

Creating a Process-Focused Retention Schedule

Compliance with retention requirements is dependent on every employee's ability to understand and use the organization's records retention schedule. A process-based schedule, with its fewer records series, is easier to create, implement, and maintain than the traditional departmental or functional schedule.

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Creating a retention schedule for an organization can be quite a challenge. Creating one that is practical enough to be used by employees can seem like an insurmountable task. Previous methods for scheduling retention may have worked for paper or for more static, centralized filing. They also may have worked in environments with clearly defined employee roles or in areas with a low frequency of reorganizations. But how does a records and information management (RIM) professional tackle the task of creating a usable retention schedule when employees are working in multiple and frequently changing roles, matrixed to different projects, and generating the majority of documents in either e-mail or other unstructured electronic formats? A process-focused retention schedule may just be the answer.

A Brief Introduction to Retention Schedules

A *retention schedule* is a policy instrument that outlines which documents should be retained to document an

organization's business transactions and satisfy regulatory requirements. Traditionally, it is based on a detailed inventory of the types of documents that exist in an organization. It labels each type of document with a name, an identifier (numeric or alpha-numeric), and often a description of the document type. This listing of document types is called a *record series*. In most traditional models, the record series is a listing line item for a small set of similar documents – for example “Invoices” or “Contracts.” Often, for clarification, this listing can also include what docu-

ments are excluded from a certain record series.

In addition, the retention schedule provides a specific timeframe for the length of time a document is to be kept. This is called the *retention period*. The retention period should be based on the organization's legal requirements for document retention. It should also be based on the business need to keep and use the documents, which may extend past the legal requirements (with the exception of some legal requirements, e.g., privacy requirements; this is usually permissible but requires consultation with legal counsel). Lastly, when stating the length of time that records should be kept, an organization must consider identifying when the retention period begins – at the start of a record's creation or at its expiration? Not identifying the trigger can create major issues. For example, if an organization decides to keep contracts for seven years from the time they are created but has a contract that lasts for eight years, the retention period for that contract will have expired a year before the contract ends. A better approach is to start the clock when the contract expires.

At the Core

This article

- ▶ Introduces the concepts of retention schedules, records series, and retention periods
- ▶ Provides a step-by-step guide to creating a process-based retention schedule
- ▶ Describes the advantages of a process-based schedule over traditional schedules

Other information can also be part of a retention schedule, but it is usually not considered core to the schedule. Such information can include cross-referencing, storage information, the generation of the document to be retained (e.g., original, copy, versions), and a variety of other supplemental data.

Traditional Schedules

Some of the traditional retention schedule models are document listings by department (*departmental retention schedules*) and *functional retention schedules*, which are based on the use and purpose for keeping a record. Departmental schedules are useful in companies where little cross-over business exists between different departments; however, usually departmental schedules cause a lot of duplicated record series, as many departments have the same types of records. It is hard to keep the schedules

up-to-date during reorganizations, and staying on top of duplicated records series to keep retention consistent is a maintenance challenge.

Functional schedules are a step in the right direction and are commonly more accepted than departmental schedules. Records are listed by their function, and record series can be used by any person or department storing documents for the indicated function. This reduces duplication and makes maintenance easier. However, because most functional retention schedules still include an element of organizational hierarchy (e.g., human resource records or operations records), as well as some true function-based record series (e.g., licensing agreements), it can be a bit more confusing for the end-user to adopt the schedule. Lastly, the biggest downside of either of these schedules is the usually high number of record series – often in the hundreds or thousands of line

items with significant overlap between record series. Few end-users will be able and willing to accurately classify their records with this many classifications. It is simply too time-consuming to find the right line item.

A Quick Guide to a Process-Based Retention Schedule

The basis of a process-based retention schedule is integration with the work that is being done in the organization. To create a process-based schedule, ask what a new employee or a new boss would be told about the business of the organization. What are the main things the organization does? For example, a financial services company might be described as having processes related to banking, investment management, and insurance. In addition, this company has some core processes that most businesses have: employee management, human resource administration,

financial management, general business operations, and legal processes. These eight core processes become the basis on which to build the retention schedule.

Most of these processes will contain two to five record series, based on legal requirements for retention and business usage requirements. A process-based retention schedule often has 50 or fewer record series that are broad enough to be usable across the company and yet satisfy the legal requirements of the organization. It sounds very simple - and it is.

Process Workflows and Documents

Step 1. Identify the core processes and their sub-processes and describe how work flows through each. Resist the temptation to go into too much detail. If it is helpful to describe the processes in detail initially, be sure to review and scale back that detail later.

