RISK MANAGEMENT

THRESHOLD DETERMINATION

- ➢ Assist in discovering and estimating costs associated with differing types of risk
- ➢ Explore the level of risk tolerance given the existing profit margin
- ➢ Formulate specific acceptance levels for varying types of risk
- ➢ Consult with management and business owners to devise customized risk solutions
- ➢ Measure potential long-term consequences of action or inaction
- ➢ Weigh costs of risk reduction methods against potential financial (and other) benefits

THREAT DETECTION

- ➢ Identify fraudsters (verification routines, velocity checks, credit card authentication, etc.)
- ➢ Employ data mining techniques to uncover simple and complex fraud patterns
- ➢ Apply sophisticated linkage methods to connect fraudsters and/or fraudulent transactions
- ➢ Suggest fraud detection tools to enhance means of recognition
- ➢ Develop and implement criteria to distinguish fraud from bad debt
- ➢ Compile listing of customer behaviors considered undesirable or detrimental, and define appropriate response measures for each
- ➢ Exploit historical data to accurately differentiate between desirable and undesirable customers and predict future risk
- ➢ Append shared and/or external data as needed to enhance risk detection and prediction

RISK PREVENTION & MITIGATION

- ➢ Construct historical database comprised of records of differing risk levels (fraud, bad debt, undesirable customer activity, etc.)
- ➢ Deploy varying strategies and/or adjust offers based on perceived risk level
- ➢ Create diverse customized solutions for prevention and reduction of all forms of risk
- ➢ Implement safeguards designed to limit repeated victimization
- ➢ Upgrade process control techniques to minimize loss
- ➢ Utilize survival analysis and segmentation to develop new process controls
- ➢ Institute ongoing review of customer files to identify and flag possible threats
- ➢ Foster both reactive and proactive methods of risk management

PROCESS EXAMINATION & AUGMENTATION

- ➢ Generate customized reports designed to facilitate risk level monitoring
- ➢ Revise process control techniques for future improvements
- ➢ Enhance billing and collection processes to mitigate loss (timing studies, recovery models, collection agency commission evaluation, cost analyses, etc.)
- ➢ Improve and adjust threat detection methods on continual basis
- ➢ Ensure risk management scheme avoids unfairly targeting desirable customers
- ➢ Perform back-end analyses intended to reduce risk and enhance profitability
- ➢ Offset loss via revenue generation initiatives
- ➢ Supplement via external security measures where cost effective
- ➢ Provide solutions which are adaptable, agile, and vigilant