



Fraud Management for Retail Effective and Efficient Fraud Detection and Management

Prevent, Detect, Monitor and Investigate fraud. Leverage real-time detection and analysis with pre-built and custom defined strategies for the Retail industry.

The nature of fraud is reactive. That is, fraudsters adapt to the detection methods applied by retailers to stop them. Stay ahead with real-time simulations of detection methods enabling you to adapt and detect, increase your detection rate and reduce your risk. How? Built on SAP CAR on the HANA platform, automated detection rules scan high volumes of data such as POS, inventory or other transactions to find the right data in real-time. Optimisation of Fraud Detection Strategies via calibration of the rules & parameters achieved by defining weightings for the detection methods, then run mass and real-time 'What if' scenarios reducing false positives. Combine the power of different approaches by using known fraud patterns and identifying unknown patterns in historical data with with SAP Predictive Analytics.

The solution: Fraud Management by retailsolutions provides detection of fraud via alerts, with workflow and case management.

Fraud: Cost to Retail

The typical organisation loses 5% of its revenues to fraud. According to the Global Retail Theft Barometer commissioned by Checkpoint Systems, fraud cost Europe €26.8 Billion in 2014-2015.

Typically only 1% of fraud is detected by controls within IT. Why is this so low? Within Retail the high volumes of data, often in separate data silos, make finding the right data difficult and return too many false positives. The response times in detection of fraud can be long and often only after the damage has been done. Fraud detection needs to be responsive to react to the changes in fraud patterns, this is often not the case.

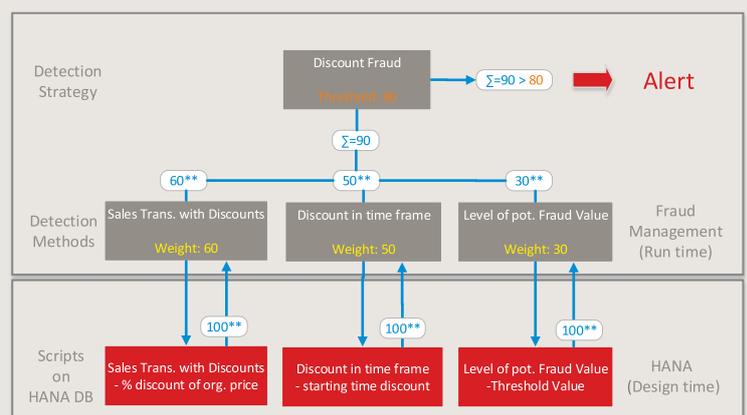
Where do the savings come from? Any SAP data can be utilised to provide deeper insight into POS fraud and the solution can be extended to other potential fraud scenarios such as Inventory fraud, Procurement fraud, Finance fraud, etc. False positives can be reduced by creating detection strategies that weigh the importance of the factors that help detect fraud. This in turn reduces time spent investigating the wrong data. Fraud Management for Retail enables you to spot activities as they are happening and stop fraudulent transactions before they impact your bottom line.

Fraudulent Behavior:

The cashier gives discounts on Articles that should only be reduced after a certain time of day.

Catch:

Detection Methods to check transactions with sales discounts and time frame of discount. Weigh each Detection Method and Alert if Risk Value is over the customised Threshold.



About the product

Fraud Management for Retail uses the core SAP Fraud Management product and extends it to cater for Retail specific scenarios. One of the drivers to build the product was the discontinuation of Loss Prevention analytics from the SAP price book in 2014. Another driver was the extension of the loss prevention functionality across other use cases.

The core components of the solution are HANA SQL scripts that interrogate the data foundation which then feed into Fraud Detection Rules. Several Detection Rules are built into a Detection Strategy with weightings on their impact to the potential fraud scenario. Fraud Management then automates the process to capture potential fraud that exceeds a threshold based upon the Detection Strategy configuration. Any alerts that are raised from the process are given a risk value based upon the impact to your business. These alerts are then managed through Workflow and Case Management. The transactions in question can also be viewed and analytical deep dives performed on the contributing data.

The product has full SAP support and we work on the availability as a RDS solution.

About retailsolutions

retailsolutions is one of the leading retail consulting companies in Europe. With more than 100 consultants, we support national and international customers from the retail trade in the implementation of their IT projects. Our portfolio includes solutions along the entire value chain.

Our exceptional expertise comes, to a large extent, from our close partnership with SAP, from which we emerged about 15 years ago through a management-buy-out. A total of 450 years' experience with SAP Retail speaks for our technology and industry expertise.

Do you have any questions?

Further information and contact details of our offices in Switzerland, Germany and UK available at: www.retailsolutions.ch.



SOLUTION OVERVIEW

CHALLENGE

- » Adapting to changes in Fraud Patterns
- » Detect fraud earlier and reduce loss of revenue
- » Finding unknown fraud patterns in your own data

SOLUTION

FRAUD MANAGEMENT FOR RETAIL

- » Pre-built Detection Methods
- » Custom Detection Methods built for Retailers
- » Powerful calibration and simulation features to increase investigation efficiency
- » Provides real-time analytical insights into Fraud Investigations
- » Future enhancements will use predictive algorithms to find unknown fraud patterns
- » Workflow Support
- » Case Management
- » 24/7 365 day SAP support

RESULT

- » 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
- » Significant increase of the deterrent factor by increasing the risk of detection