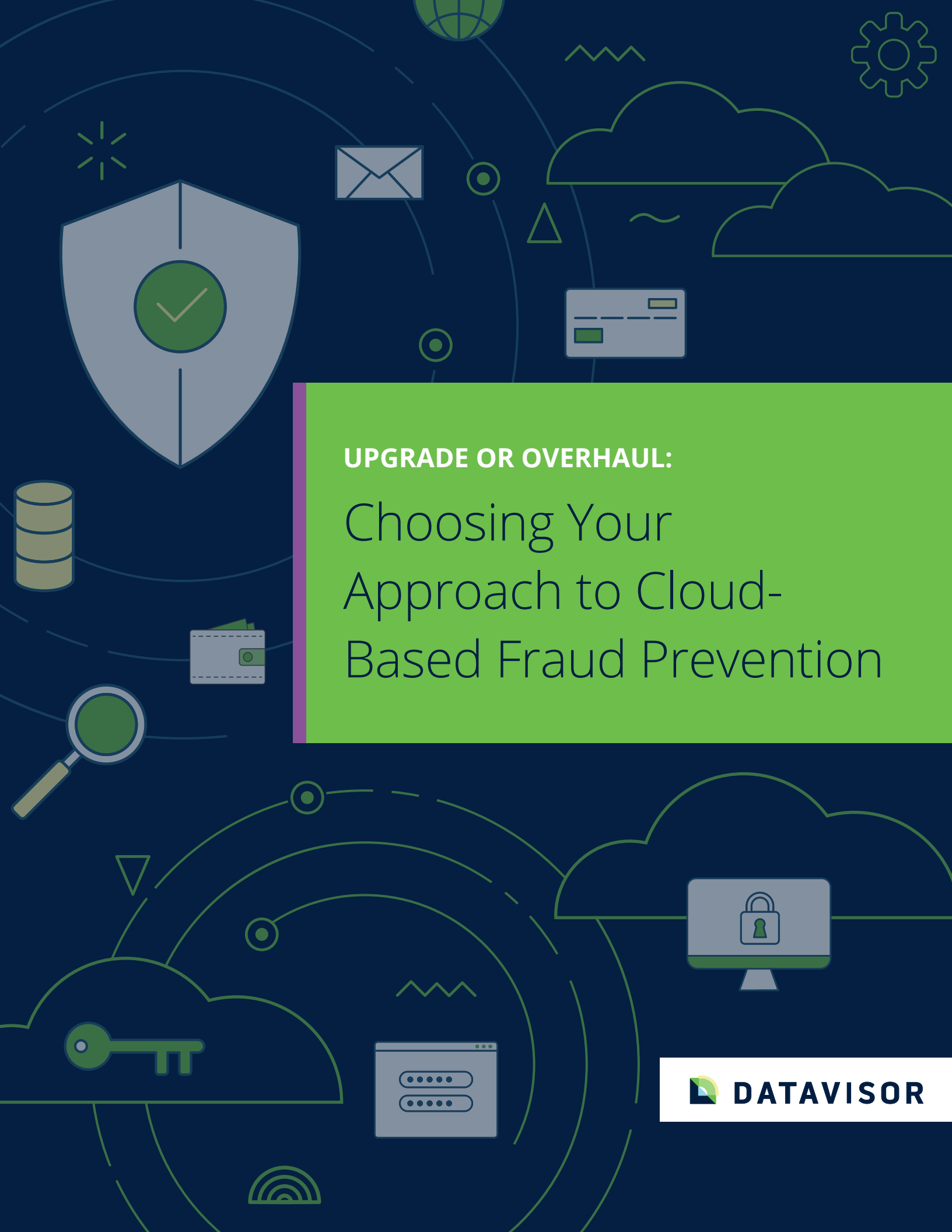

UPGRADE OR OVERHAUL:

Choosing Your Approach to Cloud-Based Fraud Prevention

DATAVISOR

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Introduction

Fraud detection technology is an evolving landscape. As soon as companies find ways to uncover acts of fraud and stop it in its tracks, fraudsters are already finding ways to circumvent those efforts. Since the beginning of the pandemic, cyber crime has increased an astounding 300%, according to the FBI. It's an ongoing game of cat-and-mouse, one that underscores the need for companies to be proactive about adapting their existing fraud solutions to the current times.

