

Leveraging Beacon by CWAN and Snowflake to Enhance its Data and Analytics Capabilities



INTRODUCTION

**“Data without analytics is noise,
and analytics without data is useless.”**

Adam Lihtenstein

Managing Director, Technology and Innovations

Blackstone is the largest alternative asset manager in the world with over US\$950 billion in assets under management. The company’s goal is to create positive economic impact and long-term value for investors, the companies they invest in, and the communities in which they work. Blackstone invests in private equity, real estate, public debt and equity, infrastructure, and life sciences assets, among others, all on a global basis. The scope and scale of Blackstone’s investments means that they first needed to develop a large, modern data platform capable of providing the essential inputs for their pricing models and risk analytics. Working with Snowflake, Blackstone built a single source of truth for its data, to ensure that its modeling and analytics groups are able to use consistent and up-to-date data. Blackstone had been looking for a solution that could centralize and scale their analytics capabilities to match the scope and breadth of their dataset.

PROBLEM

“We wanted to get out of spreadsheets and build a singlesource of truth for models, like we have built for data with Snowflake.”





Adam Lihtenstein

Managing Director, Technology and Innovations







Before deploying Beacon Platform, Blackstone’s analysts, portfolio managers, and the technical teams that supported them used a variety of spreadsheets and third-party tools to conduct their research. Spreadsheets were not scalable enough to process the large volumes of data and number of scenarios, and third-party risk management solutions did not provide the transparency needed to allow for the customization that Blackstone required. Blackstone also found it difficult to ensure consistency and reproducibility across their models, with no seamless way of implementing version controls and code governance using spreadsheets.

Blackstone had been looking for a state-of-the-art analytics platform that would enable their quants, data scientists, and engineers to scale quantitative research and financial engineering across the organization. The company wanted to increase the depth of its analytics, ensure consistency across the firm, and reduce time to market for new opportunities. The ultimate goal was to have a single source of truth for their models and analytics, just like they had built for data with Snowflake Data Cloud.

BLACKSTONE AT A GLANCE

-  Largest alternative asset manager in the world
-  Over US\$950 billion in assets under management
-  Developed large, modern data platform with Snowflake
-  Looking to centralize and scale analytics capabilities to match scope and breadth of dataset

BLACKSTONE AT A GLANCE

-  Cloud native and integration with Snowflake for easy and concurrent
-  Enabling faster delivery of new functionality to business users
-  Centralization and secure access so that users do not have to worry about where the data or analytics is coming from, how to get them, or whether it is the current version
-  Elastic computing capabilities to enable its users to run large analyses quickly
-  Software development lifecycle and change management tools to ensure effective version controls and governance
-  Transparent and customizable code so the company does not have to reinvent foundational instruments and models

SOLUTION

“Beacon’s flexible and extensible software model and deep integration of Snowflake are enabling us to deliver greater value to the business more quickly.”





Caroline Chang

Software Engineer and Analyst





Beacon and Snowflake provide Blackstone with the complementary relationship across data and analytics that they need to be successful. Snowflake Data Cloud provides a centralized and securely accessible data platform so that team members can easily find the appropriate data to hydrate their models in near real time. Beacon Platform provides a common platform for developing and maintaining models and the cloud computing infrastructure to run them at the speed Blackstone requires. “Together, Beacon and Snowflake empower Blackstone’s analysts and financial engineers to build and deploy cloud native analytics in a fraction of the time that’s required to build them using spreadsheets and other legacy modeling methods,” said Kirat Singh, Beacon’s CEO. Building this infrastructure from scratch to allow users to analyze the various types of asset classes Blackstone holds would have required an insurmountable amount of time and resources—Beacon Platform provides the foundations on top of which Blackstone can build its research capabilities.

Here is an example which illustrates the power of Beacon and Snowflake. Market data for Treasuries and other interest rate assets in Snowflake feed into Beacon Platform to hydrate and inform the financial object models. These models are used to build interest rate curves, which are in turn used for pricing and risk analysis on positions with interest rate sensitivities. These financial objects work seamlessly across Beacon applications, API calls, Excel plug-ins, and business intelligence tools such as Tableau. Any derived data and insights gleaned from these applications are written back into Snowflake for future reference. Beacon’s dynamic data and dependency graph capabilities ensure that everyone across the firm has full transparency into the relationships between the pricing models and the data they consume.

ESSENTIAL DELIVERABLES

-  Centralized platform for developing and maintaining models
-  Cloud computing for scalable performance and results when you need them
-  Seamless integration with Snowflake Data Cloud for efficient and secure access
-  Faster build and deployment of analytics

GREATER INSIGHTS

-  Consistency, control, and scale of pricing models and risk analytics
-  Less time managing common infrastructure and re-developing foundational elements
-  Scale and control needed for running multiple risk scenarios and portfolio optimizations
-  Ability to ask more questions, get faster results, and derive better insights on potential investments

RESULTS

“Our applications powered by Snowflake and Beacon are timely, insightful, and fit for purpose. With Beacon’s flexible and extensible data model, we are able to answer a greater number of increasingly sophisticated questions and deliver value to each business more quickly.”

Thomas Pologruto

Chief Data Architect

Blackstone’s teams now have a unified, controlled, and secure technology stack that is enabling their many business users to migrate away from spreadsheets. This “single source of truth” for models, hydrated by the Snowflake Data Cloud, is providing much needed consistency, control, and scale across the company. The many point-to-point interfaces between disparate systems are no longer needed, significantly reducing the time and cost of developing and deploying new tools and updated features. With both Snowflake and Beacon Platform running natively in the cloud, Blackstone’s portfolio managers, risk managers, and quantitative teams have the scale and control they need for running multiple risk scenarios, portfolio optimizations, and other business use cases, sometimes numbering in the tens of thousands.

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RESULTS CONTINUED

One example of this is asset and liability optimizations on credit assets, or when evaluating credit risks on thousands of loans from dozens of lenders. Blackstone was unable to do this with spreadsheets, as the size of the data and number of positions was too big and the desired calculations too complex. As a result, Blackstone had to request purpose-built solutions from a third-party vendor, wait for the changes to be tested and delivered, and then wait for the analysis to run, often leaving the teams wishing for a few model tweaks or additional scenarios. Now, the teams can develop and adjust the models in-house and run them across tens of thousands of positions in a matter of minutes. And the same models can be used by all relevant teams, enabling greater consistency and collaboration.

Because Beacon Platform and Snowflake work together seamlessly, application and systems developers are spending less time managing common infrastructure and can transparently scale compute across the cloud. Quants and analysts find it easier to collaborate and reuse code and models. And users do not need to worry about the inner workings of data sources and analytics; they can simply pull up the tools they need, feed in the appropriate data, and store any results back into Snowflake for future reference. This is enabling the users to ask more questions, get faster results, and derive insights on potential investments that they were unable to do with their previous tools. Together, Blackstone, Snowflake, and Beacon are improving workflow efficiency, responsiveness to changing markets, and making it easier to capture new business opportunities.



Clearwater Analytics (NYSE: CWAN) is transforming investment management with the industry's most comprehensive cloud-native platform for institutional investors across global public and private markets. White legacy systems create risk, inefficiency, and data fragmentation, Clearwater's single-instance, multi-tenant architecture delivers real-time data and AI-driven insights throughout the investment lifecycle. The platform eliminates information silos by integrating portfolio management, trading, investment accounting, reconciliation, regulatory reporting, performance, compliance, and risk analytics in one unified system. Learn more at www.cwan.com.

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