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White Paper

Frozen with Fear in Records Management

How to Move out of the Headlights

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Summary

There are both positive and negative drivers for improving your Records Management systems and services. The positive driver is improved efficiency; the negative is fear of litigation or of failing to comply with laws and regulations.

Each organisation is at one level of the Records Management Quality Model (RMQM) based upon the capability and maturity assessment concept, somewhere between chaotic records systems (Level 1) and a fully integrated evolving records system (Level 5). This White Paper gives guidance on how to assess your level. Unless your organisation is already at Level 5, we also give guidance on how you can improve by a level or so.

You can improve by assessing your present situation and needs; adding systems, tools (including software, perhaps), and training; and building in a review and change process. Help is available from several professional societies, from university courses, from consultants, and from software vendors.

Two headlight beams:

There are two beams of light which are transfixing every legal officer, every manager, and every Records Manager in your organisation:

- Lost records and chaotic record-keeping systems
- The risks of litigation and failure to comply with legislation

If you ignore either of these, you put your organisation at risk, and reduce the benefits which can be obtained by introducing thorough records management (RM) systems. One of the benefits of improved records management is primarily a positive driver: when you introduce or improve RM you get a rapid increase in efficiency and accuracy which shows up in your bottom line. The second is primarily negative: if you do not introduce or improve RM you are increasing the risk that your organisation will fail to obey certain laws, or that, if your organisation is sued, you will lose.

Let us consider each in turn.

Study after study shows that staff spend a large part of their time either looking for records which have been lost or misplaced, or working with the wrong version of a document and then correcting the error. The amount of lost time varies, but estimates range from 30% to 75% of total staff time. Saving even half of this lost time can give you back six hours per person in improved efficiency.

Lost or Mislaid Records

The **lost record problem** has several causes. All are normal, and understandable, but all cost your organisation time. Most of these effects apply to both paper and computerised filing.

- "I know where everything is on my desk." Most of us know someone like this: Fred is at risk of being buried in an avalanche of paper from the piles all over his desk and the nearby floor. He claims to know where everything is. Sometimes he does. But nobody else can find anything, so the whole business stops if Fred is off sick or on holiday.

- "It must have been filed in the wrong place. We will look for it." A paper file can only be in one place at a time. Unless you know where that place is, you cannot find the paper file. It is easy, in a busy office, to file something in the wrong place. Often papers are "filed" in a "pending" tray, or under someone's desk. In many offices, computer files are also in one place: on David's laptop (which was stolen last week).

- "That file has been lost." This is a special case of "Filed in the wrong place". In fact, when our Enquiry service is asked to trace a "lost archive box", the most frequent outcome is that the box is under the desk of someone a few desks along, in the same office as the person who needs it.

- "You say 'tomayto' and I say 'tomahto'." Some individuals, and many offices, have varieties of initiative in filing. Suppose you have a contract with Company A, to provide Service B at their office in C. Company A is a subsidiary of Group D, with whom you also work. In the past you have also worked for Group D as a subcontractor to supplier E. It is likely that some documents for this job will be filed under A, some under B, C, D, E, and so on. This problem is often especially bad in computerised files: it is easy to create new folders in a digital filing system.

- "Terra incognita". Those files may be kept by another department, in another room, or even in another town. Even in a small office, people are comfortable with the files in their office, but may feel unfamiliar with the files in the office next door. Perhaps only Mary really understands the whole system. (See memory, below.)

- "Rats, insects, fire and flood." Paper records, of which there is often only one copy, can be damaged. Often the real cost to the organisation is not the loss of the record, but the lost time looking for the record (since you don't know if the file you need was eaten by rats, in the garage that burned down, or is just on Fred's desk waiting until he gets back from holiday).

- "If I could only make a list of the things I have forgotten." People, and organisations, forget things. This has two effects. At a simple level, you may forget where you filed those records. That means you will take longer to find them. However, once Mary has retired, or gone to a new job, the organisation may forget that the X Project ever existed. That makes it even harder to find the files on that project. It is always harder

to search for something you don't believe in or know about, than to search for something that you remember, however faintly.

