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Drinking from Fire Hose



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Workshop Flow

1. Assess where you are...
2. Create a pathway to your destination...




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“Do I Need to Improve P, S or E?”

It looks like this...

Behaviors	Never	Rarely	Sometimes	Frequently	Always	
1. Accurately estimate how long tasks will take						1
2. Create an orderly workspace						2
3. Automate, delegate, or avoid low-value activities						3
4. Effectively handle interruptions						4
5. Exercise less frequently than I would like						5

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Areas for Time-Management Self-Assessment



Prioritization




Scheduling



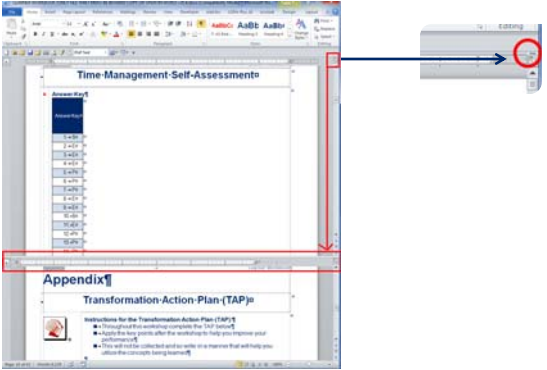
Efficiency

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Score "Prioritization, Scheduling and Efficiency" Exercise



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Complete Your TAP

Section 1

Transformation Action Plan (TAP)



Instructions for the Transformation Action Plan (TAP):

- Throughout this workshop complete the TAP below
- Apply the key points after the workshop to help you improve your performance
- This will not be collected and so write in a manner that will help you utilize the concepts being learned

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Based on Our Observations, Poor Stock Picking Performance Is...



- Usually not due to:
 - Lack of motivation
 - Lack of intelligence
- Often the result of:
 - Ineffective time allocation

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Time Management Is Your Primary Weapon

- The 3 elements that can make a great analyst:
 - Superior intelligence
 - Superior firm resources
 - Superior work skills
- Which can you control?



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What Would 10% More Time Mean to You?

At least 5 extra hours per week could be used for...

- Better identifying the critical factors most likely to move a stock
- Calling information sources about a critical factor
- Conveying your insights to those colleagues you need to influence



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Most analysts play *defense*...



...while the best play *offense*


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A goalie may play an important role but will rarely score




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Buried in the Watch Tower



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Great Analysts Play Offense




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Exercise: Working Offensively vs. Defensively Case Study


Amit Lucas




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Prioritization



Scheduling



Efficiency

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Challenge to Balance

Likelihood activity will help achieve goal = Time dedicated to activity



Potential Payoff



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DEEM™ to Prioritize Your Time

- D** • Step 1: **D**efine and prioritize professional goals and tactics (Parts A & B online)
- E** • Step 2: **E**stimate current (or prior) time spent on daily activities (Part C online)
- E** • Step 3: **E**valuate time spent on daily activities vs. the goals and tactics they support
- M** • Step 4: **M**odify time usage when activities are not aligned with goals and tactics


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Time Used On Any Activity Should Balance with the Goals It Achieves



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Activities that maximize client votes deserve the most time and attention



- Produce research that clients find of value
- Communicate your out-of-consensus ideas:
 - Phone
 - Blast voicemail
 - Reports
 - Visit clients
- Coordinate client trips to visit companies and industry sources

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Primary Goals

Generate Alpha or Help Clients Generate Alpha



Get Recognized for Your Efforts



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Step 1A: Define and Prioritize Professional Goals and Tactics

- D** • Step 1: Define and prioritize professional goals and tactics (Parts A & B online)
- E** • Step 2: Estimate time spent on daily activities (Part C online)
- E** • Step 3: Evaluate time spent on daily activities vs. the goals and tactics they support
- M** • Step 4: Modify time usage when activities are not aligned with goals and tactics



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Step 1B: Define and Prioritize Professional Goals and Tactics

- D** • Step 1: Define and prioritize professional goals and tactics (Parts A & B online)
- E** • Step 2: Estimate time spent on daily activities (Part C online)
- E** • Step 3: Evaluate time spent on daily activities vs. the goals and tactics they support
- M** • Step 4: Modify time usage when activities are not aligned with goals and tactics

