

Record Profits

Adding value with the power of strong
information management



grace:

Always more.

We always offer you more.

In an on-demand financial world, ensuring swift and secure access to information can mean the difference between closing a deal and losing it.

Efficiency of information management is affected by a range of obstacles that can go unnoticed, including document custody processes and regulatory requirements. Staying on top of these challenges is crucial. Not only does good information management ensure staff are well resourced but, more importantly, satisfies today's time-conscious clients.

Fortunately, solutions exist that take a multi-faceted approach to helping financial institutions improve their information storage and access. This report will address the key areas of weakness presented by current information management practices in the finance sector and evaluate the solutions.



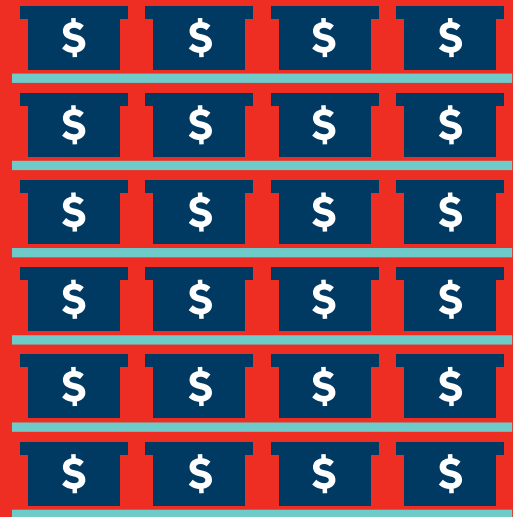
Where Money is Lost in Information Management

• Redundant Retention

Many organisations are aware of where their document retention obligations end, but are nonetheless unwilling to commit to sentencing schedules. There are a number of reasons for this, the most common being that large companies often can't be entirely sure what their archives contain – especially if those archives date back to the pre-digital era. From a liability perspective, the relatively small cost of ongoing storage is more than justified by the possibility that an arbitrary sentencing mechanism might accidentally destroy mission-critical documents.

One mortgage broker Client Services Officer that we spoke to (who asked to remain anonymous) reported that his company, despite only being required to retain paper documents for 7 years, had more than 30 years of records archived. "We keep everything," he said. Why not audit the documents? The time- and money-consuming task of going through the archives would require a financial investment equivalent to decades of static storage costs.

And yet the fact remains: this company is storing – and paying – more than four times what it should be under current retention regulations. And it's by no means the exception. The practice is common in the finance sector. Businesses are conscious of the significant amount of money being wasted, but can feel at a loss to know how to deal with it. Additionally, a complicating factor for many is whether their overcautious retention practices are putting them at risk of violating the Privacy Act. They are stuck between a financial rock and a legal hard place.



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• Data Security

The OAIC Community Attitudes to Privacy survey Research Report 2013 found that 49% of Australians are most reluctant to share their financial information – with the top four (71%) reasons for reluctance to share all types of information being privacy or security related.¹ With political and corporate data breaches frequently making headlines, being able to assure clients of absolute confidentiality is more valuable than ever.

However, this assurance is also one that is increasingly difficult to provide. Maintaining good sentencing practices is only part of the privacy picture. Another significant burden on financial organisations is the cost of securing the storage and transmission of client data, both physical and electronic. For physical archives, there are two major obstacles. In-house archives rely on companies themselves to maintain a level of security on premises that is costly and would otherwise be unjustified. Off-site archives, while more secure, can expose information to compromise during transit, especially over long distances where multiple handovers are involved. Very few information management firms have a secure chain of custody across all their delivery locations. Instead, when they have to deliver outside certain geographical boundaries or times of day, they outsource to contractors.

This adds one or more unnecessary steps to the information transmission process. While it may only increase the risk of breach by a slight margin, it elevates the risk of data loss significantly. "Complexity is fertile territory for error," says researcher Matthew C. Holtman.²



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When the human element in a system increases, so does the possibility that something will go wrong. More human involvement can also drive up costs because of the additional manual labour involved.

For smaller firms, the exposure to risk and cost is limited by more modest information volumes and a greater ability to keep records in-house. For larger organisations, the risk is greater. With the confidential information of thousands of individuals in their possession, a large-scale loss can have an ongoing negative effect on client confidence.

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1. Office of the Australian Information Commissioner, *Community Attitudes to Privacy Survey, Research Report 2013*.

2. Holtman, M. C., "Paradoxes of professionalism and error in complex systems", in *Journal of Biomedical Informatics*, Volume 44, Issue 3, June 2011, pp. 395–401

Speed of Discovery

The third major obstacle in financial information workflows is speed of access. Above, we mentioned how increased manual labour can increase outsourcing costs. The same pitfall exists within financial organisations themselves, where time spent in discovery can slow business processes and inflate overall expenses.

