

Governing Energy

It's the Data, Stupid!

Volume 1 Number 16—September 17, 2012

Mankind has been managing documents since the Library of Alexandria; circa 300 BC began a serious effort to collect the world's knowledge.ⁱ Prior to that, stone tablets and cave writings contributed to the knowledge base.

Fast forward to the 1980s, electronic document management (EDM) systems emerged to help manage the rapidly growing collection of electronic documents and images. While upgraded to include html, email and text messaging these systems have remained functionally the same over the past 30 years.ⁱⁱ

Depending on their size and scope of operations, modern firms are challenged with managing tens of millions of documents—in some cases orders of magnitude more. Whether, papers, spreadsheets, CAD, images or other sources of information, these materials are effectively *electronic pieces of paper*. For a number of operational and legal reasons, even text messages must be saved and accounted for.

The consequences of failure to manage this material for firms and even individuals can be dire. Readers may be aware that a former BP engineer was arrested earlier this year (2012) for allegedly erasing two (2) text messages deemed relevant to 2010 oil spill.ⁱⁱⁱ

The over two thousand year old library system of storing and retrieving document is in drastic need of an overhaul. A fundamental change in the way society manages its knowledge base is necessary if we are not to finally succumb to the ocean of documents that like a tidal wave or avalanche devour all in their path.

In my *Changing the Dialogue* series monograph, [Asset/Equipment Integrity Governance: Operations—Enterprise Alignment: A Case for Board Oversight](#), the Integrated Compliance Management Framework is built upon Compliance Policy Automation. This construct directly addresses the ARRAY OF COMPLIANCE faced by today's firms.

Making this actionable in daily operations is challenging and new tools are required. In non-technical language, new versions of business rules engines effectively convert regulatory and internal company Standard Operating Procedures (SOP), et al. into data driven procedural methodologies with audit tracking capabilities.

For example, by one account the new 2,700-page United States health care law has already generated some 13,000 NEW pages of regulations.^{iv} This is a lot of electronic pieces of paper to be read, understood and made actionable by each organization in that industry. Moreover, this is not a static environment and changes and new legal interpretations will be ongoing.

Typically, one might expect operations, engineering and product development, legal, risk management, financial and other departments including the Office of the CEO to be directly involved in the operation of the business. These and others must assure that the organization adheres to all regulations. Finally, Board oversight demands that the firm not be put at risk. All of these critical processes demand timely and accurate information.

The old ways of collecting papers, spreadsheets, and other supporting materials is insufficient and opens the firm up to scrutiny. Just as manufacturing was automated in the past to achieve efficiencies, standardization and lower cost business models, compliance management demands we automate the “data” management process and delegate document management as we know it to history.

Finally, many authors and pundits have extended any number of statements with the word “stupid” taken from a US presidential campaign last century. The intent is to accentuate the statement. We might change it somewhat as documents are dumb and the data driven procedural processes are smart.

Is your firm treading water in an ocean full of document sharks?

About the Author

Dr. [Scott M. Shemwell](#) has over 30 years technical and executive management experience primarily in the energy sector. He is the author of two books and has written extensively about the field of operations management. Shemwell is also the CEO of Knowledge Ops, Inc.; a firm that focuses on providing its customers with solutions enabling operations excellence and regulatory compliance management.

End Notes

ⁱ http://en.wikipedia.org/wiki/Library_of_Alexandria

ⁱⁱ http://en.wikipedia.org/wiki/Document_management_system

ⁱⁱⁱ <http://www.forbes.com/sites/walterpavlo/2012/04/25/bp-engineer-arrested-on-oil-spill-related-charges-wrong-guy/>

^{iv} <http://www.foxnews.com/politics/2012/07/03/efforts-to-implement-obamacare-law-raise-concerns-massive-government-expansion/>