Expert Networks as Information Intermediaries in Private Capital Markets

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Abstract

This paper examines how expert networks function as information intermediaries in private capital markets. We analyze a comprehensive dataset of expert network calls from a leading provider from 2018 to 2024. Our findings reveal that the incidence of expert network calls about a private firm is associated with approximately a 60% increase in likelihood of that firm completing a capital-raising deal in the subsequent months and a 73% increase in the amount of capital raised than one without such calls. This evidence suggests that investors conduct expert network calls prior to committing capital for investments in private firms. We then examine the information content of these calls and its implications on deal outcomes. We decompose calls into investor questions and expert responses and find that expert responses with positive sentiment increase deal probability while those with negative sentiment decrease it, indicating that the information conveyed by the expert has a significant influence on investment outcomes. Cross-sectional tests also reveal that predictive ability of expert calls on deal outcomes attenuates when the private firm in question receives substantial media attention, suggesting that expert networks serve as information substitutes to traditional media. These findings contribute to our understanding of information intermediation in capital allocation decisions and the role of expert network calls on private market investment due diligence.

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1. Introduction

Information intermediaries facilitate efficient allocation of resources in capital markets by reducing information asymmetries between firms and investors (Healy and Palepu, 2001; Beyer et al., 2010). While traditional intermediaries such as financial analysts, auditors, and the business press provide wide dissemination of information for publicly traded firms, the information environment for private firms remains comparatively opaque, despite the size of these private markets exceeding $11 trillion globally in assets under management (S&P Global, 2025). To overcome information asymmetries and agency costs in these private market transactions, investors must rely on alternative mechanisms for information acquisition. This paper investigates the economic function of a relatively new and rising class of intermediaries—expert networks—in addressing information frictions within private capital markets.

Expert network platforms are emergent information intermediaries that coordinate paid consultations between their clients and subject-matter experts. Investors seeking information about particular firms contract with expert network platforms, which arrange phone or video calls between these investors and individuals with deep expertise relevant to those firms, such as former executives, industry consultants, customers, and competitors. In doing so, these investors gain first-hand insight into a firm's financial health, competitive landscape, managerial competence, or potential legal and regulatory risks. Hence, expert networks reduce information asymmetry by facilitating the transfer of specialized knowledge about firms or industries that may otherwise be cumbersome to obtain to interested investors. However, despite their growing economic importance, with the global expert network industry exceeding $2.3 billion in annual revenue in 2023 (Friberg, 2024), systematic evidence on the impact of expert networks on investment outcomes remains scarce.

Our study addresses this gap by examining the association between expert network calls and subsequent private equity investments in private firms. Ex ante, it is unclear what the net effect of these calls may be on observable investment activity. On one hand, expert networks may enhance investment efficiency in private markets, a setting characterized by significant information asymmetries and agency costs where such intermediation could be particularly impactful. These platforms may lower information asymmetry by reducing information acquisition costs and providing key insights for promising opportunities, as well as mitigate agency concerns by offering outside perspectives that validate management representations of the firm (Myers and Majluf, 1984; Kothari et al., 2009). To the extent these calls increase private equity investor confidence and facilitate deal completion, we predict a positive association between expert network calls and investment activity.

On the other hand, the value proposition of expert networks may be limited in private markets. Unlike public markets where Regulation FD restricts selective disclosure, private markets often entail extensive meetings between the investors and the management team of private firms to acquire non-public information for due diligence (Gompers et al., 2020). By cultivating direct relationships with the founders and executives of potential investment targets, these investors gain unmediated access to private information about the private firms' financial performance and strategic plans that may be more value relevant than third-party expert perspectives, diminishing the incremental value of expert network services. Additionally, expert network calls may primarily serve purposes beyond direct investment decisions, such as stewardship roles, thus weakening any association between call activity and subsequent deals. Whether expert networks substantively influence capital allocation in private markets remains an empirical question with implications for understanding information intermediation beyond traditional contexts.

We obtain a comprehensive sample of 84,094 transcripts from expert network calls occurring between January 2018 to June 2024 from a leading expert network platform. We first document descriptive evidence on the frequency of expert network calls about both public and private firms over time. Our analyses show a stark contrast in the demand for expert network calls across these two markets: the number of calls about private firms has increased at a substantially higher rate than that of public firms. Despite having comparable volumes at the beginning of our sample period, by the end, expert network calls about private firms outnumber those of public firms by a ratio of two to one (see Figure 1). Our data is consistent with a trend in the increasing importance of expert networks in facilitating private equity investments.

To investigate whether private equity investors conduct expert networks calls prior to contributing capital to a private firm, we examine whether expert network calls about a private firm are associated with future private equity deals for that firm. We find that the presence of at least one expert network call within a six-month window increases the probability of a private equity deal in the following month by 60%. We also find that a one-standard-deviation increase in the number of calls is associated with a 20% higher relative likelihood of a private equity deal. We then partition these deals by whether they are venture capital or buyout deals. While both exhibit significant associations with expert network calls, the economic significance is more pronounced for venture capital fundraising. These findings are consistent with the fact that venture capital investments tend to involve both early-stage companies with less publicly available financial information and higher risks of failure, as well as deal syndication, where multiple contributing investors may conduct their own set of calls. Collectively, these results align with private equity investors relying on expert networks to gather information prior to making investment decisions about private firms.

We next investigate whether expert network calls relate to the amount of capital raised in private equity transactions. Expert networks may facilitate larger capital commitments through several mechanisms: by reducing information asymmetry and lowering investors' risk premiums, by helping investors identify firms with stronger growth prospects, or by improving investors' ability to assess intangible assets and future earnings potential—particularly for early-stage firms where traditional financial metrics provide limited guidance.[1] We find that the amount of capital raised is positively associated with expert network call activity. Specifically, deals preceded by at least one expert network call raise nearly 73% more capital than deals without such calls. We also find that a one-standard-deviation increase in the number of calls is associated with 23% more capital raised. This relationship is more pronounced for venture capital deals, as we find no significant association for buyout deals. However, we caution against drawing inferences from the latter finding, as our sample of buyout transactions is considerably smaller. We also note that two nonmutually exclusive interpretations exist for these results: (1) the information communicated by expert network calls enable larger capital commitments ex post, or (2) larger potential capital commitments warrant more extensive due diligence through expert network calls ex ante.

To further examine how expert networks influence private firm capital raising and to address concerns that investors choose to conduct calls only for firms with favorable deal prospects, we conduct textual analysis on the narrative content of expert network calls. Generally, these calls take the form of a single-blind format "Q&A session" in which an investor ask specific questions about the firm or industry of interest followed by detailed responses from the expert, who knows neither the identity of the investor nor the investor's intent in requesting the call. We

[1] According to Accenture (2024), private equity investors face increasing deal complexity, with 75% of leaders surveyed agreeing that PE investments have grown more complex over the past five years. This complexity has increased the importance of comprehensive due diligence, with firms expanding their focus to include technology, operational, cybersecurity, and sustainability issues.

specifically examine whether the sentiment expressed in expert responses influences deal outcomes. In line with theoretical models of investor belief formation under uncertainty (e.g., Pastor and Veronesi, 2009), expert insights can systematically influence investment decisions by updating investors' beliefs about firm quality.

Our analyses reveal that the sentiment of expert responses is positively associated with both the probability of a deal and the amount of capital raised in the deal. A one-standard-deviation increase in response sentiment for calls occurring within six months prior to a deal is associated with a 6% increase in capital raised. These results mitigate concerns that expert network calls represent "check-the-box" tasks for private equity investors who have functionally already decided on the investment outcomes prior to the call. To further address these concerns in that expert responses may be subject to hidden demand effects (i.e., the expert can sense whether the investors are favorable about the private firm or industry in question and mirrors their sentiment in responses), we add controls for the sentiment of investor questions during the calls. We find that our results are robust to these additional controls, suggesting that the information from expert network calls influences investment outcomes beyond the investors' initial perspectives reflected in their questions.

We note that, while analyses using firm-month level observations allow us to investigate whether the incidence or volume of expert network calls impact investment outcomes, aggregating sentiment across calls hinders our ability to examine the effect of individual call sentiment on these outcomes. Prospect theory may suggest that negative sentiment expressed in calls have a disproportionate impact on private equity investments than positive sentiment. However, firm-level aggregation of call activity could reflect two distinct mechanisms: the information content of expert insights, or simply the fact that calls signal ongoing due diligence efforts for firms under

active consideration. We conduct call-level analyses, which condition on the existence of a call, to examine whether the sentiment expressed in individual calls predicts subsequent deal outcomes. This approach holds constant the presence of expert network due diligence and allows us to isolate the impact of the sentiment for individual expert responses within calls. These tests reveal asymmetric effects: positive expert responses are significantly associated with a higher deal probability, but negative responses are associated with an outsized decrease in the likelihood of a deal.

We next explore whether investor demand for the information conveyed by expert network calls varies with characteristics about the investment target. We first consider potential substitutionary relationships between information intermediaries by analyzing how expert network calls vary with the media coverage of target firms. We find that the association between expert calls and deal outcomes is significantly attenuated when firms receive substantial media attention in the same period. These results suggest that expert networks and traditional media serve as partial substitutes in the private market information environment, with expert networks providing greater incremental value when alternative information sources are relatively scarce.

We then examine whether the life cycle of venture capital firms as investment targets influences the predictability of expert network calls on investment outcomes. Intuitively, venture capital firms in earlier stages may not have relevant experts to call (i.e., the firms have not existed for a sufficient time to have former executives, or the firms have not yet brought a product to market in order to have customers, etc), or private equity investors may not find the information obtained from expert network calls to be equally informative across venture capital stages. We disaggregate our main dependent variable into deals occurring at different funding stage (i.e., Seed, Series A, Series B, Series C) and document systematic differences in how expert network call

incidence and frequency relates to deal likelihood. Specifically, we find that, though the majority of deals pertain to Seed or Series A stage venture capital firms, the volume of expert network calls is most strongly associated with Series B round deals. These results provide insight into how the information value of expert network calls varies across the venture capital lifecycle.

Lastly, we conduct a battery of additional analyses and robustness tests. One limitation to our data is that we cannot observe the identities of investors who conduct a call due to privacy concerns. To further strengthen the identification of our primary findings, we conduct an additional analysis to test whether our results hold for the subsample of deals with investors imputed to use our expert network platform. Specifically, we obtain the names of the investors that participated in the deals in our sample and classify individual investors as having a "high" likelihood or "low" likelihood of being expert network users based on whether their prior completed deals are preceded by a higher frequency of expert network calls. We then use a multinomial logit model to estimate whether the call sentiment is associated with the likelihood of a deal and whether the deal has a lead investor with a high or low likelihood of using our expert network platform for due diligence. We find that sentiment predicts deal likelihood when led by investors with a "high" probability of using our expert network platform, but not for deals led by those with a "low" probability. These results support the interpretation that expert networks provide decision-relevant information to investors rather than serving as coincidental information gathering unrelated to subsequent investment decisions.

Next, we disaggregate our variable for the volume of expert network calls into individual months and find that call activity two to three months before deals shows the strongest associations with investment outcomes. Second, we document that most calls occur prior to deal announcement dates, indicating they happen during periods when investors have greater discretion over

investment decisions. Third, we examine heterogeneity across expert types, finding that experts who are current customers are the most predictive of deal likelihood, while calls with former executive correlate most strongly with the amount of capital raised. Fourth, we test alternative econometric specifications, including more stringent firm-year and firm-year-quarter fixed effects, and alternative standard error clustering approaches. Finally, we also examine calls around public market transactions as a comparison to our private market findings and do not find analogous results around these major public market firm events. These analyses collectively support our main conclusions about the role of expert networks in private markets where information intermediation is scarce.

This paper makes three primary contributions. First, we expand the literature on information intermediation by documenting how expert networks address information gaps in private markets. Unlike traditional intermediaries such as analysts and the business press, which predominantly serve public markets, expert networks facilitate direct knowledge transfer between industry experts and investors in opaque private market settings. Our findings reveal that these information channels systematically predict deal likelihood and capital amounts, demonstrating their influence on capital allocation decisions in markets where conventional information sources are limited, and investment stakes concentrated. This evidence improves our understanding of how specialized information intermediaries emerge to address market-specific information asymmetries.

Second, we contribute to the emerging literature on financial technology by documenting how digital platforms reshape information flows in private markets (e.g., Chemmanur et al., 2020; Cao et al., 2023). Expert networks are a technological innovation that standardizes and scales access to specialized knowledge that was previously available only through fragmented,

relationship-based channels. Our study extends this literature by providing novel evidence on how technology-enabled transfer influences investment outcomes in private markets. In doing so, we also complement concurrent work by Cao et al. (2023), who focus exclusively on the role of expert networks in public markets. Our findings suggest that these technological intermediaries improve information production efficiency by enabling rapid, targeted consultation with diverse experts, thereby reducing the traditional geographic and social network constraints that have historically limited information acquisition in private market investing.

Third, we contribute to the literature on private equity. Gompers et al. (2020) survey private equity professionals and find that venture capitalists report difficulty in evaluating deals. We provide new evidence on how these financial intermediaries are utilizing new technologies to evaluate and execute on their investments. This is important as private equity investors play an increasingly central role in capital allocation and value creation across the economy, managing over $5.3 trillion in assets globally (S&P Global, 2025). Our analysis reveals how these sophisticated investors leverage expert networks alongside traditional information channels to evaluate potential investments. These findings contribute to our understanding of how private equity investors create value through their investment selection and due diligence process, with implications for capital allocation efficiency in private markets.