- "Report 1". The initial file naming (or document naming) may have been inadequate. How many filing systems have several "Doc 1" items, or "Report", or "Finances". "Miscellaneous", "Pending", or "General" are other good categories for hiding information. This problem, which is present in almost all paper filing systems, is even worse in computerised systems.   Computers will allow you to have the same document name used many times, so long as each copy is in a different folder.

- "New brooms." New staff may have real problems finding (or filing) records. They do not know how the filing system is set up, they do not know what work was done in the past, and they have more urgent jobs than filing, or finding old files. In areas of high staff turnover, the organisational memory can become almost completely destroyed.

- "Do it yourself." Many organisations have reacted to the introduction of PCs, e-mail, and other computerised systems, by reducing the amount of administrative support. Fewer secretaries, fewer filing clerks, fewer personal assistants, no registry or typing pool. This means that each person (or each team) is responsible for their own filing. This can cause chaos, as each team has its own ideas of what to keep and how to file it.

The Wrong Version

The **wrong version problem** can also have several causes. The problem is potentially serious and again, costs your organisation time.

- You are working on a document, as part of a team effort. You spend a few days writing new sections, only to learn that the version you used was old and many of those changes had already been made by another team member.

- Three team members work on different parts of the same document.   Their contributions overlap, their styles differ, and they do not see each other's work until the document is due. Final editing wastes the time of the whole team and causes friction, as each person feels their work is being slighted and their effort is undervalued.

- Still working on a team document you find that your amendments were not included in the final version. You had filed your version under "Drafts", and not under "Project X".

- Nobody in the organisation is able to remember, three months down the line, which of the many versions became the final version – was it the latest version in "Drafts" or the latest version under "Project X" or the copy in the Client file? It may even be that one of the earlier versions was sent to the client, by mistake.

- Often people will keep their own files of templates and procedures. This may lead to an old template or an old procedure being used.   A careless staff member can continue using an old version for months.   This can create a serious risk for the organisation.

Advances up the Records Management Quality Model (RMQM) can prevent most of these problems, or at least reduce their impact. This saves you time, embarrassment and money.

Legal compliance and reduced risk

There are three sub-headings for considering the effects of Records Management Quality on risk reduction and legal compliance. There are Laws and Regulations, Mergers and Acquisitions, and Litigation. In each of these areas, being prepared is much better than reacting to an emergency. Advancing up the RMQM before a regulatory audit, or before a merger, or before a law suit, is much more likely to be successful than trying to correct years of problems in a few weeks of panic.

The simple message to management is: fix your problems now, before they are the targets of outside scrutiny.

Laws and Regulations

All organisations are required to obey a series of laws and regulations. Records are the evidence that you have obeyed the laws relevant to your organisation. Often records are required by the law. Some laws require you to produce records, often within a specified time. In many cases, failure to have the correct records is taken as evidence that you have failed to observe the law. Laws or regulations with which you may be concerned include:

- The Data Protection Act 1998: This Act requires that you be able to show what information you hold that identifies individual people, that you be able to show why you hold it, and that you be able to tell someone all the information you hold on them. Complying with the DPA requires good records management: your systems must allow you to control what information you hold, and to be sure it matches your DPA registration. Responding to requests (from clients, ex-staff, or others) can only be done efficiently if your information is well-structured and managed.

- The Freedom of Information Act 2000: This includes many records-related provisions. For example, all public authorities must publish their complaints procedures, and therefore must be able to track their complaints.

- General Quality Standards (ISO 9000 series; PD 0008; TickIT; BS 7799; ISO 15489): All of these are concerned with creating and demonstrating processes which are fit for purpose. The act of creating a process must be documented, and the operation of a process requires documents. Once again, records are the key to quality standards.

- Pharmaceutical Quality Standards: Both G*P and 21 CFR 11 require accurate records to be kept and to be available for inspection. A key part of any pharmaceutical audit is checking that records are kept, that they are understood and used, that they are accessible, and that they are consistent. Active management of records throughout their life (from creation to destruction or permanent archiving) is essential.