For example, an organization might identify the workflow for the contracting sub-process (under the core legal process) as requiring these steps:

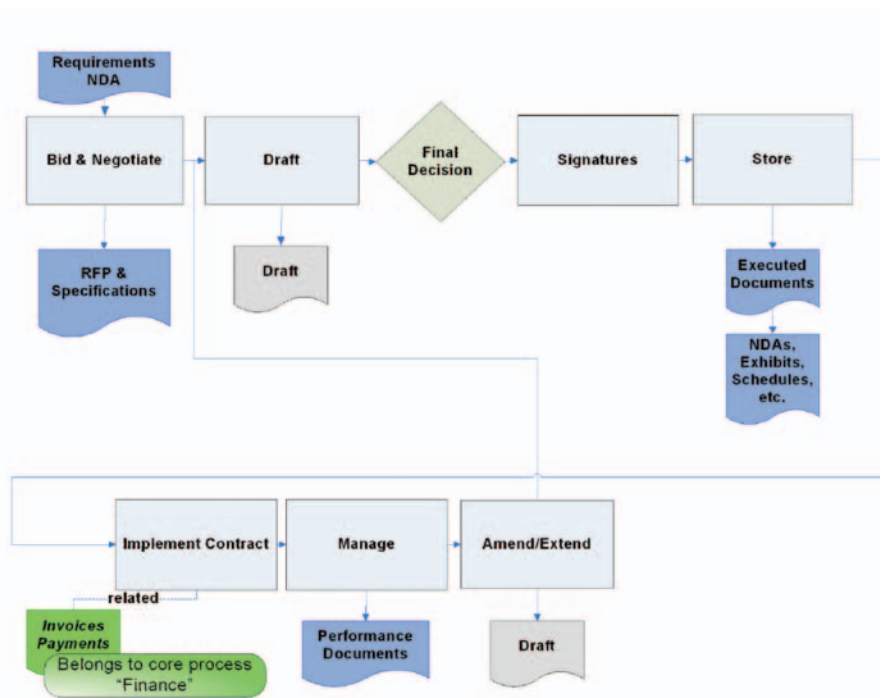
- a) Determine the scope of work and note the requirements.
- b) Request bids and receive them.
- c) Negotiate the contract.
- d) Make a decision on the final contract.
- e) Get signatures.
- f) Store the contract.
- g) Implement the contracted work.
- h) Manage and measure the contract performance.
- i) Extend or amend the contract.

Notice that this workflow identifies neither departments nor users. Anyone in the company who is part of the contracting process can contribute or subscribe to the process.

Step 2. Identify for each of the sub-process steps the documents that are created. In the contracting sub-process, these documents might include:

- Requirements

Figure 1: Contracting Sub-process Workflow



- Non-disclosure agreements
- Requests for proposal
- Specifications
- Negotiation drafts
- Executed documents with signatures, exhibits, schedules, performance metrics
- Invoices
- Payments

(See Figure 1 illustration, “Contracting Sub-process Workflow.”)

Step 3. Identify which documents fall into which record series. In some organizations invoices and payments may be considered part of the finance process rather than the legal process. In that case, the document types of “invoice” and “payment” would become part of the finance sub-process record series rather than the contracting record series. (See Figure 2, “Contracting Sub-process Documents’ Records Series.”)

Continue to work through all the sub-processes of the organization’s core

company processes. Avoid creating “miscellaneous” or “administrative” processes; stick to the core of the organization’s work.

Mapping Retention Periods to Process-Based Record Series

After outlining the work that is being done in the organization, work with the legal department or an outside consultant specializing in retention research to establish a legal and regulatory framework for the work the organization does.

Step 1. Determine legal retention requirements. For each sub-process grouping of documents, find out which legal retention requirements exist. Some requirements will be explicitly stated with specific retention timeframes, while others will be stated in vague language with implied timeframes.

Summarize the requirements as best as possible and vet them with the attorneys, then jointly determine the right length of time to keep the documents and the trigger event for the retention period count-down. This negotiation stage will

likely require a significant amount of time, especially the first time through this task.

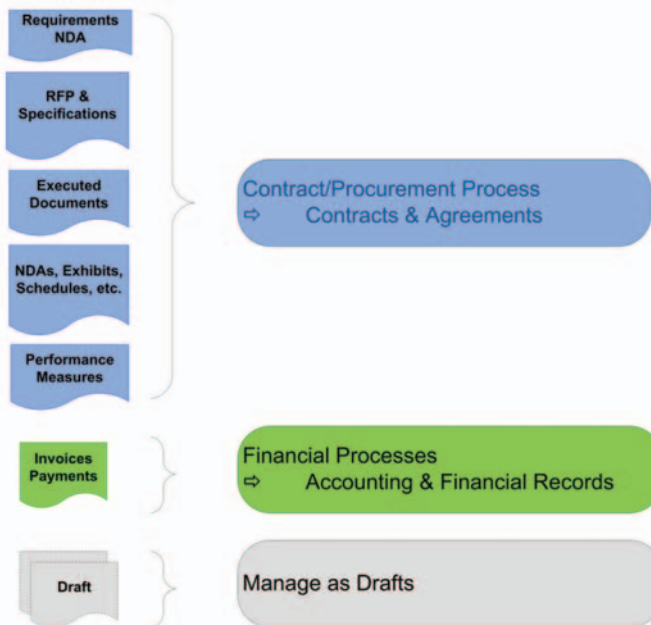
The organization will likely have both long-term records with legal requirements and short-term records without much legal or ongoing business need for retention. The more general and administrative documents that have day-to-day usage value but no ongoing legal requirements for retention can often be grouped in a large “general” business process bucket with shorter-term retention periods (often calculated from creation of the document). This saves a lot of time and the headache of creating detailed inventories and listings, and it keeps the retention schedule simple.

