

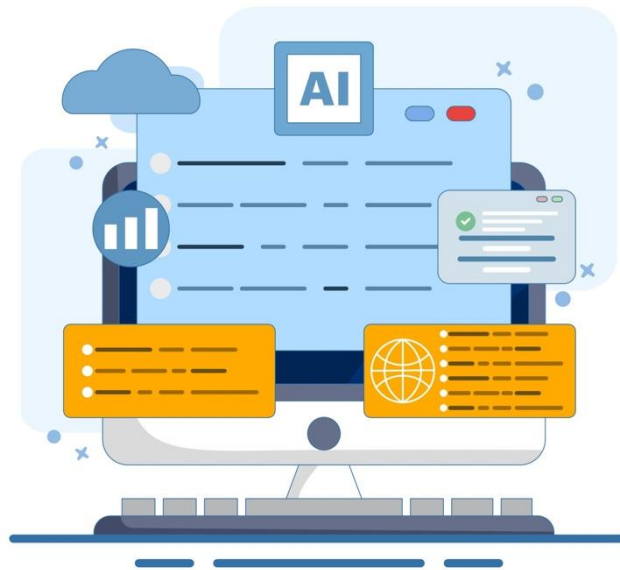


— WEBINAR SERIES —

Sandy Serkes
Co-Founder & CEO

Jennifer Nelson
VP Strategic Solutions

From Observational to Operational: Evolving Information Governance with AI



Webinar Series



www.ValoraTech.com



ROT Remediation:
File Share Clean-up
January 21



How AC Transforms
Enterprise Search
June 17



Letting the Robots
Classify: Automating IG
February 18



From Observational to
Operational InfoGov
July 23



AutoClassifying the 3 Rs:
ROT, Records & Retention
March 18



Managing Data Privacy &
While Managing Records



Structured Data
Management & Disposition
April 15



AI: What Happens when
the Model Collapses



10 Ways AutoClassification
Can Impact AI
May 13



AutoClassification & AI
Trends in Enterprise

About Valora



- AutoClassification platform for Information Governance
- Automates **discovery**, **identification**, **classification** & **defensible disposition**
- Trusted by IG teams, Records & IM teams, Legal, Compliance, IT teams
- Brings **multiple enterprise repositories** into a single view, and **multiple IG use cases** under one umbrella





Poll Results

Who's here today
& what are your interests?



