

HMC

Global Vision Through Local Experiences Worldwide

Inactive Records Reviews

The Problem

Over the years businesses typically accumulate a quantity of old records at an off site location. This might be at the company's own warehouse facility, or in that provided by a storage vendor. For one reason or another, many companies do not keep good indexing information on what those boxes contain or from which business functions they originated. So when the issue of destruction comes up, no one knows exactly what might be eligible for immediate discard and what must still be retained. Meanwhile, storage costs continue to escalate as more and more inactive materials are added to the collection.

Risk Exposures

There are several business risk factors and compliance issues to consider when addressing old records. Information retained beyond the period for which it is required often turns into a liability during investigations and litigation. At the same time, destruction of even the most seemingly innocuous documents in today's world can result in expensive and embarrassing consequences for a business concern if not based on careful analysis, review, and several levels of approval. These decisions depend first and foremost on a solid understanding of what each box contains. Regulatory retention requirements must also be considered and applied properly. So what can be done?

Options

Companies often attempt to collect box listings, transfer sheets, ad hoc spreadsheets, and other finding aids from their individual business units in order to determine what records exist in storage. This information is almost always incomplete, inconsistent, difficult to understand, and lacking in any reference to the most current retention policies. In the end, the only realistic way to address the problem of unidentified stored records is to systematically open the boxes and examine their contents.

Box investigations take time, especially when the number of cartons is high and if carried out in phases by company employees. As an alternative, independent expertise can be engaged to conduct the review in an efficient and timely manner.

An Approach

HMC can assist with a review of inactive records in storage. We offer:

- **Extensive knowledge of business records in a wide range of industries.**
- **Global experience in conducting inactive records reviews.**
- **Familiarity with Regulatory retention requirements in many countries around the world.**
- **A systems approach for processing large volumes of cartons quickly and accurately.**
- **Custom software to expedite data collection on box contents and ownership.**
- **Flexibility in providing the data and work products that clients need.**
- **No ties to storage vendor interests.**

Work Products

HMC documents each box by capturing such data points as:

- **Existing vendor and customer box numbers.**
- **Departmental or business unit names and codes.**
- **Original owner name.**
- **Record series title or titles.**
- **Detailed box content descriptions.**
- **Dates of the contents.**
- **Recommended destruction date from retention schedules, if available.**

This information is entered directly into a custom database during the box review process. We provide clients with the final data in any popular format of their choosing.

Our Basic Principle

We believe that old boxes of records should be handled only once. HMC consultants collect full information on the origin of the carton, its former owner, and its contents so that 'retain or destroy' decisions can be made in the future without looking at the box a second time.

The Results

Inactive records reviews carried out by HMC provide immediate benefits to our clients:

