

Spreadsheet Management – Janus Capital Group

Colorado-headquartered Janus Capital Group (“Janus”) is a leading global investment manager with approx. \$180 billion* in assets under management. The firm offers institutional and intermediary clients as well as individual investors complementary asset management disciplines including growth, core and value equities, fixed income and mathematical investing. Outside the US, Janus has offices in a number of financial centres including London, Tokyo, Hong Kong and Singapore.

Business Environment

Janus identified that a large number of internal processes and functions were tied to and heavily reliant on spreadsheets. The firm’s Operational Risk Team coordinated an exercise to self-identify the use of spreadsheets by department – with the results confirming the pervasive use of spreadsheets and, more importantly, the operational *dependencies* many processes had to spreadsheets. From benign checklists and logs to critical business processes and calculations, the review exercise found that spreadsheets had become an integral tool to the business units. However – and most significantly – the Operational Risk Team found that in most cases, the control environment needed to be strengthened.

* Assets under management as of 31 December 2014

Client



Opening the eyes of the organization to the numerous ways unintended use or modifications within spreadsheets can harm the business was a relatively easy sell. The cultural shift to raise the on-going, everyday awareness of spreadsheet risk has proven to be the larger challenge.



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Requirements

In light of the review, the business objectives were clear:

- Improve the overall control of spreadsheet usage at Janus as quickly and seamlessly as possible and increase transparency into the firm's spreadsheet population
- Have the ability to apply a uniform set of criteria to look at and evaluate spreadsheets
- Provide better optics for the business to learn more about where spreadsheets are integrated within the business
- Implement a solution that would allow the firm make more informed business decisions, including processes that could benefit from wider technology solutions.

Business objectives

Janus sought to partner with ClusterSeven ESM (Enterprise Spreadsheet Manager) as the software solution met the firm's business objectives in three core ways:

- *Improved controls*
- *Visibility – the ability to see the spreadsheet universe*
- *Reporting & oversight*

In the view of the Janus team, ClusterSeven distinguished itself from alternative technology or process solutions in a number of ways:

- The tool, and more specifically the ribbon, was highly intuitive to use and non-invasive
- The Discovery and Spider processes provided additional insight into file structures and relationships, which was unique
- It provided a one-piece solution as opposed to a modular approach and as such was seen as a product that does what it was billed to do. Additional components or upgrades are not required to meet the needs of the business



These challenges are not unique to Janus. Many businesses have the same reliance on simple, easy to understand and use EUC tools.

To a degree, spreadsheet use to support business processes have become so woven into day to day operations, the inherent risks are often overlooked. Even in instances where poor spreadsheet controls led to error, ineffective solutions are usually applied that are cumbersome and nearly impossible to manage.



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Results

After implementing ClusterSeven, it took Janus only a month to start noticing improved operational performance and insights. Improving the controls over spreadsheets not only had a positive impact on Janus' risk profile but also its business areas are now more aware of their spreadsheet use on a much larger scale. Other effects include:

- The number of spreadsheets under current active management has been growing as a result of regular interactions with the operational business teams, and the firm plans to introduce the solution to additional segments of the company
- Spreadsheet owners have the ability to clean up old spreadsheets and understand how the network of spreadsheets can affect other areas of the business
- A quarterly user group hosted by the Operational Risk team now brings together business stakeholders to talk about data best practice
- Running risk checks gives the business specific areas of risk to work on and in return gives the organization greater confidence in spreadsheet integrity

Other Benefits

Through the use of the ClusterSeven comparison tool, Janus has been able to leverage the solution functionality to quickly provide updates regarding period over period changes for quarterly reporting. What once was a laborious side by side comparison process is now easier.



Spreadsheets are commonplace in this industry. Because of this, it is easy to undervalue the inherent risk of a spreadsheet impact. If you take the time to complete a targeted evaluation of spreadsheet use within your company, you will likely uncover a much larger inventory and reliance on spreadsheets than previously suspected.



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Future Plans

In partnering with ClusterSeven, Janus sees itself as a leader in implementing such a solution. Through ancillary feedback, the firm believes it is one of only a few companies that have taken a deeper look at the reliance of EUC tools in its organization and found a solution to control and monitor the risk they pose. Janus plans to continue to grow the awareness of spreadsheet risk and expand the use of the ClusterSeven tool to improve its control posture.



Taking the exercise a step further by connecting the numerous places or ways an error within a spreadsheet can progress through the process to an error within the business; coupled with the duration before detection, quickly changes your perspective on spreadsheet use.



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