Answer of how are you

Hmmm, so Brenda B. wants to take over Chartman? Well, that's what he tried to do in his column. But really, isn't that always the way of these fanatics, looking to boost their position by tearing down technicians? Boy, talk about playing zero-sum games. It's like these fanatics can't win until someone else loses! Take on Chartman: Join the discussion on our message boards. No, I'm just ribbing Brenda. Honestly, I love that woman and have the utmost respect for her. And, frankly, as opponents go, there are some around which are very difficult. I mean look at this pedigree: Rhodes Scholar, Harvard Graduate, Cable Ace Award winner. Plus, he's pretty darn good. So I'm going to complete my hand to counter her argument — arguments that essentially say you can't chart mutual funds. (This was in denial of my column, which essentially argued that you can do mutual fund charts.) In fact, I further argue that you can chart anything as long as vertical, or y-axis, is surrounded by physical, emotional or psychological support and resistance. Therefore, my daughter Diana's recent chart of swim time.) Ok, so let me take Brenda's points one by one and see if I can make any progress. With a stock, you're charting the same darn company. But a mutual fund is an ever-evolving entity, Brenda wrote. His point was that managers like Leg Mason's Bill Miller could change the mix of funds at any time. He uses Miller's sale of America Online (AOL) as an example. This is a valid point, but I wonder how legitimate? Let's assume Miller sold a large chunk of his AOL holdings. Also, let's assume those holdings amount to 15% of your portfolio. So even if he sold 75% of his AOL, only about 10% of his portfolio would be affected. And that's the worst case scenario. Since AOL seems to be its biggest holding, their other positions in companies like Dell (Dell) — reports and Nextel Communications (NXTL) amounts barely go for 5%! So if he sold 75% of those, the net impact would be less than 4%. So, sure, these funds are somewhat fluid, but we don't overse the impact of changing positions. These giants are like warships, with any changes recorded like a bullet hit at the helm. Also, what did he do with AOL Income? I'm betting he sank the least part of that back in another company in the tech industry. One company that I'm betting on has pretty much the same chart characteristics as AOL. Judging from his holdings and its modus operandi, it's pretty clear that he didn't sell to buy Newmont Mining (NEM) to AOL — get the report. No, he sold AOL and probably picked up something like Microsoft (MSFT) — get the report. And to further undermine Brenda's argument, Miller's annual portfolio turnover is a measly 19%. Not only does he run a warship, but he --- it slowly so that the amount of shares that we're actually charting is that his Making turns. Remember, I never said charting a fund was as clean as charting a stock, If the Miller Fund is any indication, we could certainly be close enough. Lots of managers put up a cash cushion. This can change depending on their market outlook. Brenda wrote that a chartist can also throw a curveball. Let's see, as of June 30, Miller had 6.59% of his assets in cash. 6.59%? Surely 65.9% will create a problem, but 6.59%? If it's a curveball, it's definitely hanging right on strike zone. No, this amount of cash could fund a little faux charting, but we'll settle for 93.41% accuracy! Should you use technical analysis to try to trade money while stocking up? No, Brenda wrote. She says the reason you're not supposed to do it is that it's really hard to do well, and that it's expensive. She concludes: TA is not a shortcut. Boring and basic as it is, you have to do the fundamental thing. Let's take this one step at a time. Good is hard to do. Yes, okay. So what? Is it easy to work fundamentally on these funds? I'm betting it's not because I can chart a fund in 30 seconds, but I know I can't work fundamentally on a fund in 30 seconds! It's expensive. Yes, maybe it is. But if you had avoided some of these funds' 40% declines, those extra loads and fees become a knight compared to what you end up saving. TA is not a shortcut. You have to do the fundamental work. Well, I'm not sure we have evidence that TA is not a shortcut. In short, how do we know? Well, we don't. Brenda makes several prior arguments, and if they were strong, we might conclude that TA was useless. But I don't think so. And while he can point out that TA on wealth isn't as strong as it is on stocks, that's no different from my original controversy. But let's say I have to turn backwards, admit every thing to him and hogwash the grant using TA on that funding. So we are then left with fundamental analysis, which implies Brenda is better than TA with wealth. But how do we know that? Has there been a test? Some sort of rigorous evaluation whereby the fundamentals of a fund are matched with its results? You see, finally, I confess that TA gives you an edge — but only an edge — in analyzing both wealth and stocks. But if you're thinking you get a better edge by using the fundamentals, well, I think you're reaching a bit, Brenda. The fact is, you have neither denied my argument for using TA, nor made a strong case for using the fundamentals! The ball in your court. Gary B. Smith is a freelance writer who trades for his account from his Maryland home using technical analysis. At the time of publication, he did not hold any