

Aite Matrix: Case Management to Combat Global Fraud and Money Laundering

This excerpt provided compliments of this Best-in-Class vendor:

NICE ■ ACTIMIZE

SEPTEMBER 2020

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INTRODUCTION

Financial crimes are continuing to grow and evolve with no relief in sight. Fraudsters and money launderers find new and creative ways to commit their crimes, while old methods continue to be popular. FIs cannot let their guards down or they will risk paying dearly in fraud losses or regulatory fines. Global financial organizations are dedicating billions of dollars to trying to defeat criminals, detect and prevent financial crime, stay in compliance with increasing regulatory demands, and avoid censure. Solutions for financial crimes case management have been a key cog in the fight against fraud and money laundering. These platforms continue to evolve to meet FIs' needs. They are foundational to the efforts of fraud and AML departments as they seek to find the needles in the haystack that represent criminal activity and try to prevent it and report it as required.

This Impact Report explores some of the key trends within the financial crimes case management market and discusses the ways in which technology is evolving to address new market needs and operational challenges. This Impact Report also compares and contrasts the leading vendors' offerings and strategies, and it highlights their primary strengths and areas for enhancement. Finally, to help FIs make more informed decisions as they select new technology partners and adopt new functionality and features, the report recognizes specific vendors for their strengths in critical areas. For FIs' efforts to be fruitful, it is essential that the technology financial crime executives rely upon to create a more holistic 360-degree view of customers and enterprise risk, and to examine all activity associated with that customer, be flexible. Since budgets are limited, efficiency measures are increasingly important to be able to handle volume increases, increasing threats, and evolving operational challenges without requiring additions to staff. This Impact Report will be of interest to all fraud and AML executives interested in upgrading their current case management solutions, and it can serve as a roadmap for solution providers interested in adding to or improving their product offerings.

METHODOLOGY

Leveraging the Aite Matrix, a proprietary Aite Group vendor assessment framework, this Impact Report evaluates the overall competitive position of each vendor, focusing on vendor stability, client strength, product features, and client services. This report is a refresh of a vendor evaluation performed in 2015.¹

The following criteria were applied to develop a list of vendors for participation with case management solutions:

- Support of all financial crime activity
- Automated filing of SARs or the ability to support the creation of such reports
- Ability to ingest fraud and AML alerts from third-party monitoring and detection solutions

1. See Aite Group's report *Case Management Vendor Evaluation: Key to Enterprise Success*, August 2015.

Participating vendors were required to complete a detailed product request for information (RFI) composed of both qualitative and quantitative questions, conduct a thorough product briefing and demo, and provide a minimum of three active client references.

THE PLAYERS

This section presents comparative data and profiles for the individual vendors that participated in the Aite Matrix evaluation. This is by no means an exhaustive list of vendors, and firms looking to undergo a vendor selection process should conduct initial due diligence prior to assembling a list of vendors appropriate for their own unique needs. Table A presents basic vendor information for the participating solutions.

Table A: Evaluated Vendors

| Firm | Headquarters | Year founded | Number of employees | Number of financial crimes case management clients | Target market—geography | Target market—buyers |
|--------------------------------|---------------------------|--------------|---------------------|--|---|---|
| Aithent | New York | 1991 | 250 | 40 | U.S. | FIs between US\$1 billion and US\$50 billion in asset size; insurance organizations and government |
| BAE Systems | Guildford, U.K. | 1970 | 83,500 | 108 | North America, Europe, and the Asia-Pacific | FIs, issuing processors, and insurers |
| Bottomline Technologies | Portsmouth, New Hampshire | 1989 | About 1,800 | 166 | U.K. and North America | Banks, insurance companies, acquirers, money service businesses, traditional asset managers, loan and finance, and broker-dealers |
| Clari5 | Bangalore, India | 2006 | Over 190 | 50 | U.S., the Asia-Pacific, the Middle East, Africa, and Southeast Asia | Banks, insurance companies, acquirers, money service businesses, and loan and finance |

| Firm | Headquarters | Year founded | Number of employees | Number of financial crimes case management clients | Target market—geography | Target market—buyers |
|----------------------|--------------------------|--------------|---|--|--|--|
| Featurespace | Cambridge, U.K. | 2008 | 293 | 37 | U.S.; Europe, the Middle East, and Africa (EMEA); and the Asia-Pacific | Financial services organizations |
| FICO | San Jose, California | 1956 | 3,800 | Over 650 deployments servicing nearly 9,100 FIs | North America and EMEA | FIs, insurers, and lenders |
| Fiserv | Brookfield, Wisconsin | 1984 | About 44,000 | 1,250 | North America, Europe, and the Asia-Pacific | FIs, insurers, and wealth management firms |
| NICE Actimize | Hoboken, New Jersey | 1999 | Over 1,200 | 495 | Global; expect strongest growth in EMEA | FIs, fintech firms, and insurance, gaming, crypto, and tech firms, etc. |
| Oracle | Redwood City, California | 1977 | 137,000 (Note: over 1,000 dedicated to financial crime and compliance management) | Over 150 | North America, EMEA, Japan, and the Asia-Pacific | FIs, credit unions, brokerages, and investment advisors |
| SAS | Cary, North Carolina | 1976 | 14,151 | 419 | The Asia-Pacific, Latin America, and Eastern Europe | Banks, insurance companies, money service businesses, and broker-dealers |

Source: Vendors

THE MARKET

Financial case management platforms serve as a vital cog for financial organizations as they fight financial crime and meet their regulatory obligations. Within these systems, financial organizations embed the internal standards, time frames, and protocols for prioritizing, decisioning, and documenting alert reviews and case investigations, along with submitting all reporting to senior management, internal auditors, and relevant external authorities:

- Dynamic user interfaces, workflow capabilities, and visualization tools support processes and procedures; assign, prioritize, and record required tasks, actions, and decisions; and facilitate research and decision-making.
- Reporting tools support the automated preparation and reporting of SAR filings.
- Prepackaged, custom, and ad hoc management reporting modules and dashboards support system, analyst, and investigator performance metrics; compliance oversight; and adherence with regulatory obligations.
- These solutions serve as the system of record for compliance purposes and as a central data repository to aid in internal and external audits, regulatory examinations, and law enforcement investigations.