2. Related Literature

2.1 Information Intermediaries in Capital Markets

Capital markets require information intermediaries to facilitate efficient allocation of resources by reducing information asymmetries between investors and firms (Healy and Palepu, 2001). Traditional intermediaries include financial analysts, credit rating agencies, auditors, and the business press, each serving distinct but complementary functions in generating, processing,

and disseminating information (Beyer et al., 2010; DeFond and Zhang, 2014; Merkley et al., 2017; Call et al., 2022). Financial analysts, for instance, collect and analyze information from multiple sources, providing forecasts and recommendations that guide investment decisions (Bradshaw, 2011; Brown et al., 2015). The business press serves as both an information disseminator and generator, with financial journalists investigating and reporting on firm activities, thereby enhancing market efficiency (Bushee et al., 2010; Drake et al., 2014; Heese et al., 2022).

These traditional intermediaries primarily enhance the information environment of public firms, where mandatory disclosure requirements already provide a baseline level of transparency. Prior studies document that analyst coverage and press attention correlate with lower information asymmetry, reduced cost of capital, and improved liquidity in these markets (Gleason and Lee, 2003; Frankel and Li, 2004; Kelly and Ljungqvist, 2012; Irani and Oesch, 2013; Merkley et al., 2017). However, traditional intermediaries face considerable limitations when addressing private market information needs. Analysts rarely cover private firms due to limited economic incentives and access constraints (Demiroglu and James, 2010). Similarly, business press coverage of private firms tends to be sparse and event-driven rather than providing systematic monitoring (Baik and Shin, 2024).

The information gap in private markets is particularly pronounced given the economic significance of these markets. Recent decades have witnessed substantial growth in private capital markets, with aggregate private equity assets under management exceeding $5.3 trillion globally (S&P Global, 2025). This expansion has heightened the need for effective information intermediation in private markets, creating potential opportunities for alternative intermediaries (Ewens and Farre-Mensa, 2020).

2.2 Expert Networks as Information Intermediaries

Expert network platforms represent a relatively novel form of information intermediation that connects investors with subject-matter experts possessing specialized knowledge about firms, products, or industries (Segal, 2021). These networks typically facilitate paid consultants between investors and individuals with relevant expertise, including former executives, industry consultants, customers, and competitors (Qureshi, 2024). Expert network platforms emerged in the early 2000s and have experienced significant growth, with the global expert network industry exceeding $2.3 billion in annual revenue in 2023 (Friberg, 2024).

The theoretical value proposition of expert network platforms derives from their ability to transfer tacit knowledge not readily available through public channels (Holste and Fields, 2010). Unlike traditional information intermediaries who primarily process public information, expert networks potentially facilitate the discovery and transfer of private information not previously reflected in market prices. Solomon and Soltes (2015) and Bradley et al. (2022) provide evidence on how investors value access to management through broker-hosted investor conferences, suggesting that direct access to knowledgeable individuals provides incremental information beyond written disclosures.

A recent working paper by Cao et al. (2023) provides the first large-sample evidence on the role of expert networks in public equity markets. They document evidence suggesting that hedge funds with access to expert network insights generate abnormal returns, supporting the notion that these networks provide valuable information advantages. However, their study focuses exclusively on public firms, leaving open questions about the role and value of expert networks in private market settings, where information asymmetries are potentially more severe and traditional information channels more limited.

Expert networks operate within a complex regulatory environment that has evolved significantly since the insider trading investigations of 2009-2011 (SEC, 2011a, 2011b). These investigations led to enhanced compliance protocols within expert networks, including provisions to prevent the sharing of material non-public information. The resulting compliance frameworks may influence both the nature and value of information transmitted through these networks, particularly in private market contexts where the boundaries of public versus private information may be less clearly defined.

2.3 Information Environment in Private Markets

Private markets are characterized by fundamentally different information dynamics compared to public markets. The absence of mandatory disclosure requirements creates substantial information asymmetries between insiders and potential investors (Metrick and Yasuda, 2011). This opacity is particularly acute for early-stage private firms, where historical performance data may be limited and future prospects are highly uncertain (Chemmanur et al., 2011; Ewens et al., 2018).

The information environment in private markets is typically characterized by bilateral information sharing rather than public disclosure. Potential investors must often rely on direct engagement with management, proprietary due diligence, and network-based referrals to gather critical information (Bernstein et al., 2017; Gompers et al., 2020). This relationship-centric approach to information gathering potentially limits the pool of informed investors and may contribute to segmentation in private capital markets (Hellmann and Thiele, 2015).

Information challenges vary systematically across the private firm lifecycle. Early-stage firms face significant challenges in credibly communicating their quality to potential investors due to their limited operating history and high failure rates (Kerr et al., 2014). As firms mature,

information asymmetries may decline with the accumulation of performance data, though they remain substantively higher than in public markets (Ewens and Farre-Mensa, 2020). This dynamic information environment may drive stage-specific approaches to due diligence and information acquisition among private market investors.

Recent technological advances have begun to transform information flows in private markets. Specialized data providers have emerged to aggregate and analyze private firm information, potentially democratizing access to previously fragmented data (Brown et al., 2019). Additionally, online platforms have introduced new channels for communication between private firms and potential investors (Chemmanur et al., 2020). However, the impacts of these innovations on information asymmetries and capital allocation efficiency in private markets remain imperfectly understood.

3. Hypothesis Development

Expert network platforms potentially address an important information gap in private markets by connecting investors with individuals possessing relevant knowledge about target firms or their industries. These networks may be particularly valuable when evaluating private firms, where public information sources are limited and traditional intermediaries provide minimal coverage (Minnis and Shroff, 2017). However, the relationship between expert network activity and private firm investments is theoretically ambiguous.

Several factors suggest that expert network calls could positively predict private firm investment outcomes. First, private market investors face substantial search and screening costs when identifying potential investments (MacMillan et al., 2022). Expert calls may help investors identify promising opportunities by providing signals about firm quality or market potential not available through public channels. Second, expert insights could reduce information asymmetry

between investors and target firms, facilitating transaction completion by increasing investors' confidence in their valuation estimates (Agarwal et al., 2009). Third, the detailed operational and market knowledge obtained through expert calls might enable more effective post-investment value creation, improving investors' willingness to commit capital (Bernstein et al., 2017).

An important advantage of expert networks relative to direct management engagement stems from the agency conflicts inherent in management communications. Firm executives face incentives to present their firms favorably to prospective investors, potentially leading to selective disclosure or optimistic characteristics of business conditions (Myers and Majluf, 1984; Kothari et al., 2009). These agency conflicts are particularly pronounced in private firm settings, where verification mechanisms are limited, and the stakes of capital raising are high (Cumming and Johan, 2013). Expert networks potentially mitigate these conflicts by providing alternative perspectives from individuals who lack direct incentives to attract investment, such as former employees, customers, or industry experts. These third-party viewpoints may offer more balanced assessments of firm prospects and validate or contradict management claims.

However, countervailing factors could attenuate or eliminate any positive relationship between calls and investment outcomes. Private equity investors may already possess effective information-gathering mechanisms through their existing networks, industry expertise, and direct engagement with target firms (Gompers et al., 2020). If these traditional approaches provide sufficient information, expert calls might yield minimal incremental value. Finally, expert network calls might primarily serve purposes beyond direct investment decisions, such as gathering competitive intelligence or understanding industry dynamics, rather than specifically identifying promising investments. This broader usage pattern would weaken the association between call activity and subsequent deal completions.

Given these competing perspectives, we examine whether expert network calls predict subsequent private firm capital raising. If expert calls provide valuable insights that facilitate decision-making, we expect a positive association between call activity and subsequent deal flow. This leads to our first hypothesis:

> **H1:** Private firms that are the subject of expert network calls are more likely to subsequently raise capital.

Beyond influencing deal probability, expert network insights may impact the characteristics of completed transactions, particularly capital raised. Information asymmetry creates investment frictions that typically result in smaller capital commitments or less favorable terms for firms (Hochberg et al., 2010). By reducing information asymmetry, expert networks could enable larger investments by increasing investors' confidence in firm quality and growth potential.

The relationship between expert insights and capital raised may operate through several mechanisms. First, by reducing information asymmetry, expert calls might lower the risk premium demanded by investors, enabling larger investments at given valuations. Second, expert insights could help investors identify firms with stronger growth prospects, justifying larger capital commitments to fund expansion plans. Third, these calls might improve investors' ability to accurately assess intangible assets and future earnings potential, particularly for early-stage firms where traditional financial metrics provide limited guidance.

An alternative is that expert calls might not positively correlate with capital raised. If these calls are disproportionately used to evaluate early-stage firms where information asymmetries are most acute, we might observe a negative correlation between call activity and capital raised simply due to the stage of firms being evaluated. Additionally, if expert calls primarily highlight risks or

limitations, they might lead to more cautious, smaller investments rather than larger transitions. With these factors in mind, we propose our next hypothesis:

> **H2:** Private firms that are the subject of expert network calls subsequently raise larger amounts of capital, conditional on raising capital.

4. Research Design, Sample, and Descriptive Statistics

4.1 Empirical Models

To examine the association between expert network calls and private firm capital raising outcomes, we employ a series of empirical models that test our main hypotheses. Our first hypothesis posits that expert network calls predict subsequent private equity transactions. To test this hypothesis, we estimate the following regression model:

$$Deal_{i,t} = \alpha + \beta\ ExpertNetworkCall_{i,(t-1,t-6)} + \theta_i + \delta_t + \epsilon_{i,t} \quad (1)$$

where $Deal_{i,t}$ is an indicator variable equal to one if firm *i* completes a private equity transaction (either venture capital or buyout) in month *t*, and zero otherwise. Our primary independent variable of interest, $ExpertNetworkCall_{i,t(t-1,t-6)}$, is measured in two ways: (1) an indicator variable equal to one if firm *i* was the subject of at least one expert network call during the six months preceding month *t*, and (2) the natural logarithm of one plus the number of expert network calls about firm *i* during the six months preceding month *t*. The model includes firm fixed effects (θ_i) to control for time-invariant firm characteristics and month-year fixed effects (δ_t) to control for time trends in private equity activity. We cluster standard errors by industry to account for potential correlation in residuals across firms within the same industry. We consider alternative clustering specifications in robustness tests and continue to find similar results.

We extend this analysis by separately examining venture capital and buyout transactions. Using the same specification, we replace $Deal_{i,t}$ with $VC\ Deal_{i,t}$ and $BO\ Deal_{i,t}$, which are indicators for venture capital and buyout transactions, respectively.

Our second hypothesis predicts that expert network calls are associated with larger capital commitments in private equity transactions. To test this hypothesis, we estimate:

$$CapitalRaised_{i,t} = \alpha + \beta\ ExpertNetworkCall_{i,(t-1,t-6)} + \theta_i + \delta_t + \epsilon_{i,t} \quad (2)$$

where $CapitalRaised_{i,t}$ is the natural logarithm of one plus the amount of capital raised by firm *i* in month *t*. We also disaggregate capital raised in venture capital ($VC\ Capital\ Raised_{i,t}$) and buyout ($BO\ Capital\ Raised_{i,t}$) components to examine potential differences across transaction types. We estimate this model both for the full sample and for a subsample limited to firm-months with completed transactions (i.e., capital raised conditional on the existence of a deal).

We also conduct an analysis that examines whether the information content of calls as measured by the sentiment expressed in expert network calls predicts deal outcomes. The purpose of this analysis is to provide further support for the notion that calls facilitate deal decisions. Specifically, we use the following specification:

$$\begin{aligned} Y_{i,t} = {} & \alpha + \beta_1\ AnswerSentiment_{i,(t-1,t-6)} + \beta_2\ QuestionSentiment_{i,(t-1,t-6)} + \\ & \beta_3\ ExpertNetworkCall_{i,(t-1,t-6)} + \theta_i + \delta_t + \epsilon_{i,t} \end{aligned} \quad (3)$$

where $Y_{i,t}$ represents either deal occurrence or capital raised, $AnswerSentiment_{i,(t-1,t-6)}$ is the average sentiment of expert responses during the six months preceding month *t*, and $QuestionSentiment_{i,(t-1,t-6)}$ is the average sentiment of questions posed by investors during the same period. By including both answer and question sentiment, we can isolate the incremental informational value of expert responses beyond investors' initial perspectives.

