



## **IFB359: Mastering Time Management for Busy Investors**

All right, folks, so welcome to Investing for Beginners podcast. Today we have episode 359. Today we're going to tackle two different topics which I think you guys will find interesting and will hopefully be helpful for you as you go on your investing journey. So the first topic is how to stay up to date.

00:00:51 Dave

Without spending hours working on your companies. So.

00:00:56 Dave

Investing is a challenge. You need to read. You need to learn as much as you can about the companies. But let's say that you have a wife, a family, significant, others a job, and you don't have hours and hours and hours to stay up to date. How do you do it? So, Andrew, how do you?

00:01:13 Andrew

Do it. That's a great question. How would you say people?

00:01:16 Andrew

To do it.

00:01:17 Dave

Oh, that's a good question. I think there's lots of ways that I think this is if I was limited in my time, how I would try to do it. Number one is, depending on who your broker is, you can set up alerts where they can send you e-mail updates on your companies.

00:01:38 Dave

So let's say.

00:01:38 Dave

That you own Apple, Microsoft, Google and Amazon.

00:01:43 Dave

You can set up alerts with fidelity and they will send you updates on depending on what you want, whether you want updates on the stock price, moving whether you want updates on the company, filing different filings like a 10K10Q8K, things of that nature, they'll send you updates on.

00:02:03 Dave

All that stuff.

00:02:03 Dave

And so you can pick and choose how and when you want to consume that information, whether it's.

00:02:10 Dave

You know if if you ride a train to work then you can read it then or you can read it at night after the kids go to bed. You could there's lots of different ways. So that's one way. I guess another way I would look at it would be if you have an investment platform you're working with like Andrew and I love Finn chat dot IO with them.

00:02:30 Dave

You can actually they have an API that you can basically type in the ticker for, let's say Apple, and you can ask it to give you an update on their latest quarter results and then it will, you know do as maybe.

00:02:44 Dave

Then it'll spit out.

00:02:46 Dave

150 words or so of how Apple did last quarter. And so that's another way. So those are a couple things that I could think of. Do you have any tricks of the trade that you would utilize or would suggest people utilize? Yeah, something I like to do as I keep a master spreadsheet of all the companies in my portal.

00:03:07 Andrew

And then so right now I have like KPI's I track for every company in My Portfolio and so I'm taking that master spreadsheet every time that they have earnings and I am basically inputting those and then there's formulas in there to kind of tell me, all right, this KPI is growing. So that's good and.

00:03:26 Andrew

Maybe this one's not, and then I can very quickly visually identify if there's one that's not doing as well. And so I tend to.

00:03:37 Andrew

Partition my time and there's probably ways I need to limit this because if I'm always focusing on the bad companies, I could be missing opportunities to double down on the winners. But it does kind of show me which companies maybe need a deeper dive and so that's what I've been using trying to use financial performance.

00:03:57 Andrew

To dictate where I put my attention, rather than trying to keep give equal attention to all the companies in our portfolio, I just for me personally that hasn't been something that a I've been able to do. B have wanted to do and see think is good to do. But like with any.

00:04:15 Andrew

Process decision you make. There's trade-offs so you have to weigh the pros and cons. Look at your investment strategy and ask yourself does it kind of jive and does it all make sense with what you're doing and how you're trying to keep up with the companies and and how you're trying to invest? Does that jive or not? And?

00:04:35 Andrew

For everyone that might be different, but I think in general, the more time you can save doing that, the more time you can spend to find.

00:04:42 Dave

Other opportunities? Yeah, that's great advice. I know one thing I don't do, and I I would recommend people don't do is watch the news. I would try to stay away from that.

00:04:55 Dave

As much as you can.

00:04:57 Dave

Simply for the fact that we've talked about this before.

00:05:02 Dave

There they get paid to have eyeballs and a lot of times to get eyeballs. They have to be sensational. It bleeds, it leads kind of thing and.

00:05:13 Dave

Anything that's going to make.

00:05:14 Dave

You have a.

00:05:17 Dave

Adverse or positive reaction that causes you to make a.

