



# INSIGHT INTO RECORDS MANAGEMENT FOR ACHIEVING CONTENT COMPLIANCE

## Abstract

Records management is an organizational capability, dedicated to management of records (evidence) within the organization throughout its life cycle, from the time of creation or receipt to its eventual disposition.

Records management has always been a challenge for businesses, as it involves proper handling of various types of records, including digital records such as requests, approvals, rejections, evidence, vouchers, and physical records such as contract, invoice. Records management involves managing the entire lifecycle of enterprise records, from the time its captured to when it is disposed of, while also complying with internal policies and external regulations.

A robust records management solution can not only help an organization meet legal and compliance standards, but also improve its discovery process and enhance its brand value.

This paper provides an overview of records management, including different flavors and the challenges that organizations may face in implementing it for their enterprise. It also outlines a strategy for effectively implementing records management within an organization.

# 1. Records Management Overview

## 1.1. What is a Record?

ISO 15489-1 defines record as “Information created, received, and maintained as evidence and information by an organization or person, in pursuance of legal obligations or in the transaction of business”

Records can be either of the below:

- Soft copy (Digital Records)
- Hard copy (Physical records)

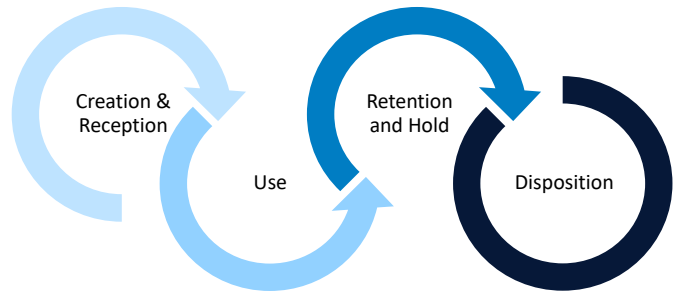
Records should be easily located, accessed, and interpreted. Characteristics of Record are as shown in diagram.

Records are regulated by industry standards such as GDPR and must comply with defined standards. The regulations can vary depending on the region, country, and industry. It is important for organizations to be aware of and adhere to the relevant regulations governing their records.



## 1.2. Record lifecycle

The record lifecycle refers to the various stages that a record goes through over its lifespan, starting with creation/reception and ending with disposition. In between, records may be used for business operations, retained for compliance purposes, and placed under legal hold to temporarily preserve them from destruction. It is important to properly manage records at each stage of their lifecycle to ensure that they are accurately and efficiently maintained.



### 1.3. What is Records Management?

Records management involves handling records throughout their lifecycle. It deals with understanding the purpose of records, usage, and the applicable compliance standards. An effective records management should help enterprises to identify and discover the records as needed for business operations or legal obligations, retain if needed, apply legal hold as required, and dispose them off according to the disposition strategy.

Records management can be broadly classified into following 2 categories:

- Physical Records Management - deals with the management of physical records in physical form such as Paper, disks, tapes, microfilms, etc.
- Digital Records Management - deals with the management of digital records in digital form such as documents of different formats, e.g., emails, audio file, video file or any digital content

## 2. Records management - Industry use cases

The list below describes the typical use cases for records management in various industries:

Industry Vertical	Use Case
Banking	To ensure customer data is retained in line with regulations & disposed off after the stipulated period
Insurance	To archive, retain & dispose insurance claim documents once claim is settled and it meets the retention rule
HealthCare	To ensure the research/clinical data & associated information (R&D documents, clinical studies, patent applications and IP rights) are compliant with applicable regulations
Oil & Gas	Efficient storage of well files, land records, pipeline drawings, etc. with help of records management ensuring legal and regulatory requirements are met





