

SAP Solution Brief

SAP Solutions for Governance, Risk,
and Compliance
SAP Fraud Management

Objectives

Solution

Benefits

Quick Facts



**Detect, Prevent, and Deter
Fraud in Big Data Environments**



The Best-Run Businesses Run SAP™

Detect and prevent fraud to reduce financial loss

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The typical organization loses an estimated 5% of their annual revenues to fraud. How can your organization use fraud management technology to **reduce financial loss, protect revenue and reputation, and limit disruption to your business** processes?

More than 50% of fraud cases are detected by accident,* after loss has occurred. Many tools require excessive effort by fraud analysts to generate useful information, or the tools generate too many false alarms. The cost of using these tools is high, and the return is low.

For effective fraud management, you need an approach that detects and prevents fraud – as it happens. The right solution will help your organization keep pace with ever-changing, increasingly sophisticated criminal tactics. Then if fraud occurs, your analysts can investigate it efficiently and thoroughly check transactions without negatively impacting operational productivity.

Also, as regulatory pressure grows, for example, to implement antibribery and anti-corruption programs, you need to detect and investigate various types of suspicious transactions to achieve compliance and protect your company's reputation.

That's why you should consider the SAP® Fraud Management analytic application. Powered by the SAP HANA® platform, this holistic solution gives you the insight and speed needed to detect, prevent, and help deter fraud.

* Report to the Nations on Occupational Fraud And Abuse, Association of Certified Fraud Examiners (ACFE), 2012.



Detect fraud sooner, with enhanced control

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Improve detection accuracy at a lower cost

Prevent and deter fraud

Integrate with other SAP solutions

Supporting innovation with SAP technology

Harnessing the power of in-memory computing to detect fraud

The earlier you can detect fraud, the greater your chances are to prevent associated loss. With the real-time detection features of SAP Fraud Management, you can spot activities as they are happening and stop fraudulent transactions before they impact your bottom line.

Part of SAP solutions for governance, risk, and compliance (GRC), SAP Fraud Management helps you capture, search, and analyze data from multiple sources. You can integrate the application with other business software – both SAP and non-SAP. Your analysts can detect fraudulent activity, and the application can place a hold on suspicious transactions before further losses occur. What's more, SAP

Fraud Management delivers alert notifications and gives you the tools you need to improve your control framework or enhance fraud-prevention policies, and, where needed, comply to antifraud regulations.

This flexible SAP software can support the fraud scenarios relevant to your organization – such as employee theft, corruption, or warranty fraud. You can use the application for one scenario and expand it to include others as needs develop or change. In addition, you can adapt scenarios delivered by SAP or partners, modify the included detection methods, and add more fraud strategies to enhance these scenarios.

See what you've been missing. SAP Fraud Management helps you spotlight potential fraud as it is happening.



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Fraud detection tools deliver the highest value when they provide qualified leads. Yet many technologies overwhelm your analysts with false-positive results, driving up the cost of fraud investigation and prevention.

You can reduce the workload of your fraud team and drive down the costs of investigation with SAP Fraud Management. Your analysts can use real-time calibration and simulation features to refine searches and improve fraud detection accuracy, even across very large

volumes of data. The in-memory processing of SAP HANA helps your fraud team perform rapid, what-if analyses on historic data.

You can reduce the number of false positives using granular criteria – such as customizable weighting factors and thresholds – to adjust detection strategies and search rules. Your fraud team can also use the software to analyze the performance of detection setups to assess which approaches are most effective.

Are your investigators drowning in a sea of data? They can use SAP software to get the right leads at the right time to solve fraud cases faster.



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Your efforts in dealing with fraud should go beyond detection and prosecution of malicious activities. With SAP Fraud Management, you can prevent and deter activities that result in fraud.

The analytic application supports multirule strategies that your team can use to calculate risk scores and optimize analyses of fraud scenarios. Integration with enterprise resource planning applications also enables you to stop transactions that seem fraudulent. For example, the software can automatically hold payments when conditions exceed preset thresholds.

Using information on historical patterns, analysts can use SAP Fraud Management to modify measures so your organization can adapt to changing fraud patterns. The application also integrates with SAP Predictive Analysis software. By using the integrated software to monitor and optimize the quality of investigations, your fraud team can gain insight into which approaches are most effective in deterring fraud and make better decisions that reduce risk.

The best way to reduce fraud is to prevent it from happening. SAP Fraud Management can help establish and monitor extensive prevention measures.