Who you are & what your challenges are



Who You Are

Records / Information Management

Knowledge Management

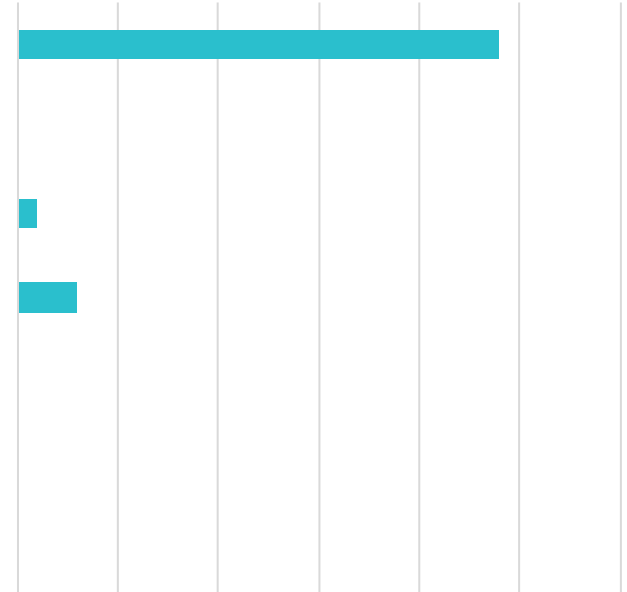
Legal

Compliance

IT

Data Privacy / Security

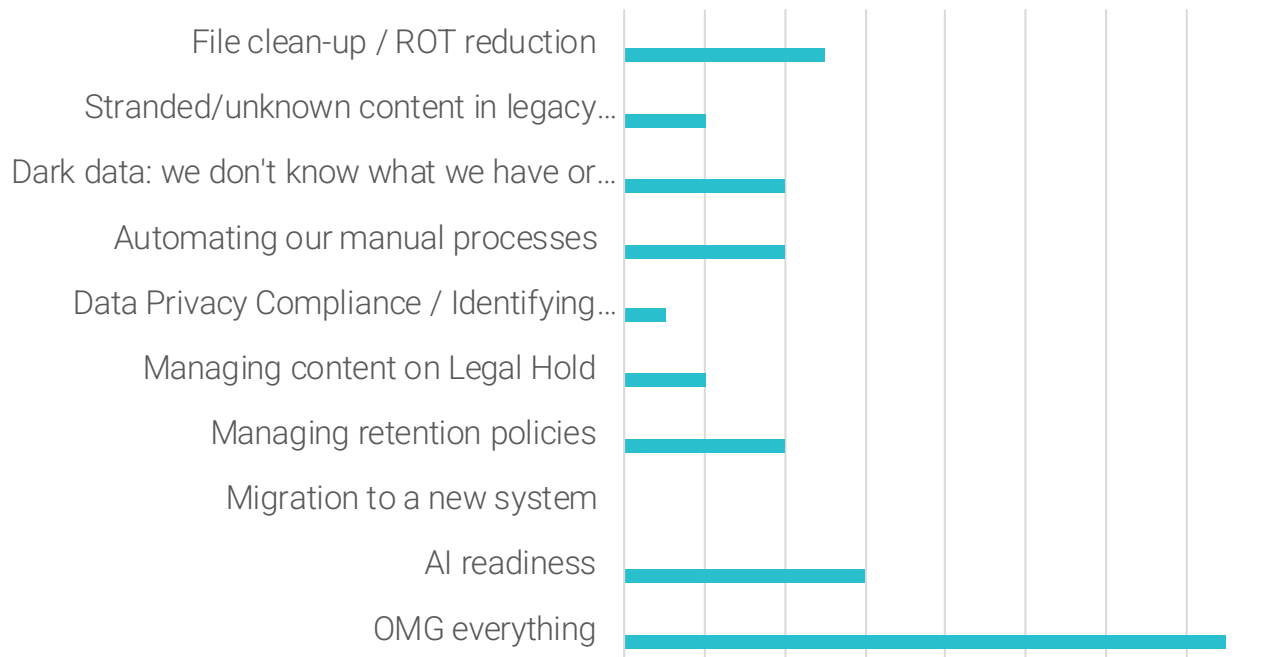
Other



Who you are & what your challenges are



Your RIM & IG Challenges



Housekeeping



Q&A



Recording



Slides



Feedback

Agenda



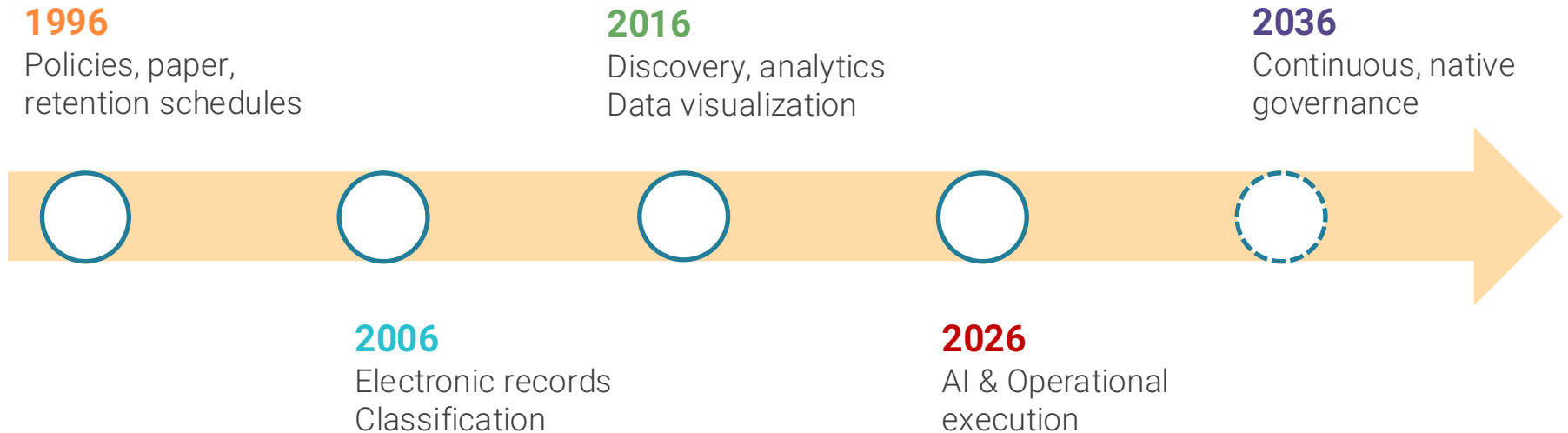
- Observational Governance
- Operational Governance
- The Evolution of IG 1.0 → IG 2.0
- What does it mean to operationalize Governance?
- What's next?

