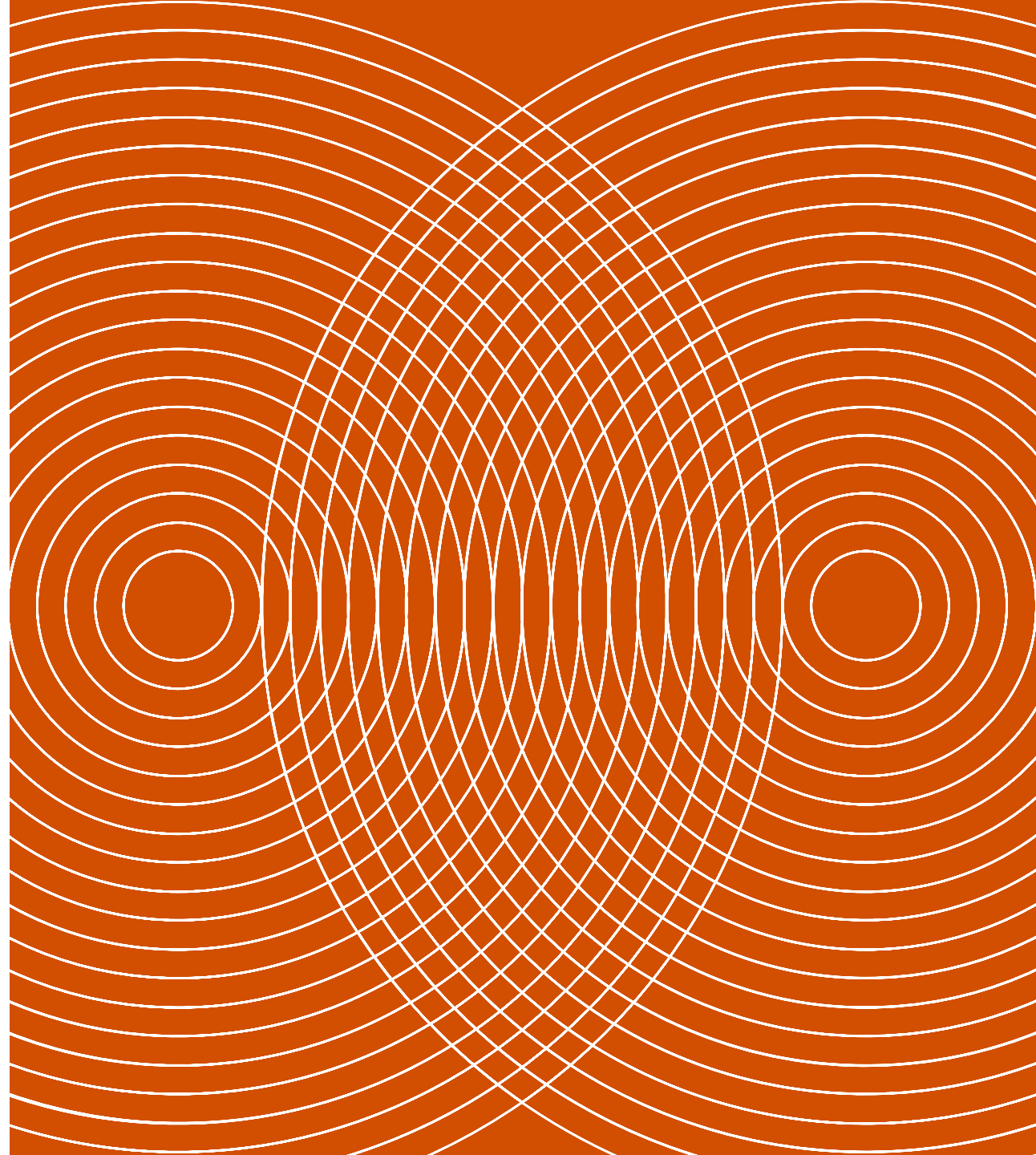
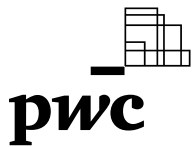


Enabling compliance excellence through scalable risk management technology

Success stories



As sensitive information travels to your third parties and beyond, do you worry about cybersecurity and fraud risks? Do your overseas subsidiaries keep you up at night because they're based in countries where bribery, kickbacks and illegal payments are rampant? Reactive, uncoordinated, event-driven approaches to compliance can lead to frustration, as well as serious regulatory and financial exposure. It can make you worry about something slipping through the cracks of your disconnected risk and compliance reporting systems. And budgets, and the resulting ROI, can be subject to even greater scrutiny. The good news is there's a path forward.

Today's companies have the opportunity to leverage third-party, financial and operational data to derive more strategic value from compliance in resource-efficient ways.

Here's how we worked with four clients to not only protect them from compliance risk, but help them stay one step ahead of it.



1. Microsoft raises the bar in corporate ethics by tackling corruption in real time:

Client: Microsoft Corporation



Our Role

Leverage data analytics to identify risky transactions for additional Foreign Corrupt Practices Act (FCPA) compliance oversight.



