



# REDUCING RISK THROUGH AN INTEGRATED ILM AND DIGITAL TRANSFORMATION PROGRAM

A recent proprietary research study of approximately 350 financial services institutions, including 241 within the US, revealed that Digital Transformation efforts are more successful when an organization has a robust Information Lifecycle Management (ILM) process. Fully 60% strongly agree and another 35% agree - meaning overall that 95% agree that an ILM strategy must be in place in order to successfully execute a digital transformation strategy. The top capabilities for 88% of banks and insurance organizations include securely storing and accessing records and information, securely disposing of information, digitizing content and integrating business process workflows. ILM, as part of an overall information governance framework, enables a risk and value profile by understanding data and information over its life.

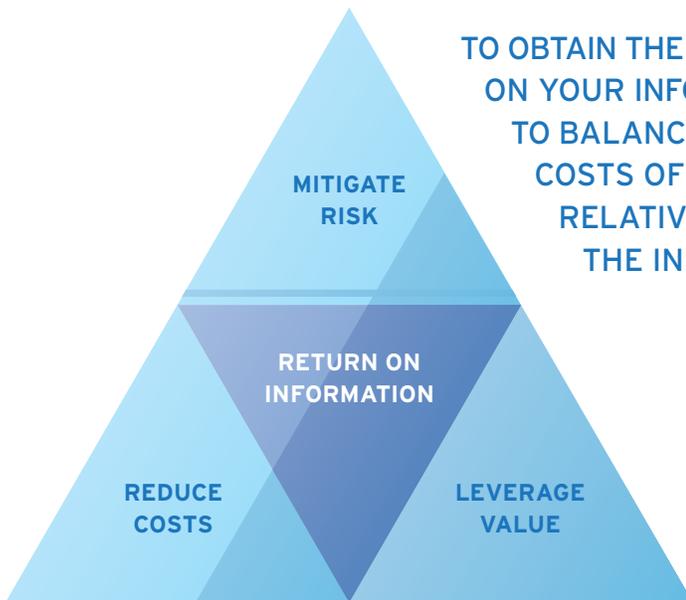
We define ILM as a process encompassing strategy, policies, procedures, roles, technology and metrics to manage information from creation to disposition. For example, working with Legal, Compliance, Risk, IT, Data Management and the line of business, ILM establishes guidance on information creation that facilitates use, security, retention and disposition over its life.

When adopted in tandem, digital transformation together with an ILM program, they have the ability to reduce risk while balancing cost and value. Organizations

view digital transformation as a business imperative. It brings with it the potential for both risk reduction and increased risk. While we strive for innovation to leverage technological advances and to cope more efficiently with client expectations and regulations we are challenged by the volume, velocity and variety of information that impacts the required veracity and value. ILM with digital transformation facilitates risk reduction. Without ILM and the underlying understanding of information and value of data there is a much greater probability of increased risks.

## RISK AND INFORMATION ASSETS

What are some of the risks of greatest concern and what do we do to mitigate them? First, risk is viewed in terms of the value of the information asset (document, record, data set, etc.) and the costs of applying levels of management and controls. Whether you are now initiating a digital transformation program or are well progressed, any organization must understand the value - is it mission critical, proprietary, intellectual property, transitory or reference data? Part of the value and risk considerations are the business purpose, who owns and uses the data, data quality, access, confidentiality, and regulatory requirements. These aspects have the potential to affect legal, financial, operational and



TO OBTAIN THE GREATEST RETURN ON YOUR INFORMATION, IT IS KEY TO BALANCE THE RISK AND COSTS OF MANAGEMENT RELATIVE TO THE VALUE OF THE INFORMATION.

reputational risk. We have all seen the exponential growth in financial penalties and financial services firms are particularly sensitive to reputational risk.

Not addressing these concerns raises the specter of unwanted actions including accidental data loss, using the wrong data, a cyberattack or a data breach. Regulations such as Sarbanes Oxley were developed in order to ensure reported data is accurate, or at least to hold fiduciaries accountable. Hence, another risk comes from using inaccurate data in reporting. Storing dark data beyond its shelf life can unnecessarily open up security risks, compliance issues and storage concerns.