Technology solution providers are bringing to market more intelligent automation and analytics. Superior solutions promote greater productivity and operational efficiency, more single-view risk profiles, and automated task functionalities.

The following market trends are shaping the present and future of the financial crimes case management market (Table B). Each trend is described in more detail after the table.

Table B: The Market

| Market trends | Market implications |
|--|---|
| The rate and pace of financial crime attacks continue to escalate. | Financial crime is highly lucrative, and money laundering is necessary for many types of financial crimes. Criminal activity is less likely to decrease than to continue to grow. Financial organizations must incorporate ways to keep up. |
| Regulators around the globe continue to require stronger and more risk-based programs, controls, and processes to deter, detect, and report money laundering and other suspicious activity. | Governments lose tremendous tax revenue when they cannot tax illicit operations. Some crimes may eventually be made legitimate as a result (e.g., marijuana sales). Regulators will continue to increase requirements for detecting the crimes that remain illegal and require cash to be laundered. Financial crime executives must deploy technology solutions that help them better fight criminals and terrorists, and achieve better risk outcomes and quality intelligence. |

| Market trends | Market implications |
|--|--|
| Criminals' methods of committing financial crimes are becoming increasingly sophisticated, often requiring a 360-degree customer view to detect. | Organized criminal rings are run just like legitimate businesses, except they don't have to pay taxes. As a result, they have substantial funds to invest in research and development (R&D) to be more successful. FIs must develop methods to more easily identify fraud and money laundering more quickly and easily or incur growing fraud losses, potential reputational damage, and regulatory fines. |
| False positive rates from many detection systems are high, wasting time and energy and distracting resources from higher-risk events and parties. | Many FIs continue to work one alert at a time rather than accumulating related alerts into one event. In addition, few FIs have an effective method to risk rank alerts. Advances must continually be made to be more effective and more efficient. |
| Many FIs' fraud and AML staffs have grown to be quite large, so methods to work more efficiently are in high demand. | Financial crime units must become more operationally efficient since budget increases and additional staff will be difficult to obtain in the current economic climate and COVID-19 pandemic. |
| Increasing availability of previously unexploited data, in conjunction with continual technology advancements in analytics and automation, enable faster, smarter, and more efficient decisioning and intelligence. | Technology solution providers are offering more intelligent automation and analytics that better tackle ongoing financial crime threats as well as operational challenges. Deployment will become more prevalent as businesses experience promising results across various use cases. |
| Financial organizations are seeking and adopting more integrated financial crime strategies. | Integrated case management platforms across organizations enable more holistic views of customer and enterprise risk, and yield faster, more informed, and more consistent approaches to investigation and decision-making. |

Source: Aite Group

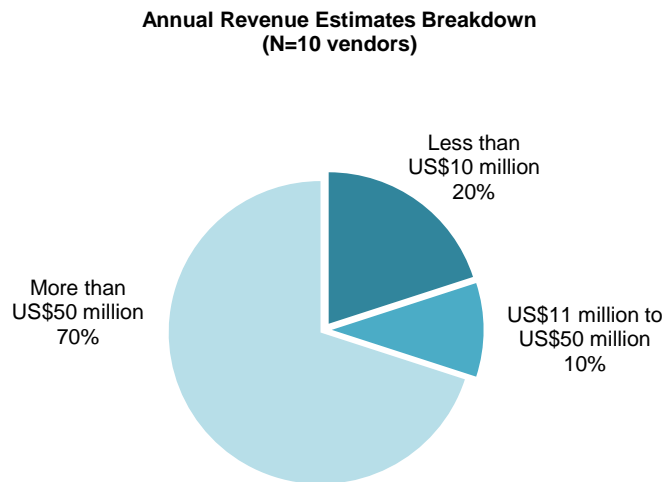
KEY STATISTICS

This section provides information and analysis on key market statistics as well as projected IT spending related to the vendor market.

ANNUAL REVENUE ESTIMATES ANALYSIS

The financial crimes case management vendor landscape is composed of many long-time and well-established market incumbents with diverse product suites, a strong client base, robust revenue streams, and financial viability. A few new startups have emerged within the last 10 to 15 years offering case management solutions in conjunction with their financial crime detection engines. Revenue is generally derived from solution licenses and fees from implementation and ongoing maintenance as well as professional services fees associated with deployments, often accompanied by extensive customization and configuration requests, maintenance, enhanced support, and solution upgrades. Frequently, pricing for case management is packaged together with deployments of other AML or fraud product offerings. Seventy percent of the participating vendors generate more than US\$50 million in annual revenue, with some giants earning considerably more (Figure 1).

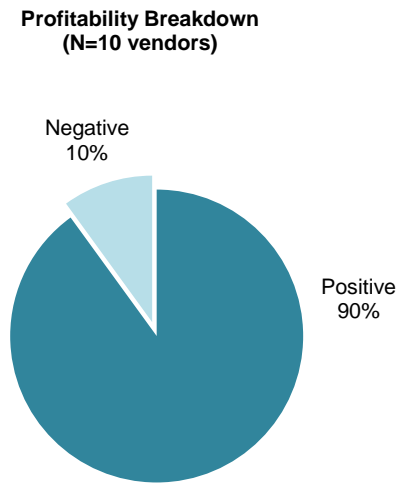
Figure 1: Annual Revenue Estimates Breakdown



Source: Vendors

PROFITABILITY ANALYSIS

Most participating vendors reported profitability. In this space, the vendors that operate at a break-even point or at a loss are new entrants that reinvest much of their revenue back into R&D (Figure 2).