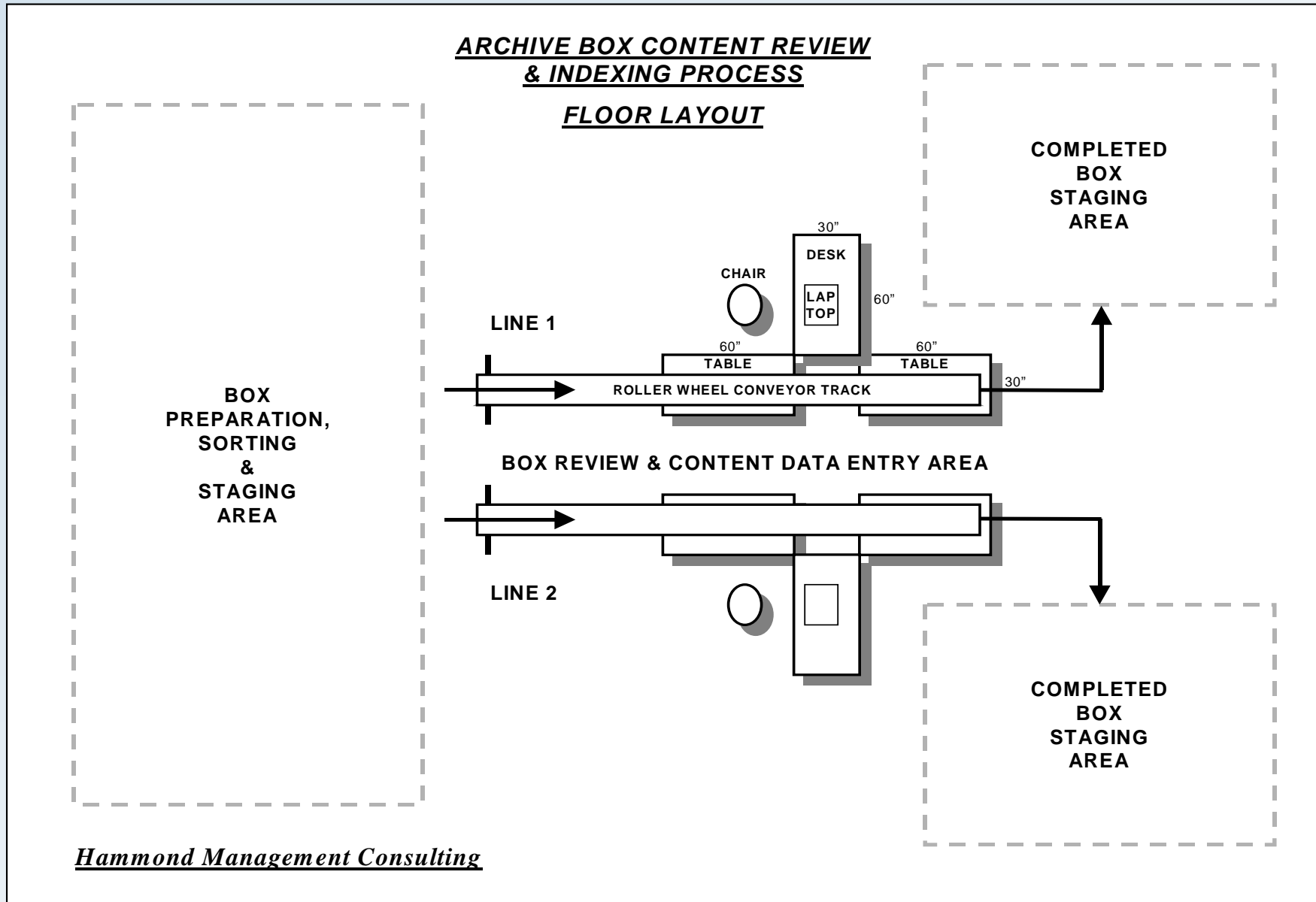
- **A large volume of material that can be discarded immediately, usually ranging around 40% or more.**
- **Reports, listings and spreadsheets to facilitate review and destruction approvals.**
- **Complete and consistent information on all cartons examined.**
- **Proper application of retention policies during box processing.**
- **Audit reconciliation between what storage managers or vendors claim to have, and the number of cartons that actually exist. The two counts rarely match.**

Our Methodology

The images that follow show:

- **How we arrange our processing lines to review large quantities of boxes efficiently.**
- **Some of our procedures.**
- **Carton conditions that we encounter on a regular basis.**
- **A vision of the end objective.**