position in any of the securities mentioned in this column, although holdings may change at any time. Under no circumstances does the information in this column represent a recommendation to buy or sell stocks. Five technical for Smith TheStreet.com each week The columns, which include technician's take, chartered territory and TSC technical forums, writes columns. While he cannot provide investment advice or He welcomes your response to gbsmith@attglobal.net. Sometimes there are no correct answers. The only answers to the authority you have given. Or your family's answer for the right. Or the right-for-now answer for the right. There are so many decisions to take these days. Not so different from normal, except even the most basic ones – decisions we've never really made before to think about – seem impossibly difficult. Send your kids to school or homeschool? Go to church or stay home? Participating in an important family gathering or social distance? And that's just to name a few. Such decisions have never really been an issue. Going to church, or school, or maybe a wedding has always been a given. So far. And people sure don't seem shy about screaming from the rooftops — or their laptops — how they think we should all answer these questions. The truth is, however, that these questions or infinity are not the right answers of other people who find it impossible to answer. Sometimes no alternatives are good options. Sometimes opinions are loud and cause us to question our decision. Sometimes our thoughts are a vortex of confusion because we try to determine the correct answer to a question in which one does not. It's still ok to be. Cool. To tune the noise. Breathing and relaxing your mind. You don't have to worry about everyone's answer, you just have to set the answer for the right. It's true that some people may be disappointed with the decision you make—after all, no matter what you decide to do, you're never going to please everyone. But if you know that you are doing the right thing based on your circumstances - if the answers to those questions have created god-given peace in the midst of difficult circumstances - there is no need to feel guilty. There is no need to explain. There is no need to feel bad. You can walk forward in the belief knowing that you are the very best right for you or the right to make your family decisions that you can — maybe it won't be perfect, but you don't exist human and perfection. It's ok to accept what else is right for him, or choose them, or differ from those over there. We are all different. Our circumstances are all different. Our needs are all different. You can't expect that would be a perfect answer for everyone. But perhaps we can agree that there are some decisions to make difficult for everyone. In an in-depth interview, we asked Collins about the implications of his research and ideas for the economy, the stock market, and the nature of executive leadership. The great companies from Nice that you all wrote about achieved remarkable stock market results over a 15-year period. But today the stock market is declining. Does that mean we won't see any good-to-great companies today? Firstly, I want to correct a major misunderstanding. The stock market is not down. How does the stock market look relative to 1985? The stock market is not down. How does it look relative to the 1990's? The stock market is not down. The market was out irrationally Strange- we didn't have a stock market; We had a speculative casino. The tech bubble wasn't the new economy — there's a new economy that's been going on at a deeper level for years. But the brutal fact that companies that were on top of the tech bubble didn't result. You can't make zero profit and claim that you have the results. In the case of companies that had great results before the bubble bursts, they are now in a down period, but so what? The bottom line on a company like Cisco is that we don't yet know the answer. It may be that those companies are just over a very difficult 6 to 12 month period. Let me use an analogy. Let's say you have a great basketball dynasty like the UCLA Bruins under John Wooden. This is a team that is going to win 10 NCAA championships in 12 years. They're a team that went from good to great. But in 1970, they lost three games. Does this mean we're going to write them down and say they're not a great team? We have to look at it for a long time. The same is true of companies that were caught in bubbles. It was a very short time period. It's going to take more time to tell which companies that are in trouble are now just going through a transient period and the flexibility will return. But for many businessmen, the current slowdown signals the demise of the new economy. It's one of the most amazing times of history. What big complaint did we hear two or three years ago? It's so hard to get good ones! Groan, groan, groan! Today, we have the greatest opportunity we're going to snag a boatload of great people — not a boatload — for decades. And great companies always start with joe, not what. We can finally go to the right of Packard's law. Packard's Law is like the law of physics for great companies. It says no company can become great or persist if it allows its growth rate in revenue to surpass its growth in achieving the right people in a sustainable way. It is one of those timeless truths that transcend technology and economics. Now, instead of trying to deposit