

Credit Suisse analysts gain access to expert network

By Anette Jönsson | 16 September 2008

A strategic alliance with Gerson Lehrman allows the two firms to leverage each other's strengths.

Credit Suisse has announced a strategic alliance with the Gerson Lehrman Group that will add another dimension to its global equity research franchise by providing access to Gerson Lehrman's network of more than 200,000 experts of various kinds. In return, the New York-headquartered facilitator of information exchanges will be able to include Credit Suisse analysts into its network of experts on a limited basis, thus further strengthening its own network and the expertise it can provide.

Gerson Lehrman will also be able to market its services to Credit Suisse's worldwide client base.

"This alliance demonstrates our ongoing commitment to investing in research and expanding our offering, to answer the growing client demand for insightful proprietary and investigative research," says Stefano Natella, Credit Suisse's head of global equity research. "Working with Gerson Lehrman Group will provide our analysts with a powerful tool to further enhance the value of our content."

Credit Suisse's global equity research franchise covers more than 2,900 companies and also provides its clients with other forms of research services. These include: a proprietary Peers Relationship Database that covers about 60,000 relationships, identifying suppliers, customers, competitors, partners, joint ventures and equity investments; a corporate performance and valuation service, called HOLT, that covers over 18,000 stocks from more than 55 countries; and its CUSP analytical model that relates an issuer's capital structure, stock price and implied volatility to credit risk.

The non-exclusive agreement, which is effective immediately, is unique in the sense that this is the first time Gerson Lehrman will be working with a sell-side research department of a major investment bank, having historically focused on the buy-side. It currently has about 700 clients, ranging from the world's leading financial institutions, private equity firms, hedge funds and consultancies to Fortune 500 companies, law firms and non-profit organisations. It also services the proprietary desks and private equity arms of the 10 largest investment banks globally.

No financial terms were disclosed, but according to Philip Pon, a director and head of Gerson Lehrman's global business development in Asia, the size and scope of this transaction is significant enough for Credit Suisse to "very quickly" become one of its top clients.

"This is a tremendous opportunity to serve a large number of new analysts and one that will ultimately drive significant transactions for us and improve the experience to all our clients," Pon says, adding that in Asia, Credit Suisse has asked Gerson Lehrman to serve all of its analysts in Tokyo, Hong Kong and Sydney and subsequently also in its other offices throughout the region.

Gerson Lehrman's network of experts, which range from top-level executives and Nobel Laureates to plant managers and engineers, may provide expertise on a range of topics spanning industry overviews and macro trends as well as insights into company-level issues such as specific technologies, regulations or intellectual property to name but a few. Credit Suisse's agreement does not include access to experts affiliated with public companies.

"Effectively, we provide our clients with the ability to find, engage and manage experts on an on-demand basis," says Pon, adding that the ultimate aim is to create the world's leading market-place for buyers and sellers of information. About a quarter of its experts, or 50,000, are based outside the US.

Founded in 1998, Gerson Lehrman currently has 15 offices globally, of which six are in Asia-Pacific (in Hong Kong, Tokyo, Singapore, Sydney, Shanghai and India). It is also planning to open an office in Beijing next month. In the 12 months to September 2007, the firm generated about \$220 million in revenue, which equalled an organic year-on-year revenue growth of 31%.