



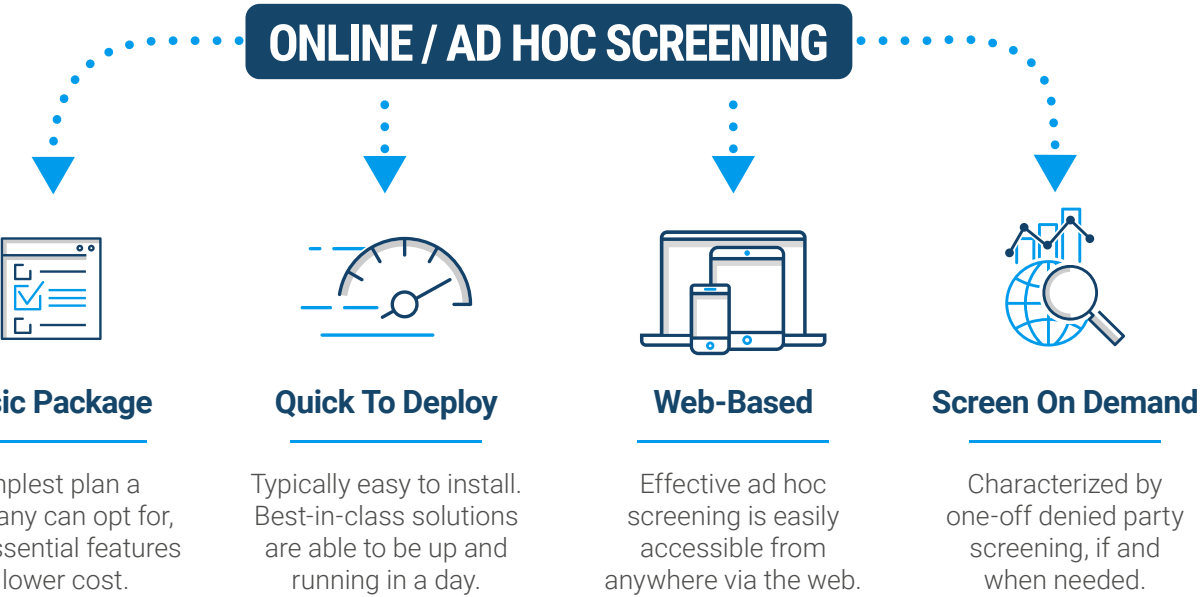
10 Pricing Factors to Consider When Evaluating A Denied Party Screening Software

The Definitive Guide

In order to select the best denied party screening solution for your business and budget, consider the following ten key factors that affect cost, and assess how they align with your risk appetite as well as overall compliance program.

1 Will online ad hoc screening meet your compliance needs?

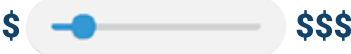
With this deployment option you can screen multiple entities on an ad hoc basis. Understand what this option provides and examine if it meets your compliance needs in order to avoid paying for unnecessary functionalities that will be underutilized.



Best For:

1. Entry level compliance programs
2. Low volume data / entities to screen
3. Non-recurring / one-off screening requirements

Impact on total cost: Low



2 How many users will need to access the solution?

Knowing the optimal number of users required to efficiently perform compliance operations is vital to managing cost. Vendors typically charge for the number of users either as a flat fee for a range of licenses or on a per user basis.

Typical user of a denied party screening solution:



Risk and compliance



CRM, Sales, and Marketing



Operations



Back Office / IT/ R&D



Executive Management



of organizations surveyed have compliance software users made up of non-core compliance professionals including sales, finance, and logistics.

Average range of users by company size:



Best practices to maximize cost efficiency of users

- 1. Avoid Over Licensing** – Don't guess your users needs nor accept the first suggestion from a sales rep without doing your homework.
- 2. Optimize Asset Utilization** – Identify who needs to do what and the type of access based on the priority of the role to the overall compliance effort.
- 3. Track the Lifecycle of Users** – have a system in place to retire inactive and redundant users.

Impact on total cost: Low to Mid



3 What sanctions lists do you need to screen against?

Meticulously choose the lists to screen against in order to manage cost. It is vital to understand which lists apply to your risk profile based on your industry, the jurisdiction you operate in, and the currencies you trade in.

