differentiate the difference between a Request for Proposal and a Request for Information? Grouping them into a category of Procurement Documents (excluding final contracts) might be sufficient, as long as this meets the legal and business requirements.

When stating the length that records should be kept, consider identifying when to begin tracking the retention time. Will it be from the start of the record's creation or its expiration? If this trigger isn't considered, organizations could end up with some major issues. For example, it might be an organization's policy to keep contracts for seven years from the time they were created. A better system could be to start when the contract expires; for example, seven years from expiration. The expiration would be the trigger.

Establish documents in similar groups based on the company processes that create the documents, the content and purpose for retention, and the legal requirements and retention periods. Also, group documents together that have the same type of retention time trigger. For a usable retention plan, an organization should identify between 75 to 200 groupings.

Plan Policy with Implementation in Mind

Spending sufficient time consulting with a legal team and various departments about policy is a smart investment from the beginning that will be worthwhile through implementation. A policy should be broad enough to extend well into the future and accommodate new and evolving requirements. This can help foster consistency. It can also enable easier training of employees as they implement and maintain policy automation. Details and specific instructions can then be left to the procedure stage.

Yet even as decision makers are creating broad policy, they should still be thinking ahead to the practicalities of implementation. The realities of how a system will fit into employee workflow could impact general statements about records management, so the policy discussion should be grounded in how the RM process will work and how it will integrate with an organization's other content management initiatives.

The practicalities of integrating existing records repositories, the reality of an organization's storage capabilities, the tools and systems currently used, and those that may need to be implemented to manage records should be considered during the policy planning stage.

While the policy is the general roadmap that will guide the organization in the records management initiative, other documents can help to translate that vision in practical terms. Once the policy is done, companion documents such as retention schedules can provide more specific details.. For instance, a policy document might outline the need for records to be consistently searchable, while more practical documentation might detail the specific document categories or metadata that will enable that feature. A policy document may outline fundamental aspects of a plan for storage, whereas practical documents will define the storage allotted. Although these documents will only find practical use when the RM project is implemented, developing them alongside policy statements can help enable a smoother deployment overall.

Keys to a Successful Retention Management Implementation

Once a records management policy has been established, an organization can progress to implementation. This section outlines the keys for creating a successful implementation, from designing a solution based on knowledge about an organization, to testing policies with a pilot project, to enlisting users as records managers.

Know the Organization

Just as organizations can draw on shared organizational knowledge to craft policy statements, implementation will also be based on a sound knowledge of the company's needs. Is the organization one where the culture is centralized and would benefit by having RM implemented all at once? Or is it a decentralized or team-oriented culture where rollouts would be best accepted through a phased approach? Some organizations start with a proof-of-concept project to test the waters and determine employee reactions. Recognizing an organization's culture is essential to determining what type of RM rollout will suit it best.

Now is also a chance to consider the future state of the organization. While choosing a system that suits the organizational culture is important, use the opportunity to start proper records keeping practices that not only suit the current state of operations but move toward an ideal the organization would like to achieve. Don't break what is working, but do view this implementation as an opportunity to learn, validate business needs, and gain efficiencies. Remember to not overload employees with too much change at once, because that can cause resistance.

If change management is a difficult prospect within an organization, consider breaking the implementation into increments. Determine the essential changes from the beginning and what changes could be saved for a second phase of the rollout. Consider the transition between legacy systems and how an organization could handle this in practical terms.

Start with a Proof of Concept

One of the best ways to see if your policy document truly fits the needs of your organization, while you test a proposed implementation at the same time, is to initiate the new records management capabilities within a small population of your organization. Ideally the test pilot should include a cross section of roles, responsibilities, and tenures within the employee population.

Between half and one percent of the employee population is usually ideal for a focus group. Use this time to solicit feedback on feature validation, process confirmation, validation of retention categories, and training and communication preferences. Ask what improvements can be made to the system to make it integrate more easily with employees' workdays.

In addition to selecting a proof-of-concept group, also focus on certain types of documents for the pilot project. E-mail archiving, for instance, can be a good test case because e-mail is a common element in every employee's working life, regardless of his or her position or seniority, and it is cross-functional with all types of content on a regular basis.

If employees in the test group are valued as part of the project team, they'll be much more likely to champion the project to their coworkers during the full rollout.

Communication is the absolute key: let them know what you are doing and why. This group can be your best ally, so use them wisely.

