

## *Complying with Record Keeping Regulations*

A Strategic Point of View  
August 2004

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## *Agenda*

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<i>Design objectives</i>	5 min
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## Regulations: A Fact of Life

Regulations tell organizations how to manage records.

Examples (\*):

- Bell South needs a large staff to process close to 100 requests by law enforcement, daily.
- Western Union was fined \$8M for a delay in producing records under the PATRIOT act.



(\* Source: CIO Magazine Online Edition, Apr. 15, 2003

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## Key Strategic Idea

Opportunities arise if one sees compliance with regulations as more than overhead:

- Reduce the problems targeted by the regulations.
- Generate trust with outside observers other than the regulators.
- Port good practices from a regulated area to the rest of the organization.
- Exploit internally the information originally kept for regulators.

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## Benefits and Costs

Invest in record keeping where benefits outweigh costs.

### Benefits

From complying with regulations:

- Fewer disruptions to satisfy regulatory requests
- Avoidance of fines
- No bad publicity

From exploiting compliance for internal goals:

- Cost reduction
- Revenue generation

### Costs

Development costs:

- Putting in place the new record keeping

New ongoing costs:

- Additional security
- Additional redundancy
- Additional record collection
- Additional oversight

## Design Objectives

1. Collect complete records accurately and in timely fashion.
  - Understand how the information is to be recorded and how it "lives" from creation to archiving.
  - Implement consistent means for manipulating and accessing records.
2. Guarantee control over the records.
  - Avoid single points of weakness.
  - Help honest people avoid mistakes or fix them quickly.
  - Deter or track down dishonest people.

## Implementation Approach

To keep projects manageable, follow a staged approach.

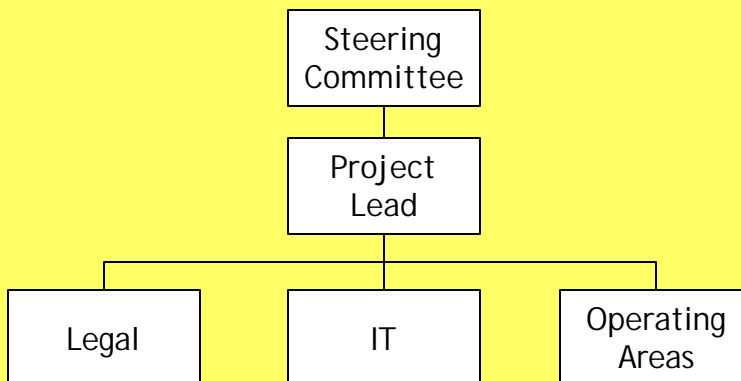
Stage 1:	Stage 2:	Stage 3:	Stage 4:
<i>Basic Compliance</i>	<i>Improvement and Expansion</i>	<i>Fully Integrated Record Keeping</i>	<i>Optimized Record Keeping</i>
<ul style="list-style-type: none"><li>• In 1 area</li><li>• Minimal solution</li><li>• Meet regulatory goals</li></ul>	<ul style="list-style-type: none"><li>• In 1 area</li><li>• In-depth solution</li><li>• Meet regulatory &amp; internal goals</li></ul>	<ul style="list-style-type: none"><li>• In many areas</li><li>• Shared solution</li><li>• Meet regulatory &amp; internal goals</li></ul>	<ul style="list-style-type: none"><li>• In many areas</li><li>• Shared and highly automated solution</li><li>• Meet regulatory &amp; internal goals</li></ul>

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## Getting Started

Form an integrated team.



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Discussion