

How Partners Group does tech

Chief technology officer Raymond Schnidrig on the \$83bn firm's use of the tools at its disposal. By *Carmela Mendoza*

Partners Group was one of the early movers in adopting blockchain technology. Fifteen months ago, it launched a blockchain-based security protocol to aid fraud prevention, which it is using to protect instructions to clients who don't have payment system SWIFT. It has so far been used in more than 3,000 transactions. On the data side, the firm also has an extensive internal database, known as PRIMERA Database, which contains information on around 34,000 private assets.

With the scale of Partners Group's operations – the firm has \$83 billion under management – chief technology officer Raymond Schnidrig has to be clear about what his 80-strong tech team is and isn't.

It's not a data science team, nor is it the cybersecurity police.

“On the artificial intelligence front, we realized some time back that it did not make sense for us to run a research team in-house and compete with big data companies for the top-achieving PhD talent. The second biggest Google development center in the world is here in Switzerland and this means the fight for talent close to our headquarters is extremely fierce.”

“Instead, we decided that we really want to focus more on the application of the newest technologies out there, which essentially means we work together with niche companies that have developed certain products and then leverage those products to meet our specific use cases,” Schnidrig says.

As an example of how it has applied AI at Partners Group, Schnidrig says

the team worked with a niche provider to develop an AI approach to identify negative news about its portfolio companies. This resulted in the creation of a bespoke tool that is used by its ESG team on a regular basis as part of their due diligence and portfolio monitoring activities.

On outsourcing, Schnidrig recognizes there is talent shortage in technology, and this is one reason why the firm outsources about 25 percent of its work on the IT side.

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“The other reason is of course, cost and efficiency – we are a cost center for the firm and want to run a lean operation,” he says. “We go near-shore and work with outsourced providers to increase bandwidth when we have heavy demand on the development side, but also to access the relevant knowledge for certain niche projects where we don't need to have the specialist skills in-house.”

What lies ahead

Asked about his priorities for 2019, Schnidrig says a big project has been to beef up its Investor Portal, aligning it

with its mobile offering for clients and providing more client-centric information such as monthly data, portfolio breakdowns by asset class and geography, and cashflow forecasting.

Another area of focus has been its liquid debt business, which has grown in the past couple of years. The scalability of that business is top of mind, he points out.

“We want to be able to focus our internal IT resources on core business areas. For this reason, we are putting certain standardized services into the cloud, such as our new liquid loan platform.”

In addition, the firm is running SAP in the cloud for standard processes within corporate functions such as human resource and finance, as well as continuing the automation of certain manual processes for the investment teams.

In an era where massive amounts of information are shared and transactions are done digitally, cybersecurity is also a priority.

“Cybersecurity and data protection are two topics we have at the back of our minds in everything we do. We are continuing to invest in these spaces just to make sure we operate with the necessary controls, keep our business running smoothly, and protect the data of our clients.”

“On the preventive front of cybersecurity, there is general recognition that you can only do so much. That is why we are focusing on internal education and awareness building, as well as on reaction plans.” ■

