

ADVFN Guide: 101 Ways to Pick Stock Market Winners

by Clem Chambers

Sample Tip: Call Up the Financial Director

Don't be intimidated by someone with a grand title like FD or CFO - rest assured the FD of a PLC puts his underpants on one leg at a time like everyone else.

Frankly if he won't take your call, especially if it's the CFO of a small company, it's a bad sign in itself. The FD is not a busy man, or rather if he is he must be having trouble. He may not want to talk to you; that's another matter. If he doesn't want to talk to you, you shouldn't buy his stock.

There are no paparazzi outside his front door and if he's any good at his job he'll have time on his hands. He is just like you, he answers calls he wants and doesn't answer calls he doesn't want to take. If he doesn't want to take a quick shareholder's call, there is a problem with the business.

If he takes your call, that's a thumbs up immediately. If he's on holiday, that's a bad sign. Some company directors seem to be constantly on holiday; this shouldn't fill you with confidence.

OK, so the FD of Vodafone may be busy but most small company CFOs should be reachable. When you get through, ask a few questions and gauge whether you'd buy a used car from him. If you would, then that's a fair sign the company is in good hands.

Now you could apply this rule to the CEO. He is the top guy after all. However, don't waste your breath. The CEO is likely to be a first-class salesman. He could sell you London Bridge if he wanted to. CEOs get to the top job by charming the birds out of the trees. You will likely fall under the spell as much as anyone else.

The FD, on the other hand, is a number crunching nerd. He can sell you a pup with numbers, but magic with words is not his strong suit.

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