In addition to examining aggregated calls at the firm-month level, we conduct analyses at the individual call level to exploit additional variation in expert-investor interactions and strengthen the identification of our analyses in terms of providing additional evidence that expert network calls provide information to investors. While firm-level analyses demonstrate that expert calls predict deal outcomes, this association could partly reflect that calls signal ongoing due

diligence for firms already under serious consideration, rather than that call content influences investment decisions. Call-level analyses condition on the occurrence of a call and examine whether the information content of that specific interaction predicts deal outcomes. This approach allows us to test whether positive expert sentiment is positively associated with deal likelihood and whether negative sentiment is negatively associated with such outcomes, holding constant that an investor has elected to conduct due diligence via an expert network call. For these tests, we estimate the following specification:

$$Deal_{i,(t+1,t+6)} = \alpha + \beta_1 AnswerSentiment_{i,c} + \beta_2 QuestionSentiment_{i,c} + \gamma_j + \delta_t + \epsilon_{i,t} \quad (4)$$

where $Deal_{i,(t+1,t+6)}$ is an indicator equal to one if firm i completes a private equity transaction with six months following call c, $AnswerSentiment_{i,c}$ and $QuestionSentiment_{i,c}$ measure the sentiment of expert responses and call questions in call c respectively. We include time fixed effects and industry fixed effects but do not include firm fixed effects due to singletons. This call-level approach also preserves important variation that would otherwise be lost through aggregation (e.g., offsetting information in different calls) and provides a more direct test of whether expert insights influence investment decisions beyond signaling that due diligence is underway.

4.2 Sample Construction and Data Sources

Our analysis integrates data from two primary sources: expert network call transcripts from a leading expert network platform and private equity transaction data from Pitchbook. The expert network dataset contains comprehensive records of expert network calls conducted through the platform from January 2018 to June 2024. Each record includes the call date, target firm, expert type call transcript, and metadata about the call participants. From this dataset, we extract all calls related to private firms, resulting in 44,590 unique calls covering 12,487 private companies.

We obtain private equity transaction data from Pitchbook, which provides detailed information on venture capital and buyout deals, including the transaction date, capital raised, and target firm characteristics. We match the expert network calls and Pitchbook data using firm identifiers and manual verification procedures to ensure accurate linkages between expert calls and subsequent transactions.

To construct our regression sample, we organize the data into a firm-month panel structure. For each private firm in our matched sample, we create monthly observations spanning January 2018 to June 2024. This approach allows us to examine the association between expert network calls and subsequent deal activity at a granular level. Our final sample consists of 345,046 firm-month observations representing 6,584 unique private firms. We exclude firm-months after a firm's initial public offering to maintain our focus on private market dynamics.

Table 1 details on our sample construction procedures. Panel A shows the filtering steps for expert network calls, beginning with the full set of 84,094 calls and narrowing to the 44,590 calls about private companies. Of these, 28,382 calls (63.7%) are associated with firms that appear in our Pitchbook deal sample. Panel B outlines the construction of our firm-month panel dataset, which includes all firm-months for companies with data in both the call database and Pitchbook during our sample period.

4.3 Descriptive Statistics

Table 2 presents descriptive statistics for our main variables. Panel A reports summary statistics for the firm-month dataset. The mean value of *Deal* is 0.048, indicating that approximately 4.8% of firm-months in our sample feature a private equity transaction. Venture capital deals are more prevalent than buyout transactions, with means of 0.040 and 0.008, respectively. The average *CapitalRaised* (in log form) is 0.115, with venture capital transactions

accounting for the majority of this value (mean = 0.100) compared to buyout transactions (mean = 0.015).

For our expert network call measures, the mean value of *Expert Network Call* in the prior six months is 0.109, suggesting that about 10.9% of observations are preceded by at least one expert call in the prior six-month period. The mean of # *Expert Network Calls* in the prior six months is 0.126, indicating modest skewness in the distribution of calls across firms. Breaking down calls by expert type, customer experts represent the largest category (mean = 0.060), followed by consultants (mean = 0.049), former executives (mean = 0.026), competitors (mean = 0.013), and partners (mean = 0.006).

Panel B presents descriptive statistics for our call-level dataset, which contains 27,559 individual expert network calls. Appendix A provides variable definitions. The dependent variable $Deal_{(t+1,t+6)}$ has a mean of 0.357, indicating that 35.7% of observations are followed by a private equity transaction within six months. This substantially higher rate compared to the firm-month analysis reflects the conditioning on firms that have attracted expert network attention. The mean *Answer Sentiment* is 0.067, while *Question Sentiment* has a mean of 0.008, suggesting that expert responses tend to be more positive than investor questions. When decomposed into positive and negative components, the mean values for *Positive Answers* (0.098) and *Negative Answers* (0.031) indicate that expert responses contain more positive than negative sentiment. The variables *High-Tegus Lead Deal* (mean = 0.215) and *Low-Tegus Lead Deal* (mean = 0.142) capture whether deals are led by investors with high or low historical usage of the expert network platform, respectively.

Figure 1 illustrates the temporal trend in expert network calls for public versus private firms over our sample period. Notably, the proportion of calls focusing on private firms has increased substantially, with private firm calls outnumbering public firm calls by a ratio of nearly

two to one by the end of our sample period. This trend underscores the growing importance of expert networks as information intermediaries in private markets, where traditional information channels are more limited.

Figure 2 presents the frequency distribution of expert network calls around private equity deals. Panel A shows a clear pattern of increased call activity in the months preceding deal announcements, with activity peaking approximately two to three months before transactions are completed. This pattern is consistent with the use of expert networks during the due diligence phase of investment decisions. Panels B and C demonstrate similar patterns for venture capital and buyout deals, respectively, though the increase in call volume appears more pronounced for venture capital transactions.

These descriptive patterns provide initial evidence of a temporal relation between expert network calls and private equity transactions, suggesting that investors systematically utilize these information channels prior to investment decisions. The subsequent sections provide formal tests of this association.

5. Empirical Results

5.1 Expert Network Calls and Private Equity Deal Likelihood (H1)

Table 3 presents our baseline analysis examining the association between expert network calls and the likelihood of subsequent private equity transactions. Panel A presents the results using the binary indicator for expert network call activity, while Panel B employs the continuous measure of call frequency.

In column 1 of Panel A, we estimate a pooled specification without fixed effects. The coefficient on *Expert Network Call* is positive and significant (0.039, *t*-statistic = 19.50), indicating that firms subject to expert network calls in the prior six months are 3.9 percentage points more

likely to raise capital in a given month. This effect represents an 81% increase relative to the unconditional probability of 4.8% (from Table 2). Column 2 adds firm and time fixed effects to control for time-invariant firm characteristics and market-wide temporal factors, respectively. The coefficient remains positive and significant (0.029, *t*-statistic = 14.02), though its magnitude decreases by approximately 26%, suggesting that some of the association identified in column 1 is attributable to firm-level characteristics or time-specific factors.

Columns 3 and 4 disaggregate the results by transaction type. The coefficient for venture capital deals in column 3 (0.025, *t*-statistic = 11.08) is approximately six times larger than the coefficient for buyout deals in column 4 (0.004, *t*-statistic = 4.85). This difference indicates that the association between expert network calls and subsequent capital raising is considerably stronger for venture capital transactions than for buyout deals. This pattern aligns with the intuition that information asymmetries are more acute in venture capital contexts, where firms typically have shorter operating histories and less established track records.

Panel B presents analogous specifications using the continuous measure of expert network call frequency. The results are qualitatively similar, with positive and significant coefficients across all specifications. The coefficient in column 2 (0.024, *t*-statistic = 20.47) suggests that each 10% increase in the number of expert network calls is associated with a 0.24 percentage point increase in the likelihood of subsequent deal. Similar to Panel A, the effect is substantially larger for venture capital deals (column 3) than for buyout transactions (column 4).

These findings support Hypothesis 1, indicating that private firms subject to expert network calls are significantly more likely subsequently raise capital through private equity transactions. The economic magnitude of this relationship is substantial, particularly for venture capital deals, suggesting that expert networks serve as important information intermediaries in private markets.

5.2 Expert Network Calls and Capital Raised (H2)

Table 4 examines the relationship between expert network calls and the amount of capital raised in private equity transactions. Panel A presents results using the binary indicator for call activity, while Panel B employs the continuous measure of call frequency.

In column 1 of Panel A, we estimated a pooled specification for the full sample. The coefficient on *Expert Network Call* is positive and significant (0.138, *t*-statistic = 17.19), indicating that firms subject to expert network calls in the prior six months subsequently raise larger amounts of capital. Column 2 adds firm and time fixed effects, yielding a somewhat attenuated but still strongly significant coefficient (0.103, *t*-statistic = 11.36). This suggests that the presence of expert network calls is associated with a 10.3% increase in capital raised, controlling for time-invariant firm characteristics and market wide time factors.

Columns 3 and 4 restrict the sample to firm-months with completed deals to examine the relationship conditional on transaction occurrence. The coefficient in column 3 (0.727, *t*-statistic = 7.62) is substantially larger than in the full sample, suggesting that among firms that raise capital, those subject to expert network calls raise approximately 72.7% more capital than firms without such calls. This association persists with firm fixed effects included in column 4 (0.534, *t*-statistic = 18.78).

Columns 5 and 6 decompose the deals-only analysis by transaction type. The coefficient for venture capital deals (0.824, *t*-statistic = 10.23) is substantially larger than for buyout deals (0.205, *t*-statistic = 1.45), with the latter not statistically significant at conventional levels. This pattern suggests that the relation between expert network call activity and capital raised is primarily driven by venture capital transactions, consistent with our findings for deal likelihood.

Panel B presents parallel specifications using the continuous measure of expert network call frequency. The results are similar to those in Panel A. The coefficient in column 3 (0.574, *t*-statistic = 16.00) indicates that, conditional on raising capital, a 10% increase in expert network calls is associated with a 5.74% increase in the amount raised. The association remains robust after including firm fixed effects in column 4 (0.411, *t*-statistic = 16.36).

These findings support Hypothesis 2, demonstrating that expert network calls are positively associated with the amount of capital raised in private equity transactions. The economic magnitude of this relationship is substantial, particularly for venture capital deals, suggesting that expert networks provide information that enables investors to make larger capital commitments. We more directly examine the information content of the calls in the next section.

6. Additional Analyses

6.1 Additional Analysis: The Role of Call Sentiment

Having established an association between expert network call activity and both the likelihood and magnitude of private equity investments, we conduct additional analysis to explore the mechanism through which these calls may exert influence. Specifically, we examine whether the information content of the calls, as captured by linguistic sentiment, is related to investment outcomes. This analysis helps distinguish whether expert calls primarily function as signals of investor interest or if they convey substantive information that shapes decisions.

Theoretical models suggest that new information influences investment decisions by updating investors' posterior beliefs about an asset's value or a firm's quality (e.g., Pastor and Veronesi, 2009). In the context of expert networks, the insights provided by experts can shift investors' assessments of a target firm's prospects. Positive information conveyed during calls may increase perceived quality, thereby increasing the likelihood of investment and potentially

justifying larger capital commitments. Conversely, negative information may dampen enthusiasm and lead to reduced investment or deal abandonment. Prior research in public markets has shown that sentiment extracted from text (e.g., media articles, financial disclosures) can predict market reactions and returns (Tetlock, 2007; Loughran and McDonald, 2011), suggesting that qualitative information content matters. These effects might be particularly relevant in private markets where quantitative data is often scarce. Therefore, we predict that the sentiment expressed by experts during calls is associated with subsequent capital raising outcomes.

To further isolate the effect of expert-provided information, we also examine the sentiment of the questions posed by investors. If the observed associations are primarily driven by investors selecting firms they are already optimistic about, we might expect question sentiment to also predict outcomes. Conversely, if the expert's insights provide incremental information, answer sentiment should have predictive power beyond that of question sentiment. We use the specification outlined in Equation (3) to test these predictions.

The results, presented in Table 5 support the hypothesis that expert-provided information content is associated with investment decisions. In column 1, we find that *Answer Sentiment* is positively and significantly associated with deal likelihood (coefficient = 0.075, *t*-statistic = 4.74), controlling for the number of expert network calls. This association persists after including firm and time fixed effects in column 2 (coefficient = 0.059, *t*-statistic = 3.42). Columns 3 and 4 add *Question Sentiment* to the model, allowing us to examine whether the sentiment of investors' questions provides additional explanatory power. The coefficients on *Question Sentiment* (0.003, *t*-statistic = 0.10 in column 3; 0.011, *t*-statistic = 0.37 in column 4) are not statistically significant, and their inclusion does not materially affect the coefficients on *Answer Sentiment*. This pattern

suggests that the information content provided by experts, rather than investors' initial perspectives reflected in their questions, drives the observed relation with investment outcomes.

Columns 5-8 examine the relation between sentiment and capital raised, conditional on transaction occurrence. The coefficients on *Answer Sentiment* are positive and significant across all specifications, with the coefficient in column 6 (2.524, *t*-statistic = 6.95) indicating that a one-standard-deviation increase in answer sentiment (0.026 from Table 2) is associated with a 6.6% increase in capital raised. Similar to the deal likelihood analysis, *Question Sentiment* does not exhibit a significant relation with capital raised, and its inclusion does not materially affect the coefficients on *Answer Sentiment*.

These findings provide evidence that the sentiment expressed in expert responses is positively associated with both deal likelihood and capital raised. The lack of a significant relation for question sentiment suggests that the information conveyed by experts, rather than investors' initial perspectives, drives the observed relation. This pattern also helps address concerns about whether the results are only related to investors choice to conduct an expert interview, as the differential impact of answer sentiment versus question sentiment suggests a more direct influence of expert insights beyond the mere selection of firms for evaluation.

6.2 Additional Analysis: Call-Level Sentiment

To complement our firm-month level analyses, we examine sentiment effects at the individual call level. This approach addresses a key identification challenge in our firm-level results: while we document that expert calls predict deal outcomes, this association could reflect that calls primarily signal ongoing due diligence efforts rather than that call content influences investment decisions. By conditioning on the occurrence of a call, our call-level analysis isolates the role of information quality in predicting deal outcomes.

