Information Governance in a World of Increased Data Regulation

By Hitachi Vantara
March 2019
<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>3</td>
</tr>
<tr>
<td>Information Governance in a World of Increased Data Regulation</td>
<td>4</td>
</tr>
<tr>
<td>Information Governance: the Basics</td>
<td>4</td>
</tr>
<tr>
<td>The Dual Challenge of Increased Regulation and Ever-Growing Data</td>
<td>4</td>
</tr>
<tr>
<td>The Unstructured Data Factor</td>
<td>4</td>
</tr>
<tr>
<td>The Regulatory Landscape</td>
<td>5</td>
</tr>
<tr>
<td>How Can Organizations Respond?</td>
<td>5</td>
</tr>
<tr>
<td>Information Governance Supports Innovation and Growth</td>
<td>6</td>
</tr>
<tr>
<td>The Hitachi Vantara Solution</td>
<td>7</td>
</tr>
<tr>
<td>Appendix A: Additional Resources</td>
<td>7</td>
</tr>
</tbody>
</table>
Executive Summary

The business environment is becoming increasingly complex for executives around the world. Companies today are asked to manage the dual challenge of exponential growth of data and increased regulation, or face fines and long-term damage to their brands.

Organizations can respond by implementing an information governance program: a set of controls, processes and technologies to maximize the value of information assets while minimizing risks of noncompliance with data privacy requirements. An enterprise should consider the following three elements before developing a policy framework: assessing the business maturity, undertaking a regulatory compliance review, and establishing an information governance team.
Information Governance in a World of Increased Data Regulation

Information Governance: the Basics

According to Gartner, information governance is “the specification of decision rights and an accountability framework to ensure appropriate behavior in the valuation, creation, storage, use, archiving and deletion of information. It includes the processes, roles and policies, standards and metrics that ensure the effective and efficient use of information in enabling an organization to achieve its goals.”

Simply put, information governance is a set of controls, processes and technologies designed to help organizations maximize the value of information assets while minimizing risks and costs.

Information governance addresses important considerations for executives. For example, a chief information officer (CIO) may ask: “How long do we need to store information?” Or, a chief compliance officer (CCO) may question: “How can we respond to the regulators’ requests for information?”

The Dual Challenge of Increased Regulation and Ever-Growing Data

Companies across the globe face data compliance challenges. There are three main reasons for this.

■ Data volume. IDC estimates that in 2025, the world will create and replicate 163ZB of data, representing a tenfold increase from the amount of data created in 2016. Businesses are finding it more and more difficult to store and manage data.

■ Complex data types. Unstructured data, generated by social media interactions, instant messaging (IM), text, voice and video, present their own sets of challenges. Many businesses don’t have sophisticated enough technology, tools, and policies in place to track, report and mine these complex data types.

■ Regulation. Thousands of legal requirements impact multinational companies. Regulations are constantly evolving, which makes compliance more challenging, especially for global businesses. For example, the new General Data Protection Regulation (GDPR), which went into effect in the EU in May 2018, will require companies to retool their data privacy approach or be faced with noncompliance fines.

The Unstructured Data Factor

Structured content is predictable and relatively simple to manage because it can be indexed and retrieved easily. Most organizations use traditional applications, such as databases, and have well-defined ways to store and manage structured content. Unstructured data, on the other hand, presents an entirely new set of challenges related to information governance.

For example, banks in the United States have to govern, index, search and provide content to auditors to comply with the Dodd-Frank regulation. In the past, the information would have been retrieved from databases or emails. Today, banks have to capture, store and secure data from such diverse sources as Facebook, Twitter, YouTube, short message service (SMS), voice recordings and instant messages (IM). All this creates a significant new challenge for financial institutions, and impacts how these organizations are governed.

Coping with the sheer growth of data isn’t the only issue. Organizations have to decide what to delete and what to keep, what to do with the data once it’s captured, and how to secure it. Big data analytics have the potential to unlock value from permissioned data that would otherwise be stored and forgotten, so the aforementioned decisions are more important than ever. And while it is true that storage prices continue to drop at a rapid pace, data storage is still a cost to business.

1 Gartner IT Glossary http://www.gartner.com/it-glossary/information-governance
2 Data Age 2025: The Evolution of Data to Life-Critical, an IDC white paper; D. Reinsel, J. Gantz, J. Rydning; April 2017
3 http://www.eugdpr.org/
The Regulatory Landscape

Thousands of pieces of regulation relevant to multinational companies are currently in effect. They include Solvency II Directive, Dodd-Frank Wall Street Reform and Consumer Protection Act, Health Insurance Portability and Accountability Act (HIPAA), Gramm-Leach-Bliley Act (GLBA), and the Third Basel Accord (Basel III).

In addition to those already in effect, new tax laws and regulations are implemented each year in most countries. The EU is being affected by the GDPR and The Markets in Financial Instruments Directive II (MiFID II). Approved in 2016 and in effect since May 2018, the focus of the GDPR is to unify and harmonize data protection within the EU under a single law, together with a police and criminal justice directive. It includes strict data protection compliance regulations with severe penalties of up to 4% of a company’s worldwide revenue. The MiFID II, which provides harmonized regulation for investment services, expands the scope of the original MiFID to cover a larger group of companies and financial products.

Companies also 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. And, because regulations vary across jurisdictions, global companies need an integrated international approach to data security, retention and disposal.

How Can Organizations Respond?

New regulations quickly render existing data governance policies and procedures obsolete. For this reason, most companies cannot afford to address each legal requirement separately. A holistic approach to data governance can adapt to a complex regulatory environment, yet remain seamless and transparent across operations and business systems.