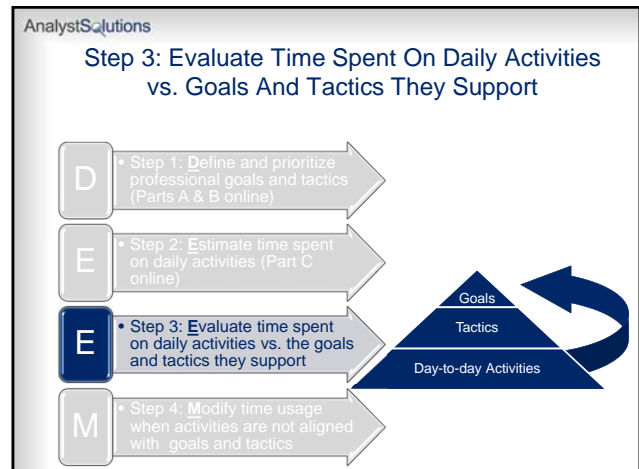
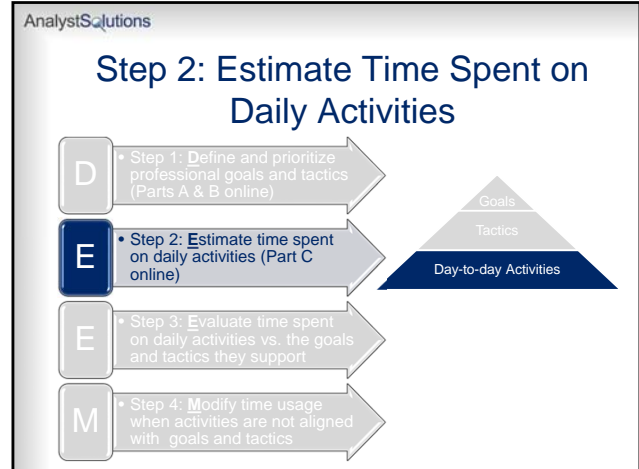


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Part B, Item A

Part B: Are Your Activities Aligned with Your Tactics?

	Tactic Category	Your Initial Ranking (Item "A")	Item "B"
1. Distill macro, industry and company information to identify the most important critical factors for my assigned stocks	GI: Generate insights more accurate than consensus	10	
2. Build/contact network of informed/accurate information sources to identify/validate my out-of-consensus views for my critical factors	GI: Generate insights more accurate than consensus	10	
3. Generate a financial forecast(s) more accurate than consensus by using unique insights not held by consensus	FA: Forecast accurately	10	
4. Apply the most appropriate valuation method(s) and multiple(s) to create a price target(s) more accurate than consensus	VA: Value (stocks) accurately	9	



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Part B: Item B & “Activity Score”

Part B: Are Your Activities Aligned with Your Tactics?

	Tactic Category	Your Initial Ranking (Item “A”)	Ranking Based on Prioritizing Your Activities in the Recent Past (Item “B”)	Activity Score: Ratio of Item B divided by Item A
1. Distill macro, industry and company information to identify the most important critical factors for my assigned stocks	GI: Generate insights more accurate than consensus	10	6.5	65.5%
2. Build/contact network of informed/accurate information sources to identify/validate my out-of-consensus views for my critical factors	GI: Generate insights more accurate than consensus	10	6.5	65.5%
3. Generate a financial forecast(s) more accurate than consensus by using unique insights not held by consensus	FA: Forecast accurately	10	5.3	52.5%
4. Apply the most appropriate valuation method(s) and multiple(s) to create a price target(s) more accurate than consensus	VA: Value (stocks) accurately	9	8.5	94.4%

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“WOT?” or “Value Add?”


- At the request of others, participating in activities that do not support my professional tactics
- Fine tuning my financial forecasts based on new public information
- Initiating non-work activities during business hours (e.g. looking up sports scores, personal discussion conversation, etc.)
- Participating in widely-publicized conference calls/meetings/field trips arranged by others (e.g. quarterly conference calls)
- Reading company regulatory filings/press releases to get a general understanding of the company and its performance
- Reviewing emails and voicemails coming from anyone who is not one of my trusted information sources
- Reviewing news or other widely disseminated, publicly-available data

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Do You Need to Reprioritize?

