General counsels no longer sit on the sidelines of the digital agenda. They now have a critical stake in their companies’ big data strategies.

With 35 years of experience, Norman serves as General Counsel for ACME Company and for him, no environment has been as challenging as today’s. The dramatic rise in the volume of electronic information for global companies poses a unique set of compliance and legal risks. Norman feels as though regulators and litigants are gaining the upper hand because his team usually has to sift through mountains of data from a wide variety of data sources that reside in disparate systems.

Of special interest to:
General counsel
Chief data officer
Chief risk officer
Chief compliance officer
Chief information technology or information security officer
What are the challenges?

Norman had always taken pride in how his legal department harnessed unstructured data, such as emails, allowing evidence to be collected, preserved, mined and analyzed. However, ACME’s structured data, such as billing information, is managed across different systems that are not tied to ACME’s eDiscovery infrastructure.

As a result, the legal department often struggles to respond to regulatory or litigation requests in an effective manner. In the face of inefficiencies and escalating costs, Norman needs a plan of action – but what does that entail? And who else must contribute?
Are regulators and litigants better at analytics than you?

Examples of data

**Structured**
billing, financial transactions, traffic logs, spreadsheets, relational databases

**Unstructured**
emails, videos, audio files, photos, blog entries, websites, word-processing documents
Five insights for executives

1. Structured data is overlooked in legal response strategies

The response to and outcome of investigations or litigation often rely on identifying and analyzing data sets in ways that are different from how they are handled in day-to-day business. All data should work in tandem: the structured data often explains what happened, while the unstructured data gives context to why it happened.

While structured data has been well managed in ERP and CRM systems by finance and other corporate functions, legal departments have often overlooked structured data and lack the same mature infrastructure to manage it. What they don’t realize is that they don’t need to start from ground zero. They can leverage the processes and technologies of a well-established discovery program and extend them to incorporate structured data.

Data needs in the real world

<table>
<thead>
<tr>
<th>Financial services</th>
<th>Life sciences</th>
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<td>In an inquiry into online banking transactions, log data (unstructured) must be paired with transactions (structured) to determine the origin, means of access and attributes of the initiator to resolve how the transactions were executed.</td>
<td>A regulator requests a review of emails (unstructured) from a pharmaceutical company’s sales team to explain off-label marketing to health care providers (HCPs), along with HCP payments (structured), to assess potentially illegal promotional activities.</td>
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Why should you have a centralized legal response strategy?

Regulators and litigants have become increasingly savvy in how they put data to work, employing talented data scientists and harnessing sophisticated analytics technologies for fact-finding purposes. This has also been enabled by technical advancements and greater collaboration between enforcement bodies, regulators and litigants. For companies to keep pace with regulators and litigants, a centralized legal response strategy encompassing all of the important data sources, underpinned by robust and aligned analytics, will be the key to operational efficiency. Without it, an ineffective response can embolden a company’s opposition.

Rising litigation and noncompliance costs are exacerbated by inadequate data strategies

Global commerce and an increasingly complex legal and regulatory landscape are driving up litigation and noncompliance costs around the world. The lack of a comprehensive data management program that incorporates both structured and unstructured data to support the organization’s legal responses only exacerbates these rising costs.

Even as companies start to recognize that data analytics brings cost efficiencies to handling large volumes and a wide variety of data, they must remember that the ultimate utility of data analytics relies on the completeness and quality of underlying data. An effective data management program needs to first focus on the comprehensiveness of its data, after which it can then take advantage of the cost-saving potential advanced analytics technologies can deliver.

Senior leaders are taken away from their day-to-day business activities by costly and lengthy response activities that can often harm relationships with regulators. These are unintended consequences for ineffective legal information response plans.
Five insights for executives

What’s needed: comprehensive data coupled with analytics

At a high level, organizations should consider five actions to help elevate their legal response strategies:

1. **Assemble a cross-functional team** composed of IT, legal, compliance, risk and other business leaders to create an integrated legal response strategy that is enabled by a comprehensive data analytics program.

2. **Develop information governance disciplines** that take into account high-risk data sources and critical digital assets to reinforce the organization’s legal response strategy.

3. **Model, deploy or build technologies, processes and resources** used in eDiscovery to include structured data sources for fact development and matter response.

4. **Examine past requests for information** to uncover patterns. Regulators and litigants usually seek similar information for similar matters. By anticipating requests, companies can have many necessary reports or data productions developed ahead of time.

5. **Enhance stakeholder interaction and direct access** to analytics.

Focus on addressing how structured data is collected and analyzed for many common (especially sector-specific) regulatory inquiries or litigation requests.

Leverage existing and tested analytics algorithms if available.

The strategy is a response that is comprehensive and efficient, in which legal holds can be applied rapidly and relevant data can be gathered and produced quickly, founded on the right technologies, processes and resources.
The costs and risks will climb with each day of inaction

Regulatory complexity has increased and governments are more equipped to scrutinize companies than ever. The volume and variety of data have surged. Lawsuits are an ever-present threat.

In this reality, organizations invest heavily to gather and produce the required data. And for many, they penalize themselves – even in best-case scenarios – because they fail to extend well-established processes and technologies for unstructured data to incorporate structured data.

Norman, however, has spoken to other functional leaders at ACME to bring the two strands together, creating a data strategy that will drive down costs and transform the sophistication and speed of their legal response. With a united front, ACME bolsters its defenses and saves money – and your company can do the same.

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