One well-known risk framework, from the National Institute of Standards and Technology (NIST), breaks down risk analysis as follows - identification, prevention, detection, analysis, remediation/response and recovery. Among descriptive data to capture are content description, where data is stored, ownership, access rights and the system of record (SOR). The SOR is extremely important in identifying the accurate source of information to be used. This helps avoid the use of unintended and potentially incorrect data.

## RISK MITIGATION

Various methods are available to support risk mitigation including

- a records assessment
- data privacy impact assessment
- information/data source mapping
- metadata management

Once identified with context for key stakeholders to understand, the information asset value may be quantified in cooperation with legal, regulatory, operational and business requirements. These requirements are assessed based upon content (including personally identifiable information), ownership, the information source, use cases, retention and more. Considerations including duplication, the master copy or golden source, access control, immutability, date of creation or capture (hopefully near the time of the business event) affect risk evaluation. Keeping multiple copies, limiting access, storing information securely and keeping metrics regarding volume growth, use, distribution vectors and control audits all help mitigate risk.

One way to facilitate risk quantification and information value is to reduce the “noise” – the redundant, obsolete and trivial data (ROT) – making it easier to identify and extract value from the remaining information. For example, financial firms need to make sure they protect Personally Identifiable Information (PII), meet privacy requirements, uphold compliance obligations and meet other regulatory requirements.

Knowing which information is more likely to be requested in lawsuits or audits or which contain valuable intellectual property is critical to legal and regulatory risk mitigation. Some information has value because someone outside the organization believes it has value, such as a regulatory body or government agency. Some information has value because it provides business insight – for example, information from loan documents may identify missing signatures or required clauses, impacting both profitability and regulatory compliance.

## POTENTIAL RISKS AND CHALLENGES

Undertaking a digital transformation initiative can also increase risk. Not properly considering the volume, velocity and variety of data, for instance, from social media, the Internet of Things, sensors, data aggregation, messaging apps and others can create significant challenges. In these sources, what is a record? Where is the value? How is it

managed? Is data coming from or going to an emerging market? How are we to address that advent of Robotic Process Automation (RPA), bots, micro-services? An overwhelming amount of data, the speed of transmission and the variety of sources and formats can mean using the wrong data in financial filings or with a client proposal.

Another risk is the use of newer technologies. Applications have vulnerabilities and storage devices can fail. Migrations may be mishandled. Whether the data is in motion or at rest, data is subject to attack or data loss if your storage device or software control fails. Similarly, data may become corrupt due to human or other errors, highlighting the value of an effective backup process.

## NEXT STEPS

Information Lifecycle Management provides financial services firms with confidence in the way they manage their information. It helps the business reduce risk. It also helps the business thrive and grow by properly understanding and leveraging information.

Digital transformation can reduce or increase risks. ILM helps mitigate risk by supporting identification, assessing regulatory requirements, classifying data and defining use in order to calculate the value of an information asset. Properly managed information sets the table for effective and efficient automation.

---

WE PROTECT WHAT YOU VALUE MOST®

800.899.IRON | [IRONMOUNTAIN.COM](https://www.ironmountain.com)



### ABOUT IRON MOUNTAIN

Iron Mountain Incorporated (NYSE: IRM), founded in 1951, is the global leader for storage and information management services. Trusted by more than 220,000 organizations around the world, and with a real estate network of more than 85 million square feet across more than 1,400 facilities in over 50 countries, Iron Mountain stores and protects billions of information assets, including critical business information, highly sensitive data, and cultural and historical artifacts. Providing solutions that include secure storage, information management, digital transformation, secure destruction, as well as data centers, art storage and logistics, and cloud services, Iron Mountain helps organizations to lower cost and risk, comply with regulations, recover from disaster, and enable a more digital way of working. Visit [www.ironmountain.com](https://www.ironmountain.com) for more information.