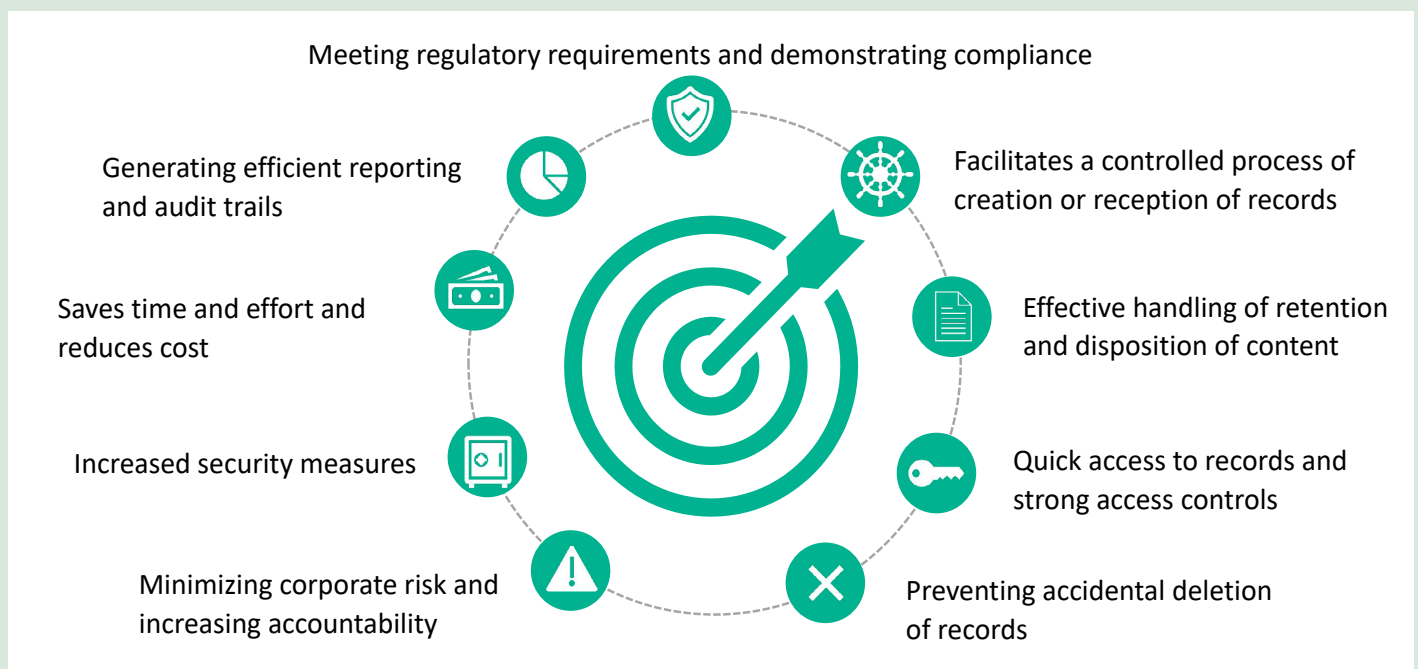
### 3. Drivers for Records Management

There are multiple reasons for implementing a records management solution in an organization. Below are the key drivers for implementing records management solution:



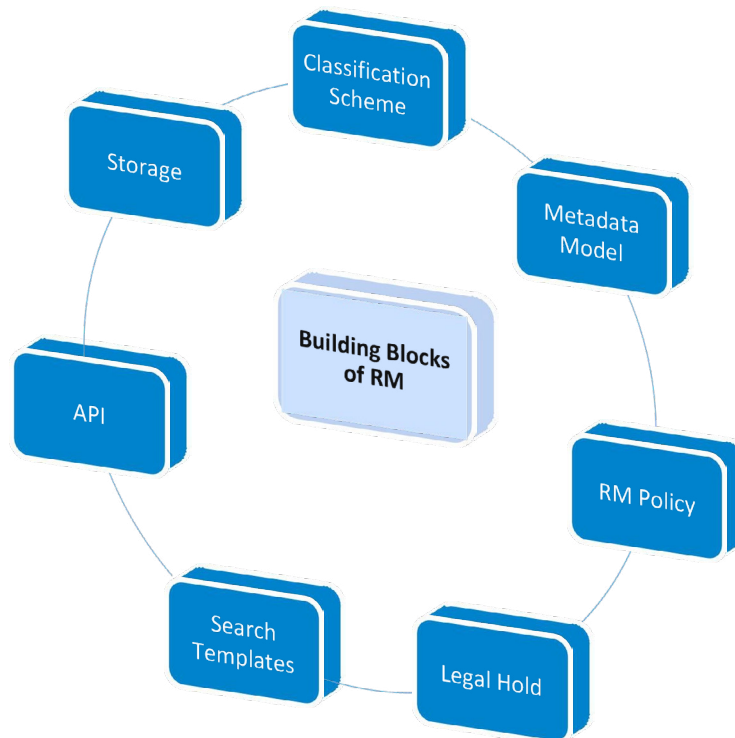
### 4. Benefits of Records Management

Records management is one of the key pillars of Information management. Below are the benefits of implementing records management:



## 5. Building Blocks of Records Management

Irrespective of record category (physical or digital), certain principles and concepts for an effective records management strategy remain the same and are listed below:



### 5.1. Records Classification scheme

Records classification scheme outlines the rules & set of steps to apply records classification on a given set of data.

The records need to be classified or understood to determine why it must be retained, how long it must be retained and when it can be disposed.

Classification must be based on predefined business and policy rules, rather than relying on the business user inputs. A well-designed classification scheme improves the speed and efficiency of search and retrieval processes.

Creating classification rules must first consider the relevant policy statements that define how record is to be treated across the organization. Below are policy statements that can be leveraged to define classification scheme:

- a. The creation and/or acquisition of data. More specifically, this includes:
  - Classifying record according to how it was acquired
  - Identifying which record must be immutable
  - Classifying records according to privacy levels specifically Public, Private, Confidential and Highly Confidential
- b. The storage and/or organization of data, including:
  - How record is stored or organized to maintain integrity

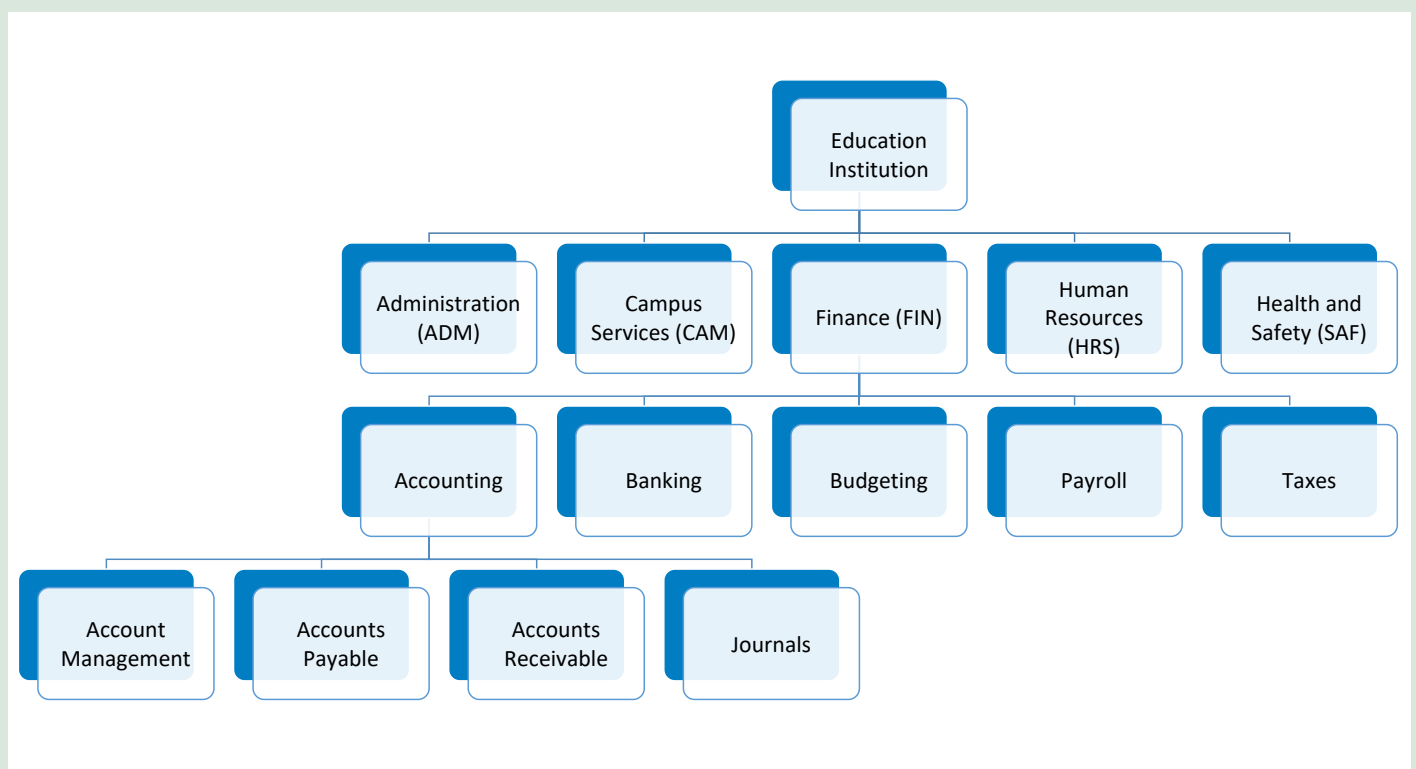
- What components of record must be redacted, masked and/or encrypted?
  - Classifying or reclassifying record allowing it to be moved from business as usual to alternative storage
- c. The access to and/or sharing of record, including:
    - Classifying record according to its intended use
    - Identifying and classifying record making it easy to retrieve
    - Classifying legacy and retired systems record according to its intended use
    - Special privileges applied to data ensuring the data is strictly controlled.
  - d. The retention and/or destruction of data, including
    - Classifying data according to how long it is required to be retain before it is destroyed. For instance, how long customer files, correspondence, emails, claim records need to be retained before they are destroyed
    - Identifying which records need to be duplicated and/or version created, and which records must have their physical record kept

