

# Vendor Analysis: LexisNexis Risk Solutions

## Payment Risk Solutions, 2023



---

# About Chartis

Chartis Research is the leading provider of research and analysis on the global market for risk technology. It is part of Infopro Digital, which owns market-leading brands such as Risk and WatersTechnology. Chartis' goal is to support enterprises as they drive business performance through improved risk management, corporate governance and compliance, and to help clients make informed technology and business decisions by providing in-depth analysis and actionable advice on virtually all aspects of risk technology. Areas of expertise include:

- Credit risk.
- Operational risk and governance, risk management and compliance (GRC).
- Market risk.
- Asset and liability management (ALM) and liquidity risk.
- Energy and commodity trading risk.
- Financial crime, including trader surveillance, anti-fraud and anti-money laundering.
- Cyber risk management.
- Insurance risk.
- Regulatory requirements.
- Wealth advisory.
- Asset management.

Chartis focuses on risk and compliance technology, giving it a significant advantage over generic market analysts.

The firm has brought together a leading team of analysts and advisors from the risk management and financial services industries. This team has hands-on experience of developing and implementing risk management systems and programs for Fortune 500 companies and leading consulting firms.

Visit [www.chartis-research.com](http://www.chartis-research.com) for more information.

Join our global online community at [www.risktech-forum.com](http://www.risktech-forum.com).

© Copyright Infopro Digital Services Limited 2023. All Rights Reserved.

*No part of this publication may be reproduced, adapted, stored in a retrieval system or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of Infopro Digital Services Limited trading as Chartis Research ('Chartis').*

*The facts of this document are believed to be correct at the time of publication but cannot be guaranteed. Please note that the findings, conclusions and recommendations that Chartis delivers are based on information gathered in good faith, the accuracy of which we cannot guarantee. Chartis accepts no liability whatsoever for actions taken based on any information that may subsequently prove to be incorrect or errors in our analysis. See **'Terms and conditions'**.*

*RiskTech100®, RiskTech Quadrant® and FinTech Quadrant™ are Registered Trademarks of Infopro Digital Services Limited.*

*Unauthorized use of Chartis' name and trademarks is strictly prohibited and subject to legal penalties.*

## Table of contents

1. Report context	4
2. Quadrant context	6
3. Vendor context	10
4. Methodology	12

## List of figures and tables

Figure 1: RiskTech Quadrant® for payment risk solutions (overall), 2023	7
Table 1: Completeness of offering – LexisNexis Risk Solutions (payment risk solutions [overall], 2023)	8
Table 2: Market potential – LexisNexis Risk Solutions (payment risk solutions [overall], 2023)	9
Table 3: LexisNexis Risk Solutions – company information	10
Table 4: Evaluation criteria for Chartis’ payment risk solutions, 2023 report	13

# 1. Report context

This Vendor Analysis is based on the Chartis quadrant report *Payment Risk Solutions, 2023: Market and Vendor Landscape* (published in May 2023). This section summarizes the key theses in that report; subsequent sections take a detailed look at the quadrant positioning and scoring for LexisNexis Risk Solutions, and Chartis' underlying opinion and analysis.

## Key thesis

The way that banks, financial institutions and non-bank financial institutions (NBFIs) conduct their business has shifted to what might be termed a 'new normal'. In this context, payment technologies have been transforming. In essence, the first wave of transformation saw many payment services and payment service providers (PSPs) moving out of banks and financial institutions for a range of reasons. These included the constraints posed by legacy architecture and the technology infrastructure those institutions offered. The second wave – which is occurring now – includes a heightened focus on embedding software directly within the payment infrastructure.

As a result, three macro themes are operating currently within the payments landscape:

- Shifts in payment architectures.
- The widening of payment protocols.
- An increasing focus on integrating software into the payment stack.

The landscape for payments is becoming more complex, as payment architecture diverges globally and the number of payment alternatives grows. Firms must now support more protocols and regional geographies, and increasingly at scale as the infrastructure becomes disaggregated.

Core payment protocols and elements of the process differ by region or jurisdiction, and this (and other factors) is not only making software integration within the payment stack increasingly common, it is also shaping the way that firms integrate software into the stack itself.

