

## Managing Legacy Data

Presentation by Dan Bayha of Back Thru The Future

*Portions of this article are provided with permission from Back Thru The Future*



*Above: Dan Bayha, V.P. of Back Thru the Future displays a certificate of appreciation from ARMA NNJ after presenting "Managing Legacy Data" on May 20th.*

**D**an Bayha's presentation focused on a critical area of information management and the destruction of storage media. A liability exists if a company stores records that are obsolete. Did you know that State and Federal privacy regulations discourages the retention of personally sensitive information? Storage of data media and devices is expensive and unnecessarily retained data inflates litigation costs. First of all, what is Legacy Data? Legacy data is stored data that is no longer a part of your active information systems. It can reside on

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backup tapes, obsolete or defective hard drives, floppy disks, CDs, ZIP drives, an obsolete or out of use cell phone or PDAs.

The principal challenge for most organizations is identifying what information must be retained and what may be defensibly eliminated. In many cases organizations have been accumulating legacy data for multiple years and the task of cataloging the legacy data appears overwhelming. Just look at these numbers:

- It cost 8¢/month or 96¢/year to store a single tape off site.
- It costs 25¢ to destroy a single tape resulting in an annual savings of 71¢/tape.
- The storage savings in the first year for 10,000 tapes would be \$7,100.00.

When gathering legacy data, keep the following acronym in mind: S.I.I. which translates to: *Segregate* all to be destroyed data from other to be disposed of data. *Inventory* - Initiate the chain of possession records. *Isolate* - Isolate the inventoried items so as to prevent unauthorized removal of an item from the disposal process. Lock these items in a securely controlled area within your facility.

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The NIST publication is considered the authoritative “how to destroy recorded data” source publication. It breaks down the tools available to destroy recorded data on each type of media into categories: Clear=Good, Purge=Better and Destroy=Best. Best is absolute destruction, while Clear and Purge vary according to media type. Back Thru The Future provides shredding, which is not only an absolute destruction technique, but it also is typically the least expensive solution.

Outsourced destruction may take place as mobile shredding performed in a truck at your facility, or at a remote plant based facility. In either case, it is necessary for the shredding activity to generate an auditable record of chain of custody and disposal.

The actual destruction event should be documented with a certificate of destruction, which confirms date of destruction, quantities of devices or media destroyed and a statement as to appropriate disposal of the shredded material.

Mr. Bayha brought with him a sample of his company’s finished product, a container of shredded computer hard drives shown below:



*Above:* A container of destroyed computer components courtesy of Back Thru The Future.



Does *your* company destroy legacy data? Do you have a retention schedule? Why not share your answers with other members of ARMA NNJ? We’ll print answers to our question in the next issue of our newsletter. Send an email to our newsletter staff at [NNJNews@ARMANNJ.ORG](mailto:NNJNews@ARMANNJ.ORG)



*Above:* Ilana Lutman, V.P. of Programs at ARMA NNJ lets one of our members pick the winner from the 50/50 jar.



*Above:* The winner of the 50/50 was Angela Dzikowski, Director at ARMA NNJ, who won a software package and the cube pictured left.



*Above:* Members of ARMA NNJ enjoyed a sit-down dinner before the presentation.



# Book Review

by Seth Beim

Director, ARMA NNJ Chapter

## “Winning Strategies for Successful Records Management Programs”

Written by, Dr. Mark Langemo. CRM, FRI

I recently borrowed, Winning Strategies for Successful Records Management Programs from the chapter library. This is an interesting book written by Dr. Mark Langemo, a well recognized records management expert who consults and lectures on the subject around the world. The book covers a wide variety of topics starting with an overview of the basics such as records management fundamentals, its importance to an organization and elements of quality records programs. Later chapters cover more specific areas and touch on topics including records software, retention programs and managing programs and motivating personnel.

The first few chapters offer overviews of successful records programs and the elements that make them work. Subsequent chapters identify what their organization currently has in a place for a records program, then offers steps and strategies to implement and make improvements. There are chapters for specific areas of the field such as working with electronic records, imaging, microfilm and inactive records storage. Details on what has proven to work the best, and the steps for carrying out strategies are included for each topic as well as suggested sources for additional info.

Dr. Langemo did a good job keeping the writing fresh and the content engaging. This reads more like a “how to” than a textbook. It offers straightforward suggestions, honest advice and best practices from someone with firsthand experience. The details are clearly presented with easy to understand examples, lists, and section summaries. This book also applies to sections of the CRM exam. I used this book as a study resource and find quite a bit of information which showed up on the test. Anyone interested in learning how they can make improvements to their records program would be interested in reading this. As you review books available to

borrow from the chapter library (at no charge), I recommend you check this one out.