- Business practices: The Electronic Commerce Regulations 2002 impose significant duties on anyone who is trading over the internet. The main rules relate to record keeping: acknowledging orders, correcting errors, concluding contracts, and making contracts accessible to the customer. The Late Payment of Commercial Debts (Interest) Act 1998 depends on accurate records of delivery (or completion of services), invoice submission, and payment (or non-payment). The Limitation Act 1980 governs most financial records. Other relevant acts include the Unfair Contract Terms Act 1977 and the Consumer Protection Act 1987.

- Corporate Governance: Some records, for example of major grants or capital projects, may be kept for 80 years or longer. Clearly a good system is required to assemble these records and keep them together for that long. The Companies Acts 1985 and 1989, and the Financial Services Act 1986 also require records to be kept and managed correctly.

- Health and Safety: The Health and Safety at Work Act 1974, supported by numerous regulations, including the Electricity at Work Regulations 1989, the Noise at Work Regulations 1989, the Manual Handling Operations Regulations 1992, and the Control of Substances Hazardous to Health Regulations 1994 all require records of measures taken to protect staff, training records, and records of working conditions and the tests used to confirm that they are safe.

Employment law and regulations, and Environmental law and regulations are among the other topics which require organisations to keep records.

Mergers and Acquisitions

As the entrepreneurial spirit becomes more recognised, and as globalisation continues, more and more organisations are changing: merging, demerging, acquiring companies, or spinning

off divisions. Every time two companies join (whether it be a merger or an acquisition), or divide (by sale, management buyout, or public offering), the information aspects of the change are critical for the success of the change.

Often, when a merger runs into difficulties, the problems can be traced to poor record-keeping. Sometimes the failure to manage records has occurred right at the start of the merger: the due diligence process may not have reviewed the records and the records management systems of the other partner. Such a failure in due diligence can mean that risks are much higher than foreseen, or that intellectual property rights are not well-protected, or are not secured in the merger.

Sometimes a merger fails after the companies begin to integrate. If staff are made redundant as part of the merger, or if facilities are closed and staff leave rather than move, vital knowledge can be lost. Once again, if adequate records are not kept, or if the records are not managed well, processes can fail because no one is left who knows how to run them, and because no information has been preserved about them.

Litigation

Most organisations will be involved in litigation (or in preparing for litigation) at some time or another. You may be appearing in an Employment Tribunal. You may be taking a customer to Small Claims Court to secure payment for work done. You may be the target of a class action suit based on a product liability claim. In any case, the records you maintain, and the quality of your record-keeping systems will determine your fate.

One of the first things opposing lawyers will do is to review your records relevant to the matter in dispute. If you do not have records, or if your records can be called into question or represented as being unreliable, your case can be weakened. If key records are missing, or any suggestion that you have destroyed records can be supported, then you may lose altogether. The Enron case destroyed Andersen, a once proud consulting and accounting firm, because Andersen destroyed records without proper authority.

A Records Management Quality Model:

The development of records management skills and services, and their integration into the fabric of an organisation can be described in five stages or levels. This provides a useful framework for identifying where you are now, and defining how you can improve. It allows your organisation to break the improvement down into small (achievable) steps, and to ensure that you receive real value for each step you take. It gives you a clear way to describe your organisation's situation to outsiders.

Level 1: Chaos: the starting point for every organisation

An organisation at Level 1 will normally have no defined process for creating or managing records. An overall picture of the organisation's information assets is not possible. Many organisations at Level 1 operate on the basis of "My Records": "If I wrote it, or I am using it, it is mine." This attitude is a normal part of human behaviour, but it is a real danger to an organisation. If "knowledge is power" for the individual, hidden knowledge is weakness for the whole organisation.

