



Introduction

The regulatory landscape that enterprises face today has been characterized by an unrelenting increase in the number of governmental regulations. Since 1981, more than 118,000 regulations have been introduced in the United States alone. These include the Health Insurance Portability and Accountability Act (HIPAA) of 1996, the well-known Patriot Act of 2001, and the Sarbanes-Oxley Act of 2002. Similar regulations, such as the Japanese Personal Information Protection Act of April 2005, have been enacted in other countries. Other regulations, such as Basel II for the banking industry, have been issued by international agreement. Regulations have significantly increased the costs and the risks of doing business. The trend of business process outsourcing and the dynamics of disaggregated value nets only compound the challenge of dealing with compliance requirements. The concomitant explosion of information in enterprises adds to the challenge of leveraging that information to improve business performance while developing effective controls to manage the integrity and security of the information.

Maintaining business compliance in the future will require well-formed policies that are implemented with correct and compliant processes, based on accurate, consistent, and properly managed information. The IBM Research Division is working in partnership with our IBM brands: TotalStorage®, WebSphere®, Lotus®, Rational®, Tivoli®, and Information Management. Having adopted a holistic view of business compliance, which includes policy, process, and core entities of an enterprise, we are striving to ensure that customers are able to improve overall business performance while meeting the compliance needs of the enterprise.

This issue of the *IBM Systems Journal* provides a sample of the research efforts underway throughout the company to meet these business challenges. The papers in this issue show how governance and compliance cut across all elements of an enterprise, from governance of the development process, to data protection and privacy, to fundamental risk management, and to the changing role of auditing and reporting. As you explore this issue, I hope that you share my confidence that the work we are doing today will change our future outlook from viewing compliance as purely a cost of doing business to an opportunity that will improve our effectiveness and will further the success of our enterprises.

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