



BLACKROCK

Spreadsheet management in BlackRock

BlackRock® is one of the world's pre-eminent asset management firms and a premier provider of investment management, risk management and advisory services to institutional, intermediary and individual investors around the world.

The challenge

BlackRock is a fast paced firm with new products and processes being created all the time. Excel plays an important role in innovation and is often used to prototype these products and processes. Whilst being innovative, it is important that controls are in place to prevent BlackRock being exposed to monetary, reputational and technology risk.

The challenges presented were:

- Reduce and control spreadsheet risk
- Add control without making it onerous for users
- Meet regulatory requirements around the use of spreadsheets in business critical processes

The high-level objectives set out in BlackRock's Global Spreadsheet Policy are to reduce the risks associated with spreadsheet use by:

- Making the use of spreadsheets and their business purposes more transparent
- Highlighting potential development needs in core systems
- Assigning risk metrics to prioritize spreadsheet remediation efforts
- Ensuring that spreadsheets are used from a secure environment where they are backed up and where changes are monitored

We recently saw a demo of ESM v7 and were impressed with the ribbon. It gave us ideas as to how we could use ClusterSeven for parts of the policy implementation where we currently don't use it.

*Stuart Symonds, Director Aladdin & Technology
BlackRock*

- Ensuring spreadsheet-dependent business processes can sustain the loss of one or more key people

A spreadsheet is considered in scope for BlackRock's Global Spreadsheet Policy if it meets BOTH of the following criteria:

- Operates as an application driving a process that presents a high level of monetary, reputational or technology risk
- Contains a high degree of complexity. For example, the spreadsheet includes complex use of formulas and calculation, a high number of connections to multiple worksheets or external data sources, or employs macros or other code.



Other benefits

The breadth of reporting tools in ClusterSeven ESM has provided additional benefits, including assistance in resolving a number of ad-hoc problems that have cropped up. For example, when moving from Excel 2003 to Excel 2010 legacy functionality in Excel, and particularly VBA, was identified that would break when upgraded. ClusterSeven was used to pro-actively scan the critical spreadsheet population to identify where the affected functionality existed, enabling remediation prior to the upgrade. This was so successful that the upgrade was extremely smooth with minimal interruption to the business.

Scanning reports have been used to help with the BGI/ BlackRock integration effort. There have been a number of occasions where BlackRock needed to identify spreadsheets dependant on legacy add-ins. By scanning the critical spreadsheet population, dependants were identified and the add-ins replaced with Blackrock equivalents.

Future plans

Once the policy roll-out is complete it is expected that the number of spreadsheets under management will plateau. However, the population is continually evolving as prototypes are replaced by strategic systems and new prototypes are built for new products and processes.

The BlackRock team is always looking to improve business processes, especially where they can make the application of the Group Spreadsheet Policy easier and less time consuming. An example may be the adoption of the ClusterSeven Ribbon. This would enable the gathering of inventory information and completion of the yearly attestation process.

My advice to organizations adopting spreadsheet management would be to think about implementation strategy and requirements in advance and plan how the process will be maintained going forward and embedded within the organization. Controlling spreadsheets is not easy, especially is business users use Excel for its flexibility.

It is vital for success that any control process is not onerous for the users, is easy to manage going forward and is sustainable.

**Stuart Symonds, Director, Aladdin & Technology
BlackRock**

I can't imagine it would be possible for an investment manager to not use Excel. It is essential for flexibility and ingenuity. However, with that flexibility comes risk and the challenge that everyone faces is to control and minimize it. These issues are generally applicable across the investment management industry as Excel is so widely used. It was very important to achieve business buy-in that the control we put in place didn't affect users' flexibility and productivity or become an onerous task.

**Stuart Symonds, Director, Aladdin & Technology
BlackRock**

For more information about ClusterSeven,
please visit www.clusterseven.com