A Recommended HMC Layout for Effective Box Processing



Rolling Track to Provide Efficient Box Movement During Review



Central Workstation and Laptop Computer for Processing



Sorting into Numerical Order to Reconstruct Original Box Sequences



Non Standard Storage Carton & Disorganized Contents



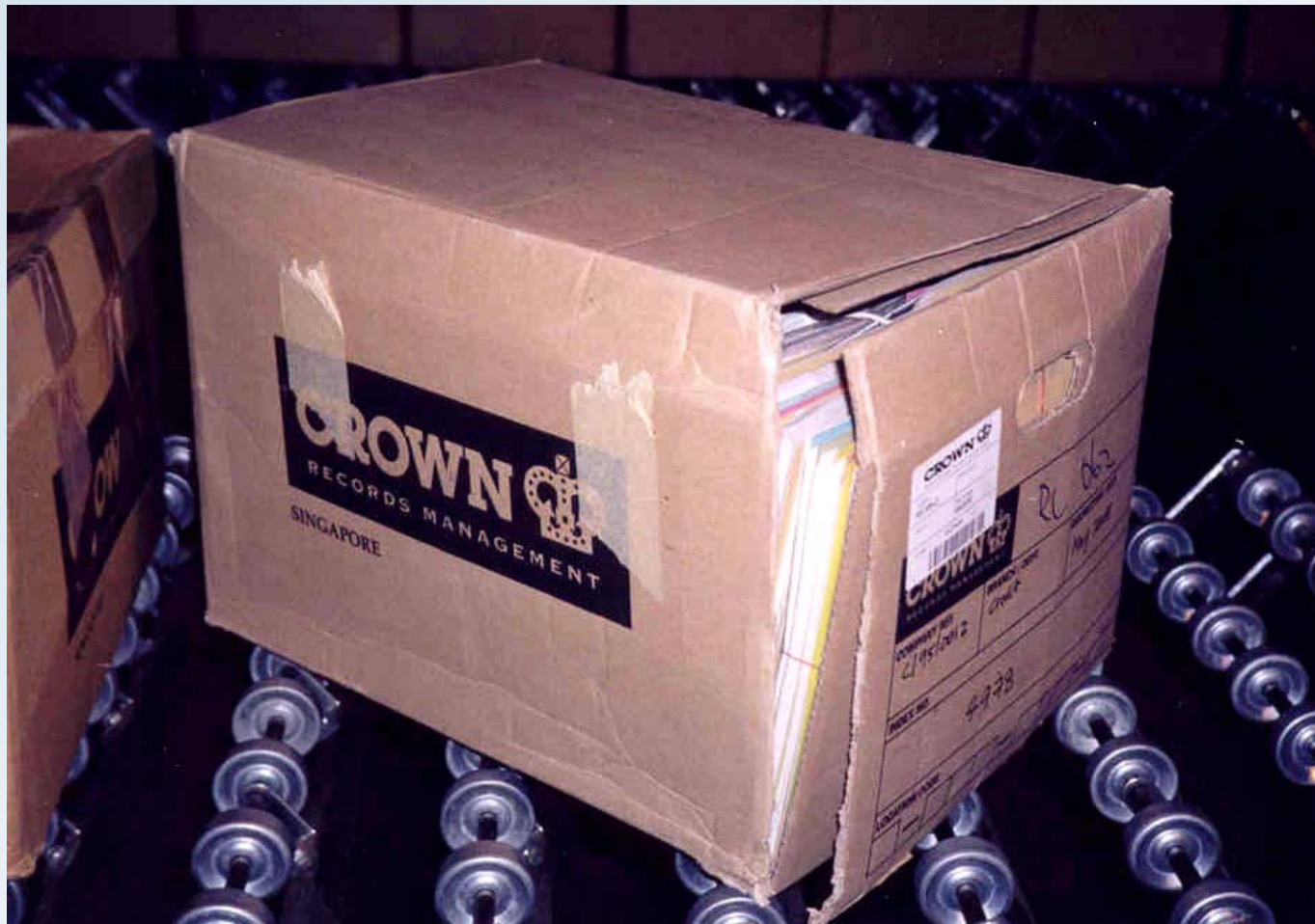
Non Standard Cartons Partially Collapsed



