



Banking in the cloud?

An Information Management (IM) Framework for Financial Institutions

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1 The Challenge

For banks and insurance companies, having the right information is a key asset for the provision of their services. Nevertheless, the importance of the production factor "information" is still underestimated. Represented by data, information forms the basis for most management decisions and has an immediate effect on the cost structure of the company. And although having the right information is a key asset, it is also increasingly important to generate additional insights out of the available data.

One major challenge for all information driven organizations are the so called "information silos". Data is stored in silos, which prevents from making cross- application or platform use of the data. Cloud computing will increase the trend of organizations losing control over their own data, if not governed appropriately.

From the beginning of the EDP (Electronic Data Processing) age until today, data management was the domain of the IT specialists. With cloud computing and new developments such as "BYOD¹" and specifically social media, everybody has become a mature user and creator of information. These developments will raise challenges in the following areas:

Information Overflow:

- It is a challenge to generate insights from an *overabundance* of information, especially since it concerns mainly *unstructured* information.

Business Processes & Control:

- The increase in processing power, e.g. the availability of "apps" or similar programming components in the cloud will allow for a very dynamic and situation focused development of supporting tools. This will change the process landscape and will result in a more customer focused approach.

Customer Centricity

- Customer expectations and demands will change dramatically. New services and products generated in an environment where no traditional banking existed, will raise at an unmatched speed. "Banking at your fingertips" will not only be a slogan, but become a 7x24 hour reality.

Legal & Compliance / eDiscovery:

- *Regulatory requirements* cannot be fulfilled, because the amount and quality of the data kept is unknown or the data cannot be found or is not available. The increasing number of e-discovery requirements and pressure on litigation will have costly impacts in case data need to be presented. Efficient data search and retrieval will only be possible if the necessary structures have been created a long time before an e-discovery process.

Knowledge Management:

- People in the company might *lose trust in the quality* of the information they get from the organisation in charge of information and data management, if the source and trustworthiness of information are not transparent.

¹ Bring Your Own Device

2 Information Management

As part of corporate governance the proper handling of data and information, here called "Information Management", is of strategic importance. Data has been in the hands of the IT-Department, but with the **shift from a data centric to an information centric view**, the importance of a holistic approach in governing and controlling information will become a necessity.

So, there are obviously several reasons why the management of information is important. Due to its strategic value, data should be treated as an important organizational resource. This will allow reducing the cost of information management but will also allow for easier, faster and more reliable access to data stored locally or in the cloud.

This framework was written to show the importance of Information and should allow proliferating a management-focused understanding of how information and data can be managed as a strategic resource.

3 Goals of the Framework

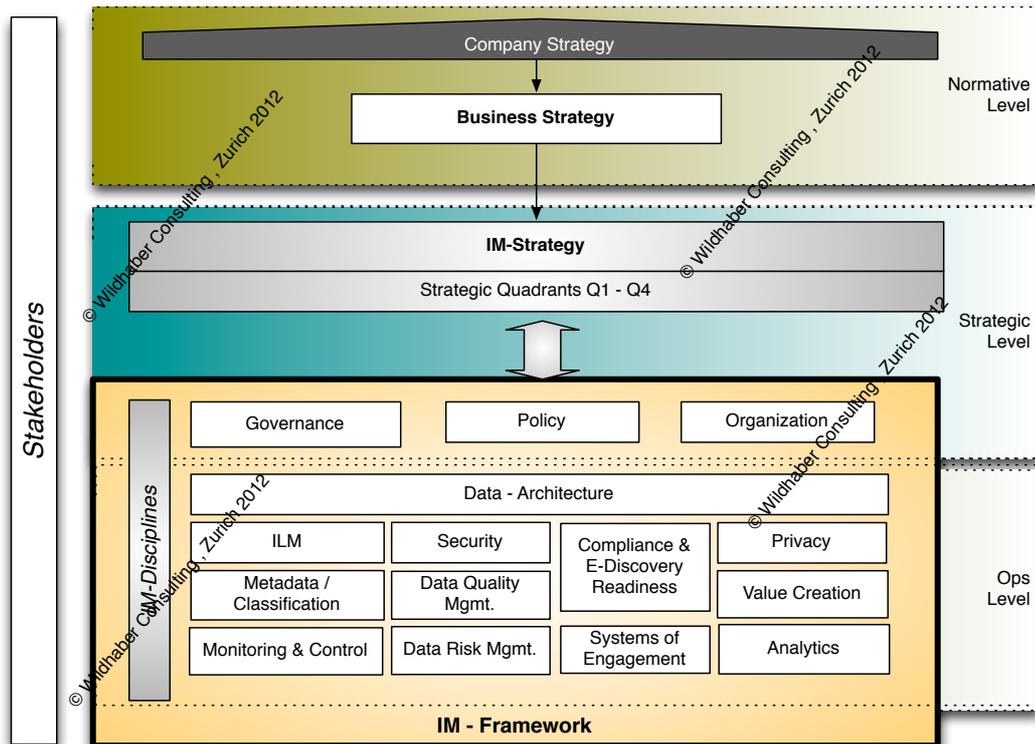
The IM-Framework should allow achieving the following GOALS:

