



## Eight Reasons to Keep Investing in Managing YOUR Information

***An economic downturn is not the time to stop your information management projects. Let your competitors fall by the wayside, keep investing in the efficient use of your information.***

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The market has gone into the tank. The R-word (recession) is increasingly becoming a reality. The CFO is taking a hard look at all of the corporation's activities—and "NOTHING is sacred." Since information management projects are seldom the kind of projects that capture peoples' attention, they look vulnerable.

How should the enterprise rank information management projects? Here are a few things to consider:

- If your business is information intensive, and information is really an asset, then the better information is managed, the more efficient the business will function in good AND challenging business times.
- Litigation is counter-cyclical. In bad times, people start looking for a scapegoat. For example, the *New York Law Journal* reported that the subprime mortgage crisis prompted a surge in the filing of class action lawsuits in Federal Courts. Since over 90 percent of all documents are created electronically, the volume of electronic discovery is also likely to increase. Now is not the time to allow your information management house to be in disarray.
- "[A] comprehensive document retention and information management policy...is a company's first line of defense for ediscovery cost savings." So stated Courtney Ingraffia Barton and Catherine Muir in an article in the ACC Docket. This is because a document retention policy gives you permission to get rid of obsolete data. The Supreme Court reiterated this principle in the Arthur Anderson-Enron case, *Anderson v. U.S.* (Of course, this assumes you are not under a duty to preserve, which, unfortunately, Enron was.) Less data retained means less data to search, less data to collect, and, most importantly, less data to review.
- Archiving systems can help enforce document retention policies. Many archiving systems can be configured to automatically enforce retention periods by either automatically deleting data or bringing to the administrator's attention the expiration of retention periods. Many of these systems also assist the enterprise in enforcing litigation holds, to insure that data which needs to be preserved, stays preserved.
- Plaintiffs' attorneys are becoming increasingly more sophisticated—and aware that a claim for spoliation (destruction of electronic evidence) can turn the focus of a case from its merits to a discovery dispute. What is alarming is that in many cases, firms

can be sanctioned even if destruction is not deliberate. Sanctions can be assessed if documents are destroyed negligently. Archiving systems go a long way in making sure that electronic data is preserved. However, archiving systems are only part of the solution. An archiving system is only as good as the employees using them—so a comprehensive training program is essential to ensure the employees understand how and why document preservation is important. Right now, companies don't appear to be doing a good job at this—a recent survey conducted by Kahn Consulting indicated that only slightly more than 20 percent of the respondents believe that their employees understood retention and preservation obligations.

- You can get rid of those costly legacy systems. If your firm is keeping old computer systems around “just in case” you might want the information on them, which can't be easily transferred, retention analysis could show that you really don't need those systems at all. You don't have to incur the cost of moving the old legacy data to newer storage systems. However, if you put it off for too long, you could get sued for a claim which involves the data on the old dinosaur—and then, it's too late. You're under a duty to preserve that information. And, that duty to preserve may extend to old backup tapes as well.
- There are advantages for your current storage systems. Less data means lower storage costs. Less data also means increased performance for your current systems. Retention analysis also opens up the possibility of “tiered” storage—data which is accessed less frequently, for example, can be stored in less expensive storage systems which are designed to be accessed less frequently. These steps can add up to provide potentially significant data storage cost savings.
- A retention schedule can also prevent the loss of significant data. Without guidance, employees could delete important company information. A retention schedule can not only help your firm reduce the amount of data in the enterprise, but can help to prevent the loss of important data.

Information management projects are tempting targets for cost-cutters because they are often not high-profile projects. However, one major IM failure, in the ediscovery area for instance, can result in liability for the company which can far exceed the savings perceived.

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