Enlist Users and Over-Communicate

For an effective records management system implementation, turn your employees into records management champions. Records management will often require more work for employees, so show them that it is relatively simple, and why it is worthwhile. Listen to their needs and make them realize the benefits they will gain in their own jobs. Emphasize the efficiencies they will gain by finding and sharing information more easily and letting go of the burden of keeping everything. Often, another side benefit is that the information kept is more complete.

In addition to representatives enlisted at the policy planning stage, implementation is the phase where you will engage all employees in setting the RM process in motion. One of the best ways to make them feel involved is to boost communication about the entire process. Find out their preferred method of communication, and take pains to over-inform about the processes and how it will affect their jobs.

By making the responsibility for records management an extension of users' existing workflow, an effective system can distribute the responsibility for ECM more evenly across the organization, instead of burdening IT. Charging records keeping and document organization to the users most familiar with the records also makes sense from the standpoint of users who will derive the greatest benefit from updated records. If decision makers fail to identify those end users, and fail to convince them of the ways that RM will personally benefit them, those users may not support the implementation. Where possible, automate records keeping processes during the practical implementation phase. In Microsoft's pilot, we have found that 75 percent of users generally don't have an issue categorizing their documents, because they already file their information in some form. We named this group the Filers. Filers don't mind that other, uncategorized information expires and is cleaned up, if the time to make a filing decision is long enough (60 days was not long enough, but 120 to 180 days worked well). These users often appreciate a system that manages document retention, housekeeping, and clean-up automatically, as long as they have control over deciding what is important in their jobs and what should go in which category. The "Pilers," who made up 25 percent of users in our study, generally didn't file their information, but kept it all in one large group, using search to find what they needed. These users had a more challenging time with new filing-based methods in tools, because they had to change work habits. Again, with appropriate and frequent communication and through fine-tuning the cleanup cycle timing, even Pilers converted to satisfied end users. It's important to recognize these differences and address them in a plan for implementation.

Litigation Holds

In the event of litigation, organizations need to ensure that any automated cleanup or expiration agents are prevented from deleting information that could be relevant or responsive. All automated records controls should be capable of manual overrides by attorneys or their authorized delegates. It is best to have a standardized process in place. Ideally, this will be a process developed collaboratively with litigation and audit stakeholders, and will be implemented by using systematic controls where possible. Litigation is a complex discipline and not all tasks can be automated and tool-enabled; however, the new features in Microsoft Office SharePoint Server 2007 and Microsoft Exchange Server 2007 can be a great help.

Records Management Tools: Making Plans a Reality

General Records Management Requirements

Organizations often need specialized tools for records management implementations. For policy and accompanying documents, carve out a list of requirements that the records management solution should meet. A typical list might include the following components:

- Records creation
- Records storage
- Records collection and organization of new records
- Usage and retrieval of records
- Protection of records integrity
- Content categorization for records and more collaborative content
- Automated retention, expiration management, and policy automation
- Verification and audit capabilities
- Legal discovery
- Integration of records that are both physical and electronic
- Search and retrieval
- Security features

Additionally, decision makers should keep the organizational culture in mind, choosing tools that can enable implementation of records management in a manner appropriate to the business. An integrated solution that allows management of the entire lifecycle of your records can also help provide a solution that is manageable for employees.

Microsoft's Records Management Capabilities

Microsoft's RM capabilities in Microsoft Office SharePoint Server 2007 and Microsoft Exchange Server 2007 can enable implementation of an automated system that reflects specific RM policies and supports documents from creation through disposition. It is extensible and offers features such as Records Repository, Archiving, and Hold functions, which help ensure that documents are more controlled.

User acceptance and uptake can be enhanced by a more intuitive interface that integrates with common Microsoft applications, such as Microsoft Office Word 2007, Microsoft Office Excel[®] 2007, Microsoft Office Outlook 2007, and many types of Web browsers. This integration with familiar tools enables users to make RM and overall ECM an extension of their workload without significantly changing the way they work.

Microsoft's RM capabilities offers the following specific capabilities:

Categorize and organize incoming records

Office SharePoint Server 2007 has ample tools to organize records once they are in the system. After defining a retention schedule for an organization, records managers can specify metadata, workflow, and policies required to manage different content types.

Document libraries define the organization and hierarchy in which electronic information of all media types and formats (documents, e-mail messages, pictures, and media files) can be stored. Content types can also be used here to provide a consistent mechanism for describing the properties, policies, and workflows for a specific type of content. To properly classify incoming records, records managers can add an item to the record routing list for each content type, specifying the content type itself, description, storage location, and any other pertinent information. Incoming records can be checked against this table and routed to the appropriate location. These records can also be checked for completeness of metadata, prompting the sender to enter this metadata if it is found missing.