The rising number of sanctions lists and the complexity of designated parties drives up the cost of denied party screening in three ways:



Variety

1000s

of global sanctions lists to screen, as well as PEP, adverse media, sanctioned party ownership, state owned asset lists, and more.



Velocity

493²

changes made already to sanctions lists in under a year. Broken down into the following:



Additions
+20 new lists



Updates



Deletions



Volume

+380,541²

net new designations, reflecting an extraordinary surge in the number of sanctioned persons and entities.

Selecting the right screening lists optimizes:

- Subscription fees
- False positives rates
- Personnel allocation

Apart from paying extra for unnecessary lists, screening against them also introduces more false positive alerts which drives up the total cost of compliance. To learn more about compliance requirements for your particular industry, check this [resource](#).

Impact on total cost: Low-High



4 Is escalation and resolution workflow important to you?

Major benefits that automated resolution workflows offer businesses include:



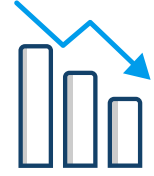
Increased oversight



Minimized risk



Enhanced collaboration



Reduced time to market



Over \$5 million dollars³ in monetary fines were issued to two major companies for violations stemming from inadequate escalation and remediation processes.

Best For:

1. Advanced compliance programs with multiple users
2. Enterprises with big operations and high data volumes
3. Multinational / geographically dispersed teams

Impact on total cost: Low-Mid

\$ \$\$\$



5 How will Audit and History Help Your Compliance Process?

The capability to prove due diligence in the event of a government / internal audit is critical.



in monetary penalties have been saved by companies able to demonstrate their compliance due diligence to the government.



of organizations stated that automated audit and reporting will strengthen their compliance program.

An effective solution should offer an audit trail feature with complete, tamperproof record of:



Who performed the search?



When the search was performed



What search terms were used?



What results and resolution action was taken?

Best For:

1. Highly regulated industries
2. Organizations that track transactions
3. Institutions that handle sensitive information / technology

Impact on total cost: **Mid-High**



6 Should You Add Batch Screening?

Ability to cleanse a database of restricted parties in one fell swoop across multiple business relationships.

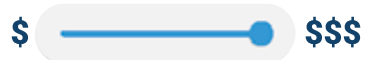


of companies surveyed have expanded sanctions screening beyond just customers to include suppliers, new hires, end users, etc.

Best For:

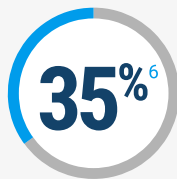
1. Start-up phase of a compliance journey
2. Screening entire databases as part of business acquisition
3. Screening historical data before implementing a new screening solution

Impact on total cost: High



7 Do you want to perform automated daily rescreening?

Automated rescreening / dynamic screening is the process of automatically rescreening entities in your sphere of business daily against additions to official restricted party watchlists.

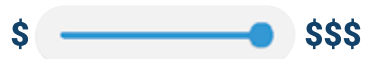


of recent OFAC enforcements have been due to infrequent screening for sanctioned parties.

Best For:

1. High volume transactions as seen in ecommerce and banks
2. Long sales cycles spanning months
3. Businesses operating in high volatile areas

Impact on total cost: High



8 When should you be thinking about integrated screening?

This is where denied party screening is implemented directly into your business systems for efficiency gains.

Benefits of integrated screening realized by the organizations surveyed⁷:



reduced risk by ensuring all business records were screened automatically.



