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Data Inventory Roadmap: Business Guide

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Data Inventory

The Foundation for Privacy Compliance



Why Should I Maintain a Data Inventory?

In data protection laws around the world maintaining a data inventory is a legal obligation. In our existing U.S. state consumer privacy laws, this obligation is not explicitly included, though many requirements of these laws necessitate a comprehensive and up-to-date data inventory. For example, under U.S. state privacy laws, organizations must notify consumers of the purpose for processing their personal information. They must understand where they have consent to process sensitive personal information. They must know where personal information is stored to provide privacy rights to consumers.

Regardless of whether this obligation is written into a law, any company looking to have responsible privacy practices should create and maintain some level of record-keeping around how personal information flows through their organization. An accurate and comprehensive data inventory is the foundation of a successful privacy program and will facilitate all downstream privacy actions and decisions.

1 APPROPRIATE SAFEGUARDS

When you know what personal information you have and where you store it, you are better able to protect it according to the risk it represents to the organization and individuals.

2 PRIVACY NOTICE

The information you discover when conducting and maintaining your data inventory will be the information to include in your privacy notice. Accurate and up-to-date data inventories reduce regulatory risk by helping you ensure your privacy notice aligns with your data handling practices.

3 PRIVACY RIGHTS COMPLIANCE

Complying with privacy rights such as access, deletion, correction and opt-out of certain types of processing, requires a comprehensive understanding of your personal information processing activities.

4 DATA MINIMIZATION

Many consumer privacy laws require that organizations only collect the minimum amount of personal information necessary for the identified business purpose, and only keep it as long as necessary for that purpose. Conducting a data inventory aids in fulfilling this responsibility. Plus, by removing unnecessary data, you mitigate risks associated with potential breaches.

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Mapping throughout the Data Lifecycle

Understanding how data moves through your organization involves investigating activities at every aspect of the data lifecycle.

COLLECTION

- What do we collect?
- How do we collect it?
- What is our business purpose for collecting it?
- Do we obtain consent (if necessary)?

USE

- How do we use it?
- Who has access to it and what permissions do they have?
- Are we using it only for the purposes we collected it for?

DISCLOSURE

- What processors/vendors do we share it with?
- What controllers/third parties do we share it with?
- What affiliates do we share it with?

RETENTION

- Where do we store it (multiple databases?)?
- For how long do we store it?
- How do we protect it?

DELETION

- How do we delete or destroy it?
- When do we delete or destroy it?

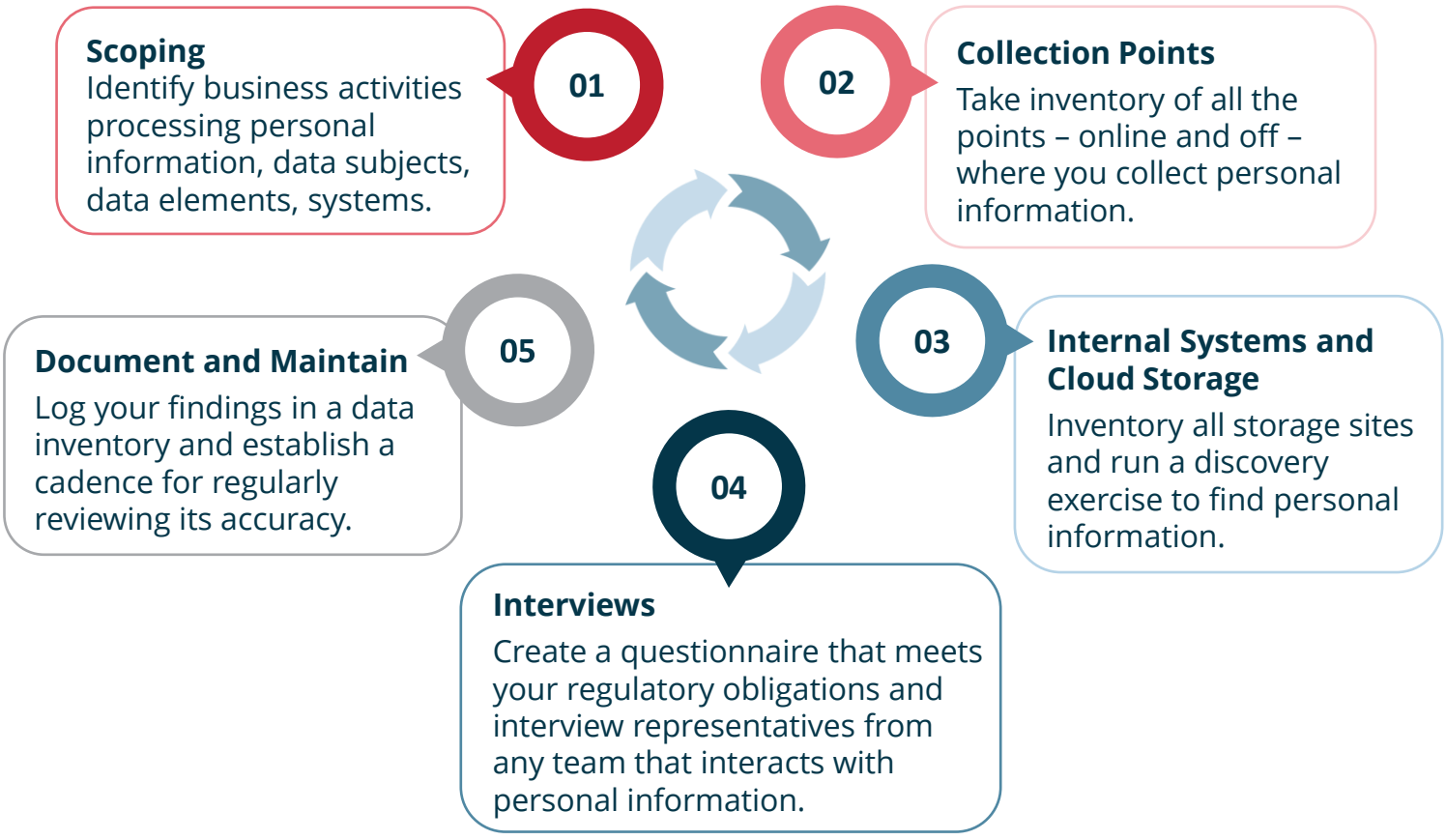
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Maintenance Is the Key to Success