Has Information Governance changed...

...or
have the expectations of
Information Governance
changed?



IG Evolution over time



What is Observational Governance?

Visibility without control

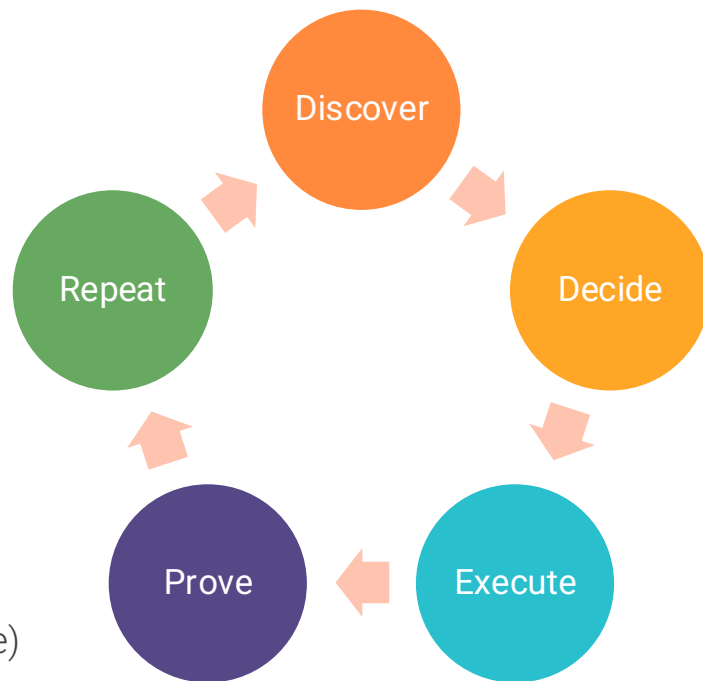
- "Here's what you have."
or
"Here's what's wrong."
- Audience is oriented around risk:
Records/IG, Legal
- IG's implicit contract:
"We'll tell you what we find." (Advisory)



What is Operational Governance?

Remediation.

- We found the problem.
- We fixed the problem.
- Here's the evidence.
- Audience is oriented around scale:
CIO/CISO, IT, Business Transformation,
AI Program Office, Data Office
- IG's implicit contract:
"We'll make sure everything is kosher." (Responsible)



Side by Side



Observational Governance SEES

- discover
- inventory
- classify
- catalog
- identify
- visualize
- report
- score
- dashboard
- alert/advise/recommend



Operational Governance ACTS

- fixes duplicates
- deletes ROT
- executes retention
- migrates content
- writes back to repositories
- anonymizes
- redacts
- enforces lifecycle
- updates metadata
- continuously maintains the environment

At long last, IG is moving from “should do” to “must do.”

Operational vs. Observational



Observational Governance

Discover → Classify → Report

- ✓ Reports & Dashboards
- ✗ Does not take action

The ability to understand, measure, and report on what has already happened.



Operational Governance

Discover → Classify → Remediate

- ✓ Cross-repository classification
- ✓ Automated remediation

The ability to influence, control, and intervene in decisions *before* or *as* they happen, not after they happen.

Nice to have

Organizations want to move from Visibility ➔ ACTION

Need to have

IG 1.0 vs. IG 2.0



Information Governance 1.0
was about *knowing*

- Inventory
- Discovery
- Classification
- Reporting
- Dashboards
- Human action



Information Governance 2.0
is about *doing*

- Automated decisions
- Continuous remediation
- Policy execution
- Cross-system enforcement
- Evidence generation
- Machine-speed governance

Observation has become table stakes. Execution is now the differentiator.

