# Due Diligence in the Digital Era:
## Navigating post-acquisition transitions with Information Governance

By Anita M. Bozzi, Esq., BlackStone Discovery

## INTRODUCTION

In modern mergers and acquisitions, due diligence requires a closer look at the information assets held by both the target and the acquiring entity.  Increasingly, information governance principles help decision makers understand the level of risk and utility associated with data.  **A well-designed data map helps align the objectives of stakeholders and policymakers, increasing the efficiency of departmental and company-wide initiatives.**  After completing a company wide data map, the organization can better leverage its information assets to increase return on investment (ROI), eliminate waste, and support upgrades to its infrastructure.  This case study provides some real world examples of value realized in the data mapping process and explains how any organization can better define its core principles of data and risk management by partnering with a knowledgeable and experienced information governance service provider.

The development or refinement of an Information Governance and Litigation Readiness (IG|LR) framework typically begins with a data map.  The data map serves as an organization's first source of truth in evaluating and optimizing the management of its data assets. Most frequently, a data map is commissioned to develop a defensible policy for the preservation and production of information whenever it's necessary for litigation or investigation.

For organizations that litigate infrequently, adoption of a proactive IG|LR policy adds value through infrastructure, organization, and as a tool for risk management, leaving the company well-positioned to handle any legal matters that might arise. Keeping pace with growth and the global advancements in technology requires an organization to intelligently integrate new tools with other vital systems and to properly manage legacy or inactive data.

Mapping data sources creates visibility to key resources and is essential to monitoring smart growth.  It gives organizations a baseline for defining what is valuable, among a class of assets that must be frequently re-evaluated for utility and relevance.

This case study describes the drivers and synergies uncovered from matching an organization's needs with best practices in data management.

## THE CLIENT AND THE CHALLENGE

Following an acquisition, our client, a global apparel and accessory manufacturer, faced a series of manufacturing and enterprise resource upgrades across four international plants.  Its financial software was almost entirely replaced by a new SAP suite of tools.  At the same time, their entire system was upgraded to meet Payment Card Industry (PCI) compliance for transactions performed via its web-based and in-store retail tools.  From the IG|LR perspective, the company needed a way to document and

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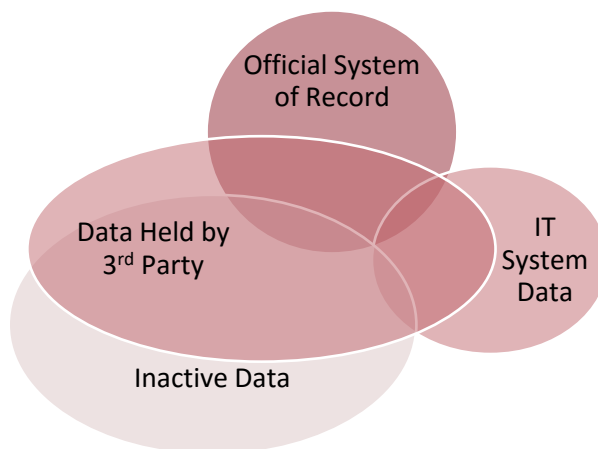
1

understand the changes within its consolidated data profile, manage a changing set of technology tools, efficiently dispose of now legacy data sources, and to track ROI on post-acquisition investments and integrations.

When faced with a decision to purchase or replace software and systems administrators in IT, Legal and upper management want detailed, accurate financial metrics outlining the potential risk and return on short- and long-term digital assets.  Yet there are plenty of other considerations that inform the business case for technology decisions, including performance, compatibility, and security. An organization must take into consideration the proper methods for asset tracking, deprecation of inactive data and outdated systems, data migration, as well as compatibility for integrations and automation, and increased demand on system resources.

A constant challenge arising from the pace of technological advancement is an increase in the number of data sources to manage.  There are a variety of ways that business units procure their technology tools, but they seldom have a useful method for tracking those tools. This particular client had several business units that purchased self-service Software as a Service (SaaS) and cloud data tools outside of the purview of IT, procurement, and management oversight.

Consequently, this client was faced with an incomplete picture of its data assets, plus a corporate mandate to "clean house" by locating and disposing of inactive data.  To guard against breach or loss of valuable information, stakeholders needed a reliable way to flag any data sources containing financial information, IP assets, Personally Identifiable Information, or competitive intelligence.

**Overlap of Data Characteristics, by Attribute:**

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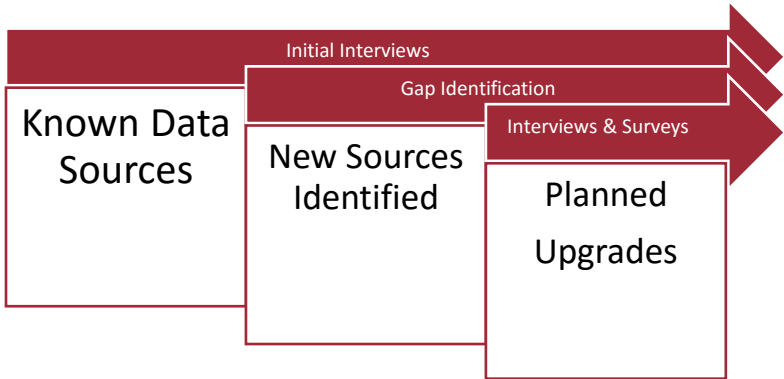
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## THE SOLUTION

At a loss on how to tackle this multi-faceted challenge, the company hired BlackStone Discovery to build an Information Governance framework with a data map at its foundation.  In this instance, the data map provided a detailed inventory of information assets on hand, any instances of redundancy or under-utilization, and the expected lifespan of those assets deemed relevant. The immediate result was a more informed dialogue about the company's data profile.  The long-term benefit of the data map has been its authority as a single source of truth for business units, Legal, and IT to communicate and better understand the requirements for each group of assets and stakeholders.

