HP Helps Telecom Operators Reduce Risk with Integrated Fraud and Credit Management Solutions

PALO ALTO, Calif., May 16, 2007 - HP today announced two products to help telecom service providers reduce risk and safeguard their revenues.

The first is a major upgrade of the industry-leading HP Fraud Management System (HP FMS 10.0), which is implemented at more than 80 service providers worldwide, and helps protect revenue from more than 300 million subscribers.

The second product is the new HP Credit Management System (HP CMS). HP CMS helps operators profile customer credit in order to evaluate and manage risk.

Both solutions are part of the HP Enterprise Risk Management (HP ERM) suite, release 2.0, and are tightly integrated to address the correlation that often exists between fraud and bad debt. In addition, each can be deployed separately.

The third solution within HP ERM is HP Revenue Analyzer for revenue assurance. Combined, the three HP ERM solutions provide a holistic view of the customer on common mediation, alarm management, workflow, case management, predictive analysis and dashboards/reports.

“With more sophisticated fraudsters and more subscribers who are credit-challenged, service providers today must have the most advanced fraud and credit management capabilities,” said Ananda Subbiah, vice president, Solutions, Communications, Media and Entertainment, HP. “With more than 12 years experience, HP has accumulated the extensive expertise that telecom service providers need to protect their revenues. The products announced today are the latest proof of HP leadership.”

Fraud losses are difficult to measure since most fraud goes undetected or unreported. However, industry observers estimate the annual losses to be USD$54 - 60 billion worldwide.\(^1\) As mobile commerce increases, operators are more vulnerable to costly “hard losses,” in which they must pay for content, products or services that are stolen from a third party.

Both HP FMS 10.0 and HP CMS are available immediately and are fully supported by HP worldwide.

HP Fraud Management System

HP FMS 10.0, is a open-architecture, scalable, highly-reliable solution that provides operators with the flexibility and speed they need to identify, investigate and respond to all types of fraudulent behavior from all kinds of services, including voice and data, wireless, and wired.
Major features and benefits of this latest release build on HP FMS’s strong record and include:

- Greater precision in fraud detection through user-defined Key Risk Indicators (KRI’s) with threshold alarming and extended patterns
- Enhanced case management with improved case escalation, notification and management and advanced reporting based on Business Objects XI
- Advanced security and audit capabilities to guard against internal mistakes and intentional misconduct.

HP Credit Management System
HP CMS 1.0 is a response to service providers’ need for an effective and truly convergent approach to customer profiling and credit risk scoring and management. Similar to HP FMS, HP CMS covers the breadth of operators’ services from wireline and wireless to IPTV, VoIP and other content-based offerings. Features and benefits include:

- Continuous detection and assessment of subscribers’ usage (e.g., events from switches) and non-usage (e.g., payments, deposits), triggering alarms
- Credit management capabilities extended to include dynamic credit limit management, credit classification, “balance due” management including late payment notification
- Credit risk scoring based on demographic information, usage behavior and, if desired, other sources such as internal systems or external credit score rating companies.

As with all HP ERM solutions, HP FMS and HP CMS use a full-fledged data feed layer embedding the HP mediation solution, HP Internet Usage Manager (HP IUM). This layer translates raw data inputs into normalized events for analysis, allowing for easy integration, as new service offerings are introduced. HP ERM can also receive data directly from an existing mediation system.

HP FMS and HP CMS run on HP Integrity and HP PA-RISC servers that use the HP-UX operating system and on AMD with the Red Hat Linux operating system. They leverage the Oracle 10G database, SPSS Clementine V10, and Business Objects XI.

HP offers consulting services to assist operators in evaluating, planning, designing, deploying and supporting fraud and credit management programs. Extensive training services are also available.

More information on HP ERM, FMS and CMS is available at www.hp.com/go/revenueassurance.

1. Communications Fraud Control Association, March, 2007

About HP
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