Figure 2: Vendor Profitability

Note: No participating vendor is at the break-even point.

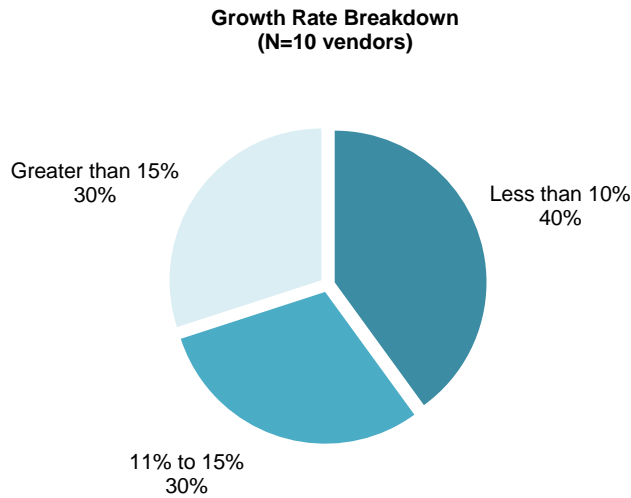
Source: Vendors

GROWTH RATE ANALYSIS

All participating vendors reported positive growth. Sixty percent increased revenue by more than 10%, with 30% at a rate of more than 15%, and the other 30% with growth rates between 10% and 15%. The remaining segment (40%) grew at a rate of less than 10% (Figure 3).

For most vendors, the financial crimes case management product still offers ample opportunities. Yet the market can be a challenging one to penetrate considerably, given the challenges and high costs associated with switching from incumbent platforms as well as the close integration between case management and the complementary AML and fraud monitoring and detection offerings. In addition, newer entrants encounter obstacles stemming from the biases within most financial organizations toward vendors with established reputations, particularly with regulators and examiners, and proven track records.

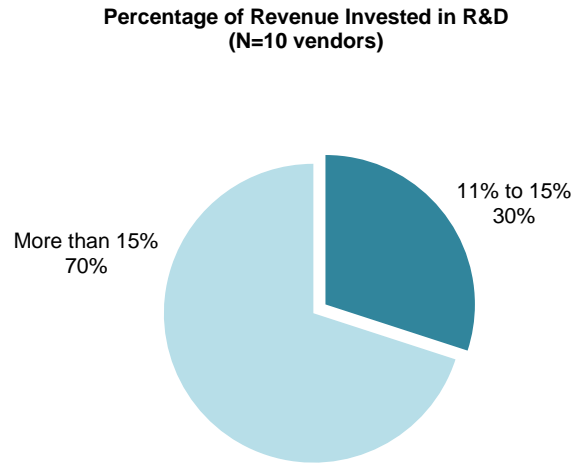
On a positive note, with increased fraud attacks and regulatory pressures, more midsize and small FIs will need case management solutions priced at levels they can afford. Many of these organizations are still using old solutions that were sunset years ago and are no longer supported, Excel spreadsheets, or other highly manual methods.

Figure 3: Growth Rate Breakdown

Source: Vendors

R&D INVESTMENT ANALYSIS

Financial crime leaders desire and seek the potential in the adoption of next-generation technology and the advancements in computing power, intelligent automation, data analytics, visualization, and natural language functionality. They want tools and functionality that can deliver more user-friendly and intuitive user experiences, and faster, smarter, and more consistent investigations and decision-making. To satisfy these expanding needs and expectations, all vendors appreciate the need to, and are continually investing significantly into, R&D. Seventy percent of the participating vendors invest more than 15% of their revenue in ongoing R&D. The remaining 30% that invest between 10% and 15% of revenue in ongoing R&D are all larger companies with higher levels of annual revenue, thus making it harder to hit the higher percentages of revenue invested in R&D (Figure 4).

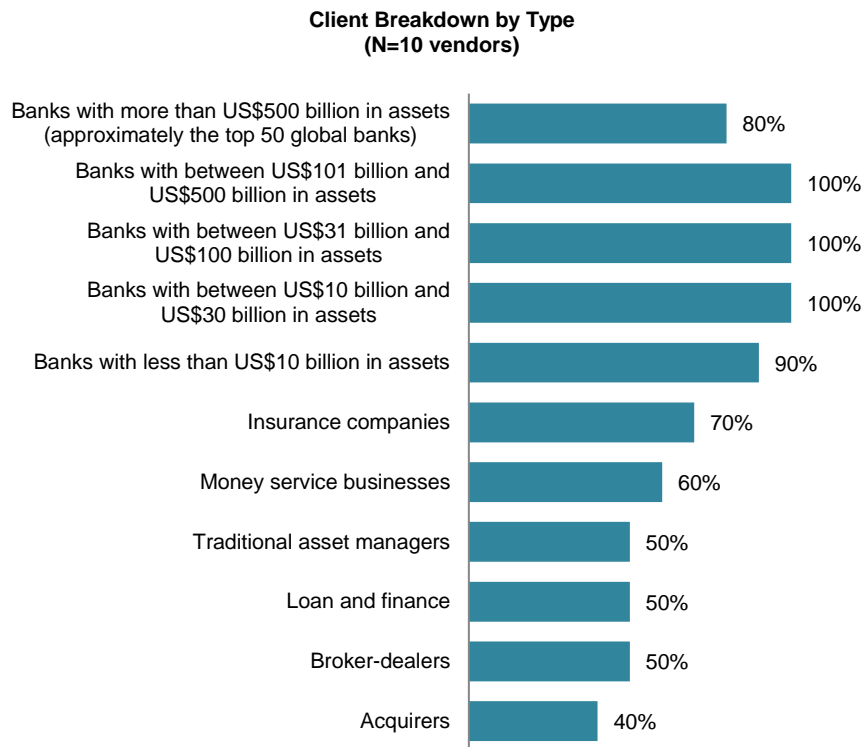
Figure 4: Percentage of Revenue Invested in R&D

Note: No vendor reported 10% or less of revenue invested in R&D.