Risk assessment, management of network and transactional security, compliance reporting, eDiscovery, and the costs of storing inactive data are chief among the concerns of almost any organization. An effective data map addresses these worries while also classifying the type of information known to be contained within a data source. It pinpoints sources that may be outdated or will require special handling to protect or meet compliance obligations and secure against breach or other loss.

## BUILDING A DATA MAP

To begin building the data map, BlackStone Discovery conducted a series of targeted surveys, email questionnaires, and telephone interviews that were informed and expedited by automated exports of key client data sources.  **This approach uncovered an additional 100 data sources in use throughout the organization that were previously unknown and unmanaged.**  As partners in management of the data map, Legal and IT had a way to periodically validate the information held by each source, designate an official contact or business owner, and monitor each newly discovered data source.



Initial Interviews

Gap Identification

Interviews & Surveys

Known Data Sources

New Sources Identified

Planned Upgrades

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3

The reach of the data map initiative provided a more complete picture of user behavior and data sources that were not officially tracked by IT. Even where decisions about data management and new technology acquisitions are made independently, whether by business units or Legal, procurement policy can be proactively structured to comply with relevant organizational standards.
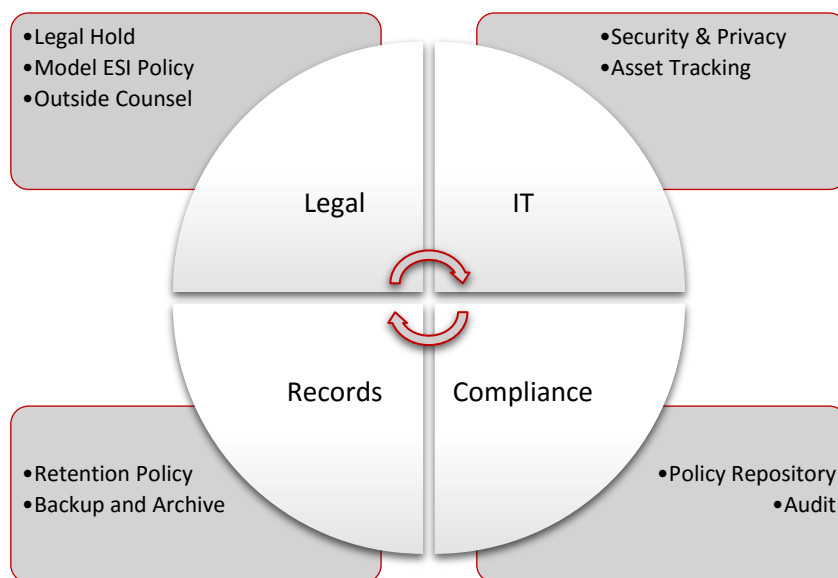
In this case, to validate the information collected through interviews with Legal, IT and 3rd party data managers, the data source custodians reported key details about each source and whether it contained security, financial, compliance or personal information.

## PUTTING THE DATA MAP TO WORK

The data map included a classification of data sources into key groupings, for sensitive, 3rd party, and inactive data.  It provided the necessary data points to implement an updated records retention, archival, and disposition policy.

The data map informed the design of a defensible data disposition policy, which resulted in minimized storage costs and risk associated with inactive data. The information from the data map was used by Records Management to establish a required period for the retention of all formats and classes of data. With the information provided by the data map and updated retention schedule for each data source, IT had the ability to roll out the enhanced and defensible disposition policy.  IT was also able to track the "end-of-life period" for each data source and calculate the total cost of access, storage, and security, including the potential cost of a breach or loss.

**Overlap of Goals and Objectives Among Business Units**



Legal
- Legal Hold
- Model ESI Policy
- Outside Counsel

IT
- Security & Privacy
- Asset Tracking

Records
- Retention Policy
- Backup and Archive

Compliance
- Policy Repository
- Audit

## CONCLUSION

A company in transition was able to navigate the numerous challenges that followed their acquisition with an upgraded information governance infrastructure. The information provided in the data map increased the awareness of system resources and user needs and fostered dialogues about key Legal, IT, and Security initiatives throughout the company. The information governance framework allowed for long range data management planning while supporting current organizational priorities. Our client continues to use the data map to shepherd all of its digital and physical information assets into compliance, as it continues its post-acquisition success.

*Additional Resources:*

*The Sedona Conference Commentary on Finding the Hidden ROI in Information Assets. February 2011 Version.*

*https://thesedonaconference.org//publications*

*ISACA. Enterprise Value: Governance of IT Investments*

*https://www.isaca.org/Knowledge-Center/Val-IT-IT-Value-Delivery-/Documents/Val-IT-Framework-2.0-Extract-Jul-2008.pdf*

## ABOUT THE AUTHOR

*Anita M. Bozzi is the Director of Information Governance & Litigation Readiness at BlackStone Discovery where she guides clients at the intersection of legal obligation, data policy, and technology solutions. Anita holds a Bachelor of Arts degree in Policy Studies focusing in Government and Economics from Syracuse University, a Juris Doctor from Golden Gate University, School of Law, and is permitted to practice in California. Anita also served as a panelist and drafting member of the Sedona Conference (Working Group 1).*

*With over a decade of experience in the eDiscovery space, Anita is well-versed in eDiscovery technology, complex litigation, and large scale discovery efforts through the entire case lifecycle. The solutions developed by Anita for BlackStone Discovery's clients include data maps, document retention policies, exiting worker policies, model ESI agreements, litigation hold systems, data classification and early case analyses, and analysis tools. These solutions are tailored to the client's unique data and legal landscapes and are developed to be cost-effective, defensible, and enduring.*

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5