



# THE ROI ON INFORMATION GOVERNANCE — MEASURING SUCCESS



2016 LAW FIRM INFORMATION GOVERNANCE SYMPOSIUM

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# EXECUTIVE SUMMARY

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Achievement of greater returns on Information Governance (IG) investments takes perpetual attention, effort and action. As with most organizations, there are significant roadblocks in the way law firms conduct business that inhibit a maximum return on investment (ROI) related to IG. For example, the average employee spends an estimated 2 to 4 hours per week searching for information, totaling just over 200 hours per year (Tolson, 2014). This does not take into account the time required to recreate or reproduce information that could not be located or other similar activities that minimize efficiency, productivity and increase cost; all of which detract from IG efforts and financial returns to the organization. But, identifying threats to IG investments is

not as straight-forward as it may seem. Issues such as data redundancies, overly manual processes and ineffectual retention policies, often do not make it on the organizational radar as a priority, if at all.

This report highlights a select set of areas within IG that can contribute to an increase in a firm's return on investment, the risks presented by these areas and potential solutions that can be implemented to address associated challenges.

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# INTRODUCTION

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## DESTRUCTION: GETTING RID OF WHAT IS NO LONGER REQUIRED

Destruction of information, in all formats, when it is no longer required to be maintained for legal, regulatory or operational reasons is one of the cornerstones of a strong IG program. Additionally, destruction is a very measurable activity and can be effectively used to show the impact of an IG program on a firm's bottom line.

Traditionally, attorneys have been described as hoarders, wanting to keep everything "just in case." With the increased pressure of client compliance, ISO certification and increasing costs across a firm, that mindset has begun to change. "...clients from multiple industries are examining how their outside counsel protects information across their enterprise - not just within their technology, but also within their policies, procedures, and people."<sup>1</sup>

The risks and challenges of keeping information forever are nothing new to records and information management (RIM) and IG professionals. In fact, 76 percent of organizations have a "keep everything" culture, so many in the IG field have been struggling to comply with their firms' policies for information retention and destruction for their entire careers.

Within an IG framework, there are three main reasons to keep information:

- The information is useful or potentially useful to the business (defined as "vital records")
- The information is within the retention period of the firm's records retention schedule
- The information is placed on hold as part of a known or potential preservation order

Keeping information that does not fall into these three categories leads directly to avoidable storage cost of both

paper and electronic format and unnecessary risk of data breach exposure. Another significant risk of over-retention of records is the loss of clients who are increasingly demanding that law firms not only have a defensible retention and destruction policy but are actively enforcing it.

# TRUE COST OF STORAGE

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To be able to measure the ROI of a compliant destruction program, a firm must first determine what is meant by “storage.” In the past, the cost of storage was primarily reflected in the invoices associated with a firm’s offsite physical storage vendor. Today, not only does a firm depend on physical and electronic repositories (e.g., email, document management systems and shared drives) they also have information stored with eDiscovery vendors and practice area SaaS (cloud) solutions. Developing a “true cost of storage” measure for a firm can be an involved process, but there are some basic elements to consider when creating a base-line storage spend:

- Offsite storage of boxes
- Square footage for onsite storage of records located in firm Record Centers or office areas and workrooms
- High availability electronic storage
- Unstructured data storage
- Backup and redundancy media storage
- Virtual Deal Rooms and eDiscovery hosting
- Overhead associated with managing physical data assets (personnel, infrastructure, time and

effort associated with filing and retrieval, etc.)

- Overhead associated with managing electronically stored data assets (system administration, migration fees, etc.)

A firm must decide which components make the most sense for the calculation of its true cost of storage. Once a baseline is established, it then becomes simpler to forecast trends and rates of growth, and to measure the success of your destruction program.

Destruction of records and information can be daunting. The key to a successful defensible destruction IG program is an authorized policy and a systematic approach. Even with these elements in place, in many instances destruction programs never get started because the job feels too big. A firm may have physical storage dating back 50 years or more with little or no descriptive data about it. And if decisions could be made about destruction eligibility, there may be no budget to cover the destruction cost for shredding by a vendor. When considering electronic content, many shared drives, email and other applications have no client matter structure, making destruction activities virtually impossible. Complicating matters, there may be no teamwork between the RIM and IT departments.

The key to successful destruction is twofold.