00:05:22 Dave

An action I think you should try to avoid it at all costs because the last thing you want to do is blow up your portfolio based on a a feeling or an emotion and anything that you can do to try to limit those kinds of things in your life.

00:05:43 Dave

Will be very, very helpful not only just in, in investing, but just as a general rule.

00:05:48 Dave

And so I don't watch the news at all. It doesn't mean I don't stay up on financial news, but I just choose different ways to do it. There's a couple of newsletters that I read on a daily basis. One is the morning blue and the other one is 14.

00:06:01 Dave

40 and those.

00:06:03 Dave

To me, give me kind of a basic overview and Seeking Alpha does offers news as well.

00:06:09 Dave

All three of.

00:06:09 Dave

Those are good places to get information without some of the sensationalism, and I think if you can avoid that, I think that could be very, very helpful and it can save you hours of research and panic. You know, sorting of different companies and trying to figure out what the heck happened to Amazon. I think the other thing to keep in mind when you're thinking about.

00:06:30 Dave

How do you stay up to date with your companies or whatnot?

00:06:33 Dave

In the back of your mind, realize that you don't have to. You don't have to stay on top.

00:06:41 Dave

Every second of every day to see how the company is doing. It's OK to pass, you know, spend a few days, weeks, months without checking your portfolio. And in most cases, if you've bought great companies, you don't really have to do much. And so keeping up to date is fine.

00:07:01 Dave

But if it's a company that you're really worried about.

00:07:05 Dave

Then you have to ask yourself, is this really the right investment for me? So I think there's other things that kind of stack on top of that, but that's one thing I always try to keep in mind when I'm thinking about how much time do I need to spend worrying about what is Google.

00:07:18 Andrew

What's going on with Google? So what in your mind helps you differentiate from something that you worry about?

00:07:25 Andrew

That's to something you worry about more.

00:07:28 Andrew

Or.

00:07:28 Andrew

Is it not that simple? No, I don't think it's that simple.

00:07:31 Dave

At least not for me, maybe.

00:07:32 Dave

It is for other.

00:07:33 Dave

People, I think some of it may just be.

00:07:37 Dave

You know, because I'm more tuned in, IE I spend a lot of time on social media.

00:07:43 Dave

You do come across.

00:07:46 Dave

News about companies that you own and sometimes the hard part is trying to filter through the noise to what's actually impactful and that can be a challenge. And so sometimes you have to filter.

00:08:00 Dave

Or.

00:08:01 Dave

To try to filter the news based on what I think really is going on. Sometimes there will be news that will come out that everybody will extrapolate that will cover the whole stock market and sometimes it's really more just one particular sector and it's so it's not a sector I own, so I won't worry about it. But if it is a sector I worry about.

00:08:21 Dave

Then for me, then it would lead me to go spend some time. OK, is this real or is this noise and?

00:08:28 Dave

I think that can be, yeah. Especially when there is news about things that don't really pertain necessarily to the.

00:08:35 Dave

To the operations of the business, but everybody's making a big deal out of it and I'm struggling to think of something specific at the moment, but I know there's lots of opportunities to alphabet every other week on this on every other week, soft every other week. Yeah, there's all the all the big names, we all the big names.

00:08:45 Andrew

Alphabet.

00:08:47 Andrew

Yeah, yeah.

00:08:51 Dave

Yeah.

00:08:55 Dave

There's always lots.

00:08:56 Dave

Of drama, not drama, but there's always something going on.

00:09:00 Dave

That people will extrapolate that could.

00:09:03 Dave

Or could not have any bearing on those potential companies. But by and large, you'll probably come out better by not doing anything than doing something. And so that's that tends to be my default position until I feel otherwise.

00:09:21 Andrew

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00:09:34 Andrew

Yeah, it's a good one. If you're doing the work correctly on the front end, hopefully you're minimizing how much of the selling you have to go on.

00:09:41 Dave

The back end right, exactly. I think what you just said, there's probably something to keep in mind. It was. Well, the better you know the company and the more work that you've done in the company, probably the less you need to worry about.