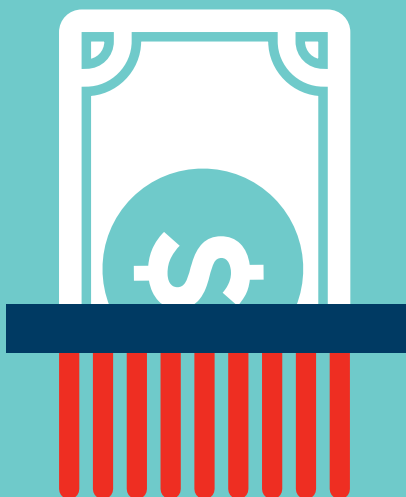
In a study published by the IDC in 2012, Melissa Webster exposed the amount of time information workers were spending just on document-related challenges: more than 11 hours per week – with 2.3 hours being spent looking for things that were never found. And even if they did find what they were looking for, she wrote, “[challenges related to collaboration added] up to seven hours of wasted time each week (or 14.2% of the workweek) at an annual cost of [AU\$10,629] per information worker”.³

³ Webster, M., (September 2012) *Bridging the Information Worker Productivity Gap: New Challenges and Opportunities for IT*, <http://www.idc.com>

Digitisation has progressed rapidly since then, revolutionising the way businesses operate, so we might expect efficiency of access to have increased accordingly. Not so, say the information management experts. Staff are still spending up to 30% of their day chasing down physical copies of documents. Delays that were once the result of a lack of automation are now caused by a dearth of information that is indexed poorly, or not at all.

Michael Dinh, an executive for Colonial First State, is clear about this difficulty: “In big financial organisations, it can often be challenging to track down what you need quickly. It’s a natural part of working with large systems. You know the information exists, but sourcing it takes time.”

The opportunity cost of unnecessary legwork is a burden on the industry as a whole. But more significantly, it has a major impact on response times – and therefore customer satisfaction.



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The Solution:
**Smarter, Stronger Information
Management**

To tackle the challenges of prolonged retention, security risk and time lost in discovery, the finance industry is increasingly turning towards information management solutions that operate beyond the scope of more traditional record-storage providers.

Experienced information management firms are conscious of the evolving legislative environment and are able to keep track of stored information over time, setting up retention and sentencing schedules that ensure destruction occurs when documents reach the end of their lifespan. These companies will also assist with proof of compliance, providing certificates of destruction that can be presented in the event of an official audit.

In terms of security, the best solution providers store and transport data according to the strictest industry standards. Their physical storage facilities are secured with advanced fire-protection and surveillance systems, with all employees undergoing a Police Criminal Security check before being allowed to handle client information. The same vetted staff also operate a secure fleet of vehicles and ensure that document chain of custody is unbroken by anyone outside the company such as a generic courier or other third-party contractor. Their digital offering should provide an administrative console with airtight security configurations, function-level verification on transactions, and application-level security that limits users to accessing only the functionality and data they need.

The secure in-house fleet and workforce model also helps good information-management companies deliver solutions faster, and with greater frequency. They are similarly speed-conscious when it comes to making their systems easy for clients to access and utilise, automating much of the document retrieval and management process. Interfaces are intuitive and responsive, with indexing that integrates seamlessly with that of their clients. A smart solution not only makes searching faster, but delivers information in a way that eliminates long wait times and the need for document reformatting.

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Benefits

A good information management solution provides benefits that directly address the major record-keeping challenges of the finance industry.

• Better Compliance

For most financial organisations, better management of client identifying information will have the immediate benefit of reducing information storage costs. Closer attention to sentencing schedules means that documents are less likely to occupy costly shelf space, allowing for a dramatic reduction in information storage overheads.

The other hallmark of a high-quality information management solution is the ability to ensure all of an organisation's records comply with the Privacy Act and other relevant legislation without significantly driving up costs. This is important, because it removes a simultaneous financial obstacle and legal Achilles' Heel for many businesses wanting to organise their records.

• Enhanced Security

With greater security comes a host of financial benefits. Minimised risk of data compromise is a powerful point of difference with competitors. A business that can assure customers that their information is safe is one that will stand out for all the right reasons in a privacy-conscious marketplace.

Storing information off-site also makes the physical cyber security of office premises less of a concern. Access to an organisation's full archives can be controlled entirely through administrative systems, reducing the burden on existing departmental separation practices or clean-desk policies.