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Fraud can touch many aspects of your business. That's why SAP Fraud Management can integrate with your organization's other transactional and analytic software.

For example, your analysts can use SAP Predictive Analysis to better understand fraud patterns and strategies for fraud prevention. The software's intuitive user interface helps business users gain insight into fraud patterns, while powerful analytics help your investigators understand how and why fraud occurs.

You can also integrate the SAP Process Control application with SAP Fraud Management to enhance fraud remediation, using issue management workflows from the process control software. This feature helps you enhance ad hoc controls and policies to develop long-term improvements in fraud prevention and compliance with antifraud regulations.

Integration with other SAP software helps you gain even more value from SAP Fraud Management.



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Transforming ever-multiplying data into information that supports real-time fraud detection and investigation is the key to protecting your enterprise from fraud. Fraud-attack strategies change – not monthly or weekly, but by the day, hour, and minute. With in-memory computing offered by the SAP HANA platform, fraud investigators can collect, analyze, and act on very large amounts of data in real time.

The first step in this process is to collect data, which requires a structured methodology to identify relevant information from an array of heterogeneous sources. The data must then be

instantly organized and managed so that the right pieces of information are brought together to form a 360-degree view of each fraud case.

The next step is analysis: by integrating SAP Fraud Management with SAP Predictive Analysis, you can perform predictive data modeling and scenario planning. The resulting real-time information must get to the right people to make the right decisions, yielding actions that affect the detection or prevention of a fraud attack.

Stop fraud before it happens with the power of SAP HANA.



Harnessing the power of in-memory computing to detect fraud

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With the processing power of SAP HANA, you can store and analyze data in local memory. This feature effectively eliminates latency issues related to transferring and loading data from the disk – resulting in much faster fraud detection. Unique memory-optimized data structures support faster processing with no boundaries on volume, granularity, or timeliness of data, which enhances fraud detection accuracy. In-memory computing puts the results of complex analyses and transactions at your fingertips for real-time fraud detection and prevention.

This radically faster and fundamentally different approach to fraud management is made possible by technology advancements in three areas. First, hardware advances are increasing processing speeds, and new technologies are making memory more affordable. Second, the mainstream availability of 64-bit processors increases the amount of memory each computer can use. Third, hardware manufacturers have shifted from favoring a few fast processors to a multicore architecture that utilizes multiple lower-power, lower-speed processors working in parallel.

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Earlier detection and increased accuracy enhance protection

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Protect your organization with SAP Fraud Management. Leveraging the in-memory computing power of SAP HANA, the software offers real-time detection features that help your investigators deter and prevent fraud as early as possible to reduce losses and protect revenue. Transaction security increases in your organization's key business processes, and the flexible platform helps you add multiple types of fraud scenarios.

With increased investigation accuracy and fewer false-positives, your fraud team can work more productively, with less effort and cost. You can use the application's management dashboard to assess whether resources are being allocated efficiently, so you can maximize the value delivered by your investigation team.

The software also helps you reduce the risk of fraud by improving analysis capabilities, increasing visibility into possible fraud activities, and making better management decisions. By responding faster to threats and creating processes that deter fraud, your organization can take steps to prevent disruptions to critical business processes.

Last, the powerful detection functionalities of the analytic application allow you to sustain and continuously improve your compliance status with regulations such as antifraud and anticorruption mandates.



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Summary

The SAP® Fraud Management analytic application gives you the insight you need to detect, prevent, and deter fraud. Powered by the SAP HANA® platform, the software processes high volumes of data in real time, helping your analysts detect fraudulent activity so you can reduce revenue loss. Alerts and notifications enhance fraud control, and your team can use rapid, what-if analyses to investigate efficiently without negatively impacting business productivity. Sophisticated rules and leading-edge predictive methods help investigators deter fraud, reduce risk, and comply to applicable antifraud regulations.

Objectives

- Detect fraud earlier and reduce loss of revenue
- Investigate fraud efficiently and precisely
- Prevent fraud with better decision making

Solution

- Real-time detection tools to identify and stop fraud as early as possible
- Powerful calibration and simulation features to increase investigation efficiency
- Rules and predictive methods to optimize fraud-scenario analysis and reduce fraud risk

Benefits

- Decrease loss and enhance revenue protection through real-time detection, which helps stop fraud as early as possible
- Increase productivity of your investigation team with features that reduce false-positives
- Mitigate risks of fraud and noncompliance by improving analysis capabilities and increasing visibility

Learn more

Call your SAP representative today, or visit us online at www.sap.com/fraud.



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