This distinction is important. If expert calls merely serve as procedural steps in predetermined investment decisions, we would expect uniformly high conversion rates from calls to deals. However, our sample contains over 17,000 expert network calls that do not result in deals within six months, suggesting substantial heterogeneity in call outcomes. Call-level analysis exploits this variation by examining whether calls with positive expert sentiment are more likely to result in deals than calls with negative sentiment, thereby testing whether information content—rather than the mere occurrence of due diligence—drives investment outcomes.

Table 6 presents our call-level sentiment analysis. Panel A examines the association between net sentiment measures and subsequent deal outcomes. We find that *Answer Sentiment* is positively and significantly associated with deal likelihood within six months (coefficient = 0.176, *t*-statistic = 5.87 in column 1), and is robust to including industry and time fixed effects in column 2 (coefficient = 0.124, t-statistic = 4.88 in column 2).[2] *Question Sentiment* shows a much weaker association with deal outcomes (coefficient = 0.080, t-statistic = 1.52 in column 4) and the relation is weaker than for answer sentiment. The stronger predictive power of expert responses compared to investor questions supports the interpretation that expert calls provide information beyond investors' initial perspectives. [3]

Panel B decomposes sentiment into positive and negative components to examine potential asymmetry in information content. We find that *Positive Answers* significantly increase deal probability (coefficient = 0.112, t-statistic = 3.32), while *Negative Answers* significantly decrease it (coefficient = -0.173, t-statistic = -2.90). The finding that negative expert sentiment reduces deal

[2] We include industry fixed effects rather than firm fixed effects due to singleton observations for firms receiving only a single expert network call.

[3] Question sentiment positively predicting deal outcomes, while not providing evidence on the information content of expert network calls, would imply that call participants relatively more positive about a particular company would relate to deal outcomes.

likelihood is particularly important as it addresses concerns about deal inevitability—the notion that expert calls are merely procedural steps that occur regardless of content because investment decisions have already been made. If expert calls provided no decision-relevant information, we would not expect negative sentiment to systematically predict lower deal completion rates. The economic magnitudes suggest that negative expert sentiment has a stronger impact than positive sentiment, consistent with research documenting asymmetric processing of negative versus positive information. Interestingly, *Negative Questions* also predict lower deal likelihood, suggesting that investor pessimism expressed during calls is predictive of whether they subsequently invest in target firms.

Table 7 extends our call-level analysis to examine how sentiment relates to capital raised across different venture capital funding stages. Conditioning on relative funding stage helps control for differences in capital raising related to life cycle. Here, we find that *Answer Sentiment* is positively and significantly associated with capital raised across all funding rounds, with the strongest economic effect for Seed rounds (coefficient = 2.047, *t*-statistic = 6.28). The magnitude of the answer sentiment effect decreases in later funding stages (Series A: 0.712, Series B: 0.763, Series C: 0.773), suggesting that expert insights may be most valuable for early-stage firms where information asymmetries are greatest. *Question Sentiment* also shows positive associations with capital raised, particularly for Series A, B, and C rounds, with the strongest effect in Series A rounds (coefficient = 1.645, *t*-statistic = 4.55). The variation in sentiment effects across funding stages provides additional evidence that expert networks address stage-specific information needs, with expert insights being most influential when traditional information sources are most limited.

6.3 Additional Analysis: High and Low Tegus Investor Use

A limitation of our expert network data is that we cannot directly observe whether the investors conducting calls are the same individuals making investment decisions. To address this limitation and provide evidence that calls are conducted for deal-specific due diligence rather than general information gathering, we examine whether expert network effects vary based on lead investors' historical usage patterns of the platform. For each lead investor of a completed deal in our sample we compile the number of completed deals and the total associated expert network calls that precede these deals. We then classify investors as likely "high" or "low" users based on above- or below-median historical call frequency preceding their deals.

Our identification strategy relies on the premise that high-usage investors are more likely to systematically integrate expert network insights into their investment processes, while low-usage investors may conduct calls for reasons less directly related to specific deal decisions or may not be the private equity investor in question. If expert networks provide substantive decision-relevant information, we expect sentiment effects to be concentrated among deals led by investors who demonstrate consistent platform engagement.

Table 8 presents multinomial logit analyses where we examine the association between call sentiment and deal outcomes partitioned by lead investor usage intensity. The dependent variables distinguish between deals led by high-usage investors (*High-Tegus Lead Deal*) and low-usage investors (*Low-Tegus Lead Deal*) relative to no-deals. Column 1a shows that *Answer Sentiment* strongly predicts deals led by high-usage investors (coefficient = 1.212, *t*-statistic = 6.32), while column 1b reveals no significant association for low-usage investors (coefficient = -0.065, *t*-statistic = -0.42). This pattern persists after including industry and time fixed effects in columns 2a and 2b.

Question Sentiment also exhibits significant predictive power for high-usage investor deals (coefficient = 1.008, *t*-statistic = 4.10 in column 1a), but shows no significant relation for low-usage investors. These results support our interpretation that expert networks provide decision-relevant information to investors who systematically incorporate platform insights into their investment processes, rather than serving as routine information gathering unrelated to specific investment decisions.

6.4 Additional Analysis: Media Attention as a Substitutionary Information Source

We next examine whether expert networks and traditional media serve as substitutes in the private market information environment. If expert networks primarily address information gaps, their value should be attenuated when alternative information sources are readily available. We test this prediction by analyzing how expert network effects vary with contemporaneous media coverage of target firms.

We measure media attention using the number of articles mentioning each firm in our sample during the six months preceding potential deals, obtained from Ravenpack. We then estimate models that include an interaction term between expert network calls and media coverage to test whether the association between calls and deal outcomes diminishes when firms receive substantial press attention.

Table 9 presents the results. Across all specifications, we find positive main effects for both expert network calls and media coverage (in most specifications) on deal likelihood. However, the interaction term between calls and media articles is consistently negative and significant. In column 2, the interaction coefficient is -0.009 (t-statistic = -2.25), indicating that the association between expert calls and deal outcomes weakens as media coverage increases. The logit

specifications in columns 3 and 4 confirm this pattern with standardized interaction coefficients of -0.178 and -0.154, respectively.

These findings suggest that expert networks and traditional media function as substitutes in private market information production. Expert networks appear to provide greater incremental value when conventional information intermediaries offer limited coverage, consistent with their role in addressing information gaps.

6.5 Additional Analysis: Venture Capital Life Cycle and Expert Network Calls

We also examine how expert network usage and effectiveness vary across the venture capital lifecycle. Information asymmetries and due diligence requirements change systematically as firms mature, potentially affecting both the demand for expert insights and their impact on investment decisions. Additionally, the availability of knowledgeable experts varies across firm stages. Early-stage firms typically face the most severe information constraints but also have limited pools of potential expert participants—pre-revenue or very early stage companies have fewer former employees, customers, partners, or industry contacts who can provide meaningful insights. Later-stage firms may have more established track records and larger expert networks but require larger capital commitments that justify extensive due diligence.

Table 10 provides descriptive evidence on expert network call patterns across funding stages. While expert calls become more prevalent in absolute terms for later funding rounds, the intensity of call activity varies notably across stages. Series B rounds show the highest call intensity, with 559 deals preceded by calls and 4,409 total calls, representing approximately 7.9 calls per deal. Series A rounds follow with 2,403 calls across 452 deals (5.3 calls per deal), while Seed rounds show the lowest intensity with 536 calls across 147 deals (3.6 calls per deal). This

pattern is consistent with the expanding availability of expert participants as firms mature and develop business relationships.

Table 11 Panel A presents regression analyses examining how the association between expert calls and deal likelihood varies across funding stages. We estimate separate models for each stage, restricting samples to firms eligible for the respective funding rounds. The results reveal significant heterogeneity across the venture capital lifecycle. Series B rounds exhibit the strongest association between expert calls and deal completion (coefficient = 0.021, *t*-statistic = 19.45), followed by Series A (coefficient = 0.012, *t*-statistic = 11.61) and Series C rounds (coefficient = 0.009, *t*-statistic = 16.59). Seed rounds show the weakest association (coefficient = 0.001, *t*-statistic = 3.26). Panel B presents formal tests of coefficient equality across funding stages. The joint test strongly rejects the null hypothesis that all coefficients are equal ($\chi^2 = 657.57$, $p < 0.001$). Pairwise comparisons reveal that the Series B coefficient is significantly different from all other stages, with the largest differences relative to Seed rounds ($\chi^2 = 393.51$, $p < 0.001$).

These patterns suggest that expert networks provide the greatest value during Series B funding rounds, when firms have established initial market traction and developed sufficient business relationships to support meaningful expert consultations. The relatively weaker effects for Seed rounds likely reflect both the limited availability of knowledgeable experts for very early-stage firms and the inherent difficulty of conducting due diligence when companies have minimal operating history.

6.6 Additional Analysis: Temporal Dynamics and Expert Types

To understand when expert network calls are most influential, we disaggregate call activity by month relative to deal completion. Table IA.1 reveals a distinct temporal pattern: calls conducted two to three months before deals show the strongest associations with investment

outcomes (coefficients of 0.029 and 0.026 respectively, both significant at the 1% level), while calls in the immediate pre-deal month show weak or negative associations. This pattern suggests expert networks provide greatest value during active due diligence phases rather than as last-minute procedural steps, consistent with our interpretation that these calls convey decision-relevant information, and consistent with frequency distribution of calls relative to deals that emerges in Figure 2.

We also examine whether different expert types provide varying value in investment decisions. Table IA.2 shows that customer experts demonstrate the strongest association with deal likelihood (coefficient = 0.024, *t*-statistic = 27.78), followed by consultant and competitor experts. However, when examining capital raised conditional on deal completion (Table IA.3), former executive calls show the strongest relationship (coefficient = 0.590, *t*-statistic = 6.86), followed by customer calls. This suggests customer insights are most valuable for identifying promising opportunities, while former executives provide important information for determining the amount of capital to potentially contribute—consistent with their respective informational advantages regarding market validation versus internal operations.

6.7 Robustness Tests

We conduct several tests to assess the robustness of our main findings. Table IA.4 employs more stringent fixed effects structures. Panel A includes firm-year fixed effects, controlling for annual changes in firm characteristics, and our results remain significant across all deal types. Panel B uses firm-year-quarter fixed effects, effectively comparing call activity within the same quarter for a given firm. Even with this demanding specification, coefficients remain positive and significant for overall deals and venture capital deals, though significance diminishes for buyout deals.

Table IA.5 examines sensitivity to alternative standard error clustering approaches. Our results are robust to clustering by firm (Panel A), double clustering by firm and month (Panel B), and double clustering by industry and month (Panel C). Across all specifications, expert network calls remain positively and significantly associated with subsequent deal activity, providing confidence that our inferences are not artifacts of particular econometric choices.

7. Conclusion

This paper examines how expert network platforms function as information intermediaries in private equity markets. Using a comprehensive dataset of expert network calls from a leading platform in the industry combined with private equity transaction data from Pitchbook, we find that private firms subject to expert network calls are approximately 60% more likely to subsequently raise capital, and transactions preceded by expert network calls raise 73% more capital than those without such calls. Our analysis of call content reveals that sentiment in expert responses predicts both higher deal probability and larger capital commitments, while the sentiment of investor questions shows no such association.

Our findings contribute to the literature on information intermediation by documenting how expert networks address information gaps in private markets. Unlike traditional intermediaries, such as analysts and the business press, which primarily serve public markets, expert networks facilitate direct knowledge transfer between industry experts and investors in settings where conventional information sources are limited. The evidence suggests that these specialized information channels systematically influence capital allocation decisions in private markets.

We also contribute to the emerging literature on private equity decision-making processes. By revealing how sophisticated investors leverage expert networks to evaluate potential

investments, our analysis improves understanding of how private equity investors create value through their investment selection and due diligence practices. The temporal patterns in expert call activity relative to deal completion and the differential impact of various expert types offer insights into how information is gathered and incorporated into investment decisions.

This study is subject to some limitations. Our analysis does not allow us to isolate the marginal impact of expert network calls from other aspects of due diligence, nor can we observe counterfactual outcomes in the absence of expert calls. Additionally, our data comes from a single expert network platform, potentially limiting the generalizability of our findings. Despite these limitations, we believe our study offers compelling evidence that expert networks play a meaningful role in reducing information asymmetries in private markets. By facilitating the transfer of specialized knowledge that would otherwise be difficult to access, these networks appear to contribute to more informed capital allocation decisions in settings where traditional information intermediaries are largely absent.