Applying records classification to the ingested records benefits in reducing litigation risk, storage cost and improves compliance and security.

Below are typical approaches to define classification scheme for records:

- Classification based on Functions- Identify Organization's Primary functions -> Identify processes/activities that support function -> identify record categories created and used by these processes/activities
- Organization structure - Identify Organization's divisions, departments, and sections. Typically, the Organization chart is used for classification structure

Functional approach is more stable framework for classification as compared to organizational structures that are often subject to change. Below is an example of a functional classification scheme for an Education Institution:



## 5.2. Metadata model

A metadata model is a collection of pre-defined descriptive elements that will be used to manage and retrieve records and information regarding records throughout the organization.

Metadata should be defined based on

- the information available from the record (eg. Passport document can have metadata has first name, last name, and passport number; loan application document can have loan account number and customer name, etc.)
- business related metadata – line of business, department name, etc.
- operational metadata – status of loan account, is document valid, etc.
- region specific metadata – location, etc.
- record policy related metadata - Record code, retention period, disposition period, related records, etc.
- auditable metadata – creator, date of creation, etc.

### 5.3. Records management policy

Records management policy contains the retention and destruction schedule applied on each record. They are defined based on following:

- Business operational requirements – Business operations refer to activities that business engage in daily to increase the value of enterprise. Operational requirements are tied to the records generated from these activities. For eg., a loan application record should be retained for 7 years after loan account is closed
- Region specific requirements – These requirements are tied to specific region or sub-region in which the organization operates. For eg., records in EU region should be retained for active period+10 years, whereas records in ANZ region should be retained for active period+7 years
- Industry specific legal and compliance standards-based requirements – These requirements are based on industry vertical that an organization belong to. For eg., transactional records should be maintained for x number of years as per MiFID requirement for banking sector

### 5.4. Legal Hold

To address potential issues associated with compliance audits and litigation, records are mandated to be held for a certain duration irrespective of record disposition schedule. To meet this requirement, Legal hold are applied on such records.

