

Is Your Missing ILM Strategy Putting You at Risk?

Information has a life cycle: It is created, it lives within databases and systems, it changes, and it is archived and eventually deleted. How we create, store, retrieve, and delete it is termed *information lifecycle management* (ILM). Here is a very simple example: Once your computer hard drive is full of data, you can simply delete what is stored there and start anew. But from a business point of view, some data has a short life and quickly becomes outdated, while other data has a long lifespan and you will repeatedly need to access it.

So you must decide: Do you delete some older data to make room for the new? If so, how do you choose which data to delete? Do you add another hard drive? Do you move data onto the network? After you have moved the data, how do you efficiently find it again when you need it? And how do you know what information you do and don't have — an important question in today's regulatory environment?

Multiply this dilemma by a billionfold, and you have the crux of what ILM tries to accomplish. How well you manage the life cycle of your enterprise information directly affects the performance of your SAP systems, as well as your systems' scalability and potential to grow. One key to ILM is how information functions within a business process. It's very important to look at the meaning and context (the semantics) of data. The information *behind* the data, which is critical to putting an ILM strategy in place, must be integrated and optimized.

ILM Today Is More Critical and More Complex

ILM has become especially critical to the enterprise in the last two or three years. Compliance mandates, and especially legal reporting requirements, have changed dramatically. This forces our customers to think more carefully about how they compile their legal reports, what the ideal legal reporting process should look like, and how this all fits into the management of information.

What's the Difference Between Data Management and ILM?

How you handle data is called **data management**. To ensure high system performance, you must decide what to do with old or noncritical data. This is the main task of data archiving: to identify the data in the relational database that is no longer needed for business processes, and put it in a place where it can be stored very cheaply.

However, ILM is not only about data, but all kinds of information, including print lists, documents, and extracts. **Information lifecycle management** refers to the processes and technologies that come together to provide the right information at the right time in the right place, all at the lowest possible cost. ILM is about actively managing all information objects during their entire life cycle.



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Another emerging factor during the last few years is our customers' involvement in mergers, acquisitions, and divestitures. The challenge here is how to construct ILM strategies and processes for great masses of data, particularly for managing retirement of data and the end-of-life of systems, while still complying with legal requirements.

Here are some general guidelines and trends that I have observed in working with SAP customers to help construct their ILM strategies:

✔ Begin with Your SAP Systems

ILM may seem a daunting challenge, especially considering the complex flow of information within your business. But an appropriate place to start is in your SAP systems. SAP applications are the birthplace of much of your enterprise's information, and where your business-critical insight is owned and stored — it's where the semantics and data come together.

SAP is already an important player in the ILM market (see **Figure 1**), together with our partners and their complementary data archiving, document management, and reporting offerings. And with all these offerings, your SAP systems are the place to begin.

✔ Bring Business and Technology Together

Often I see SAP customers looking at ILM — particularly as it relates to legal reporting requirements — from a strictly IT point of view. The initial push comes from finance or legal, but the follow-through is quickly directed to the IT team. However, for a successful project, this is untenable. In creating an ILM strategy, your IT team alone cannot determine what to do with information; the business side must also be involved.

✔ Consider Establishing a CCO

ILM requires an interdisciplinary approach, spanning different practices within the corporation — IT, business, legal, and finance — so it's important to have a role devoted to ILM. One trend is to establish a chief compliance officer (CCO) who reports to the COO and CFO, and who is responsible for all government-required legal reporting compliance. And since an effective compliance strategy requires robust, secure, and easily accessible data and information, the CCO must ensure that the requirements of ILM are honored throughout the organization.

Another trend has been to establish a chief risk officer (CRO), whose position

it is to avoid, reduce, and, if possible, eliminate risk within an organization. This position, in coordination with the CCO, provides a catalyst for ensuring a corporation has a compliant, consistent ILM strategy.

✔ Focus on Standards

SAP has multiple strategies for improving ILM, including Enterprise Services Architecture (ESA), SAP's business-oriented version of services-oriented architecture (SOA) and blueprint for service-oriented business solutions. ESA describes SAP's approach to service enablement, which is physically enabled by the open technology platform, SAP NetWeaver, and the definition of Enterprise Services across all SAP solutions.

SAP's approach includes well-defined business objects that are stable and accessible for a long period of time. The services provided by these business objects are based on so-called global data types and are stored in the Enterprise Services Repository. By utilizing open standards, customers can simplify ILM dramatically.

SAP and Partners Available to Assist with ILM

ILM is a topic almost as large as the data it manages. But while the subject is far-reaching, focused help is available. SAP has many service offerings, dedicated consulting resources, and cross-development teams, such as the SAP Performance, Data Management & Scalability group, that can help develop best practices for supporting a successful ILM strategy.

Our partners — including those in the storage and storage devices industry, as well as consultants — are also available to afford you advice on practical solutions, avoiding pitfalls, and implementing supporting technologies that work with the ILM capabilities of SAP.

For more information on ILM, visit <http://service.sap.com/data-archiving>. To learn more about SAP's partner program, please visit www.sap.com/partners and www.sap.com/icc. ■