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Appendix A
Variable Definitions

Variable	Definition
# Competitor Expert Network Calls	The natural logarithm of one plus the number of expert network calls about the firm with competitors during the month.
# Consultant Expert Network Calls	The natural logarithm of one plus the number of expert network calls about the firm with consultants during the month.
# Customer Expert Network Calls	The natural logarithm of one plus the number of expert network calls about the firm with customers during the month.
# Expert Network Calls	The natural logarithm of one plus the number of expert network calls about the firm during the month.
# Former Exec Expert Network Calls	The natural logarithm of one plus the number of expert network calls about the firm with former executives during the month.
# Partner Expert Network Calls	The natural logarithm of one plus the number of expert network calls about the firm with partners during the month.
Answer Sentiment	The average net sentiment of expert network responses to questions about the firm during the month. Equal to zero if there are no calls about the firm during the month.
BO Capital Raised	The natural logarithm of one plus buyout deal size for the firm during the month. Equal to zero if there is no buyout deal during the month.
BO Deal	An indicator variable equal to one if the firm has a private equity buyout deal during the month, and equal to zero otherwise.
Capital Raised	The natural logarithm of one plus deal size for the firm during the month. Equal to zero if there is no deal during the month.
Deal	An indicator variable equal to one if the firm has a venture capital or buyout deal during the month, and equal to zero otherwise.
Expert Network Call	An indicator variable equal to one if there is an expert network call about the firm during the month, and equal to zero otherwise.

Question Sentiment	The average net sentiment of questions posed in expert network calls about the firm during the month. Equal to zero if there are no calls about the firm during the month.
VC Capital Raised	The natural logarithm of one plus venture capital deal size for the firm during the month. Equal to zero if there is no venture capital deal during the month.
VC Deal	An indicator variable equal to one if the firm has a venture capital deal during the month, and equal to zero otherwise.

Appendix B
Top Call Topics

Topic	Count	Percentage
Competition & Competitive Analysis	5,418	16.60%
Technology & Digital Solutions	3,882	11.90%
Business Performance & Optimization	2,695	8.26%
Pricing & Pricing Strategy	2,443	7.49%
Integration	1,957	6.00%
Customer Service & Experience	1,849	5.67%
Risk Management & Compliance	1,844	5.65%
Sales Strategy	1,411	4.33%
Automation	1,316	4.03%
Healthcare	801	2.46%
Partnerships	749	2.30%
E-commerce	727	2.23%
Scalability	711	2.18%
User Experience	642	1.97%
Innovation	351	1.63%

Appendix B presents the most frequent expert network call topics.

Figure 1
Expert Network Calls Over Time

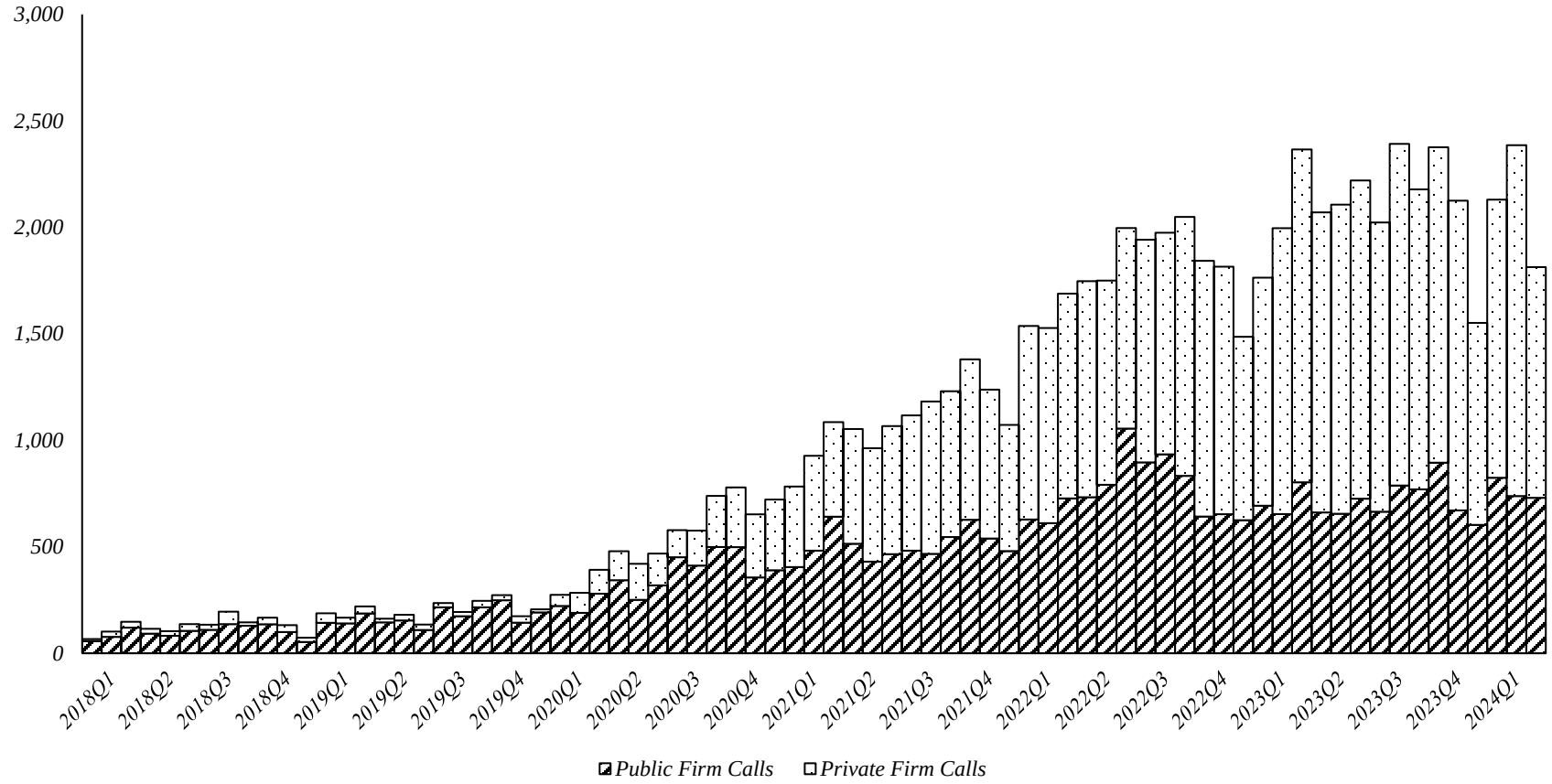
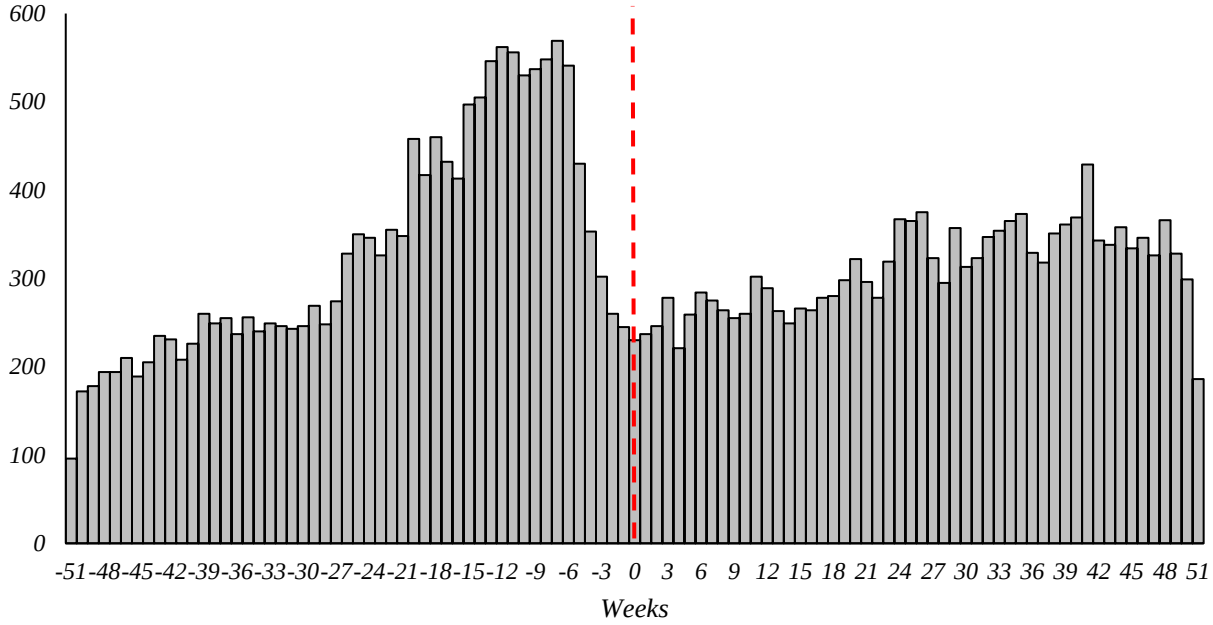


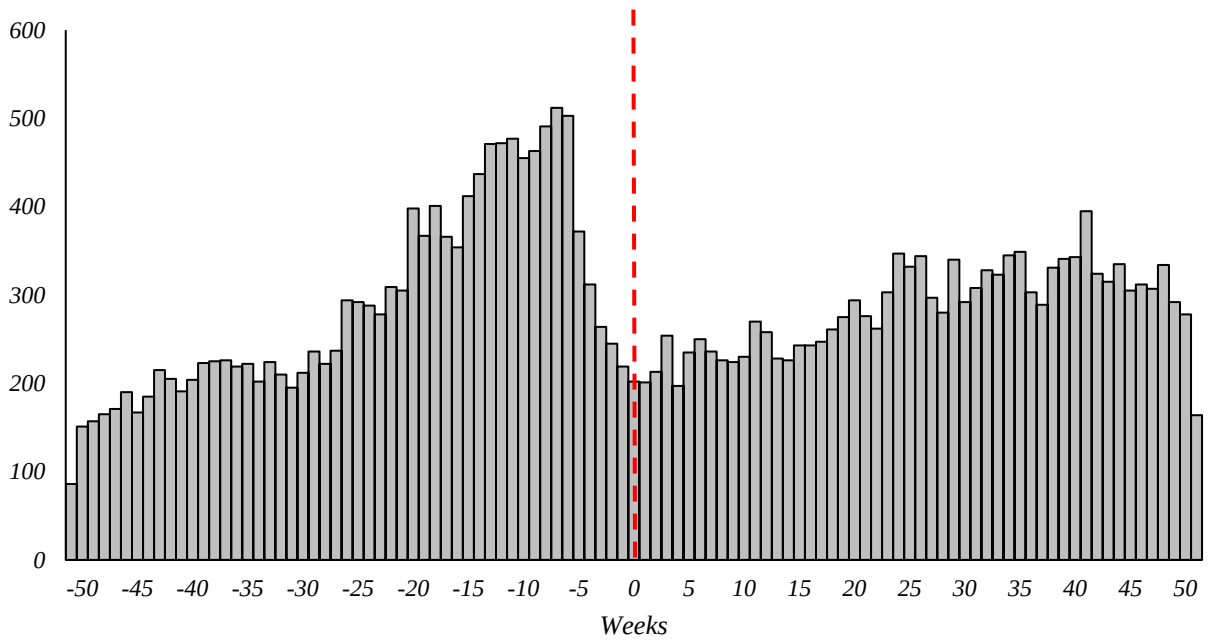
Figure 1 presents the number of expert network calls over time. We report calls for publicly listed and non-publicly listed firms separately.