Industry

Technology, Media and Telecommunications



Services

Data and analytics, Risk assurance, Forensics, Anti-bribery and anti-corruption



Situation

Microsoft's sales channel is complex and composed of partners, distributors, and resellers.

The complexity of the multi-sales channel creates the risk of bribery, corruption and fraud and comes with strong legal considerations. Under the Foreign Corrupt Practices Act (FCPA), companies may be liable for acts committed by their channel partners. Microsoft saw an opportunity to mitigate its corruption risk while also setting a new standard for ethical business practices.

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Solution

We helped design an innovative solution that would leverage data analytics to identify risky transactions for additional FCPA compliance oversight throughout the presale and post order stages of the sales lifecycle. The analytics-based solution taps into Microsoft's vast sales and partner-related data and provides real-time compliance reviews during the sales lifecycle. Using robotic and intelligent process automation (RPA), machine learning, artificial intelligence and data visualization built on Microsoft Azure helps expose sales transaction-level corruption risks by identifying trends, patterns, relationships and anomalies. A "high risk" deals desk is focused on reviewing sales transactions flagged by the analytics and managing the identified risks.



Result

Compliance incidents have decreased, field sellers and partners have proven to show better deal "hygiene" and velocity has slowed for only deals at the margin. The focus on proactive compliance also underscores Microsoft's global commitment to conducting business with integrity and honesty.

2. Consumer products company monitors third-parties throughout the lifespan of the relationship

Client: Systems and solutions provider to global airlines

Our Role

Develop a “one-stop shop” solution to quickly and reliably help identify higher-risk third parties and stay ahead of potential enforcement action.

Industry

Industrial manufacturing

Services

Data and analytics, Risk assurance, Forensics, Anti-bribery and anti-corruption

Situation

Our client, a large consumer products company, had a rogue sales agent that was paying bribes and kickbacks to influence contracts with overseas government-backed airlines. Although the parent company wasn't a target of the US Department of Justice (DOJ) investigation, they realized its non-standardized anti-bribery and corruption risk assessments left it exposed to similar incidents elsewhere. They wanted to make sure that nothing else was slipping through the cracks.

Solution

We helped implement technology solutions for gathering and analyzing data across the portfolio of sales agents and alternative service providers. They now leverage our [Third Party Tracker](#), a PwC product, to proactively mitigate risks inherent to their third-party network. The solution blocks certain highest risk entities. It also conducts various site assessments and third party diligence as mitigating measures for risks they deem acceptable.

Consolidated, interactive reporting and continuous feedback are giving the right information to stakeholders, while alleviating administrative burden on the people who produce reports. The application of machine learning and behavioral analytics has helped reduce false positives.

Result

The long-term benefit was a lower cost of compliance and third-party due diligence. Beyond that, because the company is also continuously assessing risk against commercial KPIs, business is able to better evaluate the ROI with respect to third parties.

3. A retailer is able to quickly identify potentially fraudulent behaviors in large volumes of transactions

Client: Leading retailer



Our Role

Deploy an early warning system to detect potentially fraudulent behavior.



Industry

Retail and consumer



Services

Data and analytics, Risk assurance, Forensics, Anti-bribery and anti-corruption



Situation

A large retailer discovered fraudulent activity in some of their cross-border payments. They wanted to remediate the issue and prevent it from happening again. In the past, the company would address such risks by manually looking for anomalous patterns in reams of data.



Solution

We helped build a scalable solution to detect fraud early using an automated database and data-driven diagnostics. The company now has the ability to connect the dots between disparate data, such as time and expense reports, and accounts payable and receivable entries, and wire transfers, to see patterns that cannot be eyeballed. They're now continuously monitoring and reviewing analytics of high-risk transactions, taking quick and decisive action when alerted. The workflows and case management are configured to drive a consistent and auditable remediation process.



Result

The company has an early warning system to identify potentially fraudulent behavior in one centralized application, avoiding both fines and reputational damage.

4. An enterprise software company increases operational agility by making better and faster compliance decisions

Client: Software company



Our Role

Create a single source of truth for compliance risks and a roadmap for implementing necessary controls.



Industry

Technology, Media and Telecommunications



Services

Data and analytics, Risk assurance, Forensics, Anti-bribery and anti-corruption



Situation

This enterprise software company was looking to assess and enhance their global compliance program and transformation. Like many global businesses with complex networks, they needed to create a clear narrative about its compliance program and avoid DOJ-imposed monitorships that can be potentially costly and disruptive to business operations.



Solution

Our technology solution for the client helped combine traditional look-back audits and preventive risk management on a single platform. Two teams, internal audit (reporting to ethics and compliance) and transaction risk management (reporting to business) are now working from the same data set, but applying different analytics to generate insights they need. The audit looks at historical transactions on an ongoing basis, identifying areas of heightened risk that require remediation. In parallel, the transactions team is evaluating deals before they're closed, for example, proposals and bids put out by sales partners.