Legal hold typically contains following information:

- Legal hold flag (true/false)
- Organization driving the legal hold
- Description of litigation
- Period for which record should be held

### 5.5. Record search templates

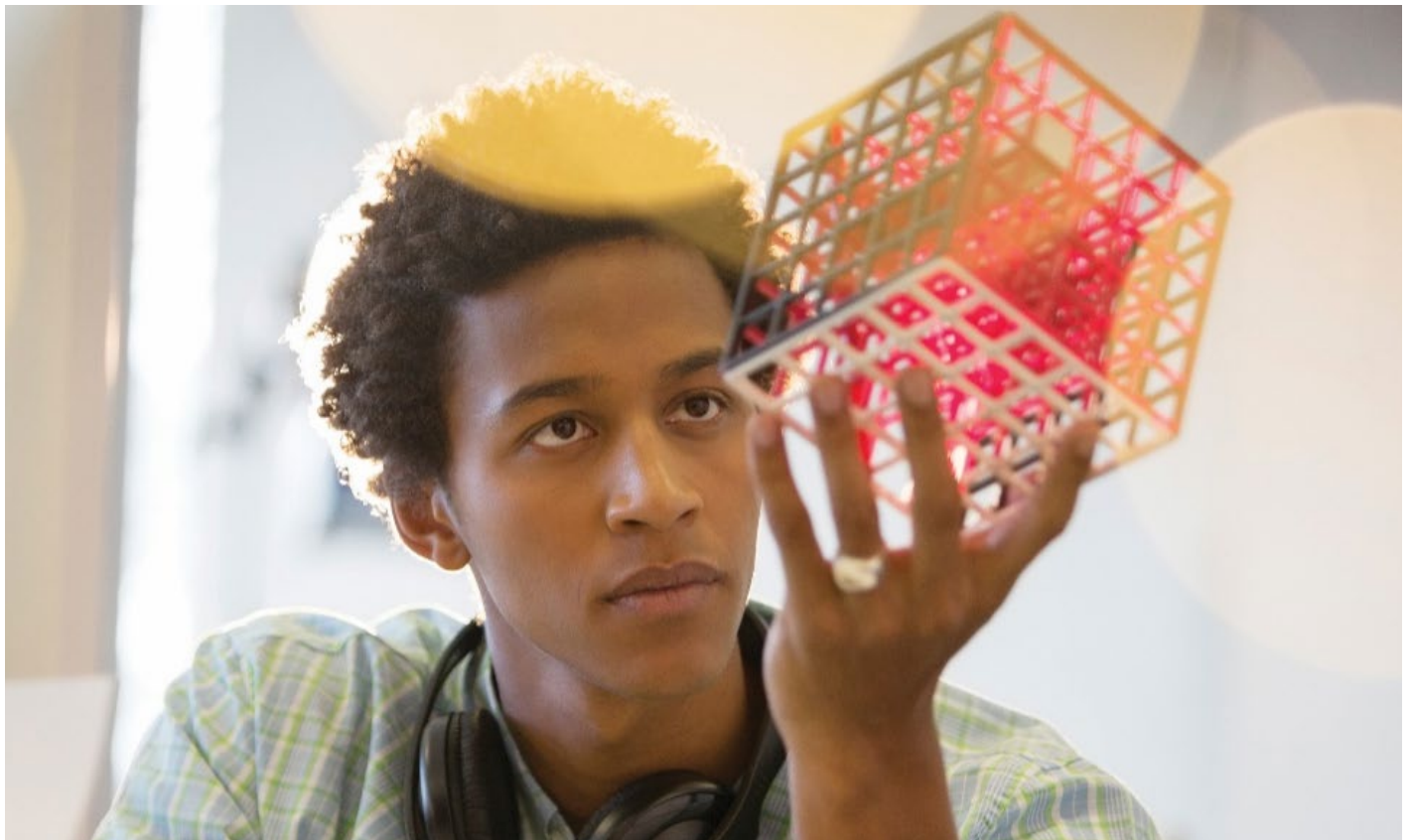
Search templates should be defined for users to search based on metadata and retrieve the relevant records. Saved search templates which contains predefined commonly used search criteria can be created to enhance the user experience.