Ongoing payment risks include standard fraud and anti-money laundering (AML) risks, but also emerge because firms have to interact with many third parties, often – in effect – outsourcing much of their operational risk.

## Demand-side takeaways

### Overview and context

The payments landscape is dynamic and evolving, with changes driven by consumers' demand for greater flexibility in making and receiving payments in real time, with greater security and, increasingly, greater transparency. Institutions that facilitate payments, such as banks, PSPs and FinTechs, have responded by broadening the services they provide both horizontally (in terms of the variety of payment instruments or methods) and vertically (their applications and use cases).

As payment processing has been, and is likely to remain, an attractive target for criminals, new and emerging payment services have required a shift in understanding of the risks posed in the payments journey, and the mitigation of those risks. Arguably, the detection of prepayment risks is just as vital as post-payment mitigation in the successful management of risk.

The challenge for firms comes from two directions:

- The need to balance various risks and nuances across multiple payment methods.
- The need to do this without significantly disrupting the customer experience.

Demand for more instantaneous payment methods has generated new risks for financial institutions and PSPs, most notably in relation to the dearth of Know Your Customer (KYC)-style mitigation opportunities for these organizations. In addition, the challenges posed by global payment methods have revealed a need for broader views of risk and more sophisticated payment risk management. Without this, financial institutions and PSPs run the risk of damaging their customer's experience, and ultimately, their reputations.

To protect themselves and their customers' data, and to manage the operational risks inherent in payments, firms must now invest in technology and personnel that can address current and emerging risks.

## Supply-side takeaways

### Key dynamics and trends

Several dynamics in the landscape mean that vendors must ensure they continually develop their offerings to stay ahead of criminal activity:

- The need to process payments in real time, because end users are not willing to wait.
- The tight interlinking of a vast variety of risks within payments. To understand the full risk picture, firms must maintain a tight grasp on the risks associated with all payment methods. With an understanding of only one risk, firms are unlikely to be able to detect and prevent sophisticated criminal and fraudulent behavior.
- Growing demand for global payments now involves multiple players (such as merchants, PSPs and customers) in different jurisdictions with varying regulations and requirements. Addressing these requires a broader view of risk and a high degree of sophistication.

Vendors are responding to the market challenges in the following ways:

- Strengthening their core risk tools and methodologies – whether identity management, transaction fraud, AML, KYC or other tools. This ensures that individual risks are flagged as quickly and efficiently as possible so major risks can be avoided.
  - Core payment protocols and elements of the process differ by geographical location and jurisdiction, making software integration within the payment stack increasingly common, and shaping the way that firms integrate software into the stack itself.

- Combining a range of risk metrics to achieve a stronger indication of risk and an early warning. By combining behavior metrics with risk profile data, for example, firms can identify more quickly whether an individual or transaction poses a higher than usual risk. ‘Platformization’ is also helping organizations to plug in extra risk views.
  - Counterparty verification and Know Your Customer’s Customer (KYCC) can also help firms to verify fraudulent transactions and activities.
- Using analytics to help with risk reduction further upstream and downstream, enabling organizations to identify vulnerabilities in their risk controls and improve efficiency, effectiveness and auditability.
  - Advanced risk analytics have been shown to increase operational efficiency, helping to reduce false positives.
  - Payment analytics can not only help firms to streamline and understand risks, they also provide commercial benefits.

## 2. Quadrant context

### Introducing the Chartis RiskTech Quadrant®

This section of the report contains:

- The Chartis RiskTech Quadrant® for payment risk solutions (overall), 2023.
- An examination of the vendor’s positioning and its scores as part of Chartis’ analysis.
- A consideration of how the quadrant reflects the broader vendor landscape.

#### Summary information

##### *What does the Chartis quadrant show?*

The RiskTech Quadrant® uses a comprehensive methodology that involves in-depth independent research and a clear scoring system to explain which technology solutions meet an organization’s needs. The RiskTech Quadrant® does not simply describe one technology option as the best payment risk solution; rather it has a sophisticated ranking methodology to explain which solutions are best for specific buyers, depending on their implementation strategies.

The RiskTech Quadrant® is a proprietary methodology developed specifically for the risk technology marketplace. It takes into account vendors’ product, technology and organizational capabilities. Section 4 of this report sets out the generic methodology and criteria used for the RiskTech Quadrant®.