First, all data is not the same. How a firm manages its legacy data can be very different than how it destroys information going forward. Some examples for destroying information regardless of format include:

- Clients where all matters are closed past the longest retention period (excluding keep forever) of your records retention schedule
- Personal records and documents for departed employees and active employees, providing it has met retention requirements
- Administrative matters that may no longer be in use
- Unknown content of boxes in storage if substantiated and documented

Second, a firm must have a plan that includes these basic steps:

- Check laws and regulations
- Document use cases
- Work with your general counsel to verify the plan
- Follow the plan
- Work across all repositories, both physical and electronic

# MEASURING THE ROI OF ELECTRONIC DESTRUCTION

While best practice is to destroy information across all repositories, both physical and electronic, the methods of measuring ROI are not the same. Electronic data is created and received by a firm much faster than the amount of data eligible for destruction. Current data formats such as jpeg and MP3 files tend to have a larger electronic footprint than older data, so it is almost impossible to keep the amount of electronic storage flat, but that does not mean it is a useless endeavor. Most firms experience a positive trade-off when reducing the volume of electronic data as they defer making the next storage purchase.

It can be challenging to capture the cost of electronic data. With paper, a service level agreement with pricing exists and the number of boxes in storage is documented and tracked. For electronic data, there is no simple formula to use for measuring storage cost. A firm's information technology (IT) department should be aware of the price of both regular and premium storage and able to provide a per Gigabyte (GB) cost for each.

A good place to start is with repositories that are stored on a firm's premium storage servers, those with the greatest speed and capacity. Examples of applications that utilize "high end" storage are

email servers (e.g., Exchange, Lotus, Linux, etc.), database servers and other systems requiring exceptional performance, such as litigation support databases used for eDiscovery and SQL databases. High-end storage is more expensive than mid- or low-end storage typically utilized for unstructured data, such as images used for litigation and general network file shares. Once again, a firm's IT department should be able to provide the per GB cost for different storage tiers.<sup>2</sup>

The following example shows how a firm determines the number of GB freed by destroying files in Exchange, shared drives and a document management system:

Input from IT:

- > The average email size (including attachments) is .413MB (Y)
- > The average DM document size is .78MB (A)
- > The cost of Exchange (High Availability) storage is \$500 per GB
- > The cost of unstructured data storage is \$2 per GB

MONTH	# OF EMAIL DESTROYED (Z)	EMAIL DESTROYED GB	EXCHANGE TOTALS	DOCUMENTS DESTROYED IN DM (B)	DM IN GB	GB'S DESTROYED ON SHARED DRIVES	DOCUMENT DATA TOTAL GB'S	DOCUMENT DISTRUCTION TOTALS
OCT	1,200,000	483.98	\$241,992	10,177	7.75	5.7	13.45	\$27
NOV	1,600,00	645.31	\$322,656	19,258	14.67	6.6	21.27	\$43
DEC	380,000	153.26	\$76,631	4,340	3.31	2.5	5.81	\$12
TOTAL TO DATE	3,180,000	1,282.56	\$641,279	33,775	25.73	14.7	40.43	\$81

$$\text{Email in GB} = (Z*Y)/1024$$

$$\text{DM in GB} = (B*A)/1024$$

<sup>2</sup> The Identification and Remediation of Dark Data (2015)

# MEASURING THE ROI OF PHYSICAL DESTRUCTION

The measurement of physical destruction is usually a simpler process, especially if cartons of records are stored offsite with a vendor that provides a tracking tool along with invoices and certificates of destruction. Unlike electronic information stored on servers or in the cloud, physical destruction usually involves an outlay of firm money. Most offsite storage vendors charge for the permanent removal and destruction, usually by shredding, of boxes.

The chart below shows one method of calculating at what point in time the cost of destruction of boxes equals the amount that would have been paid for continued storage. In this scenario, it will take the firm 22 months (slightly less than two years) to break even.

## INVENTORY REDUCTION – FORECASTING ROI

- > Approximately 2 years to recover investment of destruction.
- > Consider the risk involved with litigation and E-Discovery of information that should have been destroyed previously.