Staff at Level 1 create records without much reference to templates. There is little consistency from person to person or time to time. Letters, reports, proposals all look different, depending who wrote them. One danger is that they may contain different information: for example some may say that prices exclude VAT, and others may leave the question of VAT ambiguous.

At Level 1, your personnel rely on their own experience and knowledge to manage and locate records. Some people keep everything; some people delete vital records too soon. Risks and confusion abound. Also, since systems are very individual and personal, when an individual is ill or on holiday, information may be completely inaccessible to everyone else.

Level 2: Patches of Records Management (RM): locally organised RM, here and there

At Level 2 there is a degree of co-operation within teams or departments. Staff are aware that their direct colleagues may need to use "their documents". Some sharing is accepted.

Each business unit takes responsibility for its own records. Each unit may have its own templates and styles. Few people are aware of (or even interested in) the larger picture of the whole organisation. This means that teams, processes, and systems are not integrated. It also means that the organisation can look incoherent to outsiders.

The Level 2 organisation has no standard set of guidelines for records management. This means that risks are still present. One team may keep too many draft documents, and therefore reduce their efficiency and create risks of litigation. Another team, with a "clean desk policy", may destroy critical records and thereby break the law.

Level 3: Widespread RM: the enterprise has adopted RM as a specialised subject

When an organisation gets to Level 3, it will recognise Records Management as a specialised subject, with an impact across the whole organisation. It may have appointed a professional Records Manager or Archivist; it may have placed responsibility with Facilities Management, the Legal Department, the IT department, or the Managing Director's Personal Assistant. In any case, someone is responsible for the whole organisation.

At Level 3, Disaster Recovery becomes possible. There is enough understanding of the organisation's records, that a disaster recovery plan can be written and tested. This is important, since many organisations which suffer a serious fire, flood, or other disaster, fail soon afterwards.

In a Level 3 organisation, the core processes and strategies for records management have been defined, and roles and responsibilities may have been agreed. However, the driving force is the specialist, the one person (or small group) that "understands" information and records management.

At Level 3, some support may be available to ensure that RM goals are identified and achieved, but the support may be too little. Often the specialist who is seen as responsible (and indeed as "doing Information Management and Records Management") has this as a part-time task. Often this task has low importance; it is seen as housekeeping and routine. A Level 3 organisation is generally reactive: it will move from crisis to crisis, with long periods of quiet stability, during which no improvements are made.

Level 4: Integrated RM: RM is understood and used across the enterprise

When an organisation reaches Level 4, two key changes have begun to take effect. Staff begin to understand that information belongs to the organisation, and that information has more than one use, and is needed at more than one time. Also, there will be local champions for Information Management (IM and RM).

The understanding that information is an asset of the whole organisation is central to several improvements. It encourages systems for creating information of uniformly high quality, and for sharing it effectively. It leads to acceptance of retention schedules, and reliable IM and RM. It facilitates a real, tested disaster recovery plan.

The growth of local champions, perhaps with IM and RM in their job descriptions and annual goals, is also important. This allows core processes to be defined for the organisation, and to be integrated into the work of each department and unit. The central RM function can provide guidelines and support to the local champions to ensure that organisational information goals are identified and achieved.

By Level 4, an organisation-wide audit will reveal a detailed and accurate picture of the records assets, and an effective understanding and efficient use of information.

Level 5: Evolving RM: RM is part of the culture, and is continually improving

When an organisation gets to Level 5, all staff are familiar with the methods for creating and managing information. Information is recognised as an important organisational asset, and is shared and managed accordingly. Core IM and RM processes and responsibilities are defined and integrated into the life of the whole organisation and of every unit within it.

Local IM and RM champions are still present at Level 5, and are even more important. They are the local gurus, who keep their units up-to-date, and answer most "How do I…" and "Why…" questions. They feed comments, issues and problems back to the central IM and RM functions.

The Level 5 organisation has a clear strategy for continually improving records management, allocates the requisite resources and periodically reviews strategies, goals and outcomes. The central strategy is influenced by feedback from the local champions, so it has a strong "bottom up" element. It is propagated to each unit by the local champions, who ensure that the "top down" element of strategy is implemented successfully.

