

FROST & SULLIVAN

*NICE ACTIMIZE*

**2022**  
**PRODUCT**  
**LEADER**

*NORTH AMERICAN*  
*ENTERPRISE FRAUD*  
*MANAGEMENT INDUSTRY*

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. NICE Actimize excels in many of the criteria in the enterprise fraud management space.

AWARD CRITERIA	
<i>Product Portfolio Attributes</i>	<i>Business Impact</i>
Match to Needs	Financial Performance
Reliability and Quality	Customer Acquisition
Product/Service Value	Operational Efficiency
Positioning	Growth Potential
Design	Human Capital

### Staying Ahead of Threats

Founded in 1999 and headquartered in Hoboken, New Jersey, NICE Actimize provides technology solutions to help financial institutions (FIs) battle fraud attempts and prevent incoming risks. The company proves itself repeatedly by driving product innovation and solidifying its position in the market. In 2018 and 2021, Frost & Sullivan recognized NICE Actimize for its commitment to innovation and business impact and remains impressed with the company’s continuing innovation and sustained leadership. As the market evolves, the company adapts to trends by maintaining its strong customer base, robust data sets, global acceptance, research and development investments, and consistent

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**- Steven Lopez,**  
**Best Practices Research Analyst**

execution to prevent risk holistically across the customer lifecycle. With its customer-focused strategy, NICE Actimize consistently brings to market best-in-class solutions that have placed customer needs at the center of the development cycle. Through the integration of advanced technologies and new solutions into its broad portfolio, the company continues to adapt to customers changing needs, including those around emerging fraud threats as well as their ongoing migration to the cloud.

As payments evolve, the methods used to prevent fraud must also evolve. The need for machine learning and advanced analytics to counter sophisticated attacks is paramount; fraud solutions must simultaneously maintain a "friction right" customer experience and manage immense volumes of data. FIs must support increased customer interactions across newer digital channels; they must implement appropriate fraud prevention without compromising on customer experience. Additionally, FIs must have a singular view of customer risk to address fraud efficiently throughout the customer lifecycle. Given the rapid rise in fraud attempts, the right solutions for FIs to ensure adequate protection against emerging threats are critical. Furthermore, as solutions incorporate advanced technologies, they must remain agile enough to ensure continuous protection.

With the company showing a record performance in 2020, NICE Actimize witnessed a double-digit growth in 2021 in its fraud solutions as the digital acceleration continued to change the market. The COVID-19 pandemic played a critical role in digital acceleration and massive migrations into the cloud. Businesses found the need to provide a fully end-to-end digital experience without disrupting the service and customer experience. NICE Actimize's solutions enable intelligent fraud prevention that is non-intrusive and efficient to operate. The company pinpoints the challenge that FIs have in quickly adopting new processes to address shifting fraud trends and has adapted its solutions to meet those everchanging requirements.

NICE Actimize's Enterprise Fraud Management solution, IFM-X provides end-to-end fraud prevention protecting the full customer lifecycle. IFM-X provides comprehensive coverage beginning at account origination to prevent application fraud. Once an account is opened, IFM-X brings in customer identity risk into the profile for a comprehensive view of customer profile risk that provides highly accurate early account transaction monitoring until the behavioral profile is established for traditional transaction monitoring to take place.

To ensure optimal outcomes, IFM-X delivers innovative capabilities across the fraud management lifecycle in data integration and management of the fraud ecosystem. AI and machine learning risk models, with robust strategy management that enables fraud analysts to complement their machine learning analytics with policy rules, further refine detection and provide the agility and adaptability to augment detection in order to best meet business objectives. Lastly, all of the alerts generated in the system can be managed by ActOne Case Manager within IFM-X. ActOne Case Manager can bring in alerts from disparate systems to create a singular fraud hub for fraud prevention and alert management.

Data and collective intelligence is foundational to effective fraud prevention. NICE Actimize, with over 20 years of experience supported by a comprehensive data approach, advanced analytics, and cloud-based approach, is at the forefront of innovation in collective intelligence for enterprise fraud management. Leading, global FSOs continue to rely on NICE Actimize to address the full spectrum of their fraud prevention needs, which is a clear testament to the effectiveness of its enterprise fraud management platform and solutions.

*“While evolving from a ‘products and technology’ standpoint, NICE Actimize never loses sight of its customers’ perspective. It continues to grow its North American presence while meeting customer-specific needs. Given today’s landscape, Frost & Sullivan believes the company is in a prime position to increase its market share in the highly competitive enterprise fraud management industry.”*

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### ***Purposeful Innovation***

The company has spent over two decades building and refining its machine learning technologies and building a vast library of expert features that cannot be replicated. These expert features built using collective intelligence support all aspects of their end-to-end fraud management portfolio, enabling all facets of the fraud risk management ecosystem, e.g., identity proofing, account opening, early account monitoring, and ongoing monitoring. To further support dynamic fraud prevention with Data Integration Manager NICE Actimize simplifies the task

of integrating new data sources into IFM-X within minutes. IFM-X enables FSOs by combining data streams (structured, semi-structured, or unstructured), adaptive data analytics, artificial intelligence (AI), and machine learning (ML) with packaged solutions to help customers with complex needs across use cases. IFM-X provides end-to-end fraud prevention across all channels and payments.

NICE Actimize streamlines development for customers with a containerized portfolio and maintenance that offers customers an unmatched user experience with all solutions currently running on the IFM-X platform. To ensure that its solutions perform at the highest levels and can scale appropriately, NICE Actimize invests in advanced cloud technologies that can address the evolving needs of its customer base. Through continuous investing efforts, the company balances the need for risk management and delivers an outstanding customer experience.