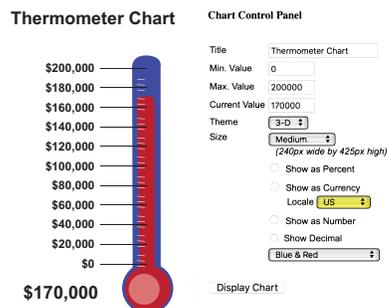
CUBIC FT QTY	RETRIEVAL RATE: \$1.79 PER CUBIC FT	DESTRUCTION RATE: \$1.00 PER CUBIC FT	NJ STATE TAX: 7%	TOTAL	CURRENT MONTHLY STORAGE COST	MONTH'S TO BREAK EVEN
10,000	\$17,900	\$10,000	\$1,953	\$29,853	\$1,390	22
20,000	\$35,800	\$20,000	\$3,906	\$59,706	\$2,780	22
30,000	\$53,700	\$30,000	\$5,859	\$89,559	\$4,170	22
50,000	\$89,500	\$50,000	\$9,765	\$149,265	\$6,950	22

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US OFFICES BOX DESTRUCTION (+/-) (AS OF 09/11/15)	-16,869	75.60%
TOTAL BOXES (JAN 2015)	371,367	
DESTROYED	-21,367	
ADDED	4,843	
TOTAL BOXES (YTD)	354,498	
DEC. 2015 DESTRUCTION	(-22,282)	349,085
GOAL (-6%)		

- > 371,367 is the total number of boxes in storage at the beginning of the year
- > 6 percent or 22,282 is the target number of boxes to reduce in the year
- > 21,712 is the current number of boxes destroyed
- > 4,483 is the current number of boxes added
- > 16,869 is the difference
- > 75.60 percent is the percent completed



THERE ARE MANY TOOLS ON THE INTERNET THAT CAN HELP PRESENT THIS INFORMATION IN A MORE USER-FRIENDLY VISUAL MANNER. ONE SUCH TOOL IS AT [HTTP://WWW.JLION.COM/TOOLS/JTHERM.ASPX](http://www.jlion.com/tools/jtherm.aspx)

Another physical ROI measurement is the reduced number of boxes going to storage as a result of a firm's policy to reduce paper usage. Enterprise level scanning can limit what is sent to storage. Imaging file material and storing them electronically in a firm approved repository, and subsequently destroying the hard copy (with the exception of records requiring original copies) is an option to consider.<sup>3</sup> In addition, more work processes are being converted to "born digital" with no paper generated at any stage.

Physical file storage continues to grow in many firms. When calculating an ROI, the cost of storage space both on-site and off-site should be considered. Costs for physical records include supplies including paper, printing supplies, file folders and filing cabinets. The amount of time spent by staff to create and manage a filing system can be measured and quantified.

<sup>3</sup> See Appendix for Time, productivity and costs saving ROI Calculator and Paper Records Storage vs. Scanning, a Cost Comparison Spreadsheet

# ROT/REDUNDANT, OBSOLETE AND TRIVIAL INFORMATION

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One of the largest battles in the war of IG is that of information redundancy. The pervasiveness of redundant, obsolete, and trivial (ROT) information within or supported by organizational systems and processes goes without question in most firms. Redundancy has its place, such as for safety reasons like disaster recovery or failover mechanisms, but ROT is, for the most part, unintended. The unseen costs and risks associated with creating or maintaining this information are real and can be substantial.

The risks posed by information redundancy include:

- > An increased likelihood of misinformation/inaccurate information in firm systems;
- > ROT files are not exempt from legal discovery;
- > Not being able to locate information when it is needed for litigation and eDiscovery requests can cost a firm millions in discovery costs;
- > Increased liability around 'dark data' - unstructured/unmanaged data;

- > Increased data vulnerability; risk to privacy, security and confidentiality;
- > An increased likelihood of lost information whether electronic or physical;
- > Increased costs for physical storage and related services; storage for data growing 60 percent annually
- > Increased potential for legal, reputational, financial consequences due to the mismanagement of information;
- > Increased costs due to loss of productivity

Examples of sources where ROT may exist: Krantz (2014)

- > Legacy systems
- > Archives
- > Email systems
- > Backup tapes
- > Content management systems
- > Document management systems
- > Databases

- 
- > File shares
  - > Physical files in abandoned file cabinets, closets, stored boxes, etc.
  - > Cloud storage

Several solutions may help to close the gap on information redundancy:

- > Build a solid business case through quantifiable measurement of IG
- > Implement enforceable retention and destruction schedules
- > Reduce or eliminate hard copy storage
- > Reduce the volume of electronic data stored on servers and/or number of servers
- > Consider cloud storage of data and ensure retention policy applies
- > Centralize data where possible, i.e., provide links to single source, etc. to practice "purposeful redundancy."

