



Business

DANA GOES INDIE

Retail analyst quits Street for solo gig

By SUZANNE KAPNER

Over the course of two decades, research analyst Dana Telsey, who until recently was a senior managing director at Bear Stearns, has become a fixture in the retail world.

Whether scouring the aisles of specialty stores, or delivering an assessment of monthly sales figures on CNBC, Telsey, whose girlish face is framed by brown bangs that belie her 43 years, has become a constant in an industry that is almost defined by change.

Now, however, it is Telsey who has made a change that could either spell the end of her prominence or take her career to new heights.

Earlier this month, Telsey left the mothership of Big Wall Street research and opened her own shop, the Telsey Advisory Group.

Independent research shops have gained popularity, as an antidote to the conflicts of interest unearthed by Attorney General Eliot Spitzer's investigations into and subsequent settlements with large Wall Street banks.

Without the constraints of investment banking and trading clients, who subsidize the research departments at large banks, independent research shops could focus on producing high-quality analysis for which investors would be willing to pay a premium — or so the thinking goes.

In reality, the indie shops are finding the going more difficult.

Though mutual funds and hedge funds privately bemoan the decline in the quality of Wall Street research, many are unwilling to pay for something that they still get for free.

A number of indie shops have recently closed their doors, including Variant Research and the Independent Research Group.

"It's true you pay nothing for big-firm research, but you get a commoditized product that is not really adding any value," said Telsey, who often was ranked among Wall Street's best analysts.

As for the particulars of her business, Telsey was secretive, saying only that she has started to meet with potential clients. She plans to offer three levels of a subscription-based

Got her groove



Personal Profile

Dana Telsey

Occupation:
Retail Analysis

Former Position:
Managing Partner,
Bear Stearns

Current Position:
Owner, boutique
retail research shop

Awards:
TheStreet.com's
No. 1 apparel retail
analyst, 2000

All-American
Research Team, 2000

Philosophy:
Free research adds
little value

RISK TAKER: Successful Wall Street analyst Dana Telsey is striking out on her own.

service that would include online access to financial models that clients could customize on their desktops.

Another innovation: Telsey is replacing standard "buy" and "sell" ratings with price targets. "By looking at the price

target, a client instantly knows whether we think there is value in the stock," she said.

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