

EIGHT DIAL MOVERS: STRENGTHENING INFORMATION GOVERNANCE IN THE OIL AND GAS INDUSTRY

BRIEF

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Do you wonder how successfully you are managing your information? Do you look to peers for comparison and validation? This year, Oil and Gas Records and Information Governance professionals have a new window into what others in their industry are doing. In addition to underwriting the Information Governance Benchmarking Survey Whitepaper from Cohasset Associates, ARMA and AIIM, Iron Mountain has also commissioned an analysis and report of the survey data for the Oil and Gas Industry.

The 2013 - 2014 Information Governance Benchmarking Survey for the Oil and Gas Industry examines the survey responses of more than 120 professionals in order to provide benchmarking metrics on information lifecycle practices. It also compares Oil and Gas responses to the findings of all 1,400 people who took the survey, irrespective of industry, to give an indication of the maturity of Information Governance (IG) in your industry. Recommendations are provided for modernizing IG so that you can formulate internal action plans and develop communications about your program's strengths and opportunities, with facts to support your strategy.

OVERVIEW

This brief is a companion piece to the 2013 - 2014 Information Governance Benchmarking Survey for the Oil and Gas Industry. Written by Iron Mountain subject matter professionals in Oil and Gas Records and Information Management (RIM), this brief provides our view of two "big takeaways" and eight potential "dial movers" for strengthening Oil and Gas RIM/IG. It also incorporates Oil and Gas industry trends along with the challenges and opportunities that these present. Iron Mountain services almost all of the Super Majors and 90% of the Majors and we share this experience as it relates to the findings.



RIM PROGRAMS ARE ESTABLISHED AND ACTIVELY SUPPORTED BY MANY SIGNIFICANT GROUPS WITHIN THE ORGANIZATION.



of respondents mostly or strongly agree that they have a program in place and they have a retention schedule in place, more than the broader population of respondents.



of Oil and Gas respondents have updated their retention schedule within the past three years and **79% mostly or strongly agree** that it is clear and easy to interpret while **85% mostly or strongly agree** that it is media neutral (applying to both paper and electronic information).



There are high levels of engagement and support from Legal (**89%**), Compliance/Regulatory Affairs (**83%**), Privacy and Data Protection (**86%**), Risk Management (**74%**), Internal Audit (**81%**), their RIM Governance Steering Committee (**77%**), and their RIM network (**86%**).

HOWEVER...



of Oil and Gas respondents report that they have a mature cross-functional RIM governance structure or improvement currently underway.



of Oil and Gas respondents mostly or strongly agree that they have Executive Management support.



of Oil and Gas respondents report that they have a mature comprehensive strategy to guide future RIM direction or have improvements currently underway.



POTENTIAL DIAL MOVERS

When you look at actions you can take to improve areas in which your organization lags behind others, and areas in which your industry lags behind others, you want to look at actions that can give you the most “bang for the buck” – we call these the “dial movers.” Dial movers, when strengthened, often positively affect other program metrics. Dial movers related to Takeaway #1 include:



Cross-functional RIM Governance Structure: The Cohasset 2013 - 2014 Information Governance Benchmarking Survey for the Oil and Gas Industry report points out that the purpose of a cross-functional RIM governance structure is to provide: direction and oversight, sponsorship for resources, funding and leadership to engender organizational buy-in. Organizational sponsorship, buy-in, resources and funding can significantly increase the success of RIM and IG program goals and initiatives. A cross-functional RIM governance structure (a structure that contains IT, Legal, Compliance and RIM as well as both Upstream and Midstream business units) is a dial mover.



Executive Management Support: Although respondents also reported less engagement and support from Mid-level Management (59 - 61%) and workforce employees (50 - 51%), it is Executive Management that has the most influence/ability to drive the behavior of others throughout the organization. So, increasing Executive Management support is a dial mover.



Comprehensive Strategy to Guide Future RIM Direction:

The Cohasset 2013 - 2014 Information Governance Benchmarking Survey for the Oil and Gas Industry report points out that "information governance requires a strategy that aligns with the organization's priorities and goals. The strategy must focus on achieving significant business value and/or risk reduction." If you seek insights to help you evolve or develop a comprehensive strategy to get you from where you are today to where you want to be tomorrow, that delivers real business value, Iron Mountain's Records and Information Management RIM360^{OTM} website content provides new thinking and proven practices from many organizations like yours (<http://ironmountain.com/records>).

A RIM strategy that aligns with your organization's business or risk reduction goals, and a plan to implement it, is a dial mover. It can be a very powerful dial mover by providing your Senior Management with visibility to the alignment of RIM and IG with the organization's business goals and value delivered, thus setting the stage for increased Senior Management support.