NICE Actimize focuses on four key investment drivers to its IFM-X platform:

- **Data Agility:** Data Integration Manager (X-Sight Marketplace and Data IQ)
- **Analytics and AI:** Collective Intelligence, Out-of-the-Box Models, and Next-Gen Policy Management
- **Fraud Coverage:** Identity and New Account Fraud, Complex Payments Fraud, and Account Takeover
- **Technology and Cloud:** Cloud agility and adaptability

NICE Actimize highlights the initiatives needed to drive its strategy for market demand, with the overarching theme of being first in the market to provide Client Lifecycle Risk Management (CLRM). This is only possible with vast amounts of data with seamless integration, and NICE Actimize achieves this by training their machine learning models with intelligence to create industry-trained advanced analytics. NICE Actimize's investment in cloud technologies enables their customers to rapidly deploy models and utilize new data either within their X-Sight MarketPlace or with the customer's data ecosystem.

NICE Actimize understands the importance of meeting customer needs and how to help them reach their business objectives. While there are many solutions on the market to combat synthetic identity, many are niche point solutions which create a fragmented view of identity, nor do they have the ability

to bring identity data into post account opening early monitoring. With fraud attempts becoming more sophisticated, NICE Actimize's AI-enabled ActOne investigation management system delivers a unified platform to FSOs, allowing them to manage alerts and halt financial crime attempts across a broad ecosystem. In addition to the X-Sight enterprise-level platform, another important platform for NICE Actimize is its Xceed platform, which protects billions of transactions annually for small to mid-size banks such as regional and community banks and credit unions. This innovative cloud-based fraud and anti-money laundering solution effectively uses AI and ML to identify threats and build a unique digital profile, reducing false positives.

In the past, the company's focus was exclusively to protecting against third-party fraud; now, it is expanding the coverage to first-party fraud to earlier phasing in the lifecycle that starts from the account opening and then moving into transaction monitoring. In 2021, the company unveiled its New Account Fraud which covers identity proofing and account opening decisioning, and which improves onboarding rates thereby helping financial institutions uncover the risk posture of the new account.<sup>1</sup>

### ***Customer-focused Growth Strategy***

NICE Actimize helps customers through the journey to autonomous fraud management with agile analytics, smart operations, and a connected ecosystem. Its deployment of over 400 expert features enables the company to create solutions that can scale and address the new and emerging fraud threats. The company incorporates client feedback into its product roadmap to maximize short-term growth opportunities while providing a path to future revenues. NICE Actimize also enables customers to benchmark and analyze fraud rates and key performance indicators against its peers, allowing the company to identify areas where it can make improvements to achieve best-in-class protection.

NICE Actimize's cloud enablement platform drives value by helping new customers get up and running within a few months, along with upgrades within weeks versus months. The company has strong service level agreements with customers for automatic upgrades enabling up to 45% cost savings in total cost of ownership compared to on-premise deployments. NICE Actimize continues to evolve its portfolio and increase AI and ML capabilities. The company stresses the importance of enabling customers to balance risks and revenue. The company ensures that customers have the right mechanisms for controlling access points and weeding out potential fraudsters before becoming a problem later down the line. Furthermore, new risks and the demand for an updated approach enable the company to support its customer's vision with the help of its CLRM concept. Through a unified, intelligent, autonomous line of action, FSOs can execute financial crime prevention, detection, and investigation. While evolving from a "products and technology" standpoint, NICE Actimize never loses sight of its customers' perspective. NICE Actimize continues to grow its North American presence while meeting customer-specific needs. Given today's landscape, Frost & Sullivan believes the company is in a prime position to increase its market share in the highly competitive enterprise fraud management industry.

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<sup>1</sup> <https://www.niceactimize.com/fraud-authentication-management/new-account-fraud/> (Accessed May 2022)

### ***Solid Financial Performance Sustains Growth Momentum***

NICE Actimize continues to demonstrate high-growth potential. The company is well-positioned in the market, with industry-leading solutions that provide tremendous value in high-demand sectors. At the end of 2021, the business reported double-digit revenue growth driven by its global expansion. Frost & Sullivan commends NICE Actimize on its continued growth, financial performance, and its ability to both hold and grow its market position.

### **Conclusion**

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To be a product leader, a company needs to understand the market's needs and deliver a solid solution designed and embedded with high-quality and reliable performance. Frost & Sullivan finds that NICE Actimize embodies this concept and exemplifies it with best practice implementation. With over 20 years of experience built into its solutions, the company has remained a leader in the fraud management market; from a technology perspective, the company utilizes its strategies to help customers face current and future challenges. NICE Actimize's fraud management platform (IFM-X) continues to enable a financial institution's journey to autonomous fraud management with artificial intelligence and machine learning technology. The company's ability to recognize and maintain a strong understanding of market trends enables it to invest early in suitable product enhancements that proactively deliver protection against sophisticated threats. For its strong overall performance, NICE Actimize earns Frost & Sullivan's 2022 North America Product Leadership Award in the enterprise fraud management industry.

## What You Need to Know about the Product Leadership Recognition

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Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

### Best Practices Award Analysis

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Product Portfolio Attributes*

**Match to Needs:** Customer needs directly influence and inspire the product portfolio's design and positioning

**Reliability and Quality:** Products consistently meet or exceed customer expectations for performance and length of service

**Product/Service Value:** Products or services offer the best value for the price compared to similar market offerings

**Positioning:** Products serve a unique, unmet need that competitors cannot easily replicate

**Design:** Products feature innovative designs, enhancing both visual appeal and ease of use

#### *Business Impact*

**Financial Performance:** Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

**Customer Acquisition:** Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

**Operational Efficiency:** Company staff performs assigned tasks productively, quickly, and to a high-quality standard

**Growth Potential:** Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

**Human Capital:** Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

