

Managing Risk and Security Efficiently and Affordably

How do banks best spend security budgets when budgets are tight? Our advice to our bank customers - invest wisely, not cheaply. This means approaching spending with a risk-based attitude and with an eye towards efficiency. Finding cost-effective approaches to protect and secure the highest risk operations while reducing the time and effort it takes for teams to detect problems will not only help increase customer protection, but ultimately lower overall security and operational costs.

One of the biggest areas of risk exposure that we see across banks continues to be the online channel. Compromised online accounts are the gateway to all different types of fraud and 2009 was a banner year for criminals. Experts are predicting 2010 to be even worse. Organized crime is in the game and attacks are growing in sophistication and success. Malware is predicted to increase and fraudsters are expected to broaden their attacks from email-based phishing as the means to infect customers' computers to techniques using search engines, social networks, and mobile phones. Traditional strong authentication solutions are failing to provide the level of security needed to stop online account compromise and fraudulent transfer of funds.

As banks look to bolster online security, wise investment will bring both protection and efficiency. Here are some ways banks can be more efficient in their security efforts:

- Be more proactive - assume customer machines are infected and find ways to nip fraud attacks in the bud before they turn into bigger issues that later cost time and money.
- Know your customers - the more familiar you are with each individual customer behavior, the more quickly and reliably you'll be able to spot and stop security and risk issues.
- Keep your teams focused - reduce the noise and prioritize investigating and resolving the highest priority threats.
- Enhance fraud and security related communications across departments - provide more access to more information about high risk behaviors, transactions and accounts to more staff in your bank.

Getting the biggest bang for your buck requires taking a layered approach to security. Strengthening existing investments in strong authentication with a back-end fraud detection solution will help balance customer convenience with powerful security measures. Back-end solutions should go beyond simply monitoring transactions against a set of reactive rules to proactively analyzing and comparing each online session and the activities taking place to the activities and behavior typical for that customer. A behavior-based approach maximizes detection with minimal alerts, reducing losses while increasing staff efficiency and effectiveness.

Guardian Analytics FraudMAP protects banks and their customers from significant financial loss through fraud detection, investigation and risk management solutions. Our approach proactively detects online account compromise, preventing fraud before it occurs across channels and payment types including checks, wire transfers, the call center, online, ACH and more. Our unique approach creates a deep understanding of each customers' online behavior in order to identify compromised accounts and stop losses before they happen.



Terry Austin
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Terry Austin is President and CEO of Guardian Analytics. Prior to joining Guardian Analytics, Terry Austin served as CEO and president of MarketLive, a leading provider of eCommerce platform solutions, where he created a scalable business strategy, assembled a world-class executive team and led successful fundraising efforts. He was previously president of worldwide marketing and sales at Good Technology, a provider of mobile computing solutions, where he spearheaded the company's rapid growth from 10,000 to over 500,000 subscribers and facilitated its acquisition by Motorola in January 2007. Austin has also served as president of EMEA and executive vice president for Manugistics, a market leading provider of enterprise software. He started his career at Accenture, where he ultimately led an \$80 million consulting practice as a lead partner.



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