Figure 2
Expert Network Calls and Private Equity Deals

Panel A: Calls for Private Firms around Private Equity Deals



Panel B: Calls for Private Firms around Venture Capital Deals



Panel C: Calls for Private Firms around Buyout Deals

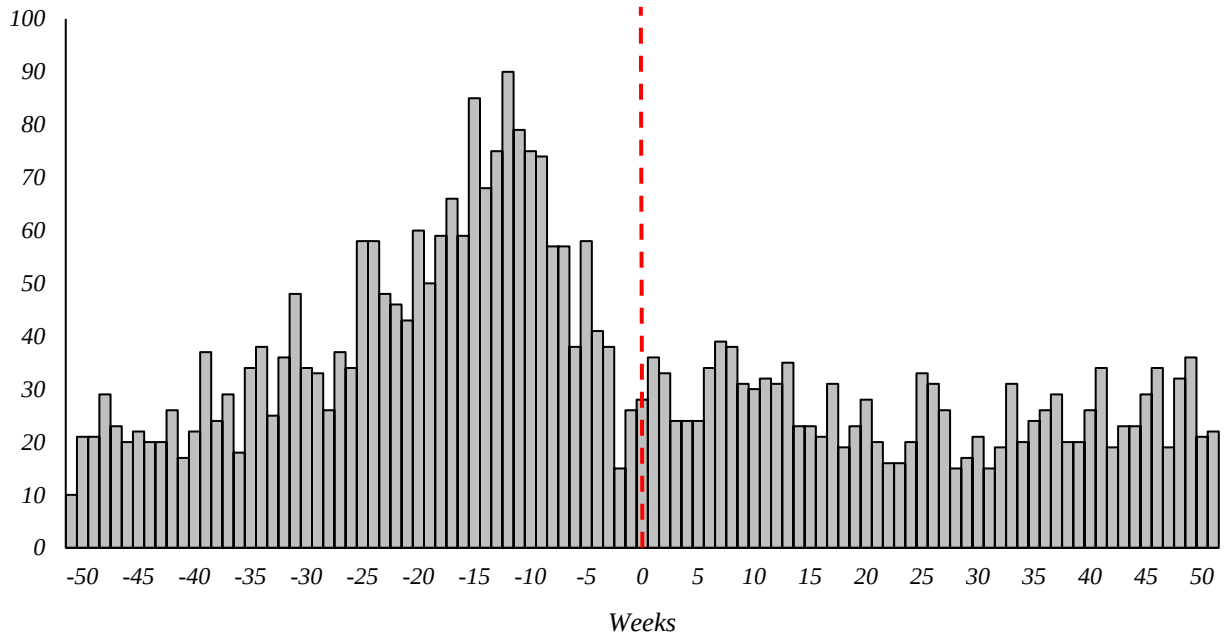
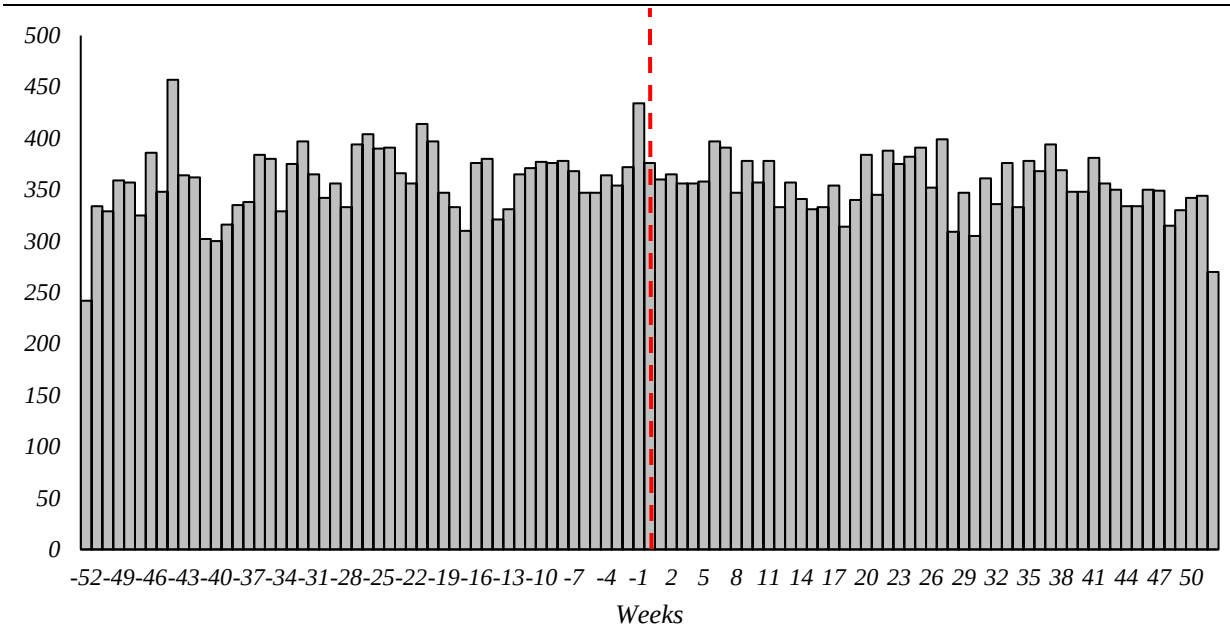


Figure 2 presents the number of weekly expert network calls for a firm in the year before and after a private equity deal. Panel A presents results for all private equity deals, while Panels B and C decompose these deals into venture capital and buyout deals, respectively.

Figure 3
Expert Network Calls and Public Firm Events

Panel A: Calls around Public M&A



Panel B: Calls around Public Firms' Follow-On Equity Offerings

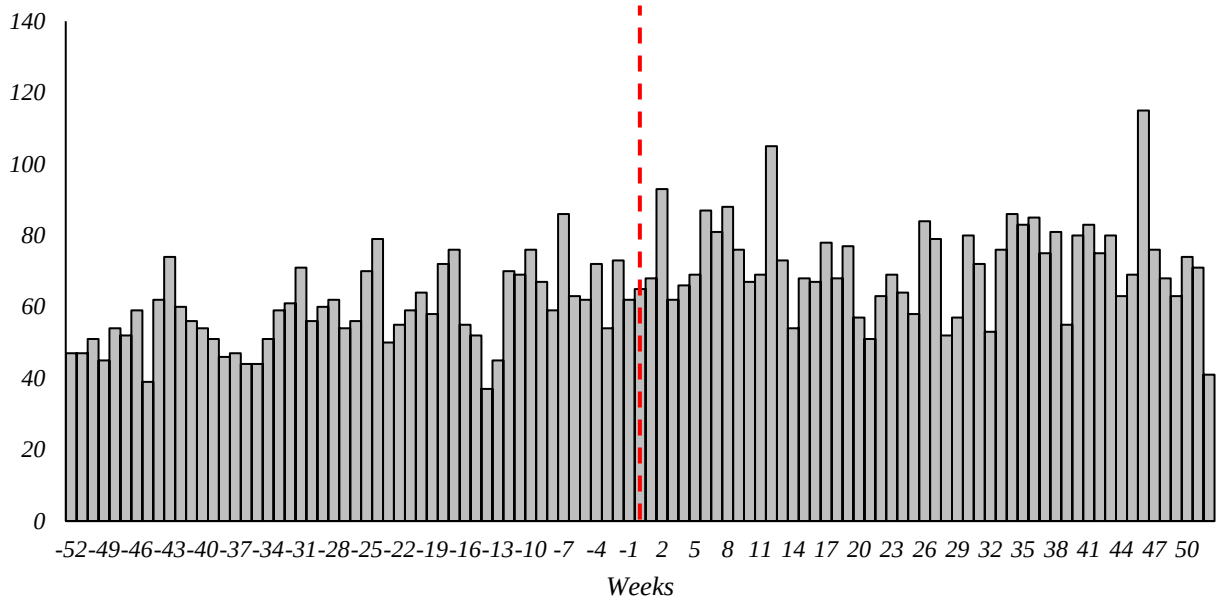


Figure 3 presents frequency distributions of expert network calls in event time around publicly listed firm capital market transactions. Panel A presents the frequency of calls the year before and after a around public company acquires another firm. Panel B presents the frequency of calls the year before and after a public firm executes a seasoned equity offering.

Figure 4
Event Study Coefficients

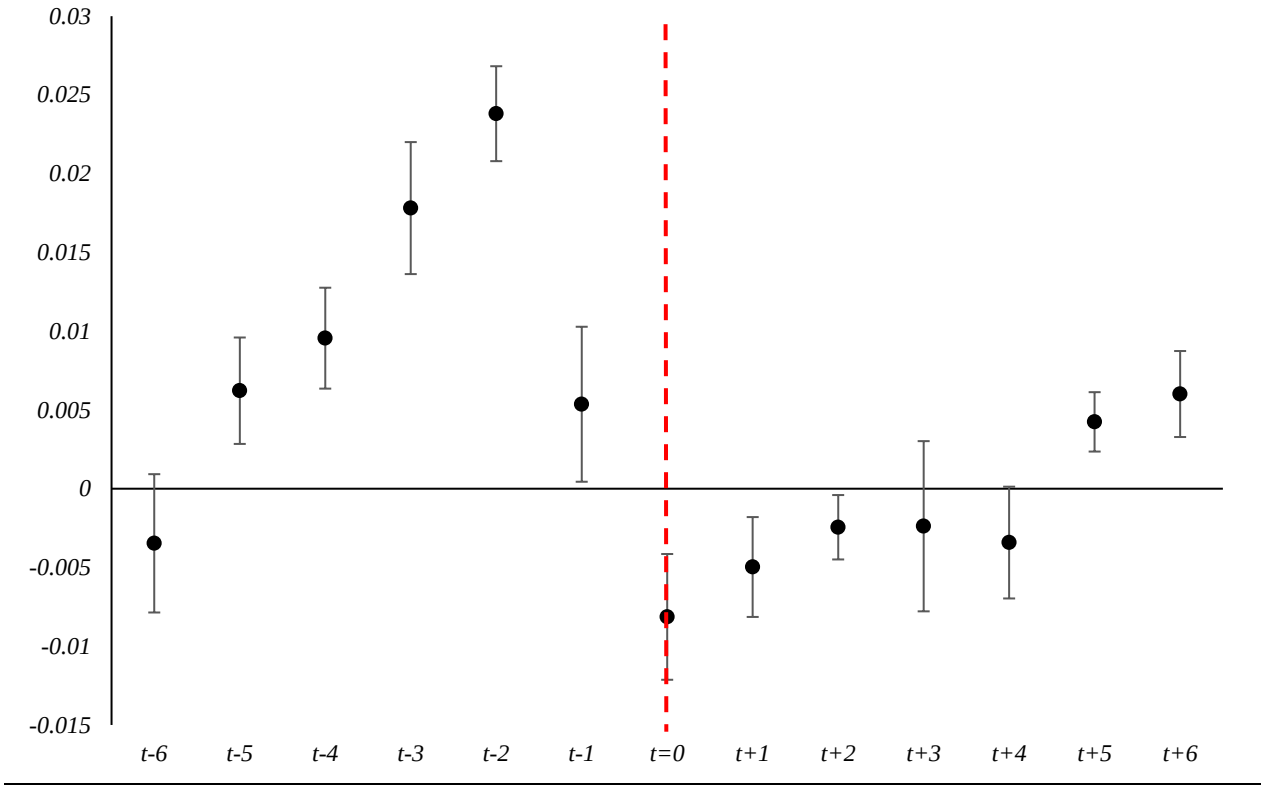


Figure 4 presents the OLS beta coefficients on *Expert Network Call* for each of the 13 months around a private equity deal. *t-6* denotes the beta coefficient for six months prior to the deal, *t=0* denotes the coefficient for the month of the deal, and *t+6* denotes the coefficient for six months after the deal. We include the full sample of observations, firm and month fixed effects, and cluster standard errors by industry. All continuous variables are winsorized at the 1 and 99 percentile thresholds. Standard error bands are based off of the 10% significance level.

Table 1
Sample Construction

Panel A: Expert Network Calls

	Interviews	Unique Firms
All Expert Network Calls (Jan 2018–Jun 2024)	84,094	17,285
Less: Public Companies	(39,504)	(4,798)
Calls about Private Companies	44,590	12,487
Less: Calls without Pitchbook Coverage	(16,208)	(5,903)
Calls with Pitchbook Coverage	28,382	6,584

Panel B: Regression Sample Construction

	Firm-Months
All Firm-Months between Jan 2018–Jun 2024 for Firms with Expert Network and Pitchbook Coverage	353,480
Less: Firm-Months after a Private Firm IPOs	(8,424)
Firm-Months in Sample	345,046

Table 1 presents our sample construction procedures. Panel A details the filtering steps we apply to our expert network call data, beginning with 84,094 total calls and resulting in 28,382 calls about private companies with Pitchbook coverage. Panel B outlines the construction of the firm-month panel dataset used in regression analyses, spanning January 2018 to June 2024.

Table 2
Descriptive Statistics

Panel A: Firm-Month Dataset Variables

	N	Mean	Std.Dev.	25th Pctl	50th Pctl	75th Pctl
# *Competitor Expert Network Calls*$_{i,(t-6,t-1)}$	345,056	0.013	0.108	0.000	0.000	0.000
# *Consultant Expert Network Calls*$_{i,(t-6,t-1)}$	345,056	0.049	0.226	0.000	0.000	0.000
# *Customer Expert Network Calls*$_{i,(t-6,t-1)}$	345,056	0.060	0.276	0.000	0.000	0.000
# *Expert Network Calls*$_{i,t-1}$	345,056	0.031	0.186	0.000	0.000	0.000
# *Expert Network Calls*$_{i,t-2}$	345,056	0.029	0.179	0.000	0.000	0.000
# *Expert Network Calls*$_{i,t-3}$	345,056	0.027	0.173	0.000	0.000	0.000
# *Expert Network Calls*$_{i,t-4}$	345,056	0.025	0.166	0.000	0.000	0.000
# *Expert Network Calls*$_{i,t-5}$	345,056	0.023	0.160	0.000	0.000	0.000
# *Expert Network Calls*$_{i,t-6}$	345,056	0.015	0.101	0.000	0.000	0.000
# *Expert Network Calls*$_{i,(t-6,t-1)}$	345,056	0.126	0.402	0.000	0.000	0.000
# *Former Exec Expert Network Calls*$_{i,(t-6,t-1)}$	345,056	0.026	0.159	0.000	0.000	0.000
# *Partner Expert Network Calls*$_{i,(t-6,t-1)}$	345,056	0.006	0.073	0.000	0.000	0.000
Answer Sentiment$_{i,(t-1,t-6)}$	345,056	0.007	0.026	0.000	0.000	0.000
BO Capital Raised$_{i,t}$	345,056	0.015	0.296	0.000	0.000	0.000
BO Deal$_{i,t}$	345,056	0.008	0.087	0.000	0.000	0.000
Capital Raised$_{i,t}$	345,056	0.115	0.656	0.000	0.000	0.000
Deal$_{i,t}$	345,056	0.048	0.213	0.000	0.000	0.000
Expert Network Call$_{i,t-1}$	345,056	0.032	0.176	0.000	0.000	0.000
Expert Network Call$_{i,t-2}$	345,056	0.030	0.169	0.000	0.000	0.000
Expert Network Call$_{i,t-3}$	345,056	0.028	0.164	0.000	0.000	0.000
Expert Network Call$_{i,t-4}$	345,056	0.026	0.158	0.000	0.000	0.000
Expert Network Call$_{i,t-5}$	345,056	0.024	0.152	0.000	0.000	0.000
Expert Network Call$_{i,t-6}$	345,056	0.022	0.147	0.000	0.000	0.000
Expert Network Call$_{i,(t-1,t-6)}$	345,056	0.109	0.311	0.000	0.000	0.000
Question Sentiment$_{i,(t-1,t-6)}$	345,056	0.001	0.010	0.000	0.000	0.000
VC Capital Raised$_{i,t}$	345,056	0.100	0.590	0.000	0.000	0.000
VC Deal$_{i,t}$	345,056	0.040	0.196	0.000	0.000	0.000

Panel B: Call-Level Variables

	N	Mean	Std.Dev.	25th Pctl	50th Pctl	75th Pctl
$Deal_{t+1,t+6}$	27,559	0.357	0.479	0.000	0.000	1.000
Capital Raised	27,559	1.169	1.983	0.000	0.000	2.573
Positive Answers	27,559	0.098	0.081	0.040	0.083	0.143
Negative Answers	27,559	0.031	0.042	0.000	0.018	0.050
Positive Questions	27,559	0.033	0.043	0.000	0.021	0.053
Negative Questions	27,559	0.025	0.039	0.000	0.000	0.042
Answer Sentiment	27,559	0.067	0.089	0.000	0.056	0.115
Question Sentiment	27,559	0.008	0.056	0.000	0.000	0.036
High-Tegus Lead Deal	27,559	0.215	0.411	0.000	0.000	0.000
Low-Tegus Lead Deal	27,559	0.142	0.349	0.000	0.000	0.000
Deal Type Lead	27,559	0.572	0.822	0.000	0.000	1.000

Table 2 presents descriptive statistics for the primary variables used in our analyses. Panel A reports summary statistics for the firm-month panel dataset. Panel B presents statistics for the call-level dataset.