Review column “Future Priority Minus Past Priority”

- Positive scores are those that you want to increase
- Where will you find the time?
- Negative scores are those you want to reduce



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Part C

Part C: Do You Need to Re-Prioritize How You Spend Your Professional Time?

Activity	Tactic Category	Past Priority	Future Priority	Future Priority Minus Past Priority
1. Validating my out-of-consensus financial forecasts with informed non-biased information sources	FA	3	7	4
2. Conducting scenario analysis to stress-test my financial forecasts	FA	2	6	4
3. Meeting privately one-on-one with company management	GI	3	7	4
4. Reviewing my investment thesis with a				
32. Reading publicly-available information, seeking specific insights that pertain to a critical factor that is not understood by consensus	GI	9	7	-2
33. Accepting an inbound call/meeting from a sell-side analyst who has NOT helped in generating alpha in the past	WOT	9	7	-2
34. Reviewing emails and voicemails coming from anyone who is not one of my trusted information sources	WOT	6	3	-3
35. Reading sell-side research in response to something that did not change consensus expectations for one of the companies in my universe	WOT	9	6	-3



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Activities that generate alpha deserve the most time and attention

- Read industry journals, websites and blogs for new information sources
- Make outgoing calls to info sources
- Analyze data in unique manner
- Forecast financials based on proprietary insights
- Scan regulatory filings just for issues that impact critical factors
- Buy-side: contact sell-side for updates regarding critical factors

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EPIC™ Stock Calls Require Critical Factors Meet All Four Criteria

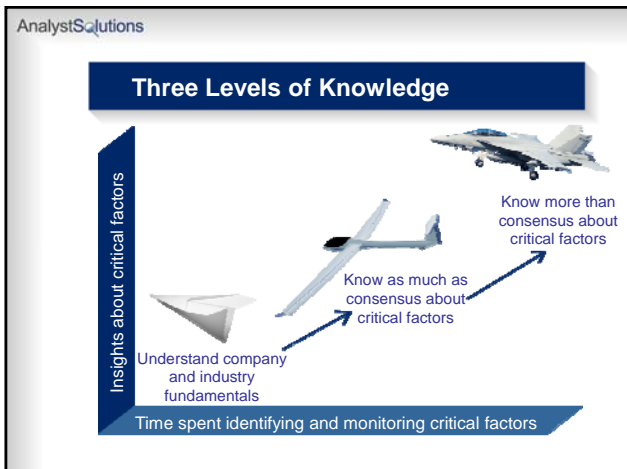
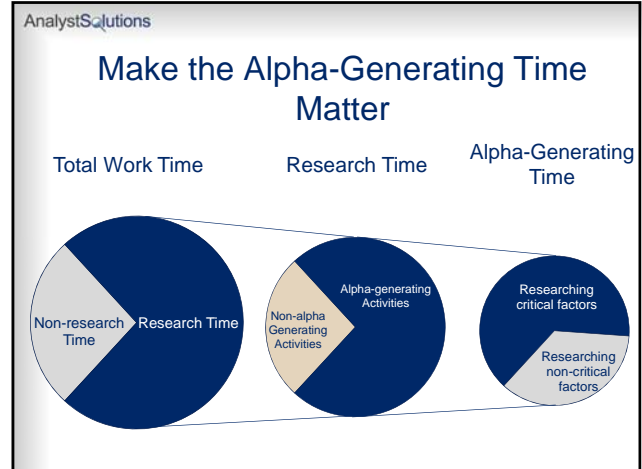
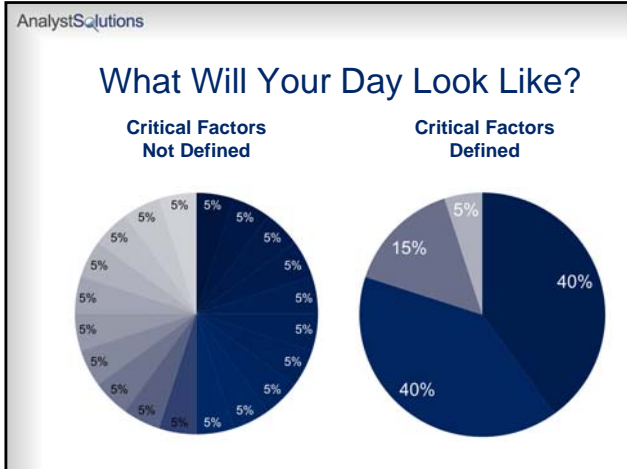
Exceeds my materiality threshold

Probably going to occur during my time horizon

Critical Factor

I'm good at forecasting factor and catalyst

Consensus is poor at forecasting or spotting factor



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Can You Tell if You're Aligned?

