

Lowering E-Discovery Costs Through Enterprise Records and Retention Management

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INTRODUCTION

Exponential growth of content. Rising discovery costs. Escalating compliance burden. Increasing importance and amount of e-mails. An expanding number of software systems holding important content. These are the challenges enterprises face today in the areas of records management, retention management, electronic discovery, and litigation.

Oracle Universal Records Management, formerly Stellent Universal Records Management, can help you by providing a single server to perform records management, retention management, and legal discovery across your entire enterprise. Your records schedules, retention policies, and legal holds are defined and processed centrally—and applied to the content wherever it resides.

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THE CHALLENGES OF ENTERPRISE RECORDS AND RETENTION MANAGEMENT

A number of market trends have made records management, retention management, e-discovery, and litigation functions increasingly daunting and complex for organizations. First, digital content is growing exponentially across numerous repositories and applications, including content management applications, file servers, portals, Web sites, and enterprise applications. At the same time, e-mail has become a primary communications tool, forcing businesses to find ways to deal with the risks and storage issues surrounding the resulting enormous volume of content. The burden to comply with regulations, such as the Sarbanes-Oxley Act, the Health Insurance Portability and Accountability Act (HIPAA), and U.S. Securities and Exchange Commission 17a, continues to grow, leading companies to spend heavily on applications to control information retention and disclosure. Lastly, there exists a critical need to optimize search technologies in which companies have invested to provide employees with better access to expanding amounts of enterprise content.

Lack of a Unified Records and Retention Policy Is Risky

Although organizations have deployed useful tools, such as e-mail archiving, compliance applications, enterprise search, and high-volume storage devices, to address the aforementioned challenges, they have not achieved the desired results

At the very least, lacking a unified retention policy represents a missed opportunity for enterprises to manage risk, lower costs, and reduce content “clutter” for end users. More likely, because an inconsistent application of a policy is worse than having no policy at all, it undercuts the legal and compliance drivers that often spur records and retention management initiatives.

concerning records and retention management. The reason is there has not been a solution that allows them to apply a unified, defensible records and retention policy to content in multiple repositories and multiple applications across the organization. Many enterprises currently have no real records and retention rules; and the ones that do, often apply them only to physical records or to a small subset of electronic records stored within designated records management systems. Even to this small subset of records, enterprises often end up applying the rules inconsistently due to the siloed nature of the systems involved. And when it comes to storage devices, enterprises usually create rules using a limited feature set that encourages the formulation of legally indefensible retention policies, such as those based on content size.

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Discovery Is Pervasive

Many organizations discuss preparing for discovery, but most businesses over US\$100 million in annual revenue are involved in litigation. The average organization over US\$1 billion in annual revenue is involved in more than 140 lawsuits. Discovery is not a one-time event that enterprises must prepare for; rather, it is an ongoing process. Recent judgments have made it clear that all electronic information in an organization is discoverable. And the newly amended U.S. Federal Rules of Civil Procedure (effective December 2006) have stated emphatically that electronic content is just as subject to discovery as paper documents.

E-Discovery Is Costly

During the process of e-discovery, enterprises must follow several steps, including

- **Collect**
 - Collect content for discovery
 - Log and copy content
- **Prepare**
 - Restore backups and data extraction, deduplicate
 - Organize documents by custodian, concept, keyword, batch, or other methodology
- **Review**
 - Have lawyers and paralegals read through content to determine what is relevant to the case

- Perform redaction to block content that is private or must otherwise be blocked from view
- **Produce**
 - Output data to a usable format such as PDF
 - Gather content for transmission to court and opposition

Each of these steps is costly. For example, just the process of legal review of the content can run up to US\$2,000 per gigabyte of content. A well-known example illustrates the cost of discovery: To convince business unit leaders of the necessity of an effective document retention system, DuPont’s legal department conducted an internal cost assessment of a three-year response to a single discovery request. DuPont reviewed 75 million pages of text during the three-year period, and found more than 50 percent of the documents were kept beyond their retention period. The cost of reviewing those documents past their retention periods amounted to US\$12 million.

Beyond the IT restoration and legal review costs of discovery, there are other costs incurred. Storing the discovered content on digital media for multiple lawsuits for an average of three years can cost a typical organization millions of dollars.

Prelitigation Discovery Is Beneficial

One key benefit of being able to perform discovery on your organization’s content before litigation is knowing what information your organization possesses. In fact, some studies have suggested that 25 percent of lawsuits could be settled earlier if the organization had such knowledge, with immediate access to evidence. For an organization that is subject to 140 lawsuits per year, that means an early settlement of 35 lawsuits.