By taking action to reduce ROT, a firm's IG program can realize cost savings in the following areas:

- > The reduction of data storage and infrastructure
- > The reduction of money spent to maintain electronic file storage and associated disaster recovery actions
- > Fewer numbers of hours, including billable hours, employees spend finding and retrieving information
- > Minimized duplicative time and effort attorneys and staff spend looking for data. When electronic information is filed correctly, lawyers and staff are able to quickly identify and access information.

Through the implementation of retention policies, firms can destroy records and data no longer required for operational purposes, including ROT. IG policy can also contribute to savings by formalizing destruction processes and limiting the number or repositories used by employees.

Applications can be used to identify duplicates and near-duplicates in an effort to reduce the amount of electronic data.

# EDISCOVERY

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eDiscovery is the process by which parties in litigation exchange, or “discover”, electronically stored information (“ESI”) relevant to claims brought against them or those claims they are bringing against another entity or individual. The parameters of discovery are outlined in the Federal Rules of Civil Procedure (FRCP) and their state equivalents. The nature of data requests in these types of actions (i.e. emails, word documents, spreadsheets, social media, etc.) has been made significantly more challenging and costly due to the 4 “Vs”: volume, variety, velocity and veracity. As organizations continue to create, use, send, maintain, store and destroy ESI, these practices conducted in the normal course of business intersect very closely with legal duties to preserve, collect, analyze, review and produce ESI in litigation or investigations. The maturity of a firm’s IG program, and its ability to calculate how it impacts ROI, correlates directly with its ability to control costs and risks when they face litigation or an investigation.

In order to appreciate the intersection between eDiscovery and IG, it should be noted that

parties (corporations or individuals) have legal rights to request a wide array of information from their adversaries. These requests not only include all communications and related documents located on laptops, mobile devices, servers and cloud based platforms, but also may include data sources that are no longer active and rarely, if ever, accessed by individual employees or the IT departments. While the ability to request is broad, there are specific limitations, including the potential financial costs associated with a response that may be disproportionate to the amount in controversy. These limitations are more particularly defined in the U.S. Federal Rules of Civil Procedure (FRCP) and are designed to reduce “fishing expeditions” not grounded in law or fact, or simply intended to harass.

A further complexity is the requirement that counsel must sign court filed documents certifying they have conducted a reasonable inquiry into the completeness of their disclosures. The ability of counsel to so represent relies substantially on his or her technical expertise to know how,

and where, to search for responsive documents as well as the extent to which a client's business records are well organized, searchable and retrievable and the process and documentation by which their records are kept and disposed of.

An additional complication results from a disconnect amongst the legal, IT and RIM departments. When a suit is filed, the parties are under an obligation to preserve any records or documents which may be responsive to the allegations or claims presented. This "notice to preserve" must be communicated to anyone possessing relevant information and immediate steps taken to ensure that documents are not intentionally or unintentionally destroyed. The challenge arises when this requirement to suspend the normal destruction activities, including automatic deletion or tape rotation, is poorly executed or there are no policies or procedures for effectuating those notices in a timely manner under the IG program. The risks associated with this failure range from monetary fines, enlargement or dismissal of certain claims and the inability to use key testimony to potential incarceration.

Courts are increasingly looking to a defendant's IG program (FRCP rules 26 and 37(e)) and specifically their records retention program, to determine

the extent to which civil or criminal penalties may be imposed due to a party's failure to meet its discovery obligations. Additionally, a poor IG program may give support to reallocating costs to the offending party whose poorly organized systems and documents increase the cost of discovery. The lack of a coherent IG strategy, therefore, with supporting policies, procedures, protocols and methodologies, can increase the cost of compliance when:

- > Data is not properly identified, centrally organized and tracked
- > Collection efforts are impeded by poorly or inadequately organized systems
- > Roles and responsibilities are not clearly defined
- > Search efforts and criteria are not properly structured, tested and validated.