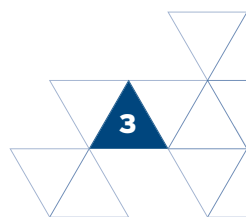
Legacy records – Protection, Access and Retention:

A strategy and plan to work with EandP and midstream middle management, records coordinators and database technologists to collect, image and index these legacy physical records directly contributes to significant business value. Wrapping these records into a RIM program is essential. The continuing evolution of technology on exploration and production promises prolonged, increased value of legacy Oil and Gas assets that likely merit retention of these records in perpetuity. You don't need to look very far into the past to find assets, once deemed to have little value, that are now vitally important due to advances in technology.

While the impact of industry trends (see page 4) is not directly called out in the Cohasset 2013 - 2014 Information Governance Benchmarking Survey for the Oil and Gas Industry report, the value of guidance and collaboration from a cross-functional Information Governance or RIM Steering Committee is highly recommended. Alignment with your organization's business goals, in the context industry trends and their impact, can increase Senior Management visibility and support. It is a dial mover.

Iron Mountain's
Records and
Information
Management
RIM360^{OTM} website
content provides
new thinking and
proven practices from
many organizations
like yours.

Find out more at:
<http://ironmountain.com/records>



IMPACT OF ENERGY MEGATRENDS

Three megatrends are driving significant change in the Oil and Gas industry. **Two of them, the rapid increase and deployment of technological, and the rapid expansion of drilling and production,** are driving the creation of the “digital oil field.” The industry is rapidly modernizing and moving to the digital world of “big data.” These trends are also creating a tremendous increase in the value of legacy data and records. Information that is only contained in legacy records enables assets including land and wells, previously thought to be depleted or of little value because it wasn’t economically feasible to access nonconventional reserves, to be re-evaluated and monetized. Now the rush is on. The rush to get a better picture of assets were bypassed or abandoned in the past and make quick business decisions about deriving revenue from re-exploration (e.g. using hydraulic fracturing and/or horizontal drilling), leasing, sale, etc.

These decisions drive big revenue. Rapid and complete access to all of the relevant data makes these business decisions better – decisions that result in hundreds of millions or even billions of revenues. Exploration and production organizations have invested heavily in specialized applications, such as a Geographical Information System (GIS) or other content management applications, to provide rapid and complete access to information.

However, a significant amount of relevant information has yet to be uploaded into these applications. It remains in physical format (either paper or seismic tape), poorly indexed or in disparate locations. In the case of seismic tape, rapid action is critical since the average age of these tapes makes them vulnerable to “vinegar syndrome,” which imminently threatens to render the data they contain useless.

The third Oil and Gas megatrend, increasing political and regulatory pressures, also involves legacy records and information. In this case it is records and information that significantly contributes to an organization’s risk reduction goals. New regulations, such as The Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011 H.R.2845, now involve older physical assets (such as aging pipeline infrastructure) and a significant volume of needed records have not yet been imaged and ingested into specialized content management applications.

In the case of pipeline documents, many business units are not sure of exactly what records and supporting documentation they have or where they’re located. Again, these are in physical format and located in disparate locations, including the field. Significant amounts of these critical records have not yet been incorporated into an organizations RIM program. The same is also true for other types of records, given the increasing regulation and litigation regarding environmental protection and safety.



IN THE OIL AND GAS INDUSTRY, RIM IS MUCH MORE LIKELY TO REPORT, ORGANIZATIONALLY, TO LEGAL OR IT AND IT APPEARS TO PROVIDE A SUPPORTIVE ORGANIZATIONAL STRUCTURE FOR RIM.



of RIM departments/groups in the Oil and Gas Industry report to Legal and an additional **26%** report to IT. This is higher than any other reporting structure – and significantly higher than in all industries.



The data confirms that RIM/IG gets more support from IT in the Oil and Gas Industry than in other industries.



of the Oil and Gas respondents strongly or mostly agree that IT is actively engaged and supportive of RIM, as **compared to 68%** of respondents from all industries.



of the Oil and Gas respondents have a mature set of RIM metrics in place, or improvement underway, for electronically stored information, **compared to only 37%** of respondents from all industries.



Oil and Gas respondents were **7 to 15% more likely** to have fully or partially automated processes in place for deleting electronically stored information compared to respondents from all industries, including: deleting eligible email, instant messages and other electronic communications (**56%**); documents, spreadsheets, presentations and other user-generated files (**50%**); and collaboration tools such as SharePoint (**39%**).



of Oil and Gas respondents strongly or mostly agree that the deletion of eligible electronically stored information is more routine and efficient than it was three years ago. That's not dramatically different from respondents from all industries. However, **40%** of Oil and Gas respondents report improvements planned **compared to only 33%** of responses from all industries.

There's plenty of room for growth and development in the areas involving electronically stored information. However, a notable pattern of IT support is seen in the Oil and Gas Industry.