### 5.6. API for integration

Records management solution should expose the records management functions via web services. This enables the integrating or front-end business application to perform the records management functionalities without opening separate Records management UI.

### 5.7. Storage

Typically, records metadata is stored in a database and the unstructured content associated with it, is stored on file storage. Different types of file storage shall be considered based on the performance requirement vs cost trade off. Ex. Cheaper storage can be considered for storing records which are rarely accessed.



## 6. Records Management Implementation

An archive/repository is considered as compliant when Record Management building blocks are implemented, and its functions are being used. To achieve compliance with specific regulations, additional functions may need to be implemented. For example, if MIFID II compliance need to be achieved, then one of the functions that needs to be added is the ability to store and retrieve customer interactions.

Below sections list down the key capabilities to fulfil a records management implementation. It also lists down the challenges an organization may encounter during implementation and suggests best practices for implementation.

### 6.1. Mandatory capabilities of Records Management solution

Below listed are key capabilities that Digital records management solution should support:

- Ability to define functional classification taxonomies
- Define metadata fields for available record types
- Ability to search for records using metadata
- Provide different ways to classify record
- Ability to tag multiple file classifications on single record
- Apply/remove holds on classifications or individual records
- Support for auto-classification of records
- Ability to extract email directly from exchange server and ingest into ECM repository as records
- Ability to decide type of physical storage based on record state or metadata field
- Provide web services to perform record operations from integrating application
- Solution is certified with standard regulatory compliance

In addition to capabilities listed for Digital Records Management solution, below are additional capabilities Physical Records Management solution should support:

- Ability to request physical objects
- Barcode label creation
- Check records in and out using barcodes
- Support passing of checked-out records to another user
- Generate return reminder email for records that are overdue
- Ability to track boxes, shelves in available storage locations
- Ability to transfer boxes from one warehouse to another

### 6.2. Challenges faced by organizations

Organizations may face following challenges without Records management solution and governance in place:

- Record evidence: Lack of reliable record evidence may result in financial loss and reputational damage and may also result in poor decision making based on inadequate or incomplete information.
- Cost: Lack of disposition strategy might result in exponential increase of records being kept for longer than needed and organization may incur huge storage & maintenance cost
- Record lifecycle: Tracking the record at each stage of lifecycle is a challenge organization may face without effective records management solution
- Finding a relevant record: Conversion of paper records to electronic form and linking physical to digital records in system of records is essential to shorten the time required to retrieve record. Without digitization and effective records management, organization may face challenges in finding the right record in specified time to meet the compliance

### 6.3. Best practices for a successful Records Management implementation

Though there is no single solution which will fit all the requirements of organization, section below lists the key steps to be followed as best practices for implementing records management solution:

#### **Business Analysis:**

- Records Identification: All records are documents but not all documents are records. Identifying the type of existing and new records is the key step to implement records management solution
- Classification: The record needs to be classified or understood to determine why it must be retained, how long it must be retained and when it can be disposed. Defining the classification for the identified record types will help in classifying the records based on the regulatory requirements. Digital and physical records can follow same classification scheme where in both the records (physical and digital) are displayed inside same physical box object
- Retention Management: Based on regulatory compliance applicable for organization, derive the retention and disposition rules for these records.
- Records Manager role: Identify members to fulfil key roles of Records management team, which is required to manage the records, provide required approvals for disposition, and ensure the defined retention management for records are in accordance with the applicable regulations.

#### **Technical Implementation:**

- Records Management Tool: Finalize the tool for records management solution to be used. The storage solution which is used by records management tool should consider the factors like how frequently the records will be accessed, is WORM (Write Once, Read Many) compliance applicable, in which physical







location records needs to be stored, etc.