Improperly Packed Boxes with Binders Standing on Edge



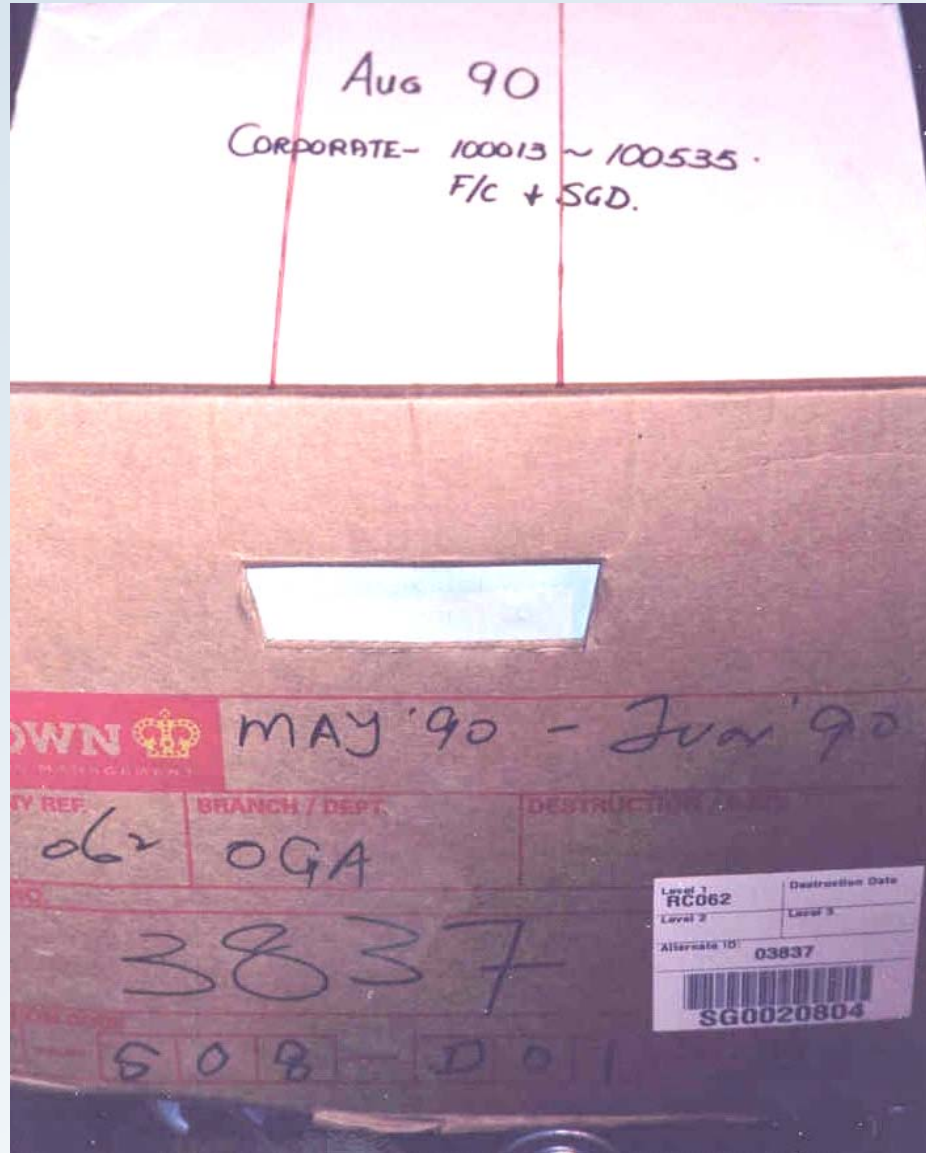
Non Standard Carton that Burst Due to Improper Packing



Two Boxes with Duplicate Numbers



A Carton Where Contents Do Not Match Outside Description



An Example of Very Improper Packing and Treatment of Records



The Objective – Records Properly Boxed, Labeled & Described



Summary

Expanding use of scanned images, electronic document files, and other alternative technologies is changing dramatically how companies share, store and retrieve information. Linking those formats to retention policies represents another set of management challenges. Hard copy records will continue to exist for the foreseeable future, although as a diminishing percentage of total information volume. Cleanup of legacy business resources often becomes a key and visible task when building a proper Records & Information Management Program for the future. Payback can be immediate and significant when destructions go forward in an orderly manner. Inactive records reviews help turn a potential company risk exposure into a managed asset.

A light blue world map with yellow landmasses serves as the background for the central text.

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