Source: Vendors

CLIENT BREAKDOWN BY TYPE

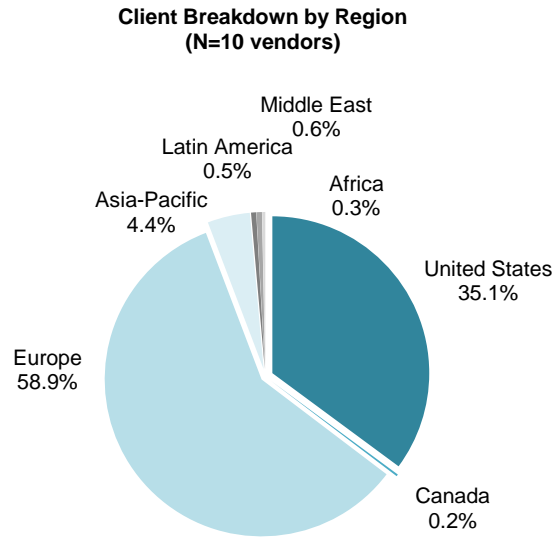
Historically, banks and depository institutions, especially midsize and large organizations, have composed the majority of the client base for financial crime case management platform providers. Typically the biggest victims of money launderers and financial criminals, and the primary targets of AML regulatory scrutiny, these institutions have the biggest demand for extensive case management platforms as well as the deepest pockets to fund them. However, within the last decade, smaller FIs, insurers, fintech firms, and other financial organizations are requiring more extensive detection and case management functionality. As such, they are quickly becoming a significant slice of the market and are being targeted by most of the vendors evaluated in this report (Figure 5).

Figure 5: Client Breakdown by Type

Source: Vendors

CLIENT BREAKDOWN BY REGION

Figure 6 illustrates that the client breakdown among participating vendors spans a wide geographical range. Although the U.S. and Europe currently make up the majority of clients, most vendors see the other regions, especially the Asia-Pacific (which includes Australia), as presenting high potential for penetration and growth, and have made these parts of the world integral parts of their go-forward strategy. In the Asia-Pacific, regulators in Singapore and Hong Kong have long promoted private- and public-sector innovation in the fight against financial crime. Nonetheless, increased global expansion will require that vendors build more expertise and understanding of local needs and culture, adjust the manner in which they conduct business, and perhaps offer more configurable product suites.

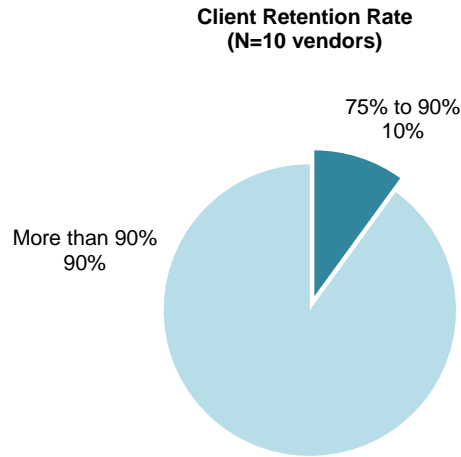
Figure 6: Client Breakdown by Region

Source: Vendors

ANNUAL CLIENT RETENTION RATE

Figure 7 illustrates that client retention is not a major issue for any of the participating vendors. This may be attributable as much to the vast obstacles for financial organizations to replace existing case management platforms as to the viability and effectiveness of solutions in the market as well as the quality of vendor support and service. As more and more vendors begin to deliver superior products with increased functionality, configurability, scalability, more open architectures, and elevated API capabilities enabling easier and more economical deployments and integrations with existing systems and infrastructure, those vendors that do not invest in their offerings and fall further behind will begin to lose clients.

Figure 7: Client Retention Rate



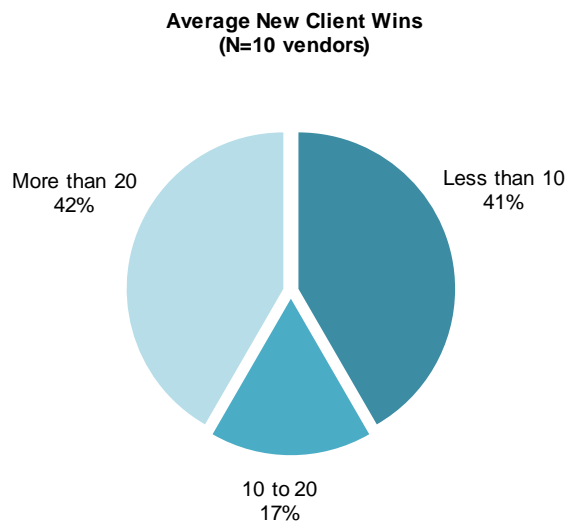
Note: No vendor reported a retention rate below 75%.

Source: Vendors

AVERAGE NEW CLIENT WINS

Figure 8 shows that the opportunities for growth exist and that financial organizations are continuing to seek, invest in, and adopt solutions that can bring them greater operational effectiveness and efficiency in disrupting financial crime and achieving regulatory compliance. More than half of the participating vendors reported winning more than 10 new clients per year, with over 40% averaging more than 20 new clients.

