

Document Management 2.0 – Web-based Collaboration and the Road to Compliance

*New web-based document management tools can provide the foundation
required for comprehensive records management*

Whitepaper

Executive Summary

No so long ago, managing important corporate documents and records was relatively straightforward. Rules and practices were clearly defined. Governance was proven over time. But today, information is shared and exchanged within an organization -- and around the world -- with ever increasing ease and volume. It is increasingly rare to see an office worker "push paper." They are more likely to select "file save", view PDFs and approve document changes online. Our conventional notion of how business documents are managed has been digitized.

**Today's office
workers are less
likely to push paper
than they are to push
"file-save."**

In response, strict regulations governing the management and retention of electronic records continue to evolve. The greater ease with which companies and workers collaborate has resulted in greater risk in terms of compliance. For many organizations both information technology systems and records retention policies often lack sufficient focus or scope to properly address these expanding liabilities.

While Enterprise Content Management (ECM) systems address document and record management requirements, they are out of reach for many organizations because of their complexity and cost. Concentrating primarily on specific business processes and specialized functions, "big footprint" solutions are not an ideal solution for the majority of workers in organizations. In fact, industry analysts have reported that less than half of recent ECM deployments have succeeded primarily due to the lack of user acceptance. Consequently, organizations are demanding less complicated solutions to address core document collaboration and management needs.

The wide-spread availability of Web 2.0 applications has helped introduce users to easy ways to interact with complex processes, such as online shopping or social networking. These same web technologies are now finding their way into organizations where they have the opportunity to help simplify business processes. As a result, new web-enabled tools may be able to address the dual challenges of simplifying document collaboration for users while helping their employers better protect vital information and ensure that it is managed according to industry regulations.

This paper explores some of the important areas to consider when selecting a solution to address the risks and liabilities associated with how organizations conduct business and the way they manage the critical documents and files that communicate and record that process in the digital age.

Collaboration and Compliance

More than the technology involved, companies must consider how well their business is growing and evolving with respect to collaboration and compliance. Organizations can begin this evaluation by considering the following: Are we as responsive as we need to be to customers and the environment at large? Can we perform in a more efficient way so that we remain competitive, profitable and compliant? What tools must we adopt in order to allow more effective collaboration while, at the same time, responding to regulatory requirements within our industry?

Adopting Web-based document collaboration tools can put organizations in a better position to address constraints and opportunities. The key to success, however, lies in the ability to provide easy to use document management capabilities and enhanced security measures in a meaningful way to individual users. This user-driven approach helps organizations avoid the common practice of removing content from document repositories and using other applications to collaborate upon it. Web-based document collaboration tools can help eliminate this self-perpetuating cycle where information is lost, not well classified, and cannot be managed to compliance requirements and corporate governance regulations.

As one examines how documents are managed within an organization and how well that process may comply with government or industry regulations, a few criteria are useful to evaluate potential solutions. While it may seem obvious, the most important criteria should be ease to use; otherwise employees will fail to embrace the technology and it won't be a solution at all. Second, the solution must be accessible to all workers within the organization. Without widespread access, vital information will remain outside the scope of the system and the solution will not be a comprehensive one. Third, employees, or all of those working within the organization must be able to use the system to easily share information with collaborators outside the organization without compromising security. Ideally, solutions should be compatible with existing technology infrastructure in order to minimize deployment and integration costs. Finally, applications should allow organization to transparently introduce records management functionality; expanding the scope of records management while allowing workers to continue to perform their jobs without disruption.

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Concern over Compliance

Regulatory compliance is a growing concern in today's business environment. A rising number of regulations from the state, federal and industry levels have resulted in increasingly severe risks and penalties for non-compliance. Organizations that fail to address these risks are subject to fines, lawsuits and loss of market share. The consequences can reach the executive board level, resulting in prison for the most egregious offenders.

The increasing reliance on digital tools for communication and collaboration has given rise to a new set of concerns in the areas of privacy, data protection, electronic discovery, and information security. The transition from paper-based archives to electronic systems has added an additional layer of complexity to records management and compliance, making the interpretation of existing guidelines and the development of best practices more difficult. Ultimately, it

doesn't matter what medium is used to create, deliver or store information; to ensure compliance, all business records must adhere to the same set of standards, whether they are paper-based or not.