It's become clearer than ever that the best offense in fraud prevention is a good defense. Companies need robust, flexible fraud solutions that can quickly adapt to changing conditions. As organizations consider ways to improve their existing solutions, they face a very important decision: upgrade their fraud detection and prevention technology or simply overhaul it.

> This guide explores the possibilities of both options and why cloud-based solutions offer the best approach to fraud prevention.

1 The Best Option: Upgrade to a Cloud-Based Fraud Solution

With fraudsters' attack patterns continually shifting and adapting, organizations need fraud tools that can grow and adapt with the times. Cloud-based solutions like DataVisor offer an effective solution because of the ability to scale, reduced complexity, lowered short-term and long-term costs, and capability of sharing data across the enterprise for better fraud detection.

Gartner forecasts a growth of 35% in spending on cloud applications (SaaS) over the next two years and predicts investment in enterprise software will reach $225 billion in 2021.

Advantages of the Cloud for Fraud Detection Technology

Help with Digital Transformation

Digital transformation is accelerating, largely due to the pandemic. More organizations are exploring new digital features and technologies to build business continuity and resilience.

Easy Implementation

One of the key benefits of SaaS is the speed of which they can be fully implemented. Lengthy implementations and rollouts are things of the past. Cloud-based fraud prevention from DataVisor can start producing results in as little as two weeks.

Real-Time Capabilities

Centralized data from multiple sources can provide real-time insights into potential fraud. These insights can be used to stop fraud at the gate instead of reacting to the costly effects of fraud after the fact.

Better Harnessing and Leveraging of Data

Cloud-based solutions that leverage AI can lead to better risk management. Applying AI to external and internal data enables better detection, eliminates data silos, and can help to detect more fraudulent activities regardless of type or channel. DataVisor leverages AI insights from global consortium data combined with your internal data for more comprehensive fraud detection.

Lower Total Cost of Ownership

An incremental approach forces departments to shoulder the full cost of their fraud detection solutions. With enterprise fraud management, data becomes a shared asset and fractional ownership helps to lower the total cost for all departments.

Creating a comprehensive approach to fraud prevention can become a company's competitive advantage. Asia's rapid shift to mobile payments is proof of this. Before the mobile evolution, banks in China were noticeably behind those of the Western world. But they abandoned legacy solutions and opted for an upgrade instead of an incremental overhaul, which allowed them to leapfrog ahead in fintech. Today, few people in China pay with cash and even credit cards, opting instead for mobile payments.

Businesses can follow a similar path by heavily considering the upgrade vs. overhaul comparison and positioning themselves to keep pace with evolving fraud.

2 Upgrade vs. Overhaul Fraud Detection Solutions

Enterprise fraud management needs to address a broad spectrum of functions and possibilities, including but not limited to:

- Transaction monitoring
- Identity verification
- Device identification
- Behavioral analytics
- Bot detection

As the fraud landscape evolves, choosing to either upgrade or overhaul existing solutions is unavoidable. Enterprises are moving to cloud-based solutions for better flexibility, seamless ingestion of data across all channels, and the ability to scale their architecture over time.

Overhaul

By definition, to overhaul means to examine thoroughly and make necessary repairs or improvements.

In terms of enterprise fraud management, overhauling a solution often means not addressing the solution on a comprehensive scope. Rather, certain features or functions might receive attention while others do not.

Upgrade

By definition, to upgrade means to raise something to a higher standard by replacing components with something better.

When we apply this definition to enterprise fraud management, upgrading means to increase the entire operational approach of a company's fraud detection technology. Cloud-based solutions are easier to upgrade because they don't require extensive reworking of physical infrastructure.

3 The Case Against Overhauling Fraud Prevention Technology

The many faces of fraud and the myriad of channels in which fraud occurs illustrate the need for a comprehensive technology suite that lives in the cloud. This allows organizations to not only detect more instances of fraud with greater accuracy, but also address new types of fraud as they arise.

The problem that many organizations face when overhauling their fraud approach is that existing solutions are only built upon as needed. That is, new solutions are added on to current ones to create a patchwork defense. Solutions are chosen singularly to address specific types of fraud or risk.

One missed opportunity that results from the overhaul approach is that the solutions aren't designed to work together as a whole. This this type of problem-solving takes a reactive path instead of a proactive one, addressing only the known types of fraud that have occurred rather than defending against new types of fraud that have yet to be discovered.