Protect business records

The records repository has several features that can better enable the integrity of files stored within it. First, records cannot be automatically modified by the system. This means that records uploaded to a records repository and downloaded later will always be identical. Second, the records repository has default settings that can prevent direct tampering of records; however, they remain fully usable documents. The document features are not disabled. For example, one can open an e-mail record in a SharePoint repository and forward it; however, the new e-mail won't overwrite the recorded one. It will create another message that could be saved as a new record.

For other documents, information can be added by versioning changes made to document contents and by auditing specific types of changes. Afterward, the item has to be saved and sent to the records repository as a new record. Default permissions are also in place to help ensure that only authorized people have deletion or disposition rights, and even this act is audited. Third, it enables records managers to add and maintain metadata on items separately from the record's metadata, so information such as ownership can be changed without modifying the underlying record.

Manage retention schedules for different media types

Once the organization determines the retention schedules of the various business records, retention policies can be set within the repository to manage their lifecycles. An expiration formula calculates the length of time to retain a record and an expiration action describes what to do with the record when it reaches its expiration date. The time period can be calculated based on static dates, such as the document's creation date, or from dynamic events, using dates that can be added to document metadata manually or through workflows.

An expiration action, called "Approve this item for disposition," can trigger a workflow that enables human review of expired items to determine whether those items should be deleted. Extensibility mechanisms can be used to implement additional actions such as "Move to a permanent archive" once a record retention period is reached. Policies can be configured for a specific storage location or media types can be used to manage each type of content in a consistent way, independent of storage location. For example, to help ensure that all contracts are retained uniformly in an organization, their expiration dates can be based on a common property, such as the contract expiration date. This date can be added manually, or through an organization's contract renewal workflow.

Manage legal discovery

The litigation hold features of Office SharePoint Server 2007 are designed to respond to events such as litigation by superseding the expiration policy of specified records without losing the record's original retention data. Hold policies can prevent expiration

or manual deletion during the lifespan of the record. By default, the records repository is provided with a feature to create hold lists in which each item corresponds to single or multiple hold orders. The list provides tools for finding and holding relevant records, viewing the records that are currently on a hold, and releasing the hold after the hold order is no longer active. Records that are on multiple holds cannot be deleted or expired until the last hold is lifted.

Audit and report on repository usage

In Microsoft's records management solution, an auditing policy is turned on by default, and incoming records sent from the document management repository bring in auditing history. Policy usage reports built using Office Excel 2007 summarize the current state of the records management program, including a list of the full set of content types as defined in a records repository and the number and relative percentage of items of each type. The records manager can review each report and verify whether the current usage aligns with expectations.

Integrating Records Management with Microsoft's Enterprise Content Management Offering

Microsoft provides comprehensive RM capabilities that can anticipate the recognized challenges of collaborative document creation and records keeping within an organization. The key components of an RM solution can be implemented alongside the other ECM features on a unified platform built using SharePoint Products and Technologies, which can integrate with Exchange Server 2007 and Office Outlook 2007. The solution can be deployed and managed using common tools and services, which enable end users to take more active roles in authoring, publishing Web content, and sending business documents to long-term storage repositories.

Support for industry standards such as Web services and Simple Mail Transfer Protocol (SMTP) allow Microsoft's ECM offering to co-exist in a heterogeneous environment, while various extensibility mechanisms enable organizations to customize the solution for their compliance needs.

Conclusion

The large amount of information within most organizations coupled with increased legal and regulatory awareness has made records management a top priority in most companies today. Along with the immediate need to organize records, there is also a need for clear thinking in developing a comprehensive system that will meet an organization's long-term records management needs.

As we have explored in this white paper, planning and preparing an enterprise is the key to creating a policy and systems implementation that an organization can rely on for many years. Knowing the organization and enlisting members from various departments can help determine the most suitable policies and procedures, and can promote the retention of records that are authentic, verifiable, and trustworthy throughout their lifecycles.

Since automation and user-friendliness are important to implementing a system that is integrated and easily adopted, Microsoft has focused on providing products and technologies that not only engage users in records management, but also integrate the applications and workspaces with which they are already familiar. By including its effective records management system as an integral part of an overall ECM package featuring Office SharePoint Server 2007, Office Outlook 2007, Office Word 2007, Microsoft Office PowerPoint® 2007, and Office Excel 2007, Microsoft can provide companies with a more intuitive solution that integrates well with existing user workflow, resulting in less training time for users and a reduced burden on implementers.

While records management might seem like a daunting initiative at first, by using a solid policy and the right tools organizations can implement an RM system that will suit their needs for years to come.

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