DELIVERING CONSISTENT, ENTERPRISEWIDE RECORDS MANAGEMENT, RETENTION MANAGEMENT, AND E-DISCOVERY

Oracle Universal Records Management is the first product that empowers organizations to apply records and retention policies as well as legal discovery and holds to all relevant content across the enterprise—from e-mail attachments and content stored in file servers to physical records in a warehouse. It defines, manages, and executes these records and retention policies for all enterprise content from a single server and on a U.S. Department of Defense 5015.2-certified records management platform.

Oracle Universal Records Management facilitates the application of litigation or audit holds by freezing content across the enterprise and makes it easier to locate information during legal or audit discovery. In addition, it gives companies the ability to harness investments made in other technology systems by using an adapter architecture to enforce retention policies and schedules in each content repository across the organization. Oracle Universal Records Management can apply records and retention schedules and litigation holds to content located in

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nearly any repository or application. This “in-place” functionality allows companies to leave content in its existing location, rather than moving it to a central repository for records and retention management. The net benefit: companies can apply rules directly to content where it resides without interfering in how end users access that content—addressing one of the key impediments to user adoption throughout the enterprise.

Oracle Universal Records Management can apply records and retention schedules and litigation holds to content located in nearly any repository or application. This “in-place” functionality allows companies to leave content in its existing location, rather than moving it to a central repository for records and retention management. The net benefit: companies can apply rules directly to content where it resides without interfering in how end users access that content—addressing one of the key impediments to user adoption throughout the enterprise.

Additionally, Oracle Universal Records Management’s adapters send information back to the Oracle Universal Records Management server, allowing it to maintain an up-to-date catalog of all critical enterprise content. Oracle Universal Records Management’s adapter APIs are open and published. In fact, Oracle’s own repositories, including Oracle Universal Content Management, Oracle Imaging and Process Management, and Oracle Content Database, present themselves to the Oracle Universal Records Management server using adapters.

Furthermore, Oracle has partnered with a number of leading technology vendors, such as e-mail archive vendor Symantec and Microsoft SharePoint, to provide adapters that apply records and retention policies and litigation holds to content residing within their applications. The applications and their users will continue to perform their same functions, but will do so in ways that are transparently consistent with enterprise policies. Customers can either use adapters developed by Oracle and its partners or leverage the open API to build agents for their own custom applications.

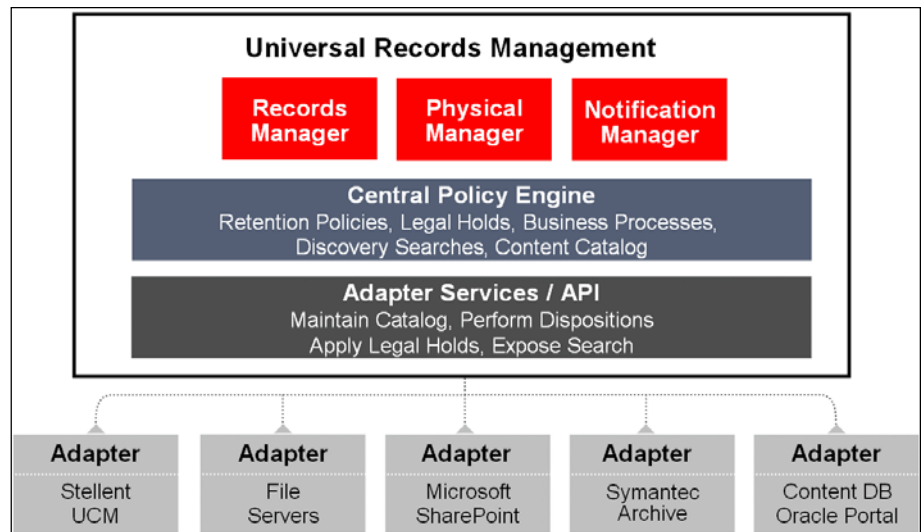


Figure 1: Oracle Universal Records Management uses an adapter architecture to enforce records management and retention policies and schedules in other repositories.

DRIVING SIGNIFICANT BENEFITS FOR MULTIPLE AUDIENCES

Oracle Universal Records Management generates significant benefits for three primary audiences:

- IT departments

- Legal and compliance teams
- Records managers

Oracle Universal Records Management generates significant benefits. It enables IT departments to reduce IT costs and decrease content clutter, legal and compliance teams to mitigate risks and facilitate compliance, and records managers to centralize and streamline records management.