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## LIBRARY NOTES

By *Scott Bowker, CRM*

*ARMA NNJ Chapter Librarian*

The Chapter Library has received several donations in May. Seth Beim, an ARMA NNJ Board member, has graciously given the Library his copy of Information and Records Management, Document-Based Information Systems. This is one of the premiere textbooks for our industry and is also a key resource for the CRM exam. Our original copy was misplaced and Seth strongly felt that this book needed to be available for everyone in the Chapter to use. Since it is out-of-print, it would have been quite expensive to obtain from Amazon.com or other used books dealers. Seth's donation allowed us to purchase new material while having this valuable resource available to all of us. Seth also donated a large number of articles and other publications. After I get this organized and indexed, it will appear on our Library listing as CRM Study Materials.

Please let Seth know how you feel about his generous donation when you see him at the next chapter meeting!!!

## ARMA NNJ Chapter Lapel Pins



We have received our brand new ARMA NNJ chapter lapel pins! They were designed by our newsletter editor, Christopher Reilly and are 1” round with our logo. They have a butterfly clip on reverse side. Please stop in at our season finale meeting on June 17th and receive your chapter pin!

## Chapter Newsletter of the Year

We are pleased to announce that the ARMA NNJ ARMAazing News has been submitted for consideration for ARMA Chapter Newsletter of the year! The September 2008, January, April and May 2009 issues were submitted before the June 1st deadline. First prize is a trophy and recognition presented at the international convention in Orlando in October. This is a first for ARMA NNJ chapter and we couldn't have done it without all our members.

*The following is the winning essay by Charlene Peacock for the ARMA essay contest. The subject was "Records Management Methodology and Retention Schedules"*

Charlene Peacock

17:610:534 Records Management

Subject Paper

December 18, 2008

revised May 21, 2009

A records retention schedule ensures that an organization's records are kept for the optimal amount of time and it prescribes appropriate types of disposal. Without a retention schedule, organizations not only waste valuable time and money, but they also risk legal liabilities. This paper discusses three main methodologies for developing a records retention schedule and provides guidelines for choosing a methodology. It then describes how one of these models is appropriate for small businesses to adopt. A process by which small businesses can establish a retention schedule is outlined.

### **Discussion of Three Main Methodologies**

One methodology for developing a records retention schedule is cost-risk-benefit analysis. The motivation behind this methodology is to determine how helpful or harmful keeping certain records may be to an organization in the event of legal action. Some of the questions a records manager might consider during a cost-risk-benefit analysis are whether the records "have ever contributed to the successful or unsuccessful legal defense of the company, how often this has occurred, how old the records were, and what the financial aspects of the settlement were" (Robek, Brown, & Stephens, 1995, p. 58). Through this process a records manager is able to examine and compare the potential

costs (financial and other) of both retaining and disposing of certain records while weighing the benefits and risks of retention. While it may not be pleasant to imagine possible legal threats to the parent organization, it is the records manager's duty to help protect the company from such dangers.

This type of analysis encourages the records manager to carefully consider the records under his or her control. One positive outcome of this methodology is that the records manager will gain a more intimate knowledge of the value of the organization's records, as well as the organization itself. Another benefit to using this strategy is that it gives the records manager an effective tool for approaching upper management with a retention plan. A proposal for a records retention schedule might be met with quicker approval if presented in terms of money lost or gained by the company.

One disadvantage to utilizing the cost-risk-benefit analysis methodology is that it is not designed to "justify retaining certain records because of statutory or regulatory requirements" (Robek, Brown, & Stephens, 1995, p. 57). Documentation of legal research and compliance should be intertwined with the records retention schedule in order to offer strong legal defense. This methodology does not provide the strongest link between a retention schedule and the legal reasoning behind it. Another disadvantage of this model is that it could be very time-consuming to carry out, especially with a large collection of diverse records series.

A second methodology for developing a records retention schedule is the Skupsky Retention Method, designed by Donald S. Skupsky. The goal of the Skupsky Retention Method is to achieve consistent and accurate retention periods and practices in a time-efficient manner. It is largely designed to prepare companies for eventual litigation. The driving force behind the method is prevention of unnecessary costs related to providing records for audits or document/electronic discovery.

There are several benefits to implementing the

Skupsky Retention Method, but only three will be mentioned here. One is that it saves the records manager time by grouping together records that serve similar functions of an organization. For example, all records relating to a real estate company's advertising functions would be grouped together. A second advantage of this method is that it places legal requirements in categories that are associated with specific retention periods. Managing a few large groups of similar legal requirements is easier than grasping many individual laws and regulations. The third positive aspect of the Skupsky Retention Method is that it establishes solid legal research and documentation.

As with all complex systems, there are some complications present in the Skupsky Retention Method. One of these drawbacks is that the process involves creating four interrelated files with potentially hundreds of codes. As collections of records grow, the intricate system could become difficult to manage. Indeed, Skupsky (1994) notes the possibility of encountering a new record series that "does not fall into any existing retention category" (p. 81). A second disadvantage of this model is that it demands knowledge of sophisticated database development and index creation. Only companies with strong technology resources would be able to implement the Skupsky Retention Method.

