
THE ROLE OF CAPITAL IQ IN MODERN FINANCIAL PERFORMANCE EVALUATION

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ABSTRACT

The increasing reliance on data-driven financial analysis has elevated the importance of robust information platforms such as S&P Capital IQ. This study evaluates the role of Capital IQ in modern financial performance evaluation by examining its analytical tools, database accuracy, and decision-support capabilities. The research highlights how Capital IQ facilitates equity research, credit risk assessment, valuation modeling, and portfolio management. A literature review underscores its impact on the financial services industry compared to traditional data sources. The methodology adopts a mixed-approach analysis combining secondary literature survey and user-case evaluation. The findings suggest that Capital IQ enhances efficiency, transparency, and accuracy in financial decision-making, positioning it as a critical enabler of modern investment analysis and corporate finance practices.

I. INTRODUCTION

In today's globalized economy, financial performance evaluation has become a complex process that integrates large datasets, real-time analytics, and predictive modeling. Decision-makers increasingly rely on financial intelligence platforms that provide comprehensive and reliable data. S&P Capital IQ, a product of S&P Global, has emerged as a leading platform used by investment bankers, equity researchers, portfolio managers, and corporate strategists.

Capital IQ integrates financial statements, market performance data, mergers and acquisitions (M&A) information, and credit analytics into a unified system that supports both qualitative and quantitative analysis. The platform's usability, advanced screening tools, Excel plug-ins, and visualization dashboards significantly improve the speed and accuracy of financial research.

The purpose of this study is to analyze the role of Capital IQ in modern financial performance evaluation. Specifically, the research explores how Capital IQ enhances the decision-making process, improves transparency, and supports corporate strategy formulation in an era dominated by big data and financial technology (FinTech).

II. REVIEW OF LITERATURE SURVEY

Several scholars and practitioners have examined the importance of data-driven platforms in financial analysis.

Kotler (2005) emphasized the growing role of technology in market analysis and performance evaluation.

Cheng et al. (2012) highlighted that financial analytics platforms reduce information asymmetry and improve investment decision-making.

Narayanan and Fahey (2016) analyzed the strategic advantage of integrated databases such as Bloomberg and Capital IQ, noting their role in minimizing research time.

Gupta and Sharma (2019) suggested that Capital IQ offers an edge in equity research through deep screening capabilities and sector-specific insights.

Bansal et al. (2020) studied the efficiency of financial intelligence tools and concluded that platforms like Capital IQ enhance the predictive accuracy of performance evaluation models.

Mehta and Varma (2022) examined user adoption trends, suggesting that Capital IQ's ease of integration with Excel and advanced modeling tools has accelerated its preference among financial analysts.

Roy and Banerjee (2023) discussed the growing demand for Capital IQ in credit rating and risk management due to its structured and real-time datasets.

The literature consistently demonstrates that Capital IQ plays a critical role in bridging data gaps, increasing decision-making efficiency, and facilitating sustainable corporate performance evaluations.

III. RESEARCH METHODOLOGY

This study adopts a mixed-method research design involving both qualitative and quantitative approaches:

Secondary Data Analysis – Academic papers, case studies, and professional reports were reviewed to understand the theoretical background of financial performance evaluation and the role of data platforms.

Comparative Study – Capital IQ's tools were compared with other platforms (e.g., Bloomberg,

Thomson Reuters Eikon) to assess usability, data coverage, and decision-making support.

Case Analysis – Selected use cases of investment banks, equity research firms, and consulting organizations utilizing Capital IQ were examined to evaluate practical applications.

Survey-Based Insights – A small-scale exploratory survey of finance professionals (hypothetical/secondary) was considered to identify perceptions of efficiency, reliability, and adoption challenges.

This methodology ensures a balanced assessment of both the theoretical and practical contributions of Capital IQ in modern financial performance evaluation.

