**A Buy/Sell Guide to Applying Augmented Intelligence to the Post-Earnings Season**

If you’re a buy side analyst digging through earnings reports, you not only have to get the right information—you have to get it right away. You want to be first, you want to be right, and you want to differentiate.

**Your Post-earnings Needs as a Buy or Sell Side Analyst**

Whether you’re a buy or sell side analyst, after earnings releases and calls, you’re got immediate needs.

*You’ve got to deliver fast turnaround*. You’re expected to generate reports and forecasts quickly after earnings calls. If you’re buy side analyst, you’ve got to dig for information that supports your strategy and shows it’s valid. If you’re sell side analyst, you need to undertake solid historical research so you can ask smart questions during the earnings call, and it’s your job to produce deep analytical dives on the specific companies in your coverage.

*You have to organize alerts.* If you need to get up to speed on an entire new range of companies or a new term or concept, you require ultra-fast, comprehensive search tools. If you have to reorganize your alerts, it can be annoying and time-consuming.

*Topics and themes can be referred to using different words—and that means different search terms*. If you’ve got to dig into new topics and themes that were discussed, there’s another challenge—legacy search platforms are limited because they’re unable to capture variances in industry terms. Let’s consider a common example: the term “equities.” The terminology that different analysts use to refer to equities can vary widely. For instance, they could refer to equities as:

* Equity
* Stocks
* Shares
* Assets
* Securities
* Funds
* Holdings
* Market
* Markets
* Investment
* Investments
* Instruments
* Solutions

[The bulletized list above could also be the basis of an Equity Word Cloud graphic.]

*You have to tackle data management*. Not only do you have to store your own research, but you’ve got to track it as well for future reference. You need to get your hands on a wide array of complex data—fast—including charts, quotes, and filings. And once you’ve amassed this massive data repository, you may have to share it, and you’ll need to refer to it later to validate your findings.

**How Augmented Intelligence Can Transform Post-Earnings Season**

But how are you doing to pull all this off? You can’t count on earnings calls to provide the full story. Your job demands rapid-fire smart search capabilities, and today’s search technology falls short. It’s not going to be fast enough, and it’s not going to pick up on the variations of referenced terms.

Here is where Augmented Intelligence can give you a crucial advantage. Powered by Natural Language Processing and Machine Learning, Augmented Intelligence can enable you to dramatically expedite your research and deliver the most productive data to drive your useful insights. Using linguistic search algorithms, you can search across millions of documents with a just few clicks, By aggregating relevant information faster, you’ll have more time at your disposal to focus on your essential goals—transforming your analytical insights into a compelling narrative that motivates investors and illuminates your company’s story.

**Uncovering the Real Story: the Data Hidden in Press Releases and Earnings Calls**

IR press releases are carefully constructed and heavily edited to put a company’s best foot forward. Because it’s easy to bury unfavorable news in a press release, it’s crucial you undertake a strong keyword search. Augmented Intelligence employs linguistic analysis, which has demonstrated, for example, that it’s a warning sign if euphemisms like “have an issue,” “headwind,” and “a pullback” are mentioned; negativity is ahead.

Even though earnings calls are also skillfully prepared, the executive team often delivers unrehearsed remarks that can contain valuable nuggets of information. If a CFO complains constantly about overhead or out-of-control expenses, it could be a sign that profits aren’t projected to meet expectations. If a CFO mentions causally the possibility that office closings in a profitable market like Asia are being considered, it could be a hint that the company isn’t properly capitalizing on opportunities, or it’s being hurt by various geopolitical or macroeconomic forces.

Because of these spontaneous remarks, it’s vital to dig deeper in terms of tonality. Noting differences in tonality is especially crucial for buy side analysts and PMs, who seldom ask questions because they don’t want to give away their game by opening up a line of questioning that might pique the interest of other investors.

Without Augmented Intelligence, you can’t be confident you’re capturing every mention of a term, when

a single term can be stated in numerous ways within the same document. You’ll miss key information because of the variation in many common terms. If you’re trying to make a determination on future price vs. potential, it’s extremely important to understand the company strategy in full.

AlphaSense’s proprietary Smart Search technology gives you access, at an amazing speed, to high quality data points that can drive actionable insights. Our Smart Search technology can read documents like a human would but at a speed a human can’t. Its algorithms sort results for relevance and can weigh them based on where keywords appear in a given search result (the title vs. a footnote, for example) and the number of times it’s mentioned. Our Smart Synonyms technology can expand keyword searches to include synonyms, while screening out incorrect results for keywords with multiple meanings. Smart Synonyms apply to financial, accounting, business, industry, geographic and thematic concepts, driving superior search results.

**Using Earnings Calls to Trace Historical Data to Follow and Map Emerging Trends**

Earnings calls can be a goldmine of information. But the types of words and phrases used and how they’re communicated can tell an important company story. That’s why it’s essential to track them to uncover historical data quickly to discern trends. The real story could be buried in a transcript from several quarters ago. Has the way participants discussed a topic changed over time? For example, an unscripted remark about “exploring partnerships” from two quarters ago could hint at a potential M&A, or a remark about “increasing efficiencies” could be an indicator of layoffs or a new approach to doing business.

When it comes to competitors, you can’t just look at a name in a vacuum. You need to follow and know what’s best in breed. Sure, you have your portfolio/watchlist—but you’re really tripling that when it comes to companies you’re watching. For example, you want to know Amazon’s impact on certain businesses, without having to deal with all the content that’s not relevant. If you’re analyzing how Amazon’s Whole Foods is transforming the supermarket industry, you want to capture references to Shop “n” Shop and other legacy A&P offshoots (as well as Stew Leonard’s in the Northeast and Pioneer Markets in California), but not necessarily obscure regional supermarkets.

This is where antiquated search technology is inadequate. Legacy platforms might be able to run a basic keyword search that generates hundreds or thousands of results, but they can’t cut through that huge ocean of data to hone in on the most relevant documents and data points. Augmented Intelligence, however, can run a time-series analysis on how often a term is mentioned quarter over quarter on earnings transcripts. For example, if the CEO keeps mentioning they’re having a “wait-and-see” attitude, linguistic analysis shows this is a euphemism that masks potential problems. Augmented Intelligence also can help you understand what two topics mentioned in close proximity to each other could reveal about a competitor’s strategy.

**Sharing Across Teams and With the C-suite**

Augmented Search really shows its value when it comes to internal collaboration. Often, for reports you need to share, you need to quickly locate complex data such as charts, quotes, and filings. Also, your collaboration needs might vary. While some analysts need to collaborate, others don’t. Looking to the future, you face serious challenges keeping track of massive amounts of earnings call data over time. Sometime at later date, you’ll have to reference data you’ve pulled; other times, you’ll have to dive into your past reports for confirmation or analysis.

**Conclusion**

If you’re either a buy or sell side analyst using earnings reports to support your investment thesis or research, current search tools don’t cut it.

* For your specialized purposes, legacy platforms are too slow. Augmented Intelligence’s linguistic search algorithms scan millions of documents in a matter of clicks. You save time dramatically with one search across all content sets, enabling you to view results on one screen.
* Current search tools don’t identify the fact that many different words can be used to refer to one term. AI captures every mention of a term, when a single term can be iterated many ways in the same document.
* AI enables senior management to track and compare previous analyst coverage and lets analysts like you track and search within your own work for reference.

You’re in a profession where time is of the essence. In today’s search landscape, only Augmented Intelligence yields the kind of accurate, lightning-fast results you need to make the difference in your investment outlook.

If you’re interested in learning more about what AI can do for you, consider contacting AlphaSense, the industry leader, at [phone number] or [email address].