Figure 8: Average New Client Wins in Last Three Years

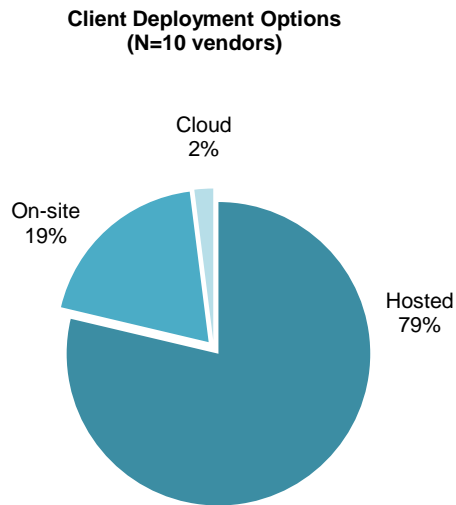


Source: Vendors

DEPLOYMENT OPTIONS ANALYSIS

Figure 9 illustrates that close to 80% of today's case management deployments leverage hosted/on-demand or cloud-based options. This represents a significant market shift within the last decade within the financial services industry, as many bank executives have seen the benefits of migrating to the cloud and greater adoption of orchestration hubs. Hosted deployments can decrease overall expense and solution administration, lower capital expenditures, facilitate faster infusion of new functionality and features as well as advanced technology and automation, and broaden access to and simplify integration of third-party applications. This trend will only increase as the technology further matures.

Figure 9: Deployment Options



Source: Vendors

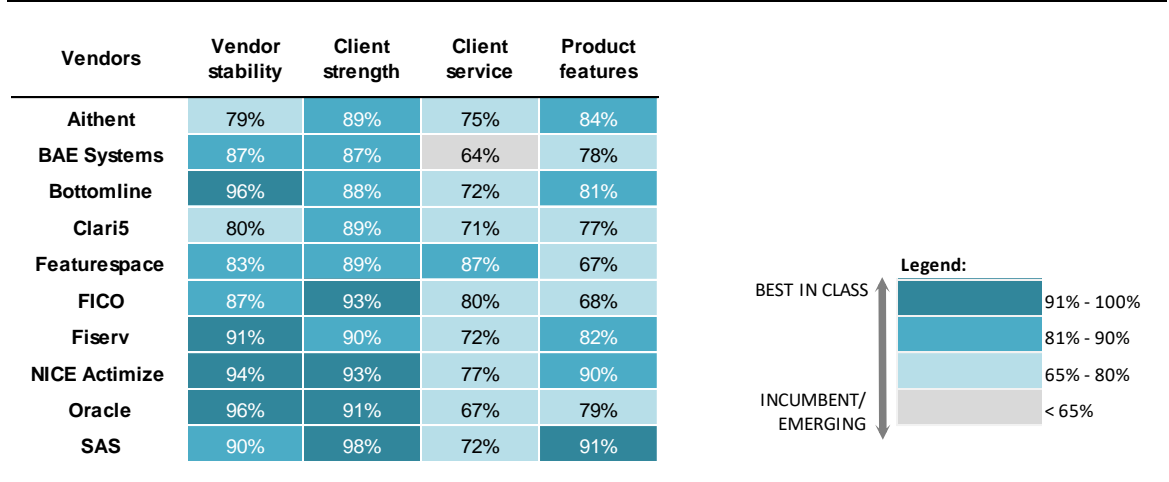
AITE MATRIX EVALUATION

This section breaks down the individual Aite Matrix components, drawing out the vendors that are strong in each area and how they are differentiated in the market.

THE AITE MATRIX COMPONENTS ANALYSIS

Figure 10 overviews how each vendor scored in the various areas of importance. Each vendor is rated, in part, based on its own data provided when responding to the RFI distributed by Aite Group as well as on product demos and follow-up discussions as part of the Aite Matrix process. To support a multidimensional assessment, the ratings are also impacted by the individual scores on performance and functionality as well as quality of the service and the management team provided by the examined vendors’ customer references.

Figure 10: Aite Matrix Components Analysis by Heat Map



Source: Vendors, Aite Group

VENDOR STABILITY

All the participating vendors are financially stable.

CLIENT STRENGTH

This category considers how successful vendors are in attracting new clients while retaining existing ones. It is no surprise that all the vendors scored relatively well in this area. By their very nature, case management systems are largely integrated with many internal and third-party systems, thus making it very difficult and expensive to replace them after their deployment. While all participating vendors scored well in this category, NICE Actimize scored among the highest.

CLIENT SERVICE

None of the participating vendors scored as high in client service as is desirable.

Strong client service is essential to customer satisfaction and demonstrates how seriously a company takes the concept of ensuring that customers are receiving the necessary level of service. In a vendor, many financial organizations are looking for a true long-term strategic partner. No one expects perfection. However, financial crime executives want quick resolution of defects and issues as well as continual advancements on design, usability, and performance. They expect their vendor will listen to the evolving needs of the industry, incorporate their feedback into their products, and deliver on promises. For many customers that experienced poor service and support, they often rated solution performance and functionality lower as well.

From the tepid client feedback on this front, client service represents an opportunity for a company to improve and develop a competitive advantage, especially as the competition among solutions will continue to escalate. Reputations for positive or negative client service spread rapidly across the financial services market, so this is a desirable area that companies can focus on to further achieve long-term viability and growth.

PRODUCT FEATURES

Product features measures the depth, breadth, and quality of required out-of-the-box functionality within a case management platform without additional expenditures and resources allocated to customizing tools and features to meet the specific needs of a financial organization. NICE Actimize is one of the only vendors to score 90% or above in this category.