Reducing IT Costs and Decreasing Content Clutter

Two of the biggest challenges facing IT departments today are accommodating content storage growth and ensuring that applications and search functions operate efficiently in the face of rapidly increasing content. Oracle Universal Records Management helps IT staffs address these issues by instituting content retention schedules and policies—developed or approved by the legal departments or the business units responsible for the content—that systematically facilitate the disposition of outdated content in technology systems across the enterprise. Information that is no longer needed is methodically removed, while content that is required for compliance, business, or e-discovery purposes is preserved for an appropriate length of time.

In addition, Oracle Universal Records Management gives IT groups the ability to systematize and distribute content retention decisions to the most knowledgeable and responsible people, rather than viewing the problem as a technical archiving issue. By eliminating unnecessary information, organizations can reduce content storage costs and increase the performance of search functions and business applications.

Mitigating Legal Risks and Facilitating Compliance

For legal and compliance personnel, Oracle Universal Records Management brings a new level of efficiency and sophistication to the processes of e-discovery and risk mitigation. Based on a company's retention and disposition rules, content no longer useful or required can be systematically destroyed, which can minimize litigation risks and discovery costs by reducing the amount of content that must be audited and reviewed. Oracle Universal Records Management also applies litigation and audit holds to content across the enterprise to ensure that users do not delete information subject to discovery. If necessary, Oracle Universal Records Management can move or copy this content into the central repository for discovery.

Additionally, Oracle Universal Records Management provides a searchable catalog of all important content within an organization, making it easier to locate information during discovery. It logs all system actions and lets users create reports against this log, rendering all actions trackable, reportable, and auditable.

Centralizing and Streamlining Records Management

Without an automated system that handles multiple repositories, records managers are overwhelmed with the amount of regulatory and litigation information they must apply to content. Any particular piece of content can be subject to multiple current cases, and therefore be subject to multiple holds. Establishing and expiring

those holds properly on hundreds, thousands, or millions of pieces of content can be daunting.

Also, any piece of content can be subject to multiple retention policies. For example, in the healthcare industry, patient records are subject to regulation by HIPAA, Medicare, and state policies. Each item must be classified in all three categories. Some organizations simply apply the longest retention period. But in this case, what if one state changes its regulations to now require the longest retention period? You would now need to go through and recategorize all your patient records to decide which ones the new state regulations apply to. This is a process that is best addressed when the content is introduced to the system. At the point of introduction, the content and its context is the most apparent, and that is the best time to categorize it for its retention categories. It would be disastrous to have to apply multiple retention policies to a piece of content, without an automated system that allows you to catalog all content and instantly apply retention policies.

Similar to the way in which Oracle was the first vendor to unify enterprise content management by providing key services shared across all content applications, the company is now unifying records and retention management and discovery support by providing centralized content catalogs and policy definition and search. With Oracle Universal Records Management, enterprises can apply records and retention policies and legal holds to content across applications and repositories throughout the enterprise.

Oracle Universal Records Management automates many of the tasks that records managers previously performed manually, while providing more consistency and control over records management processes. It gives records managers the ability to centrally create records and retention policies and apply them to all content throughout an enterprise. Within these policies, records managers can determine whether records should remain in place or would be better managed within the Oracle Universal Records Management repository. Furthermore, Oracle Universal Records Management allows record managers to simultaneously execute processes, such as placing holds on content, across all users and repositories, thereby lowering the risk of costly spoliation or destruction of evidence.

EXPANDING ORACLE'S UNIVERSAL APPROACH

Retention management is a recognized element of records management. But Oracle Universal Records Management enables retention management to be applied to nonrecords as well. Similar to the way in which Oracle was the first vendor to unify enterprise content management by providing key services shared across all content applications, the company is now unifying records and retention management and discovery support by providing centralized content catalogs and policy definition and search. With Oracle Universal Records Management, enterprises can apply records and retention policies and legal holds to content across applications and repositories throughout the enterprise.

CONCLUSION

Organizations must find a way to align all their applications and repositories to optimize records and retention management and e-discovery processes. In-place management of files reduces the amount of impact on applications and end users; content simply stays in its native environment unless a policy requires it to be moved to a specific records management repository.

Oracle Universal Records Management is the first product that empowers organizations to apply records and retention policies, as well as legal discovery and holds, to all relevant content across the enterprise. In addition to managing the records customers choose to store in its built-in repository, Oracle Universal Records Management uses an adapter architecture to enforce records management and retention policies and schedules in applications and repositories throughout an organization.



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