Perfect alignment

Goals, tactics and activities not aligned

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Prioritization Is About...

...Starting

...Stopping

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"Wall of Worry"

Procrastination may be eliminated by confronting negative, often unobserved beliefs
-- *Learned Optimism* by Martin Seligman

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Complete Your TAP

Section 2

Transformation Action Plan (TAP)

Instructions for the Transformation Action Plan (TAP):

- Throughout this workshop complete the TAP below
- Circle the letter inside after the workshop to indicate your progress

D

Step 1: Define and prioritize professional goals and tactics (Parts A & B online)

E

Step 2: Estimate time spent on daily activities (Part C online)


E

Step 3: Evaluate time spent on daily activities vs. the goals and tactics they support


M

Step 4: Modify time usage when activities are not aligned with goals and tactics


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Prioritization




Scheduling



Efficiency

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Every choice
is a trade-
off...



...and you
ultimately
determine
where the
sand falls

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Analyst Solutions Time Management Matrix

		Generates Differentiated Insights Useful for Stock Picking	
		LOW	HIGH
Initiating vs. Responding	You INITIATE (Offense)	"Enabler" for Alpha Read portions of regulatory filing that pertain to critical factors and their catalysts	Generate Alpha Make 10 outgoing calls in one day to discuss assumptions for critical factors with proprietary sources of information
	You RESPOND (Defense)	IR contact from company you don't cover calls to tell you about an issue that has no importance to your assigned coverage Waste of Time?	Accept a last-minute one-on-one with management at investor conference Surprise Find

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Implement Best Practices for Scheduling: Planning

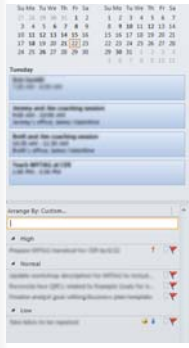
**Schedule 10-15 minutes
each week for planning:**

1. Review & block out time for appointments that lead to alpha generation
2. Reflect on this: "What unique insights were found this past week?"
3. If not many, block out time in calendar as "proactive research time"



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Implement Best Practices for Scheduling: To-Do Lists



- Record to-do items in one reliable location (never keep more than one to-do list)
 - Accessible 24x7 from any location
 - Syncs between smart phone, work and home computing devices (e.g. Outlook's tasks, Google's tasks, Apple's reminders)
- Find a format that works for you and that allows for flexibility (Getting Things Done, "GTD" and FranklinCovey have two of the more highly-rated options)
- Prioritize tasks to ensure important ones get done first
- Break down large tasks into pieces
- Schedule for long term and short term
- Overestimate how long tasks will take
- Avoid over-booking to allow for interruptions and unexpected urgencies
- Build in breaks for yourself
- Be ready to "let it go" if necessary; not all days will go according to plan

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Implement Best Practices for Scheduling: Saying "No"



Say "No" (politely) when:

- Meetings are ineffective or unnecessary
- New projects are misaligned with goals or resources
- Tasks are a waste of time; look for alternative actions
- You are not the right person for the task
- You need to focus

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Best Practices for Scheduling

Quick Reference Card (QRC)

Best Practices for Scheduling

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Leverage Your Travel Time



- Once you understand your companies, attend only the portion(s) of events likely to help identify or understand the critical factors
- Leverage time on a trip by accomplishing more than one goal
- Commuting and travel time can comprise 20% of the work week
 - Leverage technology and plan ahead to use time out of the office wisely
 - Do more than just read the financial press

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Evaluate Your Professional Calendar Exercise



Activity: Generate Differentiated Insights Useful for Stock Picking

	LOW	HIGH
Initiating vs. Responding	"Enabler" for Alpha	Generate Alpha
YOU INITIATE (Offense)		
YOU RESPOND (Defense)		
Weeks of Time?		Surprise Find

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Block out time for value-added research




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Complete Your TAP

Section 3


Transformation Action Plan (TAP)




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Prioritization



Scheduling



Efficiency

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Interruptions Self-Assessment

It looks like this...