What's more, relying on point solutions means dealing with multiple vendors, which can lead to a number of complications:

- Upgrades and patches are released on an ongoing basis and must be implemented singularly to keep solutions in proper working order.
- More vendors mean IT teams have more to monitor and manage in terms of keeping their fraud technology stack up to date.
- Integration issues may arise when solutions aren't compatible.
- Incompatibility and/or lack of integration can restrict data sharing between solutions, resulting in a siloed fraud detection landscape and missed opportunities.
- IT leaders must carefully manage each service agreement, renewal terms, licensing, and costs.
- Evaluating multiple point solutions is time-consuming and often involves multiple decision makers, which can delay the process of selection and deployment.

However, it's not just a matter of choosing a better path. Moving away from point solutions creates unique challenges, namely in finding a comprehensive cloud-based solution that's designed to work seamlessly while also providing a complete layer of coverage.

4 Upgrading Provides a Better Path for Comprehensive Fraud Detection

The downsides of choosing a fraud technology overhaul can be flipped to illustrate the upsides of upgrading to a comprehensive cloud-based solution. Upgrades address your entire enterprise fraud management approach, helping you fill gaps without also simultaneously creating new ones.

More companies are turning to cloud-based solutions for a number of benefits:

- Upgrades and patches are released from one vendor.
- One vendor to manage means less demand on your IT resources.
- Integration and compatibility issues are nonexistent since fraud tools are designed to work as a single system, even when addressing different channels and types of fraud.
- Data can be shared across departments within the enterprise to detect and stop more instances of fraud.
- One cost, one service agreement, and one renewal date gives IT leaders fewer details to track.
- Evaluating one comprehensive solution is less time-consuming and can speed up the process of selection and deployment.

DataVisor fraud detection technology takes a proactive approach to fraud instead of a reactive one. This is because DataVisor tools rely on the help of supervised and unsupervised machine learning to improve detection and defend against known and unknown threats. Our fraud models do not require constant re-tuning and do not decay immediately upon deployment, unlike other fraud models.

In addition, DataVisor takes a multi-layered approach to fraud and can be deployed in a variety of use cases, including but not limited to:

- Anti-money laundering
- Transaction fraud
- Account takeovers
- Bot attacks
- Device manipulation
- Application fraud
- Promotion abuse fraud

DataVisor tools are designed to work flawlessly together and when combined, they are greater than the sum of their parts.

5 Calculating Fraud Prevention ROI

The ease of deployment and decision making are only part of the equation. What matters most in choosing whether to upgrade or overhaul fraud technology is the ROI that each one delivers.

On the surface, an incremental approach can seem like the most cost-effective solution. You're paying for solutions as you need them without incurring major investments with your other systems. However, a fragmented infrastructure can be more costly in the long term due to costs in managing and maintaining it. Plus, when solutions aren't properly integrated, you could fail to identify some instances of fraud, especially acts that are yet "unknown."

The High Cost of Overhauling

Overhauling fraud point solutions is the equivalent to upgrading your computer's operating system without also upgrading your computer, monitor, speakers, printer, and other software. Your OS might work well for a while, but the higher-quality icons and imagery won't look as nice on a monitor that's 10 years old. Your processor might be slower. Some of your software might be incompatible. Eventually, the obvious differences in technology may require you to spend more money on a full computer system upgrade to make everything cohesive.

Taking an ROI-first approach to the fraud upgrade or overhaul decision, upgrading your solution can be a more cost-effective option in the long term. A comprehensive cloud-based platform that scales with your needs over time can offer more long-term ROI than point solutions that require constant monitoring. In addition, the ability to share data across applications can help to capture more fraud, thus reducing fraud losses and helping organizations to get ahead of fraud as it evolves.