While all the categories are important, this one is among the most critical in an in-depth assessment of case management solutions. Case management is the platform that fraud and AML department employees use day in and day out. The fight against financial crime is a never-ending battle, and financial crime executives see case management as a vital weapon in that fight. A robust platform with intuitive and easy-to-use navigation tools can foster better performance from analysts and investigators, and enable faster and more informed decision-making. On the other hand, cumbersome platforms with limited or outdated functionality can increase inefficiency, degrade staff performance, and promote inconsistent and perhaps improper analysis and outcomes. Appreciating the significance of effective case management to the ultimate success of financial crime programs, most vendors are making investments in new functionality and integrating advanced technologies. However, more work is required.

As mentioned previously in this report, many case management solutions were either developed initially to support AML and later expanded to support fraud or were initially developed to support decisioning alerts and later expanded to support investigations. The low scores in this category demonstrate that many solution providers have not invested in truly understanding the unique needs of each area of enterprise case management when expanding their solution and marketing it as an enterprise solution. Moreover, financial organizations are seeking more configurable, flexible, and scalable solutions that can be easily tailored to fit their specific needs. They want solutions that can directly interface with international financial intelligence units, ingest alerts from multiple systems, seamlessly collaborate with multiple internal and third-party technologies, systems, and applications, and more effortlessly take advantage of new features and functionality without the need for often onerous upgrades. They crave platforms offering

exceptional user experiences, intelligent automation, and holistic enterprise views of customers and risk.

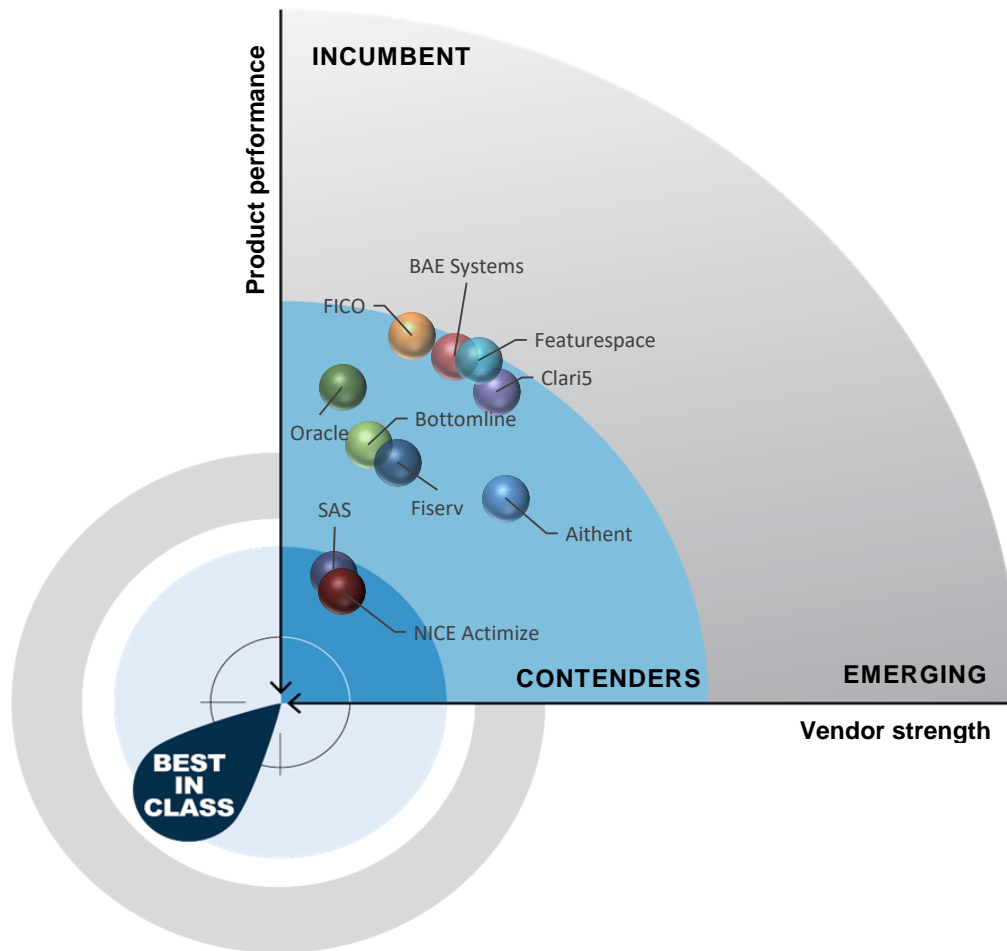
Again, this area represents another tremendous opportunity for further investment and improvement for the majority of solution providers.

THE AITE MATRIX RECOGNITION

To recap, the final results of the Aite Matrix recognition are driven by three major factors:

- Vendor-provided information based on Aite Group’s detailed Aite Matrix RFI document
- Participating vendors’ client reference feedback or feedback sourced independently by Aite Group
- Analysis based on market knowledge and observations of product demos provided by participating vendors

Figure 11 represents the final Aite Matrix evaluation, highlighting the leading vendors in the market.

Figure 11: Financial Crimes Case Management Aite Matrix

Source: Aite Group

BEST-IN-CLASS VENDOR: NICE ACTIMIZE

- Vendor strength:** NICE Actimize achieved top honors in this evaluation. The company should be congratulated on its case management solution and overall customer satisfaction. NICE Actimize edged out the next competitor primarily due to better client service scores.
- Product performance:** NICE Actimize enables easy and robust user experiences requiring minimal training to take full advantage of the tool. The platform provides much information and insights (e.g., alerts, transactional history) to analysts and investigators who can effortlessly pull data from multiple sources. Automated intelligent tools can increase operational efficiency by helping to minimize manual tasks. Historically, customization has been a challenge, but NICE Actimize is working to address these challenges through a more open architecture.

NICE Actimize is a vendor that eclipsed the other competitors in offering all the features and functionality needed as well as expected in an enterprise case management solution. The company is leading-edge on adding capabilities to improve its case management solution and ensuring the product meets FIs' needs.