POTENTIAL DIAL MOVERS



IT Impact on RIM: Are these results causally related to the greater incidence of RIM reporting to IT? Most would agree that the data doesn't support this. However, the Cohasset 2013 - 2014 Information Governance Benchmarking Survey for the Oil and Gas Industry report points out that "active engagement with IT translates to the opportunity for RIM to have a 'voice at the IT table.'" Active collaboration with IT – an alliance – enables the responsible management of information throughout its lifecycle. Including IT in a cross-functional RIM/IG Steering Committee and reaching out to establish joint collaborative projects that progress to an on-going alliance is a dial mover.





IMPEDIMENTS, INCLUDING THE ORGANIZATION'S CULTURE REGARDING DESTRUCTION, EXIST TO THE IMPLEMENTATION OF WHAT COULD BE ROUTINE PRACTICES OF INFORMATION RETENTION AND DELETION.



of Oil and Gas respondents report that they utilize partially- or fully-automated processes for identifying paper records for deletion that were stored onsite. That number **increases to 60%** when the records are located offsite. Knowing when records are eligible for destruction – and then taking action – is greatly enhanced when the process is automated.



of Oil and Gas respondents mostly or strongly agree that more information than is necessary is typically retained due to how legal holds are written or applied and **only 42%** use automated tools to locate and preserve information for the legal hold process. **Approximately 65%** report that normal retention and deletion practices are effectively reinstated at the conclusion/closure of the legal matter.



of Oil and Gas respondents mostly or strongly agree that their organization would benefit from fewer event-based retention periods.



POTENTIAL DIAL MOVERS



Identification of information for deletion: Whenever possible, utilize automated or partially-automated methods to delete information eligible for deletion when the retention period expires, provided the information is not subject to a legal hold. As the Cohasset 2013 - 2014 Information Governance Benchmarking Survey for the Oil and Gas Industry report points out, the deletion/destruction of information is essential for consistent and systematic end-of-lifecycle processes. You may take a phased approach for “cleaning up” legacy information using tools to identify redundant, obsolete and transitory information at the start, and then tackle the classification and destruction of the remaining content.

Look to your cross-functional RIM/IG Steering Committee for guidance and assistance with this, or use this initiative as a driver to create this Steering Committee if your organization doesn't yet have one. Take advantage of records and information storage vendors that provide technology systems and consultative expertise to assist you in accomplishing this goal. The data shows that they are doing this to help other organizations like yours. Automation is a dial mover.





The event-based retention conundrum: Explore options and take action to tackle event-based retention challenges and implement proven practices. A new whitepaper from Iron Mountain, “When Time Isn’t On Your Side,” provides proven practices already adopted by a variety of organizations and it can be valuable in exploring options for your organization. In many instances, these recommendations were made by the RIM Steering Committees of organizations like yours. Tackling event-based retention, in a manner that is consistent with your organization’s risk profile, ability to commit resources, and attitude towards “keeping everything,” is a dial mover.



Legal hold retention termination processes: An effective and efficient legal hold process is essential to complying with legal discovery requirements. However, as the Cohasset 2013 - 2014 Information Governance Benchmarking Survey for the Oil and Gas Industry report points out, keeping information related to resolved legal matters is the most wasteful type of over-preservation.

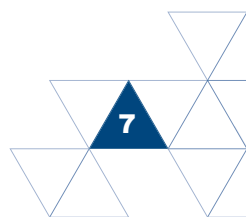
Putting this on the agenda of a cross-functional RIM/IG Steering Committee, for guidance and assistance, brings more voices/support and resources to the table to craft and fund more effective and efficient legal hold retention termination processes that are consistent with your organization’s overarching risk profile. Strengthening legal hold retention termination processes is a dial mover.

SUMMARY

New benchmark comparison data, insights and information resources now exist for Oil and Gas professionals who seek to increase the effectiveness and efficiency of their RIM/IG posture and drive even greater business value. This brief identifies **3 Big Takeaways** and **8 potential Dial Movers** from the Cohasset 2013 - 2014 Information Governance Benchmarking Survey for the Oil and Gas Industry report and the impact of **3 Oil and Gas megatrends**.

In this age of “doing more with less,” the recipe for success does not include “boiling the ocean.” Focused planning, implementation, measurement and reporting of RIM initiatives and successes will help to get you to where you want to be. Using information and insights from peers coupled with guidance and support from internal and external partners can sustain you on your journey.

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ABOUT IRON MOUNTAIN

Iron Mountain Incorporated (NYSE: IRM) provides information management services that help organizations lower the costs, risks and inefficiencies of managing their physical and digital data. Founded in 1951, Iron Mountain manages billions of information assets, including backup and archival data, electronic records, document imaging, business records, secure shredding and more, for organizations around the world. Visit the company website at www.ironmountain.com for more information.