Organizations must be proactive in identifying gaps across the organization and determine how best to identify, measure and then strengthen areas of weakness which contribute to poor eDiscovery practices. The solution must be integrated across people, process and technology and include all known hard costs (equipment, etc.) as well as those often not captured, including, without limitation, the following:

#### Time associated with information search and retrieval

- > Interviewing custodians
- > Interviewing IT
- > Interviewing related knowledge workers

#### Cross functional interactions

- > Are the right people at the right time making the right decisions
- > Is there sufficient information across business units
- > Is infrastructure management aligned with legal requirements

#### Inclusions and exclusions

- > Are efforts sufficiently comprehensive yet not over inclusive
- > Are industry standard processes and technology leveraged to reduce costs and impact to the organization

#### Retention and compliance

- > Can the firm develop a strategy to address system organization to drive business efficiency and sustainability while simultaneously avoids confusing data collection efforts across the same data sources

## ROI SCENARIOS: EXAMPLE(S) OF MEASURING THE SUCCESS OF A SOLUTION

### Responsibility and ownership

Initial discovery of data requires significant exploration of data owners, business owners and content creators. Understanding who the steward of the data is within the organization, who is responsible for the system upkeep and ultimately who can answer to the completeness and accuracy of any data retrieval significantly reduces the time and burden associated with identification and preservation efforts.

#### > Measured ROI:

- > Hours spent on interviewing data custodians at onset of case
- > Hours spent on interviewing database administrators at onset of case

### Awareness and cross-functional groups

Organizational awareness to the needs of eDiscovery requires that project teams dealing with enterprise data include appropriate designees from Legal, RIM and IT. The need to adapt to the changing market place and maintain legacy data if and when required is crucial to understand to avoid costly spoliation charges or recovery efforts.

#### > Measured ROI:

- > Avoidance of recovery/restoration efforts
- > Complying with legal holds during system updates/changes

### Inclusions and exclusions

Systems and data warehouses are comprised of various disparate data points that when compiled together create a business record. Understanding what points comprise the record assists with the efforts around eDiscovery collection and ultimately, reviews. It also enables the organization to identify and provide the required information while avoiding costly efforts to redact/reduce data sets provided during production.

#### > Measured ROI:

- > Targeted data pulls avoiding additional review
- > Reduced data collection and IT requirements

### Retention and compliance

Many organizations maintain the same dataset within multiple platforms for ease of use and efficiencies in system performance. Identifying where the master record resides and how the system maintains it assists with eDiscovery convenience copy collection and preservation requirements. Additionally, understanding system settings on retention assist with compliance efforts to legal and regulatory requirements.

#### > Measured ROI:

- > Reduction of collected materials when targeting master record
- > Reduced preservation activities based on auto-deletion cycles/suspension

# AUTOMATION AND FUTURE STATE

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## START SMALL, START NOW.

Metrics are central to the management and growth of any business. The practice of law has presented unique challenges to standardizing a set of metrics and key performance indicators (KPI's). Knowledge workers accomplish tasks using a variety of tools and processes; firm culture and organization add even more complexity. No two firms are alike, which means that each firm must work within a framework and have a good understanding of desired outcomes. RIM and IG staff may also consider reaching out to colleagues at other firms to discuss and compare results. There are many consulting organizations with experience in this area that could provide assistance. Most importantly, it is important for a firm to remember that the development of an ROI program is a process and that wrong answers are just as helpful as those that confirm expectations; it is all progress.

A performance management program should be started as soon as possible with a focus on the following topics:

- **DEFINE** the KPI program, goals, objective and stakeholders.
- **BUILD** the data framework, models, extrapolations and stories.
- **DEPLOY** the program, complete with reports, dashboards and feedback mechanisms.
- **MANAGE** and monitor performance with quarterly reviews.

For reference, [Law Firm Information Governance Symposium \(LFIGS\) papers<sup>4</sup>](http://igsymposium.ironmountain.com/category/publications/) can be useful to help overcome the essential internal inertia. They provide advice on how to get buy-in from stakeholders, support from upper management as well as how to begin discussing the value of IG efforts in supporting a firm's business objectives.

There are many sources for what and how to measure in a law firm. Start with the stated goals of firm leadership and some assumptions about how current state and progress should be measured. Then, begin the process of performance management with those things that clearly affect the outcomes leading to the stated goal. Some broad topics are listed here:

- Firm performance
- Practice performance
- Partner and timekeeper performance
- Management and leadership, client development/satisfaction
- Expense management
- Compliance/audit readiness, and
- Financial health/risk

Each of these categories would have further sub-topics and corresponding indicators which help to identify trends and strategic insights.