##### *How are quadrants used by technology buyers?*

Chartis’ RiskTech® and FinTech™ quadrants provide a view of the vendor landscape in a specific area of risk, financial and/or regulatory technology. We monitor the market to identify the strengths and weaknesses of different solutions and track the post-sales performance of companies selling and implementing these systems. Users and buyers can consult the quadrants as part of their wider research when considering the most appropriate solution for their needs.

Note, however, that Chartis does not endorse any vendor, product or service analyzed in its research publications and does not advise technology users to select only those vendors with the highest

ratings or other designation. Chartis’ publications consist of the opinions of its research analysts and should not be construed as statements of fact.

##### *How are quadrants used by technology vendors?*

Technology vendors can use Chartis’ quadrants to achieve several goals:

- Gain an independent analysis and view of the provider landscape in a specific area of risk, financial and/or regulatory technology.
- Assess their capabilities and market positioning against their competitors and other players in the space.
- Enhance their positioning with actual and potential clients and develop their go-to-market strategies.

In addition, Chartis’ Vendor Analysis reports, like this one, offer detailed insight into specific vendors and their capabilities, with further analysis of their quadrant positioning and scoring.

### Chartis Research RiskTech Quadrant® for payment risk solutions (overall), 2023

Figure 1 illustrates Chartis’ view of the payment risk vendor landscape, highlighting LexisNexis Risk Solutions.

## Quadrant dynamics

### General quadrant takeaways

The quadrant for overall payment risk solutions is characterized by a proliferation of vendors. The category leader space has become particularly diverse, as a number of firms have either developed or acquired solutions that cover many discrete areas of the payment risk completeness of offering criteria. Vendors whose products address all payment risk types have built out their technology solutions on more and more data, while more siloed vendors have achieved their third-party integration through analytics augmentation. Services firms, meanwhile, have extended their solution offerings.

Figure 1: RiskTech Quadrant® for payment risk solutions (overall), 2023



Source: Chartis Research

Real-time payment processing and the tight interlinking of capabilities that address a variety of risks within payments have also been key areas of focus, and several players in the market are making a significant impact in terms of their completeness of offering scores. In general, the diversity of solution offerings is a noteworthy factor: many solutions in the best-of-breed category have specific areas of focus, such as payment processing specialization, integrations of KYC-style elements and solution configurations. The continued growth in diversity within the quadrant, the competition now occurring in a growing number of sub-segments and ongoing regulatory attention indicate that the payment risk solutions market will remain vibrant for several years.

### Vendor positioning in context – completeness of offering

LexisNexis Risk Solutions showcased several factors that contributed to its placement as a category leader in payment risk. Most notable among these was an ability to connect disparate risk types – whether related to ID verification, fraud, AML or even operational risk – into a set of consolidated views or workflows. This capability makes the vendor’s risk-assessment capabilities significantly more powerful than the sum of their constituent elements. The ability to carry out its functions at very high volumes and rapid speeds makes this approach one that can be highly effective for payment processing.

LexisNexis Risk Solutions received a high score for multiple risk solutions covering areas such as fraud and identity management, sanctions and payment screening, and transaction monitoring platforms. The vendor’s fraud and identity management solutions combine physical and digital identities based on device, behavioral, biometric and credit insights to develop a 360-degree view of consumers. Its transaction monitoring platforms are often used to screen accounts, payments and counterparties for AML sanctions, and bribery/ corruption and other fraud risks.

The company also received strong scores for its solution methodology and technology for real-time capabilities. By combining industry-recognized analytics with such advanced technologies as machine learning, robotic process automation and artificial intelligence, the company’s solutions process disparate, large datasets into actionable risk insights that firms can use to assess and manage risk efficiently throughout the customer lifecycle.

Risk/fraud models across LexisNexis Risk Solutions Dynamic Decision Platform (DDP)/Fraud and Identity Management solutions provide open smart learning capabilities to give customers flexibility in their model creation. Smart learning tools create a separate transaction score for each event, so that customers can decide to use either the score from the policy, the score from the smart learning model, or a combination of both scores in their decisions about possible end-user fraud. This enables organizations to build their own variables and identify anomalies between current and historical behavior at the level of the individual, so they can differentiate between trusted and fraudulent users.