Why this happened

Observation was sufficient when organizations had:

- smaller repositories
- human review
- occasional cleanup projects
- annual retention efforts

Today they have:

- billions of documents, hundreds of repositories, dozens of applications
- cloud sprawl
- AI
- privacy regulation



Humans cannot execute governance manually.

- Therefore, automation is no longer optional.
- Operational governance becomes necessary.

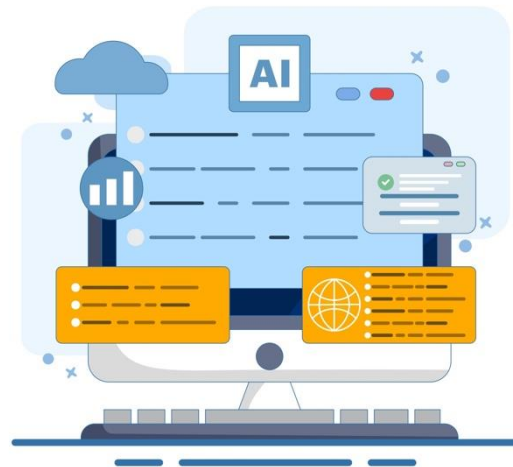
Raising awareness (advisory) is no longer enough

Why AI is the game-changer

The question isn't whether AI can find your data.

The question is whether your data deserves to be found.

- AI doesn't merely consume information. *AI operationalizes information.*
- Agents create new information faster than we can govern it
- Inference costs balloon with every unnecessary token
- If governance remains observational...
AI will operationalize bad information.
- AI changed the economics.
- Poor governance isn't just risky, it's expensive!



Now governance failures have a recurring operational cost rather than an occasional compliance cost.

Article you should read:

- How much does inference (AI) cost?
- Why are we feeding so much garbage into inference in the first place?
- Unstructured data must be continuously enriched with metadata because AI retrieval quality—and therefore inference cost—depends on it
- “send the right data to an AI pipeline rather than all available data.”
- “Matching AI workloads to the right data, curated precisely for the task, avoids the waste of processing irrelevant, duplicate, or inappropriate content at model inference time.”

The Inferencing Cost Problem No One Is Talking About: Unstructured Data Quality

How much is powering AI with poor-quality data costing your enterprise?

By Krishna Subramanian

Enterprise AI budgets are expanding at a pace that is making CFOs pay close attention. According to a [2026 survey](#) of 2,360 senior executives, companies expect to spend approximately 1.7% of their revenue on AI this year, more than double the 0.8% average from 2025. Measuring ROI from AI is still a nascent practice. CFOs and IT leaders will need to manage AI related spend with a fine-toothed comb, especially since [60% of IT organizations are not increasing their budgets for AI](#).

The Meter Is Always Running

When deploying AI in production, the dominant cost is not the one-time investment in training a model. It is inferencing: the compute cost incurred every time a model generates a response. Every API call, every prompt, and every user interaction triggers a billable event.

Retrieval-augmented generation (RAG) has become a valuable strategy. Instead of feeding an entire data set into AI, RAG can be directed to pull in only the most relevant documents or facts from an external source when they are needed.

The FinOps community has developed frameworks for managing these inferencing costs: model routing, prompt compression, caching, batching, and tighter context window management. These are legitimate levers and the best engineering teams are pulling them hard. But there is a dimension of inferencing cost that the FinOps conversation has largely skipped over: the quality of the unstructured data being fed into AI pipelines.

Unstructured Data: Unknown and Unexamined

Enterprises are sitting on enormous volumes of unstructured data. Documents, images, medical files, contracts, research archives, email threads, and more form the raw material for many of the most valuable AI use cases. But unstructured data is largely unclassified, unsegmented, and unknown. Adding context and structure to this data is imperative for AI and other needs, yet the challenge is different than structured days of old.