The third methodology an organization may consider for developing a records retention schedule is the "big bucket" approach. This method prescribes the aggregation of records into "buckets" based on a particular business process they serve. Each large bucket is assigned a retention period based on the longest one present among all the records. Using a software company as an example, all records relating to the process of customer/technical support would be grouped together. Phone recordings may have a retention period of three months, and customer service representatives' notes may have a retention period of six months. The whole bucket would therefore be assigned a retention period of six months. The main goal of the big bucket methodology is to reduce the number of record series that need to be managed. Another motivation for big buckets is to make it easier for users and automated

technology to classify records into appropriate categories of retention, thereby increasing compliance.

One benefit of the big bucket methodology is that it facilitates the incorporation of all media types into the retention schedule. When thinking about larger processes, rather than distinct types or formats of records, it is more natural to extend the series to include electronic records, such as e-mails. Another valuable aspect of big buckets is that it creates fewer series for a records manager to control, an effective time- and cost-saving measure. The method also eases the maintenance and updating of retention schedules.

One logistical drawback to the big bucket approach, mentioned by Cisco (2008), is that "organizations will be unable to locate, retrieve, or dispose of records when needed if the retention schedule is less granular" (p. 34), in other words, if the buckets are too big. Another disadvantage is the risk of retaining some records too long because they are grouped with records assigned longer retention periods. This scenario could have legal implications.

### **Decision-Making Process for Selecting a Methodology**

When deciding how to approach the development of a records retention schedule organizations must make several considerations. One methodology will work better for one organization than another. The process of deciding which methodology to select may be broken down into three steps.

Step 1: consider the attributes of the organization

- arena (academic, corporate, government, etc.)
- industry (medical, banking, transportation, etc.)
- size (number of staff and number and location of offices)
- culture (conservative, tolerant of risk)
- amount and nature of records
- resources (staffing, technology, legal, etc.)
- growth potential

Step 2: assess the primary and secondary goals of the retention schedule

- legal protection
- streamlining of business operations
- efficient management for cost savings
- compliance with industry regulations

Step 3: consider how the retention schedule will be developed

- timeline
- availability of staff
- strength of resources

The organization should analyze several possible methodologies to determine which one, or perhaps which combination, most effectively matches its attributes and meets its goals.

### **Establishing a Records Retention Schedule for Small Businesses**

Small businesses play a vital role in the American economy. While small businesses vary in many ways (size, industry, goods, and services), most of them will not have a dedicated records manager on staff. Nonetheless, records need to be controlled, so a small business owner or office manager should take the initiative of establishing a records retention schedule.

The big bucket methodology is best suited to small businesses. The general concept is easy to comprehend. The process is simple and efficient. Most small business owners would probably find the Skupsky Retention Method too complicated, with its relational files, cross-referenced codes, and need for database management. The Skupsky strategy of grouping similar legal requirements for retention purposes, however, would be beneficial for a small business to implement. Likewise, a certain amount of cost-risk-benefit analysis

would serve a small business well.

There are two definite advantages to the big bucket model for small businesses. One is that small businesses tend to specialize in a particular good or service. Therefore, the number of “processes” related to the company will be limited. For example, a small business that specializes in stationery products might have processes relating to sales, payroll, advertising, and purchasing. With few processes, the business would only have to manage a small number of record series. A second benefit to big buckets is that it provides flexibility if a business grows. The number of staff could double, and the amount of records could triple, but as long as a small business retains its core processes, the big bucket retention schedule will be useful.

To guide a small business in establishing a big bucket retention schedule, this paper outlines the following seven-step process:

1. Form an alliance of consultants.

This group should include key staff members of the business, a lawyer, an accountant, an information technology professional, and perhaps a peer from a local business association. Consultation with this group should occur through all phases of the process.

2. Determine the expected outcomes of the retention schedule.

Discuss the overarching goals of establishing a retention schedule. Also consider what form it will take, how often it will be updated, who will have access to it, and who will be expected to enact the schedule.

3. Perform an inventory of physical and electronic records.

This step will lay the groundwork for the schedule by identifying such areas as the office of record, the location(s) of records, existence of duplicate records, and possibilities for streamlining operations.

4. Form record series according to business processes.

Identify core processes, sub-processes, and documents generated during workflow.

5. Conduct legal research.

Research statutes of limitations at federal, state, and municipal levels. Identify compliance information managed by the United States Small Business Administration, in addition to any industry-specific rules. Document research along the way.

6. Draft and approve schedule.

Assign retention periods according to the longest period necessary in a given “bucket.” Include statement of records management policy. Legal counsel and staff members responsible for complying with the retention schedule should approve it.

7. Implement and maintain schedule.

Update schedule on a regular basis to reflect changes in laws and regulations or business processes.

The successful management of the records of any organization depends on a thoughtfully planned records retention schedule. While there are several models for developing a retention schedule, including cost-risk-benefit analysis and the Skupsky Retention Method, the “big bucket” methodology is particularly well suited for small businesses. The seven-step process outlined above, which incorporates the big bucket approach, will help a small business establish a legitimate records retention schedule to improve efficiencies and help provide protection in the event of legal action.

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