capital, we can deposit people. If I were to run a company today, I would have a priority above all the others: to get as many of the best people as I could. I had stopped everything if I could afford it - buildings, new projects, research and development - to fill my bus. Because things are going to come back. My flywheel is going to start turning. And the single biggest obstacle on growth and the success of my organization is not the market, technology is not, not opportunity, not the stock market. If you want to be a great company, the single biggest limit on your ability to grow is the ability to be enough and hang on to the right ones. It's also a great time to force myself to look back. When you were breaking Packard's law, you probably let a lot of the wrong people in the bus. This is a good time to unload them. In fact, it's a little easier to do Now. We can blame it on the circumstances. What else will you do to capitalise on this period of revaluation? It's also a great time to ask yourself some really tough questions. At a time of irrational prosperity, where the market would give you money whether you gave up or not, a lot of companies did not answer any of the questions in three circles (what could we be the best in the world? What is the economic denominator that runs best to our economic engine? And what are our native peoples deeply passionate about?). They had no concept of what they could do better than any other company in the world that was sustainable, they had no profit denominator, and the only thing they had passion was flipping the company for. We can no longer live in that imaginary country. We've got to take a hard look at all the things we're doing and put them all up for the three-circle test. Anything that fails the test, we have to stop doing it today. I see lots of companies that found themselves with lots of capital. So they acquired or wandered into all sorts of new ventures or new directions, just because they could. But they didn't necessarily fit within three circles. Today, the task is for them to weed away. Those who clarify their three circles will come out of this just fine. That are not worth dying. CEOs today find themselves with little time to prove their worth. What advice would you give to a CEO on the hot seat? If I were a CEO on the hot seat to take over a company that I wanted to move from good to great, here's what I'd do. I'd take that good to great stock chart, and I'd put it before my directors. I would say, we are on the left side of this curve. We want to be on the right side of the curve. towards the right? If that's what we all want, we know what it's going to take to get it. You can't keep secret from CEO to CEO. If you do that, you'll find yourself in the Doom Loop — and then we'll end up as one of the comparison companies, not one of the great companies. I don't think all directors are stupid. Most of them are intelligent, but they are acting out of ignorance rather than lacking good intentions. We need to hit them on the head with empirical results. Our task is to beat the market in a sustainable way over time. We need to think about the share price over a five-year period. And we need to start doing all the things it will take to get that flywheel turn. Finally, if I'm CEO, I want the board to assure me the following: Although long or short may be my tenure as CEO, whoever you take as my successor needs to take that flywheel into the term and keep pushing in a consistent direction. I can only get the flywheel bend at 16 rpm. But my successor has to take it to 100 rpm. His successor has to take it to 500 rpm and his successor to 1,0 rpm. It's not about me as CEO — it's about a commitment to a coherent program. We're not going to loop an apocalypse. Who took his companies from good to great Largely anonymous — a far cry from the celebrity CEOs we read about. Is it an accident? Or is it cause and effect? I believe this is more a matter of cause and effect than an accident. There's something directly related between the absence of celebrity and the presence of great results from nice. why? First, when you have a celebrity, the company turns into a genius with 1,0 assistants. It creates a sense that the whole thing is really about the CEO. And that leads to all sorts of problems — if the person goes away or if the person turns out to be a genius after all. On a deeper level, we found that for politicians to make something great, their ambition should be for the greatness of work and company rather than for themselves. This does not mean that they do not have arrogance. This does not mean that they have no self-requirement. This means that at decision point after decision point — at critical juncture when option A will favor his ego and choice B company and its work — time and again those politicians pick Choice B celebrity CEOs, at those same decision points, are more likely to favor the company and self and ego at work. Like anonymous CEOs, most companies that made changes from nice to great are unheraded. What does that tell us? The truth is that most people are not working in the most glamorous things in the world. They're doing real work — meaning that most of the time they're a heck of a lot of labor with only a few points of excitement. Some people are putting out baked bread. Some are building retail stores. The real work of the economy is done by those who make cars, who sell real estate, who run grocery stores and banks. So