For Further Reading:

[The Hidden Cost of AI at Scale](#)

[The Hidden Cost of Poor Training Data in Generative AI](#)

[The Role of Human-in-the-Loop in AI-Driven Data Management](#)

And if you liked that one:

The Gartner logo, consisting of the word "Gartner" in a bold, blue, sans-serif font, followed by a registered trademark symbol (®).

Gartner research on zero-trust data governance for AI-generated information

- Governance cannot simply accept information at face value.
- Lineage and authority become operational necessities.
- Governance must continuously determine what is trusted, by whom, & for what purpose.
- IG is shifting from documenting requirements to designing mechanisms of control.

<https://www.itpro.com/security/data-protection/fears-over-ai-model-collapse-are-fueling-a-shift-to-zero-trust-data-governance-strategies>

The McKinsey & Company logo, featuring the words "McKinsey" and "& Company" in a black, serif font, stacked vertically.

McKinsey article on AI success as fundamentally a data readiness problem

- AI only scales when data is connected, governed, trusted, and reusable—not merely available.
- Connect structured and unstructured data into a governed, reusable foundation.

<https://www.mckinsey.com/capabilities/mckinsey-technology/our-insights/ai-data-readiness-the-key-to-scaling-impact>

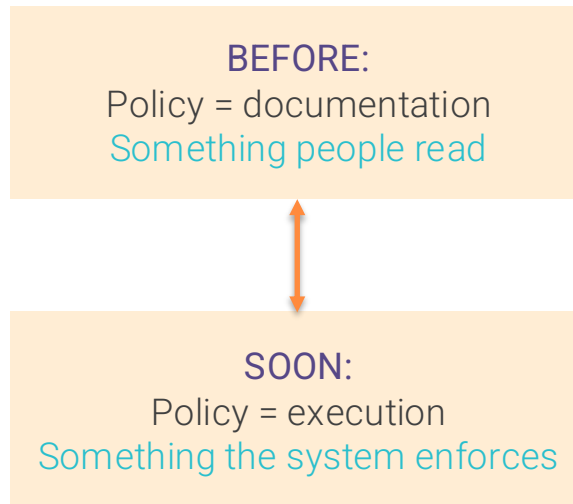
And so the emerging IG 2.0 becomes

1. Governance as **AI Readiness**
2. Governance as **Cost Control**
 - inference cost, token efficiency, RAG quality, context optimization
3. Governance as **Trust**
4. Governance as the **Operational Data Platform**



Governance by Design

- Setting up policies, procedures, tools and behaviors that obey IG standards *natively*
- AI tools and systems that are “IG-aware”
 - “Looks like we are creating a record..”
 - “This contains PII.” and also “I can identify this person..”
 - “This information belongs in Record Class 6430” or “location SharePoint/folder/client name/communication”
- Understand content AND governance
 - What is it?
 - How should it be used (and not used)? What is allowed?
 - How is it managed over time?



The Stack



Governance Strategy — Policies, risk, compliance (OpenPages, FilersKeepers)

+



Operational Governance — Discover, classify, remediate, retain (Valora)

+



Content Platforms — SharePoint, M365, File Shares, Box, iManage, etc.

+



AI Consumers — Microsoft Copilot, OpenAI, Gemini, RAG applications

It's not about Automation

- Automation $\neq$ Operational Governance
- Operational Governance means
 - judgement
 - controls
 - oversight
 - intervention
- Automation is merely a tool.