Distraction Behaviors	Letter	Rarely	To some extent	For the most part	To a great extent
When handling interruptions, I...					
1. Specify a time to get back to the interrupter					
2. Remove myself from the distracting environment					
3. Notify others when I cannot be disturbed					

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Score and Debrief Interruptions Self-Assessment



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The Dark Side of Interruptions

- 2.1 hours per day
- Error rates double
- 25-40 minutes to regain focus



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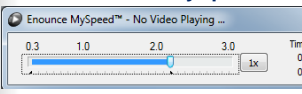
QRC, Best Practices for Preventing and Minimizing Disruptions

Quick Reference Card (QRC)

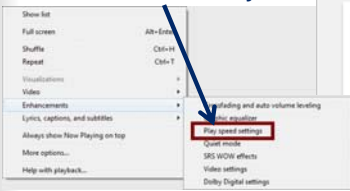
Best Practices for Preventing and Minimizing Disruptions

Double Your Speed

Enounce MySpeed **Chrome Video Speed Controller**

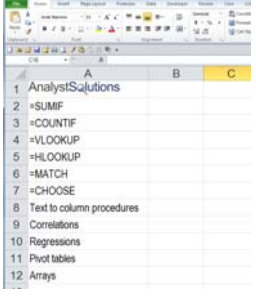



Windows Media Player

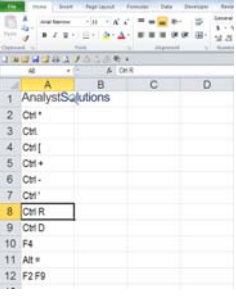


Master Excel

42 Key Features **Useful Keyboard Shortcuts**



1	AnalystSolutions		
2	=SUMIF		
3	=COUNTIF		
4	=VLOOKUP		
5	=HLOOKUP		
6	=MATCH		
7	=CHOOSE		
8	Text to column procedures		
9	Correlations		
10	Regressions		
11	Pivot tables		
12	Arrays		




1	AnalystSolutions		
2	CH*		
3	CH[
4	CH[
5	CH+		
6	CH-		
7	CH!		
8	CH R		
9	CH D		
10	F4		
11	Alt=		
12	F2 F9		

QRC, Best Practices for E-mail Productivity

Quick Reference Card (QRC)
Best Practices for E-mail Productivity

Parkinson's Law



...by setting time limits

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QRC: Best Practices for
Setting Time Limits

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Best Practices for Setting Time Limits

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Complete Your TAP
Section 4

Transformation Action Plan (TAP)

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**BEST PRACTICES FOR AUTOMATING,
DELEGATING, AND OUTSOURCING**

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**Automate, Delegate or Outsource
Exercise**

It looks like this...

 Instructions for the "Automate, Delegate, or Outsource Low-Valued Activities" Exercise:

- For each of the activities below, decide whether to:
 - Delegate
 - Automate
 - Outsource, or
 - Complete on your own
- Assume that you have resources to help you with these activities, such as a capable internal associate who understands finance or an outside vendor who is capable of completing basic financial analysis.
- Place a check mark in the box that represents the best course of action.

Activity	Delegate	Automate	Outsource	Self
Update earnings model within 10 minutes of a company reporting earnings				
Update the balance sheet in an earnings model with information only available from the quarterly regulatory filings				

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QRC: Assessing When to Automate,
Delegate or Outsource

Quick Reference Card (QRC)
Assessing When to Automate, Delegate, or Outsource

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QRC: Best Practices for Delegating

Quick Reference Card (QRC)
Best Practices for Delegating

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Complete Your TAP
Section 5

Transformation Action Plan (TAP)

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REINFORCE BEST PRACTICES

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Do We Deliver On Our Commitments?

<p>What We Tell Our Clients...</p> <ul style="list-style-type: none"> • "We like to say that investment research is in our DNA" • "Research is not simply a priority for us, it is part of what defines us and distinguishes our firm" • "The investment team uses a bottom-up research process to identify companies that, among other things, sell at a discount to their intrinsic value" 	<p>What Analysts Tell Me...</p> <ul style="list-style-type: none"> • "I cover too many stocks to come up with anything new" • "There are too many demands on my time to come up with unique insights" • "I'm spending too much time marketing to clients to do decent research"
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Breadth and depth of your universe matters

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Avoid Burnout

<p>Endurance & success...</p> 	<p>...or burn-out?</p> 
--	---

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Are You Throwing Away Money?

