

Large Consumer Goods Multinational Case Study

How a large
consumer
goods company
implemented a
new sanctions and
trade restrictions
program

In order to remain compliant and reduce the risk of doing business with sanctioned entities, countries or people, the Company, a large consumer goods multinational organization, has deployed FircoSoft's solution for customer and vendor screening, and its Firco List Service (FLS) to manage and validate the Company's selection of watch lists.

The Company is a leading international apparel company, emphasizing branded products for consumers of all ages. The Company is one of the world's largest manufacturers and marketers of basic apparel and sporting goods.

Prior to deploying the solution, the Company made the decision to purchase a customer filtering solution because its previous approach was time consuming and not user friendly, making it very challenging for its employees to perform watch list checking in a timely manner.

The Challenge and Key Selection Criteria

The Company required a filtering solution with the following features:

Internal Implementation: the Company wanted to implement the solution internally to safeguard its customer and vendor data.

Variety of Data Feeds: Due to recent mergers, the Company needed the solution to accommodate a variety of data feeds from a wide variety of systems, and if necessary, be able to configure each feed individually.

'Best-of-Breed' Solution: In order to safeguard the business and take full advantage of the effort, the Company sought to invest in a 'Best-of-Breed' solution. Few of the solutions available appeared to be the primary product of a sound software vendor with an excellent background in watch list scanning. Though the Company initially searched for software tailored to its Consumer Products activity, it came to believe that the software vendors with banking and financial customers had greater expertise in global watch list filtering implementations, and therefore offered the best solutions to meet its needs.

Support Any Watch List: Due to the Company's other current watch list scanning needs and the likelihood of needing to perform additional watch list scanning in the future, the Company needed a solution that could manage any watch list scanning required, along with support to help set it up to perform accurately.

No Duplicated Effort: In order to gain maximum efficiency, the Company needed a solution that assured it would not need to review any hit twice unless there is an actual change to either the data or to the watch list.

Flexible Management: The Company needed a solution that could be centrally managed. However, it also wanted to be able to delegate some of the work in screening and reviewing hits, especially those hits written in foreign languages.

Security Controls: The Company needed a solution that incorporates complete and thorough security controls.

International Solution: The Company needed a solution that deals effectively and immediately with customer names in foreign languages without the need for translation. The Company felt that translation could cause delays and, more importantly, could lead to missing valid hits.

Vessel Numbers: Firco OnLine also allows screening of vessel name and the IMO (International Maritime Organization) number. The IMO is a unique identifier for ships and for registered ship management companies. This functionality was an important factor in selecting the solution, since ships frequently change names but IMOs are constant.

Support Quality: The Company needed a software provider who could provide highly qualified individuals to assist with implementation, training and support. The Company specifically needed individuals with an in-depth understanding of both IT and watch list compliance solutions.

Top Experience: The Company wanted a solution provider who is working on the most advanced techniques for watch list matching in real-world, high-volume applications.

Integration: The Company wanted solid architecture, experience and support to integrate the solution effectively into its business systems.

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Company customs compliance officer

The Solution

In the initial phase of the implementation, the solution was deployed to filter customer and vendor files in batch, representing an estimated 250,000 records. Those files were filtered against the OFAC, FinCEN, US DEPT of STATE, BIS, ISN and DTC lists sourced from the Firco List Service which updates, enhances, optimizes, tests and validates these lists, improving the quality of the sanctions lists and optimizing the performance with the Firco Trust's filter capability.

Phase two of the implementation included the deployment of Firco OnLine, used to check customers and vendors on demand.

The Results

Throughout the deployment, business, IT and compliance teams all worked very well together to identify specific rules to reduce false positives, resulting in very low hit rates.

The implementation included two business consultants from FircoSoft working with two people from the Company's IT team, two from compliance, three operators and one head of compliance.

During the first phase, three separate business lines were implemented for an estimated 250K records filtered each day. The system was live two months after kick off. The Company will onboard additional business lines in 2013 from eight or more countries.

"We are very pleased to have selected FircoSoft, as the company, services and solutions met our needs extremely well. FircoSoft will help ensure we are doing business with companies and entities we can trust to protect our brand and company," said the Company's customs compliance officer. "We had solid assurance that if we put the effort into implementation and operation of the system, we will have a program that's easy to administer but provides first-class results. In addition, we have the flexibility to configure each feed differently when required. Finally, FircoSoft's leadership in the watch list filtering field, and the responsiveness and expertise of their team ensured the success of the implementation."

About FircoSoft

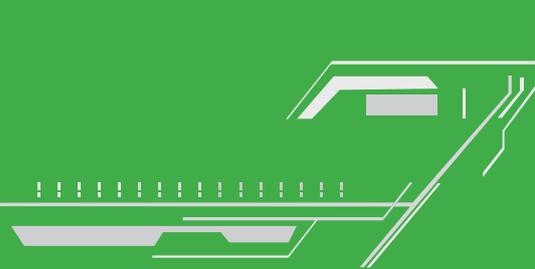
FircoSoft is the recognized market leader of watch list filtering solutions. Over 600 customers (representing over 2000 live sites) rely on FircoSoft to filter customers and transactions against sanction lists to ensure compliance with regulations on terrorist financing and embargoes. FircoSoft is a global company with offices in New York, Tampa, São Paulo, London, Paris, Luxembourg, Zurich, Chennai, Singapore and Melbourne. Together with its global partner network, FircoSoft delivers ongoing services, support and expertise to customers in over 70 countries.

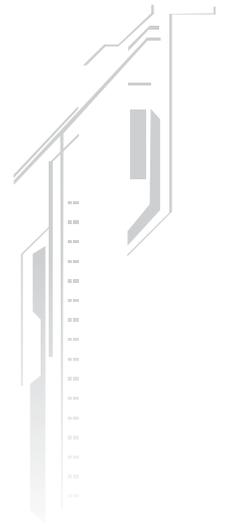
FircoSoft has been ranked the "#1 Watch list Filtering Solution" since 2003 by Celent and has been qualified by Aite as the "Best-of-Breed Filtering Solution" in 2007.

www.fircosoft.com

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FircoSoft

Filtering since 1994