Table 3
Private Equity Deals and Expert Network Calls

Panel A: Any Expert Network Call

	(1) $Deal_{i,t}$	(2) $Deal_{i,t}$	(3) $VC\ Deal_{i,t}$	(4) $BO\ Deal_{i,t}$
Expert Network Call$_{i,(t-1,t-6)}$	0.039***	0.029***	0.025***	0.004***
	(19.50)	(14.02)	(11.08)	(4.85)
Observations	345,056	345,049	345,049	345,049
Firm FE	N	Y	Y	Y
Time FE	N	Y	Y	Y
Adj. R-Sq	0.003	0.009	0.012	0.044

Panel B: Number of Expert Network Calls

	(1) $Deal_{i,t}$	(2) $Deal_{i,t}$	(3) $VC\ Deal_{i,t}$	(4) $BO\ Deal_{i,t}$
# Expert Network Calls$_{i,(t-1,t-6)}$	0.031***	0.024***	0.021***	0.003***
	(23.75)	(20.47)	(22.47)	(4.79)
Observations	345,056	345,049	345,049	345,049
Firm FE	N	Y	Y	Y
Time FE	N	Y	Y	Y
Adj. R-Sq	0.003	0.009	0.012	0.044

Table 3 examines the association between expert network calls and private equity deal likelihood. The dependent variables are indicators equal to one if there is a private equity (*Deal*), venture capital (*VC Deal*) or buyout (*BO Deal*) for the firm during the month, and equal to zero otherwise. Panel A presents tests using an indicator for whether there was an expert network call for the firm in the six preceding months, and Panel B presents tests using the natural logarithm of one plus the number of calls for the firm in the six preceding months. The sample is firm-months between 2018 and 2024. Standard errors are clustered by industry. *, **, and *** denote statistical significance (two-tailed) at the 10%, 5%, and 1% levels, respectively.

Table 4
Private Equity Capital Raised and Expert Network Calls

Panel A: Any Expert Network Call

	(1) *Capital Raised*$_{,t}$	(2) *Capital Raised*$_{i,t}$	(3) *Capital Raised*$_{i,t}$	(4) *Capital Raised*$_{i,t}$	(5) *VC Capital Raised*$_{i,t}$	(6) *BO Capital Raised*$_{i,t}$
Expert Network Call$_{i,(t-1,t-6)}$	0.138***	0.103***	0.727***	0.534***	0.824***	0.205
	(17.19)	(11.36)	(7.62)	(18.78)	(10.23)	(1.45)
Observations	345,056	345,047	16,488	14,646	13,875	2,613
Firm FE	N	Y	N	Y	N	N
Time FE	Y	Y	Y	Y	Y	Y
Sample	Full	Full	Deals Only	Deals Only	Deals Only	Deals Only
Adj. R-Sq	0.011	0.017	0.037	0.294	0.058	0.005

Panel B: Number of Expert Network Calls

	(1) *Capital Raised*$_{,t}$	(2) *Capital Raised*$_{i,t}$	(3) *Capital Raised*$_{i,t}$	(4) *Capital Raised*$_{i,t}$	(5) *VC Capital Raised*$_{i,t}$	(6) *BO Capital Raised*$_{i,t}$
# Expert Network Calls$_{i,(t-1,t-6)}$	0.115***	0.091***	0.574***	0.411***	0.624***	0.130
	(31.77)	(21.64)	(16.00)	(16.36)	(23.26)	(1.20)
Observations	345,056	345,047	16,488	14,646	13,875	2,613
Firm FE	N	Y	N	Y	N	N
Time FE	Y	Y	Y	Y	Y	Y
Sample	Full	Full	Deals Only	Deals Only	Deals Only	Deals Only
Adj. R-Sq	0.012	0.017	0.043	0.297	0.065	0.005

Table 4 examines the association between expert network call timing and the amount of private equity capital raised. The dependent variable in columns 1-4 (*Capital Raised*) is the natural logarithm of one plus capital raised from the private equity transaction during the firm-month. In columns 5-6 we disambiguate *Capital Raised* into *VC Capital Raised* and *BO Capital Raised*, which are the natural logarithms of one plus deal size for venture capital and buyout deals during the month, respectively. The sample in columns 1-2 is all private firm-months between 2018 and 2024. The sample in columns 3-6 are private firm-months with a deal, with columns 5-6 disambiguating deals into private equity venture capital and buyout deals, respectively. Standard errors are clustered by industry. *, **, and *** denote statistical significance (two-tailed) at the 10%, 5%, and 1% levels, respectively.

Table 5
Private Equity Deals and Expert Network Call Sentiment

	(1) $Deal_{i,t}$	(2) $Deal_{i,t}$	(3) $Deal_{i,t}$	(4) $Deal_{i,t}$	(5) *Capital Raised*$_{i,t}$	(6) *Capital Raised*$_{i,t}$	(7) *Capital Raised*$_{i,t}$	(8) *Capital Raised*$_{i,t}$
Answer Sentiment$_{i,(t-1,t-6)}$	0.075***	0.059***	0.074***	0.057***	2.317***	2.524***	2.286***	2.613***
	(4.74)	(3.42)	(4.14)	(2.94)	(3.80)	(6.95)	(3.98)	(7.58)
Question Sentiment$_{i,(t-1,t-6)}$			0.003	0.011			0.313	-0.861
			(0.10)	(0.37)			(0.32)	(-0.93)
# Expert Network Calls$_{i,(t-1,t-6)}$	0.024***	0.021***	0.024***	0.021***	0.485***	0.309***	0.485***	0.310***
	(19.67)	(22.95)	(19.77)	(22.98)	(20.00)	(9.88)	(20.17)	(9.79)
Observations	345,056	345,047	345,056	345,047	16,488	14,646	16,488	14,646
Firm FE	N	Y	N	Y	N	Y	N	Y
Time FE	Y	Y	Y	Y	Y	Y	Y	Y
Sample	Full	Full	Full	Full	Deals Only	Deals Only	Deals Only	Deals Only
Adj. R-Sq	0.013	0.009	0.013	0.009	0.044	0.298	0.044	0.298

Table 5 examines the association between expert network call sentiment and private equity transaction outcomes. The dependent variable in columns 1-4 (*Deal*) is an indicator equal to one if a private equity deal happens during the month. In columns 5-8, the dependent variable (*Capital Raised*) is the natural logarithm of one plus the amount of capital raised for the private equity venture capital and buyout deal during the month, respectively. *Answer Sentiment* measures the average sentiment of expert responses, while *Question Sentiment* measures the average sentiment of questions during calls in the preceding six months. The sample in columns 1-4 is all private firm-months between 2018 and 2024 using Pitchbook data. The sample in columns 5-8 are private firm-months with completed deals. Standard errors are clustered by industry. *, **, and *** denote statistical significance (two-tailed) at the 10%, 5%, and 1% levels, respectively.

Table 6
Call-Level Sentiment and Private Equity Deals

Panel A: Sentiment and Deal Outcomes

	(1) $Deal_{t+1,t+6}$	(2) $Deal_{t+1,t+6}$	(3) $Deal_{t+1,t+6}$	(4) $Deal_{t+1,t+6}$
Answer Sentiment	0.176***	0.124***	0.165***	0.116***
	(5.87)	(4.88)	(5.24)	(4.30)
Question Sentiment			0.111**	0.080
			(2.03)	(1.52)
Observations	27,559	27,559	27,559	27,559
Industry FE	N	Y	N	Y
Time FE	N	Y	N	Y
Adj. R^2	0.001	0.027	0.001	0.027

Panel B: Positive and Negative Answer Decomposition

	(1) $Deal_{t+1,t+6}$	(2) $Deal_{t+1,t+6}$	(3) $Deal_{t+1,t+6}$	(4) $Deal_{t+1,t+6}$
Positive Answers	0.157***	0.112***	0.160***	0.113***
	(4.12)	(3.32)	(4.10)	(3.29)
Negative Answers	-0.254***	-0.173***	-0.200***	-0.140***
	(-3.78)	(-2.90)	(-3.91)	(-3.04)
Positive Questions			0.007	0.019
			(0.16)	(0.44)
Negative Questions			-0.238**	-0.155*
			(-2.55)	(-1.73)
Observations	27,559	27,559	27,559	27,559
Industry FE	N	Y	N	Y
Time FE	N	Y	N	Y
Adj. R^2	0.001	0.027	0.001	0.027

Table 6 examines the association between individual expert network call sentiment and subsequent private equity deals using call-level data. The dependent variable $Deal_{(t+1,t+6)}$ is an indicator equal to one if a private equity transaction occurs within six months following the call. Panel A presents results using net sentiment measures, where *Answer Sentiment* captures the overall tone of expert responses and *Question Sentiment* captures the tone of investor questions. Panel B decomposes sentiment into positive and negative components separately, which we measure as the number of positive or negative answers or questions in the call, scaled by the number of answers. The sample includes 27,559 individual expert network calls. Standard errors are clustered by industry. *, **, and *** denote statistical significance (two-tailed) at the 10%, 5%, and 1% levels, respectively.

Table 7
Capital Raised and Call-Level Sentiment

	Seed Round Calls	Series A Calls	Series B Calls	Series C Calls
	(1) *Capital Raised*	(2) *Capital Raised*	(3) *Capital Raised*	(4) *Capital Raised*
Answer Sentiment	2.047***	0.712***	0.763***	0.773***
	(6.28)	(8.70)	(7.39)	(4.64)
Question Sentiment	1.441	1.645***	1.127***	0.872*
	(1.61)	(4.55)	(4.40)	(1.84)
Observations	2,820	3,682	4,200	3,510
Industry FE	Y	Y	Y	Y
Time FE	Y	Y	Y	Y
Adj. R^2	0.149	0.049	0.055	0.100

Table 7 examines the association between call-level sentiment and capital raised across different venture capital funding rounds. The dependent variable (*Capital Raised*) is the natural logarithm of one plus the amount of capital raised in each respective funding round (Seed, Series A, Series B, Series C). *Answer Sentiment* measures the sentiment of expert responses during calls, while *Question Sentiment* measures the sentiment of investor questions. The analysis uses call-level data matched to calls occurring relative to funding round timing. We include industry and year fixed effects in all columns. Standard errors are clustered by industry. *, **, and *** denote statistical significance (two-tailed) at the 10%, 5%, and 1% levels, respectively.

Table 8
High- and Low-Tegus Lead Investor Deals

	Multinomial Logit		Multinomial Logit	
	(1a)	(1b)	(2a)	(2b)
	High-Tegus Lead Deal	*Low-Tegus Lead Deal*	*High-Tegus Lead Deal*	*Low-Tegus Lead Deal*
Answer Sentiment	1.212***	-0.065	0.946***	-0.134
	(6.32)	(-0.42)	(5.80)	(-0.93)
Question Sentiment	1.008***	-0.310	0.843***	-0.292
	(4.10)	(-0.64)	(3.85)	(-0.60)
Observations	27,559		27,559	
Industry FE	N		Y	
Time FE	N		Y	
Pseudo R^2	0.002		0.028	

Table 8 presents multinomial logit analyses examining the association between call sentiment and deal outcomes based on lead investor usage of the expert network platform. Lead investors are classified as 'High-Tegus' or 'Low-Tegus' users based on their historical usage patterns relative to the median. The dependent variables are indicators for deals led by high-usage investors (*High-Tegus Lead Deal*) and low-usage investors (*Low-Tegus Lead Deal*). *Answer Sentiment* and *Question Sentiment* measure the tone of expert responses and investor questions, respectively. The sample includes 27,559 expert network calls. Standard errors are clustered by industry. *, **, and *** denote statistical significance (two-tailed) at the 10%, 5%, and 1% levels, respectively.

