

CASE STUDY

 **Client:**
Paris-based leading provider of independent European equity research

 **Sector:**
Financial Services

 **Solution:**
Equity Research

Summary

- ▶ Despite numerous advances over the years, both quantitative and qualitative, equity research remains a complex and demanding field
- ▶ For an equity research/brokerage firm to succeed, especially in the post-MIFID environment, it needs the very best financial analysts on its team
- ▶ With high competition for the best analysts, along with long lead times to onboard new analysts, delivering consistent results and growing a successful firm can be extremely challenging
- ▶ 11 years ago, a Paris-based equity research company came to The Smart Cube to help solve those challenges
- ▶ Today, our team still underpins and supports its business

How The Smart Cube helped an equity research firm expand coverage and drive growth

Business challenge

An independent European equity research provider wanted to expand its research coverage across numerous sectors during the start-up phase of its operations. The company was looking for highly experienced and skilled analysts to help initiate and maintain stock coverage in a cost-effective manner.

In order to future-proof its business model from fluctuating client demand and unfavourable economic conditions, which could threaten its ability to consistently deliver high-quality research, the company sought an approach which would provide access to expert analyst resources, on a flexible basis.

The Smart Cube solution

The company chose to partner with The Smart Cube, to leverage a dedicated team of equity research analysts who could expand their coverage of stocks.

The Smart Cube's analysts are fully integrated into the client's operations. They are responsible for executing end-to-end equity research coverage on particular stocks including financial modelling, valuation, investment recommendations, earnings/event-driven updates, analysis of corporate actions, sector insights, morning meeting commentaries, weekly and monthly round-ups, and IR interaction.

Over the years, as economic conditions have changed, the client has varied the level of analyst support it requires, ensuring the business can always meet demand, without overpaying for resources it doesn't need.

The Smart Cube's analysts spend considerable face time with the client and its customers, attending meetings and leading analyst conferences in Europe. They also act as spokespeople on behalf of the client in the public domain, including in leading business news channels and journals.

In a nutshell, they function not just as an extension of the client's team, but as an integral part of it, providing intelligent and actionable insights to end-investors.



Results

The independent research provider and The Smart Cube have now been working closely together for more than 11 years. At every stage of the client's journey, The Smart Cube has been alongside, as a tried and trusted partner – with the team more than doubling in size during the engagement, and today covering 20% of the client's total research.

Practically, ongoing support from The Smart Cube has helped the client:

- ▶ Grow sustainably and rapidly scale-up its services in a cost-effective way
- ▶ Maintain a consistently excellent level of customer service and research quality
- ▶ Gain access to high-calibre equity research resources. The Smart Cube's analysts have regularly been awarded with Thomson Reuters StarMine certification during this engagement

When new business opportunities appear, the company doesn't have to think about long hiring or training processes – it knows it has a scalable team behind it, ready to support in maintaining and expanding research coverage.

The Smart Cube team continues to underpin the company's research operations and customer-facing services to this day – a relationship The Smart Cube is extremely proud of, and one it has invested in significantly. The two partners have grown together, enabling the company to deliver great results for its expanding portfolio of customers along the way.



Value delivered

- ▶ A cost-effective and scalable research solution in the current environment which has seen considerable challenges posed by MIFID, the increasing threat from passive investing, along with reduced equity volumes and margin
- ▶ Enhanced the client's in-house expertise with in-depth knowledge across sectors including pharma, med-tech, mining, retail, paper and packaging, gaming and capital goods
- ▶ The Smart Cube's analysts provide a consistent, quality and reliable underpinning to the client's team at all times and in all conditions

If you'd like to learn more about The Smart Cube's Financial Services solutions, including Equity and Credit Research, or find out how our expert research analysts could support your business, please visit our website.

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