00:09:53 Dave

Staying on top of every single thing that happens with the company, some of it's going to depend on what the company.

00:09:59 Dave

Is, you know when you.

00:10:00 Dave

Look at.

00:10:02 Dave

A company like the Mag 7, you know, and Amazon, for example. It's been around for a long time. It's a.

00:10:06 Dave

Fairly.

00:10:07 Dave

Stable, mature ish company. But if you're looking at something that it's a new start up and it just went public six months ago and you own it and the jury is still out on whether their product or service is going to be a hit or a winner.

00:10:22 Dave

In the market, then you gotta adjust your priorities. You probably have to pay a lot more attention to something like that than you do Walmart, for example. And so I think that can have a bearing on it too.

00:10:35 Andrew

Yeah.

00:10:37 Andrew

Probably another reason why I don't buy those types of stocks.

00:10:40 Speaker 2

Right.

00:10:41 Dave

Yeah, a lot of people will refer to those, you know, a portfolio full of the Walmarts and Amazons and whatnot as, like a sleep well portfolio like it.

00:10:51 Dave

You to.

00:10:51 Dave

You know, sleep at night and not stress about whether the company that you just bought.

00:10:56 Dave

And you know, put.

00:10:58 Dave

10% of your.

00:10:59 Dave

Life savings into whether or not it's going to.

00:11:01 Dave

Be hit or.

00:11:02 Dave

Not, I think that's a lot harder place to be than if you put 10%.

00:11:05 Dave

Into Amazon, for example. Right. All right.

00:11:08 Dave

So now that we've talked about how to stay up to date with companies you own, how do you analyze companies that you don't own without spending hours?

00:11:19 Andrew

I can't help you there either.

00:11:23 Andrew

There's like asking a smoker how do you not smoke well.

00:11:30 Dave

Maybe, maybe not. Today, Andrew. But maybe think five years ago, Andrew that maybe had a full time job. How did you look at companies? I know the process.

00:11:40 Dave

May have been a little different as far as what you.

00:11:42 Dave

Were looking for but.

00:11:44 Dave

Maybe how would you think about? Maybe how could some of those strategies and tactics translate to?

00:11:51 Dave

Cool.

00:11:52 Dave

What you're doing now?

00:11:53 Andrew

Yeah, I can certainly share some tactics the the standard ones that we like to talk about a lot. Findis is a stock Screener. You can use filter companies. Finn Chat also has a Screener and that's also great for visualizing the financial statements. Quick FS is 1 I use to.

00:12:14 Andrew



Get the numbers of financial statements and get them into Excel really quickly. Both of those approaches can be important because you can see something visually that you won't see with the numbers. You can see something with the numbers that you won't see visually. Bam SEC is a great tool. The premium tool is worth every penny. If you're serious about this, they have a little feature in there where if I'm looking at.

00:12:34 Andrew

Airbnbs balance sheet for 2023. They have a little button that says similar tables so you can click the similar tables and you can very quickly look at 202221201918. You can scroll all the way down for however long that they've done.

00:12:51 Andrew

And the financial statements and it works for KPI tables too. So as long as they report, I don't know what they do with the structure that they allow web guy or whatever. But if they structure like they're comparable sales, like if a a restaurant, if they have that same table and every annual report.

00:13:11 Andrew

You can just click similar tables and you can very quickly see you know five years, 10 years of comparable sales.

00:13:18 Andrew

And that shortens the time window in case those KPIs aren't on thin chat already. So all of those things definitely help to save time, and there's probably more, but those are the ones that that come up to the surface. For me, it just initially what else is out there that you've?

00:13:34 Dave

Seen all those tools are fantastic and I used them and wholeheartedly.

00:13:39 Dave

Support using them and I think the way that you can use them can help you really kind of sort through companies quickly and help you find ones that deserve.

00:13:50 Dave

Of stopping and spending more time on our friend Brian Faraldi talks a lot about different metrics that you can use to kind of analyze a balance sheet for example, and you can find 8 to 10 of them and you can use those with a Screener to help you kind of sort through this particular company.