Step 2. Validate the document listings. Once the legal requirements and the retention periods and triggers per sub-process category are established, work with the business areas that contribute to each sub-process to determine if they create any documents that cannot be placed in the process’s records series. Continue refining the description of the process’ record series to ensure employees can associate their work with one of the process areas.

However, don’t succumb to the temptation to list every possible type of document in the larger record series groupings or the retention schedule will never be finished, as too many possible document types can be described to fit each listing. Even though the schedule has fewer records series, the long document listings would cause the schedule to become unbelievably long and thus defeat the purpose of the process-based schedule. Instead, keep descriptions of the documents that are generated as outputs to the sub-processes short and arranged in larger groups, minimizing the gaps or overlaps between the groups.

Step 3. Validate the retention periods against business units’ active use. When working with the business areas, it is also a good idea to ask whether the

Figure 2: Contracting Sub-process Documents’ Records Series



retention period for any of the documents is shorter than the period for which they are frequently used for business.

Step 4. Finalize the schedule based on both legal and business retention requirements. At the end of the data gathering process, compare the legal and business retention periods for the longer of the two, document the trigger for the retention period count-down, and *voila* – the retention schedule is done.

Pros and Cons of a Process-Based Schedule

A challenge for creating a process-focused schedule is that an in-depth understanding of the organization is required to document the core and sub-processes, as well as their document outputs. It also takes some time to gather this information. However, the effort is usually worthwhile, as process-focused schedules are in general much more user friendly.

Another perceived downside of the process-based retention schedule – at least from a storage perspective – is that because many document types are

grouped together in larger categories with the longest retention applied to all the documents in that category – its retention periods are lengthier and therefore require longer storage of a greater number of documents than would be required by the more detailed, document-type retention schedules that have many line items. However, because the document categories with long retention periods usually contain document types, that, if listed separately in a document-type schedule, would each also have individual long-term retention periods, this is really a myth.

It should also be noted that process-based retention schedules are often not as well suited for use in government or public organizations as in other private businesses. Government or public organizations are often governed by rules – internal or regulatory – that prescribe file plans, retention scheduling, and specific procedures in retention and records management. As process-based retention scheduling is a new concept, it has not yet been adopted into these established guidelines, especially by the government. The National Archives and Records Admini-

Fileplans vs. Retention Scheduling

Do not confuse the terms *fileplan* and *retention schedule*, as they are often used interchangeably and in a confusing manner. Traditionally, **file plans** had a place in physical records management – they served as a classification outline to identify which documents were filed in which room, shelf, file cabinet, file, sub-file, and so on. One needed a schema to determine where to file things and where to find them. File plans were based on low-level and detailed content classifications, to which other attributes were then assigned (e.g., retention classifications, security parameters, ownership, decision authority on document transactions). File plans identified the physical location and filing structure for documents. Practicing with file plans may to this date be of interest where filing is not automated or supplemented by automated systems.

In the world of electronic records, however, using file plans is in many ways outdated and often burdensome in terms of cost to keep up-to-date and users' resistance to adopt them. Electronic systems have a plethora of metadata for each created object, whether the object is an electronic folder, a placeholder for a physical document or box, or an electronic document. Search capabilities and full-

text indexing have become reliable and easy-to-use retrieval tools. Furthermore, users of electronic document or content management systems dislike being told where to file information or how to organize it in a default way. In a decentralized business environment that requires agility and employees to quickly find their electronic content, users resist attempts at an imposed file structure, which is often considered "imposed bureaucracy" and the taking away of individual control.

Retention schedules that are work-process focused, however, when combined with good electronic systems that allow the searching and parsing of metadata and indexes, empower users to file as they like, while applying bureaucracy-free retention rules and supporting compliance needs. Federated search mechanisms allow for back-end searches by compliance departments. Metadata fields and process data can be used to identify critical records.

Process-based retention scheduling can empower users to keep a large percentage of their independence and autonomy, while still accomplishing full-fledged and well-thought-out records management.

stration has approached research regarding process-focused retention scheduling, but at this point there has been no formal adoption. As many government organizations, and some related public organizations, are linked and have to follow similar rules, it would be hard to change just one unit's retention scheduling focus. Until such focus and adoption is more widely adopted into these organizations' rules, procedures, and guidelines, or sponsored by a leading agency as an example, it may be unlikely that process-based retention scheduling can really be successful in a significant portion of the public sector.

These challenges are outweighed by its benefits. Process-focused schedules have broader, horizontal coverage of paper and electronic documents. Their primary benefits are ease of use for employees, a high rate of adoption, and easier, more natural integration of retention scheduling in day-to-day work and with new systems and tools. Process-focused retention schedules are also easier to create, maintain, and implement, and they work within the natural rhythm of the business. ■

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