The company’s solution packaging and deployment offer customers a range of options, whether professional services to handle initial setup and configuration, or managed services from LexisNexis Risk Solutions itself. Solution deployments can be cloud-based or on-premise, and can be configured by customers if required.

LexisNexis Risk Solutions Bankers Almanac Validate facilitates pre-payment screening. The solution validates bank details automatically to avoid failed payments for PSPs, banks and corporations, ensuring seamless and instantaneous payment processing. As customers set up payments online, the payments application programming interface (API) validates their details in real time against up-to-date payment rules for almost 200 countries. Additional solutions

**Table 1: Completeness of offering – LexisNexis Risk Solutions (payment risk solutions [overall], 2023)**

Completeness of offering criterion	Coverage
Risk type	High
Methodology and technology	High
Real-time capabilities	High
Risk/fraud models	High
Solution packaging and deployment	High
Pre-payment	High
Post-payment	High

Source: *Chartis Research*

with a pre-payment focus range from credit risk assessments to ‘buy now, pay later’ options.

The post-payment category was particularly strong for LexisNexis Risk Solutions, due in part to its RiskNarrative product. RiskNarrative’s seamless transaction monitoring rule sets can be deployed via the cloud or software as a service (SaaS). The vendor’s works with organizations to understand each payment method they want to screen and to ensure that the required strategy and rules are refined to meet the firm’s risk appetite.

LexisNexis Risk Solutions also provides a deep set of features in its payment risk solution offerings, and is one of the few vendors providing strong capabilities in almost every area of the payment risk marketplace. This contributes significantly to its position as a category leader.

Table 1 shows Chartis’ ratings for the vendor’s coverage against each of the completeness of offering criteria.

**Vendor positioning in context – market potential**

LexisNexis Risk Solutions has established itself as a leader in payment risk services. The company’s payment risk solution offerings combine regulatory insights with human-led and tech-powered services. This breadth of capabilities is reflected in its position as a category leader in Chartis’ quadrant.



Notably, the high ratings for customer satisfaction and market presence reflect the company's large, global client base, which covers – among other entities – financial services and FinTech firms.

The vendor's robust ratings for growth strategy and financials reflect the increasing global demand for its services, which has helped to boost client acquisitions. To keep up with this expanding demand, LexisNexis Risk Solutions has widened its areas of focus, alongside its already extensive workforce.

Table 2 shows Chartis' rankings for the vendor's coverage against each of the market potential criteria.

**Table 2: Market potential – LexisNexis Risk Solutions (payment risk solutions [overall], 2023)**

Market potential criterion	Coverage
Customer satisfaction	High
Market presence	High
Growth strategy	High
Financials	High

Source: Chartis Research

### 3. Vendor context

#### Overview of relevant solutions/ capabilities

Table 3 gives an overview of LexisNexis Risk Solutions and its payment risk offerings.

LexisNexis Risk Solutions is a global leader in providing comprehensive data and analytics solutions to help businesses manage payment risk and protect against fraud. With a wide range of offerings, including solutions for Financial Crime Compliance, Payments Efficiency, Credit Risk, and Fraud & Identity Verification, LexisNexis Risk Solutions helps organizations make informed decisions, minimize financial losses, and ensure secure payment transactions.

Payment risk solutions from LexisNexis Risk Solutions cover the following areas:

- **Payments Efficiency.** Straight-through processing; identifies various risks in clients' payment routes.
- **Fraud & Identity Management.** Authoritative identification and authentication services.

- **Financial Crime Compliance.** Payments screening for AML, risk rating and transaction monitoring.

- **Credit Risk Assessment.** Insights from alternative credit behaviors and life events.

*Payments Efficiency* solutions aim to streamline payment processes and enhance operational efficiency, while minimizing risk. These offerings help firms to optimize payment workflows, reduce manual intervention, and improve overall payment accuracy, enabling them to save costs, improve customer satisfaction and protect against financial losses.

*Fraud & Identity Management* solutions help organizations to authenticate identities and protect against fraudulent activities in payment transactions. These offerings employ a combination of ID verification techniques (including device intelligence, digital and physical identity intelligence and behavioral biometrics) to ensure the legitimacy of individuals and transactions. By cross-referencing and analyzing vast amounts of data, organizations can detect and prevent payment fraud. These solutions also offer real-time risk assessment and fraud-detection capabilities, allowing organizations to respond promptly to potential threats and safeguard their payment transactions.