00:14:10 Dave

And determine whether this one is worth.

00:14:13 Dave

Spending more time on this rock or turning over another rock. And I think when especially when you're in limited time, I think that's really a valuable idea to work through. And it really comes down to having a

checklist. If you have a checklist of things that you're looking for in companies that can really help you narrow down how much time I need to spend.

00:14:35 Dave

Trying to analyze a particular.

00:14:37 Dave

Company because once you have a target in mind, a company would say it there B and you really like this company and then you can start spending time kind of digging into it and tearing it apart, also remembering you're not under a time constraint. You don't have to.

00:14:55 Dave

If you discover that you really like Airbnb, there's nothing wrong with taking a month or two to really learn the INS and outs of the business before you buy.

00:15:06 Dave

And I say that because in general with the market, you got to say that in general, you're not going to see huge price swings in a month or two period of time. So it gives you time to do the due diligence that you feel like you need to do.

00:15:23 Dave

To make an informed decision about buying Airbnb or not, and like we said in the last episode of the.

00:15:30 Dave

Broadcast, even if you spend all this time working in the Airbnb and you end up not buying it, that's not time wasted. That's knowledge that you've learned on how to analyze a company like Airbnb and different parts of that can translate to other things. So, for example, if you discover, hey, I don't like Airbnb, but I really like booking now you can take a lot of the stuff you learn from Airbnb.

00:15:51 Dave

You can translate that to booking and it can help you accelerate that process.

00:15:57 Dave

A little bit, but I think that's the big thing is you don't feel like if you buy, I'm just gonna throw out numbers. If you buy Airbnb at \$110 versus \$120.00 and you hold it for a five year period and the company earns you know 18% returns over those five years. Is that \$10 difference is not going to make or break your?

00:16:17 Dave

You know, so it's not worth, you know, getting all bent out of shape or excited about, you know, I gotta buy it at \$94.00 a share. No, you don't. If you buy it at 110. And that's a great company.

00:16:28 Dave

And it goes up and does 20% CAGR for the next 10 years, you're going to be pretty happy with where you are. You're not going to be like in 20 years like I showed up on it at 94, it's not going to make that that big of a difference. And so I think if you go into it with that mindset that I have time and that once I find something I want.

00:16:48 Dave

Then I can kind of step not step off the gas pedal, but I don't feel I don't need to feel the pressure to decide tomorrow kind of thing.

00:16:56 Andrew

Yeah. So kind of picking backing off of the like, if you learn about Airbnb and.

00:17:02 Andrew

You end up not buying it, just as one of the examples you could use.

00:17:07 Andrew

If I look at the franchise businesses, when you look at the restaurant and the whole franchise model, I don't think the first one I looked at, I ended up buying. But I did end up buying one or several anyway the like that kind of mental model of the franchising.

00:17:26 Andrew

You can apply that to even the hotel industry like the Marriotts and Hiltons of the world.

00:17:32 Andrew

Vast majority franchised and so.

00:17:35 Andrew

It it doesn't always have to be directly in that same industry and.

00:17:41 Andrew

I feel like Charlie Munger was alluding to this when he talked about mental models you can find.

00:17:48 Andrew

Competitive advantages, moats, types of businesses, aspects of businesses, negative working capital or something, all these things that translate to other businesses and other industries.

00:18:02 Andrew

And that stuff just compound. And so I know we talked about that a lot in the last episode, but that is something that's very cool about doing the work and really trying to understand it for yourself. So when you can understand that, then you can apply in other areas and that does save time. Like when I was looking at.

00:18:21 Andrew

Marriott and Hilton. And I'm always like checking up on them every six months. I don't have to relearn what a franchise model is because I really learned it from previous work. But the work does get faster if you're discouraged because you like the stuff's taking so much time as you gain experience and knowledge.

00:18:39 Andrew

It does help with that time problems as you learn more.

00:18:44 Speaker 1

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00:19:04 Speaker 1

Go to [dcp123.com](http://dcp123.com) to get your first lesson. Now that's DCF 123.com.