Result

With risk data centralized on a single platform, the company now knows when to take action, create a prioritized risk-based implementation plan and track the plan's efficacy—all in one place. They're able to communicate how their compliance program works in a practical way taking into account the company's operations and changing business environment. With actionable insights available early in the transaction lifecycle, compliance is also helping their business make better strategic and tactical decisions across global operations.

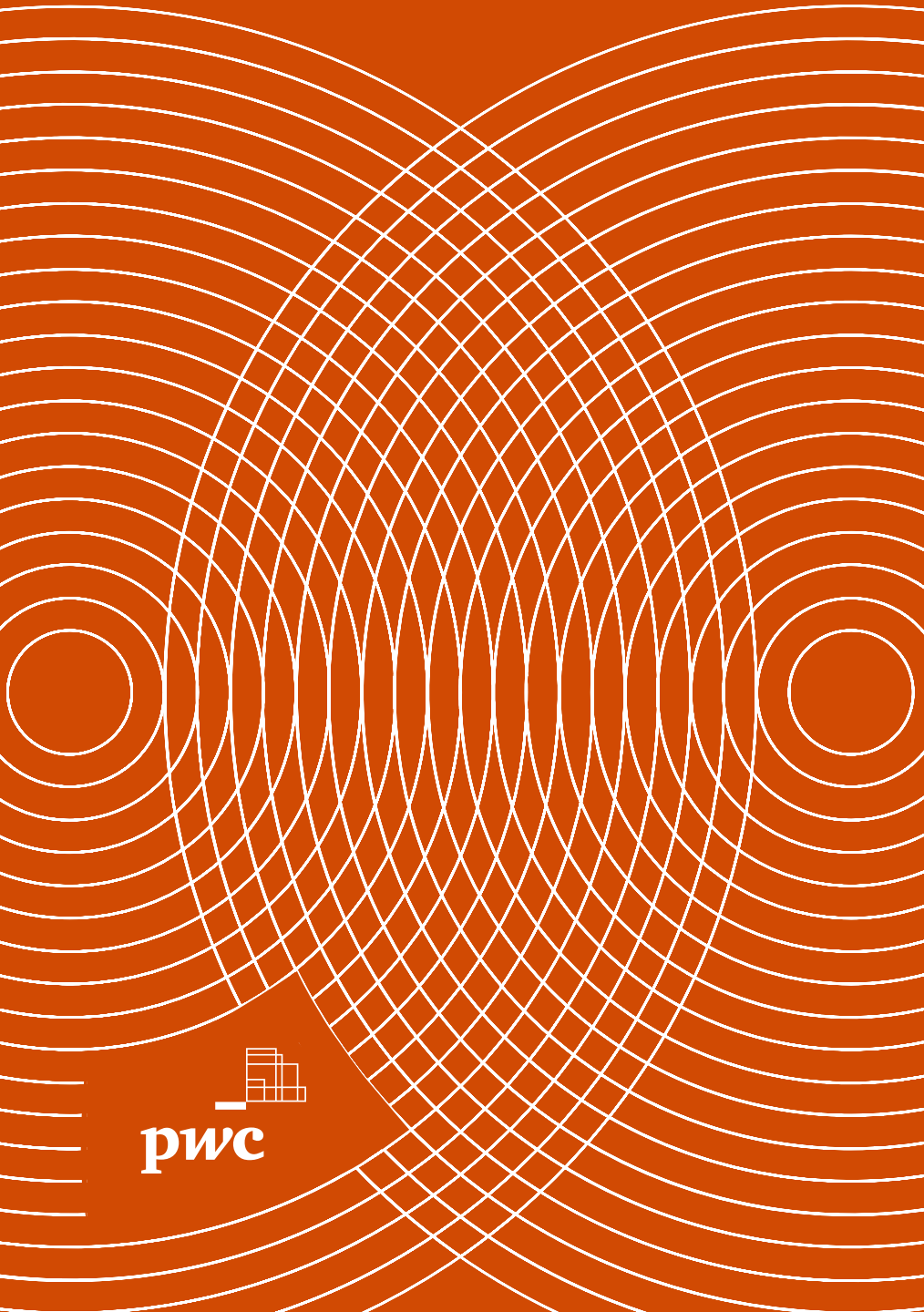
Accelerate your journey to compliance excellence now

The ongoing virtualization of the workplace is an opportunity to accelerate the shift to data-driven compliance.

Compliance professionals across geographical locations and departments are reviewing data, discussing issues and solving problems in real time.

In our work with clients, we're seeing how this shift can also elevate compliance to the role of a strategic advisor to the business at large, bringing a risk-focused lens to every decision, from M&A to supply chain reconfiguration to market expansion.





Learn more about PwC Risk Management products that can help you bring your risk strategy to life.

[Risk Detect](#) helps give your business a competitive advantage by enabling faster decision-making. Flag high-risk activity with a solution that leverages AI to proactively identify risk and continuously monitor multiple threats to streamline your risk and compliance operations.

[Third Party Tracker](#) provides out-of-the-box efficient third party management aligned with PwC's third party risk management (TPRM) framework. Onboard, monitor and manage your third party risk with a single solution.

Contact us