The initial data inventory process presents an opportunity to discover valuable insights about how your organization handles personal information. You may learn that your company collects more personal information than you realized and keeps it much longer than necessary. These represent areas for improvement and, hopefully, surprises will be less frequent as your program matures and privacy awareness builds.

Maintenance and upkeep of your data inventory is imperative. Your data inventory should change as your business changes, as your website changes, and as your obligations change with new laws and amendments. A privacy risk assessment program will help identify new elements of personal information and new processing activities to include in your inventory. (See our Privacy Risk Assessment Roadmap here.) And while this should help keep your inventory up to date, it's important to review and audit it regularly.

DATA INVENTORY CYCLE



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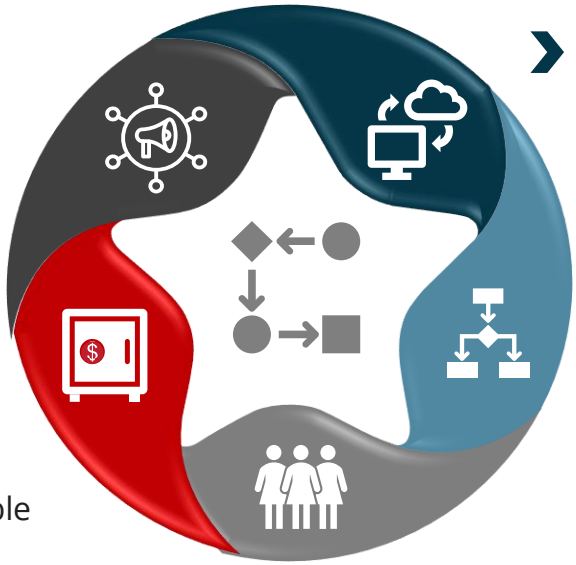
Get Started!

Understanding your organization's processing activities is central to data mapping. A **processing activity** encompasses any operation involving personal information, including collection, processing, storage, sharing, and deletion.

A good place to start is by breaking down the company into core functions. Then, look at what happens within each function related to personal data.

Marketing & Sales

- Email marketing
- Targeted Ads
- Digital Analytics
- Sales



IT

- Business Continuity
- Cloud Services
- Disaster Recovery
- Asset Identification

Finance

- Accounts Payable
- Accounts Receivable
- Collections

Product/Operations

- Account Setup
- Order Processing
- New Products or Services
- Supply Chain Management

HR

- Payroll
- Benefits
- Onboarding
- Recruitment
- Vacation
- Retirement

NOTE: This list contains examples, not inclusive of all functions or activities. There are additional activities within each function and more functions overall, which organizations can identify using the scoping phase of the data inventory cycle.

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Data Inventory: Key Benefits & Drivers

Data inventories inform other compliance, legal, privacy, risk, and information security program initiatives.

REGULATORY

Maintaining a record of processing activities enables organizations to determine if data handling practices are being managed in accordance with applicable laws and regulations.

PRIVACY RISK MANAGEMENT

Understanding where sensitive and high-risk data is collected and stored helps to ensure proper protections are in place and inform mitigation strategies to reduce privacy risk.

PRIVACY RIGHTS REQUESTS

Data inventories support the efficient and timely response to privacy rights requests by providing visibility into where personal information is stored and with whom it's shared.

THIRD-PARTY RISK MANAGEMENT

A centralized record of the individuals and entities with which you have shared personal information allows your organization to better manage third parties and the risks they present.

INCIDENT MANAGEMENT

Personal data inventories help organizations identify the source of data incidents and understand the scope of the incident, informing your response and recovery process.

SECURITY MEASURES

Personal data inventories inform and support the required operational and technical security measures to ensure personal information is protected according to the risk it represents to individuals and the organization.

When should a data inventory be created or updated?

Data inventories, processing activities, and business process owners should be reviewed and updated periodically, at least annually, and when the organization changes its handling of personal information.



- New process, product or system that is collecting, transmitting, processing or storing personal information
- Change to an existing process that collects, transmits, processes or stores personal information.
- Using existing personal information in new ways.
- Sharing or selling personal data to a controller / third party.
- Employing a new processor/ service provider that will process personal information.

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Set Yourself Up for Success



Prioritize Heavy Users

Certain business units process personal information more than others and process it in ways that present greater risk to the company and individuals. These are teams like sales, marketing, finance, customer support and human resources. Prioritize your interview process to get to those teams first to mitigate the most risk as quickly as possible.



Work Smarter Not Harder

While you will need to conduct interviews and ask teams to fill out questionnaires, take advantage of technologies like cookie scanners, data discovery tools, data mapping tools and others to facilitate the inventory process.



Think of This as an Opportunity

In the process of creating or maintaining your data inventory, you will set up meetings with other business units in your organization. Use this as an opportunity to raise awareness about privacy and find out who your potential privacy champions are that may help raise privacy concerns when the privacy team isn't part of a discussion.



Get Leadership Support

Is your leadership team on board? Then leverage that support! If not, begin your awareness campaign at the top. Doing privacy well takes effort from every business unit in the company. When leadership makes all employees aware that this is a priority, teams will be more willing to make time to talk about privacy.

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