Operational Governance has a new leader

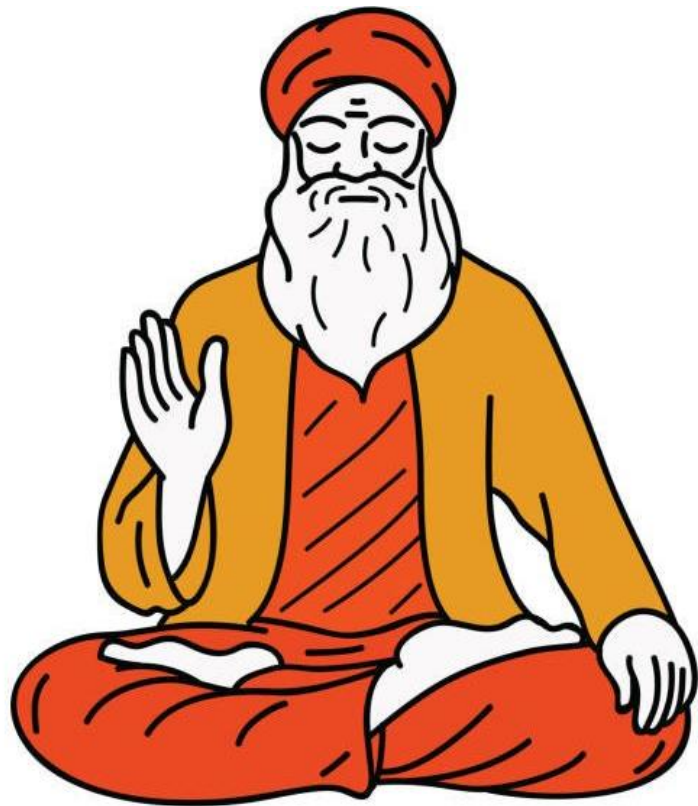
The Information Governor

(YOU!!)



- Policy becomes execution
- Governance by design
- Human judgment
- Confidence thresholds
- Continuous control
- Where the profession goes from here

Your Role in Operational IG



Manage the Mess!

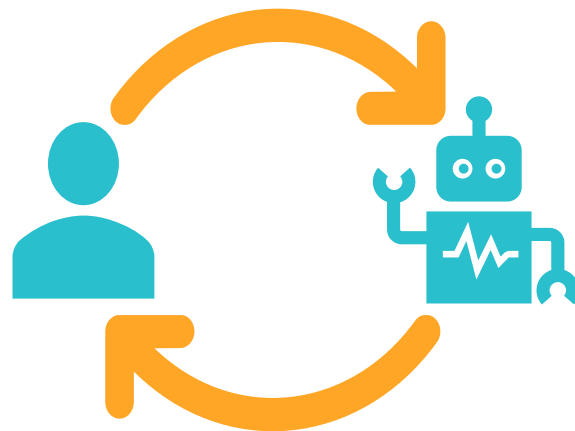
- Remove duplicates
- Clean up outdated content
- Ensure classification is correct
- Lock-down sensitive data
- Reduce error

Be the Data Guru

- Know what you have in your data estate
- Anticipate pushback with workarounds
- Adapt policies to AI speeds & decisioning models

Intentional Human Intervention

- Define objectives, priorities & trade-offs
- Define “appropriateness” and “edge cases”
- Provide explicit feedback (feedback loops)
- Adjudicate ambiguity
- Monitor performance
(drift, unintended consequences, accuracy)
- System overrides
- Preserving knowledge
(rationale, judgement, expertise)



HITL (human in the loop)

Humans move from doing the work
to governing how the work is done.

How your role changes in an AI environment

Define AI's Boundaries

- Where is AI being used?
- What should it not be used for?
- What still requires human review?

Embed Policy Into Tools

- Retention rules reflected in AI outputs?
- Is sensitive data being used or accessed appropriately?
- Are tools aligned with policies or ignoring them?

Establish Decision & Trust Thresholds

- Set confidence levels
- When is AI output “good enough”?
- When to escalate?
- When to override?

Monitor Feedback Loops

- What output reuse?
- What becomes training data?
- What must be excluded?
- Are errors spreading?

Preserve Lineage/Trust

- Where did this come from?
- Is it current?
- Is it accurate?
- Is it authoritative?

Purposeful Intervention

- Correct bad classifications
- Stop inappropriate outputs
- Flag issues early
- Organize training & source materials

Information Governance 3.0?

- Governance becomes Infrastructure
- A continuous system that is completely invisible
- Where:
 - AI agents have governance embedded
 - Policies execute themselves
 - Governance drives profit
- No longer something organizations have...
...but something they run on.
- Which is no longer a technology question,
but a leadership one.





www.valoratech.com



Book a Demo



Webinar Series



[/valora-technologies](https://www.linkedin.com/company/valora-technologies)

Q&A

Thank you



Sandy Serkes
President & CEO
sserkes@valoratech.com



Jennifer Nelson
VP Strategic Solutions
jnelson@valoratech.com