



# FileTrail<sup>®</sup>

## eBook:

How Automation Makes IG Compliance Possible



# An IG Revolution is Underway

During the past 5 to 7 years, clients in highly regulated sectors have been rapidly advancing their risk mitigation initiatives. As a result, they've been issuing increasingly detailed information governance (IG) protocols. This onslaught of new IG requirements continues to create new and growing challenges for law firms

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Until recently, IG in law firms was primarily focused on chain of custody tracking, securing access to systems, and securing data. Without the external pressure felt in regulated industries, most firms never disposed of electronic documents nor destroyed physical records.

However, now they're being forced to rapidly enhance IG capabilities to accommodate the distinct and demanding guidelines of individual clients, reduce storage costs, and mitigate litigation risk by eliminating old documents and records.

Over 70% of Law Firms are currently using records management software that is outdated, unsupported or sunsetted.

# The IG Revolution is Here

## (But most firms are not equipped to handle it)

According to the IGI Annual Report, 94% of law firms name Records Management as a key part of IG, ranking higher than eDiscovery (86%), Risk Management (77%) and Compliance (88%)<sup>1</sup>.

Yet, it is estimated that over 70% of law firms are currently using records management software that is outdated, unsupported, or sunsetted.

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What's worse, none of these legacy systems ever included IG functionality — not even the most basic IG function which is application of retention policies against physical records and electronic documents.

In other words, the IG revolution is here, but most firms are not equipped to handle it.

As a result, IG compliance threatens to overwhelm law firms' resources, massively reduce productivity, negatively impact reputations, and undermine long-term profitability.

1 — "2015-2016 Annual Report." <http://iginitiative.com>. November 11, 2015.  
<http://iginitiative.com/tag/2015-2016-igi-annual-report>



# What's Behind the IG Shift

## Industry cooperatives are raising compliance requirements for law firms

Ultimately, new and evolving industry regulations surrounding healthcare data, financial credit information, and personally identifiable information are behind this IG revolution.

And the situation grows more challenging every year. Recently, law firms with European business were significantly impacted by the European Union General Data Protection Regulation (GDPR), which took effect in 2018.

One of the biggest factors driving law firms compliance is industry cooperatives, which are insisting on more stringent IG standards and practices. Leaders in regulated industries — like financial services, government agencies, and the insurance industry — are collaborating to identify risks and define policies and practices to address these risks and their interests.

For industries with common risk profiles and regulated or sensitive information, collaboration enables them to pool their experience, identifying risks and share successes reducing these risks. They're also sharing their lessons from data breaches, which have occurred internally or through vendor or supply chain incidents.

All of this knowledge is being used to create detailed information governance controls that are being adopted by the members of the consortium. These controls are supplied to law firms as Outside Counsel Guidelines (OCG), which are being included as part of engagements and subject to audits.

# IG Audits are Increasing Year-Over-Year

Industry cooperatives are collaborating in the contracting of auditors to assess compliance. Failing an audit can result in a law firm losing a client and even being blacklisted in that industry sector.

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Moreover, clients are increasingly adopting a Ronald Reagan-style approach to OCGs: “Trust, but verify.” Essentially, information governance and compliance doesn’t run on the honor system anymore.

Today clients are conducting detailed audits of their contracted law firms to validate that guidelines are followed, especially relating to how sensitive information is being handled.

Failing a client’s IG audit can have far reaching consequences. The audit mechanism employed by the cooperative may mean that the failure is shared with other firm clients or prospective clients who are members of the cooperative.

Failure may also mean that the firm is blacklisted as an unsatisfactory service provider for all member organizations.



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# IG Compliance Starts with Automated Disposition

## The Disposition Backlog

Almost all firms have ignored disposition of electronic documents for over a decade. And, only a handful are doing regular destruction of physical records.

### Because disposition isn't easy

In fact, it's incredibly complex and becoming exponentially more difficult every year.