• Greater Efficiency

Perhaps the most attractive benefit to most businesses is the dramatic increase in productivity and efficiency that comes from better information management. There may still be a wait time for physical documents, but that time is almost entirely taken up by the transit process, and no longer by staff searching in vain for files that may not even exist. With document retrieval outsourced, staff can get on with more productive, revenue-generating tasks.

A more streamlined and intuitive electronic document storage system also naturally increases information retrieval speeds. Off-site electronic information storage doesn't necessarily need to offer a higher transfer rate to be faster either – just the knowledge that all data has been consolidated inside a single system can greatly improve staff efficiency.

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Top 10 Questions to ask when looking for a solution

1. Will your documents be available “scan on demand”?

If you move your documents off-site, they need to be just as easy – if not easier – to access as they were when stored in-house. A good scan-on-demand solution should be able to retrieve the documents you need and deliver them in your choice of format within 3 hours.

2. Does the solution offer a low-cost audit?

A little-known fact about switching information managers is that the best ones will combine the relocation of your archives with a full audit of the files within them. This is an ideal way to discover which files are no longer needed and reduce your overall storage costs.

3. Is the solution flexible and customisable?

Information management needs vary widely across businesses. Rather than asking you to choose a pre-packaged option, the best providers will consult with you to tailor a storage and retrieval solution that adapts to your needs, even if those needs might change over time.

4. Does the solution integrate with your existing system?

You don't want to have to retrain your staff to use a new indexing system. The ideal information management solution uses your existing organisation system and allows you request retrieval using the same filing references you've always used.

5. Is the electronic retrieval process fast and easy?

Many information management companies are able to deliver your files fast, but the system you use to request that data can be cumbersome and slow. Make sure your partner allows the right people to retrieve files easily, from any device, at any time of the day or night.

6. Will your stored information be secure?

Security is a non-negotiable element of information management. Your partner's storage sites need to be equipped with the best fire protection systems, back-to-base intruder detection, and 24-hour surveillance. Employees should also all be police-vetted.

7. Is chain of custody unbroken to all your locations?

Chain of custody is crucial to information security. To reduce the risk of a data breach or loss, ensure your information management partner uses their own fleet and staff for an unbroken, GPS-secured chain of custody to all your locations – urban, suburban and rural.

8. Is physical delivery available multiple times per day?

It's not always possible to plan ahead. A good information management partner understands this and will provide you with the option to have documents delivered more than once per day. They'll also allow you to collect directly from their storage facility if necessary.

9. What is the scope of digitisation services on offer?

Your information management partner should provide a full range of data capture solutions, with OCR, ICR and data entry indexing – helping you automate your business processes and ensuring the fastest possible access to important data.

10. Will the solution streamline your information lifecycle?

The best information management partners will actively help you limit costs and stay compliant by setting up destruction schedules for your documents. They will also always check with you before they shred anything, even if destruction has been pre-arranged.

The Grace Advantage

With over 50 years in the business, Grace is uniquely qualified to deliver excellence in information management.

Grace provides solutions for the full range of financial sector requirements, from storage and indexing to retrieval and destruction. Here are the advantages your business will enjoy with Grace:

- Expert consultants to assess the precise needs of your business and tailor solutions that address your specific information management challenges.
- The speed, convenience and security of 26 information management centres across the country – more than any other provider.
- Many facilities are protected by state-of-the-art safety systems, including sprinklers and fire doors – all linked directly to the local fire brigade. Plus, electronic intruder detection with back-to-base alarms.
- Complete and customisable cataloguing, indexing and sentencing solutions for projects of any size, right across the country – with information management software that gives you total control from any device.
- A scanning and digitisation process to make searching and retrieval as fast as possible. Digital files are audited to ensure 100% accuracy, and can be delivered in any electronic format or securely hosted in Grace's online data repository.
- Fast and flexible retrieval, with a standard service that delivers documents twice per day, urgent scan-on-demand services that respond within just 3 hours, and the option to personally retrieve information on site.
- The only secure chain of custody in the industry that spans the entire country. With GPS-tracked vehicles and police-checked staff, your documents never leave Grace's sight. Their client-anonymous indexing system also ensures your confidentiality at all times.
- Real-time tracking of your documents, from anywhere in the world.
- Secure destruction of documents (either on schedule or on demand) that operates under a strict authorisation process, protecting against both accidental data loss and unnecessary storage terms.
- Innovative solutions that recruit Grace's commercial and fine-art removals expertise to cater to a wide variety of unique business requirements.

Contact Grace today to find out how their specialised information management solutions and integrated services can help you. Visit www.grace.com.au/information/contact-us for your nearest office.

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