**Table 3: LexisNexis Risk Solutions – company information**

<b>Company</b>	LexisNexis Risk Solutions
<b>Headquarters</b>	Alpharetta, GA, US
<b>Other offices</b>	Offices worldwide
<b>Description</b>	<p>LexisNexis Risk Solutions is a provider of data analytics for organizations seeking actionable insights to help them manage risks, find opportunities and improve their results. The company delivers targeted solutions that enable well-informed decisions, while maintaining high standards of security and privacy.</p> <p>LexisNexis Risk Solutions offerings help customers across industries solve their business challenges – which include fighting fraud, facilitating compliance, streamlining workflows and increasing efficiencies – and improve the customer experience by providing timely insights for business decisions.</p>
<b>Solution</b>	LexisNexis Risk Solutions provides a sophisticated and wide-ranging suite of products and tools that help clients worldwide to manage all types of payment risk, including fraud risk, AML screening and monitoring, credit risk, operational risk and cybersecurity risks.

Source: LexisNexis Risk Solutions

*Financial Crime Compliance* solutions help businesses to comply with regulatory requirements and combat financial crime. These offerings use advanced analytics and data intelligence to identify and assess potential risks associated with customers, transactions and third parties. By leveraging a vast array of data sources, including public records, watchlists and proprietary databases, LexisNexis Risk Solutions enables organizations to conduct thorough due diligence, identify politically exposed persons (PEPs), and detect suspicious activities that may indicate fraud or money laundering. This helps organizations to stay compliant with AML and KYC regulations, mitigating payment risk and safeguarding against financial penalties and reputational damage.

*Credit Risk* solutions help organizations to assess and manage credit risk effectively. These offerings use comprehensive datasets and predictive analytics to evaluate the creditworthiness of individuals and businesses. By analyzing credit histories, public records, financial data and other relevant information, organizations can make informed decisions when extending credit or approving loan applications.

Across this portfolio of products and services, LexisNexis Risk Solutions equips organizations with the tools and insights they need to mitigate payment risk, protect against fraud, ensure regulatory compliance, and optimize their payment processes.

## 4. Methodology

### Overview

Chartis is a research and advisory firm that provides technology and business advice to the global financial services industry. Chartis provides independent market intelligence regarding market dynamics, regulatory trends, technology trends, best practices, competitive landscapes, market sizes, expenditure priorities, and mergers and acquisitions. Chartis' RiskTech Quadrant® and FinTech Quadrant™ reports are written by experienced analysts with hands-on experience of selecting, developing and implementing financial technology solutions for a variety of international companies in a range of industries, including banking, insurance and capital markets. The findings and analyses in our quadrant reports reflect our analysts' considered opinions, along with research into market trends, participants, expenditure patterns and best practices.

Chartis seeks to include RiskTech and FinTech vendors that have a significant presence in a particular target market. The significance may be due to market penetration (e.g., a large client base) or innovative solutions. Chartis uses detailed 'vendor evaluation forms' and briefing sessions to collect information about each vendor. If a vendor chooses not to respond to a Chartis request for information, Chartis may still include the vendor in the report. Should this happen, Chartis will base its opinion on direct data collated from technology buyers and users, and from publicly available sources.

Chartis' research clients include leading financial services firms and Fortune 500 companies, leading consulting firms and financial technology vendors. The vendors evaluated in our quadrant reports can be Chartis clients or firms with whom Chartis has no relationship.

Chartis evaluates all vendors using consistent and objective criteria, regardless of whether they are Chartis clients. Chartis does not give preference to its own clients and does not request compensation for inclusion in a quadrant report, nor can vendors influence Chartis' opinion.

### Briefing process

We conducted face-to-face and/or web-based briefings with each vendor.<sup>1</sup> During these sessions,

<sup>1</sup> Note that vendors do not always respond to requests for briefings; they may also choose not to participate in the briefings for a particular report.