Table 9
Calls, Deals, and Media Attention

	(1) $Deal_{i,t}$	(2) $Deal_{i,t}$	(3) $Deal_{i,t}$	(4) $Deal_{i,t}$
# *Expert Network Calls*$_{i,(t-1,t-6)}$	0.059***	0.046***	0.944***	0.845***
	(23.71)	(23.22)	(29.80)	(26.51)
# *Media Articles*$_{i,(t-1,t-6)}$	0.012*	0.009	0.207**	0.205**
	(1.77)	(1.69)	(2.47)	(2.50)
# *Calls*$_{i,(t-1,t-6)}$ × # *Articles*$_{i,(t-1,t-6)}$	-0.011***	-0.009**	-0.178***	-0.154***
	(-4.41)	(-2.25)	(-5.96)	(-4.93)
Observations	345,056	345,047	345,056	345,056
Firm FE	N	Y	N	N
Industry FE	N	N	N	Y
Time FE	N	Y	N	Y
Model	OLS	OLS	Logit	Logit
R^2	0.003	0.009	0.007	0.021

Table 9 examines the interaction between expert network calls and media attention in predicting private equity deals. The dependent variable $Deal_{i,t}$ is an indicator equal to one if a private equity transaction occurs during the month. # *Expert Network Calls* $_{i,(t-1,t-6)}$ measures the number of calls about the firm in the preceding six months. # *Media Articles* $_{i,(t-1,t-6)}$ measures media coverage in the preceding six months using Ravenpack data. The interaction term # *Calls* $_{i,(t-1,t-6)}$ × # *Articles* $_{i,(t-1,t-6)}$ tests whether the association between expert calls and deals varies with media attention. Columns 1-2 present OLS results, while columns 3-4 present logit results with standardized coefficients. Standard errors are clustered as indicated. *, **, and *** denote statistical significance (two-tailed) at the 10%, 5%, and 1% levels, respectively.

Table 10
VC Rounds and Call Incidence

Deal Type	Number of Deals	Number of Deals Preceded by Calls	Number of Calls Preceding Deals
Seed	2,535	147	536
Series A	3,141	452	2,403
Series B	2,164	559	4,409
Series C	1,266	355	3,472

Table 10 presents descriptive statistics on expert network call activity across different venture capital funding stages from 2018 to 2014 based on Pitchbook data. The table reports the number of deals in our sample for selected funding round types (Seed, Series A, Series B, Series C) between 2018 and 2024. For each deal type, we report the number of deals preceded by at least one expert network call within six months and the total number of calls associated with those deals.

Table 11
VC Life Cycle Deals and Expert Network Calls

Panel A: Multiple Regressions

	Seed Round Sample	Series A Round Sample	Series B Round Sample	Series C Round Sample
	(1) *Seed Deal*	(2) *Series A Deal*	(3) *Series B Deal*	(4) *Series C Deal*
# *Expert Network Calls*$_{i,(t-1,t-6)}$	0.001***	0.012***	0.021***	0.009***
	(3.26)	(11.61)	(19.45)	(16.59)
Observations	218,258	122,299	96,135	68,628
Firm FE	Y	Y	Y	Y
Time FE	Y	Y	Y	Y
Adj. R^2	0.031	0.018	0.024	0.018

Panel B: Tests of Coefficient Equality

Joint Test (H_0: All coefficients equal)	$\chi^2 = 657.57$***
Pairwise Tests (H_0: Coefficients equal):	
Seed vs Series A	$\chi^2 = 120.47$***
Seed vs Series B	$\chi^2 = 393.51$***
Seed vs Series C	$\chi^2 = 71.98$***
Series A vs Series B	$\chi^2 = 21.82$***
Series A vs Series C	$\chi^2 = 34.64$***
Series B vs Series C	$\chi^2 = 159.26$***

Table 11 examines the association between expert network calls and deal likelihood across different venture capital funding stages. Panel A presents regression results where the dependent variables are indicators for specific funding round types (Seed, Series A, Series B, Series C) during the month. The independent variable is the natural logarithm of one plus expert network calls in the preceding six months. Each column restricts the sample to firms eligible for the respective funding stage. Panel B presents statistical tests of coefficient equality across funding stages. All specifications include firm and year fixed effects. Standard errors are clustered by industry. *, **, and *** denote statistical significance (two-tailed) at the 10%, 5%, and 1% levels, respectively.

Table IA.1
Private Equity Deals and Expert Network Call Timing

	(1) $Deal_{i,t}$	(2) $Deal_{i,t}$	(3) $VC\ Deal_{i,t}$	(4) $BO\ Deal_{i,t}$
# Expert Network Calls$_{i,t-1}$	-0.000	-0.005**	-0.002	-0.003***
	(-0.17)	(-2.20)	(-0.94)	(-6.28)
# Expert Network Calls$_{i,t-2}$	0.034***	0.029***	0.028***	0.002*
	(11.87)	(11.02)	(10.94)	(1.76)
# Expert Network Calls$_{i,t-3}$	0.032***	0.026***	0.022***	0.004***
	(11.43)	(10.29)	(11.73)	(3.60)
# Expert Network Calls$_{i,t-4}$	0.022***	0.017***	0.013***	0.004*
	(12.47)	(10.57)	(8.55)	(1.98)
# Expert Network Calls$_{i,t-5}$	0.015***	0.012***	0.010***	0.002**
	(6.72)	(5.07)	(5.98)	(2.61)
# Expert Network Calls$_{i,t-6}$	0.015***	0.008*	0.004	0.005***
	(4.06)	(2.00)	(1.02)	(3.10)
Observations	345,056	345,049	345,049	345,049
Firm FE	N	Y	Y	Y
Time FE	N	Y	Y	Y
Adj. R-Sq	0.003	0.009	0.012	0.044

Table IA.1 examines the association between expert network call timing and private equity deals. The dependent variable in columns 1-2 (*Deal*) in is an indicator equal to one if there is a venture capital or buyout deal for the firm during the month, and equal to zero otherwise. In columns 3-4, we disambiguate *Deal* into *VC Deal* and *BO Deal*, which are indicators equal to one if a venture capital or buyout deal occurs during the month, respectively. The sample is firm-months between 2018 and 2024. Standard errors are clustered by industry. *, **, and *** denote statistical significance (two-tailed) at the 10%, 5%, and 1% levels, respectively.

Table IA.2
Private Equity Deals and Expert Network Call Participants

	(1) $Deal_{i,t}$	(2) $Deal_{i,t}$	(3) $Deal_{i,t}$
# Competitor Expert Network Calls$_{i,(t-1,t-6)}$	0.026***	0.021***	0.017***
	(9.24)	(9.52)	(7.78)
# Consultant Expert Network Calls$_{i,(t-1,t-6)}$	0.021***	0.021***	0.017***
	(10.37)	(10.35)	(11.90)
# Customer Expert Network Calls$_{i,(t-1,t-6)}$	0.028***	0.023***	0.024***
	(30.61)	(23.61)	(27.78)
# Former Exec Expert Network Calls$_{i,(t-1,t-6)}$	0.006*	0.006*	-0.002
	(1.75)	(1.85)	(-0.73)
# Partner Expert Network Calls$_{i,(t-1,t-6)}$	0.007	0.006	0.010*
	(0.99)	(0.99)	(1.76)
Observations	345,056	345,056	345,049
Firm FE	N	N	Y
Time FE	N	Y	Y
Adj. R-Sq	0.003	0.013	0.009

Table IA.2 examines the association between private equity deals and expert network calls from different types of participants. The dependent variable (*Deal*) is an indicator equal to one if there is a private equity deal for the firm during the month, and equal to zero otherwise. The independent variables measure the natural logarithm of one plus the number of expert network calls with different types of participants (competitors, consultants, customers, former executives, and partners) in the six preceding months. The sample consists of firm-months between 2018 and 2024. Standard errors are clustered by industry. *, **, and *** denote statistical significance (two-tailed) at the 10%, 5%, and 1% levels, respectively.

Table IA.3
Capital Raising and Expert Network Call Participants

	(1) *Capital Raised*$_{i,t}$	(2) *Capital Raised*$_{i,t}$
# Competitor Expert Network Calls$_{i,(t-1,t-6)}$	0.033	0.019
	(0.16)	(0.10)
# Consultant Expert Network Calls$_{i,(t-1,t-6)}$	0.130***	0.236***
	(3.79)	(6.86)
# Customer Expert Network Calls$_{i,(t-1,t-6)}$	0.470***	0.493***
	(7.49)	(6.98)
# Former Exec Expert Network Calls$_{i,(t-1,t-6)}$	0.616***	0.590***
	(6.74)	(6.86)
# Partner Expert Network Calls$_{i,(t-1,t-6)}$	0.432***	0.392***
	(4.97)	(5.22)
Observations	16,490	16,490
Time FE	N	Y
Sample	Deals Only	Deals Only
Adj. R-Sq	0.023	0.042

Table IA.3 examines the association between private equity capital commitments and expert network calls from different types of participants. The dependent variable (*Capital Raised*) is the natural logarithm of one plus capital raised from the private equity transaction during the firm-month. The independent variables measure the natural logarithm of one plus the number of expert network calls with different types of participants (competitors, consultants, customers, former executives, and partners) in the six preceding months. The sample consists only of firm-months with private equity deals between 2018 and 2024. Standard errors are clustered by industry. *, **, and *** denote statistical significance (two-tailed) at the 10%, 5%, and 1% levels, respectively.

Table IA.4
Alternative Fixed Effects Structures

Panel A: Firm × Year Fixed Effects

	(1) $Deal_{i,t}$	(2) $VC\ Deal_{i,t}$	(3) $BO\ Deal_{i,t}$
# Expert Network Calls$_{i,(t-6,t-1)}$	0.026***	0.023***	0.003***
	(21.67)	(25.28)	(3.73)
Observations	344,332	344,332	344,332
Firm × Year FE	Y	Y	Y
R-Sq	0.087	0.086	0.163

Panel B: Firm × Year-Quarter Fixed Effects

	(1) $Deal_{i,t}$	(2) $VC\ Deal_{i,t}$	(3) $BO\ Deal_{i,t}$
# Expert Network Calls$_{i,(t-6,t-1)}$	0.017***	0.015***	0.002
	(8.31)	(10.85)	(1.42)
Observations	342,622	342,622	342,622
Firm × Year-Quarter FE	Y	Y	Y
R-Sq	0.324	0.324	0.378

Table IA.4 examines the robustness of the relationship between expert network calls and private equity deals to alternative fixed effect specifications. The dependent variables are indicators equal to one if there is a private equity (*Deal*), venture capital (*VC Deal*) or buyout (*BO Deal*) for the firm during the month, and equal to zero otherwise. The independent variable is the natural logarithm of one plus the number of expert network calls for the firm in the six preceding months. Panel A includes firm × year fixed effects, while Panel B includes more stringent firm × year-quarter fixed effects. The sample consists of firm-months between 2018 and 2024. Standard errors are clustered by industry. *, **, and *** denote statistical significance (two-tailed) at the 10%, 5%, and 1% levels, respectively.

Table IA.5
Alternative Clustering

Panel A: Cluster Standard Errors by Firm

	(1) $Deal_{i,t}$	(2) $VC\ Deal_{i,t}$	(3) $BO\ Deal_{i,t}$
# Expert Network Calls$_{i,(t-1,t-6)}$	0.024***	0.021***	0.003***
	(18.63)	(17.38)	(6.56)
Observations	345,047	345,047	345,047
Firm FE	Y	Y	Y
Time FE	Y	Y	Y
Adj-R^2	0.009	0.012	0.044

Panel B: Double Cluster Standard Errors by Firm and Month

	(1) $Deal_{i,t}$	(2) $VC\ Deal_{i,t}$	(3) $BO\ Deal_{i,t}$
# Expert Network Calls$_{i,(t-1,t-6)}$	0.024***	0.021***	0.003***
	(24.04)	(23.43)	(5.32)
Observations	345,047	345,047	345,047
Firm FE	Y	Y	Y
Time FE	Y	Y	Y
Adj-R^2	0.009	0.012	0.044

Panel C: Double Cluster Standard Errors by Industry and Month

	(1) $Deal_{i,t}$	(2) $VC\ Deal_{i,t}$	(3) $BO\ Deal_{i,t}$
# Expert Network Calls$_{i,(t-1,t-6)}$	0.024***	0.021***	0.003***
	(25.53)	(32.63)	(4.62)
Observations	345,047	345,047	345,047
Firm FE	Y	Y	Y
Time FE	Y	Y	Y
Adj-R^2	0.009	0.012	0.044

Table IA.5 examines the robustness of the relationship between expert network calls and private equity deals to alternative standard error clustering approaches. The dependent variables are indicators equal to one if there is a private equity (*Deal*), venture capital (*VC Deal*) or buyout (*BO Deal*) for the firm during the month, and equal to zero otherwise. The independent variable is the natural logarithm of one plus the number of expert network calls for the firm in the six preceding months. Panel A clusters standard errors by firm, Panel B double clusters standard errors by firm and month, and Panel C double clusters standard errors by industry and month. The sample consists of firm-months between 2018 and 2024. *, **, and *** denote statistical significance (two-tailed) at the 10%, 5%, and 1% levels, respectively.