During the past 10+ years, digital information has gotten easier to store, which has meant that the volume of data has begun growing at an unprecedented rate.

According to some estimates, its compound average growth rate is 61.7% — a rate that's expected to skyrocket higher over the next decade.

Not only do firms have to manage and track the retention and disposition of paper records, they must also keep up with rapidly growing digital records as well.

### Records are everywhere

Electronic records are stored in a number of places outside document management solutions: from SharePoint to shared network drives to individual computer desktops.

Physical records are stored onsite at numerous branch offices, as well as offsite storage facilities. It's not hard to see why tracking and managing records in so many different places has become almost impossible.

# IG Compliance is Incredibly Complex

Along with the dramatic growth in volume, information governance and compliance has become incredibly convoluted in today's industry- and government-regulated industries.

Many information security and governance stipulations are not consistently applied across all data in a legal matter. Oftentimes clients issue different management controls and retention for their client data versus the other information involved in a legal matter.

For example, some clients are requiring law firms to confirm the return or destruction of "client provided data" within 120 days of work on a matter, while other legal matter records may be retained for 7 years.

Moreover, many clients are now defining "key data" (i.e., very sensitive client information, such as service account details, employee information or business trade secrets). And, they're assigning very exacting limitations on it.

These limitations may include who's authorized to access it, the data's geographic location, and requirements for IT system controls (such as data encryption).

They're also stipulating the technology methods used to delete the data from a firm's IT system and confirmation methods for that deletion.



# Today Automation is Essential

In this environment, effectively instituting and following through with IG policies is a task that very few firms succeed at.

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While some firms try to tackle the issue of electronic records by rolling out electronic document management solutions, these systems simply don't address retention, much less solve the disposition problem across multiple repositories.

Ultimately, an effective IG program uses records management as its defining pillar. Today, the goal of an effective IG program is to manage and track all records in every repository.

Beyond physical records and electronic documents, this even includes transactional records, such as those found in AR, AP, and ERP systems.

Ideally, managing retention policies and disposition reviews should be done once, in a single software system.

Retention policies need to be granular enough to apply any variations from a client's OCG to the correct documents. Furthermore, all the steps within the software need to be automated so that nothing falls through the cracks. And, most important of all, audit trails and reporting must easily document compliance for a matter for all records and documents across all repositories.

A law firm's best strategy for success in IG is to thoroughly vet the available IG software. Create a roadmap, do a proof of concept, and compare the products side-by-side.



# FileTrail Automates IG in Every Repository

For over 20 years, FileTrail has developed and delivered advanced records management and information governance software for highly-regulated industries subject to strict compliance protocols.

Our purpose-built solutions are unique — offering out-of-the-box integration with key document management and business software systems and providing integrated workflow management tools — all with sophisticated reporting and dashboard capabilities critical to achieving true visibility and control over your environment.

FileTrail addresses critical IG, records and business management challenges, including:

- Automated disposition workflow to assure compliance with retention and OCG rules
- Retention for documents in common repositories, including document management systems, SharePoint, share drives, image servers, and more
- Workflows for inbound/outbound lawyers to help track and manager every step of the lateral client file transfer process

FileTrail software is best in class, providing

- A 100% browser-based experience, deployable either in the cloud or on-premises
- Intuitive UI with easy navigation, minimizes staff training and ensures rapid adoption
- Simple but extensive user access and permission configurability,
- Granular permission settings provide optimal control and effective cost management
- Native reporting enables staff operational visibility and management decision support



# FileTrail®

FileTrail is enabling IT, risk and information governance professionals at law firms and legal departments to manage compliance more effectively — even as more people than ever are working remotely and digitally.

FileTrail centralizes information management — providing visibility across all electronic repositories as well as physical records — and automates workflows for retention and disposition, so firms never keep data longer than necessary, while capturing an audit trail of activity and approvals.

It's time to move beyond records management. FileTrail is leading the way.

[www.filetrail.com](http://www.filetrail.com)