A Level 5 organisation has access to comprehensive information on its records and information assets at any time. This allows management to manage confidently, and means that the whole organisation can face changes and challenges proactively rather than reactively.

What should you do next? How can you best do it?

The next task is to assess your organisation's present situation and needs. See which level you are on now. Then consider adding systems like templates, procedures, or agreed methods of working. Your organisation may also benefit from tools including filing systems, software, or a formal Records Management system. Every organisation benefits from training, and a program of training and refresher training can show improvements in efficiency almost immediately. Finally, build a review and change process so that your IM and RM systems can respond to changes and demands both within the organisation and from outside.

Help is available from professional societies, university courses, consultants, and software vendors.

Find out where your organisation is

See which level your organisation is on now. If you are in doubt about identifying your level, obtain help from experienced consultants.

Ask yourself the following questions:

- Are you are aware of the regulations and legislation that affect your organisation?
- Does your organisation have policies and guidelines for IM or RM?
- Are people aware of their responsibilities as records creators and users?
- Is it "My information" or shared information?
- Has the organisation undertaken a records audit?
- Does your disaster recovery plan cover records and processes (not just IT)?
- Has your disaster recovery plan been tested?
- Can you locate the organisation's vital records? Can anyone else locate them?
- Do your offices look tidy or are there heaps of paper everywhere?
- How quickly can you find information when you need it?

Have you considered getting professional assistance? Who and what can help you?

The Records Management Society, the British Records Association, the Scientific Archivists Group, and the university courses at University College London, Aberystwyth, Liverpool University and Northumberland University can all provide advice, guidance and training.

Consultancies, ranging from the large international firms to individual practitioners are also good sources of advice and of practical help.

Software is available, and everything from small changes in your networking policies and the way you use Microsoft Windows Explorer, to specialist Records Management systems and Document Management systems can provide benefit.

Some web sites to consider include:

British Records Association
http://www.hmc.gov.uk/bra

Society of Archivists
http://www.archives.org.uk

Records Management Society (Great Britain)
http://www.rms-gb.org.uk

Audata Ltd
http://www.audata.co.uk

University of Liverpool
http://www.liv.ac.uk/lucas

The Public Record Office
http://www.pro.gov.uk

University of Wales, Aberystwyth
http://www.aber.ac.uk/olu/recruitment/courses/recman.shtml

University of Northumbria at Newcastle
http://online.northumbria.ac.uk/faculties/art/information_studies/index.htm

University College London
http://www.ucl.ac.uk/slais/courses/index.html

TOWER Software
http://www.towersoft.co.uk/contacts/index.html
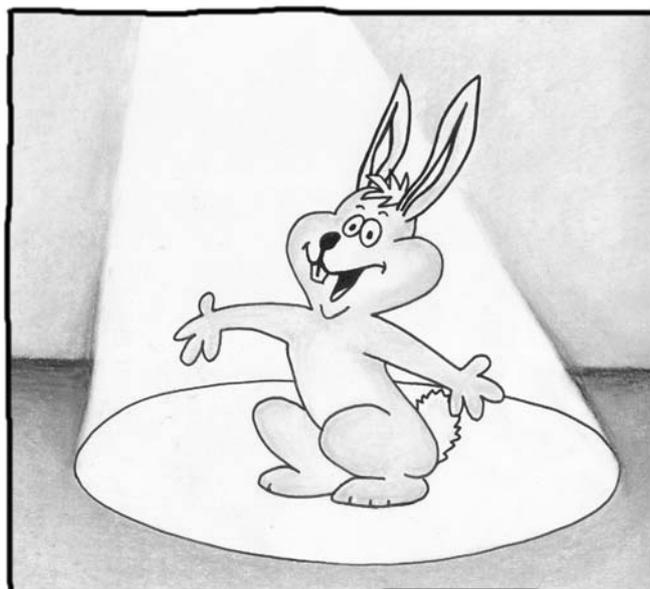
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