Some of these topics, such as profitability, are easier to measure than others such as client satisfaction and value delivered by the firm. Both provide valuable information and aid in further decisions made by leadership. Traditionally, law firm metrics tend to measure success through the experiences of those within the firm, with the ultimate goal of improving profitability. However, law firms rated by clients as providing better value also tend to have higher overall growth, better staff rate premiums and higher profits. If one area of reporting is significantly more developed than another, consider more emphasis on those assumptions when comparing and contrasting results. Continue to refine and revise the weighting as more confidence in outcomes is achieved.

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The metrics used to measure efficiency should change and evolve as a firm's experience in the domain grows. In other words, its future state will be very hard to predict. Most likely, the future state, or what is chosen to measure in a year or five years, will include those metrics with which the program was started. It should also include new data points that aid in refining predictions and reports. A firm cannot expect a simplified model to consistently represent a realistic outcome; models are inherently complex. To illustrate, a quote from Mr. Norbert Wiener:

"The best material model of a cat is another, or preferably the same, cat."

Philosophy of Science (1945)  
(with A. Rosenblueth)

The proper application of technology can certainly affect efficiency. Resources expended on a technological solution should be carefully considered against the actual issues or problems a firm is trying to solve and the cost of continuing unchanged. Process automation is one area where firms can focus to achieve cost savings.

Traditional automation has been slow to come to the legal industry. This is not to say the legal industry does not have automated workflow processes; (i.e., conflict clearance/new business intake) it is just many are not completely automated. In addition, there are many processes that are not unique to firms that present opportunity

for increased efficiency such as human resources onboarding/offboarding, employee training, accounts payable/receivable, knowledge management and records classification and disposition. As an example, many firms are pushing for less reliance on paper records.

As mentioned earlier, the average employee spends an estimated two to four hours per week searching for information, totaling just over 200 hours per year (Tolson, 2014). That translates to at least 10 percent of timekeeper revenue and unbilled time. How many requests for records does an average attorney make? How long is the turnaround time? Is there something else the knowledge worker can do to continue billing while waiting? Is there a benefit in digitizing the document whether or not the official record remains physical? As with just about any topic, it gets more complex as the current state and drivers for change are explored. Does it make sense to digitize for the entire firm or to begin with a practice group or regional office? Most likely, there is a new technology that automates processes and makes them, and people, more efficient. Is it worth the time and expense for the organization? All of this depends on the firm and its business goals.

Organizational change management is a driver of performance management. It is the means of

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communication with colleagues when asking them to do things differently. It offers a solution and answers the questions of why the change is necessary. If there is resistance, a firm should work to include those voices in future iterations; they are helpful to the organization.

Key Performance Indicators (KPIs) evaluate the success of an organization or of a particular activity in which it engages. The five different types of KPIs (operational, process, performance, financial, and service-level) have overlapping inputs and data points. The impact of a performance management program includes:

- > insight into current activities
- > guidance for course-correction
- > internal indices to adjust strategy
- > illumination of areas for process improvement
- > performance Roadmaps
- > benchmarking/Comparative analysis

The goal is to turn data into knowledge for firm management. Metrics are more useful when they are collectively used over time and with an open mind as a way to explore new and innovative ways of analyzing performance. They are less useful when simplifying data points in order to prove predetermined ideas. Will law firms begin to share and compare results as a means to benchmark their progress? Is that helpful? The fact that this topic is being discussed in law firms suggests that the corporate practice is being adopted.

# TRAINING AND DEVELOPMENT INCLUDING ORGANIZATIONAL CHANGE MANAGEMENT

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A successful IG program requires the participation of everyone in the firm to manage the client and firm business information assets. An IG Training and Development Program is a key component in this endeavor, and vital to the long-term success of any law firm. The ROI can be very significant; reducing risks and costs while increasing efficiencies.

The IG Training and Development Program provides multiple benefits for a firm and all its personnel. Clear understanding of policies, job functions, goals and firm philosophy leads to increased motivation, morale and productivity for personnel and higher firm profits.

Training is a means to a specific end, so keeping goals in mind during the development and implementation stages of a training program assists in creating a clearly defined and effective program that addresses IG awareness, policy, technology and procedure, with targeted training for specific personnel, departments and practice areas.

To obtain the best ROI for the time and resources needed to develop and deploy the training and development program, consider the following:

- Determine if the program can be handled internally or if outside services are required
- Write or review existing policy to ensure they adhere to IG key principles
- Define the needs of the firm by identifying those areas where training would prove most beneficial. For example, how to use office equipment or software applications to work more efficiently (hard skills), or time management, conflict resolution or firm policies (soft skills).