- **Implementation:** Implement the classification scheme, retention, and disposition schedules, events to be audited, define metadata model which shall contain business specific record custom attributes in addition to default system attributes.
- **Security:** Implement the security model such that the access to records is allowed for only authorized user roles.
- **Search:** Define search templates so that quick search and retrieval can be performed by users. Frequently used search criteria can be pre-defined in templates for better user experience.
- **Records migration:** If new system is being created for records management, existing records should be migrated from legacy record repositories. If records management solution is being defined on existing system, batch program can be leveraged for in-place update of records management policies.
- **Test and deployment:** Conduct thorough testing of the applied record management policies to ensure the record is retained and disposed as per defined policy.
- **Disaster recovery:** Record-keeping is very critical for organization. Any loss of records may create compliance issues and huge penalties. Ensure a Disaster recovery plan is in place based on the acceptable RTO (recovery time objective) & RPO (recovery point objective).
- **Business Continuity:** Maintain and monitor the solution. Auto-triggered reports can be defined which can be published via email for the records which are due disposition approval, non-compliant records, etc.

Above listed are the high-level key steps for typical records management implementation. However, based on the business requirements some additional steps may be required.

## 7. Records Management's vital role in Digital Transformation

The total amount of data created and consumed globally is forecast to increase exponentially to 100+ Zeta Bytes. Records management plays a critical role to manage such high-volume data effectively and efficiently. Keeping compliance on top of mind, rather than leaving it on the back burner, will protect a company as it digitally transforms.

Records management implementation addresses following data governance risks which may arise during organization's digital transformation journey:

**Compliance risk:** Due to exponential growth in content, organizations are looking for new ways to ensure compliance. Records management's key benefit is to ensure organization's content compliance is achieved with pre-defined records policies and classification structure.

**Storage and security risk:** Records management helps to manage the record inventory, organize, store, and make the records available to appropriate people at appropriate time. It's security feature ensures sensitive data is well-protected. Record management's event auditing shall mitigate the security risk by auditing all the actions performed on a record. Data movement policies can save storage cost by moving the less frequently used records into cold storage tier.

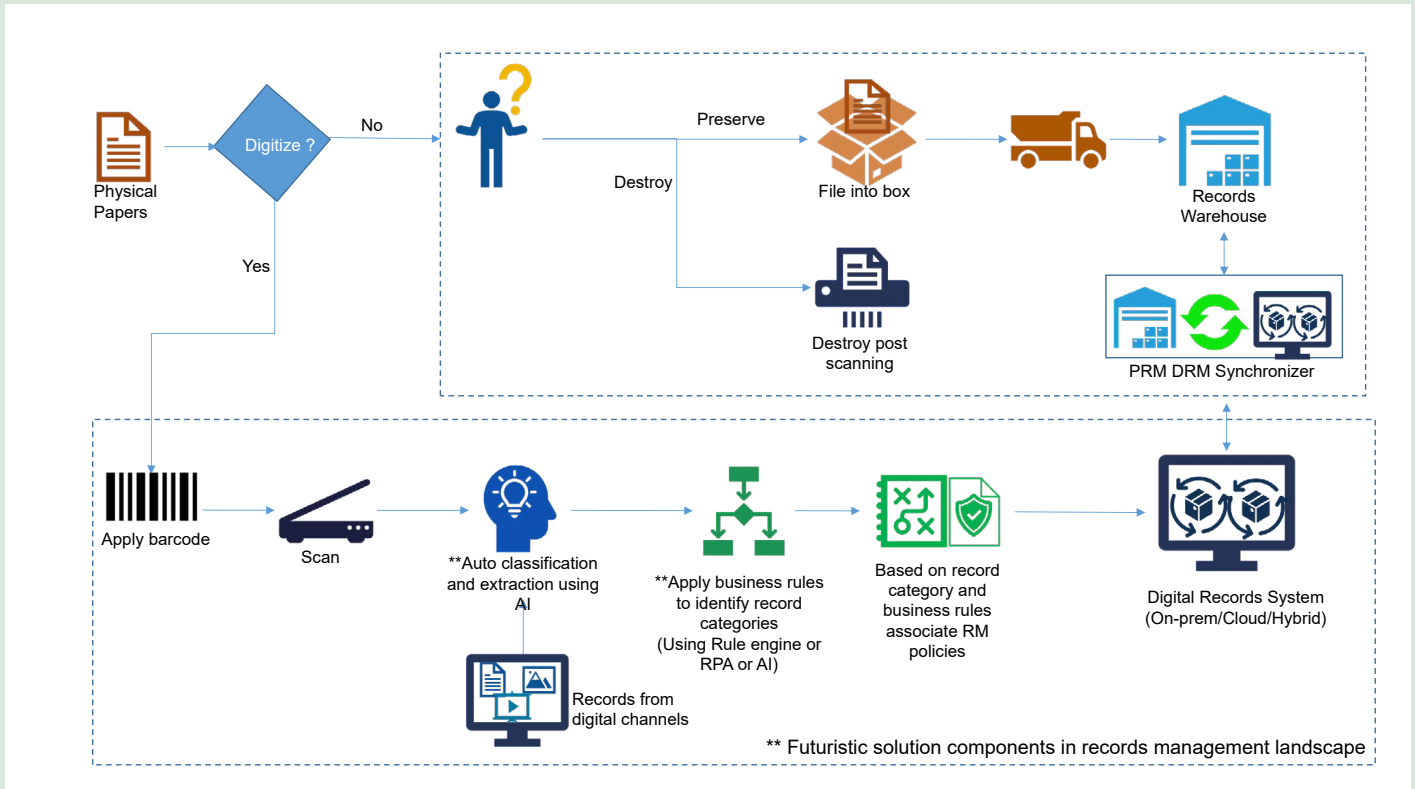
**Data protection risk:** Data protection is a process of protecting sensitive information from corruption, compromise, or loss. Record management's security feature ensures sensitive data is protected and unaltered. Disaster recovery as highlighted in implementation steps above, mitigates the risk for loss of information.