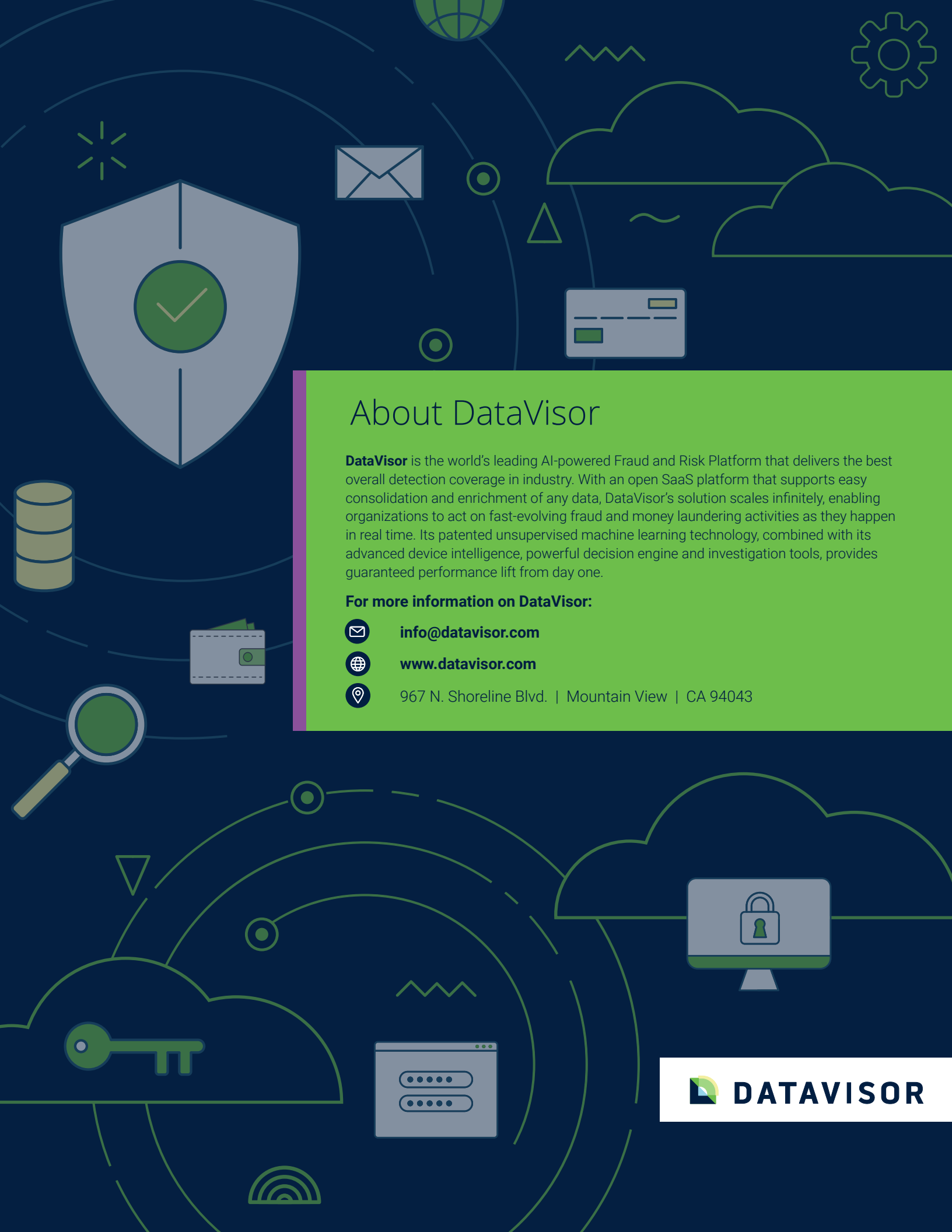
6 How DataVisor's Cloud-Based AI Fraud Prevention Technology Works

DataVisor is the most comprehensive, cloud-based, AI-driven fraud and risk platform, offering the best overall detection coverage in the industry. With an open platform that supports easy consolidation and enrichment of any data, DataVisor's solution scales infinitely, enabling organizations to act on fast-evolving fraud and money laundering activities as they happen in real time.

In a recent case study on transaction fraud, one DataVisor financial client increased fraud detection by 20% with a 94% accuracy rating. The client also accelerated its fraud model development by 500%.

Another DataVisor financial client with 900+ retail lending offices also experienced a 20% lift in fraud detection with 95% accuracy. The client also improved operational efficiency by 5x.

What can DataVisor's cloud-based fraud solutions do for your organization? To see DataVisor in action, **request a demo.**



About DataVisor

DataVisor is the world's leading AI-powered Fraud and Risk Platform that delivers the best overall detection coverage in industry. With an open SaaS platform that supports easy consolidation and enrichment of any data, DataVisor's solution scales infinitely, enabling organizations to act on fast-evolving fraud and money laundering activities as they happen in real time. Its patented unsupervised machine learning technology, combined with its advanced device intelligence, powerful decision engine and investigation tools, provides guaranteed performance lift from day one.

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