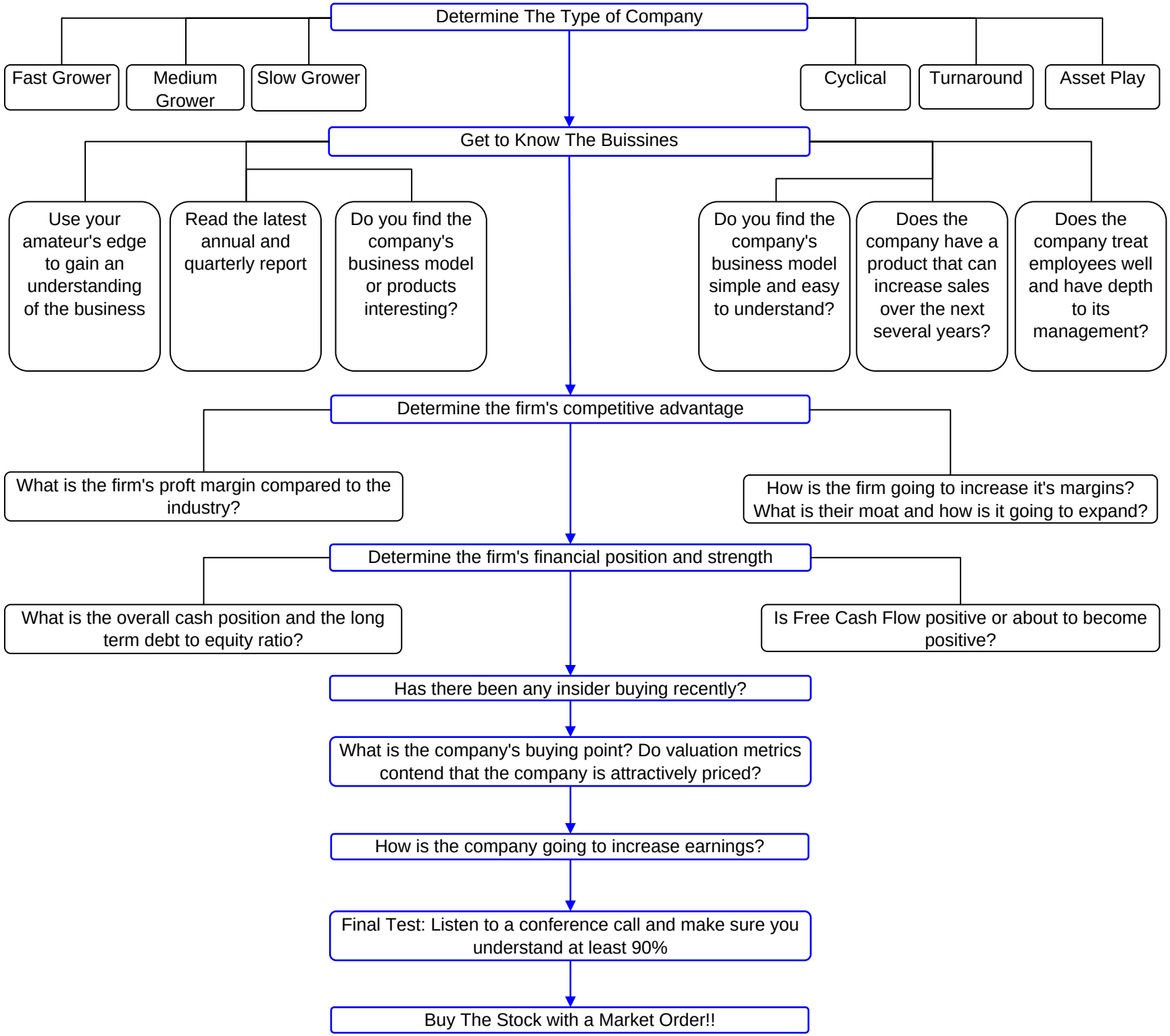
Determine The Type of Company
Fast Grower
Medium Grower
Slow Grower
Cyclical
Turnaround
Asset Play
Get to Know The Buissines
Use your amateur's edge to gain an understanding of the business
Read the latest annual and quarterly report
Do you find the company's business model or products interesting?
Do you find the company's business model simple and easy to understand?
Does the company have a product that can increase sales over the next several years?
Does the company treat employees well and have depth to its management?
Determine the firm's competitive advantage
What is the firm's proft margin compared to the industry?
How is the firm going to increase it's margins? What is their moat and how is it going to expand?
Determine the firm's financial position and strength
What is the overall cash position and the long term debt to equity ratio?
Is Free Cash Flow positive or about to become positive?
Has there been any insider buying recently?
What is the company's buying point? Do valuation metrics contend that the company is attractively priced?
How is the company going to increase earnings?
Final Test: Listen to a conference call and make sure you understand at least 90%
Buy The Stock with a Market Order!!