Litigation Risk

A number of headline cases underscore the litigation risk that electronic records can present. Trial lawyers rely on e-mail as the "smoking gun" that will win their case or force a settlement. Attorneys aggressively lobby courts for access to their opponents' stores of digital information. The cost and effort related to this electronic discovery can itself be a significant corporate risk. According to the Gartner Group, a leading information technology research firm, the typical Fortune 500 company spends an average of 1.5 million dollars on each e-discovery action and can have anywhere between 12 and 16 cases of significant magnitude ongoing at any one time.¹

While most companies have effective and reliable policies in place for paper records, many find that they have a false sense of confidence in their information technology systems reliably retaining and managing electronic records.

Technology professionals are often put in the hot seat since companies must rely on the IT group to find and retrieve documents and records in order to comply

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with a discovery mandate. Moreover, once a lawsuit is pending, data cannot be deleted or destroyed without risking severe penalties. Often unaware of the consequences, data administrators struggling to save storage space and curb support costs, may delete important records and unwittingly expose the company to legal penalties and an unfavorable perception in the eyes of the court.

Responding to the Constraints

Organizations have begun to recognize the inadequacies of contemporary approaches to document management and are taking steps

to respond to the inherent risks. As legal issues touch more employees than ever before and regulatory constraints influence a greater number of business processes, companies need effective strategies to manage content. Better intelligence must be applied to the process to guide how documents are stored, the types of records retained, and the security scope applied to the information. Content and records management systems must ensure that important documents are not overlooked while at the same time allowing companies to continue to benefit from flexible access and exchange of information. Document archives must be complete and secure, easy to use, less costly to adopt, and more agile to respond to litigation requirements and regulatory compliance.

Organizations quickly found that established ECM solutions were expensive and that the effort required to license and deploy on an enterprise-wide basis was overwhelming. Often, the complex functionality was greater than what most employees needed and a steep learning curve plagued even relatively simple work processes. Many employees abandoned these systems or begrudgingly performed required minimum actions, resulting in the very same management issue these complex systems were supposed to address.

Document Management Solutions – Avenues to Explore

Organizations should look for solutions that can be deployed to every worker in the company and that are inclusive of the kind of documents that drive day-to-day business processes. Enterprise deployment is critical because records management has traditionally been performed in a “stovepiped” environment. Those silos took form in back office filing cabinets and offsite warehouses full of records that moved in and out of repositories under strictly enforced procedures. But clearly, spending hard-earned resources are not adequate for today’s business processes. It is simply not practical to print every e-mail or output reams of paper in order to have a safely preserved physical record.

Many ECM systems also operate in a figurative silo. Contrary to their categorical description, they are not well suited to enterprise-wide deployments. The applications are often “verticalized,” providing capabilities to manage documents and records related to very specific business processes, and are often extensively customized for specific roles within a discrete workflow. While the capabilities are important when viewed within the confines of the specific application they serve, there is a paradox. As ECM applications have grown to address role-specific requirements, they have become too overwhelming and cumbersome for enterprise-wide use.

License and Implementation Costs

For the most part, enterprise document management and records management systems have been prohibitively expensive to purchase except for the very largest enterprises. Licensing costs can reach as high as \$1,000 per seat or above, making it impractical to consider deployment beyond the core set of conventional records management functions in an organization. What’s more, traditional ECM product suites are time-consuming and expensive to deploy, often requiring substantial customization and consulting work. These expenses grow significantly as organizations attempt to deploy them across the enterprise. It is also not uncommon for organizations will spend two to three times the cost of software licenses on professional services to implement a traditional ECM system.

Organizations seeking alternatives to expensive and hard to deploy ECM systems should evaluate Web-based document management solutions that can offer records management capabilities at lower license costs. By their nature, open standards-based and web applications are typically less expensive (around \$50 per user) due reduced feature sets and simpler technology platforms. And while customization is always a consideration, open standards-based solutions are generally significantly less expensive and time-consuming. As a result, customers typically enjoy a higher user adoption rate and a quicker path towards achieving compliance objectives.

User Adoption

People, by their very nature, are creatures of habit and are resistant to change. Employees do not want to change the way they work, so introducing complex new processes to manage content will not be easily accepted. The challenge, therefore, is to employ systems that will fit how someone goes about their normal duties, and are easy to use. If storing a “record” takes five seconds longer than storing a “document” then it is unlikely that users will fully embrace the new system. Investments in document management technology, however favorable

the pricing, are squandered if the systems and solutions are not used.

When evaluating solutions, organizations should be cautious to not overwhelm end-users with more than is needed. Most employees just want to be able to get the content they need to do their jobs and collaborate freely with co-workers. The majority of the enterprise only needs this fundamental set of tools to securely share documents and files, track changes and find the latest version of a document.