- IM is accepted as a **Global Initiative** and is supported by all stakeholders.
- The value of the **production factor "Information"** is clear to all stakeholders. The IM-Framework builds the mutual basis for all entities involved in Information Management.
- The **IM-Framework is independent of storage** media, storage technology or storage location.
- The IM-Framework allows to integrate all forms of new technology or developments (Cloud, Big Data, et. al.)
- Information can be used as a **primary enabler** for the business strategy and as a cornerstone for efficient and effective governance.
- Support and facilitate **enhanced information exploitation**
- **eDiscovery** and audit processes will be supported. Cost and effort for these activities can be reduced due to better search and retrieval processes.
- **Information Security** can be addressed more effectively and efficiently, supporting the "need to protect" principle implementation.
- Support **information enrichment** and insight information creation
- **Information Lifecycle Management** will be supported, applying the following principles:
 - Data identification "upon creation", including classification and structuring according to the business requirements.
 - Avoidance of excess storage of data, delete data that is no longer required.
 - Use efficient, effective and smart search and retrieval technologies and procedures.
 - Establish the necessary management framework, organization and processes: simplified and streamlined fundamental operational structures.

4 The IM-Framework

The IM-Framework shows how Information should be treated, covering all relevant topics, in order to:

- a) Establish the maximum business benefit (Performance focus) and
- b) Control the risk associated with the management of information (Conformance focus).
- c) Support the FI's functions to integrate their data in the global organisation



These are the building blocks as coming down from normative level (executive board), to strategic (CxO level) to operational level.

1. A management model to define the company and business strategy and the resulting strategic initiatives
2. The IM-Strategy :
 - A description of strategic IM-initiatives and associated stakeholders and their roles, depicted in the data architecture model.
 - A mapping of these initiatives to the quadrants based on the Conformance/Performance Model.
3. The IM-Framework, containing the following components:
 1. A set of disciplines required to describe Information Management
 2. A data architecture model
 3. A list of Stakeholders and the disciplines they cover.
 4. A mapping between the Stakeholders and the associated disciplines

Terms & Definitions:

Information – Data that have been given value through analysis, interpretation or compilation in a meaningful form.

Information Management (IM) – the activities and the organisational structure required to control an enterprise's information assets, electronic and physical, acquired by one or many disparate sources, in a way that optimises access and use by all who have a share in that information or a right to that information. IM creates value and assures compliance with rules and regulations.

Background Information:

In 2009, a group of experts from several financial institutions decided to write a guide about the topic of „Strategic Information Management“. Organizations who participated included UBS, Credit Suisse, PostFinance, Swiss Re. The groups chairman was Dr. Bruno Wildhaber, who delivered the necessary structure, methods and expert support. In 2011 the guide was published in Switzerland and is currently adapted by several FI's in Switzerland.

WILDHABER C o n s u l t i n g

About Wildhaber Consulting:

Wildhaber Consulting was founded 1999 by Bruno Wildhaber. The company is located in Zurich, Switzerland and is focused on bridging technical, legal and management challenges and prepare a holistic view to allow for optimized decision making in the areas of Information Governance and associated fields such as Security, Privacy, Information Management and IT-Governance.

Want to know more how to implement IM in your organization? Pls contact us:

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