**Monitoring risk:** Monitoring equally plays an essential role in data governance. Records management implementation can generate/publish reports and provide insight using dashboard. Business users can take corrective action as needed.

## 8. Future of Records Management

With more and more business going digital, business needs to adapt their records management strategies also from physical to digital strategies. Future records management should majorly focus on the below:

- Transformation of physical records to digital records towards a paperless journey - While Business cannot eliminate all the physical records easily, focus should be to reduce the paper creation itself in the business process, so that wherever possible, physical records are not created at all. Physical records can be replaced with e-Forms and digital documents should be accepted via web apps and mobile apps. While business eliminates the physical records with paperless journey, existing physical papers can be converted into digital records as well
- AI powered Auto-classification and decision making for retention and disposition - Records can be categorized and appropriate record keeping strategies can be applied on the records based on the records category and metadata information in the record. These can be achieved using AI based auto-classification, combined with business rules for effective, automated, and quicker decision making.
- Cloud adoption to leverage flexibility, agility on records management & reduce cost - With the digital explosion and multiple digital records, storage is a challenge, and it can be addressed via cloud storage offering tiered storage such as hot tier, cold tier, and archival tier options.
- Below is the logical flow of futuristic Records management solution in an organization.



## 9. Conclusion

This whitepaper briefly summarizes what is record, its lifecycle, what is records management and its building blocks. It illustrates the industry use cases, benefits and drivers of records management. It also lists the best practices around implementation of records management and its role in digital transformation.

Records is a key asset of an organization and failing to manage it, as per applicable laws & regulations, will result in high litigation cost and brand value impact for the business. A successful & compliant records management can not only significantly elevate the enterprise's adherence to compliance standards, regulatory requirements, and other regional compliance standards, but can also bring in valuable benefits to enterprise such as improving the findability of records, reducing storage cost, etc.

Every organization should have records management solution on their priority list and should be considered as a key business objective, rather than a technology target. It helps organizations in controlling the lifecycle of enterprise content to meet compliance standards and overcome digital landfill.



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