00:19:14 Dave

Yeah, absolutely it does. I know that once I figured out how visa works, then I automatically knew how MasterCard worked, and then I could translate that kind of same kind of idea to PayPal or to block or to wise or it just, you know, it could go on and on and on so.

00:19:34 Dave

Once you kind of understand how that business model works, you can translate that information to other companies once you understand.

00:19:42 Dave

How semiconductors work, you can somewhat transfer that to other companies and it can make it it. Like you said, it can make it a lot easier to understand those and so that's why I feel like running business models is one of those areas that you can spend a little time on that can really help you.

00:20:02 Dave

Accelerate your your learning curve as well as the time spent to analyze particular companies. Once you understand the retail industry, it's not going to be that vastly different when you look at.

00:20:14 Dave

Abercrombie Fitch versus, you know, Skechers. It's, you know, yes, what they're selling is different, but the kind of the basic same idea of how they operate and what they do will translate. And that can be hugely beneficial. And I think if you spend a few minutes.

00:20:31 Dave

You're trying to to do that. I think you'll get a lot farther along with the more limited time, and again, going back to what I said earlier, you don't have.

00:20:41 Dave

Buy all 6000 companies tomorrow and you have time to figure out what works best for you, what you like and what you're interested in. And I think a great way to start learning about the businesses is think about where it is you work. It may not be a public company and it may not necessarily be something you even may want to buy.

00:21:03 Dave

But it certainly could provide you with some insight or scoop on how this business works. Think about how they make money.

00:21:10 Dave

How they operate, you know their business model, what they sell, what they don't sell and who their competitors are. And those are all things you can just start translating to other companies. And I think that can help you speed up the process. But it takes a little work to get there. But once you do and then it, it definitely speeds it up for sure.

00:21:29 Andrew

So you don't think this is something people should try the shortcut or save time on?

00:21:34 Dave

No, I don't think that.

00:21:37 Dave

If you don't understand what the business does.

00:21:39 Dave

Then all the other gobbledy.

00:21:41 Dave

Goop you do is just.

00:21:43 Dave

Kind of.

00:21:44 Dave

I don't know, or lack of a better word, wasting time. You don't understand how Visa makes money then it doesn't really matter if you understand what their all I see is or what their capital allocation decisions are. Because if you don't really understand how they make money, then you're never going to understand why they're not doing well. And that's just as important as understanding why they're doing well.

00:22:06 Andrew

So how can someone know if they're kind of checking all those boxes?

00:22:11 Dave

That's a really good question. I think for the business model part of it, there's probably two ways I would kind of think about it. So the first way would be to.

00:22:25 Dave

Ask yourself, can I write down what this company does in 15 words? It's a cool little exercise, and it's a lot harder.

00:22:33 Dave

Than you think.

00:22:34 Dave

So if you can do that, or if you could.

00:22:36 Dave

If let's say that.

00:22:37 Dave

You have a child, you know a 10 year old and you, if you can explain to them how Netflix makes money.

00:22:45 Dave

Then you're onto something. So if you can explain it, you know, break it down and explain it to somebody younger than you, then I think you really then you understand, I think you understand the business model. If you can't do that, then I think that's when you need to spend some time really thinking about how is it that Netflix makes money. I think it's probably pretty obvious, but.

00:23:05 Dave

It may not necessarily be and so I think once you start to and every company that you learn is going to have it's part of the process of it's a lot like learning any new skill. And so at first it's going to be a little bit long and a little laborious.

00:23:21 Dave

And a struggle. But once you start to quote, get it and then it starts, they start to come faster and the more experience you have the faster it gets with each thing. You know, I would hesitate to say that if you can understand how Microsoft makes money and then that will put you light years ahead of a.

00:23:40 Dave

Lot of people.

00:23:41 Dave

And I think because they have so many different moving parts, I think that could make it a bit of a challenge. But if you can really learn how that make money or Amazon or Google or any of these companies have multiple business lines it.

00:23:54 Dave

And once you start to get your handle around those, it can make it a lot easier to figure out other things, because there's parts of there's parts of those business models that may not necessarily apply to Netflix, or they may directly, you know, a SaaS business subscription business is what Netflix does. So if you understand that, you can understand part of what Microsoft and Amazon do and.