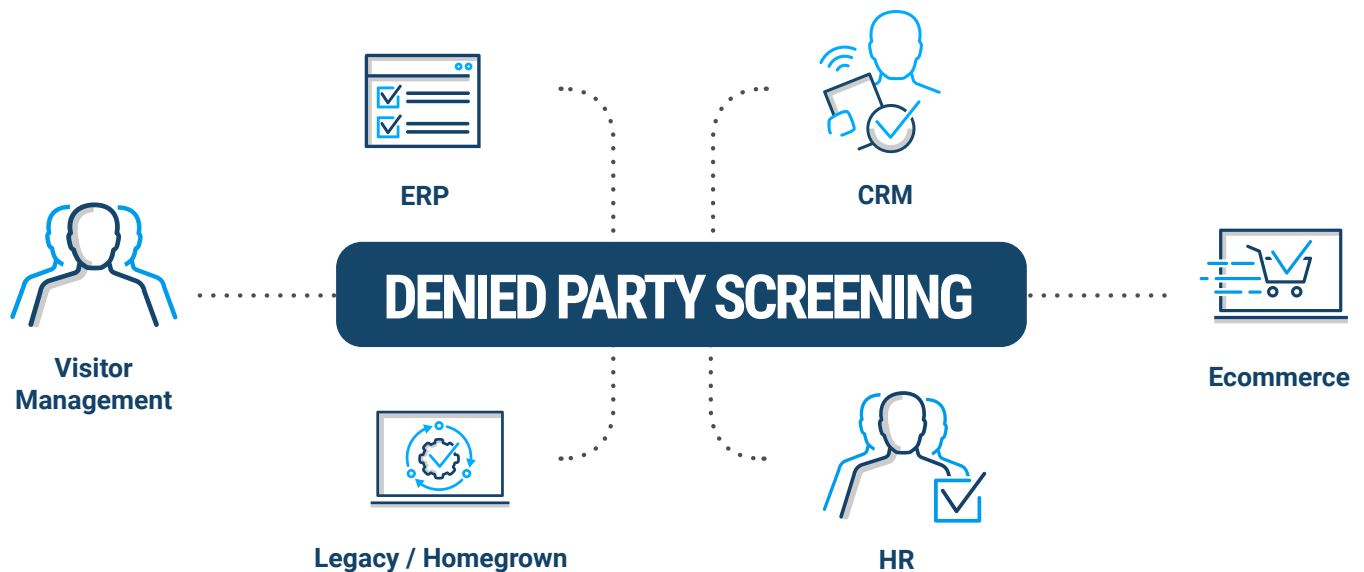
saved time and improved the efficiency of compliance programs by freeing resources for other projects.



easily perform daily rescreening, which is higher than industry average of **40%**.

While the benefit of integrated screening speaks for itself, carefully consider if it is right for your business at the moment to avoid unnecessary cost. 39% of organizations who have not implemented integrated screening reported they did not have enough screening volume to justify the investment.

An industry leading vendor will support integration into a wide range of business systems:



Best For:

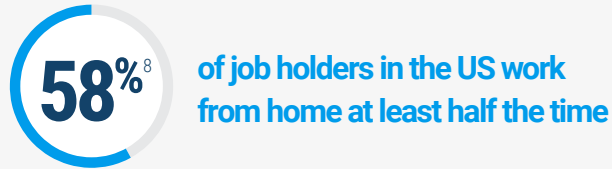
1. Companies who want consistent and reliable screening
2. Organizations with high volume of data
3. Large operations that need to compliance across many departments

Impact on total cost: **High**



9 Do you require mobile denied party screening?

Mobile denied party screening provides effective support for a work-from-anywhere model.



Best For:

1. Companies with significant field operations such as sales, logistics, warehouse management etc.
2. Out of town / overseas travels
3. Screening potential opportunities at events and business conferences

Impact on total cost:

