

Pre-Class Discovery Handout: Sanctions Screening Business Models

Activity 1: Business Model Canvas Detective — A Screening Vendor

Scenario: Pick ONE sanctions-screening vendor from the slate below: Refinitiv World-Check, LexisNexis Bridger, Dow Jones Risk, Napier, or SymphonyAI Sensa. Investigate how that vendor actually creates value — read their product pages, developer docs, or analyst briefings — and fill in the Business Model Canvas below. Focus on mechanics, not marketing language.

Canvas Element	Your Analysis
Value Proposition	<i>What verdict does this vendor promise per lookup?</i>
Customer Segments	<i>Which buyer archetypes does it sell to?</i>
Channels	<i>How does the verdict reach the bank's payment pipeline?</i>
Revenue Streams	<i>Per-record subscription, per-lookup licence, suppression budget, or some mix?</i>
Key Resources	<i>Roster, matcher engine, labelled outcomes, regulator relationships, or something else?</i>

- Q1:** What is the single most important friction this vendor removes for a bank that already has a list subscription in place?
- Q2:** How does the vendor reach new bank customers without a branch network or broker chain?
- Q3:** If this vendor disappeared tomorrow, what would a buyer lose that its in-house compliance team could not easily rebuild?

Activity 2: Unbundling Map — Bureau-of-Bureaus Services Under Attack

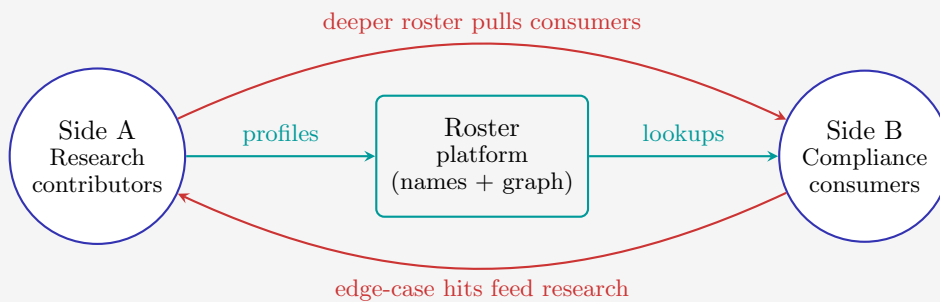
Scenario: A traditional sanctions-list publisher bundles many services: roster curation, identity resolution, match scoring, alert adjudication, entity-graph enrichment, and regulator-ready attestation. Each of those services now has a modern vendor attacking it. Match each vendor to the service it is most directly disaggregating, then answer the debrief questions.

Vendor		Service Disaggregated
Refinitiv World-Check	—	Roster curation and two-sided research platform
LexisNexis Bridger	—	Matching and identity-resolution engine
Dow Jones Risk	—	Stacked rebundling from list to overlay
Napier	—	Explainability overlay and supervisory attestation
SymphonyAI Sensa	—	Alert-ranking and queue re-ordering

- Q1:** For each pair, describe in one sentence what the vendor does that the classical list publisher historically did not.
- Q2:** Which of these vendors has begun adding adjacent products beyond its original wedge? What did it add, and on the same buyer?
- Q3:** Why might a screening vendor that starts with one wedge eventually want to offer many — and what keeps the buyer stable across the expansion?

Activity 3: The Platform Puzzle — Research Contributors and Compliance Consumers

Scenario: A modern sanctions-data platform typically connects two sides of a market — research contributors who enrich a roster of sanctioned persons and their aliases, and compliance consumers who query the roster on every transaction or onboarding. Neither side finds the platform useful alone.



- Q1:** Why does a platform with more research contributors attract more compliance consumers, and vice versa? Describe the cross-side network effect in one paragraph.
- Q2:** The chicken-and-egg problem: which side should a new sanctions-data platform attract first, and what concrete wedge would you use to attract it?
- Q3:** Once a sanctions-data platform reaches critical mass on both sides, why is it hard for competitors to enter? Identify the structural moat.