- Wasting just 30 minutes of a typical 10-hour day, amounts to a loss of \$5,000 per year for every \$100K of annual income
- What would you do with an extra \$5,000 a year?


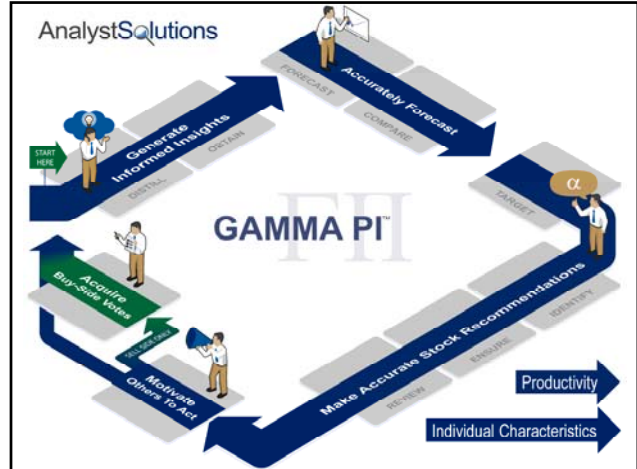


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What Are You Going to Do With Your Extra Time?

At least 5 extra hours per week could be used for...

- Better identifying the critical factors most likely to move a stock
- Calling information sources about a critical factor
- Conveying your insights to those colleagues you need to influence

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Follow through by continually practicing these three steps...



Train to Retain



Employ an Action Plan



Reinforce Knowledge



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QRC: Best Practices for Time Management

Quick Reference Card (QRC)

Best Practices for Time Management

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FranklinCovey's Best Practices




Plan Daily

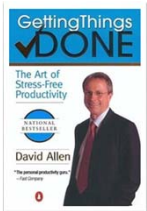

Plan Weekly

Set Goals

Identify Values

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David Allen's Best Practices


Collect **Process** **Organize** **Review** **Do**

Review this helpful article for a comparison of FranklinCovey and Getting Things Done: "Get a Life by Paul Keegan" (*Fortune Magazine*, September 2008)


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Recap


- Develop strategies for:
 - Prioritizing
 - Scheduling
 - Working Efficiently
- DEEM™ to Prioritize:
 - Alpha-generating on top
 - Drop low-valued activities
- Set time limits
- Plan your week in advance
- Proactively reduce interruptions
- Delegate, automate, or outsource low-value activities
- And most importantly...



Prioritization



Scheduling




Efficiency


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Change the Way You Play the Game

Defense



Offense



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Maximizing Your Time for Alpha Generation Creates More Resources Than Your Competitors



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Our Tools



Workshops



One-on-one coaching



Assessments



Consulting



Keynote/offsite presentations

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Workshops that Address Universal Analyst Needs

- CRITICAL FACTORS** Identify & Monitor a Stock's Critical Factors
-  Generate Differentiated Insights Through Better Discovery, Questioning and Influencing
-  Apply Practical Valuation Techniques For More Accurate Price Targets
-  Master the Stock Call Techniques of Highly Experienced Analysts
-  Communicate Unique Stock Calls Successfully So Others Take Action
-  Maximize Your Time for Alpha Generation

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Best Practices Bulletins

10 Steps for Equity Research Analysts to Perform Better



According to Reuters, one of its sister companies, Lipper, finds that roughly 65% of active large-cap stock funds are lagging their benchmarks year-to-date through late November. Investors are voting with their feet as shown by the \$205 billion of inflows into ETFs through the first 10 months of 2014 vs. only \$36 billion for the...

Portfolio Managers' #1 Frustration With Equity Research Analysts



While I was studying the Japanese language during college, I initially didn't take notice that the word "chigau" (違う) is used to convey both "different" and "wrong." But after moving to Tokyo and learning the importance of conforming to the group, I developed a newfound appreciation for why these two English words require only one...

[Read the Entire Bulletin >](#)

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Questions and Feedback



Info@AnalystSolutions.com

CE Qualified Activity  CFA Institute