Low Mid-Mid High

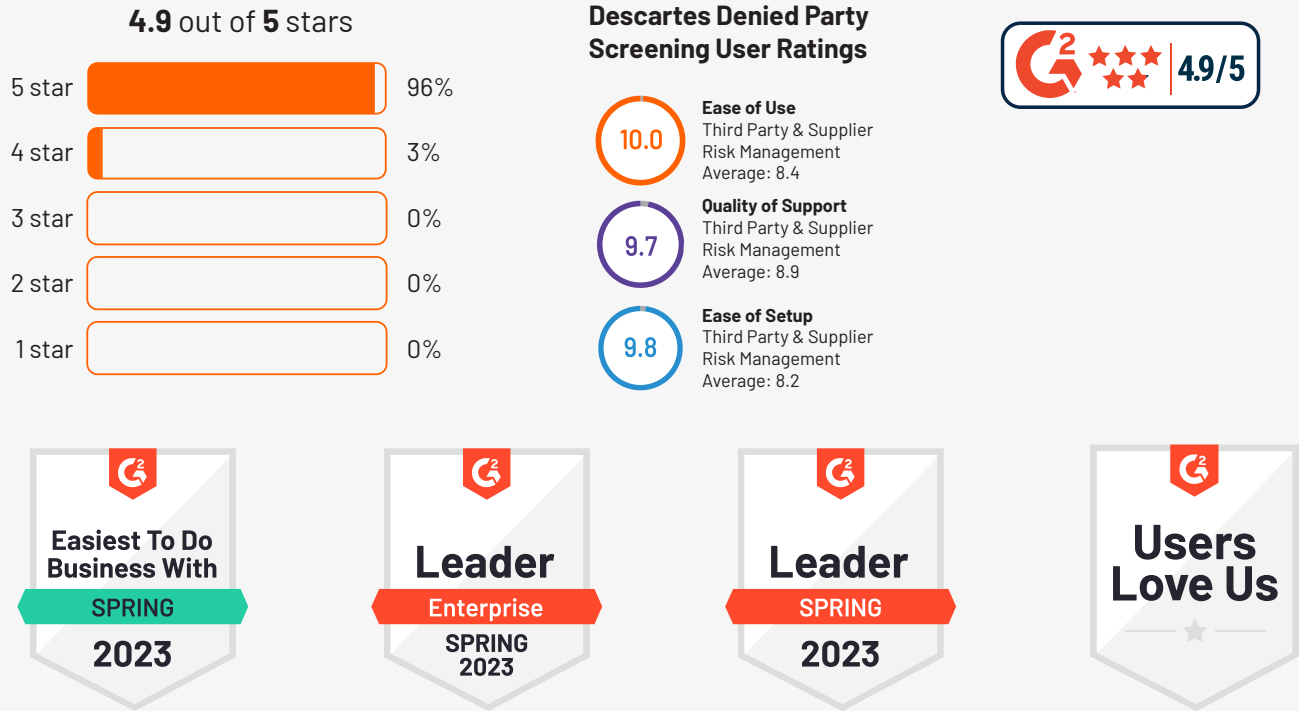


10 How important is customer support to your success?

Reputable denied party screening vendors will offer a truly global customer service and support team as part of their subscription.

Get to know your prospective vendors, use 3rd party review sites like G2 and Capterra, to determine who has merit.

G2 Crowd Rating and Badges Earned



Best For:

1. Organizations with multiple users of varying compliance maturity
2. Businesses with time sensitive operations
3. Companies that require dedicated customer service

Impact on total cost:

Low Mid-Mid High



For additional denied party screening pricing scenarios, read this [article](#).

1 Source: Descartes Benchmark Survey
2 Data reflects 2022 stats.
3 Source: Department of Treasury
4 Source: Department of Treasury

5 Source: Descartes Benchmark Survey
6 Data from 2022 enforcement actions. Source: Department of Treasury
7 Source: Descartes Benchmark Survey
8 Source: McKinsey American Opportunity Survey 2022

How Descartes Can Help

Descartes Visual Compliance™ and [Descartes MK Denial](#) have developed a suite of premier denied party screening software solutions that help organizations around the world reach the highest export compliance standards while reducing the risk of negative impacts to the bottom line. Our easy to implement, cloud-based solutions improve the efficiency of compliance teams and strengthen organizational governance, risk, and compliance processes. Utilizing advanced technology that delivers accurate results, they reduce false positives, and provide visibility and vetting methodology on priority items in a centralized workflow format with an automatically generated audit trail.

Learn more at www.visualcompliance.com.

About Descartes Systems Group

Descartes (Nasdaq:DSGX) (TSX:DSG) is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, performance and security of logistics-intensive businesses. Customers use our modular, software-as-a-service solutions to route, schedule, track and measure delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community. Our headquarters are in Waterloo, Ontario, Canada and we have offices and partners around the world.

Learn more at www.descartes.com and connect with us on [LinkedIn](#) and [Twitter](#).

Uniting the People & Technology That Move the World.