Many enterprises wish to get ahead of the compliance curve. But questions dodge progress: Where should they begin? How to tackle these issues cost-effectively? How to format the data so it can be queried and analyzed? These are but a few of the challenges.

The Three Pillars of an Effective Information Governance Program

Developing an effective, forward-looking information governance program can be a time consuming, resource-intensive task that involves a number of steps and requires specialized knowledge. For this reason, many organizations look to consultants and experts for advice. However, there are fundamental ways to begin the process even if resources and expertise are limited.

An enterprise should consider three elements before developing a policy framework: assessing business maturity, undertaking a regulatory compliance review, and establishing an information governance team.

1. Assess Business Maturity

Understanding the full scope of requirements on your business is a major undertaking. The critical first step is to determine whether your business is mature enough to embrace information governance.

Many organizations without an information governance team call on their legal, security and IT teams, all of which share the responsibility for information assets. It is, therefore, important to conduct a thorough audit of critical information assets on the outset, decide which carry the greatest amount of risk, and document how they are managed and stored.

Some important questions to ask:

- What types of regulations do you need to adhere to now and in the near future?
- How have you mapped those regulations to your data?
- Where do you store your records?
- Are records stored manually or electronically?
- How long do you store data?
- What are your data review processes, and how are they linked to the underlying external regulations or internal policies?
- Do you train end users in records management?

A content audit is an essential part of assessing business maturity. Organizations have many types of repositories, which may be vulnerable to a variety of risks. For example, store contracts may be stored in Microsoft Exchange in a public folder for a year. A content audit can reveal susceptibility to risk.

The main tasks of a content audit include:
- Determine ownership and document age.
- Decide which documents should be preserved in secure archives.
- Classify legacy content.
- Identify corrupt and duplicate content.
- Determine the completeness of metadata.

2. **Undertake a Regulatory Compliance Review**

Understanding the legal obligations to your business is critical in shaping an information governance program. Many compliance requirements are dependent on the number of employees (or employee turnover).

A compliance review can be general, or a comprehensive review of specific obligations. Regardless of how many steps are taken, a good starting point is to identify and review the areas most susceptible to risk.

Pinpointing relevant regulatory regimes across business jurisdictions can be complex. For example, certain records may need to be stored for six years in Poland but only three years in France. Some regulations (such as GDPR) are extraterritorial and require organizations to adhere to their requirements even if they are not operating in the country where the regulation originated.

3. **Establish an Information Governance Team**

Assigning a core team for the implementation and success of the information governance program is crucial to the process. This steering group, and a nominated information governance lead, can drive operational and practical issues to, for example:
- Develop a work program.
- Create policy and strategy.
- Communicate, plan and implement a solution.

The core team should include representation across the business. In most midsized and large enterprises it is also essential to include senior representatives from compliance; security; IT, data and security; legal and risk. Consider appointing a senior manager with board-level responsibilities as a lead, to ensure the information governance program receives the right amount of support.

**Information Governance Supports Innovation and Growth**

Having trust in your data is not just about removing risk and maintaining compliance; it can be a way to foster innovation and growth. Below are examples of how a robust information governance program helps you understand the value of the data in your enterprise and how to use it for business advantage.
Healthcare

Hospitals and healthcare providers have to comply with a large number of regulations. They must also manage confidential patient records, business data generated by staff, and data furnished by other organizations and suppliers. The hospital needs to be confident that it can store, manage and retrieve all this data efficiently while maintaining confidentiality and remaining compliant. In addition, healthcare providers are under pressure to not only reduce costs but also demonstrate value. A healthcare provider with sound information governance can turn data into real value by, for instance, showing an improved level of patient care.

Financial Services

A bank can use permissioned data to drive sales of products or services, such as wealth management. Companies across industries can uncover data patterns and use them to accelerate delivery times, enhance product design, and reduce time to market. Insurance firms may see an increase in the purchase of cybersecurity insurance policies, particularly by organizations that handle large volumes of personal data.

Key Success Factors for a Robust Information Governance Program

- **Assets.** Understand what information assets your company is holding and why.
- **Weak spots.** Identify the vulnerabilities in your company’s information governance strategy and capabilities and develop a plan to mitigate risk.
- **Collaboration.** Drive an information governance program that encourages collaboration across the enterprise.
- **Technology.** Use technology to establish and enforce policy; reduce the burden of long-term data protection, preservation, and management; deduplicate or compress the data; and migrate data to cost-effective storage media.

The Hitachi Vantara Solution

Hitachi Vantara has a rich heritage in the enterprise market. With over 50 years of IT innovation behind us and successful relationships with more than 10,000 customers and 2,000 partners, our storage solutions are highly available and resilient, and give companies high confidence in our ability to protect business data. With Hitachi solutions you can:

- See and manage all of your data from one sign-on screen to simplify data complexity.
- Optimize and leverage your information through our data, internet of things (IoT) and analytics services.
- Rely on our proven experience in highly regulated industries, including financial services, government, and healthcare.
- Gain access to governance expertise and legal research across the globe.

Hitachi Vantara is a recognized market leader in delivering technologies for rationalizing unstructured content for global organizations as well as identifying storage savings and alternative storage solutions, such as the Hitachi Content Platform.

With the above capabilities and our myriad partnerships, Hitachi Vantara is poised to help you address your information governance challenges. Contact your Hitachi Vantara representative or visit HitachiVantara.com for more information.

Appendix A: Additional Resources

- International RegTech Association