BEST IN CLASS: NICE ACTIMIZE

NICE Actimize (Actimize) is a leading provider of enterprise software solutions for broker-dealer compliance, AML, and fraud prevention. NICE Actimize combines deep industry expertise and a patented technology platform to quickly enable global businesses to increase their insight into real-time customer behavior and improve risk and compliance performance.

Initially, NICE Actimize focused on very large FIs but now provides financial crime, risk, and compliance solutions for FIs of all sizes. NICE Actimize is known for developing innovative technology to protect institutions and safeguard consumers by identifying financial crime, preventing fraud, and providing regulatory compliance.

AITE GROUP'S TAKE

NICE Actimize is owned by NICE, a company that focuses on software solutions that primarily help client firms improve the customer experience and business results across many different areas. Conversely, NICE Actimize focuses entirely on financial crimes; key areas of focus are to reduce effort, time, and operational costs for its customers by improving efficiency and driving better, faster decision-making. Actimize provides real-time fraud detection and a case management solution that enables FIs to bring together information from many sources to gain a 360-degree view of customers, accounts, and activities. Recent enhancements to the case management solution have improved workflow and operational efficiency by using RPA to streamline repetitive, manual processes. Actimize listens to its FI customers and seeks ways to improve case management. The company continues to make case management more open and scalable, expediting integration for rapid innovation and ingestion of additional technologies (through its marketplace as a one-stop ecosystem for access to third-party solutions and collaboration across the market.) Actimize delivers on innovation, expandable analytics, and intelligent automation. Given the breadth and strength of Actimize's product portfolio, ActOne is typically bundled with leading financial crime modules.

In June 2020, Actimize announced plans to acquire Guardian Analytics. This union should help Actimize move downstream and potentially reach its stated goal of serving FIs of all sizes. Understanding price sensitivity in the small and midsize FI market will be essential for success.

BASIC FIRM AND PRODUCT INFORMATION

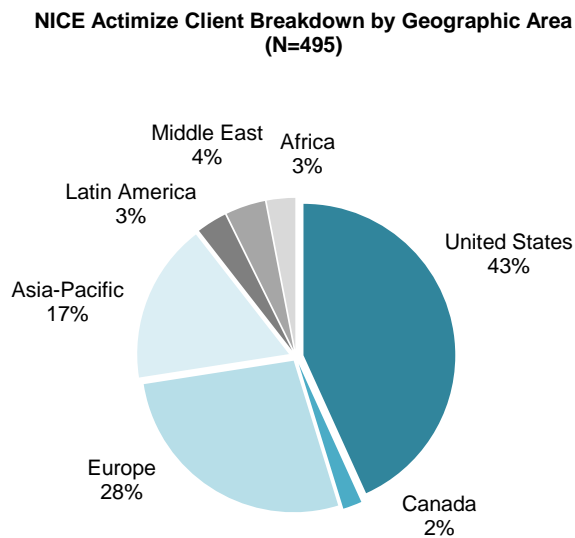
- **Headquarters:** Hoboken, New Jersey
- **Founded in:** 1999
- **Number of employees:** 1,200
- **Ownership:** Nasdaq: NICE
- **Global business footprint:** United States, Canada, Europe, the Asia-Pacific, Latin America, the Middle East, and Africa
- **Percentage of revenue invested in R&D:** More than 15%
- **Key products:** ActOne Investigation and Case Management Platform

- **Product integration options:** ActOne is a core component across all of Actimize’s fraud, AML, and financial markets compliance solutions. Since it is agnostic to the source system, it may be sold as a stand-alone product, but this is rare.
- **Next release date:** June 2020
- **Release/upgrade schedule:** Minor version releases are two times per year. Major versions are typically released every five years.
- **Target customer base:** Financial services organizations of all sizes, fintech companies, and insurance, gaming, crypto, and technology firms, etc.
- **Number of clients in 2019:** 495
- **Average net new clients per year:** 50
- **Implementation options:** On-site, hosted, and cloud
- **Pricing structure:** The pricing structure for on-premises deployment is based on a solution price plus seats (users) for perpetual and term contracts. The pricing structure for cloud (SaaS) is based on a subscription. The price for hosting in Actimize’s secure cloud is the same as on-premises with additional fees. Clients may also deploy via their own private cloud, in which case pricing is similar to that for an on-premises deployment. Maintenance costs are associated with all for SaaS.

CLIENT GLOBAL DISTRIBUTION

NICE Actimize’s clients are located throughout the world, as shown in Figure 12.

Figure 12: NICE Actimize Client Breakdown by Geography

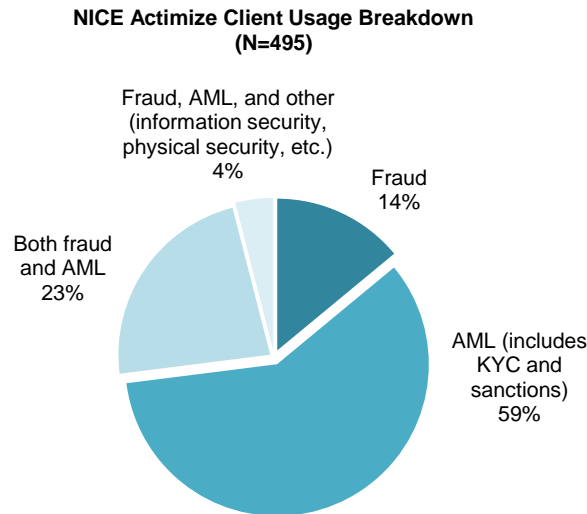


Source: NICE Actimize

CLIENT USAGE BREAKDOWN

The breakdown of how clients use NICE Actimize's case management solution appears in Figure 13.

