

Becoming Rich with Stocks:

Countless people around the globe go to bed at night, or get up in the morning, with a thought, dream, plan or scheme to become rich. Often, those thoughts involve interest in stocks, since so many people who are rich got there through common stock investing. The concept of "really rich" to most investors means wealthy enough to be financially independent. For thousands of years people in all lands have dreamed of real wealth. Sometimes they only dreamed and schemed, sometimes they speculated, and sometimes they found a way that truly worked.

If you really, really want to be rich, you can forget about little formulas and gimmicks---if they worked, everybody would be rich, and you already know that. But, people still seem to think that it is just like weight loss products---there is something magical around the corner that will let them eat and skip exercise and lose weight.

BUT---and this is a big but---you do NOT have to go through the kind of mental work and strain that dieting and weight lifting appear to be for most people. It actually can be easier than almost everybody thinks.

IT IS COMMON SENSE that we are all born with, and just learning to use that and FOCUS are the keys. I achieved my great investing record focusing on less information, not more. People become overwhelmed with the information flow and need a compass to handle it. BASM (described under the four factors page) is that compass and your focus.

At the end of the day, most people DO encounter true wealth stocks that can make them rich along their paths, but do not know what to do about it, and think it is a game for pros (most pros can't generally pick stocks that well) or very technical and numerical, rather than common sense and holistic.

Now think of a top military commander that concentrates most of his thinking on hardware and money rather than intelligence and the strategies that flow from intelligence.

I like to tell people about the photographer and hunter in the jungle.

Photographer number one spends all of his time on his lenses and shooting techniques, and hunter number one spends all of his time on his guns and practicing marksmanship.

Their results will be good, in general, from doing those every things.

BUT, those results will never be the very best---never be the equivalent of an investor who reaches great wealth, especially compared to photographer number two, and hunter number two, who have devoted most of their time to studying animal behavior, and thus get the best shots.

That is why this is a behavioral book and a book to portray four simple factors to track how great companies that create great wealth stocks, actually look like, and how they behave as they compete in their own jungles.

If you use your common sense and step away from the torrent of information and really focus, you can beat the pros that are overwhelmed with research reports and earnings estimates. You can also learn to recognize the true wealth stocks that can multiply money by 50X or even 200-500X when you do encounter them. Almost everybody does encounter them. This, then, is the commonsense and real way to the Big Money.

There are many people with no training at all that have used their common sense to identify great stocks, and become independently wealthy. While others have tried to digest truckloads of information, those with common sense and focus have had the advantage.

Management and business models are factors that explain more than those truckloads of minutiae.

Today, the Internet and other resources make it possible for you to learn all about who a CEO truly is. You can find out things right at your desk that I and other professionals had to research through travel, meetings, and phone calls.

You can predict the behavior of your closest family members and friends in certain situations, so even if you cannot predict the behavior of CEOs quite as well, you can still separate the great ones from the rest. That's what it's all about.

Identifying great CEO's and understanding the best corporate business models can make you very wealthy. The system of identifying those investing elements---that I describe over and over again---is what most great investors have found through their experiences---like those in the cases we look at here. It is the best way to make a lot of money, and

over the years I refined what many of us used into the key four elements of great companies and great stock picks. Thus BASMâ€”the four elementsâ€”is how you can identify and predict the companies whose stocks will generate the big money for investors.

When I left school, I heard a story over lunch from someone on Wall Street--a single story that very much helped from my investment attitudes and style. A man named Dave told me how he had always used his common sense and curiosity to scan small companies with big potential, both for the excitement, and for the possibility of becoming rich from one stock. He knew it was very possible then, and I saw that it happened over the decades since, and is still happening.

One of the small companies Dave found was the company called Haloid--it is now Xerox. It was the pioneering period for copiers. Dave used common sense and asked questions and got answers and bought stock, and over time kept adding to his holdings as he got more and more confirmation that they could do a great job. Dave became very rich--independently wealthy from this stock.

As much as I benefited from training in my early investment days, it was the practical applications of this commonsense approach that started me on a track that became my personal methodology in most things, including talking to airline pilots, truck drivers, and baseball-card dealers, over the years, to name just a few. In this situation, as the Xerox stock had climbed higher, my lunch partner had known more, had greater confidence, and had bought more. The ups and downs of the market would affect the stock price, of course, but he bought on dips because he had great faith that this company would persevere. He told me that the more knowledge he had, the more money he made; and the more money he made, the more he wanted to know.

This all became both an inspiration, and a model for me.

You will find the full story of Dave and Xerox in his book, along with the stories of the early days and identifying characteristics of many of the greatest companies and stocks of the past few decades. Stocks that made many investors very rich---and how those investors often did it.

The stories and attached lessons in this book will entertain you, but can also inspire you, and easily show you how you also can become truly rich using common stocks.