one of the great findings of this study is that you could be in a great company and could do it in steel, in chemists, in grocery stores. It's just not the case that if you're not in Silicon Valley, you're not cool. It doesn't matter where you are. So no one has the right to groan their company, their industry, or the kind of business they're in — ever again. Did 11 companies benefit from their anonymity to transformation? Great advantage that was one of these companies, no one cares! Kroger began his transition; Newcore began its transition; Nobody was expecting much. They could have produced less and overdyled. In fact, if I were taking on a company and trying to go from good to great to it, I would tell my vice president of communications that his job would be to make the whole world think we were constantly on the edge of doom. During our study, we printed out tapes of CEO presentations from really good to analysts by great companies and comparison companies. We read all of them. And it's striking. The best great people always talk about the challenges they're facing, the programs they're building, the things they're worried about. You go to comparison companies, they're Hyping themselves up, they're selling the future — but they're never delivering results. If I'm not a CEO, how good are the great lessons to apply to me? Well-to-great concepts apply to any situation – as long as you can choose people around you. That is the important thing. But basically, we really do – we have a lot of discretion on people in our lives, the people we decide to go to our bus, whether it's in our department at work or in our personal lives. But the basic message is this: Make your own flywheel. You can do it. You can start building momentum in something you have responsibility for. You can build a great department. You can build a great church community. You can take each one of the best ideas and apply them to your work or your life. What did your study teach you about business changes in general? Is it basically a message to go back to the basics? Very rarely do significant changes ever lead to results in a sustainable way. This is one of the book's really important findings. We started with 1,435 companies. And 11 companies did so. Let's just look at that fact for a moment. The fact is, it doesn't happen very often. Why not? Because we don't know what we're doing the heck! And because we don't know what we're doing, we start in all sorts of things that don't produce results. We end up like a bunch of primitive dancing around chanting dera fire on the moon. What I strongly feel is that we need some science to understand what it really takes to change things. Is it the basics back? No, it's next to understand. Why is it coming back to the basics that CEOs need to be ambitious for their companies and not for themselves? Why is it back to the basics who and people first question and what and where the question second? Ever since it's back to the basics for a company to start with a question like, why have we sucked for 100 years, and what cruel fact do we have to face? Why is it back to the basics that are more important than the list to stop list? And since it's back to basics to say that technology isn't merely an accelerator and a manufacturer of something? I don't think those concepts are back to the basics. Because if they are, we have to go back in time and know that people should be able to use those ideas. People were not - which is why there are only 11 out of 1,435. So, no, it's not back to the basics. It's next to understand. What is your assessment of the new economy? We have seen a lot of changes, and we have seen a lot of backlash against change. How do you understand it all out? The tremendous changes that are taking place around us make it the most exciting time in history and get alive. It's really fun. All these changes – changes in technology, globalization – they There are facts which should be integrated into the decisions we have made. People in Walgreens didn't ignore the Internet because they were focused solely on the basics. They The cruel fact of the Internet and then asked, how does it fit into our three circles, and how can we use it to rapidly spin our flywheel? You never ignore the changes- you hit them on the head as cruel facts, or you come to them with a great sense of glee and excitement. This change, this new technology opens up a way for you to prevail, as a company get even better. All of the great companies from nice took changes and used them to their advantage, often with great glee. When the new piano came along, Mozart didn't hang up his music. He said no, these are new pianos! The harpsichord is out of the way, so I'm washed up as a musician! He thought, it's great! I can make it louder with piano forte! It's really neat! He kept the discipline of writing great music and, at the same time, embraced with great glee and enthusiasm the invention of the piano. With all the changes around us, we just need to be like Mozart. We maintain a great discipline about our music, but at the same time, we embrace things that can allow us to make even greater music. Alan M. Weber (awebber@fastcompany.com) is the founding editor of A Fast Company. Jim Collins (jimcollins@aol.com) wrote the essay created to rapidly flip into the company's March 2000 issue. Good to his new book, Great: Why Make Some Companies Leap.. | And not others, will be available in October. October.