Figure 13: NICE Actimize Client Use Case Breakdown



Source: NICE Actimize

KEY FEATURES AND FUNCTIONALITY BASED ON PRODUCT DEMO

- RPA is used to automate repetitive, manual processes. Use cases include alert assignments, data pulls, validation checks, Google Map searches, account closures and openings subsequent to fraud events, and communications to make financial crimes operations more efficient. NICE Actimize's NEVA tool is a configurable yet powerful rules-based desktop assistant that can guide investigative steps and recommend actions for quicker, more consistent, and more informed decisioning. Additionally, the solution can support discovery of repeated tasks and patterns that may be prime for automation.
- The FI can define required steps in a process, and case management can validate that all steps were followed. This is very helpful for new hires in training as well as to ensure compliance with policies and regulations.
- Easy workflows, multiple configurable views with links to relevant data, and single customer views support more efficient and effective processes.
- Robust visualization and link analysis tools enrich investigation processes by developing and providing key insights into the data. A visual storytelling functionality serves as a building block for investigations.
- NEVA out-of-the-box functionality enables greater automated intelligence.
- NLP functionality brings more vibrant search capabilities.

- NICE Actimize continues to create an open and scalable design that can adapt quickly with evolving technologies and ease the time, effort, to integrate with other third-party systems and data.
- Actimize Essentials is a combination product of fraud and AML functionality designed to be cost-effective for small FIs.

TOP THREE STRATEGIC PRODUCT INITIATIVES OVER THE LAST 12 TO 18 MONTHS

- **Entity insights:** A paradigm change in the approach to alert triage and case investigations—entity-centric visualizations that provide users with a comprehensive set of information so they can make better, faster decisions.
- **Advanced automation:** Embedded automation tools that provide a data-driven, analytics approach to determining the processes that are ripe for automation as well as unattended RPA and virtual desktop assistance, which significantly improve the overall efficiency and quality of the investigation.
- **The implementation of containers:** A modern deployment technology that simplifies the building, shipping, and deployment of ActOne by bundling all dependencies into a single package to speed up implementation and upgrade/patching processes.

TOP THREE STRATEGIC PRODUCT INITIATIVES IN THE NEXT 12 TO 18 MONTHS

- Continue to expand the X-Sight Marketplace partner ecosystem to bring complementary capabilities and content to customers
- Provide more flexibility and self-service features in cloud offerings
- Provide data connectors for ingesting third-party analytics alerts

CLIENT FEEDBACK

Four client references provided feedback on NICE Actimize's case management solution. Overall, they are very pleased with the out-of-the-box product functionality and ongoing product enhancements. Overall, Actimize offers robust functionality and tools that enhance operational efficiency. The system is easily integrated with other third-party solutions. One reference client stated that Actimize offers a more mature case management solution than others on the market, pointing out that the solution has lots of functionality and capabilities, thereby offering a holistic view of risk. Two of the references were neutral regarding the firm's reputation, with one reference stating that the firm's reputation is not as important as the products it provides.

Based on client feedback, the case management solution could be improved to support more complex fraud case investigations, and concern was expressed over the cost of many of the innovative new capabilities that have been developed. Ensuring FIs can afford to use new capabilities may be challenging. One reference stated that Actimize has a reputation for over-selling and under-delivering; it is important for FIs to be able to trust that the functionality they

are buying can be delivered without additional development or customization required during or after implementation.

Table C displays the vendor’s strengths and challenges based on comments from references.

Table C: Key Strengths and Challenges—NICE Actimize

| Strengths | Challenges |
|--|--|
| Out-of-the-box functionality | Greater visualization and network displays |
| Robust administrative tools—manage user rights, roles, permissions, access, etc. | Alert analytics to help investigations with dispositioning (e.g., recommendations) |
| Strong architecture that can be built upon | More user control for customization |
| Strong management team and developers | Cost of new tools coming with recent releases |

Source: Aite Group

CONCLUSION

The fight against financial crime is a never-ending battle for most financial organizations. Through technology and innovation, financial crime executives are on a constant quest to seek better ways to thwart money launderers, fraudsters, and other criminals in order to better protect their organizations and their customers. They see case management as a vital weapon in that fight. They crave platforms offering exceptional user experiences, intelligent automation, and holistic enterprise views of customers and risk. Those vendors that can deliver those capabilities and more will thrive.

Financial crime executives:

- Build a deep understanding of your organization's AML and fraud programs. Pinpoint your key operational challenges, your greatest needs, and the primary drivers for technology investment. Recognize that AML and fraud may have different requirements and demands.
- Build an expertise of current case management solutions and the evolution of various offerings in the market. Get to know the vendors, study their solutions, and understand their strengths and weaknesses. Some may cater more toward AML, whereas others may better fit fraud. In the area of fraud, some may be stronger in supporting alerts for prevention than for investigations pre- and post-charge-off.
- Assess your existing case management platforms, for example, how well they meet current needs and adapt to the ever-evolving business, regulatory, and threat landscape. Weigh the pros and cons of all available options, including the costs. Consider time-saving workflows and automation as part of this assessment.
- Talk with your peers at other financial organizations. Understand their vision for the future and their view of operational challenges.
- Map out your long-term technology roadmap. Bring everyone together and invest in your people and their skills. Along the way, don't forget to educate senior executives and generate enterprise buy-in to your roadmap.

ABOUT AITE GROUP

Aite Group is a global research and advisory firm delivering comprehensive, actionable advice on business, technology, and regulatory issues and their impact on the financial services industry. With expertise in banking, payments, insurance, wealth management, and the capital markets, we guide financial institutions, technology providers, and consulting firms worldwide. We partner with our clients, revealing their blind spots and delivering insights to make their businesses smarter and stronger. Visit us on the [web](#) and connect with us on [Twitter](#) and [LinkedIn](#).

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