

Tech Investing: From Microsoft and Dell to eBay and Google

"There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success than to take the lead in the introduction of a new order of things."- Machiavelli, 1469 - 1527

He knew everything there was to know and had all the answers. He could see around corners. He could see into the future, and even into the blackness of the vast unknown. Things that were to dramatically shape and affect our lives were in his power to create and mold as he wanted them.

He was a wizard - and maybe had the powers of the legendary Merlin. We did not know. All that we did know was that the brokers and others who talked about him spoke in grandiose and amazing terms. In hushed voices, they would say, "He is coming. It is really him. and he is going to amaze you."

That is the beginning of a chapter on technology investing, from the book, and it leads into one of the greatest tech stories of all time. It also describes the secrets of how great tech managers make their companies successful and how great tech investors recognize these stocks and stories before they appreciate too much.

For starters, great tech companies have to have great BASM (see "the four factors" on another page) just as non-tech companies do. The difference between those few tech companies that actually stick around to rule, and the vast majority that fail or go away completely, is BASM.

Within the elements of BASM, is a concept essential to technology success: Repeatability. The book outlines what it is, how the company whose CEO is described above achieved it, and why it matters so much to becoming truly rich.

Tech investors frequently get blinded by the oncoming headlights of snazzy, exciting technologies and forget that the engine of continuous tech product offerings is the stuff that great companies are made of, beginning with a business model that works.

Each of the world-class tech stories that has made people really rich has certain elements in common. Elements that each investor can easily learn to recognize. Those elements create repeatability and repeatability generates enormous profits and stock prices and, of course, wealthy stock holders.