Chartis experts asked in-depth, challenging questions to establish the real strengths and weaknesses of each vendor. Vendors provided Chartis with:

- A business update – an overview of solution sales and client satisfaction.
- A product update – an overview of relevant solutions and R&D roadmaps.
- A product demonstration – key differentiators of their solutions relative to those of their competitors.

In addition to briefings, Chartis used other third-party sources of data, such as conferences, academic and regulatory studies, and publicly available information.

### Evaluation criteria

We develop specific evaluation criteria for each piece of quadrant research from a broad range of overarching criteria, outlined below. By using domain-specific criteria relevant to each individual risk, we can ensure transparency in our methodology and allow readers to fully appreciate the rationale for our analysis. The specific criteria used for payment risk solutions are shown in Table 4.

#### Completeness of offering

- **Depth of functionality** – the level of sophistication and number of detailed features in the software product (e.g., advanced risk models, detailed and flexible workflow, domain-specific content). Aspects assessed include innovative functionality, practical relevance of features, user-friendliness, flexibility and embedded intellectual property. High scores are given to firms that achieve an appropriate balance between sophistication and user-friendliness. In addition, functionality linking risk to performance is given a positive score.
- **Breadth of functionality** – the spectrum of requirements covered as part of an enterprise risk management system. This will vary for each subject area, but special attention is given to functionality covering regulatory requirements, multiple risk classes, multiple asset classes,

**Table 4: Evaluation criteria for Chartis’ payment risk solutions, 2023 report**

Completeness of offering	Market potential
<ul style="list-style-type: none"> <li>• Risk type</li> <li>• Methodology and technology</li> <li>• Real-time capabilities</li> <li>• Risk/fraud models</li> <li>• Solution packaging and deployment</li> <li>• Pre-payment</li> <li>• Post-payment</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Market presence</li> <li>• Growth strategy</li> <li>• Financials</li> </ul>

Source: Chartis Research

multiple business lines and multiple user types (e.g., risk analyst, business manager, CRO, CFO, compliance officer). Functionality within risk management systems and integration between front-office (customer-facing) and middle/back office (compliance, supervisory and governance) risk management systems are also considered.

- **Data management and technology infrastructure** – the ability of risk management systems to interact with other systems and handle large volumes of data. Data quality is often cited as a critical success factor and ease of data access, data integration, data storage and data movement capabilities are all important factors. Particular attention is given to the use of modern data management technologies, architectures and delivery methods relevant to risk management (e.g., in-memory databases, complex event processing, component-based architectures, cloud technology and Software as a Service). Performance, scalability, security and data governance are also important factors.
- **Risk analytics** – the computational power of the core system, the ability to analyze large amounts of complex data in a timely manner (where relevant in real time), and the ability to improve analytical performance. Particular attention is given to the difference between ‘risk’ analytics and standard ‘business’ analytics. Risk analysis requires such capabilities as non-linear calculations, predictive modeling, simulations, scenario analysis, etc.
- **Reporting and presentation layer** – the ability to present information in a timely manner, the quality and flexibility of reporting tools, and ease of use. Particular attention is given to the ability

to do ad hoc ‘on-the-fly’ queries (e.g., ‘what-if’ analysis), as well as the range of ‘out of the box’ risk reports and dashboards.

**Market potential**

- **Business model** – includes implementation and support and innovation (product, business model and organizational). Important factors include size and quality of implementation team, approach to software implementation, and post-sales support and training. Particular attention is given to ‘rapid’ implementation methodologies and ‘packaged’ services offerings. Also evaluated are new ideas, functionalities and technologies to solve specific risk management problems. Speed to market, positioning and translation into incremental revenues are also important success factors in launching new products.
- **Market penetration** – volume (i.e., number of customers) and value (i.e., average deal size). Rates of growth relative to sector growth rates are also evaluated. Also covers brand awareness, reputation and the ability to leverage current market position to expand horizontally (with new offerings) or vertically (into new sectors).
- **Financials** – revenue growth, profitability, sustainability and financial backing (e.g., the ratio of license to consulting revenues), factors considered key to the scalability of the business model for risk technology vendors.
- **Customer satisfaction** – evaluation of feedback from customers regarding after-sales support and service (e.g., training and ease of implementation), value for money (e.g., price to functionality ratio) and product updates (e.g.,

speed and process for keeping up-to-date with regulatory changes).