Email Collaboration

One of the other issues that must be considered in the context of holistic document management is the fact that e-mail has become the primary collaborative tool used both inside and outside of organizations. Convenient, quick and widely adopted, e-mail is clearly the most popular method to exchange information and documents. While the expansive reach of e-mail has paved the way for global collaboration, e-mail also exposes organizations to a new paradigm of risk. Once that e-mail has been released into the world, it is impossible to get the genie back into the bottle.

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Important documents frequently accompany e-mail messages as attachments. As the universe of potential collaborators grows, keeping track of the changes becomes more and more difficult. Using e-mail, version control is a persistent and time-consuming issue. Enterprises do not have a clear picture of the most current version of a document, nor do they have an historical record to accurately report on who has viewed or modified the document. Organizations can enhance the collaborative process by considering solutions that replace file attachments with secure web links. As one user collaborates on content with another, each is actually working on the same document stored on a central server. This can eliminate issues related to version control, as well as providing a historical record of activity associated with a document critical to many compliance regulations. A combination of access control lists, transport encryption and user authentication methods also can provide a systematically controlled environment within which collaboration can take place.

Leveraging the Opportunities

Organizations now have the opportunity to adopt an approach to document and content management that embraces the collaborative environment across the company while providing a compliant records management tool. By addressing the tactical need to facilitate collaboration as well as the strategic imperative to manage corporate records and mitigate risk; companies can make substantial improvements to their current information management environment.

Compliance at the Source

Web-based document management tools that are widely dispersed within an enterprise help organizations tackle compliance issues at the source – where content is being created, shared and often put at risk. If organizations provide users with tools that enable safer collaboration and encourage that process to occur over the Web within a better protected environment, they have already

taken a significant step toward improving compliance. A common document repository enables a more secure process, through the use of web link exchanges for example, and provides the basis for comprehensive activity reporting – a key component of many document compliance requirements. It also enables the IT department to centrally manage the task of backing up and archiving documents instead of relying upon individual departments to perform this process.

Business Process Efficiencies

A document collaboration environment that is easy for everyone to use brings about improvements in business process efficiencies simply because everyone is using it. This helps organizations remain nimble and responsive to customers. Information is only useful if users can find it when they need it. Web-based document management technology gives companies the level of “information agility” needed to react to dynamic changes in their marketplace along with improved content security that today’s distributed organizations demand. For example, users can apply powerful search technologies to better access content and re-use helping reduce work duplication and improve responsiveness.

Open-standards Based

Applications that are built on open standards are more likely to work with other existing or future technologies. Many users need to access information through a third-party application – such as a portal - therefore, the ability to integrate with existing systems and applications is vital. An open architecture allows organizations to integrate seamlessly with other standards-based applications and avoid the danger of being painted into a corner when it comes to system upgrades or changes in technology infrastructure. Open standards based solutions also provide organizations with improved bargaining leverage when it does come time to upgrade systems. They can more easily shop around for the best solution for their own specific needs.

Developed for the Web

Web applications are inherently more nimble, and easier to deploy and support than traditional client-server technologies. A document management system delivered as a service over the Web (SaaS) is more rapidly and easily deployed across the company, and since the goal is to employ a familiar application that will be used, (not installed and forgotten) Web-based systems encourage adoption enterprise-wide. Applications developed for the web also provide organizations with the flexibility to choose between software as a service, or on demand solutions and on premise alternatives. This allows them to migrate from one service delivery model to another as the needs of the organization change.

Ease of integration

With the need to expand content management across departments, it is important to have a solution that will work with heterogeneous system environments. Applications that support common web protocols such as Web-based Distributed Authoring and Versioning (WebDAV), and Java specifications such as JSR-168 and JSR-170, make that possible. Implementation can be completed in a matter of a day or two, if not hours, as opposed to traditional document management system installations which are typically a multi-month endeavor. Just as importantly support for these standards enables easier migration of content and metadata between other systems helping organizations

get the content they need stored where it can provide the greatest value to their business.

Ancillary Dependencies and Cost

Traditional ECM applications tend to have a number of hidden interdependencies that must be satisfied in order to take full advantage of the system. Upgrades to operating systems, directory services and storage methodologies, for example, often add unrecognized cost and complexity. Applications that provide Web-based collaborative abilities and records management functionality without the need for expensive professional services and laborious IT support can provide the greatest advantage fast than traditional system implementations.

