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Gorilla Investing

GG

I agree with you completely. If management does not have the smarts, intellectual property quickly turns to garbage. Examples abound: Xerox missed the GUI game they invented at PARC. I firmly believe that Microsoft's success depends more on Bill's smarts than on anything else. Likewise for GE, it was Jack Welsh; for Dell, it was Michael Dell; for WalMart, it was Sam Walton; for the old IBM, it was both Tom Watsons.

That said and acknowledged and never forgotten (it led me to sell Terayon and Broadcom), the concept of the "value chain" is very powerful. While I was an IBM salesman it worked in my favor: "You cannot lose your job if you buy IBM." While I was an NCR salesman it worked against me: "You cannot lose your job if you buy IBM."

The third point to keep in mind is that you must not jump in too early. You have to give management time to prove itself, you have to give them time to build, or at least start, the "value chain."

If you keep these ideas in mind, the hunt for gorillas can be very profitable. If you don't play the game right, you'll be a loser like anybody who plays the right game with the wrong strategy and tactics.

Last but not least, I have stressed that The Gorilla Game is an excellent companion to the GTR. There are 8 or 10 thousand stocks out there and most of us, and I include myself, are not smart enough or have time enough, to sift through the noise to find the signal. The GTR does an absolutely superb job of getting rid of 99% of the noise. The Telecosm paradigm identifies, at this time, 28 potential Telecosm winners. By doing due diligence, the GTR readers can add a few more to the list and you have been kind enough to ratify some of our picks as worthy of inclusion in the list. This expanded list is where we should hunt for gorillas. You will have to admit that it is very difficult to make costly mistakes by following this rule. And it is highly likely that if we tilt our holding toward gorillas and away from technologically able chimps, monkeys, princes and serfs, the yield of the portfolio should be enhanced.

Denny