00:24:14 Dave

And Google, and so all three of those things, even though that's not the whole way that Microsoft makes money, it's a large part of it. And so if you can understand how Netflix works, you can understand.

00:24:24 Dave

And how Microsoft Works and they all can start to connect. And that's really the main way that I would recommend people try to go about doing that and and quote check that box you can look at numbers and things of that nature too and that can help a little bit. But I think it's really more thinking about OK, how does this work? I like to reverse engineer.

00:24:44 Dave

Things I like to look at stuff and go. OK? I get this. How does that get there? So, and if I can feel how it gets there, then I can understand how it works and so. But that's just the way my brain works. So I think you got to.

00:24:56 Dave

Figure out what works best for you.

00:24:59 Andrew

Yeah, I hate. I hate having to write a little blurb. I have to do it every month and it I always put it off because I'm always like, this is really mentally difficult, like just a little more, just a little blurb. It's really hard, but it is a great litmus test of do you actually understand what you're investing in and why?

00:24:59

What are your thoughts?

00:25:11 Dave

Yeah.

00:25:19 Andrew

And yeah, there's a lot to be said for that.

00:25:22 Andrew

I think that's.

00:25:24 Andrew

Such a good, good way to go about like if you actually understand the business.

00:25:28 Dave

Yeah. So I'm going to put this.

00:25:30 Dave

Out there into the void, if you.

00:25:32 Dave

Want to practice and you don't have somebody to practice on?

00:25:35 Dave

Send them to us.

00:25:37 Dave

Send them to at newsletter at investing for beginners.com or you can reach out to us on the X machine and just.

00:25:45 Dave

Send us a blurb about any company you want, whether it could be anybody meta, Airbnb. It could be some small cap thing. Doesn't have to be just the big companies. Is there anything you're interested in? Send them to us and then we can talk about whether we think you are on the mark or not. And it could be helpful for you. So it's a great exercise and I know I try to do it. I don't have the same pressure that Andrew.

00:26:07 Dave

Every month, but I try to do it and it it. It is hard to challenge.

00:26:12 Andrew

It is very challenging. Yeah. I mean, I think it's hard and there's no way I would say.

00:26:18 Andrew

I don't think there's a good way to check every box because there's a lot of different ways that your thesis can have a hole in it. And I mean, your analysis could be 100% on the mark and something unexpected in the world can happen, and then you lose money or company underperforms, even though you checked all the boxes. So I would say checking the boxes is important.

00:26:39 Andrew

But with the context that it's not going to fix everything. And if you want like my boxes, I check. We recently did an EPI.

00:26:48 Andrew

So I don't know what we called it, but I basically went through my value checklist and so that could be a.

00:26:54 Andrew

Place that.

00:26:55 Andrew



Through my experience, I found like these are the things that over time I eventually built this checklist and it can.

00:27:01 Andrew

Be.

00:27:02 Andrew

Things that you check to be like, and I think about this, that I think about that and that could be helpful.

00:27:08

Too, yeah.

00:27:09 Dave

Very, very helpful. Yeah, it was the episode we did with American Express. We were kind of working through a checklist with American Express. We just recently released it.

00:27:18 Andrew

OK. Yeah. Perfect. Yeah. Go look for that one. I guess it's search American Express. Right. Cool.

00:27:25 Dave

All right. Well, with that folks, we will go ahead and wrap up our show for today. If you have any burning questions that you would like us to answer on the air, reach out to us at newsletter at investing for beginners.com.

00:27:38 Dave

You can also send us questions to us at Spotify, or you can send us questions on the X machine. Andrew and I are both on there.

00:27:46 Dave

And I will put all those in the show notes so that you can easily find them. And with that, we will go ahead and wrap us up. You guys go out there and invest with a margin of.

00:27:54 Dave

Safety emphasis on.

00:27:56 Dave

The safety have a great week and.

00:27:58 Dave

We'll talk to you next week.

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