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DoD Compliant

The Department of Defense records management standard, DoD 5015.2, is widely adopted throughout the federal government and within those corporations with which they do business. Organizations should look for solutions that, at minimum, meet the baseline DoD requirements. The protocol specifies exactly how document management systems must perform with respect to the storage and declaration of records and stipulates a variety of behaviors surrounding the management of information and metadata.

Leading analyst organizations defer to these DoD guidelines as the de facto standard of functionality for document and records management systems. While 5015.2 criteria were originally developed to guide government purchases of document management technology, other organizations enjoy this benefit. Web-enabled document collaboration applications that comply with this standard provide organizations with an added benefit in meeting compliance objectives. By simplifying the collaborative process for users, they can capture more vital content for the organization and thus better manage this information according to policy.

Moving Forward

The need to comprehensively manage enterprise documents and content is driving demand for more inclusive solutions that are easy to use, easy to adopt, and priced for widespread deployment. Siloed and monolithic ECM solutions simply do not address the emerging risks and liabilities, nor do they bring the needed records management functionality to the bulk of employees that create important content every day. As a result, many critical documents and records are created that never fall within the scope of traditional records management. Without improving the reach and standardizing the methods used to capture and manage this content, organizations risk substantial penalties for regulatory non-compliance and costly legal liability exposure. Without user-friendly, enterprise-wide document collaboration tools, employees will continue to use e-mail to share documents and files and continue to expose organizations to additional risks and inefficiencies.

Simply enforcing new rules of behavior will not guaranty desired employee behaviors, nor can it produce the improved business processes or knowledge sharing. Introducing document collaboration technology should be viewed as an opportunity to improve an organization as a whole; adopting a more comprehensive approach to supporting a

multitude of internal and external collaborative processes. Centralized document repositories and Web-based access and sharing, combined with robust classification and workflow capabilities, enable businesses to quickly move from paper and e-mail-based processes to more efficient web-enabled processes that can ultimately simplify and encourage compliance.

Items to Consider

Here are some questions and concepts to consider when evaluating Web-based document and records management solutions:

Is the application easy to use? If an application is cumbersome and time-consuming, users will resist adopting the technology. Once implemented, workflow and efficiency may suffer as users devise workarounds and struggle with extraneous steps. Enterprise applications that are easy to use and can accommodate personal work environments and behaviors, while protecting business processes are always the most successful.

Will the system be available and accessible to all knowledge workers in the organization? If records management functionality is not extended to those who create, use and share vital information every day, it is less likely that an organization will achieve widespread compliance. The benefits of collaboration and process efficiency will be less pervasive and information silos will persist. Enterprise applications that are available and accessible to all workers, no matter where they reside or what client systems they use, deliver maximum benefits to the organization.

Are systems compatible with existing technology? Hidden interdependencies and unrecognized complexity have plagued traditional ECM approaches. Enterprise applications that are built on open standards provide a functional foundation to work with existing and future technology standards and allow simpler and less costly Implementation. Open standards-based solutions also offer a greater chance for future technology compatibility by virtue of expanded vendor support.

Can records management functionality be applied transparently? Complex processes to manage content are unlikely to be adopted enterprise-wide. Enterprise applications that are transparent to the end user and easy to use will be more readily embraced. Investments in technology and improvement in process workflow are more likely to bring a positive return. Solutions able to capture content at the point of collaboration are more likely to achieve success as they are not perceived to be external to the business process and desired outcomes.

Managing enterprise documents is driving demand for more inclusive solutions that are easy to use and adopt, and priced for widespread deployment.

Conclusion

The search for a records and document management system can be an unending quest, but should not be conducted independent of consideration for the core business processes which originate and cause the exchange of content. Enterprises can simplify their evaluation process by defining short term document and records management requirements independent of longer-term strategic objectives. It is more important to introduce solutions that demonstrate an organization's intent to respond to compliance challenges than attempt to design a solution capable of addressing all potential factors. Understand the evolution of vital content in your organization and develop a plan to capture it early in its life-cycle. Investigate the new breed of web-enabled document collaboration and management applications which can be used to replace email file sharing and other historic methods that cause content fall outside organizations control and reporting. Don't be afraid to test these solutions with individual departments and be prepared for others to ask for the tools once the word gets out. User driven demand for compliance solutions is a highly desired outcome. Challenge technology vendors to meet the guidelines set forth in this report and champion the business success of early adopters within your organization. Chances are, organizations will find users asking for the very same medicine they normally would have complained about being forced to take and in the process may have a more responsive, competitive and compliant business.

About Xythos Software

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