- **Growth strategy** – analysis of recent performance, including financial performance, new product releases, quantity and quality of contract wins, and market expansion moves. Also considered are the size and quality of the sales force, sales distribution channels, global presence, focus on risk management, messaging and positioning. Finally, business insight and understanding, new thinking, formulation and execution of best practices, and intellectual rigor are considered important.

## Quadrant construction process

Chartis constructs its quadrants after assigning scores to vendors for each component of the completeness of offering and market potential criteria. By aggregating these values, we produce total scores for each vendor on both axes, which are used to place the vendor on the quadrant.

### Definition of quadrant boxes

Chartis' quadrant reports do not simply describe one technology option as the best solution in a particular area. Our ranking methodology is designed to highlight which solutions are best for specific buyers, depending on the technology they need and the implementation strategy they plan to adopt. Vendors that appear in each quadrant have characteristics and strengths that make them especially suited to that category, and by extension to particular users' needs.

#### Point solutions

- Point solutions providers focus on a small number of component technology capabilities, meeting a critical need in the risk technology market by solving specific risk management problems with domain-specific software applications and technologies.
- They are often strong engines for innovation, as their deep focus on a relatively narrow area generates thought leadership and intellectual capital.
- By growing their enterprise functionality and utilizing integrated data management, analytics and business intelligence capabilities, vendors in the point solutions category can expand their completeness of offering, market potential and market share.

#### Best-of-breed

- Best-of-breed providers have best-in-class point solutions and the ability to capture significant market share in their chosen markets.
- They are often distinguished by a growing client base, superior sales and marketing execution, and a clear strategy for sustainable, profitable growth. High performers also have a demonstrable track record of R&D investment, together with specific product or 'go-to-market' capabilities needed to deliver a competitive advantage.
- Because of their focused functionality, best-of-breed solutions will often be packaged together as part of a comprehensive enterprise risk technology architecture, co-existing with other solutions.

#### Enterprise solutions

- Enterprise solution providers typically offer risk management technology platforms, combining functionally rich risk applications with comprehensive data management, analytics and business intelligence.
- A key differentiator in this category is the openness and flexibility of the technology architecture and a 'toolkit' approach to risk analytics and reporting, which attracts larger clients.
- Enterprise solutions are typically supported with comprehensive infrastructure and service capabilities, and best-in-class technology delivery. They also combine risk management content, data and software to provide an integrated 'one stop shop' for buyers.

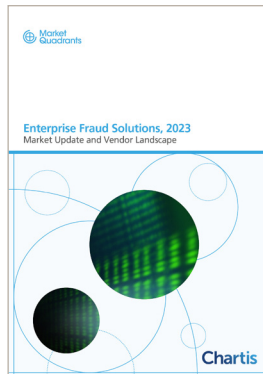
#### Category leaders

- Category leaders combine depth and breadth of functionality, technology and content with the required organizational characteristics to capture significant share in their market.
- They demonstrate a clear strategy for sustainable, profitable growth, matched with best-in-class solutions and the range and diversity of offerings, sector coverage and financial strength to absorb demand volatility in specific industry sectors or geographic regions.
- They will typically benefit from strong brand awareness, a global reach, and strong alliance strategies with leading consulting firms and systems integrators.

## Further reading



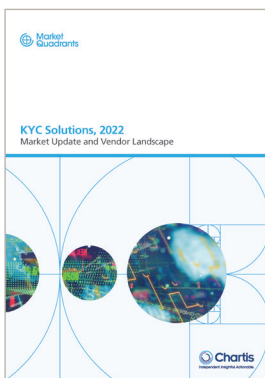
**Payment Risk Solutions, 2023:  
Market and Vendor Landscape**



**Enterprise Fraud Solutions,  
2023: Market Update and  
Vendor Landscape**



**KYC/AML Data Solutions,  
2022: Market Update and  
Vendor Landscape**



**KYC Solutions, 2022: Market  
Update and Vendor Landscape**



**Client Lifecycle Management  
Solutions, 2022: Corporate  
and Investment Banks and  
Markets Institutions;  
Market and Vendor Landscape**



**RiskTech100 2023**

For all these reports, see [www.chartis-research.com](http://www.chartis-research.com)

**NXR16101-00-0623-EN-US**