- Define short- and long-term goals and identify possible training to meet those goals. For example, reengineering workflow in support departments, leveraging technology in favor of manual processes.
- Develop the training based on the defined needs and goals.

The program should ensure that all personnel have a clear understanding of:

- Why it is needed, what's the vision
- How the technology works best for the user
- Risk avoidance and client benefits
- Client/legal/ethical compliance
- Legal team time management

The investment in a variety of different training methodologies (real case scenarios, videos, e-learning courses, etc.) can result in greater employee engagement. It is important to follow up with refresher courses at regular intervals.

Without the consensus, support and understanding of senior legal and administrative leadership, coupled with the right communication and implementation strategy, the IG program runs the risk of having little or no benefit. In some cases, the effort may need to be a grass roots one.

# ORGANIZATIONAL CHANGE MANAGEMENT AND HOW IT AFFECTS THE ROI OF AN IG PROGRAM

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In order to maximize the ROI of an IG program it is not only necessary to ensure its successful implementation but also its ongoing sustainability. This requires change at all levels of the organization. How this change is managed is a critical component to the success of any IG program. If the change is adopted quickly and effectively the sooner a firm will realize the benefits of the program. This in turn can strengthen support for the program thus ensuring its sustainability.

## ORGANIZATIONAL CHANGE MANAGEMENT AND ITS IMPORTANCE TO LAW FIRMS

Organizational change management is a structured approach to facilitate the adoption of new programs and processes. It is the systematic means of moving from the current state to a desired future state. While project management's focus is mainly on processes, change management's focus is on people; how to assist the individual and group to transition as smoothly as possible and adapt to the new state.

In order to remain in business and be successful in today's dynamic business environment change in organizations is a constant. This has never been truer for law firms. Since the financial crisis in 2008, the legal services industry has experienced an enormous amount of change and, from all indications, this trend will continue.

## APPROACHES TO CHANGE

There are various organizational change management theories and methodologies\*. Choosing the correct approach depends on a number of factors including a firm's culture and the type of project involved. It is important to note there is no one best theory or methodology and that a combination of different theories and methodologies might work best for a firm.

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Whatever approach is taken, below is a set of common guiding principles to consider when managing change:

**1. Start with a vision.**

Creation of a vision shows the way and helps motivate others. A well-crafted vision statement can be instrumental in creating enthusiasm and momentum for the change.

**2. Develop a strategy.**

A plan to move the firm from its current state to the desired future state ensures greater success of the program.

**3. Engage your leadership team.**

The success of firm-wide change requires it to start from the top. When top management embraces change it lends credibility and motivates others within the firm.

**4. Communicate to everyone.**

Keeping individuals at all levels informed about new programs, how it will be implemented and, most importantly, how they will be affected helps to ensure a smoother transition and minimize resistance. Communicating throughout

the implementation process is key to driving change and the adoption of the new processes by individuals.

**5. Address cultural and people “issues”.**

Recognizing and addressing how the changes can create a shift in cultural beliefs and values within the firm along with the need for newly developed roles, the need to acquire new skills and the resistance that this may cause.

**6. Solicit ongoing feedback.**

Both during and after implementation soliciting feedback helps a firm gauge how well the project is going and how well individuals are adapting to the changes. Using the feedback gathered and making adjustments to the program creates ownership among employees and increases the level of adoption.

The use of change management metrics is also useful and ties in with the concept of metrics throughout the IG program. Some examples of this are completed training sessions and communication metrics.

A successful IG program can only be achieved when change at a firm-wide level occurs. Change can only be achieved through the people within the firm. Developing an organizational change management approach that works best for a firm is vital to the success of an IG program and the ROI it achieves.

# CONCLUSION

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In the end, adding value to a firm through the successful enactment of IG efforts comes down to some deceptively simple and familiar components. These include:

- > time management
- > process efficiency
- > information organization
- > rightsizing resources
- > effective oversight, including monitoring performance
- > productivity of people and systems
- > tangible policy enforcement
- > a balanced risk strategy
- > awareness of the firm's current, and future technology requirements.

Value can be increased with a thoughtful approach and practical intervention with an eye for cohesive interplay between all aspects of IG so as to continuously maximize the firm's return on investment.

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# APPENDIX: ROI/METRICS RESOURCES – ARTICLES, BOOKS AND TOOLS

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