Solutions

Activity 1: Business Model Canvas Detective — Refinitiv World-Check

- A1: Model answer for Refinitiv World-Check:** The most important friction removed is the bank's inability to keep an in-house roster of sanctioned persons and their aliases as current as the regulatory environment now demands. World-Check delivers an ongoing research output as a subscription that the bank can query on every payment message, without building a research desk or negotiating primary-source feeds directly.
- A2:** World-Check reaches new banks through enterprise sales into compliance functions, direct API integration with transaction-monitoring and payment-message platforms, and channel partnerships with core-banking vendors that bundle the roster at procurement time. Each integrated bank is both a buyer and — through its edge-case queries — a research-contributor channel for the next bank.
- A3:** A buyer would lose the deep roster and the research-to-consumer feedback loop. Rebuilding in-house would mean staffing a research desk capable of curating sanctioned-person profiles at the cadence the supervisor expects, while also securing access to the primary sources that enrich the profiles. None of those are quick to re-create inside a single bank.

Canvas elements (Refinitiv World-Check):

- **Value Proposition:** Ongoing curated roster of sanctioned persons and their aliases, delivered per lookup with continuous research enrichment.
- **Customer Segments:** Primary — banks and payment firms; secondary — corporate compliance functions, correspondent houses, and fintech intermediaries that must screen counterparties.
- **Channels:** Direct API into transaction-monitoring platforms; embedded in core-banking and payment-messaging vendor bundles.
- **Revenue Streams:** Subscription licence plus per-lookup fees; enterprise tiers bundled with professional services and onboarding support.
- **Key Resources:** In-house research labour, accumulated roster, entity-relationship graph, regulator and primary-source relationships.

Activity 2: Unbundling Map

- A1:** Refinitiv World-Check → Roster curation and two-sided research platform (connects ongoing research labour with compliance lookups through a per-lookup pipe). LexisNexis Bridger → Matching engine (converts a commodity list into a defensible matcher subscription by attacking the matching link rather than the list). Dow Jones Risk → Stacked rebundling from list to overlay (extends the original feed into matcher, adjudication, entity graph and attestation on the same buyer). Napier → Explainability overlay and supervisory attestation (delivers audit-ready reasoning on top of a legacy list pipeline). SymphonyAI Sensa → Alert-ranking and queue re-ordering (promotes the likely-true hits to the top of a queue the bank already generates).
- A2:** Dow Jones Risk has rebundled most visibly. Having started with the adverse-media and watch-list feed, it added a matcher, an adjudication toolkit, an entity-graph enrichment layer, and a packaged attestation product — all on the same compliance buyer and per-lookup billing cadence. Refinitiv World-Check has similarly rebundled beyond pure roster access, adding identity resolution, on-boarding screening, and enhanced due-diligence packages.
- A3:** A single-wedge vendor faces a classic problem: the cost of integrating with a bank's payment pipeline is high, but once inside the perimeter, the marginal cost of offering an adjacent product is low and the marginal revenue is high. Rebundling raises lifetime value per bank account, lengthens the relationship, and makes the vendor harder to rip out than a single-wedge competitor would be. The buyer stays stable because each new module extends the existing compliance workflow rather than introducing a new buyer.

Activity 3: The Platform Puzzle

- A1:** A platform with more research contributors attracts more compliance consumers because a deeper roster means more comprehensive coverage, which raises the expected safety per lookup sent into the platform. Simultaneously, more compliance queries surface more edge-case aliases and negative matches that flow back into the research pipeline, sharpening the roster further and making the consumer side's lookups safer. Each side's growth reinforces the other through a research-to-coverage-to-lookup feedback loop. This is the textbook definition of a cross-side network effect.
- A2:** Most successful sanctions-data platforms solve the chicken-and-egg problem by carrying the initial research labour themselves — staffing a team that produces a deep roster before any consumer is asked to subscribe. Once the roster has immediate enterprise value, compliance consumers can be invited in with a coverage-backed pitch. Attempting to recruit consumers before the roster has depth is a cold-start trap: the consumers want evidence the coverage works, but without consumers the platform has no scale.
- A3:** Once both sides reach critical mass, the platform enjoys a self-reinforcing loop that creates a structural moat. A new entrant must simultaneously attract research contributors (who want distribution) and compliance consumers (who want coverage), each of which has little reason to join an empty platform. The incumbent's roster depth grows with every additional participant, widening the coverage lead in a way a new entrant cannot replicate without years of research accumulation.