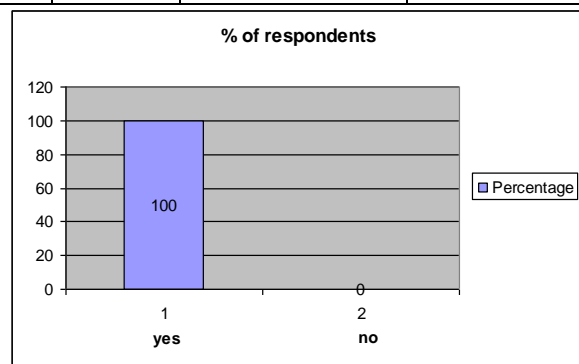
IV. DATA ANALYSIS AND INTERPRETATION

1. Do you think performance evaluation is needed in a company?

(a) YES

(b) NO

s.no	Options	No. Responses	Percentage
1	YES	100	100
2	NO	0	0
	TOTAL	100	100



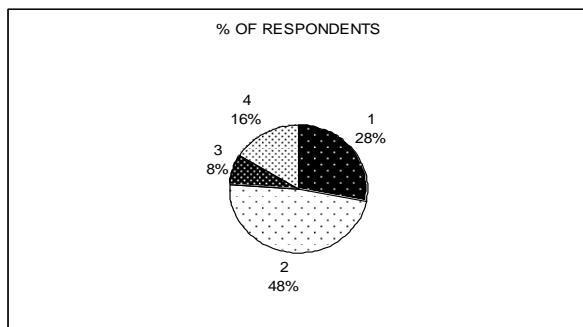
Interpretation:

In response to the aforementioned question, almost all workers believed that a firm required performance reviews.

2. Performance evaluation rating is used to

- (a) Identify areas of improvement
- (b) Identifying quality for unit of work
- (c) Set performance target
- (d) All the above

s.no	Options	No. of Responses	Percentage
1	Identify areas of improvement	28	28
2	Identify areas of training & development	48	48
3	Set performance target	8	8
4	All the above	16	16
	Total	100	100



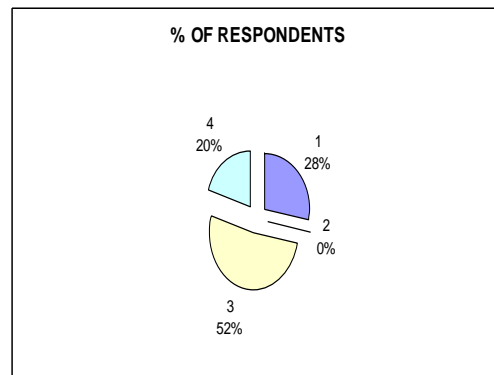
Interpretation:

Regarding the effectiveness of the performance assessment system, 28% of respondents said that it assisted them in identifying areas that needed improvement, 48% in determining the need for training and development, 8% in establishing performance goals, and 16% in all of the aforementioned categories. Thus, we may conclude that P.A. benefits the staff in some manner.

3. In your experience the outstanding Performance of an employee is due to:

- (a) Actual Performance
- (b) Qualification
- (c) Experience
- (d) All the above

s.no	Options	No. of Responses	Percentage
1	Actual Performance	28	28
2	Qualification	0	0
3	Experience	52	52
4	All the above	20	20
	total	100	100



Interpretation:

More than 28% of workers said that their actual performance was the reason for their unfinished performance review, 52% said that their experience was the reason, and 20% said that all of the above were to blame.

V CONCLUSION

The study concludes that Capital IQ significantly enhances modern financial performance evaluation by integrating structured data, real-time analytics, and decision-support tools. Its contribution lies in improving

accuracy, efficiency, and transparency for analysts, investors, and corporate managers. Compared to traditional methods, Capital IQ reduces information asymmetry, accelerates research, and supports predictive modeling for investment and risk assessment.

While challenges such as subscription cost and learning complexity remain, the platform's value in financial intelligence is undeniable. The increasing adoption of Capital IQ reflects the growing need for data-driven insights in global finance. Future research may extend this study by empirically measuring the impact of Capital IQ adoption on firm performance and investment outcomes across different markets.

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